

Fees have not freed universities from state control

Increased regulation and changes to funding are on the cards, but, writes **Peter Scott**, state intervention should instead drive the recreation of the 'public' university



Peter Scott

The Guardian, Tuesday 3 June 2014



Paradoxically, it is research intensive universities that are now most dependent on government funding. Photograph: Linda Nyland for the Guardian

Neoconservative zealots, and maybe a few closet traditionalists, imagined that the rush to create a high-fees "market" in English higher education would allow universities to escape from state control – just as millions of Ukip voters still imagine that we can somehow "leave" Europe.

Both are illusions. Leaving Ukip and Europe to one side, the ditch-the-state, set-universities-free illusion has been exposed by two facts: the approaching heavy hand of regulation and the cuts in direct government funding. Next will come cuts in indirect state funding, as the conditions on which students access loans to pay their fees, and on which graduates repay them, are toughened.

The regulatory system is dysfunctional: too much regulation of universities in some areas and not enough in others. It is based on the assumption that all institutions are (reasonably) well run, responsible, public spirited – and not in it for a quick profit or to boost "shareholder value". That's less and less true. So far the government has bottled out of legislating on university regulation. But the public accounts committee, and no doubt the Treasury behind the scenes, is already on the case. The days when students at private colleges can access public money with almost no questions asked are numbered – rightly.

But it is not just a question of taxpayers being ripped off but also one of academic quality. Higher education in England, and the UK, has an enviable, and deserved, reputation for high standards. Reputations are easily lost but difficult, and time-consuming, to regain.

A different form of regulator is needed to prevent damaging scandals – financial or academic – as higher education becomes increasingly a privatised industry rather than a public service. The Higher Education Funding Council for England will probably have to be reinvented as OfUni – ironic because it would then have powers that it had always

been denied by leftwing governments when Hefce agitated to be recognised as a planning body.

But with greater regulation comes greater risks. Instead of being protected substantially from political intrusions, with their autonomy genuinely respected, universities would be exposed to the full force of politicking and lobbying that swirl round all regulators. Their fortunes will be made, and unmade, at the stroke of the regulatory pen – just what happens to privatised rail companies and energy suppliers (now mostly owned by other European states in a twist of Alice-in-Wonderland logic).

Then there are the cuts. The naive believed that cuts would become redundant in the brave new world of high fees and markets, as universities were set free to develop bold "business" strategies. So it came as a nasty surprise when Hefce's allocations for next year were announced two months ago and heralded yet more – and more severe than expected – belt-tightening. It has since dawned on all but the ideologically obtuse that direct state funding is always going to form a major part of higher education's income – and that therefore universities will remain victims of George Osborne's austerity programme.

Paradoxically, it is research intensive universities with the heaviest stakes in science, engineering, medicine and other high-cost disciplines that are now most dependent on government funding – and so will be most exposed to budget cuts. Student fees, however high, are never going to pay for basic research, or cover the cost of teaching the most expensive subjects. Other universities concentrating more on teaching and reaching out to new kinds of student will be affected in other ways. All institutions will be hit by the tightening of the eligibility and repayment rules for student loans as the government struggles to reduce its financial exposure, which threatens to exceed total government expenditure on higher education when it was entirely funded by taxes.

What's the response to the state's increasing power over higher education? One option is to try to create a "true" market – by removing the fees cap, putting graduate repayments on a sustainable financial basis and ignoring the rising number of "market failures" as institutions struggle to survive. An illusion, of course. Another is to acknowledge that, in a democratic and open society, the state has a legitimate and positive role in higher education and to try to recreate a sense of the "public university". In other words, the choice is to keep digging or to try to fill in the hole created by the government's botched reforms.

More from the guardian

[Oxford University urged to purge its £3.3bn fund of fossil fuel investments](#) 02 Jun 2014

[Guardian university league table 2015: Cambridge underscores its dominance](#) 02 Jun 2014

[Schools that bring pupils of all creeds and races together](#) 02 Jun 2014

[Bilingualism offers 'huge advantages', claims Cambridge University head](#) 02 Jun 2014

[Secret Teacher: why is getting a new job such a heinous crime?](#) 31 May 2014

More from around the web

[10 things mums never admit they do](#) (MadeForMums)

["PixiClip" Is A Neat Drawing Tool For English Language Learners | Larry Ferlazzo's Websites of the Day...](#) (Larry Ferlazzo's Websites Of The Day For Teaching ELL, ESL, & EFL)

[Don't quit your job until you've asked these questions](#) (LinkedIn)

[22-year-old hired as full-time coin-grader by the NGC after several weeks as PNG intern](#) (Coin World)

[To Be a Better Teacher, You Need to Have an Honest Conversation – With Yourself](#) (Concordia University)

What's this?