



THE UNIVERSITY *of* EDINBURGH

Edinburgh Research Explorer

Equity in student finance

Citation for published version:

Blackburn, L 2016, 'Equity in student finance: Cross-UK comparisons' *Scottish Educational Review*, vol. 48, no. 1, pp. 30-47.

Link:

[Link to publication record in Edinburgh Research Explorer](#)

Document Version:

Publisher's PDF, also known as Version of record

Published In:

Scottish Educational Review

General rights

Copyright for the publications made accessible via the Edinburgh Research Explorer is retained by the author(s) and / or other copyright owners and it is a condition of accessing these publications that users recognise and abide by the legal requirements associated with these rights.

Take down policy

The University of Edinburgh has made every reasonable effort to ensure that Edinburgh Research Explorer content complies with UK legislation. If you believe that the public display of this file breaches copyright please contact openaccess@ed.ac.uk providing details, and we will remove access to the work immediately and investigate your claim.



Equity in student finance: Cross-UK comparisons

Lucy Hunter Blackburn

University of Edinburgh

ABSTRACT

Comparisons with other parts of the United Kingdom have played an important role in justifying decisions made in relation to student funding in Scotland since devolution. This article considers first what comparative claims have been made for the content of student funding policy in four areas: fees, debt, total living cost support and 'ability to pay'. It compares the position of Scotland with other parts of the UK for each of these in turn. After considering what sort of relationship might exist between student funding policy and widening participation, it then examines what issues for equity and social justice in Scotland are brought out by detailed cross-UK comparisons and questions whether claims that the arrangements in Scotland are more supportive of widening access and more socially equitable than those adopted elsewhere in the UK can be sustained. It argues that while some short term effects may be uncertain, one long term effect of the Scottish system is highly predictable: a regressive distribution of student loan means that the cost of expanding higher education to enable wider participation will be borne disproportionately by graduates from more disadvantaged backgrounds. It concludes that a different approach is needed to the use of cross-UK comparisons if these are to be used to support rather than distract from the achievement of greater social justice in higher education student support policy.

INTRODUCTION

Comparisons with other parts of the United Kingdom have played an important role in justifying decisions made in relation to student funding in Scotland since devolution, in particular since the Scottish National Party entered government in 2007. This article considers what comparative claims are made for the content of student funding, examines what issues for equity and social justice these comparisons suggest and questions how far the arrangements in place in Scotland can be defended as being more supportive of widening participation and more socially equitable than any adopted elsewhere in the UK. It identifies that policy making since devolution has one clearly predictable effect: in Scotland, the cost of expanding higher education to enable wider participation

will be disproportionately borne by graduates from the most disadvantaged backgrounds.

THE NATURE OF THE CLAIMS MADE

There has been no systematic research into the rhetorical use made of cross-border comparisons in debates about student funding in Scotland since devolution. However, an informal survey of news releases, speeches and parliamentary debates leaves no doubt that the Scottish National Party, in government in Scotland since 2007, has relied strongly on comparisons with the UK, particularly England, to explain and justify its own domestic policies on student funding policy. These UK comparisons also play a central role beyond the formal political sphere, in the media and in broader Scottish public debate.

Cross-UK comparisons are most often made by the Scottish Government in relation to the contrasting approach taken to tuition fees in England, as here: 'Scotland-domiciled students ... do not have to pay the fees of up to £27,000 that are charged for tuition elsewhere in the UK' (Sturgeon, 2015). However, they also sometimes cover general levels of debt across the UK as a whole: 'When we look at the average student loan debt, we find that the figure for Scotland is significant lower than the figure for any other part of the United Kingdom' (ibid). Comparisons are also made which appear to relate to the total amount of funding to which students have access while they study: 'We have the best student support package in the UK' (ibid).

A less specific claim, which has been a persistent feature of the SNP's policy position on student funding since the earliest debates on tuition fees at Westminster in 1997, is that the Scottish Government's approach is based on 'ability to learn not ability to pay'. Sometimes this has been made as an overtly comparative claim: 'Scotland is the only country in the UK to ensure young people, our workforce of the future, can go to university based on ability, not the ability to pay' (Russell, 2014). However, more often the comparison with other parts of the UK is offered as an implicit critique of the fee charging which takes place in other UK nations.

Cross-UK comparisons have been especially important in rebutting criticism of reforms to student support implemented in Scotland in 2013-14. In that year grant entitlements were substantially reduced, while total living cost support increased through greater use of student loans (Hunter Blackburn, 2014a). In that year, spending on non-repayable means-tested student grants was reduced by 40%, from £89.4 m to £53 m, while student borrowing for maintenance support increased by 69%, rising from £254.3 m to £429.6 m (Student Awards Agency Scotland, 2015).

UK STUDENT SUPPORT SYSTEMS IN COMPARISON

The four areas identified above (fees, debt, total living cost support and 'ability to pay') are compared in detail below, with particular attention to the treatment of first-time students from more disadvantaged backgrounds, to examine how far differences between the UK systems conform to the descriptions used in political defence of the Scottish system. As the principle of 'free tuition' has become so central to Scottish policy-making, the issue of fees is considered both for full-time

and part-time students. For the remaining issues, only full-time students are considered. In most parts of the UK, part-time students are excluded from general assistance with living cost support (with the exception of a means-tested grant available in Wales). Comparisons for part-time students of the issues of debt, total living cost support and ability to pay require a separate analysis beyond the limits of this piece.

(i) Fees

Table 1 compares the position on fee levels for undergraduate students from each part of the UK in 2015 and the funding of these for first-time students. In all parts of the UK, ‘previous study’ rules generally require those who have already received full-time funding for a higher education qualification to self-fund, although there are some exceptions to this rule (for example, in relation to post-graduate teacher training and progression from HN to degree).

Table 1: Fee arrangements for full- and part-time first time undergraduate home students across the UK 2014-5

Country of domicile	Fee liability (Full-time: part-time pro rata)	Funding	
		Full time	Part-time
England	Up to £9,000 pa	Non means-tested fee loan, repayable relative to earnings	For those taking at least 25% f/t course, non means-tested fee loan of up to £6,750, repayable relative to earnings.
Northern Ireland (studying in NI)	Up to £3,805	As above	For those taking at least 50% f/t course, pro rata fee grant. Means-tested: payable in full for students at household incomes up to £16,842 falling to zero at £25,421. No assistance with fees for students above that income.
Northern Ireland (studying in rUK)	Up to £9,000 pa	As above	Appears to be as above, but unlikely to be cases.
Scotland (studying in Scotland)	£1,840 (degree)/ £1,240 (HN equivalent)	Fully funded by Student Awards Agency Scotland, provided student applies annually	For those taking at least 25% f/t course, pro rata fee grant for students at household incomes up to £25,000. No grant or loan assistance with fees

			for students above that income.
Scotland (studying in rUK)	Up to £9,000 pa	As England/NI	Unclear whether eligible for fee grant, although cases likely to be very limited.
Wales	Up to £9,000 pa	Non means-tested fee loan, repayable relative to earnings, for first £3,810. Non-means-tested fee grant defrays any cost over that.	Non means-tested fee loan covering whole fee within Wales or up to £6,750 outwith Wales, repayable relative to earnings.

Sources: Student Finance England; Student Finance Northern Ireland; Student Awards Agency Scotland (SAAS); Student Finance Wales.

Although the broad rhetoric holds of *de facto* free tuition in Scotland compared to fees of up to £9,000 elsewhere in the UK, the full picture is more complex. Considerably lower *de facto* fees apply for all Welsh and some Northern Irish students than for those from England. Meanwhile Scottish students who leave Scotland to study are in effect under the English regime, unlike their counterparts from Wales, whose fee grant is fully portable, limiting their liability to £3,810 anywhere in the UK.

Part-time students in Scotland and in Northern Ireland from households with an income over £25,000 are liable in full for up-front fees, with no form of assistance either as grant or loan, even if they have received no previous assistance with the cost of participating in higher education.

Even leaving aside the position of part-time students, a detailed comparison of fee regimes challenges the assumption that the Scottish system is unique in being blind to 'ability to pay'. In no part of the UK is any group of full-time, first-time students required to meet their fee costs unaided upfront. Where any element of tuition costs falls to be funded by the student, a non-means-tested fee loan for the full amount is made available, enabling the cost to be deferred until the student is earning over a particular level (currently £21,000 for English and Welsh students and £17,335 for Northern Irish and Scottish ones). Such fee loans have been available across the UK since 2006 and their uptake among students in England, Northern Ireland and Wales is in the range 80% to 90%. The existence of fee loans as a universally available mechanism for deferring costs presents a challenge to the characterisation of systems elsewhere in the UK as being based on 'ability to pay'. As described by Andreas Schleicher, the Director of the OECD's Directorate for Education and Skills, 'The loans reduce the liquidity constraints faced by individuals at the time of study', while their income-contingency later provides 'insurance against inability to repay' (Schleicher, 2015).

(ii) Debt

(a) Average debt

In all four UK nations the form of loan offered for fees is also used for living cost loans: borrowing for the two purposes is aggregated into a single debt on which repayments are collected.

The Scottish Government emphasises that, as a result of its policy towards tuition fees, average student debt is lower in Scotland than other parts of the UK. In doing so, it draws most often upon data from the Student Loans Company which shows that final debt is lowest in Scotland, as here: 'In England, the figure is £21,180, in Wales it is £19,010, in Northern Ireland it is £18,160 and in Scotland it is £9,440' (Sturgeon, 2015).

These figures are problematic for the purpose of comparing the systems currently in use across the UK, for three reasons:

- they represent the average final debt of all students entering repayment and who therefore have already completed their studies;
- the averages are affected by the larger proportion of students from Scotland who study shorter HN-level courses lasting one or two years; and
- they do not reflect the variation around the average by income.

Thus, the latest figures available refer to a cohort of students who left university or college in the summer of 2014 and who, in the case of Scotland, will have been funded mainly under the pre-2013 system. This relied less on student loans. Similarly, students from England in this cohort were largely unaffected by the increased fees which applied only to new entrants from 2012.

Second, the higher proportion of HN-level students in Scotland means that the averages do not provide like-for-like comparisons of the debt students typically experience over the course of a university degree. Table 2 compares the number and percentage of domestically-domiciled undergraduate qualifiers at different levels for Scotland with the figures for the UK as a whole in 2013-14. The majority of those gaining a qualification in Scotland did so at sub-degree level (54% of all undergraduates) while in the UK as a whole, sub-degrees accounted for 25% of all undergraduate qualifiers.

Table 2: Number and percentage of qualifiers from all HE providers at first degree and sub-degree level in Scotland and UK in 2013-14

Domicile	First degree		Sub-degree	
	Nos	% all undergraduate	Nos	% all undergraduate
Scottish-domiciled in Scotland	26,920	47%	31,015	53%
UK-domiciled in UK	353,895	75%	88,122	25%

Sources: Scottish Funding Council; HESA

Further analysis shows that while the average final debt figures for England, Wales and Northern Ireland are close to representing typical borrowing over the three-year period required for a typical honours degree in each of those nations, the Scottish figure appears to represent only three-quarters of what would be expected for a typical Scottish honours degree, lasting four years (Hunter Blackburn, 2014b). This is likely to be at least partly due to a larger proportion of short-course borrowers in Scotland.

The extent and pattern of variation around the average by income also differs among the UK nations, which also has a material effect on comparisons in relation to particular groups of students. This is discussed in the following section.

Of more value in comparing current systems are the figures for current annual borrowing, which avoid the first two difficulties above. Table 3 shows the average annual borrowing for students from each part of the UK in 2014-15. Here Scotland is still lowest, but now much closer to the other devolved nations. The English figure substantially understates the difference between England and other UK nations, as in this year it included some students still subject to lower pre-2012 fees. The Northern Irish figures will be affected by the substantial minority of students from Northern Ireland who study in other parts of the UK, where they are liable for higher fees.

Table 3: Average annual student borrowing in the UK in 2014-15

Student domicile	Average combined borrowing for maintenance and tuition fees (where applicable) £
England	10370
Northern Ireland	6820
Scotland	5270
Wales	6370

Source: Student Loans Company; SAAS

Covering only a single year, these figures do not reflect differences in the typical length of an honours degree (as noted above, three years in Wales and Northern Ireland, four in Scotland). If the question is how average final debt is likely to compare for current student borrowers for such a degree, these figures appear to imply a higher average for Scottish students at that level, compared to the other devolved nations.

(b) Distribution of debt

Comparisons based on averages, as above, are inadequate for comparing the treatment of students from poorer backgrounds. In that case, the nature of *variation around the average by income* becomes material. Table 4 shows the average borrowing in Scotland in 2014-15 by income. The Scotland-wide average in that year was £5,270.

Table 4: Average annual student borrowing by income in Scotland in 2014-15

Known gross household income as assessed	Average borrowing £
No income details: in receipt of means-tested bursary	6,649
Up to £16,999	5,870
£17,000 to £23,999	5,720
£24,000 to £33,999	5,570
Over £34,000	4,600
No income details: not in receipt of bursary	4,560

Source: SAAS

The group with no known income details and in receipt of bursary comprises mainly mature students who are deemed to have no relevant household income. These students receive less grant and are therefore offered larger amounts of loan than younger students. The group with no known income details, but not in receipt of a bursary, comprises all those who claimed no form of means-tested support. This category comprises most of those with incomes over £34,000, who all still had to apply to SAAS to benefit from free tuition, for which no means-testing applies. As the figures show, average borrowing falls as income rises.

The regressive pattern of borrowing shown here is currently unique to Scotland. Similar analysis undertaken of actual borrowing by income in the other UK nations has shown that elsewhere in the UK patterns of borrowing are relatively flat, peaking at higher incomes and generally lower at low incomes, particularly in Wales (Hunter Blackburn, 2014a).

The explanation for this difference lies in differences in the detailed design of the funding models, in particular the greater use of maintenance grants to support living costs in other parts of the UK, which compensate low income students for their relative lack of access to private family support. Table 5 below shows the levels of grant available to students from each UK nation in 2014-15.

Table 5: Income-related grant for full-time students in undergraduate HE in the UK 2015-16

	Max grant	Income qualifying student for maximum grant	Income threshold beyond which no grant is payable
	£	£	£
England	3,387	25,000	42,620
Northern Ireland	3,475	19,203	41,065
Scotland: Young	1,875	16,999	33,999
Scotland: Mature	875	16,999	16,999

Sources: Student Finance England; Student Finance Northern Ireland; SAAS; Student Finance Wales.

The higher levels of grant used elsewhere in the UK prevent the situation which arises in Scotland, where poorer students take on higher levels of debt than students from higher incomes backgrounds.

Taking the different grant and fee regimes into account, it is possible to calculate the expected outcome of each country's funding model for students at different incomes. At present, only in Scotland are students from the lowest incomes expected by government to borrow more than any other group of students within their home nation (Hunter Blackburn, 2015).

This underlying theoretical model explains the pattern of actual borrowing shown in Table 4 above. For English students, levels of expected debt are significantly higher than elsewhere, at all incomes. However, the combination of lower fees and higher grants for Welsh and Northern Irish students means that expected annual borrowing for low income students in all three devolved nations is similar. Thus, mature students in Scotland are expected to have the same annual borrowing as their counterparts in Wales and Northern Ireland, while low-income younger Scottish students are expected to borrow around £1,000 a year less than their equivalents in Wales and Northern Ireland. The lowest absolute level of borrowing expected for any group of students in the UK is for higher income students from Scotland, as long as they remain in Scotland to study.

A full like-for-like comparison of how the funding models function in each nation at particular incomes for degree-level students requires making further adjustments (Hunter Blackburn, 2015). As well as taking into account that the length of a typical honours degree varies between different parts of the UK, for this purpose it becomes relevant that some of the variation in annual borrowing is due to differences in the total amount of living cost support available in each nation, discussed below. Annual loan figures therefore compare students receiving different levels of benefit, at any given income. For end-of-degree projections, the figures also require to be adjusted to take into account higher rates of interest applying to student loans during the period of study in Wales and England than in Scotland and Northern Ireland, as well as a one-off £1,500 debt write-off available to Welsh students on commencing repayment.

Once these factors are taken into account, all Scottish students from households with incomes below £28,000 (£30,000 for mature students) are expected to take on higher levels of debt than their counterparts in Wales, while all mature students and some young students in Scotland are expected to borrow more than their equivalents in Northern Ireland up to incomes of £26,000 (Hunter Blackburn, 2015). In some cases, the difference is wholly accounted for by the additional year of study in Scotland. However, for all low income mature students and some young students, borrowing would still be lower in Wales over courses of the same length.

As before, as income rises, over the length of their degree Scottish students from higher income homes gain a clear advantage over their counterparts elsewhere in the UK, facing far less debt. Again, within Scotland poorer students are expected to borrow more than those from better-off backgrounds. According to the model, at incomes below £34,000 the expected four year debt is between

£24,000 and £28,000, depending on whether a student is young or mature: it is around £4,000 lower at incomes above that point.

In practice, the skewing of debt towards poorer students in Scotland is magnified by the tendency of those at higher incomes to make less use of their entitlements under the loan scheme. Table 6 shows the take-up of student loans by assessed income in 2014-15. It also shows the total percentage of all student borrowing taken out by students in each band and compares this with the percentage of all students falling within each band, to produce a figure for the variation in share of total borrowing compared to what would have been expected simply from overall population share.

Table 6: Take-up and share of student loan by income in Scotland 2014-15

	Take-up of student loans	SAAS-supported students	Total student borrowing	% share borrowing proportionate to total numbers
Gross household income as assessed		%	%	100% = share of borrowing equals share of all students
Up to £16,999, including nil income	81	26	39	148%
£17,000 to £33,999	80	13	18	135%
Over £34,000 or no income details declared	53	61	43	72%

Source: SAAS.

Students with a declared income over £34,000, or who declared no income details and claimed no grant, accounted for 61% of all students but only 43% of all borrowing. As a result, at higher incomes the share of borrowing is less than three-quarters of the amount predicted by the total number. Meanwhile, students in the lowest income band accounted for almost 50% more borrowing than their population share would predict. Estimating an adjustment for EU-domiciled students, who cannot borrow but will be having some effect on these figures, reduces the difference between low-income students and the rest by only a few percentage points.

The figures do not allow any further distinctions to be drawn within the group with incomes of £34,000 or more. However, earlier years' data suggest that borrowing within this group is likely to be further skewed towards those with incomes just over £34,000 and to fall further as income rises.

The skewing of borrowing towards poorer students in Scotland, both on paper and in practice, does not of itself necessarily raise issues for widening participation or social justice in the short-term. However, it does raise a serious question of longer-term equity which is discussed below.

(iii) *Upfront support for living costs*

As already seen, across the UK living cost support is provided through means-tested non-repayable grants, supplemented with loans. In all parts of the UK, there is a minimum loan for living costs which not subject to means-testing.

In 2012, the Scottish Government began to place greater emphasis on comparisons of total living cost support across the UK. Launching its new arrangements for student support, the headline of its news release was '*UK's best student support package*' (Scottish Government, 2012), with attention directed to the new maximum combined value of grant and loan of £7,250 (the 'minimum income guarantee'), which at the time of the announcement represented the highest figure for maximum upfront support in any part of the UK. It was overtaken shortly after by an announcement of an even higher maximum combined figure for grant and loan for students from Wales. However, the Scottish Government has continued to promote the Scottish package as particularly generous.

In England, Northern Ireland and Wales, students living with their parents are entitled to a lower level of loan, typically receiving between £1,000 and £2,000 less than those living away from the parental home. Scotland by contrast has adopted a single model for all students, in effect giving all students the 'away' rate of loan. As a result, the Scottish figures for living cost support are the highest in the UK for those who live with their parents. However, this group also tends to incur lower costs: the most recent study in Scotland found that for students living with their parents median expenditure was between £1,500 and £2,000 lower (at 2006-07 prices) than for those who lived away from their parents (Warhurst, *et al*, 2009: Table 3.6).

For those away from home, who face higher costs, living cost support is higher in Scotland than England for those at the lowest incomes. However, both countries provide less than Wales, where maximum support is £7,957 at incomes up to £18,370, compared to a Scottish maximum of £7,625 at incomes up to £16,999 and an English figure of £7,434 at incomes up to £25,000. Further, since 2013 as part of the government's programme of 'simplification' Scotland has adopted a stepped system, which results in a sharp drop in support when income reaches £17,000 and again at £24,000 and at £34,000. In other nations, support is reduced more gradually. As a result, Scotland offers substantially less compared to Wales and England to almost all students between incomes of £17,000 and around £45,000 (Hunter Blackburn, 2015). In a few cases, the difference in the value of total upfront support between Scotland and England is around £2,000 a year and in many others, one or both England or Wales provides around £1,000 more.

In consequence, the families of students at some relatively low incomes in Scotland are under greater pressure to contribute towards students' upfront living costs away from home compared to their counterparts in other parts of the UK: they face a greater expectation of 'ability to pay'.

To illustrate in more detail how much Scottish students living away from home must self-fund from non-state sources, Figure 1 compares support rates in Scotland with a notional annual requirement of £9,000. Warhurst *et al* (2009, Table 3.6) found that median annual student expenditure for a Scottish student

living away from home was £6,497 in 2006-07, which is around £7,800 at current prices. However, this conversion to current prices makes no allowances for costs facing students rising at a different rate from general inflation: in England, the National Union of Students reported that the average weekly rent paid by students rose by 25% in the period between 2009-10 and 2012-13 (National Union of Students, 2012a, p. 4). The notional figure of £9,000 is likely to be a conservative estimate of the costs facing students living away from home.

Figure 1: Living cost support away from home Scotland 2015-16

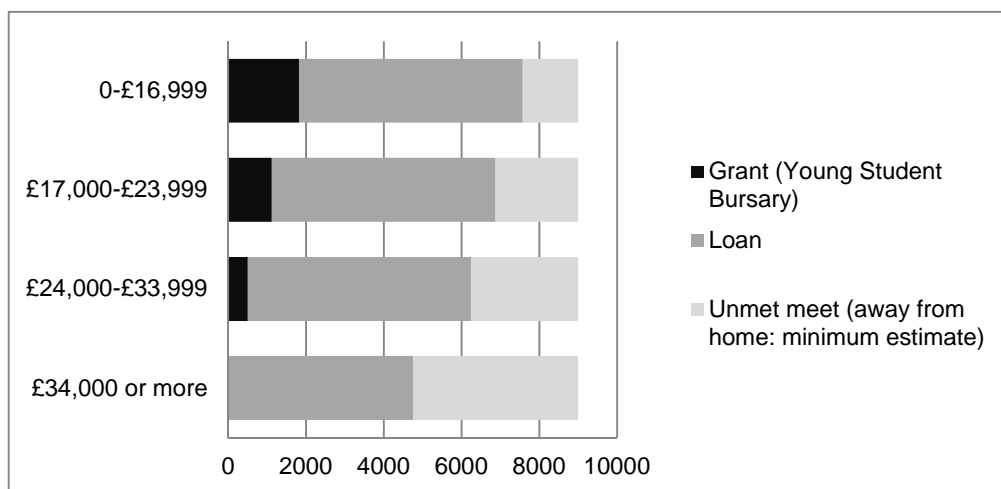


Figure 1 shows that even at the lowest incomes there is shortfall of over £1,000 between total support and likely spending need away from home, with the gap approaching £3,000 for those from households with incomes as low as £24,000. Leaving aside UK comparisons, this raises a substantial question of absolute ‘ability to pay’ for students from relatively low incomes.

The differences described above apply to those willing to borrow the maximum amount of student loan made available by the Scottish Government. However, a substantial minority of young students from low-income households made no use of the student loan system: see Table 7. Mature students on the Independent Student Bursary were far more likely to borrow.

Table 7: Borrowing patterns among students receiving Young Student Bursary (YSB) in 2013-14

	Young Student Bursary (YSB)	% of all YSB takers
Taking no loan	8,090	25
Taking part of loan	1,775	5
Taking whole loan	23,065	70
Total	32930	100

Source: Scottish Parliament PQ S4W-24400

This appears to show that a substantial minority of young students from low-income homes are seeking to rely solely on their grant for state help towards their living costs, giving them a total package of support worth between £500 and £1,825 (£1,750 in the year to which the figures above relate). Nothing is known about the detailed composition of this group. It is likely however to contain at least some students who are very debt averse rather than less in need of assistance. For this group, even if they are able to live at home, the relatively low level of grant seems likely to be problematic.

(iv) Ability to pay

The treatment of living cost support presents a challenge to the characterisation of the Scottish system as containing no element of 'ability to pay', particularly (but not only) for those unwilling to take out a student loan. An earlier section also drew attention to how systems elsewhere in the UK mitigate pressure on 'ability to pay' for fees through the use of fee loans, as an alternative to free tuition.

- Comparing Scotland and Wales demonstrates how these factors in combination can have significant implications for the immediate financial pressures students face. At any given living cost requirement, students from Wales from households with incomes up to around £53,000 face a smaller upfront 'funding gap' than Scots, provided they are willing to use the loan scheme. At incomes up to around £23,000, even those mature students who reject the use of loans face less immediate pressure in Wales: the large majority of mature students will fall into that group. Only young, non-borrowing students face less upfront financial pressure if they are in Scotland. Even for this group there are exceptions (at around £18,000) and the advantage at incomes up to £21,000 is relatively small, at around £500 or less.
- The strong claims made for the Scottish system as being fundamentally different from all those elsewhere in the UK in its relationship with 'ability to pay' are difficult to sustain against these comparisons. They require both the dismissal of fee loans as off-putting to poorer students and living expenses to be regarded as a less real cost than fees. The first of these positions begs questions about the Scottish Government's own reliance on loans to fund students' living costs at low incomes. It is argued below that the second has large implications for the achievement of wider participation on equal terms.

WIDENING PARTICIPATION: THE ROLE OF STUDENT FINANCE ACROSS THE UK

The comparisons presented here consider the detail of student funding systems. The Scottish Government has also compared Scotland's performance on participation and access with the other UK nations in defence of the Scottish arrangements for student funding.

Other pieces in this volume look in more detail at Scotland's relative performance on widening access. The comments here are limited to two general observations. First, there is not strong evidence that greater progress has been made in widening access to higher education, particularly university-level, in Scotland than in the UK as a whole as student funding arrangements have

diverged. Second, at various times over recent years the Scottish Government has cited Scotland's relative performance on a number of different measures of participation in support of its approach to student funding, but no single measure has been used consistently as a benchmark for comparison with other parts of the UK. The choice of measure has varied over time, depending on the relative performance of Scotland against the other UK nations, especially England, at any given moment.

Across the UK it is difficult to assess what role student funding decisions have played in improvements in participation in higher education. Research suggests some relationship between funding models and levels of participation. For example, there appears to have been a positive impact on participation rates at lower incomes as a result of switching an element of living cost support from loan to grant in England in 2004 (Dearden, *et al*, 2014). However, the relationship between student funding and access is complex. Other factors appear to exert a stronger influence. Thus, even while finding some relationship between participation rates and increases in grants and loans, with much of the negative effect of fees appearing to be off-set to by fee loans for young, full-time students, Dearden and others (2010) suggested that 'parental education and prior attainment' remain the 'key drivers of participation' (Dearden, *et al*, 2010, p. 25). Further, different groups have responded differently. There is also the question of how far findings from other parts of the UK would translate into the Scottish context. There is, for example, some evidence (Minty, 2015) that levels of misunderstanding about student finance and debt aversion are greater in Scotland, particularly among those from the most disadvantaged backgrounds. While the UK Government and the Office of Fair Access have commissioned significant amounts of independent research examining the impact of changes to student funding in England, the same investment has not been made in Scotland.

- Further, concentrating on participation rates may overlook other important impacts of student funding on attempts to widen access. For example, students concerned to bring down their living costs, especially those wishing to avoid debt, appear more likely to live at home, tending to restrict choice to those courses within affordable daily travelling distance to which a student can gain admission. They may also be more likely to work longer hours during term time, which is associated with poorer outcomes (Callender, 2008). In a similar way, term-time working and commuting any substantial distance might both also be expected to reduce students' capacity to engage in wider university life. Lack of access to sufficient living cost support, in a form the student is willing to take, may also have an impact on retention, although, as with participation more generally, the impact of funding on retention has to be considered alongside other factors (National Union of Students, 2012b).
- Comparisons revisited: implications for widening participation on equitable terms
- This paper has identified four areas where the Scottish Government has invoked comparisons with other parts of the UK in support of its student funding policies. The implications of the detailed comparison of each of these for widening participation and social equity are considered in turn.

(i) Fees

Comparing different fee regimes brings out that first-time, part-time students in Scotland from households with an income over £25,000 are relatively unusual within the UK in having no access to any form of fee support, whether as grant or loan. Part-time students entering HE for the first time generally come from less advantaged backgrounds (Callender, 2011). Therefore, to subject this group to a relatively severe means-test, in effect on their partner's income, and if they 'fail' then to provide neither grant nor loan for fees, seems anomalous in a context where removing up-front barriers and promoting wider access are objectives. There are broader difficulties with part-time funding elsewhere in the UK (Hillman, 2015). However, this particular group remains unusual in being expected to fully fund the fees for their first degree upfront without state help (others in the same situation are certain Northern Irish part-time students and all those in any part of the UK on courses at less than 25% intensity).

Also vulnerable to the limitations of part-time fee policy appear to be any Scottish students living near the border, for whom obtaining an HE qualification would be most easily achieved through studying part-time in England (e.g. at the University of Cumbria in Carlisle). It is not clear from the official information whether this group, which will face fees of up to £6,750, has any access to upfront fee support, whether as grant or loan. If not, their 'ability to pay' will be severely tested.

Cross-UK comparison also reveals that the lack of any portable fee grant for Scottish students leaving Scotland to study is a matter of policy choice within Scotland, which stands in contrast to the decision taken in Wales. The implications for widening access of the large cost difference associated with leaving Scotland, perhaps particularly once again for students in the south of Scotland, deserves further attention.

(ii) Debt

The comparison of debt levels in different parts of the UK generates some of the most complex and difficult questions.

First, it might be argued that fee and maintenance loans cannot be compared. It has been put to this author that fee debt is more inhibiting of access at lower incomes than living cost debt, as fee debt is unavoidable while living cost debt is not. While this may be technically correct, how far living cost debt is 'avoidable' varies substantially, first by income, then by geography (living at home is more possible in urban areas) and also by personal circumstance (living at home is not an equally practical or safe choice for all students). Moreover, living at home restricts choice not only of subject but also type of institution and level of study (e.g. HN or degree): those from more disadvantaged backgrounds will experience this restriction more. Living cost debt therefore ought not to be dismissed as less real than fee debt: for many students, particularly from lower-income backgrounds, it is only avoidable, if at all, at the cost of greater exclusion from certain types of participation in higher education.

Whatever uncertainty surrounds the short-term impacts on participation of Scotland's reliance on loans rather than grants for living costs, the policy carries a highly predictable longer-term negative outcome for equity. Over time, the

present arrangements in Scotland will reinforce pre-existing inequalities in wealth. Those Scottish graduates least likely to have access to further family support or inherited wealth in their later lives face repaying to the state a larger amount of their future earnings than will their peers from higher-income families, constraining their ability to invest in such items as housing, pensions, further education or childcare.

The contrast between Scotland and more progressive models of debt distribution begs the question, who is paying for wider participation in Scotland? The student loan system was first introduced across the UK in 1990, eight years before the advent of any form of fee, to make the expansion of higher education more affordable (Hillman, 2013) by shifting some of the cost of undergraduate education on to students. The more that student debt, issued whether for living costs or fees, falls disproportionately on students from the poorest backgrounds, the more this group is in effect being asked to foot the bill for its own better, if still far from equal, levels of access. Thus, more than in other parts of the UK at present, in Scotland widening participation is being funded disproportionately by the very group whom that policy is meant to benefit.

The regressive distribution of student debt in Scotland has yet to be acknowledged by the Scottish Government and has received only occasional attention in wider public debate. However, proposals to abolish maintenance grants for new students in England (but not Wales or Northern Ireland) from 2016 have generated some debate about the distribution of student borrowing there, with the same arguments applying (see for example Elliot, 2015). Scotland's reflexive relationship with policy-making in England may yet help to raise the profile north of the border of grants as a progressive policy instrument.

(iii) Upfront support for living costs

Comparing the total support available for living costs across the UK draws attention to the amount that Scottish students living away from home are expected to self-fund, at lower and middle incomes. The comparisons bring out that the 'stepped' system introduced in Scotland in 2013 creates sharp falls in support at particular incomes, which are unusual in the UK. The scale of the gap between total support and likely living costs at low and middle incomes can be expected to have implications for choice and retention, at least as much as for initial entry.

Scotland's larger reliance on loans to fund living costs at low incomes creates a further potential financial pressure for students from poorer backgrounds who are debt averse. Part of the answer here may be to improve the very poor levels of understanding of the student loan system uncovered in Minty's research (2015), as recommended by the Scottish Government's Commission on Widening Access in its interim report (Commission on Widening Access, 2015, p. 73). However, even with less debt aversion a system which makes so little use of grant is still likely to have a negative impact on the choices made by students from lower income households.

The extent to which the participation of mature students is further inhibited by their particularly low grant and therefore higher debt is unclear. There is some prima facie indication in the official statistics that for this group, at least, lower

use of loans may correlate with failure to complete a year. This point is one of several which would benefit from further research.

(iv) Ability to pay

As illustrated above, all fee-charging systems in the UK enable students to defer the impact of fees through loans, while none, Scotland included, provide low income students with the level of upfront support likely to cover their full costs away from home. Indeed, as noted above, in many cases Scotland performs comparatively poorly, especially compared to Wales, on the total value of support, particularly for the most debt averse. Therefore, it is not evident that the Scottish system can make stronger claims than all those elsewhere in the UK for success in reducing upfront financial barriers for those at lower incomes, particularly for those for whom living at home is not possible. Living cost support has not to date been positioned in Scotland as an issue of 'ability to pay': it deserves more recognition as such.

CONCLUSION

Comparisons of student funding systems have been central in recent years to the Scottish Government's defence of its policy choices, which rests substantially on assertions that the Scottish system of student funding is more equitable than those found elsewhere in the UK and provides a more effective system of support for the most disadvantaged. However, the basis for such claims is not secure.

Lacunae in fee policy, debt levels at low incomes similar to or higher than those in the other devolved nations, significant assumptions about students' willingness to borrow for living costs and, even then, relatively low levels of living cost support away from home for many low to middle income students, all raise questions about the extent to which the student funding system used in Scotland can be claimed to be particularly well-designed to promote social justice and equity in short-term, whether in general terms or compared to those elsewhere in the UK. For reasons of space, this article has not explored the implications of the lower income threshold applying to student loan repayments for students from Scotland and Northern Ireland, but that too is relevant to the arguments presented here.

While the precise short-term effects on widening participation of the factors listed above cannot be predicted precisely, one further effect provides a clear and certain reason for contesting that Scotland's present student funding arrangements are unusually socially just. A regressive pattern of student lending means that the expansion of higher education will be disproportionately paid for in practice by the very people for whom the system was opened up. They have been given more opportunity to take part, but at a higher eventual price than their peers from more advantaged backgrounds will face.

Cross-UK comparisons of student funding have so far served in Scottish political and public debate largely to divert attention from this problematic in-country effect. However, as shown here, comparisons within the UK, and also with systems further afield, can be used instead to stimulate critical thinking and scrutiny. In considering how to improve equity and social justice in Scottish

student support, the more valuable function of comparisons across borders is to shed light on difficult areas which might otherwise be overlooked.

REFERENCES

- Callender, C. (2008) The impact of term-time employment on higher education students' academic attainment and achievement, *Journal of Education Policy*, 23 (4), 359-377.
- Callender, C. (2011) Widening participation, social justice and injustice: Part-time students in higher education in England, *International Journal of Lifelong Education*, 30 (4), 469-487.
- Commission on Widening Access (2015) *Interim Report*. Edinburgh: Scottish Government.
- Dearden, L., Fitzsimons, E. & Wyness G. (2010) *The Impact of Higher Education Finance on University Participation in the UK BIS Research Paper Number 11*. London: Department for Business, Industry and Skills (BIS).
- Dearden, L., Fitzsimons, E. & Wyness G. (2014) Money for nothing: Estimating the impact of student aid on participation in higher education, *Economics of Education Review*, 43, 66-78.
- Elliott, J. (2015) Changing grants to loans will hit the poorest students, *The New Statesman*. From, www.newstatesman.com/politics/2015/07/changing-grants-loans-will-hit-poorest-students [accessed 17/11/14].
- Hillman, N. (2013) From Grants for All to Loans for All: Undergraduate Finance from the Implementation of the Anderson Report (1962) to the Implementation of the Browne Report (2012), *Contemporary British History*, 27 (3), 249-270.
- Hillman, N. (2015) (Ed.) *It's the Finance, Stupid! The Decline of Part-time Higher Education and What to Do About it*. HEPI Report 79. Oxford: Higher Education Policy Institute.
- Hunter Blackburn, L. (2014a) Actual Average Borrowing by Income in Each Part of the UK. From: <http://adventuresinevidence.com/2014/04/28/actual-average-borrowing-by-income-in-each-part-of-the-uk/> [accessed 17/11/14].
- Hunter Blackburn, L. (2014b) *When does £7,600 mean £18,500, or more? The problem with 'final debt' figures*. From, <http://adventuresinevidence.com/2014/06/25/when-does-7600-mean-18500-or-more-the-problem-with-final-debt-figures/> [accessed 17/11/14].
- Hunter Blackburn, L. (2015) Student Funding in UK: Post-Devolution Scotland in a UK Context. In S. Riddell, E. Weedon & S. Minty (Eds.) *Higher Education in the Scotland and the UK: Diverging or Converging Systems?* Edinburgh: Edinburgh University Press.
- Minty, S. (2015) Young People's Attitudes Towards Student Debt in Scotland and England. In S. Riddell, E. Weedon & S. Minty (Eds.) *Higher Education in the Scotland and the UK: Diverging or Converging Systems?* Edinburgh: Edinburgh University Press.
- National Union of Students (2012a) *Accommodation Costs Survey 2012-13*, National Union of Students (NUS). From: http://www.poundinyourpocket.org.uk/downloads/Accommodation_Costs_Survey.pdf [accessed 17/11/14].
- National Union of Students (2012b) *The Pound in Your Pocket: Understanding the Impact*, National Union of Students (NUS). From, poundinyourpocket.org.uk/?page_id=21 [accessed 17/11/14].
- Russell, M. MSP (2014) Quoted in *Scottish Student Numbers 'On Course' for Record*, BBC News. From: <http://www.bbc.co.uk/news/uk-scotland-19305260> (accessed 1/12/14)
- Schleicher, A. (2015) The Sustainability of the UK's Higher Education System. In *Education and Skills Today*, 6/1/2015. Paris: Organisation for Economic Co-operation and Development (OECD). From: <http://oecdeducationtoday.blogspot.co.uk/2015/01/the-sustainability-of-uks-higher.html> [accessed 17/11/14].

- Scottish Government (2012) *UK's Best Student Support Package*. From: <http://www.gov.scot/News/Releases/2012/08/student-support22082012> [accessed on 17/11/14].
- Student Awards Agency Scotland (2015) *Higher Education Student Support in Scotland 2014-15*. Edinburgh: Student Awards Agency For Scotland (SAAS).
- Sturgeon, N. MSP (2015) *Official Report of First Minister's Questions*, 29 October 2015. Edinburgh: Scottish Parliament.
- Warhurst, C., Commander J., Nickson D., Symeonides A., Furlong A., Findlay J., Wilson, F. & Hurrell, S. (2009) *Higher and Further Education Students' Income, Expenditure and Debt in Scotland 2007-08*. Edinburgh: Scottish Government.