

Economics of Higher Education

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Course Description

The course is open to all CEU faculty and staff

Mandatory/Elective Course for Year 1 MPA and One-year MAPP (Students have to complete 2 credits of either this course or Data and Development (2); or Political Economy of Reforms (2); or Economics of Institutions, Culture and Development (2)

Higher Education Policy Specialization

The course will familiarize students with 1) key concepts of economic theory and 2) econometric approaches that are commonly used by policy makers and researchers to conceptualize and study higher education institutions and the students that attend them.

Through a combination of conceptual and empirical readings, group discussions, presentations, and a written assignment, course participants will explore a range of topic areas relevant to higher education policy, including the economic and non-economic benefits of higher education, theories of cost increase in higher education, the economic impact of higher education, higher education production functions, theories of organizational behavior in higher education, the economic and non-economic benefits of higher education internationalization, and the role of higher education in national skills training systems. In addition to considering theoretical approaches grounded in human capital theory, the course will also familiarize participants with alternative frameworks (signaling theory, higher education stratification) used for explaining the relationship between higher education and individual and societal outcomes.

Through the critical assessment of higher education research from a range of national contexts, course participants will also learn about the strengths and limitations of various econometric techniques, such as randomized control trials, Heckman selection models, instrumental variables, and stochastic frontier analysis.

Upon successful completion of this course, students will be able to make theoretically grounded and evidence-based arguments in areas of higher education policy such as higher education finance, access and equity policies, and skills training policies.

Learning Outcomes

At the end of this course, students will be able to:

- Apply economic theories and concepts to the analysis of higher education attainment and higher education provision;
- Assess the strengths and limitations of econometric research on issues related to higher education;
- Appraise policy design and implementation in areas related to higher education by drawing on a combination of economic theories and concepts and a critical assessment of available empirical evidence.

Assessment

Students are required to attend class, read the required readings, participate in all in-class discussions and activities, hold an in-class presentation on an econometric technique, and submit a term paper or podcast.

The final course grade will be calculated as follows:

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|---------------------------------|-----|
| - In-class methods presentation | 40% |
| - Term paper OR podcast | 40% |
| - Class participation | 20% |

In-class methods presentation

Students are required to give a 20-minute presentation on an econometric technique that is commonly used in research on higher education. The methods presentation should introduce the key characteristics of the econometric technique, demonstrate the use of the technique through a critical discussion of the relevant reading from the list of required course readings, and reflect on the strengths and limitations of the technique for answering research questions related to higher education. Students will be randomly assigned presentation topics and presentation dates in the second week of the course.

Term paper OR podcast

At the end of the term, students are required to submit a four-page (max. 2000 words) term paper. Students have the choice of writing either a policy-focused term paper, or an empirical term paper.

In a policy-focused term paper, students must draw on economic theories and concepts to describe a policy issue related to higher education in a specific national / regional context; describe a specific policy or program that has been implemented / proposed to address this issue; and provide a critical synthesis of empirical evidence on the policy issue. In an empirical term paper, students must draw on economic theories and concepts to describe a policy issue related to higher education in a specific national / regional context, and provide new insights bearing on the topic based on the analysis of quantitative data.

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As an alternative to the term paper, students have the option to prepare a 25-minute podcast on a higher education policy issue.

Prerequisites

Introductory-level familiarity with economics and statistics is an asset but not a requirement for participation in and successful completion of this course.