

## HKUST ECON Seminar by Prof Seung-Han Yoo, Korea University, on 3 February 2026

**Title:** Optimal Education Design

**Abstract:** This paper studies the optimal design of education. The principal designs an education mechanism by offering an information structure and an educational system for a society. A grand mechanism combining information design and mechanism design can change the beliefs of the firms, while satisfying incentive compatibility for individuals joining the education mechanism. The main result establishes that the optimal education involves a partially informative signal, dominating both the fully informative signal and the fully uninformative signal. It also shows that an over-investment in human capital and an over-education may stem from a systematic expansion of higher education.