A Course Made Good

“Een behouden koers”

Erasmus School of Economics, 2009-2014

Outlook 2008
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Preface

This document contains the main ideas of how the Erasmus School of Economics (ESE) shall pursue in the next few years to attain the goals already set in “Winnen door Kiezen”, the strategic document compiled in 2004. That document already contains the main targets and goals, and at present there is no need to redesign these. For completeness, the key aspects of that strategic document are reiterated in the Prologue to the current document.

As the target is clear, the main issue here is to set out the guidelines by which our School can attain these described goals. So, as the harbour is known, it is now time to set course to that harbour. Hence the theme of this document, which is “A course made good”, which is defined by the boat's actual course, taking into consideration all factors, including the speedometer reading, compass, current, waves, and so on¹. There is no need for a new strategy. In fact it is now time to go there, there where we want to be.

This document contains a range of notions and ideas that should bring the ESE at the level we feel it should be. We do not believe this can only be expressed in results like “We are the number 1 in research or in teaching”, as those measures are very much time-dependent and sensitive to measurement error. What we do want is to be the number 1 brand for economics, as it is perceived by our stakeholders. The main aspects of the vision of our School are summarized and coloured in Chapter 1. The next Chapter 2 characterizes the people who work at the ESE. The symbolic parallel with setting sails to a harbour is that this chapter outlines the crew members who adhere to the key values and insights of the ESE. These are the principles that shape our cooperation, and which are deemed relevant to stay on course. Chapter 3 comprises a range of activities that implement these principles and translate these to actual deeds. Chapter 4 is relatively concise on the financial paragraph, but it mainly tells us how we shall and will prepare ourselves for what can happen in the next few years. Chapter 5 concerns our fellow travellers at sea, who sometimes try to reach the same harbour as we do, sometimes have already settled there, or sometimes try to change our course (perhaps without being aware of it). Chapter 6 concludes with a few encouraging remarks. After that, there is a list of activities that are envisaged for the

¹ In Dutch this theme is translated as “Een behouden koers”, which means: “De richting waarin een schip zich werkelijk beweegt, als resultante van de gestuurde koers en de werking van wind en stroming”.

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next few years. This list concerns those activities that can only lead to a course made good if all ESE affiliates work together to achieve the targets. So, the boat is not sailing due to the plans made at the captain’s deck, no, it is the final outcome of the joint efforts made by all of us. Each member of ESE is expected to collaborate, as the overall outcome depends on the efforts of each one of us. If one is lagging, others have to wait. If one is running too far ahead, others have to hurry too much and their output quality might be affected. In sum, everybody should feel responsible for the course that is to be made good. Captains can be replaced quickly, but commonly appreciated standards at ESE cannot. And the main concept that we should all have in mind is “Quality first”.

And now, we leave the captain’s deck and give the details of the projected course. New updates will be given when needed. Each year this document will be updated, and also each year (around spring time) presentations at departments will be given. Thanks for being affiliated with the ESE. It is now time to go to work.

August 6 2008

Philip Hans Franses.
Dean, Erasmus School of Economics
Prologue

Strategic decisions made for 2004-2008

The strategic decisions that were laid out in the document “Winnen door Kiezen” (2004-2008) continue to hold for the years to come. There, the mission of the ESE is written\(^2\) as

“The Erasmus School of Economics is an internationally renowned institute that contributes scientific knowledge to future economic issues and aims to answer currently relevant issues of concern to government and firms. The focus of the ESE is on the creation, the dissemination and the application of scientific knowledge, all from an economic perspective. The ESE relies on the most recent insights in the discipline. It collaborates with international scientific partners, and it has local footings in business issues relevant to the unique position that the city of Rotterdam has as a hub of transport and industry. The ESE ensures working conditions that permit innovative scientific progress and it puts the academic education at the center of its activities.”

This vision statement is then translated into a few mission statements\(^3\), which are

I the ESE enforces a common set of norms and values and it values leadership;
II the ESE has a sound financial basis;
III the ESE obeys a clear economic focus and confines itself to a few scientific areas;
IV the teaching programs of the ESE show excellence from 2007/2008 onwards;
V the research programs of the ESE belong to the top programs in their area;
VI second and third stream activities belong to the core activities of the ESE;
VII each academic member of ESE entangles academic research with teaching
VIII the administrative organization of the ESE is effective and efficient.

This document outlines how this vision and these mission statements can be further implemented in the year 2009-2014. As time proceeds, new insights may lead to new ideas on the implementation, so therefore this is edition 2008.

\(^2\) Winnen door Kiezen, page 39.

\(^3\) Winnen door Kiezen, pages 39-43.
Chapter 1: Coloring Vision

The Erasmus School of Economics started in 1913 and we will thus celebrate its first centennial in 2013. It so happens that the Erasmus University Rotterdam by then also celebrates its first 100 years, but it all started back then with the ESE. In the inter-bellum years, the ESE was the leading center for academic research and teaching in economics. This leading role lasted until the late seventies of the previous century, but by then competitive programs were initiated at other Dutch universities. Competition is good, also for the ESE, but the eighties marked an enormous increase of the numbers of first-year students, and this had serious consequences for quality. In fact, for a long time novice students could better start elsewhere, as the Rotterdam program involved massive amounts of students, who did not know who their fellow students were, and often had no idea who their lecturers and professors were either.

Those unfortunate days are over now, and the time seems right to rethink our position. The best bet is to strive for the earlier leading position that we once had. Note that this does not mean that the ESE should excel in all ratings every year and in every dimension. Instead, even in the earlier years, one could follow economics programs in various cities and at differing levels. The key issue of those years was that even though economics was taught everywhere, it was widely felt that the only place that really mattered was Rotterdam. Students of the seventies who now meet just mention that they studied Economics, and when there is no adverb, it means it was in Rotterdam.

In sum, the vision that underlies everything in this document is that the Erasmus School of Economics is the natural choice (where else?) for everyone to study economics in a broad sense, for academics to make progress in relevant and challenging research, for alumni to meet and greet, and for government and firms to seek reliable advice. In brief, the ESE is the main brand.

At the time of writing, the ESE holds the number 1 position in the ESB Top 40 (people) and Top 10 (institutes). This ranking is mainly due to the scientific output of academics in marketing, health economics and econometrics, the three areas in which the ESE currently excels and also plans to excel in the future. These three topics already support part of the brand value. Similar support is received from the well-known and appreciated seminars (“werkcolleges”) that the ESE carries for already a long time. Interestingly, the format of these seminars has not (yet) been copied by other schools. Still, for a full brand support, there is a need for a coherent view on
whom we are and where we want to go to. An introspective look at what economics basically is seems relevant.

**Economics deals with the Quality of Life**

Economics is sometimes viewed as the dismal science, that is, irrelevant problems are seemingly solved using over-the-top mathematical methods, and little connection with day-to-day human life is felt, at least by those around us. Interestingly, this was not the case in the 50ties and 60ties of the previous century where economists like Tinbergen had a strong drive to contribute in a positive way to society. For the ESE it is now time to realize that the course we sail shall be a clever one, one which arouses sympathy and interest of people around us, and also one which helps us to adhere to the vision described above.

We believe that economics relates to the quality of life, not necessarily limited to human life. It seeks to answer questions that are enticed by the fact that we all live on the same planet, that there are limited resources, that there are institutions and agreements, that there are ways to make our lives comfortable, that we have to take care of others and not just ourselves, and that there are incentives needed to make us all do this. This means that economics is not about making money the fastest way, as that could just mean destroying valuable items.\(^4\) Economics is a discipline that deals with the key aspects of life and these seem to be (i) the human environment, (ii) health, (iii) creativity (iv) risk, and (v) responsibility, while these are not ordered in terms of relevance. Of course, the key drivers for people to act as an economist are usually driven by scarcity or by incentives, but these, like businesses and governments, are only instrumental to the five key aspects. These five aspects are all dealt with (each issue to a more or lesser extent) in the current research programs of the ESE which are governed by the graduate schools ERIM and TI. For example, Accounting deals with responsibility and risk, while Urban Management deals with health and environment, at least in the ESE. So, the five aspects do not amount new research programs, they just sketch what we feel at ESE what economics is all about.

**Human environment**

\(^4\) Think of the joke about the guy with two Chinese vases who enters an antique shop and asks the shopkeeper: “What value do these vases have?” The shopkeeper answers that if there would be only one such vase, well, then that last and single vase would be unique and worth a lot of money. In a reflex, the guy then drops one of the vases.
As the Erasmus School of Economics is located in Rotterdam, a vibrant metropolitan city with cultural diversity and a huge harbor, the five mentioned aspects get shaped towards more refined aspects that are relevant to us. When we think of our environment, we think of the harbor with its logistics and transport. Present-day city dwellers have traveled around, and like Erasmus they would claim that “the world is my home”, but still they decided to live in a large city with an even bigger metropolitan area. Harbors typically harbor people from all over the world, and also in Rotterdam there are more than 150 nationalities to be found. Such a cultural diversity brings energy to a city, but on the other hand strong urbanization might lead to tension and reflects on our safety. Economists can help to make better decisions on how to arrange life in urban areas such that all people in these areas and their future generations have a higher quality of life.

**Health**

Life in a metropolitan area, but also life in general, brings along issues concerning human health. We seem to get older and older, but not necessarily healthier at that age, so there are reasons to rethink our pension and insurance plans. Results from the so-called Generation R project, where we can learn from large panels of individuals how diseases spread and how valuable human life can be, can help us to optimally allocate resources throughout a life time. Current life cycles with seemingly fixed stages like adolescence, young families, and retirement may need to be rethought, also to establish equal opportunities across genders and age. Health can be addressed from the individual point of view, but markets also involve doctors, pharmaceutical companies and plans for insurance.

**Creativity**

One of fundamental achievements of western countries is that thinking is free, and in many cases, creativity leads to new solutions to seemingly irresolvable problems. Facing scarcity in general means that we have to be creative, and this concerns natural resources, health but also consumer products. Not all new products are needed, while other creative solutions still need to find their way to general acceptance. Marketing skills are needed and also an understanding of what it is that individuals really want. Current life styles may need to be modified, communication is important, and economists should be involved in this process. Like chess players, economists are
able to look beyond the current move and can think in terms of scenarios relevant to future generations.

**Risk**

The capability to work with “What if” scenarios seems unique to humans and economists in particular have the proper skills to do so. We acknowledge that there is much randomness around us, and many things that happen may have no particular reason. To discern the unlikely events from the purposely created events is an important skill when we have to deal with a possibly changing climate, potential stock market crashes and worldwide linked economies. Economists know how to capture descriptions of risk in more formal models. Forecasts and economic policy are intertwined and the subsequent behavior of individuals should be thoroughly understood. Risk involves decision making, and decisions create new risk.

**Responsibility**

A fifth key issue relevant to economists is our responsibility to each other in the same city, each other in the same market, and each other on the same planet. When we win, someone else might lose, and it is important to know to what extent. Sometimes we have to do something without getting anything in return like charity, but in other cases our return is public appreciation. Firms have to be run according to ethic and legal guidelines, and governance should be diligent. Again, economists know how to work with scenarios, and this allows us to examine consequences of current behavior on other people, countries, future generations and the planet as a whole.

In summary, economics deals with key aspects of human life, and due to their skills economists can help to improve its quality. Thinking in terms of scenarios, in terms of consequences of own behavior on others, in terms of incentives to do the proper things, and in terms of dealing with scarcity, it is that what makes economists key players in every day life. The Erasmus School of Economics adheres to these thoughts and challenges academics to study associated topics and students to obtain the required skills.
Chapter 2: The crew

A ship does not sail its course just by itself, it needs people to do that. The same holds for the Erasmus School of Economics, and in this Chapter we introduce the crew members. To meet the vision in the previous Chapter, various individuals need to be and need to feel involved. In this Chapter we discuss the qualities and involvement of these individuals and we subsequently cover students, academics, government and firms and our alumni. Key qualities of the crew members concern team work, fair play and a 100% integrity. What the ESE itself will do to facilitate the crew will be discussed in the next Chapter.

Students

Like the city in which it is located, the ESE harbors students from all over the world. Of course, many prospective students will be found in the Rotterdam metropolitan area, where gender and age do not matter. The ESE has programs explicitly designed for students from abroad, for students who have already made a career, for students from a Rotterdam university (HBO), and so on. The ESE aims to make students feel at home in Rotterdam and mainly in the Woudestein campus. Its goal is to create a platform for students such that their studies at the ESE mark the start of inspiring careers. The ESE recognizes that the first day at school for the students means “the first day of the rest of their lives”. That is, a student already feels and acts like an alumnus from the very first day.

To appreciate such a start, it is important that prospective students are pretty certain that they want to study economics or one of the other programs at the ESE. Students shall be made aware of the fact that they will be challenged, that their studies will take time, that they are supposed to be self-conscious, and that economics is a hard to master discipline. It requires qualitative and quantitative skills, and it requires insights into what human beings do and why they do so. So, before a student starts at ESE, he or she should be convinced to have made the right choice. Early registration is therefore encouraged.

Studying at the ESE marks a student’s every day life. Of course, ESE encourages students to take internships at companies and government here and abroad, and ESE encourages students to lead an active student life, but besides that, ESE has high expectations on the involvement of the students with the academic and social programs. Students at ESE are well organized, well
behaved, and well motivated. In a sense, ESE inspires good citizenship, which is beneficial to what economists are supposed to do once they have their ESE degree.

The ESE acknowledges that students are best met at an individual level, even though first-year enrolment is large. When students have consciously decided that economics is what they want to do, the ESE meets their demands and qualities at that individual level. Students who need additional support and supervision can acquire this, and students who show brilliance will be challenged in honours classes. The ESE has an intensive monitoring system that looks for those who need more help at one end, and that scouts for future PhD students at the other end. All this is of course based on the free will of the students. Students from for example Rotterdam universities (“HBO”) are warmly welcomed when they adhere to the running academic standards.

Staff of ESE

The academic staff that is affiliated with the Erasmus School of Economics meets the highest individual standards. This entails that the academics regularly publish their research outcomes in leading international journals, and that each of them is an expert in one or, preferably, more sub-disciplines of economics. Additionally, the ESE academics adhere to the overall view that economics relates to the quality of life and this is reflected in joint research programs that cover the five component areas. An excellent example is a research program on the interface of health and marketing, concerning the links between doctors, patients and pharmaceutical companies. Hence, each academic has his or her specific qualities, but together they support cross-expertise cooperation. The academic staff addresses the most up-to-date knowledge in their teaching programs. Towards later stages of the educational program, academics seek to arouse the interest of students for academic careers. The ESE strongly favors the apprenticeship model (in Dutch: “meester-gezel”), which has been so successful for the Netherlands in earlier eras.

As economics concerns human life in general, and therefore is of interest to anyone, the academic staff seeks to clarify and convey their recent scientific insights to a wider audience. They give advice when being asked, and they give opinions, also when these were not asked. Some ESE academics belong to the thought leaders in their specific area, which is reflected by invitations to important conferences, by visitors who come to the Erasmus University Rotterdam only to work with them, or by larger-audience books that trigger nationwide or even international discussions.
The academic staff is supported by non-academic staff, which assists with administrative issues and with everything that makes the teaching program run smoothly. This non-academic part of the ESE is extremely important as it facilitates students and academics in their day-to-day activities. The quality of this staff should be excellent, they are supportive, are loyal to the ESE, and provide the atmosphere that makes the daily presence at the school a pleasure. The Dean and the Dean’s office are also part of the non-academic staff.

**Government and firms**

The academic staff of ESE and also the students, once they are involved in internships, seminars, and thesis work, are a reliable partner for government and firms when they seek advice. The city of Rotterdam hosts a wide range of small and exceptionally large firms, and also The Hague with all of its ministries is within close range. Even though professionals at these institutions may well have sound academic backgrounds, the most recent economic insights may be lacking. Staff and students are well known for the reliability and quality of their consulting. Additionally, teaching programs are offered for professionals to inform them about the latest insights.

In return, government and firms can actively participate in the ESE academic programs. They may offer internships for students, and deliver challenging cases for the seminars. In some cases they even support a full class with honors students. Student life outside the academic hours is also strongly powered by firms and government.

**Alumni**

The crew is completed by the alumni of the Erasmus School of Economics. Given the intensive and high-level academic program, and given the interaction with academics having challenged the students with the latest insights, and given the flourishing after-academic student life, the ESE students who graduate shall feel bondage with their alma mater. They acknowledge that much of their after-ESE achievements have been due to those first few years in Rotterdam. Not only at the individual level do alumni feel obliged, also with their team mates in those years they have become friends for life.

The ESE is very happy with their alumni and their active commitment to the school. The alumni organize various meetings per year, they support and power events for the present-day students, and they constitute an active network. Local chapters in various cities and countries
outside of Rotterdam and the Netherlands also meet on a regular basis. In return, The ESE invites alumni to join in prestigious meetings and conferences. Some privileged alumni are involved in helping to outline the ESE future plans and programs. ESE helps the alumni to get acquainted with the latest developments in academic research.

In summary, the crew consists of students, academic and non-academic staff, government and firms and alumni, and all four together help to keep ESE on course, a course made good. To facilitate the efforts of the crew members, the ESE should exercise various efforts too. These will be outlined in the next Chapter.
Chapter 3: Implementation

Now we have learned about where the ESE ship is sailing to, and also who are the crew members who should make this to happen, it is the right moment to take a look at the ship itself and also a closer look at the instruments at the captain’s deck. This Chapter deals with the instruments and tools that the board of ESE can implement to facilitate the crew members achieving what they want to achieve, while at the same time making sure that the course is made good.

Students

A recent analysis\(^5\) of the Elsevier’s rankings of the student evaluations of academic programs in The Netherlands has learned that the overall rating largely depends on the perceived teaching skills of the academic staff. Other factors as program design, the way we have examinations and computer facilities are also relevant, but the dominant feature is simply how good and dedicated the teachers are and how well we organize the interaction with the students.

At the ESE we have a bimestrial system, each of which covering around eight weeks. Within each period the students have a limited amount of courses, but each of these is at an intensive level. We strive to have experienced academic teachers (like full professors) to give the plenary lectures, while after that, more junior academics articulate the material in interactive smaller-scale seminars. These seminars are compulsory for the students, also because it is there where they acquire verbal and writing skills. Next to these, there are small-scale tutorials where exercises are the main issue. In case students cannot meet the standards, which particularly can happen in the first year bachelors due to a possible mismatch between high school and the ESE, the ESE offers opportunities for remedial teaching. Within mentor groups, students are monitored closely. The ESE takes student evaluation reports very seriously. Teaching staff is asked to follow additional teaching skills and training when evaluation reports indicate problems with the teaching quality and teachers who cannot meet the standard will eventually be replaced by other teachers.

Students are expected to be fully aware of the fact that they have made the right choice to come to the Erasmus School of Economics, and the same holds for the academic teaching staff.

For most teachers, the bimestrial system means that during the teaching periods there is little time for other activities like research. Teachers are then fully committed to teaching. They interact with the students, and they respond overnight to questions of the students, and they strive for an errorless administration. During such a bimestrial period, only students matter. The ESE closely monitors the quality of the lecturers. Yearly there are (monetary) awards for the best teachers, nominated by a jury consisting of students and the educational board. The money can be used for academic visits or conference attendance. All academic staff members can apply for support programs to improve teaching skills. When teachers are not doing well on a foreseen permanent basis, outplacement trajectories shall follow.

For the best students the ESE has special programs. These programs already start in the first year of the Bachelors program. The main intention of the special programs is to challenge the students by extending the horizon of a given program by offering classes on special topics and recent issues, and by giving more depth to their current program, for example, by offering (even) PhD-level classes to these undergraduate students. The best students are also invited to become research assistants of the ESE’s very best academics.

The courses follow the guidelines as documented in accreditation reports. Students will acquire skills and will also fully understand methodological aspects. All teaching material is renewed frequently, while incorporating the latest scientific insights concerning either academic progress or teaching methodology.

The ESE is located on the Woudestein campus of the Erasmus University Rotterdam. The influx for the Dutch-language undergraduate programs is mainly from the metropolitan area of Rotterdam, while the English-language programs welcome students from abroad and often even overseas. The PhD programs, hosted by the Tinbergen Institute (TI) and by the Erasmus Research Institute of Management (ERIM), are also populated by foreign students. Even though the ESE seeks to be a host to many students, the school also understands that there may be barriers (legal, financial) for some prospective foreign students. To meet these students, the ESE aims to start teaching programs in other countries, thereby opening international campuses in for example Asia, South America, and Africa. One possibility is to have double degrees delivered in various places around the world, where students follow exactly the same curriculum as in Rotterdam, with local or the ESE teaching staff, where the local staffs meet the high ESE standards, and for which these students come to Rotterdam for half a year of studies. This way, the ESE seeks to
scout talent for their own academic programs, seeks ways to establish intensive exchange programs with a limited number of specific universities and in some cases the ESE simply does this to support local academic development. An example of the first is the double degree program with the Moscow School of Economics, and an example of the last is the program with the Institute for Graduate Studies and Research of the Anton de Kom University in Paramaribo, Suriname.

Academics

The academic staff members have similar motivations as the students to get affiliated with the Erasmus School of Economics. At ESE they can do the research that they want to do, library and data facilities are abundant, good students can be hired as assistants, and nearby colleagues are the sparring partners for new ideas. So, academics feel that they have made the right choice. The ESE provides a stimulating working atmosphere, but it does not strive to be a full lifetime employer. The ESE supports that academics visit universities abroad to widen their perspectives. The ESE is proud to have hosted academics who found their ways to other universities in other countries, but who chose to start their careers in Rotterdam. If the right person cannot be found, a vacancy can persist as long as is needed. Academics support the vision of the school, and understand that next to a personal career, it is the affiliation with the ESE that makes all of us stronger, as an individual and as a team.

A typical academic career at the ESE starts with a PhD, to be completed at the TI, ERIM or any other high quality graduate school. Usually this PhD is obtained at an age below and close to 30. After that, one starts as an Assistant Professor, either on a full time basis or on a project-funded basis. During the maximum of six years that a young academic is an Assistant Professor, he or she aims to publish the chapters of the PhD thesis and various other papers in international journals and to get elected as a member of either TI or ERIM. As time proceeds, he or she also gets involved in teaching, and with the help of a teaching skills program and senior colleagues, the young academic develops teaching skills. After six years (or less if everything goes very well), the Assistant Professor can get promoted to the Associate Professor level, or he or she is helped with finding a position elsewhere. Long time before the end of that six-year period the candidate will be made aware of his or her chances.
An Associate Professor can get promoted quickly to a Special Professorship if he or she shows excellent performance (including the capability to acquire grants) and/or if the academic research area needs special support. After a while, each Associate Professor should be listed for a Full Professorship.

This tenure track model implies that each young academic that is hired by the ESE could attain the professorship level, at least in principle. This does not mean that each one will become a professor at the ESE. After six years it is either up towards Associate Professor, or proceeding with a career elsewhere. This supports the notion at the ESE that it is not aiming at providing life-long careers for academics, just for the sake of it. In fact, the ESE is proud to say that many Full Professors at various universities here and abroad started their careers in Rotterdam.

Exceptional performance will be rewarded with financial support for research projects. In some cases direct personal financial rewards will be given. Switching research time with teaching time, or vice versa, is not seen as one of the awarding instruments. In principle, and on average, all academics at the ESE have a 60% teaching and a 40% research affiliation. In cases where someone shows exceptional skills in either teaching or research (or perhaps management), it is possible that another division of duties can be negotiated with the department chair and dean.

An example of such an exceptional situation at the Full Professorship level concerns the Desiderius Erasmus Distinguished Chair of Economics (started January 2008). This professor has shown excellent skills in teaching, research and management, and is able to create a group around him or her, and is a thought leader in a specific area. Salary extras are to be negotiated with the dean, and also annual evaluation meetings are held by the dean. One of the duties of the distinguished chair can be to create an international ESE campus somewhere in the world. Also, the chair is instrumental to the dean when acquiring outside funding for the chair’s group specifically or for the ESE as a total.

As usual, academic researchers are free to study any economic topic they like. It is the quality of the output that counts, both in terms of international publications and of exposure in various media. The overarching view on economics can be viewed as helpful to acquire grants for academic research. National Science Foundation (NWO) grants are very beneficial to support young academics’ starts of careers. Experience tells us that more broad and quality-of-life focused projects are also more successful when acquiring European grants in Brussels. The ESE supports applications for grants.
**Government and firms**

The ESE aims to be the first to ask, when government and firms need reliable consultancy. Here, targets are difficult to set, but when the ESE is the first in the consideration set, our overall goal is met. To establish this outcome, three main activities have been or will be developed.

The first is the creation of a website (www.economieopinie.nl) where members of the ESE give their opinions on actual economic events or on longer lasting debates that now and then attract attention. The articles are written in an opinion letter format, are well written and the main statements are well articulated. The leading tag is that “Everyone has an opinion, but defendable opinions are a rarity. We in Rotterdam know how the economy works. We write about it, in plain language”. It is the purpose of this website that various stakeholders can see and read what we do at the ESE, the kind of research that we do, and that they can appreciate its direct relevance.

The ESE will establish a board of advisors, who in a more informal setting suggest future directions for teaching and research. The members of this board can be alumni of our school, but not necessarily so. The ESE wants to re-address their teaching programs, in particular at the Masters’ level and regarding executive courses, towards what is seen as important new developments. Of course, individual Master program leaders can do that too, but a reflection but more outside experts is important.

The major activity in the next few years is to allocate a range of Diamond and Pearl Sponsorships, including Sponsored Honours Classes. Government and firms can pay tribute to the ESE, and acknowledge the fact that future generations of employees start their careers in Rotterdam. Such a sponsorship gives an institute or company unique and privileged access to the relevant students via seminars, thesis projects and honours classes, for example. At the same time these sponsors can share their outings with ours and use ESE brochures as vehicles for commercial messages. ESE allows only a few such Sponsors to ensure exclusivity. The sponsors pay a lump sum fee per year, with which the ESE can recruit new faculty, start up new teaching programs, and can arrange academic meetings of the highest standards. An alternative way to pay tribute to the ESE is that organizations initiate the creation of special chairs, with often a focus on the issues concerning these founders. These chairs are very much welcomed by the ESE, although the school will always be in the lead when specific nominations are at stake.
Alumni

A few years later than its inception in 1913, the ESE had its first alumni. In those years there was only one school of economics in the Netherlands, and this lasted for quite a while. Even when there were more universities offering economics programs, the alumni of the ESE greeted each other just by saying that they studied economics, and then everybody would know where that would have been. With the numerous first year students in the seventies and eighties the ESE lost its glamour to alumni. Having thoroughly restructured the school in 2003-2005, with a monodisciplinary focus on economics and as result much higher overall quality, it is now the time to revive the alumni networks and activities.

A first and seemingly trivial issue is to have a look at our current students and wonder how they would feel as alumni later in their careers. What is it these days, during their studies at this very right moment that could make them loyal and motivated alumni? The ESE will spend efforts in eliciting what are the drivers of becoming loyal alumni forever after, and how can the ESE currently enhance such drivers. One of the main efforts is to connect the alumni networks with students’ networks and to have them organize joint meetings. It is good for current students to meet members of earlier ESE generations to learn about what being an alumnus means and to prepare for being such a one themselves later on.

The “1000 friends” initiative is a primer on the above efforts, as it joins alumni who really want to do something for their “old” school. The start and first growth stage of this network of alumni is actively monitored and supported, and the first meetings have been announced. A side-benefit of this network is that they also financially support the ESE, by which the school can seek for excellent young talent for new to create professorships.

A final activity concerns the active recruitment of chairs affiliated with a specific sponsor, a phenomenon that is much more common to US universities than it is to those in the Netherlands. One could imagine that some of our alumni feel that they have made their careers partly or perhaps mainly because they started it in Rotterdam at the ESE. Plans are to have gentle approaches to those alumni and to see if they would be interested in more directly supporting the ESE through scholarships for foreign PhD students, named chairs, travel grants for young

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6 Strictly speaking, today there is again only one School of Economics (and this is ours), as in all universities the Business Schools have merged with the Economics Schools. At Erasmus University Rotterdam there shall be no such a merging.
academics, conference sponsoring and the like. Activities in this area together with the EUR Holding have been started.

**Diversity**

Approximately 3 of the 10 undergraduate students in the ESE is female, and also approximately 3 out of 10 are female in our PhD programs, but this ratio drops dramatically if we look at junior and senior academic staff. The ESE aims at stimulating female PhD students to pursue a career at ESE, and seeks ways to facilitate this. At the same time, the ESE has initiated the Mature Talent program, which for vintage 2007 concerns 4 new female academics and for the vintage 2008 3 new female academics (within the age category 35-45), who aim to complete a PhD within 2 years, and after that enter an Assistant Professor program, ending with a promotion to an Associate Professorship after another 3 years. In the years to come more enrollment of Mature Talents are envisioned.

Diversity at another level is attained by having foreign students in the ESE International Bachelors program and stimulating the better and motivated ones to also enter one of our PhD programs. At the local level, the ESE tries to arouse the interest for academic careers of students whose parents originate from Turkey, Morocco, Suriname, and the Dutch Antilles. All too often it happens that these students have excellent track records during the bachelors and masters programs, but then suddenly disappear out of sight. The ESE seeks to recruit role models who can confront these students with the consequences of various choices.

Finally, to meet modern standards in communication, the ESE will slowly but surely switch from Dutch to English. Various issues will be communicated in both these two languages, but other outings can quickly change toward English only. Also the current document will not be translated in Dutch, this is the only version. Even though English is the lingua franca these days, we also want to stress that the best thing a foreign academic can do is to learn Dutch.

This chapter summarized the activities the ESE will pursue in the current year and in the years to come (although updates of this document will appear each time in spring in future years), in order to meet the strategy outlined in “Winnen door Kiezen” and the vision statements summarized in Chapter 1. The implementation of these activities has to be carried out partly by the Dean’s office but to a large extent by all the members of the ESE. This may be quite demanding for some of us,
and it may stretch the loyalty the members feel towards their school. To alleviate our efforts, there will be ample opportunities for more informal meetings (CHIO, Christmas drinks, alumni meetings, and various other such mixers) and the Dean’s office is more than keen on arranging these.
Chapter 4: Financials

This concise chapter deals with the financials of our school. One of the key premises is of course that ESE is in financially healthy situation, where there should always be room to do something special or useful, even if it was not planned. The total annual budget of ESE in 2008 is around 40M euros, where the distribution across “money streams” is 40% (16M, primary teaching and research), 2% (0.8M, NWO, KNAW Brussels), 58% (23.2 M, companies, BVs, and consulting), and 0% (legacies, grants). Most expenses of the ESE concern salaries and to a lesser extent material matters.

In the years to come a few changes in this distribution can be expected. The 16M of the Minister is not a fixed number. Plans are to include masters programs in new graduate schools, and the decision to switch from direct research funding towards NWO has already been made. The ESE has to prepare itself for a decrease of this first-hand money from a 16M to 15M in say 2014, also as our student enrollment may get smaller.

Due to the switch towards the NWO, the ESE needs to put much more effort in trying to increase the grants from government-representing institutions. We are reasonably successful with obtaining the Veni, Vidi and Vici grants, but more such grants will be needed. The graduate schools ERIM and TI should be instrumental to attain this increase. It seems wise to say that we should aim to move upwards to a 3M in 2014. It is believed that with a sharper focus on the five topical areas in Chapter 1, we should be more successful at acquiring such grants. The third money stream should increase with a healthy growth rate of around 5% per year to arrive at 30M in 2014. Finally, the focus of the ESE should also be on the sponsors from alumni and friends. Now it is just 0 euro, but is must be possible to change that into a 2M in 2014. Admittedly, this increase is large and risky. Together, this makes the distribution across the four types of income 30%, 6%, 60% and 4% in 2014.
Chapter 5: The Factors

A course made good meets factors that can enhance the course or try to change the course. The first set of factors is pleasant and is a source of inspiration, the second set is not. Without assigning any of the factors below to either one of the two sets, in this chapter we summarize the factors that we need to take into account while sailing towards our goal. As always, whatever factor is concerned, the ESE principle is that own quality prevails. The ESE is very cooperative, but it seeks collaboration only if own members or programs that are already good become even better. Also, the ESE aims to deliver the highest quality where we stick to our mono-disciplinary focus on economics. If a firm wants to create a chair and we do not have the best possible candidate for the job or if it is outside our focus, we politely decline the offer. We will not accept lower quality than by our own set standards.

Partners of the ESE in the PhD programs are the Rotterdam School of Management with ERIM and the University of Amsterdam and Free University Amsterdam with TI and the Duisenberg School of Finance. On campus, we have joint undergraduate programs with iBMG, IHS and the Law School. In the future we will foresee closer connections with the Institute of Social Studies in The Hague.

Our colleagues abroad that inspire us are the University of Chicago and the University of Pennsylvania, as they both have separate but powerful business schools and schools of economics. The Wharton School by excellence serves as an example of how team-play, identity and quality go hand in hand. Slightly closer by, the London School of Economics and the London Business School offer us much to learn, and also the National University of Singapore with its diversity, enormous size while preserving high quality is an example.

When the Erasmus School of Economics is included in the consideration set of students and academics where the institutes in the paragraph above are already included, we could safely state that our mission has been completed.
Chapter 6: Conclusion

Our mission is of course not yet completed. The harbor we know where we go to is indicated on
the map, but it is not yet within sight. There are many things that need to be done, and each year a
fresh look will be given on the planned course, the condition of the crew members, the factors
that have an effect on the course, and each year changes in implementation can be effectuated.

In the next few years the ESE will work on becoming an open-minded, broadly interested
but focused, academic institute. The ESE shall become a number one brand, without having to
top the charts each year in whichever dimension, although it would be nice of course. Students
should feel at home at the ESE, and all people should feel treated well and with respect. Again,
the ESE does not seek to provide jobs for life, and in fact it sees merit in seeing their alumni or
former colleagues enter the world. Erasmus already adhered to this view by stating that the
“world is my home”, and we believe it could never have been put any better.

In 2013 we will celebrate having completed our first centennial. In 2014 we enter our
second one.
List of actions 2008-2010

The key activities in the implementation of the strategy in order to have the course made good are:

1. Bimestrial education system, with continuous monitoring, evaluation and where deemed needed activities for improvement
2. Implementation of tenure track for new to hire academic staff
3. Monitoring quality of output and teaching of current academic staff (teaching in English, acquiring membership of ERIM or TI)
4. Personalized career tracks for current staff, either in ESE or outside of ESE
5. Further development of diversity programs (also focus on ethnic minorities)
6. Valorisation of knowledge, also through extending www.economieopinie.nl
7. Improving internal and external communication
8. Master classes to learn from experienced colleagues (teaching and research)
9. Opening one or two international campuses
10. Simplifying administration concerning international visitors
11. Helpdesk for acquiring 2nd and 3rd money streams
12. Acquiring Diamond and Pearl Sponsorships (including Sponsored Honours Classes)
13. Improving quality of management information systems (publications, evaluations)
14. Board of advisors for future research and teaching agenda
15. A start with 4th money stream projects.
16. Extending “1000 friends” program
17. Development of career tracks for non-academic staff
18. Periodic introspections to see if the course is made good at acceptable speed
19. Inspiring programs for alumni
20. Development of two-year master programs (with tuition fees)
21. Initiate two more programs like the Duisenberg School of Finance
22. Further development of the Erasmus Academy
23. Celebrating what there is to celebrate!
Epilogue (August 2008)

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