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**Title:** Introduction to: 'Project Hero' and the student loan sell-off

**Creators:** Ressel, J.

**Example citation:** Ressel, J. (2014) *Introduction to: 'Project Hero' and the student loan sell-off*. (Unpublished)

**Version:** Presented version

<http://nectar.northampton.ac.uk/6446/>



UNIVERSITY OF NORTHAMPTON  
*DIALOGUES!*

# “PROJECT HERO”

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THE STUDENT LOAN SELL-OFF

**Andrew McGettigan**

13 February 2014



## UNIVERSITY OF NORTHAMPTON

**DIALOGUES!** Lecture Monday 13 February 2014

**Dr Andrew McGettigan**

### **“PROJECT HERO” and THE STUDENT LOAN SELL-OFF**

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#### **The White Paper on Higher Education**

In June 2011 the Coalition government published its response to the *Independent Review of Higher Education Funding and Student Finance* (the “Browne Review”). The white paper, *Higher Education: Students at the Heart of the System*, has not as yet been followed by any legislation. Accordingly we may question the legal, constitutional and democratic status of the higher education changes.

#### **Why no Act of Parliament?**

Despite the fact that no legislation has been proposed or even passed to implement the recommendations contained in the White Paper, the coalition government has imposed fundamental changes to the higher education sector, especially changes to the way higher education is funded.

Broadly speaking, following the abolition of the block teaching grant and introduction of ever increasing student fees the aim appears to have been to transfer the publically

supported costs of higher education from the public domain to the personal and private sphere.

However, there appears to be remarkable lack of any credible evidence to support the suggestion that the higher education sector actually need any 'reform' and the limited evidence taken by the Browne Review panel was ignored or suppressed.

According to the Campaign for the Public University "the Review team suppressed what little research they did commission. A Freedom of Information request has uncovered the results of a survey of parents and young people about their attitudes to fees. What it showed was that they felt that the highest fee that was reasonable to charge was £6000, that fees should be the same for all institutions, and that higher fees would have a disincentive effect on applicants from poorer backgrounds."\*

The reported refusal by the Browne Review to take into account objective evidence, to test and weigh up that evidence in accord with the accepted policy review practice, suggests that the Review was nothing more than a procedural formality designed to give credence to promotion of pure ideologically driven attack on public education and public good of higher education.

Unfortunately committed ideologues are not inclined to offer their beliefs to rational, informed and reasoned scrutiny, which may well explain why the government has to far failed to introduce a Parliamentary Bill on higher education reforms.

### **The ideology of higher education and 'the canary in the mine'.**

Thus, if the changes are driven by ideological imperatives we should examine, test and scrutinise such values and compare them with current principles.

The '*Principles*' adopted by the Browne Review<sup>†</sup> include the following ideas:

- "[Universities] must persuade students that they should '**pay more**' in order to 'get more'. The money will **follow the student**"
- "Our proposals put students at the heart of the system. Popular [universities] will be able to expand to meet student demand. Students will be better informed about the range of options available to them. Their **choices** will shape the landscape of higher education."
- "[Universities] will be **evaluated** on how well they are doing in providing fair access to all."

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\* <http://publicuniversity.org.uk/2011/03/03/when-ideology-meets-reality-integrity-suffers/>

† *Securing a Sustainable Future for Higher Education* 12 October 2010 available at [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/31999/10-1208-securing-sustainable-higher-education-browne-report.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/31999/10-1208-securing-sustainable-higher-education-browne-report.pdf) Emphasis added.

- “In our proposal, Government will meet the upfront cost of higher education through the Student Finance Plan. Students will not have to rely on banks or families to meet the costs of learning or living.”
- “Students should only pay towards the cost of their education once they are **enjoying the benefits** of that education. A degree is a **good investment**. Payments will be linked to income, so those on low incomes pay nothing. No graduate will face demands for payments that they cannot afford to make. Payments stop when the Student Finance Plan is complete – this is not a lifetime graduate tax.”

The words highlighted above in the extract from the Browne Review: ‘*pay more*’, ‘*choices*’, ‘*evaluate*’, ‘*enjoying the benefits*’ and ‘*good investment*’ suggest the semiotics of neo-liberalism, signifying values of market competition, irrefutable logic of economics, personal gratification, individualism, in short a form of utilitarianism.

### **The consequences of the changes on higher education.**

We have all experienced the fallout from the implosion of the banking system and finance capitalism in 2008, yet it does not follow that values of the markets and the claimed direct correlation of higher education to graduate earnings, what Andrew McGettigan calls financialisation, are values that should prevail unquestioningly in the higher education sector.

In his *LRB* review essay, *inter alia*, of Andrew McGettigan’s book, *The Great University Gamble*, Stefan Collini, whilst accepting that “Deep changes in the structure and dominant attitude of contemporary market democracies are everywhere putting pressure on the values that have sustained the ideals of public higher education.” Regrets that “UK has put itself in charge of the pilot experiment in how to respond to these changes. Other countries are looking on with a mixture of regret and apprehension: regret because the university system in this country has been widely admired for so long, apprehension because they fear similar policies may soon be coming their way. In many parts of the world English higher education is, to change the metaphor, seen less as a useful pilot experiment and more as the canary in the mine.”<sup>‡</sup>

Stefan Collini commenting on Andrew McGettigan’s “particularly penetrating analysis” describes the consequences of the government ‘reforms’, including how the chase for pure profit can result in structural changes and, ironically, in the light of the Browne Review, loss of choice for students in the range of subjects they can study at university, the marketisation of the student relationship with their university, and the valorisation of the status a university title.

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<sup>‡</sup> Stefan Collini ‘*Sold Out*’ *London Review of Books*, 35:20 24 October 2013 available at <http://www.lrb.co.uk/v35/n20/stefan-collini/sold-out>

He writes that “A parent company may have several ways of making money from a not-for-profit college without violating its charitable status, from management fees, for example, or being the monopoly provider of certain services. Doubtless most investment companies and private equity groups are motivated by a concern for the public good, but the fact that at the moment the waters around higher education institutions are so full of eager predators may suggest, even to the most naive, that they have been aroused by the scent of profit. The government has made it much easier to acquire the title and status of university, once so jealously protected. There is, surprisingly, no requirement to have a spread of subjects or to offer postgraduate degrees, and it has now been decreed that no more than 750 students need to be following degree-level courses. It also seems that if an existing college is subject to a private capital buy-out it will still be allowed to keep its precious degree-awarding powers, even though the ‘charitable’ institution may have become part of a larger corporate empire.”<sup>§</sup>

In his talk Andrew McGettigan, will focus on the consequences of the current policy in relation to student finance, commencing with the premise that the White Paper models higher education as primarily:

- “A human capital investment that benefits the private individual insofar as it enables that individual to boost future earnings. It effectively treats the qualification as a commodity or the education as a financial asset.
- Universities are then judged by how well they provide training that increases graduate earnings profiles. (Financialisation)”

James Ressel  
February 2014

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### **Andrew McGettigan:**

Andrew is a freelance writer and researcher on philosophy, the arts and higher education. He has become one of the leading experts describing and critically commenting on the legal and financial consequences of the reforms to higher education brought in by the current Coalition government.

He holds a doctorate from the *Centre for Research in Modern European Philosophy* (CRMEP) (now at Kingston University) and has taught and supervised at Middlesex University, University of Westminster and Central Saint Martins College of Art & Design.

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<sup>§</sup> Stefan Collini ‘*Sold Out*’ *London Review of Books*, 35:20 24 October 2013 available at <http://www.lrb.co.uk/v35/n20/stefan-collini/sold-out>

He is a member of the Advisory Board to Integrated Foundation and helps to organise the monthly Pub-Philosophy group based in central London, Big Ideas.

You can find out more about Andrew's work at:

<http://andrewmcgettigan.org/about/>

His publications include:

**The Great University Gamble: Money, Markets and the Future of Higher Education.**  
2013 Pluto Press

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**A Review of *The Great University Gamble* by David Kingman.**

Here is an extract from David Kingman's review of the book available at:

<http://www.if.org.uk/archives/3787/review-the-great-university-gamble-by-andrew-mcgettigan>

*"The book is divided into four Parts, each of which examines a different aspect of the Coalition's policies towards higher education and their impacts. Part 1 lays out the basics of the system we have for student finance and how it has been altered by the post-2012 reforms – the most prominent of which has been the almost complete removal of direct government funding for institutions through the block grant, and its replacement with higher tuition fees paid for by the individual student, which can now cost to £9,000 per year.*

*Part 2 explores the role of "marketisation" as the overriding logic behind the Coalition's reforms, and how they have been designed to make it easier for new providers to enter the higher education sector, including those operating on a for-profit basis. Part 3 then examines how different forms of privatisation have influenced higher education institutions in recent years, not only in terms of funding but also with regard to their corporate structures (which increasingly resemble those of private companies) and how this has reduced the potential for universities to remain publicly accountable. Part 4 has already been summarised above.*

*Throughout these four sections, McGettigan consistently levels two specific charges against the government's reforms.*

*The first is that the idea of creating a genuine free market in higher education provision – and he presents serious evidence to show how this has always been a key goal of Coalition policy towards universities – is impossible as long as there remains a cap on the number of overall places.*

*The Coalition has had to impose this cap in order to limit the up-front cost of lending tuition-fee and maintenance loans to students (estimated to be £10 billion in 2014/15). As the number of places is fixed, the only way to try to create a market artificially has been to institute a Byzantine*

system of competition between the different institutions for the various categories of places (divided into “AAB+”, “Margin” and “Core”, with different universities having varying allocations of each), which McGettigan skilfully manages to unpick.

Damningly, despite all the upheavals to higher education funding, McGettigan shows that the total number of places for 2012/13 entry actually fell by 10,000, meaning that none of the additional unmet demand for higher education has so far been met by these reforms.

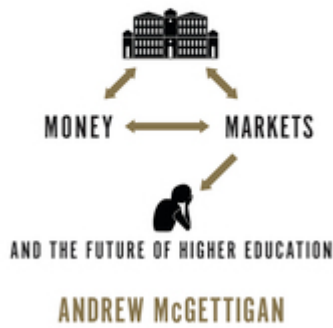
### **“Marketisation” by Stealth?**

The other theme which runs throughout the book are the secretive and shadowy mechanisms which have been used by the Coalition to implement its higher education reform agenda, which have minimised the opportunities for proper democratic accountability.

Briefly, there has still not been any primary legislation introduced by the Coalition which deals exclusively with higher education reform, seemingly because the government is keen to avoid the level of publicity and opportunities for parliamentary debate which this would create. Instead, reforms have been pushed through via the most discreet methods possible, including changes to the quangos that oversee higher education, such as Hefce (The Higher Education Funding Council for England), through amendments which have been subtly tacked onto largely unrelated bills (including the 2011 Education Act, which mainly dealt with secondary school reforms) and by scheduling important parliamentary votes to ensure they attract the minimum amount of debate or publicity.

Altogether, the changes which have been made to higher education by the Coalition since it came to power in 2010 produce a complex story which McGettigan tells with remarkable skill and attention to detail. It can only be hoped that this shadowy process – the results of which will not be seen in full for decades to come – receives a much higher degree of public scrutiny in the future. For any concerned member of the public who is interested in learning more, McGettigan has produced a first-rate guide.”

## THE GREAT UNIVERSITY GAMBLE





## ***About Dialogues!***

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*We encourage ideas and proposals for future events. Please contact [james.ressele@northampton.ac.uk](mailto:james.ressele@northampton.ac.uk) for further information and with your proposals and suggestions.*

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*This event is supported by the School of Social Science.*

