

University tuition fees are sucking the economy dry

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Rishi Sunak announced his plan to publish data on supposedly poor performing university courses yesterday. Tory spokespeople were reluctant or unable to say what these courses were. None were willing to give an example of a single course that met this criteria.

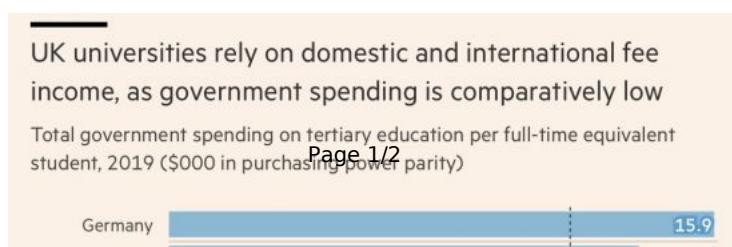
But let's just consider the issues involved. The first is that it would seem that a poorly paying course is one where the government thinks that it is unlikely that it will recover the student loan advanced to a student to participate in the course. That means that there is inherent class bias in what Sunak says. Rich students do not take out fees to pay their loans. Their parents pay for their courses instead.

If this is the criteria then it is also sexist. The average male student enhances their earnings over their life by about £130,000 by going to university. The average women student does so by £100,000. The risk of bias is very obvious as a result. Women do, of course, repay less of their loans as a result.

Third, this takes no notice of the massive increase in student loan fee charges arising as a result of inflation and the extortionate demands for additional interest that have arisen upon them as a result. I don't approve of student loans, and never have. I always believed in grants. But what I am quite sure about is that an incredibly low rate of interest, if any at all, should be charged on these loans. Instead, excessive rates linked to inflation are, all for the reason of making them saleable to private equity capitalists.

Fourth, there is another issue. The tuition fees students now pay are also, according to the FT today, now unable to cover universities costs to provide undergraduate education. We are, in effect, wholly dependent on overseas students to now make UK universities viable going concerns. Except that in some cases that is not true: I am aware of a number of universities that are facing very difficult financial positions.

And why is that? This chart from [the same FT article](#) explains it all:



Yet again the UK lags well behind the rest of the world, as it also does on healthcare.

In other words, as a result of austerity and all that went with it we neither have a fit workforce or one properly trained for the roles that young people might have in the future, at least as far as government spending is concerned, and all because we have instead burdened a generation with excessive tax charges that the very wealthiest would moan about as being utterly unreasonable.

And then we wonder why people cannot save, buy a home or pay for a pension.

It's not low quality degrees that are harming the UK, as Rishi Sunak's would have it. It is our refusal to educate the young people of our country for the contribution that they might make to it that is leaving us with such problems. And after that it is fact that we have burdened them with debt that incapacitates the economy.

Sunak will not, of course, understand any of that. He can afford to pay private boarding school fees for his children. They will never know what student debt is. But in the real world it is crippling, and is so by government choice. And the tuition fee system is also undermining our universities.

Altogether, this is another fine mess Tory austerity has got us into. There are ways out of it. But Labour has backed away from them. We are destined to remain in a mess whilst the wealth of younger generations is sucked from them to keep baby-boomers who paid nothing for their university educations in retirement.