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4 February 1981

Online at <https://mpra.ub.uni-muenchen.de/51991/>
MPRA Paper No. 51991, posted 07 Dec 2013 04:59 UTC

THE CURIOUS CASE OF THE JOURNAL MANUSCRIPT MARKET: ETHICS VERSUS EFFICIENCY IN ACADEME

by James V. Koch* and Richard J. Cebula**

Economists have traditionally supported the free flow of information in markets. The uninhibited exercise of the marginal calculus, it has been asserted, will (in the absence of externalities) lead to the most efficient distribution of information in a market.¹ Barriers to the entry of individuals who would seek to supply or demand information have generally not been regarded as appropriate.

In two particular markets, the job market and the textbook market, economists have freely distributed information. Individual economists may make multiple job inquiries and multiple job applications; individual textbook authors have often solicited, and sometimes received, multiple contract offers. Employers who supply job openings and publishers who supply contractual offers have similarly been free to deal freely with as many individuals as they see fit. From the viewpoint of both employers and job applicants, this dissemination of information has permitted an awareness of opportunity costs. The organized "job market" which exists at most economics conventions and devices such as the *Journal of Employment* have placed the discipline's stamp of approval upon the free flow of information. The overall effect of freely flowing information is to more accurately match differentiated buyers and sellers.

By contrast, we observe very different behavior in the market for journal articles. Simultaneous manuscript submissions to multiple journals is considered to be unethical behavior. Journals seek to prevent multiple submissions by a variety of mechanisms, including the requirement that a manuscript author state that the manuscript is not simultaneously under consideration elsewhere.

In this paper, we argue that the prohibition of multiple submissions of a manuscript is inefficient in a variety of ways. We argue that the "ethical" issue involved here is in reality a *de facto* device whereby journals redistribute the various costs of journal publication and operation from themselves to the authors of articles. This exercise of "ethics"

in the practice of manuscript submission does not visibly derive either from "natural law" or from Judeo-Christian ethical premises. Rather, it is an oligopsonistic tactic which represses information, restricts competition, and redistributes costs.

In this paper, we discuss: (1) the costs and benefits of the current system, and why it exists; (2) the costs of manuscript submission and review; (3) submission fees; and (4) a world in which multiple simultaneous submission of manuscripts is permissible, and journals may (if they choose) compete and bid for manuscripts. Externality and distribution of income considerations are dealt with in an Appendix.

The Costs and Benefits of the Current System

General Characteristics

The practice of permitting submission of a manuscript to only one journal at a time imposes substantial costs upon the authors of articles. For example, authors ordinarily are subjected to substantial waiting periods before a review of their manuscript is forthcoming. A 1974 study by Crockett and Moyer [2] of less prestigious economics journals revealed a mean lag between submission and response of 8.9 weeks, and a mean lag between submission and publication (once accepted) of 23.9 weeks. The lag is greater when more prestigious journals are considered. For example, the reported mean lag between submission and publication (once accepted) was 63 weeks for *Econometrica* in 1975, while the mean lag for *Economic Inquiry* was 65 weeks in late 1976.²

The substantial review times of journals, when coupled with the long lag between submission and publication, means that authors run the risk of obsolescence in their research. Clearly, timely commentaries on current economic events are hardly possible in this regime. The risk of obsolescence appears to be especially high where empiri-

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cal research is concerned; however, it should also be noted that (with minor exceptions) the profession seldom remembers the second or third individual who publishes a new theoretical development.

It is also sometimes difficult to judge precisely what types of manuscripts a particular journal prefers to receive and publish. In addition, this "revealed preference" for manuscripts often changes with the identity of the journal editor.³ As a consequence, a publishable piece may not see the light of day for a substantial period of time simply because the current system does not permit efficient matching of manuscripts with journals.

Putting aside for a moment those manuscripts which are inferior in a quality context, a manuscript might be rejected because of the author's inappropriate choice of journal outlet, because of poor judgment on the part of reviewers, and/or because the material in the manuscript has become obsolete due to the time lags noted above. These types of rejections impose both psychic and financial costs upon authors. Authors who actually have "something to say" may become discouraged and fail to resubmit the manuscript to other journals. Moreover, the author's salary increments may be smaller, and the prospects of promotion and/or tenure less, as well.

Perhaps the most important deleterious effect of the current manuscript submission and review system is that it puts blinders upon both authors and journals. Neither author nor journal is fully aware of the real opportunity costs in the manuscript marketplace. Authors are uncertain of the various journal outlets that might maintain a greater or lesser interest in their manuscripts. The current system asserts that it is "unethical" for an author to attempt to reduce this uncertainty by making multiple submissions of his/her manuscript. The author who obtains an acceptance or a rejection of a manuscript from a journal obtains thereby some information concerning the perceived quality of the manuscript. If the manuscript has been accepted, then the author must (in the current ethical scheme of things) make a decision whether or not he/she should take the publication offer of the accepting journal. The author has no further opportunity to determine the characteristics of the acceptance/rejection opportunity set for that manuscript.

Alchian [1, p. 28] has observed that "It is not rational to expect a person to exchange with the first person he happens to meet with a different subjective value." This is, however, the circum-

stance in which the current system places manuscript authors. The ethical prohibition against multiple manuscript submissions confers sufficient monopsony power on the journals that the journal is able to impose a "take it or leave it" offer upon authors. It is as if an individual who seeks to purchase an automobile enters an automobile agency and is dictated an offer which must be acted upon then and there, or never. It is readily observed that such a requirement on the part of the automobile agency cannot be effective unless the agency has monopoly power. Legislation which would grant such monopoly power would (one suspects) be opposed by a thundering majority of economists. It is not clear why monopsony power granted by means of an "ethical" prescription is more acceptable.

The theoretical basis for the conclusion that the current system often prevents optimization can be derived either from a utility-maximizing model which emphasizes the demand of authors for manuscript reviews by journals, or by means of a production model which concentrates upon the supply of manuscripts provided by authors to journals.

Both approaches generate the same conclusion. We provide the utility-maximizing approach here.

Assume a representative author who possesses the following utility function:

$$U = U(X_1, \dots, X_n, Q) \quad (1)$$

This utility function is maximized subject to:

$$Y = \sum_{i=1}^n P_i X_i + P_Q Q$$

$$Q \geq 0$$

$$k - Q \geq 0$$

where: Q = quantity of manuscript submissions

X_i = quantities of other goods and services, $i=1, \dots, n$

Y = income of the author

P_i, P_Q = prices of goods X_i ($i=1, \dots, n$) and Q , respectively

k = numeric constraint on the number of submissions of a single manuscript that may be made simultaneously

The Lagrangian Function becomes:

$$L(Q, X_i, \lambda, \gamma, \delta) = U(X_i) + \lambda[Y - P_Q Q - \sum_{i=1}^n P_i X_i] + \gamma Q + \delta(k - Q)$$

Implicit are the following constraints:

$$\gamma, \delta \geq 0 \quad (6)$$

$$\gamma Q = 0 \quad (7)$$

$$\delta(k - Q) = 0 \quad (8)$$

Maximizing (5) yields:

$$\frac{\partial L}{\partial Q} = U_Q - \lambda P_Q + \gamma - \delta = 0 \quad (9)$$

and

$$\frac{\partial L}{\partial X_i} U_i - \lambda P_i = 0, i=1, \dots, n \quad (10)$$

From (9) and (10), we may infer that:

$$\frac{U_Q}{U_i} = \frac{\lambda P_Q - \gamma + \delta}{P_i}, i=1, \dots, n \quad (11)$$

Let Q^* be the number of submissions that the author would make if there were no constraints as implied by (4) above. $Q^* \geq 0$. X_i^* ($i=1, \dots, n$) are the quantities of all other goods that would be purchased if constraint (4) did not exist. Q remains the number of submissions actually made. There are two circumstances which are of interest. First, when $0 \leq Q^* \leq k$, then, $Q^* = Q$, $\gamma = 0$, $\delta = 0$, and $U_Q^*/U_i^* = U_Q/U_i - P_Q/P_i$, $i=1, \dots, n$. Here, the author is unaffected by the manuscript submission constraint. Second, when $Q^* > k = Q$, we have $U_Q^*/U_i^* \neq U_Q/U_i \leq P_Q/P_i$, $i=1, \dots, n$. One may invoke diminishing marginal utility with respect to both Q and X_i ($i=1, \dots, n$) to demonstrate that the submission constraint given by (4) causes $Q < Q^*$, and $X_i > X_i^*$, $i=1, \dots, n$, in this situation. In this case, the author is forced into a nonoptimal allocation of his/her resources.

In sum, we argue that the ethical prohibition which strongly discourages simultaneous multiple manuscript submissions is inefficient, especially from the standpoint of authors. It is a cleverly disguised device which confers monopsony power upon journals. As in the case of so many ethical rules, this prohibition alters the distribution of costs and benefits in the market from what they would be if unfettered competition, and the marginal calculus, held sway. The net effect is to reduce the costs and uncertainty of the journals at the expense of authors and the profession.

The Matter of Submission Fees for Manuscript Review

A comparatively recent phenomenon in the market for manuscripts in the field of economics is the "submission fee." The *American Economic Review*, for example, introduced a ten dollar submission fee in 1971; that fee has risen to \$15 for members of the American Economic Association, and to \$30 for non-members of the Association. Many of the highly regarded economics journals now require some sort of submission fee. As the following section argues, it is likely that submission fees would grow in size and frequency if a system of multiple simultaneous manuscript submissions were allowed.

Submission fees have several effects. First, they help journals defray operating costs. Second, as McDonough's recent empirical research [4] has shown, submission fees act as a rationing device. Submission fees reduce the number of manuscripts which flow to a journal for review. *Ceteris paribus*, it is likely that manuscripts of doubtful quality are most likely to be discouraged by the imposition of a submission fee. A third and not so obvious effect of widespread submission fees has been to encourage membership in the various economic associations.

The members of an economic association generally pay lower submission fees when they submit a manuscript to the association's journal for review. Association membership is a multi-faceted good which may variously include convention participation, a journal subscription, job market possibilities, as well as lower manuscript submission fees.

Terminating the Ethical Charade and Redistributing Costs

We propose that the current definition of scholarly ethics be reinterpreted in such a way that an author may submit a single manuscript simultaneously to as many journals as he/she chooses. Final publication of the manuscript, if ever, would still be restricted to a single journal. In a capsule, we propose to operate the journal manuscript market in the same general fashion as the textbook manuscript and job markets. What are the likely effects of such a policy?

Most journals currently do not have a submission fee for manuscripts. Assuming that the current distribution of submission fees were *initially* held

constant, then we would observe an initial rise in the total number of submissions to all journals *combined*. This would increase the degree to which journal referees subsidize journals and authors. We would likely observe increased competition between journals for meritorious manuscripts, however, merit be judged. Editors of journals would offer "publication bids" to authors, perhaps in the form of a contract.⁴ We would expect that increased inter-journal competition for quality manuscripts would cause journal editors to pressure referees for prompt reviews. Over time, the lag between the submission of a manuscript and its completed review would likely fall.

A multiple manuscript submission system would place upward pressure on journal operating costs. The need for speedy reviews, and the expected increase in the number of manuscripts to be reviewed, would likely force journals to compensate referees for their services. It is reasonable to expect the reviewer's fee to rise from its usual present level of zero to, hopefully, some proximate measure of the typical referee's net marginal costs of reviewing. Once again, we have the textbook manuscript market to guide our expectations in the regard. Textbook publishers have long been accustomed to paying their manuscript reviewers.

In order to compensate reviewers, journals must increase their revenues. Several options are available. First, the price of the journal itself can be changed. The success of this tactic in augmenting journal revenues depends primarily upon the price elasticity of demand for the journal. Second, the journal could charge authors some type of fee for the actual publication of a manuscript. This is a common procedure among scientific journals at the present time. Third, the journal could increase its submission fees, perhaps pricing such that the submission fee would cover the marginal cost of handling and reviewing a manuscript. Fourth, those journals which are affiliated with an economics association might alter the membership fee for the association. Fifth, those journals which are affiliated with an economics association may refuse to review the manuscripts of authors who are not association members, or impose a discriminatory price structure which would discourage manuscript submissions by non-members of the association. Sixth, the journal could undertake some combination of these strategies. From an allocational standpoint, the preferred outcome is the one where submission fees rise to the level of the journal's margi-

nal cost of handling and reviewing a typical manuscript. Such a policy neither subsidizes nor excessively penalizes authors for the demands which they make upon society's resources.

In the long-run, we argue that the demise of the ethical prohibition against multiple manuscript submissions to journals would increase efficiency in the journal manuscript market. Fewer low quality articles would be submitted. Another end result would be an improved and prompter handling of manuscripts by journals. A *very* important result would be a vastly improved matching of authors and journals due to the increased knowledge of opportunity costs by both parties. The reviewing time lag should drop sharply, and it is impossible that the lag between initial submission and ultimate publication might also decline. Referees will be compensated for their roles in closer accord with their own opportunity costs. A substantial portion of the costs of journal operation and reviewing would be efficiently redistributed from referees, journal editors, journal subscribers, and association members, to authors.

The ethical charade against multiple submissions of manuscripts to journals has caused journal pricing, input, and output decisions to deviate from efficiency criteria. The economics profession has several good examples of markets (the job market and the textbook manuscript market) where no such ethical prohibition applies. While the profession approvingly utilizes the theory of information as a major basis for its official stance of attempting to match differentiated buyers and sellers in the job market, it has unfortunately tolerated the inefficiency generated by an historical curiousum in the journal manuscript market.

This paper will hopefully have three impacts. First, it should highlight the conclusion that the concept that it is unethical to make simultaneous submissions of a single manuscript to several journals is questionable economics. Second, it should cause economists to question the uncertain parentage of this ethical premise, regardless of the economics involved. Third, it should serve as a strong suggestion that this badly understood ethical premise be rejected.

Appendix

There are two other considerations which are deserving of attention. First, significant submission fees might have income distributional consequences

which could affect younger authors (with presumably lower incomes), more so than older, more established authors. However, the proportion of academicians, young or old, who actually publish manuscripts is surprisingly small. It has been estimated that scholarly publication is an important determinant of faculty rewards in only a very small proportion of academic institutions in the United States. Therefore, one need not be concerned about discouraging what is not likely to occur in the first place. In the remainder of academic institutions, it has been demonstrated that a faculty member's salary is closely tied to his/her productivity as a publishing scholar.⁵ In such cases, one's ability to pay a submission fee is positively correlated with the expected quality of one's research. It appears, therefore, that to the extent price is a real deterrent to manuscript submission, this price performs an effective rationing service which may be needed.

The second and most important argument against substantial submission fee relates to the possibility of external economies in manuscript submission and acceptance. The argument here is that a price-equals-marginal-private-cost rule on submission fees would decrease manuscript submission and publication below the socially optimal level. This is a complex assertion. It is clear that some published manuscripts impart knowledge and benefits to society far in excess of the private marginal cost of submitting, reviewing, and publishing those manuscripts. The path-breaking exposition of the discovery of the DNA molecule by Watson and Crick [7] is such an example.⁶ However, it also seems clear that many journals are filled with manuscripts whose impact is minimal, and which are mercifully soon deleted from our memories. The desire of some academicians to publish appears to reflect the reward mechanisms of universities. The reward mechanisms, some argue, in turn reflect the operation of an external *diseconomy*. Published research is the coin of the realm; movements of a faculty member to new and better positions are seldom based upon the perceived quality of that faculty member's teaching. This argument concludes, then, that society has overallocated resources to journal publication (this is not synonymous with "research") and has underallocated resources to teaching and related endeavors.

We cannot here solve this tangled externality puzzle. It should suffice, however, to note that it has *not* been demonstrated that there has been an underproduction of published articles from society's viewpoint. The imposition of submission fees by journals seems small beer indeed when the overall reward structure of American academia is thoughtfully considered.

Notes

1. Related to this, see Stigler [5].
2. Related to such items, see the study by McDonough [4].
3. Tullock [6] argues this very point.
4. Such contracts are already becoming commonplace, and are likely to become more so because of the legal implications of copyright legislation which took effect in 1977. Such contracts are usually straight-forward, one-page documents, and do not reasonably require the services of a lawyer.
5. Related to this, see Katz [3].
6. It is interesting to note that Watson and Crick chose to publish their momentous finding in *Nature* rather than some other more prestigious scholarly outlet because the lag between the acceptance and publication of manuscripts was quite short for *Nature*. This was essential because Linus Pauling and Robert B. Corey were independently pursuing quite similar research at that time. Hence, Watson and Crick chose *Nature* in order to assure very early publication of their findings.

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