

# Standing at a crossroads

Labour's £6K fees plan raises hopes for a new covenant between the sector and the state, writes Danny Dorling

Not long after £9,000 a year tuition fees were introduced in the 2012 “reforms”, a myth was born: the bottom 30 per cent of graduates were better off so the reforms were progressive. However, a reform is not progressive if it takes slightly less from those who end up with least and could never pay back their loan. It is also not a “reform” to privatise higher education. Individualised tuition fees were an error. They need to be reduced to zero, as in Germany. Labour's proposal to reduce the maximum to £6,000 takes us a third of the way there.

A progressive reform of higher education tuition funding does not stack yet more debt on to yet more young people, but uses general taxation to fund the collective good. About 30 per cent of all income tax is paid out of the pockets of the best-paid 1 per cent. Getting them to pay for the social infrastructure of the country they profit from being in would be a progressive reform. In its new proposals, Labour targets the

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pension tax relief of the 1 per cent to fund the costs of dropping fees to £6,000.

The 1 per cent react predictably. Writing in *The Sunday Times*, Camilla Cavendish begins her attack on Labour with the words, “As a parent whose eldest son has just turned 13, with two more coming up behind him...”, as if she is somehow typical of all those concerned parents across England who might welcome the cut in their children's student debts. But then Ms Cavendish rubbishes the proposals. Nowhere does she mention her financial position, or that of her husband, Huw van Steenis, head of the Europe, Middle East and Africa banking and diversified financials teams at investment bank Morgan Stanley.

People in such a position find it convenient not to be paying for the higher education of children from poorer families through their taxes. They are part of a small group who can easily afford to pay their children's fees up front should they wish. Paying university tuition fees is not an issue for the rich, being much less than school fees and

often paid in the same way, without loans or interest.

English society is divided into the haves, might-haves and have-nots. The might-haves read *The Sunday Times* where they are told what is in their interest by the haves. They are never told that the Million+ group of universities, which educate more than 2 million students a year, wholeheartedly accept Labour's proposals, described as “very welcome” by Michael Gunn, the group's chair and vice-chancellor of Staffordshire University.

And who would lose out? The Institute for Fiscal Studies calculates that if Labour's proposals were implemented then the tiny proportion of the population paid more than £150,000 a year, just over 1 per cent of all adults, would receive tax relief of only 20 per cent on their pension savings and they would be eligible for full tax relief on pension contributions of only £30,000 a year instead of the current £40,000. Cutting a few of the perks of the very richest UK pensioners can allow tuition fees to be cut by a third, and universities not lose out.

Keith Burnett, vice-chancellor of the University of Sheffield, and Yael Shafiritz, president of Sheffield Students' Union, issued a joint statement last week which concluded: “We believe that the future of society depends on effective publicly funded education at all levels, including higher education, and that this should be funded by the nation.” Sir Keith added: “I would personally welcome a reduction in fees but only if there is a cast-iron guarantee of long-term pound for pound replacement funding – without it, universities simply won't be able to give students and the country what they need...Our current system is under duress by both an unsustainable loans system and off-putting measures for international students who are so vital to our capital investments and facilities...We need a long-term credible alternative based on a proper covenant between universities and wider society.”

We are at a turning point. One way leads to further privatisation, ever-higher fees, unsustainable loans and a country again dominated by aristocratic families (the new 1 per cent). The other path is to something actually progressive, a new covenant. The first step is to cut fees to £6,000.

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