

# 'Utility' of education and the role of transformative agency: Policy challenges and agendas

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## Abstract

Over the last two decades, increasing participation rates in post-secondary education in many countries have been accompanied by decreases in aggregate economic growth and raising social tensions. It is obvious now that education does not 'automatically' produce more well-being (at least, if conventionally measured through income or gross domestic product) either for the individual or for society. This puts the question about education's 'utility' in a new light, especially in relation to funding, which is central to the policymaking process. We briefly review literature on various rationales for supporting education and analyze existing evidences concerning the effects or consequences for societies of such investments in education and its related expansion. We outline two alternative agendas for positioning education in the framework of broader socioeconomic development. These agendas stem from different answers to the core question: can education drive the change in other spheres of societal life, or does it only respond to and follow the logics of larger institutional transformations? We suggest greater recognition in policy and public debates of the possible contribution that education may have to shaping transformative agency, and outline related prospects and potential pitfalls.

## Keywords

Education policy, development, human capital, education and institutional transformations, transformative agency

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## Introduction

In the 20th century, on a global scale, rapid expansion of education used to go hand in hand with economic growth. However, the situation has changed on both national (for many countries) and global levels over the last two decades. On the one hand, there is an increased participation, especially in post-secondary education; on the other hand, there is a decrease in the productivity of labor. Moreover, not only has the expansion of education ceased to correlate with growth; the same goes for technological development and the progress of science in general. ‘Productivity paradox’ is the notion used to describe this situation in economics (Brynjolfsson et al., 2017, Draca et al., 2018).

Something wrong, or at least strange, is happening in the relations between education and the broader socioeconomic environment. However, education literature does not discuss this issue much. Among policymakers, dominant modes of thinking about the contribution of education to well-being on individual and aggregate levels seem to remain surprisingly conservative, not going beyond traditional human capital returns calculations. For instance, after the COVID-19 outbreak, leading experts from the World Bank tried to calculate the expected losses in human capital due to the pandemic. They based these on conventional assumptions that one year of education brings an additional 10% to lifetime income, without taking account of potential compensation mechanisms activated during school closures, or more fundamental yet possible changes in how education might ‘work’ in 2020 and beyond (see Patrinos, 2020). In international debates on education policy this is a widespread approach, implying that more graduates with high levels of education automatically produce more aggregate growth (Kuzminov et al., 2019).

Obviously, there are active debates about other aspects of education’s ‘utility’, including, for instance, capability development (Walker, 2005), citizenship education (Torres, 2017) and education as a common good (Boyadjieva and Ilieva-Trichkova, 2019). However, despite (or perhaps partly due to) their influence in leftist public and academic circles, these ideas are peripheral when it comes to actual policy decision-making concerning resources allocation in education, especially at tertiary level. Reasons for the dominance of the ‘human capital approach’ might be not only ideological (see Klees, 2016a, 2020), but also technical: in modern societies, policymaking is ultimately about operating with scarce resources under an accountability system requiring measurement and evaluation (Epstein, 1993; Ozga, 2020). It is natural that initiatives with the most clear and calculated (however simplified) economic rationale behind them would have an advantage, especially given the above-mentioned negative tendencies in global and national economic development. Every additional dollar of public funds is a matter of struggle.

At the same time, the recent crisis associated with the global pandemic has already shown (or reminded) us that along with economic parameters, the societal aspects of well-being such as national consolidation, social cohesion and political stability are becoming increasingly relevant for policymaking – including in education (Moorthy et al., 2021).

With the COVID-19 outbreak, economic recession has combined with the necessity for huge investments in healthcare systems and social protection. According to a forecast issued by the World Bank, the global gross domestic product (GDP) in 2020 was to fall by 3.7% while education spending per capita was expected to decrease by 5.7% on global average and by more than 8% for middle-income countries (Al-Samarrai et al., 2020). Even though short-term motivation for such a shift is an urgent necessity, it may have long-term

consequences as well, marking a change in thinking about education not as an ‘investment’ but as an ‘expense’ in public and private discourses around the globe.

Further, we discuss the problem of education’s ‘utility’, understood broadly as its contribution to socioeconomic development, from a policymaking perspective, which implies explicitly competitive principles for resources allocation and, hence, requires special focus on the relation between investments (or costs, expenses) and effects (or consequences). We pay special attention to the potential aspects of education’s ‘utility’ related to human capital’s ‘transformative agency’ (theoretically grounded in Schultz’s (1975, 1979) concept of ‘allocative abilities’ rather than in critical tradition (Bajaj, 2009; Correa and Murphy-Graham, 2019)). This aspect remains under-emphasized in current discussions but increasingly relevant for practice, in our view. We also analyze several implications from this approach for the positioning of education in debates on policymaking and in larger environments.

### **Education’s ‘utility’ from the policymaking perspective: three concerns**

Policymaking in the modern world is ultimately about resource allocation in the competitive environment (Beetham, 2018; Tsang, 1997). The idea that policy should be explicitly and openly evaluated is at the core of contemporary culture. This approach provides basic legitimation for the modern ‘rational’ state and bureaucracy (Beetham, 1991). However, there are several difficulties in the practical application of these ideas to analyzing education’s ‘utility’ from a policymaking perspective.

First, both the ‘internal’ and ‘external’ sides of education’s functioning have to be taken into account. In current literature, primary attention is usually given to the internal side of the system (pedagogical design, infrastructure, management, learning outcomes (internally measured), etc.). However, the effects of education on broader socioeconomic development are also important, even though they are more difficult to measure (Kuzminov et al., 2019).

Second, existing tools for policy assessment are limited. It seems obvious that only most scientifically reliable quantitative instruments of causal analysis should be used as the basis of policy evaluation and planning. However, it is not always possible to apply such tools. A simple comparison between what was expected as an ‘outcome’ or rather ‘consequence’ of investments in education for social and economic development and what is actually present may be more influential for practical decision-making than sophisticated econometric analysis. Leaving aside possible limitations of current econometrics methodology per se (see Klees, 2016b), relatively simple and ‘descriptive’ observations are what families and students (and sometimes even high-standing officials) often trust most when they make any sort of ‘investments’ (Meyer, 2010).

Third, ensuring ‘utility’ of education requires not only making the right managerial decisions, but also controlling their proper fulfillment. Any scarce resource, public entry or performance in specialized training is subject to both monetary and professional corruption (Heyneman, 2010, 2013; Heyneman et al., 2008). Therefore, the practical decision-making outcomes, so carefully lauded, may be subject to destruction.

Despite some attention in academic literature, these three points remain insufficiently accounted for in the current practice of policymaking in education; in particular, in the dominant strand of the latter related to the so-called ‘human capital’ approach.

## **'Utility' of education through the lenses of human capital approach**

There is a huge volume of academic literature analyzing the ways that education contributes to development, thus offering arguments for investing in it (see reviews in Hanushek and Woessmann 2020; Psacharopoulos and Patrinos, 2018; Rossi, 2020). The notion of 'human capital' with its focus on economic returns on the labor market is central in this literature.

However, human capital perspective has different implications and interpretations for various levels of education. For the post-secondary level, the initial idea of Becker's and Schultz' theory (in its most direct formulation) concerning investment aimed to increase future income may seem absolutely natural. Indeed, the dominance of commercial funding of education on this level in many countries, including the USA or Britain, implies that rational individual actors invest in their 'assets' in the form of knowledge and skills. For primary and secondary school education, supported mainly by public funding, the situation is different: such goals as improving legitimacy of the state, social cohesion and advancing culture have long been recognized as important (if not primary) rationales in education policy (Meyer et al., 1992). Still, human capital logics are also influential for policy decisions on the school level. For example, it was in schools and not tertiary education where the first attempts at international assessment of practical skills (often interpreted as the quality of human capital) took place: the well-known Programme for International Student Assessment (PISA), Trends in International Mathematics and Science Study (TIMSS) and Programme in International Reading Literacy Study (PIRLS) initiatives (see Cordero et al., 2018). According to a World Bank report, almost two-thirds of all data used for assessing the quality of human capital at the international level concerns secondary school scores (see Angrist et al., 2019: 14).

In the face of criticism (see Klees, 2016a; Marginson, 2019b; Tan, 2014), human capital theory is not a fixed entity; it is evolving like the world around it. In recent decades, authors such as James Heckman and many others have contributed significantly to understanding of the content of human capital, uncovering its new dimensions such as, for instance, non-cognitive skills (Kautz et al., 2014). Yet human capital is by no means central in the current academic and expert debates on 'productivity paradox' (Brynjolfsson et al., 2017; Draca et al., 2018).

One of the reasons might be that there remains an important aspect of human capital theory largely overlooked in both expert and academic discussions but highly relevant for the search for possible solutions to 'productivity paradox'. This is the so-called 'allocative abilities' (or 'entrepreneurial element' of human capital), first conceptualized by one of the founders of the human capital theory, Theodore Schultz (1975, 1979), but not really integrated into international mainstream policy agenda on education (see Kuzminov et al., 2019). The term 'allocative abilities' implies responding creatively to the changes in the environment, including through economic entrepreneurship and entrepreneurial behavior in general. A manifestation of the latter might be various types of initiative in social, geographical, educational, professional and occupational mobility, including even in house-keeping (Schultz, 1979). According to Schultz, these abilities constitute a distinctly specific 'entrepreneurial' component of human capital, and formal (especially tertiary) education has a crucial role in its formation (Schultz, 1975). However, both empirical and theoretical attempts to analyze the role of 'allocative abilities' in relation to the systemic effects of education on socioeconomic development are still rare and insufficient (Kuzminov, 2019; Piazza-Georgi, 2002).

The idea that education is an investment that should give returns on both individual and collective levels is central to the human capital approach and very attractive from the policymaking perspective, which explains its popularity. Further, we briefly review recent international and country-level evidence concerning investments in education, its expansion and the related effects or consequences.

## Global expansion of education and problems with returns

Globally, there is a clear trend towards increased schooling. For example, in the Middle East and North Africa enrollment rates achieved a high of 99% by 2010, increasing from 95% in 2000 (Angrist et al., 2021: 405). At the start of the 20th century, less than 0.5% of a global population in the respective cohort attended a university. Now, gross tertiary enrollment ratios exceed 90% in countries such as South Korea and Finland (Schofer et al., 2021: 2). The number of tertiary education students has grown in the 21st century from fewer than 80 million to more than 220 million (Marginson, 2019a).

In terms of decade-long global trends, the dynamics of aggregate investments in education are clearly positive. In Organisation for Economic Co-operation and Development (OECD) member countries, from 2005 to 2015 the average expenditures per full-time-equivalent (FTE) student for post-secondary education grew from US\$12,300 to US\$16,100 (in constant 2017 prices (National Center for Education Statistics (NCES), 2019)) – that is, by 30%. In elementary and secondary education, the growth in expenditures per full-time-equivalent student is also significant: by 23% from US\$7700 to US\$9500 (in constant prices (NCES, 2019)).

Unfortunately, for many countries the expansion of education was not followed by economic growth. The cases of Mexico, El Salvador, Venezuela, Bolivia, Jamaica, Peru and Jordan are illustrative and well analyzed in the literature (Ortega and Pritchett, 2014; Pritchett, 2009). A recent paper on China (Yao, 2019) elaborated and tested a model which showed that a nationwide higher education expansion from 1998 to 2008 led to a 2.5% aggregate productivity decline. According to the model, the problem is that the positive effect of improving the quality of human capital does not compensate for the negative effect of a shortage of investment in the private sector due to massive support of the state sector, which has attracted the majority of graduates.

The long-term GDP growth forecasts have also been pessimistic for a while, even before the global pandemic: according to the OECD (2016), the aggregate growth in the coming 40 years for OECD members will decrease to less than 2% by 2050–2060.

Thus, for quite a long time there has been an obvious contradiction between, on the one hand, the general trend of increasing investment and rising participation in education, and, on the other hand, decreasing aggregate economic growth on both national (for many countries) and global levels as well as related expectations. For some scholars, the so-called ‘cost disease’ (Baumol, 1993; Sidorkin, 2019) remains a possible explanation. It suggests that the increase of costs in education does not reflect real productivity gains in this industry, but rather results from the general growth of costs across all industries. However, it is difficult to test this theory on the aggregate national and global levels (Cheslock et al., 2016).

On the individual level, there is evidence to suggest a more or less stable rate of return to education around the globe – approximately 9% (Psacharopoulos and Patrinos 2018). Interestingly, according to the World Bank, the highest growth in recent decades

is documented for returns to tertiary education (for instance, in Vietnam) (Patrinos, 2020), which partly explains the rise in private investment, including more students loans. However, it might be problematic in the context of a global pandemic. On the one hand, young people have massively lost jobs (especially in the service sector) which helped them pay for their education; on the other hand, online-only formats of education increase the risks of drop-out (especially for students from a low socioeconomic background). This might harm not only individual careers, but also economic development on the aggregate levels.

Another problem on the individual level deals with huge heterogeneity in returns. A paper on India demonstrated that even though the average wage premium on university education remains high (approximately 119% for men, which is higher than in the majority of developed countries), the likelihood for university graduates to have negative returns on their higher education is more than 20% for men and 30% for women (Mohapatra and Luckert, 2012). Thus, investment in education may not be the least-risk strategy for individuals and families.

### **'Utility' of education beyond economic growth – also problematic**

As widely noted in the literature, economic growth is not the only rationale for education expansion. Meyer et al. (1992) demonstrated that, initially, in the 19th and early 20th centuries, the development of mass schooling was aimed at supporting the institutional legitimacy of the nation-state. The state also played an important role in the expansion of higher education after the Second World War, including funding (see Carnoy and Levin, 1985). Moreover, as shown by Marginson (2016), education is essential for families' social status transition and improvement, which is correlated but not necessarily redundant to the traditional logic of 'human capital', focusing primarily on the returns in terms of wages on the labor market. For instance, recent evidence from China shows that families continue to prefer their children to take an academic path of post-secondary education connected with classical universities instead of professional schools, despite the almost universal decrease in returns on higher education except for several fields of study in the elite universities (Kang et al., 2019).

Thus, the real rationale for investing in education on aggregate and individual levels may be much more complicated than it appears from pure economic lenses. The idea that education is inherently a good thing is deeply ingrained in the collective consciousness of contemporary societies. However, strategically, the lack of expected economic outcomes from investments in education may have serious de-legitimization effects (in addition to financial cuts that are already expected). Not only the particular administrative teams involved, but also the state as a whole may become de-legitimized. On a larger scale, an even broader transformation may take place as the cultural foundations of modern society, with its principles of rationalism, science, progress, human rights, freedom and individualism (all of which are profoundly supported by educational systems), come under threat (Zafirovski and Rodeheaver, 2013). The increase of radical populist and anti-intellectual movements is only part of the problems that may appear in the future (Motta, 2018). Even before the pandemic, evidence did not provide sufficient support for the positive effects of post-secondary education on state legitimacy. For example, the data from cross-country analysis

concerning the relation between the participation in different levels of education and the fragility of the state (measured in terms of legitimacy and efficiency) showed a neutral (or, from a certain interpretation, even negative) effect from higher education (Mohapatra and Luckert, 2012).

Under turbulence and in the highly competitive environment, initiatives in education compete for public and private resources with those in other domains. Further, we discuss two alternative strategies for positioning education concerning broader societal contexts, depending on the answer to the principal question: can education drive change in other sectors of economics and society, or does it only respond to and follow the logics of larger institutional transformations (for instance, in the labor market or in the technological foundations of production)? We critically analyze the current divisions within educational, academic and expert communities, showing the deficiencies of the dominant approaches. The paper ends with a call for a more comprehensive agenda which stresses the possible contribution of education to socioeconomic development going beyond mere responding to the direct and ‘technical’ demands from the labor market. We emphasize the possible role of education in supporting transformative agency, proactively creating new institutions and improving the existing ones in a solidarity-oriented way.

### *‘Who is to blame and what to do?’ Two alternative strategies of positioning*

In the field of policymaking, the allocation of resources is usually a question of competition between stakeholders from different spheres: healthcare, social protection, labor market regulation, military, transportation, etc. On the one hand, if education is responsible for growth, then, obviously, something is wrong with it and there is little rationale to continue increasing investment until the broken mechanism has been repaired. On the other hand, if education is itself determined by the logics of other institutions, and can only be efficient when the larger institutional environment is well balanced, then the biggest investments should flow not to education but to other areas (like, for instance, labor market regulations, social protection programs, physical infrastructure, etc.). For those in the ‘education camp’ there are several options for strategic positioning in this regard.

At first glance, the dominant approach in current social and economic sciences strongly suggests the ‘defensive’ agenda. Given the largely acknowledged power of institutions in socioeconomic development, it seems reasonable to assume that the answer to the ‘productivity paradox’ lies beyond direct human capital issues. For example, the problem may be in long-term technological cycles, or in globalized markets, to which the current institutional environment has not yet adapted (see Brynjolfsson et al., 2017). The issue can also be the vicious system of global capitalism enhancing inequality and blocking opportunities for structural change (Klees, 2016a). Such views fit well with the idea that institutions are more important for growth than human capital and, more generally, that ‘structure’ is more important than ‘agency’. (For a brief overview of recent theories of growth in economics, see Acs et al (2016); see also Sorokin and Froumin (2020) for review of sociological literature on the structure–agency issue).

This position logically leads to the claim that education is not directly responsible for the observed negative trends in socioeconomic development. Seemingly, there is no need to change anything systematically in education: teachers in schools and professors in universities as well as deans and rectors may relax and wait for a better time. However, it also means that education cannot significantly contribute to overcoming the negative trends.

Hence, even though such a stance allows escaping responsibility right now, it does not help in defending education from possible future cuts in funding and further decrease in legitimacy in the eyes of potential public and private investors.

The second option is to take a ‘proactive strategy’ and try to prove that education may not only have a supportive role in socioeconomic development (responding to the external signals), but may also become a driver of transformational systemic change. Such a stance may require substantial efforts in changing education itself. A bit of a problem may be that such positioning contradicts influential views in the academy. At the same time, there are theories stressing the importance of individual agency for aggregate well-being; for instance, the theory on ‘national systems of entrepreneurship’ (see Acs et al., 2016). The broad literature on the role of education in promoting capabilities development, citizenship and common good also provides valuable foundations for such approach to education’s positioning. We analyze current divisions in education communities and propose a further possible alternative agenda.

### **Ready or not? The current discourse on education and transformational change**

A significant part of contemporary literature on education development focuses on rather narrow questions of improvement in areas like pedagogical design (Grice, 2019), infrastructure, management (Zajda, 2018), etc., without addressing relations between education and the larger environments. They seek increasing efficiency within the existing path. They do not put under question the mechanisms of education’s connection to broader institutional dynamics, including labor markets or political, social and cultural processes (see also discussion in Bolden and Tymms, 2020). Interestingly, even the global pandemic did not alter this trend. Education remained largely overlooked in COVID-19-related expert and academic literature comparing to healthcare issues (despite several notable exceptions like a few reports from the World Bank, OECD, Johns Hopkins University, etc.). Existing papers give little attention to the transformative potential of education in the long term, focusing rather on technical issues about filling the urgent gaps, even if admitting that a ‘new normality’ has come (Tesar, 2020).

However, there are deviations from this tendency. The first approach calls for a radical restructuring of education systems in response to changing market demands (Sutin, 2018; see also Penprase, 2018). This approach proposes technological determinism and implies that education is not much different from other industries where companies and organizations have struggled in recent decades to keep up with the pace of competition, technological development and changing consumer tastes (see criticism of such an approach in Aidnik (2020)). This means that the education system has to learn from other industries such as finance, manufacturing or retail. Just as banks have moved from the more bureaucratic and labor-intensive business models, practices and procedures of the 1960s to completely different, flexible and digitally enhanced modes of business processes, education and all other industries must go in for radical transformations as well (Sutin, 2018). Important here is the implicit assumption that education does, indeed, require radical transformations in order to respond to the new realities. However, it does not have a special role in driving larger institutional change.



The second approach, more widespread, is grounded in leftist ideology, calling for struggle against the structural deficiencies of the social order connected with the development of capitalism (Cole and Heinecke, 2020; Klees, 2016a, 2020). This approach stresses a bigger role for education in terms of its contribution to structural change. However (with a little exaggeration), as soon as capitalism fails, the transformational role of education is done. This approach is radical and openly aggressive towards the very idea that education can become a part of a mechanism for accelerating economic growth and solving the ‘productivity paradox’, because the very idea of growth, as currently measured, is criticized as being solely in the interest of capital rather than people (see Klees, 2016a).

## **The transformative role of education and demand for the new human capital content**

Despite all the extensive and largely reasonable criticism of the ‘human capital approach’ (Klees, 2016a; Marginson, 2019b; Tan, 2014), the majority of practitioners, experts and scholars would probably agree with the basic premise of this theory in relation to education. The theory of human capital argues that education has to promote well-being and economic development at the individual and collective level through the formation of relevant characteristics of a person. Accordingly, the ‘utility’ of education (and the reason for investing in it from a policymaking perspective) is determined to a significant extent by how well it solves this task. Thus, in order to assess education’s ‘utility’ one has to look at the world around education.

The economy and society of the 21st century rely less on solid structures (like state or corporate organizations) and more on individual agency, including entrepreneurship (see Acs, 2016; Kuzminov et al., 2019; Mironenko and Sorokin, 2020; Sorokin and Froumin, 2020). For example, against the background of the mass spread of non-standard, including remote, forms of employment and learning, the recognition of entrepreneurial skills is growing (including intrapreneurship competences for corporate employment (Guerrero and Urbano, 2021; Kikas and Aarna, 2019). However, as numerous studies show, modern education systems are not efficient or even consistent in teaching entrepreneurship or measuring its results (Longva and Foss, 2018; Longva et al., 2020; Nabi, et al., 2017).

In the 21st century, especially after 2020, it is obvious that the demand for human capital’s concrete qualities goes far beyond mere cognitive skills, discussed in the 1960s and 1970s. It also goes beyond the more recently discovered features like ‘non-cognitive skills’ or ‘universal’, ‘generic’ competencies and skills (see Chan et al. (2017) and Kuzminov et al. (2019) for more details), although all of these remain important.

The range of ‘useful’ human characteristics that education should shape or develop to ensure success in the labor market and in life in general is expanding further. It has always been like that: different stages of societal development and technological modes have required different human qualities. We argue that under the current conditions of progressing global ‘de-structuration’ (Mironenko and Sorokin, 2020; Sorokin and Froumin, 2020) skills and competences related to transformative agency might be of special importance.<sup>1</sup> In the final part of the article, we argue that education has the potential to become a driving force of transformational change by recognizing human capital’s transformative agency and building respective positioning in expert and public debates. However, advancing this topic in policy discussions might be connected with pitfalls.

## **Recognizing human capital's transformative agency in education policy: prospects and potential pitfalls**

Any industry may produce something that can become part of a breakthrough innovation and stimulate systemic change. However, only a few industries aim at the central element of both production and consumption – humans. Education, along with, for instance, health-care, is distinctive. In contrast to education, healthcare focuses primarily (at least, so far) on the task of preserving and supporting the optimal development of a 'natural' physical asset – health or 'body'. Even though the global pandemic proved the necessity for large investments in healthcare systems, health has a largely predetermined logic of evolution. For education, this logic is less applicable, partly because of the self-transformative potential of individual agency. New studies and experiments in the field of measuring and developing 'transformative agency' (or an 'entrepreneurial element' of human capital, according to Schultz) constitute a promising direction for future efforts in both research and practice.

However, emphasizing 'transformative agency' in education policy practice and debates may be problematic. First, 'transformative agency' deals, primarily, with 'external' aspects of education's effects, which may be not only positive and useful (like technological entrepreneurship), but also potentially harmful (like social unrest). The recent data on the neutral or negative relations between tertiary education expansion and the fragility of the state can make one cautious (Mohapatra and Luckert, 2012). Thus, supporting 'transformative agency' requires a lot of experimental work in pedagogical design in various societal contexts as well as significant efforts in monitoring and supporting positive solidarity-oriented directions of 'transformative agency'.

Second, 'transformative agency' capacities are extremely difficult to measure, as vividly demonstrated by the continuous failure of academics and practitioners in the field of 'entrepreneurship education' in higher education (leaving aside other education levels) to come to terms concerning the learning outcomes classification and the related system of assessment. Again, this problem requires continuous investments and not giving up.

Third, educated people with 'transformative agency' may become a factor, enhancing corruption, for instance, by practicing individually useful yet collectively harmful behaviors. This problem may be specifically important for developing countries. However, if practiced massively and systematically, 'transformative agency' may also become a solution to corruption – for instance, if the practices of corruption become the object of such transformative intervention.

The positive transformational change that education might have a mission to accelerate is not an easy task to achieve. One of the major challenges is to make this transformational change productive and co-creative, rather than redistributive and, thus, destructive. For this reason, we do not share the 'leftist' approach to reading the 'transformative agency' concept (Bajaj, 2009; Correa and Murphy-Graham, 2019). The task is not to destroy the market economy or to punish those at the top. It is to improve the aggregate capacities of socio-economic systems for positive change, including tackling the issues of inequality, poverty, corruption and social cohesion. In the face of global economic stagnation and health crises, requiring systematic yet solidarity-oriented changes, this problem appears especially important, but is under-elaborated in both educational research and policymaking.

In the context of increasing risks of severe cuts in education funding, it is time for education communities around the globe to rethink the role of education (and, thus, of themselves) in responding to crisis. The suggested approach to political positioning of

education implies moving away from bold roles of ‘mistress’ of the market’ or ‘antagonist’ of capitalism to becoming a tool for its positive transformation through collaborative efforts.

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## Note

1. An overview of current theoretical interpretations of ‘transformative agency’ in education, psychology and sociology can be found in Haapasaari et al. (2016); however, it does not link the latter to the human capital concept from economics which we suggest.

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