

## **Educational Reforms in Greece (1959 - 1997) and Human Capital Theory**

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### **Abstract**

*This article deals with the effects of Human Capital Theory on the theoretical frameworks, the rhetoric and the aims of the educational reforms that took place in Greece during the period 1959 to 1997. It also deals with the re-emergence of the theory in the 1990s within the new context, as an important element of the neo-liberal education policies that have been in practice during the last seventeen years, and comments on the implementation of this policy in Greece and its results up to now.*

### **A. Introduction**

Human Capital Theory (HCT) was developed in the early 1960s (see Schultz, 1961; Becker, 1964) under conditions of intense competition between the United States and the then Soviet Union for economic, technological and military supremacy at world level, increased state intervention in the capitalist countries for economic growth and significant expansion of educational systems (and particularly of the American higher education).

As has been noticed (Karabel and Halsey, 1977: 13), HCT "was consonant with the forms of technological functionalism which attracted many sociologists in the 1950s": both theories stress the technical function of education (overlooking its ideological role) and the efficient use of human resources; educational attainment is considered exceptionally important for individuals, as well as for economic growth and priority is given to the utilization of "reserves of talents" by the schooling system and to the liberal demand for "equality of opportunities".

The theory had been widely adopted in capitalist countries from 1960 to the mid-1970s; it not only justified the then particularly increased public expenditure on education, connecting it directly to economic growth, but it also contributed considerably to the ideological and political levels, promoting the notion of "equality of opportunities" in education and thus providing an "answer" to the critique of the inequalities in capitalist societies (see Frangoudakis, 1985).

Throughout the 1960s the human capital paradigm affected the directions of education policy made by national governments and international organizations, like OECD, the IMF and the World Bank, and policies inspired by it had been applied in the "third world"- and also in the "existing socialism" - countries.

The poor results from the implementation of these policies[1] at international level, as well as in the USA with the "war on poverty" policies, the intense political, social and ideological conflicts of the late 1960s and the general criticism of functionalism contributed decisively to the contestation of the theory - even its main proponents had to reconsider their position (see OECD 1975, 1985: 26-27).

During the 1959-1985 period, and while the attitude to the theory had shifted from wide acceptance to general contestation at international level, four important educational reforms took place in Greece, the theoretical frameworks and the rhetoric of which were influenced to a large extent by HCT.

## **B. The educational reforms in Greece from 1959 to 1985 and Human Capital Theory**

### **B1. The Greek educational system: some basic characteristics**

The Greek educational system was created under the specific conditions that characterized the social formation in the 19<sup>th</sup> century and in direct relation to the constitution of the independent Greek State; during its development it has acquired some basic characteristics - that are attributed to a nexus of socioeconomic, political and ideological factors (see Tsoukalas, 1977) - such as its highly centralized and bureaucratic administrative structure (Dimaras, 1978; Eliou, 1988; Andreou and Papakonstantinou, 1994), the absence of an overall strategy of financing education

(Pesmazoglou, 1981), the classical and religious[2] orientation in the curricula of the schools (see Kazamias, 1967; Dimaras, 1978) and the remarkably strong popular demand for higher education.

The latter results from, first, the extremely high prestige that general education holds in Greek society and, second, the key role the State used to have in the university graduates' labour market (Tsoukalas 1987, 1989). Relative to these is the near absence, until recently, of any strictly selective dual educational structure comparable to those that had been fashioned in other Western European countries. Despite the fact that the establishment of a dual system and the growth of its Technical and Vocational Sector constituted an objective of all the reforms after 1929, this objective was not realized until the last twenty years of the 20<sup>th</sup> century and, even then, not to the expected degree.

Because of *numerus clausus* applied to universities since 1940s, a large informal sector of educational services which has to do with private tuition offered either at an individual basis, at home, or in special institutions (called "*frontistiria*") has a remarkable growth especially during the last thirty years.

The demand for higher education and the non-existence of Technical and Vocational Education (TEE) came to constitute a serious chronic problem, directly related to the distributive function of the school and a basic constitutive of the education crisis that has emerged in the ensuing conjunctures, as the school apparatus cannot successfully accomplish its distributive and/or ideological function(s).

The resolution of this problem and the adaptation of the educational system to the changing socioeconomic conditions (along with the enhancement of school's ideological function) constituted the core of the state education policy and of every reforming attempt after World War II (see Georgiadis, 2005).

## **B2. The 1959 reform**

In the post Greek Civil War period, the changes in the economic and social structures made the adaptation of the educational system to the new conditions (economic development, industrialization, public works of infrastructure, demand for skilled

technical workforce) urgent, a fact that had been realized by a fraction of the politically dominant conservative strata of the bourgeoisie. In this context a reforming attempt for the modernization of education and the establishment of TEE took place.

The development of TEE had been a priority in the educational agenda at international level (in most capitalist countries a dual educational system had been established by then), because of its correlation to economic growth. The impact of HCT was of great importance for Greek state education policy, and it became more important because of the intervention of international organizations[3] (UN, Technical Aid of USA, European Organization of Productivity etc.), which promoted their ideas and "imported into Greece an explicitly technocratic perception of education, according to which the educational apparatuses were regarded as primarily, or exclusively, adapted to the 'needs of economy' - as defined by these international organizations - for specialized workforce" (Pesmazoglou, 1987: 242). Thus, this period was marked by "a shift of the dominant course in education, from the (bourgeois) ideology of liberal humanism to the (bourgeois) technocratic ideology, which tries to include all social functions and activities in the objective of (capitalist) economic growth" (Milios, 1985: 62).

A "Committee on Education" was established in 1957, aiming at the study of education problems; in its final report it was stated that "education is the most positive and productive investment. Without proper education, neither will our national income increase nor will social prosperity and stability be established" (see Dimaras, 1990: 232; Bouzakis, 1995; Kazamias, 1983). In the 1960-64 five-year economic development plan, the close relation between education and economic growth was also stressed[4] (see Karmas, 1986: 222).

The 1959 reform aimed at the establishment and the growth of TEE, the reorientation of general education and at the rearrangement of the educational system on technocratic bases and it was followed by an increase in public expenditure on education (which, in any case, was exceptionally low in the first post-war period, from 1948 up to the mid-1950s - see Pesmazoglou, 1987). Although the reforming attempt was not a radical one, it met with strong opposition by the most conservative elements of bourgeoisie (Noutsos, 1988: 270). Under conditions of extreme anti-communism and the development of a "new, fanatic nationalism" - similar to that of

the 19<sup>th</sup> century (Tsoukalas, 1987: 35-37) - and of wide use of the repressive state apparatuses, every change was characterized as potential dangerous for the educational system that was blatantly used as an apparatus for socio-political control and ideological coercion; thus, the modernizing aspects of the reform were to be postponed and cancelled.

### **B3. The 1964 reform**

In the early 1960s and under conditions of important economic development (large inflows of foreign capital, high growth rates, industrial development and integration of Greek economy with the international market) the need for confrontation of problems - such as the reorganization of industrial sectors, the increase of productivity and the import of new technologies - was of first priority. Thus, the state intervention for the formation of a necessary, suitable and more productive labour force (a demand that had not been realized by the 1959 reform) became imperative; "because of these demands of the economy, the perception that considers school as an important factor for economic growth was soon transformed into state education policy" (Frangoudakis, 1979: 15), while the effect of HCT strengthened "the fifty year old liberal reforming attempts" (Frangoudakis, 1981: 9).

After the 1964 general election, the liberal democratic Center Union Party came to office and attempted a radical educational reform. The modernization of the educational system and its adaptation to the economic needs, together with the promotion of new ideological perceptions (humanism combined with "a form of liberal ethnocentrism as well as with certain variants of technocratic ideology" - Noutsos, 1988: 277), constituted the fundamental objectives of the education policy. Welfare State education policy was implemented for the first time in Greece and democratization, equality of opportunities, meritocracy and social justice were underlined as the fundamental axes of the reform.

The economic-developmental role of education (and the need for the development of TEE) was particularly emphasized and the adoption of HTC was obvious in the theoretical framework of the reform:

It is anyway damaging to the country, to let its most valuable resource, the human capital, unexploited and inactive [ ... ] We should therefore spare no expense for education. In any case it has been recognized by everyone and it has been declared that expenditure on education constitutes a primarily productive investment (Recommendatory Report of Law 4379/1964, see Dimaras, 1990: 268);

We consider expenditure on education as an investment, and, more specifically, an investment of a first priority (from the speech of the sponsor of Majority in the 23<sup>rd</sup> session of Parliament, August 27 1964, see Bouzakis, 1995: 109).

In 1964, public expenditure on education as a percentage of GDP (in current prices) reached 2,05% and in 1965 raised to 2,26% (NSSG, 1971; see also Drettakis 1976, Pasmazoglou 1987: 79).

The turbulent political life of the country (in the post-war years alone there had been at least forty government shake-ups) had serious implications for and effects on education and education policy: the 1964 reform agenda was not implemented because of the unstable political situation after 1965 and the 1967 coup d' état.

#### **B4. The period of the dictatorship (1967-1974)**

This seven-year period reflects the lack of political legitimacy at any level of social life, as well as the intensification of political control in education.

During the first years of the dictatorship the increase of industrial production that had been noticed in the early 1960s continued, while the legislation of favourable regulations for foreign capital had as a result the continuation of mass investments, the entry of multinational companies in Greek economy and significant economic development. Under these conditions, the lack of specialized technical workforce became obvious, while the majority of secondary education pupils attended general schools and the number of those who left abroad to study in foreign universities was increased (see Drettakis, 1976; Kassotakis, 1981; Eliou, 1988).

The abolishment of the 1964 reform that was necessary for capitalist development had as a result "the undisrupted continuation of an educational system that could not meet the needs of local and foreign capital" (Vergidis, 1986: 255) and the junta was forced to promote changes in education: tertiary technical-vocational education was

established and five Centers of Higher Technical Education (*KATEs*) were founded. In the context of an OECD study on the University of Patras in 1970, a convention took place between the military government and World Bank which came to the decision to issue a loan for the implementation of *KATEs'* foundation programme. In the convention it was reported that *KATEs'* aim was to make the educational system "more effective" for economic growth by "amending the conspicuous lack of human sources in the technical sectors of industry, agriculture, enterprises and health care" (see Karmas et al, 1986: 24).

### **B5. The 1976 reform**

Under the political and ideological conditions that were dominant after the fall of the dictatorship in 1974 (failure of the anti-communist and "Greek-Christian"[5] ideologies, political differentiations amongst the majority of the people), the main political objectives of New Democracy (the right wing party that came to office after the 1974 general election) were the re-introduction of parliamentary legitimacy, the modernization and increase in effectiveness of the state apparatuses and the securing of the consent of the lower classes, all of which required the creation of a proper institutional framework that would ensure the unhindered economic development, so that Greece could become a full member of the European Economic Community (see Milios, 1979; Frangoudakis, 1981).

In that context, the need for a total reformation of the educational system became urgent and the 1976 reform aimed at the expansion of the educational system, at the reorganization and administration of secondary education and especially of its Technical-Vocational sector. The major regulations of the 1976 reform were the raising of school-leaving age (from 13 to 16 years), the introduction of technical-vocational upper secondary schools and of strict upper secondary school entrance examinations at national level (16-plus examinations). The fundamental objectives of the 1976 reform were the adaptation of the educational system to the new conditions, the restriction of the number of candidates for higher education and the "shift to TEE" (see Kassotakis 1981, 1994).

The similarities between the 1964 and the 1976 reforms were obvious: in both cases, the same developmental logic of the respective governments has been stressed

(Frangoudakis, 1977), as well as the more general regard they had for education, as a "productive investment" and a "prerequisite for economic development and prosperity" (Kazamias, 1995).

The effect of HTC on the education policy was explicit and conspicuous in Greece , at a time when the theory - and more generally the role of education in the economic growth - was being disputed:

Both statutes [laws 376/1976 and 576/1977 that promoted the reform] are interrelated and express the philosophy of the Government for education. Concurrently, they constitute a confirmation of the internationally acceptable principle - that the Government embraces and fulfils - according to which education constitutes an investment and forms the labour force required for the economic, social and cultural development of the Country [ ... ] It is, however, an established fact that the main factor of production in the Economies, a more important one than capital, is the properly educated human resources (from the speech of the then undersecretary of Education in the 81<sup>st</sup> session of Parliament, February 23 1977, see Bouzakis, 1995: 237, 239).

The preamble of law 576/1977 assumed the thesis, concerning education's crucial role in the mobility of labour force, which had already been formulated in the early 1970s: "The individuals being flexible and adaptable in their vocational life, are not only economically and socially ensured, but they also contribute to a large extent to the country's economic development" (ibid.: 222).

During the New Democracy governing, the public expenditure on education as a percentage of GDP (in current prices) remained at a level around 2,7% (NSSG, 1982; see also Pasmazoglou 1987, Ktenas and Gitona 1994).

## **B6. The 1982-1985 reform**

After its victory in the 1981 general election, and in the new economic conditions (exacerbation of regional problems, economic crisis, integration of country in the European Economic Community), the Pan-Hellenic Socialist Movement (PASOK) promoted welfare policies, and it attempted institutional changes in Health Care, Tertiary Education, trade-unions etc. Education, as a basic domain of the welfare state's activities, constituted an important area of intervention by PASOK's



government, which expressed the intention to reinforce the compensatory and social roles of schooling and, at the same time, adjust it to the economic developments.

PASOK's reform constituted a version of social-democratic policy for the bourgeois modernization, with important elements of democratization (changes in the administration of education and abolition of the inspectorate, reformation of the curricula, abolition of the 16-plus examinations and modification of the tertiary education entrance examinations system, establishment of the *Integrated Lyceum* - which was the Greek version of the upper secondary comprehensive school, abolition of the *KATEs* and establishment of the 3-year duration Technological Educational Institutes - *TEIs*, upgrading of the status of technical-vocational secondary and tertiary schools). The success rates to the tertiary system as a whole increased in the 1980s as a result of the government policy to defuse the demand for higher education by reorienting it toward *TEIs*.

Although the objectives of PASOK's policy for the general and technical-vocational secondary education sectors were similar to those of the ND governments (reduction of the number of candidates for higher education, meeting the needs of economy in "middle-level" labour force), PASOK tried to manage the problems differently to ND: PASOK's education policy did not lay stress on the strengthening of the repressive-distributive function of the school apparatus (without of course disregarding its distributive role), but mainly on its ideological role, on its legitimizing function and on the broadening of the pupils' consent (Miliotis, 1984; Papakonstantinou, 1991).

In PASOK's "*Declaration of Governmental Policy*" (PASOK, 1981: 49) it was stressed that education was not only an investment, but simultaneously, an end in itself. The position regarding the developmental-economic role of education was maintained - as well as the objective of creating a more flexible labour force - but its social, "equalizing" roles were intensely stressed: thus, the importance of "equality of opportunities" in education was underlined, so that "all the young people are given, without any discrimination, the same possibilities for education", as well as the contribution of education in the "country's economic development, but also the possibility for [upper secondary schools'] graduates to adapt themselves to the changing conditions of labour market" (YPEPTH, 1987: 22, 11).

The public expenditure on education as a percentage of GDP (in current prices) during the 1981-89 period was the highest until then, rising, for the first time after World War II, to 3% (NSSG, 1987; see also Ktenas and Gitona, 1994).

### **C. The re-emergence of Human Capital Theory in the 1990s, the 1997 reform and the new education policy in Greece**

#### **C1 .Human Capital Theory in the new context**

The late 1980s were marked at international level by the hegemony of neo-liberal forces, the regression of socialdemocratic parties in Western Europe, the collapse of the Eastern European regimes and the socioeconomic rearrangements triggered by "globalization". Neo-liberalism represents a positive conception of the (post-welfare) state's role in "creating the appropriate market by providing the conditions, laws and institutions necessary for its operation" (Olssen, 1996: 340; see also Whitty et al. 1998, Apple 2001, Hill 2002a). More specifically concerning education, the state has to withdraw from its responsibility to provide it for all and create the conditions for the involvement of private sector and competition; at the same time, marketization is accompanied by strongly regulatory state policies determining the "appropriate", "necessary" knowledge and skills provided to the pupils and the ways pupils' and teachers' performance is supervised and judged.

In the new context education - being delivered to "individual consumers" by competing providers and not by the state to all - is considered as a means for the preparation of individuals for their attendance in the job market and for the creation of a competitive economy. The subordination of education - and especially of higher education - to the "needs of the market" is driven by the "homo economicus" conception, in which the individual is assumed to seek to maximize his or her returns from economic activity by competing against others: "the only self-evidently rational motive of action is the maximization of the individual's profit" and, "since the enterprises are the basic economic subjects in modern capitalism, these are the ones that are considered the major rationally acting subjects" (Stamatis, 2005: 282). Enterprises' interests in profitability are taken as the demands of societies that have to be satisfied by their governments. Actually, it is about the forceful re-emergence of

the (pre-keynesian) capitalist ideology of the 19<sup>th</sup> century, mixed with some (modernized) Hobbesian influences (ibid.).

Favourable conditions for the re-emergence of HCT were created within the new context: heightening of international competition, changes in the structure of enterprises and in the form of labour relations, need for flexible labour force provided with new general "knowledge" and skills and receptive in rapid training, depending on the "economic needs" in the rapidly changing "knowledge society". The provision of new "knowledge" and skills, the extension of training and the establishment of "life-long learning to all" are necessary for the formation of this labour force; "the ideas, the knowledge, the skills, the talent and creativity" are considered "the real assets of the modern economy" (C. Leadbeater, *Living in Thin Air*- cited in Callinicos, 2001: 29). Hence, "with the shared experience of economies moving to become knowledge-based and with international competition intense, human capital investment is at the forefront of policy options" (Alexander, 1997: 5). Governments - and political parties - of different political origins in many countries, as well as supranational organizations, have rediscovered and adopted HCT (see Robertson et al., 2002; Alexander, ibid.; OECD, 1998 etc.) and have declared that investments in education and training will create the required "human capital", will improve the quality of labour force and guarantee the survival of the individual in the market and, finally, the increase of competitiveness and economic growth. The rhetoric of economic competition is used to justify calls for fundamental changes in educational systems.

HCT is an important element of the neo-liberal education policies implemented in several countries; HCT is now driving individual investments rather than state ones and seems to be operating rather more as a bandwagon concept for educational investment in education as a private industry. The re-adoption of the theory and the educational reforms have not been accompanied by increased public investments in education (on the contrary, various forms of privatization and new forms of financing education and partnerships between state, private and voluntary sectors have been promoted - see Whitty et al. 1998; European Commission, 1995), but mainly by the effort of the governments *to convince the individuals to invest in themselves*, in "a lifelong process of learning and re-skilling in order to get or retain any kind of job" (Tomlinson, 2001: 2). As has been noticed (Stamatis, 2005: 146), in the new

conditions "human capital" is nothing more than a metonymy for labour-power as a marketable ability, necessary for those who don't own any means of production or a job to earn a living.

In neo-liberal education policies, education, employment and HCT are also connected to the highlighted objective of "equality of opportunities": it is assumed that access of individuals (who invest in themselves) to "improved" education and training, as well as the acquisition of skills, increase their competitiveness and equalize "the background distribution of productive endowments", so that market interactions will have as a result a greater equality of income and the reduction of the need for taking redistributive measures (see the comments on "endowment egalitarianism" in Callinicos, 2001: 48); that way "social justice" enhances economic effectiveness[6] (ibid.: 48-51).

These directions have been completely adopted and promoted by the European Union. In the "*White Paper on Education and Training*" (European Commission, 1995) the crucial role of "human capital" in economic growth, as well as in "social justice and cohesion" is stressed: "immaterial investment and getting the best out of our human resources will improve competitiveness, boost jobs and safeguard social achievements" (ibid.: 28), "education and training remain one of the determining factors in equality of opportunity" (ibid.: 2), "human resources constitute the E.U. main economic asset" (ibid.).

In the conclusions drawn by the Council of European Union on the "*Development of human capital for social cohesion and competitiveness in the knowledge society*" (European Union, 2003), it is reported that "human capital is a strategic resource for the overall development of Europe" (ibid.: 9), it is pointed that "the E.U. suffers from under-investment in human resources" and that "the efficiency of both public and private investments needs to be maximized through the coordination of education and training policies, taking account of the process connected with the work programme on follow-up to the common objectives and the lifelong learning strategy" (ibid.) and the main points of HCT are stressed: "the role of education and training is a fundamental factor in social and economic development; it is possible to consider [ ... ] financial interventions in these fields as an investment rather than a cost and to envisage innovative ways of developing research and innovation; [ ... ] human capital

is in fact a lever for social cohesion and economic growth" (ibid.; see also OECD, 1998: 7-8).

## **C2. The 1997 reform and the new education policy in Greece**

In the early 1990s a shift in PASOK's policies towards neo-liberal directions was accelerated by the important political and ideological changes at international level (see Grollios and Kaskaris, 2003; Georgiadis, 2005). After its victory in the 1996 general election, PASOK's government declared the participation of Greece in the Economic and Monetary Unification of Europe (and the subsequent upgrading of the country's international position) as a "national objective", for the achievement of which the economic development and the enhancement of the economy's competitiveness were necessary. In these conditions PASOK implemented austerity policies and decisively confronted labour and social demands.

In education a new policy was implemented which reflected the restructuring of the educational welfare state and the effects of "globalization" and Europeanization processes; its main objectives were the total reformation of the educational system, the direct confrontation of its problems, its adaptation in the new conditions and the convergence to a common European frame.

The new policy was promoted through the 1997 reform, the major components of which were the following: all the preexisting types of upper secondary schools (general, technical-vocational and integrated *lycea*) were abolished and a new general school of academic orientation (*Unified Lyceum*) was instituted, the examinations system was intensified by multiplying the subjects examined for entry in tertiary education at a national level, a new type of downgraded technical-vocational schools - classified as "post-compulsory" (and not "upper secondary") - was introduced, examinations were introduced for the hiring of teachers in compulsory and secondary education - as well as the multi-leveled assessment of teachers by "school advisers" whose role essentially changed to that of inspectors, the administrative structure of compulsory and upper secondary education was modified and new "regional directorates" were introduced, university faculties of different standards (based on the duration of studies in each faculty and on whether they have the right to develop post-

graduate departments and courses) were created and tuition fees were imposed in the post-graduate departments of state universities for the first time.

In this policy the basic demands of the welfare state (such as "equity and social justice" in education and "free provision of education for all") have been substituted by demands for education "of high standards" adjusted to the needs of the market and the model of the "competitive-effective" school has been promoted; education and knowledge are subordinated to these needs and are considered the key to a competitive economy. It is therefore obvious that the "new" education policy constitutes a break with the policies of the 1976-1997 period, and moves to a direction of a total restructuring of the Greek educational system (see Georgiadis, 2005).

In the recommendatory report of law 2525/97 (that promoted the 1997 PASOK's educational reform), it is stressed that "the internationalization of economy and culture and the revolution in the use and distribution of information, the continuously changing conditions of the job market and social life impose skills for the educated individuals, the development of which is necessary for the country's socio-economic development". In PASOK's programme for the 2000 elections it was stressed that a strategic objective of the country was "to accelerate the modernization and the rate of economic growth, through the education of individuals and new investments", and that "the investment in knowledge is the decisive factor for combating unemployment, the confrontation of economic competition, the strengthening of social cohesion and fighting social exclusion" (PASOK, 2000: 3, 74). In the recommendatory report of Law 2986/2002 (on organization of Primary and Secondary Education) it is reported that the desirable objective is "to change our educational system", so that it can "conceive the dynamics of economy", and "invest in human resources".

### **C3. The New Democracy education policy**

New Democracy that came to office after the 2004 general election retained the basic principles of PASOK's education policy and developed them in more aggressive neo-liberal directions: the main foci of the government education policy are the enhancement of the links between education and the market, the promotion of privatizations - especially in tertiary education, and the strengthening of assessment and schools' accountability in all educational levels (see New Democracy, 2003).

According to article 16 of the Greek Constitution, universities are public self-governed institutions funded by the state and private tertiary education is prohibited; thus, no private universities can be established without a revision of the Constitution. In spite of constitutional restrictions, the privatization processes in tertiary education have been accelerated: in May 2004 a decision was taken by the European Union Council of Ministers for Competitiveness, according to which the "degrees" provided by the private "Centers of Free Studies" - functioning in Greece as branches of foreign private universities - should be considered as equivalent to the degrees of Greek state universities.

The ND government attempted to promote the revision of article 16 but met with strong opposition by University teachers and students and, finally, passed a new bill on higher education (Law 3549/2007), changing the structure and administration of universities. At the same time, the government transformed the Ecclesiastical Academies into universities despite the protests of Theological Departments; that way voluntary sector's "non-profit" universities were established.

Changes have been also promoted in the examination system to higher education: an entrance level grade for those who take national level examinations has been introduced in order to enter higher education, while major changes are to be announced in the next school year.

In the programme of ND for education (New Democracy, 2003) the main points of the "renewed version" of HTC are also stressed; already in the preface (titled "*Greece invests in Knowledge*") it is reported that "education is the most basic lever for any form of development - social, cultural, economic. Investment in human capital is the most important one in modern and open societies" (ibid.: 4). In his prologue, the head of ND and now Prime Minister Karamanlis stresses his faith, that "in the future world, *education will be the 'locomotive' of growth*" (ibid.: 6), while the then secretary of ND political planning underlines that "Greece, in order to have a prospect in the new international environment, has to set as a *first priority the investment in knowledge*" (ibid.: 7). The "increase of investments in human resources" (ibid.: 11) is reported as a fundamental axis of ND's education policy, while the commitment to achieve a "considerable increase of investments in human resources so that *priority* will be given to the most important advantage of the country, *its human potential*", is stressed

(ibid.: 52). Simultaneously, it is underlined that "life-long education and training help to maintain economic competitiveness and are the best way to combat social exclusion"(ibid.).

#### **D. The "persistent" effect of Human Capital Theory in Greek state education policy. Some concluding remarks**

##### **D1. Education policy in Greece and HTC: two "Greek particularities"**

The effect of HCT in Greek state education policy has been continuous for more than four decades; during all these years, two particularities can be located in comparison to the trends that have been observed at international level:

a) The adoption of human capital theory was not accompanied in Greece by significant increase in public expenditure on education, not even during the periods of economic growth; until recently, the levels of expenditure remain particularly low compared to those of other countries[7]. The reasons for this "paradox" can be sought in the omission of education from significant public expenditure - contrary to other sectors (such as national defense and public works) - and, more generally, in the developmental choices of the state, in the "unplanned economic growth" - which "was supported and strengthened by unplanned financing" (Pesmazoglou, 1987: 466) and in the absence of an overall strategy of financing education.

On the other hand, the household expenditure on education in Greece has been rising continuously (see GSEE - KANEP, 2007), reaching for the school year 2006-2007 an estimated total of 2,9 billion Euros (the cost of *frontistiria*, in particular, for pupils of primary and secondary schools has reached 1,4 billion), while the estimated total public expenditure on education for fiscal year 2007 is 6,4 billion Euros. The high levels of private expenditure on education are attributed to the insufficient state financing and to the important role of *frontistiria* in the educational system (see Papakonstantinou, 2002). It must also be noticed that, with the introduction of the new examination system to higher education during the past 10 years, attendance at *frontistiria* has been extended to cover the 3 years of upper secondary education. It is clear that only children from wealthier families can afford the cost of private preparation for such examinations. The lower strata spend a larger percentage of their



annual income on the education of their offspring than do the upper strata - in terms of expenditure other than school fees. Consequently, another form of inequalities has emerged, in the context of a supposedly "free" educational system.

b) HTC constituted an important and permanent element of the theoretical frameworks of 1959 and 1964 reforms (during the period when the theory was widely accepted at international level), but also of the 1976 reform, when the theory had already been disputed. Also, during the 1982-1985 period, education continued to be connected with economic growth, even though - in the frameworks of PASOK's general policy - its social and compensatory roles were particularly stressed. Thus a discrepancy is noticed, for the 1976-1985 period, between the education policy in Greece and international trends.

This discrepancy is directly related to the "time lag" that had characterized Greek education policy with respect to the policies in other Western European countries and that can be attributed to the particularities of the Greek social formation and the conditions under which the educational system in Greece was created and developed. The long-lasting effect of HTC in the Greek education policy after World War II can be connected with the attempt - which lasted for many decades - to establish a dual system and to develop its technical-vocational sector, "which traditionally was more directly connected with production" (Kazamias, 1983: 477); HTC constituted a suitable framework for the policies that aimed at the establishment and strengthening of TEE and under the new conditions - from the early 1990s onwards - it provides the framework for the policy, of which a fundamental axis is, not anymore the "shift to Technical Education", but to "lifelong training" (see Milios, 1994).

It seems that the need for adaptation to the new conditions and the harmonization of the Greek education policy with the directives of the European Union (see European Commission, 1995; KEE, 2004, p. 15) put an end to this discrepancy. Under the new conditions the Greek education policy seems to be keeping up with the policies implemented in other countries. HCT constitutes an important component of the theoretical frameworks of the policies that have been implemented in Greece after 1997, by PASOK, as well as by ND.

## **D2. The implementation of the new policy in Greece - some remarks**

Concerning the basic directions of the neo-liberal education policies, the dual role they attribute to the development of "human capital" through education and training (contribution to the competitiveness of economy and to the reduction of social inequalities) and the up to now results from their implementation, at international level and specifically in Greece, the following remarks can be made:

In the new context - and in direct relation with the promotion of the market forces' involvement in education - the competitive character of enterprise is ascribed to the school, mainly through the assessment that tends to connect attainment with "productivity". The new assessment and selection systems provide the mechanisms to regulate competition and attest for competence (see Broadfoot, 1996). The focus in assessment determines the educational process and narrows the scopes of education (see Whitty et al., 1998); the new policies seek to create new "effective" schools - in accordance with the private sector's characteristics - that will "deliver enough high quality products" (Tomlinson, 2001: 85).

Although entrepreneurial culture elements have been introduced in Greek education based on concepts of performativity, competitiveness, efficiency and market oriented education outcomes, in marketization processes some particularities can be traced in comparison with what takes place in other countries. In primary and secondary education, the direct involvement of the private or voluntary sector has not been promoted yet. Privatizations are, however, promoted in the technical-vocational and training sector, where, apart from the private institutions, many private sector providers have been activated - in most cases profiting from European Union funds - organizing all kinds of vocational training programmes (Milios, 1994). Also, private sector providers are involved in the teachers' training programmes and in the production and provision of instructive material, as well as in the construction and maintenance of school buildings. In tertiary education the connection between business and education is explicit (mainly in Technical Universities through research programmes sponsored by the European Union).

The central determination of the primary and secondary education curricula still remains a basic characteristic of the Greek educational system; the content of what is

taught and how it is assessed is regulated by the government. "Business values" have not been integrated yet to a large extent in the curricula and they are mainly promoted through projects that are still at an initial phase (e.g. the "pupils' entrepreneurship project").

The widely adopted notion that investment in human capital is the key to the achievement of greater social equality proves incorrect. According to recent researches (see Kalomiris and Kotsifakis 2002; Georgiadis, 2002; KANEP-GSEE, 2007) the policy implemented in Greece after 1997 has exacerbated the social inequalities in education - as has also been noticed for other countries (see Walford 1992; Ball 1997; Whitty et al. 1998; Apple 2001; Hill 2002a, 2002b) - and has established the most differentiated educational system since the 1970s. The pupils from the lower socio-economic strata are those who drop out of the educational system at large rates, while those of that strata who continue their studies in post-compulsory education attend the downgraded technical-vocational schools or present the highest rates of failure in the examinations at national level (see Economic University of Athens, 1999; Kalomiris and Kotsifakis, 2002; Georgiadis, 2002). As Tomlinson (2001: 5) comments

the increasingly competitive nature of education meant further control of the reluctant, the disaffected and those 'special needs' groups who were unlikely to join the economy at any but the lowest levels, but whose presence might interfere with the prescribed education for the majority.

Almost fifty years after the emergence of human capital theory, its revival and adoption in the new conditions as an important component of the theoretical frameworks of neo-liberal education policies, appears to have similar results as in the past: the faith in the role of education as an important lever for economic growth and the achievement of "social equality" does not appear to be verified.

The re-emergence of HTC may be a part of capital's attempts to open up the social practices of education to economic objectification and adapt education practices to the needs and developments of quasi markets. In the new conditions, the most important objective sought with the adoption of HTC is maybe the legitimating of the implemented neo-liberal policies through the promotion of the notion of "equality of opportunities" and the ideology of natural talents and, finally, the attribution of

responsibilities and blame for unemployment and low incomes to the individuals themselves, who supposedly do not take advantage of the "opportunities offered" as they should and do not invest in themselves.

## Notes

[1] Since the 1970s, although school enrolment rates had continued to increase, average incomes had stagnated, unemployment rates had worsened and underemployment of high schooled people "had been recognized as a social problem" (Livingstone, 1997:9).

[2] The persistence of religion in the public sphere is an eminent characteristic of Greek society. In accordance with the Greek Constitution (article 3) the prevailing religion in Greece is the Eastern Orthodox Church of Christ; there is no legal separation between the State and the Church (see also Zambetta, 2003) and it is not by chance that the full formal title of Ministry of Education is "Ministry of National Education and Religious Affairs" (*YPEPTH*).

[3] For the intervention of international organizations in Greek state education policy see Vergidis (1982).

[4] At the same period the Service of Research and Coordination was established in the Ministry of Education, "for the research and study of the country's needs in human recourses for the economic growth" (see Kazamias, 1983: 430), as well as the Centre of Planning and Economic Research with the financial help of the Ford and Rockefeller foundations.

[5] The ideal of Greek-Christianity was based on a combination of aspects of ancient Greek civilization and Greek Orthodox Christianity; its nucleus was the uniqueness and the homogeneity of the "Greek-Orthodox nation" through its history. The term "Greek-Christianity" was used for the first time in 1951, in post-civil war conditions.

[6] As Gordon Brown puts it, "equality of opportunity is also an economic necessity. Economies that do not bring out the best in people will ossify and fall behind" (cited in Callinicos, 2001: 48); see also Alexander (1997: 5).

[7] In 2000, public expenditure on education as a percentage of GDP (in current prices) was 3,5% (KEE, 2002: 49) and Greece was rated last among 28 OECD countries (mean percentage for the OECD countries was 4,8%); see also European Commission (2005), Alpha Bank (2005).

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