



Nuturing Talents:

Education and Human Resource Policy in the Global Economy

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COURSE DESCRIPTION

With the expansion knowledge economy worldwide, education and human capital is recognized as one of the most important parts of economic development in developing countries as well as in developed countries. In this course, we examine critical public policy issues regarding education and human resource policy from a global and comparative perspective. We first start the importance of the role of education to society as well as to individuals. We examine economic benefits of education, and also related side effects such as diploma disease, credentialism, and unemployment of highly educated young people. As most of the governments around the world spends substantial amount of public resource in education, we will study public school systems closely. Various issues related to public school system such as financing, governance structure, and allocation of resources will be discussed. Finally, we examine the emerging issue of internationalization of higher education such as brain drain, certification of foreign credits or diplomas, and global competition among universities.

READING MATERIALS

All reading material is listed for the date of the class. Items with (*) are required readings, and others are recommended and for reference. Students are expected to read the required readings **before** the scheduled class, and should be prepared to engage in the discussion of the topic. Most of the reading material will be accessible via the ISS homepage.

COURSE REQUIREMENTS AND GRADING

Students are required to participate in two sets of group presentations, which will be explained and assigned at the first class meeting. Also, students may be required to participate in class experiments. There will be a take-home exam at the end of the class. Final grade will be determined by the following weights:

- | | |
|-------------------------------------|-----|
| 1. Group presentations & homework | 50% |
| 2. Individual homework & final exam | 50% |

Students are expected to attend ALL classes. **It is important to note that the SKKU regulation requires students to attend at least 80% of all classes in order to receive a passing grade.** All ISS classes are pass/fail based on the student academic achievement evaluated by grades on a scale of 100 points (grade of 60 or above is Pass). Attendance will be taken at each class. Students reporting to the class after 15 minutes or leaving before 15 minutes of its ending will be considered "tardy," and two "tardy" will be considered to be one "absence." Students are expected to adhere to the highest academic ethical norm in the class. Academic misconduct, such as disturbance, cheating or plagiarism, will be penalized (including the failure of the class) at the discretion of the instructor.

COURSE SCHEDULE

– WEEK I –

Thursday (27 June)

Education, knowledge, learning, and society of the 21st century

What should we know, and why in order to be happy, healthy, and become productive members of the modern society? What are we going to do and be to live, to play, and to work? What does education do to individuals and societies in general.

(*) Institute for the Future for the University of Phoenix Research Institute, Future Skills 2020, 2011

(*) Hamilton project (2016), Seven Facts on Noncognitive Skills from Education to the Labor Market

Belfield, Clive R. (2000), Economic Principles for Education: Theory and Evidence, Cheltenham: Edward Elgar, chap. 1

Gradstein, M, Justman, M., and B. Meier (2005), The Political Economy of Education: Implications for Growth and Inequality, Cambridge: MA, MIT Press, chap. 1, 2.

Human capital theory

What is human capital? What are other forms of capitals? How human capital is beneficial to individuals, firms, nation, and global society? How do you accumulate human capital?

(*) Becker, Gary, "Human Capital," Concise Encyclopedia of Economics, <http://www.econlib.org/library/Enc/HumanCapital.html>

(*) Schultz, T. W. (1961), "Investment in Human Capital," American Economic Review 51 (March), pp. 1-17.

(*) Gutman, Leslie M. and Ingrid Schoon, The impact of non-cognitive skills on outcomes for young people: Literature review, Education Endowment Foundation, U.K., November 2013.

Belfield, chap. 2

Friday (28 June)

Returns to education, under-education, and over-education

Rate of return in education investment. Mincer regression

(*) Psacharopoulos, G. (1994), "Returns to Investment in Education: A Global Update," World Development 9: 1325-1343.

Psacharopoulos, G. and H. A. Patrinos (2004), "Returns to Investment in Education: A Further Update," Education Economics 12 (2), 111-134.

(*) Freeman, Richard B., "Over-investment in College Training," The Journal of Human Resources, Vol. 10, No. 3 (Summer, 1975), pp. 287-31

(* Cohn, E. and J. T. Addison (1998), "The Economic Returns to lifelong Learning," *Educational Economics* 6, 309-346.

– WEEK II –

Monday (1 July)

Credentials, sheep skins, diploma disease, signaling, screening, and under- and un-employment of highly educated

Why do you want to go to school? Why do you want to go to "good" school? Why good schools are expensive? Does the good school worth their cost?

(* Bedard, K. (2001), "Human Capital versus Signaling Models: University Access and High School Drop-outs," *Journal of Political Economy* 109(4), 749-775.

(* Weiss, A. (1995) "Human Capital vs. Signalling Explanations of Wages" *Journal of Economic Perspectives* 9 (Fall), 133-154.

(* Chevalier, A., Harmon, C, Walker, I and Y. Zhu (2004), "Does Education Raise Productivity, or Just Reflect It?" *Economic Journal* 114(499), 499-517.

Spence, Michael (1973), "Job Market Signaling," *Quarterly Journal of Economics* 87: 355-374.

Tuesday (2 July)

Human capital, social capital, education and economic growth

(* Barro, Robert J. (2001), "Human Capital and Growth," *American Economic Review, Papers and Proceedings* 91(2), 12-17.

(* Hanushek, E. A. and D. D. Kimko (2000), "Schooling, Labor Force Quality, and the Growth of Nations," *American Economic Review* 90(5), 1184-1280.

Belfield, chap. 5, 6

Gradstein, M, Justman, M., and B. Meier (2005), *The Political Economy of Education: Implications for Growth and Inequality*, Cambridge: MA, MIT Press, chap. 8

Coleman, J. S. (1988), "Social Capital in the Creation of Human Capital," *American Journal of Sociology* 94, pp. 95-120.

Knack, S. and Keefer, P. (1997), "Does Social Capital Have an Economic Payoff? A Cross-country Investigation," *Quarterly Journal of Economics*, p. 1252-1287.

Mincer, Jacob (1996), "Economic Development, Growth of Human Capital and the Dynamics of Wage Structure," *Journal of Economic Growth* 1: 29-48.

Homework: Calculation of personal returns to university education

Wednesday (3 July)

Education, market, and government

Is education public good? What should be the role of government in education, and why government involvement is necessary? How much resource the government should put into education (school system), and what kind of education (pre-school, primary, secondary, higher education, research, adult education)?

(*) Taylor, L. L. (1999), Government's role in primary and secondary education, *Economic Review* (1), 15-24. www.dallasfed.org/research/er/1999/er9901b.pdf

(*) Poterba, J. (1994), "Government Intervention in the Markets for Education and Health Care: How and Why?" NBER Working Paper 4916 (November), <http://www.nber.org.ezproxy.lib.uwm.edu/papers/w4916.pdf>

The First Group Presentation – Part I

Thursday (4 July)

Public policy goals and tools for policy analysis: Efficiency and equity

What should be the major objectives of educational institutions? How much social mobility is desirable? What should be the mechanism of social mobility? Cost-benefit and cost-effectiveness analysis

Economic efficiency

Market (exchange) efficiency: Do consumers get what they want?

Cost efficiency: Are things produced in a least expensive way?

Production efficiency: Are the things that consumers want produced?

(*) Equity: Distributive justice (Who should get what?), Stanford Encyclopedia of Philosophy, <http://plato.stanford.edu/entries/justice-distributive/>

(*) New Zealand Treasury, Cost benefit analysis guide, <http://www.treasury.govt.nz/publications/guidance/planning/costbenefitanalysis/guide>

H. M. Levin, Cost effectiveness analysis primer, *International Encyclopedia of Economics of Education*

The First Group Presentation II – Part II

– WEEK III –

Monday (8 July)

School financing

What is compulsory education? Why do you need it? How should it be paid? Who should pay for higher education?

(*) Levin, H. (1987) "Education as a public and private good," *Journal of Policy Analysis and Management* 6(4), summer, 628-641

(*) Friedman, M. (1962), "The Role of Government in Education" <http://www.schoolchoices.org/roo/frid1.htm>

(*) Eicher, J. (2000), "The Financing of Education: An Economic Issue?" *European Journal of*

Education 35(1), 33-44.

Duncombe C. W. and J. Yinger (1998), "School Finance Reform: Aid Formulas and Equity Objectives," National Tax Journal, June, 239-262.

Tuesday (9 July)

School inputs and student achievements

What are the determinants of good student achievements? Does good school matter? If so, how? Where should we put our resource to improve school performance, smaller class size, online teaching, etc?

(*) Woessman, Ludger (2003), Schooling Resources, Educational Institutions and Student Performance: the International Evidence," Oxford Bulletin of Economics and Statistics 65(2), pp. 117-170.

(*) Hanushek, E. (1997), "Assessing the Effects of School Resources on Student Performance: An Update," Educational Evaluation and Policy Analysis, Summer 1997, Vol. 19, No. 2, pp. 141-164.

(*) Hanushek, Eric, "Conclusions and Controversies about the Effectiveness of School Resources," Federal Reserve Bank of New York Economic Policy Review, March 1998, pp. 11-27.

Coleman, James S. (1966), Equality of Educational Opportunity" ("Coleman Report")

Dee, T. (2004), "Teachers, Race and Student Achievement in Randomized Experiment," Review of Economics and Statistics 86(1): 195-210.

Haveman, R. and B. Wolfe (1995), "The Determinants of Children's Attainments: A Review of Methods and Findings," Journal of Economic Literature, 1829-1878.

Wednesday (10 July)

Public school system reform: centralization vs. decentralization, class size vs. accountability, competition vs. regulation

How to know your public system does not work? How to make an improvement? Who should be in charge of the change?

(*) The National Commission of Excellence in Education (1983), A Nation at Risk, pp. 5-36.

(*) McKinsey Co. (2010), "How the world's most improved school system keep getting better," study

(*) Hanushek, E. and M. Raymond (2005), "Does School Accountability Lead to Improved Student Performance?" Journal of Policy Analysis and Management, 24(2), 297-327.

Hoxby, C. (2000), Does Competition among Public Schools Benefit Students and Taxpayers? American Economic Review 90 (December).

Thursday (11 July)

Alternatives to public school monopoly: school voucher and charter school

New paradigm of improving public school system: accountability measures, voucher and charter school

- (*) Levin, H. (1998), Educational Vouchers: Effectiveness, Choice, and Costs," Journal of Policy Analysis and Management, 373-391.
- (*) Kim, S., "Accountability and Governance in the U.S. Public School System in the U.S.," **KEDI Journal of Education Policy**, vol. 1, no. 1, pp. 61-83, 2004.
- (*) US Department of Education (2010), The Evaluation of Charter School Impacts: Final Report.
- Ladd, H. and E. Fiske (2001), The Uneven Playing Field of School Choice: Evidence from New Zealand," Journal of Policy Analysis and Management 20(1), 43-64.

– WEEK IV –

Monday (15 July)

Global expansion of schooling

Why such rapid expansion of education worldwide? What are the causes and consequences?

- (*) Schofer, Evan and John W. Meyer (2005), "The World-Wide Expansion of Higher Education in the Twentieth Century," American Sociological Review, vol. 70, pp. 898-920.
- (*) Kim, S., "Rapid Expansion of Higher Education in Korea: Political Economy of Education Fever," in **The Worldwide Transformation of Higher Education, International Perspectives on Education and Society Series Vol. 9**, edited by David P. Baker and Alexander W. Wiseman, Emerald Publishing: Oxford, UK., pp. 223-268, 2008. The book was awarded the **Best Book Award for 2010** from the Comparative and International Education Society's Higher Education SIG (HESIG).

Tuesday (16 July)

Internationalization of higher education: Bologna process, Campus ASIA, certification, quality assurance mechanism. International student movements.

- (*) Altbach, Phillip (2007), "The Internationalization of higher education: Motivations and realities," Journal of Studies in International Education, 11(3-4), pp. 290-305.
- (*) Healey, Nigel M. (2008), "Is higher education in really 'internationalizing'?" Higher Education 55: 333-355.

European Commission (2005), Higher Education in Europe 2009: Development in the Bologna Process. De Witt, Hans, et al., European Parliament, Internationalisation of Higher Education, 2015, [http://www.europarl.europa.eu/RegData/etudes/STUD/2015/540370/IPOL_STU\(2015\)540370_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/STUD/2015/540370/IPOL_STU(2015)540370_EN.pdf)

Center for HE Policy Studies, "The first decade of working on the European Higher Education Area: Volume 1 Detailed assessment report
European Guidelines for Quality Assurance (2005)

Wednesday (17 July)

Brain drain and brain gain. Brain competition and world class universities

What makes great universities? World class universities. Global competition of research and development.

- (*) Kim, S., "From Brain Drain to Brain Competition: Changing Employment Opportunities and Career

Pattern of U.S.-Trained Korean Academics,” in Charles T. Clotfelter ed., **American Universities in a Global Market**, National Bureau of Economic Research Book, The University of Chicago Press, 2010, pp. 335-369.

(*) Ying, Cheng (2011), “A Reflection on the Effects of the 985 Project,” *Chinese Education and Society*, 44(5), pp. 19-30.

(*) Vasegh-Daneshvary, Nassar, et al., “Immigration of Engineers, Scientists, and Physicians and the U.S. High Technology Renaissance,” *Social Science Quarterly* 68(2), p311-325, 1987.

Thursday (18 July)

The Second Group Presentation

Evaluation of Education or Human Resource Programs/Projects

Friday (19 July)

Final examination (Take Home)