

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

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General background

- ▶ Questions

- ▶ Are connections to decision makers valuable?
- ▶ Do connections lead to better or worse decisions?
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 - ▶ ... value with and without connection
 - ▶ ... whether decision justified

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 - ▶ And if they do, why is that?
- ▶ 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
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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
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 - ▶ 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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- ▶ 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

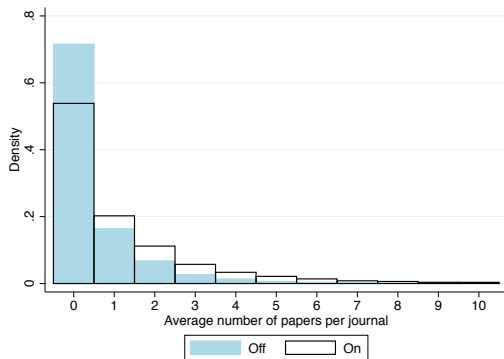
A simple look at the data

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 ρ using OLS:

Assumption Conditional on γ_{ij} , θ_{it} , ψ_{jt} , On_{ijt} is orthogonal to other determinants of department's outcomes

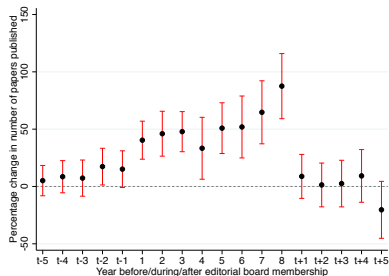
Value of connection at departmental level

	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				✓	✓

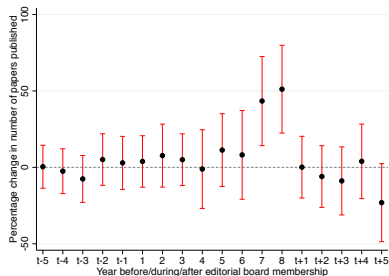
Clustered standard errors by department. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

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

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

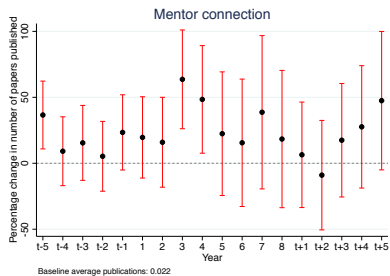
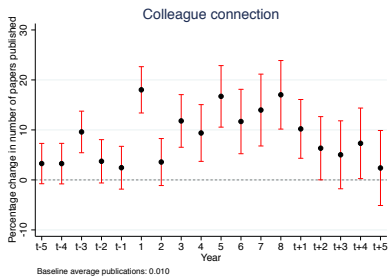
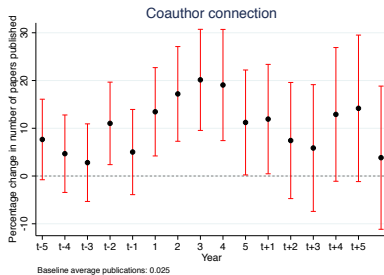
δ_{jt} : journal-year FEs; account for changes in the quality of the journal

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	✓	✓	✓

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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