

# Do we want the UK's universities to go bust?

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I have published this video this morning. In it, I ask whether Labour is really going to let some UK universities go bust, which they almost certainly will if it does not step in to save them? Do they really want to be the party that oversaw the start of the decline in UK education? That's a long way from the legacy they'll want.

<https://www.youtube.com/watch?v=Rf1W9XHcOD4>

The audio version of this video is here:

[https://www.podbean.com/player-v2/?i=u46e4-167c5bd-pb&from=pb6admin&share=1&download=1&rtl=0&fonts=Arial&skin=c73a3a&font-color=&logo\\_link=episode\\_page&btn-skin=ff6d00](https://www.podbean.com/player-v2/?i=u46e4-167c5bd-pb&from=pb6admin&share=1&download=1&rtl=0&fonts=Arial&skin=c73a3a&font-color=&logo_link=episode_page&btn-skin=ff6d00)

The transcript is:

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Do we want the UK's universities to go bust?

I asked the question for a very good reason. There looks to be a chance that at least some of them will.

According to the Office for Students, which is the government agency that looks at these things, around 40 of the UK's 120 or so universities are at present in deficit.

When I hear from the universities themselves and what they're saying to the media, I gather that seventy of those universities are at present sacking staff, or are looking at closing courses, or cutting or even shutting down whole faculties.

Now, this is big. Why is it big? Because there are around 2 million or so students at universities in the UK, and there may be more than 200,000 people working at the UK's universities, and I might be underestimating that.

My point, therefore, is that this is a serious part of the UK's economy, which looks to be in a very vulnerable state.

And that part of the economy has also been exceptionally important for the UK's foreign earnings. And we need those foreign earnings because, as most people know, we import more goods than we export, and so it is things like earnings from the universities sector that help make up the difference.

So, what's going on? Well, everyone knows that there are more universities now than there were when, well, I was an 18-year-old. At that time, about 1 in 8 young people in the UK went to university, and I was one of those fortunate ones. Now, it's coming on for 1 in 2 go to university, and that's obviously a massive change within this country.

But there's another factor, too. When I went to university the number of people from outside the UK on my course was relatively limited. Now, there are very many courses at UK universities where foreign students are in the majority, and that's particularly true when it comes to postgraduate education, where the UK makes enormous foreign earnings as a consequence of the activities of our universities training students in specialist subjects. So, again, this really matters.

And if the UK does potentially leave some universities bust, the impact is going to be very dramatic too on the local economies involved. In the city where I work, Sheffield, the impact of the university, of Sheffield itself, and Sheffield Hallam University, is enormous.

You can't walk around the city centre without seeing the presence of universities and the impact that they have on the local economy.

You can't walk around for much of the year without noticing the very large number of students who are present as well. That activity has an enormous impact on the well-being of that city.

And there are other places where this is even more dramatic. Go to St Andrews in Scotland and see how important the university is there. Or go to somewhere like Bangor in Wales, or Aberystwyth in Wales, and again, see the enormous impact that universities have in those places.

So, we can't just say that this is an issue that is a nationwide concern. It's also a very local concern if a university is to fail.

It's also a massive issue for the students at any university which is in financial trouble. And some definitely are. Will they see their course through? We don't know what will

happen if a university goes bust. Will people who've arrived for the first year get through to the third year and get their degree? There's no guarantee in place. No one knows.

And what happens to the status of people who have a degree from that university, but which is, well, just no longer there to be able to even confirm that fact? If an employer wants that information, what is the impact on them as a consequence of their university having failed? I suspect it will be real.

I know that most people who once have left university aren't asked very much about their degree. And I know it's even more common for people who have left university to say, "Well I never used much of what I learned there in my subsequent career". But neither of those things are entirely true. Because people who've been to university learned a particular way to think. That's what we really teach. It is about discipline and research and formulating answers to questions that are complex in their nature. And where the person who is going to do well at university has to process a great deal of information and present it in a very orderly fashion to the satisfaction of their examiner. That is a skill that you don't get anywhere else.

So, we do need universities. We need universities to train skilled people.

But we also need universities to earn foreign income for the country.

And we need universities to maintain local economies in many parts of the UK.

But we've not been supporting them to do that. The amount of fee paid for each student attending at a UK university has been fixed for about a decade now. Now, of course, this is paid now through student loan arrangements. But in reality, the government does cough up the cash to the university so that they can provide the service. The fact that the student might owe that money back at some time in the dim and distant future, if ever at all, is beside the point. The fact is, cash is expended now, and the amount of cash being expended per student is declining. This has been compensated for by an increase in fees for overseas students, but now visa arrangements are making it very, very much harder for UK universities to recruit overseas, and the impact on some courses is dramatic, again, particularly in the postgraduate sector.

So, do we face a risk that this area of learning, this area where we have been at the forefront of the world, where we still have some of the best universities in the world, is going to decline?

And I know it's common for people to say, we don't need the university of wherever because it's no more than a further education college. But hang on a minute, further education colleges also have a very serious role in teaching people skills that they need, maybe of a technical nature, and there's nothing wrong with having technical

skills.

We may be shooting ourselves in the foot if we don't protect this sector is my point. Very seriously, very serious damage to our economy could arise unless we really think about what we're doing.

And yet the new Labour Education Secretary, Bridget Philipson, has already said that she might let universities fail. It's up to them to sort out their finance, she says. And, of course, to some degree, that's true. But education is a national concern. Education is about the well-being of our future. You can't be laissez-faire about that. You can't leave it to a university marketplace. Labour needs to get its act together on this issue, and rapidly.

The Tories didn't. They did want to wash their hands of the university sector.

Labour should not be. Look back at Harold Wilson. When he was Labour Prime Minister, he wanted to bring education to everyone through the creation of the Open University. Since then, that sector has expanded enormously, not least due to the work of Tony Blair. Whether you like him or hate him, he had a big role in the expansion of education for everyone. And now we're at risk of seeing that going into reverse.

Is that what Labour's legacy is going to be? A country where education ceases to be valued? It would be very worrying if it was.