

# Student loans report aimed at holding together Scottish coalition government

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A review commissioned by the Scottish Parliament into systems of financial support for students in higher education has supported the abolition of tuition fees for university students whose home is in Scotland.

The report's finding contradicts Labour Party policy in Scotland and the UK, and echoes the views of the Liberal Democrats, Labour's minority partners in the Scottish coalition government. The Liberal Democrats have staked their political credibility in the new Parliament on campaigning to abolish student tuition fees.

The Cubie report, named after its chairperson Andrew Cubie, was commissioned following the Labour Party's slim victory in the Scottish elections in May. To form a coalition government with the Liberal Democrats, who had campaigned for the abolition of tuition fees, Labour agreed to set up the Cubie review. Its concession was aimed at postponing any fight over the policy and enabling the Liberal Democrats to enter the government and take two ministerial positions.

Cubie's report allows both Labour and the Liberals to claim that their respective positions have won out. Labour can claim victory in preserving the principle of loans, as opposed to grants, whilst the Liberals can claim to have won on abolishing fees. The Blair government introduced tuition fees of £1,000 a year. In addition students must borrow money from the Student Loan Company for their subsistence and are denied welfare benefits. As a consequence most students have to take part-time, low-paid work and will graduate from university with an average accumulated debt of around £16,000.

The Cubie committee report recommends that non-repayable bursaries (allowances) should be partially reintroduced to attract poorer students into college and university education. These could cover up to half of a

student's living costs. It also proposes raising the level of support for students living away from home to £4,100 per annum (£5,050 for Scottish students studying in London); the reinstatement of state benefit entitlement for students and limiting working hours to a 10-hour weekly maximum. There are also recommendations to increase support to single parents and mature students.

Much of the new resources could be recovered from students upon graduation, the report recommends, in the form of a tax contribution, effective once their income reaches £25,000 annually.

The Cubie committee hopes that rather than be intimidated by the huge sums of immediate debt, prospective students would be more amenable to this being delayed until salaried. Even so, students would remain burdened with thousands of pounds of debt—half their subsistence during up to four years of study.

The report has the backing of much of the Scottish establishment, anxious to preserve the coalition government. The Scottish head of the Confederation of British industry (CBI), Iain McMillan, said of the report, "When the Labour, Liberal Democrat coalition was formed after last May's elections, CBI Scotland welcomed the stability such arrangements would offer Scotland and its business community. We do hope that the coalition partners will be able to find sufficient common ground, following the Cubie committee's report to enable stable devolved government to continue."

Andrew Cubie is himself an ex-chairman of the Scottish CBI. Other committee members include leading trade union and education officials, a former corporate vice-president of Motorola, a senior partner with accountants KPMG and one ex-student representative.

Immediately on publication, six Labour and Liberal Democrat ministers were appointed to begin negotiations on the report, but tensions remain. The Blair government, supported by the Scottish Labour Party, is set against any retreat on tuition fees. Upon publication of the report, a Blair spokesman insisted that tuition fees should be maintained and hinted that pressure would be applied to the Scottish Labour Ministers to ensure this took place.

The Liberal Democrats, however, remain publicly committed to abolition and party leader Jim Wallace described the report as "an important staging post on the road to the abolition of tuition fees". Prior to the report's release Liberal Democrat Donald Gorrie said that the state should provide "free education to people from nursery up till their first degree. The issue is political integrity. If you go round the country making a big deal of the fact that, if you vote for us we will vote to end students paying tuition fees, you have to do that. Otherwise, your party is dead and deserves to be dead."

An additional problem is that, should Cubie's recommendations be implemented, it will create different levels of student support in Britain. Students from different areas of the UK could study alongside one another but receive widely differing treatment, depending on their place of birth. The Conservative Party have used the issue provocatively, with education spokesperson Theresa May saying it would mean "English students being second-class citizens alongside their Scottish counterparts".

The government is also concerned that any concession would encourage opposition from students across the country. Chancellor Gordon Brown said that should Cubie be accepted by the Scottish Parliament there would be no extra money from central government towards the estimated implementation bill of £71 million.



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