CHAPTER III

PROFILE OF ECONOMIC JOURNALS AND PUBLIC FINANCE

The case of literature that supports research activities is mainly of periodicals. The term periodical refers to publications such as:

- Magazines
- Journals
- Newspapers.

Periodicals are usually published frequently and in an ongoing manner year after year. Periodical literature may also be the only source for information on some topics. Scholarly periodicals are more highly specialized, contain a higher level of technical terms and tend to follow a more complex conversational pattern that recalls earlier treatments of a topic or research area. Scholarly periodicals can be divided into three general areas: humanities (such as art, literature or journalism), sciences (medicine, CIS, agriculture) and social sciences (sociology, anthropology, business).

There is an enormous growth of knowledge and the number of publications is also increased. This is an age of research and expeditions in every field of knowledge. Consequent increase in the production of information is best reflected in the literature of every discipline and economics is no exception. As a result of enormous growth of publication, the number of publications has also been increased.

Development of society depends to a great extent on how best the confronting social, political, economic and cultural problems are understood by a common man, policy makers, executors and legislatures. The ultimate aim of all economic activity is
human welfare. The economist plays a crucial role in the objective and intelligible analysis of various economic problems in their perspective and to evolve proper solutions. Information, being the fifth factor of production has become an essential raw material for proper analysis of various economic issues. Information in the form of data, both raw and processed, is heavily relied upon the social science information users. It presupposes the need for local, regional, national and international data both published as well as unpublished. Journals have been playing a vital role as carriers of nascent thought. The development of any nation depends to a large extent on the research activities and on the diffusion of technology.

So the researcher has chosen nine economic research journals in which three are published from USA, five from United Kingdom and one from Netherlands. All the needed data were downloaded from EBSCO data base. The following are the details about the journals

3.1 The American Economic Review

The American Economic Review is a general-interest economics journal. Established in 1911, the AER is among the nation’s oldest and most respected scholarly journals in the economics profession and is currently celebrating 100 years of publishing! The journal publishes 6 issues containing articles on a broad range of topics as well as the Papers and Proceedings issue in May, which presents selected papers from the AEA’s annual meeting along with the reports of officers and committees. A special report of data replication of papers published in the AER is now available. In 2008, close to 4 million persons accessed the American Economic Review through JSTOR, making it one of the top-five most popular journals on JSTOR. The publisher URL is http://www.bus.lsu.edu/students/organizations/ode/odemain.html
3.2 The American Economist

The American Economist is a refereed journal published by the International Honor Society in Economics - Omicron Delta Epsilon for the enhancement of research in economics.

Five noteworthy achievements of The American Economist include:

1. Tufts University created a Social Science Library on CD-ROM selecting "4,000 outstanding articles in Anthropology, Economics, History, Philosophy, Social Psychology, Sociology and Political Science, with a focus on sustainable development and human well-being." These will be distributed free to university libraries in the developing world. Tufts University informed us that they selected 8 articles from The American Economist.

2. In an article published (Spring 2008) by Southern Economic Journal (ranked number 13), titled "Ranking Economics Journals, Economics Departments, and Economists Using Teaching-Focused Research Productivity" authored by Melody Lo, M.C. Sunny Wong and Franklin G Mixon Jr., they rank the American Economist number 7, in terms of number of articles published on Teaching-Focused Research Productivity and, number 17 in terms of Citations. The top three journals in terms of citations are: Journal of Economic Literature, Review of Economics and Statistics and The American Economic Review.

3. The American Economist receives requests from various publishers to reprint articles that appeared in AE in books. In 2005 we received eight such requests which was a record. Please note that these 8 requests are not the same as those mentioned above. Mark Perlman, the founder and first editor of The Journal of Economic Literature
(a journal of The American Economic Association and listed number one in terms of citations), stated that this is unprecedented. Each year we receive between three to five requests for reprints in books.

4. Articles published in The American Economist are "recommended for further reading" by the Journal of Economic Perspectives (a journal of the American Economic Association).

5. An article on Grants Economics was included in a volume, Recent Advances in Economics edited by Rendings Fels and John Siegfried and published for the American Economic Association by Richard Irwin.

The objectives of Omicron Delta Epsilon are recognition of scholastic attainment, the promotion of closer ties between students and faculty within colleges and universities, and the publication of an official journal, The American Economist whose circulation is 7,000.

Two annual awards are made by the society on the basis of competitive entries: the Irving Fisher Graduate Monograph Award and the Frank W. Taussig Article Award.

Omicron Delta Epsilon has more than 450 chapters in the United States and other countries, with more than 10,000 active members.

Self-Archiving Document Policy

Authors whose papers have been accepted and/or printed in The American Economist are permitted to self-archive materials at their home institutions, provided that the institution's repository is password protected. Requests for access to The American Economist articles from other sources should be sent to Michael Szenberg, Editor of The American Economist, at mszenberg@pace.edu
3.3 Bulletin of Economic Research

The Bulletin of Economic Research is an international journal publishing articles across the entire field of economics, econometrics and economic history. The Bulletin contains original theoretical, applied and empirical work which makes a substantial contribution to the subject and is of broad interest to economists.

In addition to full-length articles the Bulletin publishes refereed shorter articles, notes and comments; authoritative survey articles in all areas of economics and special themed issues. The journal is published by Wiley-Blackwell from United Kingdom and also published on behalf of Trustees of the Bulletin of Economic Research. The impact factor of the journal is 0.8.

It has a frequency of four issues and a quarterly journal. The full text is available in EBSCO data base from 1984 onwards.

3.4 Economica

Economica is an academic journal published by Wiley-Blackwell United Kingdom The bibliographic records are available from 02.01.1984 onwards as Full Text in this database. Its publication covers Articles, reviews and lists of books received on all aspects of economics, economic history and closely related problems for an international readership. It’s a quarterly journal and its URL is and ISSN Number is: http://www.wiley.com/WileyCDA/ ISSN: 0013-0427.

Economica is an international journal devoted to research in all branches of economics. Theoretical and empirical articles are welcome from all parts of the international research community. Economica is a leading economics journal, appearing
high in the published citation rankings. In addition to the main papers which make up each issue, there is an extensive review section, covering a wide range of recently published titles at all levels. From time to time special issues on selected topics are published, and are available as either single back issues or, if published in the current year, are included in the annual subscription.

Articles accepted for publication in Economica are now published online before appearing in a print edition. These articles are fully peer-reviewed, edited and complete and are made available for viewing by the academic community as quickly as possible, thereby reducing time to publication without sacrificing quality or completeness.

3.5 Journal of Economics

Specializing in mathematical economic theory, Journal of Economics focuses on microeconomic theory while also publishing papers on macroeconomic topics as well as econometric case studies of general interest. Regular supplementary volumes are devoted to topics of central importance to both modern theoretical research and present economic reality. It is an academic journal published by Springer Science & Business Media B.V. from Netherlands. The full text data is available from 1986 onwards. Its publication frequency is 9 issues. Its impact factor is 0.581.

3.6 Journal of Finance

The Journal of Finance publishes leading research across all the major fields of financial research. It is one of the most widely cited academic journal on finance and one of the most widely cited journals in all of economics as well. Each issue of the journal reaches over 8,000 academics, finance professionals, libraries, government and financial institutions around the world. Published six times a year, the journal is the official
publication of The American Finance Association, the premier academic organization devoted to the study and promotion of knowledge about financial economics. The bibliographic records are available from 3/1/1984 in this database with full text. The subjects covered are Banking, Finance & Investing and Original articles, shorter articles and book reviews on all aspects of finance. It is a peer reviewed journal with a frequency of 6 issues in a year. The URL is: http://www.wiley.com/WileyCDA./

3.7 Journal of Economic Literature

The Journal of Economic Literature (JEL) began publication in 1969 under the auspices of the American Economic Association with quarterly issues appearing in March, June, September, and December. JEL contains survey and review articles, book reviews, an annotated bibliography of newly published books, and a list of current dissertations in North American universities. JEL Indexes, the electronic web edition of the Journal of Economic Literature, provides the current quarterly issue of JEL in electronic format.

JEL Indexes provide hyperlinked journal title, subject, and author indexes to the book and article citations and abstracts included in the current quarter in EconLit. JEL Indexes also provide author and subject indexes to dissertations awarded in North American universities during the previous year. JEL Indexes are free to AEA members and are not available to institutional subscribers. The JEL Indexes web pages are password protected.

JEL on CD contains articles, book reviews, and annotations of new books in pdf format. The December issue includes a subject index of dissertations awarded by North American universities during the past year. The CD includes a cumulative archive from
1994 of the articles, book reviews, and indexes to new books and dissertations. AEA Members may elect to receive JEL on CD in lieu of the printed edition of JEL or they may receive both editions for a small fee. Its is peer reviewd journal having the frequency of four issues in a year. The full text is available in this database with the bibliographic records from 03/01/1985. Its URL is http://www.AEAweb.org

3.8 Quarterly Journal of Economics

The Quarterly Journal of Economics is the oldest professional journal of economics in the English language. Edited at Harvard University's Department of Economics, it covers all aspects of the field. QJE is invaluable to professional and academic economists and students around the world. It is published on behalf of President and Fellows of Harvard University. Impact Factor: 5.647 The Quarterly Journal of Economics is covered by the following abstracting and indexing services:

ABI-INFORM

Book Review Digest Plus

CAB Abstracts

Coal Abstracts

Criminal Justice Abstracts

Current Contents: Social & Behavioral Sciences

Current Index to Statistics

Dietrich’s Index Philosophicus

Documentation in Public Administration

EconLit

Emerald Management Reviews
Environmental RouteNet
Environmental Sciences & Pollution Management Database
Expanded Academic ASAP
Family Index
Historical Abstracts
Human Resources Abstracts
IBZ: International Bibliography of Periodical Literature
Index of Economic Articles in Journals & Collected Volumes
Index to Periodical Articles Related to Law
International Bibliography of Humanities & Sociological Literature
Leisure, Recreation, and Tourism Abstracts
Leisure Tourism Database
LexisNexis
Operations Research – Management Science
Peace Research Abstracts
ProQuest Central
Public Administration Abstracts
Quality Control & Applied Statistics
RePec
Risk Abstracts
SCOPUS
Social Science Source
Social Sciences Citation Index/Social SciSearch
Social Sciences Index
Social Work Abstracts
Wilson Business Abstracts
World Agricultural Economics & Rural Sociology Abstracts
Zentralblatt MATH

It is an academic and peer reviewed journal covering the subject economics with refereed articles shaping today's economic theory from micro theory to empirical and theoretical macroeconomics. It is a quarterly journal with full text and bibliographic data available from 02/01/1984 to 12/31/2010.

3.9 Review of Economic Studies

The Review was founded in 1933 by a group of young British and American Economists. It is published quarterly by The Review of Economic Studies Ltd, whose object is to encourage research in theoretical and applied economics, especially by young economists, and to publish the results in the Journal.

The Review of Economic Studies is essential reading for economists. It is one of the core economics journals, consistently ranking among the top five titles. The Review of Economic Studies has been particularly strong in the fields of microeconomics, economic theory and econometrics since its foundation by a group of young economists in 1933. It is an academic and peer reviewed journal with bibliographical records available from 01/01/1984 and full text. They also proud to maintain a tradition of promoting the work of young researchers who are not yet established in the profession and so are keen to encourage new and emerging authors to submit their papers them.

The journal URL is: http://www.wiley.com/WileyCDA.
Thus the researcher took the nine economic journals which are available in the EBSCO database. The full text is also available for a period of twenty five years. All the journals mainly concentrate the field of Economics.

3.2 Public Finance

Public Finance is a living branch of economics as it is the kingpin of the day to day activities of the State. “Public Finance” is that branch of general economics which deals in the financial activities of the State or Government at national, state and local levels. With the broadening of the activity base of governments over the past three centuries or so, the study of ‘Public Finance’ has assumed lot of importance.

3.2.1 Origin of Public Finance

The origin of Public Finance is traceable in the origin of the modern welfare state. Either due to necessity or due to man being by nature a political animal, some form of governmental organization has existed over since man passed beyond the most primitive stage of development. In short the origin of Public Finance is deep rooted in antiquity.

A discussion of the various aspects of Public Finance has a long history. Adam smith’s well known book ‘An Enquiry into the Nature and Causes of the Wealth of Nations’ popularly known as the Wealth of Nations is exclusively devoted to the discussions of the revenues of the Sovereign or Commonwealth.

Besides Adam smith, David Ricardo in his book, the Principles of Political Economy and Taxation, published in 1817 devoted ten chapters to the discussion of the problems of taxation. Chapter VIII ‘ On Taxes discusses the general effects of taxes
while remaining chapters deal with the effects of particular taxes such as those on rent, houses, profits, wages etc. Ricardo discussed the problem of public debt in his ‘Essay on the Funding System’.

J.S Mill devoted sufficient space to the discussion on Public Finance in his well known book entitled Principles of Political Economy. The book contains seven chapters and the Vth chapter devoted to the discussion of general principles of taxation, classification of taxes into direct and indirect taxes and the various problems of national debt. In short the classical economists recognized the importance of Public Finance and divided the subject matter of Public Finance into state or government revenue, expenditure and debt aspects.

Public Finance lacked systematic discussion at the hands of the classical and neo-classical economists and it received scant attention in the Marshall –Edgeworth era. It is evident from the fact that Alfred Marshall’s well known work Principles of Economics does not have any connected discussion of the problems of taxation and devoted sufficient pages in the different sections of the book developing the various aspects of the theory of taxation. Francis Ysidro Edgeworth also thought that the pure theory of taxation was concerned only with the laws of incidence and the principle of equal sacrifice. By the time the older discipline of the political Economy was displaced systematic discussion of Public Finance as a subject has almost disappeared from the important works of the great economists.

Hugh Dalton’s Principles of Public finance was first appeared in 1922. Then in1928 Pigou’s work titled ‘public Finance was published. Since then several significant studies have been made on the subject Public Finance
3.2.2 Meaning of Public Finance

To understand the meaning of Public Finance it is pre-requisite to have some knowledge of the words “Public” and “Finance”. The word “Public” is a Collective term which stands for the collection of individuals. In a wider sense, it refers to all the members of a community. The ordinary meaning of the term “Finance” is money resource i.e. coins or notes in a specified area, (generally a country). In Public Finance the word “public” is used in a narrow sense where as the word “finance” is used in its wider sense Finance also means credit. From these two terms “public and finance” one can derive the compound term Public Finance. In another sense, public is a collective name for individuals within an administrative territory and finance, on the other hand, refers to income and expenditure.

3.2.3 Definition of Public Finance

Prof Dalton has rightly started, “It is one of those subjects that lie on the border line between economics and politics. It is concerned with income and expenditure of public authorities and with the mutual adjustment of one another. The principles of Public Finance are the general principles which may be laid down with regard to these matters”. It is more concerned with the the activities of the government. Public Finance embodies the study of imposition of taxes, collection and expenditure in the public interest and for the welfare of the country.

In the words of Adam smith, “Public Finance is an investigation into the nature and principles of the state revenue and expenditure”. Truly, Adam Smith used the word ‘state’ and Dalton on the other hard, used the phrase ‘public authorities’ Yet there is no difference between state and public authorities. Mrs. Ursula Hicks has clearly stated that
the term state is a convenient shorthand covering both minor and major governing bodies as well. Thus, the meaning of fact, Public Finance has become the principle underlying the acquisition and use of financial resources of the public body. This meaning is too wide and too general to serve any useful purpose. In reality, it is more suitable to call it not the science of Public Finance but the science of state finance. In this way Public Finance is a study of the monetary and credit resources of the state.

Dr Macro defines, “The economics of Public Finance studies the productive activities of the state which are directed towards the satisfaction of collective wants”. Phillip E Taylor explains, “Public Finance deals with the finance of the public distribution as an organized group under the institution of the government. It, therefore, deals only with the finance of the government. The finance of the government includes the raising and disbursement of government funds. Public Finance is concerned with the operation of fiscal science, its policies; its problems are fiscal problems”.

According to Charles F. Bastable, a well known writer of the 19th Century, “For all states however whether crude or highly developed, some provisions of the kind are necessary and therefore, supply and application of state resources constitute the subject-matter of the study which is best entitled in English, as Public Finance”. Bastable’s definition is simple and clearly defines the scope of Public Finance. But one difficulty comes whether all the resources of the state should be counted in the study of Public Finance or only pecuniary resources can be taken.

Carl C. Plehm regards Public Finance as “the science which deals with the activity of the statesman in obtaining and applying of the material means necessary for fulfilling the proper functions of the state”. Prof. Findlay Shirras defines Public Finance
in the words “Public Finance is the study of principles underlying the spending and raising of funds by Public authorities. As a positive Science, it is concerned with facts as they exist, it investigates the intricate flux of these financial events and discovers the hidden uniformities by means of patient and systematic enquiry which we call research; the statements of uniformities are expressed as laws”. Prof.H.L. Lutz defines, “Public Finance deals with the provision custody and disbursement of resources needed to conduct the public or government functions”.

According to Mrs.Ursula Hicks, “The Second group are engaged in providing services whose scope and variety are determined not by direct wishes of the consumers but by the decisions of government bodies in a democracy by the representative of the citizens”. Writing further she observed, “Since services of this cannot be paid for directly by uses, the income of the producers are not derived from the scale of their output, instead these public services are paid for out of taxes –compulsory transfer of private income to governing are paid for out of express of arranging for the collective satisfaction of wants”. Thus the definition of Public Finance as given by Mrs. Ursula Hicks is comprehensive which widens the scope of Public Finance.

However with the appearance of Great Depression in 1929-30 and the publication of J.M.Keynes, “General theory of Employment, Interest and Money” in 1936, the influence of government fiscal operations on the overall part of the study of Public Finance was the big blow to the old classical economist which was based on Say’s law of market. Keynes and Hansen’s New Economics, in fact is the new version of Public Finance. Thus it looked to the state (government) to create the conditions of full employment, bringing about distributional justice and securing stability and growth.
For this Public Finance as a compensatory device may be considered worthwhile to remove fluctuations in the economy this would further lead to achieve rapid and balanced economic development. For instance, Richard A Musgrave has rightly observed, the complex problem that centre around the revenue expenditure process of government is referred to traditionally as Public Finance ….”. Prof.B.P.Herber opined “The government means of allocation is accomplished through the budgetary practices of taxing and spending….In fact the science of Public Finance studies and analyse the effects of government budgetary practices of taxing the spending as (a) allocation of scarce productive resources (b) distribution of income and wealth, (c) economic stability and full employment, (d) economic growth.

Thus it seems that there is no substantial difference in the various definitions, since all of them show that the public finance is the subject which studies the income and expenditure of the government-central, provincial, or local. Every government has to perform manifold functions for the welfare of the community which the individual cannot or does not perform properly In short, raising of funds for the necessary expenditure constitutes the subject of Public Finance.

### 3.2.4 Scope and Subject Matter of Public Finance

Public Finance is the study of the income and expenditure of the state. Public Finance is concerned with the operation of the public treasury. Hence to the degree that it is a science, it is a fiscal science, its policies are fiscal policies, its problems are fiscal problems.

There is no denying the fact that the science of Public Finance deals with the finances of the state. Public Finance is the study of not only the activities of the State but also the financial implications and other aspects of such activities, Modern State has to
perform manifold functions and for the performance of these functions funds are needed. So, the scope of Public Finance is the study of collection of these funds and their allocation to various branches of activities.

Adam Smith, the father of political economy, first started a systematic discussion of Public expenditure in his famous book, “An Inquiry into Nature and Causes of the wealth of Nations”. According to him the “Duties of sovereign” fall into the three categories a) defending the society from violence and injustice of other independent societies (b) securing internal justice between citizens, (c) maintaining those public institutions…. In modern terminology, the third duty can be described as expenditure on economic and social ends. Though, this duty or function of the state can not be considered the fundamental one but too much importance has been attached to it in the present era.

In well advanced countries, the governments are responsible for maintaining the stability and expanding the level of employment and bringing about the goal of full employment as far as possible. They are actively engaged in maintaining a continuous and sustained growth. The rise of modern states has been accompanied by an increase in the number of functions and consequently the scope and importance of Public Finance. However, in general the following services are provided by the government in a modern state:

(i) Security, both internal and external;

(ii) To control and regularize the economic enterprise;

(iii) Justice or the settlement of disputes;

(iv) The social cultural welfare of the people

(v) To make proper utilization of natural resources
(vi) The regulation of moral standards;

(vii) The control of communication and transportation for the promotion of unity of the state;

(viii) The administration of financial system, expenditure revenues and fiscal control;

(ix) Religion and religious rights and

(x) Proper and efficient administration;

Thus keeping in view of the various functions, the State has to mobilize its resources with the help of method laid down in the economics of Public Finance. There is a difference between the “Public Economics” and “Public Finance”. Public economics is the exact counterpart of the private economics with not only studies the Public Finance but also the other activities of public welfare performed by the state. Therefore, whole of public economics studies the desirability of the poor relief measures; provident fund schemes etc., while Public Finance is concerned with methods of raising and allocating the funds between these activities.

The subject matter of Public Finance which has been ever-widening, consist of the following five parts:

(i) Public income - this part includes the study methods of raising public revenues and the principles of taxation;

(ii) Public expenditure - this consist of the study of the principles and effects of public expenditure;
(iii) Public debt – this part studies the causes and methods of public borrowing as well as the public debt management;

(iv) Financial administration – which includes the preparation and sanctioning of the budget, auditing etc and

(v) Fiscal policy – this part studies the use of Public Finance operations to bring about economic stability and growth in the country.

3.2.5 Significance of Public Finance

The study of Public Finance assumed real importance towards the beginning of the 20th century especially after the great depression of the 1930s. In modern times, Public Financial operations play an extremely important role in the economy of a nation. A modern state does not merely act as a police state but performs a variety of political, social and economic functions. The economic activities of the state have, in the last few decades, increased tremendously and consequently, the amount of public expenditure has become so enormous that every modern state is forced to raise revenues at an increasing rate to defray its expenses. Not only the public expenses are increasing every year but the rate of increase is also very rapid. A modern state acts as a welfare state and performs many functions for enhancing the social welfare viz., education, public works control of consumption and production etc. At present the government is the largest employer of labour within the country and so influences greatly the wage-rates and conditions of employment of labour. Thus, the government revenues and expenditures influence production, distribution and consumption of wealth enormously. Since the government has to perform age old functions of maintaining law and order, the expenditure of the Government increased tremendously in performing the age old functions.
Again, the governments have started assuming more and more responsibilities towards planning and development of the economy, construction of social overheads, and investment in human capital. Thus, there has been an intensive as well as extensive increase in the public expenditure of a modern state. To meet this expenditure every modern state has to raise large revenues, which has vast repercussions on the economic and political conditions of the community. A major portion of the national income is spent on satisfying public wants.

The significance of public finance has also increased on account of the growing use of money in recent times. With the use of money all the government activities have a financial aspect. Credit now plays a crucial role in bridging the gap between public expenditures and revenues. So during recent decades the scope of Public Finance has been expanded with the stepping in of the phenomenon of public debt.

Now, fiscal policy, i.e., the tools of taxation, public expenditure and public dept, has become an important instrument for influencing the economic life and to achieve the desired social and economic goals. Fiscal measures have come to stay as an effective means of stabilizing business conditions in a highly industrial or advanced economy. Such measures are supposed to be the best tools in achieving and maintaining full employment, controlling inflation, mitigating the corrupt influences of depression and achieving rapid economic growth. They are also considered significant for an equitable distribution of income and wealth.

Since Public Financial operations play an extremely important role in the economy of a nation, the researcher has chosen public finance and its subject headings for analysis.