Human capital theory and secondary education

This paper critically examines the major assumptions underpinning current educational policies and argues that they are forging an unholy alliance between economic interests and education. It challenges the dominant human capital approach to education and argues that it is having a negative impact on school level organisation in Western Australian state secondary schools.

With the onset of the world-wide recession in the mid 1970s and the Australian Labor Government's preoccupation with deregulation, restructuring, privatisation and internationalisation, a renewed debate on the relationship between education and the economy has dominated the political agenda. Like other public institutions, secondary education is under attack from the New Right philosophy of economic rationalism. In simple terms, economic rationalism is fundamentally opposed to the public sector and any form of government intervention in the private domain. Economic rationalists believe that the free-hand of the market, or how much people are willing to pay for goods and services, offers the best solution to the major economic and social problems facing Australian society in the 1990s. This means that education, like everything else in life, should have a price tag that is largely determined by the marketplace (Frankel 1992; Marginson 1993).

Following this argument, if Australia is to solve its current economic crisis, secondary schools must play their part in the process of economic restructuring in order to improve the country's economic performance and international competitiveness. Economic rationalists believe that if secondary schools can produce a flexible and multi-skilled labour force Australia's economic problems will somehow magically disappear. My argument is that this is far too simple an explanation and one that overlooks the broader economic and political structural processes at work.

Barry Down is Coordinator, Faculty of Education, Edith Cowan University, Bunbury.

Barry Down

54 UNICORN, Vol.20, No.3, September 1994
Human capital theory and education

Historically, the arguments for state involvement in secondary education consistently refer to the themes of international survival, national efficiency and the need for a trained workforce. After the Second World War the instrumental logic of human capital theory drove the expansion of State secondary schooling. Human capital theory effectively forged a link between industrialisation, progress and schooling. According to Crittenden (1988) a number of major assumptions underpin human capital approaches to education:

- the higher the level of education in a society, generally, the richer the society will be
- the better educated an individual is, the better his or her income is likely to be
- as more people attain higher levels of formal education, the economy generates an adequate number of appropriate jobs
- as the general level of formal education in society rises, inequality in the range of incomes tends to be reduced (p288).

The view that education is a significant variable influencing labour productivity and economic growth has been a dominant ideology in the struggle over the nature, purpose and content of Australian secondary education. In this perspective, the amount of money invested in education should have some quantifiable outcome in terms of production. The influential Williams Report argued that:

In any community, economic growth, measured by the increase of goods and services produced, flows from changes in inputs of labour and of capital. Quantitative changes in these two factors may be accompanied by improvements in the quality of labour caused by an extension of education (1979, p52).

Unfortunately, as Australia’s economic crisis deepened and youth unemployment increased in the 1980s and 1990s, so did the right-wing attacks on the failure of the education system to deliver the ‘goods’. The ‘back to basics movement’ was able to effectively articulate the common sense view that schools should better prepare students for the world of work. Underlying this instrumental approach to education was the assumption that technology leads to economic growth and employment opportunities. Again, the Williams Report argued that while technical progress may cause short term unemployment and displacement, in the long run it would produce economic growth and jobs requiring new skills. According to the report:

technical change which saves labour in existing activities and creates a demand for it in new fields calls for training in new skills and the retraining of displaced workers (1979, p53).

While the Williams Report argued that the education system cannot overcome problems of general unemployment, especially for youth, it called on educational institutions to shape basic skills and attitudes so that students would be more attuned to the effects of new technologies. Schools must prepare young people more effectively for the world of work and in so doing, demonstrate greater flexibility in meeting community needs. In response to employer concerns, the Williams Report recommended that secondary schools should give greater emphasis to vocational education, careers guidance, work experience programs, liaison with Technical and Further Education (TAFE), curricula differentiation, and interaction with industry and public agencies (1979, p8).

Continuing the hegemonic work of the Williams Report (1979) the Australian Education Council (AEC) report Common and Agreed National Goals for Schooling in Australia (1991), the Finn Report (1991) and the more recent Mayer and Carmichael Committees (1992) all seek to define
a narrow human capital approach to education (1). These recent statements reinforce human
capital strategies such as skills formation, training, core curriculum and narrowly based notions
of vocational education. In the words of the Mayer Report (1992), schools must provide 'young
people with better preparation for initial employment and a foundation for their continuing
vocational education and training' (1992, 4). As Frankel (1992, p295) points out the problem
with this approach, is that 'education and work are being synthesised into a life-long process
of credentialised competition for a declining number of full-time jobs that no longer hold out
the promise of life-time durability or security'. In his view, the obsession with narrow
vocationalism and training overlooks the major fact that the private sector has consistently
failed to provide sufficient jobs, no matter how well trained and credentialised the students
may be (1991, p297).

Human capital theorists argue the necessity of a closer relationship between schooling and
work on the assumption that the knowledge and skills gained at school will be directly and
indirectly useful in the workplace. They believe that the rapid technological changes occurring
in the economy require a more highly trained and skilled population. Dekkers, De Laeter and
Malone's analysis of upper secondary school science and mathematics enrolment patterns in
Australia in the period 1970 to 1989 reflects growing concern about Australia's lack of
 technological expertise. They argued:

  One of the most important issues facing Australia today concerns the question
of how to become part of the post-industrial revolution which has swept the
Western world in the last 25 years. Whilst many developed countries have become
participants in this technological revolution, Australia has been content to be
end-users of the technology and to depend on overseas products to a greater and
greater extent. The low level of economic development, the decline in the value
of the Australian dollar, and a high unemployment rate are all indicators of a
deeper malaise — the failure of Australian society to understand the forces of
technology that are at work in the world, and how to adapt educational and
political thought to meet this challenge (1991, p60).

John Dawkins, the former Minister for Employment, Education and Training, also argued that
education should meet the needs of the Australian economy in the process of structural change.
In his view, employment, education and training policies have a crucial part to play in fostering
the skilled and flexible labour force needed to facilitate the process of structural adjustment.
Specifically, he claimed that schools should provide 'the foundation upon which development
of a more highly skilled, adaptable and productive labour force depends' (Dawkins 1988, 10).

A major weakness of the human capital model of education is that it explains Australia's
economic crisis in terms of individual shortcomings rather than considering the impact of
international economic forces that have contributed to Australia's 'de-industrialisation', 'de-
regulation', 'de-nationalisation' and 'marginalisation' (Crough and Wheelwright 1983). In fact,
Smyth (1991) argues that Australia's absorption into the international capitalist economic order
has resulted in greater fragmentation and de-skilling of our labour force; and cites Froebel on
this point:

  fragmentation of jobs has progressed to such a degree, especially in
manufacturing, that the performance of individual fragmented operations of even
technologically very sophisticated processes now usually requires a training
period of no more than a few weeks — even for unskilled labour (1991, p28).

According to Braverman, a central feature of modern capitalism is the way in which labour has
been subjected to a process of labour degradation. Braverman's analysis of the labour process
is important in showing how the logic of modern transnational corporations has contributed to the deskilling of the labour process by distinguishing between mental and manual labour and separating management and planning decisions from execution. As a result, workers have become appendages to the production process with little or no control over their labour (Aronowitz 1977). In this context, the school curriculum is a significant mechanism whereby 'thinkers' and 'doers' are differentiated. While the traditional academic curriculum maintains the efficacy of mental work over manual work and functions as a gateway to more socially valued knowledge, alternative courses have been designed for the many students who are classified as potential manual workers. Thus, if secondary schools are going to reflect the dispositions required in the workplace, it is logical that they encourage the attitude of compliance to 'expert' authority. This means producing 'good' workers who are obedient, hard working and passive. On the other hand, schools must prepare a smaller number of students to fill positions of management in which the qualities of independence, initiative and control are more appropriate (Apple 1980).

The claim of the human capital approach that the education system develops the necessary skills and knowledge for economic growth, is ill-informed. Certainly, secondary schools do have a role to play in giving students a standard of literacy and numeracy which will enable them to survive in a complex technological society. However, the often repeated argument that secondary schools are to blame for the present crisis because they do not teach the appropriate skills to enable students to find a job is at best misleading. The simple fact is that the process of re-structuring and de-skilling of the labour force is resulting in more not less unskilled, repetitive, boring and poorly paid jobs. Critics of vocationally oriented education such as Grubb and Lazeron argue that:

the particular jobs available in advanced capitalist economies lack the moral qualities attributed to work generally. In fact, most work is boring. Its unvaried routine, the simplicity of most tasks, and the constant supervision characteristic of hierarchical settings all deny workers a sense of competence and a feeling of responsibility. Because their roles in production are often superfluous and trivial, workers have little sense of accomplishment. They are denied a sense of connectedness with their fellow workers and the rest of the economy because they are systematically isolated from one another and because personal relations are mediated by impersonal market relationships (1975, pp465-6).

Indeed, if this is the case, it seems that the function of secondary schools has more to do with the 'socialisation' of children into a hierarchical labour market than preparing a more sophisticated and skilled population. For instance, a Western Australian survey of employer attitudes toward school leavers conducted in 1978 reinforced the view that secondary schools were failing to produce the right sort of worker. In a wide-ranging survey of Perth metropolitan businesses, employers expressed concern about the quality of the students produced by the education system and the personal qualities of school leavers. The majority of private sector employers believed that young people lacked the qualities of industriousness, application, responsibility, self-discipline, motivation, respect and courtesy toward others. Employers were particularly critical of the intolerance of young people to carry out routine (boring) jobs and their lack of motivation. From the employers' perspective, desirable qualities for employability included a positive and willing attitude, neat dress and appearance, good manners, a sense of responsibility, respect for authority, punctuality, diligence, and the ability to work without supervision (Williams and Priest 1978, 9).

Many employers believe that secondary schools divorced themselves from the reality of the workplace. Sixteen per cent of respondents to the survey claimed that secondary schools were ineffective in the general area of vocational preparation including awareness of work
requirements, types of jobs available and interview presentation. Some 59 per cent of employers believed that schools failed to give sufficient attention to the preparation of students for employment. Secondary schools were seen to give undue emphasis to academic work at the expense of more practical career orientated options (1978, pp56-8). For employers, it is important that secondary schools should better prepare students for the kind of work that suits their future station in life. Besides attitudes, employers expressed concern about the apparent failure of secondary schools to develop students with even the basic skills of literacy and numeracy. More than 50 per cent of employers rated current standards of school leavers' literacy (spelling, handwriting, reading and following written instructions) as worse than their counterparts of five years ago (1978, pp10-1).

Reproducing the capitalist division of labour in Western Australia secondary schools

The experience of full employment between the late 1940s and the early 1970s allowed most young people to make a fairly smooth transition from school to work. However, as monopoly capitalism developed increasingly sophisticated levels of technology, in particular electronics and micro-processors, larger numbers of workers were forced into unemployment. In the last two decades technology has wrought fundamental change to the economy and to peoples' way of life. The signs are clearly evident in the changing patterns of employment and increased levels of unemployment. Certain trends are clearly identifiable. According to Graycar and Jamrozik (1989, pp172-3), these include the growth of jobs in community services and professional occupations, the increasing levels of female participation in the labour force, the significant increase in the levels of educational qualifications required for jobs, the growth of part-time employment particularly among young people in the 15-19 year age group, and the growth of unemployment.

Today, people fortunate enough to have a job usually find themselves involved in work practices that are more flexible, involving part-time and transitory work based around contracts and periodic retraining (post-Fordism). According to Preston and Symes (1991, p225), post-Fordism creates a workforce where 'roughly two-thirds do quite well and one third are assigned to perpetual insecurity or unemployment'. Secondary schools, as major organisers and producers of labour power, have been profoundly affected by these structural changes. As a result, school knowledge becomes an important mechanism for differentiating students as either 'thinkers' or 'doers'.

In the late 1960s, Bentley Senior High School, located in a working-class suburb of Perth, established one of the first alternative courses in Western Australia. The school aimed to provide an education that would better prepare students for future employment — largely in manual jobs. This meant emphasising pre-vocational skills by offering a range of subjects relevant to future employment opportunities. Alternative courses reflected the Education Departments (1980, p3) desire to move towards 'reorientation and differentiation in the upper school program'.

A continuing problem for education authorities is that low status non-academic subjects tend to be unpopular with students because they seriously restrict future occupational choices. These subjects are specifically organised for students whose future career would more than likely be limited to skilled and semi-skilled manual work. The Western Australian Education Department was not insensitive to the implications of dividing students into 'academic' and 'non-academic' categories. In a 1977 submission to the Williams Report, the Education Department stated that the policy of secondary schooling for all had created two classes of disadvantaged students, the early leavers and non-academic students. It argued that:

academic bias, public preoccupation with credentials and certificates, and the
incomplete development of guidance and work experience programs all combine to prevent early school-leavers and non-academic students having opportunities equal to those provided for the others (The Education Circular WA 1977, May, 46).

Despite increased initiatives in the areas of career education, work experience programs, counselling and alternative course offerings students are understandably reluctant about being streamed into low status curriculum courses. The Western Australian Ministry of Education (recently renamed the Education Department) faced the unenviable task of satisfying the inherently irreconcilable functions of reproducing a differentiated labour force and, at the same time, pursuing a policy of social justice for all students. In launching its Pathways program in 1991, the purpose was to achieve a more efficient allocation of students to their future vocation. As I have described elsewhere, a Pathway is the equivalent of a two-year (Years 11/12) study program comprised entirely of Secondary Education Authority (SEA) accredited subjects leading to secondary graduation and offering a direct link to universities, Technical and Further Education (TAFE), traineeships and employment (Down 1994). Before its defeat at the 1993 State election, the Western Australian Labor Government stated that by 1996:

all schools will organise their upper secondary curriculum around the centrally developed and vocationally relevant pathways of study (WA Labor Party 1992).

Under the Pathways plan students are required to focus on one major area of study to provide ‘vocational direction’ (streaming) and broad competencies related to that field. Students choose six subjects, one from the English group, one mathematics, and three or four from the selected Pathway. For instance, the different Pathways offered at North Lake Senior High School in Perth include: applied science; business studies; food, hospitality and tourism; art and design; community services; and technology and design. Thus, the student who is streamed into the food, hospitality and tourism Pathway will learn a range of competencies relevant to career options in the hospitality industry such as chef, catering manager, travel consultant, hotel manager and so on. For these students, relevant subject selections would include accounting, home economics, word processing, senior science, work studies, computing, applied computing and law. By structuring the curriculum into Pathways, students are cajoled and eventually coerced into career pathways that will give them a narrow skill base suited to their ‘proper’ station in society.

In brief, one outcome of the Pathways scheme is the creation of a more efficient mechanism of social selection. It helps construct a highly stratified education system that will better match the short term interests of the labour market. In practice, alternative courses will continue to assign working class children, girls and Aborigines to their ‘proper’ place in the social order. Meanwhile, the elite private secondary schools will continue to maintain their hegemony over the prestigious competitive academic curriculum.

Conclusion

After the Second World War, the instrumental logic of human capital theory drove the push for an expanded secondary education system. Human capital theory effectively forged a link between industrialisation, progress and schooling. The threat of international competition led to the belief in the value of providing educational opportunity for all children irrespective of social background. As a part of the post-war social democratic settlement the educational rhetoric shifted to a concern about increased retention rates, greater levels of participation and equity and social justice. However, with the onset of the economic recession beginning in the mid-1970s and lasting through the 1980s, Federal and State level educational reports increasingly
adopted the discourse of the ‘New Right’ to redefine the role of secondary schooling in the interests of capital.

Human capital theorists want to see schools produce students with the knowledge and skills (competencies) relevant to the workplace, greater curriculum differentiation and course specialisation, standardisation of curriculum content, a regressive voucher system, loans, and the re-establishment of elite universities. These policies fit with the broader agenda of economic rationalists to establish a deregulated labour market combined with further rationalisation of the public and private sectors, strong anti-union policies, lower wage rates and more casual work. These policies have emerged during a period of national economic and political crisis, financial restraint and increased levels of state control over policy and resources.

This paper has argued that secondary schools are complex sites of struggle between the dominant ‘productive culture’ and subordinate groups wanting greater equality and participation in the political process. Presently the battle is very one-sided as secondary schools are increasingly submerged in the ‘productive culture’ of the corporate world. Boris Frankel provides a grim warning of the danger of such an outcome for education:

There are many successful corporations; but few are known for their democratic structures, let alone their commitment to equality, justice and tolerance of views that contradict management policy. Desertification spreads rapidly. A public sphere which depends on educational institutions such as those being shaped today will inevitably become ‘culturally impoverished, mean spirited and barren’ (1992, p306).

Note

1. During the past decade there has been a plethora of reports calling for closer links between schooling and the economy, for example Schooling for 15 and 16 Year-olds (1980), Quality of Education in Australia (1985), In the National Interest: Secondary Education and Youth Policy in Australia (1987), Australia Reconstructed (1987), Strengthening Australia’s Schools (1988), A Changing Workforce (1988), Young People’s Participation in Post-Compulsory Education and Training (Finn Report, 1991), and Employment-Related Key Competencies (Mayer Report, 1992).

References


WILLIAMS, J and PRIEST, T A (1978) *The Attitudes of Employers Towards School Leavers in Western Australia*, Education Department of Western Australia, Perth.