

Syllabus

Course name

Education Economics

Semester

Spring 2022 semester

Name of the main instructor

Miroslava Federičová, Ph.D.

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Date

- Classes: February 28 – April 8, 2022
- Final exam week: April 11 – 15, 2022
- Make-up exam week: April 18 – 22, 2022

Time:

- Lectures: Tuesday 10.30-12.00 a.m. CET, Thursday 10.30-11.15 a.m. CET. Note that after March 27, 2022, due to the daylight saving time lectures will be held on Tuesday 9.30-11.00 a.m., Thursday 9.30-10.15 a.m. Thus, there will be no change in the course time slots for countries which do not change time.
 - Exercise session: Thursday 11.15-12.00 a.m. CET
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Office hours

To be determined.

Outline

The human capital of the population is a key determinant of labor-market success and economic growth. This brings the economics of education to the core of understanding individual and societal economic prosperity.

This course introduces students to the key concepts and major issues of economics of education, placing emphasis on current empirical research in the field. Topics include: the basic theory of investments in education (human capital theory) and the role of early childhood education; the returns to education and the empirical problem of disentangling the return to education from the return to innate ability; the role of class size, peer effects and school expenditure, etc. After the course, students are expected to be able to read, understand and discuss current research in economics of education, as well as to contribute to the discussion about the current challenges in education.

Prerequisites

Microeconomics, Macroeconomics and Econometrics at introductory level.

Grading

The final grade will be based on four forms of assessment in the following way:

20% Weekly syntheses (250 words) of discussion papers. Starting from the second week, each Tuesday before class you should submit the synthesis of the discussion papers assigned to read the week before (more information about weekly syntheses, TBA). In total, there will be five syntheses, 4% for each.

25% One paper (five-page double-spaced) that presents economic evidence on one of the topics listed in syllabus (more information about paper, TBA).

20% Weekly quizzes. Each Tuesday there will be a short online quiz monitoring comprehension of the previous lecture (five in total, 4% each)

35% Final exam. The final exam will be organized as a 90-min test (mix of multiple-choice and open questions). The test will be in-class or online depending on the pandemic situation.

To pass this course, a student has to collect at least 50 out of 100 points.

Course Outline

Week 1: Skill formation

(Introduction; Human capital theory; Intergenerational transmission; Empirical tools of education economics)

Chapter 4, "The Human Capital Model," in *Economics of Education*, Michael Lovenheim and Sarah Turner

Week 2: The Economic Return to Education

(Education as an Investment; Estimating the Economic Return to Education; Monetary and Non-Monetary Benefits of Education; Education and Economic Growth; Early childhood intervention)

Chapter 6, "The Returns to Education Investment," in *Economics of Education*, Michael Lovenheim and Sarah Turner

Week 3: Education Production Function. Student Performance. Peer effects, class size and incentives

Sacerdote, Bruce. "Peer Effects in Education: How Might They Work, How Big Are They and How Much Do We Know Thus Far?" In *Handbook of the Economics of Education*, Vol. 3, edited by Eric A. Hanushek, Stephen Machin, and Ludger Woessman. Holland: Elsevier, 2011.

Benabou, R. and J. Tirole (2003). Intrinsic and Extrinsic Motivation. *Review of Economic Studies* 70, 489-520.
Krueger, A. B., and D. Whitmore (2001). The Effect of Attending a Small Class in the Early Grades on College-Test Taking and Middle School Test Results: Evidence from Project Star. *The Economic Journal* 111(486), 1-28.

Week 4: Teacher quality, teacher training and wages

Hanushek, E., and Rivkin, S. (2006) "Teacher Quality," in Hanushek, E., and Welch, D. (eds.), *Handbook of the Economics of Education* vol. 2, chap. 18.

Chapter 9.3, "Teacher quality," in *Economics of Education*, Michael Lovenheim and Sarah Turner

Week 5: School choice. Data sets commonly used in the Economics of Education

Chapter 10, "School Choice: A Market-Based Approach to Education Reform," in *Economics of Education*, Michael Lovenheim and Sarah Turner

Week 6: School accountability, standards and testing

Figlio, David, and Susanna Loeb. "School Accountability." In E. Hanushek, S. Machin, and L. Woessman (Eds.), *Handbooks in Economics*, Vol. 3 (pp. 383-421). The Netherlands: North-Holland, 2011.

Chapter 11, "Test-Based Accountability Programs," in *Economics of Education*, Michael Lovenheim and Sarah Turner.
