



Jacobs Foundation Conference 2016

**Economizing Education Policy: Tradeoffs, Incentives,
and Generalizing from Evidence**

**Schloss Marbach
27- 29 April 2016**

This conference aims to bring together leaders in the field to engage in a discussion of how the research perspectives in the economics of education can become more influential in policy discussions and policy decisions. This is a different kind of intellectual enterprise. It is not a conference of new papers. It is a conference of ideas. While the individual sessions will focus on some key issues of current research, the emphasis will be on considerable open discussion. Presenters are asked to use the description of an existing paper or body of research as a catalyst for discussion of where research should go, particularly from the perspective of informing policy. The hope is that the conference discussions will help to point to a path of moving from the current fractured state of knowledge to a more general policy perspective rooted in the wealth of available evidence. If successful, the conference will help to set the stage for a visionary future research agenda. Most immediately, the participating young scholars are eligible to apply to the Jacobs Foundation for research grants related to the conference topic. More generally, such an agenda has the potential of influencing future priorities of funders interested in tightening the link between evidence and policy.

Background and conference perspective

Over the past couple of decades, a booming development in the economics of education has produced a wealth of evidence on the importance of educational achievement for individual and societal prosperity, as well as on important determinants of educational achievement. These findings complement rich evidence from other disciplines on how interventions impact child and youth development. Still, it has proven hard to transform the evidence into actual policies that promote child and youth development on a broad scale. This conference aims to use current insights to broaden future endeavors into a more general policy perspective that can economize education policy to best serve future child and youth development.

While the conference topics are weighted toward economic issues, the intention is to engage participants with a wide range of disciplinary backgrounds – pressing the economists to expand their views and to see relevant work from other disciplines.

The work program starts from three observations. First, there are always *tradeoffs* between different interventions, bringing the issue of relative costs and benefits of interventions to the fore. Second, all too often actors in the education system lack proper *incentives* to focus on both costs and improved outcomes, lowering actual results below any intervention's potential effect. Third, results of specific interventions and policies have often been found to be context-specific, aggravating the *generalization* of findings beyond their specific setting.

These observations provide a major challenge for the current frontier in the economics of education, as well as for the translation of evidence into policies more generally. How can we get from a focus on specific interventions to a broader perspective of effective policies that best support child and youth development? We structure the endeavor of getting from the current fractured state of knowledge to a more general policy perspective rooted in the wealth of available evidence into five broad themes.

I. A pressing theme of accumulating evidence is that impacts of interventions may differ in different settings. Most obviously, it is an open question to what extent policy in developing countries can learn from evidence in developed countries, and vice versa. But can Germans learn from U.S. evidence? The U.S. from India? India from Kenya? Kenya from Germany? The conference aims to bring together researchers working in developing-country and developed-country settings to discuss whether there are ways to generalize insights beyond specific contexts. A major methodological challenge in this question is to integrate insights from randomized controlled trials and observational studies in a fertile way.

II. Relatedly, the role of theory in interpreting the evidence needs clearer consideration. Can theory help in reaching more general conclusions? An additional methodological challenge is to go beyond small-scale interventions and assess the effects of policies when systems adjust to changes in the long run.

III. It is crucial to get the evaluation of outcomes right. While the range of outcomes of education has long been debated, the availability and simplicity of wages and labor-market outcomes have pushed much of this discussion to the side. Recent evidence has also shown that both cognitive and non-cognitive skills matter for lifetime outcomes and that impacts which apparently fade out on measured skills later re-

emerge in terms of labor-market outcomes. These results establish major challenges for properly evaluating the outcomes of different interventions and policies.

IV. Increasing evidence shows the potential of transcending the view on specific interventions to focus on the institutional surroundings of the system and how they shape people’s incentives. Such a focus may help to raise the potential of policies more generally. Important aspects include the disclosure of outcomes and the possibility for families to choose among alternatives. But there are significant holes in our understanding of how the ensuing incentives affect behavior in different settings.

V. Many obstacles may block the transformation of research into effective policy. Consider issues of cost effectiveness: If two interventions achieve the same goal, but one does so at half the cost, the real impact on child and youth development could be doubled by focusing on the first rather than the second intervention. How can we get research in different disciplines as well as policymaking to think in alternatives and take the costs of different interventions into account? In addition, many interest constellations emerge in the political arena that hinder serious evaluation of interventions and policies. Better understanding these impeding factors might help to get to more effective policies in the future.

Together, the insights of the conference will reveal whether reflections on the current state of research can emerge into a vision for a future research program that helps to economize on available resources to get the most out for the future development of the world’s children and youth.

Conference format

The conference will contain ten main sessions – organized within the five broad themes – of 90 minutes each. To provide a sound background for each topic, each session starts with the presentation of an existing groundbreaking research project by a senior scholar (20 minutes). However, we do not aim for standard paper presentations that get into all the details of the specific research project. Instead, we aim for a brief introduction into what the research did, followed by an extended discussion by the author of what the open questions are and where future research that builds on this research should go.

This will be followed by two commentaries of 10 minutes each – one from a junior scholar, one from a senior scholar. Both will provide a different perspective on the topic, at times from a different discipline, and both are particularly encouraged to think out of the box from trodden research paths. The two commentaries will be followed by extensive discussion among the participants.

The tenth session will be a panel discussion delving into the relationship of research and policy. Participants will begin with a 10 minute opening statement followed by open discussion.

The closing session will start with “highlight” discussions by three early career participants. The highlighters will each spend 5 minutes on the most interesting (?), most unique (?), or most appealing (?) thing they heard in the conference. This will be followed by a conference wrap-up discussion by a senior commentator (10 minutes) and by open discussion.

Session Timing

Topical sessions:

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| Presenter: | 20 minutes |
| Junior Commentator: | 10 minutes |
| Senior Commentator: | 10 minutes |
| General Discussion: | 50 minutes |

Panel session:

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| Panel Discussants: | 10 minutes |
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Closing session:

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| Highlighters: | 5 minutes |
| Senior Commentator: | 10 minutes |

Program

Wednesday, 27 April 2016

Arrival

Introductory session

14.00 – 14.15

Broadening the perspective: How to get from interventions to policies?

Presenter: *Eric A. Hanushek*, Stanford University

Senior Commentator: *Ludger Woessmann*, Ifo Center for the Economics of Education

I. Generalizing results

14.15 – 15.45

1. Context specificity: Can one country learn from another country's evidence?

Presenter: *Lant Pritchett*, Harvard University

Junior Commentator: *Fabian Kosse*, University of Bonn

Senior Commentator: *Jere R. Behrman*, University of Pennsylvania

15.45 – 16.15 **Coffee Break**

II. Methodological Challenges

16.15 – 17.45

2. Theory: Can theoretical structure help to generalize evidence from different settings?

Presenter: *Lance J. Lochner*, University of Western Ontario

Junior Commentator: *Michaela Maria Tincani*, University of Western Ontario

Senior Commentator: *Karthik Muralidharan*, University of California, San Diego

18.45 **Cocktails**

19.30 **Dinner**

Thursday, 28 April 2016

9.00 – 10.30

3. General-equilibrium effects: How can we identify long-run adjustments of a system?

Presenter: *Stephen Machin*, University College London

Junior Commentator: *Nirav Mehta*, University of Western Ontario

Senior Commentator: *Hessel Oosterbeek*, University of Amsterdam

10.30 – 11.00 **Coffee Break**

III. Outcome evaluation

11.00 – 12.30

4. Early outcomes: How to evaluate student outcomes when different skills matter?

Presenter: *Lex Borghans*, Maastricht University

Junior Commentator: *Philipp Lergetporer*, University of Munich

Senior Commentator: *Martina Viarengo*, The Graduate Institute of Geneva

12.30 – 14.00 **Lunch Break**

14.00 – 15.30

5. Long-term outcomes: How to evaluate outcomes when effects fade out and re-emerge?

Presenter: *Kjell G. Salvanes*, Norwegian School of Economic

Junior Commentator: *Esteban Aucejo*, London School of Economics

Senior Commentator: *Steven G. Rivkin*, University of Illinois at Chicago

15.30 – 16.00 Coffee Break

IV. Institutions that create the right incentives

16.00 – 17.30

6. Accountability: How to get people to care about outcomes?

Presenter: *Martin R. West*, Harvard Graduate School of Education

Junior Commentator: *Roxanne Korthals*, Maastricht University

Senior Commentator: *Manfred Prenzel*, Technische Universität München

17.30 – 19.30

Working spaces open to young scholars for developing projects (also open after dinner)

19.30 Dinner

Friday, 29 April 2016

9.00 – 10.30

7. Choice: Which institutional structures are needed to make market forces in education productive?

Presenter: *Miguel Urquiola*, Columbia University

Junior Commentator: *Matthew Chingos*, Urban Institute

Senior Commentator: *Margaret Raymond*, Stanford University

10.30 – 11.00 Coffee Break

V. Research to policy

11.00 – 12.30

8. Intervene at any price: How (and why) to get researchers and politicians to consider costs?

Presenter: *Douglas Besharov*, University of Maryland

Junior Commentator: *Eric Taylor*, Harvard University

Senior Commentator: *John Hattie*, University of Melbourne

12.30 – 13.30 Lunch Break

13.30 – 14.30 Young scholar groups present first project ideas

14.30 – 15.00 Coffee Break