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PLURALISM IN ECONOMICS AND THE EVALUATION OF ECONOMIC RESEARCH IN ITALY

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PLURALISM IN ECONOMICS AND

THE EVALUATION OF ECONOMIC RESEARCH IN ITALY*

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Abstract

We analyse Italy’s research evaluation exercise to discuss the issue of evaluating research in economics. We claim that evaluation and its criteria, together with its linkage to research institutions’ financing, are likely to affect the direction of research, in a problematic way.

We claim that the ranking criteria adopted in Italy bring to a risk of disregarding historical methods in favour of quantitative and econometric methods, and heterodox schools in favour of mainstream approaches.

In order to preserve pluralism and originality of research, we propose a simple quantitative index based on field-normalisation.

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INTRODUCTION

The case of Italy is especially suited for discussing about pluralism in economics. On the one hand, pluralism of methods and topics within economics is traditionally well established in the Italian academia (if not in absolute terms, in an international comparison). It is thus convenient for exemplification but also relevant *per se*, at least from the perspective of certain economic approaches. On the other hand, the recent first research assessment exercise in Italy (VTR) exhibits certain characteristics that clearly highlight the potentiality - as well as the risks- of research evaluation, with the aim of preserving and developing heterodox economic approaches along with providing the *stimulus* for a lively debate within the mainstream.

In this paper, we support the view that if research institutions will be encouraged to engage only in those lines of research that are likely to receive the highest rating according to the evaluation criteria adopted within the VTR, a convergence process is to be expected within economics, resulting in a potential disregard of heterodox schools and historical methods and in favour of mainstream “Anglo-Saxon” approaches and quantitative methods. Ultimately, research pluralism may be harmed. These objections have been explicitly highlighted by Lee (2007) and Lee and Elsner (2008) referring to the UK Research Assessment Exercise: evaluations based on the criteria of closeness to mainstream economics, by means of *ex-post* rankings and the subsequent allocation of funds, may shape economic research, in the middle-to-long run, in the direction of a disappearance of non-mainstream research areas. Thus, a critical reflection about the rating and ranking criteria adopted in the evaluation exercise appears as necessary.

After outlining the relevant scope for pluralism that characterises the recent practice of economic research in Italy, we discuss the process and method of the VTR and its implications for the pluralism of paradigms and methods. Finally, by summarising the current debate in Italy, we claim that evaluation should not be refused by heterodox economists, but rather that a reflection on the criteria of evaluation should be put forward at international level in order to establish a fair competition among research paradigms, thus preserving pluralism in our discipline.
ITALY: PLURALISM IN ACTION

It would be well beyond the aim of the present work to provide a complete picture of all the topics and approaches to economic research currently pursued in Italy. It will suffice to mention their variety and scope, in terms of a lively competition between geographical locations, public and private sector, single research centers and institutions, and most notably among alternative methodological and theoretical approaches and research fields. As Pasinetti and Roncaglia (2006) highlight, this plurality may be considered partly as a result and partly as a reaction to the long period of dictatorship that Italy experienced in the Twentieth century.

The advent of fascism affected the development of economic research in Italy in three ways: a) it required academics a vow of loyalty to the Fascist Party; b) it imposed autarchy and a corporatist philosophy of the economic system; c) it promulgated racial laws. As a consequence, eminent economists decided to move out of the country, not to be involved in the totalitarian regime (e.g. Piero Sraffa), or were forced to move to avoid persecution because of their faith (e.g. Franco Modigliani).

The economists who stayed in Italy were isolated from the international debate and frequently focused on narrow topics such as monetary issues or business cycles, or applied issues, which afforded greater intellectual freedom from the cultural yoke of the regime. The survival of this old school generated a favourable environment for further development of applied economics within and outside universities. This development occurred in governmental agencies aimed at forecasting, planning, and/or supporting policymaking, e.g. within Ministries or the Bank of Italy, as well as in private research centers such as that of Confindustria (Italy’s largest entrepreneurs’ association) and within Trade Unions.

Overall, this institutional structure corresponded to a certain plurality of points of view, especially concerning policy implications. However, a crucial boost to the reprise of internationally relevant economic research came from the many scholarships and grants aimed at allowing brilliant students to spend periods of study and research abroad. Partly due to the presence of the mentioned personalities of Sraffa and Modigliani and partly because these were already attractive gravitation centres for Italian researchers,
Cambridge (UK) and the MIT became crucial learning centers for Italian economists, along with Oxford with John Hicks, and to some extent Harvard with J.A. Schumpeter.

Such a plurality of points of view determined in Italy a habit and openness to the debate on the foundations of our discipline, greater than in Anglo-Saxon countries, in Austria and Germany, and in some sense closer to the atmosphere emerging in France, India, or Japan. These fundamental debates are also related to, and the cause of, a widespread cultivation of the history of economic thought, a discipline that was already considered by the older tradition of economics in Italy not as a distinct field of inquiry, but as a fundamental tool of core economic analysis.

ITALY’S FIRST RESEARCH ASSESSMENT EXERCISE (VTR)

The first official evaluation of Italian universities and research institutions (VTR), sponsored by the Ministry for Research and managed by an ad-hoc governmental committee (CIVR, Comitato di Indirizzo per la Valutazione della Ricerca) was set up in 2005 for the evaluation of the research output produced between 2001 and 2003. In the case of economics this exercise focused exclusively on publications, although it was then used to evaluate the performance of institutions.

The VTR assessment was conducted through a qualitative peer-review process on a sample of research output selected by participating research institutions. The selection of products occurred in a “top-down” fashion, as heads of departments (and, at higher levels, of faculties) were reputed to choose which publications to submit to the evaluation.1

First issue. Overall, a crucial ambiguity characterised the goal of the process: was the exercise meant to measure the average achievements of research in Italy, by analysing a representative sample of the research output, or was it meant to recognise and single out excellence, by assessing only the best publications? This ambiguity was never solved

1 The rationale of a publication’s selection, being a matter of crucial importance for the preservation of pluralism in economics, is analysed in detail in Corsi et al. (2010).
during the process, highlighting a fundamental lack of transparency, probably derived by the nature of the exercise, often characterised as a pilot. Opaqueness was similarly kept concerning the refereeing process (e.g. referees’ reports were never made public, not even anonymously). This issue appears the most relevant since the communication of results in terms of disciplinary rankings, often with little emphasis on the methodology adopted for rating and ranking, risks being perceived as an overarching answer for whatever question concerning the quality of research institutions in Italy.

**Second issue.** As a consequence of the rhetoric strength of rankings, right after the exercise and until a recent decision by the central Government, claims were frequently made that the resulting rankings should affect the future allocation of public funds. This decision, it should be noted, is particularly unlikely to produce the desired incentives upon researchers also because the VTR exercise was conducted as a ex-post assessment: its linking to financing constitutes thus a reward, rather than an investment choice.

**Third issue.** The average of publications’ ratings constituted the rating of the institution itself: i.e. no consideration was given to relevant issues such as institutions’ cost-effectiveness, social impact, quality of teaching, respect for gender equality, etc. Thus, it was implicit in the methodology that a unique process (leading to a single indicator) could be evaluate publications, research output, research staff, and research institutions. An hypothesis that we wholeheartedly reject.

**Fourth issue.** The subjectivity of peer reviewing can lead to biases in the evaluation of certain sub-disciplines if a “value scale shared by the international scientific community” (as required by the VTR guidelines) does not exist or is not unquestionably identifiable.

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2 Thirteen research areas were distinguished, and for each area a panel of national and international experts was nominated and submitted products were distributed among the panel’s members according to their specific expertise. Each member of the panel was responsible for proposing a rating of the products assigned to her/him; in turn, the ratings were formulated on the basis of two or more independent referees’ reports for each product. Finally, the whole panel voted on member’s proposals. Publications were rated according to several criteria, the most prominent of which being the ranking of the product with respect to scientific excellence in “a value scale shared by the international scientific community”.
At the end of the evaluation exercise, one of the six panelists in charge for the Economics area, Luigi Pasinetti, published a *Note on points of dissent*, denouncing that the words “shared” and “international scientific community” have been interpreted by the majority of the other members of the Panel (and the majority of referees) as substantially availing the adoption of closeness to the mainstream as a fundamental criterion of judgement. In his opinion, adopting such a paradigm would penalize research areas which do not achieve sufficient visibility on mainstream journals (in particular, history of economic thought and the heterodox approaches to economic theory) along with most applied research on the Italian economy, which fails to meet the internationalisation criterion, but nonetheless is essential to economic policy in Italy.

The final VTR report concerning the Economics Area stressed that articles published in journals presenting an Impact Factor received on average a higher grade, and that a significant positive correlation emerged between the merit grade and the Impact Factor itself (Lippi and Peracchi, 2007). However, it appears clear that this evidence can be interpreted in two opposite ways, according to the assumed direction of causality: in the final report for the Area 13, it was deemed as a proof that the assessment correctly awarded the actual quality of research products. On the contrary, in Pasinetti’s *Note on points of dissent* it was claimed as a source of further doubts on the use of information by referees, as the correlation might indeed show that papers were highly graded because they were published on high-Impact Factor journals. Actually, according to the *Note*, several referees explicitly indicated the IF as a signal of the quality of the evaluated products.³ Therefore, even if the official CIVR guidelines did not include any rated (“diamond”) list of journals, referees’ practice was frequently far from this principle.

As a matter-of-fact, while a peer-review evaluation should use information about journals (and the IF) only as support information, its use as an analytical tool is risky and may lead to significant biases. Various studies underline the failures of the IF both as a device to rank journals along with their quality, and as a predictive instrument to evaluate single papers according to the place where they are published (for a review see Kapeller, 2009).

Crucially, Corsi et al. (2010) show that the criteria adopted for the evaluation of research may affect the content and the direction of future research itself, and specifically that criteria based (even informally) on international visibility can bring to abandon less diffused lines and methodologies of research. In the case of Italy, this might bring to abandon a certain tradition of “doing economics”, based on historical research and heterodox approaches, which has been followed by a not negligible number of researchers (see also the next section).

More generally, a serious threat is posed for “periphery” countries, where such criteria may undermine the diffusion of country-specific analyses, thus reducing the (external) relevance of research in terms of impact on society and the economy. Italy can then be considered as a case-study of a larger issue. Specifically, as the interest for studies on Italy’s economy and policy is by necessity restricted to Italy’s boundaries (and a few specialists abroad), assuming citation habits as constant, it follows that visibility on international journals will be comparatively lower for works which are directly relevant for Italy’s policymaking than for works on – say – the US economy.

**Conclusions**

As of May 2009, 128 economists signed an open letter petitioning that pluralism should become a fundamental criterion of research evaluation. The open letter forcefully puts forward the argument that the evaluation of publications should be separated from that of researchers, which in turn should be different from that of institutions. Specifically, it would be necessary to evaluate publications looking at their intrinsic quality, according to the specific standards of each sub-discipline and without considering the typology (journal article, book and book chapter), language and place of publication.

The present work contributes to this debate while highlighting Italy as an internationally-relevant case study. Beyond the interest per se, being the host country of a relevant number of heterodox economists, the case of Italy suggests a number of implications put forward for international debate:
1. Heterodox economists should not refuse the evaluation of their research and the award of merit. Moreover, both within the mainstream and within heterodox approaches it should be clear that some pieces of research or some institutions are – from some points of view, to be strictly defined – better than others. And that the reward of merit is fundamental to set up the right incentives to researchers, as well as to provide the best environment to work in.

2. Rules governing the evaluation of research quality should respect a principle of fair competition. Specifically, although rankings were provided for research institutions as a whole, Italy’s VTR did not respect a principle of fair competition among research paradigms, by providing conditions for better awarding research of distinctly mainstream character. Indeed, in the context of an ever-increasing process of multi-authorship across several “competing” research institutions, one could question the idea that only competition (instead than cooperation) takes place among institutions, while it could be claimed that competition among paradigms is more relevant for pluralism, and thus for the development of our discipline.

3. Rules and evaluation criteria should be explicitly stated and carefully bargained in advance. Otherwise, as even the “atypical” case of Italy shows, the large numeric majority currently enjoyed by the mainstream is likely to produce a bias against minority stances.

4. Simple quantitative indicators can hardly be avoided. Thus, all economists interested in favouring pluralism should focus on their correct use (i.e., not beyond the scope of the dimensions they were constructed to measure). Specifically, the evaluation of publications should clearly distinguish between the assessment of quality and of visibility. Concerning the latter, we propose the use of simple quantitative indicators of “visibility”, based on individual citations count (as opposed to journals’ IF) and, crucially, on field-normalisation (that is, by taking into account the specificities of each sub-discipline). We strongly suggest the utilisation of this kind of indicators, whose computation is nowadays made straightforward by the availability and accessibility of large datasets of publications, as a “companion” to peer review assessments. In this sense, the subjectivity of peers’ ratings (potentially affected by conflicts of interest and poor trans-
(Transparency) could be mitigated through the reliance on quantitative indicators, while, at the same time, the rigidity of these indicators could be relieved by individual appraisals.

In practical terms, we could imagine a framework where a referee is asked to justify a negative rating, if it is not supported by field-normalised bibliometric indicators (i.e. if the publication shows a number of citations significantly higher than the average for that sub-discipline), or vice versa in case of a positive rating. This approach undoubtedly raises the overall complexity of evaluations, but in our opinion it is naive to treat a complex issue as the assessment of research in social sciences (entailing potentially heavy repercussions on the whole society) with simple instruments.

More generally, we invoke a proper design of research evaluation systems, based on clear and shared guidelines and on the necessary inclusion of pluralism in the objective function of evaluators. The prospect of our discipline – Economics – is at stakes.

**References**


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