

Original Article

Education, Culture, and Social Mobility: Rethinking Human Capital in the Knowledge Economy

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Abstract

The transition toward knowledge-based economies has repositioned education as both an engine of economic productivity and a primary mechanism for social mobility. This paper critically re-examines classical human capital theory in light of recent scholarship demonstrating that educational outcomes and labor market returns are shaped not only by measurable skills and credentials, but also by cultural capital, institutional context, and structural inequality. Drawing on literature published between 2019 and 2026, the study synthesizes debates across economics, sociology, and education policy to interrogate the assumption that human capital accumulation operates as a neutral, individualized process of skill acquisition. The paper adopts a qualitative, interpretive methodology based on thematic synthesis of theoretical and empirical literature, examining how education, culture, and institutional structures jointly shape intergenerational mobility in contemporary knowledge economies. Findings indicate that human capital theory, in its classical form, inadequately accounts for the social embeddedness of learning, the persistence of cultural capital as a mechanism of advantage, and the uneven institutional conditions under which educational investment translates into economic and social returns. The analysis further shows that while education remains strongly associated with upward mobility and economic development, its capacity to equalize opportunity is constrained by cultural reproduction, labor market segmentation, and skills mismatches. The paper argues for a reformulated understanding of human capital that integrates cultural and social capital, structural context, and lifelong learning into a more sociologically grounded framework. It concludes with a research agenda emphasizing comparative, cross-national studies of mobility, integration of cultural capital into human capital models, and closer attention to skills mismatches in the evolving knowledge economy.

Introduction

Education has long occupied a central place in both economic theory and public policy as the principal mechanism through which individuals acquire the skills, knowledge, and credentials necessary to participate productively in the labor market. Since the emergence of human capital theory in the mid-twentieth century, education has been conceptualized primarily as an investment: individuals and states allocate resources to schooling in the expectation of future returns in the form of higher wages, greater productivity, and, at the aggregate level, sustained economic growth. This framework has profoundly shaped education policy across the globe, informing everything from national skills strategies to international development targets. Yet the transition from industrial to knowledge-based economies has placed new pressures on this framework, raising fundamental questions about whether a narrowly economic conception of human capital adequately captures the processes through which education shapes life chances and social mobility.

The knowledge economy is characterized by the growing centrality of information, innovation, and cognitive and interpersonal skills to economic value creation. The increasing integration of digital technologies into education has further complicated these dynamics, as technology can expand access and support skills development while also reproducing inequalities when access, infrastructure, teacher preparation, and institutional conditions are uneven (UNESCO, 2023). In this context, education is expected to do more than transmit technical competencies; it is expected to cultivate adaptability, creativity, and the capacity for lifelong learning (World Economic Forum, 2023). At the same time, the knowledge economy has intensified competition for credentials, as expanding access to higher education has not been accompanied by a corresponding equalization of outcomes. Recent scholarship suggests that human capital theory, in its classical individualistic form, struggles to account for these dynamics, particularly the persistent role of social determinants in shaping who benefits from educational expansion and how (Auerbach & Green, 2025). This tension between the promise of education as a

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great equalizer and the reality of persistent, sometimes widening, inequality lies at the heart of the present inquiry.

Central to this tension is the concept of cultural capital, which highlights how educational success is shaped not only by formal instruction but by the cultural resources, dispositions, and forms of knowledge that individuals bring with them into educational institutions, often inherited from their family background. Where classical human capital theory assumes a relatively level playing field on which individuals rationally invest in their own skill development, cultural capital theory suggests that educational institutions systematically reward forms of cultural knowledge and behavior that are unevenly distributed across social classes, thereby converting cultural advantage into credentialed, and eventually economic, advantage (Jæger, 2022). This insight has significant implications for understanding social mobility, since it suggests that the relationship between education and mobility is mediated by factors that lie outside the scope of conventional human capital accounting.

Social mobility itself has emerged as a critical lens through which to evaluate the societal function of education. Intergenerational mobility, understood as the extent to which an individual's socioeconomic position differs from that of their parents, serves as an indicator of equality of opportunity within a society. A growing body of research examines how educational expansion, skill formation, and labor market structures interact to either promote or constrain such mobility, with findings suggesting a complex and sometimes contradictory relationship between formal educational attainment and actual improvements in socioeconomic standing (Li et al., 2025). These dynamics differ considerably across national and regional contexts, shaped by variation in labor market structures, welfare regimes, and the institutional design of education systems themselves.

This paper responds to the need for a more integrated understanding of how education, culture, and institutional structures jointly shape human capital formation and social mobility within contemporary knowledge economies. Rather than treating human capital, cultural capital, and social mobility as separate analytical domains, the paper synthesizes recent literature across economics, sociology, and education policy to develop a more holistic account of these interrelated processes. In doing so, it seeks to move beyond a narrowly economic conception of education as skill accumulation toward a framework that recognizes the social and cultural embeddedness of learning and its consequences for opportunity and mobility.

These dynamics matter well beyond academic debate, because the way societies conceptualize human capital directly shapes education policy, labor market regulation, and welfare design. A framework that treats skill acquisition as a purely individual, economically rational choice will tend to favor policies emphasizing access and credential expansion, while a framework attentive to cultural and structural mediation will tend to favor policies addressing inclusion, institutional design, and the alignment between education systems and labor markets. Clarifying which framework better fits the empirical realities of contemporary knowledge economies is therefore consequential not only for scholarship but for the design of policies intended to promote both economic competitiveness and social equity.

The objectives of this study are threefold: first, to critically review recent scholarship on human capital theory, cultural capital, and social mobility in order to identify points of convergence and tension across these literatures; second, to examine empirically grounded findings on how education shapes intergenerational mobility and economic

development in diverse national contexts; and third, to propose a reformulated, more sociologically grounded framework for understanding human capital in the knowledge economy, along with directions for future research. The remainder of the paper proceeds as follows. Section two reviews the relevant literature published between 2019 and 2026. Section three describes the research methodology. Section four presents an analysis and discussion of the key themes identified. Section five concludes with a summary of findings and future research directions.

Article Highlights

- Re-examines human capital theory in contemporary knowledge economies.
- Integrates human capital, cultural capital, and social mobility.
- Highlights cultural and structural factors shaping educational outcomes.
- Identifies skills mismatch as a key challenge to educational returns.
- Proposes a sociologically grounded framework for understanding human capital.

Review of the Literature

Classical human capital theory has faced sustained theoretical scrutiny in recent years, particularly regarding its individualistic assumptions about education demand and returns. Auerbach and Green (2025) offer a systematic reformulation of the critique of human capital theory, arguing that its foundational methodological individualism marginalizes two critical dimensions of educational reality: the external, spillover effects of learning that benefit others beyond the individual investor, and the deeply social determinants that shape who chooses to pursue education and why. Their analysis suggests that the persistence of human capital theory as a dominant policy framework, despite decades of critique, has occurred partly by ignoring rather than resolving these tensions, a finding with significant implications for how researchers and policymakers understand the relationship between educational investment and its social and economic returns.

A parallel and long-standing critique emerges from the sociology of education through the concept of cultural capital, most closely associated with the work of Pierre Bourdieu. Jæger (2022) provides a rigorous assessment of the state of cultural capital research, concluding that while empirical indicators of cultural capital, such as participation in cultural activities and exposure to particular linguistic and behavioral codes, consistently correlate with children's educational outcomes, the precise mechanisms linking cultural capital to educational success remain contested and require more robust causal identification strategies. Building on this foundation, Jin (2024) examined cultural capital as a predictor of school success through the lens of intergenerational transmission, finding that the cultural resources passed from parents to children continue to exert a measurable influence on academic achievement independent of formal economic resources, reinforcing the argument that educational success cannot be fully explained through economic investment alone.

The relationship between education and social mobility has received renewed empirical attention across diverse national contexts. Li et al. (2025) examined the effect of education on intergenerational social class mobility in China using national survey data, finding that higher education considerably promotes both subjective and objective upward mobility, though the magnitude and mechanisms of this effect vary across gender, migration status, and regional development levels.

Their findings underscore that the mobility-generating potential of education is not uniform but is instead conditioned by structural and institutional factors that mediate individual educational investment. This finding resonates with the perspective offered by Carstensen and Emmenegger (2023), who examine education as a form of social policy within maturing knowledge economies, arguing that the expansion of education systems has generated new tensions between the goal of equipping individuals for a competitive, knowledge-intensive labor market and the goal of promoting equity and social cohesion.

At the macroeconomic level, the relationship between social mobility and economic development has been substantiated through large-scale empirical analysis. Neidhöfer et al. (2024) mapped intergenerational educational mobility across dozens of regions in Latin America, finding that increases in social mobility are consistently associated with positive regional economic outcomes, including higher income per capita and reduced poverty, suggesting that mobility and development are mutually reinforcing rather than subject to an equity-efficiency trade-off. Complementing this regional analysis, Torre et al. (2025) conducted a cross-country analysis of the relationship between intergenerational educational mobility and long-term economic growth, finding that upward mobility in higher education is positively associated with per capita income in some regions, while relative mobility indicators show weaker and more context-dependent associations with national income levels.

Finally, research on skills mismatches highlights a further complication in the relationship between educational investment and labor market returns within the knowledge economy. Emmanouil et al. (2023) conducted a comparative regional analysis of skill mismatches across European university alliance countries, finding substantial variation in the extent to which highly educated individuals are employed in occupations commensurate with their qualifications, a pattern that calls into question the assumption that educational attainment straightforwardly translates into appropriate labor market outcomes. This concern is reinforced by evidence that employers continue to report significant skills gaps and increasing demand for reskilling and upskilling as workplace requirements change (World Economic Forum, 2023). Taken together, this body of literature suggests that the relationship between education, culture, and social mobility in the knowledge economy is considerably more complex, contingent, and structurally mediated than classical human capital theory alone would suggest. It is also notable that these literatures have largely developed in parallel, with economists, sociologists, and labor market researchers each contributing important but partial insights that are rarely brought into sustained dialogue with one another. This fragmentation motivates the integrative analytical approach adopted in this paper.

Methodology

This study employs a qualitative, interpretive research design grounded in thematic synthesis of theoretical and empirical literature spanning economics, sociology, and education policy. Given the conceptually contested and interdisciplinary nature of the research problem, spanning debates over human capital theory, cultural capital, and social mobility, a qualitative synthesis was considered more appropriate than a purely quantitative or bibliometric design, as it allows for the interpretive integration of theoretical arguments with empirical findings drawn from diverse disciplinary traditions and national contexts.

The literature search was conducted using academic databases including Scopus, Web of Science, and Google Scholar, as well as

institutional repositories such as those of the World Bank, UNESCO, and the World Economic Forum, focusing on peer-reviewed journal articles, book chapters, and major institutional reports published between 2019 and 2026. This period was selected to capture the most recent phase of scholarly reformulation of human capital theory, alongside contemporary empirical research on cultural capital, intergenerational mobility, and skills mismatches in increasingly knowledge-intensive economies. Search terms included combinations of keywords such as “human capital theory,” “cultural capital,” “social mobility,” “knowledge economy,” “educational inequality,” and “skills mismatch,” applied across titles, abstracts, and keywords.

Sources were screened for relevance based on their substantive engagement with the relationship between education, culture, and social mobility, with priority given to studies offering theoretical reformulation, robust empirical analysis, or cross-national comparative evidence. Studies addressing narrow technical or pedagogical questions without clear implications for human capital theory or social mobility were excluded, as were sources lacking clear scholarly or institutional provenance. This process yielded a focused corpus of literature spanning critiques of human capital theory, cultural capital and educational inequality, intergenerational mobility research, and skills mismatch analysis.

The analytical process proceeded in three stages. First, each selected source was reviewed to extract its core theoretical claims, empirical findings, and methodological approach. Second, extracted material was coded thematically according to categories that emerged inductively from the literature, including the limitations of classical human capital theory, the persistence of cultural capital as a mechanism of advantage, the structural mediation of mobility outcomes, and the mismatch between educational attainment and labor market returns. Third, these thematic categories were synthesized into an integrated analytical framework linking educational investment, cultural context, and social mobility outcomes, which structures the analysis and discussion presented in the following section.

This study is subject to several limitations. As an interpretive synthesis rather than a systematic review employing formal protocols, the selection and thematic categorization of literature involved a degree of scholarly judgment. The heterogeneity of national contexts and methodological approaches represented in the reviewed literature also limits the extent to which findings can be generalized into a single universal framework, and the corpus draws predominantly on English-language and internationally indexed sources, which may underrepresent perspectives from regions with less internationally visible scholarly output. Despite these limitations, the methodology provides a coherent and transparent basis for synthesizing a theoretically and empirically diverse body of literature into an integrated account of education, culture, and social mobility in the knowledge economy.

Analysis and Discussion

The synthesis of literature undertaken in this study reveals four interlocking themes that together suggest the need to rethink human capital theory in the context of the contemporary knowledge economy: the theoretical limitations of classical human capital theory, the persistence of cultural capital as a mechanism of educational and social advantage, the structurally mediated relationship between education and mobility, and the emergence of skills mismatches as a distinctive challenge of knowledge-intensive labor markets. Each theme is discussed in turn, followed by consideration of their combined implications.

The first theme concerns the theoretical adequacy of human capital theory itself. As Auerbach and Green (2025) demonstrate, the classical formulation of human capital theory, rooted in methodological individualism, systematically underplays the social and external dimensions of learning. This is significant for the knowledge economy in particular, where the value of skills is often realized through collaboration, knowledge spillovers, and networked innovation rather than through isolated individual productivity. A human capital framework that treats education purely as a private investment decision therefore risks mischaracterizing both the sources of economic value in knowledge-intensive sectors and the appropriate policy levers for promoting equitable skill formation. This theoretical limitation sets the stage for understanding why purely economic accounts of education struggle to explain observed patterns of inequality and mobility.

The second theme, the persistence of cultural capital, offers one compelling explanation for this gap. The work of Jäger (2022) and Jin (2024) collectively demonstrates that cultural resources transmitted within families, encompassing linguistic competence, familiarity with dominant cultural codes, and dispositions toward formal education, continue to shape educational outcomes in ways that are only partially captured by measures of economic investment in schooling. This suggests that human capital accumulation is not a neutral technical process but one that is embedded within, and shaped by, broader systems of cultural and social stratification. Students from culturally advantaged backgrounds are better positioned to convert educational opportunities into credentialed success, independent of the formal resources invested in their schooling, a dynamic that classical human capital theory does not adequately theorize.

The third theme concerns the structurally mediated relationship between education and social mobility. These structural differences can become particularly consequential during periods of disruption, as unequal access to educational resources and digital infrastructure can widen existing learning and human-capital gaps (UNESCO, 2023; World Bank, 2020). The findings of Li et al. (2025) regarding heterogeneous mobility effects across gender, migration status, and regional development in China, alongside Carstensen and Emmenegger's (2023) analysis of the tensions embedded in education as social policy, together suggest that the capacity of education to generate upward mobility depends heavily on the institutional and structural context within which educational investment occurs. This is reinforced at the macro level by Neidhöfer et al. (2024) and Torre et al. (2025), whose cross-national and cross-regional analyses demonstrate that the relationship between mobility and economic development, while generally positive, varies considerably depending on regional labor market structures, income levels, and the nature of mobility indicators employed. These findings collectively challenge any simple, universal claim that expanding education automatically produces proportional gains in social mobility; rather, mobility outcomes are contingent on the broader institutional architecture within which education systems are embedded.

The fourth theme, skills mismatch, represents a distinctive challenge posed by the knowledge economy itself. Emmanouil et al. (2023) show that even within relatively affluent European contexts, substantial proportions of highly educated individuals are employed in occupations that do not fully utilize their qualifications, a pattern with implications for both individual returns to education and the broader efficiency of human capital allocation within knowledge economies. This finding is particularly significant because it

demonstrates that credential attainment alone, even where achieved, does not guarantee commensurate labor market returns, further undermining the assumption embedded in classical human capital theory that educational investment translates smoothly and predictably into economic reward (World Economic Forum, 2023).

Considered together, these four themes suggest that a reformulated understanding of human capital for the knowledge economy must move beyond a narrow focus on measurable skill acquisition to incorporate the cultural, social, and institutional conditions that mediate how education translates into social mobility and economic opportunity. Educational expansion alone, absent attention to the cultural capital advantages that persist across generations, the structural conditions of labor markets, and the risk of skills mismatch, is unlikely to deliver on the promise of education as a great equalizer. Instead, policy and research attention must extend beyond the classroom to consider how cultural reproduction, institutional design, and labor market structure jointly shape the returns to educational investment across different social groups and national contexts.

A further implication of this analysis concerns the interaction between these four themes rather than their independent effects. Cultural capital advantages, for instance, do not operate in isolation from structural mobility barriers or skills mismatches; rather, they compound one another, such that individuals from culturally advantaged backgrounds are simultaneously better positioned to convert credentials into favorable labor market outcomes and less likely to experience skills mismatch. This suggests that interventions targeting any single dimension in isolation, whether expanding access to credentials, addressing cultural exclusion, or improving labor market information, are unlikely to be sufficient on their own. A more integrated policy and research approach, attentive to how these mechanisms interact and reinforce one another across the life course, is therefore warranted.

Findings and Conclusion

This study set out to critically re-examine human capital theory in light of recent scholarship on education, culture, and social mobility within the knowledge economy. The synthesis of literature reveals that classical human capital theory, with its individualistic assumptions about educational investment and returns, inadequately captures the social and cultural embeddedness of learning. Cultural capital continues to function as a durable mechanism of advantage that operates independently of, and often in tandem with, formal economic investment in education. Moreover, the relationship between education and social mobility is substantially mediated by structural and institutional context, while emerging patterns of skills mismatch reveal that credential attainment does not guarantee commensurate labor market returns within increasingly knowledge-intensive economies.

These findings carry important implications for both scholarship and policy. For researchers, the analysis underscores the value of integrating economic, sociological, and institutional perspectives into a more holistic account of human capital formation, rather than treating these as separate or competing frameworks. For policymakers, the findings suggest that expanding access to education, while necessary, is insufficient on its own to guarantee equitable social mobility; complementary attention to cultural inclusion, labor market alignment, and structural barriers to opportunity is essential.

Future research should prioritize comparative, cross-national studies that examine how differing welfare regimes and labor market institutions shape the translation of educational investment into social mobility, alongside efforts to more rigorously integrate cultural capital indicators into empirical human capital models. Further attention should also be directed toward understanding and addressing skills mismatches as knowledge economies continue to evolve. Ultimately, rethinking human capital for the knowledge economy requires a shift from a narrowly economic model of skill accumulation toward a more sociologically grounded framework capable of accounting for the cultural and structural conditions that shape who benefits from education, and how.

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- The author agrees to take responsibility for every facet of the work, making sure that any concerns about its integrity or veracity are thoroughly examined and addressed

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