

# Report on the future organisation of the European Meetings of the Econometric Society and the European Economic Association

## 1. Background

At the meeting of the Executive Committee of the European Economic Association (EEA) in May 2001, Torsten Persson, Vice-President of the EEA and Member of the Council of the Econometric Society (ES), proposed to organise the European meeting of the ES and the EEA Congress in Stockholm in 2003. Moreover, he proposed that the meetings be held in parallel rather than one after the other. The Executive Committee was favourable to the proposal. It asked Persson to coordinate with the ES and to chair an EEA committee for preparing a proposal to the meeting with the EEA Council at the 2001 Congress in Lausanne. Persson informed Guy Laroque, President of the European Standing Committee of the ES, about the proposal. Laroque decided to set up a committee for looking into the pros and cons of the proposal as well as the way in which parallel meetings could be organised, and appointed Birgit Grodal (Chair), Persson, and Rafael Repullo to this committee. The proposal and this report will be discussed by the European Standing Committee of the ES at its meeting in Lausanne.

The report is organised as follows. Section 2 summarises the main features of the current situation. Section 3 presents a concrete blueprint for how parallel meetings might be organised. Section 4 discusses pros and cons of the proposal. Section 5 concludes.

## 2. The current situation

The Econometric Society European Meeting (ESEM) currently lasts for 4 days, and is organised by two Programme Chairs, one for Economic Theory and one for Econometrics, and a local organising committee. The Chairs appoint Programme Committees of about 30-40 people each. Submissions are sent to the appropriate Programme Chair, and are evaluated by one of the members of the corresponding Committee. Selected papers go into 9 blocks of about 22 parallel sessions (in 2001), which last for 1½ or 2 hours. Each session is devoted to three or four papers, making the total number of contributed papers accepted about 620 (average for 1996-1999).

In addition, there are 4 slots in which an invited session in Economic Theory and an invited session in Econometrics are held in parallel, a joint invited session, plus the Fisher-Schultz lecture and the Presidential Address. This makes a total of 16 (9+4+1+2) time slots. Participants are typically from universities and research centres. The number of participants is about 750 (average for 1996-1999).

The Congress of the EEA lasts for 3 days. It is organised by a Programme Chair who appoints a Committee of about 50-60 people and a local organising committee. Submissions are sent to the Programme Chair, and are evaluated by one of the members of the Committee. Selected papers go into 6 blocks of about 30 parallel sessions lasting for 1½ or 2 hours. In each session, three or four papers are presented, making the total number of contributed papers accepted about 590 (average for 1996-999). In addition, there are 3 slots with 3 parallel invited sessions (in 2001), plus the Joseph Schumpeter and the Alfred Marshall lectures, and the Presidential Address, which makes a total of 12 (6+3+3) time slots. Participants are mostly from universities and research centres, with the addition of some people from ministries, central banks and financial institutions. The number of participants is about 780 (average for 1996-1999).

Except for the years when ES has its World Congress, the two meetings have been held as back-to-back meetings at the same conference venue, with only two exceptions. The local organising committee has then been common for the two meetings. Some coordination between the meetings and sharing of common costs takes place through this committee.

Although both meetings are very successful, one sometimes hears negative remarks. Some of these are the following.

- The meeting is too big and crowded (both meetings).
- Too many parallel sessions of contributed papers (both meetings).
- Not enough senior economists participate (both meetings).
- Too few invited sessions/special lectures in ESEM (previously).
- The invited sessions in EEA are of variable quality (previously).
- The econometrics and economic theory parts of the ESEM are too separated.
- It takes too much time to go to both meetings in sequence.

In response to these complaints, the ESEM organisers have introduced more invited sessions (item 4) and a joint invited session for Economic Theory and Econometrics

(item 6). The European Standing Committee has decided to waive registration fees for speakers and discussants of invited sessions (item 3). Moreover, poster sessions as well as increases in the rejection rate have been discussed (item 2), but not agreed for fear of deterring participation (for funding reasons) among those who cannot present papers. Similar discussions have been held in the EEA. The EEA has also decided to cut down on the number of B-sessions (item 5). To save time (item 7), the European Standing Committee as well as the Council of EEA have discussed to increase the overlap between the two yearly meetings.

The proposal discussed in the next section directly addresses the last complaint, even though it has additional motivations. Indirectly, it also addresses some of the other complaints mentioned above.

### 3. The proposal

The proposal by Persson is that the European Standing Committee and the Council of EEA decide to run an experiment, where the two meetings are run fully in parallel (not only with partial overlap). Clearly, such parallel meetings raise issues of coordination between the two organisations, concerning the allocation of sessions as well as the sharing of costs and revenues. To show how these problems could be resolved in practice, we present a concrete proposal of a blueprint for a “Parallel EEA-ES European Meeting”, including a discussion of organisational and financial implications.

The ESEM certainly has a longer tradition, with the first meeting held in 1932, while the EEA Congress started only in 1986. At the present time, however, the two meetings have roughly equal academic standing and attract a similar number of participants (see above). For these reasons, our specific proposal below is based on an equal sharing between the two organisations both when it comes to the allocation of sessions and the joint revenues and costs.

#### *Structure of the meeting*

We start with the scientific contents. The EEA has three "A-sessions" (Presidential Address and the Schumpeter and Marshall lectures), while ESEM only has two (Presidential Address and the Fisher-Schultz lecture). To put the number of ESEM A-sessions on par, we propose raising the status of the joint invited session in Economic Theory and Econometrics. If the proposal is accepted, the Standing Committee may

want to give this new lecture a suitable name (and perhaps seek some external funding). Given this amendment, there are six A-sessions that should be scheduled as singular events. Keeping that in mind, inclusion of a sufficient number of contributed sessions requires that the meetings last 4½ days. A possible session schedule is the following:

Day 1	Day 2	Day 3	Day 4	Day 5
CS1	CS3	CS5	CS7	CS9
New ESEM Lecture	IS1	IS2	IS3	Marshall
CS2	CS4	CS6	CS8	
Schumpeter	ES PA	EEA PA	Fisher-Schultz	

In this schedule there are 9 slots for contributed paper sessions. The five morning slots could be of 1½ hours each, while the four afternoon slots could each last for 2 hours. In each of these slots, each organisation would schedule a *maximum* of 16 parallel sessions, so there would be a total maximum of 32 parallel sessions. Assuming that each paper is allocated 30 minutes, we get a maximum of 496 (5x16x3 + 4x16x4) contributed papers for each organisation. This number is a bit smaller than current numbers, but one has to take into account that a few papers are currently presented in both meetings.

The proposed schedule has 3 slots for invited sessions of 1½ hour each. In each slot each organisation would schedule a *maximum* of 3 parallel sessions. This would allow each organisation to maintain the status quo (of 2001), namely 8 for ES and 9 for the EEA. Each organisation could, of course, structure these sessions as they like, e.g., one speaker plus discussant in the case of the ES and two or three speakers in the case of the EEA.

As in the current arrangements, ES sessions could be organised by two Programme

Chairs and the EEA sessions by a single Programme Chair. However, this is clearly up to each organisation. Also, perhaps the European Standing Committee might want to take this opportunity to rename the two parts of the ES programme in the context of two parallel meetings.

To avoid duplication of refereeing, authors would be asked not to send the same paper to more than one (ES or EEA) Programme Chair. Moreover, to allow for ample participation, each participant would be limited to presenting at most one paper in each meeting (a total of two).

### *Financial arrangements*

What about the financial implications? We propose that participants register to "The Parallel Meetings of ES and EEA". The following three-fold fee structure would be maintained: a normal registration fee for members of either ES or EEA, a reduced student fee, and a higher non-member fee (applying the usual 50% penalties for late registration). As today, participants would be offered the possibility of joining either ES or EEA, obtaining the right to register at the normal fee. The registration fees plus the funds raised by the local organisers would constitute the *joint revenues*  $F$  of the two meetings.

Many of the expenses would go into the *joint costs*  $C$  of the meetings. This would be the case for, say, joint receptions, setting up of a local website, payments to local congress services, and other public goods offered by the local organising committee. In addition, each organisation would have *specific costs* for its part of the programme to be charged against the revenue of the meeting, denoted  $C_{ES}$  and  $C_{EEA}$ . These could encompass e.g., the costs of invited and A-lectures, Programme Committees, dinners, etc. (If, say, the ES has outside funding for part of its own programme – such as the support from ES general funds for the Presidential Address – these funds do not enter into  $F$ , nor do the corresponding costs enter into  $C_{ES}$ .)

The *joint surplus*  $S$  of the meetings would then be the difference between the joint revenues and the sum of the joint and the specific costs, that is  $S = F - C - C_{ES} - C_{EEA}$ . The division of this surplus between the two organisations would take into account their corresponding exemptions from paying registration fees, denoted  $W_{ES}$  and  $W_{EEA}$ . In particular, the surplus allocated to ES would be

$$S_{ES} = \frac{1}{2} (F + W_{ES} + W_{EEA} - C) - C_{ES} - W_{ES},$$

while the surplus allocated to EEA would be

$$S_{EEA} = \frac{1}{2} (F + W_{ES} + W_{EEA} - C) - C_{EEA} - W_{EEA}.$$

Thus, each organisation's surplus is protected from any revenue consequences caused by exceptions of the other. Of course,  $S = S_{ES} + S_{EEA}$ , so the joint surplus is equal to the sums allocated to each organisation.

Clearly, there has to be some coordination between the two organisations in the budgeting phase especially concerning the level of the registration fees, which has to be set such that each organisation can cover their programme specific costs. The common registration fees would then have to be set in trilateral bargaining with the local organising committee. Now, fees are set in bilateral bargaining between each organisation and the local committee.

These funding and accounting principles are based on the principle of equal sharing discussed above. They are also designed to avoid strategic behaviour (of the tax competition or common-pool type).

#### 4. Pros and cons of the proposal

The main arguments in favour of the proposal are the following:

- (1) Parallel meetings would hopefully increase the interaction between economists working on theory and policy, and between those working on econometric methods and empirical applications. This would be a most important consequence of the proposed reform.
- (2) Related to this, participants now attending one of the meetings (or no meeting at all) could choose sessions from a richer menu of topics, enabling current ESEM participants to learn more about recent applied work, and EEA participants to learn more about recent methodological breakthroughs.
- (3) Such parallel meetings might become a natural focal point of economics in Europe. The number of singular events (the A-sessions) would increase and become comparable to the world congresses of the ES. This would make the

meetings more attractive for junior and senior members of the profession from both Europe and the rest of the world. Some people presently not going to any of the meetings are likely to participate.

- (4) Another likely quality improvement concerns the EEA and ES invited sessions. Higher potential attendance and stiffer competition should lead to higher quality both in the selection of and preparations by invited speakers.
- (5) Fewer contributed sessions in each meeting are also likely to raise average quality. This would address the complaints of lacking quality of the present meetings.
- (6) People who attend both meetings would save time, benefiting from a richer set of sessions at each point in time (in total, of course, they could attend fewer sessions). These participants would also face lower accommodation expenses and registration fees because of sharing the fixed costs among a larger number of participants.

The main arguments against the proposal are the following:

- (1) Parallel meetings might blur the identity of each organisation, with one of the two (or even both) losing as a result.
- (2) Smaller conference venues would not be able to host two large meetings at the same time; the binding constraint would likely be the number of available hotel rooms rather than the meeting venue itself. A reduction in the number of possible venues may be important given that there has not been much competition in recent years for organising these events.
- (3) The meetings, seen together, will be even larger and more crowded than the existing ESEM and EEA congress. The maximum number of parallel sessions will be larger than in any of the existing meetings. The increase is marginal in the case of the EEA congress, but not so in the case of ESEM.
- (4) The parallel meetings will take more time than any one of the existing meetings, marginally in the case of ESEM, non-marginally in the case of the EEA congress.

- (5) Parallel meetings require more coordination between the two organisations, regarding programme planning and financing, which could lead to conflicts. However, our blueprint proposal suggests one way these can be resolved. Moreover, the greater need for coordination diminishes the flexibility of each Programme Committee in adapting the programme to the actual flow of contributed papers, e.g., by converting a contributed session into an invited session or by extending the number of parallel contributed sessions.
- (6) A Parallel EEA-ES European Meeting in line with the blueprint above is likely to raise the number of people presenting a paper at both meetings and will cut the total number of contributed sessions. This is likely to decrease the number of young people presenting a paper in either EEA or ESEM, which might decrease the number of young people attending (compared to the present sum of young participants in EEA and ESEM).

## 5. Conclusion

This report has examined the proposal to move from the current format of the European meetings of the ES and the EEA to true parallel meetings. Although we could have made a similar examination of an intermediate proposal with a two-day or even a three-day overlap, we decided to focus on just two alternatives. Comparing present-style back-to back meetings to parallel meetings, the latter would hopefully bring major benefits like (i) increasing the interaction between theoretical and applied researchers, and (ii) creating a natural focal point for economics in Europe. The main drawbacks may be that (i) parallel meetings blur the identity of each organisation, and (ii) smaller conference venues would not be able to host two large meetings at the same time.

To sum up, we think that the movement to parallel meetings would make participation more useful and attractive for both senior and junior members of the profession. Hence, there would be a gain for participants, as long as suitable venues could be found. However, the EEA or the European Region of the Econometric Society may lose part of its identity.

The alternatives that the European Standing Committee has to consider are thus:



- (1) To maintain the current arrangements.
- (2) To make an experiment with parallel meetings in 2003 and 2004 – conditional, of course, on approval by the EEA Council – along the lines sketched in the blueprint above, and to review the decision for 2006 and beyond at the 2004 meeting.

If the experiment is accepted, some practical issues will have to be tackled already in the planning of the Stockholm 2003 meetings. These will come up in the ES European Standing Committee and the EEA Executive Committee during the coming year.

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