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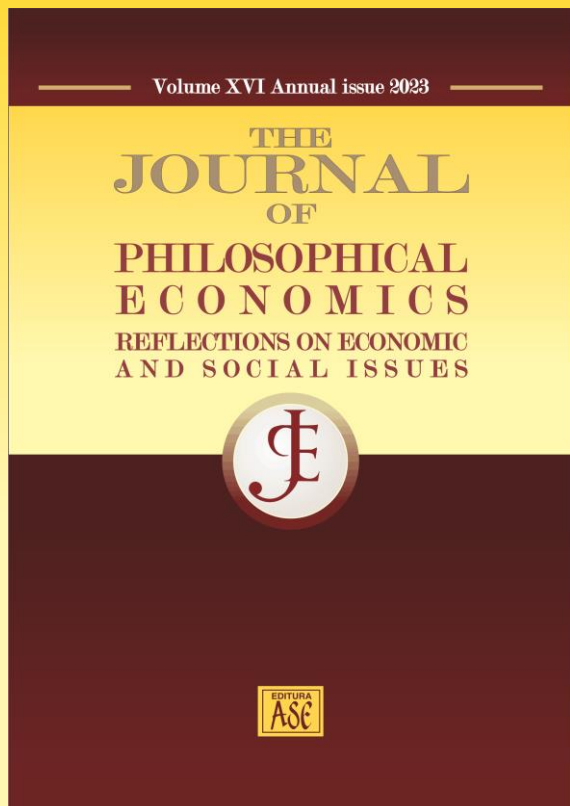
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Heterodoxy needs institutional backing

Bruno S. Frey and Andre Briviba



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Abstract: A general aversion to new ideas, psychological factors, and foremost, institutional conditions shape the challenging position of heterodox economics. This institutional framework is coined by a strong orientation towards publication metrics and influences young scholars to conformity. We propose two ideas to improve the conditions for heterodox research. First, to introduce competition between journals for the scientific papers they want to have the most. Second, to establish a qualified random selection of papers to equalize the chances of publishing.

Keywords: Heterodox Economics, academic publishing

Heterodoxy is rare in economics

The economic discipline has a strong tendency to conformity. Many, if not most, contributions in scholarly journals cling to the mainstream. One can find only a few papers suggesting novel ideas, in contrast to works following what is commonly considered ‘sound’ economics.

This state of our science has been observed and lamented by some notable scholars. In particular, Nobel Prize winners Akerlof (2020) and Heckman and Moktan (2020) have raised a strong ‘plea for a pluralist and rigorous economics’, supported by empirical evidence. Interestingly enough, the plea was not published in an ‘ordinary’ journal but in a special section of the *Journal of Economic Literature* and would probably not have been published if the authors were not so famous. But informal discussions with colleagues suggest to us that many of them would welcome a change in the direction of a broader and more open economics. As Akerlof (2020) and Heckman and Moktan (2020) emphasize, a more pluralist economics does not need lower standards but can be as strict

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and clear as orthodoxy (see also Osterloh and Frey 2015 and Osterloh and Frey 2020). The dearth of pluralist approaches in economics raises the question of why this is the case.

Why so little heterodoxy?

Three reasons can be adduced that help to explain why conformity is so dominant in present-day economics.

Aversion against new ideas

This is a general phenomenon. A new approach or idea generally goes through a well-known process before it is accepted. First, it is called worthless nonsense; second, it is taken to be quite interesting, but the underlying idea to be totally mistaken; third, the new idea is true but quite unimportant; fourth, the idea is not new and has always existed. This typical reaction tends to make it difficult, and in many cases impossible, to introduce a novel idea into a well-established discipline such as economics.

The editors and reviewers of papers submitted to a journal tend to follow this process though. Albert Einstein is reported to have said: 'If an idea is not at first taken to be absurd, it is of no use'. George Akerlof experienced such behavior. His paper on 'Markets for lemons' (1970), which later earned him the Nobel Prize, was rejected by the *American Economic Review* and the *Review of Economic Studies* for 'triviality', while the reviewers for the *Journal of Political Economy* rejected it as incorrect (Gans & Shepherd 1994). Only on the fourth attempt did the paper get published in the *Quarterly Journal of Economics*, and he admits: 'I happened to be in the right place at the right time' (Akerlof 2003). Today, the paper is one of the most-cited papers in modern economic theory (more than 39,275 citations in academic papers as of February 2022), and the most downloaded economic journal paper of all time in the collection of articles computed by the organization Research Papers in Economics (RePEC).

While the later Nobel laureate Ronald Coase was able to publish his two pathbreaking unconventional articles in journals not belonging to the 'top five'

(Coase 1937; Coase 1960), it took a long time before they were appreciated in the profession and cited. Citations to Coase's works have continued to grow at a substantial rate in each successive decade, even though Coase has published very few works in the past 15 years. Overall, Coase received 468 citations in the 1935–1979 period, 949 citations in the 1979-1988 period, 2631 in the 1989-1998 period, and 3688 in the 1999-2008 period – an annual growth rate of 6.8 percent from 1979 to 2008 (Landes and Lahr-Pastor 2011). He was quite skeptical about conventional economics; he even wrote an article entitled 'Saving economics from economists' (Coase and Wang 2012).

Psychological factors

Young scholars in economics are often educated, framed, and coached within a well-defined *mainstream bubble*. They are rarely confronted with unorthodox views, and if they are, such divergent views are ridiculed. They are, in particular, rejected because they are said not to be as rigorously formulated as the mainstream. This may often be the case, but it cannot be expected that a new idea can be as tightly argued as the accepted views that have been mathematically formulated over dozens if not hundreds of years. New ideas are also rejected because they are not econometrically tested. But if the new ideas advance a new policy, there are as yet no data to do reasonable statistical analyses.

Institutional factors

In order to publish, papers must be submitted to a journal and need to be positively evaluated by two or even three reviewers. Typically, if even one of them has reservations, the editors reject the paper. In many cases, they resort to 'desk rejections' when they think a paper will not be supported by the reviewers. Unconventional papers have a greater risk of being immediately rejected because the editors are unwilling, and sometimes unable, to appreciate a novel approach and idea. It is time-consuming and needs much effort to understand novelty because a new idea may be wrong, useless, or has already existed for a long time. Reviewers and editors of professional journals thus are,

to some extent, rational to be averse to new ideas and tend to reject such contributions. It is a less costly strategy to be positive about papers making a small variation of an already well-accepted approach, particularly if it is 'supported' by a formal analysis and econometric evidence [1]. Acting in this way, reviewers do not run the risk of being accused of not sufficiently knowing the literature and accepting 'crazy' and 'empirically untested' ideas.

In such a situation, especially young scholars aiming at an academic career have a strong incentive not to engage in novel approaches. They are well aware that they have to adjust to the publication requirements (Frey et al. 2022). They, therefore, are pushed to produce orthodox work. In the extreme, this pressure can even be called 'prostitution' (Frey 2003). Pursuing heterodox ideas is extremely risky as they are virtually forced to publish in refereed professional journals. This requirement imposes a strong burden on young scholars.

According to our survey of doctoral students in Germany, 74% reported being burdened by a (high) publication pressure (Briviba et al. 2022). Due to this publication pressure, stronger conformity is expected to affect their behavior. Abstaining from riskier research might be one unintended consequence. In order to successfully pursue a university career, young scholars must adjust to the well-defined mainstream in economics. The personally most important journals to doctoral students overlap 69% with the 'Top Five' in economics, indicating the mainstream orientation (Frey and Briviba 2021).

Our analysis clearly suggests that it is the institutional setting existing in present-day economics that induces scholars to cling to the mainstream. Scholars, especially those at the beginning of their academic career, are forced to adjust to the requirements imposed by the university system. It would be wrong to argue that this outcome is mainly due to an incapacity of scholars to be innovative.

What can be done?

Assuming that it would be desirable to have a more pluralist economics – which the present authors do – the question arises of how this unfortunate situation can be overcome. We do not believe that 'preaching' to come forth with more

unorthodox ideas has much effect. The reason is that doing so is extremely risky and is likely to destroy the academic career. We, therefore, propose two institutional changes in the publication process.

Journals should compete for contributions

Scholarly journals offer scientific results but require authors to compete among each other to be able to publish (if they succeed at all). However, the supply of the scientific output is no competitive market but rather an oligopolistic one. In economics, the market is dominated by very few editing houses. In the year 2013, more than 50% of journal articles published all over the world can be attributed to the five largest editing houses (Larivière et al. 2015). This also applies to economics. The large number of less highly rated journals is strongly in the hands of a small number of editing houses. As a result, the few major editing houses may form a coalition designed to support orthodox work and neglect or even exclude innovative ideas.

We suggest that this market arrangement should be reversed. There should be competition between journals to publish the papers they want to have the most. This could be done by offering them the possibility to choose the papers they care for from an underlying list, say the papers included in the extensive collection undertaken by the Social Science Research Network SSRN. The journal that chooses first may publish the paper. The editors thus have a strong incentive to decide quickly. This process would shorten the time it takes to publish [2], which is urgently needed. The role of referees with their negativity bias against new ideas would be reduced. More discretion is given to the editors, who must be well informed in order to get the most interesting papers for their journal. The editorial board could also engage in surveying the potential contributions in a journal. Thereby, the concentration of power is not fully extended to the benefit of the editors.

The procedure here suggested tends to favor more unorthodox contributions – at least compared to the present publishing process. Authors are no longer forced to write for a specific journal and do no longer have to guess who could be possible reviewers. They are therefore freer to propose new ideas. However, more heterodox contributions will only get a better chance of being published if, on

average, the editors are more open than typical reviewers. This may well be the case, not least because editors are more established in their discipline than average reviewers and therefore find it less risky to deviate from the mainstream. However, this effect is likely to be rather small. Therefore, we advance a more radical proposal.

Qualified random selection of papers

We suggest the following process to favor unorthodox publications:

In step one, among all the papers available for publication, a pre-selection is undertaken. The papers included must meet generally accepted *minimal quality standards* (see more fully Deutsche Forschungsgemeinschaft 2022, pp. 20, 22, 47, 48). For instance, citations must be complete and correct, the data used must be precisely indicated and made generally available, and all contributors must be named. But it is crucial that these standards really are *minimal* and do not exclude contributions with challenging and new content. Thus, for example, it is irrelevant whether the citations are provided in footnotes, endnotes, or in a reference section [3].

In step two, the authors of a paper must indicate in which *journal range* they wish it to be published. Thus, they can state that they only want to be published in one of the ‘top five’ journals or in a range including the top 10 or the top 20 or 50 journals [4].

Step three consists of two *random selection* procedures. First, a journal in the range selected (e.g., ‘top five’ or top 50) is chosen by lot, and then the papers whose authors want a publication in that range are chosen by lot until the available space in the journals is fully occupied.

This selection process gives heterodox contributions a good chance of being published because the editors have no choice but must publish the randomly selected papers. The authors are under no pressure to follow the mainstream but can develop innovative ideas.

If they are lucky, their paper will be published. While a publication is not guaranteed, the chance of publishing is as good as with an orthodox paper.

The authors must consider in which journal range they want to publish. They must make a comparison of whether they want to take the risk of publishing in a ‘top five’ journal or lower down. The possibility of being successful depends on the relationship of authors aiming to publish in a particular journal range and the restricted space available. If an author indicates that he or she agrees to be published in one of the 50 best journals, there is much more space available as the number of journals is much larger. The categorization of journals does not necessarily have to rely on the impact factor’s ranking. Another, or additional, differentiation could be based on specialized or general interest journals.

In a first step, this approach should be restricted to a certain share of the journals’ space. For instance, 50% is selected with the proposed mechanism, whereas the remaining share is allocated as currently done. Since the selection mechanism is not visible externally, the created natural experimental setting allows an empirical assessment of both approaches. The outcome of interest is however not to be restricted to citations but should include other measures of innovation, impact, and contribution to science.

The proposal here advanced (see also Osterloh and Frey 2020) requires fundamental changes in the institutions of scholarly publication. The journal editors can no longer dictatorially determine which papers they publish. They will certainly strongly oppose the selection process suggested based on random mechanisms. The editing houses in charge of journals may also oppose such drastic changes. The same holds for all those scholars who are convinced that the present selection procedure based on reviewing and editorial decisions is fine. They tend to be those scholars who were successful under the traditional system. However, all those dissatisfied with the present process – which includes the two authors – are likely to welcome such fundamental changes.

At the same time, this approach favors newcomers and induces a more diverse selection into a discipline. With the introduction of such a qualified random selection mechanism, the pressure on editors to ‘produce’ a good ranking is reduced. This might constitute a driver to reduce their perceived impact on the journal’s performance and enable them to refocus their attention on content-related matters.

Conclusions

The present publication process in economics is strongly biased against novel and unorthodox contributions. This is partly due to the education process in which young scholars are educated in mainstream economics. More important is the institutionalized publication process, which makes it most difficult, if not impossible, to publish heterodox papers. Scholars who are not prepared to follow the rules dictated by the existing publication process are unlikely to be successful in their academic careers. They find, at best, a job at a university at the border of the discipline. More often, such persons decide not to pursue an academic career.

This unfortunate situation is difficult to overcome. The existing institutions, in particular the private editing houses, do not want to lose their oligopolistic position, which enables them to reap high profits. But resistance to change will also come from scholars who benefitted – often by pure luck – from the existing system. One fine example of the publisher's powerful position is the forbidden simultaneous submission to various journals (Altman 1996). This rule, by now regarded as an ethical rule in academia, was purely economically motivated to minimize the extent of peer-reviewing and especially to secure copyrights already in the submission process. In accordance with both proposed institutional changes, this rule becomes obsolete and would generate a desirable shift in power from publishing houses to authors.

We propose two changes in publication institutions hampering scientific progress because they strongly hinder pluralism in economics. The first requires journal editors to compete for the papers they like. The second proposes a more fundamental change in publishing institutions. Random mechanisms are to be used to give all qualified papers fulfilling minimal formal requirements a chance of being accepted for publication, irrespective of whether the content is orthodox or heterodox. From the point of view of progress in scholarly ideas, the second proposal promises to overcome the strong restrictions existing today on heterodox contributions.

Endnotes

- [1] It is often overlooked that an econometric analysis cannot ‘support’ a hypothesis but can only reject an alternative hypothesis.
- [2] In economics, the time between submitting a paper and its (possible) publication is large and has grown over time (see Ellison 2002).
- [3] Today, the acceptable way of arranging footnotes strongly differs between journals and must be adjusted to the specific journal requirements already when the paper is submitted. This imposes totally unnecessary costs to authors who have to adjust the format each time they submit an article.
- [4] There is a vast number of metrics available. See Deutsche Forschungsgemeinschaft 2020, Infobox 5, p. 24.

Conflict of Interest Statement

The authors declare that there is no conflict of interest.

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