

Globalisation, Higher Education, the Labour Market and Inequality

Edited by
Antonia Kupfer



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Globalisation, Higher Education, the Labour Market and Inequality addresses the global transformation of higher education in relation to changes in the labour market. It focuses on the relative impact of elements of globalisation on social inequality, and provides insights into the ways in which these general forces of change are transformed into specific policies shaped by global forces and the various national values, institutional structures and politics of the specified societies. The book begins with a theoretical conceptualisation for a comparative understanding of globalisation, higher education, labour markets and inequality. This is followed by a range of mainstream accounts from an international selection of contributors of the ways in which national systems have responded to the forces of globalisation and the increasing demand for higher education graduates – in Australia, the Czech Republic, Germany, Japan, New Zealand and the UK. Finally, contributors explore more specific concerns such as the transition from higher education to the labour market in China and Sweden, the division of the ‘knowledge’ workers into traditional social groups in the US, and the role and salience of Doctoral programmes in South Africa in developing a knowledge economy.

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Antonia Kupfer is Senior Lecturer in the School of Education at the University of Southampton, UK and Visiting Scholar of the Weatherhead Center for International Affairs, Harvard University, USA. Her research fields are social theories, education, social inequality and gender.

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Notes on Contributors

Caroline Berggren is a Research Fellow at the Department of Education, University of Gothenburg, Sweden. She is currently working on a project entitled: 'From higher education to work, selection mechanisms from gender and class perspectives'.

Chaya Herman is a Senior Lecturer at the Department of Education Management and Policy Studies at the University of Pretoria, South Africa. Her research interests are doctoral education and higher education policy.

Takehiko Kariya is a Professor in the Sociology of Japanese Society, Nissan Institute of Japanese Studies and the Department of Sociology, University of Oxford, UK. His research interests include sociology of education, social stratification, school-to-work transition, educational and social policies, and social changes in postwar Japan. He is co-editor of *Challenges to Japanese Education: Economics, Reforms, and Human Rights* (2010).

Antonia Kupfer is Senior Lecturer in the School of Education at the University of Southampton, UK and Visiting Scholar of the Weatherhead Center for International Affairs, Harvard University, USA. Her research fields are social theories, education, social inequality and gender.

Lucie Kynčilová is a Researcher at the Centre for Higher Education Studies and a Doctoral Candidate in Demography at the Charles University in Prague. In her doctoral dissertation she studies the interrelationship between demographic developments and access to higher education in the Czech Republic.

John Lowe is a Lecturer in the Education Department at the University of Bath, UK. He has worked and carried out research in a wide range of countries across the world. His current research interests are in the relationship between education and social and economic change, with a particular focus on China, and the internationalisation of higher education.

Colin McCaig is a Senior Research Fellow at the Centre for Education and Inclusion Research, Sheffield Hallam University, UK. He has published widely on higher education policy issues and in particular widening participation, the marketisation of higher education and student tuition fees and bursaries.

Petr Pabian is a Lecturer at the Department of Social Sciences, University of Pardubice, Czech Republic. His teaching and research interests include philosophy of the social sciences, higher education studies, modern religious history and Harry Potter.

Justin J.W. Powell is a Senior Research Fellow at the Social Science Research Center Berlin (WZB), Germany, where he is PI of the project ‘Internationalization of Vocational and Higher Education Systems in Transition’ (INVEST). He has published widely comparing educational systems, including ‘To Segregate or to Separate? The Institutionalization of Special Education in the United States and Germany’, *Comparative Education Review* (2009), 53(2): 161–87 and *Comparing Special Education: Origins to Contemporary Paradoxes* (with J.G. Richardson, 2011).

Karel Šima is a Senior Researcher at the Centre for Higher Education Studies in Prague, Czech Republic. His research and teaching interests include the transformations from elite to mass to universal higher education, with a special focus on knowledge production and research funding.

Heike Solga is a Professor of Sociology at the Free University Berlin, and Director of the Research Unit ‘Skill Formation and Labor Markets’ of the Social Science Research Center Berlin (WZB), Germany. Recent publications include *Skill Formation: Interdisciplinary and Cross-National Perspectives* (with K.U. Mayer, 2008) and ‘Context Matters: Economic Marginalisation of Low-Educated Workers in Cross-National Perspective’ (with M. Gesthuizen, R. Künster), *European Sociological Review*, 2010.

Rob Strathdee is an Associate Professor of Education and is currently the Head of the School of Education Policy and Implementation, Victoria University of Wellington, New Zealand. His main research fields include educational policy and sociology.

Qi Wang is a Lecturer Researcher in the Centre for World-Class Universities, in the Graduate School of Education, Shanghai Jiao Tong University, China. Her research interests include building world-class universities, lifelong learning, employability construction and skill training, and educational sociology.

Introduction

Antonia Kupfer

School of Education, University of Southampton, UK and Weatherhead Center for International Affairs, Harvard University, Cambridge Street, Cambridge, USA

Since the 1990s we have lived in a world characterised by the vanished socialist states, the rapid rise of higher education (HE) in East Asia and elsewhere and the creation of social technologies that are being produced in a new international division of labour forged by transnational companies. These processes effect changes in employment systems in many countries – although quite differently – around the globe. In this context HE plays a crucial role in two ways: on the one hand HE serves as a source of these new technologies and therefore as a motor of economic globalisation. On the other hand HE serves as feeder institutions into labour markets and therefore reacts or responds to the developments described above. This crucial twofold role of HE and its increased importance for national economies seems to be the reason for increasing attention HE policy receives by international organisations such as the OECD and why HE has moved to the centre of state education policy and politics in many countries. With this one might say that the societal role of HE has changed: whereas it was in former times a small part of the education system serving mainly elitist interests it affects now the lives of many people either in direct ways of participation or in indirect ways of being excluded. In both ways HE influences life chances and conditions of more people than ever before.

It is obvious that these developments are very complex. Therefore, it is impossible to touch and cover all of them in one special issue. Hence two main routes into this area have been selected. The first route concentrates on structural policies and politics. The second route focuses on relations between HE and labour markets. Both foci, governmental structural policy and politics in HE and relations between HE and labour markets, are connected, mainly because many governments have adjusted their HE policies in relation to the perceived demands of innovation and labour markets. In both approaches questions of social inequality play a crucial role. State policies and politics, in some countries, have the declared aim of decreasing social inequality in HE by increasing the participation of students or the academic staff of underprivileged social groups. Governmental policy and politics in some countries are also directed to create competition between HE institutions and to reduce open access. As we can see for example in the UK and Sweden both policy and politics may go together. Questions of social inequality are traditionally part of the research on the relation between HE and labour markets, although during the last 30 years or so few studies have been

conducted in this area and there is a need to tie in this former research and develop it further considering the social, cultural, political and economic changes since then.

This volume has three themes. We start with a paper which outlines a theoretical approach for further comparative research. The second theme provides an overview of the main ways in which various national systems have implemented new policies and politics in HE as well as overviews of the changing values of HE degrees with respect to labour market access. Here papers deal with Anglo-Saxon HE systems such as the UK, Australia and New Zealand as well as papers which examine rather different HE traditions including Germany and Japan. Then coming back to Europe with the case of a post-socialist country and its transition practices in HE: the Czech Republic. The third theme moves to more specific concerns such as the management of transition from HE to a newly emergent labour market in China, discussion on the so-called knowledge workers in the US, gender inequality in the distribution of research funds in Sweden and the impact of apartheid on access to doctoral programmes in South Africa.

The main results of each paper shall be briefly summarised. The first steps towards a theoretical framework (Kupfer) for the comparative understanding of HE, labour markets and social inequality reveal the necessity of developing perceptions, conceptions and terms to capture constellations and configurations as well as their dynamics in order to understand differences and similarities between different countries. In the UK (McCaig) despite the expansion and abolition of the binary divide between HE institutions, and other policies of widening participation, the stratification of universities has continued with associated class divisions. The continuing stratification is enabled by universities' autonomy. In Australia the market exhortations of government have had most direct impact outside the state sector with the establishment of one private university and the growth of a non-university private sector. In New Zealand (Strathdee), successive governments have introduced investment plans for universities relating to perceived economic demands and performance-based research funds in order to increase the differences between providers and to increase the labour market relevance of training. The system has moved from being provider-driven to being government-driven and from one accepting virtually all students to being more selective in its admission practices. Results suggest that access to HE will be more restricted and that those with good marks in secondary education will get access to elite institutions. Fees will rise. The study subject and less the institution is crucial for later salaries.

In Germany (Powell and Solga), participation rates in HE are relatively low because of the highly stratified secondary school system and because of the existence of an attractive vocational education and training (VET) system. This means that the German education system is socially very stratified, allowing mainly upper and upper middle classes in the universities.

In Japan (Kariya), there is a credential inflation caused by the expansion of HE. Features of this credential inflation are the further stratification of HE institutions between elite and non-elite institutions and the decrease in the demand for jobs for university graduates, leading to deteriorating the situation for non-HE-graduates in employment as HE graduates are preferred for what was previously non-graduate work.

In the Czech Republic (Pabian, Šima and Kynčilová), after the end of statesocialism, HE expanded tremendously and adopted a Humboldtian education. HE graduates have easy access to the labour market and can obtain high salaries. Graduates' mainly

theoretical education seems to be in demand in the labour market, which has also changed in response to the so-called knowledge economy.

The paper on China (Wang and Lowe) is about the changing Chinese labour market and how HE students perceive it: professional skills are considered the basis for personal achievement, higher degree holders and elite university degree holders are perceived to have more advantages. Students develop coping strategies – self-responsibility and seeking positional advantages while improving personal skills – to study and work hard. Paradoxically there seems to be both, a strong credentialism and an inflation of university degrees at the same time.

For the US (Newfield) criticizes the mainstream discourse on the knowledge society and reveals how business and political leaders seek a smaller elite of “knowledge-based star producers” as the only workers contributing to the firm’s main sources of profit, while cutting funds for public higher education institutions. Instead of a mass demand on knowledge-workers along with mass highly qualified education, a systematic stratification within knowledge-workers by establishing proprietary knowledge that gives financial capital a direct stake takes place. Increasingly unequal universities and disciplines reproduce a labour hierarchy of knowledge work in which only small numbers of elite universities’ graduates are considered to produce proprietary knowledge, while graduates from other universities and colleges are increasingly exposed to minimizing independence and social protections.

In Sweden (Berggren), neo-liberal policies of focusing on research funds and rationalisation while cutting the funds affects the gender hierarchy because of the horizontal division of academic field and subjects which are characterised by gender divisions. Research funds are mainly allocated to sciences and technical subjects which are dominated by men. The increasing participation of women in HE has also seen the devaluing of HE as an employment sector in comparison to the private sector with better conditions which is dominated by men.

Finally, in South Africa (Herman), the government tried to widen participation in its PhD programmes especially among black people, but they are still underrepresented due to the dysfunctional school system, high drop-out rates, insufficient funding, feelings of alienation and isolation, family commitments and the lure of the labour market. Black students in PhD programmes come mainly from outside South Africa. Since the disadvantage of black students affects the majority of the population in South Africa, the paper suggests that the PhD could only become a key driver for economic development if there is a concerted effort to address barriers to black South African students’ access to and retention in doctoral programmes.

In conclusion one might say that there is a wide range of national differences in the initial structure of their HE systems, in national values and political forces. We can observe different government responses to the expansion of HE, which range from marketisation (New Zealand) to the maintenance of a largely traditional university system (Czech Republic); as well as an exception of expansion of HE (Germany). In addition to changes in institutional structure there are also changes in the focus of HE with attempts to increase the relevance to employment of a university education in New Zealand to seeing the PhD as essential to maintaining global competitiveness (South Africa). We can observe different developments in social inequality that range from continuing social inequality (Germany, South Africa and the UK), over new developments in social inequality (China, New Zealand and Sweden), of increased social stratification (Japan) and decreasing social stratification (Czech Republic). We

learn that (developments in) HE systems, especially dealing with questions of social inequality, are to be analysed in relation to other educational sectors especially the secondary school system (Germany, New Zealand and South Africa).

While it is the case that countries address globalisation and changes in employment in very different ways, depending on their specific history and the structure of their HE systems, there are also some more general trends to emerge from these papers. These include the observation that where countries have sought to increase their capacity for HE through the private sector, private universities tend to be seen as lower in prestige and status. There are exceptions, as the US system attests. But in newer systems this seems to be the case. In turn this is paradoxical given the great value that has been placed on the private sector in comparison to the state sector, at least in Anglo-Saxon economies, and until the Great Recession. Theoretical work is necessary in order to establish a research programme for further comparative studies on HE, labour markets and social inequality including gender and ethnicity.

Towards a theoretical framework for the comparative understanding of globalisation, higher education, the labour market and inequality

Antonia Kupfer

Weatherhead Center for International Affairs, Harvard University, Cambridge Street, Cambridge, USA

This paper is a theoretical examination of three major empirical trends that affect many people: globalisation, increasingly close relations between higher education (HE) and labour markets, and increasing social inequality. Its aim is to identify key theoretical resources and their contribution to the development of a comparative theoretical framework for understanding countries' responses to globalisation with respect to HE and the labour market, and the significance of such responses for social inequality. The method consists in developing a theoretical reading of Bourdieu's and Brown's theoretical concepts of social inequality in the interrelation of HE and labour market. As a result this paper presents preliminary ideas for the theoretical comparison of current societies' HE systems and labour markets with regard to social inequality in the age of globalisation. It concludes by illustrating the need for further comparative research in this area.

1. Introduction

We begin with three empirical observations: the first refers to what is often called globalisation, with its increasingly international division of labour which puts people in north-western countries under increasing pressure. The second observation refers to the higher education (HE) and labour markets, which seem to be linked together in an increasingly close relationship. The third observation refers to social class inequalities, which seem to increase as well, at least in north-western countries. These observations are admittedly very general.

Economic globalisation has the effect of compressing time and space (Held and McGrew 2000). For example, if we consider changes in the global division of labour (Brown, Lauder, and Ashton 2011) then a key element in

these changes is that electronic media enable jobs to be offshored to other countries. However, we should also note that globalisation as a term does not apply to all countries. One example might be Bolivia, which, under the Morales administration, is trying to take an alternative route to familiar capitalist and socialist patterns, one which consists mainly in the indigenous construction and control of the new plurinational state. Not only are some states non-participants or unaffected by globalisation, but we also observe that nations participate in and are affected by what we call globalisation (which from my perspective mainly consists in the increasingly international division of labour, paid and non-paid) in very different ways: that is, there is no single impact or single cluster of factors that is crucial for all countries. Examples might be the offshoring of qualified work from north-western countries to mainly East Asian countries, and the high proportion of East Asian students in HE in north-western countries.

The relation between HE and the labour market is not clearly defined either. We might have a strong feeling and intuition that a relation at least *exists*, but the moment we start to make assertions about the content and the characteristics of this relation, we struggle to get it right. For example, the widespread belief that people with an HE degree earn more money because they are more productive has been refuted by various studies (see e.g. Mishel, Bernstein, and Allegreto [2006] 2007). The relationship between HE and the labour market seems to have become even stronger in recent years, and again we – especially those of us working in HE – have the feeling that our working conditions have deteriorated while others, especially young mobile people from East Asia, see HE as an opportunity their parents could not dream of.

Finally, the increasing gap between upper and lower incomes, the stagnant and even decreasing incomes of the middle classes in north-western societies are issues that have influenced the lives of millions of people for years, yet have not been closely investigated. It is only recently that research has begun to focus on this development.

It is obvious that each of the developments just mentioned is highly complex in itself, and that these three mentioned developments are interrelated to each other. It is therefore impossible to investigate one of these areas *without* referring to the others as well. Nevertheless, the exact ways and forms of their mutual interrelation, and the dynamics that caused and perpetuate and change these relationships, are not at all clear. The purpose of this paper is to identify some of the key theoretical resources and their potential contributions to the development of a comparative theoretical framework for understanding countries' responses to globalisation with regard to HE and the labour market, and the significance of such responses for social inequality. To be more exact, this paper does not aim to achieve that purpose, but to present first thoughts as an invitation for further discussion and elaboration.

Bourdieu provides a valuable theory on the interrelation of HE, the labour market and social inequality in the national context of France, mainly in the

1960s and 1980s. But he does not provide a theory which takes globalisation into account as one of the dimensions which affects our lives and which interacts with HE, labour markets and social inequality. For our present purposes, we therefore seek to use his theory as a base, a starting point for the development of a theoretical framework for the comparative analysis of the mechanisms producing social inequalities in particular countries. Comparison then aims at understanding the similarities and differences between the causal mechanisms.

Bourdieu's work has been widely received, and we select here one principal theoretical development out of his work in order to outline its potential to lead to the envisaged comparative framework. Out of Bourdieu's approach to rules and resources, Brown (2000) has developed two theoretical categories – rigging and ranking – which seem promising for a comparison of the current developments in various countries. Both Bourdieu's basic approach (with an added focus on HE and the labour market) and Brown's concepts of rigging and ranking will be outlined in the second section below. The third section applies the theoretical framework developed so far in comparing two countries, Germany and Britain. Recent changes in the form of globalisation play a crucial role here and will be included in the analysis. The final section, 'Conclusion', illustrates the need for further research in the comparative analysis of globalisation, the organisation of HE and labour markets with respect to their impact on social inequalities.

2. Bourdieu's theoretical conception of inequalities in HE and labour markets

One of Bourdieu's most prominent assertions could be summarised as follows: the educational system reproduces the class system. This claim does not seem to be new, if we recall Durkheim for example, but Bourdieu's analysis goes far beyond an assertion of a linear correlation between social background and educational achievement. Bourdieu conceptualises the relation of social class and gender to education as a process, and thus as a variable force. He is interested in relations between the educational system and the system of class relations, and hence he deals with highly complex relations.

According to Bourdieu, a person's social position consists mainly in the economic, cultural and social capital the person has acquired. These different sorts of capital always develop their influence in social spaces. Social spaces include both the different social positions and the space of habitus, and are therefore composed of both the volume of capital and the structure of the capital. The structure refers to the respective proportions of the different kinds of capital. Social spaces are always hierarchical spaces in which the occupants have different positions. Specific sections of social spaces can be examined as fields. In the following sections I will expand on Bourdieu's theoretical concept of the field with regard to HE first and then to labour markets.

2.1. *The national HE system as a field*

Bourdieu and Passeron (1971) and later Bourdieu alone ([1984] 1998) purposely selected the HE system because, in their view, the participants in education systems are at the same time products of those systems: students' behaviour and qualifications are largely formed by their prior experiences. While Bourdieu and Passeron focus in the earlier work on different facets of social inequality in HE, such as the low proportion of students from socio-economically lower families, the limited choice of subjects studied by such students, and the hierarchy of reputation among higher education institutions (HEIs), Bourdieu concentrates in the later work on the analysis of the university as a field in which professors occupy different positions depending on the types and amounts of capital they possess, and on the structure of the field.

Naidoo (2004) summarises his theory as follows:

Capital may be viewed as the specific cultural or social (rather than economic) assets that are invested with value in the field which, when possessed, enables membership to the field. The type of capital operating in the field of university education is an institutionalized form of cultural capital that has generally been termed 'academic capital.' In some instances (see *Homo Academicus*; Bourdieu, 1998), Bourdieu distinguishes between two forms of capital: 'academic capital,' which is linked to power over the instruments of reproduction of the university body; and 'intellectual' or 'scientific capital,' which is linked to scientific authority or intellectual renown. In other instances, however (for example, in *The State Nobility*; Bourdieu, 1996), the two definitions appear to merge and 'academic capital' is defined as an institutionalized form of cultural capital based on properties of educational achievement, a 'disposition' to be academic (seen, for example, in manner of speech and writing), and specially designated competencies. (458)

In this field, institutions adopt strategies derived from an institutionalised form of habitus to maintain their advantage or, as Bourdieu (1993) puts it, to maximise their symbolic gain. The outward appearance of these strategies is what he terms 'taking positions', and is a consequence of the interests of academic institutions and individuals. For Bourdieu (1993), interest is understood as the 'specific investment in the stakes' (76) over which academics struggle. Interestingly, he defines this investment as both the condition and the product of the field. And from this position he is able to articulate a much more refined concept of interest than that described by neo-classical economics, for example. The latter see interest in much narrower terms as related only to income and wealth, while Bourdieu extends the concept to the identity of both institutions and individuals. The stakes in this sense are high indeed. On the other hand, a further consequence of this view of fields and interests is that institutions are seen to have a degree of autonomy within the field.

From a comparative perspective, Bourdieu's characterisation of the HE field enables us to pose a number of questions. These include the following: How is a given national field constructed in regard to the power relations between institutions? What do these power relations consist in: do they

involve economic, academic or intellectual capital? How is the habitus constructed at both the institutional and the personal levels? How are interests and reputations defined within the field: are certain types of capital seen as more important than others in some HE fields? And are some types of capital seen as more important in some HE fields than in others? This question leads in turn to the crucial questions: What is the system of cultural meanings that gives significance to these properties of fields in any given national context, and how are they similar to or different from other national fields?

In the light of recent changes, these questions have taken on greater significance. With the rise of mass HE systems in many countries, new institutions have entered the field. The issue that arises here is: How are the new institutions positioned in the field, and why?

While it is acknowledged that the concepts of social, cultural and personal capital are important in understanding the ways in which inequalities are reproduced, it can be argued that those concepts are not sufficient for a comparative understanding of the relationship between HE and the labour market, and the ways in which education and labour may be changed by processes of economic globalisation. A major reason why this is likely to be the case is that these forms of capital are embedded in particular national contexts, and those contexts hence frame the understanding of concepts such as cultural or social capital. For this reason, it is important to be able to develop a theoretical framework in which the different processes of inequality in national HE systems and global labour markets can be understood.

However, more recent research has analysed on the HE–labour market relationship in regard to social class inequality using the concepts of cultural capital and personal capital (see for example Brown and Hesketh 2004).

Strathdee (2008, 2009), using the concepts of cultural and social capital to theorise the links between HE and the labour market, raises another interesting question about how universities are understood and judged by employers when recruiting. He argues that we should see universities, not as unitary institutions upon which reputation is conferred, but rather as networked institutions in which links are established between particular departments or sub-units of the university and companies. Companies are seen as having links or partnerships with universities in order to promote innovation, and their recruitment from partner universities is based on such innovatory strategies. Inequality in recruitment is structured through these social capital networks.

One promising approach that may widen Bourdieu's theoretical concept to permit comparative analysis is presented by Brown (2000). He takes up Bourdieu's ideas on rules and resources and develops them into what he calls rigging and ranking, which are two mechanisms of creating and maintaining class inequalities. An explanation of Brown's theoretical concepts follows, and we will return to them in Section 2.5 to see how they could lead to a theoretical framework for the comparative analysis of social inequality in the interrelation of HE and labour markets in the age of globalisation.

2.2. *From rules and resources to rigging and ranking*

Integral to the concept of fields are the rules and resources by which fields are structured. However, if we are to understand the impact of policies that purport to be a response to globalisation in the HE field, then we must identify the key properties of the field that are susceptible to policy leverage. The concepts of rules and resources are useful here because they are susceptible to manipulation, particularly through funding, by policy-makers. Rules are constitutive of fields in the sense that they define the stakes over which conflicts of interests take place, including elements of symbolic violence. However, rules can also govern access to resources. Resources are critical to who wins and loses in any given HE field. One reason for this is that, as HE has been linked with a country's global competitiveness, the importance of innovative research has been elevated to a position of prominence. But such research requires heavy investment in researchers and technology.

In Britain, the rules governing the research assessment exercise (RAE) have been intimately related to questions of resources, with the most successful universities winning increased funding through success in research assessments. Under the new conditions governing research appraisal, the Research Excellence Framework, the income a university receives is directly related to the grade awarded to a publication. Now what is significant about this relationship between rules and resources is that the government has the power to change the terms of competition within the field and, as we shall see, it has justified this change in the rules as a response to economic globalisation. It is worth noting that these changes cause considerable conflict between field participants and government, because the changes affect academic institutions' and individuals' interests, in the Bourdieuan sense: for example, these changes force academics, who may otherwise consider disinterested enquiry to be their prime concern regardless of long it takes, to publish within a limited time.

However, in a class society we might expect these rather neutral terms of rules and resources to translate into what Brown (2000) has called the 'rigging' of rules to enhance the prospects of the professional middle class, and 'ranking', which is closely related to the allocation of resources to classed institutions like universities. In the case of HE, the rules governing the distribution of resources may well change the relative ranks of universities, but are more likely to reinforce them, thereby enhancing their reputations. If this means that Oxbridge universities, for example, find their reputations enhanced, then this is a case which, from the perspective of social class inequality, the rules have indeed been rigged to produce a ranking outcome in which people attending those universities may well gain an additional advantage.

As we shall see when we examine comparative contexts, the concepts of rules, resources, rigging and ranking can do considerable theoretical work.

2.3. *The national labour market as a field*

Bourdieu's (2005) analysis can be of help in characterising the labour market as a field.¹ At least three of his observations are helpful here. The first is that the economic field is itself characterised by rules, some of which are legal rules which also apply in the labour market, governing the conditions of workers and the basis on which they are hired and fired. In this respect there is a clear connection between Bourdieu's account and the work of the Varieties of Capitalism theorists (e.g. Hall and Soskice 2001).

The second is Bourdieu's insistence that, in the economic field, cultural and social factors are linked to economic factors just as much as they are in HE, although in different ways. As he notes:

[T]he two terms of the canonical relationship [supply and demand], which neoclassical economic theory treats as unconditional givens, depend in turn more or less directly on a whole set of economic and social conditions. (Bourdieu 2005, 15)

To illustrate this point, Bourdieu focuses on the field of suppliers in the housing market, showing that the reconfiguration of the field during a recession in France in 1980 was dependent as much on the history of the companies involved as on the structuring of demand (in terms of buyers' tastes) through advertising.

The third of Bourdieu's observations concerns his view of the way in which cultural and historical factors interact on both the demand and supply sides. Indeed, Bourdieu suggests that concepts such as supply and demand should not be seen as analytically distinct, but as interrelated and mutually constitutive. As we shall see, recent recruiting practices by MNCs and their relationship with elite universities suggests something similar. In this sense, rules may include tacit cultural rules governing the field as well as legal rules.

Finally, Bourdieu draws a distinction between the housing market as a field and the field of the firm within that market, which he insists cannot be seen as a 'rational subject – the entrepreneur or the management – orientated towards a single unified objective' (Bourdieu 2005, 69). Rather, there are vectors of power relations within the firm which cannot be understood without reference to the history and culture of the firm, and to the vested interests of key players within it.

In considering how Bourdieu's account can be adapted to the labour market, there are several points to be made. First, it has been well established that different national economies have different kinds of labour markets (Brown, Green, and Lauder 2001; Hall and Soskice 2001), which have been characterised as addressing different employer and employee interests. However, these different labour markets also represent different values and cultural orientations, which suggests that how a graduate in the recruitment process is viewed will likewise depend on specific cultural attitudes and orientations. Hence, in contrast to human capital theory and in keeping with sociological accounts of recruitment, issues of culture and related values and

indeed cultural capital are likely to influence judgements made by firms in recruiting. However, it is also likely that different companies have different cultures, determined, according to Bourdieu's theory, by their institutional habitus. With regard to MNCs, one might ask at this point whether they reflect the values and assumptions of their country of origin, or whether they have developed a more distinct and focused corporate culture and related values, such as earning profits.

Since Bourdieu brings historical and cultural factors into his economic analyses, it is easy to see how the conceptual tools that he uses in regard to HE can also be applied to recruitment practices in the labour market. For example, his wider notion of interests is applicable to the power relations between different sectors within a firm just as it is to power relations in academia. This suggests that, for example, the interests of marketing or production departments may be such that recruiters will look not just for qualified applicants, but for applicants who conform to their sense of identity and mission as well as their more direct economic interests.

2.4. HE and labour markets as interrelated fields

With his anthropological background, Bourdieu was keen to show that the economic and the social are intertwined both in education and in economics. But since different fields have different ways of valuing institutions and agents in both social and economic terms, he argues that fields can be seen to be relatively autonomous and to vary from one national tradition to another, although they are always related to social class (Bourdieu 1993). But in the same book, he also notes that the position of relative autonomy can change between fields, and it may be argued that, with the attempts to press education into the service of the economy (Grubb and Lazerson 2004), the two fields have grown closer together. While this may be the case in some respects, it is not certain that the fields are now so close that the way in which recruitment into the labour market is performed does not create social inequality. If the supply and demand of educated labour worked efficiently, we would not expect to observe credential inflation nor a reproduction of inequalities with respect to social class or gender in the labour market, unless a non-democratic hierarchy of power relations between privileged and non-privileged participants obtained.

That said, the relationship between the two fields is clearly more complex than neo-classical assumptions about supply and demand suggest. Two points can illustrate this claim. The first relates to Bourdieu's thesis of the collapsing distinction between supply and demand. Brown, Lauder, and Ashton (2011) have argued that both elite universities and MNCs perceive themselves to be in a 'beauty contest' in which both gain. The elite universities gain enhanced reputations by being able to advertise such prestigious career destinations for their graduates, while the MNCs gain because they are seen to be recruiting 'the best and the brightest'. In a sense, this can be seen as a joint act of

symbolic violence, since this relationship, built on mutual reputational regard, acts to exclude those who do not attend elite universities. Even more important than the symbolic violence, however, is the unequal material distribution of salaries, in which a small group of powerful managers secure high salaries for themselves with the rationale they ‘deserve’ them as members of the ‘brightest’, since they hold degrees from elite universities, while the majority of people face decreasing incomes (Goldin and Katz 2008; Hacker and Pierson 2010). However, what constitutes such categories as the ‘best’ and ‘brightest’ for companies will be a function of their corporate cultures and national cultures, which raises some questions as to how those categories, and that of ‘talent’, are understood in different cultures and how they are compatible within the culture of an MNC. Which in turn raises questions about who wins and loses in the competition for recruitment.

The second point that illustrates the complexity of the relationship between the fields of HE and labour markets is that, as Meyer (1977) has argued, HE can create a demand for graduates by constructing educational paths into occupations that come to be seen as essential for the occupation. Perhaps the best example is that of business schools. For many firms, MBA degrees have come to be an essential prerequisite for managers. Questions should therefore be raised about how firms come to see the MBA as vital to their needs, and what the class base for such a view might be.

2.5. Rigging and ranking in the interrelation of HE and labour markets in the age of globalisation

We suggested above that the concepts of rules, resources, rigging and ranking could be used to analyse the impact of economic globalisation on differences between countries in the fields of HE and the labour market, and suggested that rules and resources can be translated into the classed terms of rigging and ranking. It should be stressed that both rigging and ranking can be seen as structural properties of fields, as well as mechanisms by which individuals from the professional middle class (or elements of it) can gain advantage. If we take the examples of Oxford and Cambridge, they have in the past been the products of rules governing the unequal distribution of resources, and therefore have a history as classed institutions. What the changes in the rules governing resource allocation have done is to confirm them as classed and dominant HEIs. We know from participation by social class at these institutions that there is a massive bias towards elements of the professional middle class. A range of mechanisms can be seen to reinforce their position at the top of the field, which permits a rigging of the odds of professional middle class students gaining access to them. Among these mechanisms are the history that attaches to these institutions, including a longstanding association between the ruling classes and these institutions. Underlying this association, furthermore, is that of the public school system in Britain, which still plays a major role in

recruitment to Oxbridge. Class factors such as the practice of rigging and ranking in the interrelation of HE and labour market then give those who study at these institutions a passport to the top jobs. While social class may rig the competition for access, ranking by what Bourdieu calls renown or reputation has often, although not always, come to be associated with research. In this context, both money and reputation, which is also a socially constructed and yet powerful concept, have accumulated in a way that has also enabled Oxford and Cambridge to maintain a position as top-class research universities (RUs).

The ranking of individuals in recruitment in the labour market may turn on reputation. There are several studies of the significance of universities' reputation for recruitment strategies, which differ in their focuses and findings. In two key publications, Strathdee (2008, 2009) takes a sceptical view as to whether 'reputation' affords an additional advantage or privilege over and above the students' social class background. He cites Morley (2007) who shows that employers rated the reputation of the university as one of the lowest considerations when recruiting. In addition, he points to quantitative studies on the possible premiums that can be earned as a result of attending elite universities, suggesting that such effects are either very small or nonexistent.

However, there are studies which suggest the opposite (Brown and Hesketh 2004; Brown and Lauder 2009). This paper's concern is not to adjudicate between the merits of these positions, but rather to hypothesise that whether reputation confers such an advantage will be a function of the specific, national fields of HE and labour markets. Part 2 below attempts to support this hypothesis by a comparative analysis of the German and British fields.

While the structural position of England's elite institutions may offer a ticket, that ticket still needs to be exchanged for access to the top jobs. In this process, rigging and ranking are active at the individual level.

Rigging can be seen to operate at the individual level in the process of obtaining a job in two ways. The first concerns the utilisation of social capital networks, as suggested by Strathdee (2008), which provide a channel by which graduates from elite universities gain access to jobs. Another less subtle way in which rigging can operate may be nepotism, and in some countries perhaps corruption.

Ranking likewise appears in several forms: first, in the positional competition for credentials, which, to use Britain as an example, centres on access to elite non-state schools or to the top state schools. The state schools are now part of an education market that, as Brown (1997) has argued, rigs the competition in favour of the middle class. Financial resources are required to gain access to all top-ranked schools (via access to housing in the catchment areas of top state schools, for example).

But cultural capital is also a factor in access both to universities and to jobs. The role of cultural capital in access to universities is well documented; less so is the role of cultural capital in securing good jobs. Hartmann (2000a) for one argues that it is the key to understanding access to elite jobs in Germany.

However, it can also be argued that cultural capital by itself is not enough. The competition for elite jobs is now so intense that elements of personal capital are also required – in a sense, the passport of a credential is no longer enough. This points in turn to personal ability, which Bourdieu associates with ‘habitus’. Côté (2005) has termed such ability ‘identity capital’; Brown and Hesketh (2004) speak of ‘personal capital’. Côté (2005) emphasises the psycho-social nature of this personal form of capital. He argues that, in the present context of individualisation, ‘people are confronted with the task of planning their life course which include determining their own values and beliefs’ (2005, 225): these are primarily identity tasks. In undertaking this work, the individual can draw on at least two sets of resources: ‘agentic capacities such as internal locus of control, self-esteem and a sense of purpose in life’ (2005, 226) which can help in reflecting on the best course of action; and social capital networks through which people can benefit from each other’s psychosocial skills in negotiating a way through life. It might also be added that people may learn these skills, as well as the tastes and manners necessary to gain a job, from their social networks. Arguably it is these aspects of identity capital that give rise to the strategies that different kinds of graduates may adopt in seeking a job (Brown and Hesketh 2004).

These concepts enable us to understand how the interrelations between HE and labour markets work in the age of globalisation. At the institutional level, rigging and ranking, through the notion of reputation or renown, may give graduates of renowned institutions a head start in the recruitment process, while those with top grades from the same institutions may also have a head start in the form of higher ranking by recruiters. At the same time, social class plays a part in constructing both classed institutions and at the personal level by providing access to social capital networks. From a comparative perspective, the question to be raised is whether rigging and ranking at the institutional and personal levels work in similar ways in different countries to privilege the already privileged in obtaining jobs.

A general hypothesis that can be made about the relationship between fields, rigging and ranking is that in some HE fields, the structural position of a university will be more significant for the distribution of resources, and hence for allowing gains through rigging and ranking, than in other HE fields. Furthermore, where the institution’s structural position is less significant, personal or identity capital will take on greater importance.

Having outlined some of the key mechanisms that can be used in the context of fields, we should note that the form that competition for credentials takes may change as the division of labour changes. For example, Brown, Lauder, and Ashton (2011) have argued that the professional middle class is being fragmented by changes in the division of labour, which are due in part to the social use of technology, and related to economic globalisation. In particular, they argue that the competition for talent in which MNCs engage, coupled with the routinisation of much knowledge work (which the authors call ‘digital

taylorism'), is creating divisions within the middle class. This has the consequence of intensifying the positional competition for credentials, since MNCs only recruit from a small group of elite universities in each country.

But if this is the case, then how this intensified competition plays out in different countries' HE and labour market fields would be a matter for empirical analysis. Even so, the theoretical constructs of rigging and ranking may prove fruitful in guiding such comparative empirical analyses.

Having outlined a theoretical framework, we can now consider how it can be applied in an analysis of the German and British fields. The reason for this particular comparison is that, while the fields in these two countries show historical similarities in their construction, there are also significant differences which suggest that social class privilege will be reproduced in different ways in the two countries.

3. An analysis of economic globalisation and the HE and labour market fields in regard to social inequality in Germany and Britain

I now turn to a first comparative outline of two countries, Germany and Britain, with reference to the theoretical assertions made so far. For a better understanding of these instances, it is useful to look at the history of their respective HE systems.

3.1. Phases of HEI development in Germany and England and overview of theoretical concepts of HEI differentiation

It can be argued that there are some parallels between the development of the English and German HEI systems in the post-war period. However, English and German universities have different traditions in regard to their relationships to the state, which are now challenged by transnational and international reforms in the HE sector (e.g. the Bologna Process). A significant feature of English universities has been their autonomy in admissions and in awarding degrees (Eurydice [2006] 2007), which led to differential prestige. In contrast, German universities were state-controlled, with the state mandating rules for admissions and the awarding of degrees. The system was consequently characterised by homogeneity, and the universities had equal status.

Despite this difference, the systems of institution created in the 1950s to 1960s in England, and starting in the 1970s in Germany, were similar: a binary system was established in both countries. In England, colleges of advanced technology and polytechnics were established in addition to the RUs; In Germany the 'universities of applied sciences' (UAS; *Fachhochschulen*) were developed (Arum, Gamoran, and Shavit 2007). In both countries, the binary system created hierarchies. In England the hierarchy hinged mainly on prestige and was expressed in slightly higher costs per university student than per advanced-level polytechnic student, and in the likelihood of higher future