



Executive summary of the research assessment of the Department of Economics

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Main conclusion

The Department of Economics at the University of Copenhagen is a leading economics department in Europe. Most faculty members regularly publish in top field journals or general interest journals of similar quality, and the Department's best researchers have several publications in the coveted top-five journals. Much of the research is of high societal relevance, and many faculty members make significant societal contributions through various outreach activities. The research has had a significant societal and policy impact on Denmark and beyond. Even so, the Department is not as visible internationally as it deserves.

The department members successfully attract substantial research grants. Close collaboration with funding agencies is strongly encouraged by the Department leadership and is ingrained in the Department's DNA. This is quite a unique feature of the Department, nationally and internationally.

Many department members collaborate closely with Danish government agencies. Moreover, department members are very much present in the Danish media. This outreach involves many researchers, not only a few individuals. The extensive outreach is essential for the Department's contribution to society and the Department's and University's standing in society.

The Department has performed well in recent years. The quality of the research output—as measured by publications in top journals—has seen an upward trend. The main conclusion of the assessment committee is to keep up the excellent work and ensure this trend continues.

Although not yet in the top ten, the Department is among Europe's 20 best economics departments. Some of the research is world-class, and the assessment committee's overall score for the Department's research is *“Quality that is internationally excellent in originality, significance and rigour but which falls short of the highest standards of excellence.”*

Three significant factors that have enhanced the quality of research

A large fraction of the Department works in the field of applied microeconomics, broadly defined. Because of high-quality Danish registry data, empirical work using these data has long been a comparative advantage of economists in Denmark. The Department has an exceptionally good organisation of access to databases and bundling of data-related practical, legal, and methodological knowledge.

The same applies to the bundling of knowledge related to grant funding, resulting in high levels of external research funding from public sources and private foundations. External funding increased from 102 million kr. in 2017 to 131 million kr. in 2021. As a result, external funding constituted 42 per cent of the Department's annual budget for 2021.

Finally, introducing a tenure-track system for assistant professors has been a great success in terms of recruitment efforts. It appears to have allowed for increasing the quality of the incoming junior faculty, several of whom have, in the meantime, been promoted to associate professor.

Three critical strong suits of the department and immediate opportunities

Strong suits

The Center for Economic Behavior and Inequality (CEBI), a Center of Excellence financed by the Danish National Research Foundation, utilises a unique data infrastructure that links administrative registers with externally collected data from surveys and experiments at an individual level involving close cooperation of Statistics Denmark with the University. CEBI's research output is remarkable. From 2017 to 2022, CEBI members have published 150 articles, among them 11 in top-five journals, 19 in high-ranking general interest journals, and 39 in top field journals. This output makes CEBI the strongest research group in the Department.

Still, the excellent research at the department is broad-based. Publications in top journals appear in all fields of economics and even in multi-disciplinary work, including leading science journals such as Nature, Science, and PNAS. All research groups in the Department have members who publish in the top-five journals, and five of the eleven top-five publications in 2021-22 have assistant professors as (co-)authors.

Finally, the research conducted at the Department has a significant societal and policy impact on Denmark and beyond. This policy relevance is illustrated by the numerous grants from government agencies and the high-level advisory roles within the Danish government and international organisations. Several of the faculty contribute to public commissions in Denmark or other countries. Moreover, department members are very much present in the Danish media.

Immediate opportunities

Given the broad-based merit in research, a good fraction of the department members has the potential to obtain prestigious grants, including ERC grants and a new Center of Excellence.

Moreover, given the high-level advisory roles within the Danish government and international organisations, senior staff members have the potential to engage in innovative mission-driven research initiatives within areas such as the welfare state, climate and energy, or health and education.

Three critical weaknesses of the department and immediate threats

Weaknesses

The assessment committee remarks that the PhD program results in too few good international academic placements. It seems crucial that PhD students aiming for the international job market have more time for their dissertation work. The committee writes that an extensive reform of introducing an international-style 5-year PhD program with an in-depth course phase would have the potential to attract more highly qualified foreign PhD students and positively affect the research quality at the Department.

Moreover, the Department is somewhat unbalanced across fields, with a large share of its faculty working in applied microeconomics, broadly defined. Strategic hiring at junior and senior levels in other core areas of economics would strengthen critical competencies and contribute to a more balanced department.

Finally, as at most or all European economics departments, the Department's faculty is unbalanced regarding gender. Although the Department's leadership is aware of this issue and has improved the gender balance at the junior level in recent years, it is essential to continue being mindful of this at the senior level.

Threats

As mentioned, the Department is extremely successful in attracting outside research funds. The flip side of this success is that a large share of its budget has random fluctuations, which makes long-term planning (not least hiring) difficult.

Second, the Department's hiring efforts at the senior level have continued to prove less successful than at the junior level. While this problem is shared with many other economics departments, it is arguably partly the result of not very competitive senior salaries.

Other issues to be emphasised

The Department's faculty is not as internationally visible as it could and should be. For example, only a few faculty members hold editorial positions in top journals, and the success in obtaining prestigious international grants, like ERC grants, has been limited.

Further, the Department is organised into many research groups of varying sizes with overlapping membership. Some of these groups seem to work very well, while for others, this is less clear. This group structure should probably be reviewed.

Finally, the recent centralisation of some administrative services seems to have decreased the quality of these services and harmed the Department. The external assessment committee recommend that no further administrative services be moved out of the Department.

Conclusion and plan for action

The Department of Economics' research assessment contains few—if any—surprises. The external assessment committee conclude that the Department is a leading department in Europe. Nevertheless, the committee also points to areas where the Department could improve to become a top-ten department in Europe. Much of the advice has been rephrased to fit into the SWOT analysis in the previous sections. In this section, the SWOT will be used to sketch possible plans for action.

Data infrastructure

The Department has an excellent organisation of access to databases and bundling of data-related practical, legal, and methodological knowledge. This remarkable data infrastructure, built over decades, has been a strategic investment requiring permanent human and financial backing. The Department will maintain and expand the in-house support functions to sustain and strengthen the world-class research that utilises the unique Danish register data. This will benefit most of the staff who do research within the broad areas of applied microeconomics and applied microeconometrics.

Strategic hires

The access to high-quality Danish microdata has resulted in world-class research. At the same time, it has biased the Department regarding research fields. Therefore, following the suggestion by the assessment committee, the Department leadership will initiate discussions with the newly established Department Faculty Board concerning strategic hiring at junior and senior levels in other core fields of economics. The aim is to devise a strategy to strengthen key competencies and contribute to a more balanced department.

The Department leadership will also seek to discuss senior salary packages with senior management at the University of Copenhagen to explore the prospects for hiring research “stars” at the senior level. Meanwhile, the Department will continue participating in the job market for junior researchers to hire tenure-track assistant professors.

The PhD program

The Department leadership will also initiate discussions with the faculty and senior management at the University of Copenhagen about a potential reform of the PhD program along the lines of the international gold standard. In line with the evaluation of the PhD program in 2019, the research assessment committee finds that PhDs educated at the Department could benefit from an international-style 5-year PhD program with an in-depth course phase. Moreover, a 5-year program would probably attract more highly qualified foreign PhD students and have positive externalities for the research quality of the Department. Prior to the potential radical reform, the Department leadership will consider if specialised core PhD courses could benefit the students in the short run.

External funding and prestigious grants

The Department has been very successful in attracting external research funds. This has considerably benefitted the research while putting pressure on the department members who must continue to apply for large amounts of external funding.

The leadership expects a temporary decrease in external funding as some sources become increasingly challenging to address. However, as noted in the external assessment, a close collaboration with funding agencies is ingrained in the Department's DNA.

The Department will seek to expand the pre-award support for the researchers. Specifically, researchers will get focused assistance, peer support and feedback when applying for prestigious ERC grants. Moreover, relevant researchers and research groups will be supported in developing research proposals for Centers of Excellence funded by the Danish National Research Foundation. Finally, the Department will establish a small task force that investigates how the Department's researchers and leadership should communicate with significant private funds to explore mutually beneficial research projects.

The gender bias

The Department's faculty is unbalanced regarding gender. There has been improvement at the assistant professor level recently, while the more senior levels need a big push. Of the 20 assistant professors, 40 per cent overall and 36 per cent of the tenure track assistant professors are female. This roughly corresponds to the fraction of female economics students. The numbers are more skewed at the associate professor level, as only 19 per cent are female. Finally, three associate professors in the promotion program are female, while only two are female at the full professor level.

The Department's action plan regarding gender equality is in complete accord with the University's action plan, and the Department's "Project Dignity" focused on gender equality. Still, as the external assessment committee notes, the Department leadership must continue being mindful of the gender bias.

Having so few female researchers at senior levels, there is a risk of overburdening them with non-promotable tasks. Therefore, in collaboration with female researchers at all levels, the Department leadership seeks to avoid the overuse of female researchers when it comes to important yet less promotable tasks such as chairing assessment committees and arranging research seminars and social events.

The Department organisation

The Department's research groups' organisation varies, spanning from a tight system with a designated leader to more loose collaborations among faculty in the same area of research. The optimality of the somewhat loose organisation has often been discussed, and the external assessment committee recommends reviewing the group structure.

The system of overlapping groups is not very transparent. Moreover, some groups are small and risk being too intellectually narrow and not being sustainable in the long run. Furthermore, it is unclear whether the narrowness of some groups is good for new/junior faculty with research interests that do not match those of the core members. What appears to be working well is that the composition of the groups can and does change over time. Flexibility, in the sense that the extent of interaction varies across groups and the fact that individuals can participate in several groups at the same time, is valuable.

Finally, as the Department has grown substantially over the past decade, it can be argued that this calls for more structure. It will be an essential part of the coming strategy process to discuss and decide on the future organisation of the Department.