

## **Social justice in a market order: graduate employment and social mobility in the UK**

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## Social Justice in a Market Order: Graduate Employment and Social Mobility in the UK

**Abstract:** *Framed within a Gramscian analytical perspective, this article contrasts the 'transparent neoliberalism' of one of its leading organic intellectuals, Friederich Hayek, with one of the key discourses of 'euphemized neoliberalism' in the UK: higher education's promise of social justice through social mobility. The article discusses the disjunctions between ideology and discourse but also between discourse and the reality of class-based unequal graduate employment outcomes in the UK. I then consider some recent policy proposals to redress such inequalities and scrutinise these in the light of Hayek's views on social justice within a market economy. In the final section, I return to Gramsci to re-evaluate the continuing relevance of the concept of organic intellectuals in the light of debates around the shifting position of intellectuals within contemporary society.*

### Introduction

This article discusses the social justice concerns, as expressed in recent policy documents, surrounding social class-related unequal graduate employment outcomes in the UK, and their consequent implications for social mobility. My purpose in undertaking this discussion is to illustrate, through a Gramscian analytical focus, the inherent tensions between three key elements of neoliberal hegemony within the United Kingdom: ideology, discourse, and lived realities. The article is structured into five sections. In the first, I sketch the outlines of neoliberalism as a hegemonic project. In the second, I apply Phelan's (2007) concept of 'transparent neoliberalism' to examine the ideology of Friederich Hayek who unapologetically saw the free market as an essentially amoral social order. In the third section, I contrast the harder-edged transparent neoliberalism of Hayek's ideology with what Phelan (2007) terms 'euphemized neoliberalism'. This may be best understood as form of discursive neoliberal

political identity which purposely seeks to distance itself from the starker ideology of Hayek and fellow ideologues for electorally strategic purposes. As I discuss, higher education, with its promise of graduate social mobility, is a key site for the articulation of euphemized neoliberal discourses. I argue that, although such discourses are rhetorically distinct from Hayekian ideology, they are no less neoliberal and so the study of neoliberalism and social justice requires attention to both faces of neoliberalism. Within that section, I also examine the problems that attend higher education's social mobility promise and recent policy interventions to ameliorate class-based inequalities in graduate employment outcomes in the UK. In the fourth section, I hold these discourses and interventionist measures up to the light of Hayek's views on social justice. The final section revisits the concept of organic intellectuals in the light of Bauman's (1988) critique of its continuing utility.

The contribution of this article to the existing literature around neoliberalism lies in three key areas. It is a well observed fact that there is frequently a distance between the transparent and euphemized faces of neoliberalism in the UK, that is, between its ideological underpinnings and its public discourses and practices (Desai, 1994; Mirowski, 2013; Peck, 2013). Similarly, there is a wealth of literature which has highlighted the dissonances between the euphemized neoliberalism which promises social mobility through higher education and the lived realities of many graduates, particularly those from working-class backgrounds (Bathmaker, Ingram & Waller, 2013; Brown, 2013; Burke, 2016; Keep and Mayhew, 2016). The first contribution of this article, therefore, is to add to both bodies of literature by taking the unusual approach of spanning and relating these three pivotal aspects of neoliberalism—ideology, discourses and lived realities. Secondly, it will do so by applying a close reading of Hayek's key texts to the particular problematic of this study. While critical attention has been devoted to Hayek's general

position on social justice (Feser, 1997; Lister 2013; Lukes 1997), there is a paucity of literature which has sought to relate Hayek's theories to the question of class-based unequal graduate employment outcomes.

This is important because the choice of Hayek is particularly apposite to this study. I share with other scholars (Gamble, 1996; Griffiths, 2014) the view that Hayek's ideology was complex, being dogmatic but also offering a greater subtlety and nuance than his public image presents. Unlike many of his fellow free-market proselytisers, his writings ranged beyond economics to philosophy and epistemology. Thus, while Hayek's ultimate conclusions in relation to social justice certainly represent transparent neoliberalism, his ideas on spontaneous orders, the limits of knowledge and market morality are sophisticated and, unwittingly, offer resources for a critique of the practices of euphemized neoliberalism. Indeed, as I discuss, it is ironic that one of neoliberalism's chief Gramscian organic intellectuals should have maintained a perspicacious, if unpitying, view of the limits of social justice via social mobility within a market order that accords with the realities that many young people face.

### **The Hegemony of Neoliberalism**

There are many possible definitions of the promiscuously applied concept of neoliberalism (Peck, 2013 p.133). However, one central aspect identified by Hall (2016, p.14), and which forms the operative basis for this article's discussions, is that of the 'free, possessive individual': a political-economic model which privileges the 'natural' running of the free market over the 'oppression' of state intervention in the name of both individual freedom and economic efficiency. While this is a very partial definition, the lineaments of this model may be found in every UK government since the election of the first Thatcher administration in 1979. However,

there were important differences in the U.K. between the 'New Right' neoliberalism of the Thatcher and Major administrations, the 'Third Way' version pursued by their New Labour successor and the versions followed by the Coalition government and the present Conservative administration. While the Thatcher governments successfully combined strident free market rhetoric and relative indifference to inequalities with an older conservative nationalistic discourse, Blair's New Labour attempted to perform a 'double shuffle' in combining a form of 'managerial marketisation' of public services with a socially democratic focus upon the amelioration of social inequalities (Hall, 2016). In contrast, austerity-driven welfare cuts characterised both the Coalition government of 2010-15 and the present Conservative administration. These cuts, when added to the avowed desire of many in the present Conservative administration to fundamentally re-shape the UK's public-private GDP balance, have arguably led to a level of market-led economic liberalism not experienced since the 1930s (Taylor-Gooby, 2013). That we can apply the term neoliberal to all these different governments reflects the plasticity of the concept; this plasticity, in turn, may be understood in terms of a Gramscian hegemonic formation with both ideological and discursive facets.

If ideology is to be understood, fundamentally, as the attempt to win consent to a worldview through the power of ideas (Desai, 1994) then neoliberalism clearly has an ideological basis. Ideological shifts emerge as products of particular historical conjunctures—that is, when structural tensions within the hegemonic bloc--the system of alliances sustaining dominant class power--are no longer sustainable, thus creating terrain for oppositional forces (Gramsci, 1988, p.201). In the case of the UK, this process was played out in the collapse of the previously hegemonic consensus around Keynesian economics and the welfare state during the economic turbulence of the 1970s and its replacement with a market-led governance after 1979. However,

this was not a spontaneous process; it required the work of organic intellectuals--individuals who, during periods of economic and social tensions, rise up from *within* the new social group or class with the purpose of creating a new counter-hegemonic narrative. If successful, the new narrative becomes an organic ideology, that is, one that has an apparently natural rather than an arbitrary or imposed relationship to a given social structure (Gramsci, 1971, p.376).

As Gramsci (1971, p.6) recognised, particular kinds of intellectuals will emerge from specific historical conditions. In response to what they perceived to be the new hegemony of collectivist political and economic practices across Western democracies in the immediate aftermath of World War Two, the Mont Pelerin Society (MPS) was founded by Hayek in 1947. In his account of the MPS, Mirowski (2013) is careful neither to reduce neoliberalism to the MPS nor to ignore the tensions between different intellectual strains within it. Nevertheless, he argues convincingly that we should view the MPS as a key reference point in any study of neoliberalism (Mirowski, 2013, p.43). From its outset, the MPS aimed at nothing less than the wholesale re-education of society into the virtues of a new political project that was antithetical to both the night-watchman state of classical liberalism and the collectivist social welfare state: what we may broadly call neoliberalism.

The MPS is not neoliberalism *tout court*, and Hayek was one voice within the MPS. However, as Mirowski (2013, p.39) argues, it is central to understanding the origins of neoliberalism's present hegemony. Furthermore, it is clear that the impact of Hayekian ideology (among that of other market ideologues) on actual policy practice was considerable. For example, for Desai (1994, p.41), Thatcherism was characterised by the sharply ideological rather than pragmatic nature of its governance, a feature which distinguished it from the 'ad hoc, atheoretical empiricism' of traditional British intellectual life. However, despite the success of Hayekian ideology on post-

1979 British governance, there has never been a complete congruence between the tenets of neoliberal theory and its public discursive face. Phelan (2007) captures this well in his heuristic distinction between euphemized neoliberalism and transparent neoliberalism. The latter concept represents the theoretical purism of Hayek and other key neoliberal organic intellectuals, while the former is essentially a ‘softer’ articulation of neoliberal values that avoids the sharper and more antagonistic discursive stances of transparent neoliberalism (Phelan, 2007, p.33).

In concrete political terms, the difference between the two faces is exemplified in the shift from Thatcherism’s ideologically explicit market-driven agenda to the more euphemized neoliberalism of New Labour’s Third Way. Under Blair, market values became rearticulated through the more emollient language of social democracy, and nowhere was this more apparent than with higher education. New Labour enthusiastically repositioned the sector as the solution to market inequalities through widened participation, a discourse which, as Reay (2008, p.644) notes wryly, amounted to a direct inversion of Bernstein’s famous dictum that ‘education cannot compensate for society’. New Labour’s more socially inclusive language around higher education participation points towards the ‘euphemized’ aspect of their governance; the ‘neoliberalism’ element is reflected in their central ideological focus upon higher education’s function in the provision of human capital, as I later discuss. Since New Labour, the Coalition government and now the present Conservative administration have emphasised higher education’s role in individual social mobility (DBIS, 2011, 2016). Again, as I discuss, this too may be considered a euphemized discourse in its capacity to obscure the underlying ideological commitment to a free-market order.

This distance between underpinning ideology and public discourse is a product of what Peck (2013) terms the hybrid nature of actually existing neoliberalism: even where it gains dominance

it never attains a monopoly but always exists along with other competing cultural and social forces. In the case of the UK, one such lingering source of competition is a residual attachment to older, more collectivist welfare provisions that pre-date the Thatcherite hegemony (Clarke, 2007; Desai, 1994). In order to neutralise such rival tendencies, neoliberalism will attempt to present a more politically palatable face, although always within the framework of a market order (Hall, 2016). And that is in the very nature of a hegemonic formation: it is a dynamic process, not a static destination, and dominance has to be continually defended. Consequently, as Phelan (2007, p.34) notes, an understanding of euphemized neoliberalism is vital since much of neoliberalism's political success lies in its ability to present itself as a common sense post-ideological doxa. Or, in Gramscian terms, it exerts the force of an ever-evolving, organic ideology deeply sedimented into everyday social practices (Hall, 2016). The overall implication of this, as Peck (2013, p.145) argues, is that neoliberalism cannot simply be read off from Hayekian texts with any deviation counted as a heterodoxy; rather, a critical theory of neoliberalism must attend to the contradictory dynamics between theory and practice, between ideology and discourse. This, then, is the analytical framework which I shall apply to the problematic of policy concerns around unequal graduate employment outcomes in the UK.

### **Neoliberalism as Ideology: Hayek's Transparent Neoliberalism**

It is in Hayek's writings, above all, that we see celebrated the 'free possessive individual' (Hall, 2016). Hayek's views on the primacy of the free market and, relatedly, on social justice spring from the logic of his ontological, epistemological and, ultimately, ethical position in relation to society. Hayek's ontology was a form of methodological individualism: society is an aggregation of individuals each of whom acts according to their own individual purposes. What we call 'society' or 'social ends' is simply no more than the harmonious but, crucially, not purposely



intended alignment of many different ‘individual ends’ (Hayek, 1944, p.63). While this view first came to public attention in the classic *The Road to Serfdom* (1944), it was later elaborated on in Hayek’s (1982, p.37) distinction between ‘made’ and ‘spontaneous’ orders. A ‘made’ order is that which has been deliberately constructed and which has purposive ends; an organisation such as a firm or, at a higher level, the state fitted this category for Hayek (1982). What are commonly called ‘society’ and ‘the market’ (as in the economic exchange between individuals) are aggregations of all such made orders and of all the individuals functioning within them; they, however, cannot meaningfully be said to have an overall purpose as they have their own unpredictable organically-driven dynamics: thus, they are highly complex ‘spontaneous orders’. The epistemological implication of this ontology is that society and the market become unknowably complex and ‘...such orders as that of the market do not obtrude themselves on our senses but have to be traced by our intellect. We cannot see, or otherwise intuitively perceive, this order of meaningful actions, but are only able mentally to reconstruct it by tracing the relations that exist between the elements’ (Hayek, 1982, p.38). The complexity of what we loosely call society and the market, and the epistemological difficulties that attend them, mean for Hayek that attempts at ‘control’ were both misguided and doomed to failure because it is the very fact that the market is an organic, spontaneous order that gives it its flexibility and vitality.

Consequently, Hayek would admit of governmental intervention in only two areas: the application of the law to ensure individuals’ legal equality under conditions of free market competition, or what he termed the ‘wealth-creating game’ (Hayek, 1982, p.115) and the provision of a ‘given minimum of sustenance’ for everyone (Hayek, 1960, p.226). Hayek was scathing about the concept of social justice, particularly where it was understood as redistributive justice of the type that characterised the British welfare state in the first three decades or so after

the Second World War. This was partly due to his belief, as discussed, that society as a structural entity simply did not exist, and that appeals to the 'social' constituted a naïve 'personification' of what he considered to be organically-grown, self-ordering processes (Hayek, 1982, p.62). His hostility, however, was also ethical in that he believed that the free market with its 'impersonal forces' (Hayek, 1944, p.110) offered a much more justifiable defence of the distribution of social goods than could the hand of the central planner. Inequalities in income or job prospects could be much more readily borne if individuals believed they were the product of the 'chance' workings of the market rather than of the deliberate design of government. For Hayek, this was a core principle: the market meant freedom *from* coercion by external forces, it most emphatically did not mean freedom *to* attain material equality.

*Above all, however, we must recognize that we may be free and yet miserable. Liberty does not mean all good things or the absence of all evils. It is true that to be free may mean freedom to starve, to make costly mistakes, or to run mortal risks. In the sense in which we use the term, the penniless vagabond who lives precariously by constant improvisation is indeed freer than the conscripted soldier with all his security and relative comfort. (Hayek, 1960, p.17)*

For Phelan (2007, p.34), following his heuristic of transparent vs euphemized neoliberalism, Hayek's ideology is form of transparent neoliberalism which is best understood as a chain of antagonistic rhetorical equivalences and antitheses: the market equivalenced with freedom as against state coercion; the self-directing individual equivalenced with freedom as against the ontologically doubtful collective subject; the market as site for the realisation of individual ends as opposed to the fallacy of collectivist planning. Neoliberalism is, then, the 'common sense' counterpoint to Keynesianism. And, as Desai (1994, p.40) notes, this reflects the nature of hegemonic struggle and the role of organic intellectuals such as Hayek within it: responses to

conjunctural crises must take the form of *creative* intellectual interventions that offer a radical new alternative to prevailing orthodoxies and this necessarily requires the dismantling rather than modification of what went before. However, to be politically viable the publicly discursive face of neoliberalism offers a more attenuated version of transparent neoliberalism: euphemized neoliberalism.

### **Euphemized Neoliberalism**

#### ***Human capital and the social mobility promise***

Following what are now well rehearsed forms of rhetoric, as an advanced post-Fordist economy, the UK's competitive international edge is seen to reside in its capacity to innovate through knowledge creation and application rather than, as at its Fordist stage of economic development, through the mass production of standardised goods (Brown, Lauder & Ashton, 2011; Tholen, 2014). This thesis is, in turn, related to Skill Bias Technology Change theory (SBTC) which assumes that technological developments increase the demand for high-level skills over time, and both individuals and nations must supply these through investment in education and training—their human capital. Consequently, higher education has been recast as the mediator in what Lauder, Young, Daniels, Balarin and Lowe (2012, p.6) term a 'learning = earning' contract between the state and individuals.

However, social mobility and national economic advancement through upskilling are, in principle, distinct policy drives: one may be pursued without reference to the other. Successive governments have, though, attempted to yoke them together within the overall discursive framework of the learning = earning contract. The balance between them has shifted over time. Early New Labour rhetoric attempted to encompass both through such seemingly contradictory tropes as the Knowledge Economy and Social Inclusion. By contrast, the steep rise in tuition fees

in England since 2010 has seen a policy focus upon legitimating **higher education as a human capital investment by reference to its social mobility promise**. Students are consumers, with attendant rights, and universities are publicly accountable within a competitive marketplace for the employment outcomes of their graduates (DBIS, 2011, 2016). This performative culture, with its emphasis upon outcomes-related accountability as opposed to traditional input-driven models of bureaucracy, reflects the effects of the new public management (NPM) upon the UK higher education policy landscape. As Rizvi and Lingard (2010, p.119) note, NPM has evolved a different mode of political control: a ‘steering at a distance’ via performance measures, a system which, in turn, functions from within a low-trust, surveillance culture.

While higher education policy levers, and the culture they engender, represent the more punitive side of neoliberal practices, dominant public discourses around higher education participation in the UK are a good example of Phelan’s (2007) euphemized neoliberalism. Thus, where the transparent neoliberalism of Hayekian ideology is premised upon a set of antagonistically framed negative freedoms—freedom *from* state coercion etc—policy rhetoric tends to accentuate the promise of positive freedoms. At the level of the individual, the discourse of the learning = earning social contract offers social mobility and self-actualisation through remunerative and personally satisfying employment. **And this points to the key difference between euphemized and transparent neoliberalism. While Hayek and fellow ideologues concentrated on winning over the opinions of elite civil society, they were far less concerned with mass consent. However, politicians must take more cognisance of this. Indeed, as Smith (2004, p.226) notes, in late modern capitalist societies, for a hegemonic project to be particularly effective, it needs to go beyond mere habituation and obtain active popular collusion whereby individuals perceive a trade-off for their participation in the social project. And, as Phelan (2007, p.35) observes, this**

requires the presentation of a ‘non-ideological’ front by which the project takes on the form of a pragmatic, unarguable social good. The discourse of social mobility may be seen in this light.

However, although such public faces of euphemized neoliberalism represent a clear discursive softening of the harsher edges of Hayekian ideology, they are no less neoliberal. Within the UK’s competitive free market settlement, social justice is constructed primarily as the provision of equal opportunities for individuals to succeed against the competition (Brown, 2013). In other words, a market framework premised upon a credential-driven race and underpinned by the rhetoric of meritocratic equality is seen to be the only real way to address wider inequalities of distributive justice. The effect of this discourse is to frame self-investment in education primarily in *moral* terms: the responsible citizen will invest to secure their own future and avoid being a burden upon the state (Rose, 1992). The prevalence of this discourse within policy circles, and the wider public acceptance of the related discourse of meritocracy, then provides a key normative justification for inequalities in income distribution and, importantly, an argument against redistributive measures (Littler, 2016; Sayer, 2009; Souto-Otero, 2010). There are, though, fundamental flaws with the learning = earning contract, with implications for the lived labour market realities of working-class graduates as I discuss.

***Keeping the discursive promise: ameliorative social justice***

Hayek’s unsentimental view of the market order’s indifference to inequalities appears to be reflected in current trends within the graduate labour market. The extent to which the UK economy has adequate demand for the supply of graduates that an expanded sector is producing is a key point of debate. Nevertheless, a growing body of literature points to there being a relative over-supply (Behle et al., 2016; Brown, Lauder & Ashton, 2011; CIPD, 2015; Tholen,

2014). The reasons behind this are complex but one persuasive argument lies in Brown's (2013) thesis that the graduate labour market has made a shift from being a meritocracy to a 'performocracy'. By this, Brown (2013) means that credentials (positional goods in an old-style bureaucratic meritocracy) have less value due to higher education expansion while employers now place a premium on whether the applicant has the cultural and social skills to deliver a 'winning performance': a performocracy. In practice, this means a cut-throat competition for jobs in which candidates deploy all their cultural and social resources to gain an advantage and in which working-class applicants will find it increasingly difficult to 'hide' behind the mask of technical expertise (Brown, 2013, p. 688).

The extent to which these changes have become characteristic of the graduate labour market is contested (see Elias and Purcell, 2013). However, there is evidence that working-class graduates are generally coming off worse in this competition, with data indicating that graduates from lower socio-economic backgrounds are less likely to find graduate-level employment and typically earn substantially less than their more advantaged peers (Britton, Dearden, Shephard & Vignoles, 2016; HEFCE, 2015). For Brown (2013, p.682) neoliberalism's promise of social mobility through widened access to higher education is, therefore, a 'fallacy of fairness'. It cannot deliver on its promise because of the inherent contradictions within the methodological individualism of neoliberal economic theory: while it may be perfectly rational for one individual to try to get ahead in the jobs race, it is self-defeating if all try it where there is a finite supply of 'good' jobs. These class-related inequalities of graduate employment are important because they challenge the legitimacy of the social mobility promise of higher education and the rhetorical aspirations of politicians (Social Mobility Commission (2017a p.1). While most of the

governmental focus to redress graduate employment inequalities has been upon the roles of higher education institutions, there has also been a growing interest, which has persisted across changes of ruling political parties, in the actions of employers themselves. Here, the particular object of scrutiny has been upon the recruitment practices of elite professional employers, particularly large corporations in the areas of the media, law and high-end finance, and how open and fair they are to graduates from lower socio-economic backgrounds (APPG, 2017; Cabinet Office, 2009, 2011).

In recent years a number of bodies with a remit to scrutinise and feed into policy making, and also some influential policy-research and lobbying ‘Think Tanks’, have produced a range of publications which address themselves, to varying degrees, to the issues I have outlined above. I shall discuss some of the most prominent and influential within this article. The key policy bodies which refer to these concerns are The Social Mobility Commission (2016, 2017b), an advisory non-departmental public body tasked with monitoring progress towards improving social mobility; The House of Commons All Party Parliamentary Group (APPG) on Social Mobility (APPG, 2017); The Social Mobility Advisory Group, established in 2015, to the UK’s representative body for universities, Universities UK (UUK, 2016); The government-commissioned Taylor Review on working practices (Taylor, Marsh, Nicol & Broadbent, 2017). Additionally, the centre-left leaning Institute for Public Policy Research, an influential Think Tank, has examined these issues (Roberts, 2017) as has The Sutton Trust, an educational research charity aimed at improving social mobility through education (Sutton Trust, 2014). Again, key employment areas which many of these bodies focus upon by way of illustrative examples are elite-entry corporate law, finance and media.

These bodies have issued a range of recommendations for ameliorative interventions to improve class-related inequalities in graduate employment outcomes. A key recommendation, which has also garnered much media interest, has been the call to ban unpaid internships of more than four weeks' duration (APPG, 2017; Roberts, 2017; Taylor et al. 2017; Social Mobility Commission (2016; 2017b; Sutton Trust, 2014). This practice, which has become a widespread form of entry into eventual paid employment within elite professions (APPG, 2017) has been shown to strongly disadvantage working-class graduates who may lack the social contacts to secure the work experience and the economic capital to sustain unpaid work (Social Mobility Commission (2016; Bathmaker et al., 2016). This issue is clearly making some inroads into potential policy development since, at the time of writing, the Unpaid Work Experience Prohibition Bill, sponsored by Lord Holmes of Richmond, is due to undergo a second reading in the UK's second political chamber, the House of Lords.

Another key theme to emerge is the recommendation that private and public sector graduate recruiters monitor and publish their recruitment data, making particular reference to socio-economic status (APPG, 2017; UUK, 2016). Advances have been made in this direction with the establishment of The Social Mobility Employer Index. This is a joint initiative between the Social Mobility Foundation, a nation-wide voluntary organisation dedicated to improving social mobility prospects for young people from lower socio-economic backgrounds, and the Social Mobility Commission in partnership with the City of London Corporation. Large graduate-recruiting employers who wish to participate agree to record and publish data regarding their success across seven key social mobility indices. The results will then serve as a form of 'league table' of employers. The APPG (2017, p.5) report recommended that this measure should be



seen as ‘akin to diversity tracking and other protected characteristics’. This reference to legal protection makes this area, along with the moves to abolish unpaid internships, one of the most strongly worded, *dirigiste* recommendations. These recommendations echo comments by Bathmaker et al. (2016, p.149) who, in their study of higher education and social class mobility, noted critically that social class was not a protected category under the UK’s 2010 Equality Act unlike gender, ethnicity and sexuality, leading to the free spread of what they termed ‘classism’.

A third salient theme revolved around the development of leadership skills through mentoring programmes. For example, the APPG (2017, p.13) report notes that leadership qualities are closely linked in employers’ minds with confidence and that, in turn, confidence is associated with the display of a certain kind of social extraversion, assertiveness and sociability. The report notes the links between these qualities and graduates’ social class origins (APPG, 2017, p.13). In its observations, the APPG report has alighted upon an aspect of graduate employability that has long been a focus of critical concern at policy (Cabinet Office, 2009) and within academic research studies (Ashley, Duberley, Sommerlad & Scholarios, 2015; Brown & Hesketh, 2004). The APPG report notes that the effect of such employer perceptions is to perpetuate networking and clustering effects within organisations that work to the disadvantage of candidates from lower socio-economic backgrounds. In response to such concerns, recent governments have supported the publication of a Common Best Practice Code for High-Quality Internships to encourage employers to provide high-quality internships which include mentoring development. The Social Mobility Foundation also runs its own Aspiring Professionals Programme (APP) which includes online employer mentoring of young people. Both initiatives are, though, voluntary for employers.

In the light of Hayek's theoretical frame, what are we to make of this 'euphemized discourse', that is, (a) higher education's discursive promise of social mobility; and (b) policy recommendations to address graduate employment inequalities?

### **Hayek, the Knowledge Economy and Social Mobility**

In the introduction, I indicated that Hayek's ideas on the spontaneous order, knowledge, and morality within a market order were sophisticated and, ironically, provided the resources for critique of the practices of actually existing euphemized neoliberalism. Thus, a reading of Hayek's writings on the role of knowledge within a market economy reveals views that are clearly at odds with the human capital tenets of neoliberalism as political and economic practices in the UK. These views on the limits of knowledge need to be seen, in turn, in the context of his elaboration of 'spontaneous' orders—a second area where Hayek offers a tool for critique euphemized neoliberalism. For Hayek, the market economy—which Hayek (1982) termed a catallaxy—is a spontaneous order where individuals, or even groups of individuals, can at best have imperfect knowledge of the whole order. Due to the limitations of individuals' knowledge, new knowledge is created through the interactions of individuals whose own personal ends (although perhaps different) align sufficiently for knowledge to be created and passed on (Hayek, 1945, p.526). As Lin (2007, p.561) notes in writing more generally of the Austrian School of which Hayek was a leading exponent, this is a view of knowledge as 'market-oriented' for growth whereby knowledge is embodied and relational. This perspective distinguishes itself somewhat from the credentialist 'knowledge-driven growth' (Lin, 2007, p.561) which forms the

premises of current human capital assumptions surrounding higher education and the labour markets in the UK.

If there is some conceptual distance between Hayek's view of the relationship between knowledge and market relations, and current UK higher education and labour market policies, this plays out quite clearly in his comments on higher education. Despite his methodological and political individualism, Hayek (1960, p.382) insisted that public subsidy of higher education should be based upon the benefits it brings to the wider community rather than upon any advantages that it may offer to the individual. The discourse of personal betterment and the promise of social mobility around which higher education participation is promoted to young people and their parents in the UK would thus have found no favour with Hayek. More broadly, Hayek was sceptical of the value of higher-level credentials as a means of assorting talent, considering them to hold the potential for the kind of centralised social control he abhorred (Hayek, 1960, p.387).

For Hayek, then, it is market relations which create knowledge and which accord a value to that knowledge. However, Hayek was certainly alive to the reality that inequalities within a market order were inevitable. **This leads me to the third area where Hayek's ideas contribute to a critique of euphemized neoliberalism: his views on market morality.** For Hayek (1960, p.83) inequalities were unavoidable because the market rewarded according to 'value'—the monetary value of an individual's services—and not by 'merit'—the 'attributes of conduct' and 'moral character' of an individual. Consequently, by no means all those who were deserving (in the sense of the amount of effort placed into their actions or the moral probity of their intentions) actually get their just desserts. **Hayek (1982) ultimately drew the wrong conclusions from this,**

seeing it as fundamental to the essential vigour of the market. Nevertheless, his perception of the morally neutral functioning of the market order also led him to openly question the ethics of a discourse that leads young people to believe that effort will produce commensurate reward:

*It is therefore a real dilemma to what extent we ought to encourage in the young the belief that when they really try they will succeed, or should rather emphasize that inevitably some unworthy will succeed and some worthy fail-whether we ought to allow the views of those groups to prevail with whom the over-confidence in the appropriate reward of the able and industrious is strong and who in consequence will do much that benefits the rest, and whether without such partly erroneous beliefs the large numbers will tolerate actual differences in rewards which will be based only partly on achievement and partly on mere chance. (Hayek, 1982, p.74)*

It is, perhaps, ironic then that one of the principal intellectual architects of the free market should be somewhat at odds with one of the key legitimating discourses of **euphemized neoliberalism** in Britain: the learning = earning contract by which social justice is understood as the promise of social mobility through the acquisition of higher-level skills and credentials. Moreover, if Hayek would have been sceptical of this discourse, it is clear that he would also have been deeply averse to the interventions proposed by the policy bodies that I have outlined. **For anybody towards the left, these conclusions are deeply regressive but there is no doubt that they derive from his clear-eyed view of the limits of social justice within a market order.** Hayek was very much aware that (though he did not actually use such terms) individuals had widely differing levels of cultural, social and economic capital and that these were accrued through familial socialisation. However, Hayek's (1960) insistence upon the impersonal nature of the forces which mould our fortunes, and his distinction between value and merit, meant that he was quite comfortable with the idea of inherited privileges within a competitive market economy. Thus, to be born into a family with material and cultural advantages could be simply reduced to 'luck',

which no state (a term he disliked intensely) could or should try to do anything about. Hayek (1960, p.79), in fact, went further than this in arguing that the market order *needed* the ‘socially valuable qualities’ that only generational social reproduction could bring into being, and thus:

*This means simply that there are parts of the cultural heritage of a society that are more effectively transmitted through the family. Granted this, it would be unreasonable to deny that a society is likely to get a better elite if ascent is not limited to one generation, if individuals are not deliberately made to start from the same level* (Hayek, 1960, p.79)

Once we accept this, we must also accept that all efforts at ameliorative measures in relation to social inequalities will fail because the inheritance of advantage, whether cultural or material, is an inevitable fact of life within a competitive market order. Moreover, attempts to redress inequalities through the application of reward on the basis of merit rather than of value stumble upon the intractable problem that merit is inherently subjective and therefore difficult to assess whereas value may be quantified clearly in market terms (Hayek 1960, p.79). It would seem clear, therefore, that under a reading of Hayek some of the recommendations outlined by these publications, such as the monitoring and publication of recruitment data would be, at best, an irrelevant meddling in the free functioning of the wealth-creating game. Other recommendations though, such as the call to extend the use of mentoring to address concerns about the role of a certain classed sense of social confidence and ‘cultural fit’ in elite employer recruitment practices (Brown & Hesketh, 2004) and the moves to ban unpaid internships would be more directly intolerable to Hayek’s views on inherited cultural and material advantages within the framework of a morally neutral market order.

## **Hybrid Neoliberalism and Organic Intellectuals Revisited**

From within a wider Gramscian analysis, this article has drawn upon Phelan's (2007) heuristic distinction between 'transparent neoliberalism' and 'euphemized neoliberalism' to tease out some of the operative dissonances between neoliberalism as ideology and as discourse. The particular contribution of this article has been to apply this model to a close comparative reading of the work of Hayek and of the dominant discourses within the UK regarding human capital and related policy concerns in relation to class-based inequalities in graduate employment outcomes.

I have argued that a reading of Hayekian ideological views points to the fundamental incompatibility between a market society and social justice, a perspective which, ironically, he shares with radical left critics. Hayek accepted and, indeed, celebrated this disjunction. However, the candour of his transparent neoliberalism and sophistication of his ideas provide an unwitting critique of the euphemized neoliberalism of higher education's social mobility promise. Phelan's (2007) model has, therefore, been of value to this study in highlighting the relational differences between these two facets of neoliberalism. Ultimately, though, as I have argued, these are two sides of the neoliberal coin and reflect its ever-evolving 'hybrid' nature (Peck, 2013). The discourses of human capital and social mobility represent a more publicly placatory version of the sharp edges of Hayek's ideology but both are thoroughly neoliberal in that they do its necessary work; both therefore need to be incorporated into a critical understanding of neoliberalism as I have done in relation to the problematic of graduate employment outcomes.

The discourses of euphemized neoliberalism are directed at winning consent (in its varying degrees) to a social market order: a key ingredient of the success of modern hegemonies. As Phelan (2007, p.35) cautions, however, behind such discourses we see the persistence of an essentially antagonistic politics strategically articulated in a de-politicised moral register.

Certainly, this characterises the work of human capital and social mobility discourses and their capacity to at least partially de-legitimise alternative, more redistributive, forms of political economy in the UK. Consequently, as Phelan (2007, p.35) goes on to note, it would be wrong to automatically assume that transparent neoliberalism is necessarily the more ideological of the two relational identities since the manufacturing of a 'post-ideological' political identity is itself the cleverest possible ideological manoeuvre. Having acknowledged this, though, what is the function of transparent neoliberalism and of its contributory organic intellectuals, such as Hayek? I have argued that they provided intellectual coherence and identity and, in the activities of the MPN, acted as an important recruiting sergeant to the cause. However, the concept of the organic intellectual was elaborated by Gramsci in an age quite different from our own, and I conclude this article by addressing some criticisms that contemporary intellectuals can no longer perform the function ascribed to them by Gramsci.

In an important commentary on the shifting social position of intellectuals, Bauman (1988, p.225) argues that we have moved from a situation of Gramscian organic intellectuals *of* other classes to one wherein intellectuals constitute a class *for* themselves, a change which has made them more overt and self-aware but less socially relevant. Among other factors, he relates this to the growth of 'market dependency', a tendency with far-reaching implications for the role of intellectuals and the legitimating authority they have traditionally lent the state and its dominant classes. Under conditions of market dependency—the intrusion of the market into individual subjectivities and modes of being whereby people can only think and act in terms of commodity relations—the dominant classes of capitalism no longer have need of the traditional authorising role of intellectuals; late modern capitalism rests not on legitimation but on consumerist seduction of its subjects, which is effected through technocratic expertise rather than intellectual

authority (Bauman, 1988, p.222). This loss of role and authority of what are, in Gramscian terms, traditional intellectuals, also has implications for the work of organic intellectuals. The fact that we now enjoy increased freedom of intellectual debate is, quite simply, because the capitalist elite can afford to indulge it since it does not challenge their hegemonic grip (Bauman, 1988, p.224). The counter-hegemonic function of organic intellectuals therefore becomes nullified.

Bauman's (1988) critique certainly captures some of the key social and epistemic shifts that have occurred since Gramsci wrote on organic intellectuals, and it thus offers a caution against any simplistic application of the concept. Nevertheless, there is a key problem with Bauman's (1988) analysis. It is curious that in discussing market dependency, Bauman (1988) appears to take an ahistorical view of the seemingly totalising effects of (though he does not actually use the term) neoliberalism. And here lies the continuing value of a Gramscian analysis. The concept of organic intellectuals, like all analytical tools, needs to be seen in relation to the wider schema of which it is a part. As I have demonstrated within this article, organic intellectuals are a key component of conjunctural analysis: a form of investigation which views change in its wider historical context and understands it as contradictory, contingent and open to political agency. And this theoretical tool-box equips us to grasp what Bauman's (1988) totalising characterisation of neoliberalism obscures, that it is a hybrid entity existing and competing with other historically-rooted cultural and social trends and which is never total. There is always the potential, therefore, for genuine counter-hegemonic intellectual contestation of this political-economic order—and that is the role of organic intellectuals.

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