University and College Union

The Green Paper: Higher education: teaching excellence, social mobility and student choice

What it does and, most importantly, *doesn't* say

COVENTRY UNIVERSITY UCU BRIEFING MARCH 2016

INTRODUCTION

This report is intended to give UCU members at Coventry University an analysis of the recent Green Paper, which was (it is now closed and the results are being processed) an 'open consultation' on the future of Higher Education. The Green Paper not only outlines the much anticipated Teaching Excellence Framework (TEF), but also aggressively pursues some of the other aspects of 'marketisation' that were first introduced in Lord Browne's 2010 Review, whose suggestions were subsequently 'cherry picked' for the 2011 White Paper, *Students at the Heart of the System*. Primarily, the function of this briefing is to give our members a sense of what the future holds, not just for the sector, but also specifically for us at Coventry University.

The briefing is critical: (1) in terms of its stance towards marketisation as a whole and (2) in terms of engaging with the emerging critical views on the Green Paper from commentators. For maximum 'impact', the briefing has been divided into three main themes: marketisation, the Teaching Excellence Framework, and plans to further 'open up the system' to 'alternative providers' and remove the public interest from higher education altogether.

This briefing seeks to provide an alternative point of view and grounding for action in the coming year as the discussion around the future of HE continues, and Coventry University management begin to implement changes in anticipation of decisions based on this initial consultation. It is hoped that this report will open up a constructive dialogue between the UCU branch committee, the members we seek to represent, and also a management that continues to close down dialogue wherever possible.

The briefing is thus further demonstration that the UCU is the only voice for democracy in an increasingly anti-democratic academic landscape, both locally and nationally. We therefore welcome all comments, critical or otherwise, and suggestions for action in 2016; any responses members wish to pass on to us please send an email to ucu@coventry.ac.uk. We also intend to have an open meeting in the coming weeks focusing on the Green Paper. Please feel free to pass this report on to colleagues (including non-members), in printed or electronic form.

BACKGROUND: MARKETISATION

Overall participation in Higher Education by young people in the UK increased from 3.4% of the population in 1950 to 8.4% in 1970, taking a huge leap up to 19.3% in 1990, almost doubling to 33% in 2000, reaching an unprecedented 49% in 2013. Beginning with the Robbins Report in 1963, this expansion has been seen as desirable and reflecting a need for a more highly educated workforce, this in turn being driven by a wider move away from manufacturing and towards knowledge production in Western capitalist economies.

The Dearing Report in 1997 explicitly refers to this latter configuration as the 'learning society' and for the first time in the history of higher education proposes that this learning society should be supported by government-backed loans, which were subsequently introduced by Tony

Blair's Labour government in 1998. At this point a contradiction was created at the heart of UK higher education, with the government wanting to 'have its cake and eat it', so to speak, trying to cash in on the productive fruits of a highly educated workforce without having to pay for it.

This contradiction is deep at the heart of the 2015 Green Paper, following hot on the heels of the government's Productivity Plan, *Fixing the Foundations*, which announced that maintenance grants will be replaced by maintenance loans, as well as new income contingent loans for postgraduate students. In the Autumn Statement, George Osborne added to this expanding loan portfolio with bursaries for nurses being scrapped in favour of loans. We might be tricked into believing that this meant the end of public funding for higher education, but this is simply not the case.

As we can see from Figure 1, the aim of funding reform is to reduce the HEFCE teaching grant, perhaps replacing it entirely in the future with income from fees. But government-backed loans are still largely a public investment, which is why throughout the Green Paper reference is made to protecting the public interest (ironic considering moves to dismantle the public interest in the same document). The 'taxpayer' is mentioned no less than sixteen times in the Green Paper, and in the introduction Jo Johnson MP, David Willetts' replacement as Minister of State for Universities and Science, points out that 'higher education must evolve to champion value for money for students making big lifetime investments, *and taxpayers underwriting our loan system*' (p. 9).

Critical debates concerning 'value for money' have so far centred around the now infamous (but still highly confusing) RAB charge, which is 'the estimated cost to Government of borrowing to support the student finance system...based on future loan write-offs and interest subsidies [expressed] as a proportion of the initial loan outlay'. This estimate rose from 20-25% to 45% in 2015, with critics pointing out that this figure indicates that the system of loans and fees saves the government no money overall. However, in the 2015 Autumn Statement, the government announced changes to the 'discount rate' applied to student loans (which calculates the relative value of loans over time), as well as a freeze on the £21k loan repayment threshold (which was previously linked to inflation), both of which reduce the RAB charge back down to 20-25%.

Behind all the government papers on Higher Education since the Browne Review in 2010, however, the real agenda is *marketisation*. Successive majority governments since Thatcher, whether Labour or Conservative (or Coalition), have a stubborn belief in the power of markets to solve all problems, and alongside this a pathological fear of state investment in public services.

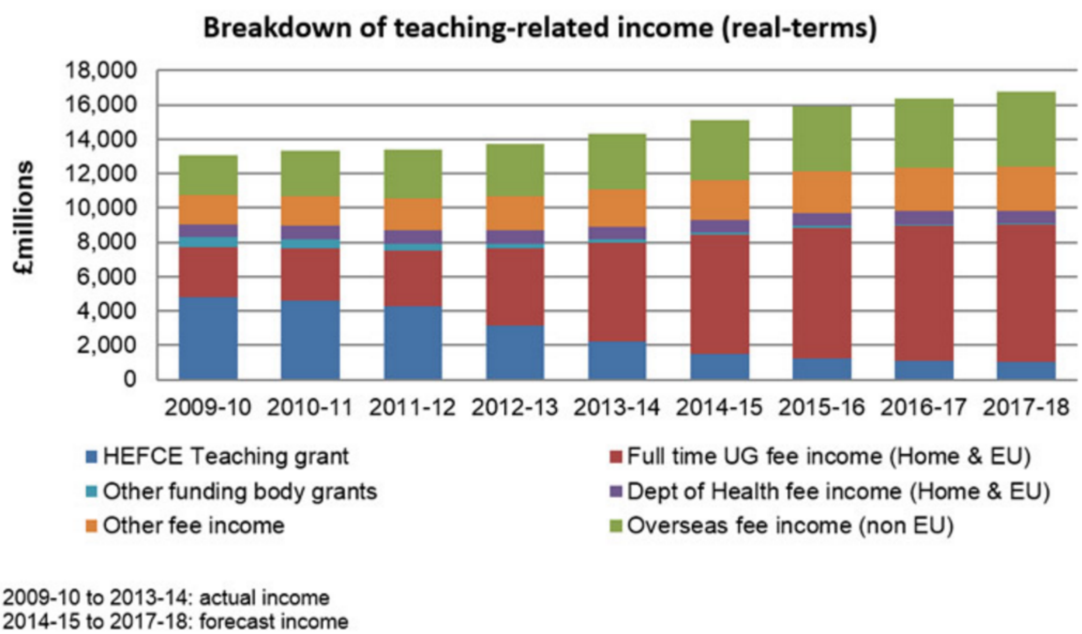


FIGURE 1 (Source: HEFCE)

According to marketisation, the solution to the problem of funding mass higher education, which is necessary for the success of the 'learning society' (also known in sociology as 'post-Fordism', or the 'information society'), is firstly privatisation, which is to say removal of all public investment in HE, and secondly, the creation of a market where one wouldn't 'naturally' exist. To do this students must be turned into consumers and universities (new, old and for-profit) pitted against each other in competition for this new form of finance.

The fact, however, that the public is still largely invested in HE through government-backed loans means that this will never be a perfect market (among other inconvenient factors, such as education and knowledge not really being reducible to purely private goods). Rather embarrassingly (something the government don't really want people to realise), student loans actually contribute to the Public Sector Net Debt (the debt that we are trying to clear through increasingly brutal 'austerity').

The ultimate solution to this particular problem is to *sell off the loan book*. George Osborne has already sold the pre-1998 loan portfolio to debt-solutions provider Arrow Global for £160million, a shocking discount considering their original face-value was £890million. Although original terms and conditions have been honoured, the new Arudio Loans Company that services these loans has been criticised by students and financial commentators for their inefficient service, being unresponsive to loan deferral requests, payments being taken by mistake and also student credit information being sold to third parties. Plans to sell the post-98 loan portfolio were scuppered in 2014 due to an unexpected last-minute turnaround by Vince Cable, causing much tension at the time within the Coalition. It seems that the Lib Dems momentarily regained their integrity (after their turnaround on fees in 2011), realising that the loan sell-off presented no public benefit overall. This is mainly due to the fact that the government has to sell loans at a huge loss to make them attractive to private investors, the pre-1992 loans having been sold at an estimated at £120m loss.

As already mentioned, a short-term solution to the problem of a rising RAB charge has been the freezing of the repayment threshold at £21k until 2021. In another excellent article, McGettigan shows that this will mean lower to middle graduate earners paying an additional £6000 over the lifetime of their loan. Not only is this an unfair additional 'tax on social mobility', but as McGettigan also argues, using the government's marketisation agenda against them, this further distorts the function of fees as an indicator of value for a rational consumer (the student), as the headline figure increasingly hides a plethora of hidden charges and retrospective consequences. These all contribute to an undermining of consumer confidence.

All in all, this 'slouching towards the market' in HE, as John Holmwood has described it, has operated in an underhanded and anti-democratic way. Policy changes have mostly been made through secondary legislation and 'statutory instruments' (which can be issued quietly over summer while parliamentary representatives are on holiday; they come into law if no objections are tabled). This shocking 'democratic deficit', however, also shows us that the fight is not over yet. Knowledge truly is power here, and if we can educate ourselves, our colleagues and the public regarding what the government is really trying to do (seeing through the obfuscation) and explaining at every opportunity what the consequences will be for the people involved, as well as for society in general, there are many points of tension within the move towards marketisation that can be exploited.

A particularly urgent task is connecting with our students, making them not only aware of what is happening to higher education and also to their investment, but also helping students to have a real voice in what is increasingly becoming a market in which their only voice is that of the consumer complaint and market 'exit'.

THE TEACHING EXCELLENCE FRAMEWORK

Some detail on the specifics of the proposed Teaching Excellence Framework (TEF) can be found in the Green Paper, but suffice it to say that the TEF remains more of an idea at this stage, with many key concepts seriously 'underdetermined', in the sense that they are nowhere near sharp enough to pull out any meaningful data on what teaching quality would look like in reality.

One of these concepts is the ubiquitous teaching 'excellence', for which the Green Paper happily admits 'there is no one broadly accepted definition' (p. 21). Nevertheless, the TEF will somehow manage to measure 'excellence' using an imbalanced mixture of mainly quantitative metrics, provided by the National Student Survey and HMRC graduate employment data, as well as student completion data and information from the Student Loans Company on repayments, with a dash of qualitative evidence thrown in at the end by institutions themselves. This data is then crunched together to decide whether institutions will be able to increase fees in line with inflation, which is not a particularly exciting prospect as inflation in the UK, according to the Consumer Price Index, remains negligible at 0.1%.

Bill Readings, in his now foundational critique of the contemporary university-as-business, *University in Ruins* (1996), analysed the concept of 'excellence' as 'non-referential unit of value entirely internal to the system', and 'an empty notion' (p. 39). This should set alarm bells ringing as it would indicate that someone else is filling in the meaning of the concept, and as we know this will not be those doing the teaching. It will be a combination of metrics already criticised for not being useful – for example HEFCE published a report on the problems with the NSS – and the ideas of universities managers encapsulated in their Corporate Plans and Teaching and Learning Strategies, which in turn constitute the basis for our Developmental Performance Reviews (DPRs).

In a similar way to how the President of the NUS has criticised the Green Paper for proposing a new, all-encompassing regulatory body called the Office for Students that in fact only involves students as passive consumers (ticking the box that says 'Is your teacher *passionate* enough?'), we must hold the Green Paper to account for creating a framework for measuring teaching that we know will not involve teachers themselves, but will in fact be another tool in the management arsenal for control and discipline.

As Sally Hunt, General Secretary of the UCU, has stubbornly argued, 'excellence' is expensive, and requires investment by both the government and individual institutions. As the Green Paper itself acknowledges, excellence is not 'something achieved easily or without focus, time, challenge and change' (p. 21). The Green Paper goes so far as to suggest that 'excellence' will not happen unless there is 'parity of status between teaching and research careers, and explicit career path and other rewards' (p. 32).

This is one of the key places where the drive to produce quality at the absolute minimum cost is pushing up against the reality of a process that is simply not reducible to de-professionalised 'delivery'. Coventry UCU has made this point before, rationalised production and management processes will not work for higher education; eventually the result will be a de-valuing of the product: *learning*.

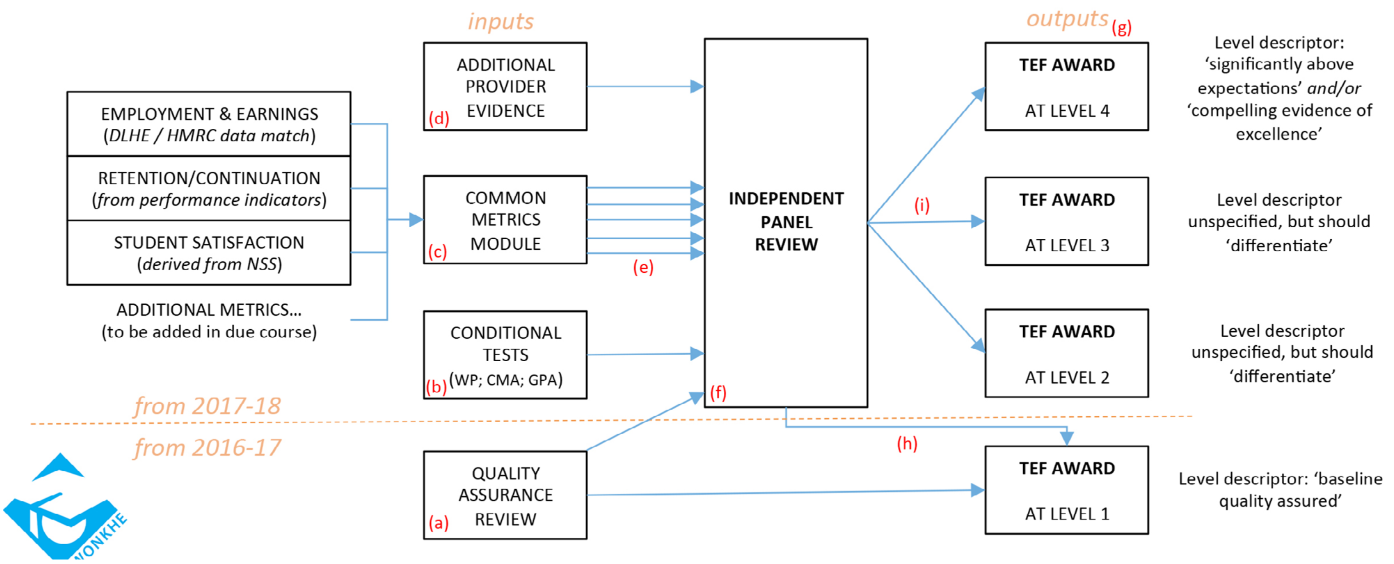
It seems that a contradiction might be emerging between 'excellence' , a meaningless universal equivalent that is used to calculate all the functions of higher education in terms of surplus generation, and 'quality', which still has some content in terms of what students actually learn. By pressuring universities to seek income wherever they can find it, the government has encouraged behaviour that actually undermines teaching quality (shorter semesters, higher student to staff ratios, increasing casualisation, no pay rises for academic staff). The TEF presents a solution to this problem in demanding equality between research and teaching, but it does not go far enough in addressing the overall structural effects of marketisation, which will result in learning being completely undermined. In the US, where marketisation has been operational for over 30 years, such effects are beginning to be recognised (see, for example, the 2011 book *Academically Adrift*).

We, as higher education teachers campaigning through UCU locally and nationally, can exploit this contradiction by making the case that teaching is a professional skill, one that requires experience and knowledge about how students learn, as well as time and space to create the most conductive environment and situation for that learning to happen. Good teachers also need permanent contracts, and we need to keep pushing universities to abandon their reliance on casualised staff to do the majority of teaching.

Secondly, we must see in the Green Paper how the contradictions within the *ideology* of marketisation itself are expressed. A perfect market requires perfect information. In order to bypass the need for state, or any, interference in the economy, market ideologues are heavily invested in the idea that the market regulates itself. It does so through the 'price mechanism', where supply and demand regulate the price of goods, which in turn signals both the quality of a product and the future production of that product.

The problem with higher education, in its transitional state between public service and free market, is that the £9000 price tag does not signal the quality of the product – i.e. the difference between a 'bad' and a 'good' post-92 institution. This is a self-created problem – back in 2011, David Willetts mistakenly hoped that increasing the fee cap would produce differentiation, but in fact all universities chose to increase their fees immediately to the maximum. This was no doubt because the government also decided to cut the HEFCE block teaching grant in some cases to zero, causing widespread financial panic in the sector. By tying fee increases to the TEF, the government achieves two things: greater information in the short-term for consumers (i.e. students), greater differentiation in price in the long-term (driven by the consumer choices in the short-term).

FIGURE 2 (Source: WONKHE)



To achieve this long-term differentiation the TEF awards are split into four levels, with the first achieved automatically if institutions have a recent satisfactory QAA report (which most will have), the other three according to performance (see Figure 2). At this stage, only the highest level would allow a full inflationary increase, with the lower levels allowing fractions of that amount. As we have already pointed out, a rise in line with inflation hardly seems very attractive, especially considering the administrative and material costs that achieving good results in the TEF would require.

McGettigan has argued that this would not provide sufficient incentive for universities to engage with the TEF, but as pointed out above, in the short-term the TEF puts disciplinary pressure on university 'brands', especially those heavily invested in marketing their 'student experience'. It seems likely that there are subsequent plans to lift the £9000 fee cap once the short-term differentiation of universities has taken place. Disturbingly, universities at the other end of the spectrum, those 'failing' universities that do not represent 'value for money' for the consumer-student, dropping fees to desperately attract the remaining students, losing more and more money and eventually going bankrupt – the possibility of such a failure is treated with cold indifference by the government as 'provider exit', an increasingly likely consequence of necessary part of an 'open and competitive' HE sector (p. 54).

Finally, it must be noted that the TEF is very similar in structure to the Research Excellence Framework. This is of course worrying because the REF has proven to be extremely unpopular – it introduces a new layer of administration and bureaucracy into academic work, is incredibly expensive (£246million, £232million of which was shouldered by universities themselves), and its use of metrics has been widely criticised by academics, researchers and learned societies. It also encourages 'game playing', where a university only submits a small percentage of its eligible staff that will score highly (for example Coventry University were one of the worst, submitting only 13% of eligible academics), as well as engaging in 'mock REFs', increasing the already unmanageable administrative and financial burden.

John Holmwood has been warning us of the dangers of 'Big Data' for years, and he sees the move towards metrics in HE governance as a sign that 'academia itself is increasingly a big data project'. Government have been getting very excited about 'data' in recent years, no doubt seeing their potential for controlling and disciplining both public services and the public in general. McGettigan warns us of the 'Treasury view of HE' as 'variable human capital', where universities and even individual courses are evaluated according to their 'value for money' through linking student loan repayment data with what was studied and where. This would enable the government to 'manage' the 'risk' (expressed through the RAB charge) of the loan system by assessing a potential student loan applicant's 'credit rating', which is to say how much of their loan is likely to be paid back according to what they want to study. The implication is that courses and universities offering no 'value for money' will be forced to shut down. Humanities subjects, for example, may only be available at universities like Oxford and Cambridge, where the 'value added' is not so much the subject-knowledge learned, but access into the elite echelons of British society.

ALTERNATE PROVIDERS AND THE PUBLIC INTEREST

Anyone familiar with the 2011 White Paper, or any of David Willetts' many pronouncements about the future of HE before he stood down as Minister of State for Universities and Science, to become visiting professor at King's College London and a House of Lords peer, will know that the aim of post-16 education reform is to create a 'level playing field' and 'remove all barriers to market entry' in order to allow the market to do its magic – 'the rising tide that lifts all boats', as Willetts once poetically put it.

This rising tide is the introduction of new for-profit providers into the sector, in order to force competition and drive efficiency. The existing 'barriers to entry' are self-evidently described in the Green Paper as firstly, the need for 'new providers' to rely on 'incumbent providers' (i.e. existing universities) to validate their degrees, as they do not have degree awarding powers in their own right; and secondly, and perhaps most significantly, new providers are regulated far more extensively, they have an initial student cap of 50 and need to show 3 years of sustained quality before they can apply for degree-awarding powers after 4 years, a process which can take up to 18 months. These latter 'barriers' are in fact merely the route that all higher education providers must take if they want to become a university.

What the government is proposing in the Green Paper is to speed this process up, in favour of what they call a 'risk-based approach'. This basically means that instead of making new providers prove their quality before giving them the university title, the government significantly speeds things up and hopes for the best, increasing regulatory powers for the new Office for Students as well as the Secretary of State. Aside from creating a contradiction for a government hell-bent on shrinking the state (actually increasing its involvement and giving unprecedented powers for a single government Minister), the Green Paper seems to ignore its own data that says new, private providers have increased tenfold since 2010 (when marketisation was in its infancy), receiving £700million a year in publicly-backed undergraduate loans.

Combined with mounting evidence that such new providers offer 'sub-prime' higher education, with drop-out rates five times higher than traditional universities, as well as overwhelming criticism of the consequences of deregulating HE in the US, the government's suggestions beg the question of why they are so desperate to move so fast, despite the possible consequences for something that the Green Paper and Productivity Plan recognise as so fundamentally important for the future of British society. The answer, once again, is of course a stubborn belief in the merits of marketisation, at all costs, driven by a (un)fair amount of lobbying by the private interests that would seek to extract as much value as possible in the short term (while the government calculates the long-term 'risk').

As well as this already vertiginous leap into the market, the government, in perhaps the most underhanded and sinister part of the Green Paper, is seeking to decouple 'alternative providers' from the public interest, eventually re-writing the meaning of the latter entirely. The idea is that those Higher Education Corporations (HECs) caught in the middle, post-92 universities desperately trying to 'innovate' to keep one step ahead of the sector (like Coventry University), need to be relieved of the responsibility of showing they serve the public – new, private providers do not have this responsibility - HECs should be able to become more like these new private (mostly for-profit) providers if they wish.

Of course if you accept the premise of marketisation, this makes sense, as HECs will be squeezed from both sides, neither having the elite status of establish 'brands' (Oxbridge, Russell Group), nor having the flexibility on the business side to be able to slash costs, exploit assets to the full and streamline delivery to meet consumer demand. However, if we are so bold as to *deny* the need for marketisation, we can dig our heels in and demand that all providers should be required to show a long history of quality, and a commitment to the public interest as well. As the Green Paper keeps reminding us, the taxpayer is still heavily invested in HE, so we should be demanding *more* public interest across the sector, not less.

If we look at Coventry University as a case-study, we can see this issue clearly. Coventry University has just been given the University of the Year award for its innovations in corporate form, creating numerous subsidiary provisions (CU College, CU London Campus, CU Scarborough Campus) to provide different types of higher education to an expanded market. These subsidiaries are private, but wholly-owned, subdivisions of the Coventry University Group. The relationship between the subsidiaries, or the 'periphery', and the 'centre', which holds the degree-awarding powers that the subsidiaries need (they all offer full, undergraduate degrees), is currently fraught with tension.

These subsidiaries rely on cost 'efficiencies' to be able to offer cheaper undergraduate degrees, for example £6000 at CU College, and these efficiencies mean lower staff pay, greater reliance on casual contracts, not offering the Teacher's Pension Scheme (offering a private Aviva pension instead, saving 7% in contributions), and generally operating on extremely top-down, anti-democratic forms of management, entirely erasing the academic status of 'tutors'. The tension arises when staff inevitably start to realise that 'tutors' in the periphery are in fact doing exactly the same job as 'academics' in the centre, offering the same degrees (with limited student access to library and sports facilities), but often at a pay grade below.

The Green Paper doesn't offer any immediate solution to the centre-periphery problem for Coventry University. Since they have invested so much in their 'brand' it seems unlikely that Coventry will cut the subsidiaries loose altogether and make them universities in their own right, after all it is the promise of getting a decent degree (signalled by all the awards that CU relentlessly advertise) on the cheap that makes the subsidiary providers attractive. But what should be setting off warning bells to anyone in the city of Coventry is that the university is buying up the city centre at an alarming rate, and if the public interest is removed from HECs, and Coventry University Group decide to dissolve themselves into a 'for-profit' entity, then the city of Coventry could be looking at over £200million (2014 estimation of CU's consolidated tangible assets) of the city centre being owned by a profit making company with no obligations to the citizens of that city.

Would it be ok if McDonalds owned that much of the place you live in? It is doubtful that McDonalds would show much commitment to the public interest, so why would a for-profit university? Although a small part of the Green Paper, in reality the question of whether 'alternative providers' should be held accountable by the public is a question of whether we want privatised universities, financed by public money, sucking cities and towns dry in search of more and more profit, or *civic universities* whose public responsibility is ensured and whose positive role in public life is comparable to the assets they hold in our communities.

REFERENCES

Readings, B. (1996), *The University in Ruins*. Cambridge: University of Harvard Press.

FURTHER READING

Richard Hall has collated an extremely useful list of responses to the Green Paper at his blog: http://www.richard-hall.org/2015/11/18/he-green-paper-and-related-stuff/

Andrew McGettigan's work is indispensable for understanding the marketisation of higher education, his blog Critical Education can be found here: http://andrewmcgettigan.org/. He also has written a hugely influential and useful book on the topic, *The Great University Gamble* (2013).

Roger Brown's (2013) book, E*verything for Sale? The Marketisation of UK Higher Education*, written with Helen Carasso, also provides an excellent overview and analysis.

The University and Colleges Union (UCU) has also responded to the consultation and has released a briefing to members, which is available here: http://www.ucu.org.uk/hegreenpaper.