

Diploma Disease

Our society is so affluent that it can accommodate rampant credential inflation.
By Randall Collins

In 1910, less than 10% of the US population obtained high-school degrees. Until mid-century, those certificates were badges of substantial middle-class respectability, conferring access even to managerial jobs. These days, a high school degree is little more than a ticket to a lottery in which one can buy a chance at a college degree — which itself is becoming a ticket to a yet higher-stakes lottery.

Such credential inflation is driven largely by the expansion of schooling — like a government's printing more paper money — rather than by economic demand for an increasingly educated labour force. Our educational system, as it widens access to each successive degree, has been able to flood the market for educated labour at virtually any level.

For example, in the 1960s and '70s, as competition for managerial positions grew among those who held bachelor's degrees, MBAs became increasingly popular and eventually the new standard for access to corporate jobs. Holders of such degrees have attempted to justify the credential by introducing new techniques of management — often faddish, yet distinct enough to give a technical veneer to their activities.

Similarly, credentialed workers in other occupations have redefined their positions and eliminated non-credentialed jobs around them. Thus, the spiral of competition for education and the rising credential requirements for jobs have tended to be irreversible.

Many people believe that our high-tech era requires massive educational expansion. Yet the skills of cutting-edge industries are generally learned on the job or through experience rather than in high school or college.

Compare the financial success of the youthful founders of Apple or Microsoft, some of them college dropouts, with the more modest careers of graduates of computer schools.

In principle, credential inflation could go on endlessly, until janitors need Ph.D.'s and baby sitters are required to hold advanced degrees in child care. People could stay in college up through their 30s and 40s, or perhaps even longer.

It is implausible that the system will keep on inflating through the postdocs-for-janitors phase, because an upper limit is set by the amount that can be spent on education. At crunch points, costs become too high, enrolments fall, dropouts increase, and government assistance declines.

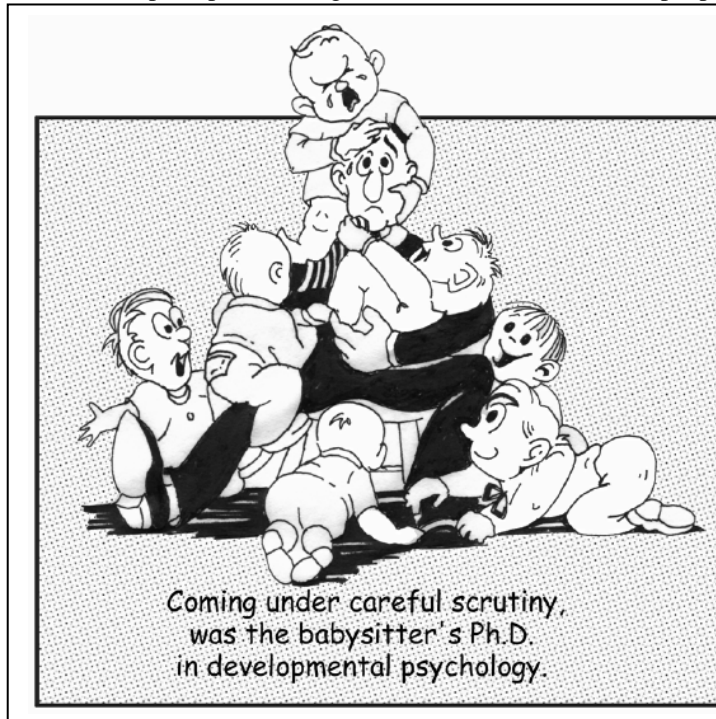
Eventually, the inflationary trend gets going again. As a society grows richer, it can afford to allow more people to spend time competing in the education marketplace instead of directly in the workplace. But credential inflation and economic growth are not perfectly synchronized.

In an era of poor job prospects, the educational system plays an important role in warehousing people and keeping them temporarily off the job market — thus holding down unemployment. It may even serve as a hidden welfare system, doling out support in the form of student loans and subsidizing work-study programs.

Such results occur whether the government's budget-makers are aware of what they are doing or not. In that sense, we may have entered a period in which we can't politically afford to stop

the processes that feed credential inflation. The issue boils down to whether we want to manage credential inflation, manipulating policy to smooth out peaks and valleys, or let it take its own bumpy course.

(Adapted with permission from "Chronicle of Higher Education," Sept. 27, 2002, in turn adapted from The Future of the City of Intellect: The Changing American University. Dr. Collins is professor of sociology at the University of Pennsylvania.)



It is doubtful that we could stop credential inflation if we wanted to. The mainspring is students' desire to get credentials that will give them some edge in the job market. As long as a free market of education providers exists, institutions have the incentive to keep offering higher credentials.

Nevertheless, a control upon credential inflation is built into the structure of our economy. Expanding the number of degrees may be analogous to printing money, but there is one crucial difference. Printing money is cheap, while the cost of minting degrees is high.