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Published in:
European Journal of Political Economy

Publication date:
2003

[Link to publication](#)

Citation for published version (APA):
Eijffinger, S. C. W., de Haan, J., & Koedijk, C. G. (2003). Small is beautiful but large is not to be belittled: Reply. *European Journal of Political Economy*, 19(3), 905-907.

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Discussion

Small is beautiful but large is not to be
belittled: reply[☆]

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Received 10 April 2003; received in revised form 11 April 2003; accepted 11 April 2003

Abstract

We appreciate that the Italian central bank has been able to provide the requested information for our comparison of the research output of European central banks. Based on this information, the ranking of the Italian central bank improves considerably. Still, many small central banks have a better research performance than the Banca d'Italia and, after recomputation, our previous conclusion that “small is beautiful” is not compromised.

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JEL classification: E58

Keywords: Central banks; Research

1. Introduction

Angelini (2003) argues in his comment on our paper that, due to inadequate information, our ranking of central banks in terms of their research output is inaccurate. The data provided by the Italian central bank and updated information we received from other central banks allow us to update of our evaluation of the quantity and quality of the

[☆] doi of original article S0176-2680(02)00086-1, S0176-2680(03)00044-2.

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research activities of various central banks. The analysis is based on the frequency of publications by employees of central banks in peer-reviewed professional economics journals.

2. Methodology

As we explained in our paper, we sent *all* EU central banks a questionnaire in which we asked a number of questions relating to both the number of staff employed by the central bank and the scientific journals in which the staff had published papers. We followed the same procedure for all central banks. We did not independently gather this information ourselves. We judged that self-assessment and self-reporting would ensure reliable information. One of the central banks that could not provide all the requested information was the Italian central bank. We are happy that the Italian central bank is now able to provide complete information about publications. In the mean time, some other central banks also provided—sometimes even without being asked by us—relevant information. We can therefore update and extend our results.

As explained in our paper, we categorized solid economics journals in which central bank researchers had published their research into three classes: top journals, very good

Table 1

The weighted journal publications per employee of European central banks (including the ECB) for the period 1990–1999

Central Bank of:	Total number of journal publications	Quality-weighted number of articles	Quality-weighted number of articles per employee in research
Austria	14	17	0.34
Belgium	7	9	0.19
Denmark	3	5	0.15
Finland	20	35	0.78
<i>Greece (1992–1999)</i>	<i>41</i>	<i>52</i>	<i>0.43</i>
Ireland	3	4	0.17
<i>Italy</i>	<i>89</i>	<i>137</i>	<i>0.64</i>
<i>Israel</i>	<i>31</i>	<i>52</i>	<i>n.a.</i>
Netherlands	49	68	0.72
Portugal	31	50	0.39
Spain	29	51	0.20
Sweden	5	12	0.24
<i>Switzerland</i>	<i>22</i>	<i>40</i>	<i>n.a.</i>
UK	8	14	0.08
ECB (1994–1999)	29	50	0.45
ECB (1998–1999)	13	23	0.21

New figures are shown in italics. The other figures are from Eijffinger et al. (2002). Figures for UK and Sweden refer to 1998–1999. Figures for the ECB refer to 1994–1999 or 1998–1999. In the first case, the publications of the ECB research staff during 1994–1997 were also counted. The Swiss central bank only provided the number of researchers, instead of all staff of the Economics Department. The central bank of Israel only provided information on publications and not on staff.

journals and good journals.¹ This list of journals is not fixed. Good journals that were not in our initial list, as at the time no central bank researchers had published in that specific journal, have been added to the list of journals that has been used in the present update.² A top publication delivers three points, a very good publication two points and a good publication one point. We calculated the research output per employee by multiplying the number of journal articles by the respective scores for the journal (either 3, 2 or 1) and dividing the resulting sum by the number of employees.³ The resulting research output per employee using the additional information we received over the period 1990–1999 is shown in Table 1. The Banca d'Italia now has a considerably higher ranking than previously.

3. Conclusion

Notwithstanding the improvement of the ranking of the Banca d'Italia, our previous conclusion that “small is beautiful” basically still holds for the research departments of the European central banks. Researchers from the central banks of Greece, Switzerland and Israel have a relatively high number of publications.

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¹ In the case of the Banca d'Italia, most Italian journals have not been included. This procedure was also followed for other central banks for which most national journals were not included. Further details are available on request.

² We fully agree with Angelini that the *Journal of Economic Behavior and Organization* is a good journal and have therefore included it in our list, as we did with other good journals. That explains why we have 89 publications for the Banca d'Italia instead of 72.

³ The total number of employees at the research department of the Banca d'Italia in 1999 was 228.