**The Death of Human Capital – its failed promise and how to renew it in an age of disruption – Review Symposium**

There’s always been something peculiar in the idea that people’s key life decisions can be reduced to crude forms of economic rationality. This might be okay if we understood behavioural choice in relation to investments in shares or which horse to back at the races; but as an approach to public policy making, this carries with it more than a few problems and unintended consequences.

The notion of economically-attuned social actors and institutions is at the core of Human Capital Theory (HCT), which has had a considerable influence in framing the relationship between educational systems and advanced economies for over half a century. HCT’s main tenet is that education can be understood as an economic investment that generates widespread benefits for individuals and national economies. Yet, somewhat ironically given the centrality of the human agent in this theory, its vision of human capability and motivation is not very enriching. Two of orthodox economics’ metaphorical heroes provide some clues as to why. The more malevolent is the *Rotten Kid* used in the economist Gary Becker’s thought experiment on household economics to depict how even the most noxious child could self-correct their behaviour when faced with market signals from those who regulate the distribution of capital. A more benign, but equally problematic, figure is *Homo Economicus*: the self-optimising, calculating rational actor whose primary values and motivational needs are founded on economic gain. Such figures have proved to be a policy marker’s dream because, according to HCT, national governments simply need to incentivise individuals to use the educational system as a way of leveraging improved economic outcomes. This will in turn make everyone a winner as personal investment spills over into wider economic prosperity.

In an important and critical appraisal of this theoretical approach, *The Death of Human Capital: Its failed promise and how to renew it in an age of disruption* by Phillip Brown, Hugh Lauder and Sin Yi Cheung, draws on several decades of analysis and insights from their research to challenge the intellectual and empirical foundation of human capital theory. Most significantly, the book offers a fundamental reformulation of public policy that is required at both the level of supply and demand to address the problems facing individual learners, employees and social institutions at large.

As a basis for public policy making, the authors show that the orthodox HCT is not only unsustainable but also counter-productive in the context of discernible socio-political and economic shifts. Sixty years after the theory started to gain considerable policy traction, its continued influence has done very little to alleviate enduring problems facing educational systems, work organisations and their interconnection. These include: the historical mismatches in the supply and demand of skills labour, entrenched divisions of labour and enduring structural inequities in accessing advantageous educational and occupational opportunities, stagnant social mobility, and a deep-rooted academic/vocational apartheid. The book could also not be timelier at this watershed moment of deep socio-political division, pandemic/post-pandemic consternation, digital disruption, declining living standards and geo-political turbulence. Surely the time has come to reframe people’s all-important relationship with educational institutions and the labour market.

The first part of the book offers detailed analysis of the problematic philosophical and empirical basis for Human Capital Theory and its claims about the relationship between education and economy, drawing mainly on the work of the theory’s founding fathers Theodore Schultz and Gary Becker. The conceptual shortfalls are critiqued, not least the theory’s claim about the supposed linear relationship between educational expansion, skills, productivity and wages. One of the biggest problems lies in the host of policies that HCT has inspired and these are explored in this book, in particular: the movement towards mass higher education which has intensified social divisions and inequality in accessing elite jobs; a narrow focus on a competency-based curricula; transactional learning that promotes at best a ‘banking’ model of education; standardised comparative governance mechanisms in the form of cross-national league tables; and the rise in market logics that treat educational institutions as competitors rather than progenitors of collective intelligence and powerful knowledge.

The authors establish how the theory has become synonymous with neoliberal ideology that engenders both powerful discursive techniques and very real policy levers. Whether these are framed around nebulous notions such as ‘knowledge economies’, ‘skills races’, or ‘wars for talent’, they have often become saturated discourses and form the basis of so many national and global policy literature. HCT has informed the rapid expansion of a market-oriented policy framework, the most salient being the increased transfer of costs onto students through higher tuition fees, the spread of ‘market information’ via a numeric panopticon of institutions’ performance, and the growing entry of competitive commercial providers. Perhaps the most problematic unintended consequence of this policy approach is the propensity for governments to attribute failure of return to individuals, largely because they have conflated a notion of meritocracy with market competition that is framed as open, fair and transparent. In failing to apply their economic agency, fully exercise market choice and capitalise on their skills, individuals are blamed for their own irrationality in wasting their educational opportunities. The attribution of failure extends to educational institutions if their performance falls short in delivering employable and market-ready school and college leavers as measured by specious metrics.

The empirical mantra that ‘learning equals earning’ is laid bare in part 2 of the book which provides extensive evidence of continued inequalities in access to labour market returns, including income disparity among those with similar qualifications. For example, the gap between low and high earning graduates remains stark, females achieve lower returns than male earners, and access to the highest paid jobs is disproportionately skewed to those from higher socio-economic backgrounds. The purported link between national level investment in post-compulsory education and economics is also troubled: there is no straight-forward relationship between a country’s investment in further education and its economic productivity.

The *Death of Human Capital* makes an important distinction that appears to be lost on policy makers and employer stakeholders. Namely, the distinction between labour scarcity and job scarcity. The idea of labour scarcity is a central driver in public policy responses to meeting purported skills deficits and related technological demands. The problem of poor economic productivity is presented as a problem of insufficient skills being supplied by educational systems, charged with meeting changing skills demands. In reality, the problem lies at the demand level, namely job scarcity, and the (in)capacity of labour markets to accommodate, and then effectively utilise, the existing skills that have been developed. This centres principally on the availability and sustainability of good quality and enriching human labour. The result of much of the movement towards technological advancement has been a widespread routinisation of skilled labour, which has been intensified by an expanding global supply of cheaper skilled labour This also cuts across class and professions – the labour alienation described by Marx and Braverman now extends to a more bourgeois alienation among the highly-educated, yet increasingly disenchanted and disenfranchised, middle classes who have experienced rising levels of employment precarity. The overworked financier or legal practitioner may have a higher status and consumer freedoms, but is at similar risk of burnout, job insecurity and identity crisis than anyone who has failed to capitalise on their educational investment.

Part 3 is probably the most important area of this book. Here the authors provide an alternative model for conceiving the foundational nature of educational experience and working life under their *New Human Capital* approach, which can be read as an endeavour to reclaim the relational nature of education and work-related experience that orthodox HCT strips down to fiscal utilitarianism. At the level of supply, the authors make a strong case for abandoning educational provision based on an acquisitive, possessive individualism synonymous with education for ‘employability’ and ‘upskilling’ – often towards fulfilling ill-defined labour market demands. Apart from facilitating dispositions and practices antithetical to innovation and creativity, this approach reinforces a conservative ordering and ranking of talent which valorises some individuals’ talents ahead of others’. The authors draw on alternative growth and capability approaches which they argue are central to expanded notions of agency and talent. Key theorists such as Dewey and Sen are applied, mainly because they come closest to understanding human potential more holistically and locate educational experience in a life context beyond the economic.

The final sections provide a compelling treatise for rethinking labour demand and people’s relationship with paid employment. Two themes appear to underpin these discussions – one is around human capability, the other, closely connected, is around value. How do market economies reappraise the value of paid labour and societal contribution whilst reducing the growth-stalling impact of sustained income inequality? All the evidence suggests that economies with the most egregious levels of income and opportunity inequality are not only overall the least productive, but rank lower on other indexes such as social cohesion, wellbeing, quality of human relationships and life satisfaction. The authors support a distributional justice approach to labour, including the development of a living wage and make strong cases for recognising other forms of non-market labour, and the role of employers in developing sustainable workplaces rather than resting human resource functions with educational providers.

We might reflect how it has taken a global pandemic for us to rethink the relationship between labour, social value and wage return and the indispensability of certain jobs to societal functioning (for example, health workers, delivery drivers, cashiers, garbage collectors). The welcome reframing of many so-called low skilled employees into ‘essential workers’ should herald a paradigm shift in the appraisal of labour value as reflected in better wages, working conditions and social recognition. But such discourse risks quickly subsiding if quick-win imperatives towards upward growth side-line discussions about what types of work really matter and waged labour continues for many to be little more than a pecuniary means to become a semi-contented consumer. The sounds of doorstep clapping easily fade into distant memory.

*The Death of Human Capital* should be essential reading for anyone concerned about retooling the purpose and practice of contemporary educational systems and how we might strive towards a better understanding of the human relationship to labour and capital. It would be nice to think that it will reach the desks of policy influencers and encourage them to throw away their reports on rates of return, employer skills shortages and competency frameworks. This book would certainly provide them with far more important issues to consider and, better still, urgently address.

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