

Preparing for Citizenship or the Labor Market? Conflicting Purposes for Higher Education in the United States and Germany¹

Günther Schmid²

Preparing for citizenship or the labor market? The subtitle suggests that these two objectives are conflicting purposes for higher education. I have difficulties to agree. I think higher education has to serve both purposes: Citizenship cannot fully develop without participation in the labor market, and the labor market does not function well without fully developed citizenship. If higher education teaches outdated or insufficient skills, the economy will not be able to provide enough competitive jobs; if higher education forgets about teaching values of citizenship, the economy will neither provide equity nor sustainable efficiency.

In reality of course, there are tensions, and the question of this evening reflects our deep concern that something may really go wrong if we do not succeed in properly understanding this relationship between citizenship and the labor market. I will try to contribute to this understanding in three steps:

First, by developing a conceptual framework; second, by presenting some stylized facts of structural change and future skill needs; and third, by reflecting on the possibly new role of citizenship in higher education related to these changes.

There are at least two main different concepts for citizenship and the labor market. Because my time for this warming up intervention is limited, I have to simplify very much:

Theory distinguishes between liberal and social citizenship. In legal terms, the liberal tradition emphasizes individual autonomy and perceives the labor market as an institution

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² Director of the Labour Market Policy and Employment Research Unit at the Social Science Research Centre Berlin (WZB) from October 1989 to March 2008, and Professor Emeritus of Political Economy at the Free University of Berlin; email correspondence: gues@guenterschmid.de; homepage: www.guenterschmid.eu.

with no or at least as little regulation as possible. Market prices are matching demand and supply of labor. The social tradition emphasizes individual status and perceives the labor market as an institution regulated by social rights, which means: Social prices are matching demand and supply of labor.

These conceptual dividing lines make up four ideal types of labor relations. In the pure liberal labor market employers can hire and fire at-will as long as they respect general rules of antidiscrimination and property rights, and employees are supposed to be almost completely mobile.

In the pure social market, in contrast, employers have to abide to wages either collectively agreed or legally determined and to employment protection rules, whereas employees are supposed to ensure professional standards and loyalty to employers in exchange for a protected individual status.

There are two mixed models which I have to quickly pass by, and my time is too limited to explore the different impact of these models for the role of higher education. All what remains to say at this stage is a very general conclusion: The relationship between higher education and the labor market is quite complex and dialectic. The market needs to be guided by social and civic values, and the education system needs to adjust to the innovative dynamics and changes on the market. Citizenship can be considered as the fundamental institutional link to bring both into a specific balance.

What could that mean in praxis? The role of citizenship in ideal-type labor relations has already been formulated by the great British social scientist Thomas Marshall in 1949. He distinguished three dimensions of citizenship: civil, political and social. The civil element is composed of the rights necessary for individual freedom; the political element is the right to participate in the exercise of political power; the social element is the right to participate in the full range of economic welfare.

Marshall looked at these elements in a historical order: First came civil rights, then political rights, and finally social rights. It was in the latter, in social rights, where he saw the greatest deficits and challenges in modern times. Let me quote:

"What matters is that there is a general enrichment of the concrete substance of civilized life, a general reduction of risk and insecurity, equalization between the more and the less fortunate at all levels – between the healthy and the sick, the employed and the unemployed, the old and the active, the bachelor and the father of a large family. Equalization is not so much between classes as between individuals within a population which is now treated for this purpose as though it were one class. Equality of status is more important than equality of income." (Marshall 1964: 102-3)

If we add the knowledge that by status Thomas Marshall did not understand the inherited social position but the status of equal opportunity, then the current challenges of higher education within the framework of labor relations are crystal clear.

The ideal of citizenship in the sense of equal opportunity is seriously injured. We observe in particular two deficits or degenerations in the current social systems: First, increasing governance by pure luck through speculations or through the law of the markets instead of governance by real work performance and equality of job opportunities; second, increasing governance by ascribed or inherited statuses instead of governance by equality in individual capabilities or equal access to institutional capacities, for instance higher education institutions.

What now is the role of higher education in particular related to the structural change we expect on the labor market?

The main feature of structural change is clear. Although the following figures relate to Germany, the pattern in the US is probably more or less the same: Occupations in production decline further; primary services remain stable and make up the majority of occupations; and occupations in secondary services increase further and will make up more than one third in 2025 (Table 1).

The consequences for skills and competences are also quite clear: At the overall European level, most additional jobs are expected in high-skilled non-manual occupations, mainly lawyers, managers, professionals and technicians (Figure 1). The majority of these jobs require high formal qualification. Skilled non-manual occupations and skilled manual occupations stagnate or decline in total, but will still grow related to high qualification.

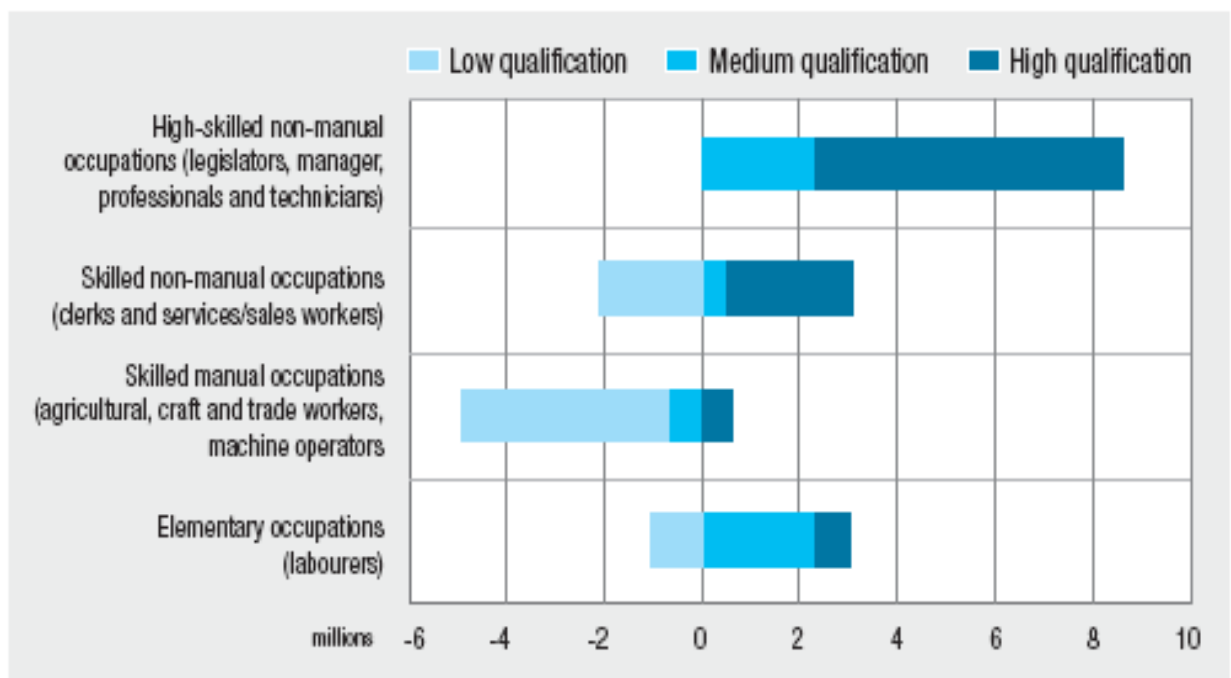
Elementary occupations are even expected to have a net increase, yet only related to medium and high formal qualification.

Table 1: Structural Change: Employment According to Occupational Areas in Germany (Column 100%)

	2005	2015	2025
Production Occupations in:	21.2	19.3	17.9
- Raw materials			
- Manufacturing, Repairing etc.			
- Machine tools, Plants, Facilities etc.			
Primary Services in:	47.9	47.6	47.6
- Retail, Trade, etc.			
- Traffic, Storing, Transport, Security etc.			
- Hotels, Restaurants, Cleaning etc.			
- Offices, Clerical Services etc.			
Secondary Services in:	30.9	33.1	34.5
- Technical, scientific areas etc.			
- Law, Management, Economics etc.			
- Arts, Media, Social Science etc.			
- Health, Social, Education etc.			

Source: Helmrich/Zika (2010) and Baethge (2011, taken there from Figure 1).

Figure 1: Net Employment Change by Occupational Areas and Formal Qualifications for EU27 + Norway from 2010 to 2020 (Source: Cedefop 2010, Figure 30, page 70)



Experts, however, do not see the main challenge in that the education system will not deliver the skills required; they rather expect a problem of underutilization of formal skills, especially related to women. All projections show that women will become more highly qualified than men. To ensure that their potential will be used, it is not enough to redirect women to occupations that used to be dominated by men; social barriers and glass ceilings also need to be removed. Today, women's share in management positions is only 20 percent in Europe; only two to three percent of workers in top positions in the largest and most powerful companies are women. Policy measures to make the combination of work and family commitments easier are essential.

Of great importance are also the consequences for methodological skills that go beyond academic disciplines. The set of these skills ranges from making complex issues understandable, solving unpredictable problems, making difficult decisions, detecting and closing knowledge gaps, and coping with many different tasks. These skills are (as can be seen in the third line of Table 2) especially needed in the domain of secondary service occupations, which means among lawyers, managers, engineers, and scientific, life science, health, teaching as well as care professionals (Table 2).

Table 2: Requirements of Methodological Competences in Occupational Areas (multiple percents)

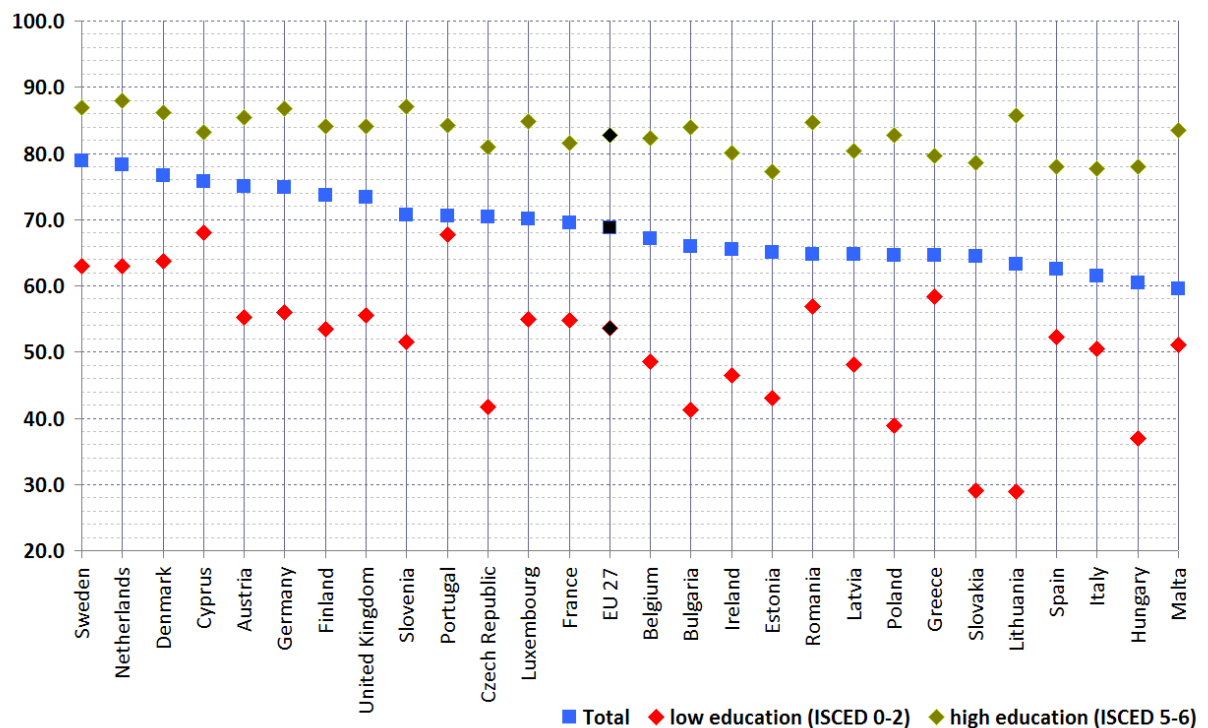
	Making complex issues to understand	Solving unpredictable problems	Making difficult choices	Detecting and closing knowledge gaps	Coping with many different tasks
Production-Occupations	18.7	44.1	34.0	20.8	63.2
Primary Services	25.5	40.8	32.0	21.7	65.2
Secondary Services	60.6	67.7	55.6	39.0	81.4

Source: Baethge 2011, taken there from Figure 4.

These competences are, in the broadest sense, citizenship skills, which seldom belong to the formal curricula of higher education. But they should be included, not least in recognition for the privileges related to higher education.

Higher education, to give an example for these privileges, serves as a kind of insurance against labor market risks. Figure 2 shows the employment participation rates for all EU-Member States. It is easy to see that people with high education (here in green) easily surpass the EU-2020 benchmark of 75 percent, whereas workers with low education (here in red) are far below that benchmark (Figure 2).

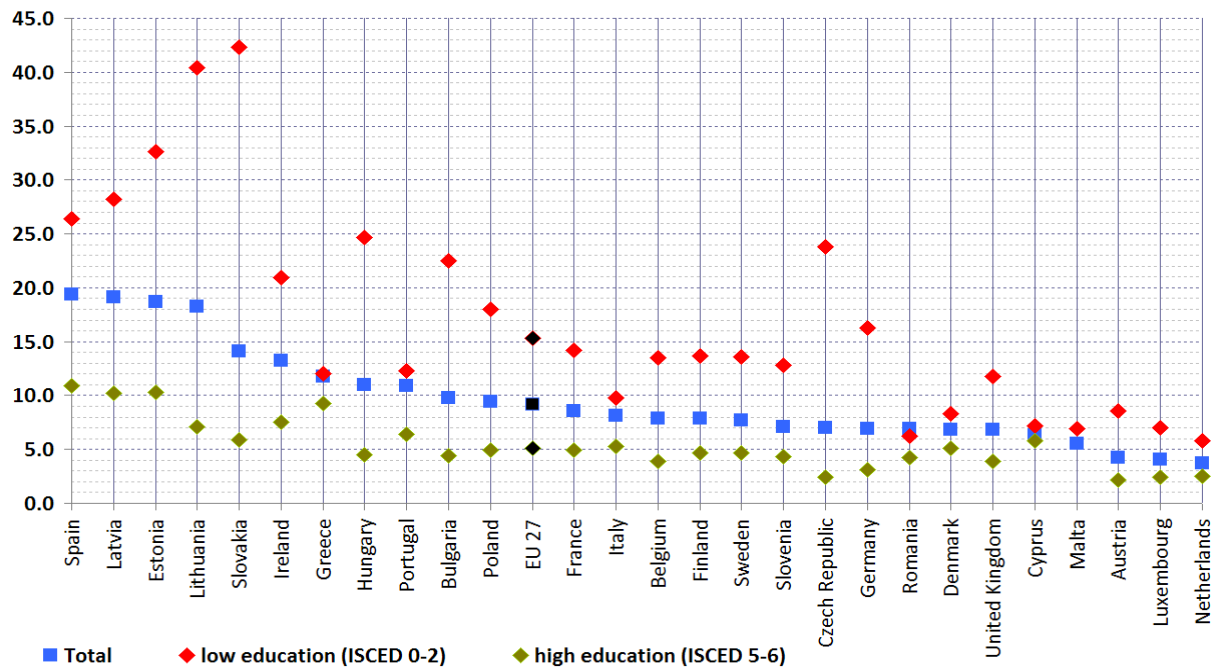
Figure 2: Employment rates of EU Member States by education level, 2010 and ranked according to 'Total' (age 20-64)



Data for second quarter 2010 Source: European Labour Force Survey Database lfsq_ergaed, download 17.03.2011

The same is true for the unemployment risk. If one sets the benchmark at five percent, people with high education (here again in green) are below this benchmark in most EU Member States, whereas the situation for the low skilled is desperately high in many Member States (Figure 3). One would have to complete the picture by taking into account the quality of jobs, for instance wages, working conditions like risks of accidents, participation in training, temporary contracts, but also the possibility to express voice in the employment relationship. In all these dimensions, high educated people face lower risks than low educated people.

Figure 3: Unemployment rates of EU Member States by education level, 2010 and ranked according to 'Total' (age 20-64)



Data for second quarter 2010; Source: European Labour Force Survey Database lfsq_urgaed, download 12.03.2011

This leads me to the final point, to some tentative conclusions for the new role of citizenship in higher education.

First, it is evident that structural change calls for a general uplifting of skills, and an increase in respective investments both from public as well as private resources, plus enhancing equal opportunity both in access and financing.

Second, these investments should not go only into the extension of higher education, but also – if not in particular – into the uplifting of low and medium educated people with so-called transversal skills like reading abilities (including symbolized languages), communication skills (including foreign languages), competences in problem solving, coping with different tasks, structuring complex issues, change and conflict management.

Third, as we know from learning theory, practical education is central for building up competences and, in particular, competence confidence. The current strong emphasis on formal higher education clearly enhances the disadvantages of young people coming from low formal educational background. This is clearly reflected in high absolute as well as

relative youth unemployment rates. Integration of the dual principle of learning (for instance apprenticeships) into the higher education system and opening the higher education system for experienced practically trained people would close the gap between labor market and citizenship orientation.

Fourth, higher education should explicitly include the reasoning about justice into the curricula against the often formulated claim that justice is not a matter of reasoning at all. That this is not true has been demonstrated for instance by Amartya Sen in his recent book *“The Idea of Justice”*: Only this explicit reasoning develops the right sense for injustice, including a sense of accountability and responsibility which has to develop with individual capabilities and individual power.

Fifth, adaption to and shaping structural change require diversity management at all levels, in particular age, gender, ethnic and employability diversity. Diversity management has to begin in schools, but also needs to be reflected more in higher education curricula, including practical experiences in enterprises, governmental and non-governmental organizations within the country and abroad. Students may also gain stronger civic attitudes and experiences by giving them more voice in higher education institutions.

Sixth, citizenship must be strengthened through new social rights beyond the traditional standard employment contract, for instance rights to life-long learning, to appropriate working hours and a family life, to occupational retraining or vocational rehabilitation.

Seventh, these new social rights have to be balanced through new social obligations beyond the standard employment contract, for instance obligations to training and retraining, actively searching a new job or accepting a less well paid job in exchange for new securities like wage or employment insurance. The new civic obligations would also include reasonable adjustment of work-places according to the capabilities of workers, and variations in working time according to the changing needs during the individual life course or to changes in demands of goods and services. Not only workers have to be made fit for the market; the market has to be made fit for the workers.

Let me come to the overall conclusion: As long as labor is not dealt with as a commodity, citizenship and the labor market are not conflicting purposes of higher education, on the contrary. The increasing diversity of workers requires an enhanced citizenship both on the

labor market as well as in the education system: more social rights and more voice for current and prospective workers on the labor market, and more transversal skills and democracy, especially equal opportunity in the education system.

In think this mutual enhancement of the education system and the labor market through citizenship has best been formulated already by John Dewey in his essay on "*The need of an industrial education in an industrial democracy*" almost 100 years ago: "Democracy needs to be born anew every generation, and education is the midwife." If we do not follow this wisdom, we will regress to the times of Bismarck who once said: "The less people know about how sausages and laws are made, the better they sleep."

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