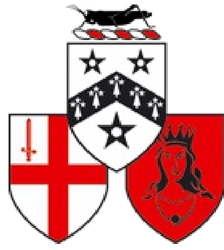

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Universities: Some Policy Dilemmas Transcript

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Universities:
Some Policy Dilemmas

The Rt Hon the Baroness Blackstone

It is now nearly five years since I stopped working in higher education and moved into other roles. It is perhaps then a good time for me to reflect a little about British universities and what they are achieving, and to consider what more they might do. In doing so, I want to talk about a particular aspect of their wider role in society. Let me be clear, I make some criticisms and propose some changes, but British universities are a success story especially seen in an international context. I will also touch on government policy, which has not done enough so far to promote the Higher Education system's role in the pursuit of social justice and economic growth. This talk is not a report on the outcomes of a piece of research. It is instead based on my reflections about what I perceive to be central institutions in the creation of the good society and the flourishing economy. Through most of my adult life I have both been shaped by them as an undergraduate and postgraduate student, as an academic and as a policy analyst, and helped in a small way to shape them as a Vice-Chancellor and as a politician.

My main theme is the dilemmas universities face in how to create greater social justice, especially by tackling educational inequality and helping to increase social mobility. I want to talk about what universities in general can do to enhance the life chances of socially disadvantaged people. Then I want to consider what more prestigious, selective universities can do. I am fully aware that the wider inequalities in our society are the source of disadvantage in the first place. Yet tackling this is a huge issue and beyond the remit I have set for myself today, so I shall focus on questions of access to universities, a subject which might have interested Sir Thomas Gresham since he believed in wider dissemination of knowledge and understanding. It greatly concerned my old friend and colleague in the House of Lords, the economist and former government adviser, Maurice Peston, who died recently and to whom I dedicate this lecture. When quizzed by the Permanent Secretary of the department where he had just been appointed about how he saw his role he replied "to give spurious intellectual justification to the Secretary of State's political prejudices"! He loved to tease people. In reality he used the evidence of social science research to forge policy change and I have always tried to emulate him in this respect.

I will start with a few statistics which give an indication of the shape of the HE sector. They reflect the vast increase in its size and its importance with respect to the resources that are devoted to it, since the Robbins Committee proposed expansion a little over fifty years ago when only 8% of the 18-year old age group went into higher education. Recent figures show that 47% of people aged between 17 and 30 participated in higher education in 2013-14. There was a rapid growth in the participation rate during the first decade of this century. This is not unique to this country. Round the world there have been dramatic increases. As knowledge economies become established the demand for advanced skills in the labour force increases and universities expand. This applies to many middle income countries as well as to rich countries. However, the UK ranks amongst the highest, ahead of the US, Japan and Australia. It is fourth in the OECD league table which shows the proportion of 25-34 year olds, who have completed higher education. Only Norway, Korea and the Netherlands were ahead of us in 2012.

In 2014-15 there were 2.25 million students in the UK, of whom a little over half a million were postgraduates. The subject breakdown is interesting. Nearly half of undergraduates were studying science, engineering or medicine; just over a quarter were on social science courses, including law and business studies and the remaining quarter were studying the arts and humanities and education. The balance was similar for postgraduates but with a rather higher proportion studying social science, including business courses. The high proportion of students in science, medicine and engineering challenges the conventional wisdom that there are too few students pursuing these subjects. International comparisons suggest that this country has invested more in providing places in these fields than most of our competitors. British universities are also a magnet for students from around the world, taking a large share of the international market. Close to 40% of postgraduate students are from overseas, and around 20% of undergraduates are overseas students. To promote greater diversity in this group there is a need to increase the numbers from poor developing countries through Commonwealth Scholarships and similar schemes, given the prohibitive cost of fees.

One other characteristic of British universities should be noted. A relatively high proportion of students are enrolled on part-time courses. Over 40% of postgraduates study part-time here and close to 20% of undergraduates are part-time students, many studying at the Open University. However, in contrast to the growth in overall numbers there has been a sharp decline in part-time students. I will return to this later.

As everyone in this audience surely knows, while overall participation has increased, many young people do not obtain access to higher education and these young people are concentrated in low income groups. Whilst there has been a commendable increase in their participation since the mid-nineties there is still a large gap between those born in the poorest neighbourhoods and those from wealthy areas. Eighteen year olds from the most

advantaged areas are more than two and a half times more likely to enter higher education than those from poor neighbourhoods. Put another way less than one in five young people from low income backgrounds go to university compared with three in five from the most advantaged areas. I want to challenge those of you who say this has always been so and always will be. Stubborn as these disparities are the gap is narrowing somewhat. For those who were 18 in 2004-5 just 14% of the low-income group went on to higher education. The latest rate is 6% higher. This suggests that policies to promote the participation of these young people are having some impact. Why should renewed effort to help them not have yet more impact?

In a diverse system of higher education a more sophisticated analysis is required to see how students from poor families are distributed across different kinds of universities. The most selective courses have the most socially privileged intakes, who are nearly seven times more likely to go to a university with high entry requirements. This is a staggering statistic. High priority should be attached to addressing this, because it means able young people from low-income backgrounds are seriously under-represented in those universities, which have the most prestige, and provide the easiest routes into high status, well paid jobs. Before addressing this I want to consider in some detail policies to recruit disadvantaged students in the Higher Education system as a whole.

The Government has set a target to double the numbers of such students from 2009 by 2020. It is associated with the Prime Minister himself and I congratulate him for his ambition. If the target is achieved he can justifiably claim that it is part of his legacy, although he may no longer still be in office by 2020 to enjoy the acclaim. The target was confirmed in the White Paper, which came out last month. To reach it will not be easy. HEFCE has estimated that the HE participation of the target group will need to more or less triple. If the group is defined as those who were eligible for free school meals it will have to at least double. In actual numbers we are looking at between 200,000 and a quarter of a million more students going to university from disadvantaged backgrounds. The White Paper also proposed a target to increase the number of black and ethnic minority students going to university by 2020 which I also enthusiastically endorse.

Universities spent £628 million on measures in their access agreements with the Office for Fair Access (Offa) in 2013-14. The good news is that there are projected increases in this spending so that the total should rise to £719 million by 2018-19. These figures do not include the Coalition's ill-conceived policy to provide a National Scholarship Programme, which allocated £150 million per annum for cash bursaries and fee waivers. It distributed these funds according to the total number of students at a university, not according to the number of disadvantaged students. Moreover students did not know if they were eligible until after they had been offered a place, so it made little difference to their decision whether or not to apply. Following heavy criticism the scheme was abandoned after three years. However, the bad news is that much too high a proportion of universities' own access funding is still devoted to scholarships and bursaries. This must be changed if the target to double students from low-income families is to have any hope of being attained.

Let me describe the various ways universities spend access funds and explain my reasons for favouring some and not others. Over 60% of what they currently spend is on bursaries and fee waivers even though they are not an effective way of encouraging applications from poor students. Since both maintenance loans and fee loans do not have to be paid back until graduates start earning £21,000 or more, fee discounts or bursaries give students no immediate incentive to go to university. It is hardly news that young people tend not to look far ahead when it comes to financial planning! The rest of universities' widening participation programmes are divided into outreach; student success; and progression.

Outreach is essentially about raising awareness of the benefits of higher education before students apply. It covers school visits by academic or specialist access staff or by undergraduates, homework clubs, or summer schools which sixth form pupils can attend to get a taste of university life. Some outreach work is done through links with employers and communities, though most of it is focused on schools. A serious criticism of university outreach is that it is rarely undertaken in FE Colleges in spite of the fact that approximately half of all full-time students aged 16-19 are in FE not at secondary schools, and many of them are from disadvantaged backgrounds. As a Minister I spent a lot of time promoting Further Education and the needs of its 300,000 plus students. If only universities would reach out to them more.

The other criticism of their outreach is that it is often untargeted, casting the net too wide and that it sometimes undertakes work which really should be done by the schools themselves. For example, I am sceptical of programmes which cover a wide range of age groups starting as early as ten year olds in primary schools. Surely it is better to concentrate resources on older children who are closer to making decisions about their post-school destinations? Homework clubs, which are a good idea, can and should be run by schools; universities can provide little added value. In contrast summer schools, or even better week-end schools run over some months providing a university type learning environment for sixth formers, are a valuable form of outreach since they can boost the confidence of their participants as well as motivate them, and are difficult for schools to provide. At this point I want to make a more general point about schools in poor communities. The many challenges they face include truancy, pupils acting as carers for younger siblings, drugs, radicalisation, rejection of the authority of teachers, poor housing conditions and family problems. They need more help to surmount them, if they are to make progress too in raising the A Level grades of their pupils.

Whilst outreach activities focus on increasing applications from disadvantaged students, student success and progression emphasise supporting students once they have entered university. This is where more effort and a

greater allocation of resources is required. It is not enough just to get disadvantaged students to university. They need help when they arrive too. I do not favour extra foundation years. The cost to the individual is too high in terms of fees, maintenance and above all foregone earnings associated with adding a year to their studies before they graduate. Instead both UUK and Offa are now encouraging what they call a 'whole student lifecycle approach' which is endorsed by the new White Paper, I greatly welcome this. On arrival students can be provided with study skills programmes, and mentoring to help them settle in. Remember many students from low income backgrounds have never left home before. Progression programmes focus on making easier the move from one form of learning to another, including support for dissertation writing and, towards the end of a degree course, for progression into employment.

The small shift towards these kind of programmes and away from direct financial support it is far too slow. Many universities are still asking their alumni to give money for bursaries when other forms of support would lead to better outcomes. Apart from a pot for hardship funds to be drawn on in a targeted way when a student runs into a financial crisis, all the evidence points away from current policies on financial support. The IPPR Commission on the Future of Higher Education came up with a neat funding proposal to support widening participation. It recommended the introduction of a student premium of £1000 extra per student from a low-participation area or who has received free school meals. In advocating this it drew on the system of pupil premiums in schools, where it has been recognised that schools with large numbers of disadvantaged pupils need additional resources to help them improve outcomes. It is a simple and transparent way of encouraging schools to tackle educational inequalities. Applied to universities it would provide an incentive to recruit students from low-income backgrounds, would be simple to administer and would encourage more interest in supporting them in a transparent way once they have been admitted. It has not been taken up by the Government. Moreover the Government took a backwards step when it announced a 50% cut in the £380 million Student Opportunity Fund which focuses on the retention and progression of disadvantaged students. The Government knows that a target on entry is not enough. It must help universities overcome drop-out too.

In pursuit of social justice we cannot simply aim to increase the numbers of poor students in higher education; we must also seek to ensure they gain admission to selective institutions. However much effort is put into outreach programmes to encourage applications to universities with high entrance requirements, they will have a poor outcome if the bar is so high that these applicants are rarely actually accepted. Many selective universities pay lip-service to contextual admissions, where the applications of potential students from schools with poor records in sending pupils to high status universities and from disadvantaged neighbourhoods are flagged up as worthy of special consideration. The underlying goal is to take into account educational inequality and poverty and to consider students in terms of their potential not just their prior achievement.

The problem is that few selective universities systematically use this information to make lower offers with respect to A Level grades. There is little point in getting the data unless universities have the courage to use it in making their offers. I don't understate the need for a robust and brave rebuttal when faced with howls of outrage from the Mail, the Telegraph or the representatives of independent schools. However, there is now plenty of support for this approach from HEFCE, from the Independent Reviewer on Social Mobility, from Offa and from the Government itself. Universities UK also needs to take a stand on this so that no individual university needs to feel isolated when faced with self-interested, hostile criticism. In the interests of fair access we need to give credit to the young person who, in spite of indifferent teaching, peer pressure to attach little priority to academic work, overcrowded housing, lack of parental support and little or no access to valuable extra-curricular activities, still manages to get an A and 2B's at A Level. They have triumphed against adversity and Russell Group Universities should celebrate their success by admitting them.

There are big disparities in the record of these universities in reaching the benchmarks set for them by the Higher Education Statistics Agency. One of the measures relates to the proportion of state school pupils, the other relates to access by students from less advantaged social backgrounds. Those institutions failing to reach their target on one measure tend to fail to do so on the other too. The five universities performing least well are Oxford, Cambridge, Bristol, Durham and Imperial. Yet other world class universities such as LSE or Manchester meet their benchmarks. If some can do it others can surely do so too. An international reputation largely based on research, is perfectly compatible with having a more diverse student population reflective of the wider society. This irrefutable fact is underlined by the example of a group of Ivy League universities in the USA. These institutions, which include Harvard, Yale, Princeton and MIT, actively seek to have a diverse population of students drawn from different socio-economic and ethnic groups. They take into account a broad range of criteria and do not rely solely on applicants' school results or grade point averages. They also argue that a diverse student population enriches the experience of all students including those from highly privileged groups by expanding their horizons and introducing them to people whom they have never 'rubbed shoulders with' before.

The newspaper league tables include data on the entry grades of students in every institution; the higher the grades the higher the rating universities are given. This acts as a disincentive to them if they wish to attach more importance to potential than A-level results by accepting disadvantaged applicants with lower grades. A way needs to be found to get round this. The IPPR Commission suggests a neat solution: the compilers of league tables should exempt 10% of the lowest grades from their tariff calculations as long as universities commit to using them for contextual offers. I have one criticism: 10% is too low a proportion to dent the unacceptable exclusion of so many disadvantaged yet motivated and aspiring young people from selective universities. I

suggest a figure of 20% and propose this in a context where just to reach its HESA benchmark for state-educated entrants Oxford, for example, would need to increase the proportion of its intake from state schools by 24%. It is also the case that asking for lower A Level grades from disadvantaged students is highly unlikely to damage eventual outcomes. Research shows that students admitted on slightly lower grades go on to score above average in their degrees.

I want to end this part of my talk with a more radical suggestion. Building on the diversity model promoted by some internationally renowned American universities should we not try to change the increasingly rigid stratification of British universities with respect to their undergraduate populations? Top tier entry requirements of an A* and 2A's or above, followed by the next group requiring 3 A's, followed by 2 A's and a B, all the way down to a group with minimum entry of 2 E's, leads to social as well as academic selection. Independent school pupils get better A Level grades on average than state schools and pupils with parents in professional and managerial occupations do better than those from manual occupations within state schools. Would it not be a worthy goal to try to create 'comprehensive' universities with a much more socially and academically mixed student population than exists at present? This would require the acceptance by high status universities that selection has already kicked in at age 16 when many young people opt out of an academic route and do not take A levels or their equivalent. Most of those that remain are capable of studying for an undergraduate degree. Therefore the super-selection that then takes place at 18 can easily be avoided in the interest of creating socially and ethnically mixed populations of students, well able to benefit from study at first degree level.

It will be more interesting and more challenging to teach diverse groups of students. It will be a big bonus for the students themselves, who will escape from the current unfortunate segregation which occurs in our HE system. They are more likely to learn to respect and treat as equals people with profoundly different backgrounds. Should we not do far more to prevent elites from spending the whole of their education and indeed much of their lives ignorant and sometimes prejudiced about their fellow citizens? If they are to occupy positions of power and authority in political, economic, professional and cultural roles in a democracy this should surely be avoided. So I look forward to the day when the proportion of students from ethnic minorities and low income backgrounds at our research intensive universities reflects their proportion in the population of students with three B's or more at A Level. Then they really will be adding value both for the new disadvantaged students they admit, and for their typically privileged students.

I said earlier that I would return to part-time study which is a vital route for mature students. Higher education is not and should not be conceived as a stage through which young people progress after leaving school. It should be available for people to start and to return to at any time in their lives. Birkbeck, founded nearly two hundred years ago in 1823 as the London Mechanics Institute for men who worked by day and studied by night, not long after to include women too, embodies this concept as does the Open University, founded in the 1960's. Part-time students are by no means confined to Birkbeck and the OU; they study across most of our universities. However, recently, there has been a disastrous decline in their numbers. Overall part-time student numbers dropped by nearly 50% from 2010/11 to 2013/14, which was described by the Social Mobility and Child Poverty Commission as 'an astonishing and deeply worrying trend'. We must try to address this because of the importance of giving people who missed out earlier a second chance later, since many of those who failed to continue full-time study at eighteen did so because of the social disadvantage against which they were battling. Moreover anyone with experience of teaching these students will recognise that they are often the most committed and highly motivated students they will come across.

This steep decline follows an earlier reduction in part-time mature students after the then Labour Government cut universities' funding for these students taking a second first degree because they wanted to switch to a new field or acquire further specialist knowledge. The introduction of fees of between £6,000 and £9,000 hits these students directly rather than their universities. Whilst school leavers are prepared to take on large debts, which do not have to be repaid for some time, mature students studying part-time appear to be unwilling to do so. Many of them already have mortgages and child care costs and salaries high enough to trigger immediate repayments on graduation. Their employers are also less likely to pay their fees than in the past because of the huge hike. The Government's recent decision to make maintenance loans available to part-time mature students is unlikely to make much difference. Only about a third of part-time students eligible for fee loans take them out, almost certainly because of debt aversion rather than ignorance of their existence, so why would they take up maintenance loans? It is gesture politics by the Government.

The challenge is to find a more radical solution with a better chance of working. Dismantling the current fee structure for these students is probably the approach that is likely to have the greatest success. This would require a return to government grant to universities for a substantial part of the cost of all part-time places in the same way that an element of grant is provided for full-time places in STEM subjects. Providing part-time places is more expensive, as is the case for STEM subjects. Small up-front charges for some tuition costs might be required from the students themselves and from their employers possibly, perhaps also giving them an incentive via lower National Insurance contributions for every employee whose fees they pay. Without new policies there is a danger there will be a continuing decline in these students.

I now want to reflect on the destinations of different groups of students when they graduate, examining the role of both universities and employers. The main economic driver of the expansion of higher education has been the growth of the knowledge economy. A growing proportion of jobs are in knowledge based services, which require

high level skills and the ability to be analytical and inventive with the capacity to promote innovation. If universities are to fulfil their role in creating a workforce with these attributes the first requirement is to provide the courses needed along with high quality teaching. They have a second responsibility to which much less attention is paid, which is to help students find appropriate jobs where their skills and knowledge can be properly applied. The goals of economic growth, social justice and the narrower public policy objective of ensuring as high a proportion as possible of loans for fees are repaid as a result of high graduate salaries, all come together. Sadly too many new graduates do not find their way into well paid graduate level employment, yet employers complain they have vacancies requiring advanced skills which they are unable to fill. Moreover forecasts suggest there will be as much growth in these areas over the next five years as in all other types of employment combined together.

Work experience during undergraduate courses and internships during long vacations and on graduation are valuable routes into employment. The evidence suggests that neither employers nor universities are doing enough to help graduates from all social groups to secure them. It is easier for young people to obtain internships or unpaid work experience if their families and friends have the necessary networks of contacts. The Sutton Trust is particularly critical of the practice of providing internships without pay, suggesting that this disadvantages new graduates whose parents cannot afford to support them. Since around a third of work placements are converted into paid graduate level jobs, clearly those who cannot exploit these opportunities lose out against their more privileged peers.

If the concept of a 'whole student lifecycle' I mentioned earlier is to be adopted it is important that universities become much more pro-active in helping their final year graduates to find rewarding graduate level jobs and that applies to those completing masters degrees too. In doing so, universities need to focus on all under-represented groups but should pay particular attention to certain categories such as those from care homes with no family back up or those from parts of the country where there are few graduate opportunities. They need to work closely with graduate recruiters in the public and private sectors to advise them on their options and to help students prepare their job applications. Some may say this should not be necessary and by this stage new graduates should be able to stand on their own two feet. The evidence suggests otherwise.

When I was Vice-Chancellor of Greenwich University I was shocked to discover that what are sometimes referred to as elite employers, such as the big four accountancy firms, the City law firms, and FTSE 100 companies, only recruited from a narrow group of prestigious universities. This meant that even the most able student at a new university with a highly diverse intake could not even get to the starting gate. When I challenged some of these firms I found it had not occurred to them that they were operating an insidious form of discrimination. The firms were targeting their recruitment on universities with the lowest proportion of students from disadvantaged backgrounds: the Social Mobility Commission cites a figure of only one in ten. It correctly argued that 'firms are missing real talent, and young people are missing out on the opportunities that they have been led to believe university will open.'

In these cases it is about converting degrees into top jobs. However, universities have to do more than support their students in accessing such jobs. They have to work with students who are not going to become bankers, management consultants or lawyers in city firms, in helping them identify the right career for them, and then how to get their feet on the ladder. Without this help a significant proportion of young people drift into unrewarding and poorly paid positions with few prospects, or even worse into unemployment. The Government's White Paper proposes holding universities to account for the employment outcomes of their students. I support this but more information is needed on how it will be done and account needs to be taken of the make-up of the student population of individual universities, particularly in terms of the subjects they study, because of the big differences in job opportunities entailed.

A recent study by the Institute of Fiscal Studies takes much further some work done at LSE on graduate salaries. The LSE study found that even when young people from poor families access top jobs it is likely that their pay will be lower than their privileged peers. The IFS study is a complex and ingenious piece of work, which I recommend reading and which confirms these findings. Much of the media commentary focused on subject differences in graduate earnings ten years after graduation, as well as institutional differences. Much was made of the fact that creative arts degrees led to the lowest earnings compared with very high earnings for medicine and economics, irrespective of the institution attended. The best way of summarising it is to quote from its conclusion. What the authors say is as follows:

'… graduates' family background – specifically whether they come from a lower or higher income threshold – continues to influence graduates' earnings long after graduation. Graduates from higher income households earn more (up to around 60% more for males and 45% for females) than their peers from lower income households. This gap is by no means entirely explained by differences in the subjects studied or institutions attended by graduates from higher or lower income households, though it is substantially reduced once we account for these factors. When we take account of different student characteristics, degree subject and institution attended, the gap between graduates from higher and lower income households is still sizeable, at around 10% at the median. Further, we find that the gap is larger at the 20th and 90th percentiles of the graduate earnings distribution, suggesting coming from higher income households both protects against low earnings and provides greater opportunity for very high earnings.'

As I am sure you will agree these findings should make us all think about what universities can do to help

students from disadvantaged backgrounds make the transition into the labour market successfully. They also challenge employers to take a radical look at some of their practices.

The wider inequality that characterises our society is of course the source of much of the social injustice I am asking universities to confront. While acknowledging that, I still maintain that universities can and should play their part in trying to mitigate it. When I hear representatives of universities with few students from low-income families claiming it is the fault of the schools for failing to produce more pupils from these backgrounds with high A Level grades, I despair. Instead of just blaming schools which are beset with other problems there is a great deal the HE sector can do. The Government is well aware of this but does not always identify the best ways of encouraging it. How much better it would be if it were to rethink the intrusive and over complex measures it proposes for assessing the quality of teaching, the outcome of which it wants to link to the fees universities are allowed to charge. How much better it would be if instead it provided an incentive to universities to reach their benchmarks on the social composition of the student population by linking that to the fees they are allowed to charge. These benchmarks, unlike teaching quality, are easy to measure.

There are other policy changes required which I have not been able to cover, which relate to providing more progression from Further Education vocational qualifications and from apprenticeships into Higher Education. But that is for another day. Meanwhile, I hope that what I have set out here today will convince you that we can make more progress in diminishing educational inequality, if we give it the priority it deserves, embrace the whole student lifecycle approach, and truly value diversity amongst our students.

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