A significant division is opening up between the UK national government with responsibility for legislation on higher education in England and the devolved Parliaments with education under their jurisdiction. University leaders, in contrast, tend to speak with one voice, emphasizing the risks of a global knowledge system and the need to compete (in effect, for positions within a global prestige ranking). There is little mention by them of the wider values of higher education and little concern expressed over the social costs of shifting the financial burden of maintaining competitive position onto students.

The recent White Paper on Higher Education in England, proposed legislation to allow institutions who do not teach to award degrees, to allow for-profit providers that do not research to have university, or university college, status. It also proposed to provide Hefce with light touch regulatory powers appropriate to the oversight of this new and diverse set of institutions. The legislation has not been forthcoming, although the direction of travel toward a state-directed market system is clear.

In contrast, the equivalent White Paper in Scotland, argued for the retention of a system of public higher education. In addition, it argued for a better integration of further and higher education and for proper consideration to be given to public support for students in further education as well as higher education. In these respects, the proposals in Scotland re-state the principles that motivated the ‘California Master Plan’, widely regarded as an exemplary system of public higher education, now destroyed by the mendacity of politicians and the greed of university leaders, as set out by a recent article by Bob Meister.

The governance of Scottish higher education has also been the subject of a review chaired by the Principal of Robert Gordon University, Professor von Prondzynski and published in January of this year to little notice in England. This review (among other recommendations) proposed that principles of academic freedom and institutional autonomy should be incorporated in a new statute of the Scottish Parliament, that Privy Council jurisdiction should be enshrined in a new committee subject to parliamentary scrutiny, that the title of university should be reserved to independent public bodies, that governing bodies should meet in public and include students and staff members (elected by relevant unions), and that ‘whistleblowing’ procedures should be under the remit of the governing body. The latter is in contrast to the recent proposed concordat by Universities UK that suggested research integrity should be a matter reserved for the university as employer, with the management of whistleblowing the responsibility of a designated senior member of the university.

What has been striking about the commentaries on these proposals and the steps taken toward their enactment is that the maintenance of public higher education is presented as a threat to institutional autonomy. A recent report by Hepi, for example, warned of a reinforcement of the role of the state in driving change in the devolved jurisdictions. The Times Higher accompanied its report with the headline, “the price of avoiding the market: your freedom.”

The Hepi report also indicated that the divergence between the devolved systems and that of England—most marked in the case of Scotland—should be understood in the context of universities operating in a single (global) market for higher education. This was a theme expressed by Universities Scotland in their submission to the Prondzynski Review in September 2011, which argued that, “Universities are large and increasingly complex businesses operating on a global stage—we need to be agile and able to take decisions and operate quickly and flexibly” (page 1). However, the defence of institutional autonomy is, in truth, a defence of the right to manage, not a defence of academic freedom and the collegiate university. Speed and flexibility of action are not only to be directed outward to the market, but also inward to the hierarchical organisation of academic practices and the management of performance to meet corporate goals.

The changes to English higher education have been described as an experiment, but, if it is an experiment, it is not unprecedented. As Meister argues, it is an experiment that has been unfolding over the last decade in California where university leaders were complicit in the dismantling of public higher education. University leaders sought to replace public funding by leveraging income from students. Their argument was similar to that made by Universities UK in arguing for increased student tuition fees to replace direct funding of undergraduate programmes. This would avoid budget cuts and would enable public universities to compete with private universities. The strategy was also predicated on the view that this could be carried out alongside teaching efficiencies (increased enrolments, use of casualised staff, etc) and that the additional income could be used to augment falling research budgets.

The naivety of this policy is that it contributes to a vicious circle where ‘success’ in finding new income sources encourages further reductions in public funding. Ominously, the Head of Hefce, Sir Alan Langlands, has warned that the ‘success’ of universities in maintaining income by transferring the burden onto fees may give rise to further cuts: “With the combination of Hefce [money] and fee funding, if you are sitting in the Treasury, [overall funding] begins to look very generous.” (Times Higher, 2012). Where university leaders congratulated themselves on the defence of the research budget, that budget is now perceived to be under threat.

But why would students accept such a model? Once again the arguments are familiar to those made by university leaders in the UK and by the Browne Report. Students should pay because of a graduate premium in incomes. As Meister puts it, “The core assumption of privatization-as-financialization is
that rising income inequality increases the fear of falling behind and thus the willingness of middleclass students to borrow more. If this reasoning is correct, ... students should be indifferent to the choice between paying for the education premium up front (as equity) or taking on debt—higher tuition would simply move some students further up what financial economists call the "efficient frontier" between being an investor and being a borrower. ... By following the logic of financialization, universities could theoretically raise revenues from enrolment growth for as long as students were more willing to incur debt than to pay higher taxes" (page 134).

However, as Meister shows for the US, there was a significant premium in the early 1990s for the top 20%, but that has not been the case since the late 1990s when all income growth has been in the top 1% (significantly a group in which university leaders are found). The stagnation of ‘middle class’ incomes calls into question such a model. As Meister argues:

"a potentially greater income gap has appeared among recent college graduates, whose unemployment rate is now approaching the national average. Of those who are employed, 50 percent have jobs that do not require a college degree and that pay on average 40 percent less than jobs requiring a degree" (page 130).

Any trade-off between debt and higher taxes, however, is unstable. It creates problems which are becoming evident in the UK. If incomes do not rise then a system of income-contingent loans will come under pressure as a larger proportion of students fails to meet the income threshold for repayments. It is this risk that is presently limiting increases in student numbers and giving rise to unmet demand. Where Liberal Democrats congratulated themselves on a generous student loan system, there are now calls to reduce the income repayment threshold.9

At the same time as the system encourages spiraling tuition costs and reduced quality in teaching, it dramatically increases indebtedness. Fear of debt coupled with a perceived lowering of returns to a degree, encourages prospective students, especially those from lower income backgrounds, to enroll at lower cost for-profit providers. Public universities become squeezed between for-profit providers and elite private colleges. Students from low income backgrounds end up paying more for degrees which will do little to advance their social mobility.

This is the system that our university leaders and politicians seek to emulate. Yet, as Howard Hotson has also demonstrated, publicly-funded public universities deliver better quality teaching and more equitable outcomes.10 The performance of a select (and socially selective) few universities is being supported at the cost of the system of higher education as a whole.

Meister’s article makes for bleak reading. There may be no road back. The consequence of high levels of indebtedness is potentially to make populations resistant to tax-based solutions that would ultimately be more beneficial. He concludes his article with a challenge that is both urgent and compelling:

“Our challenge in resisting privatization is to articulate a vision for higher education that makes it an answer to the problem of growing inequality and debt-servitude rather than a symptom, and increasingly a driver, of that problem... There is no way forward unless the tax revolt, which is now more than three decades old, can be linked to a debt revolt, which is just beginning—and unless both can lead to a renewal of the role of public universities as forces for equality and democracy” (page 147).

If academics are not persuaded to join this struggle on its own merits, they might perhaps be persuaded on the grounds of their commitment to academic values. The price of avoiding the market, is not the freedom of academics, it is the freedom of managers. From this perspective, the recommendations of the von Prondzynski Report for a ‘single statute’ protecting higher education looks less like a threat and more like a small beacon of light seeking to guide us away from the undermining of public higher education, the wider functions of the university, and the very academic vocation itself.

1 Students at the Heart of the System, June 2011. Available at: http://discuss.bis.gov.uk/hereformwhite-paper/.
10 See the links at the Campaign for the Public University blog: ‘Evidence based policy? The evidence supports public higher education, but the Government isn’t listening’. http://publicuniversity.org.uk/2011/10/06/evidence-based-policy-the-evidence-supports-public-higher-education-but-the-government-iss%e2%80%99t-listening/