

## Willetts' pricing fiasco - nasty social engineering for...

Published: January 13, 2026, 6:54 am

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The [Guardian reports](#):

*The universities minister, [David Willetts](#), has refused to withdraw his claim that most universities will charge more than £6,000 a year only in exceptional circumstances, as cabinet ministers privately admitted the plans were in serious disarray.*

Ministers are now looking at cutting student numbers to offset the higher than expected cost of loans to the Treasury from a higher average fee.

Even modest institutions look like they'll be charging £9,000 a year tuition fees now that is allowed in law.

Willetts said he didn't see this coming, but that's just another example of his failure to engage even one of his supposed two brains. When it's apparent there are more students than places in the UK university system - a situation created not by demand for education but because having a degree is now used as a basic filter for entry into many jobs, whether or not degree level education is a pre-requisite for undertaking the resulting tasks on which the person will be engaged - this outcome was inevitable.

Two things follow. First it shows that Willetts does not understand the demand for education - which is a classic Giffen good because of this perverse incentive to buy it, whatever the price.

Second, note what it says in the second para of the Guardian article quoted. The government is going to have restrict demand for places because the loans it is going to have to create to finance loans of £9,000 a year are too great in value: the cost of education has not risen but the cost of creating the financial services products that are to be used to fund that education are now too great. But those financial services products are the main reason for this change; that and restricting access to jobs.

The government wants people to be in debt. People who are in debt don't riot, they think. People who are in debt are slaves to the wage system. They do what they're told. That's the real reason for student debt. It's a financial services product intended to be

sold as securitised debt, for which the 'market' has unlimited need, but which achieves the social goal of ensuring those without wealth are kept firmly in place.

And it restricts access at the same time: I suspect that's a goal too. That opens the way to two things. First it opens the way to privatisation of universities - and second it lends support to the demand for lower tax - because it will be claimed tax can't supply an essential education so it has failed and so must be cut. Blow those whose lives are messed around in the meantime.

This is nasty social engineering to create financial products that enslave people and at the same time ensure the failure of universality to benefit the creation of a market which will always deliver a second rate product.

This suits the 1%. But I'm [not sure the 99%](#) will put up with it for long.