



UNIVERSITY OF ICELAND

Faculty of Economics

SCHOOL OF SOCIAL SCIENCES

SELF-REVIEW REPORT



April 2020





UNIVERSITY OF ICELAND

Introduction

This report is an abstract of the Self-Review Report of the Faculty of Economics at the School of Social Sciences, University of Iceland and is intended for public disclosure at the University's website.

In accordance with the Icelandic Quality Enhancement Framework at the University level in Iceland and the University of Iceland's Guidelines for the organization, schedule and process of institution-led review of faculties and interdisciplinary programs, the Faculty of Economics (the Faculty), School of Social Sciences (the School), University of Iceland (the University), carried out self-evaluation during the autumn semester of 2019. The results are presented in this report. A self-evaluation committee was established in September 2019.

The Committee included one external industry representative, two Faculty representatives, three student representatives, and the Faculty Head. The committee members were:

1. Birgir Þór Runólfsson, Head of Faculty. Chair of the committee.
2. Tor Einarsson, Vice Chair of Faculty and representative of tenured lectures.
3. Marías Halldór Gestsson, Assistant Professor and representative of tenured lectures.
4. Þórhildur Magnúsdóttir, representative of graduate students
5. Einar Karl Jónsson, representative of undergraduate students.
6. Mikael Jóhann Karlsson, representative of undergraduate students.
7. Þórhildur Hansdóttir Jetzek, representative of the alumni/market.
8. Guðbjörg Melsted, Office Administrator.
9. Sigrún Daníelsdóttir Flóvenz, Project Manager, secretary of the committee.

The Committee received data and information regarding the Faculty from University databases which were included in this report. The Committee received the student satisfaction survey results and student focus groups were engaged to explore those results more closely. The Committee gathered data on number of students, courses, teaching, faculty and staff, research, and comparison with other Faculties. The external industry representative attended Committee meetings, including during the visit of the international external experts. The outside representative provided comments that have been incorporated into the report. The University of Iceland Centre for Teaching and Learning reviewed the Faculty's course catalogue descriptions, especially learning outcomes, and provided the Committee with that review. The Social Science Research Institute reviewed the outcome of student satisfaction surveys and organised one focus group among the undergraduate students and another group for the graduate students.

The Committee used the results of the data collection from University databases, the student satisfaction results and focus groups results, along with its own discussion and ideas to develop actions for improvement. This material was reviewed by the international experts who visited the School on November 25-29, 2019, and met with the Committee members. The international expert reviews were used to refine and finalize the resulting recommendations represented in this report.

The Self-Review Report is divided into three main parts. The first chapter describes the general characteristics of the Faculty, its human resources, students, research output, and finances. The academic vision of the Faculty is discussed, with the Faculty's measures of output in the Faculty Scorecard. The report considers the Faculty's international context and collaboration. This is followed by a description of student support. In the second section, the self-evaluation delves deeply into describing the characteristics of each study programme, which are discussed in three groups by academic degree level, undergraduate, postgraduate, and PhD. Each study degree level and related programmes and certificates is described in turn. The third and final chapter, discusses the lessons learned from QEF1, summarizes conclusions for teaching and learning, and the management of research.

Faculty Characteristics

The Faculty of Economics is one of the six faculties within the School of Social Sciences. The Faculty is the only institution in Iceland to offer a broad education in economics at the university level and the only one that offers an advanced degree. Hence, the function of the Faculty in educating and carrying out research is important for Iceland.

The Faculty offers nine study programmes, six of which lead to a degree at the undergraduate and graduate levels (Appendix 1, Table 1).

The Faculty is the smallest academic unit within the School of Social Sciences, with 8.49 full-time equivalent (FTE) lecturers in March 2019 (Appendix 1, Table 2). The academic staff consists of six professors, two associate professors, and one assistant professor. In addition, there is a guest professor, 6 adjunct lecturers, as well as numerous part time sessional teachers. Additionally, the Faculty is a partner in the interdisciplinary Environment and Natural Resources programme, and its Programmes director, a professor of environment and natural resources, sits jointly in Faculty of Economics and the Faculty of Life and Environmental Sciences. The Faculty includes one female Faculty member and two female adjunct lecturers. Of the 34 sessional teachers 13 are female. The gender imbalance is something the Faculty has been working to change without much success so far. The age distribution of the Faculty is somewhat skewed towards those over 59 years of age. Four Faculty members are nearing the age of retirement (70 years) upon which the Faculty will attempt to recruit a number of new (assistant) professors. No Faculty member is under the age of 40. Most of the Faculty members have more than 15 years of employment teaching economics at the University, and a majority have more than 25 years.

During the academic year 2018-19, the number of students totalled 243, thereof 181 undergraduates, 59 postgraduate students, and 3 PhD students. Hence, the graduate students made up 25% of the student body (Appendix 1, Table 3). In that year, the Faculty offered 38 courses, 30 at the undergraduate and 8 at the graduate level (of the total of 38 courses, 7 are M category courses, intended for upper level undergraduate students as well as graduate students). The progress of students through the BA programme is quite satisfactory, with retention and completion rates of 83 and 85%, respectively, compared to 74 and 59% for the BS programme. The respective numbers for the M.Fin. programme are 84 and 52%, and 50 and 84% for the MS programme. The Doctoral programme has been active, in the sense of having continuous enrolment since 2005-6 and eight have been awarded a PhD from the

Faculty of Economics. There are currently six postgraduates in the programme, although only three can be considered active.

Summary and Main Conclusions for the Faculty

Lessons learned from QEF1

The Faculty has continued to be operated in the red and that has been the case every year since the Faculty became an independent unit. It has always received less funding than necessary to meet expenses. Most expenses are in the form of salaries of tenured staff, and additionally to sessional teachers. Funding has not even matched these. Other expenses, which have been minimal, have also been cut continually. The Faculty has therefore not been able to put a real effort into scouting promising young economists, especially women. In the next five years half of the Faculty, 5 positions, will retire, as they reach the mandatory retirement age of 70. There may therefore be an opportunity to offer positions to up and coming academics or newly graduated doctorates in the future, if the necessary funding is secured. The Faculty is aware of the previous imbalance and the positions will be filled with younger people, and hopefully more females. A Faculty task force has already been appointed.

The Faculty has put effort into ensuring coherence both for individual courses and the overall programme, but programme changes in more recent years may call for renewed effort along these lines. The Faculty is now offering three new areas of specialization within the BS Economics Programme: Financial Economics, Business Economics, and Economics and Politics, and these new areas of speciality required restructuring of the existing programme and a change in course offerings, as well as a new group of sessional teachers. This new offering and restructure of the programme therefore require adjustments within and between courses.

The Faculty has put effort into rotating teaching of individual courses in the programme and the changes in the speciality areas of the BS programme have also forced some changes in teaching responsibilities. Even though the Faculty has not adopted or enforced a rule of a 10-year limit there has been much change in teaching. Similar developments have been in the postgraduate programmes, mostly because of the restructuring of those programmes.

As the funding of the Faculty Programmes has been quite inadequate there has been little opportunity for individual faculty members to offer new optional courses related to their fields of research interest.

Teaching and Learning

There are explicit learning outcomes for the degree programme and all courses within the programme. Each programme of study is overseen by a Co-ordinator, whose responsibility is to assure the quality and enhancement of the programme. In addition, each course or module has a faculty member as a supervisor, to ensure that quality and the learning outcomes for the course are met.

Given the high degree of specialization in many of the courses/modules within the programme, updating of course content and learning outcomes is generally led by course

supervisors. In so doing, frequent comparisons are made with undergraduate programmes in some leading economics departments, at European as well the US universities.

The learning outcomes for all programmes and each course were also recently reviewed by the Centre for Teaching and Learning. The result from that review show that learning outcomes for all programmes receive a grade of “good”, except for the Minor in economics which needs to be updated. As for the learning outcomes for courses, the Faculty needs to improve and update them for many courses based on that review. The Faculty will use this to improve coordination of courses and address some duplication.

Teaching in the undergraduate courses take a standard form: four units of lectures per week, coupled with two units of tutoring classes. This is very much in line with how economics is taught at the university level in the United States and Europe, especially in relation to the more mathematically oriented courses. The Faculty may in the past have put too much weight in the programme on courses emphasizing theory and technique. This has been a common complaint of many students. This is one reason that Faculty has responded, at least partly, by offering different lines of specialization for the undergraduate degree. Methods of teaching and assignments are more variable in these more applied courses. There is room for both improvement and innovation here.

While most instructors are aware of the diversity of students, they also expect certain level of knowledge, intellectual ability and motivation, especially after the first year of study. It is therefore important that all undergraduates have a certain common level of knowledge gained in the first year of study before entering classes intended for second year students.

The rules of assessment in the programme vary from course to course, but generally the final exam counts for 50-80% of the total mark. Individual and group assignments, mid-term tests, and overall performance in class make up the remainder of the assessment. There are some exceptions from this, and now several courses may give marks solely on assignment over the course term.

All courses in the undergraduate programme are allocated a standard credit of 6 ECTS and over a 13-week semester. Until 2018 the graduate study programmes were taught over the traditional two semester school year and courses generally had standard 6 ECTS. In 2018-2019 the Faculty of Economics and the Faculty of Business Administration (Business school) changed to a 4-term school year for these programmes; two in the autumn and two in the spring. Each term, or period, referred to as Lota, runs for 7 weeks, and most courses in the graduate programme are now allocated a standard credit of 7.5 ECTS.

In general, it seems fair to conclude, that course content, workload and (perceived) difficulty is mostly at the instructor's discretion. Even so, there may be a need here to coordinate the workload in some courses, particularly as it relates to the workload in any single year of study.

All taught programmes in the faculty are monitored by a joint administrative body, the Teaching Committee, the three members of which are appointed among the academic staff.

The doctoral programme is primarily based on the doctoral candidate's independent research, culminating in the dissertation. The doctoral programme of the Faculty contains no specified

courses, although the Graduate Studies Committee can require a candidate to take courses in addition to the research. Each student is expected to write and publish internationally peer-reviewed journal articles, present at peer-reviewed conferences, and disseminate their work.

Management of Research

The Faculty itself does not have a separate strategy from the School of Social Sciences in research. However, as with other economic departments, several goals may be identified that are in line with HÍ21 and the School of Social Science strategy agreed in 2016. One would be to focus on research and research output to aiming for higher ranking journals. Another objective would be to focus research on Icelandic economic issues, with presentation to the general public given a high priority, and to a greater or lesser degree, with a participation in the public arena.

The Faculty's research output is slightly above the average for the University and the School of Social Sciences (Appendix 1, Table 4). The Faculty is active in publishing research articles in international peer-reviewed journals and have also been successful in applications for grants from competitive national and international funds. The Faculty also maintains good international research connections and have organized and chaired international conferences in their area of specialization, held here at the University

The Faculty has also been an active participant in society, contributing to economic policy by providing consultation to government and parliament, and serving on various boards and committees. They also participate in public discussion and support the positive development of society.

The *Institute of Economic Studies* participates in various European research projects, where faculty and/or institutes from several countries participate. This may provide an avenue for individual faculty and specialists employed at the Institute to collaborate widely across Europe. The *Institute* is also a venue for research, both academic and commissioned projects.

Follow-up Processes

The implementation of the Action Plan will be a standing item at Faculty Meetings. It will be reviewed formally every year at a Faculty Meeting and the upcoming year's actions prioritized and perhaps adjusted based on experience.

The Faculty Head reports formally to the School Dean on the status of the implementation and plans for the next year, together with other relevant QA matters no later than December 1st and this will be followed up by the School Board. The School Dean will subsequently make use of this report in a status report for all Faculties in the School, which will be submitted to the Quality Committee no later than January 15th. The Quality Committee writes a short report to the Rector no later than February 1st, which will subsequently be discussed in a meeting between the Chair of the Quality Committee, the Director of Quality Management and Rector, Vice-Rectors. Deans of Schools and the Managing Director of the Central Administration.

Appendix 1. Key Figures.

Table 1. Overview of present Study Programmes within the Faculty

Name of Study Programme	Cycle ¹	Degree	Credits (ECTS)
HAG261 Economics	1.2	BS	180 ECTS
HAG262 Economics major	1.2	BA	120 + 60 ECTS
HAG221 Economics minor	1.2	minor	60 ECTS
HAG322 Economics	2.1	Postgrad. Dip.	60 ECTS
HAG323 Financial Economics	2.1	Postgrad. Dip.	60 ECTS
MFI331 Finance ²	2.1	M.Fin.	90 ECTS
HAG442 Financial Economics	2.2	MS	120 ECTS
HAG441 Applied Economics	2.2	MA	120 ECTS
HAG561 Economics	3	PhD	180 ECTS

¹ See National Qualification Framework for Higher Education No. 530/2011.

Table 2. Faculty members as of 1 March 2019 and sessional teachers 2018, number (No.) and full time-equivalent (FTE)

	Male		Female		Total	
	No.	FTE	No.	FTE	No.	FTE
Professors	5	4.49	1	1.00	6	5.49
Associate Professors	2	2.00	0	0.00	2	2.00
Assistant Professors	1	1.00	0	0.00	1	1.00
Adjunct Lectures	4	0.20	2	0.10	6	0.30
Total	10	7.69	2	1.10	10	8.79
Sessional teachers	21	3.69	13	1.43	34	5.12

Table 3. Total number of students, number of entrants, retention rate for first year, and completion rate (4-year mean).

Programme	No. of students			No. of entrants ³	Retention rate %	No. of graduates	Completion rate ⁴ %
	Total no.	Full time ¹	Part time ²				
HAG261	126	87	23	43	83	16	85
HAG262	31	14	11	6	74	9	59
HAG322	7.50	2	3	3.50	73	0	-
HAG323	9.50	2	5	3.75	40	1	-
MFI331	31	12	16	14	84	7.5	52
HAG442	16	2.75	6.25	3.50	50	5	84
HAG561	4.75	2.50	-	1.00	-	0.75	67

¹ > 22.5 ECTS completed. For Ph.D. students > 1 ECTS completed.

² 1-22 ECTS completed.

³ For all programmes except Ph.D., no. of students completing at least one examination in first term.

⁴ 2-year rate for diploma, 4-year rate for B.A./B.S., 3-year rate for M.A./M.S., 5-year rate for Ph.D.

Table 4. Research output of Faculty members, based on the Evaluation System for the Public Universities in Iceland, expressed by mean total research points (A) and mean research points from peer-reviewed publications only (B) per FTE.

	2015		2016		2017		2018		Mean	
	A	B	A	B	A	B	A	B	A	B
Faculty	32.5	24.3	47.5	38.0	34.7	24.7	39.0	24.1	38.4	27.8
School	37.7	22.5	38.1	25.9	33.6	21.4	37.9	25.7	36.8	23.9
University	37.8	24.7	37.1	25.1	34.8	22.8	37.8	26.4	36.9	24.8

Appendix 2. Action Plan for Teaching and Learning in QEF2

	Actions	How	Deadlines	Responsible party
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1. FACULTY LEVEL

Ch. 1.2	Faculty Characteristics			
1	Recruit new Faculty members	Set a recruitment policy for new positions that will open up over the next few years, with the goal to increase diversity of faculty members and balance research across relevant themes	Sept. 2020	Head
2	Integrating faculty research and teaching	Integrate faculty research and teaching, especially in graduate courses	Sept. 2020	Head and Teaching committee
3	Interdisciplinary and inter-departmental courses	Create new courses in co-operation with other Faculties	Sept. 2020	Head and Teaching committee
4	Establish connection with secondary schools	Connect with secondary schools to make sure economics is accurately presented to students that are deciding and choosing their further education	Sept. 2020	Head
Ch. 1.3	Academic Vision			
1	Increased participation in international projects	Improve utilization of School's research office	June 2021	Faculty
2	Encourage participation in international conferences	Utilize the increased travel funding for Faculty	June 2021	Faculty
3	Build up a research theme of Faculty members	Build a research theme around a particular specialization of a Faculty member	June 2021	Faculty members

2. STUDY PROGRAMMES

2.1 Study programmes at BA/BS level

Ch.	Students			
2.1.1				

1	Establish connection with secondary schools	Connect with secondary schools to make sure economics is accurately presented to students that are deciding and choosing their further education	Sept. 2020	Head
2	Improve dialog with students	Have additional meetings (an internet) and introductions to inform students about issues, changes, etc.	Sept. 2020	Head
Ch. 2.1.2	Teaching and Learning			
1	Improve and update learning outcomes for courses	Revise learning outcomes for several courses in line with suggestions from the Centre for Teaching and Learning	Feb. 2020	Teaching committee
2	Experiment more diverse teaching methods	Offer new or change courses that experiment with more diverse teaching methods	Sept.2020	Teaching committee
3	Evaluate workload in courses, and standardize at each level in programme	Faculty need to consult on the workload in courses and arrive at some common load at each level	Sept. 2020	Teaching committee
Ch. 2.1.3	Coordination between teaching and research			
1	Improve and update learning outcomes for courses	Revise learning outcomes several courses in line with suggestions from the Centre for Teaching and Learning	Sept. 2020	Teaching committee

2.2 Study programmes at the MA/MS level

Ch. 2.2.1	Students			
1	Improve graduate student community	Support establishment of club or club section for graduate students	Sept. 2020	Head

2	Better orientation and welcome	Have separate graduate student orientation meeting for incoming economics students, plus communicate through internet	Sept. 2020	Head
3	Improve graduate student involvement in the Faculty	Organize workshops with student thesis presentations	Sept. 2020	Head
Ch. 2.2.2	Teaching and Learning			
1	Improve graduate student community	Support establishment of club or club section for graduate students	Sept. 2020	Head
2	Better orientation and welcome	Have separate graduate student orientation meeting for incoming economics students, plus communicate through internet	Sept. 2020	Head
3	Improve graduate student involvement in the Faculty	Organize workshops with student thesis presentations	Sept. 2020	Head
Ch. 2.2.3	Coordination between teaching and research			
1	Offer more applied/research based electives	Offer applied courses based on economic theory	Sept. 2020	Teaching committee
2	Integrate of teaching and research	Integrate Faculty research into teaching of courses	Sept. 2020	Faculty