The School Economy: The Roles and Effects of the Growth of Schools and Schooling in the Global Economy

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Abstract
This paper explores the concept of the “School Economy” or “Schooling Economy” by discussing how increase in the number of modern schools and schooling options are shaping education, economic forces and the economy through competition, market demand, and the overall problem of scarcity. The author looks at the various factors that have contributed to the creation and emergence of the School Economy and how their interrelations have affected training, schooling, and educational demands while bridging a gap in the definition of quality and quantity as indices of educational measurements and attainments on both national and individual scales and levels. The characteristics of the School Economy are discussed as well as the pitfalls and drawbacks before the author explores the benefits that individuals and society have afforded through increased schooling and educational pursuits. The paper also explores competition and the corporation in education by discussing how intrapreneurial and entrepreneurial ventures have transformed and are transforming the opportunities for schools and schooling, as well as the overall role of schools and education.

Key words: School (Schooling) Economy, Intrapreneur, Intrapreneurship, Entrepreneur, Schooling, School, Education, Competition, Knowledge Explosion, Postsecondary Education, Knowledge Worker, Global Knowledge Economy.

Introduction
Everybody seems to be going to school nowadays and those who are not attending, and have neither the means nor motivation, do somehow express their desire to attend school, learn a new skill, pursue a new career, or simply get a degree. There are several factors fueling this feeling of a “need” for schooling in the globally competitive economy of the 21st century as the need for more education and training increases with growing struggles to survive or earn a living as our populations increase and our environment changes rhythm in a quest for simultaneous growth and sustainability. We are currently living in an economy built on schools and schooling.

Over the past decade alone there has been a tremendous surge in the number and types of schools or educational institutions in the United States, especially in the online environment, and this trend is evident on a global level. Schools have become better and greater at marketing and
functioning as full-fledged capitalist enterprises with for-profit schools engaged in extremely strong competitive wars, while non-profit schools have equally developed a fervor for marketing frenzy, focusing on the bottom-line, and increased enrollment, retention, and operational efficiency to remain popular and valuable in the eyes of student-consumers-customers and businesses, as well as the various stakeholders who give and take from these institutions. School and schooling have become fundamental aspects of our social and economic journeys more than ever before, and this seems aptly connected with our simultaneous growth in technologies, information, and knowledge, and their applications in culling out a method or approach for survival across differential terrains. The school has become the driving force for higher skills development, professional and social, and more importantly, economic transition within vast socio-political and cultural contexts. Thus, we can say that schools are livelier and more integral than they have ever been in humankind’s history; however, less intellectual and less capable in building moral character and values. However, they are delivering what capitalism and maturing globalization demand. Schools and schooling have become agents and methods of economic progress and survival in a century where the knowledge worker and the service industry dominate in a diverse and changing world. Thus, we are living in a School Economy; an economy built on a global education industry or schooling with a purposeful drive toward economic fulfillment of pupils and prospects.

Schools nowadays have shifted completely to the corporate model; whether by force or voluntary modeling of successful predecessors and pioneers in and of the process, schools have become the new business corporations and the results we are getting in terms of degree quantity are exceptional, but in terms of educational quality and graduate competence and literacy, disgraceful to say the least. According Lagorio (2005), in a study by the Organization for Economic Cooperation and Development (OECD), it was discovered that “The United States is losing ground in education, as peers across the globe zoom by with bigger gains in student achievement and school graduations. Among adults age 25 to 34, the U.S. is ninth among industrialized nations in the share of its population that has at least a high school degree. In the same age group, the United States ranks seventh, with Belgium, in the share of people who hold a college degree” (p. 1). While nations have emphasized the number of degree-holding citizens as an indication of educational level, this will not hold true for long as college degrees are now becoming entitlements rather than earned honors. Furthermore, corrupt practices in education and schooling and the advent of a free-enterprise approach to what many refer to as a “public good” will eventually erode the superficial aspects of the market and this could potentially have stabilizing effects on the number of people; hence the size of the School Economy. Whatever the case might be, it is worthwhile examining the School Economy as it unfolds to affect individuals and society in the 21st century globally competitive arena.

Growth of the School Economy: Factors and Causes

There is no doubt that the number of people earning college degrees and attending some form of school, pursuing training and education or schooling is increasing annually. With regards to the American economy and nation, according to the National Center For Education Statistics (2010), nearly 50 million students were expected to head off to approximately 99,000 public elementary and secondary schools for the fall term, and before the school year is out, an estimated $540 billion will be spent related to their education (p. 1). Furthermore, for fall 2010, a record 19.1 million students were expected to attend the Nation’s 2-year and 4-year colleges and universities, which represents an increase of about 3.8 million since fall 2000 (National Center
For Education Statistics, 2010). Breaking down the attendance figure for colleges and universities into further categories, the NCES (2010) explains that about 7.5 million students are expected to attend public 4-year institutions, 6.7 million will attend public 2-year institutions, about 4.6 million will attend private 4-year institutions, and 0.3 million will attend private 2-year colleges (p. 1). In addition, the lack of fully available data on online enrollment for financially and academically independent students will add even more to these numbers.

In the United States between 1993 and 2003 the number of public schools grew significantly compared to private schools which experienced a steady growth as shown in Figure 1 (www.data360.org, 2010). Over the decade of growth in schools depicted in Figure 1, there is a continuous increase in the number of schools nationally, and this trend has become the norm as schools have become popular businesses and many corporations are now buying into the school business or education industry as owners and administrators. Organizations such as Career Education Corporation, Apollo Group (APOL), DeVry University (DV), and ITT Educational Services (ESI) are among the major educational corporations that are rapidly changing schooling and building the School Economy in the United States. Competition is one of the major factors driving the School Economy as the level of competition among these educational corporations has fueled tremendous growth in private schools and/or campuses across the fifty states and in the online environment, and has tremendously impacted the global education market and prospects for many traditional schools, further fueling competitiveness among public schools and resulting in rapid expansion or increase in the number of sites.

While competition is a definitive factor driving the increase in the number and types of schools in the United States and across the globe, before competition, comes the all-embracing and “circumferencing” factor of scarcity which drives demands and regulates needs and wants. While education is generally seen as a “need” in society, many individuals will express their “want” for a college degree rather than for education, since having a college degree has become a sort of conversational fashion statement for some people. This is because having a college degree has both economic and social implications that are important to individuals in an excessively competitive world where status means opportunities. This “want” is also part of the driving force in the creation of the School Economy. There has always been a deficiency in skills set for the United States and virtually all economies in terms of specialized and expert knowledge to expand the transformation curve or production possibility frontiers of nations; simply stated, to bring about economic growth through increased productivity with infused educational capabilities, technology, and technical skills. Thus, this factor of scarcity in skills and literacy or technological know-how alone was sufficient to drive the creation and emergence of the School Economy. However, the added factors of competition and diversity propelled us much faster into living in a School Economy where the number of people attending vocational-technical centers and schools, colleges, and universities on ground or online (electronic schooling) has increased dramatically.

While competition, increased market demand for training, skills, and education have brought about a drive toward a School Economy in answer to survival needs under the banner of scarcity among societies and economies of growing numbers, the role of technology advancement is so indispensable in explanation of the growth of schools and schooling. Technology through mediums such as the Internet (World-Wide Web), telecommunications devices, computers, satellites, and other inventions has afforded the world access never before encountered in the history of humanity as far as we know. As a result of readily available technology, the globalization of schooling and education has given rise to economic industries
based mainly on the “buying and selling” of education, training, and career skills via electronic mediums. In addition, many traditional institutions or schools have found it possible to increase their enrollment by offering training via these technological platforms, especially in the form of online schooling or education.

The growth in the number of online schools over the past decade alone has been tremendous, with Internet-Charter Schools operating successfully in over 18 states (Dillon, 2008). While higher education institutions have been predominant in the online environment, the venture of K-12 schools into this territory has raised issues of educational quality and standards, especially as the old factor of Competition emerges to create struggles for funding. According to Dillon (2008), “The rapid growth of these schools has provoked debates in courtrooms and legislatures over money, as the schools compete with local districts for millions in public dollars, and over issues like whether online learning is appropriate for young children” (p. 1). Dillon (2008) argues that two models of online schooling predominate in the K-12 setting: those whose growth has been driven by a state-led, state-financed virtual school that does not give a diploma but offers courses that supplement regular work at a traditional school, and generally enroll only middle and high school students; and those that are full-time online charter schools. Regardless of the philosophical debates, the fact is that the scarcity issue of funding has become more exacting as online schools increase the number of candidates which communities and governments must support with taxpayers’ dollars. This competition for tax dollars drives both profit-oriented and nonprofit oriented organizations and individuals to become part of the School Economy. The fact is that there is money to be made in schooling and through schools and this has become a deeply exploited area by entrepreneurs and intrapreneurs alike.

There are many individuals who have decided to place their efforts on the formulation of a school business, while many organizational business creators (intrapreneurs) are developing ways to link creative efforts and increased organizational performance, branding, and success by creating partnerships and opportunities in, with, and through schools. This latter form of business has created school-centers for training as part of the intrapreneurship venture of many non-school corporations. Intrapreneurship refers to the “Practice of entrepreneurship in an established firm” (BusinessDictionary.com, 2010, p. 1).

![Graph showing the growth in the number of schools in the United States between 1993 and 2003.](www.data360.org)

**Figure 1:** Growth in the Number of Schools (Public and Private) in the United States between 1993 and 2003. Source: [www.data360.org](http://www.data360.org), (2010).

When business organizations, especially those primarily driven by the profit motive stake a claim in schools or educational institutions, it seems as if the models of such institutions begin to
change rapidly. This is exemplified in the transformation of many once traditional colleges and universities into giant or mega-schools (mega-colleges and mega-universities) as private corporations heavily invest in and donate to them, fueling an expected return hypothesis for adopting a business model.

Competition among nations and multinational entities has fueled the growth of and emergence of the School Economy. The strongest basis for this nationalistic origin of the school growth is evident in manufacturing competition present among United States, Japan, and Germany in the earlier eras of technology growth as America’s passion to outdo both its strongest technological competitors over an almost 70 years period beginning after World War I fueled a kind of “Knowledge Explosion” which fermented as increases in the number of schools, levels and type of schooling, and increased national and individual drives for education. This same nationalistic approach or comparative approach toward literacy, schooling, and education remains a driving force in the School Economy today.

While many could simply argue that the growth of schools is an expected and natural phenomenon as population naturally increases, and hence, more children and people needing education, the growth being examining here is one characterized by a “created demand” stemming from the “marketization” or “commoditization” of education through the school and schooling. Making education into a “product” in capitalist economies has become big business from which companies earn millions of dollars annually, especially textbook companies such as McGraw-Hill, Prentice Hall, Cengage, among others that reprint college and university textbooks more often than needed. Education and schooling like the college and university textbooks have become caught up in a 360 degree spiral of growth where schools and schooling are growing or increasing, but education remains marginalized and literacy rate increases, but not literacy level. The typical example of this can be seen by thinking along broader economic lines; for example, many Third World nations bent on increasing the standard of living and quality of life for their citizens have pursued this through physical growth or growth in productivity where the number of dumplings in the plates increase, but not the quality of the flour or wheat; and thus, ill-health, long-term degradation in the quality of human resources, and the ability to knead the dough decline with more bags of flour.

When the number of schools increases simply because there is a push-factor stemming from marketing and education becoming another capitalistic or entrepreneurial venture built around want, a superficial market for skills and training is created and maintained. This superficial market leads to the overproduction of college degrees and certifications in specific fields and drives down value while not necessarily increasing costs as companies struggle to accommodate a larger qualified labor force of “degree-laborers” who have it all, but not necessarily “know-it-all”. This problem is now being experienced with several college degree majors including the Master of Business Administration (MBA) degree which is still being marketed to undergraduates and prospective pupils as being as valuable when only a small percentage of schools offered it and a small percentage of graduates held this qualification. This example points to the factor of innovation as another force driving and fueling the School Economy. Colleges and universities are constantly devising innovative methods and programs, processes and strategies to defend themselves in a market only slightly differentiated on accreditation competition at the higher end.
Characteristics of the School Economy

The School Economy has been in the making for about 70 years with the most profound transitions happening between 1970 and 2000, during which we had the revolutions and evolutions of computer technology, information systems development, the space race, nuclear and scientific proliferation eras, rapid globalization and internationalization, the quality decade, the value decade, and the emergence of the information-based and service-led economy. The factors for rapid development up to present continued with the increased availability of access to the Internet or World Wide Web, increased privatization and decentralization of education, increased regional and global competition among nations, continued competition in science, technology and mathematics by the world leaders of technology including the United States and China, as well as the shifts in world economic centers and trade. Out of all these factors and the desire to meet the needs of increased populations and to increase national wealth, there has been a need for increased schooling, more education and training, and more as well as better access to education and training. The online school has answered this call. However, the excess of school creation and increased number of schools have not met the fundamental goal of improved quality education and higher skills and productivity for many communities and nations. Thus, the question which begs an answer is; “Are we sacrificing quality for quantity by creating “school factories” that manufacture degrees and certifications at bulk rate with little quality input as relevant to posterity?” The question hinges on both social and economic spheres. From a social perspective our models of schools have not increased discipline and care tremendously, and from an economic perspective, increase in the number of schools and degreed-individuals has created an employment shortfall or unemployment for many. An increased number of knowledge workers without growth in knowledge ventures will render training and education useless to individual survival.

One of the most dominant characteristics of the School Economy is the demand for and presence of knowledge workers. According to McFarlane (2008), “The knowledge worker is a product of education, technological marvel, and modern development in organizational practices and theories” (p. 1). This knowledge worker’s main value stems from his or her possession of knowledge, idea, and information that are critical to the productive process in his or her organization, and the possession of this knowledge, idea, or information comes from formal schooling or education. As we witness an increase in the number of schools and schooling, we should see an increase in the number and types of knowledge workers. The problem with the knowledge worker is that schooling, schools, and education are factors that perceptively increase value to the organization or the value of human resources. However, in the School Economy, the laws of economics apply to make this perception or expectation misleading. As the number and types of knowledge workers increase the value of the knowledge worker decreases as organizations have access to an increased pool of knowledge workers or educated laborers; alternatively, degreed-laborers which increase cause the value of each worker to decrease as more and more enter the organization driving down human labor value or human resources value through competition. Where organizations once had a limited pool of applicants with bachelors, masters, and doctoral degrees applying, they now have them “cheaper by the dozen”.

The School Economy is characterized by high levels of competition in education, training, and schooling and whereas in other firms or industries competition functions to drive down prices for consumers, not many would agree to this economic rule in the School Economy as the cost of education rises annually, and this is true for all levels and sectors of education: K-12, colleges, universities, and both the public and private sectors. One explanation for this could
be that the education industry as it stands is still a rapidly growing and diversifying industry where swift innovations are adopted almost instantaneously by competitors as the number of prospective “buyers” or enrollees will only dwindle overtime. Furthermore, increased unemployment has left many returning to the classrooms to learn new skills as they are driven by the hope of better prospects in economies that are expected to rebound. There will however be a saturation point before the market for educational credentials or training and schooling collapses as economic and organizational capacities for accommodation are absorbed by an over-influx of graduates. Some individuals believe that this will not happen. However, a sharp turn in the global economy will at any time uproot the economic foundations for employment of the educated laborer as evident from current United States and World Economic Recession which began in and around 2005 or 2007 depending on one’s economic sensibility or economic gauge of events.

Like all major economic revolutions or trends in the history of civilizations the Schooling Economy or School Economy is characterized by certain socio-cultural and technological changes that fuel its growth. The socio-cultural changes we have experienced through increased communication, social interaction, and knowledge sharing stemming from global cohesion and ventures have changed our understanding of the world, built on our nationalistic and regional views, and have morphed them into universal perspectives and outlooks where we are increasing faced with the need for more information and ways of understanding ourselves, the universe, and the others. This has brought about many areas of knowledge and schools within schools, stand-alone institutes and academies, societies and organizations devoted to the study of culture in many forms, from art and entertainment to music and literature. Thus, we see a world which demands us to know and to learn about the things and people around us as part of the many formal and informal ways of survival. Schools have become the most formal organizations for exchanging and sharing ideas, information, and knowledge across social and cultural boundaries in ways that are critical to our unique and collective economic and social survival.

Technological advancements have created changes that have not only made greater access and convenience to training and education, schools, and schooling more possible, but have resulted in shorter time spent in laborious intellectual labors as individuals now have efficient word-processing and operating systems, Internet and other research tools for finding and compiling information, and of course, in many cases, less academic work and less difficult work to do than their predecessors who graduated from educational institutions built on rigor and following the “Weed-Out-Process” which has been ignored by even some of the academically sound institutions today. The career colleges and universities or schools are especially typical when it comes to ignoring traditional entrance requirements norms for higher education, and this to the degree where more and more students are entering colleges and schools without a high school diploma, with the promise of completing such while they are enrolled and taking college courses. Furthermore, increased variety of technological delivery methods from audio-visual conferencing methods to simply retrieval processes of stored information readily accessible whenever and wherever have made school and schooling an “anytime anyplace” process.

One of the obvious characteristic of the School Economy and one which fuels great debates is the quality of schools. The debate over the quality of schools has been especially profound and longstanding in public K-12 schools where the United States loses its edge in education by far over many other nations. The definition of quality and standards have changed dramatically with the full emergence and growth of the School Economy as consensus on what constitutes quality schooling and quality training and education have dissipated and have been diffused with increasing number of players and stakeholders in the national, regional, and most
certainly, the global education market. While organizations such as the U.S. Department of Education and regional and national accrediting bodies in the United States have attempted to define quality and standards for education, the growth of the School Economy beyond national and regional boundaries has ignited a fire of differential bodies and their own brand of quality assurance in a market that seems like pure competition when it comes to defining standard, quality, and value. This is evident in the number of national and international, online and other non-traditional accreditation and quality assurance organizations, commissions, and bodies that have emerged over the past decade. The number of accreditation bodies for online schools and schoolings for example, has more than tripled in the past decade alone, with most formulated as private entrepreneurial ventures to capitalize on the growth and expansion of global schooling and the development and growth of the School Economy. Thus, increasing numbers of individuals and groups are earning their living by means of schooling, education and training, or through some school-related ventures.

Diversity programs and increase efforts toward diversity and inclusion on our global society have significantly contributed to increased schooling, increased number of schools and increase in the number of people seeking and having access or gaining access to schools and education. Many corporate examples of diversity adoption have been rigorously emulated by schools at various levels as part of the value-creation process and many schools have capitalized on diversity funding to increase their earnings and economic well-beings. With increased attention to diversity and tolerance seen in many schools, colleges, and universities to establish and promote diversity and multicultural departments and programs, enrollments by minorities in both the online and traditional brick-and-mortar schools have significantly added to the size of the School Economy. Thanks to efforts by the Civil Rights Movement, the National Association For the Advancement of Colored People (NAACP), Equal Opportunity Commission, Southern Poverty Law Center and more organizations fostering tolerance and equal opportunity in society and schools, more and more minorities including blacks, Mexicans and other Hispanics, women, and disabled people are increasingly becoming a part of the schooling environment. According to the National Center For Education Statistics (2010) females are expected to comprise the majority of college students in 2010 with 10.9 million females attending college in fall 2010, compared to 8.3 million males. In addition, the NCES (2010) states that, “Increasing numbers and percentages of Black and Hispanic students are attending college. Between 2000 and 2008, the percentage of college students who were Black rose from 11.3 to 13.5 percent, and the percentage of students who were Hispanic rose from 9.5 to 11.9 percent. The increases reflect growing numbers of college-age Blacks and Hispanics and higher enrollment rates for Hispanics” (p. 1). With increasing number of minorities seeking schooling, especially women to include single-parent mothers, the School Economy will continue to grow with the online modality experiencing tremendous growth for quite some time until economic or social conditions reverse growth.

Advantages of the School Economy

The School (Schooling) Economy has brought about renewed life and vigor not only to and for individuals, groups, communities, and American society, but to and for nations and people all over the globe. The prospects of schooling, training, and education as made possible and accessible through technological advancements and online opportunities have not only brought hope to individuals with vivid dreams of a better future, but to entire cultures and nations seeking higher standards of living and improvements through knowledge acquisition,
increased literacy, increased technical skills and creativity. The School Economy has created a medium known as a global knowledge economy in which idea and knowledge sharing have created and continue to create innovations, produce new and great discoveries, and transform the lives of many in tremendous and varied ways. Many have moved on to develop new skills and talents, changing their prospects and those of their families and friends by making greater contributions to their communities, and understanding themselves and their purpose. Moreover, productivity has increased on many levels and the path to social decadence has been slightly narrowed in some ways as we have far less people who are ignorant of laws, civil conduct and civil liberties than would have been without the idea of school and education.

The School Economy has produced a new class of workers for the 21st century called knowledge workers (McFarlane, 2008), who are “important and key strategic resources in modern learning organizations; they are value creators and value adders whose major contributions come from their abilities to process and apply knowledge and information to completing essential tasks, making decisions, and solving problems” (p. 1), and in doing so, [the knowledge workers] have made our lives and theirs’ much better. The School Economy has become an “innovative way” of creating more value when we as a society have fallen short on major inventions and ideas as if we have reached our capacity for further advancements. The School Economy brings about a resurgence of belief in our ability to continually create from thought and intellectual labor, a better and brighter future for ourselves and has ensured a collectively more literate, if not more educated generation of today and tomorrow compared to yesterday and yesteryears.

Disadvantages of the School Economy

While the School Economy has brought us renewed hopes to fulfill our dreams and live with greater hope for tomorrow, it has brought about some disconcerting realizations regarding our value of education and knowledge in the global economy, and especially in American society. We have come to recognize that education which many thought would be able to overcome capitalism’s grasp has become largely another product with a price tag in the free market economy. School and schooling have become agent and process in the bid to earn profits from education and training for many who place no other value upon education but as a “means to an end” as a product that naturally fades with increasing consumption. With this perspective education is no longer that noblest of institution and valuable virtue to which we are compelled as we grow increasingly conscious of ourselves, universe, and life, but just another item of exchange governed by the dictates of the Invisible Hand. In the School Economy we pursue education because we see a monetary and material value in education rather than its pure value which makes of each and everyone a better human being; more aware, more tolerant, more understanding, and hopefully more just. Education is being treated without the honor and respect it deserves today as more and more people acquire college degrees and attend schools without knowing the fundamental philosophical purpose of education and the nature of schooling and schools.

While there is an increase in the numbers of schools and individuals attending schools and enrolled in schools; seemingly acquiring education, learning and increasing awareness, developing useful skills, have increased, we are seeing a cutback in the quality of education and levels of scholarly efforts and works by millions of graduates. Simply stated, we are having fewer educated people despite increased school attendance, increase in the number of schools,
and degrees being conferred or awarded at an unprecedented rate. The School Economy has brought the factors of abuse and corruption inherent in the broader capitalistic model with it to further decrease social and intellectual standards through material and economic pursuits predicated on degree possession or college and university attendance and completion. The fact is that one can possible attend a college or university for years and earn a degree or diploma but no education. This is happening much more often and is much more widespread than we think. According to The Literacy Company (2010) since 1983, more than 10 million Americans reached the 12th grade without having learned to read at a basic level. Unfortunately, many of these individuals move on to college and schools, especially career colleges and schools and graduate with degrees and diplomas and are classified by virtue of possessing such as part of the true literate population. Thus, the School Economy has blurred the lines between and among illiterates, semi-literates, and literates as it has the lines between the educated and the uneducated.

One of the most disturbing trends in the School Economy is the increased corruption and deceptions we see in schooling and educational practices. Many schools or institutions of learning, training, and education have lost their purpose of educating in the face and process of high-stake competition as they focus on numbers such as student enrollment and earnings. This has led to many deceptive practices in the School Economy, including colleges and schools targeting and taking advantage of certain populations. For example, in a recent lawsuit filed against Westwood College, the college was accused of using a strategy being used by many career colleges and universities, as well as many online schools with Title IV access: “Recruit those with the greatest financial need and enroll them in high-cost institutions to maximize the amount of federal funding” (Blumenstyk, 2010, p. 1). Other colleges are overstocking on degree program credits for completion such as 180 or more credits for Bachelors’ degrees, some traditional masters’ degrees with 60 credits and above, and many doctoral degrees with between 90 and over 100 credits. Several online schools such as Capella University and Walden University are known for their excessive number of units to complete degrees. When colleges and universities embrace the practice of padding degree programs with as many credits as possible they increase attendance and degree costs for students. Sometimes students on federal student loans will even run out of loans (“max out”) before degree completion. In such cases, student must turn to private lenders, who are reluctant to lend in this present economy, and if they do, they charge excessively high interest rates. One of the major problems with the School Economy is increased focus on schooling and a shift away from education, that is, an existing confusion between the process and the result obtained as discussed in the next section.

Schooling Versus Education in the School Economy

The advent of modern schooling must somehow adapt to the concurrent economic, political, and social models, or at least provide a platform which can effectively incorporate or surpass things as they exist within these spheres in order for us to experience progress. Fitting into the model of capitalism which the United States and the global economy emulate is extremely difficult without schools and schooling losing their original substance and form. Thus, the process of adaptation or adaptability has significantly shaped the modern idea and perspective of school, schooling and education. Given this, we have experienced a transition from value and virtue of intangibility to service and product of marketability as we struggle to understand the place of modern education and schools, only to recognize it as purely economic in the sense of the School Economy today. We now attend school to learn the law of survival in a
competitive economic and social space where rugged individualism and ideals of self-interest dominate our very learning models and examples.

We have created an education system where we are affording very little learning and education, but significant number of degrees and certificates, especially in higher education where national statistics on literacy still show tremendous increase in the number of degrees with over 1.5 million Bachelor’s degrees being conferred annually since academic year 2006-07, 750,000 associates degrees, 625,000 Master’s degrees, 91,300 first-professional degrees, and 63,700 doctor’s degrees (National Center For Education Statistics, 2010). Despite this, many college and university graduates in the United States are not intellectually and academically up to par with their Third World counterparts. This says much for the quality of education in the United States where the School Economy striving mainly out of the capitalist economic system and model predominates.

Schooling is the process of enrollment, registration, matriculation, studying, and ultimately ends with graduation from a school and its programs, while education is the knowledge, understanding, social and technical skills gained in order to better understand and identify with the world and people around us. Thus, there is a difference between schooling and education; one is the process and the other is the result or product. While we have seen tremendous increases in schooling via the number of schools, enrollees, programs, registered applicants and graduates, the same cannot be said of education, and this is true regarding K-12 as well as higher education. We have failed to significantly or even noticeably improve or increase educational level of the general population and the school population at both the secondary and postsecondary levels. There is still a high rate of dropout among 16-24 years old students in high schools and colleges in the United States. Furthermore, 33% of children in California are projected to never finish high school; the educational careers of 25 to 40 percent of American children are imperiled because they do not read well enough, quickly enough, or easily enough; since 1983, more than 10 million Americans have reached the 12th grade without having learned to read at a basic level, and in the same period, more than 6 million Americans dropped out of high school altogether; 50 percent of the nation’s unemployed youth age 16-21 are functionally illiterate, with virtually no prospects of obtaining good jobs; 44 million adults in the United States cannot read well enough to read a simple story to a child; more than 20 percent of adults read at or below a fifth-grade level - far below the level needed to earn a living wage; nearly half of America’s adults are poor readers or “functionally illiterate”; 21 million Americans cannot read at all, 45 million are marginally illiterate and one-fifth of high school graduates cannot read their diplomas; 46% of American adults cannot understand the label on their prescription medicine; and 50 percent of American adults are unable to read an eighth grade level book (The Literacy Company, 2010, p. 1). These statistics are frightening, but real in an age where education would deceptively seem to be at such a high level given the number of schools and access to schooling and education in the School Economy.

Conclusion: From School Economy to “Fool Economy”

There is obviously a problem with modern education and literacy and this problem seems to emanate from our methods and process of schooling, and our overall attitude toward education and learning. In a society where money dominates the minds and hearts of everyone, education as a purpose for school and schooling is not magnetic enough to attract genuine learners or scholars, and thus, the majority of enrollees, especially in colleges and universities are
“educational or career thrill seekers” looking to develop themselves into marketable talents or human resources. Unfortunately, this has left very little desire or want for education or becoming truly educated as many invest time and money solely in expectation of great financial and economic prospects from capitalism. The fact is that anyone who approaches education and schooling with financial and economic reasons in mind shall become extremely disappointed since observations indicate that the time and money invested in education by many rarely pays off in the financial terms they expect. Thus, placing a personal value on education and becoming educated is the key to ultimate satisfaction about one’s gains from studying and learning.

As we proceed into the deeper parts of the School Economy and finally emerge someday, what can we expect? Should we expect the process of schooling to repeat itself, granting us the opportunity to recover the past we lost and the future we would have destroyed or the unfavorable one we would have created? Well, we have yet to master going back in time to fix things or make things right and our current schooling and educational systems as they stand are faltering in terms of equipping the majority to function above the levels of imbeciles. We are approaching the creation and development of a “Fool Economy” slowly as we produce more and more illiterate and uneducated graduates from both secondary and postsecondary institutions. One area in which blissful ignorance seems to prevail under the current quantitative–outcomes educational model is that of moral education where fewer and fewer of our graduates and learners know or understand morality and its philosophical, social, and legal implications as impacting our contemporary and future societies.

There has decisively by many schools been a deliberate circumvention of the educational and schooling process in an attempt to capture the fruits of competitive capitalism before their counterparts. A good example of this is evident from the competition for students by some large universities that have now cut down undergraduate and graduate academic courses to as little as four weeks. There are several schools out there currently practicing this strategy to attract students from their competitors by offering shorter study and degree completion times. While the global competitive and technologically sprinting economy calls for more skills and knowledge and for shorter schooling or training time, this practice jeopardizes the quality and standard of education and produces more illiterate graduates and more functionally illiterate citizens that are unable to survive and contribute to society.

Overall, the School Economy holds both daunting and promising prospects for us and our future. However, the degree to which we continue to shape the School Economy and the path it takes toward our future will determine how well we travel the journey and what is lost along the way. Certainly, we should ensure that education and schooling retain some significant value and quality beyond the grossly economic or material in order to reap the great benefits to conscious evolvement that education and learning can afford us through the medium of the school. The school has always been a place of transferring life to the living by the living and the 21st century School Economy if managed properly can spell our doom or deliverance as a civilization. In order to fully understand the role and purpose of education and schools, we must effectively lead schools and other organizations with what Cavico, Mujtaba, and McFarlane (2010) describe as “Educational Imperatives” since schools are first and foremost institutions of learning; learning and education are their fundamental purpose and should remain so if they are to truly contribute to individuals’ and society’s development.
References


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