



**Committee for the Evaluation of Economics Study Programs**

**The Hebrew University**  
**Department of Economics**  
Evaluation Report

**May 2017**

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## **Chapter 1: Background**

The Council for Higher Education (CHE) decided to evaluate study programs in the field of Economics during the academic year of 2015-2016.

Following the decision of the CHE, the Minister of Education, who serves ex officio as Chairperson of the CHE, appointed a Committee consisting of:

- **Prof. Georg Winckler** - former Rector of the University of Vienna, Austria - committee chair (Emeritus).
- **Prof. Russell Cooper<sup>1</sup>** - Department of Economics, Penn State University, USA.
- **Prof. David Dillenberger** - Department of Economics, University of Pennsylvania, USA.
- **Prof. Philippe Weil** - Solvay Brussels School of Economics and Management, Université Libre de Bruxelles, Belgium.
- **Prof. Eyal Winter<sup>2</sup>** - Department of Economics, Hebrew University of Jerusalem, Israel.

Ms. Maria Levinson-Or served as the Coordinator of the Committee on behalf of the CHE.

Within the framework of its activity, the Committee was requested to:<sup>3</sup>

1. Examine the self-evaluation reports, submitted by the institutions that provide study programs in Economics, and to conduct on-site visits at those institutions.
2. Submit to the CHE an individual report on each of the evaluated academic units and study programs, including the Committee's findings and recommendations.
3. Submit to the CHE a general report regarding the examined field of study within the Israeli system of higher education including recommendations for standards in the evaluated field of study.

The entire process was conducted in accordance with the CHE's Guidelines for Self-Evaluation (of September 2015).

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<sup>1</sup> Due to scheduling constraints, Prof. Russell Cooper did not participate in the site visits to the University of Haifa, Ben-Gurion University and Bar-Ilan University.

<sup>2</sup> In accordance with the CHE's policy, Prof. Eyal Winter did not participate in the evaluation of the Economics department at the Hebrew University to prevent the appearance of a conflict of interests.

<sup>3</sup> The Committee's letter of appointment is attached as **Appendix 1**.

## **Chapter 2: Committee Procedures**

The Committee held its first meetings on 18.12.2016, during which it discussed fundamental issues concerning higher education in Israel, the quality assessment activity, as well as Economics Study programs in Israel.

In December 2016, the Committee held its visits of evaluation, and visited the Academic College Tel-Aviv Yaffo, the College of Management Academic Studies, Tel-Aviv University, Ruppin Academic Center, the Open University, Tel-Hai Academic College, the Max Stern Academic College of Emek Yezreel, the Hebrew University, University of Haifa, Bar-Ilan University and Ben-Gurion University. During the visits, the Committee met with various stakeholders at the institutions, including management, faculty, staff, and students.

This report deals with the Department of Economics at the Hebrew University. The Committee's first visit to the Hebrew University took place on December 26, 2016. The committee's second visit to the institution took place on February 16, 2017.

The schedule of the visit is attached as **Appendix 2**.

The Committee thanks the management of the Hebrew University and the Department of Economics for their self-evaluation report and for their hospitality towards the committee during its visit at the institution.

## **Chapter 3: Evaluation of Economics Study Program at the Hebrew University in Jerusalem**

*This Report relates to the situation current at the time of the visit to the institution, and does not take account of any subsequent changes. The Report records the conclusions reached by the Evaluation Committee based on the documentation provided by the institution, information gained through interviews, discussion and observation as well as other information available to the Committee.*

The Economics Department at the Hebrew University was selected to undergo a shortened review within this evaluation cycle due to its past performance and current self-evaluation. The committee arrived to a shortened visit day in the institution and met with the heads of the institution and the program. However, this shortened visit highlighted the need, before the committee could present its assessment and recommendations, for a more in-depth look at the situation and strategic plans of department. The committee held a second visit and met with the head of the department and its faculty.

Overall, the committee was impressed with the state of the department of economics in the Hebrew University. The faculty has strong research output and relative breadth, and the new developments regarding the graduate program are a promising step in the right direction. We were pleased to learn that the university administration addressed the recommendations of the previous evaluation committee (2007/8), which enabled the department to maintain a reasonable size, while not losing quality.

Currently the department faces new challenges, both from its internal procedures and views, and from external uncertainties regarding future recruitment. The committee feels that while the department has a strong potential to reestablish itself as a leading economics department, comparable to top European departments, the current constraints prevent it from doing so.

In the past, the economics department in the Hebrew University was comparable to top departments worldwide. However, it is currently struggling to maintain such status. The department is unable to compete with leading US and even European departments given the fixed salaries and terms of employment. We appreciate and support the department's strict rules regarding quality, yet feel that a new mindset when it comes to hiring faculty is necessary, as well as a reorientation from comparisons to US institutions. We encourage the department to be more flexible and adventurous in its future planning and recruiting.

The committee learned of the department's new international school, and we encourage this initiative, as it is an important step in the right direction. We encourage the department's decision to focus on research oriented PhD candidates who will be full time and contribute to reinvigorating the research environment in the department. We support the internationalization of the department, including recruiting of international faculty as well. However, given the additional budget that will be required to maintain the program, the department, along with the administration, should actively seek further funding for the program.

The department offers multiple programs, especially at the MA level. Given the teaching requirements for the BA level, with the planned increase of full time PhD candidates via the international graduate school, the current size of the faculty is insufficient to support all these programs. In light of the limited resources at the department's disposal, the MA programs should be streamlined.

The joint MA program with Tel-Aviv University seems to be facing challenges given the new language requirements. We encourage the department to find an agreed solution which will enable the continuation of the program, given this is an important cooperation and pooling of resources.

The faculty continues to be divided across two campuses, despite the recommendations of the previous evaluation committee. We understand the difficulties of moving the department to one campus. Yet the department should ensure that this split does not have a negative impact on the communication within the faculty.

The department needs to articulate a strategic plan, agreed upon with the administration, which will set the target size for the department at steady state. In order to enable the department to reach this size, the administration must allow it to have more flexibility in managing hiring. This should be done by allocating slots directly to the department (like the policy set after the previous evaluation committee), allowing the department to retain slots that have opened due to retirement or denial of tenure, and by allowing the department to make multiple offers per slot.

## **Chapter 4: Summary of Recommendations**

### **Essential:**

1. The administration and the department must come to an agreement on a strategic plan for the department, which reestablishes HUJI as comparable in all dimensions to top European departments (e.g. LSE)
2. The strategic plan must include a target size for the department. In order to reach it,
  - a. The administration must allocate sufficient slots directly to the Economics department.
  - b. Slots created by the denial of tenure or retirement must be retained by the department.
  - c. The department must be allowed to make multiple offers per slot.

### **Important:**

1. The department should streamline its MA programs.
2. The department should continue the joint MA program with Tel-Aviv University with an agreed new language policy, setting English as the teaching language.
3. The department should continue and strengthen internationalization of its activities.
4. The department should in the long term unite in one campus. Currently, it should make sure the division does not negatively impact the communication within faculty.

**Signed by:**



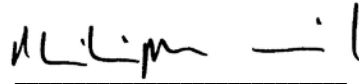
Prof. Georg Winckler - Chair



Prof. Russell Cooper



Prof. David Dillenberger



Prof. Philippe Weil



## Appendix 1: Letter of Appointment



June 2016

Prof. Georg Winckler  
University of Vienna  
Austria

Dear Professor,

The Israeli Council for Higher Education (CHE) strives to ensure the continuing excellence and quality of Israeli higher education through a systematic evaluation process. By engaging upon this mission, the CHE seeks: to enhance and ensure the quality of academic studies, to provide the public with information regarding the quality of study programs in institutions of higher education throughout Israel, and to ensure the continued integration of the Israeli system of higher education in the international academic arena.

As part of this important endeavor we reach out to world renowned academicians to help us meet the challenges that confront the Israeli higher education by accepting our invitation to participate in our international evaluation committees. This process establishes a structure for an ongoing consultative process around the globe on common academic dilemmas and prospects.

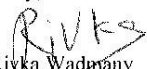
I therefore deeply appreciate your willingness to join us in this crucial enterprise.

It is with great pleasure that I hereby appoint you to serve as the chair of the Council for Higher Education's Committee for the Evaluation of the study programs in **Economics**. In addition to yourself, the composition of the Committee will be as follows: Prof. Russell Cooper, Prof. David Dillenberger, Prof. Oded Galor, Prof. Philippe Weil, and Prof. Eyal Winter. Ms. Maria Levinson-Or will be the coordinator of the Committee.

Details regarding the operation of the committee and its mandate are provided in the enclosed appendix.

I wish you much success in your role as the chair of this most important committee.

Sincerely,

  
Dr. Rivka Wadmany  
Vice Chair,  
The Council for Higher Education (CHE)

*Enclosures:* Appendix to the Appointment Letter of Evaluation Committees

cc: Dr. Varda Ben-Shaul, Deputy Director-General for QA, CHE  
Ms. Maria Levinson-Or, Committee Coordinator

**Appendix 2: Site Visit 1 Schedule**

Economics - Schedule of site visit the Hebrew University

Monday, December 26 ,2016

|             |  |   |  |
|-------------|--|---|--|
| 09:30-10:30 | Opening session with the heads of the institution        | <b>Prof. Asher Cohen</b> , Rector<br><b>Prof. Barak Medina</b> , QA Coordinator | Room 504, 2 <sup>nd</sup> floor, administration building |
| 10:30-11:15 | Meeting with the Head of the Social Sciences Faculty     | <b>Prof. Tamir Sheaffer</b>   | Department of Economics                                  |
| 11:15-12:15 | Meeting with representatives of the Economics Department | <b>Prof. David Genesove</b>   | Department of Economics                                  |

**Appendix 3: Site Visit 2 Schedule**

Economics - Schedule of site visit the Hebrew University

Thursday, February 16 ,2017

|             |   |   |  |
|-------------|---|---|--|
| 09:30-10:30 | Meeting with the Head of the Department     | Prof. Esteban Klor<br>Prof. Saul Lach   | Room 4212,<br>Department of<br>Economics |
| 10:30-12:00 | Meeting with senior faculty representatives | Dr. Alon Eizenberg<br>Prof. Eric Gould<br>Dr. Asaf Zussman<br>Prof. Moses Shayo | Room 4212,<br>Department of<br>Economics |