

## HISTORICAL MISTAKES RECTIFIED

The first of September 2000 saw the launch of a full degree programme in economics in Utrecht. In my speech of the thirtieth of August 1999, here in the Dom Church, on the occasion of the opening of the 1999-2000 academic year, I spoke about the protracted gestation period and the lengthy preparation process needed for establishing a full economics degree programme at Utrecht and pointed out the necessity and the desirability of doing so. In my short speech today I will repeat some of these points and give more specific background information that – after more than five years – is not so sensitive or confidential anymore.

In order to establish a full degree programme in economics, we needed to gain support, co-operation and/or even approval from the national government and from departments and people within Utrecht University.

We needed the government's approval to include the programme in the CROHO, the Central Register of Higher Education Programmes. The road to this approval was long and full of obstacles. Government policy ensures the macroefficiency of degree provision in order to avoid a proliferation of degrees.

Therefore, a full economics degree programme at Utrecht was a thorny issue: there were already six full degree programmes in the Netherlands: Groningen, Rotterdam, two in Amsterdam, Tilburg and Maastricht. We expected that the national government would not fully support the idea of a seventh full economics degree programme! And our sister institutions with a faculty of economics were not likely to be too happy either! After all, the battle for students has been going on for years.

But we were lucky. The government was keen to reshape the overall university-level provision in the Netherlands and even keener to rationalise provision. Under the *Government Higher Education and Scientific Research Plan* (Hoop-96), the minister and the universities agreed to simplify provision and to enhance its transparency. Their main task was to reduce the number of degree programmes in order to create greater clarity for prospective students and their parents, and for employers.

The Association of Universities in the Netherlands, the VSNU, took it upon itself to develop proposals for this reshaping process. It appointed a committee: the 'Simplification and Clarification of University-Level Provision 1996' committee. The president of Utrecht University became the chairman. Utrecht had some special stakes in the process, the most prominent of which was economics.

From the early 90's Utrecht had four partial programmes in economics. These programmes were not classified in the economics sector of the CROHO register, except

for one partial programme: ‘International economics and economic geography’, which was included by accident or on purpose, that remains a mystery to this very day. But the creators of this programme deserve praise.

The composition of the committee reflected the importance of the issue: the other universities, especially the younger ones, deployed heavyweight representatives. The committee meetings and the drafting process went as expected: in the successive drafts, the other universities, notably Tilburg and Maastricht, moved the Utrecht-based partial programme from the economics sector to the social sciences sector, division human geography. Utrecht, referring to vested rights, moved it back to its original classification. In this process, my role as chairperson offered me strong strategic advantages. The classification of the partial economics programme of Utrecht – economics or social sciences sector – was ping-ponged back and forth in the various drafts at least four or five times.

The committee’s definitive document of 1997 recommended that the total number of degree programmes should be halved: from 272 to 131. The four partial Utrecht programmes were to be clustered into one full degree programme, and classified in the ... economics sector! And this is how the partial programmes became a single, full degree programme. The ministry was left with little choice but to adopt the proposals in their entirety. It was extremely pleased that the number of degree programmes was to be halved and it did not want to jeopardize this feat by taking issue with some of the other recommendations. So, the CROHO was adjusted, and Utrecht University had a full economics degree programme.<sup>1</sup>

We also had to muster support within the university. Of the general, classical universities only Utrecht (and Leiden) *had never combined* the well-respected political economy programme – in their law faculties! – with business economics in a single, full economics degree. *The reasons* have become the subject of ongoing historical research. In my speech of the thirtieth of August 1999 I ventured one or two hypotheses myself, in my capacity as pseudo-historian. I summarise them below.

In 1997, the deans and the board of the university commissioned a programme board to formulate proposals to start an economic programme. The proposal development process was ponderous. Understandably, there were serious doubts, especially among the providers of the more established, successful partial programmes: the Law Faculty, with its long-standing, well-established political economy programme, and Human Geography, which ran a good quality programme that had had a hugely positive impact on the faculty’s enrolment rates for years. And all these successes were achieved by committed, hard working staff, who had thus firmly secured their positions. All these doubts were very understandable indeed.

For this reason the board of the university engaged in intensive discussions with the programme board, which consisted of four deans. It is undeniably true that the board of the university exerted great pressure. In fact, the plans were pushed through, especially after the issue had come up of a recognised economics programme that was

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1 Utrecht also got Public Administration Science – Bestuurskunde – and Communication and Information Sciences.

to be included in the CROHO. A unique opportunity. The board of the university is greatly indebted to the four deans who were involved in this process, and to its central administration staff, in particular Erwin Vermeulen and Eline den Boer. And also to the many employees that gave their loyal support during this lengthy process.

Economics in Utrecht. A programme we needed. A programme we wanted. For at least four, partially interdependent reasons.

1. Economics is a fully-fledged academic discipline.

In the 19th century, *handelswetenschappen*, commercial science, was not considered an academic subject. This was a mistake. When *handelswetenschappen* emancipated into business economics, separate academic institutions were established in which the subject was studied. But there was as yet no university that offered this course of study: the class-based attitudes that prevailed in the 19th and 20th centuries resisted this. Another mistake. And this is why in 1913 the *Nederlandse Handelshogeschool* was set up in Rotterdam, and why in 1927 a Roman Catholic *Handelshogeschool* was established in Tilburg.

But progressive universities soon followed suit: the municipal University of Amsterdam (1922), and after World War II Groningen and the *Vrije Universiteit* in Amsterdam (both of them in 1948). Utrecht and Leiden did not: too conservative, too aristocratic? Perhaps, but it was another mistake. The new university in Maastricht (1976) also established a faculty of economics. So wasn't it time, high time, Utrecht University set up an economics programme? After more than a century of mistakes, especially here in Utrecht, we finally corrected this particular mistake in 2000.

2. Economics is a respectable academic discipline.

Economics is also an essential discipline, especially for a general, classical university, because of the discipline itself and because of its relation to other disciplines. Utrecht is a broad-based university that offers a wide array of programmes in humanities, natural sciences, life sciences (biomedical sciences), behavioural, and social sciences. Economics is particularly essential for the Social Sciences Cluster. Therefore economics belongs in Utrecht.

3. The influence of the practical application of economics has expanded considerably.

In the last century, the science of economics has had a great impact on our affluence and our well-being, and thus on the quality of our society. In 1969, a Nobel Prize for Economics was established, and deservedly so. One of the two first laureates was a Dutchman: Jan Tinbergen, who graduated in physics from Leiden. Tjalling Koopmans, who also completed a physics degree here in Utrecht, received the Nobel Prize for Economics in 1975.

4. Over the past decades, economists and economics graduates have entered the industry sector as well as the public sector. Increasingly they are taking over administrative and policy-making positions as well. Traditionally, in the Netherlands, these positions were held almost exclusively by law graduates – a phenomenon that has to do with the

class structure of society and with the nature of the law degree programme. It is important for a university to have graduates hold these prominent, indeed powerful positions. It brings respect and prestige to a university and serves as an 'insurance policy' in difficult times. You may call this a narrow-minded, defensive or even plain opportunistic viewpoint, but we should be realistic and acknowledge that this is indeed important for a university.

So there are plenty of reasons for us to be happy and proud today. And grateful!

Grateful to all the pioneers, the ones I mentioned and the ones I did not, for their efforts through to the year 2000, particularly where they were able to put aside their own interests. Grateful to those people who since 2000 have put in a lot of time and work under the leadership of the energetic Dean Peter de Gijzel and his pioneering staff.

Grateful to all those people willing to come to Utrecht to embark on the educational adventure that is called the Utrecht School of Economics. Grateful to everyone for their hard work and dedication to the task of securing a respectable place for the school within the university and of finding the right niche in the market.

Ladies and gentlemen, the Utrecht School of Economics offers a good-quality, innovative programme. It has already been ranked third in the country by the Elsevier magazine in its October issue. There are competent staff, five of whom are newly-appointed professors. This week, they will deliver their inaugural lectures.

Thanks, many thanks. And I wish you every success and an enriching experience.

Multidisciplinary Economics

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