GENERAL INFORMATION

Instructor: Dr. John Bodian KLOPFER
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Phone: 3917 0023
Consultation times: TBA

Tutor: TBA

Pre-requisite(s): ECON2210 Intermediate Microeconomics and ECON2280 Introductory Econometrics (or mutually exclusive equivalent)
Note: prerequisites may be scaled back in future revisions of the syllabus, and pending consultation with other faculties. For example, a more accessible version of the course could alternatively require ECON1210 Introductory Microeconomics, ECON1280 Analysis of Economic Data (or mutually exclusive equivalent), or only ECON1210 Introductory Microeconomics

Co-requisite(s): None
Mutually exclusive: None

Course website: Moodle
Other important details: TBA

COURSE DESCRIPTION

Human capital accounts for more than half the world’s wealth and income. This course will cover some of the following topics: (1) the demand for educational services and investment in human capital by families, students, and governments: risk, returns and skill prices, financing, signaling and certification, market power, externalities; (2) human capital production and inputs: based on program and policy evaluation from early childhood to adulthood with a particular focus on incentives, school and teacher quality, and high-impact evidence from other health and environmental interventions, using frameworks and methods of causal inference including RCT, RDD, DID, and IV; (3) the supply of educational services by teachers, schools, and other institutions: hiring and retention, productivity, management, competition among schools, and public-sector policy and regulation.

COURSE OBJECTIVES

1. To introduce theory and evidence on:
   A. demand for educational services, and outcomes of investment in human capital.
   B. productivity of educational services and other investments in human capital.
   C. supply of educational services, esp. by teachers; market structure; and regulation of the education sector.

2. To critically assess empirical evidence in economics.

3. To present arguments in favor of (and anticipate arguments against) policy interventions in education and training, in writing and in speech.

FACULTY LEARNING GOALS (FLGs)

FLG1: Acquisition and internalization of knowledge of the programme discipline
FLG2: Application and integration of knowledge
FLG3: Inculcating professionalism
FLG4: Developing global outlook
FLG5: Mastering communication skills
FLG6: Cultivating leadership

COURSE LEARNING OUTCOMES (CLOs)

<table>
<thead>
<tr>
<th>Course Learning Outcomes</th>
<th>Aligned Faculty Learning Goals (FLGs)</th>
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<tbody>
<tr>
<td>CLO1 Explain and predict observed decisions of families, students, schools, and teachers</td>
<td>FLG1, 2, 4</td>
</tr>
<tr>
<td>CLO2 Assess evidence from economic research with informed reference to underlying data, methods, and assumptions</td>
<td>FLG1, 2, 3, 4, 6</td>
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<tr>
<td>CLO3 Present fluent arguments for and against policy alternatives</td>
<td>FLG1, 2, 3, 4, 5, 6</td>
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</tbody>
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COURSE TEACHING AND LEARNING ACTIVITIES

<table>
<thead>
<tr>
<th>Course Teaching and Learning Activities</th>
<th>Expected Study Hours</th>
<th>Study Load (% of study)</th>
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</thead>
<tbody>
<tr>
<td>TLA1 Meetings for lecture, discussion</td>
<td>36 hours</td>
<td>30</td>
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<tr>
<td>TLA2 Tutorials</td>
<td>12 hours</td>
<td>10</td>
</tr>
<tr>
<td>TLA3 Consultation via forum, email, and office hours</td>
<td>6 hours</td>
<td>5</td>
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<tr>
<td>TLA4 Group projects</td>
<td>18 hours</td>
<td>15</td>
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<tr>
<td>TLA5 Self study</td>
<td>48 hours</td>
<td>40</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>120</strong></td>
<td><strong>100%</strong></td>
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Assessment Methods | Brief Description (Optional) | Weight | Aligned Course Learning Outcomes |
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<tr>
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<tbody>
<tr>
<td>Paper discussions</td>
<td></td>
<td>15</td>
<td>CLO1, 2, 3</td>
</tr>
<tr>
<td>Referee report</td>
<td></td>
<td>25</td>
<td>CLO1, 2, 3</td>
</tr>
<tr>
<td>Policy debates</td>
<td></td>
<td>30</td>
<td>CLO1, 2, 3</td>
</tr>
<tr>
<td>Final examination</td>
<td></td>
<td>30</td>
<td>CLO1, 2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>100%</strong></td>
<td></td>
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STANDARDS FOR ASSESSMENT

Course Grade Descriptors

<table>
<thead>
<tr>
<th>Grade</th>
<th>Description</th>
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<tbody>
<tr>
<td>A+, A, A-</td>
<td>Consistent evidence of thorough understanding of the concepts and reasoning presented in the course; applied with creativity, analytical rigor, and judgment</td>
</tr>
<tr>
<td>B+, B, B-</td>
<td>Frequent evidence of substantial understanding of the concepts and reasoning presented in the course; applied with sound analysis and judgment</td>
</tr>
<tr>
<td>C+, C, C-</td>
<td>Occasional evidence of accurate understanding of the concepts and reasoning presented in the course; applied with passable analysis</td>
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<tr>
<td>D+, D</td>
<td>Evidence of partial, possibly inaccurate understanding of the concepts and reasoning presented in the course; applied without analysis or critical thought</td>
</tr>
<tr>
<td>F</td>
<td>Evidence of minimal, generally inaccurate understanding of the concepts and reasoning presented in the course; not applied, or assignments not completed</td>
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Assessment Rubrics for Each Assessment (Please provide us the details in a separate file if the space here is not enough)

TBA

COURSE CONTENT AND TENTATIVE TEACHING SCHEDULE

Note: The following is a list of potential topics. The list will be narrowed down considerably in the final course outline.

Introduction and basic facts
- Family and the intergenerational ‘inheritance’ of earnings
- Education, experience, and earnings
- Educational attainment and achievement gaps within and across countries
- Education, human capital, and economic growth

Human capital
- The investment decision
  - Opportunity cost: voluntary and forced educational investment
  - Depreciation and discounting: health, longevity, and the payoff period
  - Portfolio theory, risky returns, and the “beta” of human capital
  - Illiquidity: an inalienable and unpledgeable asset
  - Wealth and borrowing for education: student choices and debt
- Productivity: causal effect of education
- Information: signaling, screening, and employer learning
- Private versus public returns: market power, discrimination, and externalities
- Rental rates: supply, demand, and the rising return to (some kinds of) skill
- Example: trends in returns to skill in Hong Kong and Asia
- The Roy model: tasks and specialization
- The education production function (might need to be coordinated with causal inference, could focus on methods: INUS causality, Rubin causal model, RCT, RDD, DRD, DID, event study, IV, simulated IV; inference: clustering, outliers, sampling or design-based inference)
- Parental inputs
- Environmental influences: pollution, noise, heat, health, nutrition
- Student effort and incentives
- Peer effects
- Class size
Learning time and curriculum
Teacher quality: value-added models
Teacher quality: predicting value added by skills, training, and experience
Supply of education: teachers and institutions
Teacher hiring and retention
  What do teachers want: preferences and compensating differentials
  Who wants teachers for what:
    Subject specialists, outside options, and cost differentials
    Productivity and Baumol’s cost disease
Market power: school districts and teacher unions
Teacher effort and incentives
  Administrators and management practices
  Absenteeism and monitoring
  Accountability and standards: teaching to the test, cheating, and fade-out
The market for schools: competition and regulation
  Public systems: residential zones, finance, and mobility
  Quasi-competitive systems: charters, busing, and vouchers
  Private and religious schools, cram schools, and tutoring
  Wasteful competition: marketing, kickbacks, and amenities
Cost-benefit analysis: what’s worth paying for, for whom, and who should pay?
Supply of education: job training
  Public job training programs and retraining
  On-the-job training
    Training as screening, and the adverse selection problem
    General and employer-specific skills, and the hold-up problem
Learning by doing and the returns to experience

REQUIRED/RECOMMENDED READINGS & ONLINE MATERIALS (e.g. journals, textbooks, website addresses etc.)
Readings: Articles to be assigned, accessible through HKU Libraries

MEANS/PROCESSES FOR STUDENT FEEDBACK ON COURSE
☑ Conducting a mid-term survey in addition to SETL around the end of the semester
☐ Online response via Moodle site
☐ Others: Students are encouraged to offer anonymous feedback, comments, and questions on the course on a regular basis using a standard Google Form.

COURSE POLICY (e.g. plagiarism, academic honesty, attendance, etc.)
Academic conduct: The University regulations on academic dishonesty will be strictly enforced. You should not need to cheat to succeed.
It is your responsibility to know the University regulations, and it is your responsibility to request clarification about the course-specific policies for each assignment – which I will gladly give! Please review the University regulations on academic conduct concerning assessment at: https://www4.hku.hk/pubunit/calendar/2020-2021/1599-regulations-governing-students-academic-conduct-concerning-assessment Please review the University regulations and statement on plagiarism at: https://intranet.hku.hk/reserved_1/tlearn/plagiarism/Policy-on-Student-Plagiarism-in-UG-and-TPG.pdf and in more depth at http://www.hku.hk/plagiarism
In addition to these guardrails, please use common sense and good manners. Your classmates will say many smart, interesting things. Please acknowledge your classmates’ contributions as you refer to them. If you have a hard time remembering who said what, take notes!

ADDITIONAL COURSE INFORMATION (e.g. e-learning platforms & materials, penalty for late assignments, etc.)

TBA