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Inequality, and the Public Good and Private Benefits of Higher Education

Martin Hall

Introduction

Over the last few decades, and in many parts of the world, levels of participation in higher education have risen sharply. In turn, this has prompted a shift from public funding to an expectation that students and their families should bear a greater proportion of the cost of a university education (Johnstone and Marcucci 2010). As public policies have been shaped accordingly, this often-contested shift has come to be characterized as a distinction between the public good and the private benefits of education. On the one side of the scale, public goods are seen as the general benefits of a more highly skilled workforce, the advancement of qualities such as democracy and citizenship, and personal development. Weighing against this are the private benefits, which are almost invariably cast in terms either of entry into high status professional employment or as comparatively high earnings, expressed as a "graduate premium". In its most instrumental form, the return on the financial investment in university fees is compared favourably with the long term return that a comparable investment in the stock market would bring.

This tussle between advocates of public goods and private benefits engages with the key issue of inequality and its consequences. In many parts of the world, profound socio-economic inequalities structure educational opportunity from the earliest years of education, whether in the United States, the United Kingdom or South Africa. Considered in terms of family incomes, the UK and the US are the most unequal of the developed economies, and these levels of inequality are growing. Measured by household income, South Africa is one of the most unequal counties in the world.

This chapter will explore some of the consequence of inequality for higher education policy and practice. Universities play an ambiguous role here. On the one hand, they operate as gatekeepers, ensuring access to symbolic capital that interprets higher education qualifications as positional goods, in danger of being valued more for the status that they confer than for the value that they add. But on the other hand, access to higher education contributes to breaking the bonds of poverty traps – self-reinforcing combinations of factors that perpetuate inequality (Hall 2012).

When the issue of the appropriate balance between the public good of higher education and its private benefits is set against the enduring crises of inequality, some of the general assumptions that drive public policy development seem less secure. Inequality has deleterious consequences for the well paid (Wilkinson and Pickett 2009), suggesting that elites benefit from investment for the public good to a far greater extent than is acknowledged in narrow concepts of a graduate premium. As participation rates continue to increase, graduate benefits show evidence of declining, also bringing

into question policies based on market models. In turn, growing doubts that possession of a degree guarantees secure, premium employment directs attention to the inherent qualities of higher education and to new ways of understanding private benefits.

Inequalities

Equality of opportunity is often stated as a self-evident, primary value. It is also frequently assumed that it is a condition easily established and verified. In today's debates about Higher Education admissions, it may be stated that there is equality of opportunity for any applicant for a place at a university, whatever their financial circumstances, as long as appropriate, means-related bursaries are available. An athletic metaphor is often used. Whatever their circumstances, it is claimed, the playing field is level if all applicants wrote the same final examination at secondary school.

At the same time, though, pronounced inequalities in life circumstances – household income, employment opportunities, health, housing, education, life expectancy – are increasingly being seen as an inevitable. Measured in terms of household income, South Africa is one of the most unequal countries in the world, and the gap between the poorest and the wealthiest deciles has been increasing steadily over the past two decades. Measured in the same way, Britain and America are the most unequal of the highly industrialized economies; here, too, inequality in household incomes has been increasing. Given the close link between attainment in education and household circumstances, the assumption that there is meaningful equality of opportunity in countries such as Britain, South Africa and the United States is dangerous.

In much the same way that meaning of equality of opportunity is easy to assume but far more difficult to apply, so the concept of inequality can be understood variously. It evidently has a good deal to do with money, but wealth can be measured and reported in very different ways. Similarly, inequality can be experienced through lack of access to other tangible resources as well as to intangible qualities of life. Amartya Sen has been widely influential in his insistence that our understanding of inequality is extended beyond simple monetary indexes, taking into account what a person is able to do and to be through the “capabilities of persons to lead the kind of lives they value – and have reason to value” (Sen 1999:18).

Patterns of inequality have a direct effect on children, and therefore on education policy and education institutions. This is accentuated by demographic structures. In Britain, the median age is 40 years. 17.3% of the population is below the age of 15. But in South Africa, the median age is 25 and almost 30% of the population is below the age of 15 (see www.indexmundi.com). Given high levels of household poverty this is a potentially explosive situation.

This is apparent from patterns of achievement in the High School Matriculation Examination, which performs a similar function to British GCSEs, A-levels and vocational qualifications in managing the interface between school, on the one hand, and employment, further and higher education, on the other. In 2007, there were just under one million young South Africans in the age cohort expected to write the Matriculation Examination, 83% of whom were African and 7% were White. 35% of the African candidates and 64% of the White candidates wrote the examinations and passed. Of these, 34% of the White candidates achieved an endorsement: the minimum grades in specified combinations of subjects to be eligible to apply for higher education. Only 6% of African candidates achieved an endorsement. In South Africa, an A-aggregate is required for the most selective

university programmes, such as Medicine. One in eleven White candidates achieved an A-aggregate. This was matched by just 1 in 640 African candidates (Servaas van der Berg, University of Stellenbosch, personal communication).

The South African limit case suggests that factors such as household income, unemployment, race and low levels of educational attainment are mutually reinforcing. While there will always be exceptional individuals, it would be lame to propose to the large majority of young South Africans, living with negligible household incomes, no opportunities for employment and no access to schools with any history of educational entertainment, that they should pull themselves up by their bootstraps, Horatio Alger style, and all will be well. Poverty and inequality are clearly part of a syndrome that needs to be understood, and analysed as such.

One approach to understanding situations such as these is the concept of the “poverty trap”. Here, Bowles, Durlauf and Hoff draw a distinction with what they term the “achievement model of income determination” – the assumption that the individual controls his or her economic destiny. Their approach is rather to look for mechanisms that could cause poverty to persist in whole economies, or in subgroups within economies (Bowles, Durlauf and Hoff 2006). Looked at in this way, South Africa’s education system is an institutional poverty trap. The post-apartheid settlement created a complex set of interests that, over some two decades, has continued a trend of increasing and extreme inequality. While a minority across all race categories has benefited from this, a large majority is “stuck” in a cycle of unemployment, very low household incomes and little access to educational opportunity. These are the direct descendants of those most discriminated against under apartheid laws, overwhelmingly young, and without any evident prospects. Mutually reinforcing factors – poverty traps – militate strongly against breaking out of inter-generational poverty and inequality. And educational opportunities, from early schooling to Higher Education, are of central significance.

Universities

Access to different levels of education is a strand that runs through all considerations of inequality, poverty and poverty traps. Evidently, access to education provides opportunities for individuals in their lifetimes. It is also a primary means of intergenerational economic and social change. The concern here is with Higher Education as one part of a spectrum of provision, and with universities as institutions.

It can be claimed that universities have a progressive role, providing educational opportunities on the basis of neutral measures of merit. But universities’ role is also inherently ambiguous. While they certainly provide life changing opportunities, they also serve as gatekeepers, maintaining differentiation by exclusion and ranking, and contributing to enduring inequalities. This dual role of universities is well understood from Pierre Bourdieu’s compelling sociology of education in France, initially in the mid-1960s, and then twenty years later (Bourdieu and Passeron, 1977; Bourdieu, 1996).

Bourdieu showed how selection and categorization works through the interactions between individual applicants and institutional processes: “disciplines choose their students as much as students choose their disciplines, imposing upon them categories of perception of subjects and careers as well as of their own skills”. The result is that the university, “with no explicit instructions

... is able to function like an immense cognitive machine, operating classifications that, although apparently completely neutral, reproduce pre-existing social classifications" (Bourdieu 1996: 19; 52). There are always exceptions – individuals who defy the norm and break into elite institutions, and others who do not achieve what is expected of them in terms of their social class. This allows claims of a meritocracy. But, rather than a level playing field, Bourdieu sees a competitive dash for the finishing line, the academic cursus, "that strange racecourse in which everyone classifies and everyone is classified, and where the best classified become the best classifiers of those who will next enter the race" (Bourdieu 1996: 52). Bourdieu showed how this system of classification produced and reproduced what he termed a "state nobility" – a self-perpetuating concentration of symbolic capital (Bourdieu 1996: 79).

For potential students such as those from working class backgrounds, getting a degree, and therefore access to the symbolic capital that the university confers, could represent a step-wise change in circumstances. A student from a black South African family, whose parents were denied the opportunity of education beyond the basic level because of apartheid legislation, will earn a significant amount more than his or her parents on graduation and employment. British men born in the 1950s and who gained a higher education qualifications earned on average twice as much as men without such qualifications after 20 years in the labour force (Wolf 2002). In the US, the "college premium" – the differential in median wage between those who do not have a higher education qualification and those who do – was 72% in 2008 (Rajan 2010: 24). For students such as these, inter-generational social mobility is unambiguous, and will in all likelihood be linked to a graduate premium in earnings.

But for students whose families are already in graduate-level occupations, the benefits of the graduate premium are less clear. In Britain, the Dearing Committee of Inquiry into Higher Education estimated that the rate of return for students' own investment in higher education at between 11-14% in real terms. However, the Dearing inquiry estimated the social return on investment, which estimates the value added in terms of productivity at between 7% and 9%, against a minimum guideline of a 6% return for public investment (Wolf 2002). This is because the significant increase on participation in British higher education over the last 50 years has been so heavily skewed towards middle class families, diluting the transformative benefits of inter-generational social mobility. Put another way: "university degrees are wonderful things; it is the arranging and valuing of them by hierarchy of institution that is problematic, when people study for the label, for the university brand, rather than actually to learn. Because there were so few of them, the forerunners of today's university graduates almost all became part of a tiny elite, governing others and being rewarded with riches as a result. Because there are so many more graduates now, only a very small minority of today's university graduates can become rich at the expense of others" (Dorling 2010: 16).

Despite the fact that it has been apparent since the mid-1990s that the rapidly increasing rates of participation in British higher education were markedly skewed, it is still widely assumed that the continuation of this trend is both inevitable and desirable. As Alison Wolf put it in her iconoclastic study published in 2002, "questioning the automatic value of any rise in the education budget, it seems, places one somewhere between an animal-hater and an imbecile". Is it plausible, Wolf asked, that education is functioning as something other than a measure of skills? "Might education not be

serving, essentially, as a simple way of ranking, screening and selecting people in a mass society?" (Wolf 2002: xi; 29).

Wolf's argument is that, for the majority of participants in higher education in highly industrialized economies, a higher education qualification is increasingly a "positional good" that has value for competitive success in the labour market rather than for the inherent qualities that a university education confers. Such a positional good might be essential whether or not it also brings a private financial benefit. For most professions, a degree is an entry requirement and a wide range of jobs are only open to graduates, whatever the remuneration. The increasing importance of the positioning power of a degree (equivalent to the significance of symbolic capital in Bourdieu's analysis) is itself a function of widening middle-class participation in higher education: "at a certain point in what had been a steady, slow expansion, large numbers of people started to feel that they really had better get a degree, because not doing so would be such a bad move. The first wave set off another, and so on. And their parents were very likely to agree ... the question becomes less 'Does a degree pay well?' than 'Can I afford not to have one'" (Wolf 2002: 178-181).

Considerations such as these demonstrate the pressing need for public policies that address these changing circumstances. In broader terms, the limits of narrow, econometric assumptions are increasingly recognized. In particular, the World Bank's twenty-year series of Human Development Reports, and debates about the value of absolute measures of poverty based on comparative price indices, are leading this widening process of re-evaluation (Deaton 2010; <http://hdr.undp.org/en/reports/>). Another example is the report by the Commission on the Measurement of Economic Performance and Social Progress, released in 2009, that examined the limits of GDP as an indicator of economic performance and social progress (Stiglitz, Sen and Fitoussi 2009:9).

The foundation for a different approach to education, and part of a wider concern with issues of equality and inequality, was laid by Amartya Sen thirty years ago. Working within the frame of mainstream economics, Sen showed how neither the concepts of "opulence" or "utility" were adequate in themselves as a theory of well-being. Opulence and utility approaches see either the narrow objective of increasing real income or the fulfilment of interests as both the driving force of development and the appropriate emphasis of public policy and lead naturally to the assumption that education is a commodity best traded in a market. Sen argues instead for a focus on the "capability to function" – what a person can do and can be, on "the achievement of a person: what he or she manages to do or to be" (Sen 1999: 7). For Sen, access to education and the ability to realize its opportunities is an unqualified good. Sen's approach has been further developed by Martha Nussbaum (Nussbaum, 1997; 2010). Nussbaum – in contrast to Sen – insists on a specific list of "Central Capabilities". These belong "first and foremost to individual persons and only derivatively to groups ... at times group-based policies (for example, affirmative action) may be effective instruments in the creation of individual capabilities, but that is the only way they can be justified". Two of these Central Capabilities play an "architectonic role" in organizing others: affiliation and practical reason (Nussbaum 2011: 35).

In turn again, Melanie Walker has built on both Sen and Nussbaum's work in developing a first list of key capabilities and functionings for higher education (Walker 2006). In addressing the pervasive challenges of inequality, Walker sees that it is essential to move beyond "fairness" – providing

opportunity – to ensure that every individual in education has the capability of taking advantage of such opportunities. This requires a comparison of the experiences of students based on their own, valued, achievements.

Practical reason	“being able to make well-reasoned, informed, critical, independent, intellectually acute, socially responsible, and reflective choices”
Educational resilience	“being able to navigate study, work and life”
Knowledge and imagination	“being able to gain knowledge of a chosen subject – disciplinary and/or professional – its form of academic inquiry and standards”
Learning disposition	“being able to have curiosity and desire for learning”
Social relations and social networks	“being able to participate in a group for learning, working with others to solve problems and tasks”
Respect, dignity and recognition	“being able to have respect for oneself and for and from others, being treated with dignity, not being diminished or devalued because of one’s gender, social class, religion or race, valuing other languages, other religions and spiritual practices and human diversity”
Emotional integrity, emotions	“being able to develop emotions for imagination. Understanding, empathy, awareness and discernment”
Bodily integrity	“safety and freedom from all forms of physical and verbal harassment in the higher education environment”

Capabilities for Higher Education (Walker 2006)

Following Sen, a capability is understood as a potential functioning, and the relationship between a capability and a functioning as equivalent to the relationship between the opportunity to achieve and actual achievement. Thus, in the context of the objectives of widening participation in higher education, a school leaver may decide to become a plumber, “even though she has the required grades for university entrance: she has the capability to choose. But another working class student who does not have the required grades and chooses plumbing, even though he would rather study engineering at university, does not have the same capability. On the surface, the two students would seem to have made the same decision not to go to university. If one were evaluating only functionings (becoming a plumber) we would view the situation the same. However, if we look at capabilities, we evaluate choices which for one of the students would have been different in other circumstances ... the first student has freedom and rationality; the second student has rationality in choosing plumbing but not accompanied by conditions of freedom ... our evaluation of equality must take account of freedom in opportunities as much as observed choices. The capability approach therefore offers a method to evaluate social (and ... also educational) advantage. In this approach individual capabilities constitute an indispensable and central part of the relevant informational base of such an evaluation of advantage and disadvantage” (Walker 2006:28-29. See also Unterhalter 2003).

In developing a capabilities approach to higher education, Walker places emphasis on agency, This is particularly important for “adaptive preferences” - situations where people learn not to want things because they are off-limits in terms such as gender, race or class, resulting in the internalization of a second class status. In stressing the importance of agency, Walker shows how the capability approach can move beyond the limitations of the idea of habitus, showing how it can be ruptured and reformed: “the capability approach offers us a means to analyse change over time, recognizing the interaction of the social and the individual and the social constraints on choice such that we might adapt to a given habitus, but also making the possibility for agency central and important”

(Walker 2006: 59). Her provisional list of eight key capabilities for higher education build on Nussbaum's emphasis on practical reason, affiliation and emotions as central capabilities (Walker 2006: 128-129).

In her work, Walker stresses the significant role that institutions – universities – have in providing the conditions that enable the development of capabilities and functionings in individuals. In developing Sen and Nussbaum's broader emphasis education in this way, Walker builds a bridge between the individual habitus and institutional culture.

A number of studies have drawn out the rich benefits of understanding the complex interplay between personal circumstances and opportunity (Archer, Hutchings and Ross 2003; Reay, David and Ball 2005). Longitudinal biographies are of particular value, as the first outcomes from the Inventing Adulthoods project have shown; this work has followed the lives of 100 people first interviewed in four areas of England and Northern Ireland at the ages of between 11 and 17 in 1996, and then again over the next decade (<http://www.lsbu.ac.uk/inventingadulthoods/>). The four lives from this data set, examined in depth by Rachel Thomson, a rich and nuanced understanding of how education is perceived and experienced and the intersection of family life and personal relationships, circumstances and opportunities, and institutional resources and structures (Thomson 2009). They demonstrate Melanie Walker's point about the significance of individual agency and the ways it can rupture habitus. This perspective takes us a very long way from the concept of education as market in which competing educational goods are weighed and assessed for their comparative value for money.

Bongi Bangeni and Rochelle Kapp have tracked the longitudinal experiences of young adults as they develop agency and identity in their work with twenty students at the University of Cape Town as they move through the successive years of undergraduate study. Of particular interest is the way in which Bangeni and Kapp explore the interplay between individual development and the formal curriculum and institutional culture of the university. This study works through the medium of a three year programme in academic writing for students whose first language is not English and who are studying in an English medium environment. The exercises in writing, in themselves, realize key capabilities of practical reason, educational resilience, knowledge, learning disposition, and respect and recognition. Bangeni and Kapp write that "our data show that changes in students' identities and roles over their undergraduate years are intricately related to social boundaries, their emotional responses to the (often traumatic) events in their lives" (Bangeni and Kapp 2005: 16). Their ability to participate in university life – to construct capabilities and realize functionings – were shaped by the double ambiguity between their place in university life and their changing relationship with home.

These personal stories are complex accounts of successes and failures. However, the educational gain – the realization of capability as functioning – is evident. Here is Sisanda describing how her approach to argument construction shifted over the course of three years: "First year to me essays were about reporting what I have learnt which was obviously not a good idea . . . Second year, to make things easier I told myself I will read and either support or critique the author in addition to reading . . . In constructing my arguments [in third year], not only do I discuss and support/critique the authors, I compare and differentiate their views to build on my own opinions and views that I include in the paper as some point of departure or recommendation " (Kapp and Bangeni 2009: 590).

And here is Andrew, from a socially and economically marginalized working class suburb of Cape Town, Afrikaans speaking, and the first in his family to attend any university: “in an unsolicited preamble to his reflection paper in his final year, Andrew wrote: . . . I am in an academic discourse where it is required of one to act/or to be the discipline, this is what I have come to realize over these past years. It is one thing to be in the discipline and another ‘to be’ the discipline. And each day I find more and more evidence within myself that I am at that point where I moved from being in my discipline, to where I am my discipline. This is evident in my speech, thought, and ways I approach certain things, whether in academic or formal setting. Andrew’s analysis, as well as the language in which it is expressed, reflected a growing awareness that he was not only learning the skills and content of the discipline, but was also entering into new subjectivities” (Kapp and Bangeni 2009: 591).

Conclusion

Equality of opportunity is often stated as a self-evident, primary value; the evidence for pronounced inequalities in life circumstances show this to be a chimera. In turn, a significant factor in rising levels of inequality are prevalent poverty traps; self-perpetuating factors such as household income, unemployment, race and low levels of educational attainment that reinforce one another. While these are more apparent in the South African limit case, they are in evidence in many other parts of the world including Britain, where levels of inequality continue to rise. Given this, educational opportunities, and the public policies that enable them, are critical. As Amartya Sen demonstrated, educational attainment enables poverty traps to be broken and, in turn, intergenerational social and economic mobility (Hall 2012).

It can justly be claimed that universities have played, and continue to play, a progressive role in contributing to educational attainment and its benefits. But, as Bourdieu showed us, universities are also inherently ambiguous, operating at the same time as gatekeepers that advantage and protect elites and their concentrations of symbolic capital. Taken in the context of the extensive increases in higher education participation over recent decades, this is leading to a complex set of circumstances in which the possession of a degree as a “positional good” remains essential for access to high value segments of the labour market at the same time that the “graduate premium” – the lifetime earnings advantage of a graduate over a non-graduate – seems to be declining.

This “hollowing out” of the value of a university education – circumstances in which the brand and status of an institution becomes more important than any transformational benefits of university attendance – is mirrored in a broader, growing, concern with more general econometric measures of the qualities of life. The World Bank’s emphasis on measures of human development that are far broader than indices dominated by income is well established; other studies and commissions have questioned the value of the use of GDP as a measure of national success and individual benefit. When over-emphasis on such narrow indices drives public policy, the consequences may be damaging. The argument here is that higher education policies that fail to address inequality and its consequences, and that measure the benefits of higher education in narrow econometric terms based on the model of a financial market, are both damaging and at risk of implosion as graduate earnings decline as an inevitable consequence of increasing rates of participation.

The foundation for a different approach to education, and part of a wider concern with issues of equality and inequality, was laid by Amartya Sen thirty years ago, and has been further developed by

Martha Nussbaum and others. Here, Melanie Walker's provisional list of eight key capabilities for higher education is particularly valuable. Capabilities and functionings are a different sort of private benefit that return to the transformative value of education, for the individual, for the community and for the general public good.

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