EAD 942: Economic Analysis in Education Policy Making, Spring 2011
Dr. Amita Chudgar (amitac@msu.edu)

Class time and location
Thursdays, 4:10-7:00pm
C310, Wells Hall

Office hours and office location
Thursdays, 12-2pm (or by appointment)
426, Erickson Hall

Course description
The course will begin with an introduction to some basic economic concepts and a discussion on how they may be applied in the analysis of educational issues. We will then discuss specific areas of education research and policy making which have been influenced by the use of economic concepts. For instance, consider the following (oversimplified) version of how economic theory and thinking may inform education debates. Economics views education as an input or investment in the future economic productivity of the individual and by extension the nation. Economics also views education as an output, a consumption good, in turn we think about the manner in which this output should be distributed to the consumers (role of market vs. state, accountability issues) and the manner in which the output is currently distributed (achievement and access gaps). Economic perspective also thinks about the production of education. This literature comments on the cost associated with and the role of different inputs in the production of education (school resources, teachers, family background etc). Finally, in the globalized economy and the interconnected world, the increased export and import of services have made education crucial in maintaining the international competitiveness of nations.

Through the semester we will read a variety of mainly journal articles to understand the contributions of economics to education policy literature. In addition, the course will also aim to develop a basic competence to work with quantitative research, and to produce simple quantitative analysis. Finally, through regular readings and additional material in class the course will aim to incorporate an international comparative perspective on most of these topics.

Late assignment policy
You are expected to turn in the assignments on time. Late submission will affect your grades. If you are unable to complete your work on time due to unavoidable circumstance, you must speak to the instructor at the earliest about this to ensure that your grades may not be affected.

Absence policy
If you must remain absent from a class, you need to a) inform the instructor ahead of time b) within a week of missing class, you must submit a one page summary for each of the readings covered in class on the day you missed class c) more than one absence may negatively affect your grade.

Please note: MSU seeks to ensure that its programs are accessible to all persons. Students in need of special assistance or an accommodation regarding any of the course requirements as outlined in the syllabus and discussed in class are advised to notify me immediately. We will meet privately to discuss a resolution of your issue, which may or may not include an appropriate referral. Confidentiality will be maintained regarding your special needs.
Course Assignments

1. **Class participation:** Students are expected to participate fully in weekly discussions. It is essential that you come to class having read all the assigned articles and ready to engage with your classmates. From time to time I may also bring newspaper articles and other such materials to generate a discussion in class. Your engagement in these materials is crucial. Please remember that how well you do on this part of the assignment benefits not just you but also your classmates because we all learn from each other (15 percent).

2. **Generating and informing class discussion:** I will circulate a signup sheet during our second class meeting. Each student will select a week (excluding weeks 7, 8, 9 and 15) where they will be in-charge of generating discussion points and questions pertaining to that week’s readings. Your discussion points, along with any brief accompanying material you want us to look at (like say a small video or a newspaper article, or a quote etc.) will be due to me on Tuesday before class by 12pm (15 percent).

3. **Cost-benefit analysis:** A short exercise using cost-benefit analysis. You can work in groups of no more than three for this assignment. This will require intermediate competency with Microsoft Excel or a similar software. The whole group will receive the same grade (20 percent).

4. **Quantitative analysis:** In groups of no more than three students, you will work on a small quantitative analysis project to conduct a ‘production function’ analysis. I am still debating between two different datasets and approaches for this assignment. I will share more details in class. The main idea behind this assignment is to a) create and enhance students’ level of comfort with simple quantitative operations b) think about ways in which quantitative research may enrich our understanding of educational issues. The whole group will receive the same grade (20 percent).

5. **Final paper:** In groups of no more than three students a detailed analysis of an educational issue from an economic perspective. If you can link this back to assignment 4, that will be great- and if not, that is fine too. You will make a brief presentation on this paper in the last class and turn in a no longer than 15 page double spaced paper. Both the presentation and the paper will count towards your final grade. The whole group will receive the same grade. While it is not necessary, students with sufficient statistical background are welcome and encouraged to engage in a data analysis project. I will distribute more instructions on this final assignment in class (30 percent).

Course material

Most readings you will need for this class are available online through MSU library’s online resources (http://er.lib.msu.edu/) or online. The remaining readings are available in a course pack at the Spartan Bookstore in the International Center for $55.33. Course packs may be purchased online at www.spartanbook.com, by phone at 877.267.4700, or in the store.
Course schedule and readings (subject to minor changes/additions)

Class 1, 1/13

1. Chapter 4, The Elements of Demand and Supply (Samuelson 13th Edition)
2. Chapter 21, Theory of Production and Marginal Products (Samuelson 13th Edition)
5. Chapter 34, Poverty, Equality and Efficiency (Samuelson 13th Edition)
6. Reading statistical tables / quantitative research
   (http://www.aera.net/uploadedFiles/Publications/Books/Estimating_Causal_Effects/ECE_Front-TOC.pdf)

Additional reading

Class 2, 1/20


Additional readings

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Class 3, 1/27


3. Does learning to add up add up?: the returns to schooling in aggregate data, Lant Pritchett (From the Handbook of Economics of Education, Hanushek) [up to page 25](http://www.isid.ac.in/~planning/seminar/papers/18_2_2005.pdf)


Additional reading

1. Returns to investment in education: a further update G Psacharopoulos, HA Patrinos Education Economics, Volume 12, Number 2, August 2004 , pp. 111-134(24)

Production of education, the role of different inputs

Class 4, 2/3


Additional readings

2. Review, [http://www.boldapproach.org/statement.html](http://www.boldapproach.org/statement.html), A Broader, Bolder Approach to Education

Class 5, 2/10


Additional readings


Class 6, 2/17


Cost-benefit analysis

Class 7, 2/24

(Amita in DC for NAED/Spencer conference)

Additional cost-benefit analysis readings
Returns: Comparative Benefit-Cost Analysis of the Abecedarian Program and Policy Implications”,
Economics of Education Review, 26, 113-125.
analysis of the High/Scope Perry Preschool Program through age 40. Educational Evaluation and
Policy Analysis, 27(3), 245-262.

Class 8, 3/3

Educational Researcher 2009 38: 5-20

of Educational Evaluation

Analysis, Vol. 10, No. 1 (Spring, 1988), pp. 51-69


SPRING BREAK

Quantitative analysis and research methods

Class 9, 3/17 (AEFA)

ASSIGNMENT 3 DUE IN CLASS
ASSIGNMENT 4 DISTRIBUTED IN CLASS
ONE PAGE FINAL PAPER OUTLINE DUE
Quantitative research session, PLEASE BRING YOUR LAPTOPS TO CLASS
PLEASE SPEND SOME TIME REVIEWING
http://nces.ed.gov/nationsreportcard/nde/ AND
http://lighthouse.air.org/timss/

2 section D. and chapter 3.

with WWC standard, one consistent with reservation, and one not consistent).

3. http://econ-www.mit.edu/files/765 (read sections 1, 4 and 5)
### Education as an output or an economic good, the role of the market, gaps in distribution of education, accountability issues

**Class 10, 3/24**


3. Jean Drèze & Geeta Gandhi Kingdon, School Participation in Rural India, Review of Development Economics, Volume 5 Issue 1, Pages 1 – 24


**Class 11, 3/31**


**Additional reading**

2. James Tooley and Pauline Dixon, “Private Schools for the Poor: A Case Study from India”

ASSIGNMENT 4 DUE IN CLASS


Additional Readings
3. The Confusing World of Educational Accountability June 2001, Eric A. Hanushek and Margaret E. Raymond National Tax Journal 54(2)

Economics of higher education and the role of education in the global economy

Class 13, 4/14


Class 14, 4/21


2. Gary Gereffi and Vivek Wadhwa “Framing the Engineering Outsourcing Debate: Placing the United States on a Level Playing Field with China and India”


4. The World Is Flat From WikiSummaries: Free Book Summaries
   [http://www.wikisummaries.org/The_World_Is_Flat](http://www.wikisummaries.org/The_World_Is_Flat)

Final presentation
Class 15, 4/28

ASSIGNMENT 5 DUE IN CLASS