

# ECONOMICS OF EDUCATION AND SOCIAL TRANSFORMATION: The Role of the University

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*This paper aims to examine the challenges faced by the countries that have recently experienced radical changes in their politico-economic system, with respect to social transformation. More specifically:*

*The first part of the work (Chapters 2 and 3) examines the boundaries and links between globalisation and regionalisation, two tendencies that struggle to compromise to each other, giving a specific role to the process of managing social transformation with the aim to control the type, extent and directions of development.*

*The following part (Chapters 4 and 5) examines two fields that stand at the edges of social transformations' management, forming the background which should be constructed for this management to be effective. On the one edge one finds the need to define, explain and investigate the way in which the new system operates within the global environment, a task in which social sciences seem to play an important role. On the other edge, one meets the need to define the goals of social transformation, described by the profile of the developed society of knowledge. In shaping these goals the role of economics of education appears to be decisive linking productivity and quality of human capital to education.*

*The last part is devoted to the role of the University, as an institution that could undertake the responsibility of working towards a desired social transformation.*

## Introduction

We live in a world that changes dynamically. Technological and scientific, political and economic developments, as well as new institutions and ideologies, influence at a speeding rate regions, countries, the whole world. It is not an exaggeration to state that “no century has experienced so many social transformations and such radical social changes as the 20<sup>th</sup> century” (Drucker 1994). Moreover although this century has lived the wildness of many wars (wars that insistently we keep experiencing also nowadays), surprisingly enough, some very important transformations took place gradually without war, if not “in total silence” at least in limited noise. It is worth stopping in three of them:

- The first refers to the transition of the developed world from an agricultural economy/ society to other types of economy/ society. Thus, in a chronological order, in the last half of the 20<sup>th</sup> century the emphasis in the developed economy has moved from industry and technology in the fifties, to the quality of human capital and innovation in the sixties