

Scottish university fees scrapped, but thousands of students to repay lump sum

Niall Green
10 June 2008

Around 3,000 postgraduate students in Scotland have been sent a bill ordering them to repay the full £2,289 cost for their undergraduate education.

The students had been led to understand they could pay through a graduate endowment scheme, which would have allowed them to defer payment until the end of their postgraduate studies, when they could begin to repay it in installments.

All students faced with the charge were sent a letter from the Student Awards Agency for Scotland (SAAS), which blamed “accounting procedures” for the sudden bill.

The Scottish Parliament voted in February to abolish the £2,289 graduate endowment, meaning that undergraduate education for Scottish students attending university within Scotland will be free from this academic year.

The Scottish National Party (SNP), which formed a minority government in the Scottish Parliament following its victory in last year’s local elections, ousting a Labour-Liberal Democrat coalition that had been in office since the parliament was established in 1999, defended the final demand from SAAS.

A Scottish government spokesman commented on the one-off charge to postgraduate students: “Some students who completed their undergraduate courses in 2005, 2006 and 2007 and have continued their studies to a postgraduate level were allowed to defer the payment of the graduate endowment fee until they completed the course. This was a goodwill gesture and did not affect the date of liability. Now that the graduate endowment fee has been abolished and the scheme is being wound up, SAAS are no longer in a position to allow these students to defer.”

James Alexander, president of National Union of Students (NUS) in Scotland, said: “Obviously the

abolition of the endowment has been a good thing—we were pleased to see that happen. But we are extremely disappointed that a previously positive benefit for postgraduate students appears to have been removed with the introduction of this legislation.”

The endowment was introduced in Scotland by the Labour-led coalition in 2001, as a replacement for the payment of upfront tuition fees. In the rest of the UK, students will pay up to £3,145 per year in tuition fees for the coming academic year.

Students from the rest of the UK will still be charged to study in Scotland, paying £1,700 a year for their courses, while Scottish students attending institutions in England and Wales are still liable to pay for their education. This has led to a 6.1 percent fall in Scottish schools pupils applying to universities in England this year.

The SNP stood in last May’s Scottish elections on its most right-wing and pro-business manifesto in decades, promising tax cuts for business and law-and-order measures, as well as its traditional policy of independence for Scotland from the rest of the United Kingdom. In the area of student finances, however, the party attempted to maintain some of its previous left-sounding credentials, committing an SNP government to wiping out student debts, extending the provision of non-repayable grants instead of student loans and ending the graduate endowment.

At the time of the graduate endowment’s abolition in February, the SNP education secretary described the abolition of the fee as a “down payment” on plans to tackle student debt.

In government the SNP have reneged on several of their election commitments to students. As well as the sudden £2,289 bill for the postgraduate students, there has been no new funding allocated for the servicing of

existing student debt and there are only plans for a phased introduction of grants in place of student loans. The SNP's November 2007 budget gave far less to higher education than had been expected, prompting threats of job cuts from universities and complaints from student groups.

Apart from the 3,000 students who have received this large bill, many of whom will have to use other forms of debt to repay it, the situation for students in Scotland, as across the rest of Britain, remains that of growing debt and difficulty gaining quality jobs after graduation.

A report by the NUS, issued in March, shows the financial hardship that students in Scotland face. The study of 2,031 students shows that daily financial problems are having a detrimental impact on many students' quality of education or even chances of graduating. The report found that over one third of Scottish students have considered dropping out because of financial hardship. Most of these were students from poorer backgrounds, who are twice as likely to see debt as a barrier to continuing in education. The report also showed that many students regularly hit their credit card or overdraft limits.

The average debt of current UK students stands at £7,500, with most students having to work to pay for their studies. Scotland has the highest level of students in work to support their education, with 67 percent having jobs.

Graduate debt for those who left university in 2007 stands at £11,000 per person across the UK. Last year's graduates face a total debt of £3.2 billion, an increase of 167 percent since 1997—eclipsing the 50 percent rise in graduate salaries over the same period from £15,500 to an average of £23,451.

There are growing pressures from within Scottish higher education for universities to charge “top-up” fees, like their rivals in England and Wales. Several leading figures within the educational establishment have warned that Scottish universities will need extra sources of revenue if they are to compete with institutions in the rest of the UK and internationally.

Professor David Bell of the University of Stirling advised the Scottish Parliament in 2005 that it should consider allowing top-up fees, while last year Dr Brian Lang, the principal and vice-chancellor of St. Andrews University, warned that higher education in Scotland

faced a “bleak future” without an additional graduate tax or other contributions by students.

The SNP's limited concessions to students in Scotland are based on current relatively high levels of public spending per person provided to Scotland under the Barnett formula, as compared to the UK average. However, the SNP government is committed to policies of cutting taxes for business, which, combined with the likelihood of shrinking public funds in a period of economic downturn and the demands of top-flight universities to remain “competitive,” will increase pressure on students to be made to pay for their education. The Conservatives, who are looking likely to succeed Labour in a possible 2010 General Election, have said they will re-examine the Barnett formula.



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