

Module 1: The expansion of education and the emergence of the economics of education

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Starts Feb 1, 2016 12:00 AM

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1. ***Reflecting on the reasons, why education is so widely seen as 'a good thing'.***
We will do this in form of a role debate. The motion is that 'education is a good thing' which is supported by the proponents of the motion, while the opponents raise all sorts of critical questions. This is intended as a form of brainstorming. See discussion below.
2. ***Expansion of education: The post post-World War global expansion of education***
The historically unprecedented expansion of education had a number of reasons such as the demographic and economic growth of the post-war era but also the systems' rivalry in the cold war.
3. ***Economics of Education I: Human Capital Theory:***
Human capital theory (HCT) is the main theory of economics of education arguing that the demand for education is motivated by the increased lifetime earnings and that the aggregate increased earnings are reflected on the macro-level as increased economic growth.
4. ***Economics of Education II: Screening/signaling theory:***
Signaling or screening theory is the main rival of HCT. It is more skeptical about the implicit assumption of HCT that the 'graduate premium' reflects the increased productivity. Screening theory sees education more as a 'positional good and would expect a decrease of the 'graduate premium' in case of expansion of education.
5. ***Measuring the Internal rate of Return (IRR):***
Some skills, like machines, can enhance productivity; there is an analogy between calculating the IRR of a machine and the returns to human capital.
6. ***Measuring the Rates of Return to Education (RORE):***
Education pays in terms of increased lifetime earnings; the additional income generated by an additional time in education is called the 'graduate premium' or Rates of Return to Education (RORE).
7. ***What the figures say***
The figures still indicate that there is a graduate premium for additional education but that there is much variation between disciplines; comparing returns to educations between countries is fraught with difficulties.
8. ***The dynamics of expanding education:***
The intention of the reforms of the educational systems was to mobilize the

cognitive/intelligence resources of the populace and to increase social equity by allowing for more upward mobility. While the mobilization of intellectual resources was largely successful the success in increasing equity through education was rather limited.

9. ***Discussing what role distance education is expected to play in this context.***

This discussion is seen as an 'advance organizer' which draws together the arguments for education, the sustained expansion of educational demand and the expectations with which educators and policy makers may turn to distance education.