

# GRADUATE CAREERS IN THE POST-BREXIT WORLD

TRISTRAM HOOLEY



**Tristram Hooley, Professor of Career Education at the University of Derby, offers a prognosis on Brexit's effect on the graduate labour market. He argues that careers guidance should play a role in bringing about more equality in the aftermath of Brexit and in empowering the generation of young people whose voices were not heard in the referendum.**

### Moving on from Brexit

One of the best bits of careers advice I've ever been given was to stop complaining about what has gone wrong in my life and to focus on what I could actually change. Hope, optimism and proactivity are better career strategies than complaining, regret and simmering resentment.

However, hope and optimism are likely to be in short supply amongst graduates who are about to begin their careers in post-Brexit Britain. Most students undoubtedly voted to remain part of the European Union. Seventy-one per cent of 18-24 year olds voted to remain as did 68% of those with a degree (Moore, 2016). But pro-European youth were outvoted by older, poorer, less educated Britons.

Students are therefore emerging into a labour market rocked by a fundamental political change that most of them opposed. What will this mean for their careers?

It is very difficult to answer this question, partly because predicting the future is impossible but mainly because Brexit is currently little more than a slogan. We

know that we are going to leave the European Union but we don't really know what that will mean. Will we continue to be able to trade with Europe, will the free movement of labour stop and what will these changes mean for where businesses decide to locate or relocate their operations? We do know that a lot of money currently flows from the European Union to support local economic development, social inclusion and youth transitions. Will the UK government match all of this funding after Brexit? Increase it? Spend it elsewhere or give it away in tax cuts? At present no one really knows.

### What will happen in the labour market?

Firstly it seems likely that we will experience some kind of recession. The Bank of England (2016) has been trying to strike an optimistic note arguing that the UK economy has the capacity to withstand the risks of Brexit. But it concludes that *'the outlook for UK financial stability is challenging'* and expresses concerns about whether people will want to continue to invest in Britain and whether there will be a crisis in the housing market as people fail to meet their mortgages. Today's graduates therefore seem likely to be stepping into a world of increasing volatility without any guaranteed access to the good life.

Against this background of risk, change and crisis it is likely that existing workers will hang on to their jobs tightly. Meanwhile, employers will probably be more cautious about hiring, at least until the political and economic climate is a bit clearer. Early signs suggest that this is the case with a story in the *Independent* suggesting that job adverts fell by 700,000 in the week after Brexit (Sheffield, 2016). Graduates are therefore likely to find it more difficult to force their way into the labour market, particularly in more advantageous positions.

Immigration and its impact on the labour market was a major theme of the referendum campaign. If the Brexit settlement involves either stopping EU

migration and/or repatriating the existing EU workforce in Britain we should expect that it will have some impact on the labour market. However, in a briefing on the labour market impact of Brexit issued before the referendum, COMPAS (2016) concluded that the links between unemployment and wage growth for UK-born workers and EU migration are pretty weak.

For UK graduates what is likely to matter is what occupations are being vacated and whether new graduates are credible to fill the vacancies that emerge. It seems unlikely that this will substantially increase the opportunities for domestic graduates. On the other hand, it is possible that Brexit will reduce the range of opportunities that are available to UK graduates to go and work in Europe. And of course this says nothing about the EU students who have studied in the UK and may still be planning to pursue their careers here.

### In the long term

In a blog on the eve of the referendum, Charlie Ball (2016) drew an important distinction between the long term (where he sees most of the labour market problems getting smoothed out as Britain finds new way of being in the world) and the short term, where a shock to the economy is inevitable. Ball argues that *'ordinarily, economic shocks hit lower skilled workers first but Brexit is expected to hit sectors such as financial services and HE particularly strongly'*, and this will have major impacts for higher skilled workers (such as graduates). He estimates 6,000 fewer of 2016's graduates will find work than usual and 12,000 fewer will find professional employment. PathMotion's (2016) survey of graduate employers bears this out and suggests that when in doubt about the future, employers stop hiring.

Whether Ball is right about the long term is one of the important economic questions that Britain now faces. As the economist John Maynard Keynes (1924)

wrote: 'In the long run we are all dead. Economists set themselves too easy, too useless a task, if in tempestuous seasons they can only tell us, that when the storm is long past, the ocean is flat again.' In other words it is all very well to say to people 'take your Brexit medicine, it's good for you' but the current generation of graduates are justified in feeling that the Brexiteers' future is being bought at their expense. What is more, the idea that Britain's economy will return to the mean in the long run is not at all clear. The government's own analysis (HM Government, 2016) concluded that 'the UK would be permanently poorer if it left the EU' based on modelling scenarios over a 15-year period.

Of course all of this doom and gloom is not the whole story. As with any big change there will be opportunities as well as challenges. Britain will have to reinvent many of its institutions and regulations. Thinking this through is likely to be a major challenge and one which bright graduates will undoubtedly be able to make something of. What is more, it is at least possible that some of the Brexiteers' predictions about the future will be borne out. It may be that some areas of the economy grow and that new trade deals and relationships are struck with countries outside of the EU. Britain will remain a major economy, a powerful political player and one of the richest countries in the world. It is not time to turn out the lights yet.

### How can careers education respond?

What does all of this mean for those of us who are working with students and graduates to help them to think about their careers? Firstly, we need to help them to come to terms with the new reality. Brexit is no longer a political opinion, it is now a political and economic fact. Graduates have to think through what this means for their existing career plans. Beyond this, Brexit highlights the importance of helping individuals to develop career management skills like resilience and adaptability as well as the skills to research the labour market and interpret the signals that it is sending out. In times of change it is more important than ever to be able to read your context and respond to it.

I feel that this kind of response is not really good enough, however. If all we do is focus people on becoming more resilient we are ignoring some of the real issues. Brexit has caused a massive shake up of our country and of the political class. I think that lots of us feel that the way in which the population voted was about more than just how they feel about the European Union. The social scientist Ralph Fevre (2016) concluded that the way poorer people voted in the referendum was 'a measure of their grim hope that any change in their country might just be a change for the better.'

If we've come to a point where the majority of the country feel the need to tip over the apple cart just to get their

grievances noticed, something is very wrong. The fact that so many people feel that things can't get any worse is an extremely worrying situation for one of the richest countries in the world.

### Helping graduates build a career and a nation

What is the role of careers education and guidance at such a moment? I feel considerable moral ambiguity if all I am trying to do is to help students and graduates to come to terms with the awful inequality and unfairness of life or to think about how they can use their talents to come out on top despite the general social and economic collapse. There is a desperate need for forms of career education that help to ensure that everyone has a share of the nation's prosperity.

In the post-Brexit world careers education needs to be helping to support inter-generational solidarity, greater social understanding and the capacity for the collective improvement of all of our lives. Brexit has shown that our careers are not entirely a matter of individual choice or talent and highlighted the fact that they are tangled up in politics and the lives of others.

Today's graduates have to find jobs and access the good life but they also have a new nation to build alongside their careers. Careers education needs to be helping them to see both these individual and social goals and to think about how the two are best balanced.

### References

- Ball, C. (2016). The 2016 and Graduate Labour Market and Brexit. *High Peak Data*. Available from <https://highpeakdata.wordpress.com/2016/06/22/the-2016-graduate-labour-market-and-brexit/> [Accessed 8th July 2016].
- Bank of England. (2016). *Financial Stability Report*, 39. London: Bank of England. Moore, P. (2016). How Britain voted.
- Centre on Migration, Policy and Society (COMPAS). (2016). *Brexit and UK Labour Market* (Brexit Briefing 44). Oxford: University of Oxford.
- Fevre, R. (2016). More in hope, less about immigration: why poor Britons really voted to leave the EU. *The Conversation*. Available from <https://theconversation.com/more-in-hope-less-about-immigration-why-poor-britons-really-voted-to-leave-the-eu-61971> [Accessed 8th July 2016].
- HM Government. (2016). *HM Treasury Analysis: The Long-Term Economic Impact of EU Membership and the Alternatives*. London: HM Government.
- Keynes, J.M. (1924). *Tract on Monetary Reform*. London: Macmillian.
- PathMotion. (2016). *The Impact of Brexit on UK Graduate Recruitment*. London: PathMotion.
- Sheffield, H. (2016). UK job vacancy adverts fall by 700,000 in the week after Brexit, data shows. *The Independent*. Available from <http://www.independent.co.uk/news/business/news/uk-job-vacancies-fall-700000-in-the-week-after-brexit-data-shows-a7124686.html> [Accessed 8th July 2016].
- YouGov. Available from <https://yougov.co.uk/news/2016/06/27/how-britain-voted/> (Accessed 8th July 2016).