1. Goals of the program

The program aims at building on the Jourdan campus at world-class department of economics, with a broad coverage of all fields in economics. For that purpose, the program is supposed to promote a better integration between research and education / training, stimulate high-quality research especially among PhD students and young scholars, and increase international visibility and exposure.

2. Previously identified weaknesses

The main weaknesses identified in 2006 were: poor placement of graduating PhD in international markets, lack of international visibility, strong disconnection between research (2 research units, PSE and LEA) and education (1 Master / Doctoral program, APE), poor coverage of some fields in economics.

3. Implemented responses within the framework of the Paris School of Economics

3.a. Field restructuring and field chairs

A decentralized structure has been at work since September 2006: a few scientific leaders have been identified and each of them is in charge of a specific field (field chairs). The fields are: economic theory (O.Compte), macroeconomics (D.Cohen), organizations and markets (G.Demange), international economics, geography and development (T.Verdier), public economics, inequalities and labor market (A.Clark), economic history (P.C.Hautcoeur and G.Postel-Vinay). Two other fields are still particularly weak or absent: Finance and Econometrics.

Within his/her field, the chair holder organizes seminars and workshops, centralizes and coordinates conference projects, keeps an eye on how PhD students and young scholars perform, reorganizes the structure of APE courses (in coordination with other partners of APE) and works on improving the integration between the Master / Doctoral program and research activities. More precisely:

- seminars for PhD students are now in place in macroeconomics (Macro Tea Break), in international economics and trade (Trade Lunch Seminar), and in economic theory / organizations and markets (TOM seminar), as well as a Work-In-Progress informal seminar, on top of the existing Lunch seminar in applied economics;
- existing field seminars are financed so as to improve their international exposure; new seminars in economic history and in trade have been created;
- APE courses have been restructured by chair holders, especially in economic theory, public economics and macroeconomics; well-known scholars have been delegated important M1 courses whenever possible, an evaluation after 2 years will guide further reorganization; and students should by now be able to easily match domains of teaching in APE and field chairs, and to identify potential supervisors for their work.
A program committee, consisting of the research unit committee plus chair holders, deals with general scientific issues such as: recruitment, placement policy, general conference projects, internal organization issues, etc. This committee meets every two months.

3.b. Incentives to high-quality research

Up to now, the program has failed to introduce an explicit and strong system of incentives so as to foster high-quality research and top-review publications. It is probably fair to say that the scientific production of researchers in the leading journals has not improved significantly since September 2006.

Publication prizes should be introduced in 2008, with a clear emphasis on publication in top 5 reviews; English tutorials, editing and translation services will be made available for papers to be submitted in top reviews. Also, a discontinuity in terms of status and labor contracts will be introduced so as to mimic the assistant / full professor discontinuity in international institutions.

3.c. International conferences

Since September 2006 a significant effort has been devoted to organize ambitious conferences on the Jourdan campus (conference support team, specific financing) especially in fields that needed to be supported. The following conferences have been organized:

- *Trade, Industrialisation and Development* (October 26-27, 2006)
- *First PSE Workshop in International Finance* (June 18, 2007)
- *Heterogeneity and Macrodynamics* (August 31 – September 1st, 2007)
- *Dynare Conference* (September 10-11, 2007)
- *Global Public Economics, T. Atkinson’s Balise Pascal Lecture* (October 4, 2007)

A regular rendez-vous has been also set up, with 5/6 “PSE Lectures” per year (Grossman, Atkinson, Ausubel, Aghion, Hoxby in 2006-2007), where a well-known professors delivers a general audience lecture. Another project of a Spring School every year, with students from all over Europe, still awaits implementation.

3.d. Invited professors and other positions allowed by the Paris School of Economics

To improve the international exposure and visibility and to get PhD students and young researchers acquainted with top academic research, several invitations have been launched.

A first group of invitations targets top French researchers abroad and its goal is to facilitate their coming back to France. P.Aghion (Harvard, 1 year), E.Duflo (MIT, 2 x 6mo), J.L.Rosenthal (UCLA, 1 year), T.Philippon (NYU, 5mo), A.Spadar (Univ. Baléares, 2 years), R.Rancière (IMF, 3 years) have been invited and PSE is actively trying to find durable positions for Spadar and Rancière, but the School suffers from its incapacity to offer tenure positions.
Other invited professors were A. Atkinson (chaire Blaise Pascal, Oxford, 1 year), G. Grossman (Princeton, 6mo) and several other well-known professors for periods of one month each. In addition, short term visitors are encouraged, starting in 2008, to deliver crash courses (10-12h) in their field of expertise and these courses are open to M2 and doctoral students.

Post-doctoral positions have also been opened and financed through the Paris School of Economics. A three-year position, with light teaching duties, has been posted on international websites at the job market period. A thorough selection process has lead to a list of 4 candidates who have been invited, and the position has been accepted by M. Bianchi (Stockholm School of Econ.). The same procedure is being implemented for two positions starting in September 2008. Other one-year positions have also been granted in September 2007 with a lighter procedure. The 3-year position seems to provide interesting incentives for the post-doctoral fellow to really participate in PSE activities.

3.e. Placement of graduating PhD students

The placement officer (C. Chamley) has set up several meetings with students to convince them to dare apply on the US and UK job markets; he has coached the candidates to improve their application; he has built a network of contacts with several universities abroad. Services have also been proposed to improve paper presentation, writing in English and paper editing, for manuscripts to be submitted in high-quality reviews; but only few researchers and no students have used these services.

Only a few students per year are willing to go on international markets and most of these prefer to look for a post-doctoral position in the short run, and look for an assistant professor position the year after. In 2006, one student obtained a post-doc at Stanford (and applies for an assistant professor position in 2007), two obtained post-docs at Harvard.

For the coming year, an extra effort will be put on this action: provide stronger incentives to students to apply for international positions coach them in rehearsal seminars, supervise more closely their writing, in particular their job market paper.

3.f. APE : International recruitment and other issues

One of the major changes within the APE Master programme has been the switch to English as the teaching language, both for the M1 and M2 year, for the academic year 2007-08. It is expected from all teachers that they prepare the course material (slides, lecture notes if any, . . . ) in English. A course may be given in French, however, if all students are sufficiently familiar with that language and agree on it. This change was announced in February, when the application process started. The website of the program (http://www.master-ape.ens.fr/) is also fully bilingual. This change has lead to many applications from foreign, non French-speaking, students (20 applications were filed, many more asked for information), some of which actually joined the programme (3 in M1, 4 in M2). The change in the teaching language was accepted with enthusiasm by some faculty but also generated strong oppositions by others. All the M1 courses have actually switched to English, but some of the M2 faculty (including well-attended courses like those of Eric Maurin and Thomas Piketty) still teach in French.

The timing of the application process was also changed to be more in line with that of other programmes. The process started in February, and a first list of accepted students was published in the first week of April. Interestingly, many of the international candidates
explicitly mentioned in their cover letter their wish to enter a programme of the Paris School of Economics.

The student evaluations platform has been improved. Any student must fill the evaluation form to access his or her grades. Evaluations (to the exception of qualitative comments) have been distributed among members of the pedagogical council of APE; full disclosure towards students is considered as the next move, but a formal decision on that point has not been taken yet.

So far, the integration of APE and ETE programmes has taken the form of cross-validation of many courses. As for 2007-08, three ETE courses were explicitly included in the APE programme, and students are invited to validate other ETE courses, provided that this choice is coherent. The two student evaluation platforms will be merged this year to provide a unified evaluation framework within all programmes of the PSE.

More financing for PhD students has been available through PSE: for the first year, 4 doctoral students overall (2 at Jourdan and 2 at Paris 1) benefit from a PSE grant for 3 years. For masters students, no formal grant is available. However, the faculty is encouraged to offer part time, short term research assistant jobs to M2 or even M1 students.

The first year of the APE programme has adopted, in line with many other such programmes, a “boot camp” approach. Though we strongly believe that this approach is legitimate, we are also aware that it may discourage some students, who have the feeling that they spend their time doing (uninteresting) maths and do not clearly see the relationship with actual economic issues. Starting in January 2008, a regular seminar (one session every month) will be held, where speakers are asked to present to M1 students how their research activity benefits from a solid mastering of quantitative methods. Speakers will include Roger Guesnerie, Daniel Cohen, Christophe Chamley, Bernard Caillaud, and Thierry Verdier.

Last but not least, a PSE certificate was given to students who completed the M2 programme this year.