

Willetts the Conqueror

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The article we print here is an introduction to a four-part review on the HE Marketisation blog (<https://hemarketisation.wordpress.com>) which describes itself as providing a 'data-driven analysis of higher education reform informed by finance and economics aimed at activists and trade unionists'. David is the editor of the blog, has worked in higher education for six years, and has also been an active trade unionist in UCU, as well as in his local trades union council in Coventry. UCU is currently on strike over proposed reforms to the Universities Superannuation Scheme (USS), which employers claim faces financial difficulties unless fixed retirement incomes are dropped. Sam Marsh's posts on the blog, 'Ten reasons why USS is a scandal waiting to bite back' and 'What can be done for USS?', have been influential within the growing public debate about the dispute, and provide a good background to the issue.

Before Jo Johnson and Sam Gyimah, there was David Willetts. As the Minister of State for Universities and Science from 2010 until 2014, under the Tory-led 'coalition' government, Willetts oversaw the introduction of a market into the English higher education system - often referred to as 'marketisation'. As a result, he has become a somewhat hated figure for those who have had to suffer the consequences of this 'experiment' in HE reform, so much so that Willetts has often been on the receiving end of protests and abuse from those studying and working in the sector. In his recently published memoir-cum-rationalisation *A University Education* (1), Willetts recounts one of the 'saddest experiences' of his time as Minister, when he was trying to deliver a lecture on the benefits of 'unleashing the forces of consumerism' at the University of Cambridge, only to be 'shouted down by angry students chanting that they were not consumers' (p279 - all page references to Willetts's book). This is only one of many anecdotes in the book pointing to the massive (justifiable) resistance and anger that Willetts faced while rolling out his reforms.

To say I had mixed feelings when reviewing this book is somewhat of an understatement. I was studying for my undergraduate degree when the Financial Crisis 2008-9 hit, and when I graduated I spent two years unemployed in London. In order to ride out the storm, I started a Masters degree in 2010, the year that marketisation began. After finishing my Masters I managed to scrape a few

hours as an hourly-paid lecturer (while holding various other part-time jobs to make ends meet), and have been on such a contract ever since. I expected to hate the book, for it to be simply an ideological expression of 'neoliberalism', an apologetics for the destruction of a world-leading system of public higher education, a justification for the privatisation of yet another institution of the welfare state. It is, in fact, all of these things. However, I found to my surprise that (up to a point) the book was also very readable, with Willetts portraying himself as someone who meant well - the book begins with the statement 'I love universities' and, to some extent, meticulously researched.

It is important to give credit where it's due, and to note that Willetts genuinely believed and stands by what he did as universities minister:

The system of fees and loans has now been operating for over a decade. It has been a conspicuous success - broadening participation in higher education, bringing more funds to university education, and saving public money. Taking most of higher education out of public spending has led to the removal of direct controls set by Government on student numbers university by university. Sweeping away those absurd controls is one of the great social reforms of the Coalition Government and it was fitting that we should announce that policy in 2013, the year of the fiftieth anniversary of the Robbins report. (p86)

This quote conveys how Willetts sees himself as a great emancipator, comparing himself (by implication) in the book to not just Lord Lionel Robbins, but also to figures like Napoleon Bonaparte, William Gladstone and Margaret Thatcher. What these figures all have in common is a war against various forms of what Willetts calls 'producer power': the absolutist medieval state, the Oxbridge 'duopoly' and the trade unions (respectively).

Rather than destroying the HE system, Willetts considers that he 'saved' it from the cuts. He wilfully ignores the origins of these cuts in the Tory austerity agenda, the Financial Crisis and a long history of Thatcherite privatisation that Willetts's marketisation is in fact the completion of. Nevertheless, he is immensely proud that he was 'able to deliver one of the single biggest cuts in public spending of the Coalition whilst at the same time increasing the total cash going to universities for teaching and access by £1.5 billion' (p67). 'That's not bad', he concludes. Willetts the conqueror of *bad* monopolies delivered the 'necessary' cuts while increasing funding per student. But more importantly, he found a way to abolish the student numbers cap and achieve what no other UK government had achieved, not even Labour under Tony Blair: mass higher education. Let's not dwell for too long on the £50,000 debt that students now leave university with, or the infamous and ever-rising RAB charge (2) - which measures how close the reforms get to costing the Government as much as the publicly-funded system that preceded it.

At first glance, the book seems to be irredeemably beset by contradiction. Superficially, it is full of contradictions, but at a deeper level there is an underlying ideology that gives it a coherence and that reveals the not-so-innocent neoliberal political project that Willetts conveniently erases from the book. Willetts surprisingly admits that the market in HE has not appeared and cannot, due to the nature of the income-contingent loans system. This is because their delayed repayment and 30-year write-off undermine the function of the headline fee as a 'price' - students never really experience the up-front cost of £9,000+ fees, and therefore do not act like savvy consumers in the 'marketplace' of HE.

In retrospect, Willetts also concedes that his claim in 2010 that £9,000 fees would be 'exceptional' was 'a mistake - a wrong forecast based on a false analysis' (p83). Originally conceived of as a 'variable' fee system, the £9,000 fee cap was supposed to give 'challenger' institutions - not just for-profit providers but also post-92 universities - space to undercut traditional, elite universities that were expected to charge the full amount, and would justify this not just in terms of elite HE as a 'positional'

good, but also with reference to the higher cost of their research-intensive subjects. But almost all universities immediately charged the full amount, frightened that sub-£9,000 fees would indicate poor quality. The Office for Fair Access (OFFA), which was tasked with policing the variable fee system, turned out to have no concrete powers to do anything about it.

In one of the many moments of humility running through the book, Willetts reveals that this lack of price competition was a 'terrible let-down' for some of his Tory peers (p84). He admits that his 'rising tide that lifts every boat' rhetoric led to a widespread belief that the 'reforms should generate price competition or they would have failed' (p83). Yet in later chapters he writes about 'empowering the student as consumer', arguing that marketisation 'harnesses the power of choice and competition' to drive up quality. I originally approached the book with a very simple research question: is Willetts a misguided free-marketer, the inevitable result of his University of Oxford PPE tertiary education, or is he a cynic, expounding what Philip Mirowski (3) calls neoliberal 'double truth' to hide the harsh reality of corporate asset-stripping of previously state-protected public goods?

The answer is quite simple: Willetts is in fact a *textbook neoliberal*. As Will Davies (4) has shown, the key to the shift from liberal to neoliberal economic theory lay in the latter's acceptance of monopoly as the successful outcome of competition, not as an example of 'market failure', as the former believed. The monopolist is the entrepreneur (individual or firm) that has played the game well, the ability to control prices the reward. But monopoly is only ever temporary - it is always possible for another entrepreneur or firm to play the game better and gain temporary advantage - or in some rare cases, rewrite the rules completely (often referred to as 'disruption'). In an impressive about-face, neoliberalism 'reconciled itself to monopoly and became its mightiest champion, despite its worldview - in theory - being based on a religious devotion to the genius of economically competitive markets' (5).

Willetts seems to rehearse this journey from competition to monopoly through the course of the book, in the latter chapters admitting that the reason he 'was so keen on promoting alternative providers' was that he hoped 'at least one big British based global higher education chain would emerge' (p317). The justification for monopoly is couched in cliché-ridden theories of technological 'disintermediation', which propose, as all theories of disruption do, that the 'creative destruction' of traditional markets is inevitable and not a matter of politics at all. Perhaps more disturbingly, the hope

that the UK will produce HE oligopolies to rival those in the US is justified within a neo-colonial 'ambition' to 'help to educate the world, drawing on the prestige of our education institutions and exams and the global role of our language' (p319).

So why read *A University Education*, if it is so ideological and self-congratulatory? Because, if read critically, it contains a lot of useful information about the history of universities, HE policy and the politics of knowledge production. It also clears up many of the common misunderstandings about income-contingent loans and the government accounting mechanisms behind them. But most importantly, it is the clearest expression of the principles of HE marketisation published so far, even more so than some of the best critiques (6). That is because it comes straight from the horse's mouth. If you want to understand marketisation, this book is essential reading - especially for activists and trade unionists who are still dealing with the fallout of what is described. But more importantly, the book marks out the terrain of the battle against marketisation, and hopefully the forthcoming four parts of this critical review on the HE Marketisation blog (www.hemarketisation.wordpress.com) will help sketch out a map for the war to come.

References

- (1) Willetts, D. (2017) *A University Education*. Oxford: Oxford University Press
- (2) RAB (Resource Accounting and Budgeting Charge) is the estimated cost to government of borrowing to support the student finance system.
- (3) Mirowski, P. (2013) *Never Let a Serious Crisis Go To Waste: How Neoliberalism Survived the Financial Meltdown*. London: Verso
- (4) Davies, W. (2016) *The Limits of Neoliberalism: Authority, Sovereignty and the Logic of Competition*. London: Sage
- (5) Foster, J. B., McChesney, R. W. and Jonna, R. J. (2011) 'Monopoly and Competition in Twenty-First Century Capitalism', *Monthly Review* 62 (11)
- (6) See for example: McGettigan, A. (2013) *The Great University Gamble: Money, Markets and the Future of Higher Education*. London: Pluto Press

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For the mass of people, access to valid post compulsory education and training is more necessary now than ever. It should be theirs by right! All provision should be organised and taught by staff who are trained for and committed to it. Publicly funded provision of valid post compulsory education and training for all who require it should be a fundamental demand of the trade union movement.

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