

## THE ECONOMETRIC SOCIETY ANNUAL REPORTS, 1998

### REPORT OF THE PRESIDENT

THE ECONOMETRIC SOCIETY, founded in 1930, is the main international organization of economists. For a compact description of the Society and its functions as well as a copy of its constitution, see Robert J. Gordon, "What is the Econometric Society? History, Organization, and Basic Procedures," *Econometrica*, 65 (November, 1997). This report is a description of some of the Society's activities during 1998.

#### 1. *ECONOMETRICA*

1998 was a stable year for the editorship, and so will be 1999. Drew Fudenberg continued to serve as editor, assisted by co-editors Richard Blundell, Alain Monfort, Andrew Postlewaite, and Nancy Stokey, and by Dorothy Hodges as Managing Editor. The editorial team has pursued its earlier effort to reduce the turnaround time while keeping the standards that have long made *Econometrica* the reference in scholarship in economic theory and econometrics. On new submissions, 78 percent of decisions were made in five months or less, which is a reasonable performance compared to other journals but worse than the 89 percent record achieved in the previous year. Submissions are running at a margin of about two-one in favor of theory as compared to econometrics.

#### 2. COMMITTEES

One of the President's main tasks is to appoint committees. I am very grateful to chairs and members of those committees for the time and professionalism they devoted to their tasks. They have done an excellent job.

Bob Lucas, as the Past President, chaired the Council Nominating Committee. The committee members in 1998 were (de officio) the six officers of the society: Past and Current President, First- and Second-Vice Presidents, Secretary and Treasurer, plus council members Bhaskar Dutta, Birgit Grodal, Fumio Hayashi, Oliver Hart, and Rob Porter. The committee came up with 6 council members each for North America and Europe and Other Areas.

Dan McFadden chaired the Officer's Nominating Committee, responsible for finding two candidates for Second Vice-President. Members of that committee were Jean-Jacques Laffont, Andreu Mas Colell, Jim Mirrlees, as well as, de officio, the Past President, the President, the First- and Second-Vice Presidents of the Society. Avinash Dixit was elected as incoming Second-Vice President.

David Hendry chaired the Fellows Nominating Committee; the other members were Jeffrey Banks, Patrick Bolton, Thomas Palfrey, and Edward Prescott.

Bengt Holmström chaired a committee composed of himself, Patrick Bolton, and Rody Manuelli to select the 1999 Walras-Bowley lecture. Philippe Aghion will deliver the Walras-Bowley lecture at the University of Wisconsin in Madison in June, 1999.

The terms of Drew Fudenberg, Alain Monfort, and Nancy Stokey as Editor and Co-editors of *Econometrica* expire in 2,000. Drew Fudenberg (chair), Guy Laroque, and

Chris Sims have kindly agreed to serve on a committee in charge of making suggestions, with decisions made at the Executive Committee meeting in August, 1999.

Last, the Executive Committee decided to have the periodic review of the Society's business operations in 1999. Jean-Jacques Laffont and Andy Postlewaite very kindly agreed to belong to this committee.

### 3. THE EXECUTIVE COMMITTEE

The Executive Committee consists of seven voting members: The President (chair), the two Vice-Presidents, the Past President, and three Council members (the "At-Large Members"). The Committee met, as is the tradition, on the day before the opening of the European meetings, in this case in Berlin on August 29, 1998.

#### *Regional Matters*

Since 1995, a member representative from a region outside Europe and Other Areas and North America is invited to make a presentation about the activities of his or her region at the Executive Committee meeting. This year, Kotaro Suzumura, chair of the Far East Region, was invited to make his regional report. He provided a detailed written history of the activities of the region since the first meeting in 1950 at Hitotsubashi University. The early meetings have no record on any non-Japanese participation, and it was only in the mid-1960s that truly Far Eastern Meetings were organized. The meetings, which are held every other year, are now well established and rotate among countries of the region. The 1999 meeting will be held in Singapore. The Fund-Raising Committee and the Local Organizing Committee at the 1995 World Congress accumulated a surplus, which has been earmarked for the future activities of the Far Eastern Standing Committee. A lecture named after Mr. Yukichi Fukuzawa, the founder of Keio University, will complement the Jacob Marschak lectureship, which rotates among the regional meetings (except Europe and Other Areas and North America). Finally Kotaro Suzumura discussed the challenges facing the region: organization of the Standing Committee and nomination of a Treasurer, and geographic demarcation of the Far East Region.

It was agreed that the 2001 Marschak Lecture will be awarded to the Far Eastern Region and the lecture in 2002 will go to the India South East Asia Region (it was decided last year that the 1999 lecture will be awarded to the Australasian Region).

#### *Other Matters*

The Treasurer of the Society, Bob Gordon presented the financial report. The Society's finances keep doing well, with a ratio of the Society's net worth to revenue equal to 129 percent, not including the World Congress Travel Fund (\$300,000 allocated for travel to Seattle 2000) and the Marschak Fund.

It was decided that the membership dues and library subscription rates would be kept the same (a rate reduction had been decided in 1997; they are currently pretty low: \$65 for OECD members, \$33 for non-OECD members, and \$19 for students).

While it is of course important to keep reserves, the Executive Committee felt that it should consider encouraging limited-scale initiatives from the various regions if these promote sufficiently worthwhile causes (such as organizing meetings for a selected set of young members attended by some senior members, as is currently done in Europe). For

incentive compatibility reasons, the Society, if it wanted to encourage the enterprise, would not fund them fully, but only provide matching funds. The remaining half of the funds would need to be raised within the region. In September, I wrote to the chairs of the various regions to inform them of this new opportunity.

The Society's Secretary, Julie Gordon, presented her report on general society business. *Econometrica's* circulation in 1997 has held up well. Fifteen fellows were elected in 1999.

Bob Gordon provided a report prepared by John Rust on a new "Conference Maker" software that will aid in the organization of regional meetings. Bob Lucas reported on the organization of the 2,000 World Congress in Seattle; and the report of the Monograph Series Editors was discussed.

Finally, I reported to the EC that I had been asked by the International Statistical Institute (ISI) to see that the Econometric Society be represented at the 52nd ISI Conference (August 10–18, 1999). Lars Peter Hansen very kindly accepted to organize an ES invited session. With the help of Jean-Pierre Florens, he set up a session composed of Jim Heckman, Eric Renault, and George Tauchen, with three discussants.

#### 4. REGIONAL MATTERS

##### *Europe and Other Areas*

As First Vice-President, and then President, I chaired the European Standing Committee (ESC) in 1997 and 1998. I was very fortunate to work with the ESC Secretary, Rafael Repullo (who joined in 1997) and the ESC Treasurer, Salvador Barbera (who kindly agreed to stay on).

There was this year no decision to be made concerning the next Congress site and scientific committee chairs since 2,000 is a year with a World Congress the therefore no regional meeting. The ESC had decided in 1997 to have the 1999 meeting held in Santiago de Compostela (August 29–September 1), with Alberto Meixide as Chair of the Local Organizing Committee. I had then selected Andrew Chesher and Klaus Schmidt as Program Chairs.

While the European branch of the Society is doing well (it represents 36% of the Society's members, as opposed to 26% in 1991), and despite relatively high registration fees, it is financially very weak due to the absence of surplus accumulation at previous ESEM Congresses. A forecasted surplus at the Berlin meeting should help in this matter. It was also decided that the European region should try to raise some outside funds. A pamphlet to this effect with material about the Society and its European activities was prepared by Rafael Repullo and myself with the help of various people.

As is the tradition, the ESC discussed the scientific and local organization aspects of the current ESEM meeting, and the arrangements for the following year. It discussed a report by Birgit Grodal, Roger Guesnerie, and Rafael Repullo on the tradeoffs involved in introducing poster sessions. It was decided not to introduce poster sessions, to have more parallel invited papers sessions and to move some top graded contributed papers into invited paper sessions (at least from ESEM 2,001 on). Later, there was a general discussion on what to do about the high number of late withdrawals of accepted papers at ESEM meetings. Various incentive-compatible schemes that would not discourage participation by young researchers were mentioned, but no final decision was made on this issue. Last, Birgit Grodal and Herman van Dijk reported on the (always successful) European Symposia for young economists.

*Regional Meetings*

I was fortunate to attend four regional meetings. All meetings were very efficiently managed by the local organizing committees (LOCs) and the standards were very high thanks to the efforts of the program chairs (PCs). Many thanks to all and to the members of their committees for very kindly and cheerfully supplying vast amounts of public goods. Special thanks to Marcel Boyer (PC) and Pierre Lasserre (LOC) for Montreal, Maximo Vega-Centeno (PC and LOC) for Lima, Bernard Caillaud and Juan Dolado (PC) and Bengt-Arne Wickström (LOC) for Berlin, and Anjan Mukherji (PC) and Arunava Sen (LOC) for Dehli. Special thanks also to Bhaskar Dutta and his colleagues at the Indian Statistical Institute who had to organize at the last minute the meeting in Dehli (the meeting was due to be held at the University of Sarawak, but due to the deteriorating economic situation in Indonesia and insufficient funding, was cancelled in August, 1998). I unfortunately did not attend the Australasian meeting in Canberra. The Society is grateful to Simon Grant and Christopher Skeels for organizing the program.

David Card gave the Fischer-Schultz lecture in Berlin, and Adrian Pagan the Walras-Bowley lecture in Montreal. Robert Townsend received the Frisch Medal in Berlin for the best applied paper published in *Econometrica* during the previous five years, for his May, 1994 paper entitled "Risk and Insurance in Village India."

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## 5. ADMINISTRATION

The day to day administration of the Society is handled, as it has been for many years, by Julie P. Gordon as Executive Director and Secretary, and Robert J. Gordon as Treasurer. Their reports appeared in the January issue. It has been a pleasure for me to work with them.

*Jean Tirole*  
PRESIDENT