

**EC 195**  
**Political Economy of Education**  
**University of Vermont**  
**Spring 2016**

Tuesday/Thursday  
2:50-4:05pm  
Waterman 427

Instructor: Anastasia Wilson

Email: [acwilson@uvm.edu](mailto:acwilson@uvm.edu) or [anastasw@econs.umass.edu](mailto:anastasw@econs.umass.edu)

Office Hours: 11:30am-12:30pm Tu/Th or by Appointment (Tuesday/Thursday)  
Old Mill 236

Prerequisites: EC 11 and EC 12

### **Course Description**

This course will explore and critique the role of education in modern capitalist economies through the lenses of public finance, labor economics, and political economy. We will discuss the economics of education at both the K-12 level and higher education. The course will begin with a basic overview of human capital theory and its critiques, from Beckerian models of human capital to heterodox approaches. We will examine the history of education in the United States, and how compulsory schooling and investment in higher education played key roles in changing labor markets and working life. We will then look at contemporary issues in education such as privatization, issues of inequality, for-profit institutions, and rising student indebtedness.

### **Academic Honesty**

All students will be expected to follow UVM's Code of Academic Integrity. Please review the policy: <https://www.uvm.edu/policies/student/acadintegrity.pdf>

### **Accommodations**

If you need special accommodations for this course, please let the instructor know. We will arrange note taking for those requiring this, and students needing test taking accommodations are asked to arrange this with the Exam Proctoring Center. Further information is available on the ACCESS website: <http://www.uvm.edu/aspprogs>

### **Required Materials**

#### *Blackboard*

I will post articles and resources for the course on Blackboard. There will also be required discussion posts on Blackboard each week for the required readings.

### *Suggested Books*

While I will post all of our required readings on Blackboard, I would suggest purchasing the following books, if you are inclined to do so. We will be reading select chapters, so any edition should work:

Claudia Goldin & Lawrence Katz, *The Race Between Education and Technology*

Samuel Bowles & Herbert Gintis, *Schooling in Capitalist America*

Suzanne Mettler, *Degrees of Inequality*

Nancy Folbre, *Saving State U*

Anya Kamenetz, *Generation Debt*

### **Requirements & Grading**

We will have a combination of an exam, a research paper, Blackboard discussions, and in-class participation as the graded requirements.

#### *In-Class Midterm Exam 30%*

We will have one in-class midterm exam, for which you will be allowed one sheet of handwritten notes. Study questions will be provided beforehand. The format of the exam will be short essay questions, to be completed in one class period (75 minutes).

#### *Blackboard Discussion Posts 20%*

You will be required each week to both write one discussion post, and respond to one of your classmate's posts on Blackboard before we meet on Tuesdays (i.e. due each Monday, a post and response). Your post will be a response, comments, or question regarding that week's readings. Some week's discussions will have a specific prompt on Blackboard.

#### *Research Paper Outline 20%*

In lieu of an exam, you will be required to write a 10-page final research project on a relative topic of your choice (or assigned, if you wish). An outline of your research paper will be due 2/3 of the way through the semester, which should include your topic, thesis idea, and relevant resources you will be using to write the paper (journal articles, research reports, etc.) and be about 2-3 pages.

#### *Final Research Paper 20%*

A final 10-page paper will be due on the last day of class.

#### *In-Class Participation 10%*

Participation in our class discussions will be required. Please use the discussion posts as a way to prepare for participation in our classroom. Come prepared to ask questions, respond to other students, and comment on the course materials.

## **The Political Economy Approach to Understanding Education**

### Week 1

1/19 Intro to Political Economy: Understanding Class, Race, & Gender

Watch: *Professor Rick Wolff on How Class Works*:  
<https://www.youtube.com/watch?v=euH3pAuLuko>

1/21 Introduction to Schooling in Capitalist America

Guest Lecture: Adam Wright on Achievement Gaps

Reading: Bowles & Gintis, Chapter 1, *Beyond the Educational Frontier: The Great American Dream Freeze* in Schooling in Capitalist America

### Week 2

1/26 Schooling in Capitalist America

Reading: Bowles & Gintis, Chapter 3, *At the Root of the Problem: The Capitalist Economy* in Schooling in Capitalist America

1/28 Schooling in Capitalist America and The Hidden Curriculum

Reading: Bowles & Gintis, Chapter 3, Continued

(Optional) Bowles & Gintis, Chapter 5, *Education and Personal Development: The Long Shadow of Work* in Schooling in Capitalist America

## **Labor Economics & Human Capital Theory**

### Week 3

2/2 Human Capital Theory

Reading: Gary Becker. Investment in Human Capital: A Theoretical Analysis. *The Journal of Political Economy*, 70(5):9–49, 1962.

2/4 What Does Human Capital Do? Signalling, Filtering, & Skills

Reading: Andrew Weiss. Human Capital vs. Signalling Explanations of Wages. *The Journal of Economic Perspectives*, 9(4):133–154, 1995.

(Optional) Joseph Stiglitz. (1975) "The Theory of Screening, Education, and the Distribution of Income," *American Economic Review*, 65 (June), 283-300.

(Optional) Kenneth Burdett. The Testing and Sorting Functions of Higher Education. *Institute for Research on Poverty, Discussion Papers*. November 1976.

#### Week 4

2/9 Empirical Labor Economics: Micro and Macro Perspectives

*Choose One:*

Reading: Enrico Moretti. Estimating the social return to higher education: evidence from longitudinal and repeated cross-sectional data. *Journal of Econometrics*, 121(1-2):175–212, 2004.

D. Cohen and M. Soto. Growth and human capital: good data, good results. *Journal of Economic Growth*, 12(1):51–76, 2007.

Alan Krueger and M. Lindahl. Education for Growth: Why and For Whom? *Journal of Economic Literature*, 39(4):1101–1136, 2001.

2/11 Human Capital Theory from Heterodox Perspectives

Reading: Nancy Folbre. The Political Economy of Human Capital. *Review of Radical Economics*, 44(3):281-292, September 2012.

(Optional) Samuel Bowles and Herbert Gintis. The Problem With Human Capital Theory- A Marxist Critique. *The American Economic Review*, 65(2):74-82, May 1975.

#### Week 5

2/16 Review for Exam 1, One Page (Front/Back) of Notes

2/18 Exam 1 in class

**Early Childhood, Primary, and Secondary Schooling: Historical, Theoretical, and Empirical Approaches**

#### Week 6

## 2/23 Historical Context for Mass Schooling

Reading: Goldin and Katz, Chapter 5, *Economic Foundations of the High School Movement* in *The Race Between Education and Technology*

## 2/25 Productivity and Returns on Investment in Education

Reading: Joshua Angrist and A. Krueger. Does Compulsory School Attendance Affect Schooling and Earnings? *The Quarterly Journal of Economics*, 106(4):979–1014, 1991.

(Optional) James J. Heckman and D. V. Masterov. The productivity argument for investing in young children. *NBER Working Paper 13016*, April 2007.

## Week 7

### 3/1 Town Meeting Day

### 3/3 Empirical Labor Economics and Recent Economic Trends, Continued

Reading: Economic Policy Institute, Unemployment, Schools, Wages, and the Mythical Skills Gap: <http://www.epi.org/blog/unemployment-schools-wages-mythical-skills/>

## Week 8

Spring Break- No Class

## Week 9

### 3/15 Inequality & K-12: Achievement Gaps, Peer Effects, & Identity

Reading: George Akerlof and R. Kranton. Identity and Schooling: Lessons from the Economics of Education. *Journal of Economic Literature*, 40(4):1167-1201, 2002.

(Optional) Caroline Hoxby. Peer Effects in the Classroom: Learning from Gender and Race Variation. *NBER Working Paper*, 2000.

### 3/17 Inequality & K-12 Continued

Reading: Richard Rothstein. The Racial Achievement Gap, Segregated Schools, and Segregated Neighborhoods- A Constitutional Insult. *Economic Policy Institute, November 2014*: <http://www.epi.org/publication/the-racial-achievement-gap-segregated-schools-and-segregated-neighborhoods-a-constitutional-insult/>

(Optional) Robert Sampson and Patrick Sharkey. 2008. Neighborhood Selection and the Social Reproduction of Concentrated Racial Inequality, *Demography*, 45: 1-29.

## Week 10

### 3/22 Vouchers & Privatization

Reading: Caroline Hoxby. School Choice and School Productivity: Could School Choice Be a Tide that Lifts All Boats?, in *The Economics of School Choice*, University of Chicago Press, 2003.

(Optional) Economic Policy Institute, Vouchers and Public School Performance: A Case Study of the Milwaukee Parental Choice Program, October 2007.

### 3/24 Vouchers & Privatization Continued

Watch: *Waiting for Superman* and Write Short Response

## **Higher Education: The Golden Age of Human Capital, to Neoliberalism, For-Profits, and Student Debt**

## Week 11

### 3/29 Intro to Higher Ed Issues

Reading: Nancy Folbre, The Once (But No Longer) Golden Age of Human Capital, *NYTimes Economix Blog*:  
<http://economix.blogs.nytimes.com/2013/06/10/the-once-but-no-longer-golden-age-of-human-capital/>

Adam Davidson, Is College Tuition Really Too High? *NYTimes Mag*:  
<http://www.nytimes.com/2015/09/13/magazine/is-college-tuition-too-high.html>

### 3/31 Higher Education in Historical Perspective

Reading: Goldin and Katz, Chapter 7, *Mass Higher Education in the Twentieth Century* in the Race Between Education and Technology

(Optional) Bowles and Gintis, Chapter 8, *The Transformation of Higher Education and the Emerging White-Collar Proletariat* in Schooling in Capitalist America

## Week 12

### 4/5 Higher Education & Labor Market Outcomes

Is College Worth It? *The Economist*, April 2014:  
<http://www.economist.com/news/usa/21600131-too-many-degrees-are-waste-money-return-higher-education-would-be-much-better>

Sandy Baum. The Higher Education Earnings Premium: Value, Variation, and Trends. *Urban Institute*, 2014:  
<http://www.urban.org/sites/default/files/alfresco/publication-pdfs/413033-Higher-Education-Earnings-Premium-Value-Variation-and-Trends.PDF>

#### 4/7 Labor Market Outcomes Continued

Reading: Disadvantaged Students Reap the Most Financial Return From College, Study Finds. *Science Daily*, 2010:  
<http://www.sciencedaily.com/releases/2010/04/100401085346.htm>

(Optional) Brand, Jennie E. and Yu Xie. "Who Benefits Most From College? Evidence of Negative Selection in Heterogeneous Economic Returns to Higher Education." *American Sociological Review*, 75(2)- 273-302, 2010:  
<http://www.asanet.org/images/journals/docs/pdf/asr/Apr10ASRFeature.pdf>

#### Week 13

##### 4/12 Public Higher Education

Mettler, Chapter 4, *From Pioneer to Slacker: The Rise and Decline of American Public Higher Education* in Degrees on Inequality

Folbre, Chapter 7, *Fiscal Hell* in Saving State U

##### 4/14 Public Higher Education, Continued

Folbre, Chapter 6, *The Business Model* in Saving State U

Aaron Bady and Mike Konzcal. The Slow Death of Public Higher Education, *Dissent*, Fall 2012: <https://www.dissentmagazine.org/article/from-master-plan-to-no-plan-the-slow-death-of-public-higher-education>

#### Week 14

##### 4/19 Student Debt

Reading: Kevin Carey, The Student Debt Crisis is Worse Than You Think, NYTimes Upshot Blog, October 2015:  
<http://www.nytimes.com/2015/10/08/upshot/student-debt-is-worse-than-you-think.html>

Anya Kamenetz, Chapter 2, *College on Credit* in Generation Debt

(Optional) Anya Kamenetz, Chapter 1, *Why Generation Debt?* in Generation Debt

(Optional) Charlie Eaton and Jacob Habinek. Why America's Public Universities- Not Just Their Students- Have a Debt Problem, SSN Brief, August 2013:

<http://www.scholarsstrategynetwork.org/brief/why-americas-public-universities-not-just-their-students-have-debt-problem>

#### 4/21 Student Debt & Inequality

Sara Goldrick-Rab, Robert Kelchen, and Jason Houle. The Color of Student Debt: Implications of the Federal Loan Program Reforms for Black Students and Historically Black Colleges and Universities. *Wisconsin HOPE Lab*, September 2014: <https://news.education.wisc.edu/docs/WebDispenser/news-connections-pdf/thecolorofstudentdebt-draft.pdf?sfvrsn=4>

(Optional) William R. Emmons, and Bryan J. Noeth. Why Didn't Higher Education Protect Hispanic and Black Wealth? *In The Balance*, Federal Reserve Bank of St. Louis, Issue 12, 2015: <https://www.stlouisfed.org/publications/in-the-balance/issue12-2015/why-didnt-higher-education-protect-hispanic-and-black-wealth>

#### Week 15

#### 4/26 For-Profit Higher Education

Reading: Mettler, Chapter 3, "*Unscrupulous Profiteers*": *The Struggle to Reform the For-Profit Colleges* in Degrees of Inequality

James Surowiecki, The Rise and Fall of For-Profit Schools, *The New Yorker*, November 2015: <http://www.newyorker.com/magazine/2015/11/02/the-rise-and-fall-of-for-profit-schools>

(Optional) Mettler, Chapter 6, *How Many Talks: Political Influence in the Struggle to Regulate the For-Profits* in Degrees of Inequality

#### 4/28 Student Loan Documentary

Watch: *Default- The Student Loan Documentary* and Short Written Response

#### Week 16

#### 5/3 Course Wrap Up & Final Paper Due