

Putting Vision Back into Higher Education: A Response to the Government White Paper

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PUTTING VISION BACK INTO HIGHER EDUCATION: A RESPONSE TO THE GOVERNMENT WHITE PAPER

CONTENTS

Executive Summary

- 1. Introduction**
- 2. Public funding and undergraduate programmes**
- 3. The proposed student loan scheme; complex, insufficient and volatile**
- 4. Chaos over fees, disruption to universities, subjects and communities**
- 5. Privatising public education**
- 6. Increasing selectivity, creating hierarchy**
- 7. Reducing quality for the many**
- 8. Removing the student-teacher relation from the heart of the system**
- 9. Conclusion**

PUTTING VISION BACK INTO HIGHER EDUCATION: A RESPONSE TO THE GOVERNMENT WHITE PAPER

Executive Summary

The Government's White Paper, *Higher Education: Students at the Heart of the System*,¹ and the Browne Review that preceded it,² reveal a worrying lack of vision for the future of UK universities. The White Paper makes frequent reference to the excellence and high international reputation of our system of public higher education, but it proposes a set of sweeping, ill-considered reforms that will destabilise and threaten that excellence. The Government claims that it is putting students at the centre of provision, but has passed the burden of funding courses on to fees to be paid back by individual graduates. It reverses the direction for the future of higher education set out by the Dearing Report in 1997 and does so with no mandate.

- **Less will cost more.** Government policy has cut central support for degree programmes by 80%. It has shifted fees onto students who will now carry a massive debt, but the public funds necessary to support the new system of student loans will cost more than the previous system of block grant plus student contribution.
- **Many students will pay more but will get less.** The Government intends that student fees will be reduced below £7500 by competition. At this fee level, students will pay twice as much as at present but there will be fewer resources for teaching, once account is taken of increased recruitment and compliance costs.
- **Education reduced to investment in employability.** Universities are central to the cultural and public life of the country, but the Government fails to support these aims. Professional and vocational courses have a core role in higher education, but the Government views all courses as 'training for employment' and all universities as training providers. This focus distorts the wide range of courses currently available and neglects the important social and cultural mission of the public university.
- **Reducing student choice through course closure.** Commercial pressures have already led several universities to close courses such as philosophy, sociology, performing arts, history and classics. The Government's proposals will exacerbate such developments and lead to fewer study options for the next generation of students.
- **Displacing the arts, humanities and social sciences.** The arts, humanities and social sciences are fundamental for cultural innovation and fostering the public debate essential for a healthy democracy. Government policies will seriously diminish provision in these areas, except for a few 'elite' universities.
- **Dismantling excellence.** Echoing earlier Government plans for the NHS, undergraduate degree courses and student loans will be opened to any provider. For-profit enterprises will be allowed to cherry-pick courses thus undermining existing public universities who commit to supporting a broad range of studies. Yet the public supports public funding of higher education, just as it supports the NHS.³ David Willetts's 'radical experiment' will jeopardise a public higher education system that is internationally acclaimed for its excellence.

¹ Published 28 June 28. Available at: < <http://discuss.bis.gov.uk/hereform/white-paper/>>.

² Browne Review *Securing a Sustainable Future for Higher Education: An Independent Review of Higher Education Funding and Student Finance*, 12 October 2010
<<http://www.bis.gov.uk/assets/biscore/corporate/docs/s/10-1208-securing-sustainable-higher-education-browne-report.pdf>>.

³ Ipsos Mori *Public Perceptions of the Benefits of Higher Education: Summary Report*, September 2010.
<http://www.universitiesuk.ac.uk/Newsroom/Media-Releases/Documents/Ipsos_MORI_Public_Awareness_of_HE_Summary_Final_2010.pdf>.

- **Education for sale and for profit.** The government believes that for-profit providers can bring the level of fees down to £6000. For this fee, the new for-profit providers will expect to pay profits to investors and owners whilst also maintaining a high advertising and marketing budget as they enter the market. They can only trim costs by having fewer and less qualified staff: off-the-shelf curriculum materials will be delivered by service teachers.
- **Subsidies for the private sector, rather than for universities.** Taxpayers' money will be used to provide loans to students taking private sector degrees, rather than directly to public universities through the block grant.
- **Destabilisation of universities and possible closures, damaging communities.** The Government says it is providing for the long-term stability of the system, yet it contemplates short term chaos and is sanguine about the closure of some universities. This will damage the teaching of current students and those about to apply, undermine research, and threaten the contribution universities make to employment and local economies.
- **A narrow and limited concept of competition.** The White Paper's thinking is distorted and restricted because of the limited meaning it gives to its key concept, competition. It equates competition with the commercial price competition that exists between businesses selling the same simple and uniform product. In Higher Education competition exists but its primary function is to produce excellence, not lowest prices: it is the critical rivalry between institutions and individuals striving for highest quality.
- **A narrow and limited concept of choice.** Choice and competition in higher education are critically important. But they are to be judged primarily by the proliferation of non-commensurable intellectual diversity that is vital for dynamism and change, not by efforts to produce the same course or commodity at different grades of price and quality. It is adequate public funding which provides for the true values of competition and of choice in Higher Education.

It is time to defend public higher education with the same vigour that was evident in the defence of the NHS from similarly ill-thought-out proposals.

The Government has called for a consultation on its White Paper with contributions to be made by 20th September 2011. The evidence submitted to its previous consultations has been largely critical of its policies. But there is no evidence that the government has given any consideration to the evident risks to higher education that many commentators have pointed out. It is urgent now that academics conduct a different kind of consultation, one in which we present a systematic case for public higher education and its value, both intrinsic and extrinsic.

We now call for contributions to an *Alternative White Paper* to be published at the end of the Government's consultation period in September. This will be presented to the Department of Business, Innovation and Skills, together with the weight of opinion that supports it.

Send contributions to: altwhitepaper@live.co.uk

Closing date: 2nd September 2011

PUTTING VISION BACK INTO HIGHER EDUCATION: A RESPONSE TO THE GOVERNMENT WHITE PAPER

1. INTRODUCTION

1.1. Universities serve a range of functions, from teaching the next generation and providing a highly skilled workforce, to cultivating knowledge and culture, to developing the research that underlies innovations in science, medicine, technology and social policy. A fundamental part of our democratic life, they facilitate debate by generating the knowledge, evidence and argument that bears upon pressing public issues. With the growth of public education and mass suffrage, universities have had a key role in facilitating social mobility and empowering people from all sections of society to participate in politics in a way essential to a properly functioning democracy.

1.2. Universities are now fully integrated into the life of communities across the UK, with nearly every major town and city boasting at least one university that contributes in numerous ways both to the local economy and to the region's cultural life. Universities enhance the life chances of local young people and those seeking a return to education later in life.

1.3. These values are widely shared across the political spectrum. They formed the principles underlying the initial expansion of mass higher education in the 1960s after the Robbins Report (1963) and were reinforced again in the Dearing Report (1997).⁴

1.4. Like the National Health Service, universities are a fundamental public resource. The values intrinsic to universities are now threatened by a drive towards privatisation which passes the costs on to individuals and opens the public system to new, for-profit providers. The collateral damage from enabling for-profit providers is potentially enormous. It threatens the closure of public universities and the drastic reduction of programmes in arts, humanities and social sciences, with serious consequences for the cultural and political life of the country.

1.5. Each university shares a common ethos and set of priorities and objectives, while maintaining its autonomy and unique relation to the local region and community. Some institutions have a greater specialism in vocational subjects, others foster excellence in the natural sciences, medicine and technology, and others still specialise in the arts, performance and cultural analysis. The wider system also includes colleges of Further Education with the capability to offer some students higher degree programmes. What matters is that such diversity be properly funded so that each institution can provide the education appropriate to its context, that each institution should be capable of developing its own vision of excellence. Adequate public funding is vital to ensure that there be genuinely affordable, not prohibitively expensive, access for all students who can benefit from further study.

1.6. It is sometimes asked, rhetorically, 'why should someone who does not attend university pay some of its costs? The implication, with little examination of the issue, is that they should not. The shift from government paying the bulk of the costs of higher education, to individual students (and often in effect their families), is a shift from *all people* in Britain having an interest in this education, towards it becoming something that is only sensibly embarked upon if it is in the private interest of an individual or their family. This is not visionary, it is myopic.

⁴ The Robbins Report is available at: <<http://www.educationengland.org.uk/documents/robbins/>>; The Dearing Report is available at: <<http://www.leeds.ac.uk/educol/ncihe/sumrep.htm>>.

1.7. In essence, funding higher education through loans is to fund it by lending money to the affluent from the public purse rather than by taxing them. The government is keen to promote the idea that the graduate contributions are 'like a tax' but it's a tax that the very wealthy manage to escape, since they are likely to repay the loans much sooner than others (or, indeed, not need them). Perversely, the scheme penalises the future middle classes most.

1.8. The White Paper is introducing a system that redistributes monies from poorer families (including the median family in Britain, one that is currently getting poorer already), and from many very young adults towards older adults without dependent children who will no longer be taxed to help pay for the education of the next generation. The claim that poorer families will be helped by the new loan arrangements shows there is some appreciation of the unfairness of the overall proposals, but that does not stop them from being unfair.

2. PUBLIC FUNDING AND UNDERGRADUATE PROGRAMMES

2.1. November's Comprehensive Spending Review (CSR) announced the removal of the block teaching grant to undergraduate courses in arts, humanities and social sciences (so-called Band C & D subjects) and reduced central funding to STEM subjects (science, technology, engineering and mathematics) by equivalent amounts. Although the government intends to consult on a new form of central funding for 'priority' subjects, the removal of this money dismantles the core teaching funding stream for England's public universities.

2.2. Each degree course will lose at least £3,670 per student per annum (2011/12 figures excluding London weighting), which means that a large proportion of the new 2012 fee levels will, at best, only replace lost public funding, and then only for fees in excess of £7,500.⁵ Students and parents should consider that in this new complex and competitive terrain, resources will be diverted to marketing, recruitment and meeting the costs of regulatory compliance, rather than going into teaching that enhances the student experience.

2.3. Research findings commissioned by, and known to, the Browne Review, but which it omitted to publish, showed that: "Most full-time students and parents ... believed that the government should pay at least half the cost of higher education. This is because the personal benefits of higher education were seen by many to match the benefits to society."⁶

2.4. Public universities require public money; this money cannot be replaced by tuition fees if our excellent universities are to continue with high-quality teaching and research in addition to their local, social and civic missions. These all contribute to the public good. Indeed, a report by the New Economics Foundation states that, "Universities yield benefits way beyond the individual financial returns to students and human capital gains for the economy. We find that just three social outcomes – greater political interest, higher interpersonal trust and better health – contribute a benefit of £1.31 billion to UK society over and above the economic benefits."⁷

⁵ In fact, the loss of income from Government cuts is even greater if the very significant reduction in capital funding and funding for 'Aim Higher' and other access programmes is included. These also have to be recouped from fees.

⁶ Times Higher Report, 3 March 2011 <<http://www.timeshighereducation.co.uk/story.asp?storycode=415358>>.

⁷ *Degrees of Value: How Universities Benefit Society*, 15 June 2011. Available at: <<http://www.neweconomics.org/publications/degrees-of-value>>. See also, British Academy *The Past, Present and Future: The Public Value of the Humanities and Social Sciences*. June 2010. Available at: <<http://www.britac.ac.uk/news/news.cfm/newsid/364>>.

2.5. Excellent institutions such as LSE and the University of the Arts London, which includes Central Saint Martins as one of its constituent colleges (a world leader in design, fashion and art), will receive no block teaching grant at all as they only offer Band C & D subjects. The speed with which these profound changes to university financing are implemented will create short-term instability, not to say chaos across the sector. Many institutions are required to replace entirely their annual grant income of £35 million (or more) with private fee income within three years. Very few private sector businesses could survive such radical and rapid change in their trading conditions. Yet the White Paper blithely proposes to impose such chaos across an entire set of valuable national institutions, with no plans in place for the consequences besides offering to administer the winding down of operations where bankruptcy occurs.

2.6. As the authors of a report by the Higher Education Policy Institute state, “The government’s entire economic strategy is based around reducing public borrowing. Borrowing to give grants to universities counts as public borrowing. Borrowing in order to make loans to students does not count as public borrowing, to the extent that the government can show a stream of income to offset the loans. It is smoke and mirrors, and it provides an extraordinary reason for changing the whole basis for the financing and organisation of the university system.”⁸

3. THE PROPOSED STUDENT LOAN SCHEME: COMPLEX, INSUFFICIENT AND VOLATILE

3.1. Some economists argue that the new scheme is superior to what is currently in place. This is debatable, since in concentrating on monthly repayments it does not take account of the very significant increase in the volume of indebtedness and the time taken to repay the larger amounts borrowed, which creates the conditions for significant compound effects of real rates of interest.

3.2. What is not at issue is that the scheme uses a type of loan – termed ‘income-contingent repayment loans’ - with which few people are familiar. Monthly repayments, once they begin, are determined by income rather than the amount initially borrowed. The government intends to set the repayment threshold at 9% of gross salary above £21,000.

- To further reduce its investment in higher education, the government intends to charge real rates of interest on the loans and is seeking legislative power to charge close to commercial rates ‘prevailing on the market’ (2011 Education Bill).
- Given the increased amounts initially borrowed to cover fees and maintenance, in the majority of cases annual repayments will not cover the interest accrued on the loan.
- The debt is not dischargeable in bankruptcy though any outstanding amount is written off after 30 years or on death.
- Although outstanding student loans will not be classed as debt in terms of credit referencing or mortgage applications, the impact on monthly disposable income will evidently have knock-on implications for all individuals.

3.3. It is not possible to predict one’s future earnings, but the scheme is also volatile because small changes to variables which are impossible to predict over the medium term, such as RPI and wage inflation, play a central role in determining monthly repayments. In effect, having just come through a profound economic crisis in which all are agreed that excessive levels of personal indebtedness were a major component of the problem, the government is now proposing to force

⁸ John Thompson and Bahram Bekhradnia *The Government’s Proposals for Higher Education and Student Funding: An Analysis*, HEPI, 11 November 2011, Paragraph 54. < <http://www.hepi.ac.uk/466-1875/The-government's-proposals-for-higher-education-funding-and-student-finance-%e2%80%93-an-analysis.html>>.

an enormous level of personal indebtedness on a large part of the younger generation at the beginning of their adult lives and under conditions they cannot control.

3.4. Children from lower income backgrounds (for example, those in receipt of free school meals) will be discouraged from attending university. Many students from such backgrounds are being asked to contemplate a debt that their parents would not. The sums of money involved will seem daunting to them. This is not simply a 'perception' that can be overcome by better 'information', since the very nature of the information available about the scale of their potential indebtedness is precisely the problem (and compounded by the fundamental uncertainty attaching to the levels of repayment).

3.5. The White Paper encourages a misguided language of 'value for money' which considers higher education only as a private benefit to the individual.

3.6. The loan scheme does not provide sufficient support for students. The maintenance loan limits (up to £7,675 in London in 2012) are not sufficient to meet rent and living costs. These levels are far below the equivalents of full-time employment at the National Minimum Wage. This will require students to spend too much time working during term-time or entering into additional debt from commercial lenders. A properly designed loan scheme would avoid this particular risk.

3.7. Owing to the amounts involved, many people will be tied into the loan system for thirty years. The threshold at which repayments begins will be linked to wage inflation (uprated annually). However, there is a real possibility that future governments will break this link since, from current models, it appears that overall graduates will repay too little. Governments would prefer a means to manage the sustainability of the scheme by moving the threshold up or down. The government of the day has the power to vary the terms of the loan agreements. Although there are no precedents for 'retrospective' changes, clauses in the agreements for all previous income-contingent repayment loans allow variation of the original repayment terms .

3.8. The government's own figures show the new loan outlay as extremely large and ballooning. It estimates that the 'loan book' will reach £70 billion by 2017/18. It does not provide an estimate for when annual repayments begin to match or exceed new annual outlay.

3.9. In fact, the Government itself recognises that the proposed loan system is unsustainable. The White Paper explains that the government has commissioned Rothschild, an investment banking organisation, to investigate the potential for 'monetizing the loan book'. Chiefly this involves exploiting the current legislation, the 2008 Sale of Student Loans Act, to see how to make the whole or part of the 'loan book' attractive to third party purchasers. This could see the sale of loans made to students at particular institutions.

3.10. It is widely accepted that the financial services sector of the economy caused the current hole in the government's public spending which provided the justification for the removal of 80% of the public funding for teaching in universities. The White Paper now proposes to involve that sector in the financing of higher education – something that is a vital aspect of our nation's life and future –

3.11. A spokesperson for Santander confirmed to The Guardian that they had been in formal talks with the government about launching an independent loans scheme for students based at the most prestigious higher education institutions.⁹ On this basis, those loans that remained within the public system would be the ones less likely to be repaid over the 30 year repayment period.

⁹ 'David Willetts in secret talks with banks...' Guardian 25 June 2011

<http://www.guardian.co.uk/education/2011/jun/25/banks-university-funding-private-loans>

3.12. The many deficiencies in the Government finance proposals will skew the decisions made by applicants towards courses which promise high rates of graduate employment and boast of impressive starting salaries, regardless of whether or not those promises can be fulfilled in the longer term. The first cohorts of applicants under this new scheme are particularly vulnerable here.

3.13. Institutions will be required to provide 'Key Information Sets', but in the crucial aspects of prospective income and student satisfaction, this information is hardly fit for purpose since the data does not allow comparison. In the immediate short-term, it is more likely to give rise to mis-selling than to facilitate student choices.¹⁰

4. CHAOS OVER FEES, DISRUPTION TO UNIVERSITIES, SUBJECTS AND COMMUNITIES

4.1. Government promised that only an 'exceptional minority' of institutions would charge the upper fee of £9000. In contrast, most commentators predicted that most universities would do so. These predictions are now confirmed by the initial period of fee-setting in preparation for the first cohort of students in 2012. The costs generated by these fee levels could only be offset by cuts elsewhere or a manipulation of the distribution of student numbers across the sector.

4.2. Regarding the latter option, the Government intends to disrupt the fee plans of universities by an aggressive opening up of higher education to new forms of competition, with 'for profit' and other 'low cost' providers offering vocationally-oriented, undergraduate degrees at £7,500 and less. At the same time, it wants to dictate the kind and number of students that public universities should recruit with a complicated mechanism that will squeeze the majority of institutions, threatening courses at many (especially in the arts, humanities and social sciences), and even the viability of whole institutions. This is to take risks with the current diversity of choice in the higher education system, and thereby to reduce not to increase choice.

4.3. The consequence will be disruption at all levels in the system. This disruption will not only be experienced in terms of teaching, including in STEM subjects, but also in research. In so far as most academics undertake both teaching and research, the uncertainty about student numbers, including the risks at individual universities of under-recruitment in some subjects and over-recruitment in others, will undermine the stability necessary to plan and sustain excellent research.

4.4. The White Paper announces that ministers are sanguine about public universities going 'bust'. It is stated that, "like its predecessors, the Government does not guarantee to underwrite universities and colleges" (Paragraph 6.9). The implication is that such an eventuality would only mark the loss of a weak or a 'marginal' institution. In truth, it would be a consequence of an institution having been pushed to the margin by Government policies and the instabilities they have caused. An artificial supply-side mechanism controlling recruitment numbers will make it more difficult for universities to recruit even though total demand for higher education currently outstrips the places available. Waiting in the wings, however, will be 'for profit' providers seeking access to cheap 'infrastructure', able to take over 'ailing' public institutions in new 'private-public' partnerships.

¹⁰ See, John Holmwood 'Code of Practice Needed to Prevent Degree-Course Mis-Selling' Research Blogs, February 7, 2011 < http://exquisitelife.researchresearch.com/exquisite_life/2011/02/code-of-practice-needed-to-halt-degree-course-mis-selling-.html#more>. See also, footnote 14 below.

4.5. Many public universities are at the heart of their community, providing employment and contributing to a vibrant local culture.¹¹ In many places, they have provided an alternative to the decline of other employment and industries, taking over derelict buildings and re-energising localities. Government ministers should undertake to visit such towns and declare that it has no obligations for the consequences of its policies. A private, for-profit university would have no interest in meeting this broader public remit – its primary responsibility is to its owners, investors and shareholders. A policy of welcoming private takeovers will, therefore, be corrosive for both the Big Society and 'localism' agendas professed by the Coalition government.

5. PRIVATISING PUBLIC EDUCATION

5.1. The primary purpose of the White Paper is to create opportunities for private, for-profit providers to enter the higher education sector. It is this that explains the removal of the block grant for undergraduate subjects in the arts, humanities in social sciences, enabling new providers to 'compete on a level playing field'.

5.2. Just as with legislation deregulating higher education in the US, the second aspect of the reforms is to allow students at for-profit providers access to the loan scheme. In this way, **the public cost of maintaining the loan scheme will serve to subsidise for-profit providers and boost the returns to their shareholders and investors.** Student fees will pay not just for teaching but for the much higher marketing costs and the dividends and high executive salaries typical of for-profit providers.

5.3. The White Paper also proposes to change the legislation governing degree-awarding powers and to allow more institutions to title themselves as 'universities'. Private providers have been lobbying for these changes and the government has met all their demands.

5.4. In the space of 14 years since the publication of the Dearing Review, which specifically argued that such developments would be damaging to higher education, **the Government has reversed the direction of higher education and has done so with a barely disguised contempt for proper discussion, and without a mandate. Opportunistically, the government is using the current short-term budgetary deficit to implement irreversible changes.**

5.5. The White Paper threatens the excellence of higher education in England. It is a reckless gamble: a radical experiment in university funding, with no precedent in British experience but with parallels to the privatisation wrecking the financial solvency of high-quality public universities in the US, such as the University of California, where net private revenues have not covered the public funding lost through cuts despite spiralling tuition fees.

5.6. The Browne Review advocated a new funding model because of uncertainty over public funding. However, the present proposals will not produce stability; indeed, the uncertainty is switched to the ballooning student support arrangements necessary to maintain a fee-based system of loans and the Government's overriding interest is now to reduce their cost. It places all the risk and uncertainty on the shoulders of the next generation of individual graduates.,.

5.7. Worse still, the recent American experiment in private for-profit 'universities' provides grave grounds for expecting that these reforms could have precisely the opposite consequences to those

¹¹ See, UCU Report, 'Universities at Risk: the impact of cuts in higher education spending on local economies', December 2010. Available at: <www.ucu.org.uk/media/pdf/t/a/ucu_universitiesatrisk_dec10.pdf>.

intended: driving down quality and value for money across the system, burdening students with debts acquired while obtaining credentials of little value, and ultimately passing on much of the cost to the taxpayer while enriching only private investors, shareholders and company executives.¹²

6. INCREASING SELECTIVITY, CREATING HIERARCHY

6.1. At the same time, the Government seeks to introduce a 'core' and 'margin' system of funding that will favour for-profit providers (and others) charging lower fees and 'selective' universities charging higher fees. The majority of universities between these two poles will see their student numbers and resources being squeezed.

6.2. The proposals suggest that any institution can recruit as many applicants as they are able to at AAB and above. However, institutional caps determining how many students each university is able to recruit will then be reduced proportionately (based on historical data). In this way, the pool of such high-achieving students, numbering 65 000, will be fought over by universities. Any institution that fails to recruit its previous share will be prevented from recouping their student numbers from students with lower grades.

6.3. A further 20,000 places are to be removed from existing recruitment caps across the sector. These are to be put out to tender to low cost institutions with consequent knock-on costs and risks of failure.

6.4. The intention is that there will be a further shift of student places from core to margin in future years. The consequence will be disastrous for the majority of universities who will lose student numbers and, therefore, revenue. The White Paper proposes to put students at the heart of the system, but these measures will tear the heart out of the system. Recruitment will replace teaching as the primary aim of the university.

6.5. For the Government all that seems to matter is the achievement of students prior to attending university, not their achievement while at university. Recent research reported by the Sutton Trust is illuminating about who does best at University. Students from state schools do better than those from private schools. This is so across the university system, and at the most selective universities. As the report states, "Comprehensive school pupils also performed better than their similarly qualified independent and grammar school counterparts in degrees from the most academically selective universities and across all degree classes, awarded to graduates in 2009."¹³

6.6. Rightly, much attention has been given to the problems of recruiting children from disadvantaged backgrounds into higher education, but less attention has been given to a new alignment that will be created between universities charging 'premium' fees and independent and public schools which charge premium fees. This will exacerbate the recruitment differential between them and students who have previously attended state secondary schools.¹⁴

¹² Howard Hotson 'Short-Cuts'. London Review of Books, 2 June 2011 <<http://www.lrb.co.uk/v33/n11/howard-hotson/short-cuts>>. See also, Howard Hotson 'Don't Look to the Ivy League', London Review of Books, 19 May 2011 <<http://www.lrb.co.uk/v33/n10/howard-hotson/dont-look-to-the-ivy-league>>.

¹³ Sutton Trust, 3rd December 2010 <<http://www.suttontrust.com/news/news/comprehensive-pupils-outperform/>>.

¹⁴ This is set out in Roberts, K. (2010) 'Expansion of higher education and the implications for demographic class formation in Britain' *"21st Century Society: Journal of the Academy of Social Sciences* 5(3) 215-28.

6.7. The Government is also concerned that our most 'selective' universities do poorly in terms of widening participation. Paradoxically, its solution is to allow unrestrained recruitment at institutions of students achieving AAB at A-level. Many applicants to university come from non-traditional backgrounds and do so as mature students with other forms of qualification and equivalent experience. In other words, **the Government plans to enforce greater selectivity at the very institutions that do badly in terms of widening participation, many of which will be very adversely affected by the proposals.**

6.8. The Government wishes to reinforce hierarchy by creating an explicitly elite group of Universities that it intends should have greater resources than other universities providing similar programmes of education with a similar high quality of teaching.

6.9. Universities in the UK are not currently differentiated in terms of teaching quality. The National Student Survey shows that there is a very high degree of satisfaction of students across all universities with their courses (in the region of 85%, a figure that many commercial organisations would envy). Although there are various rank orders of Universities that are produced using the NSS (by THE and the Guardian newspaper) all independent studies and statistical evaluations of NSS show that those rank orders are invalid, precisely because nearly all Universities are clustered within a few points of each other and the differences among them are, for the most part, not statistically significant.¹⁵ The best courses are not necessarily found at the most selective institutions.

6.10. The Dearing Report (1997) recognized that there was a status hierarchy among institutions, but that it was the role of public higher education policy to mitigate it. The NSS currently shows high satisfaction across all types of institution since resources devoted to student education vary only slightly across the public sector (Oxford and Cambridge perhaps excepted given the additional revenue generated by the endowments and property portfolios of their constituent colleges).

6.11. We now have a Government explicitly committed to the stratification of students and degree quality within higher education thus reinforcing inherited privilege.

7. REDUCING QUALITY FOR THE MANY

7.1. The Government's intention to produce a market in higher education, in which some universities will charge significantly more than others, has the ultimate aim that the majority of students will attend institutions charging £6,000 or less.

7.2. In this way, the Government is bringing about a reduction in the quality of higher education available to the majority of students. Even at £6,000, students will be asked to pay nearly twice as much as they do at present, yet the overall resources available to universities to support those courses will be reduced by a factor of about 20-25% (this is the consequence of reducing public support through the block grant which is only being partially recovered by fees). There is no London weighting incorporated into the scheme, which means that universities in the capital face additional cost pressures.

¹⁵ See, 'Enhancing and Developing the National Student Survey'. Report to HEFCE by the Centre for Higher Education Studies at the Institute of Education, August 2010
<http://www.hefce.ac.uk/pubs/rdreports/2010/rd12_10/>; Cheng, J.H.S, and H.W. Marsh (2010) 'National Student Survey: are differences between universities and courses reliable and meaningful?' Oxford Review of Education, 36: 6, 693-712.

7.3. This will create serious financial instability for Universities, which will experience new and unpredictable patterns of demand for their courses, at the same time as they experience competition from for-profit and other low cost providers, such as colleges of Further Education operating in concert with private corporations (such as EdExcel owned by the publisher, Pearson plc) providing curriculum, textbooks and other services.

7.4. The further implication, as advocated by Vice-Chancellors in the Russell Group, is that this upper cap on fees will at some point in the near future be lifted, with universities allowed to charge what the market will bear (their aspiration is fee levels in line with US Ivy League institutions). Education will become a 'positional good' at 'elite' institutions, a mark of exclusivity, and vocationally oriented at other institutions, where it is vulnerable to competition from for-profit providers, whose 'exploitation' of students has been the subject of a US Federal review.¹⁶ The corporate corrupt patronage of the US for-profit sector, the object of much public debate in the US, is likely to be reproduced in the UK.

8. REMOVING THE STUDENT-TEACHER RELATION FROM THE HEART OF THE SYSTEM

8.1. The Government's White Paper claims it places the student at the heart of the system: but, as a consumer in a marketplace rather than as a student in a university. Chiefly, it fails to see the university as a diverse community, made up of researchers, teachers, students, administrators and support staff who work together to provide an education and not solely 'training for employability', however important the world of work may be.

8.2. Professional and vocational courses hold a key place within higher education, but the government's proposed system distorts the broader, more fundamental aim of university which is to foster critical thinking, learning and understanding of the individual, and of social connections, both globally and locally.

8.3. People come together in universities as a community of individuals from different walks of life, different social classes, backgrounds, and ethnicities, to create new ideas, foster mutual understanding, and to become motivated about their future and the future of others around them. University should be accessible to everyone, because society benefits from the ideas universities explore and publish: about social justice, about histories of oppression and its resistance, about medicine, science, law and ethics. Crucially, they are places in which disciplines intersect, where geneticists meet philosophers of ethics, where performers meet doctors and architects, where lawyers meet experts in language use.

8.4. True choice in university is at its heart about diversity of subjects and diversity among students. This is directly threatened by the Government's representation of the term 'choice' by analogy to shopping in a supermarket. Its banality is belied by the serious threat it represents. True choice in diversity will be eroded by the proposals to allow narrowly-based new providers to cherry-pick courses, by the removal of public funding from the arts, humanities and social sciences, and by the proposals to reinforce the market position of 'selective universities'.

8.5. Within higher education, the student-tutor relation is paramount. Students need to be taught by individuals who draw on new ideas and the history of their subject, in dialogue with others. For students to develop a critical understanding about institutions and social policies, they

¹⁶ Howard Hotson 'Short-Cuts'. London Review of Books, 2 June 2011 <<http://www.lrb.co.uk/v33/n11/howard-hotson/short-cuts>>.

need to be taught by independent thinkers. **The minimal recognition this receives in the Government White Paper is then undermined by the policies being proposed.**

8.6. The Government wishes to give new providers the status of Universities and to confer on them degree-awarding powers, yet they will not draw upon the wider resources that are otherwise understood to constitute a 'university'.

8.7. The Government is dismantling the basic principle of university education – that those who teach in the sector should be part of a self-critical academic community who safeguard common standards. In these new colleges, students will have teachers who are themselves consumers of other people's knowledge, that is, tutors who are not themselves researchers in their subject area.

8.8. Most students will be paying more but getting less. But more important than this, they will be taught misleadingly to put a price tag on everything that they read and write. The intellectual freedom and critical autonomy of the individual, which democratic nations have sought to develop for centuries, will be irreparably damaged.

9. CONCLUSION

9.1. The White Paper purports to put students at the centre of its proposals. In fact, it only does this insofar as individuals will take on a much larger burden of debt. Previous generations received that education for free, or more affordably, because governments supported public universities by providing central teaching grants directly to institutions. Individuals will now pay much more but are unlikely to see a proportionate boost to the student experience and indeed seem likely to suffer from a reduced range of study options.

9.2. The many deficiencies in the Government proposals will skew the decisions made by applicants towards courses which promise high rates of graduate employment and boast of impressive starting salaries, regardless of whether or not those promises can be fulfilled in the longer term. Professional and vocational courses hold a key place within higher education, but the government's loan system reinforces its preference for 'training for employability', at the cost of other purposes for education, which, in truth, have not been in conflict with employment up to now.

9.3. The Government's White Paper encourages a misleading language of 'value for money' which considers higher education only as a private benefit to the individual. It promotes acceptance of a stratified system where quality of degree varies wildly – standards will be lowered in the interests of cheap competition.

9.4. This focus distorts the true meaning of the key concepts of competition and choice in the field of higher education, which can only be served by public universities: to provide a broad and dynamic range of high quality study options. In particular it threatens courses which offer less quantifiable, but no less important, *public* benefits

9.5. Universities are central to the intellectual, cultural and economic life of this country. They connect our past to our future. They embody and communicate cultural knowledge, and generate the debate and discussion essential to artistic, scientific and business development and innovation. We can hardly put it better than the Dearing Report (1997), that it is necessary for higher education to "sustain a culture which demands disciplined thinking, encourages curiosity, challenges existing ideas and generates new ones; [and to] be part of the conscience of a democratic society, founded

on respect for the rights of the individual and the responsibilities of the individual to society as a whole”

The present policies must not prevail. There is no mandate for the privatisation of higher education and for the despoiling of the social, cultural and public value of universities.