

Paul Krugman - New York Times Blog

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Understanding the NBER

Just a quick note. I've noticed some people latching on to the fact that Reinhart-Rogoff initially released their once famous, now infamous piece as a National Bureau of Economic Research working paper, and wondering about the NBER's role. I've even seen the Bureau described as a right-wing think tank, in thrall to Pete Peterson.

Actually, the truth is more prosaic.

The NBER is best described, I'd say, as the old-boy network of economics made flesh. There are a couple of NBER offices, but they're small; what the organization mainly consists of is its associates and what they do. In many sub-fields of economics, just about anyone well-known in the profession is an NBER research associate (yes, me too); it's normal for these associates to release new research as NBER working papers.

The function of these papers, in turn, is to get research out quickly so other economists can discuss it (which includes criticizing it). For working economists, the NBER WP series provides what amounts to one-stop shopping for new developments in their field.

Now, these working papers have long since become more than working papers used to be in the days of yore, largely because publication takes so long. For decades, the journals have basically been tombstones — places that validate your work, that you can cite when seeking tenure, but not where people keep up with what's happening now. Working papers have long been where the active discussion takes place. A case in point: I released this paper in working paper form in 1988; by the time it was formally published in 1991, there was already a huge derivative literature, which I ended up citing in the published version.

The NBER also organizes conferences, and its summer institute is a major gathering ground.

You can criticize the role the NBER plays, mainly because it privileges insiders. If you're associated with the Bureau, you can get research out quickly in a place everyone will see, whereas if you aren't in the magic circle, getting noticed can be much harder. I would say that economics blogs are starting to remedy this disparity, but there will never be a truly level playing field.

But any notion that the NBER is somehow an active player in this mess is wrong. It was just a more or less neutral transmission channel.