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**Neo-liberalism, Human Capital Theory and the Right to Education: Economic Interpretation of the Purpose of Education**

*Human capital theory considers education relevant in so far as education creates skills [. . .] as an important part of a person’s income-generating abilities (Robeyns, 2006: 72).*

Abstract

With the end of WW II, a new world order emerged that recognised the significance of human rights as part of the remedial measures to institute global peace. This is recognised in Articles 1(3), 13(1)(b) and 55(c) of the 1945 United Nations Charter.[[1]](#footnote-1) Thereafter, the human rights ideals recognised by the UN Charter were codified into the Universal Declaration of Human Rights (UDHR) 1948 (Fait, 2015: 26).[[2]](#footnote-2) Despite not having a binding force, the UDHR became a standard-setting instrument covering all generations of human rights including the right to education. Later, two distinct treaties – i.e., the International Covenant on Civil and Political Rights (ICCPR) 1966 and the International Covenant on Economic, Social and Cultural Rights (ICESCR) 1966 were adopted as a follow-up to the UDHR.[[3]](#footnote-3) Articles 13 and 14 of the ICESCR made more expansive provisions on the right to education than Article 26 of the UDHR. However, the adoption of policies driven by neoliberal ideals and associated neo-classical economic principles in the delivery of education has brought education under market forces, encapsulating it with an economic purpose. This makes education central to the realisation of the neoliberal ideology as schools focus on teaching technical skills and knowledge necessary for the achievement of the economic purposes of education. This paper argues that while the economic purpose of education which is in line with neoliberal and associated neo-classical economic principles is germane for states’ economic development, a holistic approach is consistent with the human rights purpose of education.

Keywords: Neoliberalism, HCT, education, human rights, deregulation, privatisation.

**Introduction**

Under IHRL, interestingly, Article 13(1) of the ICESCR requires education delivery to focus on the achievement of the human right purpose as a universal standard (Article 13(1) ICESCR), which is consistent with global cultural differences and the need for a flexible and adaptable curriculum design that meets the learning needs of everyone.

Using IHRL as its starting point of reference, this paper adopts a rich multidisciplinary methodology given that it doctrinally analyses different sources and theoretical propositions to demonstrate their application to education, particularly, it endeavours to generate an integrated knowledge on the purpose education is designed to achieve.

The right to education and the need for all children to have universal physical access to schooling has long been of major concern in international law (Fait, 2015: 26).[[4]](#footnote-4) Human rights scholars, organisations with an interest in education, UN Special Rapporteurs, treaty monitoring bodies like the Committee on Economic Social and Cultural Rights (CESCR), and the Committee on the Rights of the Child (by their various General Comments and Concluding Observations to States’ periodic reports) have all been at the forefront of these debates (Tomaševski, 2005: 1; Singh, 2015: 6). These discussions and concerns often primarily centre on how to improve (universal) access to schooling and not necessarily on the purpose education should be designed to achieve and the centrality of education in the pursuit of human dignity.

These scholars have all supported the need to provide children with opportunities for universal access to compulsory schooling. Notable amongst them are the late Katarina Tomaševski as the first UN Special Rapporteur on the Right to Education (1998-2004), Fons Coomans, Klaus D. Beiter (Beiter, 2005), Kishore Singh (a former UN Special Rapporteur on the Right to Education), Joel Spring (Spring, 2000), Douglas Hodgson (Hodgson, 1996: 237), Manfred Nowak (Nowak, 1991), A.N. Whitehead, different UN Special Rapporteurs on the Right to Education, and many others. Some UN agencies such as UNESCO, UNICEF and education campaigners (with dedicated websites) like the Right to Education Project, the National Economic and Social Rights Initiative (NESRI) and others have added their voices to the right to education discourse and the need to guarantee children access to compulsory schooling in order to achieve universal literacy. With the rise of neo-liberalism after WW II and the subsequent formulation of the human capital theory (HCT) in the 1960’s, some scholars began to discuss the right to education from the lens of economics (Klees, 2016; Chattopadhyay, 2012; McMillan, 2010). For instance, Whitehead in 1962 in his Philosophy of Education, wrote an essay on *‘The Aims of Education’* (Whitehead, 1962) arguing that the central essence of exposing children to learning was economic. His seminal essays were not on education as a human right. Notably, Tomaševski (Tomaševski, 1993; 2003; 2005; 2006), as a prominent campaigner for the human right to education wrote extensively on this subject, particularly on the need to strengthen State obligations in a manner that bolsters more access to compulsory education seen through the lens of human rights. She is a vocal critic of neo-liberal policies (the market model) and associated HCT, because of their negative effect on education as a human right and equality of access to compulsory education for all children. Coomans (Coomans, 2004: 61), as a professor of human rights, considers the right to education from the perspective of its core content (Coomans, 2007). It is important to note that the focal point of most of these works is primarily on how to improve access to schooling, especially in E-9 and less developed countries, and increasing the quality of learning.

Notably, none of these authors, organisations, and human rights projects and initiatives has tried to specifically engage with the purpose(s) of education, particularly the relationship between human dignity, access to schooling and the ability of every human being to lead a life of fulfilled potential. As a result, the core relationship between education as a human right and human dignity is yet to be explored. This is what this paper endeavours to do. As such, it fills a gap in knowledge by discussing the purpose which education as a human (socio-economic) right under IHRL is meant to achieve. This is particularly necessary in the light of the influence of HCT and associated neo-liberal policies that recognise education as good only insofar as it achieves an economic purpose, ignoring human dignity, which is arguably what justifies the right to education in IHRL. Similarly, no research has specifically focused on the connection between the right to education and human dignity, and the tension which the adoption of economic principles (e.g., HCT) in education brings to the fore in terms of the purpose education seeks to achieve.

This paper discusses the economic purpose of education and argues that many States in pursuance of their discretion have adopted neo-liberal policies driven by the forces of globalisation, and an associated human capital theory (HCT) in education delivery. The application of neo-liberal principles in education policy (what I call the ‘market model’) requires reducing State intervention in the provision of education services and exposing State institutions to market solutions regulated by the State.

The hallmark of neo-liberal ideals driven by the forces of globalisation is that it ‘takes educational systems out of the State monopoly and into the marketplace’, and tries to reorder and design learning content and academic trajectories according to the needs of the market using associated HCT (Stromquist, 2002: 15-16). This has indirectly given more influence to the business sector in making education policy decision and learning content trajectories, and allows the intervention of education management organisations (EMOs) in public schools through key components of neo-liberalism, for instance privatisation and deregulation. Education plays a central role in the realisation of neo-liberal ideology. For instance, the education sector provides an economic frontier for for-profit actors that are increasingly interested in maximising profits; it is central to the preparation of individuals (students) for high productivity in the global labour market and, when a higher number of learners are given access to schooling, the profits are more likely to be greater (Steketee 2004: 176) (Nowak 2017: 43-47).

Thus, with the influence of neo-liberal and neoclassical economic ideals, increasingly, schools now focus on ‘teaching technical skills essential to the production and transfer of goods in addition to promoting the social and academic aspects of global awareness and interconnectedness’ (Steketee 2004: 176; Nussbaum 2010: 138-139). This bring schools to the centre of the spread of neo-liberalism as children who have access to education are indoctrinated with neo-liberal ideologies and ‘accustomed to market influences in schools’ at an early age (Nowak 2017: 70-171; Steketee 2004: 177). The application of neo-liberal values in education has reduced it to services that are now regulated by the General Agreement on Trade in Services (GATS) and as such requires the liberalisation of education markets (Tomaševski, 2003: 33).

The neo-liberal ideology, especially as conceptualised by American neo-liberalists through the Chicago School, laid the foundation for the emergence of HCT (what I call the ‘economic development model’) that is rooted in neoclassical economics. The application of human capital reasoning and policies in education forms part of a Government’s or State’s neo-liberal ideological logic (Millei and Joronen 2016: 390). Economists championing HCT recognise education as ‘efficient production of human capital’ and appear to ‘classify all its human rights dimensions as externalities’ (Preliminary Report of Tomaševski in line with Resolution 1998/33, 6), rejecting people as right holders because education and access to it has been given an economic interpretation. For this reason, economists define education as the effective ‘production of human capital and its purpose is “the supply of qualified people over a long period of time to make it more in line with economic demands” (Tomaševski, 2003: 33).

This paper recognises that HCT is a useful approach to education because it focuses on human development and on the ability of people to be economically independent through special skills and higher wages (Chattopadhyay, 2012: 120). HCT equally has human rights values because it enhances the right of each individual to work and earn a living and therefore complements IHRL in this regard (Articles 6 and 7 ICESCR 1966). However, despite the benefits of implementing the right to education through HCT since its conceptualisation of education could serve as a vehicle to economic advancement, it has manifest limitations (especially using humans as only a means to State economic development without recourse for the human right purpose of education) (Schuller 2004: 15). The same applies to the application of neo-liberal policies in education delivery and this will be discussed in section three of this paper.

The objective of this paper is to show the influence of these economic approaches on access to education as a human right (socio-economic right) and the pursuit and realisation of human dignity as the human right purpose because of their distinct but related approaches. It aims to demonstrate that, while neo-liberal ideals and HCT have significant merits, they equally have some important limitations amid the need to achieve human dignity as the human right purpose of education (Unterhalter, 2003; 19). Hence, this paper argues that the adoption of neo-liberal ideals and HCT are not totally in the best interests of children in education (Article 3 of the 1989 UNCRC). While this paper argues that neo-liberal principles exposes education delivery to market forces driven by the tides of globalisation, it suggests that HCT conceptualises the goal of education as primarily to serve an economic purpose (i.e., building human capital for State economic development) rather than broad, individual, human-centred purposes (Schuller 2004: 15; Chattopadhyay, 2012: 119; Macpherson, Robertson, Walford 2014: 18). It argues that human personality development in Article 13(1) of the ICESCR transcends individuals’ earnings (economic purpose) and includes a comprehensive development of each individual’s potential in accordance with Article 29(1)(a) of the UNCRC so as to promote the ability to lead a life that is worthy of the dignity of humans (F Volio, 1979: 21).

The demands of human dignity requires people not to be used only as a means to achieve an end (State economic development). It is important to note that, while this paper acknowledges that neo-liberal ideals (the market model) are founded on market fundamentalism, and HCT (the economic development model) is firmly rooted in neoclassical economics, the analysis and critiques in this paper will not chiefly be from an economics standpoint, but from the human rights perspectives in the light of the human right purpose of education in IHRL and the sensitivities of these approaches as they affect human rights norms (Chattopadhyay, 140).

This paper chronologically progresses in two stages. The first sets out neo-liberalism, its emergence, rationale and application in education delivery. The second reflects on the rise of HCT from American version of neo-liberalism and its theoretical basis as initially formulated by Adam Smith, afterwards made prominent by Chicago School economists in the 1960’s, such as Theodore Schultz and Gary S. Becker (Chattopadhyay, 20). It argues that, despite some significant economic advantages of these models, they have key weaknesses that limit their ability to promote access to education and guarantee the achievement of human dignity as the human right purpose in IHRL (Schachter, 1983: 848).

**Neo-liberalism and Its Conceptual Influence in Education**

This section discusses neo-liberalism, its formulation and widespread influence as a system of governance and economic ideology in the public sector. It argues that the application of neo-liberal policies in education has reshaped and redefined education delivery in both rich and poor States alike, but more detrimentally to the poor (less developed) States (see, E-9 countries). It argues that neo-liberal policies bring to the fore a tension between neoliberal values and education as a human (socio-economic) right under IHRL, particularly in education delivery. Indeed, this paper deems it important to discuss neo-liberal ideals because of its conspicuous role in determining access to schooling, its influence in the quality and contents of learning and the purpose education is designed to achieve.

It is important to note that the human rights revolution that characterised the aftermath of WW II brought hopes to humanity of a new rights-based global system. However, while the human right norms were taking roots, neo-liberal policies caused a reverse cascade from the institutionalisation of these human rights norms. Neo-liberalism according to David Grewal and Jedediah Purdy is the -

[S]et of recurring claims made by policymakers, advocates, and scholars in the ongoing contest between the imperatives of market economies and nonmarket values grounded in the requirements of democratic legitimacy (Grewal and Purdy, 2014: 2-3).

It arose when liberalism became a weak economic model after WW II. Economists challenged liberalism and its policies, especially with the economic crisis that engulfed the aftermath of the World Wars. While neo-liberal ideals are driven by globalisation and the forces of capitalism, they conceptualise the effectiveness of market solutions and the need to allow market forces to be the central engine driving economic growth. Nelly Stromquist suggests that ‘Neoliberalism [. . .] is an economic doctrine that sees the market as the most effective way of determining production and satisfying people’s needs’ (Stromquist, 2002: 25). According to Barry Down, neo-liberalism entails ‘[. . .] financial liberalisation, deregulate on, the selling off of State corporations, competition, heavy tax cuts, and a shifting of the burden from the top to bottom’ (Down, 2009: 51). Neo-liberalism captures the need for the State to reduce its intervention in the provision of public services to allow private sector involvement in accordance with the dictates of the market and excludes public services such as Policing (Police) and law enforcement, armed forces control and management from the market mechanisms. It represents a new understanding of the role of the post-welfare State in a marketised economy, particularly in ensuring appropriate conditions, legislations and institutions that will make the market thrive are in place.

Scholars of neo-liberalism argue that, to reap the fruits of public services (which include education services) and make them more effective, there is a need to liberalise their provision and cut all barriers that could hinder market mechanisms propelled by the tides of globalisation. This necessitated the adoption of General Agreement on Trade in Services (GATS), which is meant to liberalise the provision of public services. Education delivery as a service within the public domain came under the GATS Agreement and, according to the definition of service proffered by GATS, to exclude public education from the scope of GATS, it ‘must be “financed and administered completely by the State” and must be free from “commercial purposes”’ (Part 1, Article 1 of the GATS Agreement; Steketee, 2004: 197). Since there is private intervention in education and it could also be commercialised, this unavoidably brought education and its delivery under GATS. As a public service, education is meant to be delivered by the State in accordance with the requirements of IHRL, like other services within the public sector; however, the education sector has been eclipsed by neo-liberal values. It requires the State to withdraw from providing public education and rather institutionalise conditions that will promote the involvement of private education service providers and a competitive market. As such, neo-liberal policies tend to manifest explicitly in education through deregulation, decentralisation and privatisation (Hill, 2005: 259).

These policies bring education delivery within the trajectories of the market and introduce a tension between the requirements of IHRL that imposes the obligation on States to design and provide public compulsory education to all children on the one hand, and neo-liberal values that encourage States’ withdrawal from delivering public services on the other. Under IHRL, an important point to note amidst the incursion of neo-liberal policies in education is the interpretation of States’ obligation under Article 2(1) of the ICESCR in General Comment No. 3 (1990) at Paragraph 8 by the Committee on Economic Social and Cultural Rights (CESCR) that appears to have sanctioned the adoption of neo-liberal policies in education delivery. However, the question is: the neutrality of the CESCR in terms of political or economic systems to adopt, does it encourage the respect, protection and fulfilment of the right to education? Does it promote States’ compliance with their obligations and the pursuit and eventual achievement of human dignity as the human right purpose of education? In 1990, when this General Comment was adopted, this paper acknowledges the influence of the Cold War economic ideology, world views and global yearnings for economic development at that time. The recent 2019 Abidjan Principles directly mandate States under Principles 2, 4 and 5 to ensure that neo-liberal policies which allow private actors intervention in education delivery do not affect universal access to the same quality of learning for all children. Later, this paper will argue that the adoption of neo-liberal policies may not necessarily be at sharp variance with the requirements of IHRL, insofar as States recognise their obligations and erect protective buffers to effectively regulate private education service providers and safeguard universal access to schooling, although this may be challenged by private for-profit education service providers as breaching liberalisation policies.

This section discusses the influence of neo-liberal policies in education and its explicit manifestations in two subsections. Firstly, it discusses the overriding rationale that sustains the application of neo-liberal policies in education and the level of its application. Secondly, it discusses the manner in which neo-liberal principles manifest in education, particularly through privatisation and deregulation, and their overall impact in education delivery.

**The Rationale and Sphere of Application of Neoliberalism**

 With the end of the World Wars, the great depression that followed, the scar of the holocaust and the fall of fascism, the Keynesian liberal values (the economic philosophies of John Maynard Keynes), which dominated the post-war economic framework and economic policies appeared to have lost their relevance; the neo-liberal economic ideals that are more monetarist in approach and the Washington Consensus emerged. Keynes developed the liberal theory of state interventionism after the economic crises of the 1920s and 1930s and this was embraced by western economies after WW II. His opponents from the Chicago School, led by F. Von Hayek and Milton Friedman, were the neo-liberals (Nowak, 2017: 44). Neo-liberalism appears to simply mean ‘a revival of liberalism’, and its foundations appear to date back to classical liberalism championed by Adam Smith, which conceptualises man and society in a manner predicated on economics (O’Connell, 2007: 496; Thorsen and Lie 2009: 2-8). It is a new form of liberalism and displays an ‘innovative interpretative strategy in restyling basic principles to accommodate new experiences’ (Besley and Peters, 2007: 141; O’Connell, 2007: 496). Graham Burchell captures how the neo-liberals differ from the liberals in ‘Liberal Government and Techniques of the Self’ (Burchell, 1993: 270-271).

According to Burchell, neo-liberalism encourages ‘an *autonomisation* of society through the invention and proliferation of new quasi-economic models of action for the independent conduct of its activities’, suggesting that neo-liberalism promotes an ‘enterprise culture’ (Burchell, 1993: 274; Besley and Peters, 2007: 141). Neo-liberalism has three major forms and theoretical schools; they are: German Ordoliberalism under the government of Helmet Schmidt, the Austrian School led by Hayek, and American neo-liberalism dominated by the Chicago School (Besley and Peters, 2007: 131). In American neo-liberalism, the [Chicago](file:///F%3A%5Cchicago) School of economics occupies a centre position as the most influential because they conceptualise a ‘strong free market’ economy (Besley and Peters, 2007: 150). The Chicago School appears to be the ‘most radical because it proposes “a global redescription of the social as a form of the economic’’‘ (Besley and Peters, 2007: 142). Therefore, the American version of neo-liberalism through the Chicago School will receive more focus.

The School advocated for interventionist policies that would revamp the economy, and questioned *laissez-faire* policies and their efficiency, thereby rejecting any approach that is not rooted on neoclassical economic theory (O’Connell, 2007: 496; Besley and Peters, 2007: 151), especially the Keynesian approach that formed the foundation stone for liberalism. During this period, the Chicago school adopted ‘a *unified* approach’ that uses economics to interpret ‘human behaviour and neoclassical economics was applied to social issues, including education’ (Besley and Peters, 2007: 150). Neoclassical economics was applied and extended to several fields, such as political science, history, sociology and legal theory. For instance, ‘Stigler, Coarse and Buchanan, among others, extended neoclassical economics into political science and institutional theory’ (Besley and Peters, 2007: 151). It was Gary Becker and Jacob Mincer that applied ‘neoclassical economics to sociological issues, giving education, family, and marriage an economic interpretation’ (Besley and Peters, 2007: 151). One of the significant achievements of the American version of neo-liberalism led by the Chicago School is their construction of HCT, which brought significant reforms of education policy and delivery as developed by Schultz and Becker (Besley and Peters, 2007: 152). This will be discussed in more detail in section two of this paper.

Neo-liberal ideals in education consider students as education consumers in the education market and, as such, they are expected to make personal and individual choices (IHRL recognises the right of their parents to make such choices on their behalf) that determine their knowledge and skills acquisition and their level of concomitant earnings and incomes (Koo, 2016: 48). While at state level this has been rationalised by policy makers and economists on grounds of its economic benefits, it divests States’ obligations to provide education to its young citizens, leaving private individuals and entities (corporations) to determine the trajectories of delivery. This creates a tension between the obligation on States under IHRL, and the requirements of neo-liberal policies.

Under IHRL, States are obligated to directly provide each child access to a good education. This is part of the minimum core obligation on States as parties to international human rights treaties in accordance with Article 26 of the Vienna Convention on the Law of Treaties to provide a good universal compulsory schooling. However, when States delegate or abdicate this obligation to private education service providers, in accordance with neo-liberal policies in education, it creates a tension between the requirements of IHRL and neo-liberal values. It is important to note that the CESCR in Paragraph 30 of General Comment No 13 (1999), while interpreting the provisions of Article 13(4) of the ICESCR, recognises the contemporary influence of neo-liberalism in education and suggested that ‘everyone, including non-nationals, has the liberty to establish and direct educational institutions’ (CESCR, General Comment No 13, 1999).

The CESCR, however, stated that, with the intervention of private education service providers, States must ensure equal opportunity and non-discrimination in access to schooling, while asserting that the obligation is on States under IHRL and not on the private actors. Similarly, The Abidjan Principles under Principles 2 and 4 supports the need for States to strive to provide compulsory education to all children on the basis of equal opportunity in a manner that ensures the intervention of private education service providers will not affect or impede access to good schooling. In sum, neo-liberal policies have had an enduring impact on education service delivery across States, both in rich and poor States. However, in both developed and less developed States the common denominator is that it doesn’t encourage access to a good education by children from the poorest households and the universal achievement of the human right purpose of education. In the critique of neo-liberal principles under section 2.3, this paper will argue that neo-liberalism institutionalises inequality in access and quality of education; however, in what follows, the direct application of neo-liberal policies to education delivery is discussed.

**Manifestation of Neo-liberal Policies in Education**

 This section discusses the way neo-liberal policies have transformed education delivery. It argues that, overall because these policies are not human rights driven but based in economics, they have not been helpful in promoting universal access to education and the delivery of a broad-based education i.e. an education that focuses on the achievement of the human right purpose of education. With the need to stimulate State economic development, stark deficits in public schools and the necessity to prepare school leavers for the labour market without any additional post-school training demanded reforms in the education sector and saw the emergence of ‘for-profit management corporations’ (Steketee, 173). Having jettisoned Keynesian liberal values, western economies started adopting neo-liberal policies of privatisation and deregulation, which advocate for reduced State intervention in the provision of public services. This came simultaneously with the phenomenon of globalisation that drives the rapid spread of neo-liberal policies across economies. Governmental functions in the public domain started coming under the hammer of privatisation and deregulation in western countries, while they are driven by structural adjustment policies recommended by international financial institutions like the World Bank in less developed countries. The notion that outsourcing public services and infrastructures to private companies/sectors will breed competition and economic growth was seen as a necessary variable for the progressive realisation of human rights under IHRL which includes the right to education. The application of neo-liberal policies in education requires the State to withdraw from the provision of public schooling and ensure the existence of conditions and legal regimes that encourage the participation of ‘for-profit’ education service providers.

Conceptually, neo-liberalism “calls for a less interventionist State in economic and social arenas and proposes such measures as deregulation [. . .] decentralisation [. . .] and privatisation [. . .]” (Stromquist, 2002: 6; Steketee, 2004: 172-174). This reduces the role of governments in domestic education delivery to merely facilitating and regulating its delivery instead of directly and actively delivering the services as required by IHRL. This intervention allows education service delivery to be governed and regulated by market solutions and the State only provides a level playing ground that protects the investment of each private education service provider. Neo-liberalism also offers social alternatives rooted in economic considerations. For example, the alternative to choosing a private education service and paying the high fees would be to attend State provided public schooling with fixed vocational curriculum and lower learning quality. It renders all areas of the public service sector vulnerable to market influence, especially the education domain, because it encourages the ‘commodification of all goods and services’ (O’Connell, 2011: 553; Steketee, 2004: 175). Thus, the State moves from directly providing public education to all children to only monitoring the education market and guaranteeing the existence of conditions that protect the investment of each investor in the provision of education service. While this is contrary to the obligation of States under IHRL, it has been argued by economists who promote neo-liberal policies that it protects States’ and individuals’ interests, encourages accountability and guarantees economic growth.

The global drive to expand trade in the service sector, including education (Primary/Secondary school levels), as part of neo-liberal ideals, led to the adoption of the General Agreement on Trade in Services (GATS), which is targeted at eliminating trade barriers in services and promoting liberalisation of trade in service policies (Article 1 of the GATS Agreement; Steketee, 2004). Under the GATS Agreement as a neo-liberal creation, there is an obligation on States based on ‘market access’ to allow transnational education service providers and EMOs the opportunity to establish and operate freely their education-based businesses (Steketee, 2004: 195). According to Steketee, this benefits ‘for-profit’ education service providers/corporations. Similarly, in accordance with neo-liberal policies, the World Trade Organisation (WTO) affirms that trade liberalisation is ‘predicated on an economic environment in which privatisation and deregulation are essential prerequisites’ (Steketee, 2004: 172-173). Thus, to ensure that a State enjoys the economic benefits of market mechanisms driven by the forces of globalisation, certain neo-liberal policies are mandatory preconditions which buttress the diffusion by stealth of neo-liberal ideology into education. For instance, the privatisation and deregulation of public services, including public education, watered the ground for the emergence of HCT.

In what follows, this section will discuss the use of privatisation and deregulatory policies in education, particularly in compulsory education, as key neo-liberal policies in education that have been adopted by many western States and some less developed countries of the world (on the recommendation of international financial institutions like the World Bank and the International Monetary Fund). Firstly, it discusses privatisation as a neo-liberal policy in education. Secondly, it reflects on deregulation as another key neo-liberal policy in education. This section argues that these neo-liberal policies have not positively stimulated universal access to schooling particularly in less developed States and for children from poor households, and this negative result extends to the realisation of the human right purpose of education.

***Education Privatisation***

 This subsection discusses the privatisation of public education delivery, which allows the intervention of private education service providers. It argues that, while privatisation may have increased the number of schools in operation, because of their economic policies, they have not been able to stimulate universal access to a good education on an equal basis and the overall achievement of the human right purpose of education in accordance with the demands of human dignity (i.e., the focus of education delivery). The sweeping influence of neo-liberalism has affected education provision in States that favour broader privatisation of education delivery. This was more prominent in the United States of America and in less developed countries of the South, driven by ‘structural adjustment policies of the World Bank and IMF’ (Nowak, 2017: 61). As early as 1962, Milton Friedman as part of the Chicago School, in his famous book – ‘Capitalism and Freedom’, advocated for the privatisation of public schools for greater efficiency and accountability (Friedman, 1962: 89). Thus, on the strength of the influential economic proposals of economists like Friedman, the US, which is neither a party to ICESCR nor the UNCRC (and as such not bound by the requirements of IHRL and the dictates of human rights jurisprudence) privatised schools by establishing Charter schools – i.e., managing public schools privately by EMOs and, where possible, the use of Voucher schemes. These Charter Schools are equivalent to academies in the United Kingdom.

Under IHRL, the provisions on the right to education has an interesting requirement under Article 13(4) of the ICESCR, which is absent from other socio-economic rights contained in the ICESCR. Article 13(4) allows the establishment of private schools by private education service providers. The leeway for the intervention of private actors may be further appreciated when Article 13(4) of the ICESCR is read in conjunction with the right of parents under Article 13(3) of the ICESCR and 18(4) of the ICCPR allowing them to choose schools other than public schools. Whereas Article 13(3) of the ICESCR gives a nod for the establishment of private schools, according to Manfred Nowak, Article 13(4) of the ICESCR was added in the course of the discussions in the Third Committee of the General Assembly, conferring a clear right to establish, manage and run private schools (Nowak, 2017: 60). Possibly, the drafters may have had religious communities/organisations in contemplation to found private schools, not purely profit-oriented schools. However, it should be noted that this treaty (ICESCR) was concluded and adopted at a time when neo-liberalism and HCT were making waves and did not come into force until 1979, when neo-liberal policies (even in education) and the formulations of the Chicago School were gaining traction in western States.

In Paragraph 30 of General Comment No 13 (1999), the Committee on Economic Social and Cultural Rights (CESCR) suggested that the provisions of Article 13(4) of the ICESCR accommodates the right of private bodies and entities (legal persons) to establish and manage all types of schools – from Kindergarten to University and also adult education. This clearly includes private education service providers. When this happens, States must always ensure equal opportunity and non-discrimination, whether in private or public schools, to ensure that the provisions of Article 13(4) do not form a basis for inequality in access for any group at all (General Comment No 13, 1999).

In the joint work of Coomans and De Wolf, they suggested that ‘privatisation of education services is not prohibited by international human rights law’; however, States must ensure they meet their minimum core obligations in education (Coomans and De Wolf, 2005: 256). That is, whether learning is provided by public or privatised private schools, the State must ensure universal access to all children of a quality education (Nowak 2017: 63). This paper argues that the neo-liberal policy of privatisation is not necessarily in conflict with the requirements of IHRL in education; however, States need to erect protective buffers to promote universal access to schooling and the full enjoyment of the right to education, although this might be challenged by private for-profit education service providers for being against the liberalisation of education service policies and with a negative impact on their level of profits. Despite the merits of privatisation, its application in education has limitations, which has been eloquently adumbrated by Kishore Singh, former UN Special Rapporteur on the Right to Education in his 2014 Annual Report to the UN General Assembly.

It should be noted that, while States do not have the duty under IHRL to subsidise the fees charged by private schools, it must ensure the public schools available are accessible to all children and have quality learning to offer. On the other hand, another neo-liberal policy applicable in education is deregulation, which is discussed in what follows.

***Deregulation of Education***

 This subsection discusses the deregulation of public schools and argues that, despite the real and anticipated economic benefits it brings to the fore in States, it has not been helpful in tackling two key pitfalls of domestic education delivery: universal access to compulsory education, especially for children from the poorest households, and focus of education delivery (an education delivery that recognises humans as ends in themselves and adopts a holistic approach that focuses on the full development of each learner instead of a purely economic approach). The deregulation of schools allows private, for-profit entities to manage public schools so as to make profits for their members. It is part of the statutory and administrative reforms witnessed in the education sector in the last decades, particularly in the United States (US) and United Kingdom (UK). These come in the form of granting private education service providers increased access to public schools, promoting the choice of parents in public school options and the promotion of a competitive market environment within all forms of schooling (Steketee, 2004: 178). Deregulation aims to reform education delivery by increasing parental choice and allowing the providers to independently determine the ‘nature and content of the educational process itself’ (Brown-Nagin, 2000: 771). Neo-liberalists argue that deregulation promotes innovation in education delivery and discourages the ‘one-size-fits-all approach to learning’ that characterises public schools (Brown-Nagin, 2000: 771). The deregulation of education is believed to encourage competition within the education market (because each provider will be making efforts to attract more learners), improve the quality of education delivery with geometric progression in students’ overall academic performance, and increased parental choice of schools (Steketee, 2004: 179).

Deregulation has seen the emergence of Education Management Organisations (EMOs) that fully take over ‘all operational and decision-making responsibilities but not ownership of the public-school facilities’ (Steketee, 2004: 181). EMOs are for-profit school management organisations, and their key interest is to expand the education market in a manner that protects the interest of the investors. For instance, Edison Schools established in 1992 is one such EMO and has become ‘the most prominent for-profit management corporation in the United States’ (Steketee, 2004: 181). In the UK, Nord Anglia, founded in the 1970s, is one of the leaders in for-profit EMOs, being worth about £32 million in 2001 (Steketee, 2004: 184). The investment of for-profit EMOs in the education sector to maximise profit is a testament to the deregulation of public education and the infiltration of private providers in education service delivery. According to Steketee, the UK leads in the ‘privatisation of primary and secondary education markets’ and indigenous companies like W. S Atkins and Nord Anglia have seen the education market and a deregulated education sector as very lucrative (Steketee, 2004: 187).

In sum, neo-liberal policies commodify education by exposing it to market forces and repositioning it as a service, through introducing competition in educational delivery from private actors and accepting alternatives to government’s financing of education through allowing for-profit education service providers (Fredman, 2014: 94; Chattopadhyay, 2012; 5; Connell, 2013: 101; Rikowski, 2017: 43-45). It equally encourages the decentralisation of education and the intervention of private actors as providers of educational services. Notably, neo-liberal policies broke the hegemony of State control and school funding, allowing for competition in the provision of educational services, and in so doing, increased schooling options (school choice) for parents and potential learners based on moral convictions, and other economic considerations, because there are more fee-paying schools to choose from (Mintrom, 1997: 741). This paper argues that, whatever neo-liberal policy a State adopts, it must see access to good compulsory education (whether from private/public education service providers) as a public service that needs to be made available to all children to ensure the development of their ‘personality, talents and mental and physical abilities to their fullest potential’ in accordance with Article 29(1)(a) of the 1989 UNCRC. Notably, the economists at the Chicago School were instrumental in using economics to interpret education and its outcome, and how it builds human capital that could translate to State economic development. Consequently, they formulated the human capital theory (HCT). It is discussed in what follows.

**Human Capital Theory: Adopts a Narrow Approach for an Economic Purpose**

 This section discusses HCT as a theory predicated on neoclassical economics with significant impacts on education delivery – both in access to learning and in the overall purpose of education. It argues that, while the application of HCT in education adopts purely an economistic approach, it complements the instrumental benefits of education under IHRL, having regard to the interpretation of Article 13(1) of the CESCR in General Comment No 13 (1999) that recognises education as a vehicle for economic empowerment, though the HCT adopts a narrow approach in doing so. Thus, in accordance with my arguments elsewhere, it does not conceptualise the human dignity of all individuals which would preclude using human beings as instruments only to achieve economic ends.

With the end of WW II, in the 1950’s, poor levels of education were blamed for unemployment, poverty and economic disempowerment, thus not supplying the skills and knowledge allegedly needed in industry (Klees, 2016: 7). The discrepancy between what labour and businesses wanted on the one hand, and what learning produces on the other was attributed to education’s failure in inculcating the skills and knowledge businesses and the labour market need (Klees, 2016). Steven Klees argues that this attribution was wrong as it is not the problem of education but part of the structural problems inherent in the neo-liberal capitalist system (Klees, 2016). These structural problems manifest in the form of inequality, poverty, unemployment, etc. and make it difficult for people to convert their education into gainful employment as a way of addressing these barriers at the individual level. As a result, poverty and inequality remain a perpetual structural problem in society. Klees contends that these problems are rooted in the structure of capitalism and are further perpetuated and made commonplace by the neo-liberal ideological paradigms because they breed and maintain social and economic inequality (Klees, 2016).

In the early 1960’s, some notable neoclassical economists from the Chicago School (University of Chicago) developed an approach that studies ‘human behaviours’ and applied them to ‘social issues, including education’ Besley and Peters, 2007: 150). This approach defines individuals as economic agents whose expert skills and knowledge can lead to State economic growth and development. Known as the HCT, this approach lays emphasis on developing skills and knowledge in individuals and was started by Schultz in the early 1960’s. In the second phase of the Chicago School, the merits of neoclassical economics were put forward and it became the first department amongst other economics departments to reject entirely the Keynesian approach because they rigidly opposed the concept of market failures (Besley and Peters, 2007: 151).

The third and current phase of the Chicago School (1970’s to present) incorporates the 1960’s monetarism, the 1970’s classical economics, ‘the New Institutionalism, New Economic History and Law-and-Economics Movements’ (Besley and Peters, 2007: 152). It was the neoclassical economic ideals the Chicago School put forward that produced HCT and has been credited for the ‘translation of human behaviour into economic terms’ (Millei and Joronen, 2016: 391). According to Besley and Peters, HCT is ‘a highly influential form of American neo-liberalism originated by Theodore Schultz and systematically developed by Gary Becker’ (Besley and Peters, 2007: 143). It was Gary Becker and Jacob Mincer that adapted neoclassical economics to education giving it an economic interpretation and this has since been a focal point of education policies and delivery in a majority of the western countries (Besley and Peters, 2007: 151-154). Becker, as a Graduate Student at the University of Chicago, was greatly influenced by Schultz’s work on human capital when they met in 1951. Using his first research work titled ‘The Economic Approach on Human Behaviour’, Becker applied economics to social issues (Besley and Peters, 2007: 153). Becker suggests that ‘education and training are the most important investments in human capital’ (Besley and Peters, 2007: 154). HCT aims to ‘both indicatively and normatively structure public education’ in a particular manner that identifies and cultures each individual as a human capital whose potential in contributing to State development can be interpreted through the lens of economics (Gillies, 2011: 228).

With the emergence of HCT and the demise of the cold war, educating for the labour market became increasingly popular, as children were now required to imbibe the capitalist system as future adults (McMillan, 2010: 538). HCT posits that funding universal compulsory education for all children could yield economic returns that directly infuse economic growth and development in the State after some years, particularly where there is job creation (Fredman, 2014: 94; Schuller, 2004: 14). However, the formulation of HCT entails the ‘rise of individualism in the Western countries and the pursuit of basic characteristics of neoclassical economics’ i.e. ‘individuality, rationality and self-interest’ (Besley and Peters, 2007: 154). That is to say, individuals are exposed to a vocational education that allows them to cultivate skills and knowledge needed to fit into the labour sector and each person is blamed for the inability to acquire the requisite skills and knowledge. At the end of the vocational education, the individual acquires employment and grows into specialisation within the industry and is rewarded with high wages.

Proponents of HCT argue that ‘investing in human capital formation early in the life cycle is likely to be more efficient than mitigating disadvantages at older ages’, and this seemingly justifies its application within the compulsory education stage (Heckman, 2000: 26-32; Kilburn and Karoly, 2008: 9). Since its formulation in the 1960’s, HCT has been an influential theory with broad acceptability within rich and low-income States alike (Manion and Menashy, 2013: 216). It has become ‘the basis for education policy in most western countries’ which Besley and Peters suggests entails the rise of individualism in western world, and ‘self-interest that governs neoclassical economic theory’ (Besley and Peters, 2007: 154).

Because HCT is associated with neo-liberal principles, it lies within the province of both the General Agreement on Trade in Services (GATS) and WTO rules, having projected education as a traded service, and conceptualised learners as education consumers, and ‘education as a consumer good’ (Tomaševski, 2004: 22; Singh, 2015: 5-6; Macpherson, Robertson and Walford 2014: 9).

Scholars of HCT, for instance, Adam Smith (1776) initially, and later Jacob Mincer (Mincer, 1958: 281-302), Theodore (Schultz, 1960: 1-17; Schultz, 1961: 322), Edward Denison (Denison, 1962), and Gary S. Becker (Becker, 1964: 311; Becker, 1975), posit that individuals and society stand to gain good economic benefits from investing in people (Klees, 2016: 5-6; Tilak, 2002: 193; Chattopadhyay, 2012: 23). HCT focuses on skills and knowledge ‘as an investment in the productivity of the human being as an economic production factor’ (Robeyns, 2006:72). The proponents of HCT posit that the level of knowledge and skills each individual has is a critical factor in determining the ability of the person to generate income through earnings (Robeyns, 2006:72). According to Professor Ingrid Robeyns, HCT is useful because it envisages ‘people as central to economic development efforts’ (Robeyns, 2006:72).

Thus, the propositions of HCT complement the requirements of IHRL that recognises education as a means to the achievement of economic empowerment. IHRL while recognising education as a means to an end emphasises its potency in guaranteeing economic independence and leading a good quality of life. Similarly, in Paragraph 1 of General Comment No 13 (1999), the CESCR suggested that education is a vehicle through which people can drive into economic empowerment. As such, this paper argues that HCT complements an important element of education under IHRL having conceptualised the centrality of access to education that inculcates skills and knowledge for the industry in people which subsequently ensures economic empowerment.

The human capital approach to education appears to have been seen as a code to unlock economic growth and development of the State (economic purpose), and also a public good that benefits society and for that reason desirable to be pursued (Bellitto, 2015: 102). In consequence, less developed countries with the need for economic development appear persuaded to try out this new approach to education as a way of promoting the chances of State economic development. However, it is important to note that the economic returns accruable from it may be determined by the efficiency of the educational architecture.[[5]](#footnote-5) This paper will proceed to discuss the theoretical foundations of HCT showing that from an economic perspective education is deemed a social investment that yields economic returns (Bessant, 2014: 141).

**HCT and Education Delivery: The Paradigm Change of Purpose**

 It argues that HCT’s conceptualisation of education is rooted on neoclassical economics and seems to complement the requirements of IHRL on education being a means to the achievement of economic ends (purpose) and as such, has human rights values. It suggests that the impact of HCT in education delivery is not uniform in both developed and less developed economies because, while it may be very useful in western economies and appears to encourage access to learning because of the human capital it builds and the existence of a wide labour sector to absorb school leavers, in less developed countries, the lack of employment opportunities and the existence of other neo-liberal policies frustrates its potency.

HCT introduced certain innovative policy formulations in education delivery that, according to its promoters, appear to have assisted the growth of resources and access to learning. This shows that HCT was designed to bring immediate economic succour by helping to reduce poverty and enhance State economic development (as the economic purpose), and this seems to be the basis upon which it has gained acceptability in western countries and the World Bank’s support (Tilak, 2002: 191-192). However, HCT adopts a narrow economics-based approach in education that interprets learning as an instrument for economic development of the State through building human capital for the achievement of an economic purpose. In so doing, human dignity as the human right purpose that is predicated on IHRL became ignored. Indeed, under the provisions of Article 13(1) of the ICESCR, education delivery is *sensu stricto* required to *a fortiori* focus on the ‘full development of the human personality and the sense of its dignity’ as a normative standard. With HCT that is based on neoclassical economics and the existence of other neo-liberal policies, and the adoption of frameworks like the Education for All (EFA) 1990 and the Millennium Development Goals (MDGs) 2000, education delivery became part of a global agenda, particularly after three UNESCO regional conferences in Karachi (1960), Addis Ababa (1961) and Santiago (1962) (King, 2007: 378). Whereas IHRL requires education to promote the use of *reason* through a full personality development, HCT merely recognises education as an investment (a human capital) that promotes a State’s economic development as an economic purpose. This marked a paradigm change in the purpose of education in IHRL.

In his early conceptualisation of the human capital approach to education, Adam Smith stated the significance of skills and knowledge acquired through education i.e., as a ‘valuable capital’ that largely guarantees economic development (Chattopadhyay, 2012: 21; Adam Smith, 1776/1976). Smith, before later economists like Schultz and Becker, characterises expenditure on education as an investment by likening human beings to machines that contribute to skill and knowledge development with a resultant high productivity that trickles down to an economic purpose i.e., State economic advancement and growth (Chattopadhyay, 2012: 21). That is to say, he tried comparing investment in education for the acquisition of employable skills and knowledge to investing in the purchase of machines that enhance production and, later, State economic development. An individual with expert skills and knowledge is likened to an expensive production machine that enhances production and will, in the long run, bring profits to cover costs and other contingent expenses. Smith’s assertion shows that he conceptualised the use of individuals as human capital to attract economic growth and development (Psacharopoulos and Woodhall, 1985: 15). Subsequently, Theodore Schultz created the ‘human investment revolution in economic thought’ in 1961, to which others, like Gary S. Becker, Jacob Mincer and Edward Denison plus many others, contributed (Psacharopoulos and Woodhall, 1985: 15). Schultz argues that ‘human capital enhances the productivity of both labour and physical capital’, but largely depends on the process of specialisation (Schultz, 1989: 220).

These economists posit that the funding of education can be seen as an investment that will yield returns and profits over a period of time (Fredman, 2014: 94; Chattopadhyay, 2012: 23). HCT prizes individuals for their part in State economic development through their earnings, prioritising the inculcation of skills and knowledge for high labour productivity that percolates to a State’s economic growth and development (Chattopadhyay, 2012: 20). It recognises education as an important instrument for poverty reduction since it increases the employability of individuals (Tilak, 2002: 191-192). It recognises both individuals’ economic independence, and the indirect contributions of education to State development. Since HCT appeared attractive because of its economic underpinnings in conjunction with associated neo-liberal policies, it grew rapidly within the 1960’s and 1970’s, and quickly had a significant impact on education delivery, and educational policy discourses (Chattopadhyay, 2012: 22). Afterwards, HCT and associated neo-liberal principles dominated mainstream educational policy discussions and approaches to compulsory education (Manion, 2011: 43-45; Chattopadhyay, 2012: 22). Its application in education became predicated on the belief that human behaviour and potentials can only be perfected and fulfilled for the labour market through education (Millei and Joronen 2016: 390). As such, ‘[. . .] human capital in the form of a highly educated population is now accepted as a key determinant of economic success’ (Gillies, 2011: 228).

The provision of compulsory education by States became increasingly immersed in an economic rationale because the knowledge and skills young people acquire while in school prepares them for productive employment in the global labour market, which attracts State economic growth and development (Plank, 2005). This affects the learning curriculum because it is argued that the purpose of education is determinable by the design and content of the curriculum.

Under HCT, the curriculum has been vocationally oriented to inculcate the requisite knowledge and skills needed for a productive labour force, which is a fundamental change from the normative standards in IHRL (Nussbaum, 1997: 297; Nussbaum, 2010: 17-24). Education content in accordance with the HCT now focuses on the inculcation of certain skills and knowledge (vocational education) more beneficial to industry for the achievement of an economic purpose (Holter, 2017: 5-6). There is a concentration on sciences, technology, engineering and mathematics (STEM) (English, 2017: 5-6), which are seen as more beneficial to the labour market and to the economic development of the State (Kizilay et al. 2019: 4-5; Kaya and Elster, 2019: 11-12). Other disciplines like the arts and humanities are billed as not helpful to drive global labour competitiveness and State economic growth, and are therefore abandoned in favour of science, engineering and technologically based courses and curriculum (Nussbaum, 2010: 23-24). It is important to note that this does not in all cases promote access to learning that adopts a more holistic approach that guarantees full personality development necessary for the use of *reason.*

This paradigm shift in approach and purpose reformed schooling and education delivery, the differentiation can be tabulated as follows:

|  |  |  |
| --- | --- | --- |
| Variable | International Human Rights Law (IHRL) |  Human Capital Approach |
| Who? | States as parties to IHRL **have legal obligation** e.g. under Article 2(1) ICESCR. This obligation does not change and **should** **not be affected by internal politics** (change of government). States are always held **accountable** for their international human rights treaty obligations in education. | The provision of education remains a **political commitment** of the government and political party leading the government. Its provision is determined by the State’s priority and **change of government can alter commitments to education**. |
| What? | Guaranteed **right to compulsory education** anchored on the **rule of law** (both international law and domestic law), as citizens and right holders could **demand compliance via judicial review and remedy**.Treaty monitoring bodies like the CESCR could **monitor education delivery** through the filing of reports and give **Concluding Observations.** | There is **no right** and so **no judicial review and remedy** available for **non-compliance**. Where educational goals and targets are not met, **no justice or remedy** exists for individuals because there are **no enforceable entitlements or rights.** Efforts are made to **provide access** by the State because of **its benefits to the State** |
| Focus? | Must be directed to the **full development of human potential for a life in dignity** i.e. the promotion of ***reason*** (Article 13(1) ICESCR, Article 29(2)(a) UNCRC) | Inculcate **knowledge and skills** for efficient production that leads to **State economic growth and development as an economic purpose** |

Table 1.1: Adapted from Katarina Tomaševski (Tomaševski, 2006: 64; Klees and Thapliyal, 2007: 506).

The adoption of HCT and other neo-liberal policies in education has been reflected in the goals and targets of global frameworks they fund - e.g., the Education for All (EFA), the former Millennium Development Goals (MDGs) and recently the Sustainable Development Goals (SDG) (Bellitto, 2015: 100; Menashy, 2013: 5). HCT simply conceptualises vocational education as a *sine qua non* for the acquisition of those skills and knowledge (human capital) that promotes high labour productivity and leads to State economic prosperity, and development (Buzzelli, 2015: 204). This presupposes that HCT favours a unidirectional approach, in a complex process that arguably needs a multidimensional approach to ensure the achievement of the purposes of education under Article 13(1) of the ICESCR, i.e. roundly developed citizens who can do more than just contributing to the achievement of an economic purpose through the labour market.[[6]](#footnote-6) According to Buzzelli, ‘with the knowledge and skills needed in the economy, individuals have increased opportunities for employment, leading to a higher standard of living and, ultimately, State economic growth’ (Buzzelli, 2015: 204). HCT recognises the need to develop each individual but directs the development to economic aspects only (Tilak, 2002: 193). It focuses and prioritises an intricate relationship between education, an individual’s personal income, and economic growth and development of the State (Manion and Menashy, 2013: 216). It measures peoples’ incomes and general public economic returns that filter into the national gross domestic product (GDP) (Manion and Menashy, 2013: 216).

In trying to justify the relevance of HCT as a critical factor in contemporary labour relations where production is governed by peoples’ ability to have expert skills and knowledge, Becker argues that States’ economic ‘development presumably depends on the accumulation of human capital’ (Becker, 1993: 324). Human capital is ‘commonly defined as the sum of economically relevant attributes (knowledge, skills, and competencies) held by the working-age population’ (Tomaševski, 2003: 33). Enrolling all children in education promotes and guarantees future human capital accumulation, ‘which encourages State economic development’ and makes the case for universal access especially in developed economies (Millei and Joronen, 2016: 394-395). This supports the truism earlier argued, that HCT recognises the fundamental significance of education in human development, and the economic development of the State and complements the instrumental purposes of education under IHRL. HCT could assist in offering a good record of the outcomes of early childhood schooling, and ‘such evidence can provide some of the support needed to make a case for the educational and economic benefits of early education’, although not without manifest shortcomings (Buzzelli, 2015: 210-211).

Arguably, HCT and its propositions on the need to accumulate human capital for the achievement of an economic purpose (State economic growth and development) appear to follow a linear process and can be represented as follows (Figure 1.2):

Skills & Knowledge

High Wages (Earnings)

Labour Market

HCT

Individuals

State Economic Development (High GDP)

Figure 1.2: Diagrammatic Representation of HCT’s theoretical progression

This diagram (Figure 1.2) illustrates that when education delivery is designed through the lens of HCT, the anticipated end is an economic purpose (the economic development of the State), and not necessarily the comprehensive development of people’s human potentials that promote a life with dignity. Although the learning focuses on individuals’ development, it follows a narrow economic path aimed at making each learner a viable contributor to the industrial sector, for efficient labour output that promotes State economic development. Accordingly, individuals are arguably guided through a structured and limited learning so as to be agents of an economic purpose i.e. economic advancement of the State. Because HCT gives education delivery an economic interpretation, access to learning has been perceived as an investment that could produce future benefits. This is discussed in what follows.

**Compulsory Education as Preparation of Human Capital: Cost-Benefit Analysis as Justification**

 This section discusses the cost-benefit analysis methods that have encouraged compulsory education delivery as a way of preparing human capital, as suggested by Schultz:

I propose to treat education as an investment in man and to treat its consequences as a form of capital. Since education becomes a part of the person receiving it, I shall refer to as Human Capital [. . .;] it is a form of capital if it renders productive service value to the economy [. . .] (Schultz, 1961: 571; Chattopadhyay, 2012: 23-24)

It is argued here that, while statistical analysis appears to show that investment in the education of children can indeed produce good economic returns, it is not in their best interests to receive compulsory schooling exclusively through the narrow approach of HCT (Kilburn and Karoly, 2008: 16; Doyle et al. 2009: 4).

The proponents of HCT (like James Heckman and Pedro Carneiro), argue in favour of investing in early childhood education because it is more cost effective than a late interventionist educational programme that is more expensive and ‘full remediation is often prohibitively costly’ (Carneiro and Heckman, 2002; Buzzelli, 2015; Doyle et al. 2009; Heckman and Masterov, 2007: 447). This paper argues that an investment is seen to be profitable if the economic advantage accruable from it is higher than the cost of investing in it. Hence, it is commonplace that individuals, governments, institutions, and organisations try to evaluate the costs and benefits of each investment before embarking on them, so as not to incur losses (Psacharopoulos and Woodhall, 1985: 30).

The cost-benefit analysis is an evaluative method that is systematic, reliable, and can be as broad as necessary to ensure that guesswork is reasonably eliminated in order to guarantee good judgment in investments which may not otherwise be precise (Psacharopoulos and Woodhall, 1985: 29). Such analysis is commonly adopted by economists and policymakers to determine and weigh the cost of investing in the education of children against returns accruable, i.e., anticipating that the cost of educating children will be recovered after a period of years (Kilburn and Karoly, 2008: 112; Chattopadhyay, 2012: 27). Based on the theoretical assumptions of HCT, the investment in education shows a return as, the more knowledge and skills individuals acquire, the higher the returns accruable to the individual as wages and to the State as economic development (Heckman, 2000: 50 – 51; Chattopadhyay, 2012: 33). These returns are measured through an increased rate of an individual’s, a family’s, and a group’s incomes (Menashy: 2013; Unterhalter et al. 2007). Wendy Brown while capturing the cultural shift in education delivery suggests that the metrics have now been altered to ‘return on investment (ROI)’ and centralising on ‘what kind of job placement and income enhancement student investors may expect from any given institution’ (Brown, 2015: 23; Stark, 2018: 197).

The use of cost-benefit analysis aims to justify compulsory (primary) education from the perspective of HCT, as an important measure for the accumulation of human capital (Heckman, 2000: 50). With the rise of HCT in the 1960’s, the cost-benefit analysis method started being a tool that justified educational policy discourse and commitments particularly in line with the propositions of Schultz and Becker (Manion and Menashy, 2013: 216). It appears to demonstrate that individuals and society at large stand a great chance of gaining tremendous economic benefits through investing in human capital (Chattopadhyay, 2012: 24). For instance, Manion and Menashy argue that the cost-benefit analytical approach has in particular influenced educational policies and research in many States and within international organisations such as the World Bank (Chattopadhyay, 2012: 24).

Economists like Schultz argue that the ability to read and write, acquired during the period of compulsory education, is necessary to achieve economic growth in low-income countries, and a prerequisite for further investment in secondary education, up to higher education and becoming specialists (Schultz, 1961: 222). Schultz, in a bid to further buttress his argument that low-income countries need compulsory schooling, which accumulates human capital for economic progress, suggests that the early years of schooling give the opportunity to acquire valuable skills and abilities (Schultz, 1961: 222). He argues that the cost of learning to read and write is largely at its lowest in the early stages of schooling, i.e., compulsory schooling up to junior secondary, but that it increases as children progress towards higher education (Schultz, 1961: 222). He finally argues that the quality of human capital in every society is dependent on the ability of people to read and write (Schultz, 1961: 222). Schultz, as one of the foremost proponents of HCT, justifies its application to compulsory education. This is to guarantee that children internalise the requisite skills and knowledge needed for economic growth and development early when it is less expensive to provide learning. So, if the quality of human capital in each State is largely dependent on the ability of people to read and write (cognitive resources) according to Schultz, it becomes important that the vocational learning provided must be of good quality, in order to meet the targets of HCT (Kilburn and Karoly, 2008:9). As such, quality vocational education is a critical factor in the accumulation of human capital necessary for the global labour market.

According to Kilburn and Karoly, who have studied childhood education from an economic perspective for the RAND Corporation, the ability of children to acquire new skills and knowledge is largely dependent on the foundations laid in the previous level of vocational education, for instance, from primary into secondary schooling (Kilburn and Karoly, 2008: 9; Nussbaum and Dixon, 2012: 582). This requires that, at all times, each level of schooling must deliver quality learning. This is because the proponents of HCT posit that an ‘educated population is a productive, creative, and innovative resource for achieving broad-based growth’, and building of appropriate human capital needed to drive economic development, but arguably, the education needs to be of good quality to achieve these purposes (Chattopadhyay, 2012: 24).

Economists that champion the HCT argue that education yields good returns both directly to individuals who receive it, and also to the whole society (Tilak, 2002: 192). For example, Heckman and Masterov, using a cost-benefit analysis approach, have tried to establish a proportionate link between the early educational enrolment of children and its anticipated benefits in the long run (Heckman and Masterov, 2007: 449; Buzzelli, 2015: 205). The two authors recognise that ‘education and skill are central to the performance of a modern economy’ (Heckman and Masterov, 2007: 450; Buzzelli, 2015: 205). Moreover, in recognition of the significance of education and the need to invest in educating children Kilburn and Karoly observe that, ‘for every US$1 spent, [. . .] the Abecedarian Project returned US$3.23, and the Chicago Child-Parent Centres returned US$7.14’ (Kilburn and Karoly, 2008: 16; Doyle et al. 2009: 3; Heckman et al, 2006: 13). This means that it has been empirically proved that investing in the education of children yields economic returns and benefits in specific contexts which are instrumental to the economic growth and development of the State (Heckman et al. 2006: 11-12).

So far, the cost-benefit analysis method has been used to determine the level of economic returns accruable from investing in early childhood education as demonstrated above through the Perry Preschool Project and the Abecedarian Project. However, this type of consideration i.e., the cost-benefit analysis, might not guarantee equal opportunity, gender and social justice, as well as unhindered access to compulsory education particularly for children from poorest households e.g. in remote disconnected communities in low-income countries like Nigeria. Despite the centrality of education in guaranteeing the supply of requisite human capital needed to drive global economic development of each State’s economy (in accordance with the economic development model) and the maintenance of a global market (the market model) that supports neo-liberalism as a system of governance, both HCT and the application of neo-liberal policies in education have limitations.

**Conclusion**

 In both rich and poor States, neo-liberalism has significant influence in education policy and delivery. It may be difficult to curtail and reverse its influence and dominance in capitalist economies because it is a complex phenomenon. Neo-liberal ideals encourage a State’s minimised role in the provision of public services and thus perpetuate inequality in access to education, exclusion, inequality in income and wealth and the overall non-realisation of the human right purpose of education. This does not remove the responsibility on the State under IHRL and in support Principle 4 of the 2019 Abidjan Principles reinforces the need for States to adopt effective regulatory measures (see, Principle 5 of the 2019 Abidjan Principles).

Despite the promises of neo-liberalists, there are up to 58 million children between the ages of six and eleven that are out of school, according to the 2016 UNICEF report (Stark, 2018: 200). The manifestation of the failure of neo-liberal policies in education delivery is in the E-9 countries formation. From the perspective of those children in less developed countries and E-9 countries who do not have access to compulsory education, neo-liberalism is a failure (Stark, 2018: 209).

In the case of HCT, as a ‘highly influential form of American neo-liberalism originated by Theodore Schultz and systematically developed by Gary Becker’ (Besley and Peters, 2007: 143), it is a useful approach because of its human rights dimensions and values; however, it adopts a narrow approach to human development. Nevertheless, its use to interpret education delivery is seemingly predicated on the need to achieve an economic purpose in a globalised world where States struggle to meet the needs of their citizenry. Thus, there are dialectics of tension between an education that focuses on full human personality development in tune with the human right purpose and a vocational education that focuses on the achievement of an economic purpose. In all, the recognition of individuals’ dignity require that human beings are not used merely as a production factor (a means to an end). Finally, it is worthy of mention that a probable limitation of this research could be its limited scope given that reliance has been placed on E-9 countries to evidence the negative dynamics of economic interpretation of education, which might not be representative enough especially for industrialised economies where an economic interpretation of education may have contributorily been a launchpad to state economic development.

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1. The Preamble and the Articles laid the foundation for the human right project in international law after WW II. [↑](#footnote-ref-1)
2. The UDHR was adopted by the General Assembly on 10th December 1948 with 48 votes in favour, none against and 8 abstentions (Soviet Union, Poland, South Africa, Ukrainian SSR, Byelorussian SSR, Yugoslavia, Czechoslovakia, Saudi Arabia). Honduras and Yemen both UN members could not vote or abstain. The UDHR clearly set out standard of human rights available to every human being by reason of humanity. [↑](#footnote-ref-2)
3. The International Covenant on Economic Social and Cultural Rights (ICESCR) came into force in 1976. [↑](#footnote-ref-3)
4. This concern prompted the adoption of EFA in 1990, Vienna Declaration and Programme of Action in 1993, MDGs in 2000, Dakar Framework of Action in 2000, SDGs in 2015 and the most recent Abidjan Principles 2019. [↑](#footnote-ref-4)
5. This may explain the reason why low-income countries that have adapted the propositions of HCT are yet to achieve economic development. [↑](#footnote-ref-5)
6. As contained under Article 13(1) ICESCR 1966. [↑](#footnote-ref-6)