



## Human Capital for the Knowledge Economy: Upskill Journeys in Advanced Capitalist Democracies

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## Preface

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How do modern states equip their citizens with the advanced skills required to succeed in an increasingly knowledge-based global economy? This question lies at the heart of *Human Capital for the Knowledge Economy*. The book develops a novel theoretical framework and mobilizes original empirical evidence to examine how higher education systems have become central arenas for skill formation across advanced capitalist democracies. It also explains the diverse paths that countries have taken to build high-level skills. Over the past three decades, the expansion of higher education has become a near-universal trend among OECD countries. Growth in university enrolments has been driven by technological change and labour markets increasingly oriented toward non-routine cognitive tasks. Yet, as this book articulates, the ways in which higher education systems have responded to these pressures vary widely. Some countries have strengthened government control over higher education, while elsewhere governments have leveraged their authority to reinforce market mechanisms. In some countries, higher education expanded targeting specific disciplines, often in the science, technology, engineering, and mathematics areas, while such targeting is almost entirely absent elsewhere. Why these differences persist is the puzzle that animates this study.

The book constructs a new analytical framework that brings together two dimensions: the sectoral specialization of national economies (advanced manufacturing vs. high-end services) and the institutional structure of higher education systems (public vs. private financing; horizontal vs. vertical differentiation). Through this lens, it identifies four ideal-typical modes of state intervention—allocation, modification, facilitation, and information—which explain the policy approaches underpinning distinct ‘upskill journeys’ across countries. Rather than assuming a universal logic of reform, the analysis foregrounds how national institutions and political dynamics condition the state’s ability to respond to changing skill demands. Empirically, the book combines cross-national quantitative data with in-depth case studies of Germany, South Korea, the Netherlands, and the United Kingdom. Each case reveals country-specific trajectories shaped by the interplay between skill demands in knowledge-based labour market segments and the institutional diversity

of higher education systems, offering insight into how governments mediate between market demands and educational structures.

Beyond its theoretical and empirical contributions, the book speaks to pressing contemporary socio-economic issues. As countries grapple with the challenges of upholding economic competitiveness and socio-ecological transformation, the alignment between higher education and labour market needs takes on new urgency. The concluding chapter discusses higher education's potential role in supporting the green transition and highlights the growing politicization of universities as once-stable consensus around their purpose begins to fracture with the rise of anti-system parties. *Human Capital for the Knowledge Economy* offers a reminder that the pursuit of quintessentially economic objectives, such as the production of high-level skills, are embedded in political processes—that can be cooperative or conflictual—and are shaped by pre-existing institutions—that can favour change or militate against it.