

British universities plan tens of thousands of job cuts

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The Higher Education (HE) sector is responding to the Johnson government's disastrous handling of the Covid-19 pandemic by allowing temporary contracts to expire and freezing all recruitment. According to the Higher Education Statistics Agency, 33 percent of academic staff in the UK were on fixed-term contracts in 2017–18.

According to the University and College Union (UCU), 30,000 jobs in higher education are threatened overall. An indication of the impending jobs massacre is as follows:

- 1,100 fixed-term contract staff are at risk at King's College London.
- The University of Reading's vice-chancellor says 500 full-time jobs, or their part-time equivalent posts are at risk.
- At the Royal College of Arts in London over 90 percent of staff are on temporary contracts, with 200 jobs at risk.
- At the University of Liverpool 536 contracts are either due to expire or have already expired.
- At the University of Sheffield 116 fixed-term contracts have expired and remaining fixed-term posts are being reviewed, "based on anticipated student numbers and our financial challenges." The university denied it planned to sack 8,000 staff and rehire them on lower pay. They said, however, that as a last resort the mass sacking of university staff and their rehiring on different, i.e., inferior contracts, remained an option.

Amid this crisis the Institute for Fiscal Studies (IFS) released a briefing paper that paints a picture of large financial losses in the HE sector, threatening the closure of major universities. "Universities are facing big losses across a range of income sources and investments," said authors Elaine Drayton and Ben Waltmann, whose paper is titled, "Will universities need a bailout to survive the Covid-19 crisis?"

The IFS is opposed to any government intervention to save potentially insolvent universities. They argue that the poorest universities must be culled as an example to the others that survive, as "rescuing failing institutions may weaken incentives for others to manage their finances prudently in the future."

The IFS estimates that HE sector losses in the long term may fall between £3 billion and £19 billion (between 7.5 percent and 50 percent of the sector's overall annual income). It estimates long-term losses of £11 billion, more than a quarter of the universities' annual income.

The HE sector is financially dependent on the enormous fees gouged from international students. The IFS estimate £2.8 billion losses from fewer international students due to the COVID-19 pandemic. Those attracting most international students are the older Russell Group, who trade off their international ranking within the world's top 100 universities.

The IFS assume that enrolments from the European Union (EU) will halve in 2020–21 "due to travel restrictions and disruption to administrative services ... as well as health concerns."

What the IFS describes as the "Lightly regulated Alternative Providers," elsewhere known as the "Wild West" of the HE sector, educates around 3 percent of all HE students. Many of these providers are fly-by-night operations that rely exclusively on extortionate tuition fees. With a large share of international students enrolled at these establishments they are at a significant risk of insolvency, potentially leaving students unable to complete their degrees. These businesses employ large numbers of lecturers, office, and support staff.

The IFS argues that universities' losses will not be stemmed "unless they make significant numbers of staff redundant." It recommends that "cost savings could reduce the overall bill by only £600 million or around 6% without redundancies."

HE in the UK is largely dependent upon a highly qualified pool of part-time lecturers to do the bulk of undergraduate teaching. The IFS advises that "institutions with a larger proportion of temporary staff will likely be able to make larger savings," blithely acknowledging, "this may impact teaching quality."

The IFS says that as many as 13 universities—not named—are most at risk of closure and could go bankrupt.

These institutions educate around 130,000 students (5 percent of all students in the UK). They will not be viable in the long term insists the IFS, without government investment or debt restructuring. A targeted bailout aimed at keeping these institutions afloat could cost around £140 million.

Josh Hillman, director of education at the Nuffield Foundation, which funded the IFS research, calls for a change in the curriculum offered by some universities to alleviate financial pressures. Hillman argued for a recommendation from the Sugar Review of post-18 education in England “to introduce a lifelong learning loan allowance for tuition fees that would encourage enrolment in higher education courses below degree level.”

Six months ago, the IFS released a study calling for a reduction in HE student numbers. Their paper confirmed what many graduates already know—their degree does not lead to increased earnings. For many, it leads only to heavy debts and low wages. But this is not an argument for reducing student numbers and educational opportunities for potential students, but rather for a substantial increase in the wages many graduates earn.

The latest IFS study was released while the Conservative government is applying additional scrutiny to universities and outcomes for graduates, with some ministers looking to restrict the numbers taking so-called “low-value” courses.

Ben Waltmann, who co-authored their latest paper on university debt, noted that the IFS found the government benefited from extra tax revenue and national insurance contributions of between £110,000 per man and £30,000 per woman with a degree qualification above the costs of study to the government.

But, he argued, “That is mainly because high-earning graduates go on to pay an awful lot of tax. But this analysis also shows that the government makes an overall loss on financing the degrees of nearly half of all graduates. These losses are concentrated amongst those studying certain subjects. For creative arts, for example, the losses are substantial.”

The logic of this argument is that only a tiny elite—the sons and daughters of the bourgeoisie and upper-middle class—will be entitled to graduate and post-graduate qualifications, while other institutions that remain afloat will be forced to concentrate on short vocational courses.

The cuts being proposed are the outcome of several decades of the marketisation of further and higher education. This was pioneered by the 1997 Blair Labour government. In 2009, the head of the Department of Business, Innovation and Skills, Peter Mandelson—Blair’s closest adviser—published a report titled “Higher Ambitions,” outlining a goal of “entrepreneurial universities” less reliant on central funding.

In 2017, the Tories’ Higher Education and Research Act established the framework for the wholesale marketisation and privatisation of the sector.

Faced with the loss of the livelihoods of tens of thousands of workers, Jo Grady, president of the University and College Union (UCU), only remarked on how the report highlighted the need for a government bailout of HE. “The government has to now step in and guarantee lost funding for universities so they can weather this crisis and lead our recovery on the other side,” she said.

Grady wrote to Prime Minister Boris Johnson to declare, “While the government appears to recognise the importance of further and higher education to our recovery, the very limited actions taken so far have been inadequate to the great challenges the sector faces and to the crucial task of maintaining the confidence of students and staff.”

“I would welcome the chance to discuss this with you further,” concluded Grady.

The opposition of the union bureaucracy to any fight to defend thousands of their members’ jobs, terms, and pay was summed up by the Unite union regional officer for the University of Sheffield, Harriet Eisner. She politely requested that university management become more business savvy. “We are appalled at the callous attitude that the University of Sheffield has displayed to its dedicated workforce. It is a wealthy institution with a lousy business model.”

In the face of this assault and the refusal of the unions to lift a finger in opposition, education workers must establish rank-and-file committees, independent of the unions, to unite workers and students based on the struggle for a new socialist political movement. Central to this fight is the defence of high-quality, publicly funded education as a universal right.



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