



ECON 321 - Education Economics and Policy – Fall 2022  
Sabancı University, Faculty of Arts and Social Sciences

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Office Hours: by email appointment

Lectures: Mon : 1:40 pm - 3:30 pm FASS G022  
Tues : 10:40 am- 11:30 am FASS 2023

Prerequisites: ECON 301 (Econometrics)

Teaching Assistant: Özge Kaptan

#### Course Overview

Education affects individuals' productivity and earnings in the labor market. At the individual level it is also associated with other outcomes such as health investments, risky behavior, quality of life and has a bearing on children through intergenerational investments. At the aggregate level education affects human capital stock, economic growth, income inequality. This course will focus on economic theory and econometric methods to investigate economic issues in education. We will start with the theories of education that view education either as an investment or a signaling device. We will discuss research on returns to education and heterogeneities in these returns across countries. The nature of education production functions, role of various inputs and long-run implications of education for growth will be covered. Throughout the course we will focus on educational policy issues and the challenge of making causal inferences.

#### Textbook

Economics of Education, Michael Lovenheim and Sarah Turner, Macmillan Learning, 2018  
(see <https://store.macmillanlearning.com/us/digital/intro/ebooks>)

Selected material will be covered from this textbook. Lectures will include additional material not included in this text. Course content, requirements and policies are subject to change at the discretion of the instructor.

#### Other Required Readings

Additional readings will be assigned throughout the semester around the topics covered in class. There will be in class discussion of these assigned readings. Participation in discussions will be expected and evaluated.

#### Teaching format

The course will be taught in-class. Students are strongly encouraged to attend classes and participate in class discussions. Problem sets will be handed to help with the course material but they will not be collected or graded.

#### Grading

Midterm 1: 40 %, Midterm 2: 40 %, Group project: 20 %

- i) First midterm is scheduled for the 7<sup>th</sup> week of classes and midterm 2 is scheduled for the 12<sup>th</sup> week of classes. Both midterms will be on Monday during class time. There is no final exam.
- ii) Group work will involve analysis of Turkish data on education. Details of the topic will be announced during the semester. Each group is expected to turn in a report of maximum 5 pages, double spaced excluding references but including figures and tables. The report will be due Sunday 11 pm following 12<sup>th</sup> week of classes. Groups will present their work in class during the last two week of classes.

The course grade is solely based on the grading scheme stated on the syllabus. There will be no exceptions to this (like doing additional assignments).

#### Rules of Conduct

The definition for scholastic dishonesty is given in the rules and regulations of the Sabancı University. In the case of scholastic dishonesty, no credits will be given for that particular work. Cheating during written work will result in an F for the course. All incidents of scholastic dishonesty will be reported to FASS for disciplinary action..

Make-up exams are granted only in case of a valid and documented reason. If you are granted a make up the exam will take place after the final exams, it will be cumulative and typically harder than the other exams.

In case of an illness, the student is required to produce a formal doctor's note from a hospital. (A doctor's note taken from a doctor's private practice does not count as formal.) In case of private hospitals, the doctor's note has to be verified by the university health service. The doctor's notes should be submitted within two weeks following the midterm date.

Absence in exams without any valid documented reason will result in a zero from that exam.

You are responsible from all material covered during the class which will include material not covered by the text book. Therefore, students are strongly encouraged to attend the classes.

## Course Outline

Outline is tentative and subject to revision. Additional reading will be assigned throughout the term.

Topic 1 - Introduction to economics of education

Topic 2 - Empirical tools of education economics

Topic 3 – The human capital model

Topic 5 - The signaling model

### **Midterm 1- Nov 14, 2022, Class time**

Topic 6 - The economic and non-economic returns to education

Topic 7 - Education production functions

Topic 8 - Developing country education policies and impacts

Topic 9 – Developments in the Turkish education environment

### **Midterm 2- Dec 19, 2022, Class time**

