

Information

This announcement is very welcome, but the British Academy will be continuing to ask questions about the implications of debt on choices made by students, particularly as it affects research careers. What has become most apparent from the NUS research, and research by others, has been how starved of information many students are, at important moments of choice during their university careers. Students appear to have little information either about debt or about the financial impacts of further study.

Much has been written about the decimation of adequate information, advice and guidance at schools. Organisations as diverse as the Russell Group, the CBI and the TUC all lambasted the current Government for closing the Connexions service (widely regarded as being patchy at best) but replacing it only with a statutory duty placed on schools to provide some form of independent advice. Only very recently did Secretary of State Nicky Morgan MP announce a replacement for Connexions – a careers and enterprise company, that will bring employers to schools and explain what the labour market has to offer young people.

However, there has been less written about advice available at universities about academic careers. Universities have responded to the ‘employability challenge’, students wanting to make sure that their £9,000 a year will lead to a healthy salary, by focusing resources on careers advice for employment post-graduation. There remains a gap, however, in adequate, honest advice about continuing careers in academia, or indeed the funding choices available for postgraduate research and study. It is not clear how well academic career paths post-PhD are understood by students, and with limited resources, universities are likely to focus their advisory capacity on graduates looking for a quick employment return on their educational investment. All evidence points towards students making more demands on the education system as a result of increased tuition fees, and associated debt.

There is concern that with debt building through undergraduate and postgraduate education, a continued academic career is unlikely to be the most attractive option for the brightest students. In our NUS survey, those students wishing to continue academic study had a very rosy view of the options available to them to fund further study. The truth about limited career options within academia should not be a reason to put off the brightest from beginning a PhD, but that they should begin the process with a realistic idea about the likely future.

The new plans for postgraduate loans are a welcome development in providing a route into postgraduate study. There is still much to be learned about the impact of the tuition fees and student loan system on student choices. The perceptions that students have now may change when the reality of repayments hit. We need to be sure that this reality won’t discourage the best students from pursuing research careers and taking on further debt for postgraduate study.

The portrayal of the graduate labour market in the media

The permanent state of perplexity and discontent

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In recent years, the popular media has been flooded by news stories about the state of the graduate labour market. Numerous studies and reports as well opinion pieces on the job opportunities and earnings of (new) graduates keep receiving wide attention in Britain’s broadsheets, smaller newspapers and other news channels. There tends to be great pessimism or shock value in stories with headlines such as ‘Graduate job opportunities shrink amid economic uncertainty’, ‘The Cambridge graduates grateful to earn £7 an hour as Amazon drones’ and ‘University graduate finds work as human scarecrow’. This glumness is illustrated by the views of experts like Michael Barnard, product manager at Milkround:

Graduates can’t expect to just walk into a decent job any more. If you want to work in London – God forbid, it’s the hardest place to find a job in the world – you will have to accept that you probably need to live in a house-share with five strangers, work in a café to pay the bills and start at the bottom with a big employer.¹

Many articles describe how graduates have great difficulty finding any kind of employment or carry out unskilled work in order to survive. Other news articles with titles such as ‘Graduates stuck in low-skilled positions’ or ‘More graduates become shelf stackers as economy slides’ cover research on the mismatching of skills. The risk of skills mismatch is often linked to a particular degree, such as media studies, as it is claimed there is little demand for graduates in these subjects. In one article an employer is quoted saying, ‘Some degrees have no career opportunity at the end and the graduate ends up working in a coffee bar.’² The desperate situation of the graduate labour market is underlined by stories about students who decide to choose apprenticeships over a university

1. Cited in L. Peacock, ‘Graduate jobs: Do graduates need a first-class degree to get a good job?’ *Daily Telegraph* (4 July 2012).

2. D. Wooding, ‘£50k debt ... but many graduates WON’T earn more’, *Sun* (19 August 2012).

degree after sixth form, or to pursue a professional degree in a specially designed alternative corporate programme, such as exist within some accountancy firms.

The stories of declining fortunes for graduates do not come out of the blue. Many of the stories that appear in the popular media are linked to findings of research studies on, for instance, unemployment, employers' demands, or the role of universities in the economy. Graduates are positioned in opposition to adverse labour market effects. The fact that new graduate labour entrants are unable to find relevant employment is seen as not only problematic but also puzzling. The graduate labour market is considered to be distinct from the rest of the economy and placed at the top of a labour market pyramid. It is assumed that those workers with a university degree together constitute the elite of the labour market and have jobs in which special skills are required, and they are rewarded with high salaries.

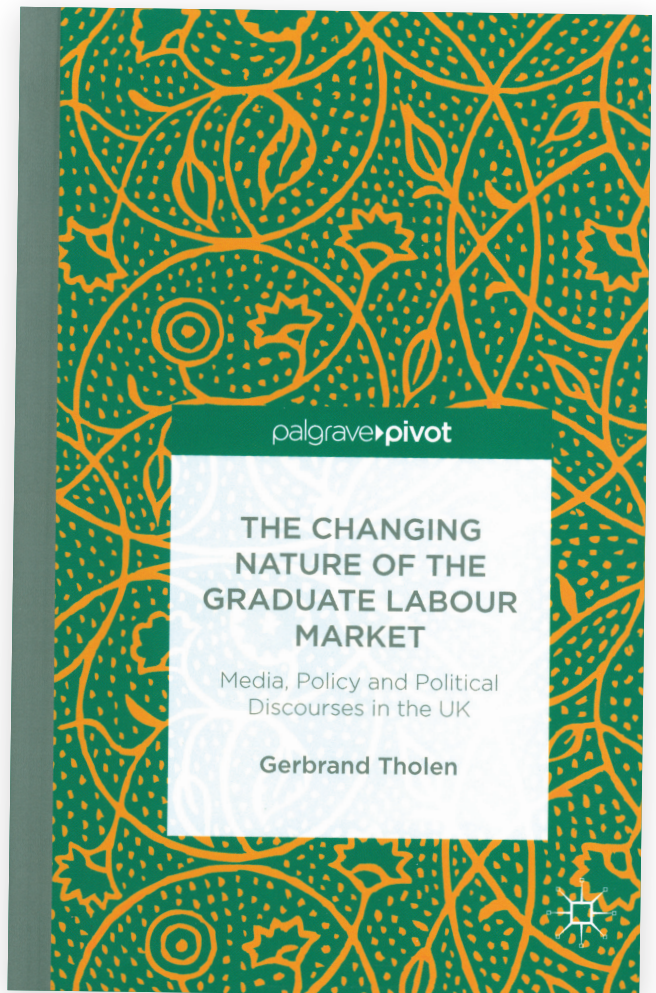
This represents a general misunderstanding of the changing nature of the graduate labour market. Much of the empirical evidence tells another story. The UK graduate labour market is in flux. Because of the rapid growth in the proportion of graduate workers in the UK labour force – combined with shifts in occupational structure, organisational change and global integration – the relationship between jobs, skills and rewards is fundamentally altered from the past.

First of all, graduates increasingly take employment in traditional non-graduate occupations. The definition of what constitutes a graduate occupation is rapidly changing.

Secondly, many organisations that recruit graduates no longer focus on the hard skills and knowledge that are often associated with higher learning. Instead, soft skills such as interpersonal skills are of increasing importance. These skills are not exclusively formed while people are studying at an institute of higher education. In other words, the skills that graduates possess are not always exclusive to graduate workers. It is therefore better to talk about the skills of graduates than about graduate skills.

Thirdly, earnings of graduates are diverging, leading to an increase in wage inequality among graduates as a group. Why this happens remains unclear. It could be due to occupational change, or shifting supply and demand for certain skills or characteristics. Both at the bottom and the top of the wage distribution scale, earnings have become more extreme. What this means is that the association between university qualifications and earning potential is becoming more complex.

But media commentators and journalists still tend to focus on the strong association between skills, jobs and rewards and university qualifications. Graduate workers' skills and jobs are deemed to be inherently valuable and desirable entities. The graduate labour market is regarded not only as the top layer of the labour market, incorporating the high-skilled and better-paid jobs, occupations and professions, but also



as the saviour of the economy and the route to a more just society. In addition, higher education is privileged as a skills-acquisition route. In many of the individual stories on graduate unemployment the most important element is the fact that they concern a graduate *vis-à-vis* a non-graduate. Similar stories about those with lower-level qualifications do not appear as frequently, or these people's educational background is less emphasised. The relatively high rate of youth unemployment is not supposed to affect graduates, who expect to be employed after their investment in advanced education. Underneath this lies the implicit assumption that the experiences, knowledge and skills (human capital) of the brightest and best-educated should interest employers.

But the graduate labour market is not an insular, independent or isolated social, political or economic phenomenon. The state of the UK's post-recession graduate labour market currently depends, and will continue to depend, on how work is organised; how and which skills are being developed, supplied, demanded and used; how rewards are distributed; and how capitalism itself is developing, among other developments.