

Economics of Education

Course Code: UEC000017T
 Course Title: Economics of Education
 Semester: IV
 Credits: 4

Rationale

The aim of the Course is to analyse the investment attributes of expenditures incurred in education by various stakeholders for the purpose of increasing the labour productivity and to assess the role of education in the growth, development and social transformation of a developing economy.

Course Outline

Contents	No. of Lectures
Unit-I: Introduction to Human Capital Human Capital: Historical roots of the concept, Components of Human Capital: Education, Health, On the job Training, Labour Mobility and miscellaneous variables. Investment in Human Capital; Evolution of Economics of Education: Historical development of the economics of education Linkage between Education Systems and Economic Development.	10
Unit-II: Demand and Supply for Education Education as creation of minimal capabilities; Determinants of Education Demand: Factors influencing individuals' decisions to pursue education; Education Supply: Examining the role of educational institutions and government policies; Cost-Benefit Analysis of Education: Evaluating the economic returns and costs associated with education	10
Unit-III: Education and Economic Development Education, Skill formation and labour productivity; consumption-investment controversy regarding expenditure in education. The market for Educated Manpower: Market Signalling Theory; Assessment of direct benefits—correlation approach, residual approach, manpower-needs forecasting approach, Production Function Approach, Earnings Functions Approach, Rate of Returns to Education Approach	10
Unit-IV: Issues in Education Wastage in Education; Wastage at various levels, internal and External wastages- dropout stagnation: incidence of Stagnation and Dropout in developing countries with special reference to India; Quantity vs. quality in the modern education system. The Role of Technology in improving educational outcomes. Economics of International Migration of Human Capital.	10

Unit V: Financing of Education and Education Policies	10
Need for financing Education: Market failure and need for educational planning; Social choice and economic efficiency in the allocation of resources; Sources of educational finance; Internal and External sources of Financing Education, Economic rationale behind different policy interventions in education; Equity-focused initiatives such as Sarva Shiksha Abhiyan (SSA) and Rashtriya Madhyamik Shiksha Abhiyan (RMSA); Major National Education Policies of India (1968, 1986, and NEP 2020)	

Course Outcomes

Upon successful completion of the course, the candidates will be able to

1. Identify and analyse the components of human capital, including education, health, on-the-job training, and labour mobility, and assess their roles in economic development.
2. Analyse the determinants of education demand, considering individual decision-making factors, educational institutions, and government policies.
3. Apply cost-benefit analysis techniques to assess the economic returns and costs associated with education, including the evaluation of investment in human capital.
4. Examine the impact of education on economic development, including its role in skill formation, labour productivity, and the market for educated manpower.
5. Critically assess various approaches to financing education, considering market failure, social choice, and the allocation of resources, as well as internal and external sources of educational finance

Text Books

9. Blaug. M (1972), *An Introduction to Economics of Education*, Cambridge University Press.
10. Cohn. E and Gesker T.G. (1990) *The Economics of Education*, Oxford Pergamon Press.
11. Daniele Checchi (2005), *The Economics of Education*, Cambridge University Press.
12. George Pascharopoulos (1985), *Education for Development*, Oxford University press, N Y
13. Lovenheim, M. and Turner, S (2018): *Economics of Education*, Worth Publishers, New York.

Suggested Readings:

1. Arrow. K.J., M.D. Intriligator (2006), *Handbook of the Economics of Education*, Elsevier publisher
2. Becker. G.S, (1964), *Human Capital* New York; University press.
3. Becker. G.S, (1972), *Human Capital*, NBER, New York.
4. Blaug, M (ed) (1968), *Economics of Education selected readings*, Vol.1 and 2 London Penguin Books.
5. Blaug. M (1972), *An Introduction to Economics of Education*, Cambridge University Press
6. Cohn. E and Gesker (1990) T.G. *The Economics of Education*, Oxford Pergamon Press
7. G.S.Parnes, *Planning Education for economic Social development*

8. George Pascharopoulos (1985), *Education for Development*, Oxford University press, N Y
9. Hanushek. E. D, Jamison and L. Wassmann (2008) “ *Education and Economic Growth*” Levin.H (1989), *Mapping the Economics of education: an Introductory Essay*, Education Researcher.
10. Majumdar. T, (1983) *Investment in Education and Social Choice*, Cambridge, Cambridge University Press.
11. Pascharopoulos. G. (ed) (19870), *Economics of Education Research and Studies*, Oxford Pergamon Press
12. Pascharopoulos. G. and Woodhall (1986), *Education of Development* ,Washington the World bank
13. Shriprakash, *Cost of education* (1996) New Delhi: Anamika Publishers and distributors. Spence. A.M (1974) *Market Signaling: Informational transfer in hiring and related screening processes*. Cambridge, Harvard University Press.
14. Tilak, J.B.G (1987), *The Economics of Inequality in Education New Delhi*; Sage publications. Tilak J.B.G (1989), *Education and its Relation to Economic Growth Poverty and Income distribution: Past evidence and further analysis*, Washington D.C, The World Bank.
15. Tilak J.B.G (1994), *Education for Development in Asia*, New Delhi Sage publications
