

The Business of Higher Education in England

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Since the devolution of some political power from London to Wales, Scotland and Northern Ireland in the late 1990s, education in the 4 territories that make up the United Kingdom has followed different paths. In particular, Scotland and Wales have retained strong traces of ‘classic’ social democratic policies in education, with an emphasis on educational opportunity for working-class students. England on the other hand, which is by far the largest of the 4 territories, has embraced neo-liberalism, and defines education, including higher education, by reference to the needs of global competition in a so-called knowledge economy.

As in other European countries, higher education in England was, until its expansion during the years of the long boom, open only to élite social groups. It had a strong culturally conservative character, embodied in the identities of Oxford and Cambridge Universities, which other universities tried to imitate. Between 1960 and 1980, this character changed: there was an expansion of higher education, to the point where it involved around 15% of the age group, including a significant number of (male) students from working-class backgrounds. Social mobility through education was actually greater in this period than in later decades.

Until the early 1990s, universities were limited in number, and distinct from other, more vocational kinds of education. They were not controlled by government, though they were funded by it; until the Thatcher years of the 1980s they enjoyed increasing levels of investment, and had autonomy in matters of teaching and research. Students also received government funding – financial grants to support them in their studies.

This situation has changed in all respects. A symbol of this change is that responsibility for higher education policy in England is assumed not by the Department for Education,

but by the ‘Department for Business, Innovation and Skills’ (BIS) – higher education is seen in terms of economic policy. Government policy documents make this very clear. In the global economic model constructed by the EU, and endorsed by Britain, universities are seen as essential to success at the ‘top end’ of economic activity – goods and services that are heavily dependent upon research and innovation on a large scale. To quote BIS: ‘As a developed country we are operating at the knowledge frontier. We no longer have the choice in the globalised world to compete on low wages and low skills. We compete on knowledge – its creation, its acquisition, and its transformation into commercially successful uses ... Universities are central to this process.’ (Department of B.I.S. ‘Higher Ambitions: the future of universities in a knowledge economy’ 2010)

Those who manage universities are in agreement with government policy. In 2012, the organisation of university directors, Universities UK, produced a document called ‘Futures for education: analysing trends’ that set out their understanding of the economic significance of universities. Quoting the World Bank, they argued that, at regional level, universities could position themselves at the centre of ‘a well-articulated network of firms, research centres ... and think tanks that work together to take advantage of global knowledge – assimilating and adapting it to local needs, thus creating new technology.’ (Universities UK 2012). Higher education is also seen in terms of its global significance. Universities like Oxford, Cambridge and the London School of Economics are assets whose value consists of much more than the knowledge they produce. They also have the function of attracting to Britain individuals and corporations who will bring further wealth with them. ‘World-class institutions act as important conduits for international research expertise, attract and retain human capital within a particular country, and encourage international businesses to establish themselves – all factors that contribute substantially to national competitive advantage in the global knowledge economy.’ (‘Universities UK’ 2012).

We should not over-emphasise the scale of this policy. Compared with the USA, Japan and China, Britain’s investment in research and development (including university-based research) is low. However, this has not prevented the development of a policy discourse that stresses, above all else, education’s economic purposes. This emphasis, which has been termed the ‘economising’ of higher education, is very different from the traditional model of the academically autonomous university, ‘morally and intellectually

independent of all political authority and intellectually independent of all political authority and economic power.’ Though this model of autonomy continues to be celebrated at festivals and other special occasions – the quotation above is taken from the 1999 Bologna Declaration of European Ministers of Education – the reality of the university’s purpose and functioning is different.

There is also a gap between the project of economisation and the hopes of an earlier generation of social democratic reformers, who saw the university as a means of developing opportunities for students from subordinate social groups, and of increasing social mobility. We need to be precise at this point: university education has expanded, and participation rates on the part of working-class students have increased. But has been accompanied by increasing status differentiation between universities. Oxford University, for instance, has a very low proportion of working-class students, with 11.5%. London Metropolitan University, whose financial problems are especially severe, has the greatest proportion, with 57.2%. Likewise, students from ethnic minorities are concentrated in universities of lesser status.

The basis for the contemporary system was established gradually, by Conservative and Labour governments between 1990 and 2010: student numbers were expanded, the work of academic and administrative staff became heavier and more intense, financial support for students increasingly took the form of grants rather than loans. Between 1997 and 2010 the Labour government consolidated such policies, emphasising both ‘widening access’ and an emphasis on the economic role of universities in the development of human capital. Following the 2010 general election, a government was formed of Conservatives and Liberal Democrats. In some ways, it has followed the logic of Labour policy. Like Labour, they insist the ‘user’, that is, the student, pays for their education and – again like Labour – they see the introduction of private, for-profit companies into higher education as a means of cutting labour costs. However, unlike Labour, the present government is strongly committed to cutting back state provision of education, healthcare, social security and culture - aiming to transfer such functions, in a truncated form, to the private sector. The Conservative/Liberal government has therefore accentuated aspects of previous, Labour policy, using the power of the state to establish a thoroughly marketised, pro-business university system. In the process, they threaten to restrict access of poorer students to higher education.

The reforms introduced since 2010 are detailed and complex, and I can only summarise them here in a very brief way. The most important point is that the funding of most teaching in universities has been privatised. Instead of being supported by government grants, it is dependent on the number of students that a university can recruit. Market competition between universities to recruit undergraduate students is controlled by government – which allocates each university a ‘core’ number of students, and then allows them to compete with each other to recruit higher-achieving students in whatever quantity they are capable of. Students are funded by loans of up to £9000 a year, which they must pay back when they earn an income of £21,000, which is around the median UK income. Since students also have to pay their living costs, they will leave university with debts of at least £40,000. University research, meanwhile, is funded through a competitive system of grant application, and through funding dependent upon assessment of each university’s research ‘outputs’ by government-appointed panels of academics..

The privatisation of university funding via student loans supports the development of for-profit higher education. The government has begun to allow private universities to award degrees (university certificates). There is also already one major for-profit provider with degree awarding powers: BPP University College, owned by the Apollo Group (which also owns the University of Phoenix in the United States). BPP, and other providers of higher education for profit, think that they can offer courses at a lower price than established universities, by reducing the number of years of study, and by eliminating provision for social and cultural activities.

Another important development is the emergence of higher education as an export industry. Increasingly, British universities have set up campuses outside Europe, in China and other far east countries especially. They have also come to depend financially on the fees paid by postgraduate students from outside the EU to attend Masters or Ph.D programmes. In 2010, non-EU students formed nearly 30% of postgraduate numbers, a percentage that translates into an income of £7.9 Billion. However, this income is threatened by a contradiction in government policy. The money paid by overseas students is desirable, but their physical presence is not. The government is fearful that foreign students will leave their courses and become illegal migrants. Accordingly, it has instructed universities to check the attendance of overseas students – and staff. This has

led to widespread protests, which have highlighted the character of the government's policy towards education – it values students in economic terms only.

If we compare current education policies with those of past regimes of post-1945 higher education and their ideologies, two themes stand out. The first is the economising of education's value. Universities were once granted public funding because they were thought to serve the public good. They were creators and guardians of knowledge, and their work was based on autonomous and sometimes critical thought. This has changed. Students are encouraged to see university education as something that will increase the value of their own human capital. Universities, and departments within universities, will increasingly be assessed in terms of their success in producing students who will get well-paid jobs.

The second difference between current policy and ideology and that of an earlier period, concerns questions of opportunity and mobility. In the context of the post-war expansion of the British economy, and a change in its occupational structure, social mobility through education was for a section of working-class students, a real possibility. In the later C20 social mobility in Britain actually declined. (According to the OECD, intergenerational social mobility' in Britain is lower than in many other OECD countries.) The Labour Government did not change this trend, but it did offer working-class students a place in higher education, although mainly in lower status institutions; it was moving towards a target of 50% participation in higher education. Since 2010, this trend has been reversed, with the cost of university study creating great difficulties for working-class students: in 2012, the percentage applying to university fell to 33% of the age group.

What are the crisis points of this system? The first is that it is offering an expensive education to students who cannot be assured of finding a 'good' job after graduation: the British economy faces both conjunctural and long-term problems that have created greater precarity of employment. The second is that at a time of high youth unemployment it is excluding many potential students, who thus lose the 'chance to compete' for jobs. The third is that there is widespread opposition to the narrowing of educational purpose that is embodied in the government's programme: most educational workers, and many students, think education has broad purposes of citizenship and cultural development that are betrayed by current policy. To justify and legitimise its

policies is therefore a continuing problem for government.

All of these factors of discontent were present in the student protests at 2010, at a time when Parliament was voting to increase fees to £9000. The headquarters of the Conservative Party were occupied by students, and a fire lit outside. For a time, the mobilization of students, and youth more generally, was very broad. It included students from elite and non-elite universities, school-students (who feared for their future) and youth from the poorest parts of London and other cities, who had lost funding for their studies in school or college.

Many of the protestors wanted to mobilise around a sense of the purposes of education, as well as its funding. They tried to turn the public spaces of London into a lecture theatre where these issues could be discussed, organising meetings in occupied spaces at railway stations, banks, museums ... Since 2010, protest has not reached the same level. (This is true of all protest in England, not just around Higher Education.) Those who work in universities continue to experience pay cuts, cuts in retirement pensions, job insecurity (particularly among young lecturers) and in addition an intensification of work. These are experiences that at present contribute to a defensive mood among workers.

Nevertheless, higher education remains an area of society where we can expect neo-liberalism to be challenged. We can expect to see: the protest of the excluded, who can't afford the cost of higher education; the protests of those who have loans, but look forward to a life in debt; action on the part of educational workers – whose pay is in decline and whose jobs are getting harder; an ideological challenge to economised, pro-business education. Out of these protests, it is important to construct an alternative model of the university – one that is based on democratisation of access, that serves broad social needs, is open to the world, and places at its core the production of critical knowledge.

Among these issues are ones that affect all who work and study in the expanding education systems of a global knowledge economy. I hope this conference takes you forward in connecting the experiences of educational workers in Turkey with others, in Europe and worldwide.