Whose employability?: Fees, labour markets and the unequal rewards of undergraduate study

MORRISON, Andrew <http://orcid.org/0000-0002-6700-6875>

Available from Sheffield Hallam University Research Archive (SHURA) at:
http://shura.shu.ac.uk/22248/

This document is the author deposited version. You are advised to consult the publisher's version if you wish to cite from it.

Published version


Copyright and re-use policy

See http://shura.shu.ac.uk/information.html
Whose employability?: Fees, Labour Markets and the Unequal Rewards of Undergraduate Study

Andrew Morrison
Sheffield Hallam University, UK

Introduction

Drawing upon a broad range of literature, this chapter takes a critical view of both the concept and empirical reality of graduate employability as it relates to working-class undergraduates and graduates in England. Graduate employability is a subject of central concern to higher education (HE) in England. For example, it was a key rhetorical thread of both the 2011 and 2016 HE white papers for England (DBIS, 2011; 2016) where it was linked to the government’s social mobility agenda. The political salience of the issue may be judged by the fact that, following the 2017 Higher Education and Research Act, graduate employment destinations now form a key component of the Teaching Excellence Framework (TEF). This chapter addresses the issue of graduate employability in two principal sections.

In the first, I interrogate the concept of graduate employability. I begin by outlining the dominant policy-led approach wherein employability is typically seen to be an essentially supply-side issue. I then move to briefly considering some key critiques of this view from academic researchers. However, the key focus of this first section will be to argue that graduate employability needs to be seen, at least in part, as the sum of the differential between a student’s financial investment in acquiring a degree and the monetary returns they may expect to see upon their investment through their labour market earning power. This conception of graduate employability is now of increased importance in light of the tripling of tuition fees in England and of evidence to indicate that graduate earning power varies significantly by a range of key metrics (socio-economic background and gender) and also by
other measures which are widely accepted to broadly map onto student socio-economic categories (type of institution attended, type of subject studied) (Britton et al. 2016). Moreover, while the rewards for degree-level study may be differentially distributed, the costs to students in terms of fees are largely the same in England. This is essentially a matter of social justice, and here I turn to the second section of the chapter.

In the discussion section, I explore these tensions in a more philosophical way through the lens of Nancy Fraser’s theory of two-dimensional participatory justice. Fraser is a critical social philosopher of international significance whose work in social justice is starting to be employed more widely within educational research, and the application of her theory to the problematic of graduate employability represents a key contribution of my chapter. The theory offers two analytically separable forms of justice: distribution (economic) and recognition (cultural). A later development of this theory incorporated a third dimension of representation. For the purposes of this chapter, however, I shall limit discussion to Fraser’s original two dimensions. I draw upon the work of Fraser and a range of other sources to argue that, in general, working-class (under)graduates confront a number of economically-rooted and culturally-rooted inequalities in the competition for graduate employment. These inequalities lead, in turn, to both forms of injustice.

**The problematic of graduate employability: the context**

Graduate employability has been a *leitmotif* running through higher education policy discourse in England for at least the past two decades. It was, for example, a key trope of the New Labour administrations of 1997-2010 where it served to mark out discursive boundaries between Tony Blair’s Third Way policies and those of his Conservative predecessors. Thus, following a well-rehearsed political rhetoric, the globalisation of financial markets, advances in communications technologies and the growth of transnational corporations, were all held
to signify a need to move away from the traditional mass production of standardised goods, and move instead towards a new competition based on knowledge-based innovation and creativity (Brown, Hesketh & Williams, 2003: 112).

New Labour’s faith in the economic value of education does, of course, need to be seen in its wider context. As Rizvi and Lingard (2010) observe, the globalisation of capitalism has resulted in a re-framing of the ways in which policies, including education ones, are developed and implemented. Where public policies were once the exclusive domain of nation states, they are now increasingly framed by, and within, a multi-layered global ‘system’ of international and supranational bodies. Among the key organisations in this new global complex of policy actors are the Organisation for Economic Cooperation and Development (OECD), the World Bank and (despite the recent Brexit) the European Commission. Crucially, the policy values of these organisations reflect those of the global neo-liberalist order whereby the value of education is seen to reside primarily in its potential to produce human capital and to ensure national economic competitiveness. In consequence, as Rizvi and Lingard (2010: 16) argue, economic restructuring has now become the ‘metapolicy’ by which all policy for educational reform is framed. Thus, given the hegemony of this international political order, it should be of little surprise that a later Conservative-Liberal Democrat coalition government of ostensibly different political stripes to those of New Labour should espouse remarkably similar rhetoric (see DBIS, 2011), and that the present Conservative administration should do the same.

The importance attached to graduate employability in current policy discourse may be seen in the fact that the employment outcomes of graduates from each institution in England, as measured by the Destination of Leavers from Higher Education (DLHE) survey form one of the core metrics of the Teaching Excellence Framework (TEF). This, in turn, is linked to institutions’ ability to charge different fee levels for undergraduate courses. Graduate
employment outcomes are thus a key element in the inter-institutional competition that characterises an increasingly marketised sector. In policy discourse, however, the success of an institution’s record on developing graduate employability is to be judged not just in relation to employment outcomes *per se* but to the rather more problematic concept of what constitutes a ‘graduate-level’ occupation. This is a key point because the growth of the HE sector in England has been predicated upon the promise of a reward to young people of highly skilled, well-paid employment. There is, though, no universally agreed measure of graduate-level occupations. The DLHE survey employs a coding frame called SOCDLHE2010. This was devised by Elias and Purcell (2013) and is itself a development of the Standard Classification of Occupations (SOC 2010) which is used by the Office for National Statistics (ONS).

Employability is, then, a key discourse running through English higher education policy in which much importance is attached to graduate employment outcomes. But it is more than that; it is also discursively constructed as a set of necessary skills or attributes. For example, the representative body of graduate-recruiting employers, the Institute of Student Employers (or ISE but known previously as the Association of Graduate Recruiters), may be regarded as a key actor and influence on policy thinking. This organisation has identified nine employability skills. These include ‘soft’ skills related to intra-personal and inter-personal capacities but the predominant emphasis is placed upon commercial and entrepreneurial acumen (AGR, 2016: 12). If we turn, though, to the Higher Education Academy (HEA)—the body with a consultative and regulatory remit in relation to HE teaching and learning, a key element of which includes the embedding of employability within HE curricula—we see a rather different picture. In line with its educative remit, the HEA sees ‘21st-century skills’ in more generic terms, as organised into the following categories: literacies (literacy, numeracy,
citizenship, digital, media); competencies (critical thinking, creativity, collaboration); and character qualities (curiosity, initiative, persistence, resilience, adaptability, leadership) (www.heacademy.ac.uk). There are, then, some differences in approach between these two key policy-level approaches to graduate employability. What they both have in common, however, is that they reflect a general tendency to see graduate employability as essentially a supply-side issue: a pedagologised process of becoming by which an individual develops a set of skills and attributes that will enable them to navigate the vagaries of highly competitive and unpredictable labour markets in which there is no promise of a ‘job for life’.

For Brown Hesketh and Williams (2003), the singular attention devoted to supply-side issues reflects the predominance within policy-level discourses of what they term the ‘absolute’ aspect of employability. The absolute aspect refers to individuals’ possession of the relevant skills and qualities valued by employers, the development of which may be fostered through education and training. As Brown, Hesketh and Williams (2003: 110) argue, this aspect is certainly important with regard to an individual’s employability since high-skilled work requires high-level knowledge, skills and an appropriate range of attributes. However, they go on to argue that the emphasis placed upon the absolute dimension of employability within policy-related discourse has had the effect of obscuring what they term the ‘relative’ dimension: the reality that an individual’s employability is contingent upon the laws of supply and demand within the labour market (Brown, Hesketh & Williams, 2003: 110). And, as Brown, Lauder and Ashton (2011) argue, one of the key weaknesses of the UK economy is its relatively low demand for graduate-level skills, a problem which is manifested in an apparent over-supply of graduates to the labour market (see also, Keep & Mayhew, 2014). Of course, academics’ views are by no means monolithic on this point. For example, in an early paper, Elias and Purcell (2013) took issue with the influential analysis produced by Brown,
Lauder and Ashton (2011) which they regarded as overly pessimistic and insufficiently grounded in an empirical understanding of the UK labour market. There seems to be support for the position of Elias and Purcell (2013) if we look at the evidence for the ‘graduate premium’—the difference between what an individual can earn as a graduate compared with what they can earn with secondary level qualifications. Here, research suggests that the financial value of a degree has held up. A government commissioned study found that female graduates may earn an extra £252,000 over their lifetime while male graduates may earn an extra £168,000 (DBIS, 2013). Other recent studies have come to broadly similar conclusions (Britton et al. 2016). However, a critical view would say that a graduate premium is not in itself evidence of a healthy demand for graduates. As Lauder, Brown and Tholen (2012: 60) note, the graduate premium may be produced by a decline in the earnings of non-graduate labour if graduates were employed in work previously performed by non-graduates. On this point, it is interesting to note that, in a more recent paper, Elias and Purcell, with colleagues, now sound a less optimistic note than their previous analyses in observing that graduate entry into previously non-graduate employment appears likely to remain a structural characteristic of the UK labour market for the foreseeable future (Behle et al. 2016: 125).

And here we encounter the reality of class inequalities. Individuals most likely to be unemployed or to work in lower paying non-graduate level jobs are those from lower socio-economic backgrounds (HEFCE, 2015) and also those who studied at ‘low-tariff’ institutions where students from lower socio-economic backgrounds tend to be concentrated (Behle, 2016). More generally, students from lower socio-economic backgrounds can expect, on average, to earn less than their more advantaged counterparts. A recent large-scale study found that male graduates from higher income households can earn up to about 60% more
than their peers from lower-income households with an equivalent figure of 45% for females, and that even allowing for differences in the subjects studied or institutions attended there remained a significant gap of around 10% at the median (Britton et al. 2016: 55).

Clearly, then, the financial benefits of higher education study are not equitably distributed, and here graduate employability becomes an issue of social justice as I indicated in the introduction. This has two facets. Even if we were to put aside tuition fees as an aspect of social justice (i.e., if university were free), structural inequalities in graduate labour market outcomes would still be indefensible. If meritocracy means, as a bare minimum, that an individual’s material success should be judged by the single benchmark of IQ plus effort then the evidence we have on the relationships between graduate earnings and social class points strongly to some deep-seated problems with this ideal. However, tuition fees do exist and this is the second facet. Being currently capped at £9,250 per year for England-domiciled students, they are the highest of any country in the OECD, including the USA (OECD, 2016: 3). And while they are the same for most students in England no matter what their employment outcomes, the average debts with which students emerge from university are not equally shared across the social classes. The removal of maintenance grants and their replacement by loans in 2015 now means that graduates from the poorest 40% of families build up average debts of £57,000 as compared with an average of £43,000 for graduates from the richest 30% of families (Belfield et al. 2017: 17).

It is not difficult to see, then, a class-based inverse (one may even say perverse) relationship between the financial investment made in a degree and the financial gains from it. Of course, it could be argued that any question of social injustice is tempered by the knowledge that most undergraduates are eligible for up-front public loans to cover tuition fees while, at the
time of writing, graduates do not begin to begin to repay those loans until they earn at least £25,000 per year, with monthly repayment amounts being linked to average annual earnings. While this may be a mitigating factor it does not, though, displace the issues that I have outlined above as a key social justice concern. It is my argument, therefore, that the measure of graduate employability should be not simply the extent to which an individual is able to develop skills and attributes of value to the labour market—a supply-side model—but, additionally, the extent to which the labour market distributes its employment opportunities and related financial rewards on an equitable basis across key categories such as class, ‘race’ and gender. In the following section, I shall take a critical view of barriers to working-class graduate employability by looking through the lens of Nancy Fraser’s theory of two-dimensional participatory justice.

The problematic of graduate employability: a critical social justice perspective

Nancy Fraser is an American radical social philosopher whose theories of social justice have attracted wide critical attention (Lovell, 2007; Olson, 2008). Fraser’s theory of two-dimensional participatory justice offers us a valuable theoretical lens through which to better understand the issues of inequality and injustice in relation to graduate employability that I have outlined. The founding premise of Fraser’s theory lies in her critique of what she perceives to be two different but inter-related forms of justice claims: redistribution and recognition. Thus, redistribution justice claims are usually directed towards the amelioration or cessation of economic practices or structures that exploit particular social groups. Demands to end working practices which discriminate against women or minority ethnic communities would be examples of this type. Here, the emphasis is upon a ‘group-blind’ approach to justice because resource distribution (wages, conditions of employment etc) is made without reference to particular group membership. In contrast, recognition justice
claims are normally an attempt to seek equal respect and value for group differences that are subject to historical and continuing modes of inferiorisation in relation to dominant societal norms and values (Fraser, 1995: 80). This form of justice is, then, ‘group-sensitive’ as it seeks validation of rights based around group membership and identity and, according to Fraser (1995: 82), the logic of its claims would appear to lead to the opposite conclusion to that of redistribution justice. And the tensions between these two distinct forms of justice claims represent the ‘dilemmas of justice’ in what Fraser (1995) terms our ‘post-socialist’ age.

The solution for Fraser (1995) is a two-dimensional theory of justice in which redistribution and recognition are understood to be analytically separable but also closely inter-related in concrete empirical circumstances. And this, in turn, is rooted in Fraser’s key conceptual distinction between economy and culture as different but inter-related forms of social process and social relations in late capitalist societies (Fraser, 1999). Following this type of ‘dual-systems’ heuristic framework, Fraser (1999) proposes that we view key social categories such as class, ‘race’ and gender as what she terms ‘bi-valent’: injustices related to these categories are rooted in both material social arrangements, which point towards redistribution justice claims, and in the cultural-valuational social order, which point towards demands for recognition justice. To address the conceptual distinction but close concrete interrelationship between economic-related and culturally-related injustices, Fraser (1999: 43) argues for a ‘perspectival dualism’. Following this form of analysis, all social practices are to be viewed as being composed of both economic and cultural dimensions (although not always to equal degrees) and therefore require both redistribution and recognition justice. By retaining these analytical distinctions, perspectival dualism allows us to discern culturally-related injustices in what may usually be regarded as the economic sphere and to locate the economic aspects of what are normally determined to be cultural-valuational processes (Fraser, 1999: 45).
In more specific terms this translates as a two-dimensional critically normative theory of justice, premised upon two ‘objective’ preconditions and one ‘intersubjective’ precondition which, when all met together, constitute what Fraser (1999) terms ‘parity of participation’. The three key preconditions are: (a) legal equality; (b) distribution of material resources and (c) ‘intersubjective equality’ (Fraser, 1999: 37). Legal equality and equitable distribution of material resources are the ‘objective’ preconditions of participatory parity. The third precondition is ‘intersubjective’ parity which insists that, at a societal level, all groups and individuals be accorded equal respect and enjoy equal opportunities for the achievement of social esteem (Fraser, 1999: 37). In line with Fraser’s dual-systems approach, full participatory parity means that both the objective and the intersubjective preconditions need to be met as neither alone is sufficient. How then can we apply Fraser’s theory to place the employability inequalities alluded to above within a critical social justice framework? To do this, I first want to examine, by reference to recent literature, some of the key cultural and material drivers of graduate socio-economic disadvantage within contemporary labour markets. The focus of this body of research has been largely although not exclusively upon social class, and that shall be the object of my critique within the remainder of this chapter; I recognise though (as do the authors of these studies) the independent effects of other key variables such as gender or ‘race’ and their cross-cutting, intersectional relationship with social class.

An influential starting point from which to explain working-class graduate cultural and material positional disadvantage is the work of Phillip Brown and colleagues. In line with his view that the UK economy is characterised by a relatively low-level demand for graduates in relation to supply, Brown (2013) argues that twenty-first century graduates are experiencing all the negative effects of ‘social congestion’: too many graduates chasing too few graduate-
level jobs in an economy that has failed to deliver on the ‘opportunity bargain’ of well remunerated professional employment. The result of this congestion has been that big, highly selective employers are placing an increasing premium upon ‘soft’ skills and certain behavioural competencies such as drive, resilience and personal charisma (Brown & Hesketh, 2004: 33). These latter conclusions might appear to be congruent with that of key policy actors such as the ISE or the HEA which, as discussed previously, argue for the importance of soft skills in the development of graduate employability. Where analyses sharply diverge, however, is in Brown and colleagues' critical view that such soft skills are essentially socially classed skills—a case of large elite-entry corporations rewarding candidates with the closest ‘social fit’ to the recruiters themselves (Brown & Hesketh, 2004: 225). Here, then, working-class candidates may find themselves disadvantaged in lacking sufficient levels of what, in Bourdiesusian terms, are the dominant forms of embodied cultural capital (Bourdieu, 1997) within the field of fast-track graduate recruitment. Inequality does not stop here, however. Cut-throat competition for jobs means that even those with the ‘right’ forms of cultural capital and class membership cannot simply rely upon them to open the door: scholastic, cultural, social and experiential assets have to be actively packaged up into a performative ‘narrative of employability’—the self told as a life story replete with productive promise (Brown & Hesketh, 2004: 36).

In short, the rules of the employment game have changed, and the general effect of this has been to exacerbate the cultural and material inequalities with which working-class graduates are faced as a growing body of research has shown. One area of inequality relates to the extent to which working-class undergraduates and graduates are aware that the rules have changed. Of course, we should be careful not to homogenise working-class orientations towards graduate labour markets as research reveals evidence of intra-class differences.
Nevertheless, studies that have made a direct comparison of working-class and middle-class (under)graduates have indicated that their working-class subjects were more likely than their middle-class counterparts to play by the rules of the old game and to focus upon enhancement of scholastic capital rather than acquisition of experiential assets through the development of ECAs or internship work (Burke, 2016; Bathmaker, Ingram and Waller, 2013), a finding also echoed in a study by Greenbank and Hepworth (2008) that focused particularly upon final-year working-class undergraduates.

However, even when working-class (under)graduates are aware of the new rules of the game, a lack of suitable economic and social assets may inhere to further their positional disadvantage. Bathmaker, Ingram and Waller (2013) found that their working-class subjects generally lacked the social contacts to obtain internships in high-status fields such as law or banking while lower levels of economic capital meant that unpaid internships in different geographical locations were a much less realistic option for them. Other studies have found that lower levels of economic capital have meant that working-class graduates have been under pressure to obtain any kind of paid employment, usually within their local community of origin and often not ostensibly commensurate with their paper qualifications, with the result that they lack time to engage in strategic job hunting (Burke, 2016; Furlong & Cartmel, 2005). There is also evidence that working-class undergraduates and graduates tend to be more geographically limited in their search for employment than their middle-class peers (Burke, 2016; Furlong and Cartmel, 2005; Perryman et al. 2003). Levels of economic and social capital, as alluded to above, are key factors in this but so too are cultural factors that revolve around an (under)graduate’s ‘sense of place’ within the labour market (Furlong and Cartmel, 2005; Morrison, 2014)
We need now to return to the work of Nancy Fraser to locate these disadvantages within a critical social justice framework. If we first consider the economic inequalities, it seems clear that the maldistribution of resources which they represent constitutes a breach of Fraser’s (1999: 37) ‘objective’ condition of participatory parity which “...precludes forms and levels of material inequality and economic dependence that impede parity of participation.” Critics, though, may argue that I have misinterpreted Fraser here, as she goes on to note that this condition of participatory parity thus precludes “...social arrangements that institutionalize deprivation, exploitation, and gross disparities in wealth, income and leisure time, thereby denying some people the opportunity to interact with others as peers” (Fraser, 1999: 37). At first sight, working-class economic disadvantage of the sort that I have discussed within this chapter does not, perhaps, represent the ‘gross disparities in wealth’ as Fraser intended them to be understood. However, in an endnote to her definition of objective participatory parity, Fraser (1999: 50) herself acknowledged that it was a moot point how much economic inequality could be congruent with full parity of participation, and that where the limit lay was a question for investigation. We know that the UK is characterised by deep and enduring economic inequalities (Social Mobility Commission, 2017) and these are reflected, at least to some extent, in the economic resources to which working-class (under)graduates have access and consequently (as the literature reviewed above indicates) their capacity to enjoy full parity of participation with their more privileged middle-class peers in the competition for jobs.

The culturally-rooted disadvantages encountered by many working-class (under)graduates that I have discussed above are complex and encompass, in the Bourdieusian sense, both subjective and objective cultural constraints (Bourdieu, 1984). What they all have in common, however, is that they fail to meet Fraser's (1999: 37) precondition of ‘intersubjective’ parity
which insists that society accord all groups and individuals equality of respect and equal opportunities to achieve social esteem. For Fraser, this breach of intersubjective parity constitutes an act of misrecognition, that is, "...an institutionalized pattern of cultural value [which] constitutes some social actors as less than full members of society and prevents them from participating as peers" (Fraser, 2000: 114). James (2015) makes the valid point that Fraser’s conceptualisation of misrecognition is very different from that of Bourdieu with whom the term is more commonly associated. This is true as Fraser’s (2000) status model is framed primarily around material sources of subordination—government policies and juridical and administrative practices. These are not the origins (at least, not directly) of the cultural disadvantages I have outlined above. Yet Fraser (2000: 114) goes on to argue that status subordination by misrecognition can also be perpetrated more informally through ingrained social practices of civil society. The labour market is a key institution of the civil society of all late modern capitalist societies and, as the literature previously discussed indicates, the new rules of the labour market game are rigged against many working-class (under)graduates from the start. And herein lie Fraser’s processes of cultural misrecognition and status subordination: what Fraser (2000: 114) terms ‘institutionalized patterns of cultural value’ mean that not everybody’s cultural knowledges or social resources hold equal worth in an over-competitive jobs market.

**Concluding remarks**

This chapter has taken a critical view of graduate employability. Drawing upon a range of literature, I have argued that dominant supply-side models fail to acknowledge the deep-seated cultural and economic inequalities with which many working-class graduates are faced in competing within an over-crowded labour market. The principal contribution of this chapter to graduate employability research has been the application of Nancy Fraser’s theory
of two-dimensional participatory justice. This model, which is premised upon an economy-culture perspectival dualism, has been employed as a lens through which to tease apart the origins of the two different kinds of injustice that attend working-class (under)graduate employability. This analytical dualism has, therefore, much to offer research into graduate employability as it permits the researcher to abstract the different forms of injustice from the complexity of individuals' concretely lived experiences. This, in turn, is important because as Sayer (2005: 92) argues, the task of abstract theory is to identify the necessary conditions of the existence of objects as opposed to their contingent associations. Abstraction facilitates this by focusing upon a particular variable among others within which it is embedded, for example the economic injustices of class caught up within culturally-related forms of disadvantage. Having established through such abstraction that economic capital has causal powers independent from those of cultural and social capital, the task of concrete analysis is then to examine how the three variables contingently interact, possibly producing emergent effects (Sayer, 2005: 92).

And this is important to analysis because, although I have discussed economic and cultural injustices within this chapter as analytically separable areas, as Fraser (1995) maintains, in all real-life circumstances, they are mutually inter-connected. This is clearly so in the case of working-class (under)graduates, as the literature reviewed within this chapter has indicated the co-constitutive nature of the economic and cultural inequalities which they face in relation to the labour market. Furthermore, if the origins of injustices are analytically separable but complexly intertwined in real-life, so too are their associated forms of restorative justice because, as Fraser (1999) herself reminds us, all redistribution claims have implications for recognition justice and vice versa. Thus, employability is centrally concerned with factors perceived to affect access to employment and, consequently, it is clearly
concerned with matters of distribution justice. However, as Fraser (1995) notes, equitable distribution justice implies a claim of moral worth on the part of the claimant, and thus a more level playing field in the competition for graduate jobs can never be just about employment and earning power per se but also strongly reflects the social esteem which working-class (under)graduates enjoy and their capacity to function as peers within society.

References


Elias, P. & Purcell, K. (2013). Classifying graduate occupations for the knowledge society HECSU/IER.


