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Networks and productivity: Causal evidence from editor rotations ☆

Jonathan Brogaard [a,1], Joseph Engelberg [b,2], Christopher A. Parsons [b,*]

[a] Foster School of Business, University of Washington, WA 98105, United States
[b] University of California – San Diego, Rady School of Management, CA 92093, United States

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ABSTRACT

Using detailed publication and citation data for over 50,000 articles from 30 major economics and finance journals, we investigate whether network proximity to an editor influences research productivity. During an editor's tenure, his current university colleagues publish about 100% more papers in the editor's journal, compared to years when he is not editor. In contrast to editorial nepotism, such "inside" articles have significantly higher ex post citation counts, even when same-journal and self-cites are excluded. Our results thus suggest that despite potential conflicts of interest faced by editors, personal associations are used to improve selection decisions.

1. Introduction

A survey article by Gans and Shepherd (1994) provides an entertaining and unique perspective of the academic publication process, through the eyes of some of the world's leading economists. The experiences described, at times amusing and other times vividly painful, suggest two takeaways. First, virtually no one, Robert Solow's remarkable flawless record notwithstanding, is spared rejection at journals. Second, the entire publication process, from submission to acceptance is often very fluid, marked by informal give and take between editors, authors, and referees. Richard Posner's recollection is particularly memorable: "I have had papers turned down, all right, but very few economics papers. Most of my economics papers have been published by close friends… and in many of these cases there weren't even formal submissions (p. 1972)."

This paper explores whether experiences like Posner's are typical, and moreover, whether they are good for the profession. Specifically, we investigate whether papers by authors close to an editor are more likely to be published, and if so, whether they deserve to be published.

There are several reasons to care about this question. From purely an academic perspective, the selection and publication process directly influences the quality of papers that are disseminated. These, in turn, have indirect consequences not only for the types of papers that are written, but also for the career concerns (e.g., tenure decisions) of their authors. Beyond academia, numerous studies indicate that membership in a network is beneficial for those involved, but usually left unresolved is the issue of allocation efficiency. Job search

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* Coresponding author. Tel.: +1 919 265 9246.
E-mail addresses: brogaard@uw.edu (J. Brogaard), jengelberg@ucsd.edu (J. Engelberg), caparsons@ucsd.edu (C.A. Parsons).
[1] Tel.: +1 206 685 7822,
[2] Tel.: +1 858 822 7912.

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is a good example. Bayer, Ross, and Topa (2008) find that people refer neighbors living on the same block for jobs, suggesting the importance of informal social networks for labor markets. Yet, absent the counterfactual—those job candidates who should have been referred—it is difficult to draw conclusions about a network's ability to improve outcomes.

In this paper, we study a setting largely immune from this criticism: academic publishing. Although a journal editor could derive personal benefit by imposing a lower quality standard on his coauthors or colleagues, an article's ultimate success is determined less subjectively. Thus, by comparing the observed choices of editors (which papers are published) to the market's ex post judgment of article quality (which papers are most cited), we can ask whether the collective behavior of editors coincides with private or broader objectives.

Our analysis covers over 50,000 articles published in 30 top economics (e.g., *American Economic Review*) and finance journals (e.g., *Journal of Finance*) since 1955. We begin by first collecting the editor or editors for each journal, and then, using the affiliations of each, analyzing the publishing patterns of their university colleagues. Our main interest is whether an editor's university colleagues have better success publishing in the editor's own journal, particularly during the specific years he is editor. We then compare the citation performance of such inside articles to others published in the same journal, and during the same year. It is this exercise that allows us to infer whether editors use information advantages to improve selection decisions, or whether they bow to conflicts of interest.

The design of our empirical tests is important for appreciating how the effects are identified. For each university i in our data set, we aggregate into a single observation the number of articles published in journal j at time t. As an example, the number of *Econometrica* articles published by Harvard faculty in 1997 would constitute a single observation. The main explanatory variable is an editorial-match dummy variable that takes a value of one if, and only if, the editor of journal j two years prior $(t-2)$ worked at institution i.[1] Continuing with the example above, because *Econometrica* did not have an editor from Harvard in 1995, the match variable would take a value of zero. However, because Harvard's Drew Fudenberg became an *Econometrica* editor in 1996, Harvard faculty's *Econometrica* publications in 1998 would now be associated with an editorial match, i.e., the dummy variable would equal one.

The types of events described above—whereby one editor replaces another—have dramatic effects on the publication rates of their respective institutions. Continuing with the example above, our tests effectively divide Harvard's history since 1955 into two mutually exclusive periods: (1) those when it had an editor at *Econometrica* (1969–1977, 1989–1992, 1996–1999, and 2009–2011), and (2) those when it did not (1955–1968, 1978–1988, 1993–1995, 2000–2008).[2] Averaged across all observations, we find that editorial matching years are associated with about 100% more publications at the journal of interest, compared to nonmatching years. Statistically, this difference is highly significant.

The structure of the data allows us to be precise about a causal link between editors and the publication rates of their colleagues. First, recalling that our unit of observation is a school-journal-year triple, we can include fixed effects for every pairwise combination of these, i.e., dummy variables for each school-year, journal-year, and school-journal pairing. The first of these accounts for time-varying school quality, such as Harvard's aggregate output change since 1955, and allays concerns that editors are selected from improving departments. The second controls for size differences across journals, which, for example, accounts for *Econometrica* publishing fewer articles per year than the *American Economic Review*. The final interaction addresses any persistent school-journal match effects, which might occur if institutions persistently specialize in certain fields. For example, perhaps Harvard places special, persistent emphasis on game theory or econometric theory. The 100% marginal effect reported above is averaged across journal-school-year observations, and is net of all three sets of school-year, school-journal, and journal-year fixed effects.

A problem remains, however, if institutional specialization is not constant, and is correlated with editorial appointments. For example, perhaps Drew Fudenberg's appointment to *Econometrica* coincides with Harvard having a temporary emphasis on game theory or econometrics. (The fact that Harvard had four distinct *Econometrica* editorships since 1955 makes this less plausible, but serves to make the general point.) Although the dummy trap precludes the inclusion of school-journal-year fixed effects in the regressions, we can come close. Instead of soaking up unobserved heterogeneity with the three pairwise sets of fixed effects, we include in the regressions several "false" editorial appointments, corresponding to the years immediately before and immediately after an editor's appointment. The main advantage is that like the unit of observation, such false editorial matches are defined at the journal-school-year triple, but differ from the genuine matches by only a year or two in either direction.

For example, rather than matching up Harvard's *Econometrica* publications in 1988 with Fudenberg's actual first year as editor in 1996, we apply false matches to Harvard-*Econometrica* in years 1995 or 1994, which, respectively, are one and two years before Fudenberg arrived. Here, the idea is that if Fudenberg's appointment is correlated with some Harvard-specific improvement in econometric research, this should be closely approximated by Harvard's *Econometrica* output one or two years prior. The same reasoning applies on the back end of his tenure, after 1999.

This exercise changes virtually nothing. Although there is a slight increase in a school's baseline productivity leading up to an editor's appointment, and some mild

[1] The results are not particularly sensitive to a two-year time lag. While this is probably reasonable over the entire time period, we present our results with both one- and three-year lags, as well as lags that change through time (e.g., shorter lags in the 1950s–1970s, and longer lags in recent decades).

[2] Harvard's *Econometrica* editors are Griliches (1969–1977), Mas-Colell (1989–1992), Fudenberg (1996–1999), and Stock (2009–present).