

AFIT Report to AFEE
December 1978

In late April of this year David Martin asked if I would be on a committee to find ways to strengthen AFEE in the Midwest and other regions. Somewhat reluctantly I agreed. My reluctance stemmed from two sources 1) at that very time we were in the process of organizing a group of institutionalists, most of whom were critical of the direction of the Association and its Journal, and 2) I personally had just about written AFEE, et al., off as a lost cause. I told Professor Martin these things at the time and we had a discussion which ended in my being persuaded to accept his offer. I then suggested that what I would do was to incorporate the task of seeking ways for the new Steering Committee to simultaneously formulate ways to strengthen AFEE and set up the institutionalists association.

What follows is the result of that effort, but first allow me a moment to give some background. For the past few years the Western Social Science Association (WSSA) meetings have been growing as a forum for institutional thought. During these years a number of sessions have been devoted to institutional papers and the response has been enthusiastic. At the same time dissatisfaction among some institutionalists with AFEE, an organization founded by them as a forum for the presentation and analysis of their theories, has been growing.

Three years ago at the Denver WSSA conference an informal meeting was called and a decision made to seek to establish a branch of AFEE. During the ensuing period many people discussed this proposal. It seemed to most of them that a new association would be more viable than a branch. At the April 27-29 WSSA meetings concrete steps toward the formation of an organization were taken. Three general purposes were identified for the new association:

- 1) to provide a formal mechanism to insure the continuation of institutionalist sessions in association with WSSA;
- 2) to provide a clearinghouse to exchange ideas and papers in the area of insitutuional analysis;
- 3) to refine, extend, and publicize institutional theory and policy.

The group agreed that the new organization was not intended to compete with or supplant AFEE. A large number indicated that they now support and will continue to support AFEE.

The group also elected a seven member committee to undertake two charges: (a) to prepare materials in draft and to deal with issues concerning organization of the new professional organization; and, (b) to draft a statement of comments and concerns about the policies of AFEE and the JEI, these comments to be presented to AFEE Board at the Allied

Social Science Association meetings in Chicago in August.

This report has not been adopted per se by the group as a whole, but a steering committee of seven has been involved in its preparation and a number of the others have had input into it. I doubt if all the people who support what we are organizing would agree with everything we are going to say but I can assure you that they agree with the general content.

What follows is not a carte blanche criticism of AFEE or its Journal. Rather, it is a statement concerned with the purpose and role of the organization. Indeed we think that AFEE is presently the best association of economists in the U.S.; this is no great compliment. We think AFEE has failed to have much influence on the trends in theoretical and applied economics because it has not been able to develop any clear-cut image or thrust in terms of either theoretical analysis or economic policy. Instead of becoming a vigorous instrument for the advancement of institutional thought, AFEE has become largely an association for dissenters.

There is a growing feeling that AFEE is becoming a mini-AEA and it is more and more subservient to that organization. We suggest it no longer meet in conjunction with

AEA, or, failing that, have some of its meetings elsewhere and at different times. We know there are subsidies involved but, it may be time to make a financial sacrifice in order to persevere autonomy and integrity.

In connection with the AEA, we would point out that it and its Journal should be apprised of the fact that institutional theory and practice is alive and well; even though Paul Samuelson has pronounced it dead. There has not been an article one could call institutional in nearly 25 years, except in the papers and proceedings and then, not since the 100th anniversary of Veblen's birth. We think AFEE should use its offices to persuade other journals to educate themselves to what is going on in economics.

The arms of AFEE which are in a position to do this are its Journal and the annual meetings. We think these two should be a forum for thrashing out what is at the heart of economics - for, after all, if those purporting to study the economy and give the community honest information, are in fact engaged in intellectual gunslinging, the community will have to look elsewhere, or worse, be unprepared to deal with its problems. If the JEI becomes - and we fear it is - just another place to publish in order to fill up space on *vitae* or get promotions then something else will have to take its place. In the opinion of some of our members the JEI

has become a technically sound Journal which comes out on time and frequently says very little. The JEI, in our view should not seek respectability at the expense of selling its soul. The journal is needed because the conventional wisdom dominates professional communications. This makes it difficult for institutionalists to be heard and evaluated either by orthodox economists or dissenting colleagues. Thus, the journal should function as a forum for scholarly controversy over the warrants for conventional and unconventional views. It should not be a journal seeking respectability or subscriptions by publishing comfortable ideas propounded by established scholars; its respectability must come from the quality of its scholarship. It should not be a vehicle for an editor to publish what he finds significant; the topics addressed should be determined by the interest of those who submit papers and responses to papers. Respectability must also come on the basis of the ability of the contributions to come to grips with social and economic problems, of which there are many. We would like to see much more hard headed institutional thought in the journal with an eye toward the development of institutional theory and its wide range of applications. We are growing discontent with the debate between institutional and standard economists as a format for the Journal. If - as may be the case - there has been

a dearth of "institutionally" grounded submissions we would like to know it. We think there are many institutionalists with much to contribute and we urge them to submit their works. In return we would expect the works to be reviewed by institutional referees.

We think the idea of an invited symposium as a yearly endeavor, should be jettisoned. In our opinion the symposia have not been particularly significant. In looking forward to additional symposia on institutional economics, the editor has submitted a list of 15 different topics which he believes are capable of being integrated and synthesized within the field of institutional economics. These topics include inflation, information theory, property, economic power, growth and development, social control, the determination of individual preferences, and institutions. How one would go about integrating and synthesizing these many specialized topics so as to create a new general theory of institutionalism is not made clear. The Editor appears to believe that, if enough monographic studies of specialized economic topics are made, a new general theory on institutional economics will somehow emerge. Discussing a wide variety of economic topics without a satisfactory paradigmatic framework to which these topics may be related reduces institu-

tional economics to little more than eclectician.

We do not urge a dogmatic editorial policy for any association or journal, indeed quite the opposite. But, what we are largely confronted with in professional economic journals is a dogmatic policy under the guise of science, rigor and respectability.

If institutional economics is to be a grab bag of eclectic dissenters then it will continue to lack direction and force. If institutionalists are not involved in developing an adequate paradigm for economic analysis then we think economic analysis will be inadequate to confront social and economic problems. For, if institutionalists - at least as we understand the name and the theory implied by it - agree on one thing it is the intellectual and practical bankruptcy of standard economics. And the economy is steadily proving that judgement correct.

If some are not satisfied by a movement toward a more "institutional" direction we suggest that there are a number of forums for the expression of those ideas - nearly all the rest of the professional journals. There are very few forums for the expression of institutional thought and we think AFEE should attempt to preserve those that exist and expand others.

We offer the following suggestions for AFEE in addition to those already offered.

1. Papers should not be circulated by JEI for review with the author's name remaining on the paper. No other journal of which we are aware leaves the author's name on for circulation.
2. Before articles are sent for review, the reviewer should be contacted to ascertain whether he/she has the time for review. Currently this is not done and the article can languish on the desk of the reviewer for six months or simply be the subject of a "quickie."
3. Institutionalists should be selected to review applied institutionalist papers. Currently if a "history-of-thought" type paper is submitted--that is, one about traditional institutionalists or about traditional institutionalist thought--it is correctly sent to institutionalists for review. However, if an applied institutionalist paper is submitted, it is sent to neo-classicalists, who do not have the slightest idea about what is being attempted, and therefore assess it from the view of the neo-classical paradigm.
4. Too many articles have been published which are from a non-institutionalist paradigm. This is understandable when the article is critiquing an institutionalist issue but usually they are just inconsistent with it.
5. The number of sessions of the annual meeting should be expanded. There are currently more institutionalists at other meetings. It is not necessary to limit the sessions to fit the issue of JEI since all the papers do not have to be selected for publication.
6. The editor should not devote one issue each year to an invited symposium. This would remove only the issue of proceedings from the concerns expressed by the membership in their article submissions.
7. The editorial board should be made to realize that the appropriate criterion for judging submissions is the instrumental criterion of scholarly merit, meaning logical coherence, marshalling of evidence, reliance on analysis rather than name-calling or invective.