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Economics: An Emerging Small World

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We study the evolution of social distance among economists over the period 1970–2000. While the number of economists has more than doubled, the distance between them, which was already small, has declined significantly. The key to understanding the short average distances is the observation that economics is spanned by a collection of interlinked stars. A star is an economist who writes with many other economists, most of whom have few coauthors and generally do not write with each other.

I. Introduction

It is often argued that owing to a series of technological and economic developments—such as the deregulation of airlines and telecommunications, the rise of facsimile technology, and the Internet—it is becoming cheaper for individuals to form and maintain more distant ties. This in turn, it is claimed, will reduce the "distance" between people and

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will make the world “smaller.”[1] We examine this argument by analyzing the evolution of social distance among economists who publish in journals during the period 1970–2000.

We split this period into three 10-year intervals: 1970–79, 1980–89, and 1990–99. Every publishing author is a node in a network, and two nodes are linked if they have published a paper or more together in the period under study. We thus have three coauthorship networks—one corresponding to each decade—and we examine whether these networks have become more integrated over time. In a network, two economists who coauthor a paper are at a distance 1 from each other, whereas economists who do not write with each other but have a common coauthor are at a distance 2 from each other, and so on. All economists who are either directly or indirectly linked with each other are said to belong to the same component, and we shall refer to the largest group of interconnected economists as the giant component. We shall interpret a larger relative size of the giant component and a shorter average distance between economists in the giant component as evidence that the world is becoming smaller.

II. Framework

Let $N = \{1, 2, \dots, n\}$ be the set of authors in a network. For two authors $i, j \in N$, we define $g_{i,j} \in \{0, 1\}$ as the academic relationship between them, with $g_{i,j} = 1$ signifying that the two authors have published one or more papers together and $g_{i,j} = 0$ otherwise. The collection of authors and the links between them yield a network of collaboration G.

Let $\mathcal{N}_i(G) = \{j \in N: g_{i,j} = 1\}$ be the set of authors with whom i collaborates in network G. The number of coauthors of a person i, $\eta_i(G) = |\mathcal{N}_i(G)|$, is referred to as the *degree* of individual i in network G. The *average degree* in a network G is $\eta(g) = \sum_{i \in N} \eta_i(G)/n$. We say that there is a path between authors i and j either if $g_{i,j} = 1$ or if there is a set of distinct intermediate coauthors $j_1, j_2, \dots, j_n$ such that $g_{i,j_1} = g_{j_1,j_2} = \dots = g_{j_n,j} = 1$. Two persons belong to the same component if and only if there exists a path between them. The components can be ordered in terms of their size, and we say that the network has a *giant component* if the largest component constitutes a relatively large part of the population of economists and all other components are small (typically of order $\ln[n]$).

The distance between two authors i and j in network G, denoted $d(i, j; G)$, is the length of the shortest path between them. If there is

[1] The popularity of terms such as “globalization,” the “death of distance,” and “global village” is one indication of this widespread feeling; general references include Cairncross (2001). For formal studies of evolving social networks, see Moody (2004) and Rosenblat and Mobius (2004).

no path between i and j in a network G, then we set $d(i, j;\ G) = \infty$. For a connected network G (with a path between every pair of nodes), the average distance is given by

$$d(G) = \frac{\sum_{i\in N}\sum_{j\in N} d(i,\ j;\ G)}{n(n-1)}. \tag{1}$$

The clustering coefficient of a network G is a measure of the overlap between the links of different authors. The level of clustering in the neighborhood of person i is given by

$$C_i(G) = \frac{\sum_{l\in N_i(G)}\sum_{k\in N_i(G)} g_{l,k}}{\eta_i(\eta_i - 1)} \tag{2}$$

for all $i \in N' \equiv \{i \in N : \eta_i \geq 2\}$. This ratio tells us the percentage of a person's coauthors who are coauthors of each other. The clustering coefficient of a network G is defined by the weighted average

$$C(G) = \frac{\sum_{i\in N'}\sum_{l\in N_i}\sum_{k\in N_i} g_{l,k}}{\sum_{j\in N'}\eta_j(\eta_j - 1)} = \sum_{i\in N'}\frac{\eta_i(\eta_i - 1)}{\sum_{j\in N'}\eta_j(\eta_j - 1)}\,C_i(G). \tag{3}$$

We say that a network G exhibits *small-world* properties if it satisfies the following conditions: (1) The number of nodes is very large as compared to the average number of links: $n \gg \eta(G)$. (2) The network is integrated; a giant component exists and covers a large share of the population. (3) The average distance between nodes in the giant component is small: $d(G)$ is of order $\ln(n)$. (4) Clustering is high: $C(G) \gg \eta(G)/n$. This definition extends the one given by Watts (1999) by adding requirement 2.

III. Empirical Findings

We study the world of economists who published in journals included in EconLit. We cover all journal articles that appear in the 10-year windows 1970–79, 1980–89, and 1990–99. The list of journal articles includes all papers in conference proceedings, as well as short papers and notes. We do not cover working papers and work published in books. In mapping the data onto the network, we distinguish different authors by their last name and the initials of all their first names.[2] About 1.6

[2] We borrow this procedure from Newman (2001). This procedure is potentially subject to problems of underreporting (as when two distinct authors have common initials and surnames) as well as overreporting (as when an author appears with different initials in different articles). We have considered a number of alternative name extraction procedures, and the main findings are robust; details of these procedures and the results can be obtained from the authors.

TABLE 1
Network Statistics for the Coauthor Networks

	1970s	1980s	1990s
Total authors	33,770	48,608	81,217
Degree:			
Average	.894	1.244	1.672
Standard deviation	1.358	1.765	2.303
Giant component:			
Size	5,253	13,808	33,027
Percentage	15.6%	28.4%	40.7%
Second-largest component	122	30	30
Isolated authors:			
Number	16,735	19,315	24,578
Percentage	49.6%	39.7%	30.3%
Clustering coefficient	.193	.182	.157
Distance in giant component:			
Average	12.86	11.07	9.47
Standard deviation	4.03	3.03	2.23

percent of the articles have four or more authors. For these articles, EconLit reports only the first author followed by the extension et al.; we therefore exclude these articles from our analysis.[3]

A. *The Small-World Hypothesis*

We start by noting from table 1 that the number of authors has grown from 33,770 in the 1970s to 81,217 in the 1990s. Thus the number of journal-publishing economists is large and has grown substantially—more than doubling—over the period 1970–2000.

We now turn to the first statistic in the definition of a small world, the average number of coauthors. Table 1 shows that over a 10-year period a typical economist has no more than two coauthors. Comparing the average degree of the networks with the total number of authors leads us to our first finding: *The average number of coauthors of an economist is very small relative to the total number of economists.*

We next discuss the existence and size of a giant component. Table 1 tells us that in the 1970s the largest component contained 5,253 authors, which constituted about 15.6 percent of the population. This largest component has expanded substantially over time, and in the 1990s it contains 33,027 persons, which is roughly 40 percent of all economists. At the same time, there has been a sharp fall in the proportion of isolated individuals and in the size of the second-largest component. These points are summarized in our second finding: *The*

[3] Using other sources of information and the World Wide Web, we collected the missing names for a large subset of the journals. Including these articles did not alter our findings qualitatively.

giant component has grown substantially: it covered 15 percent of the nodes in the 1970s and over 40 percent of the nodes in the 1990s.

We now turn to the distance between authors in the network. As is the norm, we use the average distance between nodes in the giant component as a proxy for our measure of average distance in the network. Table 1 shows that this average distance was 12.86 in the 1970s, 11.07 in the 1980s, and 9.47 in the 1990s. This tells us that average distance has been very small throughout the period under study and moreover that it has declined, by approximately 25 percent, in spite of the tremendous growth in the giant component. We also note that this fall in average distance has been accompanied by a significant fall in the standard deviation in the distances between nodes from 4.03 in the 1970s to 2.23 in the 1990s.[4] These observations are summarized in our third finding: *The giant component has become significantly "smaller" in terms of distances.*

We next move to the level of overlap between coauthorship, which is measured by the clustering coefficient in the network. Table 1 shows that the clustering coefficient for the network as a whole was 0.193 in the 1970s, 0.182 in the 1980s, and 0.157 in the 1990s. Could this network—and in particular these clustering levels—have emerged from a random process of generation of links? If the connections between authors were random, the probability that a relationship would be formed is approximately equal to the average number of coauthors divided by the total number of authors. Since link formation is independent, the clustering coefficient should be approximately equal to that number. For example, in the 1990s the actual clustering coefficient is 0.157, which is more than 7,000 times the level predicted by the random process, 0.0000206. Since papers with three coauthors increase the clustering coefficient, we also computed it considering papers with only two coauthors. In the 1990s the clustering coefficient was around 0.015, still more than 700 times the level predicted by a model of random connections. These points put together yield our fourth finding: *The clustering coefficient for the networks is very high throughout the period under study.*

When we set these findings against the criteria for a network to display small-world properties, we find that throughout the period 1970–2000 the collaboration networks satisfy properties 1, 3, and 4; that is, the average degree of the networks under consideration is tiny relative to the number of nodes, distance within the giant component is small, and

[4] If we consider distances between all pairs of authors in a giant component as an independently and identically distributed sample, we can use two-sample t-statistics to test the hypotheses of equal average distance in the giant components of the 1970s and 1980s and in those of the 1980s and 1990s. The t-statistic is $-1{,}589.2$ for the comparison between the 1970s and the 1980s and $-4{,}919.0$ for the 1980s compared to the 1990s. In both cases the hypothesis of constant average distance is clearly rejected.

clustering is high. As to criterion 2, we note that the coverage of the giant component was relatively modest in the 1970s, but in the 1990s it covered over 40 percent of the nodes; that is, a giant component has emerged. Thus in the 1990s the collaboration network satisfies all four criteria. Moreover, in spite of the growth in its size, the average distance within the giant component has declined significantly. This leads us to conclude that *economics is an emerging small world.*

B. *Interlinked Stars*

What is it about the number and arrangement of links in the network that generates these aggregate features? We start with the behavior of the average number of links. Table 1 tells us that there is almost a doubling in the average degree from 0.894 in the 1970s to 1.672 in the 1990s. This leads us to say that *the average number of coauthors is very small, but that it has been increasing consistently through the period 1970–2000.*[5]

We turn now to the inequality in the degree distribution. To get an appreciation of the extent of this inequality, it is useful to compare the actual degree distribution with the degree distribution in a random network that has the same average degree. The latter degree distribution is binomial and thus approximately Poisson for large networks. We find that the variance in the actual degree distribution is much larger than the variance in the constructed degree distribution. For example, table 1 tells us that in the 1990s the variance in the empirical distribution is 5.29, whereas the variance in the corresponding random network is only 1.67. We also find that the degree distribution is particularly skewed at very high degrees. Table 2 tells us that, in the 1990s, the 100 economists with the highest degree have (on average) 25 links, whereas the average degree in the population is 1.67. This difference in degree is (roughly) 10 times the standard deviation in the actual network. We summarize these findings by stating that *the distribution of coauthorship in the population of economists is very unequal.*

We now examine more closely the link pattern of the individuals in the network. Figure 1 shows that, for each of the decades, there is a clear negative relationship between clustering and degree. Let us look at the local network of the most connected individuals more closely. Table 2 tells us that, in the 1990s, the most connected author wrote 66 papers, had 54 coauthors, and had a clustering coefficient of 0.02. Thus the most connected individual collaborated extensively, and most of his

[5] As in the case of the average distances in the giant component, we can use two-sample t-statistics to test the hypothesis that the average number of collaborators is constant over time. The t-statistic is 32.1 for the comparison between the 1970s and the 1980s and 37.6 for the 1980s compared to the 1990s. The hypothesis of constant average degree is clearly rejected.

TABLE 2
NETWORK STATISTICS FOR MOST LINKED ECONOMISTS: 1990S

Rank	Papers	% Coauthored	Degree	Distance 2	Clustering Coefficient
1	66	97.0	54	244	.022
2	58	58.6	45	158	.019
3	67	100.0	41	172	.045
4	67	94.0	41	57	.034
5	48	93.8	34	169	.036
Average top 100	37.69	84.9	25.31	99.40	.040
Average all	2.82	40.9	1.67	3.57	.157

NOTE.—Economists are ordered by degree and, for nodes with the same degree, by the number of nodes at distance 2. Papers is the number of papers published by economist *i*. % coauthored is the fraction of papers published by *i* that are coauthored. Degree is the degree of *i*. Distance 2 is the number of nodes at distance 2 from *i*. Clustering coefficient is the clustering coefficient of *i*. Average clustering coefficients are calculated as in (3).

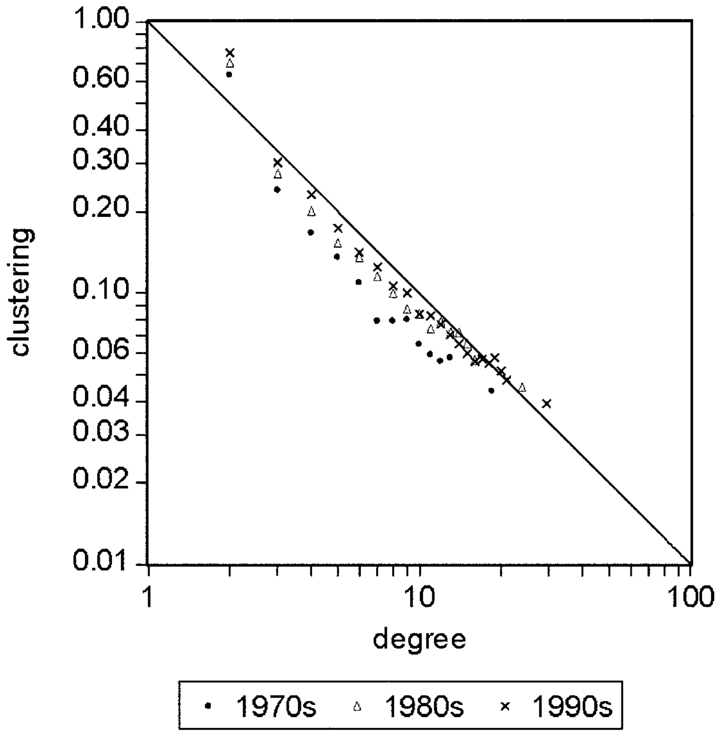

FIG. 1.—Average clustering and degree distribution. Clustering for a given degree $k < \bar{k}$ ($\bar{k}$ is 14 in the 1970s, 17 in the 1980s, and 22 in the 1990s) is the clustering coefficient of nodes with degree k. Observations for degree $k \geq \bar{k}$ are grouped together.

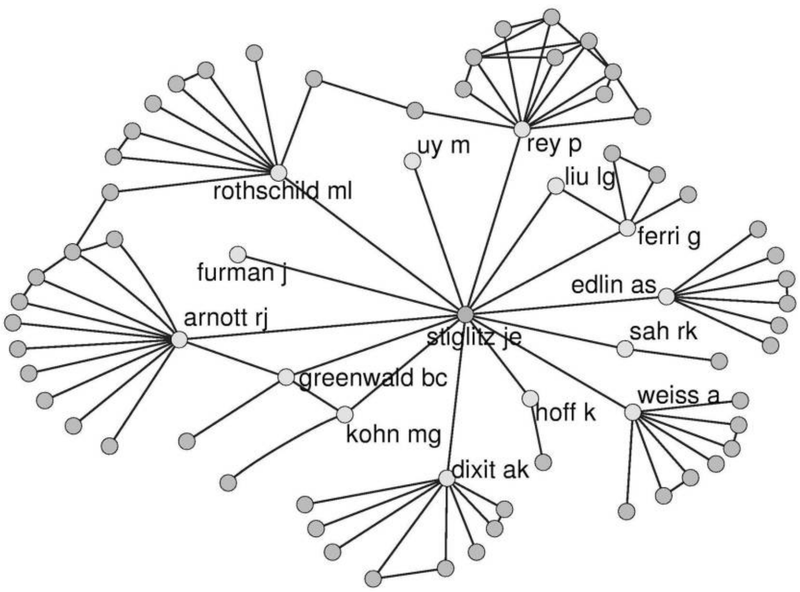

Fig. 2.—Local network of collaboration of Joseph E. Stiglitz in the 1990s. The figure shows all nodes within distance 2 of J. E. Stiglitz as well as the links between them. Some economists might not appear because of misspellings in EconLit. The figure was created by software program Pajek.

coauthors did not collaborate with each other. Table 2 shows that the local network of the 100 most linked authors exhibits similar properties. These economists can thus be viewed as "stars" from the perspective of the network architecture. Figure 2 presents the local network of Joseph E. Stiglitz as an illustration. We summarize our observations as follows: *There are many "stars" in the world of economics.*

We next study the role of the stars in connecting different parts of the network. Here we follow the procedure of Albert, Jeong, and Barabási (2000) and compare the consequences of randomly deleting nodes as against deleting star nodes. We find that the removal of 5 percent of the authors at random leads to a marginal change in the giant component and clustering, whereas the deletion of the 5 percent most linked nodes leads to a complete breakdown of the giant component and a sharp increase in the clustering coefficient. For instance, in the 1990s the deletion of 5 percent of the nodes at random leads to a marginal fall in the size of the giant component from 40.7 percent to 38.9 percent, and the average distance within the giant component increases slightly from 9.47 to 9.68. By contrast, a removal of the 5 percent most connected nodes leads to a complete breakdown of the giant component and an increase in clustering from 0.157 to 0.344. This suggests that stars play the role of connectors and sharply reduce the distance between different highly clustered parts of the world of economics. We therefore conclude that *the world of economists has been and still is spanned by a collection of interlinked stars and that this is critical for understanding the short average distances.*

IV. Concluding Remarks

In this paper we have found substantial evidence that the world of economists is becoming smaller. Further, we have identified stable and changing features of the structure of coauthorship in economics. The analysis allows us to make two general points. The *first* point concerns a stable feature of the network: interlinked stars span the network of collaboration, and this explains the small average distance between economists. The *second* point concerns an important change: there has been a significant increase in the average degree of the network.[6]

These results are very striking and lead us to ask questions about the process of network formation. In particular, we would like to better understand what the economic determinants of coauthorship are and how the interlinked star architecture comes about. Our findings also raise questions about the impact of social interaction on scientific discovery and the diffusion of knowledge. We hope to explore these issues in future work.

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[6] We have checked the robustness of these results by examining alternative data sets: (1) journals considered by the Tinbergen Institute (the Netherlands) to assess the research output of its fellows; (2) journals that were published and covered by EconLit throughout the period 1970–99; and (3) a set of five core journals in economics (*American Economic Review, Econometrica, Quarterly Journal of Economics, Journal of Political Economy,* and *Review of Economic Studies*). Analysis of these data suggests that the qualitative features of our findings are robust. Details on the data, the list of journals, and the results are provided in our working paper (Goyal, van der Leij, and Moraga-González 2004).

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