

OECD report cites higher education crisis in Britain

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The annual report by the Organisation for Economic Cooperation and Development (OECD), *Education at a Glance*, points to a developing crisis in the higher education sector in Britain.

The report is a survey detailing key indices of higher educational attainment in 30 member and six partner countries. Included in the survey are the United States, the UK, France, Japan, Germany, Australia and Turkey. It showed that despite the number of schools leavers who gained a university degree increasing slightly from 37 percent in 2000 to 38.7 percent in 2007, the UK was placed just 14th out of the 26 most developed nations. In 2000 the UK was placed joint third.

The graduation rate shows that the UK is just below the international average. In that period 11 countries have risen above Britain in the table. These include Iceland, Poland, Ireland, the Netherlands, Sweden and Portugal.

During the period from 2000 to 2007, the graduation rate in Poland increased from 34 percent to 49 percent, while Iceland's rate rose from 33 percent to 63 percent. Also now standing above the UK in the table is the Slovak Republic. Its proportion of graduates attaining a degree increased from 23 percent in 2002 to 39 percent in 2007.

The UK has more international students than any other nation outside the United States. The OECD suggested that this could mean that the "true domestic graduate output is significantly overestimated as a proportion of overall graduation rates." When the figures for international students studying in Britain are discounted, Britain's graduation rate fell to 33.6 percent in 2007.

For the last decade UK universities have increasingly turned to recruiting foreign students as a source of high revenue streams, not subject to a cap on tuition fees as

are their British counterparts. The OECD found that this source of income is now far less certain and that there is a noticeable lower increase in the numbers of foreign students applying to UK universities.

The report said, "In choosing between similar educational opportunities, cost considerations may play a role, especially for students originating from developing countries.

"In this respect, the comparatively low rise in foreign enrolments in the United Kingdom and the United States between 2000 and 2007...may be attributed to the comparatively high tuition fees charged to international students."

Britain has among of the highest rate for students who fail to complete their higher education. Students on vocational courses achieved particularly low graduation rates.

Britain also has one of the worst teenage dropout rates among developed nations. Only Turkey, Israel and Brazil have a larger percentage of 15- to 19-year-olds not in education, employment or training (Neets) than Britain.

Between 2006 and 2007 the UK rose from the sixth to fourth worst for those young people not in some form of education, employment or training. For that period 14.5 percent of 15- to 19-year-olds were classed as Neets. This compared with a figure of 10.9 percent in 2006 and 9.3 percent in 2005. Some 50 percent more teenagers are not in work, training or education in Britain compared to the OECD average of 4.8 percent.

The report said, "Younger cohorts are typically more sensitive to changes in supply and demand for skills as they try to get a foothold in the labour market."

The OECD figures were collected before the onset of the global economic crisis. It is to be expected that the situation today is far worse both for the number of

those dropping out of their studies and for those classed as Neets.

Commenting on the bleak prospects of young people who are forced to drop out of education, Andreas Schleicher, of the OECD education directorate, said, “It will get more difficult. Young people who become unemployed, stay unemployed. If you get out of the labour market it’s going to be hard to return if you don’t have qualifications.”

Most students now enter higher education in the knowledge that they will leave it tens of thousands of pounds in debt. As high as these initial debts are together with interest payments over years, the costs of going to university can now literally last for a whole working lifetime.

Among the most revealing sections of the OECD study is that which quantifies the financial advantages and disadvantages of going to university instead of leaving school and immediately entering employment.

The study found that the biggest financial disadvantage is the three years of lost earnings accumulated whilst in study. This is compounded by the ever-increasing cost of tuition fees and basic living expenses for students such as rent, food and drink. Recent figures compiled by the National Union of Students in Britain found that students who are just coming to the end of their first year of study can expect to owe £21,200 by the time they graduate. Those beginning degree courses in 2009/10 will be indebted by at least £2,000 more—about £23,500 in total.

The figures collated in the OECD report reveal that in fact any “financial advantage” from a degree is slight. According to the study, from those countries within the OECD, the average financial advantage across a working lifetime gained from obtaining a degree is worth £113,000 extra in earnings for men and £81,000 for women.

For a male graduate in the United States, the advantage of going to university is recorded as £222,000 during a working life.

Assuming a working life of some 50 years, this equates to a financial “advantage” per year for men of just £2,260 and £1,620 for women.

In real terms, any such advantage is all but negated by the massive costs accumulated by going to university and in tens of thousands in lost earnings. The OECD figures also assume that graduates will enter

employment and engage in a “working lifetime.” For the majority of graduates this is not the case, with many having long spells of unemployment or having to work in jobs they are overqualified for, at low rates of pay and often at the bare minimum wage.

Other statistics cited by the OECD show that a decline is under way in terms of graduate employment. Since 1998 the proportion of young people with a degree who are in employment has fallen by 3 percent.

The OECD found that UK universities receive less government funding than is the average among developed nations. Public spending on university education in Britain is just 0.9 percent of GDP. This is below Sweden at 1.6 percent and the US at 2.9 percent.

This summer, more than 613,000 people applied for a higher education place. The number of those applying increased by 60,000, but only a paltry 13,000 extra places have been made available.

Even in providing the “extra” places, the government is actually cutting back on higher education spending. Many universities have refused to take a share of the extra places offered, as no extra spending has been available from central government to cover the extra teaching costs. Universities have correctly argued that this is actually a cut in spending, which will only lead to a further decline in what they are able to offer students.



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