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# When a nurse repays more than a banker, it's time to scrap university tuition fees

*[Danny Dorling](#)*

The English student loan system is unfair and the Augar review doesn't even start solving the mess  
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As August approaches, university administrators will begin to sweat. This is the worst summer in living memory for post-18 education in England, thanks to the falling pool of students. This year there are 115,000 fewer 17- to 18-year-olds than in 2012, when tuition fees rose to £9,000. The drop in Wales is even greater. So there will be fewer bums on seats this autumn. And since universities have expanded hugely to cash in on fees, the introduction of the market has created a [bubble](#) that is now bursting.

There has been a growing sense of panic, and one response was the [Augar review](#), commissioned by Theresa May. May ruled out a return to a fully taxpayer-funded system, so the review had to be narrow in aspiration and imagination. Then, of course, May bungled Brexit, and put off many [overseas applicants](#) to UK universities through her [hostile environment](#) and xenophobic rhetoric, making things worse.

Constrained by circumstances, Philip Augar and his colleagues produced recommendations that would extend the duration of tuition loan repayments to 40 years and double the overall repayments of some of the lowest-earning graduates. The reception to the report in UK universities (outside of Scotland) was alarm.

May resigned and Augar was shelved. Neither candidate for the Tory leadership has shown any interest in the topic, so now we are back to panic.

Today the [Progressive Economy Forum](#) (PEF), a group of independent economists, publishes a [new report](#), explaining why the Augar review fails and how even more of the evidence points strongly to abolishing tuition fees, which is Labour's policy.

A huge injustice remains in the system. Consider a nurse and banker, both graduating with a debt of £44,000. The nurse will never fully pay off the debt; the banker will do so in 17 years, accruing £11,000 in interest. The banker's total repayments will be £55,000; the nurse's £59,000, £18,000 of it interest. Under Augar's system, the lifetime repayments [by some lower-earning female graduates](#) would actually double. That's not fair.

For fees and loans to work, the highest-paid UK professionals would have to carry on being paid many times more than those in ordinary jobs – otherwise the entire loan book would collapse. The UK already has the highest income inequality in Europe. The current system locks in that gross inequality so if we want a more equal society, we will have to scrap it.

The PEF report suggests a cap on future debt repayments as soon as Labour or a Labour-led coalition is in government. All [debts would be cancelled](#) for students who began studying in the previous year.

The result of the current bungled system is that the government may retroactively change the repayment terms of student loans and sell them off below their value to serve the financial sector, or meet its own superficial budget targets. That's not fair.

But defenders of the system claim abolishing tuition fees is not practical, nor affordable. That disingenuous framing is an attempt to disguise a question of fairness – of who should pay – as a question of what is possible. The question of whether we can afford higher education has already been decided (we can). As we now know, [loans cost far more](#) than paying by general taxation. Funding university education via taxation, therefore, is a progressive shift in the burden of payment for an existing service.

We are told that abolishing fees would require eye-watering tax increases. This is utterly misleading. Given that student loan repayments under the present system are a quasi-graduate tax, all that is needed is a change to make taxation more egalitarian, not an increase.

Do our proposals sound radical? They shouldn't. People across the rest of Europe pity England for our student loans and fees.

To be fair to Augar, the only way to truly review post-18 education would have been to ignore May's preconditions and propose something more radical.

Meanwhile, in the US, the presidential hopeful [Bernie Sanders](#) proposes to “completely wipe out the student loan debt of every single American”. The price tag would be \$1.6tn (£1.28tn), paid for by a new tax on Wall Street. Our idea is more modest. We're not suggesting a full cancellation of outstanding debt. We are simply proposing the fairest and most economically efficient way out of this mess.



Democratic presidential candidate Bernie Sanders has promised to erase US student debt if he wins. Photograph: Charlie Neibergall/AP

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*Peter Scott*



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