

The UK lecturer's dispute and the marketisation of higher education

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1 March 2018

University and College Union (UCU) lecturers remain engaged in a major strike against planned cuts to their pensions. The significance of this struggle must not be underestimated.

Contrary to what the union says, this is not simply an avoidable dispute over the single issue of pensions. The attack on university lecturers is one element in a far advanced programme aimed at the destruction of higher education as it has been known for decades.

On April 1, the Higher Education Funding Council for England (HEFCE), which distributes funds across the sector, will be abolished. Its duties will instead be divided up between the newly created Office for Students and United Kingdom Research and Innovation. Both are part of the Conservative Government's Higher Education and Research Bill aimed at further opening of the higher education "market" to "alternative providers"—private institutions—and creating greater competition within the sector.

A significant expansion of for-profit providers has been accompanied by abolishing the cap on student numbers at any institution. Now, those higher education facilities marked under a new system as so-called "quality" providers will be permitted to raise tuition fees above the current £9,250 per annum.

The government has presented this as beneficial to students who, as consumers, will be able "shop" around for the best courses. What it really means is the complete privatisation of higher education, with only the wealthiest students able to get so-called "quality" degrees.

Those universities unable to raise sufficient funds—through either higher fees or other sources—will be allowed to go bust. Figures released in January show that many universities and higher education facilities in working class areas such as Sunderland, Wolverhampton and London Metropolitan (east London) could face closure.

This is the real background to the pension dispute. It is an integral part of the marketisation and fragmentation of higher education across England that will have disastrous consequences for students and academics alike.

In a policy document in August 2017, "Suitability and Sustainability: pensions in the higher education sector," Universities UK (UUK)—in usual corporate doublespeak—declared:

"More than ever, institutions believe that achieving long-term stability of pension provision is critical and that cost and risk must be better controlled..."

"... It is evident that uniform pension solutions are no longer suitable for an increasingly divergent higher education sector. Institutions have different strategic priorities, with some wanting more flexibility in the reward package they are able to offer..." [emphasis added].

The UCU is fully aware of the direction of travel. In 2011, the Universities Superannuation Scheme (USS) closed its final salary scheme to new members and replaced it with a "career average revalued earnings" scheme. The age at which it was possible to draw a pension was raised from 60 to the state retirement age and employees' contributions were hiked up from 6.35 percent to 7.5 percent of salaries.

According to a research study carried out by finance academics at the Universities of Bath and Reading, new hires joining the average salary scheme lost 65 percent of their pension wealth, equivalent to a reduction of roughly 11 percent in their total compensation, or a 13 percent cut in their salaries compared to those on the final salary scheme.

For the universities, this equated to a massive reduction in their pension costs of 26 percent. The changes also saved the government a total of £2.86 billion in reduced tax reliefs like income tax and National Insurance Contributions. £1.86 billion of those savings were taken

off the lecturers.

A significant, but deliberately unmentioned upon, change was the introduction of “cap and share” –whereby universities collectively and individually abrogated their responsibility for meeting promised pensions. The new scheme split any future cost rises and risks between members and employers, 35 percent and 65 percent respectively. Before 2011, any university failing to fund its pension scheme would be bailed out by the others under the “balance of cost” scheme.

Despite the scale of the attack underway, the UCU called off strikes opposing these attacks and accepted the changes in 2012.

This paved the way for the next assault on pensions in 2015. The employers closed the final-salary pension scheme and transferred lecturers onto the career average scheme. Benefits previously accrued were to be protected, but frozen at the level as of March 2016 with an annual increase according to inflation. Lecturers’ contributions rose again, now to 8 percent. Again, UCU organised no resistance, despite strong opposition on the part of lecturers. A token, two-day strike over pay, pensions and conditions was held in 2016, at a time when teaching had stopped for most undergraduates.

The cuts have been carried out in the context of a massive casualisation of higher education work, with attendant losses in pay and job security. Higher education is the second most casualised sector after hospitality: 46 percent of universities (and 60 percent of colleges) use zero-hours contracts to deliver teaching, while 68 percent of research staff in higher education are on fixed-term contracts.

The UCU organises around 40 percent of workers in higher and further education and this strike involves less than half its total membership--those still covered by the Universities Superannuation Scheme. The union's membership declined from 120,000 in 2007 to 104,000 in the year to August 2016.

Now forced into action, the UCU is deliberately concealing the broader political and economic implications of the attack on pensions. It makes no reference to the marketisation and privatisation of education. This is not accidental. The UCU is making plain that it is not in the business of organising students and academics in a joint struggle for free, fully funded higher education as a right. By confining the issue solely to pensions—and those of only a fraction of university staff at that—it is demobilizing opposition and preparing sellout backroom negotiations .

In fact, far from challenging the marketisation agenda and its consequences, UCU are promoting the idea of the “student consumer.” They have endorsed the fact that nearly 115,000 students have now signed petitions calling for compensation for classes missed due to the strike. This campaign is being used by the government and university employers to carry out attacks on higher education. It further provides a cover for universities to arrange scabbing operations to minimise the “cost” to their student customers.

That is why it has been taken up by the Conservative Government’s Universities Minister, Sam Gyimah, who said that as students “are paying the salaries of the striking staff” they should be able to claim compensation. This could include lecturers having to provide the classes missed due to the strike at other times, or universities shifting the “money that they save from not paying striking staff into student support funds.”

Likewise, the National Union of Students (NUS) is limiting student support for the industrial action to token “sympathy” stunts, based on the argument that the pension cuts will “lead to a demotivated and unhappy workforce and consequent recruitment and retention problems as staff vote with their feet and move elsewhere.” Both the NUS and the UCU have complained that they are not represented on the board of the Office for Students, making clear their willingness to work with the government in imposing its agenda.

The defense of higher education pensions and working conditions can only be successful as part of a wider struggle in defense of education as a social right. Workers and students must break with these bankrupt organisations and organise their own rank-and-file committees across schools, colleges and universities on a platform of opposition to all forms of marketisation and privatisation as well as their consequences.



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