

**THE ECONOMICS DEPARTMENT OF  
UNIVERSIDAD CARLOS III:  
SITUATION AND PERSPECTIVES**

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## I. INTRODUCTION

In this document, we pose the following three questions.

1. What is the situation of the Economics Department of Universidad Carlos III in the international scientific environment?

2. Given the success attained, which will be documented below, what are the factors that have made it possible for Universidad Carlos III to occupy such an outstanding place in the international realm and within such a short period of time from its founding in 1990-91?

3. How solid is this project? What are the possibilities of maintaining the benchmarks reached, or of taking advantage of the opportunities to decisively influence the future of European and world-wide research in at least some specific areas?

The answers to these questions may be summarized in the following way:

1. Together with UPF (*Universidad Pompeu Fabra*) and the duo formed by UAB (*Universidad Autónoma de Barcelona*) with the IAE (*Instituto de Análisis Económico*), our own UCIII (*Universidad Carlos III*) heads the rankings of the Spanish Economics centers by gross volume of publications as well as by contribution to the best generalist journals in the international realm. The relative ranking of those three centers of excellence depends on the method followed for weighting and selecting the journals on which the ranking in question is based. Using two methodologies that take into account a sufficient number of journals so as to do justice to the variety of interests of the members of our Department, it is concluded that (i) UCIII is currently in 9<sup>th</sup> place in Europe and between 46<sup>th</sup> and 52<sup>nd</sup> in the world, and (ii) with regards to the areas of specialization in relation to Europe (and the world), it occupies 2<sup>nd</sup> place (10<sup>th</sup>) in Econometrics; 8<sup>th</sup> place (33<sup>rd</sup>) in Public Economics; 8<sup>th</sup> (50<sup>th</sup>) in Industrial Organization; 10<sup>th</sup> (41<sup>st</sup>) in Microeconomic Theory; 13<sup>th</sup> (50<sup>th</sup>) in Labor Economics and other similar areas, and 28<sup>th</sup> (90<sup>th</sup>) in Macroeconomics.

2. Among the factors that explain this situation, the following four can be highlighted: (i) recruitment and promotion procedures; (ii) creation of tools supporting research, where the International Doctorate Program stands out; (iii) complementary remuneration systems of civil servant salaries, and (iv) certain characteristics of Universidad Carlos III that have facilitated the unique development of its Economics Department in a favorable international context.

Driven by those factors, the number of professors in the Department has gone from 12 to 57 within 15 years. One of the most pronounced features of this group is its

international nature: 74% of doctoral degrees are earned in centers outside of Spain and 35% of the professors are foreign-born.

3. Looking towards the future, a few areas of concern must be noted: (i) The current structuring of salary carries with it a variety of problems. The average salary is low, which predisposes the most mobile of among the best to leave the Department. Thus, 20% of the PhD holders who come to the Department subsequently leave it to take better paying positions with comparable or better academic characteristics. In addition, the low average salaries restrict the additional remuneration that might be offered to quality researchers from other centers of the world in comparison to what quality researchers with a current contract in the Department earn. Finally, though based on researchers' merits, the existing financial remunerations that complement the civil servant salary provide limited incentives for maximizing quality scientific production. (ii) The Department lacks internationally renowned personnel at the height of their career. (iii) Part of the results obtained is due to a favorable international state of affairs. When other European countries reform their university systems and pay greater attention to research, it will be difficult to maintain the attraction that the most outstanding Spanish centers now hold.

The rest of this document is organized in three sections and two appendices. The first section is focused on the Department's attainments in the international context. The second one examines the reasons for the success achieved. The third is a review of its human resource evolution in which some negative aspects that weigh on the future are critically discussed. Appendix I contains the system of weightings of academic journals which the Department uses, while Appendix II lists the advancement guidelines for achieving tenured Assistant and Full Professorship.

## II. ATTAINMENTS

### II. 1. Some methodological aspects

We must bear in mind that research is only a part of academic activity, which also includes teaching, management, advising, etc. In any case, research is manifested by scientific publications, directing doctoral theses, carrying out research projects, evaluating third party research, editing scientific publications, etc. The results of that work are disseminated in many ways, but in economics, as in other sciences, only articles published in specialized journals pass through a rigorous process of anonymous peer evaluation, that constitutes the essence of quality control in any scientific discipline. The entirety of the work on the international ranking of research centers that will be used later refers to that type of publication.

Two types of evaluations of research production exist: the ones that refer solely to the volume of published articles during a certain period of time, and the ones that take into account in different ways the differences in quality of specialized journals in which those articles are published. The methods of the first type are based on one of the two large existing data bases: (i) the SSCI (Social Science Citation Index) of the ISI (Institute of Scientific Information), whose “Economics” area contains some 170 journals, primarily in English, and (ii) the *EconLit* of the AEA (American Economic Association), which contains some 650 journals that include a part of the local journals in languages other than English. The existing methodologies for weighting journals in view of their quality combine objective information in a variety of ways, which consists of the citations that the journals receive, and the subjective information that the experts provide.

### II. 2. Spanish centers in the international context

In order to describe the Spanish case with regards to the volume of publications, it is best to cite the opinion found in the European Commission (2004, Chapter III, p. 37): *“Spain is one of the major producers of scientific publications on economics. Between 1991 and 2001 it increased its representation in the ISI databases from .4% to 2.7%, obtaining the greatest annual growth rate (20.3%) of all the European countries. EconLit also shows impressive increases: between 1991 and 1999, Spain’s publications increased from 80 to 400, which represents a medium annual increase of 23.4%. The percentage of Spain’s contribution grew to 11.5%, the highest rate among European countries.”* Thus, at the end of the 20<sup>th</sup> century Spain is situated in fifth or sixth place in Europe by volume of publications according to *EconLit* or the ISI, respectively. Taking the

United States, Canada and Israel into consideration, this means eighth or ninth place in the world.

Relative to other sciences, the electronic publication *Essential Science Indicators* refers to Economics together with other 20 disciplines. In a recent report<sup>1</sup>, 124,097 published scientific articles were found between 2001 and 2005 with at least one author working in a Spanish center, which represents 3.18% of the world total. The percentage of Economics and Business articles is 3.27%, very close to the national average of all of the sciences, which places our discipline in ninth place within Spain. Therefore, eight disciplines are ahead – Space Sciences, Agrarian Sciences, Mathematics, Microbiology, Chemistry, Animal and Plant Biology, Ecology and Environmental Sciences, and Physics –and the remaining 12 behind– Biology and Biochemistry, Pharmacology, Material Sciences, Neurosciences and Behavioral Sciences, Molecular Biology, Computer Science, Immunology, Geosciences, Engineering, Clinical Medicine, Psychology and Psychiatry and the rest of the Social Sciences.<sup>2</sup>

Currently, there is no system for weighting journal quality that would be fully satisfactory and generally accepted. Nevertheless, the conclusions about the international situation attained by quality research taking place in Spain are robust to the chosen methodology.<sup>3</sup> In order to simplify the presentation, the Kalaitzidakis *et al* (2003) methodology will be selected. These authors use the citations made in 159 SSCI reviews during 1998 about articles published between 1994 and 1998; they consider the relative importance of the journals that make those citations, and are careful to remove the self-citations that a journal makes about articles published in the same journal. In addition, they take into account other aspects like the number of authors each publication has, the number of affiliations that each author states, and the size of each article measured in printed characters per page. Once the citations are adjusted by all the concepts, these authors select the first 30 journals that account for 83.4% of all the citations in the original 159 journals, and 13.8% of all the articles in *EconLit* journals. Likewise, of the more than 22,000 economists who appear in *EconLit* between 1971 – 2000, only somewhat less than 15% have ever published in the 30 journals in question. Therefore, it can be affirmed that the procedure for weighting the journal importance in the Kalaitzidakis *et al.* (2003) methodology is relatively strict or hardly egalitarian.

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<sup>1</sup> [http://www.in-cites.com/research/2006/june\\_12\\_2006-4.html](http://www.in-cites.com/research/2006/june_12_2006-4.html)

<sup>2</sup> As far as the impact Spanish papers have on the Economy and Business area, the index is only 65% of the world average, which amounts to 7.5 citations per article.

<sup>3</sup> For a more detailed study of the methodological problems and recent results, consult Villar (2003) and Ruiz-Castillo (2007).

According to this method, Spain occupies the fourth position in Europe and the seventh worldwide (see Table 1). In short, if we measure research of excellence in terms of adjusted pages by all concepts that the top 200 centers in the world produce, Spain's contribution is 2.05% of the world total, which represents 9.7% of European production.

**Table 1. The percentage of distribution by countries of the number of adjusted pages published in the top 200 research centers in the world during 1995 – 99.**

<b>United States</b>		<b>65,03</b>	
<b>Europe</b>		<b>21,17</b>	<b>100,0</b>
United Kingdom	7,12		33,6
Holland	3,02		14,3
France	2,31		10,9
<b>Spain</b>	<b>2,05</b>		<b>9,7</b>
Germany	1,51		7,1
Sweden	1,04		4,9
Belgium and Italy	1,86		8,8
Switzerland, Denmark and Norway	1,57		7,4
Rest of Europe*	0,69		3,3
<b>Rest of the world</b>		<b>13,80</b>	
Canada	6,40		
Israel	2,18		
Other countries	5,22		
<b>Total</b>		<b>100,00</b>	

\* Finland, Ireland, Portugal, Greece, and Austria  
*Source:* Table 3 in Kalaitzidakis *et al.*, (2003, p. 1,357).

In all of the sciences, the distribution of scientific publications is very unequal regardless of the geographical area being considered: the researchers that regularly make some kind of scientific contribution are a minority in their respective countries. Table 2 gives information about the classification of Universities and other Spanish research centers according to two very distinct criteria: the number of articles in the *EconLit* base, that contains 650 journals, and the publications in a version of the top ten journals.

In the case of Spain, the increase in gross volume of publications as well as the improvement in the international classifications which value quality are the result of the activity of a small percentage of researchers in a reduced number of centers. The situation of the UAB-IAE, UPF, and UCIII at the head of both classifications reveals that, at least within research centers of a certain size, quantity is not at odds with quality.

**Table 2. Active institutions in Spain classified by two concepts: (1) the number of articles in *EconLit* during 1991-2000 published by the researchers that appear in each institution at the end of the period, and (2) publications during 1990-99 in the top ten journals in Kalaitzidakis *et al.* (1999)**

	(1) Number of articles in <i>EconLit</i>	(2) Publications in the 10 journals of Kalaitzidakis <i>et al.</i> (1999)
<b>SPANISH CENTERS THAT APPEAR IN:</b>		
<b>UNIVERSITIES</b>	<b>2.717</b>	<b>A. International Classifications</b>
1. U. Pompeu Fabra	355	1. U. Pompeu Fabra
2. U. Aut3noma de Barcelona*	316	2. U. Aut3noma de Barcelona*
3. Universidad Carlos III	287	3. Universidad Carlos III
4. U. Valencia	227	4. U. Alicante
5. U. Complutense	192	5. CEMFI
6. U. Pa3s Vasco	158	
7. U. Zaragoza	135	<b>B. In National Classifications only</b>
8. U. Alicante	125	6. Banco de Espa3a
9. U. P3blica de Navarra	109	7. FEDEA
10. U. Barcelona	90	8. U. Pa3s Vasco
11. U. Oviedo	66	9. U. Salamanca
12. U. Alcal3 de Henares	56	10. U. Zaragoza
13. U. Vigo	45	11. U. Complutense
14. U. Aut3noma de Madrid	43	12. U. Valencia
15. U. Murcia	40	
16. U. Salamanca	38	
17. U. Cantabria	37	
The rest of active universities**	258	
<b>OTHER RESEARCH CENTERS</b>	<b>201</b>	
Bank of Spain	149	
CEMFI	86	
FEDEA	54	
Ministry of Economy and Treasury	30	
Ministry of Industry and Energy	22	
<b>TOTAL</b>	<b>2.918</b>	

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\*Includes the IAE

\*\* U. Valladolid, U. Las Palmas, U. La Coru3a, U. M3laga, U. Santiago, U. La Laguna, U. Polit3cnica de Catalu3a, U. Girona, U. Granada, U. Sevilla, U. Extremadura

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**Source:** (1) European Commission (2004, Annex II), (2) Dolado *et al.* (2004)

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As indicated in Table 2, international rankings usually include the Economics Department from UAB jointly with the research center called IAE that is placed in the same campus in Bellaterra. The Economics Department at UPF includes all types of economists, including business economists and econometricians. In the case of Carlos III, it is likely that international rankings include publications in economics and econometrics journals not only from members of the Economics Department, but also from the Business and Statistics Department. For a study where individual centres belonging to the same institution are treated separately, see Rodriguez (2006).

### **II. 3. Relative rankings within Spain**

As pointed out in the Introduction, the relative ranking of those three centers of excellence in Spain depends on the method followed for weighting and selecting the journals on which the ranking in question is based. For our purposes, given the variety of interests that typify the researchers at Carlos III (to which we will return later), it is necessary to select a sufficiently large enough number of journals to properly cover different areas of specialization.

Kalaitzidakis *et al.* (2003) rank 159 SSCI journals. While, as we saw, these authors select the first 30, the electronic publication Econphd (2004) focuses on the first 63 journals, which account for 95.6% of the total citations in the original journal set. Since this publication takes the logarithm of the original journal weightings, thus extraordinarily reducing the relative importance of the top journals and the rest, it has to be considered a more egalitarian method than that of Kalaitzidakis *et al.* (2003). As for the rest, each article in the latter procedure is counted for the institutions with which the author is affiliated at the time of its publication, while Econphd (2004) does it for the institution at which the author is working at the end of the period in question. That is to say, Kalaitzidakis *et al.* (2003) and Econphd (2004) provides a flow and a stock measure, respectively, of an institution research output.

Presented in Table 3 are the 20 most productive European universities ordered by both criteria, showing also the place that each one has in the world ranking. UCIII occupies ninth place in Europe for both classifications, which corresponds to 52<sup>nd</sup> and 46<sup>th</sup> places in the world, respectively.

**Table 3. The most productive Economics Departments in Europe according to (1) Kalaitzidakis *et al.* (2003), which considers the top 30 journals and covers the period from 1995 to 1999, and (2) Econphd (2004), which considers a total of 63 journals and covers the period from 1993 to 2003.**

The world ranking is included in parenthesis

<b>(1) Kalaitzidakis <i>et al.</i></b>		<b>(2) Econphd</b>	
1. Tilburg University	(18)	1. London School of Economics	(12)
2. London School of Economics	(20)	2. Toulouse University	(18)
3. University College London	(34)	3. Tilburg University	(24)
4. Cambridge University	(39)	4. Oxford University	(31)
5. Oxford University	(40)	5. University of Warwick	(34)
6. Toulouse University	(46)	6. University of Amsterdam	(37)
7. <b>UAB – IAE*</b>	<b>(50)</b>	7. Cambridge University	(39)
8. University of Amsterdam	(51)	8. European Institute of Florence	(45)
9. <b>Universidad Carlos III</b>	<b>(52)</b>	9. <b>Universidad Carlos III</b>	<b>(46)</b>
10. University of Essex	(54)	10. University College London	(47)
11. <b>Universidad Pompeu Fabra</b>	<b>(55)</b>	11. University of Essex	(48)
12. Catholic University of Louvain	(56)	12. Stockholm University	(59)
13. Erasmus University	(57)	13. University of York	(65)
14. INSE	(58)	14. <b>Universidad Pompeu Fabra</b>	<b>(66)</b>
15. Stockholm School of Economics	(61)	15. University of Nottingham	(68)
16. University of Warwick	(64)	16. Stockholm School of Economics	(71)
17. University of Vienna	(65)	17. Erasmus University	(73)
18. University of Bonn	(67)	18. University of Copenhagen	(74)
19. University of Copenhagen	(70)	19. Catholic University of Louvain	(76)
20. University of York	(71)	20. <b>UAB – IAE*</b>	<b>(79)</b>

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\* Universidad Autónoma de Barcelona – Instituto de Análisis Económico

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In addition to the worldwide ranking on the basis of quality economics research, it is worth documenting our Department's position in a set of specialized areas. In considering 63 reviews, Econphd (2004) is the only work available that allows for an interesting distinction between areas. The first three –Macroeconomics Theory, Macroeconomics and Econometrics– refer to the most basic aspects of the discipline, while the remaining three – Public Economics, Industrial Organization and Labor Economics and other related fields– are areas of Applied Economics.

The relevant information is presented in Table 4. As can be seen, more than 95% of the publications in UCIII belong to one of the six areas that are singled out in the study. The distribution by areas reveals, as we said, the variety of interests of the researchers in

our Department. What is noteworthy are the good results attained in many fields. Thus, next to the excellent position achieved in Econometrics, the capacity of the Department to situate itself in outstanding positions in all the remaining fields (except perhaps in Macroeconomics) must also be underscored.

**Table 4. Percentage distribution of the scientific production by large areas during 1993 – 2003 at Carlos III and the positions attained internationally.**

	Distribution percentage	Position occupied in:	
		Europe	The world
<b>1. Macroeconomic Theory</b>	19,6	10	41
<b>2. Macroeconomics</b>	8,5	28	90
<b>3. Econometrics</b>	31,9	2	10
<b>4. Public Economics</b>	12,3	8	33
<b>5. Industrial Organization</b>	10,4	8	50
<b>6. Labor Economics</b>	12,7	13	50
<b>7. Other areas</b>	<u>4,6</u>	-	-
<b>8. TOTAL</b>	<b>100,0</b>		

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*Source:* Econphd (2004)

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### III. THE REASONS BEHIND THE SUCCESS

As pointed out in the Introduction, the reasons that explain these results are found in 1) the recruitment and promotion policy; 2) the creation of research tools; 3) the complementary remuneration systems of civil servant salary, and 4) the existence of a suitable atmosphere in the University and a favorable international context.

#### III. 1. Recruitment and promotion policy

In any efficient organization, personnel policy is based on the rigorousness and transparency of the recruitment and promotion procedures. In the Economics Department at Carlos III, this policy have been structured from the start based on the three following points.

- First, breaking up the endogamy which predominates in the vast majority of Spanish universities in all the scientific disciplines, our Department only hires PhD holders who have been trained in *other* universities. The recruitment of new professors is done by means of an annual selection system consisting of the following steps: job announcements on the Internet; a first round of candidate selection by an *ad hoc* committee that reduces the 250 initial applications to some 40; interviews with those selected at international conferences; presentation of a seminar by 10 to 15 candidates. Then after considering the opinion of members of the Department, job offers are extended to some 5 to 8 people per year.

- Second, the professors that are hired in such a way, whose performance is evaluated every two years, have a maximum of six years to reach tenure. The minimums of excellence in research and teaching in order to achieve tenure, as well as for promotion up to the rank of Full Professor, are clearly established beforehand. In particular, the evaluation of research is based on a weighting of the academic journals similar to the ones used in the literature on international rankings reviewed in the previous section. The prevailing system of journal weighting in our Department is included as Appendix I to this document.

- Third, advancement decisions are adopted by department vote on proposals by *ad hoc* committees that take into account diverse factors, such as the quantity and quality of work done, a research statement that the candidate formulates in writing, and three to six letters of reference that are supplied anonymously by international experts working in other universities in the candidate's areas of specialization. The promotion criteria are included as Appendix II to this document.

#### III. 2. Research tools

Together with human capital, in every internationally active department research depends on a series of essential activities and institutions. Among the former, stays at other national or foreign centers should be mentioned, as well as computer facilities, the dissemination of publications, sabbaticals, or visits by foreign professors. All of these activities have been appropriately financed from the start by first, the regular University budget and, second, the competitive research projects regularly offered by Spanish or European public administrations.

Among the essential institutions, it should be pointed out that the Economics Department boasts some of the ones that typify any center of excellence, specifically, an International Doctoral Program, a closely-woven network of seminars, and an Institute that channels connections between the Department and the outside world.

The Doctoral Program began in 1990-91, the same year in which teaching of the first undergraduate program also started (from that date until the 2002-03 academic year the PhD program was carried out together with the Business Economics and the Statistics Departments). Its structure is the same as that which exists at any other *research university*. The studies demand full-time dedication, and are geared toward BAs in any discipline who meet certain standards in Economics, Mathematics, and Statistics. Ever since the 1993-94 academic year, all activities take place in English. The emphasis is on the formal core of the discipline and in the foundations and applications of quantitative methods to Economics. During the first two years, basic as well as specialization subjects are taught, while the following are dedicated to the preparation of a Doctoral Thesis, consisting in an original research project with potential for international publication. In order to guarantee the best use of the courses taken, at the end of the first year a selection test is taken among those students who have achieved an average B grade in the nine subjects of the preceding terms. In addition, in order to strengthen the program's research aspect, at the beginning of the third academic year each student presents a Thesis Proposal, which is evaluated by a committee of Department specialists. The first requirement that the Doctoral Thesis must pass is the approval of the Department in a seminar whereby a minimum of ten doctors adopt the final decision after the examination of a report written by a committee of three professors. After this requirement, the candidate must publicly present the Thesis according to general university procedures.

Since 1994, 110 people have earned their doctorate degree, of which nine are foreign born. The majority of our doctors work in Spanish or foreign academic institutions. Currently, 200 applications are received annually, 30 – 35 offers are made to students from

all over the world, and first year classes usually have about 15 – 20 students. During the 2006-07 academic year, the distribution of doctoral students by year was as follows:

	Spanish	Foreigners	TOTAL
<b>ACADEMIC YEARS:</b>			
First	2	12	14
Second	3	6	9
Third	0	9	9
Fourth	7	12	19
Fifth or beyond	2	8	10
<b>TOTAL</b>	<b>14</b>	<b>37</b>	<b>61</b>

Only 14, or less than 25% of the students are Spanish. The majority of the foreign students come from Argentina (14) and the rest of Latin America (2). The other students come from the European Union (10), Russia (5), other countries from Eastern Europe (8), and countries such as the United States, China, Taiwan, and Vietnam. The Department finances students for a maximum period of five years. All first year students receive financing from the Department and actively apply for external financing from the moment of admission. The result of this process is that of the 43 students from second to fifth year, 63% of them have external financing.

In short, the Department has an international PhD program of considerable size, which is widely recognized within as well as outside of Spain. The program has received the Merit of Quality in all the assessments that the Spanish Ministry of Education and Science has made, while it is ranked 32 in the world in Amir and Knauff (2005) on the basis of the jobs obtained by the program graduates.

Among the rest of the research tools, the Department organizes various seminars. Together with the department seminar, three seminars are currently held on Macroeconomics, Microeconomics and Industrial Organization, and Econometrics. Finally, there is a recently created *Instituto Universitario de Economía* in charge of connecting the Department with the outside world. During its first year of existence in 2005-06, its main mission has been the writing of this document and the proposal entitled “Systems for Quality Research Incentives. The Case of The Economics Department of Carlos III” that can be found in the Institute’s web page (<http://www.eco.uc3mes/iue>).

### III. 3. Incentive systems

The average salary of the Spanish university professor has gone down in real terms over the 16 years spanning May, 1990 and May, 2006: in brief, the base salaries of Assistant and Full Professors went up by 14% and 17% respectively, below inflation for the period

measured by the Consumer Price Index.<sup>4</sup> Currently, the base salary could come to around 34,000 euros upon attaining the status of tenured Assistant Professor at the end of, say, some six years after obtaining the Doctoral degree (around 33 years old), and up to 73,200 euros in the case of a Full Professor on the verge of retirement (at age 69) taking into consideration the maximum level of all of supplements that exist today, for example, in the Community of Madrid.<sup>5</sup> In other words, the average salaries are low and the gap between the minimum and the maximum is narrow.<sup>6</sup>

The international success of the Department would not have been possible without completing the civil servant salaries of the professors with two other systems of remuneration, one external and the other internal within the University, in terms of the origin of the funds that feed them.

The *external system* of supplementary remuneration is twofold. On the one hand, there are research projects, generally called for on a competitive basis by private and public institutions, must be allocated. Together with other expenses, these projects, which tend to give priority to quality applied research, include some monetary remuneration for the researcher. On the other hand, consulting activities may be carried out, for which the requestor determines the professional, not academic, nature of the project. This is the reason why a department geared toward scientific research like ours has hardly done any work of this type.

The *internal system* consists of the monetary awards for the research career created in the year 2000 within Universidad Carlos III. Currently, members of the Economics Department have obtained two of the four awards in the area, which we form together with the Business Economics and Statistics Departments for researchers under 40 years of age, and seven of the eight existing awards for those over 40. The awards are 6,000 euros per year for those under 40 and 12,000 for the rest. Both types are renewable every two years and are granted by a committee outside the University in terms of the *curriculum vitae*

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<sup>4</sup> The base annual salaries in 1990 of an Assistant and a Full Professor were 20,413 and 25,202.25 euros respectively. Including a recent supplement of 2,500 euros, by 2006 they had risen to 34,58.86 euros and 41,258.19 euros in the Comunidad de Madrid, a rate of 166.84% and 163.71% respectively. Taking into consideration that the rate of increase in the Consumer Price Index was 181.06% between May, 1990 and May, 2006, the base salaries of the Assistant and the Full Professor went up less than inflation within the period as indicated in the text.

<sup>5</sup> This number is obtained from the base salary of 41,300 euros per year in the Comunidad de Madrid, plus 12 three-year terms at 587.02 euros per year; seven five-year terms of teaching and six six-year terms of research both at 1,763.04 euros per year and approximately 2,000 euros maximum per year as a supplement from the Comunidad de Madrid depending on five-year terms, six-year terms and participation in research projects.

<sup>6</sup> The base salaries of an Assistant and a Full Professor are 34,000 and 41,300 euros respectively, while the maximum salary possible at the time of retirement is 61,700 for an Assistant and 73,200 euros for a Full Professor.

of the requestors. The appraisal of the research results takes into account the weighting of academic journals included in Appendix I.

However, the key to the internal system of remunerations is the following. As in the rest of the Spanish universities, Universidad Carlos III receives in indirect costs 15% of all the income obtained through research projects of all kinds. In our case, what is unique is that 50% of that percentage, or 7.5% of the total, goes back to the Department or research Institute to which the researchers involved in those projects belong. The Economics Department has used a good part of those resources to finance annual research awards among its members, which are granted according to the weighting of academic journals already mentioned, as well as the teaching evaluations done by students.

Currently, five 5,500 euros awards and ten 3,000 euros are granted annually among faculty members who are not beneficiaries of the awards at the University level and whose publications during the last three years surpass a minimum of quantity and quality.<sup>7</sup> Additionally, all members of the Department that obtain the stated minimum teach three courses each semester per year instead of 4. It should be noted that the points corresponding to the publications of the doctors finalizing their doctoral thesis within the past 3 years or less, are multiplied by a factor greater than one. This facilitates the competition with the other members of the Department who have already surpassed this initial stage of their professional career. At the same time, during their first year, everyone newly incorporated to the Department automatically benefits from a teaching reduction, leaving them with 3 semester courses per year.

### **III. 4. The University and international contexts**

It is important to understand that the institutional innovations described in the previous sections stem from the favorable environment provided by Universidad Carlos III and benefit from a favorable international context.

From its inception, Universidad Carlos III has facilitated the development of the Economics Department by means of various channels: (i) its impeccable physical setting – one which is clean and modern, thus creating a pleasant place of work; (ii) a rigorous academic commitment that, while emphasizing the traditional importance of teaching, has

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<sup>7</sup> The minimum that must be surpassed in order to apply for a department award is equal to approximately three articles in a second order international publication (category C in the Appendix II classification), or an article in a first order international journal (category B) plus another one in a Spanish journal (category D). Advising Doctoral Theses is considered equivalent to one category C publication. Receiving student evaluations below the minimum over two consecutive years results in a deduction of points earned for research equivalent to one article in a category C journal.

promoted doctoral activities and supported the role of research beyond the national average, and (iii) a flexible management system that has given the departments real autonomy. In this institutional atmosphere, the Economics Department has been able to put into practice the standards described in the previous section and has been able to create its own culture, replete with innovations that in other more traditional Spanish or European universities might have encountered more resistance.

With these conditions, the human capital accumulated since the Department's beginning has become attractive for young Spanish and European doctors (as well as for those from countries farther away), who wish to live in Europe rather than in the U.S. In addition, during the first few years we had some professionals of great international prestige who helped improve our visibility. As for the rest, as was shown in the first section of this document, Universidad Carlos III has quickly reached noteworthy positions in international rankings.

In addition, the international context must be kept in mind. With the exception of the United Kingdom, the rest of the European university systems in Economics are organized in markets that are relatively closed to the outside, dominated by national traditions in which research does not necessarily hold a preponderant place. Consequently, the rigorous meritocratic system implanted in our Department for the sake of quality research appears as innovative and attractive in the European context. On the other hand, even though the monetary salaries in Spain are low in comparison to other countries, certain strategic activities and an International Doctoral program have been financed, mostly with public funds.

Finally, Madrid is an undeniable attraction, not just for Spanish young people, but also for other members of the international community, and particularly for those who are mobile at the beginning of their professional career. For them their subsequent integration into the city and into Spanish culture is an interesting prospect.

The recruitment and promotion processes, the existence of basic research support tools and the incentive systems described demonstrate a clear commitment to research on the part of the Department and the University. In comparison with the relative laxity of other European countries with which we compete, this system has attracted a quite a large group of qualified professionals over the last 15 years, whose basic characteristics will be examined in the following section.

## IV. HUMAN RESOURCES

Table 5 presents the evolution of permanent and visiting professors from 1990-91 to the present. The first group includes tenured Assistant and Full Professors and tenure-track Assistant Professors. Table 6 reports the nationality and doctorates of the permanent personnel in the 2006-07 academic year.<sup>8</sup>

**Table 5. The evolution of the faculty from 1990-91 to 2006-07**

### PERMANENT FACULTY

	1990-91	1991-92	1992-93	1993-94	1994-95
1. Full Professors	7	8	7	6	5
2. Assistant Prof.	3	6	6	5	6
3. <i>Tenure-track</i>	2	3	8	12	15
4. Total = 1 + 2 + 3	12	17	22	24	27
5. % foreign in 4	8,3	5,9	18,2	29,2	29,6
6. VISITING	-	-	5	3	-
7. Total = 4 + 6	12	17	27	27	27
8. % foreign in 7	8,3	5,9	18,2	29,2	29,6

### PERMANENT FACULTY

	1995-96	1996-97	1997-98	1998-99	1999-200
1. Full Professors	5	6	6	6	6
2. Assistant Prof.	6	7	7	8	9
3. <i>Tenure-track</i>	16	15	19	18	19
4. Total = 1 + 2 + 3	27	28	32	32	34
5. % foreign in 4	29,6	32,1	31,2	31,2	22,3
6. VISITING	-	6	5	1	4
7. Total = 4 + 6	27	34	37	33	38
8. % foreign in 7	29,6	38,2	32,4	30,3	34,2

### PERMANENT FACULTY

	2000-01	2001-02	2002-03	2003-04
1. Full Professors	6	8	8	8
2. Assistant Prof.	12	13	13	13
3. <i>Tenure-track</i>	19	16	19	20
4. Total = 1 + 2 + 3	37	37	40	41
5. % foreign in 4	32,4	27,0	27,5	34,1
6. VISITING	10	4	15	13
7. Total = 4 + 6	47	41	45	54
8. % foreign in 7	36,2	31,7	40,0	31,5

### PERMANENT FACULTY

	2004-05	2005-06	2006-07
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<sup>8</sup> It must be noted that within the categories of Assistant and Full Professors, the people who have surpassed the department requirements described in the previous section have been included whether they have become or not civil servant according to Spanish legislation.

1. Full Professors	10	11	12
2. Lecturers	19	21	24
3. <i>Tenure-track</i>	20	22	21
4. Total = 1 + 2 + 3	49	54	57
5. % foreign in 4	0,6	38,9	35,1
6. VISITING	17	13	11
7. Total = 4 + 6	66	67	67
8. % foreign in 7	30,3	38,8	42,3

Table 6. The professors of the Economics Department in 2006-07, indicating where they are obtained their doctorate and their nationality if not Spanish

#### Full Professors

1. Note: University of California, San Diego
2. Corchón, Luis. London School of Economics, **Director**
3. Delgado, Miguel. London School of Economics
4. Dolado, Juan José. Oxford University
5. Escribano, Álvaro. University of California, San Diego
6. Gonzalo, Jesús. University of California, San Diego
7. Lobo, Félix. Universidad Complutense de Madrid (on leave)
8. Marhuenda, Francisco. University of Rochester
9. Moreno, Diego. State University of New York, Stony Brook
10. Rodriguez, Luis. Universidad Complutense de Madrid
11. Ruiz-Castillo, Javier. Northwestern University
12. Velasco, Carlos. London School of Economics

#### Assistant professors

1. Alba, Alfonso. Universidad de Málaga
2. Alonso, César. Universidad Complutense de Madrid, CEMFI
3. Carrasco, Raquel. Universidad de Alcalá de Henares, CEMFI
4. Celentani, Marco. Italy, University of California, Los Angeles
5. De Frutos, Mari Angeles. Universidad Autónoma de Barcelona
6. De Sinopoli, Francesco. Italy, Catholic University of Louvaine la Neuve (CORE)
7. Desmet, Klaus. Belgium, Stanford University
8. Díaz, Javier. University of Minnesota
9. Díaz, Antonia. University of Minnesota
10. Ferreira, José Luis. Northwestern University
11. Gagnepain, Philippe. France, Université de Toulouse
12. Jaumandreu, Jordi. UNED
13. Jerez, Belén. University of California, Los Angeles
14. Kujal, Praveen. India, University of Arizona
15. Machado, Matilde. Portugal, Boston University
16. Marín, Pedro. London School of Economics (on leave)
17. Modrego, Aurelia. Universidad del País Vasco (on leave)
18. Mora, Ricardo. London School of Economics
19. Nuñez, Carmelo. Universidad Complutense de Madrid
20. Rincón, Juan Pablo. Universidad de Valladolid
21. Romero, Antonio. Universidad Autónoma de Barcelona
22. San Juan, Carlos. Universidad Complutense de Madrid
23. San Segundo, Maria Jesús. Princeton University (on leave)
24. Siotis, Georges. Greece, Free University of Brussels

#### Tenure-track Assistant Professors

1. Albarrán, Pedro. Universidad Complutense de Madrid, CEMFI
2. Cáceres, Julio. Chile, University of Maryland
3. Clots-Figueras. London School of Economics
4. Carro, Jesús. Universidad Complutense de Madrid, CEMFI
5. Esteban, Susana. University of Rochester

6. Fabra, Natalia. European Institute, Florence
  7. Ferraris, Leo. Italy, London School of Economics
  8. Giolito, Eugenio. Argentina, University of Maryland
  9. Guner, Nezh. Turkey, University of Rochester
  10. Hernandez, Angel. University College London
  11. Hidalgo, Ana. Pompeu Fabra
  12. Iannantuoni, Giovanna. Italy, Catholic University of Louvaine la Neuve (CORE)
  13. Jansen, Marcel. Holland, European Institute, Florence
  14. Meza, Felipe. México, University of Minnesota
  15. Milliou, Valanta. Greece, European Institute, Florence
  16. Möller, Marc. Germany, London School of Economics
  17. Moon, Seognman. South Korea, Arizona State
  18. Ponce, Carlos. Argentina, University of California, Los Angeles
  19. Rahman, David. United Kingdom, University of California, Los Angeles
  20. Toledo, Manuel. Venezuela, University of Rochester
  21. Watanabe, Makoto. Japan, Essex University
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#### **IV. 1. Strengths**

The first feature that should be noted is the international character of the faculty in two different dimensions. First, as indicated in Table 6, the current personnel obtained their doctorate in some of the top universities in the United States (42%), Europe (32%), and Spain (the remaining 26%). Second, as can be deduced from Table 5, the percentage of foreign professors has remained at around 30% since the fourth year, from the 1993-94 to 2002-03; since that date, that percentage has been surpassed and is currently at 35%. Indeed, there are professors from Germany, Belgium, France, Greece, Holland, Italy, Portugal, the United Kingdom, and Turkey within Europe; Argentina, Chile, Mexico and Venezuela from Latin America and Korea, India and Japan from the rest of the world.

The second interesting feature is the teaching vocation of this group. All members of the Department have a teaching load of 4 semester courses per year, with the exception of those newly incorporated since obtaining their PhD, who teach one course less. These obligations vary in practice because of the previously described system of teaching load reductions. Those responsible for departmental management tasks, such as the Chair or those in charge of the Doctorate Program, as well as those responsible for university tasks, such as Vice-rectors, the Dean or Assistant Deans, are exempt from one or two courses. In any case, all members of the Department have a minimum teaching load of two semester courses per year.

The Department is responsible for the B.A. Degree in Economics and is also present in other B.A. and First Cycle Degrees in the University, especially the B.A. in Business Administration, as well as joint Economics degrees with Business Administration, Law, and Journalism. All together, the Department teaches some 500 first or second cycle semester courses per year, for which it also has a contingent of Associate Professors that is gradually

decreasing as the number of permanent doctors increases. In one of the various groups that exist in the core Economics and Business Administration degrees, the Department gives instruction in English to the students who so request it.

Together with education at this level, the Department has distinguished itself from the beginning of its activities by a strong Doctoral Program, mentioned in section III.2. This has been possible thanks to the fact that the professors at Carlos III can include one Doctorate course per term within their teaching obligations. In addition, the Department has supported several degrees of its own, among which, the Master of Industrial Economics currently stands out, with 15 years experience and 100% financing with external funds.

Third, worth noting is the high percentage of Department members who enjoy the most prestigious grants of the Spanish public system, that is, the 3I, *Ramón y Cajal*, and *Juan de la Cierva* scholarships. Among the youngest tenured and non-tenured Assistant Professors, 17 (seven Spaniards and ten foreigners) of the 45, or 38% of the total, are in that situation.

With regards to the size of the Department (see Table 5), during the first four years it grew rapidly from 12 to 24 people, but then it took nine years to reach 41. The leap experienced in 2004-05 is due to the integration of six econometricians from the Statistics Department at Carlos III. As explained in Section II, international rankings are based on publications in a set of economics and econometric journals weighted by its quality and other concepts. It turns out that, after this reorganization, it has been estimated that out of the total annual output in those journals, 7% corresponds to the Business Department, 8% to the Statistics Department, and the remaining 85% to the Economics Department (see Ruiz-Castillo, 2007b).

Currently, the Department has 57 people, which, as we saw in section II, are rather uniformly distributed in six large theoretic and applied areas. As far as the categories, the number of Assistant Professors remained at under 10 for 10 years, reaching 12 in 2000-01 up to the current 24. For 14 years there were only between 6 to 8 Full Professors, although today there are 12.

In short, these numbers reveal that even when there are vacancies, it is difficult to grow in a very competitive international world. It is even harder to retain young people to become a tenured Assistant or Full Professor.

## IV. 2. Weaknesses

In order to carry out a complete analysis of the situation, some aspects should be explored more deeply.

### 1. Rotations

Of the 95 doctors who have worked as tenured professors since 1990-91, 57 of them, or 60%, have remained. What has happened to the remaining 38? Approximately 50% are people who we would have liked to keep, but who have left the Department for positions in other institutions which offered them higher salaries and equal or better professional opportunities. A second group representing 32% have gone to institutions academically comparable or inferior to ours, while the remaining 18% have left academia or, unfortunately have passed away.<sup>9</sup>

That is, 20% of all the doctors that have been a part of the Department at any time during the past 15 years have left Carlos III to improve their situation. Of those, only five have passed briefly through the Department for a short period, while 14 have worked here three or more years. Two-thirds of this group are foreigners, which helps to explain why even though, as we have seen, 35% of the current permanent professors are foreigners, the percentages of tenured Full and Assistant Professors, and tenure-track Assistant Professors who are foreigners are 0%, 30% and 62% respectively. It can be said that, if having decided to stay, the majority of the 19 people of this group would surely be tenured Assistant Professors today and at least 7 would be Full Professors. Definitely, an important part of the best doctors that work here remain only as long as it takes to gain access to a position in other universities which offer better salaries.

However, up to now, the rate of departure for all reasons is made up for by the entrance of new PhDs, thanks to which the Department has been able to maintain its excellent position in the international big leagues.

### 2. Important figures

Although this is difficult to know, at least between 5 and 10 members of the Department have true international stature. However, we lack people at the height of their career who enjoy vast universal recognition in their area of specialization, and even outside of it. Between September 2001 and January 2002 the European Commission (2004) performed an opinion poll regarding the most important economists in the world. Of 1,599

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<sup>9</sup> May this note serve as homage to our colleagues Carlos Escribano and Francesc Marmol who left us so prematurely.

valid addresses provided by the *European Economic Association*, 181 responses were received, and a total of 765 economists were mentioned. There were 74 institutions, 38 of which were European, which had at least two of those economists. Even though Carlos III is between the 9<sup>th</sup> and 32<sup>nd</sup> place in Europe in 9 recent studies (see Table 6 of Ruiz-Castillo, 2007a), it does not appear on that list. The only Spanish centers included among those 38 European centers with two or more economists of “international importance” are UAB, UPF, and CEMFI.

### 3. *The International Context*

Let us not fool ourselves. The positive results achieved by Carlos III and by the Spanish centers, in general, reviewed in section II, are a product of a favorable international context. *Ceteris paribus*, when the rest of the European countries take off, introduce higher grades of competence in their university systems, and design their incentive systems more carefully in order to promote quality research, it will be difficult to maintain the attraction that our most outstanding centers now have with the current actual salaries in Spain. The problem, of course, is that in that scenario, we not only would miss out on the opportunity to hire foreign professors, but we would also run the risk that part of the top Spanish doctors would head for other European countries as has been occurring over the past 30 years with those who have stayed in the U.S. after earning their PhD.

### 4. *The Salary Structure*

As we saw in Section III.3, average salaries in Spanish universities are low and the gap between the minimum and the maximum is narrow. These conditions prove the strategic role held by both the funds received by means of competitive public projects and the monetary supplements that have been negotiated at Carlos III. However, two important limitations of the internal system of remuneration must be pointed out

In the first place, in comparison with the remuneration received in other European countries and especially in the U.S., the amount of supplements is not sufficient to raise the total salary up to the level of a first line international researcher. Thus, a young person who has earned his/her PhD in one of the top universities of the world and after six years of experience will receive a beginning civil servant annual salary of 34,000 euros. Accordingly, taking into account all kinds of supplements –such as those from the state university system, the Autonomous Community, Carlos III and the Department itself– he/she can aspire to an annual remuneration of 75,000/80,000 euros at the height of his/her career at around 50 years old.

In the second place, the research awards are granted with regard to (i) a minimum production every six years in the case of six-year terms in the state system, which are also a basic element of the Autonomous Community system; (ii) the ranking of the candidates according to *curriculum vitae* in the case of the University; or (iii) publications in the last three years in the case of the Department. Therefore, researchers have incentives for a minimum production every six years and to place themselves as high as possible in the respective rankings within the University and the Department. However, there is no economic incentive to publish a little less or a little more, so long as not too many places are lost within the group to which he/she belongs. In other words, to receive or not to receive an award of a certain amount scarcely depends on the effort to produce something more or less in the margin.

Finally, the low average salaries limit the ability to hire professionals of merit in two different ways. First, naturally, the salary base is modest. Second, when the Department has the extra funds to compensate someone who is of interest to the Department, how much can be offered a person who works in the United States with a higher opportunity cost in relation to the member of the Department who decided to work at Carlos III? At the most, 40,000 to 60,000 euros more without demoralizing those who, with comparable academic capability, have a lower opportunity cost. The second division teams cannot pay their potential stars salaries similar to those they would receive in the first division without upsetting the balance with the better-paid professionals who have an existing contract on the team.

All of which drives us to design new incentive systems that will make their arrival as well as their permanence in our Department more attractive.

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## APPENDIX I

### RANKING OF JOURNALS OF THE ECONOMICS DEPARTMENT OF UNIVERSIDAD CARLOS III, March 2004

The Economics Department of Universidad Carlos III will evaluate its members' contributions to research in terms of three factors: 1) publications in professional journals, 2) publication of books and monographs, and 3) directing of doctoral dissertations.

As far as professional journals, the following classification system in seven categories has been agreed to (A+, A, B, C, D, E and F). The aim is that the best magazine in any area should be in at least category B. Since for certain purposes it becomes necessary to make cardinal comparisons, the points that correspond to each category are also included. When the number of authors is  $N > 1$ , an adjustment factor equal to  $1.8/N$  will be applied.

If in the context of an evaluation process it is necessary to consider a magazine that does not expressly appear here, the responsible evaluation group will determine its appropriate equivalence. Modifications will only be introduced upon suggestion of a sufficiently large group of people.

#### **CATEGORY A+ (40 points)**

American Economic Review, Annals of Statistics, Econometrica, Journal of Political Economy

#### **CATEGORY A (20 points)**

Biometrika, Frontiers (BE Press), Journal of the American Statistical Association, Journal of Econometrics, Journal of Economic Theory, Journal of Finance, Management Science, Quarterly Journal of Economics, Review of Economic Studies

#### **CATEGORY B (15 points)**

Advances (BE Press), American Economic Review-Papers and Proceedings, American Journal of Agricultural Economics, Brookings Papers on Economic Activity, Econometric Theory, Econometrics Journal, Economic Journal, Economic Theory, European Economic Review, Games and Economic Behavior, Journal of Applied Econometrics, Journal of Business and Economic Statistics, Journal of Development Economics, Journal of Economic Behavior and Organization, Journal of Economic History, Journal of Economic Literature, Journal of Economic Perspectives, Journal of Economic and Management Strategy, Journal of the European Economic Association, Journal of Financial Economics, Journal of Human Resources, Journal of Industrial Economics, Journal of International Economics, Journal of Health Economics, Journal of Labor Economics, Journal of Law and Economics, Journal of Mathematical Economics, Journal of Monetary Economics/Carnegie-Rochester Conf. Series, Journal of Public Economics, Journal of the Royal Statistical Society (Series B), Journal of Time Series Analysis, Journal of Urban Economics, International Economic Review, International Journal of Game Theory, International Journal of Industrial Organization, Mathematics of Operations Research, Oxford Bulletin of Economics and Statistics, RAND Journal of Economics, Regional Science and Urban Economics, Review of Economic Dynamics, Review of Economics and Statistics, Review of Financial Studies, Social Choice and Welfare

#### **CATEGORY C (8 points)**

Canadian Journal of Economics, Contributions (B.E Press), Demography, Econometric Reviews, Economic Inquiry, Economica, Economic Policy, Economics Letters, Economics of Education Review, Economics and Philosophy, Environmental Economics, Experimental Economics,

Explorations in Economic History, Health Economics, IMF Staff Papers, Industrial Labor Relations Review, International Game Theory Review, International Journal of Forecasting, International Tax and Public Finance, Journal of Banking and Finance, Journal of Economic Dynamics and Control, Journal of Economic Growth, Journal of Economic Geography, Journal of Economic Inequality, Journal of Environmental Economics and Management, Journal of Financial and Quantitative Analysis, Journal of Financial Research, Journal of Forecasting, Journal of Law and Economic Organization, Journal of Legal Studies, Journal of Money, Credit and Banking, Journal of Population Economics, Journal of Public Economic Theory, Journal of Regional Science, Journal of Risk and Uncertainty, Land Economics, Macroeconomic Dynamics, Mathematical Social Sciences, National Tax Journal, Labor Economics, Oxford Economic Papers, Public Choice, Review of Economic Design, Review of Income and Wealth, Scandinavian Journal of Economics, Southern Economic Journal, Studies in Nonlinear Dynamics and Econometrics (BE Press), Theory and Decision

**CATEGORY D (4 points)** Refers to the best local journals such as the following, to name a few:

American Historical Review, Annals d'Economie et de Statistique, Applied Economics, Bulletin of Economic Research, Computational Economics, Economic Modeling, Economic Record, Education Economics, Empirical Economics, European Review of Agricultural Economics, European Journal of Political Economy, Federal Reserve Bank of Minneapolis Quarterly Review, Industrial Relations, International Labor Review, Investigaciones Económicas, Journal of Conflict Resolution, Journal of Economic Education, Journal of Economic Surveys, Journal of Labor Research, Journal of Macroeconomics, Journal of Post Keynesian Economics, Journal of Productivity Analysis, Journal of Regulatory Economics, Kyklos, Manchester School of Economics, Oxford Review of Economic Policy, Public Finance, Public Finance Quarterly, Recherches Economique de Louvain, Risk and Decision, Small Business Review, Spanish Economic Review, Test, Topics (BE Press), World Bank Economic Review.

**CATEGORY E (1 point)** Refers to other local journals such as the following, to name a few:

Estadística Española, European Journal of Education, Federal Reserve Board, Hacienda Pública Española, Higher Education, Journal of Economic Studies, Journal of Quantitative Economics, Moneda y Crédito, Open Economics Review, Revista de Economía Aplicada, Revista de Historia Economica, Scottish Journal of Political Economy

**CATEGORY F (1/2 points)** Includes journals without anonymous evaluation, such as the following:

Cuadernos Económicos de ICE, Revista Española de Economía Agraria, Papeles de Economía Española

## APPENDIX II

### **A. GUIDELINES FOR THE PROMOTION TO FULL PROFESSOR FROM THE RANK OF TENURED ASSISTANT PROFESSORS IN THE ECONOMICS DEPARTMENT**

#### **1. About the candidates to Full Professor**

Tenured Assistant Professors of the Department may apply for promotion to Senior Professor if the following minimum requirements are met:

- a) Have at least nine publications including
  - a.1) at least one publication in category A+ or A journals, and
  - a.2) at least three publications in category B journals.In addition, the publications not used to fulfill requirements a.1) and a.2) should be of sufficient quality (equivalent to at least three articles in category B magazines).
- b) Perform a satisfactory teaching activity.
- c) Perform a satisfactory service activity in the Department and the University.

As an exception, applications that provide at least six publications in category B instead of the requirements described in sections a.1) and a.2) could be considered

#### **2. About the evaluation procedure of applications for promotion to Full Professor**

The application for promotion to Senior Professor must be directed to the Department Chair, who will present it to a commission made up of all the Senior Professors of the Department. This commission will determine whether the application fulfills all the requirements in Section 1 and, if it does, will name an evaluation commission from among its members with the aim of writing a report that appraises the candidate's merits. The evaluation committee will obtain the opinions of external evaluators.

The commission of Full Professors, which will seek a consensus decision, will study the evaluation commission's report. In any case, the promotion to Full Professor will require the approval of a two-thirds majority of the Department's Full Professors.

#### **3. About the evaluation criteria of applications for promotion to Full Professor**

The promotion criteria that are stated below are aimed to the progressive improvement of the research and teaching quality of the faculty.

In order for the evaluation commission to carry out its report, as well as for the commission of Full Professors to make their decision to promote each candidate or not, these commissions should appraise the candidate's research and teaching quality as well as his/her service to the University and the Department. At the same time, they should keep in mind the needs derived from the teaching responsibilities and from the Department research project.

Concerning research, the Full Professor commission should appraise

- the quality and quantity of the papers and the prestige of the journals where they have been published;
- the variety of research topics the candidate has worked on and the magazines in which the papers have been published;
- the impact of his/her research (by means of quotations from his/her papers, references in surveys, comments, acknowledgments in published articles, etc);
- the association to editorial boards and representative and executive positions in professional associations, scientific boards of conferences, etc.;
- the period of professional activity in which he/she has obtained merits.

With regards to the teaching evaluation, the relevant merits are

- the teaching of advanced courses;
- thesis advising;
- the publication of textbooks, class notes, etc.;
- designing courses, coordinating work;
- the results of the students' teaching evaluations.

With regards to the candidate's service, to be appraised are

- the ability to attract research funds;
- the candidate's contribution to the Department's research activities (seminars and workshops, interaction with other researchers);
- the association to networks and international research groups;
- the performance of academic responsibilities and, in general, the candidate's contribution to administrative tasks.

In any case, the Full Professor commission must verify that the candidate's research and professional activity provide him/her with a prestige consistent with the Department's international position.

In order to facilitate the formation of expectations about the promotional criteria, the *curricula* of candidates whose promotion to Full Professor was favorably decided will be filed in the Secretary's office.

### **GUIDELINES FOR A FULL PROFESSOR NOMINATION AMONG PROFESSORS WHO DO NOT BELONG TO THE ECONOMICS DEPARTMENT**

The Full Professor commission will evaluate applications of people who do not belong to the Department and who respond to the notice of university Full Professor vacancies. This commission will examine the candidate's *curriculum vitae* and, keeping in mind the needs derived from the Department's teaching and research project responsibilities, will decide by a two-thirds majority whether to initiate or not the process described in the "Guidelines for the Promotion to Senior Professor of the Regular Professors in the Economics Department".

## **B. GUIDELINES FOR THE PROMOTION TO TENURED ASSISTANT PROFESSOR FROM THE RANK OF TENURE-TRACK ASSISTANT PROFESSORS**

### **1. About the candidates to tenured Assistant Professor**

Professors may apply for promotion to tenured Assistant Professor if the following minimum requirements are met:

- a) be hired by the Department as a tenure-track Assistant without having exhausted this period;
- b) have at least three publications in journals with an anonymous referee including two in category B, or have at least two publications in a category higher than B.
- c) perform a satisfactory teaching activity.

The applications must include the following documentation:

-curriculum vitae

-copy of the publications, letters from the editors of the publications to be printed, and work documents that are mentioned in the curriculum vitae.

-a brief essay explaining the candidate's research topics, his/her contributions to the literature, and projects in progress.

### **2. About the evaluation procedure of applications for promotion to tenured Assistant Professor**

The applications for promotion to tenured Assistant Professor must be directed to the Department Chair, who will present them to a commission made up of all the tenured professors of the Department. This commission will determine whether the application fulfills all the requirements in Section 1 and, if it does, will name an evaluation commission from among its members with the aim of writing a report that appraises the candidate's merits. The evaluation committee will obtain the opinions of external evaluators.

The evaluation commission's report will be studied by the commission of tenured professors, which will seek a consensus decision. In any case, the nomination of a tenured Assistant Professor will require the approval of a three-fifths majority of the Department's tenured professors.

### **3. About the evaluation criteria of applications for promotion to tenured Assistant Professor**

The promotion criteria that are stated below are aimed to the progressive improvement of the research and teaching quality of the Department professors.

In order for the evaluation commission to carry out its report, as well as for the commission of tenured professors to make their decision to promote each candidate or not, these commissions should appraise the candidate's research and teaching quality during his/her contract period.

The evaluation of the candidate's research will be carried out in terms of the quantity and quality of his/her publications. This evaluation should permit the determination of

whether the candidate has been able to establish a reputation of internationally recognized reliability in his/her specialty area.

The evaluation of the candidate's teaching will be carried out with the available information in mind: reports by the coordinators of the courses for which the candidate has given instruction, the results of the students' teaching evaluations, work as coordinator, contributions to the design of the courses, production of texts and class notes, etc.

The candidate's contribution to research activities will be positively appraised (participation in seminars and group discussions, thesis advising, etc.), in addition to his/her contribution to the administrative areas of the Department.

In order to facilitate the formation of expectations about the promotional criteria, the curricula of candidates whose promotion to regular professor was favorably decided will be filed in the Secretary's office.

#### **GUIDELINES FOR TENURED ASSISTANT PROFESSOR FOR PROFESSORS WHO DO NOT BELONG TO THE ECONOMICS DEPARTMENT**

The tenured professor commission must evaluate the applications of people not belonging to the Department who respond to the notice of tenured Assistant Professor vacancies. This commission will examine the candidate's curriculum vitae and, keeping in mind the needs derived from the Department's teaching and research project responsibilities, will decide by a two-thirds majority whether to initiate or not the process described in the "Guidelines for the Promotion to tenured Assistant Professor from the rank of tenure-track Assistant Professors".