

Letter from America —

‘Dear Sister...’ from the AEA to the RES

Angus Deaton has just completed a term as President of the American Economic Association. In his latest letter, he reflects on recent developments within the AEA.

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To a younger sister:

Although I have written this letter to the Royal Economic Society for 14 years, I have never written about the RES’s older sibling, the American Economic Association, whose organization in 1885, in Saratoga, New York, predates the Royal Economic Society’s founding, as the British Economic Association, in 1890. The *Economic Journal* started publication in 1891, twenty years before the first issue of the *American Economic Review*, whose centenary volume is this year. The first issue of the *Economic Journal* starts with a statement of purpose by the Editor, Edgeworth, proclaiming that the ‘difficulties of Socialism will be dealt with in the first number, and the difficulties of Individualism in the second.’ The issue continues with an account of the founding meeting, attended by (among others) Cannan, Edgeworth, Giffen, John Neville Keynes, Professor and Mrs Alfred Marshall, and George Bernard Shaw. The first issue of the *American Economic Review* leads with a paper on irrigation by Katharine Coman of Wellesley College, who lived in ‘a Boston marriage’ with Katharine Lee Bates, a Wellesley colleague and songwriter, best remembered as the author of ‘America the Beautiful’, one of America’s best loved anthems. The AEA effectively began publishing in 1886, with its *Publications of the American Economic Association*, the first issue of which also contains an account (written by Richard Ely) of its founding and its platform which, bolder than the British equivalent, declares in its first item that ‘the doctrine of laissez-faire is unsafe in politics and unsound in morals’. Early supporters included John Bates Clark, Woodrow Wilson, and (Union Army) General (from age 24) Francis Walker, who was to be the inaugural President of the AEA, as well as Director of the Census, President of MIT, and President of the American Statistical

Association (and a fierce opponent of the US accepting more of what he perceived as low-quality immigrants.)

A century and a quarter later, the AEA is changing. For many years there has been agitation to start new journals, which for equally many years was resisted on the grounds that this was an activity that the market could do perfectly well for itself. As many have discovered, it is difficult to start new journals, to promise something close to marginal cost pricing, to guarantee permanence of funding, so that libraries will subscribe and good editors will sign on, and in these areas, a well established, soundly run professional organization with financial reserves has a decisive advantage. There was also profound dissatisfaction with the current provision of economics journals. Two of the AEA’s three pre-existing journals, the *Journal of Economic Perspectives*, and the *Journal of Economic Literature*, do not accept submissions in the usual way, and are often perceived as closed to outsiders. Two of the top general interest journals in economics are ‘house’ journals, whose editors are not accountable to the profession, and many important field journals charge high prices, so that universities pay researchers to write papers and then pay again after their employees have signed away the copyright to a profit-making publisher. Several universities, as well as the National Institutes of Health, have started schemes to short-circuit this holdup — making their own freely accessible archives — but the problem is far from solved. The AEA decided to start four new journals, more specialized than general interest journals, but each including multiple fields, and all are now up and running. They attracted outstanding editors, they are all open to submissions, and they encourage debate and discussion, through on line comment, but also by publishing a limited number of papers with discussion and comment, a feature that has almost vanished in economics. I suspect that some of the divisions in eco-

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nomics, and the failure to debate foundational issues, are made worse by journals' failure to host such debates, driving the divisions into the private and increasingly acrimonious world of anonymous referees' reports. The first issues of the four *American Economic Journals* are lively and interesting, full of high quality work, and they have already developed a reputation for fast turnaround. A paper of my own came back from one editor after 75 days with two substantial reports and editorial comments, together with a deeply shamed apology for delay; the data support the editor's claim that this paper was 'quite ancient' by *AEJ* standards.

Another aspect of AEA activity that is relevant to economists outside the US is its annual meetings, or rather the ASSA meetings in early January each year. It is not entirely clear whether the ASSA is any more than a description of what happens, which is a meeting of Social Science Associations who 'ally' for a few days. There are indeed 50 or so societies that meet together with the AEA—from the Econometric Society and the American Finance Association to the Union of Radical Political Economics (URPE), the Health Economics Research Organization (HERO), and the Association of Christian Economists (ACE) — and the agglomeration economies have made the meetings increasingly popular. The job market, which brings the largest number of attendees, used to be largely for American economists, but increasingly serves economists around the world, and over time the allied societies, many of whom ran their own job markets at their own separate meetings, have switched them to the ASSA meetings. All of this has led to a seemingly inexorable climb in numbers and the bigger the attendance, the greater is the incentive for others to join. More than 10,829 people paid the registration fee in San Francisco in 2009, and although the numbers in Atlanta were lower, about 9,600, Atlanta is not a popular site, and numbers were several thousand higher than the 7,236 at the last Atlanta meeting in 2002. The meetings allow people to participate in the job market, to network with friends, to attend or participate in some sessions, often organized by several different societies, and to attend business meetings. There are many high-profile sessions: Ben Bernanke spoke in Atlanta, there were memorial tributes to Paul Samuelson, Clive Granger and Art Goldberger, and there was a (usually annual) lunch honoring the most recent American Nobel Laureates. A selection from these and other sessions are videotaped and made available to members on the AEA's website, part of the drive to bring more services to members when journals are freely available to most economists through their universities. Another such effort is the provision, in the last two years, of intense continuing education courses immediately after the meetings.

The pressure of numbers, if it continues, will eventually cause difficulties. As of now, there are less than a dozen American cities capable of accommodating the meet-

ings. Many more have conference centers, but the hotels are too far away to allow people to participate in both the job market — whose interviews take place in hotel suites—and academic sessions — which take place in conference rooms. Washington, DC, is only feasible because the AEA 'buys' the entire Metro system for an early opening on meeting weekends; it is surprisingly cheap, because the AEA keeps the extra takings. The 2011 meetings, in Denver, may turn out not to have enough space, and people who turned up at the last minute in Atlanta this year had to sleep on sofas. Amazingly, cities contract with the AEA, up to seven years ahead, guaranteeing room rates in nominal dollars, typically at rates of around \$100; in two of the last three years, the host cities, presented with better-paying alternative clients — football spectators, or a technology convention — have tried to pay the AEA to go away, or at least to give up some rooms. Clearly, the ASSA, whatever it is, is under pressure, and may have to reshape itself in the years ahead. But in spite of the threat from the internet to all professional societies who rely on publishing and the provision of bibliographical services, your older sister is thriving, and she looks forward to the next 125 years.

Note:

Angus Deaton is the outgoing President of the American Economic Association; his Presidential Address is published in Volume 100, No 1, of the *American Economic Review*.

Peer review a guide for researchers from the Research Information Network

The growth in the size of the research community and of the volumes of research being undertaken in the UK and across the world means that the amount of time and effort put into the peer review system is growing too, and that it is coming under increasing scrutiny. The guide looks at how effective peer review is in selecting the best research proposals, as well as in detecting misconduct and malpractice.

It also looks at how fair the system is, and at the different levels of transparency involved in the process: from completely closed systems, where the identities of reviewers and those whose work is being reviewed are kept hidden from each other, and reports are not revealed, to completely transparent systems where identities and reports are openly revealed.

The burdens on researchers as submitters and reviewers are by far the biggest costs in the peer review system, and the guide outlines some of the measures that are being taken to reduce those burdens, or at least to keep them in check.

The guide is available from: www.rin.ac.uk/node/519