

January 2004

Will Higher Education Take the Lower Road?

Andrew Oswald, Professor of Economics, Warwick University

It will not make much difference. That is the straightforward, if melancholy, answer. Whether or not the second reading of the Higher Education Bill goes through on January 28th, there is a tremendous amount that still needs to be done if we are to fix Britain's shuddering, coal-driven university sector.

At the moment our universities are severely under-funded. A normal British institution of higher education gets, very roughly, 5000 pounds a year to educate an undergraduate. Yet we have to compete against the modern, hurtling power of the locomotives of the USA. A top American university receives, through fees and alumni giving, more than 20,000 pounds a year per student. This ratio of four to one means that to debate the details of the Higher Education Bill is to miss the point. Glance at www.isihighlycited.com for an illustration of American power.

Britain is not committed to having world-class higher education. The country would sooner have a cheap university system. Britons care more about encouraging equity than fostering genius, and that, although I do not agree with it, is their right.

Paradoxically, the controversy in the media has been about sums of money that are smaller than it costs to run a modest car. Middle-class families cheerfully sign away 3000 pounds a year to have a newish saloon car; yet they fight with straining sinew to avoid paying to support their daughters and sons. I find that hypocritical.

Universities in the short-to-medium term are not going to be greatly affected by either a win or a loss in the House. A reasonable-sized university with an annual turnover of about 200 million pounds will likely ultimately pick up an extra 5 to 10 million a year if the House votes yes. That is worth having. I hope MPs vote for the Bill. But it is obvious that having income rise by a few percent will not transform the lives of those who run and teach in our universities. The boost to

finances will, moreover, go mainly to improve student services. That is OK. For most of us who sit in the offices along which students roam, however, the pressing problem in our minds is instead how to hire really talented staff for the next generation. Britain's pathetic salaries have to change.

If I were graduating today, I would not go into university teaching and research, and I could not now recommend others to do so. Too many things are done on a shoestring in this country's universities, and I do not see that changing without a far more dramatic solution than proposed in the Higher Education Bill. It makes me sad to say all this, especially as I work in arguably the most vibrant university in the country. Many others are worse off.

If the Bill passes, there will be relief in common rooms from Aberdeen to Sussex. Fees will rise through the years, of course, to perhaps 5000 per annum. But British universities will fail to set decent salaries, because low budgets and a public sector mentality will not allow it. So morale and standards will continue their decline. The best graduates will continue to eschew university life. Students will be the losers.

If the Bill fails, things will be even worse, at least for a while. Change will then happen more abruptly. An American university will eventually enter Britain, set high fees, take the best students, and, bang, force a bunch of elite British universities to jump ship.

Either way, I think we are likely to see a further withering of our universities. The quiescence of university staff that led to the current problems has not gone away.