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Rankings and ratings for economics
in ERA 2010**

Harry Bloch
Curtin University

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An Uneven Playing Field: Rankings and Ratings for Economics in ERA 2010*

Harry Bloch
Centre for Research in Applied Economics
School of Economics and Finance
Curtin University
GPO Box U1987
PERTH WA 6845
AUSTRALIA
h.bloch@curtin.edu.au

ABSTRACT

In the evaluation of research quality conducted under ERA 2010 the sub-disciplines of econometrics and theory were rated more highly than the sub-disciplines of applied economics and other economics. The rating in each sub-discipline was benchmarked against a world standard, so the results suggest that Australian economists produce relatively better econometric or theory research than applied or other economics research. However, closer examination of the processes on which the ratings were based suggests built-in biases that favour theory and econometric research over applied and other economics research, leaving the relative quality of research in the various sub-disciplines open to question.

*The views expressed in this paper are those of the author alone and do not represent the position of any organisation with which he is or has been associated. Helpful comments on earlier versions of this paper were received from two anonymous referees of this journal, as well as Fred Lee, Paul Miller, Jim Taylor and participants at the 2011 meeting of the Association of Heterodox Economists. The author is solely responsible for any errors or omissions.

1. Introduction

This paper discusses the economics rating outcomes given in the 2010 assessment of research quality in Australian universities. The evaluation was conducted on behalf of the Australian government by its autonomous research agency, the Australian Research Council (ARC). The evaluation, Excellence in Research for Australia (ERA), was innovative in that it evaluated the quality of research by discipline and sub-discipline groupings rather than by administrative units (departments, school or faculties) or by individuals. Subject to achieving a threshold quantity of research outputs, each discipline grouping at each university was ranked into one of five quality bands (well above world standard, above world standard, world standard, below world standard and well below world standard). Quality ratings were provided for the economics discipline as a whole at each of 35 universities and for four component sub-disciplines for fewer universities: economic theory (10 universities), applied economics (33 universities), econometrics (6 universities) and other economics (6 universities).

In ERA 2010 the vast majority of universities rated in the econometrics sub-discipline (5 out of 6) received ratings at or above world standard, while half of universities rated in economic theory were at or above world standard. In contrast, only one third of the universities rated in either applied economics or other economics received ratings at or above world standard. These results suggest that the quality of research in economic theory and econometrics at Australian universities is of a higher standard relative to world benchmarks than is research in applied or other economics.

An alternative interpretation of the ratings is that they reflect biases built into the ERA processes for quality evaluation. In particular, the use of journal rankings in the process provided a clear advantage to the sub-disciplines of economic theory and econometrics as the proportion of highly-ranked journals assigned to these sub-disciplines greatly exceeded the corresponding proportions for journals assigned to applied and other economics. Also, membership of the committee that recommended the ratings was disproportionately weighted towards economic theory and econometrics. No suggestion of favouritism is required to realise that the committee lacked sufficient expertise in the applied economics and, especially, the other economics sub-disciplines to be able to counter the bias built into the journal rankings.

The next section provides some context for ERA. This is followed by a review of the outcomes for the economics discipline and its sub-disciplines. Biases in the rating evaluation process are then discussed. Changes in the ERA process that are being introduced for the next evaluation round in 2012 are then critically discussed to assess whether they are likely to provide a more balanced evaluation of the relative quality of economics research in Australia in the penultimate section, which is followed by conclusions.

2. Background

In addition to funding related to student enrolments, universities in Australia receive funding from the Commonwealth specifically for research purposes. This funding is partly from competitive research

grants awarded to individuals and research centres and partly from block grants designed to support research infrastructure. The block grants are determined by a formula related to the amount of competitive research funding received, the number of higher degree students completing and the number of publications in the categories of books, book chapters, articles in refereed journals and refereed conference publications. There is no explicit weighting for quality in the equation for determining the size of the block grants.

The publication data used in determining the block grants are quantity measures. With regard to the quantity of publications, Williams (2010) notes that the fastest growth in publications over the period 2004 to 2008 was from 'new universities', institutions that were only officially recognised as universities since a reorganisation of the university system in 1987.¹ Growth in publications, and hence in the amount of funding received from the block research grants, has been slower at the long-established universities.

The push for evaluating the research performance of Australian universities has come against the background of increasing competition for research funding and increasing uncertainty about student enrolments. The intention to link quantity data to quality ratings provides a rationale for the innovation introduced by the Australian research evaluation exercise in terms of providing quality ratings across disciplines and sub-disciplines rather than by individuals (as in New Zealand) or by organisational units, such as departments, schools or faculties (as in the UK). A related distinctive feature of the Australian system is that all individuals with academic appointments are included in the evaluation, unless they are specifically classified as teaching only (a rarity at Australian universities).

The objectives of ERA as stated in ARC (2011, p.1) are as follows:

1. Establish an evaluation framework that gives government, industry, business and the wider community assurance of the excellence of research conducted in Australia's higher education institutions.
2. Provide a national stocktake of discipline-level areas of research strength and areas where there is opportunity for development in Australia's higher education institutions.
3. Identify excellence across the full spectrum of research performance.
4. Identify emerging research areas and opportunities for further development.
5. Allow for comparisons of Australia's research nationally and internationally for all discipline areas.

3. Outcomes

Table 1 shows the total number of items of research output in economics and each of its sub-disciplines during the ERA census period of 1 January 2003 to 31 December 2008 across all reporting institutions. Research is classified according to the Field of Research (FoR) codes established by the

¹ This reorganisation led to former colleges of advanced education and institutes of technology becoming universities and also led to a number of mergers of smaller institutions.

Australian Bureau of Statistics (ABS). Economics is classified as a two-digit discipline, FoR 14, with four four-digit sub-disciplines, FoR 1401 (economic theory), FoR 1402 (applied economics), FoR 1403 (econometrics) and FoR 1499 (other economics).² Research output is separated into books, book chapters, refereed journal articles and refereed conference papers. The great bulk of output for all categories is in the applied economics classification (FoR 1402), with ten percent or less of output in each output category contributed by any of the other four-digit FoRs. Also, journal articles account for a substantial majority of the total number of pieces of output.

Table 1 – Economics Research Output by Sub-Disciplines 2003 – 2008

Sub-Discipline (FoR)	Books	Book Chapters	Journal Articles	Conference Papers	Total
Economic Theory (1401)	19	164	390	99	673
Applied Economics (1402)	127	1072	3177	867	5244
Econometrics (1403)	5	55	271	94	425
Other Economics (1499)	15	121	331	89	556
Total	167	1412	4170	1148	6897

Source: ARC (2011)

The quality ratings attached to research in each of the four sub-disciplines of economics and to the overall discipline are shown in Table 2. The numbers in the table show the number of institutions that achieved a rating in each of the five quality bands, 5 (well above world standard), 4 (above world standard), 3 (equal to world standard), 2 (below world standard) and 1 (well below world standard). Institutions were rated only if they achieved a minimum of 30 weighted pieces of research output in that FoR classification over the census period.³ The threshold was a substantial impediment, especially given the uneven distribution of output between FoR 1402 and the other sub disciplines. Hence, many institutions rated were not rated in FoR 1401, 1403 or 1499.⁴

The uneven quality ratings across sub-disciplines are readily apparent in Table 2, but Table 3 provides a corresponding percentage distribution for further emphasis and to provide a basis for comparison to the distribution of journal rankings in the next section. It is notable that at least half of the institutions evaluated are rated at world standard or higher in economic theory (FoR 1401) and econometrics (1403), while two thirds of institutions are rated below world standard or well below world standard in applied economics (FoR 1402) and other economics (1499) as well as in the overall economics discipline (FoR 14). The key question addressed in the next section is whether the difference in ratings across sub-disciplines truly reflects the relative research performance of

² The classification scheme for recording research outputs and expenditure is explained in ABS (2008a). Bloch (2010) provides some background on the development of the scheme as it applies to the economics discipline and discusses its impact on the reported quantity of economics research.

³ A book was counted as five pieces of research output for purposes of meeting this threshold.

⁴ Institutions that were not rated in the overall economics discipline or any sub discipline were highly specialised or relatively small institutions.

Australian economists across the sub-disciplines or rather partially or wholly reflects biases built into the ERA processes of evaluation.

Table 2 – Economics Quality Ratings by Sub-Disciplines and Overall Discipline

Discipline or Sub-Discipline (FoR)	Well Above World Standard	Above World Standard	World Standard	Below World Standard	Well Below World Standard	Not Rated
Economic Theory (1401)	3	2	0	3	2	31
Applied Economics (1402)	2	2	7	7	15	8
Econometrics (1403)	0	3	2	1	0	35
Other Economics (1499)	0	1	1	1	3	35
Economics (14)	1	6	5	9	14	6

Source: ARC (2011)

Table 3 – Economics Quality Ratings (% distribution of rated institutions)

Discipline or Sub-Discipline (FoR)	Well Above World Standard	Above World Standard	World Standard	Below World Standard	Well Below World Standard	Average rating (out of 5)
Economic Theory (1401)	30	20	0	30	20	3.1
Applied Economics (1402)	6	6	21	21	46	2.1
Econometrics (1403)	0	50	33	17	0	3.3
Other Economics (1499)	0	17	17	17	50	2.0
Economics (14)	3	17	15	26	40	2.4

Source: Percentages are author's calculations based on Table 2, aside from the average rating taken from ARC (2011)

4. Biases

A key stated aim of ERA is to allow for comparisons of Australia's research nationally and internationally for all discipline areas. For this purpose the ratings of units of evaluation in ERA are all stated in terms relative to world standard. Implicit in this process is the notion that the world standard is specific to the particular discipline or sub-discipline being evaluated. Thus, the low ratings given for the universities evaluated in the applied and other economics sub-disciplines suggest that the research of Australian economists in these areas is not up to the standard elsewhere in the world for the same areas.

No information on the indicator profiles used for different disciplines or sub-disciplines has been provided by the ARC. However, the ranking list of journals used in the ERA process has been published and is very revealing in terms of the uneven treatment of economics sub-disciplines. Table 4 shows the distribution by rank of journals identified with each economics sub-discipline and for journals that were classified only at the discipline level (FoR 14). The final row shows the total number of journals summed over the rows above.⁵ The bulk of the journals are classified to either the four-digit sub-discipline applied economics (FoR 1402) or to the two-digit discipline economics (FoR

⁵ This summation involves double counting where a journal has been assigned to more than one four-digit FoR code, but does reflect the possibilities for obtaining a particular ranking somewhere in the classification scheme.

14). Table 5 presents the percentage distribution of journals for the same categories, to provide more direct comparison across the sub-disciplines.

Table 4 – Distribution of Journal Rankings by Sub Disciplines and Overall Discipline

Discipline or Sub Discipline (FoR)	A*	A	B	C	Total
Economic Theory (1401)	6	16	14	16	52
Applied Economics (1402)	25	65	90	144	324
Econometrics (1403)	8	9	5	8	30
Other Economics (1499)	0	4	19	20	43
Economics (14)	11	18	45	117	191
Economics (14) aggregated	50	112	173	305	640

Source: ARC (2011)

Table 5 – Distribution of Journal Rankings (Percentage of Journals in each FoR)

Discipline or Sub Discipline (FoR)	A*	A	B	C
Economic Theory (1401)	11.5	30.8	26.9	30.8
Applied Economics (1402)	7.7	20.1	27.8	44.4
Econometrics (1403)	26.7	30.0	16.7	26.7
Other Economics (1499)	0	9.3	44.2	46.5
Economics (14)	5.8	9.4	23.5	61.3
Economics (14) aggregated	7.8	17.5	27.0	47.7

Source: Author's calculations based on Table 4

Tables 4 and 5 reveal a clear disparity in the rankings of journals across categories. Almost half of the journals classified to economic theory (FoR 1401) are ranked A or A*, while the corresponding proportion is more than half for journals classified to econometrics (FoR 1403). In contrast, less than 10% of the journals classified to other economics (FoR 1499) are ranked A or A*, while the corresponding proportions of journals classified to the two-digit economics discipline (FoR 14) and to applied economics (FoR 1402) are 15.2 % and 27.8%, respectively.

The ARC relied on peak bodies to provide recommendations for the rankings of journals. In the case of economics and its sub-disciplines, the relevant peak body was the Economic Society of Australia (ESA). The ESA based its recommendations on a survey sent to all academic economists in Australia with the rank of full professor (Abelson, 2009). The relatively high rankings received by journals in economic theory and econometrics, as opposed to the lower rankings for applied journals and, especially, other economics are not uniquely Australian (Lee and Elsner, 2010).

The use of indicator profiles to reflect world standards suggests a possible antidote to the biased journal rankings in terms of the evaluation of the applied and other economics sub-disciplines (FoR 1402 and 1499) under ERA. The rankings for journals presumably apply to the determination of world benchmarks as well as to the articles by Australian economists. For an extreme example, the absence in the FoR 1499 journal list of any A* journals means that the only possibility for journal articles in this sub-discipline to be ranked A* is if they appear in one of the 5.8% of journals classified

to the two-digit economics discipline (FoR 14) that are ranked A* and are then designated by the submitting university as belonging to the sub-discipline FoR 1499. Similar reasoning applies to the possibility of A ranked journal articles being classified to either FoR 1499 or FoR 1402, as the proportion of A ranked journals in 1499 is less than 10% in both FoR 1499 and For 14 while only 20% in FoR 1402. Thus, presumably a world indicator profile for the highest quality rating in For1402 or FoR 1499 would include a very low proportion of A or A* ranked journal articles, while a corresponding indicator profile for economic theory (FoR 1401) or, especially, econometrics (FoR 1403) would include a high proportion of A and A* ranked journal articles.

If the distribution of journals by ranking across sub-disciplines affected the world indicator profiles and the research outputs of Australian economists to equal degree, there would be no reason to expect a correlation between the distribution of journal rankings and the quality ratings for Australian economists under ERA. The adjustment of the worldwide profiles would leave the ratings across sub-disciplines independent of the distribution of journal rankings. Table 6 presents the distribution of journal rankings and the corresponding distribution of quality ratings across sub-disciplines. Because there are four journal ranks and five quality ratings, the data have been aggregated so that the top two quality bands are compared to the top two journals ranking bands and the bottom two quality bands are compared to the bottom two journal rankings.

Instead of independence between the journal rankings and quality rankings across sub-disciplines, the data in Table 6 reveal a very close correspondence. Half of the units of evaluation in both economic theory and econometrics were rated above or well above world standard, which closely approximates the approximately half of journals that were ranked A or A*. At the other extreme two thirds of the units of evaluation in applied economics and other economics were rated below or well below world standard, which corresponds to more than two thirds of the journals in each case having been ranked in the B or C bands. It seems that the uneven distribution of journal rankings carries through quite directly to the distribution of quality ratings across units of evaluation. Whatever adjustment was made in the world standard indicator profiles across sub-disciplines had no apparent compensating effect.

Table 6 – Comparison of Quality Ratings and Journal Rankings (% distribution)

Discipline or Sub Discipline (FoR)	Rating Above or Well Above World Standard	A or A* journals	Rating Below or Well Below World Standard	B or C journals
Economic Theory (1401)	50	42.3	50	57.7
Applied Economics (1402)	12	27.8	67	72.2
Econometrics (1403)	50	56.7	17	43.4
Other Economics (1499)	17	9.3	67	90.7
Economics (14)	20	15.2	66	84.8
Economics (14) aggregated	20	25.3	66	74.7

Source: Author's calculations based on Table 3 and Table 5

Journal articles accounted for only some sixty percent of all research outputs according to the data in Table 1 above. Also, the assessment of research quality was based on information beyond research outputs, including data on research income, patents, research commercialisation income and esteem indicators. The relative importance of journal articles, books, book chapters and conference papers was very similar across the four-digit FoR codes, so that a systematic preference for journal articles versus the other output categories can't explain the substantial difference in quality ratings across sub-disciplines. Likewise, with the distribution of esteem factors, while patents were nil and research commercialisation income was miniscule. In contrast, research income was substantial and its distribution of research income was highly skewed, with applied economics (FoR 1402) accounting for some 80%, econometrics (FoR 1403) some 12% and the remainder split almost evenly between economic theory (FoR 1401) and other economics (FoR 1499). Apparently, the bulk of the funding for research in economics is going to a sub-discipline where two thirds of the units of evaluation are performing below world standard, while economic theory with half of its units of evaluation rated above world standard received minimal funding. Among all of the items of data included in the evaluation, only the distribution of journal rankings was closely aligned with the distribution of quality ratings.

Evaluation of the quantity and quality data was carried out by research evaluation committees (REC) consisting of discipline experts (not necessarily all academics) covering the related disciplines within each of eight clusters. The cluster within which economics was included for the purposes of the ERA performance evaluation was the Social, Behavioural and Economic Sciences (SBE) cluster, which covered most social science disciplines along with business studies, education and psychology. Members of the various RECs were almost all Australian academics, chosen on the basis of their expertise and the quality of their personal research to represent the various different disciplines being evaluated in each cluster.

The ARC provided a listing of the membership of each of the RECs, along with brief descriptions of the research expertise and career background for each member. In this listing, three of the twenty-five members of the SBE cluster identified their research specialisation as being within economics. One of these members listed expertise in microeconomic theory, especially public economics and game theory, a second listed expertise in theoretical and micro-econometric aspects of contemporary social issues relating to risk and uncertainty, and the third listed expertise in time-series and financial econometrics.⁶ The descriptions of expertise are notable for an emphasis on theory and econometrics, while none of the economists on the SBE REC lists expertise or interest in any components of FoR 1499, other economics.⁷ For comparison, the distribution of staff and research income as measures of research inputs and the corresponding research outputs across the economics

⁶ The membership of the SBE REC together with a paragraph on each member's research specialisation and career background are provided on the ARC website: http://www.arc.gov.au/era/recs_2010/SBE.htm

⁷ The six-digit FoR component areas of other economics are 149901, comparative economic systems, 149902, ecological economics, 149903, heterodox economics, and 149999, economics not elsewhere classified.

sub-disciplines is shown in Table 7. The heaviest concentration of staff and research outputs shown in Table 7 is in FoR 1402, applied economics. Further, Table 7 shows that FoR 1499 has more staff and research outputs than FoR 1403, econometrics, and about as many of each as FoR 1401, economic theory. Clearly, there is a mismatch between the distribution of expertise on the SBE REC and the distribution of research inputs and outputs.

Table 7 – Distribution of Staff, Research Outputs and Research Income

Discipline or Sub Discipline (FoR)	Staff (Full-time equivalents)	Research Income	Research Outputs	Weighted Research Outputs*
Economic Theory (1401)	109	5,549,639	673	750
Applied Economics (1402)	679	110,891,233	5244	5753
Econometrics (1403)	92	16,643,069	425	445
Other Economics (1499)	151	4,518,300	556	614
Economics (14)	1031	137,602,241	6897	7563

Notes: * A book counts as five research outputs, whereas book chapters, journal articles and conference papers each count as one output.

Source: ARC 2011, Table: National ERA Rating and Volume at a Glance, p.14

The guidelines for the evaluation process state that, based on their fields of expertise, each member of a REC was to be assigned to rate a number of units of evaluation, where a unit of evaluation is a particular four-digit FoR sub-discipline at a particular institution. Further, each unit of evaluation was to be independently rated by three REC members. The evaluations were to be based on a comparison of quantitative data on research output and other measures of research performance, including tabulations of journal articles by ranking band (A*, A, B and C), to indicator profiles provided by the ARC for each quality band (1 through 5) in each four-digit FoR. In some fields citation analysis was included in the quantitative analysis, while in others, including economics, the quantitative data was supplemented by qualitative assessment of a sample of publications nominated by the submitting institution.⁸ Thus, there was an element of peer review of research outputs in the evaluation for economics.

The ratings by the REC members were to be supplemented by those of selected peer reviewers in cases where extra specialist expertise was deemed appropriate, where the significance of a body of work was disputed or where there were significant workload issues that prevented the REC member with relevant expertise from participating (ARC, 2010, p.32). The peer reviewers were to provide a rating and accompanying textual comment for each unit of evaluation to which they were assigned

⁸ In economics, as in other social sciences, qualitative assessment the argument has been made that lengthy citation lags make citation counts inappropriate for judging quality of recent publications. Butler (2011) argues that there are alternative methods for utilising metrics in the evaluation of research that should be seriously considered now that ranked outlets have been dropped as a metric for research quality in the social sciences. The argument in this paper is that the use of ranked outlets as a metric in ERA 2010 resulted in a biased evaluation of research across economics sub-disciplines. By extension, the existence of bias in any proposed alternative metric should be closely examined before its adoption in a future round of research evaluation.

based solely on the sample of research outputs that they were provided from the pool of outputs nominated by the institution being evaluated. No details have been publicly provided on the extent to which peer reviewers were utilised in particular disciplines or sub-disciplines, but the CEO of the ARC, Professor Margaret Sheil, acknowledged the assistance of over 500 peer reviewers in her foreword to ARC (2011).

The evaluation guidelines set out a four-stage process for determination of the quality rating for each unit of evaluation. In the first stage each REC and peer reviewer, where assigned, was to provide an independent quality rating based exclusively on the information provided to them by the ARC. In the case of economics, this included selected research outputs for peer review along with summary data on all research outputs prepared by the ARC from data supplied by the institutions. In the second stage, each REC member was to consider the ratings from other REC members assigned to the same unit of evaluation along with the ratings and supporting text from any peer reviewers. The third stage involved a meeting of all REC members for each cluster to collectively discuss the ratings for each unit of evaluation and to finalise recommendations. In the fourth stage, the chairs of each cluster were to review overall outcomes and ensure consistent application of the ERA rating scale and other ERA measures.

No structure is provided in the evaluation guidelines as to how the RECs were to combine the information from the various quantity and quality measures, rather it is suggested that the RECs use their expert opinion on the relevance of various measures to the determination of performance in the particular discipline. Likewise, there is no mention in the evaluation guidelines as to how the RECs were to utilise the indicator profiles in determining the position of a particular unit of evaluation relative to world standards. Finally, no information is provided on how the indicator profiles were constructed and no provision has been made for the release of any information on the specific profiles for any two-digit or four-digit FoR classifications.⁹

5. Looking Forward

As discussed above in connection with Table 5, the distribution of journal rankings matches the generally low ratings given to institutions that received ratings for their research output in FoR 1402 and FoR 1499. The preparations for the next round of evaluation to be completed in 2012 (ERA 2012) included a public consultation over the journal rankings used in ERA 2010. Before this process was completed, the Minister for Industry, Innovation, Science and Research, Senator Kim Carr, announced that journal rankings would not be included in the evaluation process for ERA 2012.¹⁰ Instead, the RECs in disciplines that involve peer review of research output will be provided with journal profiles

⁹ Butler (2011, p.8) discusses the approach to confidentiality taken by the ARC, which has led to refusal of all requests for the release of more detailed data.

¹⁰ See Ministerial statement to the Senate Economics Legislation Committee, Improvements to Excellence in Research for Australia (ERA), MR-363, 30 May 2011 for the details of the changes in evaluation process and an explanation of the reasons for the changes.

for each unit of evaluation showing the number of articles published in each journal that have been apportioned to each four-digit FoR code. Corresponding journal profiles at the two-digit FoR code will be provided based on aggregating across the relevant four-digit codes, including those four-digit codes that fail to meet the low-volume threshold for separate evaluation.

The use of journal profiles in place of the tabulation of articles by rank effectively leaves the judgment of quality to the REC members or expert reviewers assigned to provide quality ratings for each unit of evaluation. As noted previously, the relatively high rankings in ERA 2010 received by journals in economic theory and econometrics, as opposed to the lower rankings for journals in the applied and other sub-disciplines, reflect the relative status of theoretical work over applied and non-mainstream work that characterises the views of mainstream academic economists worldwide. However, the differences in journal profiles across sub-disciplines should at least be clearly apparent to REC members who are designated to provide quality ratings across those sub-disciplines. Other expert peer reviewers who are requested to provide quality ratings within a single sub-discipline will presumably not have this information, but if chosen for their sub-discipline expertise can be expected to have good knowledge of the relative standing of journals within that sub-discipline.

A major change in the structure of the RECs for ERA 2012 that may substantially impact the evaluation of economics sub-disciplines is the replacement of the former SBE REC with two separate RECs, Economics and Commerce (EC) and Education and Human Society. This recognises the large workload and diversity of disciplines dealt with by the SBE REC. It thus offers the prospect that there will be more members on the EC REC with expertise in economics than were included in the SBE REC for ERA 2010. Whether there will be a different distribution of expertise across the sub-disciplines of economics than was the case with the SBE REC remains to be seen.

A reasonable principle in selecting members of the RECs is ensuring an appropriate range of expertise for undertaking peer review. As noted above there was no relevant expertise in the component areas of other economics (FoR 1499), specifically comparative economic systems, ecological economics and heterodox economics, on the SBE REC for ERA 2010. For the ERA 2012 to provide a balanced assessment of research in the component areas of other economics, it is imperative that experts in these specialities be members of the EC REC. Having this expertise on the committee will also help ensure the selection of appropriate peer reviewers for research outputs that are sent out for external review. Greater representation of economists with expertise in field areas of applied economics would also help to ensure a sound evaluation as Table 7 shows the majority of staff and research outputs in the economics discipline are classified into FoR 1402. Further, a sound evaluation of research quality in applied economics is important given the dominance of this sub-discipline in funding for economics research, much of this funding coming from the government including the ARC.

7. Conclusions

The processes employed in the 2010 round of research evaluation under Excellence in Research for Australia (ERA) did not provide the basis for a balanced assessment of economics research in Australia. The rankings used as the indicator of the quality for journal articles were biased in favour of economic theory and econometrics and against applied economics and other economics. As journal articles constituted a substantial majority of the pieces of research output submitted for assessment, it is perhaps not surprising that the biased pattern was closely followed in the ratings given in the various sub-disciplines of economics across the institutions. However, these ratings were presented as reflecting performance relative to world standards, where the world standard was presented as based on indicator profiles that reflected the quality of work worldwide in that speciality and, therefore, would be expected to have appropriate adjustments for the rankings of journals in each sub-discipline. Further, the economists on the committee of experts that recommended quality ratings had expertise concentrated in economic theory and econometrics, which is not reflective of the distribution of staff or research output across the sub-disciplines of economics. Arguably, the committee did not have sufficiently broad expertise for a sound assessment of journal articles and other research outputs that were subjected to peer review by the committee members as part of the ERA process.

A number of changes have been introduced into the processes for the next round of research evaluation in Australia, ERA 2012. As discussed above, a less biased evaluation than occurred in ERA 2010 may be encouraged by the elimination of journal rankings and by the establishment of a separate evaluation committee for commerce and economics. However, the journal rankings used in ERA 2010 reflected the general views of economists in Australia and views of a profession that generally preferences theory and econometric technique above applied and policy-related research. There is even less general appreciation of research in the components of other economics: comparative economic systems, ecological economics and heterodox economics. Thus, it is argued above that the membership of the research evaluation committee for the economics and commerce panel in ERA 2012 should include expertise in these component areas and also be more representative of the distribution of staff, research outputs and research funding in economics in Australia by being weighted heavily towards applied economics.

There are legitimate concerns that the research evaluation process under ERA is distorting the appointment and promotion processes for economists in Australian universities (see, for example, King, 2007 and King and Kriesler, 2008). Having these processes based on a biased evaluation of research adds to the distortion. Australia has a proud tradition of innovative and socially useful research in economics. It would be a great shame to have this tradition undermined by a flawed approach to research evaluation.

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