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MEMORANDUM

ATTENTION Senate
FROM Bill Krane, Acting Vice-President, Academic and Provost, and Acting Chair, SCUP
RE: Faculty of Arts and Social Sciences: External Review Report of the Department of Economics (SCUP 11-51)

DATE December 14, 2011
PAGES 1/1



At its November 23, 2011 meeting SCUP reviewed and approved the Action Plan for the Department of Economics that resulted from its External Review.

Motion:

That Senate approve the Action Plan for the Department of Economics that resulted from its External Review.

Encl.

c: G. Myers
J. Craig



OFFICE OF THE ASSOCIATE VICE-PRESIDENT, ACADEMIC AND ASSOCIATE PROVOST

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www.sfu.ca/vpacademic**MEMORANDUM**

ATTENTION Jon Driver, Chair, SCUP
FROM Bill Krane, Associate Vice-President, Academic
 and Associate Provost
RE: External Review of the Department of Economics

DATE November 14, 2011**PAGES** 1/1

Attached are the External Review Report on the Department of Economics and the Action Plan endorsed by the Department and the Dean.

Motion:

That SCUP approve and recommend to Senate the Action Plan for the Department of Economics that resulted from its External Review.

Following the site visit, the Report of the External Review Team* for the Department of Economics was submitted in April 2011.

After the Report was received, a meeting was held with the Dean, Faculty of Arts & Social Sciences, the Chair of the Department of Economics, and the Director of Academic Planning and Budgeting (VPA) to consider the recommendations. The Department then prepared an Action Plan based on the Report and these discussions. The Action plan was then submitted to the Dean who endorsed this Action Plan.

The Reviewers concurred with 'the widely cited ranking compiled by *Research Papers in Economics* (RePEc) which has them [the Department of Economics] standing fifth in the country where they now dominate all others except the traditional "big four" (UBC, University of Toronto, Queen's, UWO).'

SCUP recommends to Senate that Department of Economics be advised to pursue the Action Plan.

Attachments:

1. External Review Report – April, 2011
2. Department of Economics - Action Plan
3. Departmental written response

*** External Review Team:**

Dr. William Scarth (Chair), McMaster University

Dr. Ann Carlos, University of Colorado

Dr. Robin Boadway, Queen's University

Dr. Mark McPherran (Internal), Simon Fraser University

CC John Craig, Dean, Faculty of Arts & Social Sciences
Gordon Myers, Acting Chair, Department of Economics

External Review of the Department of Economics, Simon Fraser University

Professor Robin Boadway, Queen's University
Professor Ann Carlos, University of Colorado
Professor William Scarth, McMaster University

April 26, 2011

1. Introduction

This Report on the SFU Economics Department is based on the committee's detailed examination of the Department's extremely careful *Self-Study Report*, our extensive meetings at the University (March 16-18), and our discussions together (during the campus visit and on March 19, and afterwards via e-mail). Our examination went smoothly and credit is due to the Department Chair and Associate Chair, Professors Nic Schmitt and Gord Myers, to our helpful internal co-reviewer, Mark McPherran, to the senior administrators who offered valued perspective, and to Bal Basi who coordinated our campus visit. The detailed schedule of our interviews is summarized in the Appendix. This *Report* involves four substantive sections – on the faculty and their research, the operation of the undergraduate program, the graduate program, and the general administration of the Department. Following these sections, our main recommendations are summarized in the concluding section.

2. Faculty and Research

The Economics Department is a very collegial and mutually supportive group, whose members are publishing regularly in very good journals. Since the last review, the Department has increased in the rankings among Canadian economics departments. The widely cited ranking compiled by *Research Papers in Economics* (RePEc) has them standing fifth in the country, where they now dominate all others except the traditional "big four" (UBC, University of Toronto, Queen's, UWO). We concur with this ranking. The proportion of the department that is funded by SSHRC grants is good (for example, higher than at McMaster that ranks sixth in Canada), and it is above the norm for FASS at SFU. Since economics research is not expensive, we regard this indicator of SSHRC support as a more useful measure of the research standing of the Department than measures of the monetary value of the grants that are more important in other disciplines.

The Department has a good balance of faculty members by field and age, and has hired very well in recent years. As with other good economics departments, there is constant turnover of faculty. The fact that some are attracted to other institutions should be seen as a strength rather than a weakness, since it is a reflection that good persons are being hired in the first place. Virtually all faculty members are active in research and publication, with publication by some in the very top academic journals and a good proportion publishing in the top field outlets in each area of specialization (for example, the *Elsevier* field journals). Publication in these field journals should be given high weight in judging the research of the Department, which is not always adequately reflected in the emphasis placed on publications in top-five or top-fifteen international journals. Some top field journals might not appear in the top-15 list, not because of quality issues, but simply because field journals are necessarily more specialized and appeal to a smaller segment of the profession. In addition, the best papers in top field journals might not be published in top general interest journals because their subject matter is too

specialized for the general reader. A department like SFU's should aspire to publishing in the top field journals, and faculty members should be rewarded accordingly. This is not to downplay those persons in the Department who do publish in the top-five journals. There are those that do, and this is an excellent achievement. However, it is unrealistic to assume that all young persons should publish there. Finally, while the general publication record is strong, it is the case that some high-profile faculty members have retired or will retire soon. Their loss will reduce the public visibility of the Department. One hopes that there will be others who will take their place.

As is common within the economics profession, there is a lot of joint work. Department members are in contact frequently through informal discussions and there is considerable collaboration with those in other institutions. In addition, the Department has a very active seminar series. Bringing through excellent speakers on an ongoing basis is a cost-effective strategy for maintaining stimulation, and it has expanded value if graduate students are meeting with these more senior researchers during these visits.

We have just two concerns regarding general research activity within the Department. First, there appears to be limited collaboration with SFU graduate students. We encourage more such collaboration that results in joint papers. This is an important element of graduate student training. Not only does it facilitate PhD students moving through the program more quickly, but also it enhances their position on the job market. Second, we recommend that the Departmental Working Paper series be much more actively used. Indeed, without the faculty circulating their research through this series, which would be automatically linked to *RePEc*, there is an ongoing cost to the Department in terms of visibility and *RePEc* ranking.

Permanent Faculty members are committed and effective teachers, judging both by undergraduate student teaching evaluations and by the enthusiasm with which the Department pursues its teaching obligations. Evidence suggests that the permanent faculty tend to do better than sessionals in teaching evaluations, which is not always the case in universities. The small number of students we spoke with expressed satisfaction with their course instruction, more so than with the quality of the tutorials.

Our main concern in terms of Faculty issues involves their number. The *Self Study Report* makes a compelling case that, compared to virtually all other units in FASS and the University, the Department is very much understaffed. Apparently this is mainly due to the surge in students, especially international ones, who have opted for Economics as their field of study. There may be some disagreement as to how to share the responsibility for this. Department members argue that they did not resist allowing their student numbers to rise because they were promised additional faculty to cope with the increases, and that these increases did not materialize. Others might argue that the recent financial constraints faced by the university made it difficult for any promise of significant additions of faculty to be fulfilled, and that the Department itself should take measures to restrict growth in their enrolment, for example, by increasing grade requirements. We are not in a position to judge how to apportion responsibility. What is clear is that the situation has evolved to the point where the size of faculty is so limited relative to student numbers that program quality at both the undergraduate and graduate level is in danger of being eroded seriously.

One of the most serious reflections of this pressure is that Undergraduate Majors often find it impossible to complete their degree in the time that is indicated as appropriate and expected in the *Calendar*. This disappointment, that students appreciate only a couple of years after they choose to

attend SFU, simply must be rectified. The Department can make some changes on its own to address this problem as discussed later under the Undergraduate Program, but one of the adjustments that is needed to accomplish this fix is the addition of more faculty. We recommend net additions of two assistant professors in each of the next three years. In addition to this, not as a substitute for any of these positions, the Department could consider hiring one additional teaching-track professor (Lecturer), since these individuals can often serve the Department's objectives more effectively than a set of Sessional Instructors that would be displaced.

We appreciate that it will take courage on Dean Craig's part to permit this sequence of appointments, especially since Economics was granted most (perhaps all) of this year's new appointments within FASS. But the data are there for him to defend this strategy as one of repairing an existing imbalance, not one of preferential treatment.

We recommend that the new appointments be at the junior level. The SFU salary grid allows the Department to be competitive in this segment of the market, as long as the existing teaching reduction for junior hires (a four courses reduction in the first two years, or a one course reduction for four years, which reflects the market norm) is maintained. Senior hires are very difficult for most departments and especially at SFU, since the salary cap precludes the Department's offers being competitive. Indeed, retaining those who are already in the department (except for those who have developed a preference to live in Vancouver despite the housing prices and restricted salary increases) is and will be an ongoing challenge. The practice of making anomaly adjustments in full-professor salaries at the time when individuals are promoted to that rank and in reaction to outside offers should be continued. One final point concerns these new hires. The Department should continue with the patience and the standards it has demonstrated in its recent hires – acquiring active and effective researchers. Of course, from time to time a hiring season may end with a position unfilled. When this happens, the administration needs to support the high-standard approach by guaranteeing the carry-over of that position without question, and without later positions being delayed. Constraining departments to fill open positions in a given year serves no long-term purpose, and risks causing the appointment of inferior candidates simply to avoid losing the position.

Another reason for preferring to hire at, or close to, the entry level is that there is no pressing need for the Department to change the seniority distribution in the Department, or to make up for "deadwood" at the senior level. As mentioned, all faculty are research-active, and the Department is fortunate that the removal of mandatory retirement has not resulted in any problem of this sort being a concern.

The Department has significant strength in theory, econometrics, applied labour, public economics, and history – in addition to being generally solid. We have no particular recommendation regarding priority fields for the new hires but do suggest attention toward applied theory fields. At the margin, we recommend focusing on researchers whose work will be particularly appealing for the PhD students that the Department will most rely on to fill their program.

The growing PhD program is most likely to attract individuals who are interested in applied theory and empirical work which is the current focus of the profession. To this end, it would be helpful in attracting PhD candidates if the several active Centres that operate within the Department were even more visible to PhD students as they choose their dissertation topics. For example, the CERP initiative fits very nicely with the University interest in Aboriginal educational outcomes and the Department's expertise in applied/empirical research. Funds, such as those coming from winning a contract from the First

Ministers' competition, can be more widely coordinated with PhD student support. Another example is METROPOLIS. The issues that are the focus of this group – immigration and ethnic diversity within the context of an aging population – involve adjustments in labour markets that are of immense importance to society. Again, more direct interaction between the professors involved and PhD students is to be encouraged. Finally, as we argue in a later section of this Report, we think that a small infusion of funds could increase the availability of the CRABBE initiative for PhD students. This further exploitation of the adaptive learning niche that the department has developed is desirable.

It seems inconsistent to draw more attention to these very successful Centres, and then – when Faculty are evaluated – the Department places almost all the weight on the top-fifteen journals. While we applaud the Department's high standards and its focus on improvement, we think that this focus on rankings within just the top fifteen journals is a narrower ranking than what most other comparable, and even better, departments use. As already noted, we recommend that publications in the leading field journals, should get more visibility in the evaluation process of a Department specializing in a PhD program oriented to applied theory. Outsiders would not regard this as a lowering of standards.

3. Undergraduate Program

The Department has an extremely large and diverse set of undergraduate programs and, as a result, it is stretched in its attempts to meet competing demands among undergraduates. On the one hand, there are the Majors and Honours students in economics, and on the other there is service teaching to students in other programs and the demand on the department to increase economic literacy among SFU students in general and to allow students to complete a Minor or an Extended Minor in economics. We are most impressed with the high standards with which the Department is attempting to meet these challenges. In particular, the commitment to offer tutorials in all courses and to reject the use of multiple-choice tests (very common among other economics departments) demonstrates serious caring about offering a truly meaningful university experience for students. However, with the limited resources available, there is now one important failing in how things have worked out, and it concerns the Department's primary undergraduate responsibility – its Majors. With one of the key courses (301) not available until late in the program, with limited course offerings at the upper level with limited enrolment, many Majors cannot complete their degree on time. The University has a fiduciary responsibility to ensure that the Major can be completed on time. With current resources the Department has to cut back somewhere, and its responsibility to its majors must take precedence over the drive to make economics available in elective courses to other undergraduates.

We now draw attention to several margins of adjustment that are relevant for addressing this challenge. First, the central administration should appreciate the difficulty that is created for the Department by its decision to increase enrolment, in general, and its enrolment of international students in particular. International students have strong preferences for three programs – business, economics and computer science – so increased admission of visa students has meant particularly dramatic growth for economics. We understand that the University is moving to better control the recent bulge in enrolment, but it needs to recognize that the Department has been a very solid university citizen by accommodating all these students in good faith, and that its operations are fraying at edges as a result of this sheer numbers problem. The granting of new net appointments discussed earlier in this Report will help attenuate this challenge.

The Department too can meet some of this challenge by making its own adjustments. The over-arching

consideration that should underpin these changes is the need to focus on its core mission, the students majoring in economics, and to streamline the sequencing of its courses so that these students can obtain the best possible economics education in a timely manner. The following comprehensive package of changes should make this possible.

First, we recommend cutting a few of the pre-principles courses/sections and some 200-level courses. Especially with the change that we suggest below regarding the core gateway course for Majors (301), these 200 courses will become somewhat less necessary for Majors.

Second, we recommend ending tutorials for a few courses (such as some 200-level courses). The number of the tutorial groups (in conjunction with the size of the graduate program) imposes limits on the ability of the department to expand offerings. The student representatives we met argued that there is a high variance across tutors and that some are quite unhelpful. For some courses, the textbooks come with excellent interactive tutorial software that represents a good substitute for traditional tutorials. Also, economies of scale can be realized by having a “drop-in clinic” for certain courses (run by a reduced number of graduate students), where undergraduates from all sections of a course can come to have their questions answered. By freeing up the need for full tutorials in several courses, the Department could offer increased numbers of sections of some of the more senior courses – the ones that currently represent the bottlenecks for Majors to complete on time.

Third, we recommend that the Department pursue its current strategy of increasing its undergraduate entry standards more vigorously. This is necessary to avoid (too many of) its students being seen as business rejects, and to reduce the sheer numbers problem that is currently constraining the Department.

Fourth, despite our emphasis on timely completion of the major, we suggest that the Department counselors ensure that students are aware of the co-op program. Although this would extend the time to completion, it would provide students who choose that option with invaluable hands-on experience. We also encourage Department counselors and the Department’s webpage to have students declare their major as early as possible. This would allow for better guidance through the program.

Finally, and most important, our central pedagogic concern is the placement of Intermediate Micro (301) within the program as a third-year course. This has many negative consequences. First, many current level-three courses have no micro prerequisite. This is not only inconsistent with the practice in other Canadian universities, it compromises the quality learning that the Faculty Dean rightfully argues should be taking place in the upper two years of the program. The *Self Study Report* gives examples of the jumbled outcome that emerges from having this micro gateway course in the third year. There is a high failure rate, partly because this course is now taken a long time after students have taken their calculus prerequisite. Further, there is much duplication in course material. For example, since industrial organization cannot be taught without intermediate micro, and since this course is currently being offered without such a prerequisite, a significant part of this course is devoted to teaching material that is also in 301. More generally, we ourselves would not want to teach what are supposed to be upper-level courses in applied micro areas such as international trade, labour and public finance without the students having taken intermediate micro. There are 200-level offerings already available to serve this function for instructors who are comfortable with such a course. The 300-level courses require a firmer analytic base.

Apparently, the existing structure arises because of the sizeable number of transfer students who move from one of the community colleges to SFU to complete their degree and the Department's desire to teach intermediate micro. If, as we recommend, 301 is moved to the second year and renumbered, transferring students would either have to take intermediate micro at a college, or delay taking it until they come to SFU. In fact, there is no good reason why intermediate micro could not be taught well at the college level. In any case, as is evident from the previous paragraph, we do not think that the issue of teaching intermediate courses at the college level should be driving the structure of the undergraduate program. We therefore recommend that 301 be switched to second year and renumbered to (say) 201, and be made a prerequisite for many 300-level courses. It is true that some of the colleges may start offering their version of the new 201, but the Department can regularly assess the texts that they use and the final examinations that they set (before substitute status is granted), to ensure quality control. After all, this is a course that is not a particularly difficult one to teach.

We close this section of the Report on the undergraduate program by noting several specific remaining points. First, we support small changes such as raising the unit count for the intermediate macro course to 6 credits, and other similar changes, so that students are not confronted by the current "integer" problem that has them often taking more courses to qualify for graduation. Second, we applaud the Department's 400-level seminars as the capstone experience for their Majors, but we note that resource constraints currently limit students to having no choice (across the options that are on the books). It is because we support keeping the enrolment cap on these seminars at 20, that we have recommended the various resource-saving strategies noted above. The Department needs to offer more sections of the seminar courses in each semester to ensure that students get a course and also that students get some choice. Third, since our suggestions will make it easier for Extended Minors to complete their requirements, and since resource constraints force the Department to concentrate on its own students first, we recommend that the contemplated new Minor (that would not involve intermediate micro) be dropped from further consideration. For similar reasons, we recommend that the Department continue to rely on the Business faculty for the teaching of its basic statistics course. Fourth, we suggest that the department make clear what is actually offered. The University *Calendar* appears to list all courses *ever* taught. Many are not actually offered, and the result must surely be disappointed expectations on students' part after choosing to study at SFU.

In addition to these suggestions for the Department, we make two remaining points that are relevant for the Administration or university wide decision-making. First, we urge the University to reduce the 132 credit requirement for Honours (to the 120 level that is the standard for honours economics programs in other universities). It is true that students are still getting into the SFU MA program without an honours degree – by taking the key advanced theory courses within the Major. But other universities do require an honours degree (as opposed to honors level courses) for graduate admission, so SFU is needlessly constraining the options of their graduates by being such an outlier with the 132 credit requirement. Moreover, the 132 credit requirement may keep some good students from entering Honours since they face the possibility of not completing their degree in four years. If the Administration feels that it cannot change the 132 credit requirement, it might want to consider making a combined BA/MA option available to students incorporating the final 12 credits into the first year of the Masters program.

Second, we hope that the new budget model does not involve incentives that would draw the Economics Department toward focusing its services on non-Majors, since such incentives would run counter to our emphasis on the Department's fiduciary responsibility to its own Majors. We understand

that the new weighted-units model brings in more money for science and psychology students than it does for economics students. We hope that the budget model can be implemented in such a way that the FASS Dean does not have an incentive to urge the Department to service students majoring in these subjects at the expense of its own students.

4. Graduate Program

The graduate economics programs are evolving and many improvements have been made, following the evolution of the Department itself. Our view is that the MA and PhD programs still have some way to go to match the quality of the Faculty. It takes a long time to establish a reputation for attracting excellent graduate students, given the stiff competition that comes from other long-established programs elsewhere in Canada. Our suggestion is that some fundamental structural changes could be made to the MA and PhD programs that will streamline them and make them more attractive for the students, and especially make the time to completion more predictable.

We commend the fact that the University administration is no longer imposing such ambitiously high undergraduate enrolment targets. This practice had the ramification that the Economics Department felt compelled to admit more MA students in order to cover the tutorials in their undergraduate classes. This MA admission strategy has resulted in four or five MA students failing out after the first semester each year – an outcome that has justifiably concerned the Dean of Graduate Studies. As just noted, we understand that the pressure that led to this problem has eased somewhat. Further progress on this challenge can be achieved if our suggested changes in the undergraduate Major program are introduced by the Department, since they would reduce the need for TAs. Taken together, these developments at the undergraduate level would permit a slight raising of the entry requirements for MA admissions (which we would support).

We note that, as all economics departments do, the Department at SFU uses the full grading scale from C through A in evaluating its graduate students. Other departments submit grades that are much more uniformly at the high end. Since graduate fellowships at SFU are proportional to the graduate-student head-count but restricted to heads with an academic average that exceeds 3.5, we recommend that the Department adjust its marking practices to better reflect the environment that it is in. This shift should not be too difficult if – with somewhat stiffer entrance requirements – the average quality of students in a slightly smaller program is higher.

We commend the Department for changing the MA program so that it can be completed in 12 months. This brings its arrangements into line with its competitors, and students are now finishing in such a way that they do not face awkward periods of inactivity between their MA study and their moving on either to employment or to a PhD program. We regret, however, that this improvement has been achieved at the expense of almost any student having the opportunity to do some independent research and writing (hallmarks of the SFU Economics MA in years past). Thus, we recommend first a slight reduction in the current focus on core material in the program, and second an elimination of the MA comprehensive examination, to make room for a “summer essay” within the 12-month study period (which is permissible under the current graduate school rules).

This summer essay would start and finish in that third and final semester; it would not be a “project” with the standard SFU formal defense process. We envision the course sequence as 3-3-1 for the other courses that comprise the MA, with the essay counting as a 6 credit “course” in the summer semester.

The seven courses would ideally include three core courses in microeconomic theory, macroeconomic theory and quantitative methods, with the rest being field or applied courses. Applied courses are important for the job market, whether students enter that market after the MA or after the PhD. (The label “course” may need to be adjusted if there is a new funding model that charges graduate student fees on a per-course basis.) Faculty would have to supervise the summer essays, but we presume that the Chair would make clear to faculty that, just as with PhD theses, graduate supervision is part of the teaching mission of the department and that is given serious weight when merit increases are decided.

We argue that this seven-other-courses-plus-summer-essay arrangement combines the best of SFU’s long-standing MA program (that involved some applied experience) and the more recent drive for faster completion rates. But since there will still be a small subset of students who want even more hands-on training that is particularly focused on eventual employment opportunities, and since SFU is already well set up to support co-op students, we recommend that the co-op option still be available to MA students. It would be tidy if this was the only other option for MA students – beyond the revised one-year program that we recommend.

We have one other observation about the MA program that sets it apart from those in other Canadian universities. MA students at SFU have extraordinarily high TA work requirements. The standard hours of work requirement of 210 for three terms far exceeds that in MA programs elsewhere, which tend to be closer to 120 hours per term. Moreover, in other universities, course TAs are typically for two terms, with often an RA in the summer. And, many students have some fellowship support of varying amounts. We realize that the Department may have limited flexibility in terms of what it can offer MA students. Nonetheless, these work requirements and the scarcity of fellowship funds makes it difficult to attract good MA students to SFU since the best of them get much more attractive support elsewhere. (Of course, the co-op option increases the attractiveness for many.)

It is usual in growing PhD programs that the quality of the faculty is higher than the quality of the students, so the low rate of external funding of PhD students is understandable. Nevertheless, exploiting the Departmental niche areas within the program might help shorten this lag between department reputation and graduate student quality. In any event, we regard the PhD program as a work-in-progress. We note that roughly half of the last 20 graduates have taken a first job as an academic at second-tier universities, and this is a respectable outcome for the current stage of the program’s development.

On the funding issue, there have been unfortunate slips (for example, when eight fellowships were available by reversion from the Business faculty and – despite urging from the Graduate Dean – there were no nominations for these internal awards from Economics). Such incidents suggest that there may be work to be done to ensure better communications among the department’s grad director, the grad secretary and the students and should be easily remedied. We think that the changes that are most important concern the ordering of the program so that students have courses available to match student interests and that they make a smoother transition from taking courses to doing research (writing their dissertations) We recommend, therefore, that the Department consider streamlining the PhD requirements so that there is a little less emphasis placed on core material and a little more attention is devoted to both courses that apply to dissertation choice and to students’ working on their detailed dissertation outline. We recommend that the PhD-level math course be split up into a shorter non-credit math “camp” in late August (as the MA students have) and then the remaining topics can be taught within the PhD-level theory and econometrics courses. Clearly, some material would be displaced

from these existing courses, but this cost would be countered by there being one less theory course in total within the PhD (bringing the program more into line with its competitors). Some slight decrease in the level of difficulty in the theory courses may be desirable in any event (until entry requirements can be raised in future years) given the existing failure rate on the theory comprehensives.

Our biggest concern about the PhD program has to do with the fields. Given the graduate student body, most students will be writing applied dissertations. Given faculty numbers, very few field courses can be offered, and many are offered at best only in alternate years. It is often the case that students are taking whatever is available and professors are pretending that almost any pair of courses constitutes a field. Although some students do take graduate courses at UBC, and that is reasonable, these courses cannot be used for the comprehensive exam, as it cannot be expected that UBC faculty would be involved in such graduate examinations at another university. We recommend that the Department consider following the lead of a number of other economics programs and drop field comprehensives altogether. Indeed, the field courses that are deemed appropriate for each student could be a matter of design by that individual's supervisor(s) and the Graduate Chair.

Instead of studying for a field comprehensive (in a field that did not have the appropriate courses offered) or instead of writing a paper that may be unrelated to future dissertation work, the PhD students would be better served by moving straight into the 900-level seminar and beginning to make once-per-term presentations. Initially, these presentations would be outlines for the dissertation; later on they would be reports on completed chapter essays. Such a faster move into the dissertation/writing stage would increase research collaboration between faculty and students, and raise the probability that PhD students would have a forthcoming publication by the time they went on the market. Meeting this standard is fast becoming a prerequisite for placement success.

Field courses tend to be offered jointly for MA and PhD students, and that is sensible. More should be expected of PhD students, so it is appropriate that course assignments be suitably higher for PhD than for MA students. As we noted earlier, CERP, METROPOLIS and CRABBE are well positioned to provide foci for graduate education within the department and to provide research training in areas of concern to both the Province and to the country more generally which should translate into future jobs. There is also the possibility of graduate funding from these centres. These characteristics should also lead to higher quality student applications.

5. Administration

The Department is very collegial. Departmental meetings are infrequent, but this is the norm for most economics departments, and issues are adequately addressed by informal contacts among the faculty or delegated to committees. There is a dedicated support staff, who administer the operation and who represent the front line of the Department in terms of interaction with students and the public. The members of the staff have demanding jobs, especially at times of peak service, but – compared to other economics departments – a case cannot be made for increased positions. The staff noted that they have a collegial work environment, but that there have been occasions when there could have been better lines of communication (clearer guidance regarding their responsibilities and perhaps more attention given to their suggestions). There is some tension among the support staff with regard to the administration of the evaluations. Other departments (elsewhere and within SFU) either have the faculty distribute the evaluations themselves (before leaving the lecture room with a student entrusted to return the materials to the departmental office) or have student representatives in each class who

administer them. It does seem an undue additional burden on the support staff in the Economics Department to have them involved with evaluations (beyond collating the results once they have been returned).

There are some problems concerning the physical premises occupied by the Department. Apparently, several offices are uninhabitable due to mold problems. We did not examine these offices ourselves, but we became aware of at least one faculty member who has experienced serious health problems as a result, so we must recommend that this situation be attended to. At this time, the offices are simply unused. They will, no doubt, be needed as the Department faculty expands. In the meantime, two/three offices could be equipped with (say) six computers each to facilitate laboratory experiments so that experimenters do not have to work around the heavily booked FASS general-purpose computer labs. It is difficult to run research experiments in a teaching lab, especially when SFU students tend not to be on campus on weekends and in the evenings, when the existing labs are available for experiments. Even the minimal space that we have suggested be dedicated to experimental facilities would allow the Department to duplicate the modest lab facilities that have been adequate for McMaster experimentalists to make extensive research contributions over the years. As things stand, the SFU department is one of the four places in Canada that have successfully produced PhD students who have faculty positions in experimental economics, and this accomplishment should be nourished. In any event, the remediation of the unusable offices cannot come from the Department's budget.

University policy concerning administrative committee membership involves both rank and gender constraints. This is laudable, but in departments with a very small complement of junior faculty and of women, those junior women can have a very high service obligation and this can be detrimental for their research output. The administration needs to understand the impact of this on junior women, and to ensure that individuals within economics are not adversely affected. It is important to note that, in North America, only 30% of the graduates from economics PhD programs are women, and that this proportion has remained unchanged over the past thirty years of data. While hiring more women faculty would be welcome on several grounds, the feasibility of expanding the proportion of women is limited.

The SFU Library provides excellent support for the Economics Department. There has been quite dramatic change in access to library resources over the past decade. Often faculty and students are unaware of what is available to them. We found the library staff impressive, and our only recommendation is that the Department make greater use of the economics librarian in providing awareness of research specific web sites and library classes for term paper and projects at the undergraduate level and at the graduate level. The librarian can create class-specific websites which are extremely useful for students and faculty.

Contact with students on campus seems good. The Undergraduate Economics Club is active with enthusiastic student members. And, as usual, the PhD students have an insatiable desire for more interaction with faculty (especially in social settings). But in terms of outreach with Alumni, the Department should work toward more ongoing contact. It seemed that little is known about placement of students even at the graduate level. Maintaining links with former students is important. The role of the Departmental newsletter could be expanded to include activities of former students (both graduate and undergraduate) as well as a vehicle for disseminating information about faculty and departmental activities. Alumni experience could also be tapped through a departmental advisory board that meets once a year. This communication would also serve as a vehicle for maintaining contact and possible support for the Department financially and also in terms of external bodies within the province.

6. Conclusions and Recommendations

The external ranking of the Department's research has been rising, and the level of dedication devoted to its teaching mission is impressive. We will not add unnecessarily to this Report's length by reiterating all the things that the Department is doing well. Nor do we repeat the less central recommendations noted above. Instead, we list our "top ten" recommendations – the ones that we view as most central and that most directly address the specific terms of reference that we were given.

1. We recommend that six net new appointments at the assistant professor level be made over the next three years.

2. We recommend that the evaluation of the faculty's research give attention to the top field journals, not just to the top-5 or top-15 journals overall.

3. We recommend that Economics 301 be shifted to a 200-level course, and that this course be made a prerequisite for many 300-level courses.

4. We recommend that several steps be taken to permit more resources to be made available to offering the fourth-year seminar courses. This reallocation, along with Recommendation 3, is required to facilitate the Department's Majors being able to complete their degrees on time. These initiatives include eliminating some pre-principles courses and tutorials for some courses, and increasing the grade-point requirement for students entering the economics programs.

5. Given the Department's need to focus first on serving its own Majors, we recommend that the contemplated Minor involving no intermediate micro be given no further consideration.

6. Given the slight decrease in the number of TAs needed for the undergraduate program that is implied by Recommendation 4, we recommend that entry requirements for the MA program be raised slightly.

7. We recommend that it be possible for students to graduate with an Honours degree by completing 120 units (a reduction from the current 132 unit requirement).

8. We recommend that the MA degree be more oriented to applied analyses, by dropping the MA comprehensive examination, by adding a two-course-weight summer essay to the program, and by having the remaining seven courses be divided into two groups with three courses covering core material (micro, macro and econometrics), and four applied field courses.

9. We recommend that the core math and theory requirements in the PhD program be reduced by one course in total, and that the field comprehensives and essays (currently written after these courses are completed) be replaced by an earlier involvement in the 900-level seminar.

10. We recommend that faculty members very much increase the extent to which they circulate their research in progress through the Departmental Working paper series. This practice would increase the Department's standing in the rankings compared to its competitors, and it could become a vehicle for increasing the number of joint papers (faculty members with their PhD students). More such papers lead to faster completion times and better outcomes on the job market for PhDs.

Detailed Response to External Review - Department of Economics

June 25, 2011

1. Introduction

The external review of April 2011 is a thoughtful document which accurately depicts the strengths of the Department and the challenges it faces. We are gratified to read that *"...since the last review, the Department has increased its rankings among Canadian economics departments. The widely cited ranking compiled by Research Papers in Economics (RePEc) has them standing fifth in the country, where they now dominate all others except the traditional 'big four' (UBC, University of Toronto, Queen's, UWO). We concur with this ranking."* (p.1)

This achievement reflects a good deal of very hard work over many years by faculty, staff and support from the university administration.

At the same time, we face challenges on a number of fronts: our programs, faculty turnover, a large and growing number of international students, and more generally with a rapidly changing environment. The reviewers made a wide variety of suggestions and we agree with most of them. Indeed several recommendations, especially regarding the undergraduate programs, have been adopted in the last few weeks. Others need further study by departmental committees or require consultation between the Department chair, the Dean of FASS, the Dean of Graduate Studies and the University.

This response is based on inputs received from individual department members and discussions among the chair, associate chair, graduate chair, undergraduate chair, and departmental manager. Although it has not been possible to incorporate all of the opinions expressed, we believe this response is a reasonable summary of departmental thinking.

We start this report by discussing three key and interrelated issues confronting the Department. We then respond separately to each external review recommendation.

1. **Severe undergraduate enrollment pressures:** As with our last review in 2002/03, a key issue is a lack of departmental resources to meet the overwhelming demand for economics courses. Between 2002/03 and 2009/10, we have experienced no growth in faculty

complement and a 41% student enrollment growth. This led to an overall AFTE count well above 1400 and to

- a. an average undergraduate class size of 107 in 2009/10, almost twice the FASS class size;
- b. an AFTE per CFL ratio which is twice the FASS ratio;
- c. an expenditure per AFTE which is 37% below the FASS expenditure per student of \$5,900 which is itself low by university standards;
- d. A cost per AFTE significantly lower and a AFTE/CFL ratio significantly higher now than they were at the time of our last review. The same is not true both for the university and for FASS.

The external reviewers are uncertain about how this situation of dramatically increased enrollments has arisen. The answer is simple: we behaved cooperatively with FASS and hit the enrollment targets we had been assigned. In 2006-07, the University and Faculties were not hitting enrollment targets and this had serious consequences for the SFU budget. In 2007-08 for the first time FASS issued departments an enrollment target. The undergraduate target for economics in 08/09 was over 1400, corresponding to an enrollment 40% larger than the next largest undergraduate AFTE of any school or department in the university.

Although we are told that the new university budget model should rectify this underfunding, it is not known today how departments within FASS will be affected by the new budget model. Although the reviewers ask the Department to take measures to decrease the number of undergraduate students in Economics by increasing standards, they also write that *'the size of the faculty is so limited relative to the student numbers that program quality at both the undergraduate and graduate level is in danger of being eroded seriously'* (p.2). They also understand that with growing numbers of international students, the already huge demand for economics is likely to grow further. As a result, they unambiguously recommend that significant new net hiring be made by the Department.

2. International student pressures: The Department had 380 international AFTEs in 2009/10 representing 41.7% of the international students in FASS and nearly 16% of those attending SFU. This is more than any unit in the university including five of the eight Faculties. International students have special needs and this places tremendous and unusual

pressure on the Department. Although more research needs be done, recent numbers suggest that the impact on economics is compounded by the fact that among the many international students wanting to do business or economics but nothing else, business is capturing a disproportionate share of the best international students. In other words, despite a large number of international students in business, they may not impact the Beedie School as much as they impact us. The reviewers understood this issue when they wrote that *'the central administration should appreciate the difficulty that is created for the Department by its decision to increase enrolment in general, and its enrolment of international students in particular. [...] [I]ts operations are fraying at edges as the result of this sheer numbers problem.'* (p.4)

3. Faculty turnover, net hiring and ability to hire at all level: The Department has been losing on average two colleagues per year over the last decade (including five resignations). This is not unusual for good economics departments. We are gratified that the reviewers write that *'[t]he fact that some are attracted to other institutions should be seen as a strength rather than as a weakness, since it is a reflection that good persons are being hired in the first place'* (p.1). We expect this level of attrition to continue; the implication is that the Department needs to be able to hire two people per year just to maintain its CFL complement!

We agree with the reviewers when they recommend that net growth be achieved by hiring assistant professors (p.3). Although they doubt our ability to hire at more senior levels due to the salary constraints at SFU, we should pursue this strategy (indeed an excellent Associate Professor was hired shortly after the reviewers' visit). In that regard, we should be able to hire at the same level (but not necessarily at the same scale) as those leaving the Department. This is important in order to keep a balance in the Department but also because *'it is the case that some high-profile faculty members have retired or will retire soon. Their loss will reduce the public visibility of the Department. One hope is that there will be others who will take their place'* (p.2). Although we have little doubt that it will be the case, a good department cannot count only on the strategy of hiring at the junior level to maintain or to increase its reputation. We therefore need to be able to take advantage of senior hiring opportunities as they present themselves.

We turn next to the numbered recommendations from the external review report. For brevity we do not discuss all of the detailed suggestions throughout the text, but they will receive attention from the Department chair, associate chair and departmental committees. We also omit references to some minor factual errors that do not affect the central conclusion.

2. Faculty and Research

The reviewers note that the Department is collegial, mutually supportive and whose members are publishing regularly in very good journals. It has also good balance of faculty members by field, and age and it has hired very well in recent years. Although two recommendations (2 and 10) address some specific issues, the reviewers' main concern 'in terms of Faculty issues involves their number' (p.2) summarized in their first recommendation.

Recommendation 1: We recommend that six net new appointments at the assistant professor level be made over the next three years.

We strongly agree with this recommendation and we are happy that the reviewers have accepted our own conclusions when they write '*[t]he Self Study Report makes a compelling case that as compared to virtually all other units in FASS and the university, the Department is very much understaffed*' (p. 2). This recommendation has two critical implications:

- 1) The optimal size of the Department is about 40 CFL since the Department is scheduled to have a size of 34 CFL on September 1, 2011 (up from 31 in 2010, thanks to great support from our new Dean). Thus it is consistent with the target of 41 CFL set in writing in 2006 by Dean John Pierce and re-affirmed in 2009 by Dean Lesley Cormack.
- 2) Since the recommendation is about 'net new appointments', the Department should be able to replace whoever is leaving the Department because of retirement, resignation, tenure denial, etc. As argued repeatedly including in the self study, the Department has an annual turnover of about two colleagues per year. Recommendation 1 therefore implies that the Department will need to make on average four appointments per year over the next three years.

Recommendation 2: We recommend that the evaluation of the faculty's research give attention to the top field journals, not just to the top-5 or top-15 journals overall.

This is a misunderstanding. Simply put, considering just the top-5 or top-15 journals overall is not how the Department carries out (or has carried out) its evaluation of faculty research contributions. No doubt this misunderstanding is coming from Chapter 2 of the self study. Tables 2.6 and 2.7 were not meant to be a reflection of the way the Department evaluates faculty but only to provide one measure on the progress of the Department since its last review.

We plan to continue to evaluate faculty research contributions in the same way we have in the past, which is to give due consideration to rankings of journals within fields and to overall journal rankings. Although there is no perfect ways of doing this, we believe that the tenure and promotion committee has repeatedly demonstrated that its members do a very good job with such an evaluation.

The reviewers also recommend that hiring be done in fields 'particularly appealing for the PhD students' (p.3). We agree in so far as it means that we should hire people in applied fields while keeping a balance with core fields.

3. Undergraduate Program

The reviewers are '*impressed with the high standards with which the Department is attempting to meet all [its] challenges*' (p.4) and consider that the Department should concentrate on our Major program as it is by far the largest among our undergraduate programs. In addition to the need for more resources, they suggest several margins of adjustments, whether it is to cut pre-principles courses, 200 level courses, ending tutorials in some courses, increasing entry standards, etc. We agree with the main thrust of the reviewers' report which is that meeting the challenges faced by the Department will require both more resources and adjustments in our programs.

Recommendation 3: We recommend that Economics 301 be shifted to a 200-level course, and that this course be made a prerequisite for many 300-level courses.

We agree. The Undergraduate Curriculum Committee has adopted this change last month along with several other modifications aimed at improving our undergraduate programs. Pending the usual ratification procedure, the shift from Econ 301 to Econ 201 will take effect in September 2012. Econ 201 will also have two characteristics, the first one suggested by the reviewers: (i) be a pre-requisite to most Econ 300 level courses, and (ii) become one of the courses that students will have to take before being able to declare Economics as a major. These modifications will undoubtedly restrict access to our undergraduate programs (majors, joint majors, extended minors). Hence they will reinforce the impact of the higher CGPA requirement (effective September 2011) in declaring a major in Economics.

Recommendation 4: We recommend that several steps be taken to permit more resources to be made available to offering the fourth-year seminar courses. This reallocation, along with Recommendation 3, is required to facilitate the Department's Majors being able to complete their degrees on time. These initiatives include eliminating some pre-principles courses and tutorials for some courses, and increasing the grade-point requirement for students entering the economics programs.

Last month, the UCC has adopted several modifications (effective September 2012) of our undergraduate program that are going in the suggested direction. First, those wishing to pursue our programs (except for the minor in Economics) will have to take one 200-level course (in addition to Econ 201) instead of two 200-level courses. Second, they will have to take one more 300-level elective courses to complete their major in Economics. Effective September 2011, we are also adding more flexibility in our 300-level required core courses by adding more sections. These additional sections will also allow us to add more seats and tutorials in these required courses if there is a need for them. This should avoid the bottlenecks that we have experienced in 2010/11 when core courses filled up much too quickly during the registration period making it impossible for some of our students to register unless they had accumulated a very high number of credits. These bottlenecks can increase student's time to completion and they often lead students to take core courses only at the end of their studies.

Concerning 400-level courses, we agree it would be desirable to offer more of them but we do not think we should implement this now. We first need to monitor the situation and determine

whether more of them are needed. This will depend in a large part on how the changes in our undergraduate program (higher CGPA, Econ 201 to become a major) will impact the number of students pursuing a major in Economics. It would be premature to add 400-level courses before first considering the impact of the above changes.

Recommendation 5: Given the Department's need to focus first on serving its own Majors, we recommend that the contemplated Minor involving no intermediate micro be given no further consideration.

Although we have no intention of introducing a new minor degree in economics (for instance one that would involved specific courses such as a non-technical intermediate course in microeconomics), nor of adding more resources in our minor program, we have decided to keep the existing minor in economics and to modify its requirements so as to make it feasible to complete this degree efficiently. This is important for at least two reasons. First, we are very much convinced that the Department should have a portfolio of undergraduate degrees in economics which includes a minor in economics. Second, FASS is eliminating the Bachelor of General Studies and having a minor in economics will allow some of our weaker students to switch to a minor if they have little hope of successfully completing their major. Unfortunately very few students have completed a minor degree in Economics in recent years mainly because these students could not find enough courses in economics that did not have pre-requisites such as intermediate microeconomics. To avoid this problem, we have decided to do the following: (i) keep a few 300-level courses which do not have Econ 201 as a pre-requisite. (ii) To allow those doing a minor in economics to take a few courses outside the Department that would count toward their minor in economics provided that these courses are approved by the Department and do not count for another degree.

We include here recommendation 7 since it deals with the undergraduate program; recommendation 6 can be found in the next Section.

Recommendation 7: We recommend that it be possible for students to graduate with an Honours degree by completing 120 units (a reduction from the current 132 unit requirement).

We very much agree with this recommendation and we are eager to expand enrolment in our honors degree once it has 120 units instead of the current 132 units. This would bring our program in line with other departments of economics across the country. As with these other departments, the additional requirements over a major degree would come in the form of requiring the very demanding core courses we offer at the fourth year level. They are the right courses in preparation for graduate work. This is very much consistent with our plan to maintain a portfolio of undergraduate degrees. We have been urging the university to allow 120 credit hour honors degrees for years. We hope the university will adopt this soon. This would have a significant impact on the number and on the quality of the undergraduate students pursuing their studies at the graduate level at SFU and elsewhere. In that regard, it would enhance the visibility and the reputation of the Department.

4. Graduate Program

Recommendation 6: Given the slight decrease in the number of TAs needed for the undergraduate program that is implied by Recommendation 4, we recommend that entry requirements for the MA program be raised slightly.

We agree in principle that higher standards at the graduate level would be a plus but this implicitly says that we are accepting too many MA students because we have too many tutorials. In other words that the marginal MA student does not have the quality required to pursue a MA at SFU. We disagree with this assessment. Although we do have a few students who are not able to maintain a CGPA of 3.0 at the graduate level, it is rather difficult to argue that these students would not have received an offer from us if we admitted fewer students. There is considerable noise in the selection of graduate students and we should expect this to continue whether or not we raise our entry standard at the MA level. Our admission of MA students is driven by the desire for an excellent MA program and the desire to allow students to prove themselves. We

have had hundreds of graduate applications every year for a decade or more, and the applicant pool is improving. We also strongly believe in the SFU tutorial system. With our large class sizes, we strongly feel that the small group contact afforded by tutorials is critical in providing a quality education to our students.

Recommendation 8: We recommend that the MA degree be more oriented to applied analyses, by dropping the MA comprehensive examination, by adding a two-course-weight summer essay to the program, and by having the remaining seven courses be divided into two groups with three courses covering core material (micro, macro and econometrics), and four applied field courses.

Although this recommendation has yet to be fully discussed by the Graduate Program Committee, it has two key components. First, a summer essay as a replacement for the MA comprehensive examination. We agree with this idea and we would have adopted it a decade ago if it was feasible given university rules. The MA comprehensive exam was introduced precisely to fulfill university regulations requiring a capstone in the absence of a thesis or a project. Having summer papers, provided that they did not require heavy, cumbersome, and often delayed oral defenses, would be a plus for our students, especially for those not wishing to pursue their studies at the PhD level. We would therefore be happy to pursue this idea but, as far as we know, we believe it involves a violation of university rules. Second, the recommendation to decrease the number of required courses in econometrics. This needs further discussion within the Department.

Recommendation 9: We recommend that the core math and theory requirements in the PhD program be reduced by one course in total, and that the field comprehensives and essays (currently written after these courses are completed) be replaced by an earlier involvement in the 900-level seminar.

The core math course at the PhD level was only introduced a few years ago to help prepare our students for the heavy-duty math and statistics requirements in the subsequent core courses in macro, micro and econometrics. But we will revisit this carefully to make sure that this course is

a help rather than a hindrance to our PhD students. We agree that we should seriously consider dropping field comprehensives (as several other competing departments have already done) and make sure that the transition to research be as early and as effective as possible. We are considering several options to help our students make this critical transition.

Recommendation 10: We recommend that faculty members very much increase the extent to which they circulate their research in progress through the Departmental Working paper series. This practice would increase the Department's standing in the rankings compared to its competitors, and it could become a vehicle for increasing the number of joint papers (faculty members with their PhD students). More such papers lead to faster completion times and better outcomes on the job market for PhDs.

We agree but this essentially depends on the faculty's willingness to use the existing Departmental working paper series. Despite the fact that the Departmental Working Paper series is linked to RePEc, a relatively small number of our faculty put their work in this series. This is in large part due to the fact that it is now easy to publish preliminary work through personal web pages and through affiliations to other, often more well-known outlets, such as the CEPR, CESifo or NBER. But we will consider this issue again and its implications for our graduate students at our next Department meeting.

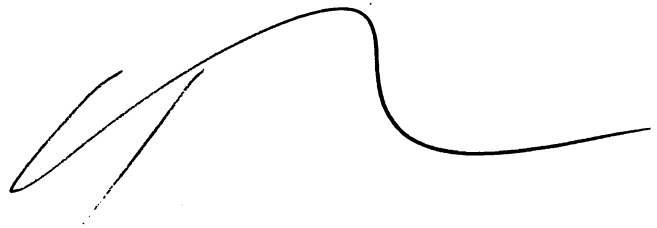
Regarding joint papers between faculty and students, we do agree that such joint papers are very helpful in improving job market outcomes for a PhD student (provided however that their job market paper is sole authored). We do think that we have more work to do regarding the supervision of our PhDs. Work on this critical matter is ongoing and strongly related to the transition from courses to research in recommendation 9.

5. Administration

We note that the reviewers do not have any specific recommendation about Administration. It is not that improvement cannot be made (better communication, greater use of the library facilities, working more with Alumni and students) but we found their comments on the solidarity and community in the Department gratifying. Three points raised by the reviewers are worth

mentioning. First the administrative pressure on women: For all faculty members we take service contributions into account in the biannual review but we do not think that the administrative pressure is such that a particular group's research and/or teaching productivity is being adversely affected. Having said this, we would welcome hiring more women in the Department but as noted by the reviewers, '*the feasibility of expanding the proportion of women [in Economics] is limited*' (p10). The bottom line is that we'll monitor this issue. Second, the administration of the evaluations: we recognize it is a burden on the support staff and we have already taken steps to lower this burden (i.e., evaluations are the 400- and 800-level no longer administered by the support staff). We will take additional small steps to lower a bit further this burden but, given our average class size, it should be expected that the support staff will continue to administer most of these evaluations and this until FASS and/or the university adopts a web-based evaluation system. Third, the water and mould problems affecting the West Mall Complex: These are serious, disruptive, and deserve close attention from the administration. Although some of the offices are scheduled to be remediated during the Summer, this issue will require a much more comprehensive solution than is currently envisioned by the university.


(GORDON PHILLIPS)



EXTERNAL REVIEW – ACTION PLAN

Section 1 – To be completed by the Responsible Unit Person e.g. Chair or Director

Unit under review	Date of Review Site visit	Responsible Unit person,	Faculty Dean
.....Economics.....	March 18-21.....	Nicolas Schmitt.....	John Craig.....

***Note: The Action Plan is only a summary of the most important points.
See the Appendix for a detailed response on all the issues raised by the reviewers.***

1. FACULTY

1.1 Action/s (description what is going to be done):

- 6 net new junior positions made available to Economics over the next three years (recommendation 1);
- Economics can replace at the same level (but not necessarily at the same scale) any loss of existing faculty in Economics;
- The implication of the above is that the size of the department should reach 40 CFLs.

1.2 Resource implications ((if any):

The resource implications are substantial since each new junior position involves market differential that is at least equal to the one offered over the last two years, starting research funds, five course buyouts (two paid by the Department) and benefits.

1.3 Expected completion date/s:

September 2014

2. PROGRAMING

2.1 Action/s (description what is going to be done):

2.1.1 Undergraduate:

- Econ 301 shifted to Econ 201 with Econ 201 becoming a prerequisite for many 300-level courses (recommendation 3) and a course necessary to pass before being able to declare Economics as Major.
- Increase CGPA necessary to declare a Major in Economics;
- Facilitate Majors being able to complete their degrees on time (recommendations 4 and 5) by having enough choice and enough capacity at the 300 and at the 400 levels;
- The department and FASS agree that Economics will adjust its Honour degree credit hour requirement from 132 to 120 as soon as the university has made this feasible (recommendation 7);
- Adjust the Minor in economics to as to become a meaningful option in Economics.

2.1.2 Graduate:

- Investigate whether and how the MA comprehensive exam should be replaced by a Summer paper (recommendation 8);
- Revisit the role of recently added math requirement (ECON 831) at the PhD level (recommendation 9);
- Determine whether PhD field comprehensive exams should be maintained (recommendation 9);
- Revisit the role of Econ 900, the timing of PhD student's involvement with it and the Graduate Chair's role.

2.2 Resource implications ((if any):

Most of the above items have resource implications: (i) moving Econ 301 to Econ 201 means that many more students may take Econ 201; it will be imperative to offer enough capacity; (ii) making sure that Majors can complete their degrees means that enough 300 and 400 elective courses must be offered; (iii) having a larger Honours cohort means that core courses that are currently offered once a year may need to be offered more than once per year; (iv) Having a more accessible Minor in economics means that some elective courses at the 300 level may have an even higher demand than they currently do. Against these forces, we are making access to our Major more selective thereby reducing the demand for many of our courses. The net effect is uncertain. It will need to be monitored carefully. However, we expect to be able to face these challenges with the actions listed in 1.1.

2.3 Expected completion date/s:

Regarding the **undergraduate programs**, everything should be implemented by September 2012. The only uncertainty is about the Honours degree at 120 credits. We are awaiting university decisions to implement this particular item.

Regarding the **graduate programs**, the items should be investigated during the 2011/12 academic year and implementation be effective by September 2013 at the latest.

3 RESEARCH

3.1 Action/s(what is going to be done) :

There is no specific recommendation regarding research. We note however that the reviewers acknowledge that the Department of Economics made considerable progress since its last review and are placing us among the five best Economics departments in Canada. Our goal is to progress further by increasing our research output and making it more visible. These goals can be achieved by careful hiring and tenure/promotion decisions.

3.2 Resource implications(if any):

Those associated with 1.1.

3.3 Expected completion date/s:

Continuous effort.

4 ADMINISTRATION AND WORKING ENVIRONMENT

4.1 Action/s(what is going to be done) :

There is no specific recommendation regarding the governance or the working environment of the Department. Improvements can always be made and will continue to be made but the reviewers note that the Department is very collegial and issues are adequately addressed.

4.2 Resource implications(if any):

None

4.3 Expected completion date/s:

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The above action plan has been considered by the Unit under review and has been discussed and agreed to by the Dean.

Unit Leader (signed)		Date
Name <u>Gordon Myers</u>	Title <u>Acting Chair Economics</u>	<u>Oct 31/11</u>

GORDON MYERS

Section 2 - Dean's comments and endorsement of the Action Plan :

I met with colleagues Nicolas Schmitt and Gord Myers from the Department of Economics on 22 June 2011 together with Glynn Nicholls to discuss the external review prepared by Professors Boadway (Queen's University), Carlos (University of Colorado) and Scarth (McMaster University).

I have given close consideration to both the external review and to the detailed response from the Department of Economics dated 25 June 2011. I agree that the external reviewers produced a thoughtful document that has captured the strengths found in the Department of Economics and the challenges it faces. The response from the Department of Economics is both substantive and persuasive. It has my full support. I agree that the Department is seriously understaffed and that unless this is addressed, the quality of the program in Economics will be imperiled. Specifically, the reviewers have recommended the appointment of six net new faculty members by 2014. The Dean's office, working closely with the Vice President Academic and with the Department of Economics, is determined to make this recommendation the priority for the Faculty of Arts and Social Sciences.

Faculty Dean
John Craig

Date
31 October 2011