

THE ROYAL ECONOMIC SOCIETY

# THE ECONOMETRICS JOURNAL

MANAGING EDITOR'S ANNUAL REPORT 2018

27 FEBRUARY 2019

*The Econometrics Journal was established in 1998 by the Royal Economic Society to promote the general advancement and application of econometric methods and techniques to problems of relevance to modern economics.*

*The Econometrics Journal aims to publish high quality research papers relevant to contemporary econometrics in which primary emphasis is placed on important and original contributions of substantive direct or potential value in applications. The Econometrics Journal is particularly interested in path-breaking articles in econometrics and empirical economics that address leading cases rather than provide an exhaustive treatment.*

## 1. OVERVIEW

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Important drivers of *The Econometrics Journal's* activities in 2018 were the new editorial policy that it developed in 2016, for all new submissions from 1 January 2017, and its move, on 1 January 2019, from Wiley to Oxford University Press (OUP). Against this background, this document reports the following on the period 1 January 2018 to 31 December 2018.

### 1.1. Editorial Board and Office

- a. In November 2018, John Rust (Georgetown University) announced his resignation as a Co-Editor, from 1 January 2019. We expect to appoint a successor from 1 March 2019.
- b. Pedro Carneiro (UCL) and Alfred Galichon (NYU) joined as Associate Editors. Serena Ng (Columbia University) and Christian Hansen (University of Chicago) resigned as Associate Editors.
- c. In its second year, the Editorial Office in Tilburg increasingly followed established procedures, so that it could move from weekly to fortnightly meetings with the Managing and Deputy Managing Editors.

### 1.2. Editorial Policy

- d. We further established the new editorial policy, which now seems to pay off in terms of submissions.
- e. We now systematically check all replication packages of newly accepted papers for completeness, proper documentation, and functionality.
- f. In preparing the *Journal's* move to OUP on 1 January 2019, we have embraced the guidelines of the Committee on Publication Ethics (COPE). In 2019, we will review compliance with these guidelines.

### 1.3. Papers

- g. *The Econometrics Journal* received 80.8% more new submissions in 2018.

- h. The Editors continued to deliver the promised fast review, with most new submissions either summarily rejected within a week or reviewed within 3 months.
- i. We have increased the efficiency of the replication package checks, which now run smoothly.
- j. Both our former freelance copyeditor, Rachel Lumpkin, and Mattson Publishing Services provided production services during the transition from Wiley to OUP. We are very satisfied with the work of, and cooperation between, all parties involved in the transition. OUP handles all production from 2019.
- k. Publication:
  - We published a Special Issue related to the Special Session on Model Selection and Inference at the Society's 2016 Annual Conference, containing the paper most downloaded in 2018.
  - We edited a Special Issue related to the Special Session on Econometrics of Games at the Society's 2017 Annual Conference (now published in the January 2019 issue).
  - Following a lack of suitable submissions, we cancelled the Special Issue on Recent Developments in Nonlinear Econometric Modelling, which was tied to an external conference.
  - We commissioned an article on the use of structural models and machine learning for firm policy making by Sanjog Misra (University of Chicago).
  - We again published no book reviews. In 2019, we will reconsider the policy on book reviews.
- l. Our (two-year) Journal Impact Factor increased to an all-time high of 1.152, but our five-year Impact Factor dropped. The effects of the new editorial policy will however not be known until 2020.

#### **1.4. Prizes**

- m. Andrew Chesher presented the 2016 Denis Sargan Econometrics Prize to Bezirgen Veliyev (Aarhus University) and K. Ulrich Hounyo (SUNY Albany) at the Society's 2018 Annual Conference.
- n. We selected the 2017 winners, Vincent Boucher (Université Laval) and Ismael Mourifié (University of Toronto), and prepared for Andrew Chesher to present the Prize at the 2019 Annual Conference.

#### **1.5. Events**

- o. The *Journal* will sponsor and publish the Sargan Lecture at the Society's Annual Conference from 2019. The Editors have worked with the Society to organize the Sargan Lectures in 2019 and 2020.
- p. We held a Special Session on Structural Macroeconometrics at the Society's 2018 Annual Conference.
- q. We organized a Special Session on the Econometrics of Panel Data for the 2019 Annual Conference.
- r. The *Journal* supported the Second Conference on Structural Dynamic Models in Copenhagen on 31 May and 1 June 2018 and intends to publish a Special Issue with its proceedings.

#### **1.6. External Communication**

- s. The *Journal's* Society ([ectj.org](http://ectj.org)) and publisher (<https://academic.oup.com/ectj>) web pages have been rebuilt. We continued to post news items, with a dip while our web content was being transferred.
- t. The *Journal* maintains a list of over 1750 email addresses, to be used sparingly by its Office only.
- u. We sent our Newsletters 8 and 9 to these contacts in, respectively, February and September 2018.

- v. Wiley produced *Journal* posters, flyers, and banners. OUP will renew the marketing effort in 2019.

### **1.7. Statistics**

- w. The key statistics are reported in the main text.
- x. Appendix B provides updates for 2018 of two additional tables from the previous Annual Report.

## **2. EDITORIAL BOARD AND OFFICE**

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The editorial process of *The Econometrics Journal* is overseen by its Managing Editor and Co-Editors. A Deputy Managing Editor generally supports the Managing Editor and the Co-Editors in the management of the *Journal* and its strategy and, more specifically, takes the lead in screening new submissions, editing book reviews, checking replication packages, and turning accepted into published papers. An Editorial Office provides administrative support. The Editorial Board is complemented with a large number of first-rate econometricians from around the world who, as Associate Editors, act as ambassadors, advisors, and senior referees of *The Econometrics Journal*.

### **2.1. Managing Editor, Co-Editors, and Deputy Managing Editor**

There were no changes to the *Journal's* main Editors in 2018. Jaap Abbring (Tilburg University) continued as its Managing Editor; Victor Chernozhukov (Massachusetts Institute of Technology), Dennis Kristensen (University College London), Michael Jansson (University of California, Berkeley), and John Rust (Georgetown University) as its Co-editors; and Tobias Klein (Tilburg University) as its Deputy Managing Editor.

The Editors met at the January 2018 ASSA Meeting in Philadelphia and held a Skype meeting in September 2018. They managed to conduct most editorial business over email.

In November 2018, John Rust announced his resignation as Co-Editor from 1 January 2019. We are very sorry to see John leave, but are thankful for his service to the *Journal*. This service will extend into 2019, as John will continue to handle the submissions that were already assigned to him, edit the Special Issue on Methodology and Applications of Structural Dynamic Models and Machine Learning (see 6.4), and liaise with the organizers of a possible sponsored conference on Nonstandard Methods in Econometrics at Georgetown University in the Fall of 2019.

The Managing Editor and remaining Co-Editors have identified an excellent candidate to replace John. This candidate has agreed to join the *Journal* as a Co-Editor and the Society's Appointments Committee has approved the appointment. We expect to formally appoint the new Co-Editor from 1 March 2019.

### **2.2. Associate Editors**

#### *Renewals and Resignations in 2018*

We are happy to report that Pedro Carneiro (University College London) and Alfred Galichon (New York University) have agreed to join *The Econometrics Journal* as Associate Editors from 1 January 2018.

We are delighted that Daniel Akerberg (University of Texas at Austin), Chunrong Ai (University of Florida), Jörg Breitung (University of Bonn), Federico Bugni (Duke University), Ivan Canay (Northwestern University), Giuseppe Cavaliere (University of Bologna), John Chao (University of Maryland), Yingying Fan (University of Southern California), Ivan Fernandez-Val (Boston University), Silvia Goncalves (Western University), Marc Henry (The Pennsylvania State University), Keisuke Hirano (The Pennsylvania State University), Stefan Hoderlein (Boston College), Yingyao Hu (Johns Hopkins University), Shakeeb Khan (Boston College), Tatiana Komarova (London School of Economics), Ivana Komunjer (Georgetown University), Morten Nielsen (Queens University), Andriy Norets (Brown

University), Taisuke Otsu (London School of Economics), Aureo de Paula (University College London), Zhongjun Qu (Boston University), Adam Rosen (Duke University), Andres Santos (University of California, Los Angeles), Olivier Scaillet (University of Geneva and Swiss Finance Institute), Susanne Schennach (Brown University), Azeem Shaikh (University of Chicago), and Gautam Tripathi (University of Luxembourg) have accepted renewed appointments as Associate Editors for three years from 1 January 2018.

Serena Ng (Columbia University) resigned from that same date and Chris Hansen (University of Chicago) resigned from 1 July 2018; we thank them warmly for their services to the *Journal*.

#### *New Appointments, Renewals, and Resignations from 1 January 2019*

For completeness, we also report the Associate Editor turnover on 1 January 2019.

We are happy to report that Denis Chetverikov (University of California, Los Angeles) has agreed to join *The Econometrics Journal* as an Associate Editor from 1 January 2019.

Moreover, 13 Associate Editors have accepted renewed appointments starting 1 January 2019: Valentina Corradi (University of Surrey), Yuichi Kitamura (Yale University), Offer Lieberman (Bar-Ilan University), Patrik Guggenberger (The Pennsylvania State University), Thierry Magnac (Toulouse School of Economics), Jonathan Hill (University of North Carolina), Patrick Gagliardini (Università della Svizzera Italiana), Xavier D'Haultfoeuille (CREST), Konrad Menzel (New York University), Xun Tang (Rice University), Tim Vogelsang (Michigan State University), Xu Cheng (University of Pennsylvania), and Anna Mikusheva (Massachusetts Institute of Technology).

Finally, Elie Tamer (Harvard University) and Xiaohong Chen (Yale University) resigned from 1 January 2019; we thank them warmly for their service to the *Journal*.

The current (February 2019) members of the Editorial Board are listed in Appendix A.

### **2.3. Editorial Office**

The Editorial Office is managed by the Research Support Team of Tilburg University's School of Economics and Management. Janneke Schrama-Scheepens continued to serve as the main Editorial Assistant and primary Office contact, usually with the help of a student assistant. Other members of the Research Support Team took care of the Editorial Office in her absence.

The Editorial Office continued to use Slack for organizing the workflow and the corresponding internal communications between the Editorial Assistant, the Managing Editor, the Deputy Managing Editor, and the research assistants charged with checking replication packages; and to use Dropbox for storing and exchanging files. To ensure that the Slack history is kept after a change of personnel, the Editorial Office has moved to using functional email accounts in the res.org.uk domain for all assistants.

In the Editorial Office's second year at Tilburg, many of its operations followed established procedures, so that it could move from weekly to fortnightly meetings with the Managing and Deputy Managing Editors.

The Editorial Office continued to send monthly reports on the flow of papers at the *Journal* to all Associate Editors and Co-Editors, often including some news from the Managing Editor.

### 3. EDITORIAL POLICY

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#### 3.1. Submission Guidelines and Review Process

The current editorial policy, which was developed in 2016 for all new submissions from January 2017, aims at the rapid and early dissemination of research in econometrics that is of substantive applied value. We pursue this goal by inviting submissions of shorter and more focused papers that demonstrate their applied value with an empirical illustration and striving to have these submissions

- assigned to an Editor or screen rejected within one week;
- peer reviewed within three months;
- revised quickly, by avoiding multiple and major revisions; and
- published online immediately after acceptance.

To facilitate such quick review and online publication, we require that all submissions follow strict guidelines. In particular, they need to be typeset in the *Journal* style using its LaTeX template.

In 2018, we continued to work hard on making this (relatively new) policy a success, so that *The Econometrics Journal* will be the outlet of choice for econometric research that matters. Section 4's statistics show that, after an initial fall in 2017, the number of submissions is now increasing rapidly. Moreover, the Editors continue to deliver the fast review that we have promised. Finally, we expect, but cannot yet know from data, that the *Journal's* focus on econometrics that matters will increase its impact.

#### 3.2. Replication Policy

*The Econometrics Journal* systematically checks all replication packages of newly accepted papers for completeness, proper documentation, and functionality. These checks will limit the publication of glaring mistakes by forcing authors to double check their data, code and results before publication. They will also ensure that empirical and computational results are replicable and that proposed methods can easily be used, thus increasing the credibility and usefulness of *The Econometrics Journal*.

The Editors do not intend to check for robustness, whether methods are appropriate, etcetera. Rather, they will simply check whether the submitted software and data are consistent with the results reported in the papers.

The Deputy Managing Editor manages the replication package checks at *The Econometrics Journal*, aided by a pool of expert research assistants, who are all PhD students at Tilburg University. In 2018, we have further increased the efficiency of the replication package checks, which now run smoothly (see 4.3).

#### 3.3. COPE Guidelines

In preparing the move from Wiley to OUP on 1 January 2019, the *Journal* has embraced the guidelines (<https://publicationethics.org/resources/guidelines>) of the Committee on Publication Ethics (COPE) and applied for COPE membership. In 2019, we will review the *Journal's* compliance with its guidelines.

## 4. PAPERS

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### 4.1. Submissions

Submission data for 2018 can directly be compared to data for 2017, because both years were covered by the new editorial policy. However, some care needs to be taken in comparing submissions in 2017 and 2018 with submissions in earlier years. The new policy requires that submissions are typeset in the *Journal* style using our LaTeX template (with exceptions for papers written in Word, etcetera). Submissions in 2017 that were not typeset in the *Journal* style were desk rejected by the Editorial Assistant before being entered into Editorial Express® and reviewed by the Editors. As a result, they are not counted as submissions in Editorial Express®. However, many, but not all, of these would have counted as summary rejections by an Editor in previous years (in which they would have trivially complied with the style requirements). Therefore, in comparisons with earlier years, it is appropriate to include many, but not all, of the submissions in 2017 and 2018 that were desk rejected by the Editorial Office. To keep this practical, we simply report the extremes in which either all or none of these submissions are included.

Table 1 reports the number of new submissions and resubmissions in 2018, 2017, 2016, and 2015. The statistics for 2016 and 2015 cannot be found in Annual Reports on those years, because these covered July-June periods. To allow comparison with these earlier Annual Reports and the tables in Appendix B (which are updated tables from the previous Annual Report), we have also included statistics for the earlier July 2015–June 2016 and July 2014–June 2015 reporting periods.

**Table 1. Number of Submissions**

Year	New submissions		Resubmissions
	all	of which handled by Editors                      Office	
2018	238	132                      106	19
2017	182	73                        109	31
2016	176	176                      -	38
2015	168	168                      -	18
2015/16	211	211                      -	22
2014/15	157	157                      -	40

The Editors handled 80.8% more new submissions in 2018 (132) than in 2017 (73). At the same time, the Office rejected fewer new submissions (for not being typeset in the *Journal* style) in 2018 (106) than in 2017 (109). Consequently, the *share* of new submissions rejected on formal grounds by the Office has decreased substantially. This suggests that, in 2018, authors were both better appreciating the *Journal's* new editorial policy and more keenly aware of the corresponding submission guidelines.

To compare with the years before 2017, note that 21 of the 106 papers formally rejected by the Office in 2018 were later submitted correctly and counted among the 132 proper submissions.<sup>1</sup> Thus, a reasonable upper bound on a comparable number of submissions in 2018 is  $238 - 21 = 217$ ; a lower bound is the number of submissions handled by the Editors, 132. For 2017, these bounds were  $182 - 25 = 157$  and 73. Robustly, after a fall in 2017, new submissions have rebounded in 2018 to historical levels, even though they now need to comply with the much tougher submission guidelines of the new editorial policy.

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<sup>1</sup> Moreover, a few papers were submitted in the wrong format, and have been counted, more than once.

Our radical editorial change has likely reduced submissions in the short term.<sup>2</sup> After all, the cost of meeting the new submission guidelines presented itself immediately, but the benefits, such as faster review (see 4.2), only revealed themselves late in 2017. Once we had presented the first evidence of much faster review and further communicated the new editorial policy, both the number of submissions and the share of those submissions that complied with the new guidelines increased substantially.

As in the previous Annual Report, Tables B.1 and B.2 record the geographical distributions of the submitted and accepted papers by year. Because these data are drawn from Editorial Express®, Table B.1 only considers the 132 proper submissions for 2018 and the 73 proper submissions for 2017. Most remarkable about these tables are not the geographical distributions themselves (the distributions for 2018 are within reasonable historical bounds), but the low number of accepted papers in 2018. Despite the strong increase in new submissions, and the fast review, fewer papers (13) were accepted in 2018 than are needed to fill a volume of the *Journal* (around 21) or than were accepted in 2017 (24). As a consequence, the *Journal* has now almost depleted its backlog of unpublished accepted papers. Fortunately, the prospects for 2019 are good: Until 23 February 2019, 3 papers were accepted and 7 more were conditionally accepted. To speed up the conversion of conditionally accepted into accepted papers, we have made the one-month deadline for returning final revisions more salient in the conditional acceptance email and instructed the Office to kindly remind authors who do not meet these deadlines.

#### 4.2. Review

We continued to use Editorial Express® for the review process, to our full satisfaction.

In 2018, 55.3% (73) of the 132 new submissions that conformed to the guidelines were summarily rejected.<sup>3</sup> In 2017, a slightly larger share (61.6%) of conforming submissions was summarily rejected.

If we include the submissions that were desk rejected by the Editorial Office, then 75.2% ( $73+106=179$ ) of all ( $132+106=238$ ) new submissions in 2018 and 84.6% of all new submissions in 2017 were summarily rejected. These numbers are broadly comparable to the percentages of summary rejections in 2016 (77.8%) and 2015 (78.6%).

Figure 1 plots the cumulative distributions of the time from new submission to a first editorial decision in 2018 and 2017 (with and without submissions desk rejected by the Editorial Office), 2016, and 2015.<sup>4</sup> As some, but not all, submissions desk rejected by the Editorial Office in 2018 and 2017 would have counted as summary rejections in 2016 and 2015, we would expect the distributions for those earlier years to lie between the two distributions for 2017 if review times were stable. This is not the case. Robustly, decisions were delivered faster under the new editorial policy in 2018 and 2017 than in earlier years.

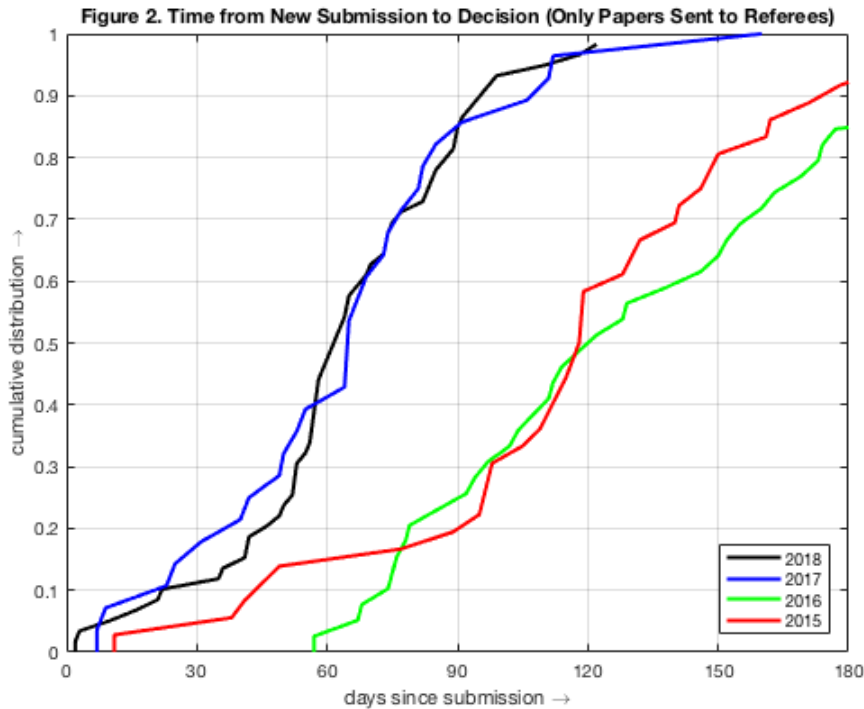
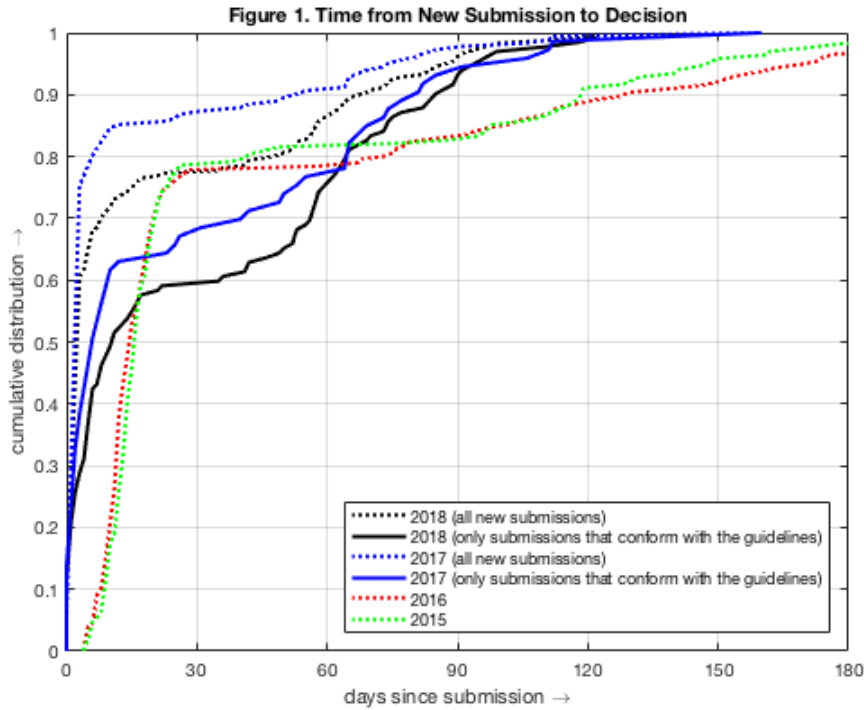
In 2018, between 93.9% and 96.6% of new submissions were handled within three months. In 2017, this was true for 94.5% to 97.8% of submissions. This is a major improvement over the corresponding 82.4% and 82.7% in 2016 and 2015.

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<sup>2</sup> This is not evident though, as new submissions were already down before we implemented the new editorial policy: Only 60 of the 176 new submissions in 2016 were submitted in the second half of that year.

<sup>3</sup> Two new submissions in 2018 were (quickly) withdrawn by the authors. Both papers seemed good quality, but poor fits to *The Econometrics Journal*. Throughout this section, we include them with the summarily rejected papers. The results are robust to other reasonable ways of handling these cases.

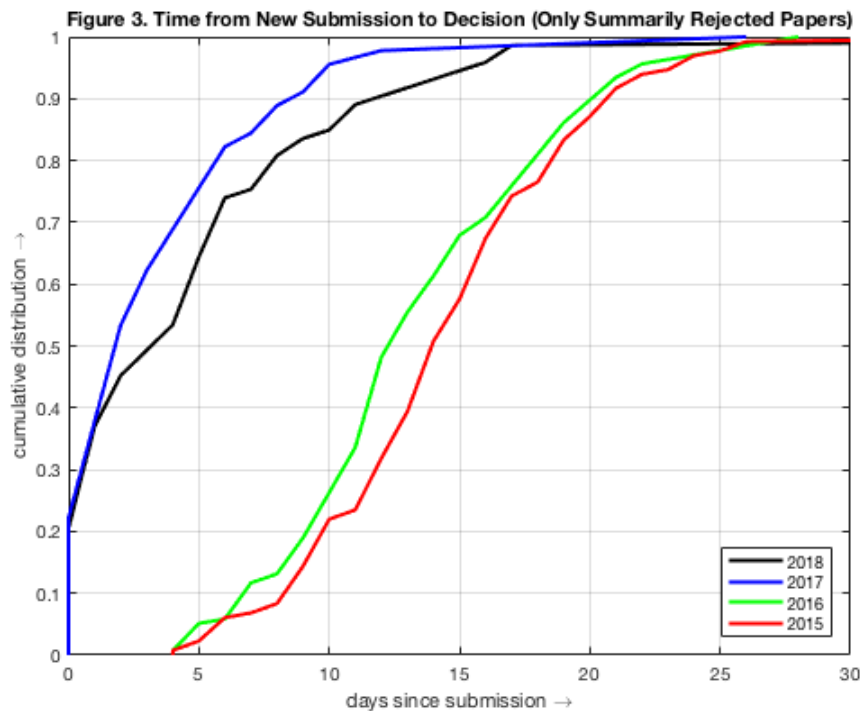
<sup>4</sup> For 2018, we used Kaplan-Meier estimators to correct for one submission that was still under review when the data were extracted on 21 February 2019. Moreover, we imputed the times it took for the Editorial Office to desk reject the 106 (2018) and 109 (2017) submissions that did not conform to the guidelines to be uniformly distributed over 1, 2, and 3 days. These durations are not available from Editorial Express® and there is little point in hand collecting them, because the Office checked the submission holding tank on a daily basis (with some delays on weekends). Finally, we have completed the data of two submissions in 2017 that were still under review when the Annual Report over 2017 was prepared. This implies very small revisions of the review time estimates for 2017.



The difference between 2018 and 2017 is due to the smaller percentage of (invariably quick) summary rejections in 2018. Figure 2 plots the cumulative decision time distributions for only those submissions that were sent to referees (and thus excluding summarily rejected papers). These are very similar between 2018 and 2017, despite the differences in Figure 1. Moreover, times to decision have



dramatically improved since the period before the introduction of the new editorial policy (2015 and 2016). About 86% of decisions that were based on referee input were taken within three months in 2017 and 2018, against only 20% in the earlier years. Figure 3 confirms this message for those new submissions that were summarily rejected. Again, times to decision in 2018 and 2017 (around 80% of decisions within a week) are similar and way better than in 2016 and 2015 (around 9% within a week).



It is worth noting that all *regular* new submissions in 2018 were handled within 99 days. The four decisions that took longer all concerned submissions to the Special Issue on Methodology and Applications of Structural Dynamic Models and Machine Learning (see 6.4).

Preliminary evidence on resubmissions suggests we mostly avoided major and multiple revisions. We will more systematically investigate this next year, when more data under the new policy will be available.

All in all, the review performance in 2017 and 2018 has been in line with the new editorial policy, which strives to screen within 7 days, review within three months, and avoid major and multiple revisions. In 2019, we will continue to work towards minimizing unnecessary delays in editorial decisions.

### 4.3. Replication Package Checks

In 2018, we have made the need to provide well documented and functioning replication packages more salient during the review process. As a result, authors now submit substantially better replication packages, which can be reviewed more quickly. This has resulted in a downward adjustment in the budgeted research assistant input needed, from 10 to 4.5 hours per article from 1 January 2019.

### 4.4. Production

The *Journal's* freelance copyeditor, Rachel Lumpkin, resigned late in 2017, but has been so kind to finish work on all papers published in the first two issues of 2018. Mattson Publishing Services in Baltimore, Maryland, handled all papers for the third (and last) issue of 2018 and three papers from the first issue of

2019. The *Journal's* new publisher, OUP, took over all aspects of production from there, as agreed earlier.

We were satisfied with the work of and cooperation between all parties involved in the transition from Wiley to OUP. The first issue of 2019 was published with a small delay relative to the new schedule agreed with OUP (the first issue was rescheduled from February to January), but this was a conscious choice for quality and fully coordinated with the Editors. OUP addressed all challenges that came up very well.

We used the transition to review and improve the template, style guide, and typesetting. From 2019, we report the handling Co-Editor with each article published.

## 4.5. Publication

### 4.5.1. Most Downloaded Papers in 2018

The ten papers that were downloaded most in 2018 (with first online publication months) are

Victor Chernozhukov, Denis Chetverikov, Mert Demirer, Esther Duflo, Christian Hansen, Whitney Newey and James Robins (June 2017): "Double/debiased machine learning for treatment and structural parameters" <https://www.doi.org/10.1111/ectj.12097>

Hans van Kippersluis and Cornelius A. Rietveld (May 2018): "Beyond plausibly exogenous" <https://doi.org/10.1111/ectj.12113>

Jianqing Fan, Yuan Liao and Han Liu (Feb 2016): "An overview of the estimation of large covariance and precision matrices" <https://doi.org/10.1111/ectj.12061>

Ivan A. Canay (Oct 2011): "A simple approach to quantile regression for panel data" <https://doi.org/10.1111/j.1368-423X.2011.00349.x>

O. E. Barndorff-Nielsen, P. Reinhard Hansen, A. Lunde and N. Shephard (Nov 2009): "Realized kernels in practice: trades and quotes" <https://doi.org/10.1111/j.1368-423X.2008.00275.x>

H. Peter Boswijk (Aug 2017): "Adaptive wild bootstrap tests for a unit root with non-stationary volatility" <https://doi.org/10.1111/ectj.12100>

Søren Johansen, Rocco Mosconi and Bent Nielsen (March 2002): "Cointegration analysis in the presence of structural breaks in the deterministic trend" <https://doi.org/10.1111/1368-423X.00047>

William Greene (June 2004): "The behaviour of the maximum likelihood estimator of limited dependent variable models in the presence of fixed effects" <https://doi.org/10.1111/j.1368-423X.2004.00123.x>

Joakim Westerlund (Jan 2018): "CCE in panels with general unknown factors" <https://doi.org/10.1111/ectj.12110>

Richard J. Smith (Feb 2018): "Royal Economic Society Annual Conference 2016 Special Issue on Model Selection and Inference" <https://doi.org/10.1111/ectj.12098>

### 4.5.2. Special Issue on Model Selection and Inference Published

In February 2018, *The Econometrics Journal* published a Special Issue on Model Selection and Inference. The paper in this Special Issue arises out of the invited presentations given in *The Econometrics Journal* Special Session on this topic at the 2016 Annual Conference of the Royal

Economic Society. Richard Smith, then Managing Editor of *The Econometrics Journal*, organized this Special Session and edited the Special Issue. Andrew Chesher, then President of the Royal Economic Society, chaired the Special Session. Chris Hansen (University of Chicago) presented "Model selection and post-model selection inference in economic applications". Bruce Hansen (University of Wisconsin, Madison) presented "Shrinkage estimation in vector autoregressions". Both presentations are available at <https://bit.ly/2tF99mX>.

The paper "Double/debiased machine learning for treatment and structural parameters" by Victor Chernozhukov (MIT), Denis Chetverikov (UCLA), Mert Demirer (MIT), Esther Duflo (MIT), Christian Hansen (University of Chicago), Whitney Newey (MIT) and James Robins (Harvard University) was by far the *Journal's* most downloaded article in 2018 (see 4.5.1; <https://doi.org/10.1111/ectj.12097>). Its main contribution is the provision of general and simple valid procedures for root- $N$  consistent estimation and inference on a low dimensional parameter of interest, typically a causal or treatment effect parameter, in the presence of a high-dimensional or highly complex nuisance parameter. It discusses applications to learning the main regression parameter in a partially linear regression model, the average treatment effect and treatment effect on the treated under unconfoundedness, and the local average treatment effect in an instrumental variables setting.

#### 4.5.3. *Special Issue on Econometrics of Games Edited*

Jaap Abbring edited a Special Issue on Econometrics of Games, which was eventually published in January 2019. This Special Issue reports on the Special Session on Econometrics of Games at the Society's 2017 Conference in Bristol. The former Managing Editor, Richard J. Smith, organised this session. He invited Elie Tamer (Harvard University) and Phil Haile (Yale University) to present in it and enlisted the current Managing Editor, Jaap Abbring, to chair it. Slides and a video of both presentations are available from the web site of *The Econometrics Journal* at <https://bit.ly/2U9SLX7>.

Economists now routinely use game-theoretic models in the empirical analysis of, for example, market structure and competition, principal-agent problems, auctions and auction design, and the formation of and interactions over social networks. They leverage the structure of these games to identify and estimate their primitives and evaluate policy interventions. The econometrics of games addresses the new challenges this brings.

One key challenge is that games may have no or multiple equilibria, so that their econometric implementations may be incoherent or incomplete. Elie Tamer made important contributions to this problem, with a special focus on partial identification and set estimation of games' primitives. In his Special Session presentation "Thoughts on causal inference in games," he investigated the possible role of causal inference methods in the empirical analysis of games, with a particular focus on equilibrium multiplicity. Elie did not contribute a paper to this Special Issue, but Jaap Abbring's Editorial (<https://doi.org/10.1093/ectj/uty001>) discusses Elie's presentation in quite some detail.

Research into auctions has been particularly successful in leveraging game-theoretic structure to identify and estimate model primitives and answer policy questions. The theory of first-price sealed bid auctions, in particular, tightly characterises bidders' valuations in terms of their observed bids. In Phil Haile's presentation on "Unobserved heterogeneity in auctions," he reviewed the analysis of such auctions in the practically important case that there are auction-specific factors that are commonly observed by bidders, but unobserved to the econometrician. Such unobserved heterogeneity gives bidders an informational advantage over the econometrician, which complicates inference on auction primitives from observed bidding behaviour. Moreover, it may render bidder entry, and therefore the number of bidders in an auction, endogenous. This complicates learning about the causal effects of the number of bidders, and thus competition, on auction outcomes and using variation in the number of bidders to identify the model.

Phil showed how various known econometric methods can be adapted and extended to deal with auction-specific unobservables in bids data. Phil Haile and Yuichi Kitamura's paper in this Special Issue (<https://doi.org/10.1111/ectj.12121>) provides a lucid and detailed review of these various approaches, with their advantages and disadvantages.

#### 4.5.4. *Special Issue on Recent Developments in Nonlinear Econometric Modelling Cancelled*

Following a lack of suitable submissions, we have cancelled the Special Issue on Recent Developments in Nonlinear Econometric Modelling for we had invited papers from the fifth International Symposium in Computational Economics and Finance (ISCEF2018) in Paris in April 2018.

#### 4.5.5. *Commissioned Articles*

From 2018, the Editors annually commission one larger article that reviews important new developments in econometrics and guides empirical researchers in their application. The articles will be written and reviewed over the course of each calendar year and published in the next.

In 2018, the Editors commissioned an article on the use of structural models and machine learning for firm policy making by Sanjog Misra (University of Chicago), with John Rust the Co-Editor in charge. The article, tentatively entitled "Applied machine learning," is expected to be submitted soon and to be published with the Special Issue on Methodology and Applications of Structural Dynamic Models and Machine Learning (see 6.4). We will most likely commission a second paper in the Spring of 2019.

#### 4.5.6. *Book and Software Reviews*

We published no book reviews in 2018. In 2019, we will reconsider the editorial policy on book reviews.

### **4.6. Impact**

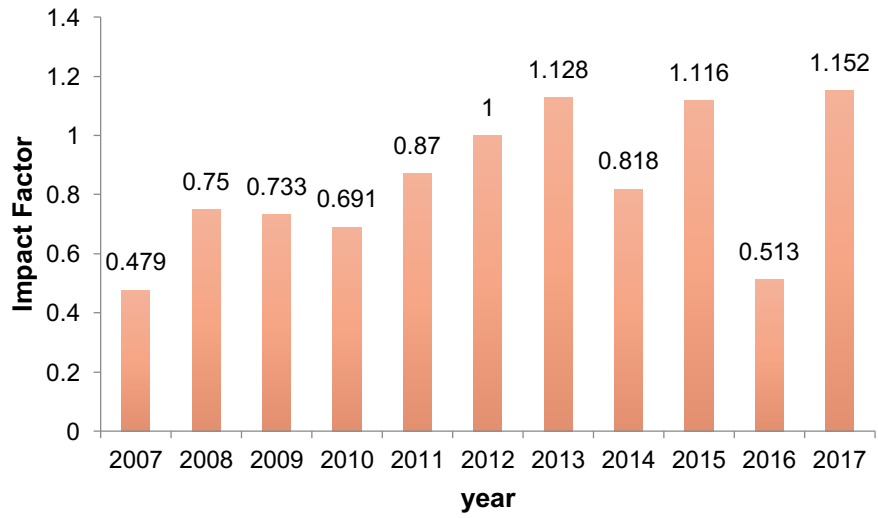
The 2017 Journal Citation Reports® (Clarivate Analytics, 2018) for *The Econometrics Journal* show that its (two-year) Journal Impact Factor has increased to an all-time high of 1.152, while its five-year Impact Factor dropped to 1.163 in 2017. The *Journal* was cited 844 times in 2017, a 6.7% increase over 2016.

Figures 4-6 display the development of these statistics over the past few years. One explanation for the recent fall in the five-year Impact Factor is that the 25 articles in the *Journal's* 2011 volume were cited 100 times in 2016, but no longer contribute to the 2017 five-year Impact Factor.

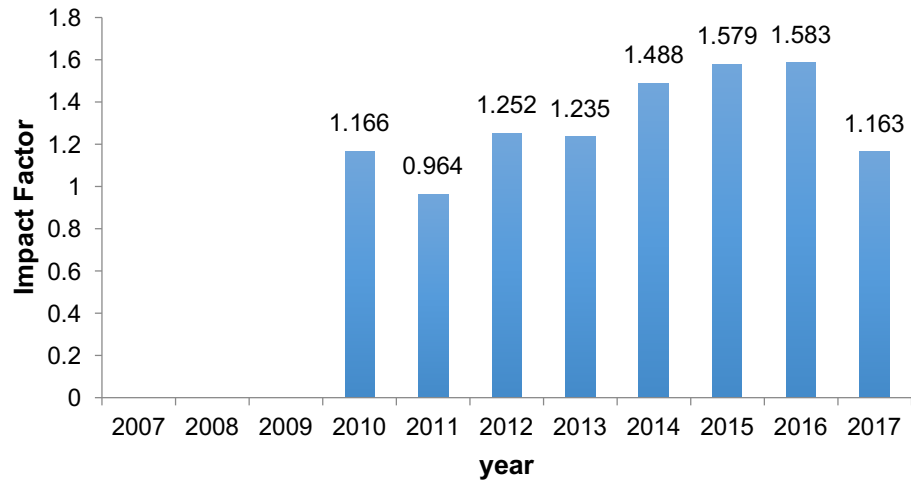
The *Journal's* new editorial policy aims at promoting econometrics that matters and increasing its influence on the profession. However, it will take some time for this effect to be measured by the Impact Factors. The Impact Factors reported here cover citations of articles published in 2016 and before. Therefore, they do not reflect the impact of the new editorial policy, which only affected submissions from 2017 onwards (which will result in publications from 2018 onwards). The 2019 Impact Factors, which will become available halfway 2020, will be the first that cover publications under the new policy.

The two-year Journal Impact Factor, in particular, is volatile because it depends heavily on references to a small number of papers. In the longer run, if the current increase in submissions persists, we can likely address this by publishing more papers.

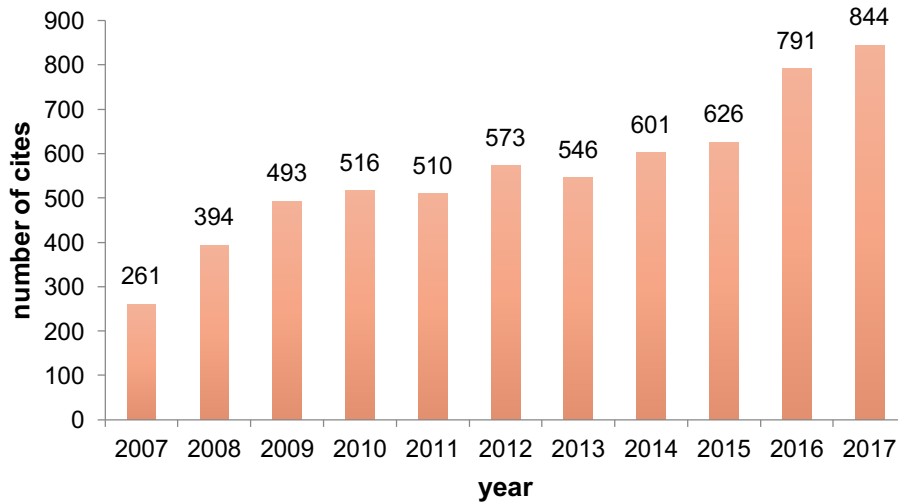
**Figure 4. Journal Impact Factor**



**Figure 5. Five-Year Impact Factor**



**Figure 6. Total Cites**



## 5. PRIZES

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The Denis Sargan Econometrics Prize is awarded for the best (unsolicited) article published in *The Econometrics Journal* in a given year by anyone who is within five years of being granted their doctorate. An honorarium of £1000 is awarded to the winning author.

The Denis Sargan Econometrics Prize commemorates the fundamental contributions to and profound influence on econometrics by (John) Denis Sargan. For further details, including previous winners, see <https://bit.ly/2BSCe2M>.

### 5.1. Presentation of the 2016 Denis Sargan Econometrics Prize at 2018 Annual Conference

The Society's Past President, Andrew Chesher, presented the 2016 Denis Sargan Econometrics Prize to Bezirgen Veliyev (Aarhus University) and K. Ulrich Hounyo (SUNY Albany) at its 2018 Annual Conference. Bezirgen and Ulrich were awarded the Prize for their paper "Validity of Edgeworth expansions for realized volatility estimators" in the *Journal's* February 2016 issue (<https://doi.org/10.1111/ectj.12058>).

### 5.2. Winners of 2017 Denis Sargan Econometrics Prize Selected

The Editors of *The Econometrics Journal* decided that the 2017 Denis Sargan Econometrics Prize will be shared equally between Vincent Boucher (Université Laval) and Ismael Mourifié (University of Toronto) for their article "My friend far, far away: a random field approach to exponential random graph models" in the October 2017 issue of *The Econometrics Journal* (<https://doi.org/10.1111/ectj.12096>).

Vincent and Ismael's Prize winning article studies the econometrics of strategic network formation in large populations. It focuses on measuring the parameters of individual utility functions from data on a single, large social network that is modeled as an exponential random graph. Its main contribution is to provide a logit based estimation method that is both easy to implement and fast, for the case in which payoffs from link formation decay with differences or distance between individuals. It demonstrates this method's applicability using the National Longitudinal Survey of Adolescent Health (Add Health).

Andrew Chesher will present the Prize to Vincent and Ismael at the Society's 2019 Annual Conference.

## 6. EVENTS

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### 6.1. Sargan Lecture

For many years, the Sargan Lecture has brought leading economists to the Annual Conference of the Royal Economic Society, often to discuss topics in econometrics (<https://bit.ly/2BSCe2M>) From 2019, *The Econometrics Journal* will sponsor and publish the Sargan Lecture, with the following remit:

“The Sargan Lecture commemorates the fundamental contributions to and profound influence on econometrics by (John) Denis Sargan. It does so by promoting econometric theory and methods with substantive direct or potential value in applications and their actual empirical application. *The Sargan* lecture is sponsored and published by *The Econometrics Journal*.”

The Sargan Lecture will be chaired by an Editor of *The Econometrics Journal*. The Society’s President invites the Sargan lecturer, in agreement with the *Journal*’s Editors.

In 2018, the Managing Editor ensured that the *Journal*’s 2019 budget includes funds for the Sargan Lecture. Also, the Editors worked with the Society to organize the first two Lectures under the new remit, by James Heckman (University of Chicago) in 2019 and Serena Ng (Columbia University) in 2020.

### 6.2. Special Session on Structural Macroeconometrics at 2018 Annual Conference

Each year, the Editors of *The Econometrics Journal* organize a Special Session on a subject of current interest and importance at the Society’s Annual Conference (see <https://bit.ly/2U6JbnL>). With these Special Sessions, the *Journal* intends to promote econometric theory and methods of substantive direct or potential value in applications and their actual empirical application. It publishes the proceedings of the Special Sessions in Special Issues.

At the 2018 Annual Conference in Bristol, the Editors organized a Special Session on Structural Macroeconometrics, with presentations by

Barbara Rossi (UPF/BGSE) on "The effects of conventional and unconventional monetary policy: A New identification procedure" and

Marco del Negro (NY Fed) on "Recent developments in forecasting with DSGE models".

Marco’s presentation is available from <https://bit.ly/2Srdl3L>. We are editing a Special Issue with papers arising from this Session.

### 6.3. Special Session on Econometrics of Panel Data at 2019 Annual Conference

We prepared a Special Session on Econometrics of Panel Data at the 2019 Annual Conference of the Royal Economic Society, with presentations by

Ivan Fernandez-Val (Boston University) on "Panel models with factor structure" and

Bo Honoré (Princeton University) on "Point-identification in simple dynamic binary outcome models".

We expect to further report on this event in a future Special Issue on Econometrics of Panel Data.

## 6.4. Second Conference on Structural Dynamic Models

Three Co-Editors (Dennis Kristensen, Victor Chernozhukov, and John Rust) and the Managing Editor were actively involved in the Second Conference on Structural Dynamic Models, which focused on the use of machine learning and artificial intelligence to facilitate solution and estimation of dynamic structural models. *The Econometrics Journal* supported this conference, which was hosted by the Centre for Computational Economics at the University of Copenhagen on 31 May and 1 June 2018 (<http://www.econ.ku.dk/cce/events/Dynamics2018/>).

Co-Editor John Rust, with the help of guest Editors Fedor Iskhakov (Australian National University) and Bertel Schjerning (University of Copenhagen), has been and is editing a Special Issue on Methodology and Applications of Structural Dynamic Models and Machine Learning to disseminate its findings.

## 7. EXTERNAL COMMUNICATION

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### 7.1. Website

With the development of the Society's new web site, the *Journal's* web pages at [ectj.org](http://ectj.org) have been rebuilt and redesigned. The *Journal* also has a new web page at OUP's web site. The Managing Editor has been and is working with the Society's Communications Manager and with OUP representatives to ensure that the new webpages are complete and easy to navigate, with minimal overlap.

We have regularly posted news items on the Society's web site, including the *Journal's* Newsletters, to promote the *Journal*. This channel has temporarily dried up with the change of web sites at the end of 2018, but we will make sure to pick this up again soon (e.g. with a tenth Newsletter; see 7.3).

### 7.2. Mailing List

The *Journal* maintains a database of over 1750 email addresses on a mail list server, with the options to subscribe and unsubscribe. Only the Editorial Office can post to this list and does so sparingly (almost exclusively to send the *Journal's* Newsletters).

### 7.3. Newsletters

We sent Newsletters 8 and 9 to the *Journal's* mailing list in, respectively, February and September 2018. Newsletter 10 is scheduled for March 2019.

### 7.4. Marketing

Wiley produced posters, flyers, and vertical banners, which we have used to promote the *Journal* at various meetings and through our Editorial Board. OUP will develop a marketing plan and produce new marketing material in 2019.



## 8. ACKNOWLEDGEMENTS

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We are grateful for the support of the Royal Economic Society and its officers. We particularly recognize the work of the Editors and the anonymous referees, whose efforts ensure that the quality of *The Econometrics Journal* is maintained and improved. We are also grateful for the assistance offered by our publishers at Wiley (until 2018) and OUP (from 2019), in particular in the *Journal's* transition from one to the other. Finally, we thank Rachel Lumpkin and Geri Mattson for their flexibility and help in producing the *Journal* in 2018.

Jaap H. Abbring

Managing Editor, *The Econometrics Journal*

## **APPENDIX A. EDITORIAL BOARD AND OFFICE (FEBRUARY 2019)**

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## APPENDIX B. ADDITIONAL TABLES

This appendix provides updated Tables B.1 and B.2 from the previous Annual Report (the other tables are superseded by the information in the main text or not cited there). Because they only cover data from Editorial Express®, they exclude the 109 new submissions in 2017 and the 106 new submissions in 2018 that were desk rejected by the Office under the new editorial policy. Consequently, the qualifications of Section 4.1 apply to comparisons with earlier years. Reporting years are calendar (2018, 2017) or July-June (earlier) years.

**Table B.1. Geographical Distribution of New Submissions (by Reporting Year)**

Region	2018	2017	2015/16	2014/15
UK	15 (11.36%)	7 (9.59%)	11 (5.21%)	16 (10.19%)
USA	20 (15.15%)	19 (26.03%)	42 (19.91%)	21 (13.38%)
Canada	4 (3.03%)	2 (2.74%)	3 (1.42%)	4 (4.46%)
<b>Total %</b>	<b>29.55%</b>	<b>38.36%</b>	<b>26.54%</b>	<b>28.02%</b>
<b>Europe (excluding UK)</b>				
Belgium	0 (0.00%)	0 (0.00%)	0 (0.00%)	2 (1.27%)
France	3 (2.27%)	1 (1.37%)	5 (2.37%)	4 (2.55%)
Germany	5 (3.79%)	4 (5.48%)	9 (4.27%)	11(7.01%)
Italy	5 (3.79%)	1 (1.37%)	11 (5.21%)	8 (5.10%)
Netherlands	3 (2.27%)	1 (1.37%)	3 (1.42%)	1 (0.64%)
Scandinavia	4 (3.03%)	3 (4.11%)	3 (1.42%)	4 (2.55%)
Spain & Portugal	4 (3.03%)	3 (4.11%)	6 (2.84%)	4 (2.55%)
Other	15 (11.36%)	4 (5.48%)	16 (7.58%)	12 (7.64%)
<b>Total %</b>	<b>29.55%</b>	<b>23.29%</b>	<b>25.12%</b>	<b>29.31%</b>
<b>Rest of the World</b>				
Australia & NZ	6 (4.55%)	5 (6.85%)	5 (2.37%)	9 (5.73%)
China/HK	25 (18.94%)	9 (12.33%)	36 (17.06%)	24 (15.29%)
India & Pakistan	4 (3.03%)	2 (2.74%)	10 (4.74%)	8 (5.10%)
Israel	1 (0.76%)	0 (0.00%)	1 (0.47%)	0 (0.00%)
Iran & Iraq	2 (1.52%)	1 (1.37%)	7 (3.32%)	3 (1.91%)
Korea	2 (1.52%)	5 (6.85%)	4 (1.90%)	5 (3.18%)
Japan	2 (1.52%)	2 (2.74%)	0 (0.00%)	6 (3.82%)
Russian Federation	2 (1.52%)	0 (0.00%)	6 (2.84%)	4 (2.55%)
Taiwan	0 (0.00%)	0 (0.00%)	1 (0.47%)	3 (1.91%)
Other	10 (7.58%)	4 (5.48%)	32 (15.17%)	5 (3.18%)
<b>Total %</b>	<b>40.91%</b>	<b>38.36%</b>	<b>48.34%</b>	<b>42.67%</b>
<b>Total</b>	<b>132</b>	<b>73</b>	<b>211</b>	<b>157</b>

**Table B.2. Geographical Distribution of Accepted Papers (by Reporting Year)**

Region	2018		2017		2015/16		2014/15	
		%		%		%		%
UK	3		1				2	
USA	5		13		5		4	
Canada	0		4					
<b>Total</b>	<b>8</b>	<b>61.54%</b>	<b>18</b>	<b>75.00%</b>	<b>5</b>	<b>38.46%</b>	<b>6</b>	<b>37.50%</b>
<b>Europe (excl. UK)</b>								
Belgium							1	
France			2				1	
Germany	1							
Italy			1				1	
Netherlands	1		1					
Scandinavia	2				1			
Spain								
Other					1		1	
<b>Total</b>	<b>4</b>	<b>30.77%</b>	<b>4</b>	<b>16.67%</b>	<b>2</b>	<b>15.38%</b>	<b>4</b>	<b>25.00%</b>
<b>Rest of the World</b>								
Australia & NZ							2	
China/HK	1		2		3		1	
Russian Federation							1	
Japan & India					2			
Korea							1	
Other					1		1	
<b>Total</b>	<b>1</b>	<b>7.69%</b>	<b>2</b>	<b>8.33%</b>	<b>6</b>	<b>46.15%</b>	<b>6</b>	<b>37.50%</b>
<b>Total</b>	<b>13</b>		<b>24</b>		<b>13</b>		<b>16</b>	