

December 27, 2009

TO: American Economic Association Executive Committee

FROM: Katharine G. Abraham, Chair
American Economic Association Committee on Government Relations

SUBJECT: Defining the scope of activities for the Committee on Government Relations

This memo supplements the Report of the Committee on Government Relations which is in your binder by posing more specific questions that we would like to discuss with the Executive Committee at its January meeting.

Broadly speaking, the Committee has been charged to take actions that will benefit the economics profession, but without taking a position on questions of economic policy or on any partisan matter. In practice, it is sometimes difficult to determine whether or not a particular action fits within the set of activities that are appropriate for the Committee to undertake. This is perhaps best illustrated by concrete examples and the following paragraphs outline some specific activities that the Committee has considered.

As one of the principal sources of funding for economic research, the National Science Foundation (NSF) has been an important focus of the Committee's discussions and the first two sets of examples relate to activities the Committee might undertake in support of the NSF. Similar activities in support of the National Institutes of Health (NIH) also could have been listed. The health of the federal statistical agencies has been another focus for the Committee and the next set of examples concerns different means of providing input from economists to these agencies about their data products. The final set of examples concerns regulatory and legislative issues of potential interest to economists.

As a means of advancing the process of developing a shared understanding about the Committee's role, the Committee on Government Relations seeks the advice of the Executive Committee about its participation in these various activities.

As you think about your reactions to these three topic areas, we would also like to solicit your input concerning some general procedural questions:

- 1) How much consensus from the economics profession is needed for the Committee to proceed to take action on an issue (e.g., is it sufficient to proceed if "a majority of the economics profession would not oppose")?
- 2) When should the Committee on Government Relations act on its own and when should it consult the Executive Committee before acting?

- 3) Should the Committee represent itself as the AEA or the AEA Committee on Government Relations?

Structural Support for the National Science Foundation

One activity the Committee already has undertaken has been to generate names of possible candidates for key current vacancies at the National Science Foundation and also the National Institutes of Health. Program officers and other officials at these agencies have great influence on the availability of research funding and it is in the interest of the profession to have people in these jobs who appreciate the value of economic research.

Members of the Committee have felt, however, that it would not be appropriate to nominate specific individuals for these jobs. Rather, the Committee has seen its role as simply to generate names of possible economist candidates for forwarding to the responsible hiring officials and/or to encourage any interested economists to apply for the advertised positions.

From time to time, the Assistant Director at NSF with responsibility for the economics research portfolio may hold informational meetings with representatives of various professional associations. The Committee believes it would be appropriate to identify an AEA member or members, perhaps the Washington representative or one of the Committee members, to attend such meetings.

In the last decade, the growth in NSF funding for economic research has lagged growth in funding for the other social sciences. This may be in part the result of an NSF organizational structure that groups the Economics Program with seven much smaller disciplinary and interdisciplinary programs within the Division of Social and Economic Sciences. If budget increases are allocated more or less equally over the eight programs, then the seven smaller programs grow much more rapidly than the one larger program. Shifting money away from economics towards other social sciences can make several constituencies happier at the expense of just one unhappy constituency. There has been some interest within the Committee in exploring with NSF staff alternative organizational structures that might be more advantageous for economists, but others on the Committee have been uncomfortable with the idea of making suggestions concerning the internal organization of a research funding agency.

In addition to research funding along disciplinary lines, the NSF also frequently announces broader research solicitations to which economists might apply. It has been suggested that the Committee might want to be involved in highlighting areas of opportunity within economics that could be the basis for funding solicitations. Again, there was no consensus on the Committee about whether or how to proceed with this idea.

As we noted previously, similar issues about Committee activities arise for NIH and other funding agencies, so these issues have some generality.

Support for NSF Funding

Historically, the AEA has supported the overall level of NSF funding through its membership in the Consortium of Social Science Associations (COSSA). COSSA actively supports research funding at federal government agencies.

Through the Committee on Government Relations, the AEA could become more active in its support of NSF funding, for example by organizing visits of economists to speak to key Members of Congress or their staff about the importance of NSF funding for research in economics specifically and/or the social sciences more generally. The Committee could also be more passive in its activities in support of funding issues by taking action only when the NSF budget is under particularly active discussion. Yet another variation would be for the Committee to undertake a defense of NSF (and economics) funding only when it is attacked or severely threatened, as has happened at times in the past.

Earlier this year, a member of Congress submitted an amendment that would have prohibited the NSF from funding research in political science. The Committee chose not to act (although we did ask informally if our assistance was needed and were told it was not), but the Committee and/or the AEA could have opposed this amendment. Opposition could have taken the form either of a statement from the Committee on Government Relations or a statement from the Executive Committee on behalf of the Association. If a similar threat to funding for research in economics or to funding for social and behavioral science research more generally ever were to arise, the case for taking a stand might be stronger.

Once again, the general issue is when the Committee should undertake activities which concern funding and budgets of research and statistical agencies important to economics.

Providing Input to the Statistical Agencies about their Data Products

The AEA already has representatives on a number of statistical agency advisory committees.

If any of the statistical agencies were to ask for suggestions about economists working in a particular area to participate in a workshop or conference it was organizing, that also would seem appropriate.

The Committee recently cooperated with the Association of Public Data Users (APDU) to publicize their web listing of Federal Register requests for comment on federal data collection activities. At our request, links to the web listing have been added to the Committee on Economic Statistics website. Having access to this listing should be of value to economists who use data collected by the federal government and may wish to weigh in when changes to those data collections are proposed. The Committee on Government Relations may take additional steps to advertise the availability of specific opportunities for comment.

The AEA Committee on Economic Statistics also has undertaken to prepare reports on needs for data in particular areas of economic research. A report on needs for data for international research, produced by an *ad hoc* committee chaired by Rob Feenstra, soon should be ready for public dissemination. The two Committees – the Committee on Government Relations and the Committee on Economic Statistics – could co-sponsor a roundtable to which data users and statistical agency representatives would be invited to discuss the report and its recommendations. Because this would be a purely AEA activity, we would not view this as controversial.

Other groups also have an interest in the data produced by the federal statistical agencies. Andrew Reamer, the president of APDU, has suggested that the Committee on Government Relations and/or the AEA might co-sponsor with APDU roundtables on needs for data in other areas, for example, needs for regional economic data. Is it appropriate to partner with other organizations to do this sort of thing and, if so, under what guidelines?

Given funding limitations, advocating that an agency do more of X could mean that they would have to do less of Y. While activities that would highlight the value of information on particular subjects seem appropriate, the Committee is inclined to think that it would not be appropriate for it and/or the AEA to take an explicit position on the ranking of program priorities for the statistical agencies.

Regulatory and Legislative Issues

The Committee has been discussing with the Department of Labor its guidance concerning the advertising of jobs to comply with foreign labor certification requirements. The current guidance states that print advertisements are required, despite the fact that the vast majority of responses to academic job postings are stimulated by web-based advertisements. This is relevant to colleges and universities that may hire foreign nationals and must spend a non-trivial amount of money to place print advertisements that serve no real purpose. The Committee has suggested to the Department of Labor that this guidance might be revised and, while there may be complications, the relevant officials seem open at least to considering our suggestion.

Legislation that would permit the sharing of data for statistical purposes among the Census Bureau, the Bureau of Economic Analysis and the Bureau of Labor Statistics is likely to be introduced in the Congress early in the new year. This legislation would help in a number of ways to improve the quality and consistency of federal economic statistics, with consequent benefits for both researchers and policymakers. The Committee is inclined to think it would be appropriate to take a position in favor of this legislation, which many economists in government have long supported, including economists in each of the last several Administrations

In other cases involving proposed legislation, it is less clear what action, if any, the Committee should take. Some recent examples include the following:

- In the Fall, legislation was introduced that would have added questions about citizenship to the U.S. Census questionnaire. Aside from any concerns about the effect this might have on response rates and the quality of the information collected, the amendment that would have imposed this requirement was introduced after the Census questionnaires had already gone to the printer, potentially jeopardizing the timely completion of the Census had it passed. On the other hand, some might think that opposing the amendment would amount to taking a partisan position.
- Also in the Fall, legislation that many people construed as threatening the independence of the Federal Reserve Board was introduced in the Congress. Economists holding a broad spectrum of political views signed a letter opposing the legislation. Committee members agreed, however, that it would not be appropriate for the Committee and/or the AEA to take a position on this sort of policy matter.