

TO: The Academic Council
FROM: The Executive Committee
SUBJECT: Proposal about Economics at Notre Dame
DATE: March 17, 2003

With regard to Economics at Notre Dame, the Executive Committee¹ offers, with its endorsement, the following proposal.

Proposal

In place of the Blue Ribbon Committee's recommendation concerning the Department of Economics, the Executive Committee of Academic Council recommends the following:

The University should create a Faculty of Economics under which there are two separate and distinct departments. One will be the existing department, which will be renamed "Department of Economics and Policy Studies", and a new department will be created and known as "Department of Economics and Econometrics". Each department will have its own chairperson and its own Committee on Appointment and Promotions, and its own standards and procedures for appointment, tenure, and promotion. The tenure of the tenured members of the existing department will be protected.

To assist you in understanding this proposal there are two attachments. The first provides a context for the proposal and outlines the differences between the understanding of this proposal and the Blue Ribbon Committee's recommendation. The second provides details of the Executive Committee's understanding of the proposal and its implications.

¹ The members of the Executive Committee are: Panos Antsaklis, Bob Bretz, Neil Delaney, Umesh Garg, Teresa Ghilarducci, Nathan Hatch, Eileen Kolman, Carol Mooney, John Robinson, Mark Roche, and James Ryan.

ATTACHMENT ONE

CONTEXT

Since the February 18 meeting of the Academic Council, the Executive Committee has met three times (February 21, March 4, and 17) in an effort to strengthen economics at Notre Dame and to find the greatest degree of common ground. The Executive Committee received extensive input and documentation from a variety of sources including members of the Economics Department. Nathan Hatch and Mark Roche held a wide-ranging discussion with the Economics faculty on March 3. A version of this entire document (the formal proposal, the “context” statements, and the “understandings”) was shared with the members of the department of Economics who were invited to respond to the Provost. Many of them did so, several of them also shared their comments directly with the members of the Executive Committee. As a result, the documents you now have reflect significant revision of the earlier draft.

The proposal has the endorsement of the Executive Committee. The proposal and the Executive Committee’s understanding of it differ from the report of the Blue Ribbon Committee in the following ways:

- 1) The College of Arts and Letters will contain a Faculty of Economics under which there are two separate and distinct departments – the existing department which will be renamed the "Department of Economics and Policy Studies" and a new department to be named the "Department of Economics and Econometrics."
- 2) A unified undergraduate major in Economics will be maintained.
- 3) The graduate program will be located in the Department of Economics and Econometrics. The Graduate Committee, which will be responsible for admissions and curriculum, will have a preponderance of members from the Department of Economics and Econometrics and will have reasonable representation from the Department of Economics and Policy Studies. The program will have a required core curriculum. We would also expect areas of concentration that will continue our strength in the history of economic thought and political economy.
- 4) The Dean and the Provost will provide funds (at least \$25,000 annually) for five years to the Department of Economics and Policy Studies for research and intellectual enrichment.
- 5) A concurrent appointment in one of the departments may be extended to a faculty member in the other department.
- 6) The first chair of the Department of Economics and Econometrics will be the current chairperson of the Department of Economics.

- 7) When, in due course, there is an external review of the Faculty of Economics, this arrangement will be considered.

ATTACHMENT TWO

UNDERSTANDINGS

In addition to the formal proposal, the Executive Committee, including the Provost and the Dean of Arts and Letters, currently understand the proposal as follows:

General Understandings

1. The members of the current department will become members of the Department of Economics and Policy Studies.
2. The tenure of the members of the current Department of Economics will be protected by a letter to each, using the following language: "The University wishes to assure current faculty members in the Department of Economics that you will retain your tenure if, at some future date, the University decides to discontinue the department of which you are a member in the Faculty of Economics. In particular, in such event, you will retain tenure in the College of Arts and Letters."
3. The current chair of the department will be the first chair of the Department of Economics and Econometrics.
4. The chair of the Department of Economics and Policy Studies will be appointed according to normal University procedures.
5. Movement from the Department of Economics and Policy Studies into the Department of Economics and Econometrics will be based upon the following criteria and will be determined by the chair and the dean. Appeals may be made to the Provost.
 - a. **Publishing criterion:** Individuals should demonstrate an obvious dedication to striving to publish in the leading journals of the discipline, as evidenced by a steady flow of research output in the form of journal articles, some of which have been published in the premier economics journals, or at least the top 20 journals, in the last decade.
 - b. **Functional criterion:** Individuals should also demonstrate a commitment to building an excellent Department of Economics and Econometrics by recruiting the very best neoclassical economists whose research is consistent with that department's mission and is routinely published in the leading economics journals. These individuals and their research should also make the Department of Economics and Econometrics appear to be both an inviting and intellectually stimulating environment.

- c. Teaching and service option: Faculty who would prefer to be in the Department of Economics and Econometrics but who do not meet the publishing criterion may be considered in light of their support of the mission of that department and their willingness to assume a heavier teaching or service obligation.
- 6. A concurrent appointment (without voting rights) in one of the departments may be extended to a faculty member in the other department.
- 7. A working committee of the Dean and the chairs of each of the two departments, or their designees, will ensure that a meaningful undergraduate curriculum is offered. The expectation is that there will be one undergraduate major.
- 8. A revised graduate program will be supervised by a Director of Graduate Studies who will be a faculty member of the Department of Economics and Econometrics. The Graduate Committee, which will be responsible for admissions and curriculum, will have a preponderance of members from the Department of Economics and Econometrics and will have reasonable representation from the Department of Economics and Policy Studies. The program will have a required core curriculum. We would also expect areas of concentration that will continue our strength in the history of economic thought and political economy.
- 9. The Provost and the Dean will provide funds (a total of at least \$25,000 per year) for five years to the Department of Economics and Policy Studies for research and intellectual enrichment.

Understanding as to Templates for the Undergraduate and Graduate Programs

Undergraduate Program

Students currently majoring in economics should experience no significant changes as a result of this reorganization, with the exception that their teachers will be members of one faculty as opposed to members of one department.

A working committee of three persons (the Dean or his or her designate and the two chairs or their designates) will ensure that a meaningful undergraduate curriculum is offered. No immediate changes will be required in the undergraduate major, and the default expectation is that there would remain only one undergraduate major. Ensuring good undergraduate learning should be a unifying project, and regular meetings of the entire faculty concerning the undergraduate program might be useful.

The undergraduate program will be supervised by a Director of Undergraduate Studies, who can be a member of either department. The Director would be appointed by the working committee.

Undergraduate courses will be taught by faculty from both departments, with course offerings,

staffing, and schedules determined by the working committee. Because course scheduling is currently done by a committee composed of the Director of Undergraduate Studies, the Director of Graduate Studies, and the senior administrative assistant, this format will involve a minimal change.

The core (required) curriculum will remain as it is now: introductory microeconomic and macroeconomic theory, intermediate microeconomic and macroeconomic theory, and statistics.

Graduate Program

The current graduate students may work with any faculty member in either department, and all requisite courses will be offered for current students, without the usual College restrictions on enrollment. In short, the curricular and intellectual experiences of the current students should not be significantly altered.

The graduate program will be located in the Department of Economics and Econometrics, although the program can draw on courses and faculty from the Department of Economics and Policy Studies. The program will have a required core curriculum; unlike the current graduate program, the core will not include history of economic thought and political economy. A variety of fields will be offered; these fields will include history of economic thought and political economy.

The Director of Graduate Studies will be a member of the faculty in the Department of Economics and Econometrics, appointed by the chair of that department after consultation with the Dean.

Requirements for fields of specialization will be determined by the faculty who teach those fields. A typical expectation would involve at least two fields with at least two required courses in each. Each field will be offered at least once every other year. After the current group of students completes their course work, however, courses in any field would be offered subject to the College's enrollment management policy.

The graduate program will advertise to students both its revised neoclassical offerings (with various fields) as well as its alternative fields. Students may pursue a concentration in alternative areas (history of economic thought, political economy, and economic policy), though such students will still be required to take all courses in the core.

Consideration will be given to introducing a new course for advanced students (be it required or optional) that involves the integration of Catholic social thought with current economic thinking. Graduate course offerings and staffing will be determined by the Chairperson of the Department of Economics and Econometrics and the Director of Graduate Studies. Course schedules will be coordinated with the working committee.

Teaching assistant support will be allocated to colleagues in either department principally on the

basis of course enrollment figures; Graduate Research Assistants will be allocated on the basis of quality of research and research trajectory.

The Director of Graduate Studies should be assisted in decisions regarding admissions to the program by the Graduate Committee. The Graduate Committee will have a preponderance of members from the Department of Economics and Econometrics and will have reasonable representation from the Department of Economics and Policy Studies. Admissions will be determined not by allocation to diverse areas, but simply on the basis of quality.

The Provost will ask Professor Jeffrey Kantor, Vice President for Graduate Studies and Research, to work to ensure that the restructured graduate program sets high academic standards, permits graduate students to explore broader approaches in economics, and treats fairly all faculty and graduate students within the Faculty of Economics.