Guest editorial: the end of the British public university?

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Abstract

Purpose – This editorial aims to review key changes in the legislation that governs student finance in England, showing how these changes will have a significant impact on the concept of the public university in Britain.

Design/methodology/approach – The assumptions behind the 2010 review of student financing in England are analysed in the context of key aspects of the political philosophy of the British coalition government, elected in 2010.

Findings – While presented as an immediate solution to challenges in public financing, the introduction of full-cost graduate contributions will significantly affect the balance between the recognition of private benefit and public good in the role of the university as an institution.

Practical implications – The review will contribute to informed discussion and debate for a key aspect of public policy in the UK.

Originality/value – The review moves discussion from immediate concerns about the level of graduate contribution to aspects of the long-term structure of the higher education system in Britain.

Keywords Universities, Higher education, Students, Finance, Social mobility, United Kingdom

Paper type General review

Introduction

The public university is one of the great institutions of the nineteenth and twentieth centuries. Stemming from multiple roots, universities were places of opportunity, the generation of new knowledge and public intellectual life. They were based on a broad, often unarticulated concept of learning and knowledge as a public good. In the wake of the Second World War, universities in Europe and North America opened their gates to the middle classes, driving sustained economic growth. This is being repeated today across India and China, as the epicentre of the world economy shifts to Asia.

While the public good has often been sustained by private contributions, whether through endowments, fees or contracted research, British universities have had an ethos of public accountability, and have been widely seen as civic institutions, alongside public libraries, cathedrals, art galleries and concert halls. This will now change. In accepting the principles of Lord Browne's Review of University Funding and Student Finance, the UK's coalition government will complete a process of privatization that began in the recommendations of Lord Dearing's report of 1997 (Browne *et al.*, 2010; National Committee of Inquiry into Higher Education (the Dearing Report), 1997). Most students – and all students in the social sciences, arts and humanities – will pay for the full cost of their education through a system of graduate contributions. In addition, the coalition will propose, initially through a White Paper, opening up higher education to privately owned, for-profit corporations.

While there is nothing inherently wrong with the private provision of a university degree – in India, for example – more than 70 per cent of universities and colleges are private – it is worth looking beyond the rage of students and their parents at some

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of the deeper implications of the Browne Review's recommendations. By a turn of good intellectual fortune, this is made easier by the recent publication of an exploration of key policy implications by David Willetts, now the coalition's Minister with responsibility for universities, and the minister primarily responsible for converting Browne's recommendations into practice (Willetts, 2010).

Private benefits, public good

One way into this set of issues is to consider the appropriate balance between the private benefits that universities provide for their graduates, and the public good that universities provide for society as a whole.

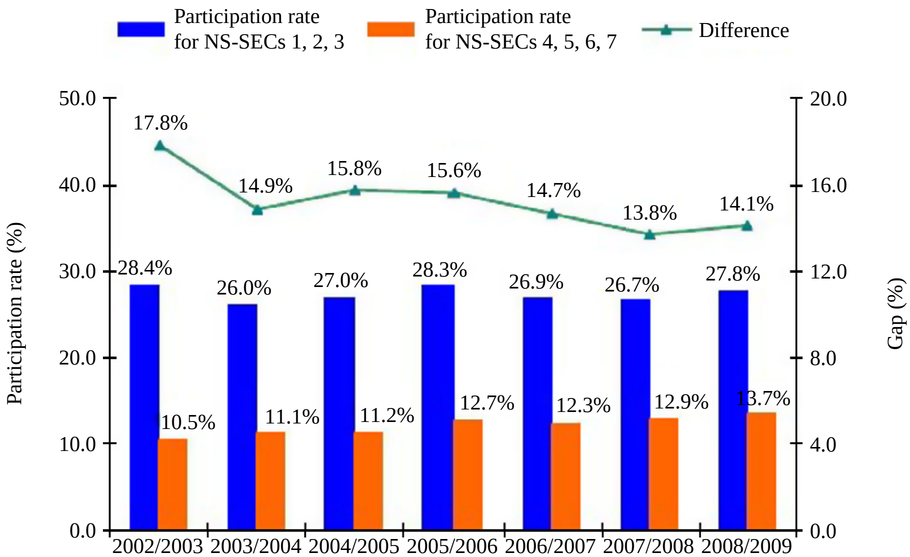
At the level of the individual, paying for a university qualification may be reasonable, or "fair". Possession of a degree is now an entry requirement for a wide range of professions and graduate jobs do, on average and over a lifetime, bring in more money. In this sense, paying for one's own university education is an investment similar to buying a house and saving for a pension. These are clearly private benefits.

But at the social level, where questions of public benefit apply, the implications of the Browne Review may be very different. This is best seen in terms of participation rates – the proportion of young adults who enter higher education. The Browne Review concludes that there has been a "significant and sustained" increase in the participation rate for young people "living in the most disadvantaged areas". The report also concludes that, because there was no clear decline in participation after the present graduate contribution regime was introduced in 2006, the introduction of full individual payment for the cost of university will not deter young adults from working-class families applying for university places, as long as there are no upfront fees and an appropriate system of loans and graduate repayment. But these conclusions are, at best, disingenuous.

First, the Browne Review conceals the full extent of the gap in participation between young adults from families in manual and semi-skilled jobs (socioeconomic categories 4-7, broadly non-graduate jobs) and participation by those from families in managerial and professional occupation, for the most part graduate employment (socioeconomic categories 1-3). This gap was 18 per cent in 2002 and is 14 per cent today. Young adults from families already enjoying the "graduate premium" are twice as likely to go to university as their contemporaries from working-class families.

Second, the annual improvement of about half a percent in participation from socioeconomic categories 4-7 has been achieved mostly by young women, whose participation rate has increased from 12.3 per cent in 2002 to 16.4 per cent in 2008. This mirrors the earlier, and well known, trend for increased participation by young women from middle-class backgrounds. Participation by young men from similar backgrounds hovered around 9 per cent between 2002 and 2004, rose to 10.7 per cent in 2005, but then declined to 9.9 per cent in 2006, the year in which the current graduate contribution system was introduced. Only in 2008, did the participation rate for men from working-class families exceed 2005 levels, and then by just 0.4 per cent. This is not evidence for a "significant and sustained" increase in young people from poorer backgrounds going to university (Figure 1).

Information on Participation, Key to Shaping Public Policy, is published by the Department of Business, Industry and Skills, and will have been part of the briefing given David Willetts when he took over as Minister of State for Universities and Science.



Sources: Department of Business, Innovation and Skills,"Full-time young participation bysocio-economic group", July 2010 update; ©Crown copyright 2010 (www.bis.Qov.uk)

Figure 1. Participation-rates for English-domiciled 18 year olds by socioeconomic class, 2002/2003-2008/2009 academic years

So, how do the conclusions he came to in his book square with the Browne Review's recommendations?

David Willetts' central proposition is the importance of the social contract between the generations, which is at the heart of both the family and the welfare state. His argument is that the long-established role of the family in this intergenerational contract needs to be restored as a mechanism of redistribution between the generations:

> [. . .] as the family has shrunk so the welfare state has found itself doing more. And the welfare state tends to focus principally on the older generation, to which we do of course, have inescapable obligations, whereas historically the flow of resources in families from both parents and grandparents has been to the younger generation (Willetts, 2010, p. 258).

The social contract between the generations has been further weakened by the baby-boomer effect. Willetts defines this baby boom, and the consequent generation of over-consumers, as those born between 1945 and 1965. He shows that this generation is consuming more than it is producing, but without a corresponding rise in the average age of production, which still rests mostly with younger age cohorts. This is accentuated by globalization and cheaper labour availability in India and China, denying younger generations a wage premium from increased demand.

This leads Willetts to the radical conclusion that those in the affluent generation – now aged between 45 and 65 – are denying their successors a fair share of rewards in return for work. The "pinch" will come when those now under the age of 45 are unable to fund their retirement from their own assets and cannot be supported by a state starved of revenue. Willetts sees this as one of the most important issues of public policy faced by government – now, of course, his government.

Restoring the primacy of the family

At first glance, this seems in direct contradiction with Willetts' enthusiastic acceptance of the principles behind the Browne Review. The Browne proposals, building on the public policy direction first charted in the Denning Report back in 1997, will add a lot more graduate debt to the burden of the post-boomers, already saddled with high house prices and diminishing pension prospects. And indeed, *The Pinch* summarizes the anti-Browne argument succinctly:

> [. . .] the 25-year-olds may well have had to pay for their university education, so they started work with a large amount of student debt. They could well have no assets, once their debts have been deducted, for another decade at least, longer than any previous generation... The average under 35-year-old now owes more than £9000 in credit card and student debt. Their repayments average £206 per month, three times as much as they are saving in a pension (Willetts, 2010, pp. 65-6).

How to reconcile this apparent disparity between Willetts-the-author and Willetts-the-Minister? The answer is in the primacy of the family, which Willetts sees as the defining feature of British identity, stretching back at least 500 years, and the original and crucial location for capital accumulation. Although more implied than explicit, the logic of *The Pinch* is that boomer families will assist their children by paying off their graduate debt, at least in part. Willetts notes that this is already happening with equity in housing: 38 per cent of first-time home buyers received parental help in 2007 as opposed to 10 per cent in 1995. He implies that the same will happen with graduate fee debt:

> In most societies families deliver big net transfers to young people which carry on well into their teens and quite possibly beyond [. . .] Education is what we owe our children (Willetts, 2010, p. 157).

Willetts' argument, then, is that the family is the key organizing structure in society, and the place where assets accumulate, and always have. The social contract should be primarily inter-generational, with age cohorts ensuring that sufficient assets remain for their children. Once the boomer-effect, and the over-emphasis on the role of the welfare state, has been corrected, we will have a more equitable and stable inter-generational social and economic contract:

> You could imagine a society where this smoothing out of income across the life cycle was achieved differently. You would borrow lots of money when you were young in order to finance your education, repaying your loan in your peak years of earning, and then, after you have done that, setting money aside to pay for your pension and the social care you need. This is increasingly how university education is financed (Willetts, 2010, pp. 159-60).

But, again, the elephant in the room is social mobility (or, more accurately, immobility). Unlike the Browne Review, Willetts does not bury the reference to the data in a footnote, and briskly dismisses those who contest that social mobility has stalled:

> [. . .] for a child from a modest background getting a good education is like a salmon trying to get upstream against a raging torrent. At every stage it is tough. In fact, far from offsetting the advantages of the investment in children by their parents in the early years, schooling seems to magnify these effects. There is a shocking destruction of talent as the cognitive skills of bright children from modest backgrounds steadily decline during their years at school compared

> with more affluent children who start off with lower cognitive skills. Our education system is actually entrenching social advantage rather than spreading it (Willetts, 2010, p. 201).

For another writer, from a different political party, this could be the basis of the case for targeted public spending across all levels of education, pursuing the ambitions of the Robbins Report back in 1963, when it was argued that any person with the desire and aptitude for a university education should be enabled to have one (Committee on Higher Education, 1963). But *The Pinch* rather argues for a diminished welfare state and a far greater reliance on the transfer of assets within families. This means that there is no solution for social immobility. Turning from the metaphor of salmon to the metaphor of sport, Willets observes:

> [. . .] travelling the distance from being a child in East London to working in the City skyscrapers you can see from the school playground may require a journey of almost epic proportions. The competition for jobs in the professions is like English tennis, a competitive game, but largely on the middle-classes play against each other (Willetts, 2010, p. 200).

Social mobility

There are few words of hope here for those excluded from the tennis game of the middle classes. And the move to private payment for university education offers no relief for those who will not be able to offset their graduate debt by means of intergenerational social transfers within the family. There is a strong sense of social determinism in this view of the world:

> [. . .] even if the inequities you worry about are within generations, they are transmitted across generations. We live in a society where your weight at birth is a powerful predictor of how long you will stay in education. As soon as we look seriously at poverty and deprivation we have to face the powerful effects of inherited disadvantage. So the vertical transmission of disadvantage across generations helps to shape its horizontal distribution within one generation (Willetts, 2010, p. 194).

Despite its primary principle that "everyone who has the potential should be able to benefit from Higher Education", the Browne Review sidesteps the problem of social immobility by passing the problem deftly to universities:

> [. . .] further work needs to be done to improve access to higher education and to the most selective institutions in particular. In our proposals, public investment to improve access will be more targeted and institutions will be evaluated on how well they are doing in providing fair access (Browne *et al.*, 2010, p. 26).

This is, again, disingenuous, given the principle of competitive pricing. This is because, in the world envisaged by the Browne Review, those universities who are forced to discount their fees the most will be those that will carry the primary burden of providing social mobility. Having discounted their fees the most, to levels well below the funding provided for the average school pupil in primary and secondary schools, these universities may have the least resources available to invest in expensive access arrangements. After reading Browne, Willetts' metaphor of a middle-class tennis match seems even more apt.

Juxtaposing the Browne Review's report with the political philosophy of *The Pinch* is to sketch out a future for the concept of the university in Britain. When defined and realized as a wholly private benefit, the cost of a university education is offset against the lifetime graduate premium, and is defined as a key personal asset, along with owning a house and saving for a pension. The primary means for ensuring continuity of this asset through the generations is the family, the quintessential private institution. The university, whether a charity (as are almost all current universities) or a for-profit corporation (as may be permitted by new legislation), is a provider of services to the family, competing for market share on price and quality. It is difficult to see any place for the public university, or for the concept of education as a public good, in this schemata. The consequences of such a shift in policy and practice could be profound indeed.

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