

Lingnan University  
Department of Economics

<b>Course Title</b>	:	Economics of the Family
<b>Course Code</b>	:	ECO3311
<b>Recommended Study Year</b>	:	3 and 4
<b>No. of Credits/Term</b>	:	3
<b>Mode of Tuition</b>	:	Lecture-Tutorial
<b>Class Contact Hours</b>	:	2-hour lecture per week 1-hour tutorial per week
<b>Category in Major Prog.</b>	:	Major in Economics (Elective Course)
<b>Discipline</b>	:	Economics
<b>Prerequisite(s)</b>	:	(a) ECO2101 Introduction to Economics, or (b) ECO2104 Introduction to Microeconomics and ECO2105 Introduction to Macroeconomics, or (c) BUS2105 Microeconomics for Business
<b>Co-requisite(s)</b>	:	N/A
<b>Exclusion(s)</b>	:	N/A
<b>Exemption Requirement(s)</b>	:	N/A

### **Brief Course Description**

Based on economic theories, this course offers a way of looking at family that produces useful insights. It provides an introduction to the economic analysis of such socioeconomic behaviours as human capital investment, fertility, marriage, divorce, bequests, and old age support. This course is inter-discipline in nature, and is highly relevant to the issues of contemporary public and social policies.

### **Aims**

This course aims to provide students with knowledge of some important theories of the economics of the family. It also tries to train students to apply the theories to analyse real world problems, and to help analyse social issues and public policies.

### **Learning Outcomes (LOs)**

Upon completion of this course, successful students should be able to:

1. demonstrate an understanding of some important theories of the economics of the family,
2. analyse social and family issues from an economic perspective,
3. critically assess the public and population policies, and
4. identify and exhibit a better understanding of many macroeconomic behaviours, such as aggregate saving, income distribution and population growth.

## Indicative Contents

- I. The demand for children
  - a. Malthus population theory
  - b. Modern population theory
  - c. The quantity and quality of children
  
- II. Home production
  - a. One-person households
  - b. Two-person households
  - c. Sexual division of labour
  - d. Transaction costs
  - e. Household bargaining
  - f. Fertility and female labour supply
  
- III. The marriage market
  - a. Assortative mating
  - b. Dowries and bride prices
  - c. The marriage contract
  - d. Monogamy and polygamy
  - e. The family and the state
  
- IV. Divorce and remarriage
  - a. Imperfect information and marital instability
  - b. Extramarital affairs and divorce
  - c. Divorce and remarriage
  - d. Fertility and marital stability
  
- V. Intergenerational issues
  - a. Altruism in the family
  - b. Altruism and intergenerational transfers
  - c. Bequest and filial attention
  - d. Intergenerational transfers and assortative mating
  - e. Altruism towards children and child labour
  
- VI. Family and education
  - a. Educational expenditure and educational attainment
  - b. Parental education and home environment of learning
  - c. Family background and the opportunities of children
  - d. Inequality and intergenerational mobility
  
- VII. Family and economic development
  - a. Economic development and gender inequality

- b. Economic development and public expenditure on education
- c. The evolution of family

### **Teaching Method**

Lectures combined with tutorials. Important theories of the economics of the family are taught in lectures. Students make presentations in tutorials. Close interactions among students and between students and the lecturer are engaged in lectures and particularly tutorials through intensive intellectual discussions.

### **Measurement of Learning Outcomes**

1. Students' presentations of some materials that are closely related to this course in tutorials assess students' comprehension and understanding of major theories in the economics of the family. (LOs 1-4)
2. Students' participations in the intellectual discussions in lectures and particularly in tutorials will be assessed through raising and answering questions. (LOs 1-4)
3. A final examination covering all the topics taught in the course assess students' overall understanding and applications of the economic concepts and analysis in related policy and social and family issues. (LOs 1-4)

### **Assessment**

Continuous assessment	:	40%	
		(presentation	– 12%,
		tutorial participation	– 28%)
Final examination	:	60%	

### **Good Practices**

- Student will be advised to not only have a good command of the knowledge of economics but also have the capacity of applying economic theories to solve real-world problems.
- This course is inter-discipline in nature, in which students will be taught to use the methods of economics to analyze socioeconomic issues.

### **Required/Essential Readings**

Becker, Gary (1991) *A Treatise on the Family*, Cambridge, MA: Harvard University Press.

Fan, C. Simon (2014), *Vanity Economics: An Economic Exploration of Sex, Marriage and Family*, Cheltenham, UK: Edward Elgar

### **Recommended /Supplementary Readings**

- Ballantine, Jeanne, *The Sociology of Education: A Systematic Analysis*, Englewood Cliffs, N.J.: Prentice Hall, 1993.
- Becker, Gary, "A Theory of Marriage," *Journal of Political Economy*, 81(4): 813-846, 1973.
- Becker, Gary, "A Theory of the Allocation of Time," *Economic Journal*, 75: 493-517, 1965.
- Becker, Gary and Gregg Lewis, "On the Interaction Between the Quantity and Quality of Children," *Journal of Political Economy*, 81(2): S279-S288, 1973.
- Becker, Gary, Elisabeth Landes, and Robert Michael, "An Economic Analysis of Marital Instability," *Journal of Political Economy*, 85(6): 1141-87, 1977.
- Becker, Gary and Nigel Tomes, "Human Capital and the Rise and Fall of Families," *Journal of Labor Economics*, 4(3): S1-S39, 1986.
- Bernheim, B. Douglas, Andrei Shleifer, and Lawrence Summers, "The Strategic Bequest Motive," *Journal of Labor Economics*, 4(3): S151-S182, 1986.
- Blau, Francine D., Marianne A. Ferber and Anne E. Winkler, *The Economics of women, men, and work***, Englewood Cliffs, N.J.: Prentice-Hall, 2002.
- Cigno, Alessandro, *Economics of the Family*, Oxford: Clarendon Press, 1991.
- De la Croix, David and Matthias Doepke, "Inequality and Growth: Why Differential Fertility Matters," *American Economic Review*, 93(4): 1091-1113, 2003.
- Fan, C. Simon, "A Model of Intergenerational Transfers," *Economic Theory*, 17(2): 399-418, 2001.
- Fan, C. Simon, "Child Labor and the Interaction between the Quantity and Quality of Children," *Southern Economic Journal*, 71(1): 21-35, 2004.
- Fan, C. Simon, "Religious Participation and Children's Education: A Social Capital Approach," *Journal of Economic Behavior and Organization*, 65(2): 303-317, 2008.
- Fan, C. Simon and Hon-Kwong Lui, "Structural Change and the Narrowing Gender Gap in Wages: Theory and Evidence from Hong Kong," *Labor Economics*, 10(5): 609-626, 2003.
- Fan, C. Simon and Hon-Kwong Lui, "Extramarital Affairs, Marital Satisfaction, and Divorce: Evidence from Hong Kong," *Contemporary Economic Policy*, 2004, 22(4): 442-452, 2004.
- Fan, C. Simon and Oded Stark, "Looking at the "Population Problem" through the Prism of Heterogeneity: Welfare and Policy Analyses," *International Economic Review*, 49(3): 799-835, 2008.
- Galor, Oded and Daniel Tsiddon, "The Distribution of Human Capital and Economic Growth," *Journal of Economic Growth*, 2(1): 93-124, 1997.
- Galor, Oded and David N. Weil, "Population, Technology, and Growth: From Malthusian Stagnation to the Demographic Transition and Beyond," *American Economic Review*, 90(4): 806-828, 2000.
- Galor, Oded and David N. Weil, "The Gender Gap, Fertility, and Growth." *American Economic Review* 86: 374-387, 1996.
- Galor, Oded and David N. Weil, "Population, Technology, and Growth: From Malthusian Stagnation to the Demographic Transition and Beyond," *American Economic Review*, 90(4): 806-828, 2000.

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- Galor, Oded and Omer Moav, “Natural Selection and the Origin of Economic Growth,” *Quarterly Journal of Economics*, 117(4): 1133-1192, 2002.
- Galor, Oded and Omer Moav, “Das Human-Kapital: A Theory of the Demise of the Class Structure,” *Review of Economic Studies*, 73(1): 85-117, 2006.
- Galor, Oded and Omer Moav, “From Physical to Human Capital Accumulation: Inequality and the Process of Development,” *Review of Economic Studies*, 71(4): 1001-1026, 2004.
- Kotlikoff, L., “Intergenerational Transfers and Saving,” *Journal of Economic Perspectives* 2: 41-58, 1988.
- Pollak, Robert, “Tied Transfers and Paternalistic Preferences,” *American Economic Review, Papers and Proceedings*, 78: 240-4, 1988.
- Rao, V., “The Rising Price of Husbands: A Hedonic Analysis of Dowry Increases in Rural India,” *Journal of Political Economy* 101(4): 666-677, 1993.
- Steven N. S. Cheung, “The Enforcement of Property Rights in Children, and the Marriage Contract,” *Economic Journal*, 82: 641-657, 1972.
- Weiss, Yoram, “The Formation and Dissolution of Families: Why Marry? Who Marries Whom? And What Happens upon Marriage and Divorce?” In *Handbook of Population Economics*, edited by R. Rosenzweig and O. Stark. Amsterdam: Elsevier Science, 1997.
- Young, Katherine, *Understanding Marriage: A Hong Kong Case Study*, Hong Kong: Hong Kong University Press, 1995.

**Important Notes:**

- (1) Students are expected to spend a total of 6 hours (i.e. 3 hours of class contact and 3 hours of personal study) per week to achieve the course learning outcomes.
- (2) Students shall be aware of the University regulations about dishonest practice in course work, tests and examinations, and the possible consequences as stipulated in the Regulations Governing University Examinations. In particular, plagiarism, being a kind of dishonest practice, is “the presentation of another person’s work without proper acknowledgement of the source, including exact phrases, or summarised ideas, or even footnotes/citations, whether protected by copyright or not, as the student’s own work”. Students are required to strictly follow university regulations governing academic integrity and honesty.
- (3) Students are required to submit writing assignment(s) using Turnitin.
- (4) To enhance students’ understanding of plagiarism, a mini-course “Online Tutorial on Plagiarism Awareness” is available on <https://pla.ln.edu.hk/>.

**Rubric for Tutorial Presentations and Participation (40%)**

Criteria	Excellent A, A-	Good B+ to B-	Fair C+ to C-	Pass D+, D	Failure F
The Choice of Presentation Materials (16%)	Most pertinent to the course requiremen	Pertinent to the course requirement and	Somewhat pertinent to the course requirement and	Little pertinent to the course requiremen	Not pertinent to the course

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	t and very enlightening and interesting to the audience of the students	interesting to the audience of the students	suitable to the audience of the students	t and little suitable to the audience of the students	requirement and not suitable to the audience of the students
Conceptual understanding of subject matter, particularly in raising the questions and in the discussions. (6%)	Cover a good range of relevant concepts/theories Important ideas pertinent to the topic are skillfully applied	Concepts/theories and important ideas pertinent to the topic are accurately used	Concepts/theories and important ideas pertinent to the topic are somewhat accurately used	Concepts/theories and important ideas pertinent to the topic are little accurately used	Concepts/theories and important ideas pertinent to the topic are not accurately used
Integration of sources and evidence (8%)	The presentation displays a high level of relevance between the student's article and the concepts covered in class.	The presentation displays a good level of relevance between the student's article and the concepts covered in class.	The presentation displays a moderate level of relevance between the student's article and the concepts covered in class.	The presentation displays a low level of relevance between the student's article and the concepts covered in class.	The presentation does not at all establish that the article is relevant to concepts covered in class.
Uses good body language, eye contact, appropriate voice tone (5%)	Makes good eye contact with audience Shows enthusiasm and confidence Uses voice tone effectively	Makes fairly good eye contact with audience Shows some enthusiasm and confidence Uses voice tone relatively effectively	Makes somewhat good eye contact with audience Shows some enthusiasm and confidence Uses voice tone relatively effectively	Make little eye contact with audience Shows little enthusiasm and	Make no eye contact with audience Shows no enthusiasm and

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Makes effective use of presentation tools (slides/handouts) (5%)	Proper use of presentation tools with little or no distractions (e.g. appropriate animation/pictures, appropriate information on one slide, clear titles, etc.)	Generally good use of presentation tools.	Somewhat good use of presentation tools. Some distractions but they are not overwhelming (e.g. reasonable animation/pictures, fair information on one slide, fair titles, etc.)	Poor use of presentation tools and/or many distractions (e.g. too much animation/pictures, too much information on one slide, absence of titles, etc.)	Very poor use of presentation tools
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General Rubrics for Final Exam (60%)

Dimensions	Excellent A, A-	Good B+ to B-	Fair C+ to C-	Pass D+, D	Failure F
<b>Accuracy (30%)</b>	The response uses the information from appropriate sources clearly, fully, directly, and accurately. The response is clearly related to a particular area of course coverage	The response communicates most of the relevant information in a generally correct and understandable way. The response is mostly related to a particular area of course coverage.	The response is somewhat related to any area of course coverage.	The response contains several factual errors. The response is only slightly related to any area of course coverage.	The response contains numerous factual errors. The response is barely related to any area of course coverage.
<b>Analysis (20%)</b>	The answer and	The answer and opinions	The answer and opinions provided are	The answer and opinions provided are	The answer and opinions provided are

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	<p>opinions provided are well-supported with obvious and direct reference to pertinent information. The argument examines all sides of an issue thoroughly.</p>	<p>provided are generally supported. The argument mentions all sides of an issue, though not all sides are analyzed in equal appropriate depth.</p>	<p>somewhat supported.</p>	<p>only slightly supported by any argument or appeal to information in the article, lecture, or other relevant source. The argument is narrow, superficial, and/or one-sided.</p>	<p>barely supported by any argument or appeal to information in the article, lecture, or other relevant source.</p>
<p><b>Articulation (10%)</b></p>	<p>The written response is excellent with no glaring errors of spelling, usage, or grammar.</p>	<p>The quality of writing is good with few, though noticeable, errors in usage, spelling, and grammar.</p>	<p>. The quality of writing is fair with many errors in usage, spelling, and grammar.</p>	<p>There are frequent language errors in usage, spelling, and/or grammar</p>	<p>There are very frequent language errors in usage, spelling, and/or grammar</p>