

Britain: Labour government moves to “market based higher education”

Simon Wheelan
12 February 2003

Launching Labour’s White Paper, Education Secretary Charles Clarke said the government’s aim is to create a “fundamentally market based higher education system”. In keeping with this objective, the government’s White Paper on Higher Education will ensure that a student’s ability to take up university study and even their choice of course and college will be determined by their ability to pay.

The government intends to deregulate higher education and allow universities to set their own level of tuition fees. This will bring about a sharp reduction in the number of students from working class families, further stratifying university education.

The government’s decision enabling tuition fees to be raised above their current £1,000 per annum exposes its claim to be concerned with ensuring 50 percent of school leavers have university degrees by 2010. This had led to complaints in ruling circles that Blair’s claim to be in favour of higher education for everyone could raise social expectations and undermine the privileged position of their own offspring. Big business too has made plain that it considers Blair’s pledge as unhelpful.

Under the new proposals, an extensive system of financial obstacles is to be created that will prove insurmountable to many prospective students. This will ensure that the tight grip historically exerted on the “top” educational establishments by the rich and more privileged sections of the middle classes will become even more vice like.

All universities will be able to charge fees of up to £3,000 per year, with payment deferred until graduation. After a three-year course, on top of some £9,000 in fees, many students owe between £10-40,000 incurred during their time at university. Students will be required to begin to repay the full amount owing

upon graduation, at a rate of nine percent of all earnings over £15,000.

In 2006, a planned review will in all likelihood result in the £3,000 maximum being dropped in favour of letting market forces dictate fee levels. Imperial College, London, has already floated the prospective figure of £11,000 per year for undergraduate students.

It was all the elite universities like Imperial could do to stop themselves cheering out loud when the contents of the White Paper were released. These establishments have been champing at the bit throughout the 1990s to be able to set their own fees and maintain their international status. Charging higher fees to undergraduates will enable them to pay for prestigious lecturers, allowing them to compete more forcefully with American and Western European universities. These foreign students will be charged the earth for the being taught by internationally renowned academics attracted by inflated salaries.

One such academic Professor Anthony Giddens from the London School of Economics, sought to justify the measures on national radio. Giddens, who was credited with developing Prime Minister Tony Blair’s so-called “Third Way”, through which Labour finally severed its historic connection with its old reformist programme, claimed that deferring tuition fees was necessary to attract more working class students into higher education. Likewise, the pro-Blair *Observer* newspaper argued that deferred fees would encourage “equality of opportunity” and bring about increased social mobility.

Giddens and the *Observer* are only parroting the government’s line. In his speech to the House of Commons, Clarke asserted that by deferring payment of fees until after graduation, rather than insisting on them upfront, the government had done poorer students a favour. The measure would also enable some 30

percent of poorer students to qualify for a grant of £1,000 per year, payable to all those from families with annual incomes beneath £10,000 Clarke continued.

Such claims are cynical and self-serving. The £10,000 benchmark effectively applies only to those whose families are unemployed, and, as the government is well aware, children raised in such conditions of desperate poverty are unlikely to complete secondary education successfully, let alone go on to university. Even amongst those able to defy the odds, £1,000 would hardly pay their board and lodgings for more than three months.

Over the last 30 years, the market has become the ultimate arbiter of such basic necessities as housing, health and education, enormously exacerbating social inequalities in Britain. The same will be true of university tuition fees. Even today, less than 20 percent of those from what would be traditionally defined as a working class background have a university education. Despite the rapid expansion of higher education from the late 1980s, the number of working class students entering university has stagnated. The number of mature students from working class backgrounds has fallen: the introduction of top-up fees accelerating the process.

The prospect of shouldering tens of thousands of pounds of debt even before starting a career is guaranteed to deter many working class students from entering university. Already, many students drop out because of their debts and the pressures of having to work long hours in low wage jobs to make ends meet. In London, the drop out rate for working class students rises as high as 40 percent.

The large increase in university numbers is mainly accounted for by students from middle class families—a fact that the government is using quite cynically to justify its assault on higher education.

By introducing higher fees, the government intends to cut back still further on education provision paid from central funds. Funding per student has already fallen by 37 percent since the 1980s, while top rates of taxation have fallen from 60 percent to 40 percent.

The financial benefits of a university education have been cited in order to justify charging higher tuition fees and to portray opposition to this move as being motivated by selfishness on the part of people who should pay for their “privileged” status. The

government has cited £400,000 over a lifetime’s earnings as the “value-added” component of a university education, without any evidence to back up this figure. However, even this figure would only represent £10,000 per year over a forty year working life. More importantly, graduates are not a homogenous group who will all earn comparable salaries. Not only is student unemployment at its highest in ten years, but the benefits of a degree are rapidly declining due to greatly increased graduate numbers and the increasingly routine nature of jobs in finance, insurance and other service sector employment.

According to Incomes Data Services, all sectors except the public services have cut recruitment. Some, like manufacturing, have cut it by at least 10 percent. This has depressed some graduate starting salaries to beneath £10,000. At the other extreme starting salaries for those from the top universities, many going into the City of London, begin at a cool £50,000.

More fundamentally, the aim of this type of populist attack on middle class students is to rubbish the concept of access to higher education being a universal right. Labour has repeatedly used the hypothetical example of the street-sweeper paying for the education of the doctor’s child through their paypacket. Their real concern is to reduce the tax burden on big business and shift it to working people.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact