

British universities fight back

After a long decade of attrition, British universities may have found a way (and the courage) to stand up to the government that has been their principal tormentor.

THIS year's retreat (to the city of Leeds) by the vice-chancellors (the leaders) of British universities seems to have been rewarding, even daring. The vice-chancellors have resolved to aim at financial autonomy of a kind. Faced with the government's belated but welcome conversion to the belief that a greater proportion of young Britons should follow degree-level courses, and its unwillingness to increase its subvention proportionately, they were even last week flirting with the notion of charging economic tuition fees to all students (see page 375), offsetting the burden on poor students by means of scholarships.

The future of this specific proposal is dubious, but it has brought the issue into the open, and is an excellent means of teasing a government still committed to the view that market forces are a universal emollient. If, the universities may argue, the public water supply and the electricity supply industries are being sold to private owners (see page 372), might not the government also welcome a free market in higher education? The difficulty, as all concerned know well enough, is that the government's political support is already over-sensitive to the cost of higher education. The much more modest proposal, in 1985, that well-to-do parents should pay nominal tuition fees on behalf of student offspring engendered a middle-class outcry and a humiliating retreat. It is unlikely that the same government will accept the vice-chancellors' more radical suggestion when the next general election may be only two years away.

Market forces

Yet something must be done. Part of the explanation for last week's hankering for independence by the universities stems from the realization that there will be no extra funds to cover the cost of the extra 6,000 students recruited to the universities this academic year. The government holds that its decision earlier in the year to double (to £800) the still-nominal tuition fees local authorities are required to pay on behalf of all degree-level students should be sufficient recompense. But the universities are also alarmed that only a kind of engineered chaos can follow from the ambition of the new conduit for public funds, called the Universities (no apostrophe) Funding Council (UFC), to require universities to bid against each other for public money with effect from the beginning of the 1990 academic year. That will

be a market of a kind, but a manipulated market, with the UFC standing proxy for young people seeking an education. Why not — the logic seems to be — create a free market instead?

In the long run, something of that kind is unavoidable. The Secretary of State for Education and Science, Mr John McGregor, was right to remind the universities at Leeds that government subvention of the universities has increased by 9 per cent over the past decade (but student numbers have increased more quickly) and that the collective income of the universities from sources other than the government's higher education budget has increased from 10 to 25 per cent of the total (but much of this is research and contract income, which must be paid for by results). There is certainly no prospect that these trends could sustain an increase of the participation of young Britons in degree-level higher education in all kinds of institutions from 15 per cent (now) to McGregor's still-modest target of 23 per cent by the end of the century.

Scholarships

So how, in the real world, is a transition to autonomy to be arranged? One glaring defect of present arrangements is their uniformity. University salaries (accounting for more than 75 per cent of universities' costs) are nationally negotiated, while tuition fees and maintenance grants for students are fixed by the government. So universities are not genuinely in competition with each other in the true marketplace, that for teachers and that in which students make informed judgements of how they might best (and most economically) get the kind of education they need. The UFC bidding scheme is meant to be a step in that direction, but is hamhanded. The universities' scheme for coupling full economic fees (perhaps five times greater than those now charged) with a scholarship scheme would probably be unworkable, given the need to negotiate with more than 200,000 new students every year. But universities will have no way of measuring their efficiency while students are entirely insulated from the cost of teaching, which is why it would make sense if universities were allowed to charge their students modest fees, perhaps comparable with those now paid indirectly by the government. Among other things, that would test their ability and willingness to run imaginative scholarship schemes, which they could best do individually. □