"In summary, the main purpose of the recent moves toward greater choice is not to build a more democratic and fair educational system but to rebuild a more differentiated educational system which will more closely aid social reproduction. The ideology of the market and choice acts to partially mask this process, and while it may allow a few individuals to benefit, the majority have much to lose."

For persons interested in the school choice movement, reading and careful study of this little book is a must assignment. But those who had placed high hopes in the movement will find it quite disappointing.

Herbert Kiesling
Indiana University,
Bloomington, IN 47405-5301, USA
E-mail address: kiesling@indiana.edu

The Economics of Education: An Analysis of College-Going Behavior.

This book presents an interesting articulation of economic theory and its application to the decision processes potential students go through when they decide whether to attend college. The volume, published originally in Japanese in 1995, was translated by the author and published in English in 1998.

The book contains much that can be recommended for use in classes on the economics of higher education. Arai presents clearly and accessibly the two major economic theories, human capital and signaling, that help to explain the college-going decisions made by individuals. His explanation of the existing theories of Becker, Schultz, and Mincer (human capital) and Spence, Stiglitz, Arrow, and Burdett (signaling) should be understandable to students in undergraduate courses. The author provides appendices explaining the fundamentals of wage determination in labor markets and regression analysis. These appendices are helpful to students who have had some earlier training in microeconomics and/or econometrics, but have not used either recently. While a few of the statistical explanations and analysis may be beyond the reach of introductory economics students (the author has helpfully noted those sections that are more advanced and can be skimmed with little loss of key principles), the main theories should be accessible to most.

After describing the economic theories, Arai provides examples of their application to college-going behavior in Japan. Using time-series data derived from Japanese government statistics, the author demonstrates how cost/benefit and internal rate of return analyses explain changes in the college enrollment rates of Japanese youth. In addition, he uses data from the 47 Japanese prefectures to provide a cross-sectional analysis of how background characteristics such as family income and parental education work with wage and price structures to influence college enrollment.

The examples provided in the book are clearly derived and adequately assist the reader in understanding how economic theory plays out in practice. Arai indicates the limitations of the theories in explaining college-going behavior, and notes where certain theories appear to have more explanatory ability than others.

A major characteristic of the book is its focus on the higher education market in Japan. While the author does provide a helpful appendix explaining the structure of the Japanese educational system, the differences between the Japanese and American systems (and societies in general) limit the usefulness of the volume for those interested in higher education in the United States. A few examples may help to illustrate this point.

The two choices for Japanese postsecondary students are to attend a four-year university or a two-year junior college. While at first glance this may be similar to the distinction between four-year institutions and community colleges in the United States, the admissions process for Japanese universities is different than that of comparable institutions in this country. While elite institutions on this side of the Pacific rely heavily on nationally-administered standardized tests and high school grades, each Japanese institution administers its own unique entrance examination. In addition, many of the private institutions operate continuous education programs from kindergarten through graduate education. Students who enter these institutions in the elementary or secondary years are often guaranteed admission to the postsecondary program. These structural differences affect the analysis of both the supply and demand sides of the postsecondary education market in Japan as compared with that of the United States.

Another important difference between the two systems is the relationship between private and publicly-funded institutions. In Japan, private higher education dominates, enrolling the majority of students. In the United States, the reverse is true; the dominance of public institutions, where the tuition price is heavily subsidized through governmental appropriations, leads to greater market distortions than in the Japanese higher education market.

A third distinction between the two systems is the presence of financial aid in the American system. While there are some loans for postsecondary education in Japan (and the author spends some time describing the impact of capital market imperfections on college
enrollment decisions), the availability of publicly- and institutionally-funded grants and loans is an important component of the financing scheme for higher education in this country. The use of grants and loan subsidies to lower the posted tuition, or “sticker price,” for a large number of students in this country has no corollary in Japan. Thus, the book is largely absent of any analysis of the impact of financial aid on college-going behavior.

In his application of the relevant economic theories, Arai does furnish limited comparisons between Japan and other countries, including the United States. The reader is thus given some assistance in relating the examples provided to this country. However, it should be understood that the strength of this volume is its elucidation of the general theories governing college-going behavior, and that the application of the theories provided by the author will be most valuable to those interested in higher education in Japan.

Donald E. Heller
University of Michigan,
Ann Arbor, MI 48109, USA
E-mail address: dheller@umich.edu

PII: S 0 2 7 2 - 7 7 5 7 ( 0 0 ) 0 0 0 1 2 - 1

By Centre for Educational Research and Innovation.

Lifelong learning is no longer the exclusive province of the academic or wealthy dilettante. Nations as well as their individual citizens are subscribing to the concept at an accelerating rate. In an age driven by the rapid pace of technological change, lifelong learning holds national and individual promise. For developed and developing nations economic competitiveness is at stake. With lifelong employment with the same firm a thing of the past, an individual’s prospects for continuing employment through adulthood are clearly linked to their maintenance of marketable skills. The text is composed of a breathless introduction and four brief chapters. The former provides the requisite rationale and summary. The latter begins with a discussion of the evolution, current manifestations of the concept in Organisation for Economic Co-Operation and Development (OECD) member nations. The remaining chapters address three relatively narrow issues impacting lifelong learning policy. They are—Teachers for Tomorrow’s Schools, Supporting Youth Pathways, and Paying for Tertiary Education.

Chapter One posits that although lifelong learning is a widely accepted goal in OECD member nations, the concept’s lack of an accepted operational definition has inhibited policy formation. One is offered. The definition presented spans the interval between cradle and grave. With the individual as the center of focus, it embraces the broad range of formal and informal of learning activity pursued throughout a lifetime. With this broad operational definition, a complementary monitoring process is suggested. While the challenges of accommodating informal learning and the evolution of needs associated with different life phases are recognized, the requisite details of such a monitoring protocol are not provided.

The teachers’ chapter posits that strategies for transforming traditional education into a lifelong learning enterprise must include teacher input. “Successful reform does not take place ‘despite’ teachers, but rather ensures that their contribution is maximised.” (Page 27) Future teachers will have to be prepared for a different environment with differing expectations. The bulk of in-service teachers, prepared before 1980, will themselves require much more than traditional in-service training. As the industrial model for instruction is replaced by an array of alternate delivery modalities, teachers’ roles and responsibilities will change. Thus in order to help foster lifelong learning attitudes in their students, teachers themselves will have to become lifelong learners.

The third chapter focuses on youth’s school to work transition. While there are variations among countries, the nature of the first job and how quickly it is found are shown to have a strong influence on subsequent employment opportunities. With early school-leavers increasingly ill suited for the evolving employment markets, the policy questions are obvious. Initiatives that partner government, employers and trade unions are offered as effective means of easing the school-to-work transition. The suggested model for a transnational youth policy is characterized by complementary and mutually reinforcing social, economic and educational components. Nordic programs that reflect a case management approach are lauded.

Chapter Four is a brief but commendable discussion of the cost factors that influence an individual’s decision to pursue higher education. It suggests that current policies create obstacles to equitable access. A “level playing field” is suggested. While this chapter, as are all, is enriched with graphs and sidebars highlighting specific national conditions or responses, the arguments presented are well worn.

The anonymous authors crafted four succinct essays relating to a timely subject. Unfortunately, it appears to be the work of a committee. The whole is less than the sum of the parts. The introduction and opening chapter prepares the reader for much more than is actually presented. The three remaining chapters stand on their individual merits but do not contribute to a unified whole. They are characterized by their narrow focus on