Serial number	0057
Title	Rethinking risk: theorising young people's attitudes to higher education
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Abstract

Higher education (HE) has traditionally been constructed as a risky choice for young people – especially those from disadvantaged backgrounds, where financial and other barriers are assumed to raise the costs and lower the likelihood of success. However, recent counterintuitive trends in applications and admissions are increasingly calling this into question; for example, advantaged young people are seemingly more sensitive to tuition fee rises than their disadvantaged peers. This paper will draw on the work of Beck and Simon to re-examine ideas of risk as they apply to HE, drawing on empirical studies and national statistics to compare the uncertainties inherent in HE, the labour market and other alternatives. It will argue that we need a more precise account of risk, uncertainty, options and choices to better understand contemporary decision-making, as well as a more relational theorisation of risk within the complex social spaces inhabited by young people.

Paper

The conventional view since the early 2000s has been that progression to HE is a risky pathway for disadvantaged young people in England to choose. Predominantly Bourdieusian analyses (e.g. Archer and Hutchings, 2000) explored how a mismatch of capitals and a dissonance between personal habitus and institutional norms made HE appear antagonistic and with a limited chance of completing or achieving upward social mobility. Students were viewed as having a precarious attachment to HE, especially in the light of rising costs.

However, recent data casts doubt as to whether this analysis still holds true. Given the assumed risks (personal, social and economic) of HE, the rapid increases in tuition fees between 2005 and 2012 should have been associated with a fall in demand from disadvantaged young people. However, the official data are clear in showing no drop in participation from disadvantaged groups (UCAS, 2016). Rather it was poorly-qualified students from the most advantaged backgrounds who were less likely to seek entry to HE when the costs increased. Conversely, data collected from current (Harrison et al, 2015) and prospective (Esson and Ertl, 2016) students suggest a more tolerant approach to financial risks than reported a decade earlier.

Beck's (1992) conceptualisation of the 'risk society' argues that late modernity has seen a breaking down of established structures and social relations, where the traditional pathways into and through the labour market have diminished and been replaced by a diversified life course. This individualisation requires greater reflexivity, in comparison to early modernity's relative simplicity and predictability where transitions were strongly marked by the structures of gender and class. Beck argues, *inter alia*, that this has caused an increase in (a) the number of decisions to be taken by young people, (b) the number of available options within these decisions, and (c) the unpredictability of the outcomes of these options.

Simon's theoretical contributions have centred on decision-making under risk through the concept of 'bounded rationality' (Simon, 1955). Simon argues that complex decisions, with multiple options and probabilistic outcomes, go beyond ideas of knowable risk and enter the domain of uncertainty, where the information processing task goes beyond what humans are well-equipped to handle. In these situations, their ability to make rational decisions based on costs and benefits is compromised and decisions are more likely to be taken intuitively. Among the insights from Simon and followers (e.g. Kahneman, 2003) are that intuitive decisions tend to be loss-averse and that people will prioritise options that are familiar and archetypal. Importantly, this is not to argue that such decisions are irrational, but that there are limits to what is knowable and what is predictable.

This paper will argue that this is particularly true in terms of calculating the returns from HE, which depend in large part on the status of university, academic subject and classification achieved (Naylor, Smith and Telhaj, 2016; Walker and Zhu, 2011). The choice of university and subject is traded off against the consumptive element of HE – i.e. the need to enjoy (or at least tolerate) it. Classification is a function of effort, partly with the control of the young person, but mediated through their personal circumstances, their enjoyment and feelings of being part of a supportive community. Salary is then also influenced by the ability to be geographically mobile, competence in job searching and a myriad of other factors, including simple luck. This complexity is consistent with both Beck's vision of a risk society, with decisions taken in the absence of full information and therefore under Simon's bounded rationality.

Aside from the tuition fee increases mentioned earlier, two other recent events are salient here. Firstly, England has reached a tipping point where nearly half of all young people will enter HE, making it a familiar option even in deprived communities. Brown (2013) and Brynin (2013) argue that this growth in HE over the last thirty years has led to a rapid redesignation of jobs not traditionally requiring degrees as 'graduate jobs'. Coupled with the decline of manufacturing, the supply of good jobs with progression opportunities for young people without degrees has depleted fast. Secondly, the global financial crisis ushered in a period of high youth unemployment and the growth of the 'gig economy' of precarious and low-paid self-employment, further squeezing the labour market from the bottom.

This paper will therefore argue that when HE is viewed alongside early entry to the labour market, the former emerges as a considerably less risky option. Disadvantaged young people may not rationally choose options leading to rapid social mobility, but they are confident that a degree will protect them from downward mobility through unemployment or low-prospect work. Rather than an investment, this paper will argue that HE for this group is closer to insurance – a means to manage the inherent uncertainties of the 'risk society'. The additional financial premium of a degree may be moot, but its predictability is valued by young people over the uncertainties of the youth labour market, where even modestly-paid non-manual work may be hard to secure, especially in areas of deprivation. Conversely, for those advantaged students who are unlikely to get a 'good' degree, the consumptive value of HE may compare poorly to other options available such as extended overseas travel when familial social capital offers job opportunities. The paper will therefore conclude that theorisations of risk in HE need to pay regard to the inherent complexity of the options available, both within HE and the youth labour market, where even risky options can be considerably safer than the alternatives, even when measured against rising costs.

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