

University tuition fees to more than double in UK

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Recommendations by Lord Browne on the funding of UK universities have been described as the “most radical shake-up” of higher education since the late 1960s. Those earlier reforms expanded university provision so that, for the first time, it was no longer the exclusive preserve of the rich. Browne’s review signals a sharp reversal of these progressive measures.

The recommendations will not only mean students paying more in fees, but increased interest rates on any loans they borrow, further encroachment by the private sector into education and the scrapping of courses considered economically unviable and the bankrupting of entire institutions.

The most significant recommendation in Browne’s review is to remove the cap on tuition fees in 2012. Currently set at £3,290 a year, it is anticipated this could rise immediately upon agreement to £7,000.

This is just the start. The former chief executive of BP argues that there should be “no single fixed price” for tuition, to encourage a competitive market that will supposedly enable students to determine the “value” of particular subjects and universities. The more prestigious universities such as Oxford and Cambridge, which have a greater international profile and a wealthier intake, will be able to charge fees that some have speculated could rise to over £20,000 per annum. This will become the financial benchmark against which the “worth” of other universities and degree courses are judged.

This is not offset by Browne’s recommendation that universities charging more than £6,000 a year should pay a tapered levy. This would be paid to the government to help cover the cost of loans to those taking more costly courses. Even so, this would be financially beneficial to universities charging at a higher rate. Those setting fees at £12,000 per annum, for example, will be able to keep 73 percent of income.

The losers will be the vast majority of prospective

students in a massive hike in the amount they need to borrow. At the moment, students can take out loans of £3,290 per annum to cover fees and up to £4,924 for living costs. Browne proposes that while loans should be made available to cover the cost of increased tuition fees, maintenance loans should be capped at £3,750.

Proposals to slightly expand the financial grants available to those on lower incomes, as well as part-time students, are window dressing. Currently some students are eligible for bursaries directly from universities—set at a minimum of £300. Browne recommends that this requirement should be scrapped, with the money saved being used by individual universities to promote their institution and courses.

In addition, the review states that the current provision of effectively interest-free loans should be scrapped for all but the “lowest earners” upon graduation. Although buttressed by proposals for a new “tiered” system of loan repayment, ostensibly targeted against the “highest earners”, it means that those graduates earning more than £21,000 a year would face interest of 2.2 percent above inflation at current levels.

This immediately raises the tax burden for the majority of graduates. And, as inflation rises, it will mean ever greater hardship. As it is, many young people are having to work more than 20 hours a week, in addition to studying, just to make ends meet. With the total cost of a degree—covering tuition fees and maintenance loans—expected to spiral to as much as £50,000, the vast majority of young people will be priced out of higher education.

Browne delivered his report less than a fortnight before the Conservative/Liberal-Democrat coalition is due to set out its austerity budget on October 20. The government has already made clear that public spending faces cuts of around 25 percent across the board. As part of this, it is expected that central government funding for universities

will be almost entirely removed.

Writing in the *Financial Times*, Browne directly tied his recommendations to the “huge pressure on public finances, which makes the introduction of a new system of student finance even more urgent”. Public funding should be removed from all but “priority” subjects, he said, such as medicine, science and engineering. In addition, there needed to be a “closer fit between what is taught and the skills needed in the economy”.

With reduced funding and greater competition, Browne acknowledged his proposals meant that degree subjects, departments and even entire universities could face closure. Already at least five universities are on an “at risk” register due to debts. It is forecast that a minimum of 20 universities could close in the next few years if Browne’s proposals go through.

Such a scenario is bound up with plans to significantly increase the role of the private sector in education. The review proposes that any student meeting a “basic attainment criteria”—to be set by the government—will be able to purchase education from any provider accredited by a new Higher Education Council, opening the way for a proliferation of private companies.

The government has made clear its intention to adopt the main thrust of Browne’s proposals. The review was welcomed by Prime Minister David Cameron. As for the Liberal Democrats, they have junked their pre-election pledge to scrap tuition fees in favour of a graduate tax.

During the general election, the Liberal Democrats were given pride of place at hustings organised by the Labour-run National Union of Students on the basis of this pledge. As with so many Liberal Democrat pledges, however, the commitment to abolish tuition fees was quickly jettisoned as the party signed up to a coalition pact aimed at imposing the greatest austerity measures since the 1930s.

Even before Browne reported, Vince Cable, Liberal Democrat business secretary, publicly disavowed his party’s former policy. Speaking on Tuesday, Cable endorsed Browne’s review stating that it was on “the right lines”.

Speculation that Cable and Deputy Prime Minister Nick Clegg could face a rebellion by backbench MPs over their reversal is wide of the mark. Liberal Democrat MP Greg Mulholland made clear the token character of any protests—threatening only to abstain in the parliamentary vote on the review. This would not undermine the government, Mulholland said, as the coalition pact

“clearly states that Lib Dems will be allowed to abstain” in the vote.

Nor can Labour’s criticisms of some aspects of Browne’s review be taken at face value. It was Labour that introduced tuition fees while in government. It was under then Prime Minister Gordon Brown that the current review was set up, with the deliberate aim of slashing further education spending and preparing the way for increased fees. One of the Labour government’s last acts was to announce cuts of £398 million in higher education—almost 7 percent of the higher education budget. As a consequence, more than 200,000 prospective students were denied university places this year—over a quarter of all applicants.

Commenting on the review’s outcome, Labour’s shadow business secretary, John Denham, said it “deserves careful study”.

Browne’s recommendations have also been welcomed by the media. The *Guardian* hailed the fact that the Liberal Democrats had finally faced up to the “uncomfortable reality” of university funding. “There is no point pretending that it augurs an easy future for England’s colleges. It does not”, it editorialised. But there was no alternative.

The *Financial Times* was more strident, praising the review as a “genuinely radical document that would, if implemented, lead to a free-market revolution in higher education provision”.

“Graduates are the prime beneficiaries of their education. They should pay for it”, the FT stated.

In reality, the Higher Education Careers Services Unit has forecast that graduate unemployment could reach 25 percent due to spending cuts, while many are already being forced into low-paid work.



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