

ORIGINS AND DEVELOPMENT OF MULTIDISCIPLINARY ECONOMICS AT UTRECHT UNIVERSITY

On 1st January 2004, the Utrecht School of Economics (USE), the youngest economics faculty in the Netherlands, came into being. Considering the fact that expenditure on academic teaching and research in the Netherlands had been economised on for years and that the Netherlands already had a number of outstanding economics faculties, the birth of the new faculty was remarkable. Understandably, questions were asked about the reasons why the new economics faculty had come into being and whether its existence was justifiable.

The answer to these questions must be sought in the history of one of the oldest universities in the Netherlands. From this perspective, the establishment of USE is a milestone in the development of multidisciplinary economics at Utrecht University. It is therefore not surprising that its founders, at least, do not see the new faculty as a duplication of the large number of Dutch sister economics faculties. Rather, they consider the establishment of USE as a serious attempt to explore new paths in the field of academic economics teaching and research.

In both teaching and research USE accentuates the study of the Institutional, Historical and Spatial dimensions (IHS dimensions) of economic problems, interpreting multidisciplinary economics, which has a long, unique tradition at Utrecht University, in a special way. Originally, this tradition came into being at the Faculty of Law, where it was stimulated.

What the Faculty of Law has meant for the study of economics at Utrecht University is made quite clear by the history of the university. It so happened that in 1636, when both Utrecht University and the Faculty of Law were founded, the first PhD thesis on a subject to do with economics was submitted to the newly founded faculty. This occurrence is considered as the start of the study of economics in Utrecht (Nieuwenburg, 2003).¹ From 1720 onwards, students studying Cameralism, a subject belonging to the science of public administration *sui generis*, were taught economics at the Faculty of Law. In 1815 this faculty established its first chair in economics, the Chair of Political Economy and Statistics.

1 The thesis discussed the economic function of pawnshop owners who, at the time, had a very bad reputation among the poor because they charged exorbitant interest rates and received stolen goods.

Since then, the number of economists attached to Utrecht University has grown steadily. What is remarkable is that in the past these economists were members of different faculties. The most important reason for this was that there was no policy at Utrecht University aiming to concentrate economics expertise in an economics faculty. For a long time, the Board of the University and the economics professors attached to the faculties of Law and the Social Sciences did not see the need of stimulating the establishment of an economics faculty (cf. Nieuwenburg, 2003). As a result it was left to the faculties to take on economists or hire their services from other faculties when necessary for teaching or research. In actual fact, this policy created the substrate at Utrecht University on which multidisciplinary economics was able to develop. Economists who were taken on by the different faculties were selected in the first place to meet the requirements of other disciplines that needed economists. With their economics expertise, they were able to contribute to the teaching and research of the discipline where economic problems played a role. Those economists were first considered for the job who were prepared to look further than the borders of their own discipline and who saw the added value of multidisciplinary co-operation with representatives of other disciplines.

Over the years, the policy described above led to the fact that the largest group of economists was to be found in the economics department of the faculty of Law, followed by the faculties of Social Sciences and Geography and the department of History. In 1991/2 economics combination courses were developed in these faculties by economists, lawyers, historians, social scientists and geographers, where students were able to combine their main discipline with economics as a minor. These economists have made an important contribution to the further development of multidisciplinary economics at Utrecht University (see for example Siegers, 1992). At the same time, the University Board gradually came to realise that economics was of strategic importance for Utrecht University.

In 1996 the Minister of Education, Culture and Science decided to reduce the number of university studies. This decision created the opportunity for the Utrecht University board to combine the four economics combination courses into a single four-year doctoral economics study, which started officially in 2000. Because of the change-over to the bachelor-master system in 2002, this four-year doctoral study has been replaced by a bachelor of economics study, after which economics students can go on to do one of the five master of economics programmes, starting in 2005.

The development of a new fully-fledged economics programme has had far-reaching financial and organisational consequences for economics teaching and research at Utrecht University. Considering that the share of economics in the economics combinations courses was about 30% of the total study load, it was necessary to increase the share in the new economics curriculum drastically in order to compete with existing economics studies. Because the number of students taking part in the new economics study in 2000 was considerably larger than the number of students doing the old economics combination studies, the demand for economics staff increased. For competitive reasons it also became necessary to hire more researchers. This was why the University Board agreed to a staff plan for Economics in 2001 that took into account