

Professor John H. Moore
President of the Econometric Society
June 26, 2010

Dear John:

We write to report some ongoing developments in the econometrics community which potentially affect the Econometric Society, and to open discussions with you should you, and the Econometric Society, be willing to do so.

At a recent meeting of the Symposium of Econometric Theory and its Applications (SETA) held in Singapore, an open meeting was held to discuss matters that affect the future of econometrics and the econometrics community. A central issue that was considered at that meeting was the idea of forming a new society for econometricians. In addition to this Open Meeting at SETA, one of us (Peter) has written to more than 100 senior econometricians around the world to explore their views concerning this idea and related matters that affect the interests and careers of econometricians. The response has been overwhelmingly enthusiastic. We are now in the process of widening the arena of discussion to include all of the large regional econometrics groups (the European community EC² group, the MidWest Econometrics Group (MEG), the African Econometric Society, and many other national groups that are active in econometrics as well as SETA in Asia).

The minutes of the SETA Open Meeting are attached for your consideration. As you will see, the discussion frequently raised issues that relate to the Econometric Society, its functions, and its apparent lack of support for the econometrics community. Correspondence from a large number of senior econometricians around the world raised many related issues, and deep concerns were voiced. Primary among these is a mounting concern that the Econometric Society has become progressively less representative of econometricians within the society with consequential impacts, particularly on the careers of younger econometricians. To many, there is an emergent crisis in econometrics because of the lack of acknowledgement and representation as well as the growing difficulties econometricians have in publishing in *Econometrica* and other general interest journals in economics. The movement away from econometrics is manifested each year in the election of officers, council and fellows, the appointment of Editors of *Econometrica*, and recently by the formation and nature of the new journals. While the concern about under-representation has occasionally been raised in Fellows Meetings at various Econometric Society conferences since the 1980s, the situation seems to many to have grown considerably worse over the past decade. Many econometricians are puzzled about the role of the Econometric Society in terms of what it does for econometrics and the increasing lack of congruence between its name and its focus. By contrast, and in response to the direct needs of the econometrics community, a large number of highly successful regional and thematic meetings have been organized that are outside the aegis of the Econometric Society and continue to grow and prosper without any connection to or support from the Econometric Society.

The SETA open meeting decided on several courses of action in the light of these concerns. Peter was asked to contact all regional econometrics groups and invite a wide global discussion of the issues raised, explore the formation of a new society for econometricians, including the possibility of an immediate virtual econometric society, and to write to the President of the Econometric Society to advise the Society of these developments and, if possible, engage in discussions that would be mutually beneficial to the future of the econometrics community and to the Econometric Society. Hence this joint letter to you to raise these matters directly.

Many of the those who have voiced their views, including ourselves, have deep respect for the founding principles that underlie the formation of the Econometric Society, emphasizing the productive links of economic theory and measurement. The connections with applied economics and economic theory are recognized to be vital to the health and long-term future of econometrics. Having said that, there is also awareness that econometrics has strong links with finance, marketing, political science and sociology and growing links with computational mathematics and the medical and natural sciences. In recent years, econometrics has exported much methodology to these disciplines. It seems likely that these disciplinary interconnections with econometrics will continue to grow and need to be promoted, while at the same time acknowledging that the primary fountainhead of ideas for econometric methodology stems from its close ties with applied economics and economic theory.

Thank you for considering the issues that are raised in this letter and the attached minutes. There is much aspiration within the econometrics community to work with the Econometric Society in helping to support econometricians and their interests within the framework of the Econometric Society. As yet, no one has been able to suggest a way in which this might be accomplished. However, if you and your fellow officers are able to come up with some initiatives that will help to support the econometrics community and better represent the interests of this community within the Econometric Society we are sure they would have a warm reception.

We very much hope that the initiative of writing to you about these concerns will be seen in this positive and productive light.

With kind regards,

Peter C. B. Phillips and David F. Hendry