

UCLU

University College London Union

**‘Students at the heart of
the system’**

**Government White Paper on HE:
Analysis and response**

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This document has been designed as a critical analysis of and University College London Union's official response to the 2011 Government White Paper 'Students at the heart of the system'

It is not a comprehensive point by point critique but rather a consideration of most important questions alongside a more detailed commentary on the potential implications of the Government's proposals.

UCL Union is the representative body for University College London students.

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1. Executive Summary

- 1.1** The government White Paper on higher education '*Putting students at the heart of the system*'¹ is the government's strategy for rapid and far-reaching reform to the higher education sector. It can be broadly understood as a hurried and jumbled attempt at opening a market in the higher education sector; remodelling students as consumers and universities as service providers. The reforms are extreme and extensive and will have chaotic and immeasurable consequences:
- 1.2 Deconstructing the idea of a public university:** The reforms are a sustained attack on the notion of a public university. The proposals have either failed to recognise the value of higher education in general or are seeking to establish a model of higher education with a fundamentally different learning relationship. A system driven by the individual to benefit the individual.
- 1.3 The government has chosen the private sector:** The government has established a level playing field for private providers at the cost of irreversible damage to public higher education through the deletion of virtually all public funding for higher education, potentially easier access to the university title and access to publically funded loans. 'For profit providers' threaten the academic integrity of the higher education sector today, providing low quality courses at bloated prices.
- 1.4 The market won't work for HE:** An education is far too multifaceted to be confined to the market paradigm; it possesses no traits of a product consumed in a marketplace. The market dictates that a well informed student with improved information will always seek out the best 'value for money' – this is simply not true of higher education.
- 1.5 A caricature of choice and competition:** The government's misleading narrative about choice and competition in higher education is underpinned by market philosophy, the White Paper will in point of fact result in a less diverse choice for students and force institutions to compete against each other not in an effort to

¹ <http://discuss.bis.gov.uk/hereform/white-paper/>

drive quality but simply in an effort to remain open, as universities are subject to ever growing pressures from the private sector.

- 1.6 An unstable system:** The scrapping of public funding for education and the move to a voucher system sets out an unstable and uncertain future for universities. The relative protection and long term security that publically funded institutions enjoyed that allowed them to develop research and teaching excellence has now been totally destabilised.
- 1.7 Complex social consequences:** The White Paper is set to throw the higher education sector into disarray and threatens the undoing of decades of progress; only strengthening the immense systemic biases in society. The consensus on higher education as a public service, its nature and role in society will be totally recast by the White Paper.

2. Introduction

- 2.1** The much awaited White Paper ‘Students at the heart of the system’ published by the Department for Business innovation and skills in June 2011 sets out the government’s vision for the future of Higher Education. It follows the Browne review,² an independent review into Higher Education³ commissioned by the previous Labour government that recommended the complete removal of the cap on tuition fees.
- 2.2** The government did not adopt Lord Browne’s recommendation and has set a maximum fee cap of £9000 p.a. Ministers are now faced with the impracticable task of mitigating the apparently unexpected fiscal consequences of a hefty increase to the student loan book over the medium term. This has compromised the government’s ambition of creating a higher education system driven by choice and competition; it has reoriented the focus of these reforms towards measures to protect the Government from the economic illiteracy of its own policy.

² <http://www.bis.gov.uk/assets/biscore/corporate/docs/s/10-1208-securing-sustainable-higher-education-browne-report.pdf>

³ UCL Union’s response to the Browne Review is available here - <http://uclunion.org/student-union/2010/10/uclunion-response-to-the-browne-review.php>

- 2.3** Not only has the government failed on every level to understand the intrinsic value of higher education to society as a whole and whom it benefits but it has also failed to understand the innate incompatibility of higher education with regular market convention. These reforms are obstinately ideological in nature and present a host of ill-thought measures that are designed to both alleviate the financial burden on central government whilst trying desperately to establish a simulacrum of a market in higher education.
- 2.4** The damage the White Paper threatens to the integrity and overall excellence of our Higher Education system pales in comparison to the potential human impact of the proposals. The White Paper could have catastrophic implications for social mobility as a squeeze on student numbers will inevitably exacerbate relative disadvantage.
- 2.5** The wider dereliction of the concept of a public university which fosters autonomous and critical thinking will result in generations of graduates progressively less equipped with the necessary tools to critically analyse and respond to structural inequality in their society.
- 2.6** The Higher Education sector is threatened by an aggressive push for privatisation that almost entirely transfers the funding burden away from society at large to the individual, this atomised view of Higher education – only benefitting the individual in receipt of the education – is incredibly short sighted. It undermines the concept of Higher Education as a social good and will completely recast the relationship between students and universities.
- 2.7** These reforms are being pushed through without a popular electoral mandate to do so; they have been accompanied by a misleading narrative and have been criticized by many organisations and individuals within and external to the sector.

3. Pulling the plug on public funding

- 3.1** The government has already made drastic funding cuts to higher education, in the form of catastrophic cuts to the HEFCE teaching grant.⁴ The direct government funding that remains has largely been reserved for STEM subjects (science,

⁴ www.millionplus.ac.uk/file_download/159

technology, maths and engineering). In a broad sense the government has terminated its commitment to directly funding public universities.

- 3.2** The funding responsibility has – at least with the example of an undergraduate degree – been transferred onto the individual. The higher fee levels provide no extra cash for institutions; in fact, they barely cover the fiscal gap created by public funding cuts. The government rhetoric about providing long term stability for institutions breaks down from the beginning, with the overall cap on student numbers not set to increase and new providers entering the market on favourable terms, institutions will be forced to compete for students as they begin to lose ground to new private providers.
- 3.3** The funding cuts are not uniform across the disciplines and come down much harder on the Humanities and Social Sciences. This will indeed have the most profound and immediate consequences for institutions that do not teach across the wide range of subjects. The range of subjects that a university teaches is not commensurate to its excellence – highly specialised institutions often excel in their narrow subject area, the London School of Economics for example, that consistently produces world class graduates and research will be disproportionately affected by this ill-thought valuation of academic disciplines.
- 3.4** This blanket ‘one size fits all’ mentality is prevalent throughout the White Paper, a large proportion of the White Paper’s proposals have been designed with the bigger picture in mind, only to fail at application at an institutional level. This goes to demonstrate the lack of attention and prudence that has gone into the development of the government’s higher education policies.
- 3.5** Though HEFCE’s subject banding largely relates to the cost of funding different programmes, the very fact that academic disciplines have been banded and assigned a greater or lesser value demonstrates the permeation of the government’s narrow concept of higher education and an unawareness of the greater benefit of education. A ‘band D’ subject is no less valuable to society than a ‘band A’ subject. Funding cannot be prioritised on the basis that one subject is more valuable to society than another.
- 3.6** The effective transference of the bulk of the funding burden to the individual amongst the government’s other attitudes towards funding is unhealthily moving the sector towards an individualistic, employment focused, cost/benefit notion of higher education. The benefit that higher education has for society at large is often

grossly understated. In a recent report from the New Economics Foundation⁵ it has been estimated that UK graduates contribute a benefit of over £1.31 billion to UK society over and above the economic benefits that progressive taxation levies. The 30 page report, thorough as it is, acknowledges that higher education has immeasurable benefits to UK society that could not possibly be illustrated in such a report.

- 3.7** The New Economics Foundation report is fundamentally juxtaposed to the Browne review – which focused overwhelmingly on the private benefits of higher education – and the consequent White Paper. The short-sighted fixation on the private benefits of education will lead to a culture shift amongst graduates, they are taught to consider every decision they make in fiscal terms – as a consumer would. The moment we allow consumer ideology to penetrate higher education is the moment we lose the ability to think autonomously, reflect critically and question structural biases in our society.

4. Student loans: an unstable, unfair system

- 4.1** The perpetual discourse that surrounds the loans system and how it is fairer than funding education through progressive taxation is simply not true. The government and advocates of the loans system often claim it operates as a tax, yet for those who are lucky enough not to take on a loan or those who are able to pay it off the quickest are in fact proportionally contributing far less in the long term. By amplifying the reliance on the loans system, the unfairness of the loans system is, in turn, magnified alongside the host of problems surrounding graduate debt and debt adversity.
- 4.2** The new proposed loans system is consistently touted by the government as a fairer system than the one we currently have. Repayments per month will be lower and the threshold at which graduates begin to repay their loan is, indeed, higher. However, this does not take into account the sheer size of graduate debts under the new system and the length of time it will take to repay them.
- 4.3** Contrary to the discourse of sustainably funding education, the government is looking for ways to lessen its stake in the funding of higher education by allowing

⁵ http://www.neweconomics.org/sites/neweconomics.org/files/Degrees_Of_Value.pdf

interest rates on student lines to rise to meet market rates. Tuition fee loans have always been justified on the basis that they are simply a deferred payment, held as debt that only grows relative to inflation but does not increase or decrease in value – the government has always argued that this should be seen as not ‘real debt’.

- 4.4** Student loan interest is currently pegged to the Bank of England base rate (currently 0.5%) + 1%. Under government plans student loan interest will now rise in line with inflationary indices, most probably the Retail Price Index (RPI, currently 5.2%) plus a further 3%. This would see student loans rising to meet market rates. The relative protection that students have enjoyed and the government discourse that student loans are not ‘real debt’ will collapse under the new system.
- 4.5** There are a number of inflationary indices that the government may choose from to determine the interest rates. The inevitability is that student loan interest will be linked to RPI – one of the more commonly used indices – not the Average Earnings Index, which exposes the government’s drive to use student loans as an instrument for profit.
- 4.6** A further risk of prolonged student debt is compound interest with market rates potentially applied to graduate debts this will further magnify the problem. Again, this will adversely affect those who earn less and who find themselves paying their debt off over a longer period of time. This unfortunate consequence of a complex student loans system will prove extremely hard to mitigate.
- 4.7** The government has already mooted plans to introduced penalties for early repayments of loans to ensure that high earning graduates or those from wealthy backgrounds can’t buy themselves out of debt, however, this engineers an absurd system where graduates are trapped with very large unstable debts and the government is penalising them for settling their debt early – something which is fiscally desirable for the government. This patch-fix is characteristic of the majority of the proposals that the White Paper fields. If anything it is an acknowledgement that the proposals are inherently flawed and that a loans system engenders deep seated systemic problems.
- 4.8** Support for students is still largely inadequate. Especially at London Universities where living costs are highest, there should be great concern about systemic underfunding of students. The maintenance loan for London students is not even equivalent to a minimum wage let alone a living wage. This will without a doubt result in greater numbers of students taking on part time work or meet the cost of

additional expenses through commercial borrowing.

- 4.9** In the 2010 UCL Union Membership Survey, 74% of UCL students indicated that they were concerned about debt and over 60% were concerned about finding part time work. Adequate student support is paramount to a successful university education, the fundamental in a loans system is a robust and sufficient maintenance provision.
- 4.10** Debt adversity is often obfuscated by the government as a non-issue that can be solved by better information provision, the reality however is that it is not a misunderstanding that tuition fees must be paid up front, but the prospect of a lifetime of debt equivalent to a small mortgage that puts off potential bright students – overwhelmingly from lower income backgrounds – from studying at university. As £9000 p.a. tuition fees become a reality, more damning evidence comes to light about the reality of debt adversity. The fundamental access barrier this poses can only be removed by a system of free education, funded by progressive taxation supported by adequate maintenance grants.
- 4.11** The broader fiscal implications of the loans system for the government are indeed considerable and potentially disastrous. When the tuition fee cap was set at £9000 p.a. on the 9th December 2010, the government’s own analysis predicted that the £9000 fee would only be charged in exceptional circumstances and it was costed accordingly. Yet now Ministers find themselves in an urgent situation where reduction of the loan book takes precedent over doing anything vaguely progressive with education policy.
- 4.12** According to analysis published by the universities access regulator, OFFA,⁶ two thirds of universities will charge the maximum fee from 2012/13 and the average fee level set to be £8,393 p.a. Student debt will inevitably spiral out of control. In the first 5 years of the new tuition fee regime, according to the government’s own analysis based on conservative estimates of an average fee of £7,500 p.a., it is forecast that the student loan book will triple in size from its current size of £24 billion, to some £70 billion by 2015/16.⁷
- 4.13** This ever increasing cumulative debt – which is totally underwritten by the Treasury – is an economic time bomb waiting to go off. Without a doubt, large numbers of

⁶ <http://www.ucu.org.uk/index.cfm?articleid=5645>

⁷ <http://www.newstatesman.com/blogs/the-staggers/2011/06/fees-government-charge-loans>

graduates will default on at least part of their debt if they fail to pay it off before the thirty year guillotine. It is then no longer the responsibility of the individual to meet the cost of the loan, but the state. BIS analysis⁸ has shown that the loan book is expected to peak at £192 billion in 2047, at which point, defaults alarmingly begin to exceed new loan issues.

- 4.14** The fact that the loan book will begin to decrease and stabilise after 2047 does not account for the inordinate sums of money that the government will be writing off year on year. This cost is effectively hidden from the balance sheet and current projections, lumping a future generation with a bloated national debt. Removal of direct grant funding for higher education and its replacement with loans in order to give the illusion of budgetary prudence on today's treasury balance sheets⁹ is a shrewd political move with no consideration for the long term health of the nation's finances or the health of the sector.
- 4.15** Of course, the irony is that ministers have consistently used the 'responsible deficit reduction' narrative to justify this deeply irresponsible move. Where they appear to be reducing the national deficit (the budgetary shortfall when all state income is offset against state expenditure), the national debt (the total amount owed to creditors who hold UK government debt instruments (e.g.: government bonds and other debt securities.)) will balloon out of control.
- 4.16** This problematic future for the student loan book will have to be resolved in one way or another, the likely danger is that the cost will fall with the graduate; due to the economic blunders of the government, a generation of graduates could be faced with commercial rate loans with unfavourable terms.
- 4.17** The pressure on the government to drive down the size of the loan book has resulted in a number of proposals in the White Paper which incentive institutions to drive down their tuition fees at any cost. By putting a squeeze on student numbers and opening up 20,000 places to competition at the lower end of the sector to providers that offer 'value for money' at an average fee of £7,500 p.a or less¹⁰, the government is directly incentivising the use of fee waivers to bring down the average fee.

⁸ http://www.scribd.com/document_downloads/63078079?extension=pdf

⁹ Student Loans, though technically a financial liability for the state are categorised as assets, as they are expected to be paid off at some point in the future.

¹⁰ See chapter 7 on the student number mechanism.

- 4.18** Though, this is indeed money that a student does not have to pay at the end of their degree – this will often be at the cost of providing bursaries to students while they study. This direct funding from universities is extremely valuable support to students given the already inadequate state of the student loans and maintenance grant system. It will hit the poorest students the hardest at university and will act as a disproportionate incentive for students from the least well off socioeconomic backgrounds to apply to university in the first place.
- 4.19** There is also a very real possibility that the government may turn to other methods in order to remove the debt from its balance sheet. For example, allowing commercial banks to finance student loans at some institutions in return for taking each student that is privately funded off the quota. Such a mechanism would put the student's in question at the mercy of terms of the financial institutions that have financed them inevitably resulting in poor terms and conditions and a lifetime of debt at very high interest rates.
- 4.20** Due to the undesirable nature of student debt with its relatively high default rates it is more than likely that when considering selling off debt, to make it more attractive the government may consider securitising debt and selling a credit default swap (CDS) on undesirable debt. Similar to an insurance policy, a CDS provides the purchaser of the debt with regular financial compensation to cover costs in the event of a default. Minimal regulation may even allow debt to be broken down by institution and by subject allowing the protection buyer greater selectivity over the nature of debt that is taken on. The government would in this instance be left with a smaller but more toxic student loan portfolio.
- 4.21** This possibility could very well see some institutions acquiring their own students' debt. This is a fundamental conflict of interest; it then becomes desirable to plough resources and funds that should be directed elsewhere into increasing employability through investing in careers services, and forging partnerships with business.
- 4.22** With the 2008 Sale of Student Loans Act¹¹ in force and the government actively considering the range options at its disposal to mitigate the risk of the loan book,¹²¹³ there are concerns about how much leverage the financial sector is being

¹¹ <http://www.legislation.gov.uk/ukpga/2008/10/contents>

¹² Page 8, Paragraph 3.9 http://publicuniversity.org.uk/wp-content/uploads/2011/07/Response_to_White_Paper_Final.pdf

¹³ <http://andrewmcgettigan.org/2011/06/10/letters-from-willetts-student-loans/>

permitted in the higher education sector. This is the same industry with the same practices that resulted in the evaporation of public funding for universities and now it is being proposed that they underpin the funding model which is supposed to provide stability and long term security for the higher education sector.

5. Forced to compete

- 5.1** Benevolent competition in the Higher Education sector is far from what the government proposes in the White Paper. Moreover it has failed to understand – and entirely mis-defined – what competition in Higher Education looks like and how it effects change. The introduction of new private providers into the sector will serve to provoke conventional market competition between universities.
- 5.2** The kind of competition that the White Paper promotes is not concerned with gradually improving quality but is a raw and unashamed measure to drive down price, reducing the cost to central government.
- 5.3** With no increase to the student number cap, but the opening of the sector to ‘value for money’ private providers entering at the bottom of the sector and encouraging their development will put enormous pressure on less prestigious public universities to compete for students.
- 5.4** This will lead to a more narrow range of degrees on offer which differentiate on the axes of price and academic quality. The misleading language of choice that is consistently employed throughout the White Paper is not commensurate to a wide choice of academic disciplines established in a healthy, flourishing sector but to the ability of the potential student to cherry pick an institution that ‘appears’ to offer a desirable course.
- 5.5** The almost complete removal of direct public funding for universities is tantamount to a complete change in lines of accountability. A university not in receipt of direct state funding is no longer accountable to wider society through the pursuit of research and teaching excellence, but forces them to be accountable to satisfaction targets and variable student demand. This threat of instability will not increase quality of teaching or promote excellent research, but plunge universities into an uncharted era of turmoil, where the main priority will simply be to stay open, let

alone improve.

- 5.6** The false language of market competition in the White Paper does not allude to the kind of passive competition that exists in the higher education sector today – especially true for institutions like UCL – functions to improve quality amongst small groups of similar courses in institutions. Where, for example, entry qualifications may be the same for an English degree at a couple of elite universities, the gradual progress and development of the academic community, success in research, successful graduates amongst other factors differentiates between these qualifications, and students will make a choice based on these indicators. This, in turn, furnishes these courses with the brightest applicants that - to a very limited extent – fuels a positive feedback loop: over time the better courses at universities enjoy more success.
- 5.7** A state funded education system incubates institutions and allows excellent academic communities to develop that ‘compete’ with each other. By making funding sources inherently unstable – institutions will no longer be prepared to develop experimentally and radically in an age of funding insecurity. The focus will be on securing funding, not nurturing excellence.
- 5.8** The government White Paper has confused positive effects of academic competition with market competition. If anything, the advent of market competition will do nothing but hinder this passive academic competition. What drives this steady improvement are the small differences between similar courses at similar institutions allowed to develop in a relatively stable sector. When the market pits an institution against another institution, institutional aims and objectives override this more subtle process.
- 5.9** Bar the most elite, institutions at large will not be able to look to establish themselves as islands of research and academic excellence in order to drive a process of continued academic improvement, there is simply not the stable funding. The focus will shift to more short term, quick-fix gimmicks to embellish to get students through the door in order to guarantee the funding.
- 5.10** Market competition puts academic excellence in serious jeopardy, retaining and protecting the excellent academic community that fosters autonomous critical thinking – the hidden unquantifiable value of higher education – could, and will be sidelined just because it doesn’t immediately translate into a number of students through the door.

- 5.11** The same market competition will force institutions to streamline course offerings. Public universities will be under increasing pressure to streamline their offering to drive down costs. London Metropolitan University, for example, has already announced that 400 of its 560 courses will no longer run. The less ‘sellable’ courses will retreat back to elite institutions where they are still viable, taught to those with the ability to pay for them, reinforcing the systemic bias against individuals from less wealthy backgrounds.
- 5.12** The logic of the market should allow a provider to fail if demand does not sustain its existence, in the context of White Paper; this means universities that aren’t working should be wound down. However, most universities are stable and will only be driven to the wall by government policies, which then justifies their shutdown. Student demand for higher education does not figure in this equation, demand for higher education has long outstripped provision in the UK, yet there are no plans to allow for a controlled expansion in student numbers.

6. HE is incompatible with market orthodoxy

- 6.1** An education is a completely atypical product; it hardly conforms in any way to the character of a product which can be consumed in a marketplace. The very nature of the market and the consumer encourages the consumer to value and scrutinise the choice of products available based on information at their disposal.
- 6.2** The language of consumerism in the White Paper encourages students to view and value their education in the context of its benefit to them. The White Paper fails to illustrate an understanding of the societal benefit of higher education, the reality is that higher education has an immeasurable benefit to society as a whole and its development and improvement cannot and should not be driven around the needs or desires of an individual.
- 6.3** The same language of consumerism translates into a broader culture shift at universities. As the relationship between staff and students, teaching and research is dismantled, teaching staff themselves will decreasingly be autonomous thinkers, they themselves will be consumers of knowledge, reproducing a syllabus – with a lesser ability to interact critically with the discipline around them and teach students to do the same. In the same way private universities are not accountable to the society around them, staff will not be accountable to their research and

society as a whole, but to profit and satisfaction targets.

- 6.4** A fundamental tool of consumers that drives quality in a regular market is ‘exit power’; there is no exit power in a higher education market. The choice to study is a choice that many of us are only lucky enough to make once in our lives, universities will not be held accountable to a market by the threat of losing repeat custom. Once a student is through the door, there is very little a student can do to exercise power over their education, the significance of being able to trigger a quality review pales in comparison to the institutions power over the education it offers.
- 6.5** Degrees are such innately complex products that a market simply cannot be constructed around their attainment, the reasons which govern an individual’s choice to study a particular subject at a particular institution cannot be reduced to ‘perceived value for money’ or ‘average salary on graduation.’ Students are by no means searching for the best value for money, they will be searching for the best degree for them.
- 6.6** The entire concept of an education market is a twisted notion of a classic market governed by a choice of prices where a relatively simple product is offered by a wide range of providers that exhibit little variation in feature but do vary in quality. Degrees vary drastically in content and nature – the same degree at two very different institutions will be incomparable in the context of a classic market.

7. The student numbers mechanism

- 7.1** Two pools of students will be created at the top and bottom end of the sector to stimulate competition. At the top, the 65,000 or so students that attain AAB+ will be removed from the student quota controls, allowing all institutions to attempt to compete for a as large a share of the pool as possible.
- 7.2** Once each institution’s historical numbers of AAB+ students are removed from the equation, the remaining number of students, dubbed the core, will be reduced by a further 8% at every institution in order to create a pool of around 20,000 students (called the margin) HEIs will be able to bid for a share of the 20,000 strong margin as long as their average fee with waivers is equivalent to £7500 p.a. or less.

- 7.3** The government did not adhere to Lord Browne’s recommendation¹⁴ to drop the cap on fees in order to establish a free market in higher education, instead the government has opted for a simulacrum of a market, one which wouldn’t arise naturally, motivated both ideologically and economically to create something which vaguely resembles a market and replicates competition, whilst reducing the increased cost to central government of maintaining the student loan book. What has emerged is a complicated system that forces universities to compete at both the top and bottom of the scale.
- 7.4** At the top of the sector with the removal of the 65,000 or so AAB+ or above students from the quota. Universities will now be able compete for as large a share of this AAB+ pool as they wish, as the remaining non AAB+ student numbers are allocated based on past student data, institutions will simply not be able to make up the difference with students that achieve lower grades without exceeding their quota if they fail to recruit at their historical AAB+ levels.
- 7.5** For institutions like UCL there is little desire to expand, there simply isn’t the room to accommodate more students, there is a danger however that institutions will take the opportunity to expand over capacity, to the detriment of the academic experience. Expansion is more than likely to come in postgraduate provision – a far more lucrative and easier option for most Russell Group universities.
- 7.6** For the most selective universities, the impact of the reduction of 8% on overall student numbers will be largely negligible, there will only be a small pool of students left to which student number regulation still applies.
- 7.7** AAB+ students will consequently become incredibly important if institutions are to maintain their reputation, universities will inevitably introduce incentives to attract AAB students, potentially diverting valuable resources away from widening participation initiatives.
- 7.8** Over 40% of AAB+ students are concentrated in 10 of the most elite institutions.¹⁵ It will inevitably be these institutions, and others like them, that are capable of absorbing the residual AAB+ students from the middle of the sector, the AAB+ mechanism will increasingly mean that universities have a narrower grade pool, making them inherently more socially selective, fuelling the elitism and reinforcing

¹⁴ <http://www.bis.gov.uk/assets/biscore/corporate/docs/s/10-1208-securing-sustainable-higher-education-browne-report.pdf>

¹⁵ <http://www.timeshighereducation.co.uk/story.asp?storycode=416731>

hierarchy at the very top of the higher education sector.

- 7.9** Contextual admissions are vital if this effect is at all to be mitigated. Especially within the Russell Group, there is a distinct focus on grades around admission, disproportionately benefitting the students that went to the best schools. Within the AAB policy there is no scope for Russell Group universities to admit students with a consideration to any other factors apart from their A level results.
- 7.10** At the bottom of the sector, the new 20,000 place margin created by totalling the 8% cuts to remaining student numbers will be available to universities if they have an average fee (taking waivers into account) of under £7,500 p.a.
- 7.11** Universities at the top of the sector with higher proportions of AAB+ students will, on the whole, contribute far less to the margin pool than universities that have very few AAB students, consequently putting a lot of pressure on these institutions to bring their average fee down to £7,500 in order to access the margin pool.
- 7.12** This ‘race to the bottom’ as it has been called by so many, will result in drastic measures in order to bring down the average fee to £7,500 p.a. Course cuts, staffing cuts and a lack of resources will characterise universities that have been forced to conform and compete at the lower end of the system in order to sustain themselves.
- 7.13** Perversely, fee waivers will count towards the average fee. This encourages universities to return money that would have otherwise been spent on outreach or bursaries – putting money in student’s pockets to central government. This is an economically motivated incentive at the expense of the neediest students.
- 7.14** The new student number mechanism threatens to create a binary sector, reinforcing the hierarchy of research intensive, AAB heavy institutions and a bottom tier that is characterised by a lack of resources. For the first time a sector that is seriously stratified in terms of quality may emerge: according to NSS results academic quality is not the principal factor which differentiates universities. The established hierarchy is little more than a league table illusion that results in a certain degree of social sorting. Now we may see a marked differentiation in quality from the top to the bottom alongside and an increased stratification of A level results across the sector.

- 7.15** The government has made it clear that size of the margin and the AAB threshold are both subject to review and both could creep towards the middle –with the final aim of drawing the two pools together. In this case, there is no ‘do nothing’ scenario for institutions, there will at some point be a decision to be made whether to attempt to break into the elite set of institutions or to focus on offering value for money in order to retain student numbers through the margin pool.
- 7.16** The margin pool has been created to induce competition at the bottom of the sector from new entrants to the sector, there is no doubt that they will be allowed to establish themselves on favourable terms. For every place absorbed by a new provider, a place is lost at a public university that has to compete in the margin to survive and thus the funding pressures on them increase.
- 7.17** The margin will do nothing to improve quality at public institutions in the margin, nor will it promote value for money. It encourages the stripping down of public universities in order to continue to operate and offer a university education – through the loss of staff and diversity of courses, the very essence of a public university is lost. What remains cannot be passed off as a value for money university education.
- 7.18** On a broader note, students will be paying more than double what they currently pay for a stripped down education at the lower end of the scale, deficient in both content and resources. The argument here that the introduction of the market into HE will see quality driven up is utterly bizarre, dogmatic appraisal of market philosophy will do nothing to brush over the reality of an entire stratum of underfunded universities, struggling to break even, providing a sub-standard education for a bloated price.

8. Misrepresenting choice, power and information

- 8.1** The White Paper consistently employs a misleading narrative around student choice in higher education rooted in the principles of the market. There is a distinct lack of understanding in the White Paper of how the market will affect the sector and alter choice.
- 8.2** True choice that reinforces the relative excellence of our universities today is the freedom to navigate between and choose from a broad range of academic

disciplines that transcend each other and contribute to each others' development – at a number of different universities. This is the very essence of the university community; interdisciplinary is precisely what makes a university a university and not just a college that teaches a range of subjects in parallel.

- 8.3** The need of universities to remain financially viable under the strict student number constraints without the protection of public funding that nurtures a healthy range of academic disciplines will strike a major blow to 'choice'. Institutions are already streamlining their offering, leaving a shell of more vocational, employer oriented courses. The White Paper attempts to create a sector where the market has driven a wedge between academic communities and teaching provision, with a range of similar courses arising at different institutions that are stratified on the axes of price and quality.
- 8.4** The title of the White Paper alludes to a certain realignment of power. Students find themselves not at the heart of a university, but in the driving seat of a chaotic market system, with little to no control over the direction of travel of higher education.
- 8.5** Universities, accountable to their funding sources, will evidently adapt in order to respond to what prospective students demand. With less knowledge of the higher education system - universities may enjoy more success marketing themselves on the non-academic aspects of the student experience; focusing resources on attention-grabbing devices rather than the inherently less marketable, less measurable academic excellence of a university. Students will drive change indirectly, but they hardly have power over the development and continual improvement of quality of university education.
- 8.6** The language of student choice and power in the White Paper is underpinned by the provision of better information in order to motivate consumer behaviour – seeking out the best value for money – when applying to university. The argument that this information will empower students falls down on its own terms. What seems to be the flagship proposal of the White Paper, the Key Information Sets (KIS) are an attempt at providing students with enhanced information on which to base intelligent consumer choices.
- 8.7** The Key Information Sets (KIS) suggest indicators on which the value of higher education should be assessed. In keeping with the rest of the content of the White Paper, promote an individualistic, blinkered assessment of the value of higher

education extending no further than private economic benefit by emphasising employment prospects and average graduate salaries. The suggestive power of the KIS should not be underestimated, if information is provided, it will be on the basis of that information that decisions are made. The White Paper will inevitably skew applications towards vocational and skills oriented courses, continually reframing the value of higher education amongst the younger generations.

- 8.8** The inclusion of the Students' union question in the KIS may appear positive, but will prove problematic. Students' unions are by their nature largely transient; officer groups change from year to year and can totally reshape an organisation. The data that KIS provides can be up to 3 or 4 years out of date and reduces a student's interaction with their student's union to a single data point; a great proportion of the passive work that a Students' union does is not necessarily associated with the Students' union.
- 8.9** Asking one question prompts institutions and potential applicants to overlook the complex benefits and wide range of work that Students' unions do. A Union that appears to underperform according to the question – that may excel in some areas – could be threatened with funding cuts. Asking generalised questions brushes over the contextuality of the data and cannot be used as a reliable indicator.
- 8.10** The fundamental flaw of the KIS is potential misinformation. In many cases the data is simply not functional. With the example of salaries, taken at an 'average' value six months after graduation, by providing one 'average' value the contextuality of the data is immediately lost. A mean salary will say very little about the range of salaries on graduation for any given course. Salary data is also three or more years out of date, in times of economic instability; indicators like this become rather unreliable.
- 8.11** The government simply does not have the commitment or the resources to build meaningful information sets with quality data that is rich enough that it can accurately capture the essence of the university experience. In fact the government intends to hand over the data sets to the private sector with the rationale that third parties will develop innovative ways to present and manipulate the information, much like a price comparison website. The risk being that third parties, not accountable to the sector will focus on more sensational, less integral aspects of university education, in order to drive traffic to their site. If the government intends to provide more information – it must first build a suitable rich contextual framework to do so – and adequately resource and guide the project itself.

- 8.12** The KIS as it exists now is malformed, inadequate and can only provide misinformation and do damage to the public perception of what university education is. It must be radically overhauled or scrapped.

9. Privatising higher education.

- 9.1** The central premise of the White Paper is to open up the public education system to private 'for profit' providers. It allows private providers the same protection and support through access to the public loans scheme; favours the establishment of new 'low cost' providers through the establishment of the 20,000 strong margin pool along with potential plans to loosen the legislation around the university title.
- 9.2** A range of potential providers are poised to enter the UK sector, from established multinationals with experience in teaching to exam boards in partnership with FE colleges.
- 9.3** Lessons must be learnt of experiments in privatisation past and present with public services to demonstrate the public higher education sector's irreconcilability with private providers. A brief examination of the higher education system in the United States demonstrates what can happen to the university system when exposed to the tyranny of the market.
- 9.4** The American 'for profit experiment' in university education clearly exhibits how the profit motive can work to undermine the nature and spirit of a university. The University of Phoenix is
- 9.5** The wholesale abolition of teaching funding for non STEM subjects, the access to the student loan book, the provision of places and access to the prestigious university title marks the establishment of the level playing field in higher education for public universities and private providers. Tuition fee loans available to students at private institutions boosts student demand and in turn the profits of the institution, at the expense of the taxpayer.
- 9.6** Revenue generated by private institutions will not be ploughed back into the university in any significant way; fees paid by students at public institutions remain within the public university sphere and is reinvested in education for the public

benefit. Private providers however remove this generated revenue from the education sector without any compound benefits. Public money snatched away from upstanding public institutions will ultimately end up paying distended management salaries at these for profit private institutions.

- 9.7** Private providers will be in a position to vastly undercut public institutions, putting public institutions' funding on the line. By not allowing an increase in overall student numbers, in a sector where demand has always historically outstripped supply is a deliberate attempt to drive public institutions at the lower end to the wall.
- 9.8** Private institutions are not accountable to wider society and have no considerable obligation or benefit to the society in which they situate themselves. Public Universities are rich, diverse bastions of culture, critical thinking and academic freedom. They are spaces where individuals come together to create new ideas and add to and develop existing ones. A private teaching institution displays none of this dynamism which is fundamental to university culture – they merely duplicate knowledge in its original form without critical intellectual engagement.
- 9.9** Learning and reproducing facts and skills is largely different to a broader notion of education which resides in the sanctuary of the public university. The entrance of private providers into the sector and the dismantling of the very notion of a public university completely reverse the social progress that has been achieved through the establishment of a truly mass system of higher education; this government is privatising our education system without a democratic mandate to do so, despite sustained criticism levelled at the academic, economic and social consequences of these reforms.

10. Social Consequences.

- 10.1** 48 years ago the Robbins report on higher education concluded that university degrees "should be available to all who were qualified for them by ability and attainment" The more recent 2003 White Paper reiterated 'Education must be a force for opportunity and social justice, not for the entrenchment of privilege.' It seems in the last decade we have moved backwards so far that we are poised to undo the progress of generations. The White Paper represents an unprecedented

attack on social mobility, if passed, will undo decades of moving forwards.

- 10.2** The current tuition fee based system supported by maintenance loans and grants is deeply flawed. Debt adversity is increasingly putting off potential applicants from non traditional university backgrounds for fear of being laden with decades of inhibiting debt. With the tripling of fees, and consequently graduate debt. Students now face colossal debts the size of a small mortgage.
- 10.3** A continued inadequacy in financial support will see students continuing to seek part time work to the detriment of their university education, or alternatively seeking commercial finance to cover the extra expense.
- 10.4** Debt adversity has always been brushed off by the government as an unimportant assumption that can be remedied with better information about the fees system. The problem however is not misunderstanding, but the absence of will to take on a potential lifetime of debt.
- 10.5** Disciplines that require longer time commitments and consequently a larger outlay will see the greatest effects of debt adversity leading to increased social stratification. A student studying a Medical degree at UCL will face in excess of £50,000 of debt.
- 10.6** The loans system threatens to burden one generation with enormous graduate debt, of which large parts will default, burdening the next with an exaggerated national debt. The policy blunders of this government will have far reaching fiscal implications decades into the future
- 10.7** The kind of culture shift that the government envisages around the public conception of higher education and its extrinsic value to society at large is potentially game changing. A functioning higher education system and fair and free access to it is a necessary tool of social emancipation, without it the self-reinforcing structural biases shall never be wiped out.
- 10.8** The student number mechanism is a potentially devastating development for the sector. Establishing a binary of elite institutions with an ever narrower stream of applicants and a lower tier that is typified by poor quality stripped down courses and limited choice. The concentration of AAB+ students at the top of the sector and the deterioration of quality at the bottom will only reinforce existing inequality and social segregation between institutions. Just as boundaries begin to break down

around the classic elite institutions, the system threatens to markedly reinforce those barriers.

- 10.9** There is a significant bias in pre-university education against those from less wealthy socioeconomic backgrounds, applicants who went to a state comprehensives are more likely to be under-predicted before their A-levels than students at independent schools. With the stringent focus on qualifications, institutions like UCL are unable to manoeuvre and are forced to accept an AAB+ student, where there may be grounds to do the contrary. This could deal a significant blow to the widening participation initiatives of elite universities, a serious move to incorporate contextual admissions into the system is necessary to address these consequences.
- 10.10** The Office for Fair Access, though working in the right direction, can never fully mitigate the social consequences of flawed government policy. The access agreement is an extension of this discourse of tokenistic compensation for the damage that is being done. Its work is endangered and could even be undermined by the government's ulterior financial motives.
- 10.11** With the drive to encourage fee waivers in institutions that will be competing for places in the margin could potentially withdraw cash in hand support from students that need it the most. The fact that the government has actively been encouraging fee waivers, as opposed to bursaries is a reprehensible illustration of the government's priorities and cannot be left without criticism.
- 10.12** The proposals are already having profound effects for the nations, last week, Edinburgh University voted to set fees for students from the rest of the UK at £9,000 p.a. (£36,000 over the course of a degree) Representing a 500% increase, making it the most expensive institution to study at in the U.K.

11. In defence of education

- 11.1** UCL Union remains committed to and will continue to lobby and campaign for free, publically funded education with decent maintenance grants, paid for through progressive taxation. The series of potentially calamitous changes that the White Paper fields are an attack on the value and meaning of a degree, a university and the Higher Education sector in its entirety and only serve to illustrate the

devastating consequences of the attempted commoditisation and marketisation of Higher Education.

- 11.2** There are a number of very large omissions in the White Paper, the most confusing of which, is the worryingly scarce mention of postgraduate students. The Higher Education White Paper largely focuses on undergraduate provision. It does not broach the existing subject of access and funding for postgraduates or consider the far-reaching implications of its proposals for them and the postgraduate sector. We will continue to lobby for and work towards the establishment of an income contingent support system for postgraduates. We believe that education to the highest level is a right and should be funded entirely by progressive taxation and that postgraduates have exactly the same right to income contingent support that undergraduates do.
- 11.3** Though the legislation was designed as a Higher Education White Paper for England, the other nations in the UK are now presented with difficult choices. Like the rest of UK universities, Scottish universities have lost almost all public funding, coupled with a raise in fees to replace lost funding; Scottish universities may see a marked decrease in applicants from the rest of the UK which may impact upon their funding commitments to their own students. Higher Education is a devolved policy matter in Scotland, but still relies on state subsidies from Whitehall. Similar situations are set to play out in Northern Ireland and Wales.
- 11.4** We remain committed to a system of Higher Education that is accessible to all and does not discriminate on any grounds. The potential of these proposals to impact on the most underrepresented groups is overwhelming and cannot be ignored; the system threatens to reinforce a systemic bias and will reinforce a university education as a positional good – reserved for the elite in society.
- 11.5** UCL Union will continue to work closely with UCL and OFFA towards better access agreements and seek to mitigate the consequences of these reforms for our students, but it must be stated that the largely tokenistic nature of the government’s attempts to mitigate the social consequences of its reforms is an acknowledgement of their undeniable defects, with only a half hearted attempt to address them.
- 11.6** We believe that the university should remain a centre of independent, autonomous critical thinking. The self-interrogative, inquisitive nature of a university education creates a space for free thought and the development of existing ideas and the

inception of new ones. This intellectual self-determination allows students to interact critically not only with their academic study but with the world around them – the critical tools gained at university are fundamental to equipping the next generation with the tools that are necessary to understand, analyse and change the society that they live in. The fact that the government has utterly failed to protect this principle is beyond the pale.

- 11.7** The public benefit of a university education is something which has been vastly understated in the White Paper; we believe that Universities perform a vast service to society. Universities are centres that develop the individual to make a contribution to society, spearhead research in every area and contribute to global problem solving. Universities and education on the whole are a driving force in the development of our society and global society. To not recognise this and protect it, is impractical. We must restore public funding to our public universities to give them the resources and stability that is necessary to continue to produce world-leading research and the next generation problem solvers.
- 11.8** The coalition government has no mandate to execute these destructive reforms. In such a short space of time, an education will have returned to being a privilege and not a right. Gone is the assumption that an individual should have the right to a university education independent of their fiscal means: no economic or ideological dogma can possibly justify this.
- 11.9** UCL Union calls on the government, universities, students' unions and the rest of the Higher Education sector to consider the true nature of these proposals. An alternative must be developed. One in which we can ensure a fair and accessible education for all, alongside a sustainable future for universities.
- 11.10** The Higher Education White Paper is one of the most drastic and far reaching reforms proposed to any public service for decades. If we do not attempt to put a stop to these changes, we risk a permanent and potentially irreversible change to our society.

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