

Annual David Hume Address, 23 March 2009

Frances Cairncross, Rector, Exeter College, Oxford (founded 1314), in a *tour de force*, questioned many modern shibboleths about higher education, its funding, and the effects of its social composition in the global context of her paper, 'Universities and the Rise of the Global Meritocracy'.

The context is international. The scale is not trivial: the Islamic University in Tehran has 1.3 million students and China by 2015 will have 24 million graduating from its universities.

There are few British universities in the Shanghai Jiao tong league table of top 100 universities;¹ most of the others are in the United States. In the current global passion for higher education, some of the world's top universities draw upon the best faculty and students, and will eventually generate for their alma mater large and generous alumni donations and bequests, adding to their considerable private financial resources for discretionary scholarships, bursaries, and low income students and their research grants, and their lower dependence, perhaps even their independence, from public funding.

In their economies, these graduates will impact powerfully on innovation, technological applications, and new global product supply chains. The problems for those countries, with declining higher education provision in the quality of their students and faculties, are already appearing as worrying trends now. The response of public policy to these trends is disappointing, because currently they appear misdirected.

Frances Cairncross drew attention to the well-known facts of graduate life-time employment: graduates have higher lifetime earnings compared to non-graduates, and graduates of elite universities earn more than graduates of non-elite universities. There are additional benefits of attending good universities in the inevitable cross socialisation among students in the 3-4 years of close personal involvement together, which is not available elsewhere. 'Peer quality' is real benefit in later life.

It is here that political parties, the elites of which should know better, make major errors in formulating appropriate policies for more inclusive recruitment of students for higher education. The problem is identified as one of increasing the numbers of students from low income, socially disadvantaged backgrounds, by either a policy of 'free education' (Scotland) or capping fees at £3,000 (England). The motivation is worthy; the means are misdirected.

¹ *Academic Ranking of World Universities*, Shanghai Jiao tong University, 2008 (<http://www.arwu.org/>): Cambridge 4; Oxford 10; UCL 22; Imperial College 27; Manchester 40; Edinburgh 55; Bristol 61; Sheffield 77; Kings 81; Nottingham 82; Birmingham 91

Two things stand out: fees are not a deterrent to student recruitment; even the evidence of the (anomalous) fees for English students studying in Scotland, though not Scottish students or students from EU states, has not reduced applications from English students. Nor has the limitation on fees for students in England, nor free education in Scotland, increased the proportion of low income students recruited for universities. The evidence is overwhelming that the beneficiaries of the massive increase in university-level provision across the UK are overwhelmingly middle-class.

Yet the evidence is ignored; worse the response has been that the politics of university finance are inclined to remain more of the same: capped charges and free provision, both of which undermine the financial basis of British university education. And this applies right cross the spectrum from the elite, through the good, to the ordinary. All universities require much higher income levels and governments charged with the responsibilities for funding higher education pursue policies that undermine the relative worth of British higher education in the global rankings (whatever the criticisms that can be made about the basis of such rankings; these are used by everybody to make judgements of where to study, and as crucially, where to seek faculty employment on graduation). Unless these problems are tackled, British universities face long-term, slow decline.

Employers recruit by the simple criteria of from which universities they want to recruit their graduates. Students with competitive ability queue for places at the elite universities, but the elite universities are as much pressed for resources as others and, instead of having the resources from the higher fees that could be charged, without affecting numbers applying, they are held to a cap applying to all universities without room (presently) to increase their fees (England) or, Scotland, without fees to supplement what the relevant government makes available centrally.

The lack of good quality students across the whole income spectrum is intensified when the family background of many of the potential applicants deter them from applying for university places due to 'limited aspirations' generated by 'family' circumstances, poor schooling, and other social distractions. Frances Cairncross made the very powerful point that in her view a child's future was determined largely by their domestic circumstances at around '7 years old'. If they were not inducted with aspirations by then, and nothing else intervened to guide them, they were unlikely, even if able, to aspire to a university place at 18-20.

In graduation terms in the UK, 80% were from non-manual family backgrounds; only 16% were from poorer families. Indeed, the 'worst' students from high-income families did better than the 'best' in the lower-income families. Again the political response is misdirected, because in trying to increase the proportion of students from lower-income families by capping fees (despite many better-off students being willing and able and to pay more), or by funding 'free' education (Scotland), they deprive all UK universities of

much needed funding, and the beneficiaries are middle-class not the poorer families. (The same detrimental affect could be caused by 'quota' requirements.)

Government administrative measures can, and do, have unintended consequences, defeating the original aim by perverting it. The 'cap' and quota policy does not increase the proportion of poorer students; far better to allow universities to charge fees according to demand and require them to offset means-tested student fees out of their increased resources, as undertaken by the elite universities in the USA.

UK universities depends too much on government funding. At present, by international historical reputation, the US attracts 20 per cent of all foreign students at universities outside their nature countries; the UK attracts 11 per cent (with Australia and New Zealand attracting a smaller proportion). Of these graduates about 20 per cent stay on in the country where they graduate, adding to those countries' human capital.

While there is still time (the advantage that will not last indefinitely) Scotland, with its history of 600 years of university provision, its facility in the English language, its 4-year degree programmes, and its relatively flexible visa system for students, could deploy its academic reputation to greater affect globally. Frances Cairncross gave the example of Exeter College forming an arrangement with Williams (liberal arts) College, to act as a 'feeder' college to bring quality students to Oxford.

The lasting impression of her lecture was of a well-thought out, non-ideological examination of British Higher Education, what is deficient in it, and what must be done to correct current trends, and while not giving any time line for the reforms to be accomplished, she certainly left her audience in no doubt that her focus was on what needed to be done also needed to be on the front-, and not the back-, burner.

In the discussion afterwards, the Principals of Edinburgh, Glasgow, Heriot-Watt and Queen Margaret Universities; the Consulate General of Germany, the Scottish Funding Council, and the Director of the David Hume Institute and the Chairman of the David Hume Institute, engaged Frances Cairncross and each other in a fascinating and productive discussion that held everybody's attention. I regard this year's annual David Hume Lecture and related discussions as one of the most stimulating and instructive meetings I have attended.

Gavin Kennedy