

**Advanced Policy Economics:
Education Policy & Labor Markets
Spring 2006**

Thursday 9-12
Room: SRH 3.103
office hours: Thursday 1:30-3:30

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Description:

This course will take an international comparative approach to policies that promote human capital. We will examine the intersection of education policy and labor market policy, looking at how education and work influence economic growth and change the lives of individuals, families, and communities. Cases will be drawn from both developing and developed countries with the goal of identifying institutional and cultural conditions for successful policy implementation. Students will develop skills for comparative policy analysis with attention to economic efficiency, distributional equity, and institutional context.

This course is appropriate for students with interests in education, labor, social welfare, and international development. We will begin by learning the process of comparative policy analysis and core theories of human capital. After that, topical areas in education and labor policy will be selected to match students' interests.

Objectives:

- To understand the economics of education and labor policies at individual, household, community, and societal levels.
- To understand the concept of human capital and its role in economic growth and development.
- To compare policies and programs across cities, countries, and regions.
- To analyze differences across institutions and cultures to determine if successful policies are replicable across contexts.

Textbooks (available at the Co-op)

Rose, Richard (2005) *Learning from Comparative Public Policy*. London: Routledge.

Adolino, Jessica R. & Charles H. Blake (2001) *Comparing Public Policies: Issues and Choices in Six Industrialized Countries*. Washington, DC: CQ Press.

Additional readings on ERes (password: labor)

Assignments:

Students will complete a comparative policy project of programs in two contexts. The programs can focus on any specific aspect of education or labor policy. The final project will include a summary of relevant contextual variables (institutions, culture, and current conditions in education and labor), description of the programs, and economic analysis of policy implications for efficiency and equity.

Cases may be selected based on: 1) similarities between places; 2) similarities between policy objectives; or 3) similarities between programs.

Examples:

Family leave policies in the U.K. & Canada

Promoting adult literacy in rural vs. urban India

School vouchers in the U.S. & Chile

Job training in New York and Los Angeles

	Product	Description	Due Date	Points
Stage 1	Proposal	1 page description of the policy area and locations you plan to study	Week 3: February 2	10
Stage 2	Education Data Analysis	3-5 page summary and comparison of education statistics	Week 6: February 23	10
Stage 3	Labor Data Analysis	3-5 page summary and comparison of labor statistics	Week 10: March 23	10
Stage 4	Institutional/ cultural analysis	3-5 page comparison of institutional or cultural context relevant to policy area	Week 13: April 6	10
Stage 5	Presentation	In-class presentation of comparative policy analysis	Week 14-16: April 20 April 27 May 4	25
Stage 6	Report	10-15 page written report of comparative policy analysis	May 10 10 am	25

Grading:

Comparative Policy Analysis: 90%

Class participation: 10% (requires presentation of readings in class)

Course Topics:

Week 1 (January 19): Course Introduction

Week 2 (January 26): Comparative Policy Analysis

Rose, Richard (2005) *Learning from Comparative Public Policy*. London: Routledge.

Adolino, Jessica R. & Charles H. Blake (2001) *Comparing Public Policies: Issues and Choices in Six Industrialized Countries*. Washington, DC: CQ Press.

Week 3 (February 2): Institutional and Cultural Approaches to Comparative Analysis

Institutions

Chubb, J.E. & T.M. Moe (1990). An institutional perspective on schools. In *Politics, Markets, & America's Schools*. Washington, DC: The Brookings Institution.

North, D.C. (1990). An introduction to institutions and institutional change. In *Institutions, Institutional Change, and Economic Performance*. Cambridge: Cambridge University Press.

Culture

Boserup, E. (1995). Obstacles to advancement of women during development. In T.P. Schultz (ed.), *Investment in Women's Human Capital*. Chicago: University of Chicago Press.

Csapo, M. (1981). Religious, social and economic factors hindering the education of girls in Northern Nigeria. *Comparative Education*, 17(3), 311-319.

Week 4 (February 9): Theories of Human Capital

Household

Becker, G. (1985). Human capital, effort, and the sexual division of labor. *Journal of Labor Economics*, 3(1), S33-S58.

Folbre, N. (1984). Household production in the Philippines: A non-neoclassical approach. *Economic Development & Cultural Change*, 32(2), 303-330.

Sen, A. (1989). Cooperation, inequality, and the family. *Population and Development Review*, 15, 61-76.

Lam, D. & S. Duryea (1999). Effects of schooling on fertility, labor supply, and investments in children, with evidence from Brazil. *Journal of Human Resources*, 34(1), 160-192.

Society

Barro, R.J. (1991). Economic growth in a cross section of countries. *The Quarterly Journal of Economics*, 106(2), 407-443.

Mankiw, N.G. *et al.* (1992). A contribution to the empirics of economic growth. *The Quarterly Journal of Economics*, 107(2), 407-437.

Romer, P. (1986). Increasing returns and long-run growth. *Journal of Political Economy*, 94(51), 1002-1037.

Schultz, T.W. (1960). Capital formation by education. *Journal of Political Economy*, 68(6), 571-583.

Week 5 (February 16): Educational Supply

Bedi, A. & Edwards, J. (2002). The impact of school quality on earnings and educational returns – evidence from a low-income country. *Journal of Development Economics*, 68, 157-185.

James, E. (1993). Why do different countries choose a different public-private mix of educational services? *The Journal of Human Resources*, 28(3), 571-592.

Parrado, E. (1998). Expansion of schooling, economic growth, and region inequalities in Argentina. *Comparative Education Review*, 42(3), 338-364.

Parry, T. (1997). Achieving balance in decentralization: A case study of education decentralization in Chile. *World Development*, 25(2), 211-225.

Post, D. (1994). Educational stratification, school expansion, and public policy in Hong Kong. *Sociology of Education*, 67(2), 121-138.

Week 6 (February 23): Educational Demand

Bowman, M. J. (1984). An integrated framework for analysis of the spread of schooling in less developed countries. *Comparative Education*, 28(4), 563-583.

Buchmann, C. (2000). Family structure, parental perceptions, and child labor in Kenya: What factors determine who is enrolled in school? *Social Forces*, 78(4), 1349-1378.

Colcough, C. (1996). Education and the market: Which parts of the neoliberal solution are correct? *World Development*, 24(4), 589-610.

Ersado, L. (2005). Child labor and schooling decisions in urban and rural areas: Comparative evidence from Nepal, Peru, and Zimbabwe. *World Development*, 33(3), 455-480.

Maclure, R. (1994). Misplaced assumptions of decentralization and participation in rural communities: Primary school reform in Burkina Faso. *Comparative Education*, 30(3), 239-254.

Week 7 (March 2): Equity in Education and Labor Markets

- Behrman, J. *et al.* (1999). Women's schooling, home teaching, and economic growth. *The Journal of Political Economy*, 107(4), 682-714.
- Glick, P. & D. Sahn (1997). Gender and education impacts on employment and earnings in West Africa: Evidence from New Guinea. *Economic Development and Cultural Change*, 45(4), 793-823.
- Greenhalgh, S. (1985). Sexual stratification: The other side of "growth with equity" in East Asia. *Population and Development Review*, 11(2), 265-314.
- Keane, J. & K. Wolpin (2000). Eliminating race differences in school attainment and labor market success. *Journal of Labor Economics*, 18(4), 614-652.
- Lundberg, S. & Startz, R. (1998). On the persistence of racial inequality. *Journal of Labor Economics*, 16(2), 292-323.
- Vijverberg, W. (1993). Educational investments and returns for women and men in Cote D'Ivoire. *The Journal of Human Resources*, 28(4), 933-974.

Week 8 (March 9): Vocational Education

- Bishop, J. (1998). Occupation-specific versus general education and training. *Annals of the American Academy of Political and Social Sciences*, 559, 24-38.
- Dronkers, J. (1993). The precarious balance between general and vocational education in the Netherlands. *European Journal of Education*, 28(2), 197-207.
- Grootings, P. (1993). VET in transition: An overview of changes in three Eastern European countries. *European Journal of Education*, 28(2), 229-240.
- Lewis, T. (1994). Bridging the liberal/vocational divide: An examination of recent British & American versions of an old debate. *Oxford Review of Education*, 20(2), 199-217.
- Meijer, K. (1991). Reforms in vocational education and training in Italy, Spain, and Portugal: Similar objectives, different strategies. *European Journal of Education*, 26(1), 13-27.
- Preston, R. (1993). Gender & relevance: Decentralised vocational education in Papua New Guinea. *Oxford Review of Education*, 19(1), 101-115.
- Wilson, D. (1991). Reform of technical-vocational education in Indonesia and Malaysia. *Comparative Education*, 27(2), 207-221.

Week 9 (March 16): SPRING BREAK

Week 10 (March 23): Job Training

- Becker, G. (1964). Investment in human capital: Effects on earnings. In *Human Capital*. New York: National Bureau of Economic Research.
- Friedlander, D., D. Greenberg, & P. Robins (1997). Evaluating government training programs for the economically disadvantaged. *Journal of Economic Literature*, 35(4), 1809-1855.
- Gattiker, U. (1995). Firm and taxpayer returns from training of semi-skilled employees. *Academy of Management Journal*, 38(3), 1152-1173.
- Greene, F., S. Machin & D. Wilkinson (1999). Trade unions and training practices in British workplaces. *Industrial and Labor Relations*, 52(2), 179-195.
- Lalonde, R.J. (1995). The promise of public sector-sponsored training programs. *Journal of Economic Perspectives*, 9(2), 149-168.

Week 11 (March 30): Minimum Wage

- Bell, L. (1997). The impact of minimum wages in Mexico & Colombia. *Journal of Labor Economic*, 15(3, Pt. 2: Labor market Flexibility in Developing Countries), S102-135.
- Card, D. & A. Krueger (1994). Minimum wages & employment: A case-study of the fast-food industry in New Jersey and Pennsylvania. *American Economic Review*, 84(4), 772-793.
- Dolado, J. *et al.* (1996). The economic impact of minimum wages in Europe. *Economic Policy*, 11(23), 317-372.
- Fitoussi, J-P (1994). Wage distribution and unemployment: The French experience. *American Economic Review*, 84(2), 59-64.
- Freeman, R. (1996). The minimum wage as a redistributive tool. *The Economic Journal*, 106(436), 639-649.
- Rama, M. (2001). The consequences of doubling the minimum wage: The case of Indonesia. *International and Labor Relations Review*, 54(4), 864-881.

Week 12 (April 6): Family Assistance, Subsidies, and Labor Supply

Averett, S., H. Peters, & D. Waldman (1997). Tax credits, labor supply, and child care. *The Review of Economics and Statistics*, 79(1), 125-135.

Gustafsson, S. & F. Stafford (1992). Child care subsidies and labor supply in Sweden. *Journal of Human Resources*, 27(1), 204-230.

Misra, J. (1998). Mothers of workers? The value of women's labor: Women and the emergence of family allowance policy. *Gender and Society*, 12(4), 376-399.

Phelps, E. (1994). Low-wage employment subsidies vs. the welfare state. *American Economic Review*, 85(2), 226-231.

Shan, D. & H. Alderman (1996). The effect of food subsidies on labor supply in Sri Lanka. *Economic Development and Cultural Change*, 45(1), 125-145.

Week 13 (April 13): Immigrant & Migrant Labor

Adams, R. (1991). The economic uses and impact of international remittances in rural Egypt. *Economic Development and Cultural Change*, 39(4), 695-722.

Arthur, J. (1991). International labor migration patterns in West Africa. *African Studies Review*, 34(3), 65-87.

Borjas, G. (1994). The economics of immigration. *Journal of Economic Literature*, 32(4), 1667-1717.

Card, D. (2001). Immigrant inflows, native outflows, and the local labor market impacts of higher immigration. *Journal of Labor Economics*, 19(1), 22-64.

Raijman, R. & M. Semyonov (1997). Gender, ethnicity, and immigration: Double disadvantage and triple disadvantage among recent immigrant women in the Israeli labor market. *Gender & Society*, 11(1), 108-125.

Worswick, C. (1999). Credit constraints and the labor supply of immigrant families in Canada. *The Canadian Journal of Economics*, 32(1), 152-170.

Weeks 14-16 (April 20, April 27, May 4) : Student presentations

Sources for projects ideas:

Unicef www.unicef.org
World Bank www.worldbank.org/projects
Care International www.care.org
Unesco www.unesco.org
International Labour Organization www.ilo.org
US Department of Education www.ed.gov
US Department of Labor www.labor.gov

Sources for Statistics:

World Development Indicators - <http://www.worldbank.org/data/wdi2005/index.html>
Human Development Report - <http://hdr.undp.org/reports/global/2005/>
International Labor Statistics - <http://www.ilo.org/public/english/bureau/stat/portal/topics.htm>
US & International Labor Statistics - <http://www.bls.gov/>
US Educational Statistics - <http://nces.ed.gov/>
International Conference on Education -
http://www.ibe.unesco.org/International/ICE47/English/index_ICE47.htm
European Union - <http://epp.eurostat.cec.eu.int/>