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Scottish higher education: a continuing debate

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Introduction

The period since the May 2011 Holyrood elections has seen a continuation of the debate over the future of Scottish Higher Education. This debate has contained several elements, including: continuing commitment to the policy of not charging tuition fees for undergraduate places supported by the Scottish Government, a better-than-expected post-election public funding settlement, discussion of senior management selection and remuneration, a governance review of Scottish universities, the mooting of the possibility of institutional mergers, the setting of student fees by individual universities for RUK students, the fining of institutions for breaching undergraduate number targets, the highlighting of issues around access for students from disadvantaged backgrounds, the extent of recruitment of fee-paying students from other parts of the UK, the potential eligibility of RUK students with dual nationality for tuition-free status in Scotland, concerns about gender balance among senior academic staff, and discussion of some institutions' decisions on discipline closures and associated job security. Such a list, albeit not exhaustive, highlights the types of matters which have been the focus of much media attention, and frequently universities have found themselves reacting to issues raised by politicians, campus unions and student organisations.

One picture which has emerged strongly in the past year is that of a growing divergence between the Scottish and English sectors. This divergence has been driven primarily by the strongly related issues of tuition fees and public funding. Positions on these issues, like much else in the debate about universities, are often couched in terms of their importance for the future of the sector. One year on from the Holyrood elections, it is perhaps apposite to explore the question of 'Where stands the vision for the future of Scottish Higher Education?'

Undergraduate students: fees and numbers

Both before and since the 2011 election the SNP Government has been resolute in its view that Scottish undergraduate students in Scottish universities should not pay tuition fees. The Scottish Labour Party had a pre-election conversion to this policy, despite tuition fees in England having been introduced by Labour. Thus, there

appears to be a measure of agreement in the dominant Scottish political parties about a fees policy regime quite different from that in England. Unsurprisingly, average student debt is lower in Scotland, and differentials will increase as further years of tuition fees kick in elsewhere and as the Scottish Government's minimum maintenance stipend evolves.

In addition, the control numbers policy pursued through the Scottish Funding Council, although impacting on non-STEM disciplines, has not been as draconian for these disciplines as the withdrawal of funding support in England, where changing levels and patterns of funding have raised the spectre of some possible closures among more heavily indebted institutions. Whereas English universities are increasingly dependent on private fee income from students, the Scottish Government has sought to provide Scottish universities with funding levels comparable with those down south by means of public revenues. There is also increasing speculation, in England particularly, that traditional sources of overseas recruitment of both undergraduates and postgraduates may start to erode as UKBA immigration requirements continue to present a negative picture of the UK's willingness to allow entry.

While recent debate in Scotland has highlighted the eligibility of, for example, Irish or English students with dual nationality for tuition fee exemption on the same basis as EU students, Scottish universities set fees in the Autumn of 2011 for RUK students, with some variation in levels. Presumably each institution, seeking to safeguard or enhance their financial base, engaged in financial modelling of the implications of different fee levels on demand for the specific sets of courses they offer and of the associated impacts on future income streams before their governing bodies arrived at decisions on these fees. Setting of fees for particular markets is common practice across universities internationally.

Scottish universities engage actively in markets for fee-paying students, often with staff employed for that purpose. There are well-established overseas markets for Scottish programmes with international students paying substantial fees at undergraduate, Masters and PhD levels. In addition, UK and EU students can pay for access to graduate-entry undergraduate courses and postgraduate programmes. Publicly-funded students represent the dominant proportion of the undergraduate population in Scottish universities and generate sizeable amounts of revenue for the institutions. Fees charged to non-publicly-funded students are considerably higher than fees paid by the Scottish Government. This has led to allegations from student leaders that some universities are driven by a profit motive in their recruitment practices. It is a moot point, however, whether Scottish universities could perform as well as they do without the financial headroom provided by the resource base generated from fee-paying students.

Much media attention has been directed at the levels of fees for English students set by different universities, calls for the Scottish Government to intervene in the setting of these fees, and fears about potential declines in recruitment from south of the border, although there were also issues raised about one university possibly recruiting more English than Scottish students. The co-existence of fee-paying undergraduate markets and the SFC control numbers arrangements also leads to occasional tension, with comment overlaid by concerns about access for Scottish students from disadvantaged backgrounds. Access issues continue to be much discussed, and one of the campus unions has argued for reserved entry quotas for the better qualified students from disadvantaged areas regardless of their performance relative to that of students from other backgrounds.

Access and regulation

Many Scottish school-leavers in disadvantaged areas are unable to attain university entrance standards. There are increasingly well-recognised causes in terms of shortcomings in primary and secondary schools, perhaps both reinforcing and resulting from social and economic characteristics of disadvantage: disillusionment, disengagement and low household incomes. Issues around such causes are complicated by debate over whether school-leaving qualifications are reliable indicators of demonstrated ability or of the potential to take advantage of higher education: an area that is now compounded by the imminent shift to different forms of recorded attainment under Curriculum for Excellence.

Over the years there have been schemes relaxing entry qualifications for disadvantaged students, but grades in school-leaving qualifications remain the dominant currency. Despite successive governments' exhortations and institutions' efforts in the forms of access and articulation arrangements, there has been no real progress overall in raising relative participation of students from disadvantaged areas. There are differences across Scottish universities. Generally, institutions with better (weaker) league positions internationally attract lower (higher) proportions of students from more disadvantaged (advantaged) backgrounds.

Whatever the weights of different causal elements, governments, local authorities, communities and schools have failed to produce environments conducive to enabling those from disadvantaged areas to participate in Higher Education in similar proportions to the more advantaged. Efforts to impose access quotas on universities and possibly to enshrine requirements in legislation with the potential for fines for failing to meet quotas seems to transfer the consequences of systemic shortcomings to the universities for resolution. Notwithstanding measures that may be deemed necessary in pre-university education, this approach is, of course, but one way to tackle the problem at university level: two other approaches are set out here as possible avenues.

(a) Incentives to potential students

One approach begins by recognising that for many potential applicants from disadvantaged areas there are considerable uncertainties about the benefits and costs of higher education: quite apart from a common lack of family experience of university, these uncertainties embrace, for example, the costs of university attendance, while possibly foregoing income from employment, and the prospects of employment and income after graduation. Such uncertainties are compounded where the increased supply of graduates over the past two decades, particularly against the backdrop of recent low economic growth rates, has resulted in growing graduate unemployment, erosion of the graduate premium and well-publicised reservations among graduates, now unemployed or unable to find 'graduate' jobs, about the wisdom of having opted for higher education.

At present the Scottish Government offers poll subsidies, with subject differentials, in the form of tuition fees for all those obtaining a university place. The proposed student stipend, although with some initial bias towards students from less advantaged areas, might well add to the poll subsidy regime. With present participation patterns, fiscally-regressive arrangements such as these represent a substantial subsidy to more affluent groups and do little to improve the access prospects of students from poorer areas.

In relation to maintenance, Government might concentrate instead on guaranteeing disadvantaged students a minimum scholarship with the possibility of means-tested grants based on household income, if they attain university qualifications. Such an approach would provide incentives for attainment and help make university attendance more financially feasible for potential participants from low-income households. Moreover, it is based on positive grounds, in contrast to the more negative features of a quota system which selects students with lower grades because they are disadvantaged. At first sight an incentive-based scheme might seem less certain in its numerical outcomes than a quota system. If, however, financial considerations are an important component of households' decision-making processes, there is no guarantee that a quota system per se will encourage higher participation. The proposed minimum stipend does help relieve some hardship but much more might be achieved in raising the relative participation of disadvantaged groups if resource were committed there and not to more affluent groups.

For Government the use instead of enforceable quotas to achieve participation targets may well hold some attractions: any costs of operating quotas are likely to be devolved to universities, which are also likely to attract opprobrium in the event of quotas not being met. There would tend to be attention directed at universities, perhaps away from the range of factors operating at earlier stages in the education system. Through quotas, Government would be extending its explicit influence over undergraduate populations in Scottish universities.

(b) Centralised control over admissions A more explicit and direct approach would be for government to achieve the balance of students, by background, it wishes to see by taking responsibility for admission procedures covering those numbers of undergraduate students it wishes to fund through a centralised admissions agency. Universities could publish entry requirements as at present and indicate desired numbers by subject areas. Students could express preferences for courses and universities as through UCAS. For its part, Government could allocate students by institution, incorporating its views on access for students from disadvantaged areas, and offer 'packages' of students to universities.

A radical change such as this would not be easy and would encounter vested interests, not least among those employed in recruitment roles in universities and in institutions where discretion over departures from published entry requirements is frequently exercised. A primary advantage for Government is control over the selection process for those places it wishes to fund from public monies. Government could promote transparency over selection criteria. For universities there could be a release of academic and professional services staff to focus on other activities around teaching, research and knowledge transfer, as well as on recruitment from non-SFC-funded sources at both undergraduate and postgraduate levels. A centralised system might also avoid replication of services common to all the universities.

Against the advantage of possibly achieving its access targets directly, Government would be accepting direct accountability should things go awry. Government might also not enjoy attracting hostility from ostensibly qualified applicants and their families in more advantaged groups where rejection is based on access arguments. Such complaints about Government could easily be compounded by critics with arguments about inherent inefficiency in state agencies.

These two options are presented to highlight the availability of different approaches and to encourage full discussion of their merits before deciding on how the long-standing and, thus far, fairly intractable issue of access for students from disadvantaged backgrounds can be effectively addressed. The solution is unlikely to be simple, given the complexity of the underlying causes, and may involve an amalgam of features of different possible approaches. Debates about undergraduate numbers also highlights important issues such as the role of the undergraduate population in shaping the university sector and the nature of the relationships between universities and government.

Undergraduate students and shaping of the university sector

Undergraduate provision is a key role of the sector. Such provision in Scotland is influenced by two factors: the pattern and scale of the control numbers operated by the

SFC and the pattern of discipline demand among fee-paying students. The former factor reflects, in broad terms, the national priorities of the Scottish Government, and through these controls Government exerts influence on the composition of discipline offerings. The discipline distribution and scale of the control numbers may differ from the pattern and depth of potential applicants' preferences (as well as from the patterns of entry standards posted by institutions, and from the peer standings and reputations of different disciplines and departments) but they define the places Government is prepared to fund from tax revenues.

Where universities are recruiting fee-paying undergraduates, student preferences, at least in principle, may influence the shape of provision. Typically, across the Scottish universities, however, filling control numbers with Scottish and EU students, is a higher priority activity for universities than attracting fee-paying undergraduates. Government is the single most important customer for undergraduate places in Scottish universities, and frequently, although there are differences across institutions, revenues from undergraduate activities represent a goodly proportion of universities' total income.

With control numbers the Scottish system is more directive than that in England where student preferences and willingness/ability to pay fees are potentially more influential on the pattern of provision. Indeed, there is continuing concern among English commentators that the choices of 16- and 17-year old students have considerable influence on disciplines offered, and, consequently, on recruitment of staff and on the research activities undertaken. Indeed, the withdrawal of public fees for non-STEM subjects in England has raised the spectre of discipline closures and perhaps institutional closure where there is heavy dependence on such disciplines.

Relationship between government and universities

Universities are autonomous institutions with charitable status, and usually have bicameral systems of governance. They are governed by Courts with predominantly lay membership and by Senates composed of university staff. Although titles may vary, the former are responsible, put somewhat baldly, for financial planning and strategy and the latter for academic matters. While the roles may overlap and certainly interact, neither Courts nor Senates contain representatives of Government.

Universities are not part of the public sector, although there is occasional confusion over their status. It is easy to appreciate, however, how such confusion arises. Government funds large numbers of undergraduates and some postgraduates. Funding for research has been provided by Government, some at Scottish and some at UK levels, through RAE/REF-based formulae, the Scottish Funding Council's Research Pooling Initiative and the Research Councils. Academic staff have participated prominently in demonstrations on public sector pensions,

and some staff and students make recourse to calls for Government to tackle issues over which they have concerns. Ministers also make frequent statements about universities, for example, praising the sector's achievement in having five universities among the top two-hundred institutions in international league tables of the 'best' universities, or questioning decisions on subject /discipline contractions or closures (even when the subject/disciplines are not priority areas for Government funding and this leads to fewer funded student places).

Government, like many other bodies and organisations, recognises the central role of universities in the development of civic society and the economy. Additionally, it is binding on Government to ensure value for money for the tax-payers' monies committed to universities. There is always a difficult line for Government to tread between justified intervention and unwarranted interference in the affairs of autonomous institutions. In the course of the current academic session, indeed, one Principal, while welcoming Government support and encouragement, has cautioned publicly against 'interference' in internal matters.

The balance between intervention and interference and the extent of the influence Government has, or should have, in the affairs of universities are key elements when one considers questions around a future vision for Scottish universities.

Universities, government and the future

At periodic intervals universities produce plans, setting out their future paths. These plans typically contain visions about the progress they wish to make in research, education and knowledge transfer and about their role within the academic community and wider society. They also embody a set of strategic steps or initiatives devised to facilitate delivery of the vision. Institutions temper their ambitions in the light of their history, past achievements and the realities of current and projected staffing, facilities and finances. While there is a degree of commonality of ambition, the specific details of these plans necessarily reflect institutional differences, and are often intended to emphasise such differences in order to create a distinctive presence. Given universities' autonomous status, the publication of institutional plans takes place separately, at different times and in isolation, one from another.

Government's frequent statements on universities contain policies and prescriptions affecting the future of universities. As noted above, there is a clear policy on zero tuition fees for Scottish and eligible EU undergraduates funded by Government. Through the priorities identified in its control numbers policy Government can affect the composition of the undergraduate population and, through that may influence the pattern of universities' activities. Likewise, Government's approach to research exercise-related funding can impact on universities' activities. Government has also sought to achieve access objectives, albeit with little success, and to ensure good standards of governance

within universities. In addition, there have been recurring rumblings about structural change: with references to rationalisation of common services, greater institutional specialisation and avoidance of replication in subjects/disciplines, and possible consideration of mergers, takeovers and closures.

Despite the degree of attention afforded to universities by successive Governments, it would be difficult to argue that the range of policies, prescriptions and comments amount to Government having a clear vision for the university sector. In addition, universities produce their own visions and strategies. Against such a landscape, there may be fears that 'big' questions will not be asked and addressed. Per contra, perhaps there is an element of a Smithian 'invisible hand' at work, with the efforts of individual universities and Government producing generally acceptable outcomes in respect of the 'big' questions. This latter view might amount to suggesting that the sum of the partial visions available is acceptable to Government and to wider civil society in Scotland and that seeking to do more to create and deliver a more comprehensive vision for Scottish higher education is of little real merit or consequence.

Big questions

It is interesting to speculate on what are the big questions for the Scottish university sector. In doing so, there must be appreciation that there is unlikely to be ready unanimity over the identification of issues: universities, Government, and other institutions and organisations will have their own perspectives, given their particular interests. Some may prefer, indeed, that big questions remain unasked for fear of the answers. Even if there were broad agreement on the questions, there is unlikely to be consensus over the nature of responses.

An attempt to identify the big questions might involve several inter-related elements, and addressing each of the following areas would demand the identification of clear criteria, sound analysis and logical conclusions.

- a) **Structure** The questions here might involve asking how many universities Scotland should have and whether there should be additions to the present number, takeovers and mergers involving existing institutions, and possible closures.
- b) **Balance of activities** Universities engage in education, research and knowledge transfer. To a considerable extent the international and peer standing of universities is shaped by their research reputations. Strong reputations help attract high-quality staff and students, particularly at postgraduate levels. There might then be questions around whether all or some of Scotland's universities should be engaged in high-level research as well as education and knowledge transfer and be seeking inclusion in league tables

of the world's top-ranked universities, or whether some should concentrate on education at undergraduate level. Related to broad structural questions are the issues of whether institutions should be fairly 'full range' in terms of their discipline/subject coverage or whether there should be institutional specialisation avoiding similar coverage in different institutions.

- c) **Composition of the student body** Universities recruit students for undergraduate, taught postgraduate and research programmes. The student body embraces home/EU, RUK and international students whose participation is funded by governments and privately. Related to issues around the balance of activities, there are questions of what should be the appropriate balance of characteristics of the student population at both aggregate and institutional levels.
- d) **Degrees and delivery** First degrees in Scotland vary in length from three to five years, and tend, in large part, to be offered across a fairly customary academic session. On a wider horizon, there are increasing numbers of universities internationally offering programmes in English, availability of programmes of different lengths, and increasing flexibility of programme start times and delivery across the calendar year. In addition, advances in technology continue to alter the timing and point of delivery, the scale of the student numbers able to participate remotely, the costs of delivery and fees charged. Issues then arise over the length, timing and nature of delivery of programmes offered by Scottish institutions and whether there are further implications over time for IT/Estates infrastructure.

Universities grapple with many of these issues, such as the international and national environments, their own subject/discipline portfolios and delivery modes on a continuing basis. Their responses to some issues will be entirely rational both individually and possibly also for the sector as a whole. Individual institutions will probably also have their own views on more Scottish-wide issues such as the appropriate number and structure of universities and on the criteria relevant to mergers, takeovers and other forms of alliances. Their own thinking on issues such as portfolio balance and the composition of their student body might differ, however, if, for example, there were wider change. In addition, Governments, campus unions and student bodies all make reference to important issues but this tends not to be on a sustained or comprehensive basis. This then raises the issues of whether big questions should be addressed beyond individual universities and of where responsibility for such deliberation might take place.

Location of big questions

Change does take place in the higher education sector. In the past two decades there has been the creation of the

1992 universities and subsequent development of The University of the Highlands and Islands, and the incorporation of colleges, notably the colleges of education, into existing universities. These changes have tended to involve, in the former cases, elevation of status and expansion of programme portfolios, and, in the latter, at the very least maintenance of existing activities. Moreover, such changes have been promoted by Governments.

It is probably correct to suggest, however, that there is a fair degree of conservatism within the university sector, particularly where change might have negative implications for individual institutions. In terms, for example, of questions about number and structure, universities are inclined to hold what they have and certainly not be prone to raising such issues if they feel that their institutions and activities might be at risk of closure, rationalisation or takeover. For campus unions, student unions and alumni, as has been evident where individual universities have addressed internal change, the reaction is almost always one of opposition for fear of programme reductions and job losses and because of allegiance and affection for the places in which they work and study and from which alumni have graduated. Such reactions to change are understandable and seem to provoke ready sympathy from sections of the Scottish media and from politicians.

Universities Scotland represents the interests of all of Scotland's universities. It presents agreed positions to Government and frequently reacts to matters, such as access, raised by unions, the media and politicians. By its very nature, the public positions it takes must be based on identifying the common interest of its different members. It is then hardly likely to be radical in its views and it is difficult to identify issues on which Universities Scotland has led the way in defining new departures. This is not a criticism of Universities Scotland but a recognition of its position as, in effect, something akin to a trade association acting on behalf of its members.

Just as universities can operate collectively through Universities Scotland, Government delegates delivery of policies relating to public monies to the Scottish Funding Council. The Funding Council deals primarily with delivery of Scottish Government funding for teaching and research and the implementation of the control numbers policy. Perhaps the single most important contribution of the Council has been the introduction of research pooling which has brought together research capacity in certain disciplines from different universities, and has raised the research profile and reputation of the Scottish sector. Over recent years there have been references to institutional mergers and collaborations, but there have been no substantive proposals. Indeed, it might seem odd were a Government agency to propose change for autonomous institutions unilaterally, although it might act as a broker for consenting parties, something which, in principle, might also be done by Universities Scotland. And thus far there is no sense of the big questions being addressed systematically by

Government, either by expressing its own views or by working in concert with the universities.

As described above, decision-making and thinking about the future of the sector tends to be distributed across the system. A year on from the Holyrood elections, there is no real public manifestation of a view, from the universities, Government or elsewhere, that the sector might benefit from an over-arching review which might define a future vision of how the sector should develop. This may reflect satisfaction with the present system, inertia or aversion to the possible consequences of change. It does leave open, however, the questions of whether Scotland's interests in relation to big questions such as those above are best served by the current approach and of how and by whom those interests might be judged most effectively.

Summary

The year since the Holyrood elections has been one of much debate about universities. From the range of issues, it is evident that universities face considerable challenges. It is also evident that the Scottish system is evolving in different ways from that south of the border. A perennial problem for Scottish universities is that of access for students from disadvantaged backgrounds, and a possible solution has been identified from within the sector in terms of enforceable quotas. This paper suggests that there is no ready solution to this issue and that other approaches, or parts thereof, may be worth investigating. A similarly recurring theme is the nature of the relationship between Government as an important funder and the universities as autonomous bodies.

Government has its own funding priorities, as reflected, for example, in their funding for priority and non-priority student places. For their part, universities all have their own senses of vision and strategy. There is no means of drawing these differing perspectives together and asking whether in the aggregate they provide effective answers to bigger questions beyond the province of individual institutions and the specific interests of Government. It may be that all is well with matters as they are. Alternatively, there may be need for change. One year on from the Holyrood elections the issue of whether or not there needs to be a vision for the big questions confronting Scottish universities and the related matter of how such an issue might be addressed remain elusive.

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