

The Privatization of the English University

Luke Martell

A later version of this is in *Perspectives on Europe*, 41, 1, Spring 2011

Drastic cuts have been made to university budgets in England, by 80% to teaching funding in some subject areas and a 100% cut in most. To fill the gap, students' contributions to their fees, currently £3000 a year, will double or treble. Scotland, Wales and Northern Ireland may follow the same route.

The argument of the ConDem government is that this is necessary because of inept rule by New Labour, who failed to regulate finance, leading to the financial crisis, and then threw billions at the banks to avoid recession. This left an enormous deficit that the more capable Conservatives are duty bound to pay off. Cuts are also cutting swathes through areas such as welfare and local government.

But changes to university funding are not a necessity caused by deficit reduction. Other political parties argue for fewer cuts more slowly and governments abroad are not pursuing such huge reductions in public spending when faced with comparable or larger deficits.

The privatization of the English university is a political choice. Cuts are in line with Conservative ideology to reduce, privatize and marketize the public sector. The National Health Service is being subjected to the same forces. And it is not the case that the money is not there to pay for universities. It is that the consumer is to pay rather than the taxpayer.

Cuts in teaching funding are happening especially outside business and science disciplines. So subjects deemed, from a narrow perspective, to be less important for the economy will be most reliant on private funds. The UK does not have the traditions of alumni funding, endowments and investments of the US, so funding will be especially reliant on student fees. In most cases these will only be enough to cover the current cost of educating each undergraduate student, or will not reach that target. Students will pay more and want value-for-money but they won't get more for it.

The new fees regime is back-firing already. The maximum fee of £9000 was to be set only in exceptional circumstances but large numbers of universities are deciding to charge at this rate. It is seen as an admission of inferiority not to. Students will borrow the money for fees and pay it back after graduation. The government can't afford to lend £9000 across the board, or to write off the loans of all students who don't earn enough later to repay at that level. Politicians will make up for the shortfall with further cuts to universities.

Privatization and Society

But this is about more than cuts and student debt. What is happening is overnight privatization of the English university by a large-scale shift from public to private funding. Britain's only private university, the University of Buckingham, has suddenly found itself joined by all the others in one fell swoop. Private providers are being invited to set up universities and offered taxpayers money to help out.

There are implications for what university education is about. Universities will no longer be publicly financed and geared to educating for the public good. They will be consumer funded,

producing products for sale. Decisions about what is provided will be driven not by educational criteria but by what the market demands - courses that will attract income on the market rather than those geared to social need or the enhancement of culture. Students facing graduation debts of £30,000 or more will opt for degrees that sound most likely to get them the best paid jobs.

Research bodies are adapting funding to the Conservative Party's agenda; the dictates of the market combining with government interference to constrain academic freedom. This is further threatened by employer-led attempts to deregulate job security and academic freedom protections in older universities' statutes.

The market is good and appropriate in certain areas. But not in others. Barriers to where the market and private enterprise are the right institutions are breaking down – they are being allowed free rein in the public sector and so changing the principles and norms of that sector. What gives the public sector autonomy and distinguishes it is being pushed out.

These shifts are built on the back of Mrs Thatcher's privatization of British utilities and New Labour's subsequent extension of private finance and marketization into the public sector, in areas like health and education. David Cameron's restructuring of the state is more radical, while less explicit that restructuring is what it is.

The fees regime will widen inequality. Universities that attract mainly poorer students will have to keep fees down to get the punters in. Some such institutions will go under for lack of funds to cover their costs, with effects on jobs and local communities in which they are major employers.

Universities that attract middle class students can push fees up. The gap will grow between more prestigious and lower priced universities. There will be rising inequality between institutions by class, and between students, the less well-off of whom will fear they can't afford the debt without proper support for the poor.

Universities will introduce two year degrees which run through the summer, the aim being that faster cheaper degrees will attract more takers. Tutors teaching all year will become research inactive, no longer at the cutting edge of their area and excited about it. Students who can afford short degrees will be the more privileged who don't need paid work in the summer. Students who can't will be the poor who need a job then to keep the bank manager at bay. So cheaper shorter degrees will be available for the rich, and the poor will have to take the expensive, longer ones, increasing inequalities in an unequal society.

In a market there is pressure not only to increase income but also cut costs. There will be larger and larger classes and less and less tutors. Academics who teach and research will lose their jobs and be replaced by part-timers and temporary staff who just teach and are paid in term-time only. Universities are one of the most casualised sectors in the UK already, alongside areas like catering and tourism. Just wait for the first private agency offering cut-price labour for privatized universities. On their books will be lecturers just sacked by their universities and bought back in on reduced terms and conditions.

There will be more of the new breed of authoritarian manager, who will not tolerate dissent, an issue of academic freedom again, who is hostile to unions, separated from their publicly-minded staff, rarely uses the word 'education', and for whom money is not a means to the end of education but is the end itself.

Staff out of a job will find their pensions reduced under reforms where they pay more in, receive less and retire later. The university pension scheme is stable and secure. So why change it? Because it will reduce employers' costs.

International and European implications

The British university system has attracted international students for many years, because of its smaller classes and quality. Other countries are adopting and hiking up fees, but not to UK levels. With English fees spiraling international student recruitment will decline, especially as the government's anti-immigration policies and surveillance of overseas students in Britain make it harder and more worrying for international students to come. With this will go vital income for universities, not to mention the depth and diversity added to courses by an international make-up.

The most likely continental implication of privatized fee-paying universities in the UK is a reverse of the current trend – rather than European students coming to the UK there will be a leakage of British students to the increasing number of good quality European universities, such as those in the Netherlands, who teach in English for much lower fees.

Politics

None of this can be divorced from the wider political situation in the UK. New Labour introduced £1000 fees in 1998 at a time when education was free for all. It was said then that this would be the start of the slippery slope.

The current government does not have a democratic mandate. The Conservative Party has a minority of votes and seats and has put together a majority by allying with the anti-fees LibDems who once in government adopted a policy of tripling fees that their supporters had voted against.

There is no anti-fees or anti-cuts alternative in mainstream politics. The opposition party, Labour, is in favour of fees and cuts, just less and slower ones. Trade unions have been sluggish to respond and had their powers, for instance to take solidarity strikes, diminished in the years of Thatcherism.

In the face of a deficit of democracy and no political alternative people have taken to the streets. In November 2010 fifty thousand students and their staff marched through London to protest against fee increases and cuts. In March 2011 up to five hundred thousand demonstrated in the capital against government cuts. There have been waves of occupations of university buildings and school pupils have barged their way out of lesson time to join town centre protests. Increased prevalence of direct action met with heavy-handed policing has become a feature of British political life.

It doesn't have to be like this. The issue is not lack of money but where it comes from: from student debt to provide education geared to the market, or from the taxpayer for education for the public good; a deficit paid for by cuts to the public sector, or by a Robin Hood tax on finance and the wealth created by policies for jobs and growth. The privatization of the English university isn't an economic necessity. It's an ideological choice.