

# The Value of Connections to Power: the Case of Editorial Boards of Economics Journals

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# General background

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- ▶ Are connections to decision makers valuable?
- ▶ Do connections lead to better or worse decisions?
- ▶ And if they do, why is that?

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- ▶ Hard to answer, because hard to establish...
  - ▶ ... presence or absence of connections
  - ▶ ... value with and without connection
  - ▶ ... whether decision justified
- ▶ Decision makers = members of editorial boards:
  - ▶ Easy to identify them and various of their connections
  - ▶ Identification value through editorial rotation
  - ▶ Citation count as measure of quality of decision

# Recent debate in economics

## Publishing in economics

- ▶ Top5itis – attention paid to Top 5 excessive: Serrano 2019, Heckman and Moktan NBER wp 2018
- ▶ Connections – important: Brogaard, Engelberg and Parsons 2014, Colussi 2017, Laband and Piette 1994
- ▶ Concentration of power / lack of variation: Hodgson and Rothman 1999, Heckman and Moktan 2018, Colussi 2017, Ductor and Visser 2019
  - ▶ current affiliation
  - ▶ PhD school
  - ▶ simultaneously held positions
  - ▶ tenure in a role / turnover

# What do we do?

- ▶ We estimate value of connections to editorial board members, using 107 economics journals over 1990–2011
  - ▶ Value = increase in no. publications in journal
  - ▶ Identification through editorial rotation
  - ▶ before – *during* – after spell as editorial board member

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  - ▶ channels for information
  - ▶ vehicles for favors
  - ▶ signals of desirable traits

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- ▶ We investigate the reason why connections are valuable. In theory, connections may be
  - ▶ channels for information
  - ▶ vehicles for favors
  - ▶ signals of desirable traits
- ▶ We measure differences in value across
  - ▶ types of connection: coauthor, colleague, mentee
  - ▶ decision power of editorial board member
  - ▶ type of journal (society, house, 'commercial')
  - ▶ tenure and turnover
  - ▶ gender

# What do we find?

- ▶ Connections valuable
  - ▶ Board member's department +11%
  - ▶ Board member's coauthor +7% and mentee +13%
  - ▶ NB: this is *excluding* pubs coauthored with joining editorial board member

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  - ▶ Evidence for signalling and for search by editorial board members
  - ▶ No evidence for favoritism
  - ▶ Evidence against information for authors

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  - ▶ Evidence for signalling and for search by editorial board members
  - ▶ No evidence for favoritism
  - ▶ Evidence against information for authors
- ▶ Heterogeneity
  - ▶ Decision power matters: e.g., department with associate editor +10% ; with editor +24%
  - ▶ Gender does not, neither of author nor of editorial board member
  - ▶ Editorial board turnover, journal categories, Europe v U.S.: see paper

## Related literature

**Seminal paper:** Laband and Piette 1994: 28 journals in 1984, comparing no. of cites of 'connected' and 'unconnected' authors:

- ▶ Connected papers on average more cited
- ▶ Two thirds of papers performing worse than expected are connected

### **Rotation study:**

- ▶ Colussi 2017: individual board member – group of connected authors. Connection valuable only for colleagues
  - ▶ 4 journals, 2000-2006, no discussion of mechanisms
  - ▶ pool pubs with and without board member
- ▶ Brogaard, Engelberg and Parsons 2014: editor – department. Connection valuable, connected pubs more cited
  - ▶ 30 journals, starting years 1955-2001, end year 2011
  - ▶ pool pubs with and without board member
  - ▶ compare citations of connected with unconnected authors

# Novelty

- ▶ Unique database: 107 journals, 1990-2011, 6,192 editorial board members
- ▶ Connection defined at the individual author level: allow us to control for authors' and editors' characteristics.
- ▶ Cleaner identification of the mechanisms:
  - ▶ comparison of citations of connected authors across periods with and without connection to editorial board
  - ▶ exclusion publications of editorial board member
- ▶ Propose and find evidence of new mechanism: signalling
- ▶ Connection effect depends on the decision making power of the editor and the type of journal.

In more detail

# Data sets

107 economics, econometrics and finance journals (better part former Tinbergen Institute journal list)

- ▶ editor data set; 1990 – 2011; 6,192 editorial board members
- ▶ CV of 90% of the editors: school of graduation, gender, affiliation
- ▶ editorial roles data set
- ▶ article data set (EconLit and WoS); 1970 – 2011

# Editorial roles

From stated titles to standardized roles, on the basis of decision power

1. 'Editor' = anyone with final decision rights on manuscripts: receives decisions or recommendations from 'Co-editor' or 'Associate editor', chooses referees or forwards papers to others who then choose referees.
2. 'Co-editor' = anyone whose role is to choose referees and to prepare decisions for 'Editor'.
3. 'Associate editor' = anyone who appears on the front matter and whose role is to referee papers.
4. 'Advisory editor' = anyone whose main role is to provide advice on policy matters rather than to review or decide on manuscripts and anyone mentioned as honorary editor.

Source: personal communication with editors and editorial assistants, sometimes editorial reports

# VALUE OF CONNECTIONS AT THE DEPARTMENTAL LEVEL:

board of editors – whole department

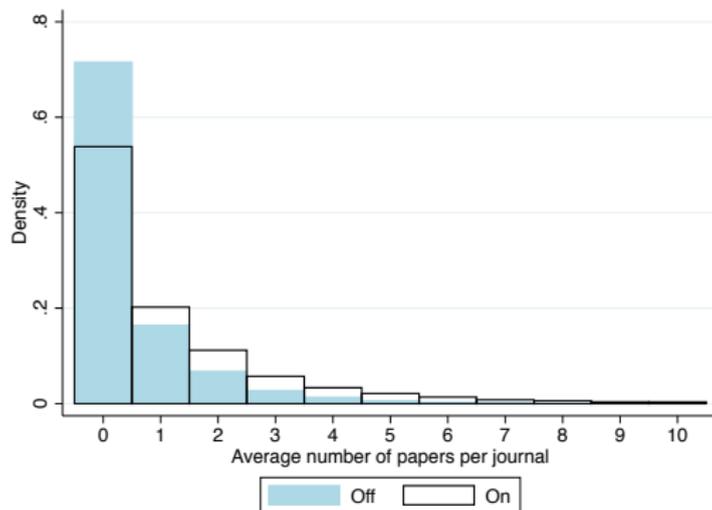
## A simple look at the data

$Pub_{ijt}$  = annual no. of pubs of department  $i$  in journal  $j$  in year  $t$

$On_{ijt} = 1$  if member department  $i$  on board journal  $j$  in year  $t$

266 schools  $On_{ijt} = 1$  for a  $jt$  pair

**Figure:** Distribution of average annual number of pubs per department per journal



# Empirical challenges

## Identification threats

1. Selection effects: top departments are more likely to house editorial board member and publish in top journal
2. Correlated effects: colleagues of the editorial board members are affected by common shocks

# Identification strategy

- ▶ Exploit variation in publications patterns when a member of department is on editorial board of that journal and when none is
- ▶ Observation  $Pub_{ijt}$  is 3-dimensional  $\implies$  control using 3 pair-wise FEs
  - ▶ department-journal FE: departments' publishing habits
  - ▶ department-year FE: time-varying school characteristics (overall degree of specialization, overall publication performance ...)
  - ▶ journal-year FE: aggregate changes in annual vol. of pubs, contemporaneous differences across journals
- ▶ Exclude all publications of joining editorial board members

## Empirical specification

$$Pub_{ijt} = \rho On_{ijt} + \gamma_{ij} + \theta_{it} + \psi_{jt} + \epsilon_{ijt}$$

Identification assumption for consistent estimates of  $\rho$  using OLS:

**Assumption** Conditional on  $\gamma_{ij}$ ,  $\theta_{it}$ ,  $\psi_{jt}$ ,  $On_{ijt}$  is orthogonal to other determinants of department's outcomes

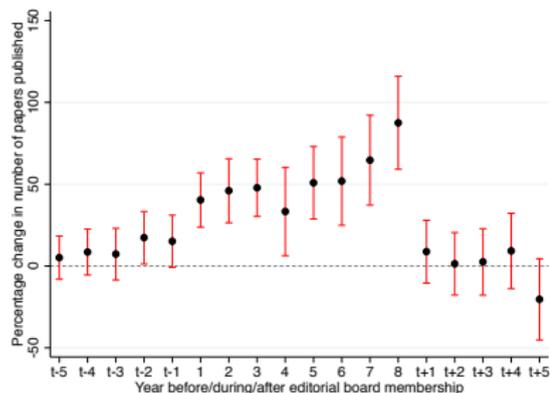
# Value of connection at departmental level

	Publications				Publications, excl. board
	(1)	(2)	(3)	(4)	(5)
Baseline average	0.535	0.535	0.535	0.535	0.395
On	0.687*** (0.055)	0.614*** (0.051)	0.179*** (0.016)	0.167*** (31%) (0.015)	0.043*** (11%) (0.012)
Observations	95,970	95,970	95,970	95,970	95,970
Adjusted R-squared	0.040	0.204	0.500	0.498	0.442
Journal-Year FE		✓	✓	✓	✓
Department-Journal FE			✓	✓	✓
Department-Year FE				✓	✓

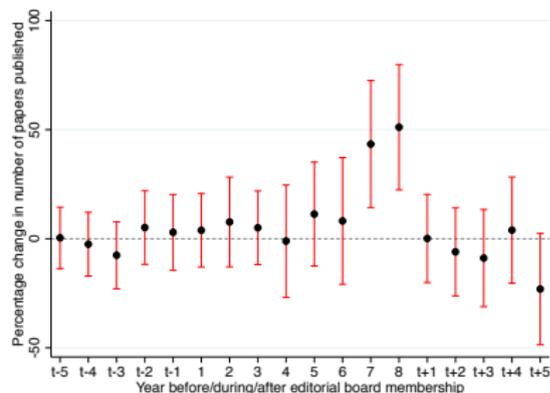
Clustered standard errors by department. \*\*\*  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.1$

Baseline average = average annual no. departmental pubs in off periods

# Value of connection over time



with



without

- ▶ Baseline: avg annual no. pubs of a dep in a journal before  $t - 5$
- ▶ No difference in publication rates in the period before and after  $\rightarrow$  supports the validity of our assumption
- ▶ Longer spells as board member, larger effects  $\rightarrow \uparrow 50\%$  in publications for spells of 8 years or more

## INDIVIDUAL CONNECTION:

editorial board member –  
coauthor/colleague/mentee

## Connections: definition

1. 'Coauthor' = author who coauthored at least one paper with an editorial board member (up to start year of editorial appointment)
2. 'Colleague' = author working in same department as editorial board member in start year of editorial appointment
3. 'Mentee' = author who published first article with an author with over 10 years of experience.

**Selection:** Exclude from publication count publications with joining editorial board member

## Value of connections at individual level

$$Pub_{ijkt} = \beta_0 + \beta_1 On_{jkt} + C_{it} + C_{kt} + \gamma_{ijk} + \delta_{jt} + \epsilon_{ijt}$$

with:

$Pub_{ijkt}$  : no. pubs in journal  $j$  in year  $t$  by author  $i$  connected to author  $k$

$On_{jkt} = 1$  :  $k$  is on the board of  $j$  in year  $t$

$C_{it}$ : career-time dummies for  $i$ , since first pub; account for experience author

$C_{kt}$ : career-time dummies for  $k$ , since first pub; account for experience board member

$\gamma_{ijk}$ : author-journal-board member FEs; account for time-invariant factors affecting no. pubs in  $j$  of  $i$  connected to  $k$

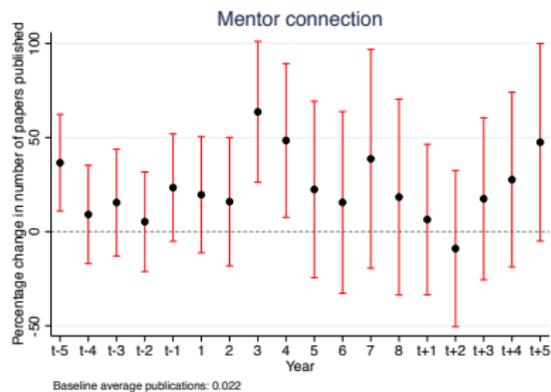
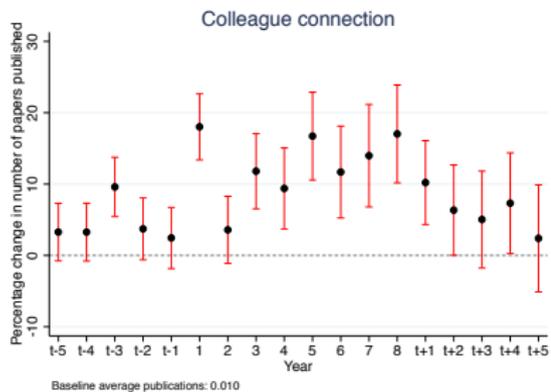
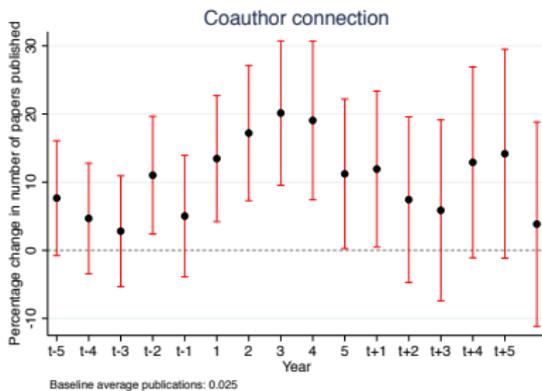
$\delta_{jt}$ : journal-year FEs; account for changes in the quality of the journal

# Value of connections at individual level

	Publications, excl. board		
	Coauthor (1)	Colleague (2)	Mentee (3)
Baseline average	0.023	0.0095	0.023
On	0.0016***(7%) (0.0009)	0.0006***(6.12%) (0.0001)	0.0029*(12.6%) (0.0017)
Observations	879,335	7,048,347	80,481
R-squared	0.1756	0.1532	0.1956
Career time FE author	✓	✓	✓
Career time FE editorial board member	✓	✓	✓
Author-Board Member-Journal FE	✓	✓	✓
Journal-Year FE	✓	✓	✓

Clustered standard errors by authors. \*\*\*  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.1$

# Value of connection over time



# MECHANISMS

# Mechanisms

Why do connections have effects? Three mechanisms in network analysis

**Information:** Connections are channels for information. *Labor market:* Granovetter 1974; Loury and Ioannides *JEL* 2004. *Academia and science:* Azoulay *QJE* 2010; Iaria, Schwarz and Waldinger *QJE* 2018; Zinovyeva and Bagues *AEJ: Applied Econ* 2015, Li *AEJ: Applied Econ* 2017. *Lobbying:* Blanes i Vidal, Draca and Fons-Rosen *AER* 2012, Bertrand, Bombardini and Trebbi *AER* 2014. Etc.

**Favors:** Connection used to give favors. Durante, Labartino and Perotti 2011, Zinovyeva and Bagues, Li.

**Signaling:** Connection may have signaling value, Podolny, *AmJSoc* 2001, Ductor et al., *ReStat* 2014

# Mechanisms

## Applied to our context:

- ▶ **Information:**
  - ▶ *Information Author.* Knowledge spillover to connected authors: how to successfully navigate editorial process, how to write attractive paper, what is frontier research
  - ▶ *Information Board Member / Search.* Editorial board members search for good papers to publish, provide help in improving paper
- ▶ **Favoritism:** Lower standards apply for authors connected to board member
- ▶ **Signalling:** Connection signals connected author is of a 'good' type

# Identifying the Mechanisms

- ▶ *Information Author v Search*: effect continues after spell as editorial board member, Y or N?
- ▶ *Favoratism* v the rest: less or more citations to 'connected publications' ?
- ▶ *Signaling*: should be more important for junior than senior authors

# Mechanism 1: Information

- ▶ Finding: little evidence for *Information Author* hypothesis: value of connection with journal  $j$  ends with end of editorial board member's spell at journal  $j$

## Mechanism 2: Favoritism

Signs of favoritism?

- ▶ Citations of pubs of author  $i$  in journal  $j$  during years *with* versus *without* connection to editorial board member of  $j$ 
  - ▶ 'clean comparison' in line with rotation / diff-in-diff approach
- ▶ Finding: Cites during the On period = Off period  $\rightarrow$  *No evidence of favoritism.*

## Are 'connected' articles more cited?

Avg. citations = avg. no. citations per paper, accumulated over first five years after publication; in  $\log(C_{ijt} + 1)$ .

	Avg. citations			
	Department (1)	Coauthor (2)	Colleague (3)	Mentee (4)
Baseline average	1.50	1.85	2.05	1.97
On	0.020* (0.012)	-0.024 (0.024)	0.012 (0.014)	0.045 (0.092)
Observations	24,840	12,296	35,094	68,112
Adjusted R-squared	0.34	0.4695	0.7486	0.7052
Department-Year FE	✓			
Department-Journal FE	✓			
Journal-Year FE	✓	✓	✓	✓
Career time FE author		✓	✓	✓
Career time FE board member		✓	✓	✓
Author-Board member-Journal FE		✓	✓	✓

Notes: Clustered standard errors by authors. \*\*\*  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.1$

## Mechanism 3: Signalling

- ▶ Signalling: role of signalling should diminish over time as more information becomes publicly available about the connected author
  - ▶ Value of connection should go down with career time
- ▶ Finding: Value larger for juniors → *evidence that signalling is important mechanism*

# Signalling: value of connection across career time

	Coauthor		Colleague		Mentee	
	$\tau < 10$ (1)	$\tau \geq 10$ (2)	$\tau < 10$ (3)	$\tau \geq 10$ (4)	$\tau < 10$ (5)	$\tau \geq 10$ (6)
Baseline average	0.024	0.026	0.011	0.010	0.021	0.027
On	0.0044*** (0.0015)	-0.0008 (0.0018)	-0.000001 (0.0003)	0.0004 (0.0004)	0.0043* (0.0024)	0.0005 (0.0039)
Observations	180,319	75,293	1,520,455	698,958	52,154	17,490
Author-Board member-Journal FE	✓	✓	✓	✓	✓	✓
Journal-Year FE	✓	✓	✓	✓	✓	✓
Career time FE author	✓	✓	✓	✓	✓	✓
Career time FE board member	✓	✓	✓	✓	✓	✓

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## Mechanism 4: Editorial Search

- ▶ Finding: evidence consistent with editorial search
  - ▶ Value of connection with journal  $j$  ends with end of editorial board member's spell at journal  $j$
  - ▶ Neither negative nor positive effect on citations

# HETEROGENEOUS EFFECTS

## Effect of editorial decision power

From *stated* title to *standardized* role, on the basis of formal decision power

Sources: past (co-)editors, editorial assistants, annual reports of the editor

1. Editor: final decision right; receives recommendations from co-editors or associate editors, chooses referees or forwards papers to others who choose referees
2. Co-editor: role is to choose referees and to prepare decisions for an editor
3. Associate editor: anyone appearing on journal's front matter and whose role is to referee papers
4. Advisory editors: anyone mentioned as honorary editor or anyone with advisory role on policy matters rather than reviewing or deciding on manuscripts

NB: real v formal authority; lack of specialized knowledge or time to evaluate all submissions

# Value of connection and editorial decision power

**Hypothesis:** Editorial decision power amplifies effects of connection on no. pubs and no. cites in 4 hypotheses because the more decision power

- ▶ the more valuable information to authors
- ▶ the more worthwhile search
- ▶ the easier favors can be given
- ▶ the stronger the signaling value

# Editorial decision power

	Publications			
	Department (1)	Coauthor (2)	Colleague (3)	Mentee (4)
Baseline average	0.386	0.023	0.009	0.022
Editor	0.092*** (23.8%) (0.026)	0.0025** (10.9%) (0.0012)	0.0011*** (12.2%) (0.0003)	0.0031 (0.0030)
Coeditor	0.018 (0.018)	0.0032*** (13.9%) (0.0011)	0.0006** (6.7%) (0.0002)	0.0049 (0.0037)
Associate editor	0.040*** (10.4%) (0.013)	0.0010 (0.0006)	0.0005*** (5.6%) (0.0002)	0.0026 (0.0025)
Advisory editor	0.036 (0.034)	0.0000 (0.0013)	0.0006* (0.0003)	-0.0010 (0.0036)
Observations	95,970	879,335	7,045,407	80,481
Adjusted R-squared	0.4383	0.1143	0.0991	0.2038
Author-Board member-Journal FE	✓	✓	✓	✓
Journal-Year FE	✓	✓	✓	✓
Career time FE author	✓	✓	✓	✓
Career time FE board member	✓	✓	✓	✓

Notes: Clustered standard errors by authors. \*\*\*  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.1$

# Connection effects across gender

- ▶ Female authors have different collaboration patterns than males (Ductor et al., 2018).
  - ▶ Females work with fewer collaborators, more with the same collaborators and their collaborators are more likely to work together.
  - ▶ These network features are related to lower performance in environment with uncertainty (Lindenlaub and Prummer, 2017).

**Hypothesis:** women have lower return from collaboration.

- ▶ Finding: No gender difference in the returns from collaboration.

# Value of connection across gender

	Publications		
	Coauthor (1)	Colleague (2)	Mentee (3)
Baseline average	0.0232	0.0096	0.0224
On	0.0013*** (0.0006)	.0007*** (0.0001)	0.0041* (0.0022)
On*female	0.0011 (0.0016)	-0.0002 (0.0003)	-0.0042 (0.0044)
Observations	759,413	6,189,166	63,726
Number of authors, female	2,665	1,188	614
Number of authors, male	12,177	6,427	1,651
Adjusted R-squared	0.1179	0.0977	0.0852
Author-Board member-Journal FE	✓	✓	✓
Journal-Year FE	✓	✓	✓
Career time FE author	✓	✓	✓
Career time FE board member	✓	✓	✓

Notes: Clustered standard errors by authors. \*\*\*  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.1$

What to take home?

# Novelty

- ▶ Unique database: 107 journals over 22 years, over 6,000 editors
- ▶ Connection defined at the individual author level: allow us to control for authors' and editors' characteristics.
- ▶ Cleaner identification of the mechanisms:
  - ▶ comparing citations of connected authors when the editor is on the board and when is not.
  - ▶ excluding pubs of editor
- ▶ Propose and find evidence of new mechanism: signalling
- ▶ the connection effect depends on the decision making power of the editor and the type of journal.

# Key findings

- ▶ Connections valuable
- ▶ Why valuable?
  - ▶ Evidence for signalling and for search by editorial board members
  - ▶ No evidence for favoritism
  - ▶ Evidence against information for authors
- ▶ Heterogeneity
  - ▶ Decision power matters
  - ▶ Gender does not, neither of author nor of editorial board member