

**Response to the BIS consultation on the White Paper  
*Higher Education: Students at the Heart of the System***

**RESPONSE 2: GENERAL COMMENTS**

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**1 Preamble**

- 1.1 I would like to offer two sets of responses to the consultation. The first is written in my capacity as an expert on patterns of participation in postgraduate education in the UK and relates specifically to the discussion of postgraduate education and the implications for changes proposed in other parts of the document for postgraduate education. The second set of responses, contained in this document, provides a more general comment on the plans contained in the White Paper and on some specific details of the proposals. Although the two sets of responses are to some extent complementary, my comments on the White Paper as it relates to postgraduate education can be taken separately.

**2 The White Paper's vision for higher education**

- 2.1 The fundamental problem with the principal proposals in the White Paper is that they are designed to solve problems which do not really exist or at worst are prompted solely by short-term fiscal restrictions. English higher education is not in any kind of crisis, it is not under-performing nor is it suffering from any kind of complacency (as the substantial changes, expansion and reforms of the last two decades show). Further, the sub-title of the White Paper ('putting students at the heart of the system') suggests that students are not getting a good deal in English higher education as it stands. However some simple facts about the performance of the English higher education system strongly challenge the overall judgement that it is in any sense broken and in need of fixing.
- 2.2 Our higher education system has one of the highest retention rates in the world, with around four out of every five students completing their courses at

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<sup>1</sup> This response to the BIS consultation is made in a personal capacity and does not represent the views of the Department of Education or the University of York.

undergraduate level. Four out of five students are satisfied with their courses. British research is very highly rated across the range of disciplines. English universities routinely feature prominently in evaluations of the world's top institutions. Student demand is high and participation is growing. All this has been achieved with an investment which is far lower, in terms of the proportion of GDP, than most of our comparator nations. Indeed it is less than half of the rate of investment in higher education in the USA. English higher education is clearly of high quality on a very wide range of measures and is already very efficient. This is a level of performance which most private and public sector organisations and industries covet.

- 2.3 Given this situation, the removal of public funding support for much of the teaching activity of higher education institutions is an unnecessary gamble which puts in jeopardy a national asset. As several detailed analyses have shown, it is unlikely to save public funding but will certainly saddle hundreds of thousands of young people with very large debts for substantial parts of their adult lives. It is very difficult to understand why, in the wake of a devastating financial crisis arising from overleveraging, the Government should seek massively to increase both personal and public debt in this way. Much of the credit will be used to pay very high tuition costs which in most cases will be much higher than the current public and private cost per student. If institutions are providing high-quality education already, there seems no good reason to take this gamble, particularly if it is simply an accounting trick to move public expenditure 'off balance sheet'.
- 2.4 The emphasis in the White Paper on the benefits of price competition between institutions proceeds almost entirely by assertion. Where is the evidence that price competition in education leads to better outcomes for students and the public in general? The higher education systems widely acknowledged as among in the best in the world – such as the Swiss, Californian and Wisconsin systems – are public, planned university systems. With a few historically unusual exceptions, private universities the world over have lower status and performance than public ones.
- 2.5 As anyone who has had a sustained exposure to English higher education should know, there is plenty of non-price competition between and within universities. Institutions compete to obtain research funding, well-qualified applicants, the best staff and so on. It is not clear what adding price competition to this will achieve.
- 2.6 The Government has expressed the desire to preserve and augment institutional autonomy. As an objective, this is welcome – English institutions have prospered in comparison to their peers in continental Europe from

autonomy to set their own academic direction, introduce, accredit and award their own degrees without ministerial interference, hire their own staff and set their own admissions criteria. However many of the proposals within the White Paper are directly contrary to aspiration to preserve, maintain or indeed increase institutional autonomy. They will involve the Government or its agencies in the detail of course timetables (see pages 25 – 26 of the White Paper), setting admission requirements (this was the very worst bit of the Browne Review) and deciding which courses will receive public funding (paragraph 4.17).

- 2.7 Perhaps most fundamentally, the White Paper suffers from a poverty of vision about the purpose of higher education. Unlike the landmark Robbins and Dearing reports, which included clear statements of what universities should be for, the White Paper presents an insular and instrumentalist view of higher education, focussed almost entirely on ‘employability’ and the personal benefits of higher study and with almost no recognition of research, the broader purpose of education in a civilised society nor the public benefit of higher education. The proposals are left without justification and without mandate.

### **3 Social mobility**

- 3.1 The continued emphasis in the White Paper on higher education’s role in and responsibility for enabling social mobility, especially relative social mobility, is welcome. Opening up opportunities to access higher education is essential for a fair and equal society which makes the most of the talents of its citizens.
- 3.2 The White Paper contains some interesting and well-made observations and also some useful proposals in relation to social mobility. It is pleasing to see acknowledgement of the very low rate of access by disadvantaged groups to institutions with the highest entry requirements.
- 3.3 The proposals relating to improving careers guidance, strengthening the powers of OFFA and supporting a resurgence of access courses are all worthy and positive developments. In relation to careers advice, the most important aspect of this must be to ensure that advice gets out into schools and focuses on those children who are most in need of help. A key element of this will involve improving the advice available about student finance for those considering higher education. Arrangements are already complex under the existing system and are likely to become more so if the Government’s proposals for student finance are implemented in full (changes occurring in other UK administrations will add to this complexity). There must be access

to expert, impartial advice on students' options to ensure that decisions are made with a full understanding of the likely costs and benefits. Giving OFFA a remit to measure outputs and outcomes in relation to widening access is also a positive development.

- 3.4 Welcome though these proposals are, *they will be negated by other aspects of the White Paper*. Indeed one could be forgiven for thinking that some of the chapters in the White Paper have been written independently, without cross-reference. The same is true of other Government policies related to education.
- 3.5 Abolition of the Educational Maintenance Allowance (EMA) will depress the rate of enrolment in post-16 level 3 qualifications (further education providers are already reporting this). Detailed research on access to higher education in England which used entire cohorts of state school leavers showed that the primary determinant of access to higher education is holding appropriate level 3 qualifications. Taking qualifications into account, researchers found inequalities on the basis of family background were substantially reduced.<sup>2</sup> There is thus little point in concentrating on higher education institutions' impact on access to higher education if disadvantaged students do not obtain the prerequisite qualifications to be eligible. Restoring EMA would have a greater impact on access to higher education than changes made at the point of application.
- 3.6 The absolute level of fees to be charged to undergraduate students risks causing reduction in demand for higher education from disadvantaged groups, at least in the short term. It is more likely to have differential influence on behaviour for students from different backgrounds when it comes to choice of subject discipline and institution. The evidence regarding the effect of increased tuition fees on higher education participation in the UK suggests that fees have not been a deterrent: in England participation rates have increased alongside fees; in Scotland, where fees were abolished from 2007, participation rates have declined. However the increase in the average fee charged represents such a large absolute upward shift in cost that it would be very surprising indeed if there were no effect on participation. There is little precedence for increases in tuition costs of this magnitude and so it is difficult to be certain in either direction.

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<sup>2</sup> Chowdry, H., Crawford, C., Dearden, L., Goodman, A. and Vignoles, A. (2008) *Widening Participation in Higher Education: analysis using linked administrative data*. London: Institute for Fiscal Studies.

## 4 The detailed proposals for student finance

- 4.1 There are some welcome aspects to the proposals in the White Paper. Putting part-time students on an equal footing with full-time students corrects a long-standing anomaly and injustice. Also, taking externally-sponsored places out of student number controls seems sensible (although it is not clear in the White Paper whether this excludes such students from obtaining maintenance loans).
- 4.2 As HEPI and others have pointed out,<sup>3</sup> many of the assumptions on which financial projections about the affordability of the proposed policies have been made are flimsy and could easily lead to a large increase in liabilities if, as seems likely, they are not met.
- 4.3 The White Paper seeks greater efficiency in English higher education and proposes price competition as the mechanism for achieving this. It does not provide evidence that such price competition elsewhere in the world has improved efficiency in higher education. Indeed there is evidence to the contrary: as noted above, the proportion of GDP spent in the US on higher education is much higher than in the UK, yet the tertiary graduation rate is much lower; and as Howard Hotson of St. Anne's College, Oxford has shown, the 'average' performance of UK universities is better than that of their US counterparts.<sup>4</sup> We have already seen a 'race to the top' in setting tuition fees because higher education is what economists call a 'Veblen good' – a high price is a signifier of quality and status which is likely to *increase* demand. This is partly why US higher education tuition fees have increased so rapidly in recent years, without a concomitant increase in performance, in what some have called an 'arms race'.
- 4.4. A further barrier to efficiency at the national level relates to the 'failure' of institutions which is an expected – and in some quarters desired – effect of price competition. Universities take decades to establish; existing institutions were built and sustained with billions of pounds of public capital and recurrent investment. When an institution closes, that investment is lost or passes into private hands. Losing existing institutions only for new ones to be required to take their place does not seem a particularly efficient means of proceeding.

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<sup>3</sup> Thompson, J. and Bekhradnia, B. (2011) *Higher Education: Students at the Heart of the System – an Analysis of the Higher Education White Paper*. Oxford: Higher Education Policy Institute.

<sup>4</sup> Hotson, H. (2011, 19 May) Don't look to the Ivy League. *London Review of Books*, 33 (10), 20 – 22.

- 4.5 The exhortation to competition as the means to increase efficiency contained in the White Paper is a direct contradiction of the advice of the Diamond Review<sup>5</sup> which identifies *collaboration* on back-office functions and procurement as key means for improving efficiency.
- 4.6 The proposed ‘core-and-margin’ model, which attempts to place controls on student numbers whilst also opening up a limited number of places for competition, appears rushed and poorly thought-through. The use of a qualifications tariff level as a control impinges directly on institutional autonomy and will completely undermine proposals elsewhere to increase social mobility. The focus on highly-achieving students seems arbitrary. It also highlights the contradiction which runs through the White Paper: a commitment to free market competition which is at each turn is littered with controls. Prices are capped, student numbers are capped and certain subjects are subsidised and thus protected from the market. This is tacit acknowledgement that market competition does not work in higher education.
- 4.7 It is not clear to what extent the effect of sustained debt repayments by graduates will have in aggregate on consumer spending. The drop in disposable income represented by increased servicing of student loan debt will inevitably have a knock-on effect on industries reliant on consumers’ discretionary spending.
- 4.8 Voluntary giving is highlighted as an area of higher education funding with potential for development. English institutions have massively increased the amount of philanthropic income they receive over the last decade or so. However outside of North America, which has a very different history of charitable giving to universities, there is little tradition of such funding being a substantial income stream in the modern era. It should also be noted that US alumni donations are often linked to practices which would be deemed unacceptable in the UK, such as so-called ‘legacy admissions’.

## 5 Choice

- 5.1 The White Paper places great store on giving institutions greater autonomy, but at the same time introduces many extra demands for the provision of information, most of which will not be particularly meaningful. Like the NHS target-setting so criticised by the opposition under the Blair and Brown

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<sup>5</sup> Universities UK Efficiency and Modernisation Task Group (2011) *Efficiency and effectiveness in higher education*. London: Universities UK.

Governments, this is highly unlikely to lead to improvements in service, only to improvements in *meeting targets*. Publishing contact hours will almost certainly lead to students demanding more of them and institutions competing to increase contact time. This will not necessarily bear any relation to the *quality* of education which students receive.

- 5.2 Obsession with published information simply repeats many previous initiatives which were of very limited success. The 'Unistats' site was introduced to meet very similar objectives as those set out in the 'Key Information Sets' but is not heavily used, as the White Paper acknowledges. A 'comparethemarket.com' approach to choosing courses is not suitable for higher education.
- 5.3 The National Student Survey, which was conceived as an enhancement tool is now being used as a monitoring and marketing tool. Its use in league tables and other performance measures undermines its usefulness as a resource for improving teaching quality. Internal module evaluation surveys, which academics tend to find more useful than the NSS because they are personalised would similarly become hoops to be jumped through if they are used for performance management and external scrutiny. The aim becomes to ensure that evaluation scores are as high as possible, meaning that modules are designed not to be educationally effective, but rather to get good scores. This is increasingly the case in the US where module surveys are used in making tenure decisions for faculty.
- 5.4 Conflating student satisfaction in a simplistic way with 'quality' is a basic misconception of the purpose of education and of the teacher/student relationship. Students may be happy getting what they *want*, but that does not necessarily mean they are getting what they *need*. Education is not the same as the fast food restaurant business, where a company is successful if it gives people what they want, regardless of whether it is any good for them or not. Teachers inevitably 'know better' than students – otherwise they would have little purpose.

## **6 Admissions**

- 6.1 The White Paper's position on admissions involves several contradictions. Most troubling of these is the likely effect of the proposed policy of removing students achieving AAB at A-level from student number controls. This will directly undermine attempts to widen participation and increase social mobility. No justification is stated for the use of AAB as the level for the controls – it would seem to be arbitrary.

- 6.2 Many universities make contextualised offers to applicants based on their circumstances, including the school they attend and other factors. Research at the University of Bristol has shown that students admitted on slightly lower grades did equally well at degree level as pupils from higher-achieving schools who were admitted with higher A-level grades.<sup>6</sup> Paragraph 5.18 of the White Paper explicitly endorses this activity.
- 6.3 The use of AAB as a threshold will create strong incentives for universities to maximise their intake of students with such grades. This will have deleterious unintended consequences, *one of which will be to discourage institutions from making contextualised offers* since they will 'lose' AAB places in so doing. Indeed as Professor Sir Steve Smith pointed out whilst President of Universities UK, it may have the perverse consequence of persuading institutions to offer inducements to applicants with AAB who are already among the most socially advantaged group in higher education. A similar trend towards 'merit scholarships' has been seen recently in the USA. The Equality Impact Assessment conducted in tandem with the White Paper completely ignores these possibilities and should be revisited to address them.
- 6.4 There are other potential problems with the AAB policy. Many subjects which have been identified as 'strategically important' attract low proportions of students with grades of AAB or better. Institutions will have little incentive to take these students in preference to students in subjects with high grades.
- 6.5 Another contradiction in the document is between the stated desire to maintain and extend different routes into higher education via alternative qualifications to A-level and the near-obsession with A-levels. Although the White Paper does refer to students "scoring the equivalent of AAB or above at A-level", the meaning of "equivalent" is not defined. Another example is the provision of information about "facilitating" A-level qualifications (which in itself is a welcome development), where alternative qualifications are not mentioned.
- 6.6 Other proposals are examples of the recycling of policies which have not been successful in the past. Post-qualification admission is a good idea in principle, but there are substantial practical difficulties and costs in achieving it which may outweigh the benefits. It is not simply a technical problem as some seem to believe and there is little firm evidence to suggest it will improve access

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<sup>6</sup> Hoare, A. and Johnston, R. (2011) Widening participation through admissions policy – a British case study of school and university performance. *Studies in Higher Education*, 36 (1): 21 – 41.



and social mobility. Student charters (paragraphs 3.3 – 3.4) were introduced by the Major Government but had very little discernible effect.

## **7 New providers**

7.1 The White Paper proposes easing the restrictions on new higher education providers being established. No evidence is provided as to why this is required or necessary. The global evidence on for-profit providers is that they tend to be of low quality in comparison with public institutions.

7.2 Establishing a quality higher education institution takes time. As a general rule, the most successful institutions are also the oldest. My own institution, which is approaching its 50<sup>th</sup> anniversary, celebrates the fact that it has become a world-class university in this ‘short’ time.

7.3 The changes proposed to the grant of the title of ‘university’ will dilute further the concept of a community of a self-regulating community of scholars. The most prestigious and successful universities also have the greatest degree of academic involvement in governance.

## **8 Summary**

- The White Paper presents a simplistic instrumentalist and individualised view of higher education, lacking in broader vision. It appears to be a response to a crisis which does not exist.
- The Government’s proposals are a huge and unnecessary gamble with a high-quality national asset.
- There are some worthwhile proposals relating to higher education and social mobility, but much of this is undermined by other aspects of the proposals or other policies outside of the remit of BIS.
- The case for introducing price competition is not proven and indeed there are strong indications that it will be harmful to higher education.
- Plans for reform to admissions and student number controls are contradictory in that they risk negating efforts to widen participation and introduce an unprecedented level of interference in universities’ operations whilst the White Paper claims to be enhancing institutional autonomy.