



UNIVERSITY OF
NOTRE DAME

OFFICE OF THE PROVOST

Nathan O. Hatch
Provost

Telephone (574) 631-6631
Facsimile (574) 631-6897
E-mail Hatch.2@nd.edu

300 Main Building
Notre Dame, Indiana
46556-5602 USA

December 9, 2002

To: Colleagues in the Department of Economics

From: Nathan O. Hatch
Provost

A handwritten signature in black ink, appearing to read 'N. Hatch'.

I am enclosing a copy of the Report of the Blue Ribbon Committee on the Department of Economics, chaired by John Affleck-Graves. I have asked for a meeting with the department on Friday, December 13 at 10:00 a.m., to discuss the report's recommendations. John Affleck-Graves and Mark Roche will join us for that meeting. We look forward to hearing your reflections and questions about this set of recommendations.

NOH/clm

REPORT OF

**BLUE RIBBON COMMITTEE ON DEPARTMENT OF
ECONOMICS**

Maureen Hallinan:

Maureen Hallinan

Julia Knight:

Julia F. Knight

Scott Maxwell:

Scott E. Maxwell

Richard McBrien:

Richard P. McBrien

John Affleck-Graves (chair):

John Affleck-Graves

November 2002

The blue ribbon committee was charged with making a recommendation to the Provost for the solution of existing problems and tensions in the Department of Economics. Over a period of several weeks, the committee met with the Provost, the Dean of the College of Arts and Letters, and many members of the Department of Economics, including the Chairperson, the most recently elected Committee on Appointments and Promotions, the sole assistant professor, and most of the other members of the Department. We also solicited written input from all members of the Department, reviewed materials on undergraduate and graduate enrollments and placements, and read earlier external reviews of the Department.

All conversations with the faculty were generally cordial and constructive. The committee was struck by the apparent commitment of most members of the Department to the University's mission and their willingness to recognize the views of others and to share joint responsibility for many of the problems that have surfaced in recent years. We are convinced that, for the most part, they are well intentioned and have constructively tried to solve differences in the Department. Unfortunately this has not been sufficient and tensions have surfaced that are hampering the development of the Department and its faculty and students.

After reviewing all materials and reflecting on the series of meetings, the committee believes that the current situation should not be allowed to continue. Conditions have deteriorated to a level where individual faculty are frustrated and angered, morale has declined and many believe their particular contributions are neither respected nor valued. This has resulted in tensions among individuals in the Department as well as between some on the faculty and the Administration, both at the College and the University level. It is a credit to all in the Department that the faculty has not allowed these tensions to interfere with either the teaching mission of the Department, especially at the undergraduate level, or with the role of the lone assistant professor in the Department.

Despite the Department's apparent success in shielding students and young faculty from the tensions, the committee is convinced that the status quo cannot be sustained. It is neither a sound platform on which to build an excellent department, nor does it create an environment that attracts talented external scholars and colleagues to join the University. Constructive solutions are not easy, and each alternative considered has advantages and disadvantages. While the committee recognizes that significant costs, both human and financial are required, we offer the following two recommendations as the most appropriate long-term resolution of the issues faced by the Department.

Recommendation 1. The existing Department's name be changed to the Department of Economic Thought and Policy.

We believe that this name better reflects the Department's interests and strengths in the areas of social justice and public policy. These have been, and continue to be, a strength and focus of the Department and members of the Department have made many important contributions both to the University and to the broader community. It is important to stress that the issues of social justice and public policy are of interest to many economists. Differences in the Department arise, not because of the area, but because of the methods used to explore the issues. Specifically, mainstream economics has adopted a quantitative approach to the discipline. In contrast, the majority of the current faculty in the Department

were hired, in large part, specifically because they eschewed this approach. Their work, in its methodology, involves a narrative approach, similar to that in philosophy or political science, with books aimed at a broad audience as a primary means of dissemination. By contrast, the methodology of mainstream Economics has become thoroughly mathematical, with the introduction of tools for mining large amounts of data, and for modeling economic systems so as to make quantitative predictions about their behavior. Hence, it is appropriate to change the name of the present department so that it better reflects the core values and methods advocated and practiced by its faculty. It is important to emphasize that tenure will be fully respected and there is no question of any faculty member either being downgraded in rank or salary, or being required to leave the Department.

Recommendation 2: A new Department be formed in the College of Arts and Letters and named the Department of Economics.

It is important that the University of Notre Dame have a strong department in the mainstream of the field of Economics. The new Department of Economics would have a different focus from the renamed Department of Economic Thought and Policy. This is similar to many other divisions that have occurred in the Academy. Examples include the separation of statistics from mathematics, engineering from science, and, at Notre Dame and in much of the Academy, the separation of Anthropology from Sociology. Such separations can strengthen the Academy, leading to a broader set of course offerings and experiences for students at all levels.

The committee recognizes that there are many logistical and financial issues related to forming a new Department, including staffing and location of the Department, as well as the graduate program. In the appendix we provide a list of some of these issues. A few, however, deserve special mention. First, to establish this new Department we propose that the Dean of the College of Arts and Letters initiate a search for a chairperson for the Department. The chair can be an internal or external candidate, but we strongly recommend the latter option.

Second, we propose that other faculty members be invited by the Dean or the Department Chair to join the new Department. Such invitations could be extended to any faculty on our campus, including members of the renamed Department of Economic Thought and Policy. Clearly faculty invited to join the new Department retain the right to decline. The new Department would also require the immediate addition of 5 to 7 new faculty positions.

Third, tenure will be fully respected throughout this process and no faculty member will lose tenure because of this reorganization.

Fourth, we recommend that the graduate program reside in the new Department of Economics. We further recommend that the doctoral program be put in abeyance until the new Department is firmly established. Existing graduate students will continue with the program in existence at the time they were admitted to the University. The two Departments will work together to ensure that these students are not disadvantaged in any way, but no new students should be admitted. The Department of Economics will introduce a doctoral program as soon as resources permit the establishment of a top quality program. The Department of Economic Thought and Policy will not have a doctoral program.

Fifth, undergraduate teaching should be shared by the two Departments for at least the first three years. Details of this sharing should be left to the Departments to determine, but one suggestion is that introductory microeconomics be taught by the new Department, with the renamed Department teaching introductory macroeconomics. Higher-level courses should be offered by each Department, but we recommend that students be allowed to include upper-level courses from either Department towards their major requirement for the first three years.

In closing, the committee wishes to stress four points. First, the present problems are not the fault of the current faculty. Many years ago the Department chose, in response to what appears to have been a clear mandate from the Administration, to follow a heterodox approach to the study of Economics. Many of the current faculty were hired precisely because of their skill in this branch of Economics and they have fulfilled that obligation to the best of their ability. They have not misled the Department or the Administration in any way, nor have they taken the Department in a direction other than that mandated and supported by the Administration. The mainstream of the Economics profession, however, has not followed this path, but rather has moved in the direction of mathematical modeling and quantitative approaches to addressing economic questions. Consequently, if any blame is to be assigned, it rests with the Administration for mandating and encouraging the Department to move in a heterodox direction, while expecting scholarly visibility comparable to that at leading orthodox departments.

Second, there is much goodwill among the faculty, expressed particularly in their responsibilities towards their students, both graduate and undergraduate. They have also allowed young faculty to distance themselves from existing conflicts. We trust and hope that this goodwill can serve to facilitate the transition to the proposed two-department structure, without rancor, recrimination, or any form of obstructionism.

Third, despite this goodwill, we regard the differences between the heterodox and orthodox economists to be so great that reconciliation within a single cohesive department is wholly unrealistic. The differences in assumptions, methods, and paradigms are simply too great to overcome. Thus, while we did consider other possible solutions such as retaining the status quo, or putting the Department in so-called "receivership," we do not consider these to be viable long-term solutions.

Finally, the committee notes that there is a need for increased campus-wide support for quantitative methods. This includes increased support for mathematical modeling, computer applications, and statistical methods and impacts faculty in many areas, including Business, Engineering, Science, and the Social Sciences. To attract gifted and prominent quantitative economists, the University needs a critical mass of individuals doing quantitative research who can share their ideas with one another and provide high-level courses for graduate students. In addition, there is a need for better infrastructure both for researchers intending to use sophisticated methods as well as for those whose research itself focuses on methodology. We encourage the Administration to explore ways of improving the support infrastructure through collaborations with the Department of Mathematics, the Laboratory for Social Research, and other departments with interests in quantitative methods.

Appendix: Some Logistical Issues

1. Academic Council approval of name change for existing Department.
2. Academic Council approval of new Department of Economics.
3. The Dean and Provost recommend to the President the appointment of a new Department chairperson in each Department.
4. Both Departments will offer undergraduate courses leading to a major. Current undergraduate students will be allowed to fulfill their Economics requirement from the course offerings in either Department. Teaching schedules for the two Departments will be coordinated by a committee comprising the Dean of Arts and Letters (or his designated representative) and the two Department chairpersons.
5. The Graduate program will reside in the Department of Economics. All current graduate students will continue under the rules in place when they were admitted. The two Departments will ensure that the appropriate required courses are offered.
6. No new graduate students will be admitted in the 2003/04 academic year. The Department of Economics will admit doctoral students when resources are sufficient to staff such a program and place students at the desired level.
7. Space will be assigned for the new Department. If possible this space will be in Flanner Hall to be in close proximity with the other social sciences on campus.

Timeline (Assuming approval by Administration and Academic Council):

- (i) Immediate notification to faculty of the recommendation of the blue ribbon committee.
- (ii) Academic Council approval for name change, formation of new Department, and the undergraduate curriculum changes. [January meeting]
- (iii) Appointment of acting Department chairperson of the Department of Economics. [Immediately following Academic Council approval]
- (iv) The Provost, the Dean of Arts and Letters, and the Department Chairperson act as a task force to implement the recommendation to form the new Department.
 - a) Invitations to faculty to join the new Department.
 - b) Creation of new faculty positions (including some currently unfilled positions in the existing Department of Economics).
 - c) Initiate search for new faculty
- (v) Listing of undergraduate course offerings and announcement to current undergraduate Economics' majors concerning the impact of these changes on their schedules. [February 2003 – prior to students registering for Fall 03 semester.]
- (vi) Discussion with graduate students concerning changes and impact on their studies, [Immediately following Academic Council approval]
- (vii) All changes to be effective for the 2003/04 academic year.