

DOES EDUCATION MATTER? MYTHS ABOUT EDUCATION AND ECONOMIC GROWTH, Alison Wolf, 2002, Penguin Books, London, 332 pages

Review\*

The last 15 years have been a golden period in the educational system, in which in many surveys and articles education was adduced as the most important determinant of economic growth and social development. The constant underlining of the importance of education led almost to a fixation with quantifiable goals, as a means for politicians and governments to be able to measure progress and express the results satisfactorily. This directed attention to things that could be easily measured, so there was almost a frenzy of increasing the numbers of enrolled and graduated students, and achieving higher educational and qualification levels among the population and employees. Even in the most developed countries – particularly in the USA and UK –different services and agencies were established for measuring the success of schools, the ranking of universities, and modernisation of curricula. There were standing programs for linking the economy and education, and politicians with left or right orientations constantly emphasized the importance of education for economic competitiveness. The democratization of the educational process, greater accessibility and the equalization of educational standards and institutions were enthusiastically enjoined, mostly leading to the ruin of the existing situation. Many of the truths and lies linked with education are discussed by Alison Wolf in book *Does education matter? Myths about education and economic growth*. The publisher is Penguin Books from London. Alison Wolf, Professor of Education at London University, in her book very sharply, bravely and with adequate evidence explains in detail many of the mistakes that have been made in the educational system, especially in Great Britain, but also analyses the situation in other countries.

There is general concord about the importance of education as key determinant of success of the individual, and corporate and national economies in 21<sup>st</sup> century. In almost all countries expenditures for education slightly increased, the numbers of teachers and professors significantly increased and the number of students enrolled in tertiary education almost exploded. Thus the available resources per participant were seriously lowered and the student/teacher ratio worsened. Even in wealthy Switzerland, till recently known for its very strict and conservative condition for enrolment in tertiary educa-

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tion and relatively low number of students, in the last five years the number of students enrolled doubled. In spite of this change, Swiss students in tertiary education as a percentage of the total cohort produce a figure significantly lower than the average for the OECD. Maybe Switzerland's *underdevelopment* is the consequence of consistent decentralisation so decisions about education are made at the canton and not at the federal government level. The examples of Switzerland but also of other countries in the world – particularly Japan – undoubtedly show that perhaps economic growth causes educational changes and improvement in the educational structure of the population and the workforce, while education itself is not a crucial factor ensuring economic growth.

Wolf recalls that the modern world has made essential the element of the availability of adequate qualifications in appropriate occupations and adequate educational institutions. In all countries, educated persons earn more than those without education, and have fewer problems with job finding or are less exposed to unemployment. The author reminds that in the hiring process of individual candidates employers often try to find adequate ways for determination and evaluation of a candidate's capabilities and personal characteristics, and do not search for special (or particular) knowledge and skills. Education has become a socially accepted means for evaluating people. It appears that the higher educated are cleverer and more dedicated to the job, and thus selection for employment according to educational level is easy and there are smaller chances that rejected candidates will later litigate in court. Years of education are mostly linked with personal success in school, and educational attainment is to a great extent determined by an individual's intelligence. Furthermore, educational achievement is good indication of motivation, persistence and organisational capabilities, which are all welcome characteristics in a future employee. Finally, success in secondary or tertiary education is a result of many cognitive and personal traits, so it is quite normal for employers to try to find and hire the best-educated candidates.

All of this is for Wolf fully understandable, but the problem is the desire to govern education in *political mood*, similarly to the way the Soviet economy was planned and governed. There are quantifiable goals – like the production of tractors or the number of students graduated in secondary or tertiary education, and attention is not directed towards quality traits – whether the tractors function can at all or what the level of knowledge and skills of participants in the educational process is. In a centrally organised, planned and financed system, where the orders go *from top to bottom*, lower functionaries try to meet given numerical goals, as a way of pleasing their superiors. When it is some simpler tasks that are concerned, they will be probably performed although usually not very efficiently. But if the task is complex and difficult to measure – like the estimation of the quality of university degrees – the results of an such approach most probably will be erroneous and dangerous. This is even more the case when the future financing of a school or university department depends on quality assessments of the teaching and educational results. Eminent and renowned schools and universities (like Oxford or Cambridge) will get good assessments relatively easily thanks to their old glory and political connections, but also because they are assessed by their alumni, while new or lesser known institutions will face a closed door to better ranking.

In conditions of reduced budgetary expenditures and limited government spending there is an increased role for sources of financing from the private sector. The author explains in detail that the real explosion of tertiary education has consistently been followed by pressures for the reduction of total costs and average costs per participant. Interestingly, such pressures are not specific to particular countries or political party in power, but are well known events in any educational system. All of these things – the increased number of participants and the subsequent relaxation of criteria for selection and results in examinations combined with a reduction of available finances – have led to an important decline in educational standards and a lowering of the general level of knowledge and skills of people who have finished courses of study.

Wolf also draws attention to the optimistic (and mostly unrealistic) expectations of education participants that after university they will find a job in accordance with their education. It is no surprise that the needs of the economy are not so huge, and thus many graduates end up in jobs for which they are overqualified, becoming drivers, waiters and shop assistants. Accordingly, huge amounts of public money are being spent recklessly and uneconomically, money that could be much better used for other purposes.

Hence the structure of educational expenditures is very important. Two developing countries, approximately similar in terms of GDP, Bolivia and Indonesia, spent a similar part of their GDP on education. Bolivia spent most on the secondary and tertiary education of urban children, while Indonesia predominantly financed primary education with especial emphasis on rural kids. Generally, much better results were obtained in Indonesia. Similarly unfavourable are Egyptian experiences that did not achieve any very strong economic development, although they substantially increased employment expenditures in absolute and relative senses. Despite more or less the same starting conditions, South Korea was very successful with its well-targeted and nicely-designed reform of the educational system – and with approximately the same expenditures for education as Egypt – achieved almost unbelievable economic development and growth.

Wolf does not neglect the importance of education, but believes that its *quality*, not its *quantity*, is vital. Furthermore, she systematically rejects the egalitarian approach – equalisation of quality so that educational institutions should achieve almost the same results. Despite the at first glance higher democratization of the educational system and its higher *openness* to the middle and lower social strata, in reality this is not what happened. Thus the best universities and departments are *reserved* for their former students' children. In that way the reduction of public funds actually only impacts the non-elitist universities because most of the famous Western universities receive large revenues from the private sector as well as huge donations from their alumni. This not only widened the gap between elitist and non-elitist institutions, but also strengthened the closed doors of famous universities for the broad masses. In explanation of such a statement we could paraphrase a sentence of the late Peter Bauer, a consistent opponent of current forms of foreign aid to the developing countries who believed that it was useful only to the political elite of receiving countries. According Bauer, this means *only a transfer of assets from the poor in rich countries to the rich in poor countries*. Wolf

believes that existing educational systems mostly transfer assets from poor citizens in a rich country to rich people in these countries.

In brief, we could recapitulate the most important finding from Alison Wolf's book: an exaggeration in the equalisation of educational institutions and a non-selective reduction of the funds available for education – or a reduction of financial sources according murky quantitative indices – with a simultaneous increase of enrolled students will significantly influence the quality of education and the accessibility of secondary and especially tertiary education. These facts are serious hindrances in the way of the realisation of an important task of modern education: the reduction of social differences. Furthermore, criteria lowered by enrolment and examinations have a negative influence on the quality of knowledge and skills obtained during education. Therefore an (in)adequately educated labour force could be one of the most important barriers to stronger economic development and a national economy's achievement of competitiveness. Education is important, but in the present form and organisation it is not necessarily a *guarantee* of economic success. The book *Does education matter?* with its different and lucid approach should be used as a valuable warning to politicians and creators of educational policies, not only in developed countries, but also in transitional and developing countries, which very often try to replicate the educational systems of highly industrialised countries.

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