



# *The Hebrew University of Jerusalem*

## *Syllabus*

### *Economics of Education - 37939*

*Last update 03-11-2022*

*HU Credits: 2*

*Degree/Cycle: 2nd degree (Master)*

*Responsible Department: Education*

*Academic year: 0*

*Semester: 2nd Semester*

*Teaching Languages: Hebrew*

*Campus: Mt. Scopus*

*Course/Module Coordinator: Michael Debowy*

*Coordinator Email: [Michael.Debowy@mail.huji.ac.il](mailto:Michael.Debowy@mail.huji.ac.il)*

*Coordinator Office Hours: Will be updated by the beginning of the course.*

*Teaching Staff:*

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Mr. michael debowy

Course/Module description:

The course integrates introduction to economic and statistical theories, research methodologies and modes of thinking with a survey of topics in Economics of Education, including the "production" and "consumption" of education, the market for education, and the economic benefits of education at the individual and societal levels.

Course/Module aims:

- Introduction to topics in Economics of Education and economical approaches to education.
- Introduction to the Israeli education system from an economic perspective.
- Introduction to economic modes of thinking and basic theories.
- Introduction to basic data analysis, including charts and statistical summaries.

Learning outcomes - On successful completion of this module, students should be able to:

- Explain basic economic theories within the context of education and its contribution to the individual and to society.
- Interpret and analyze statistical data in the form of tables or charts.
- Obtain and analyze data from the Israeli education system.
- Identify issues, challenges and doubts in the application of economic theories or quantitative models in the context of education.

Attendance requirements(%):

100

Teaching arrangement and method of instruction: In-person lectures; attendance is required. Lectures will be recorded and the recordings may be provided to students on a case-by-case basis. There will be a final assignment.

Course/Module Content:

The course is composed of 4 units (supply, demand, market and macro) in addition to an introduction and conclusion. Each unit surveys one aspect of Education Economics, such as economic theory and empirical results, and includes learning mathematical and statistical tools to understand these aspects.

Course layout:

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1.1 Introduction, background, basic statistics, economics as a quantitative science and the challenges of quantifying education

2.1 Education "Production" 1 - functions, production function, inputs, outputs, isoquants

2.2 Education "Production" 2 - the producer's problem, statistics: estimating parametric functions, marginal products

3.1 Education "Consumption" 1 - utility function, education as a consumption good and an investment good, private returns to education, statistical identification problems

3.2 Education "Consumption" 1 - the client problem, private and public utility (introduction to market failures)

4.1 Education Market 1 - supply and demand, public goods, market failures, government intervention

4.2 Education Market 2 - private and public schooling, education budgeting and finance

4.3 Educational Inequality - measures of inequality, current conditions in Israel, preparation for final assignment

5.1 Macroeconomics 1 - national accounting, endogenous growth, education and short-term growth

5.2 Macroeconomics 2 - developmental economics, education and long-term growth, over-education and misallocation

6.1 Review and preparation for final assignment

Required Reading:

Allais, S. (2012). 'Economics imperialism', education policy and educational theory. *Journal of Education Policy*, 27(2), 253-274.

Angrist, J. D., & Lavy, V. (1999). Using Maimonides' rule to estimate the effect of class size on scholastic achievement. *The Quarterly journal of economics*, 114(2), 533-575.

Angrist, J., & Lavy, V. (2009). The effects of high stakes high school achievement awards: Evidence from a randomized trial. *American economic review*, 99(4), 1384-1414.

Bertola, G., & Pirani, D. C. (1998). Market failures, education and macroeconomics. *Creation and Transfer of Knowledge*, 179-207.

Checchi, D. (2006). The economics of education: Human capital, family background

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and inequality. Cambridge University Press.

Chetty, R., Friedman, J. N., & Rockoff, J. E. (2014). Measuring the impacts of teachers I: Evaluating bias in teacher value-added estimates. *American economic review*, 104(9), 2593-2632.

Chetty, R., Friedman, J. N., & Rockoff, J. E. (2014). Measuring the impacts of teachers II: Teacher value-added and student outcomes in adulthood. *American economic review*, 104(9), 2633-79.

Glewwe, P., & Jacoby, H. G. (2004). Economic growth and the demand for education: is there a wealth effect?. *Journal of development Economics*, 74(1), 33-51.

Hanushek, E. A. (2020). Education production functions. In *The economics of education* (pp. 161-170). Academic Press.

Hanushek, E. A., & Woessmann, L. (2010). Education and economic growth. *Economics of education*, 60, 67.

Hanushek, E. A., Machin, S. J., & Woessmann, L. (Eds.). (2016). *Handbook of the economics of education*. Elsevier.

Lavy, V. (2002). Evaluating the effect of teachers' group performance incentives on pupil achievement. *Journal of political Economy*, 110(6), 1286-1317.

Lavy, V. (2009). Performance pay and teachers' effort, productivity, and grading ethics. *American Economic Review*, 99(5), 1979-2011.

Springer, M. G., Hamilton, L., McCaffrey, D. F., Ballou, D., Le, V. N., Pepper, M., ... & Stecher, B. M. (2010). Teacher pay for performance: Experimental evidence from the Project on Incentives in Teaching. National Center on Performance Incentives.

בלס, נ' (2013). מגמות בהתפתחות מערכת החינוך. בתוך: בן דוד, ד. (עורך). דו"ח מצב המדינה. מרכז טאוב.

בלס, נ' (2020). סיכויים וסיכונים במערכת החינוך בעקבות משבר הקורונה: מבט על. בתוך וייס, א' (עורך). דוח מצב המדינה: חברה, כלכלה ומדיניות 2020 (2020). מרכז טאוב.

בר-חיים, א', ופניגר, י' (2022). הסללה והשפעתה ארוכת הטווח על הישגי ההשכלה והשכר של תלמידות תלמידי תיכון בשנות התשעים. מרכז טאוב. נייר מדיניות מס' 05.2022.

לביא ו' (2001). חינוך והון אנושי כאסטרטגיה לצמיחה כלכלית בישראל. בתוך ר' גרונאו (עורך). אסטרטגיה לצמיחה כלכלית בישראל. ירושלים: המכון הישראלי לדמוקרטיה, עמ' 35-78.

פוקס, ה', ינאי, ג', ובלס, נ' (2018). החינוך הטכנולוגי-מקצועי: מגמות והתפתחויות בשנים 2006-2017. בתוך וייס, א' (עורך). דוח מצב המדינה: חברה, כלכלה ומדיניות 2018 (2018). מרכז טאוב.

קלינוב, ר. (2014). כלכלת חינוך. הוצאת האוניברסיטה הפתוחה.

### Additional Reading Material:

#### Course/Module evaluation:

End of year written/oral examination 0 %

Presentation 0 %

Participation in Tutorials 20 %

Project work 80 %

Assignments 0 %

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*Reports 0 %*  
*Research project 0 %*  
*Quizzes 0 %*  
*Other 0 %*

*Additional information:*