

# Tuition fees and the neoliberal university: Responding to the 2017 Higher Education and Research Act

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Labour's manifesto commitment to abolish university tuition fees has sometimes been criticised as a 'bribe' to young voters and the middle classes. But the proposals are far more progressive than our existing fees system in England, and present a moral alternative to a narrowly neoliberal view of the value of learning.

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Labour's manifesto commitment to abolish university tuition fees has been immensely popular, especially with younger voters, and has helped reset the higher education agenda, with Theresa May (at the time of writing still the prime minister) recently proposing a freeze on fees and changes to loan repayments. Labour's policy has nonetheless been derided and condemned by numerous self-defined 'progressive' commentators. Various arguments have been put forward in defence of fees, including: the current system is progressive, because only the highest earners will pay back the full cost of their loans; abolishing fees would amount to a subsidy or bribe directed at the middle classes at the expense of the poor; the introduction and raising of fees have coincided with ever-rising student admissions.

None of these arguments in favour of fees withstands intelligent scrutiny. A system which has produced the highest student debts in the developed world cannot

without irony be described as ‘progressive’,<sup>1</sup> and if we take into account – as we must – variable graduate starting salaries, the interest on loans, and the period of repayment then it cannot even be claimed that wealthier students will pay the most.<sup>2</sup> It is not the case that all students are middle class, and given that Labour plans to fund its pledges mainly through raising corporation tax, increasing income tax for the highest earners, and reducing tax avoidance, the burden of financing universities is not going to fall on the poor. Whilst UK and EU undergraduate entrants to English universities reached an all-time high in 2016-17, this figure disguises troubling trends, including a decline in part-time (and especially mature) students and huge variation and instability within the sector (many post-92 universities in particular have seen admissions fall rapidly).<sup>3</sup> Applicant numbers for 2017 entry have also fallen.<sup>4</sup>

Above all, those who defend tuition fees tend to ignore the wider context within which they have been implemented and the fundamental changes that have been made to English higher education over the past thirty years. The shorthand term for those changes is ‘neoliberalism’: the introduction and escalation of tuition fees has reflected and advanced the neoliberalisation of English universities. (Thanks to devolution, this development is not as acute in the other nations of the UK.)

## Fees in context

Although a complex and contested concept, neoliberalism is ultimately that which, in the words of David Harvey, ‘seeks to bring all human action into the domain of the market’.<sup>5</sup> In higher education, this has in large part meant the opening up of the sector to private companies. Prior to 2010, this manifested itself largely in the privatisation of non-academic functions, through the outsourcing of services such as catering, security, and estates management. Since 2010, however, the Conservatives (initially in coalition with the Liberal Democrats) have done their best to encourage the creation and growth of private universities. The tripling of tuition fees in 2012 to £9,000 per year was combined with the withdrawal of the block grant for the teaching of arts and social sciences. The aim of this policy – in addition to reducing deficit spending (because loans do not count towards the deficit) – was to level the playing field for new providers by removing the government ‘subsidy’ received by traditional universities. Understood in this way, the policy was a partial success: a 2016 report found that there are more than 700 ‘alternative providers of higher education’ in the UK, almost two thirds of which operate for profit.<sup>6</sup> Only nine of these alternative providers, however, have the powers to award taught degrees, and only three of those nine are for-profit.<sup>7</sup> From a neoliberal perspective, this is problematic: the higher education ‘market’ remains monopolised by traditional providers, thus stifling competition, choice, and innovation.

The remedy has been the 2017 Higher Education and Research Act, the overriding aim of which is to facilitate and encourage the entry of private, for-profit providers into the market, making it much easier for those institutions to gain degree-awarding powers and the title of ‘university’. The explicit rationale for these changes is that competitive markets increase choice and quality for consumers and higher education is ‘no exception’ to the rules of the market.<sup>8</sup> The newly created Office for Students will be the market regulator and has a legal duty to encourage competition and promote choice and value for money.<sup>9</sup>

Tuition fees are of course analytically independent of these changes: asking students to contribute toward the costs of their tuition does not necessarily entail the marketisation and privatisation of universities. But practically and politically fees have been inseparable from the neoliberal transformation of higher education. Without fees, it would not be possible to expand the private university sector: why would anyone pay to attend a private university if the best university education was already free? Hence, focusing solely on fees – as important as they are – risks distracting from the much wider and deeper changes of which they are part.

## The consequences of neoliberalism

The growth of private universities may seem to confirm the idea that neoliberalism is a revival of *laissez-faire* classical liberalism – shrinking the state to allow the market to flourish. This would be a misinterpretation. First, neoliberalism – in theory and in practice – recognises that an active, interventionist state is required to establish and regulate markets. This is exactly what we have seen in English higher education. The intrusion of private providers has resulted not from the retreat of the state but from the *intervention* of the state, which has if anything awarded itself even greater powers to oversee the functioning of the market. (The new Office for Students, for example, has the power to enter and search the premises of higher education providers.) Second, under neoliberalism the state itself is submitted to the criteria and mechanisms of the market. Rather than a shrinking state, neoliberalism produces what one commentator calls a ‘hybridisation between public and private’: the state intervenes to support the market while the market acts as a model for the exercise of state power.<sup>10</sup> Government departments and policies are judged according to their efficiency, value for money, profitability, and so on. The consequence is an enormous ‘neoliberal bureaucracy’ of auditing, monitoring, and ranking to ensure that newly created quasi-markets are functioning effectively. Hence, the signature move of neoliberalisation is not so much privatisation as the imposition of market norms. In the case of higher education, most universities remain non-profit institutions still partly reliant on government funding, yet they are organised and operated *as if* they are private enterprises: all processes must be transparent and

accountable, all achievements quantifiable and calculable, all actors productive and cost-effective.

Fees have played an essential role in this process. Increasingly reliant on fee income, universities are forced into ever-fiercer competition for students. As in any competition, there are winners and losers, and declining student numbers are pushing some institutions dangerously close to collapse. Perversely, the current government welcomes the possibility of university closures, on the basis that the 'exit' of providers is natural in any healthy market.<sup>11</sup>

Competition between institutions has intensified competition *within* institutions – between faculties and departments fighting for students and resources, and between individual staff members desperate to keep their jobs. Compelled to think and act like businesses, universities are increasingly structured like businesses.

Traditionally organised along relatively democratic lines, with decision-making authority in the hands of the academic community itself, the imperatives of competition and the need to implement market-responsive policies have justified and encouraged a centralisation of power, with control increasingly in the hands of senior management and executive staff. This stratification of staff is reflected in pay differentials, with huge salaries for vice-chancellors and other senior managers at the top and a large pool of casualised and underpaid hourly-paid lecturers, graduate teaching assistants, and fixed-term staff at the bottom.

Although the putative justification for marketisation is that competition increases choice and quality, it is unlikely that teaching quality will be improved by greater competition: to the contrary, funds have been diverted away from the seminar room and towards marketing and recruitment, as the *appearance* of good teaching becomes more important than good teaching itself. Likewise, choice is not increased if universities close down, or if those that remain consolidate their provision around subjects that are cheap to deliver and popular with applicants (who more and more tend to choose 'safe' subjects that will secure them a job and hence the income that they need to pay off their debts).

## The enterprise university

The neoliberalisation of universities has been powerfully contested, as during the student demonstrations at the start of this decade. Yet if neoliberalism has been so successful, it is in part because rather than simply being forced on unwilling victims, it has relied on individuals actively adopting and internalising neoliberal norms. This is a central claim of the analysis of neoliberalism made by Michel Foucault and those who have adapted and furthered his work: in place of the direct domination of subjects, neoliberalism awards individuals the autonomy and

responsibility to make their own choices – but only on the basis that they act within a framework of market norms.<sup>12</sup> This is one reason why neoliberalism generates such a massive bureaucracy, namely to induce and encourage the appropriately ‘rational’ forms of thinking and behaviour. As such, we should view neoliberalism not as a set of rules imposed from above but as a set of practices that are embraced from below.

In higher education, the adoption of neoliberalism is often reluctant or even unwitting: when academics partake in ranking exercises such as the Research Excellence Framework, or the newly introduced Teaching Excellence Framework, they do not necessarily do so with enthusiasm, but because the structures within which they work leave them with little choice. Because neoliberalism presents itself as an ideologically neutral form of common sense, it can be hard to recognise neoliberal policies as such: for example, ‘embedding employability’ in curricula – as most academics are now required to do – might seem like a good idea until one reflects on what it says about the purpose of education and its relation to business. Some academics, however, are all too eager to engage in the forms of competition and self-promotion that neoliberalism requires.

The introduction of fees has been a vital factor in the acceptance of neoliberalism in universities, especially among students. Fees have changed the way that many students view their education, making them far more instrumental, focused purely on the end result – a degree and the higher earning potential it brings – rather than the process of learning. What fees have produced is not so much the ‘student consumer’ as the ‘student entrepreneur’: a degree is not so much a product as an *investment* that is made with the anticipation of a future (financial) return.

Indeed, the enterprise has become the model unit at every level of the neoliberal university. The academic must become an entrepreneur: the purpose of publishing research is not so much to produce and disseminate knowledge as to win funding, boost departmental and university league table rankings, and enhance one’s own brand. Academics must literally generate their own income: it is now common for academic contracts to require staff to match a certain percentage of their salary with external funding bids. The university itself is now an enterprise, competing against other universities for students, funding, and league table rankings.

## What should be done?

If we understand tuition fees as part of a broader neoliberal project – as I believe we should – then three consequences follow. First, fees are not just about who pays for universities: they embody and effect a specific understanding and model of higher education. The question of how we fund our universities can never simply be a

technical or pragmatic issue, because any answer will contain normative assumptions about the meaning and purpose of education. To argue that the cost of education should fall on students themselves is to argue that the role of higher education is to benefit the individual student by improving their employment and earning prospects. To argue against fees is to propose an alternative vision of higher education.

Second, then, the policy of abolishing fees should not be defended on the purely pragmatic or electoral grounds that it will relieve student debt and win the votes of young people. Those aims are of course laudable, but Labour should offer a much bolder justification of their policy: rejecting the notions of higher education as an investment, privilege, or business, they should defend it as a social right that must be accessible to all regardless of wealth and a public good that benefits everyone (by advancing knowledge, preserving culture, enabling economic growth, and helping to develop the intellectual and moral qualities required for democratic citizenship). The new National Education Service charter is certainly a move in the right direction.

Finally, abolishing tuition fees is a necessary but not a sufficient step in reversing the tide of neoliberalism in higher education. Any future Labour government must also encourage the democratic governance of universities, support improved pay and conditions for all university staff, and dismantle the entire neoliberal audit culture that has swelled within universities (including the National Student Survey, the Research Excellence Framework, the Teaching Excellence Framework, and innumerable local variations), much of it established under previous Labour governments.

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## Notes

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