

[Why Marginal Revolution University won't work](#) [1]

Written by [Tim Worstall](#) [2] | Saturday 8 September 2012

Alex and Tyler have announced their new [Marginal Revolution University](#) [3]. And I'm afraid that I have to say that I don't think it will work.

I should be careful to distinguish what I mean by "work" of course. They're very good teachers and I'm sure that those who take the courses will learn a great deal. This is one definition of a deliberate act of education working and by that definition of course it will work.

However, when we think of a new method of doing something entering the market we mean more than it just being the marginal (sorry) addition to that market. What we're really interested in is whether this new method can sweep away the old. Can restructure that part of the economy completely to all our benefit. And by that standard I think it's doomed to failure.

Not because it might not educate people better. Current universities are built still upon the limitations of medieval book production technologies. The whole idea of a lecture, one person shouting at a crowd, comes from the idea that books were simply, pre-Gutenberg, too expensive for all to have a copy. Thus they must be read out to the students. This is clearly no longer true but 600 years later we're still working within those past technological constraints. I think it's therefore fair to say that within higher education there's some resistance to change.

What we really want to know is whether online courses can replace, not just augment, the current university system. And I don't think any set of online courses is ever going to get the chance. They won't be accredited, it won't matter how many you have you'll never be awarded the piece of paper which is a degree. For those who have the power to award such degrees now know very well that they will be swept away if that does happen. Thus we'll have a great deal of institutional reluctance to allowing that to happen.

This is what I think is one of our major economic problems at present. There's all sorts of shouting about how we all have to be innovative: even the EU parrots the catchphrases. But that's only half of the story. We also need the destruction of the old ways to make way for the new and all too much of our economic and political life is in the preservation of those comfy sinecures the old ways present.

Another way to put this is that almost all innovation and productivity gains come from entry into and exit from markets. We've all the cheeleaders for the entry part but no one seems to be making the exit happen: far from it, huge amounts of energy seem to be being spent on preventing exit.

I hope of course that Alex and Tyler do succeed. As they point out, their first course takes half the time for all of the same material as that traditional university technology. Think how much we would all save if a first degree took 18 months not three years (for the English that is). Think how much more if it were not done on campus. But the great problem is going to be those who currently make a living from a slow campus degree: and unfortunately they're also the same people who determine what a degree is.

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