

35864 Economics of Education

module number
35864
module title
Economics of Education
module coordinator
Prof. Dr. Stefan Bauernschuster

examination number	credit points (ECTS)	hours per week (SWS)
274170	5	2+2
availability	duration	recommended semester
Every summer semester	1 semester	2

workload
Lecture 2 SWS (30 hours class instruction; 45 hours self-study) Uebung 2 SWS (30 hours class instruction; 45 hours self-study)
Calculation is based on: every hr./sem.-week corresponds to 60 minutes. One semester is presumed to be 15 weeks, i.e. 14 course + 1 exam week
module applicability
Modulgruppe D: Governance, Institutions and Development
reference to the LPO I
recommended requirements
Solid knowledge in (undergraduate) microeconomics Solid knowledge in microeconometrics, in particular quasi-experimental methods
obligatory requirements
language
English

content
Human capital is a key factor for growth and prosperity of nations. Due to the crucial role of education, Germany's bad performance in recent international school achievement tests has induced heated debates on problems of the current school system and necessary reforms. The first part of this lecture deals with the role of education for the economic development of countries and the effects of schooling on wages and the risk of getting unemployed. Apart from these labor market related impacts, we also look at the effects of schooling on health, crime, and social engagement. It becomes apparent that education is not only about cognitive but also about non-cognitive skills. The second part of the lecture evolves around the question how educational systems should be designed in order to provide the best possible results for children and youths. In addition to the investigating effects of early childhood education, we focus on the effects of class size, (early) educational tracking, school autonomy as well as the role of teachers. This analysis is based on an in-depth inspection of seminal empirical research papers.

<p>Table of contents:</p> <ol style="list-style-type: none"> 1) Human capital and growth 2) Human capital theory 3) Signalling theory 4) Cognitive and non-cognitive skills 5) Education and health 6) Education, citizenship, and crime 7) Early childhood education 8) Class size effects 9) Effects of (early) tracking 10) The role of teachers
<p>intended learning outcomes (ILOs)</p> <p>Students who have successfully participated in the module are able to</p> <ul style="list-style-type: none"> • illustrate the most important theoretical models in the field of economics of education, such as the human capital theory, signaling theory, or the technology of skill formation • describe and critically discuss the determinants and effects of education • interpret empirical evidence on the topics discussed, and assess the merits and limitations of empirical studies • demonstrate a clear understanding of methods used in empirical research, such as RDD, Difference-in-Differences, and IV • develop informed policy conclusions and contribute to debates on the economics of education • communicate research findings effectively in oral and written formats
<p>teaching methods</p> <p>Classroom lecture with interactive elements (Vorlesung mit Seminarcharakter) Übung with tutorials and student presentations</p>
<p>required attendance</p>
<p>examination (type of examination, scope)</p> <p>Final exam (90 minutes) or portfolio (final exam (90 minutes) and oral presentation)</p>
<p>overall grade relevance</p> <p>100% final exam or 80% final exam and 20% oral presentation</p>
<p>possibility of retake exam</p>
<p>reading list</p> <ul style="list-style-type: none"> • Angrist, J., Krueger A.B. (1991), Does Compulsory School Attendance Affect Schooling and Earnings? Quarterly Journal of Economics, 106(4), 979-1014. • Becker, G. (1974), A Theory of Social Interactions, Journal of Political Economy, 82(6), 1063–1093. • Becker, G., Murphy, K. (1988), The Family and the State, Journal of Law and Economics, 31, 1-18. • Borjas, G. (2013), Labor Economics, New York: McGraw-Hill. • Buckles, K., Hagemann, A., Malamud, O., Morrill, M., Wozniak, A. (2016), The Effect of College Education on Mortality, Journal of Health Economics, 50, 99-114. • Case, A., Deaton, A. (2021), The Great Divide: Education, Despair, and Death, NBER Working Paper 129241. • Chetty, R., Friedman, J., Rockoff, J. (2014), Measuring the Impacts of Teachers II: Teacher Value-Added and Student Outcomes in Adulthood, American Economic Review 104(9), 2633-2679. • Clark, D., Royer, H. (2013), The Effect of Education on Adult Mortality and Health: Evidence from Britain, American Economic Review, 103(6), 2087-2120.

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- Cunha, F., Heckman, J. (2007), The Technology of Skill Formation, *American Economic Review*, 97(2), 31-47.
- Datta Gupta, N., Simonsen, M. (2010), Non-cognitive Child Outcomes and Universal High Quality Child Care, *Journal of Public Economics*, 94, 30-43.
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- Hanushek, E., Rivkin, S. (2010), Generalizations about Using Value-Added Measures of Teacher Quality, *American Economic Review P&P*, 100, 267-271.
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- Heckman, J., Pinto, R., Savelyev, P. (2013), Understanding the Mechanisms Through Which an Influential Early Childhood Program Boosted Adult Outcomes, *American Economic Review*, 103(6), 2052- 2086.
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- Milligan, K., Moretti, E., Oreopoulos, P. (2004), Does Education Improve Citizenship? Evidence from the US and the UK, *Journal of Public Economics*, 88 (9-10), 1667-1695.
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additional notes

Exam questions can be answered in English or German