

Foreword

Your in-basket is overflowing, your nightstand is piled high with journals, and some articles on your reading list are celebrating birthdays since their date of publication while you struggle to find time to read them. You are already neck-deep in a paper blizzard. So why is the American Economic Association starting another journal?

The *Journal of Economic Perspectives* will try to fill a gap between the general interest press and existing academic economics journals. Like every academic field, economics has become increasingly specialized, and specialists talk most easily to other specialists. Generally, the articles in academic economics publications are aimed at those who share the speciality or subspecialty of the author, and the author presumes that readers are already acquainted with the most recent jargon and mathematical/technical tools of that speciality. On the other hand, when economists write for the general press, they tend to concentrate on their estimates of consequences and their political beliefs, not the issues involved in their recent work as professional economists.

The *Journal of Economic Perspectives* will serve as a scholarly economics journal for the general audience of economists. The title of the new journal was chosen to reflect two central aspects of its mission: to provide a range of perspectives on economics and to show how an economic perspective can help in understanding society and some of its problems.

The pages of the new journal will reflect the wide spectrum of interests, backgrounds, and viewpoints of the members of the American Economic Association. Many of the articles have been edited and rewritten several times in an effort to ensure that each is addressed to the broad audience of economists, not just to the author's peers in a subspecialty. Instead of focusing on technical issues or particular models, the articles in this journal will focus on what general insights are to be gleaned or what general lessons are to be learned from a line of research. Not every article will be of interest to every member of the profession—that goal asks too much of any publication—but we hope every economist will find several articles of interest in each issue.

The *Journal of Economic Perspectives* should help to disseminate developments within economics more quickly and accurately, and a variety of benefits should result. By encouraging cross-fertilization of ideas among subspecialties, the journal should build a sense of economics as a unified profession and help to breed new insights. Professors should find many of the articles, problems and readings appropriate for classroom use. By explaining current research ideas and findings from a less specialized and technical perspective, the new journal should help to keep business, government, and academic economists aware of state-of-the-art economic thinking. Finally,

we hope that the process of explaining and critically examining the often unquestioned central tenets of various economic specialties will sometimes lead to sharpened and redirected research efforts.

This inaugural issue reflects the diversity of writers and subjects that will become even more evident in future issues. The symposium that occupies much of the issue critically examines the Tax Reform Act of 1986, one of the most important pieces of economic legislation in recent years. The authors include some of the nation's leading tax specialists: economists who not only provided the intellectual framework within which the tax reform debate was cast, but who participated in the political process as well. Their papers demonstrate how both theoretical and empirical economic analysis can be used to illuminate policy problems. The symposium is largely due to the hard work of Henry J. Aaron, who also provides a thoughtful introduction.

During the past decade, a number of experiments and observations have cast doubt on the general validity of the hypothesis that individuals maximize their expected utility, or indeed, that they act in a manner which is consistent with usual hypotheses concerning rationality. Mark J. Machina provides a thought-provoking overview of how these experiments affect the standard economics view of choice under uncertainty. A full recognition of these developments could have enormous consequences in practice as well as in economic theory. Using examples that may be especially helpful to teachers, Steven C. Salop describes how unclear perceptions of uncertain situations can bias legal deliberations.

Economists have long argued the importance of economic analysis to understanding historical developments, but many have paid insufficient attention to how historical analysis may help in assessing economic theories. Gavin Wright addresses the longstanding puzzle of why the Southern economy diverged from the rest of the national economy after the Civil War, and why it then grew rapidly and became absorbed by the national economy in the middle third of this century. His paper should raise questions in the minds of those who believe that standard economic paradigms can easily explain this important historical episode.

Finally, William J. Barber looks back at the founding of the American Economic Association and finds that the current debates between institutional and mathematical economists and today's concerns over the incentive effects of tenure were already controversial a century ago. In fact, those conflicts and incentives played a vital role in the founding of the Association.

In addition to symposia and articles, a number of regular features will appear in each issue of the journal. Richard H. Thaler will edit a feature on "Anomalies," facts that seem difficult or impossible to reconcile with standard economic theory. Barry Nalebuff will edit a "Puzzles" feature, which is meant to provide recreational intellectual exercise and to serve as a source of problems for students. Bernard Saffran will edit a bibliographic column. In this issue, he identifies several articles that may be of interest to readers taken from publications many economists do not usually scan. Future issues may include other features, including "Letters to the Editors." Each of these features will depend heavily on the contributions and interest of readers.

All articles published in the *Journal of Economic Perspectives* are commissioned by the Associate Editors, who currently are:

Henry J. Aaron, Senior Fellow, The Brookings Institution

Stanley Fischer, Professor of Economics, Massachusetts Institute of Technology

Paul R. Krugman, Professor of Economics, Massachusetts Institute
of Technology

Edward P. Lazear, Isadore Brown and Gladys J. Brown, Professor of Urban and
Labor Economics, Graduate School of Business, University of Chicago

Mark J. Machina, Associate Professor of Economics, University of California at
San Diego

Charles F. Manski, Professor of Economics, University of Wisconsin

Donald N. McCloskey, Professor of Economics and History, University of Iowa

Bernard Saffran, Professor of Economics, Swarthmore College

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Hal R. Varian, Reuben Kempf Professor of Economics and Professor of
Finance, University of Michigan

Janet L. Yellen, Professor of Business Administration, School of Business,
University of California at Berkeley

The *Journal of Economic Perspectives* exists to serve the interests of all the members of the American Economic Association. The editors stand ready to use the pages of the journal in a variety of innovative ways, constrained only by our mission to provide the most useful information to the members of the Association. We welcome any and all suggestions as to how the *Journal of Economic Perspectives* can best serve your needs.

Joseph Stiglitz, editor

Carl Shapiro, co-editor

Timothy Taylor, managing editor

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