Markets, Monopolies and Municipal Ownership

The Political Economy of Higher Education in Thirteen Theses and Thirteen Short Pieces

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A Thanks For Your Ears pamphlet
To my comrades at:
Coventry University UCU
Coventry Trades Union Council

And to all those fighting marketisation
in colleges and universities
across the world
The Political Economy of Higher Education in Thirteen Theses

I

It’s time to act. The Tories are in disarray, marketisation is in chaos, UCU is in transition. We need political education to unite against marketisation within HE, and with the public against neoliberalism outside it. This pamphlet sets out the context of marketisation while also offering a modernising, radical vision of post-neoliberal higher education to guide activism and democratisation.

II

While marketisation began in the 1970s with the introduction of monopoly-capitalist norms into the sector through the incorporation of polytechnics, neoliberalism began much earlier, with the creation of a transnational network of free marketeers known as the Mont Pèlerin Society. These intellectuals bade their time, honing their critique of economic planning, until the collapse of the post-war golden age of ‘class compromise’ when free market ideas could once again gain traction with politicians and the public.

III

At the heart of neoliberalism is a manipulative ideology that seeks to obscure the corporate interests driving neoliberal social and economic policy. Specifically, neoliberals use competitive arguments to justify the application of free markets to all corners of society, while knowing that such reforms will eventually result in the domination of free markets – which are, in reality, an economic fiction – by global oligopolies. Furthermore, in contrast to classical liberal economists, neoliberals see the state as a tool to further the interests of corporations, rather than as an intrinsic threat to free markets.

IV

Neoliberalism is far from dead or even dying, as many on the left mistakenly believe; it is resurgent, it is digging in its heels. The truth of marketisation is not competition or the attempt to turn students into consumers, but rather the use of universities as defibrillators for a flat-lining British economy. In the post-Willetts era, marketisation is less about markets and more about turning universities into outsourced R&D and human capital machines for monopoly finance capitalism.
V
Understanding that marketisation is not really about markets, but about meeting the human capital and R&D needs of corporate capitalism, later neoliberal reformers like Jo Johnson have turned to proxy-based indicators of quality within national level performance systems to ‘nudge’ universities and academics towards saving neoliberalism. Paraphrasing Marx: Academics are productive labourers, when, in addition to belabouring the heads of their students, they work like horses to enrich their vice-chancellors. That they work in a teaching factory, instead of a sausage factory, does not alter the relation.

VI
Marketisation really began with a series of governance reforms by Thatcher in the 1980s. These reforms turned universities into private-sector style corporations, with a shrinking percentage of quasi-tenured academics in the centre, producing content and research-funding income, and an expanding army of insecure, deprofessionalised educational service workers delivering standardised knowledge products in the periphery, all micro-managed by increasingly powerful and well-paid administrative-entrepreneurial leadership teams.

VII
We cannot simply posit an idealised and wistfully nostalgic vision of the ‘public university’ as something we can return to as if nothing had happened. While mass public HE in the UK has always been associated with ‘human capital theory’, i.e. that education is an individual investment in future earnings, this theory also recognises socially-useful ‘externalities’ of this investment, namely that more graduates means higher levels of economic productivity.

VIII
Academics are today the victims of an ideological pincer movement which, if they don’t see it coming, will hand victory to neoliberal marketisers by allowing them to secure and retain the moral high ground. To counter this pincer movement, academics must articulate a convincing, inclusive and popular alternative to marketisation. At the core of this vision must be a reconstruction of the academic profession, specifically a reconstruction of notions of academic freedom, collegial self-governance and the public good of higher education. The work of 20th century pragmatist philosopher, John Dewey, specifically Deweyian concepts of ‘co-inquiry’ and ‘democratic collegiality’, offers a framework for this reconstruction.
Rather than beginning with academic concerns, such as academic freedom, de-professionalisation, casualisation, declining pay and conditions, and assuming that the public are naturally invested in the fate of the public university as the institutional home of the academic profession, activism should begin with the concerns of the wider public, and link these concerns with the need for a democratisation of knowledge production and education. Beginning with the impact of marketisation on communities surrounding civic universities, for example, UCU branches can help these communities turn their issues into demands for democratisation that can form the basis for and guide broad-based local campaigns.

Alternative models of ownership and control of universities are being explored today by activists and organisations in UK HE. Social co-operatives in particular offer an institutional structure that could formalise and sustain deep practices of local democracy and co-inquiry. Social co-operatives’ multiple forms of membership enable them to reflect multiple interests, making them accountable to not only the producers within organisations, but to surrounding communities that also have a stake, or that are impacted by, their activities. This makes them ideal for the delivery of public and social goods, such as higher education.

Co-operative or democratic universities could play a part in spreading co-operative solutions within communities, helping community groups to learn to co-operate and perhaps set up their own co-operatives, with universities providing a knowledge base as well as in some cases, financial help. By adopting procurement policies preferring, where possible, such local co-operatives, universities could become democratic ‘anchor institutions’, providing a foundation for far-reaching, bottom-up processes of local and regional economic regeneration.

With its National Education Service proposal, the UK Labour Party promises to create a unified system of ‘cradle-to-grave’ education that is, like the NHS it is modelled on, ‘free at the point of use’. Co-operative universities and Councils of Scholars based on practices of democratic collegiality could provide a strong basis for the NES as an alternative to marketisation and provide concrete examples of how democratic ownership and control can ground a radical and modernising vision of regional regeneration and sustainable growth.
Academics must now choose sides. Not with a particular political party or trade union faction, but with either the market or the public. Academics must choose between nostalgia for the past and ‘strategic optimism’ towards the future. The vision of HE presented in this pamphlet, of democratic universities acting as co-operative ‘anchor institutions’ and hubs of collective intelligence, offers an admittedly ambitious, perhaps slightly utopian alternative to marketisation. However, ambition and optimism are needed right now. After all, the struggle against marketisation is also the struggle for a different world.
It’s time to take back control of our higher education system.
Yes, this brings to mind the chaos of Brexit, but this is intentional. Racked by an internal crisis of its own making, the UK Conservative Party has not been able to pursue as aggressively its decades-long project of forcing a market into higher education (HE).
Meanwhile, the USS strikes last year showed that people working in the sector, who have suffered the consequences of ‘marketisation’ – diminishing real-terms pay and pay inequality, casualisation, excessive workloads that have resulted in widespread stress and mental health issues – are prepared to draw a line in the sand and hold that line.
Like the wider social, economic and political context, we are now experiencing in UK HE what Antonio Gramsci called an ‘interregnum’: a kind of stalemate between an ideology no long fit for purpose – ‘neoliberalism’ – and alternatives struggling to be born.
Now is the time to push collectively against market reform, while everything is in question and all options are on the table. This pamphlet attempts to contribute to this movement through political education.
We need to spread the understanding of marketisation beyond the groups of activists ‘in the know’, to all the layers of our HE system. This means bringing all groups into the struggle, not just academics, but also academic support staff and students, and the ‘stakeholders’ that have a strong interest in the fate of our universities but are often ignored: further and secondary education teachers and students, parents and, of course, the wider public.
By understanding HE marketisation as ‘resurgent neoliberalism’ – the key argument of this pamphlet – activists can piece together the relentless national and local changes that seem to hit us on a weekly basis and work together to get a head of and direct this change in the interests of university workers, students and communities.
Through political education, groups of activists can work together to formulate social and political demands out of the qualitatively felt, negative consequences of market reform and guide collective action at regional and national levels.
Directly related to this, we need to transform our trade unions – particularly the
largest and most influential in HE, the University and College Union (UCU) – into effective weapons to deliver on these collective demands.

As a consequence of the grassroots nature of the USS strike, UCU is undergoing a much-needed but also very disruptive period of transformation. New groupings are emerging out of and in tension with the existing so-called ‘left’ and ‘right’ factions – UCU Left and Independent Broad Left (IBL) respectively – which have been at loggerheads for years.

While these two factions have been fighting their endless battle, the ‘rank and file’ has become more and more alienated, often going to the yearly UCU Congress and feeling totally confused as to what is actually happening. Part of what made the USS strike successful, which is also the source of current soul-searching and reconstruction, was the way that ordinary UCU members bypassed this stalemate and demanded the democratisation of national union structures.

However, embroiled in the technicalities and distractions of post-strike USS negotiations, this movement has also stalled, and the union is once again struggling to deliver on the demands made national pay disputes.

Transformation will need to come from below. Local disputes centred on local demands can regenerate local UCU branches and re-establish a strong foundation for UCU nationally.

Political education is a crucial foundation for this process, and will help to join up local struggles to form regional coalitions that will not only strengthen the capacity of individual branches to deliver collective action that is well-organised and supported, but also begin to scale up this regeneration to build a democratic, fighting national union.

At the centre of this reconstruction must be the imaginative exploration of and practical experimentation with alternative models of HE.

In this pamphlet, I explore the idea of a ‘Council of Scholars’ bringing together the various stakeholders within and without the sector and based on a strong notion of ‘democratic collegiality’ as a self-governing alternative to the trilogy of neoliberal performance management systems: The Research and Teaching Excellence and Knowledge Exchange Frameworks (REF, TEF, KEF).

I also examine the movement surrounding the idea and actual creation of a ‘co-operative university’ as a potential model for university democratisation, but perhaps go a little further – inspired by exciting initiatives in North America and in Preston in the UK – suggesting that such democratised universities should be part of a wider democratic regeneration of post-industrial cities and regions.

These ideas are not just important for guiding collective action and giving hope, but are also needed to formulate a modernising counter-argument to neoliberalism.
that will escape attempts to paint academics as defenders of ‘producer power’.
In light of the visceral destruction wreaked by marketisation, nostalgia for the past can be a comfort, and a misty vision of the welfare state ‘public university’ can become a clichéd and assumed foundation for the defence of what, in reality, is already lost.

We must have nostalgia-free proposals for post-neoliberal HE and clear, concise and convincing arguments that show market reformers to be the reactionaries, not academics. In one sense, this argument is simple: market reform will end not with democratisation and consumer welfare but with a macrocosm of the wider, financialised capitalist economy, with workers and students alike dominated by the unaccountable power of multi-national corporations.

Ultimately, however, even ambitious vice-chancellors are bound by national policy, and a change of government is necessary for any of the proposals suggested in this pamphlet to become sustainable alternatives to marketisation.

I won’t deny that I hold great hope for a democratic-socialist Labour government in the near future, but I realise that many will not share my politics. Nevertheless, for those who are angry at or just exhausted by marketisation, Labour’s suggestion for a corporation-tax-funded system of free HE linked with further and adult education within a ‘National Education System’ (NES) offers an exciting framework for fundamental change.

What’s most exciting about Labour’s idea for a ‘cradle to grave’ NES – as well as its ideas for democratic ownership and control – is that it is a work in progress, the plan is not yet fully formed. We must be part of this conversation, and Labour are welcoming such participation with open arms. As Hilary Wainwright has forcefully argued, Corbyn and McDonnell really are trying to do things differently, this is not the top-down ‘power-as-domination’, but a ‘new politics from the left’ based on the ‘power-as-transformation’ of the many over the few.

I say let’s help them out. But let’s get on with it. Let’s do it now, let’s do it fast and most importantly, let’s do it together.

II

To understand where marketisation is going, and therefore gain some strategic insight as to how to influence the future direction of HE, we must understand how we got here. Specifically, to understand marketisation today we need to reconstruct its origins in 20th century ‘neoliberalism’.

British neoliberalism did not, as many might assume, begin with Margaret
Thatcher’s rise to power in 1979. Rather, it originated in a now obscure battle of ideas that took place in 1920s Austria known as the ‘socialist calculation debate’.

After the collapse of the ‘dual monarchy’ at the end of the First World War, Austria declared itself a democratic republic and gave for the first time ever citizens of both sexes voting rights. In the country’s first democratic elections, the Social Democratic Workers Party (SDAPÖ) gained an absolute majority and began subsequently a root and branch modernisation of Austrian society.

While ‘Red Vienna’ was popular with many intellectuals and artists, free market liberals with a strong base in the University of Vienna resented this shift to the left and began formulating a neoclassical critique of socialist planning. In a series of private seminars held at the house Ludwig von Mises, this group of ‘proto-neoliberals’ maintained that all forms of economic planning involved a restriction of political freedom and would therefore result in totalitarianism.

Attending these seminars was a young Friedrich Hayek, who, after joining the London School of Economics in 1931, began applying these ideas in the British context, particularly in a critique of influential Cambridge University economist John Maynard Keynes.

Against accepted wisdom, Keynes had insisted that it was suicide to apply austerity policies after an economic crisis, and that governments should instead stimulate ‘aggregate demand’ through public spending financed through borrowing.

In 1929, the Wall Street Crash – which was, like the more recent 2008 Financial Crisis, caused by the bursting of a long-term speculative financial bubble – signalled the end of blind faith in free markets, producing a severe economic downturn that spread across the world and lasted a whole decade.

Within the context of the subsequent Great Depression, Keynes’ ideas gained traction, as did Franklin D. Roosevelt’s presidential pledge in 1933 of a ‘new deal for the American people’, which promised a series of far-reaching interventions in the US economy. Hayek’s arguments that the economy should be left to sort itself out, no matter what the consequences for ordinary people, understandably fell flat. Economic planning won the day, and after the war, became the basis for the creation of the UK welfare state.

Unperturbed by this defeat, Hayek took his ideas underground, forming a secretive, transnational network of intellectuals circling what became known as the Mont Pèlerin Society. Like in Mises’ private seminars in the 1920s, these intellectuals, who began, for a time at least, calling themselves ‘neoliberals’, refined their arguments against state planning and for free markets, and bade their time until the right opportunity presented itself for these ideas to gain public acceptance once again. This time came in the 1960s, when the effects of an economic boom in the US and
UK, produced through a build up of productive capacity and consumer demand created in the Second World War, finally faded and stagnation returned. In the 1970s, the ‘golden age’ of welfare state capitalism began to unravel as corporate investment stalled and unemployment and prices rose.

With the emergence of what became known as ‘stagflation’, class compromise turned into class struggle. As workers began to protest and organise against the rationalisations and redundancies that inevitably resulted from firms trying to maintain profitability in the face of crisis, corporations sought political representation in conservative political parties. Having already built a transatlantic network for the promotion of free market ideals, Mont Pèlerin neoliberals easily slotted themselves into this emerging synergy of interests, insinuating their ideas as the basis for a new coalition of conservativism and corporate capitalism.

In 1979, Margaret Thatcher stormed to power on a promise to control inflation and keep trade union power in check. Two years later, Ronald Reagan was elected US president on a militaristic, free market platform.

Concentrating on the UK context now, once in power Thatcher’s Conservative Party immediately began applying neoliberal ideas to UK social and economic policy. In her first term as Prime Minister, Thatcher lowered taxes for the already wealthy, reduced government spending, especially in education (as we will see in a later section), introduced harsh trade union laws to break the organised power of the working class – which had delivered an embarrassing defeat to the previous Edward-Heath-led Tory government in 1974 – and abolished controls over the movement of money in and out of the country.

Thatcher also raised interest rates to reduce inflation, which had the effect of driving up the value of the British pound, making the country’s exports uncompetitive and destroying huge swathes of the UK’s manufacturing sector. Aside from underming the material base of the strongest trade unions, which, of course, was the point, this policy also devastated northern English industrial cities such as Manchester, Liverpool and Sheffield, and caused a huge recession that lasted until 1983.

Most relevantly for this pamphlet, Thatcher began privatising public services and assets, selling off state-owned enterprises (SOEs) in the energy, transportation and communications sectors, and allowed tenants to buy the council houses they were living in. Where straightforward privatisation was too politically controversial, policies of deliberate underfunding were applied to make privatisation more palatable at a later date. Where compulsory competitive tendering (CCT) couldn’t be used to hack into and shrink the public sector, corporate governance structures were introduced, forcing these services behave more like private sector firms.

In UK HE, Thatcher allowed the rapid expansion of student numbers initiated by the 1963 Robbins Report – which stipulated that university places ‘should be
available for all those who are qualified by ability and attainment to pursue them and who wish to do so’ – to continue, while cutting aggressively the money available to universities to accommodate this expansion. In 1981, she slashed university funding by 13% and three years later froze student maintenance grants. However, the most important and long-lasting reforms by Thatcher were structural, not financial. In the years following her election, driven by a hatred for what she perceived to be a left-wing dominated academy, academic tenure was abolished, the collegiate University Grants Committee (UGC) replaced by the now-defunct Higher Education Funding Council of England (HEFCE), and the first of many national level performance management systems introduced: the Research Selectivity Exercise (RSE).

Finally in 1992, the last bastion of public HE was changed forever. Polytechnics, created by Labour to meet working class demand for advanced education, were incorporated with vice-chancellors as chief executive officers at the helm. UK universities would never be the same again.

III

Before coming to HE marketisation proper, we must pause to understand clearly the meaning of neoliberal ideology, which during its long period of incubation after the Second World War, became a slippery and manipulative doctrine. At the core of neoliberal ideology sits neoclassical economic theory, which under Milton Friedman's leadership at the ‘Chicago School’, reinvented itself as an unfalsifiable pseudo-science. In a famous 1953 essay, ‘The Methodology of Positive Economics’, Friedman argued that the fundamental assumptions of neoclassical theory – that people were at the most basic level self-interested ‘utility maximisers’ and that the law of supply and demand would ensure the most efficient allocation of scarce resources – were valid scientific hypotheses, despite empirical evidence showing that they were, in reality, false.

Friedman asserted, distorting Karl Popper’s influential philosophy of science, that evidence could never prove a hypothesis, it could only ‘fail to disprove it’. While sounding clever, what this actually meant was that economic theory could never be falsified, even if the premises were shown to be faulty and the evidence was stacked against it. Popper’s ‘falsificationism’ insisted that, while no amount of evidence could prove a scientific theory, scientists could make predictions that if not borne out by experience, would show the theory to be false. For example, Einstein’s theory of relativity made a series of predictions that were verified by
later observations, such as the phenomenon of gravitational redshift. By dismissing all evidence as irrelevant to a theory’s validity and removing the need to make falsifiable predictions, Friedman rendered neoclassical economics invulnerable.

Meanwhile, neoliberal political theory abandoned the classical liberal aversion to state intervention, seeing the state instead as a powerful tool for consolidating and spreading free markets to all areas of society. As Michel Foucault argued in his pathbreaking ‘genealogy’ of neoliberalism, Hayek and colleagues realised that competition – the quasi-magical mechanism that ensured free markets and the price mechanism functioned efficiently – would ‘only appear and produce its effects under certain conditions which have to be carefully and artificially constructed’.

Taken together, these two innovations turned neoliberalism into a normative political and social theory that is: (1) a philosophy of liberal-capitalist government that can ground political party ideologies and guide actual policy; and (2) a tool to hide capitalist interests driving these policies behind an unfalsifiable ideology.

Neoliberalism’s approach to monopoly is both a perfect example of how this ideology works in practice and a crucial element of marketisation. In classical liberal economic theory, monopolies were considered an evil on par with state planning. Monopolies, or more accurately oligopolies, are firms that come to dominate particular markets, and as a result of their domination, have the power to influence prices and distort market mechanisms in their interests. One of the few roles that classical liberals saw for the state, therefore, was the policing of monopolies through anti-trust laws and regulations.

Early neoliberals tended to also see monopoly as an evil, and considered anti-trust regulation a prime example of the kind of state intervention key to the reconstruction of the free market tradition. However, under the influence of the William Volker Fund – which Angus Burgin, in *The Great Persuasion: Reinventing Free Markets Since the Depression*, describes as the ‘venture capitalist of the intellectual world’ – neoliberals reversed their view of monopoly and came to dismiss their pernicious influence as insignificant.

As Will Davies explains, key to this change of heart with regards to monopoly was a move from competition to *competitiveness*. In this view, monopoly is no longer an example of ‘market failure’ but the successful *outcome* of competition. The monopolist is the entrepreneur (individual or firm) who has played the game well, the ability to control prices the reward. But monopoly is only ever temporary; it is always possible for another entrepreneur or firm to play the game better and gain temporary advantage, or in some rare cases, rewrite the rules completely. The latter is often referred to as ‘disruption’.

In the words of John Bellamy Foster, neoliberalism ‘reconciled itself’ to monopoly and became its mightiest champion, despite its worldview, in theory, being based
on a religious devotion to the genius of economically competitive markets’.

Why is this important? Because neoliberals use competitive arguments to justify the application of free markets to all corners of society, knowing full well that such reforms will eventually result in monopolisation. While neoliberals couch their policies in the language of competition, freedom and ‘consumer welfare’, it is huge multi-national corporations and the shady investment firms that feed on these corporations like lampreys that ultimately benefit.

IV

In 2007, a financial bubble in the US economy made up mainly of ‘sub-prime mortgages’ – loans for houses that people couldn’t afford – finally burst and took the country’s banking system with it, with the Lehman Brothers collapsing the next year. The crisis rapidly developed into a global financial crisis, resulting in a number of European bank failures, and sovereign debt crises in Greece, Portugal, Ireland, Spain and Cyprus.

Neoliberal deregulation across the world had allowed investment banks to engage in ever more elaborate forms of speculation, inventing more and more complicated ways to hedge the risk attached to bad loans by linking them with less risky ones within increasingly complex financial products. By repealing regulations like the Glass Steagall Act – established after the Wall Street Crash to separate investment and commercial banking and to make sure the latter kept enough cash to cover themselves in the event of a crisis – the 2007/8 crisis had effects far outstripping the financial sector that caused it.

As the crisis hit the UK, the Labour government in power at the time made a series of interventions to save the country’s heavily leveraged banking sector. According to the National Audit Office, it injected £137 billion of public money in loans and capital to stabilise the financial system and provided financial guarantees to help restore confidence in banks that added up to an estimated £1 trillion.

Disingenuously blaming the costs incurred by these bail-outs on Labour’s public spending programme, the incoming 2010 Liberal Democrat-Conservative Party coalition government introduced a brutal austerity regime lasting to this day.

When it comes to describing the effects of austerity, there are few testimonies as damning as that of Philip Alston’s 2018 report on a visit to the UK as United Nations Special Rapporteur:

‘The results? 14 million people, a fifth of the population, live in poverty. Four million of these are more than 50% below the poverty line, and 1.5 million are
destitute, unable to afford basic essentials.’

‘The widely respected Institute for Fiscal Studies predicts a 7% rise in child poverty between 2015 and 2022, and various sources predict child poverty rates as high as 40%. For almost one in every two children to be poor in twenty-first century Britain is not just a disgrace, but a social calamity and an economic disaster, all rolled into one.’

Aside from the social consequences, austerity has also stunted Britain’s economic recovery, deepening the stagnation that had been not so much overcome but hidden by financialisation.

This is where higher education comes in. While many commentators point to the 2010 ‘Browne Report’, the 2011 White Paper ‘Students at the Heart of the System’, or the 2015 Green Paper ‘Fulfilling Our Potential’ as landmark documents in the history of marketisation, in my opinion, it is the 2017 Industrial Strategy, ‘Building a Britain Fit for the Future’, that most clearly sets out the role of HE in saving the neoliberal economy.

In this document, the Tories frankly admit that, since the crisis, the UK’s economy has been plagued by ‘weak productivity’. What is interesting about the Industrial Strategy is that universities, specifically the research and development (R&D) produced by universities, assume such a central role in both the explanation of why this is the case and how this problem can be solved. ‘Neither the government nor the private sector is investing enough in R&D,’ the government states, adding that publicly-subsidised universities ‘need to do more’ to ensure that their R&D translates into ‘improvements in earning power’.

Two years earlier, Jo Johnson, UK Minister for Universities and Science from 2015 to 2018, argued in no uncertain terms that ‘excellent research, as well as being worthwhile in its own right, is vital to tackling the productivity gap that is the foremost economic challenge facing this country’. R&D was the ‘foundation of productivity and growth’, he continued, and had a ‘vital role’ in providing business with ‘new processes and technologies, highly skilled people and access to world-leading experts’.

In other words, universities must rescue the UK from stagnation.

As Professor Dame Ann Dowling explains, business-university collaboration has become quite an obsession for the Conservative Party since it returned to power in 2010, with no less than 11 reports on the topic being published in the five years after. This is not surprising, she reflects, echoing both Johnson and former University of Warwick vice-chancellor, Nigel Thrift, given the significance of R&D as a ‘driver’ of Britain’s ‘knowledge-based economy’.

My argument is that this obsession points to a deeper role for marketisation, a
role that became clearer once the Tories abandoned its pretence of creating a free market in UK HE.

In his memoir-cum-rationalisation of his time as UK Minister for Universities and Science before Johnson, *A University Education*, David Willetts admits that the attempt to make students behave like consumers by introducing variable fees was a ‘mistake’. Aside from all universities ignoring the ‘differential’ aim of the £9000 fee regime, Willetts realised that the ‘income-contingent loan’ system he introduced to cover these fees undermined their functioning as price signals. ‘As soon as one recognised that what really mattered for students was the repayment formula not the fee level,’ he reflected seven years later, ‘then it was clear that there would not and should not be much price competition.’

In the subsequent Johnson era, marketisation was less about markets and more about turning universities into outsourced R&D machines for monopoly finance capitalism. Because British corporations had become so risk-averse when it came to investment, the government decided to put publicly-funded universities to the task in the hope that these corporations, once they had enjoyed the fruits of this public investment and made loads of money, would keep these profits in the country and pay some taxes to cover expensive services like the National Health Service (NHS). But why would they? Despite corporation tax in Britain currently being the lowest in Europe (bar the Republic of Ireland) at 17%, these corporations will no doubt blackmail the government into keeping corporation tax lower, if not threatening to take their business elsewhere if they aren’t lowered even further.

This is classic neoliberalism. We are being sold out. The Tories are hollowing out HE for the benefit of the corporations and financial interests that caused this crisis in the first place. Crucially, this also shows that neoliberalism is far from dead or even dying, as many on the left expected it to after suffering the worst capitalist crisis since the 1920s. Neoliberalism is resurgent, it is digging in its heels.

Business-university collaboration is only the latest aspect of university activity to be monitored, incentivised and if necessary, disciplined, within an ever-expanding series of national-level performance management systems.

In a speech to the HEFCE annual conference in 2017, Johnson pointed out that roughly half of public funding for R&D goes to UK universities. As a result, the government should make sure that universities are performing their outsourced R&D function appropriately, he argued. ‘Because they loom so large in our research
ecosystems,’ he insisted, ‘it is particularly important that universities engage with the wider world and help to ensure that their work leads to wider social and economic benefits.’

Johnson, therefore, proposed the creation of a Knowledge Exchange Framework (KEF). While the KEF is at the time of writing in its very early stages of development, the stated intention is for it to resemble the two existing performance management systems: the Research Excellence Framework (REF) and the Teaching Excellence and Student Outcomes Framework (TEF).

As Andrew McGettigan has correctly noted, the Tories have ‘quietly put in place a series of measures designed to support a new performance metric: repayment of loans by course and institution’. Originally, the TEF appeared to be merely a way for universities to access higher fees based on good performance – Bronze, Silver or Gold – signalling quality to students in a somewhat simplistic way. The main indicator of quality in the first TEF exercise was the much-criticised annual National Student Survey (NSS), which is also used in league tables such as The Times ‘Good University Guide’.

However, in 2017 the UK Government released it long-awaited ‘Longitudinal Educational Outcomes’ (LEO) dataset, which matched subjects studied with graduate incomes for these subjects five years after graduation. This data claimed to show that studying arts, for example, could actually make you poorer than if you chose not to go to university at all. Humanities subjects generally led to low graduate earnings, with education and languages sitting in the middle of the scale alongside the physical and biological sciences. Unsurprisingly, business studies, law and medicine brought in the highest ‘graduate premium’, with the lowest incomes in those categories still being higher than the median graduate incomes of arts and humanities subjects.

In a UCU branch note that I wrote as a member of the union’s national executive committee (NEC), I warned that academics and trade unionists needed to understand the meaning and significance of LEO, and how it would be used within the Tories’ marketisation agenda. Student finance (and therefore university income) could be linked to the ‘wiseness’ of an individual’s human capital investment, I explained, with fees and loans for ‘low-return’ subjects reduced, thereby lifting some of the burden placed on the national debt as a result of student loan write-offs (which are more likely with arts and humanities subjects). ‘Some institutions may even consider closing those subjects that do not contribute to employability metrics in the near future,’ I pointed out, ‘in anticipation of future TEF exercises.’

While fee raises linked to TEF awards proved to be too politically controversial, leaked proposals from the forthcoming ‘Augar Review’ suggest that the Tories are now indeed intending to use LEO to bring fees for some subjects down and raise
them for others. The Department of Education has also launched a Small Business Research Initiative (SBRI) competition that promises to give £25k to anyone who, based on LEO, can create ‘free, accessible, commercially sustainable and innovative digital tools to help prospective students make better decisions about their future’.

So much for LEO being an ‘experimental’ dataset. The point is not that students shouldn’t be informed, but rather that the government is manipulating, through the ‘nudge’ techniques of behavioural economics, students, academics and universities towards neoliberal outcomes. Rather than funding adequately the HE sector as a whole to bring a wide range of social and economic benefits, the government is fundamentally distorting it according to neoliberal ‘human capital theory’. This is a neoliberal answer to a crisis created by exactly this relentless drive to force the world to conform to neoclassical models.

The REF also contributes to this project. As Nicholas Stern explained in his 2016 review, research assessment was introduced in 1986 by the Chair of the University Grants Committee (UGC), Peter Swinnerton-Dyer, with the stated objective of making the UGC ‘more selective’ in its support for research to ‘encourage redistribution within institutions towards work of special strength or promise’.

Stern notes that the first Research Selectivity Exercise was a modest operation, distributing only a ‘relatively small portion’ of funds at the time. However, research assessment ballooned as it morphed over the years into first the Research Assessment Exercise (RAE) and then the REF, becoming increasingly reliant on metrics at the same time as becoming more and more expensive. The costs involved in undertaking REF2014, according to Stern, were estimated at £246m for the UK HE sector as a whole. REF2014 was ‘272% more expensive than the 2008 RAE, which cost an estimated £66 million,’ he adds.

More importantly, REF2014 introduced a new metric: ‘impact’. Defined as an ‘effect on, change or benefit to the economy, society, culture, public policy or services, health, the environment or quality of life, beyond academia’, impact contributed 20% to an institution’s overall rating. Notoriously difficult to measure, asking academics to evidence causality in experience – a feat that philosophers have long argued is impossible – impact soon became as instrumentalised as the rest of the REF exercise.

At the time the government protested, perhaps a little too much, that impact was really not just about measuring and incentivising the economic benefits of publicly-funded research. Johnson, however, was far more straightforward about the neoliberal agenda behind ‘impact’. In his speech to the 2017 HEFCE conference, Johnson welcomed the proposal to raise impact’s contribution to REF2021 from 20% to 25%, arguing that if Britain was to meet its ‘national goals to increase R&D’, it would need to continue to ‘deepen these forms of engagement’.
Most problematically, however, the government has decided – following the recommendations of the Stern Review – that for REF2021, universities will be allowed to submit the research of staff who have been made redundant. As UCU has correctly pointed out, this move would be a ‘green light for universities to treat staff like a disposable commodity and entrench the casualisation of early career researchers’. To us, this should be no of surprise, as it merely indicates the true nature of not only the REF, but all performance management frameworks; they are tools for the achievement of neoliberal, not academic objectives.

VI

Despite being deeply suspicious of academia – which she considered to be full of left-wing intellectuals ‘poisoning’ the minds of the British public – Thatcher was reluctant to directly assault the autonomy of academics and universities, preferring instead to reconfigure the internal power balance of universities through governance reform.

In 1984 the Committee of Vice-Chancellors and Principals was set up – which would eventually become the employers’ association we know today as Universities UK – chaired by Sir Alex Jarratt, with the brief of promoting and co-ordinating a series of ‘efficiency studies’ in a small number of UK universities.

The outcome of this initiative – the Jarratt Report – proposed that university councils made up of majority lay members should be given more strategic decision-making power over senates, which it considered to be domainated by academics, and that vice-chancellors (VCs) should become more like the all-powerful chief executive officers (CEOs) of the private sector.

As I have argued elsewhere, this reform had far reaching consequences. Essentially, Jarratt introduced market norms, specifically corporate-capitalist norms, into what was until then a quasi-public, guild-like system. Newly empowered VCs installed efficiency measures and ‘New Public Management’ systems in these ex-polys, encouraging envious leaders of older universities to follow suit. While externally, marketisation moved slowly until 2010, internally, UK HE was being transformed into the stressful, precarious environment we are so familiar with today.

The consequence of this ‘bottom up’ marketisation has been the emergence of universities as ‘trans-national corporations’ (TNCs). Perhaps the most infamous example was the attempt in 2013 by the University of Central Lancashire (UCLan) to establish new campuses in Thailand, Sri Lanka and Cyprus. Most of these ventures were loss making, and thanks to a co-ordinated campaign by local, regional
and national UCU offices, were eventually scrapped, with UCLan reverting back to a more traditional, single campus university model.

Although UCLan was unsuccessful in its overseas adventures, this kind of activity is now the norm in UK higher education. According to the *Economist*, well over a hundred universities now have foreign campuses, educating tens of thousands of students ‘from Middlesex University’s site in Mauritius to Glasgow Caledonian’s branch in Bangladesh’.

Aside from issues of risk and financial transparency, these foreign campuses force universities to have to ‘adapt, sometimes uncomfortably, to local politics,’ the *Economist* continues. ‘In July [2018] an academic was removed from the management board of Nottingham’s Ningbo campus – a joint venture with the Chinese government – after writing an essay critical of the 19th Party Congress, a meeting of government bigwigs. Restrictions in Malaysia mean there are no student unions on the British campuses there.’

However, such innovations in corporate form are not just used for international expansion. ‘Wholly-owned subsidiaries’ can also be used to drive down staff costs and rationalise university production at home through internal outsourcing.

For example, Coventry University’s UCU branch fought for many years for union recognition in the university’s subsidiaries, after a small group of pre-sessional English teachers were moved from the Department of English and Languages to a wholly-owned subsidiary, CU Services. As a result of the move, these teachers were taken out of the collective bargaining agreement between the local UCU branch and the university. This meant that they were no longer attached to nationally agreed pay grades and job roles, and had their holidays, sick pay, maternity arrangements and pension contributions reduced to statutory minimums.

As the local UCU branch campaigned – eventually winning union recognition across the whole CU Group ‘super-subsidiary’ – it uncovered more and more staff that had been outsourced and deprofessionalised in a similar manner. Coventry University’s satellite campuses, CU Coventry, CU Scarborough and CU London, all operate as for-profit universities within the ‘umbrella’ public university. The university has also outsourced graduate teaching assistants to its student temping agency, thefutureworks, slashing wages by up to 75% in the process, a saving it then recoups through GiftAiding its profits to the parent company.

In the cases of both UCLan and the Coventry University, the purpose of this experimentation with corporate form has been expansion and growth. They are executing a vision of higher education in which university production is rationalised to maximise surplus, which in turn allows for further expansion.

Essentially, UK universities are increasingly restructuring themselves according to a two-tier structure, with a shrinking percentage of quasi-tenured star academics
in the centre, producing content and research-funding income, and an army of relatively secure but deprofessionalised ‘permatemp’ service workers delivering standardised ‘products’ in the periphery, all micro-managed by an administrative-entrepreneurial leadership team.

‘Flipping’ and lecture capture allow this model to be easily scaled up, with educational corporations such as Edexcel offering Massive Online Open Courses (MOOCs) with material supplied through open access research, as well as face-to-face support provided either in-house or in partnership with existing institutions. What we are seeing here is not universities behaving like business, but profit-seeking multi-national business that happen to deal in higher education. This is not an accident of marketisation, nor even a consequence, but its very meaning. It is absolutely crucial to understand that the stated aim of marketisation – to drive up quality through competition – is contradicted by the social reality of marketised higher education.

At some point in the near future, there will be a process of consolidation within the sector. This will more than likely be triggered by university ‘failure’. As Michael Barber, chair of the Office for Students, has made clear, the newly established regulator ‘will not bail out providers in financial difficulty’.

‘This kind of thinking – not unlike the ‘too big to fail’ idea among the banks – will lead to poor decision making and a lack of financial discipline, is inconsistent with the principle of university autonomy and is not in students’ longer term interests,’ he explained in a recent speech.

‘As a regulator, our job among other things is to assess financial sustainability. It would be incoherent to bail one university out in order to deem it financially sustainable while expecting others to meet our conditions on financial sustainability and good governance without such assistance. Good governance and financial sustainability are conditions of registration and we expect universities to develop realistic plans for the future which reflect likely student demand for their courses and how best they can meet that demand.’

‘Should a university or other higher education provider find themselves at risk of closure, our role will be to protect students’ interests, and we will not hesitate to intervene to do so. We will not step in to prop up a failing provider.’

In the case of such failure, I predict that the government would either try to convince another university to merge with the failing university – with the failing university perhaps becoming a ‘wholly-owned’ for-profit subsidiary of a larger, ‘super-university’ group – or, if no merger can be arranged, try and sell the failing university to a private buyer, perhaps to a huge multinational educational corporation like Pearson.
Whatever the result, this would signal a step-change in the marketisation project, while at the same time revealing its true purpose. No matter what Barber and the OfS promises with regards to protecting students, this would be devastating to their education and the prospects of future generations of students. Aside from having predictably dire consequences for university workers at such failing institutions, the hostile takeover of a civic university would turn vast swathes of public spaces in metropolitan areas into private property, as well as fundamentally undermining local democracy and accountability.

VII

There are many examples of university union branches that have, like Coventry University UCU, moved beyond ‘bread and butter’ issues like pay and conditions to challenge the corporatisation of universities, which I am arguing in this pamphlet is the true meaning of marketisation.

Goldsmiths UCU’s ‘Gold Paper’, for example, identifies a series of university functions – governance, finance, teaching and learning, research, infrastructure and support services – which must be fundamentally democratised in order to return the university to its public function.

‘The Gold Paper begins from two ambitions,’ it explains. ‘To restate our purpose and reclaim a vision of the public university that is disappearing from view in the midst of the increasing marketisation of HE, while also offering pragmatic steps towards its achievement beginning with what we do at Goldsmiths.’

‘If the College actively represents the things we believe in,’ the Gold Paper continues, ‘then staff across the College will support it fully, innovate for it, create within it, strive tirelessly for its success and enable it to flourish and grow. This will bring more students to Goldsmiths and enable our broader ambitions to be realised.’

At the end of the Gold Paper, Goldsmiths UCU proposes the creation of a General Assembly, within which the proposals could be discussed, and ways forward agreed. ‘The ideas and approach in this paper need to be discussed at as many levels with as many people as possible within both service and academic departments, with staff and students, on College Committees, within School meetings, on SMT and at Council,’ it states. ‘The document should be revised and redrafted until it reaches a point where it can be owned by the community of Goldsmiths and has an implementation plan.’

The Gold Paper is important not only for identifying the need for change
to be supported at the highest strategic level, but also for the insistence that
democratisation is a collective, practical and essentially experimental process.
We cannot simply posit an idealised and wistfully nostalgic vision of the ‘public
university’ as something we can return to as if nothing had happened.

As painful as this may be to admit, the oft-recalled ‘public university’ has, in fact,
ever really existed. Before the 1960s, universities were an essential part of the
British class system that sorted the ‘wheat from the chaff’, ensuring the middle and
upper classes had a clear path from selective schooling to elite university to the civil
service, government or the upper echelons of the private sector.

While the Robbins Report outlined a vision of mass higher education – enshrined
in the Robbins Principle, which stated that university places ‘should be available
to all who were qualified for them by ability and attainment’ – this vision was
driven by two very practical considerations: firstly, a Cold War-driven paranoia that
Britain was about to be swept off the world stage by the USSR; and secondly, by
the success of 1944 Education Act, which by extending the right to primary and
secondary education to children from all social classes, had sharply increased the
demand for university places in Britain.

In many ways, Robbins laid the groundwork for marketisation. His models for
expansion were conservative, meaning that later governments were faced with an
ever-costlier HE system that was competing with other crucial public services,
like schools and the NHS. As the political will to support free higher education
dissipated, so a funding problem began to emerge in the sector. Under Thatcher,
this problem was engineered into a crisis, setting the scene for the subsequent
introduction of student fees and loans.

A fact often skipped over by those who point to Robbins Report as the founding
text of the UK public university system is that he was the first HE reformer to
float the idea of ‘income-contingent’ loans (ICLs). In the report, Robbins points
to a proposal submitted by the economist A. R. Prest, who suggested that the
expansion of UK HE should be funded through loans that would only need to be
repaid if graduate incomes reached a pre-determined threshold. Up to this point,
these loans would carry no liability for graduates.

Sound familiar? In conclusion, while the report found arguments for and against
loans to be ‘very evenly balanced’, it decided not to recommend funding expansion
through loans. ‘At a time when many parents are only just beginning to acquire the
habit of contemplating higher education for such of their children,’ the report
states, ‘we think it probable that it would have undesirable disincentive effects. But,
as time goes on, the arguments of justice in distribution and of the advantage of
increasing individual responsibility may come to weigh more heavily and lead to
some experiment in this direction.’
As David Willetts has repeatedly pointed out, ICLs should not really be thought of as loans, but rather more like a graduate tax. Students are not supposed to pay them off, like a mortgage-style loan. Repayments only occur if graduates earn enough money, and then repayments simply come out of wages like income tax and national insurance. Furthermore, under current rules, loans are written off altogether after 25 or 30 years, depending on whether a graduate started university before or after 2012.

While considering himself awfully clever when he introduced ICLs in 2012, Willetts later had to admit that the scheme was a total failure. The problem was that, despite his intentions, students never came to treat tuition fees as a price signal, precisely because they never actually paid the headline fee under the ICL system. On the contrary, students have continued to worry about and periodically protest being saddled at the beginning of their career with a debt, including maintenance loans, of around £50k.

Nevertheless, Willetts saw himself as fulfilling Robbins’ project of creating a mass higher education system in the UK, which should really tell us something. For Willetts, ICLs were not just a way of placing mass HE on a secure financial footing, but of quantifying and managing the ratio of HE’s public and private benefit.

Contrary to crude versions (and criticisms) of neoclassical economics, human capital theory recognises secondary, social benefits of individual investment in education. ‘A 1% increase in the share of the workforce with a degree increases long-term productivity by between 0.2% and 0.5%,’ argues Willetts. ‘So a third of labour market productivity growth from 1994-2005 can be attributed to rising numbers of graduates in the workforce.’

Other social benefits of HE include, according to Willetts: ‘Graduates are better riding out crises’. ‘The rest of the workforce gain as well from more graduates in the workplace’. ‘Cities are better when there are more graduates’. ‘Crime rates are lower: A 16% increase in graduates equals £1bn in crime-related cost savings for the public’. ‘Graduates more socially engaged’. ‘Graduates keep parents ‘up to date’ and healthy.’ ‘Graduates tend to be more co-operative’. And so on.

‘This adds up to a compelling case for more people to go to university,’ he concludes. ‘It is why the removal of controls on student numbers will count as one of the great social reforms of the Coalition Government of 2010-15.’

As this quote demonstrates, Willetts genuinely believed he was completing the project of creating a mass HE system in the UK. Willetts considered the proportion of public and private benefit to be roughly 40:60. This happens to be about the proportion of non-repayment to repayment of ICLs, and so the percentage of loans written off after 25/30 years neatly represents the level of public investment in HE as part of the current fees and loans system.
Another powerful argument for ICLs is that free HE disproportionately benefits the middle and upper classes. This argument is premised on the social fact that more people from these classes go to university, and so those people who don’t go to university – i.e. many members of the working class – end up paying for the higher education of those that can already afford it.

VIII

Academics are today the victims of an ideological pincer movement which, if they don’t see it coming, will hand victory to neoliberal marketisers by allowing them to secure and retain the moral high ground. To counter the above arguments and escape this pincer movement, academics need to articulate a convincing, inclusive and potentially popular alternative to marketisation.

At the same time as insisting that marketisation is a completion of the mass higher education project, and consequently that fees and loans are the only way to fund this in a fair and sustainable way, neoliberal reformers like Willetts paint academic critics of marketisations as self-interested defenders of ‘producer power’.

The argument goes like this: Universities have resisted modernisation and remain dominated by academics who self-servingly protect their power, priviledge and autonomy against the interests of students, now re-imagined as consumers. This is reflected in the alleged problems of teaching and learning, which are always anecdotal and never adequately evidenced. Marketisation, therefore, is a heroic attempt on the part of neoliberal reformers to break this monopoly and empower students-as-consumers to hold their lecturers to account and choose the best quality education based on proxies like the TEF.

‘The universities, great institutions with a noble purpose, had been captured by a small self-perpetuating group and were not fulfilling any higher purpose,’ Willetts reflects. ‘That tension between respecting their independence and challenging what we would now call producer power runs through this narrative and through my time as minister.’

By pointing to an ideal type of a public university which never really existed, which is actually being claimed to be realised in marketisation, academic critics of marketisation can easily be made to look like they are defending the elitist, ancient model of the university.

How do academics outmanoeuvre this attack? By having a genuinely modern, socially-useful and democratic vision of mass higher education that will gain traction with the public and show marketisation to be what it is: the replacement of
one monopoly with another, one that will hollow out our higher education system in the interests of over-paid executives and profit-seeking activist shareholders.

At the core of this vision must be a reconstruction of the academic profession, specifically a reconstruction of notions of academic freedom, collegial self-governance and the public good of higher education. Rather than rehearse well-worn arguments for academic autonomy, I’m going to turn to the work of the American philosopher of education, John Dewey.

As the first president of the American Association of University Professors (AAUP), Dewey along with his colleagues grappled with the idea of academic freedom to create a strong basis for the academic profession that would protect academics from attack by aggressive administrators and interventionist business donors and provide a firm foundation for the defence of public HE.

What distinguishes the AAUP’s ‘1915 Declaration of Principles’ from more conservative defences of academic freedom is the direct link it draws between the academic profession and its responsibility to the public.

Rather than merely stating that universities are public institutions and have a public value that must therefore be funded through general taxation, the AAUP declared that the public directly employed academics as scientific experts to supply socially-useful knowledge that could be applied by the public in the intelligent direction of society. This was the ‘peculiar and necessary service which it is the office of the professional scholar to furnish,’ the association argued.

This strong conception of the relationship between academics and the public has equally strong implications for the idea of the public university, specifically of the role of university trustees, whose job it is to nurture and protect this fragile relationship based on a correct understanding of the social role of the academic professional and its institutional home.

‘The responsibility of university teachers is primarily to the public itself, and to the judgment of their own profession,’ the AAUP explained. ‘And while, with respect to certain external conditions of their vocation, these teachers accept a responsibility to the authorities of the institution in which they serve, in the essentials of their professional activity their duty is to the wider public to which the institution itself is morally amenable.’

While the AAUP statement provides a strong defence of the public value of both universities and the academic profession, it is still based on a fundamentally negative idea of academic freedom. Out of Dewey’s later work, however, particularly his 1927 book, The Public and Its Problems, a positive notion of academic freedom can be reconstructed, based on a practice of academic co-inquiry with the public, which I call ‘democratic collegiality’.
For Dewey, academics must recognise the continuity between scientific inquiry and everyday problem solving, and the role that academics must play in developing ‘good sense’ out of common sense. ‘Scientific subject matter and procedures grow out of the direct problems and methods of common sense, or practical uses and enjoyments,’ Dewey explains, ‘and react into the latter in a way that enormously refines, expands and liberates the contents and the agencies at the disposal of common sense.’

Dewey insists that academics must learn to communicate better the results of academic inquiry, and that such communication must go far beyond hollow, box-ticking exercises like the REF. However, contemporary movements for open access, for example, would be criticised by Dewey for not going far enough. Nothing less than a root and branch socialisation of knowledge and the communication of knowledge would be enough to reconnect academic inquiry with the social needs and problems of the public.

Publicly-owned and democratically controlled academic publishing companies with structures of open access and public MOOCs would need be complemented not only by an improvement in general education, so that the public could understand and use this information, but also by public participation in the research process, with members of the public not just as subjects or consumers of research, but as co-researchers.

Dewey insists that the problem with instrumental uses of scientific method and knowledge is their application to human concerns rather than in them. In other words, while the public is sometimes involved in the research process, and in best cases the results of such inquiry communicated effectively to the public, truly ‘dialogic’ and democratic knowledge production must involve the public in discussions and decisions regarding the ends of research as well.

For Dewey, inquiry and knowing are tools for the resolution of ‘problematic situations’. A problematic situation emerges when qualitatively felt problems thrown up by experience – for example by the unintended consequences of social actions – are reflected on, and the causes and consequences reconstructed with the aim of controlling them either in the present or in the future. Inquiry is therefore an essential part of what, drawing on Dewey, I call ‘public formation’: the intelligent self-organisation of groups of individuals to tackle social problems through political machinery or extra-parliamentary pressure and campaigning.

Furthermore, the socialisation of knowledge is not just desirable from a political point of view. Dewey insists that something ‘is fully known only when it is published, shared, socially accessible’. While publication and communication are necessary conditions for public formation, they are not sufficient. By co-producing knowledge with the public, knowledge becomes more ‘trustworthy’, which for
pragmatists like Dewey is the most important criterion of truth.

An example can explain this idea more clearly. When it comes to social policy, such as market reform in HE, Dewey insists that those affected by such policy are in the best position to evaluate its success. This may seem like a truism, but in most cases, key ‘stakeholders’ are not only ignored, but actively excluded from decision making processes.

Take most of the ‘white’ or even ‘green’ consultation papers produced by the Tories with regards to HE from 2010 onwards. They were all badly researched, based on limited theoretical assumptions (e.g. human capital theory) and willfully ignorant of existing research that contradicted these assumptions. As McGettigan points out, the 2011 White Paper, ‘Students at the Heart of the System’, appeared after the government had cut the teaching grant and raised tuition fees to £9,000!

Such alienated and alienating policy making – characteristic of Friedmanesque technocratic neoliberalism – is not only often wrong, but the negative consequences for those impacted by such bad policy lead to a mistrust of expertise that in turn exacerbates this alienation even further. The growing distance between public policy and the public it is meant to serve is a major contributing factor to the rise of right-wing populism and neo-fascism, I would argue.

This structural problem of knowledge production within democratic societies, especially those dominated for long periods by neoliberal hegemony, is of particular concern for academics. Not only are they caught in an ideological pincer movement, they are caught in a structural trap where research, no matter how radical or democratic its intention, is ultimately co-opted for neoliberal purposes by national-level performance management systems like the REF.

In other words, as long as marketisation determines the ultimate ends of university production, academic knowledge is alienated from social use (by a genuine public, not just corporations) and open to instrumentalisation. As long as the public is excluded from the structure of knowledge production, i.e. limited to being a ‘consumer’ of knowledge, this alienated and alienating relationship between academia and the public will continue to determine attitudes towards the academic profession, and ensure the vulnerability of the public towards reactionary forces.

IX

Rather than basing campaigns against marketisation on academic concerns, such as academic freedom, de-professionalisation, casualisation, declining pay and conditions, and assuming that the public are naturally invested in the fate of
the public university as the institutional home of the academic profession, trade union strategy should begin with the concerns of the wider public, and link these concerns with issues of knowledge production outlined above.

Beginning with the impact of marketisation on communities surrounding civic universities, for example, UCU branches can help these communities turn their issues into demands for democratisation that can form the basis for and guide broad-based local campaigns.

These demands can be used to link local struggles with regional and national struggles against privatisation and outsourcing, rebuilding the fighting capacity of the union, and with local anti-austerity campaigns creating a virtuous circle of community and trade union activism that could strengthen the national movement to banish neoliberalism from society once and for all.

Let me run return to the case of Coventry University UCU, so that I can explain what this might look like in practice. Because Coventry University’s rapid expansion was not carried out in a planned or democratic way – despite the chief executive of Coventry City Council being on the university board – the scramble to provide students with accommodation in the city has had a massive impact on the living conditions of the local population.

In many areas, buy-to-let landlords have pushed up house prices so much that young people cannot afford to buy or rent houses in the city, and have to move away from family and friends to start their own families. Many houses have been gutted and turned into Houses in Multiple Occupation (HMOs), transforming local communities and the way that residents feel about their local areas and stoking resentment towards students.

Responding to this housing crisis and rising negative feeling towards students, Coventry University and the City Council have invested or encouraged investment from property speculators in huge high-rise student accommodation in the city centre. While this will relieve some of the pressure on suburban areas, the negative visual impact of a city centre dominated first by cranes and then by looming student blocks has also not helped the university’s public image.

The gripes of local residents about fly-tipping and noisy parties may seem petty and can in some cases turn into reactionary sentiments easily captured by right-wing ideologies. However, as already noted, these gripes express a deeper, cultural alienation that is a direct consequence of the anti-democratic way that universities, in league with local councils and egged on by the Tory government, have operated.

However, in dialogue with residents – through existing institutions like trades councils or neighbourhood associations, or by creating new democratic forums like citizen assemblies – addressing these issues in an honest and open way, trade union activists can reconstruct the relationship between these alienating social
consequences and HE marketisation, turning this unarticulated negative feeling into concerted political action directed by concrete social demands.

Another example. Almost half a century ago, a group of workers representing a cross section of the Lucas Aerospace workforce formed a ‘combine’ and did something extraordinary: they challenged management’s right to control and direct the means of production by proposing an alternative corporate plan.

Part of a wider movement for workers control in the 1970s, shop stewards at different Lucas Aerospace factories and from different sections of the workforce, both ‘skilled’ and ‘unskilled’, came together to get ahead of the rationalisation that was threatening to destroy British heavy industry at the time and looked at how this industry could be repurposed to meet the growing need for socially-useful products, and therefore put apparently redundant jobs and unused productive capacity at the service of society.

Based on answers to a wide-ranging questionnaire, which challenged members of the affiliated trade unions to suggest ideas based on their experience of personal and community needs, the Lucas Combine proposed approximately 150 products min six major areas of technological activity: oceanic, telechiric (remotely operated) machines, transport systems, braking systems, alternative energy sources and medical equipment.

University unions can use the Lucas Plan as a model of how to build broad based campaigns for democratisation through co-inquiry. Working with local trades councils and community organisations, HE activists can gather wide responses to questionnaires asking people what they think about their local university, and what exactly they need that could be provided for by such an institution.

Alongside such questionnaires, activists could hold public meetings where citizens could air their concerns, leading to discussions that would raise awareness of the origins of these concerns in marketisation, their link with other elements of neoliberal privatisation and austerity that are destroying local communities, and the need for wide-ranging democratisation to address these concerns.

Like the Lucas Combine, these practices of co-inquiry could become more organised and lead to the production of alternative corporate plans for local universities. These alternative plans would in turn provide an excellent campaigning platform to build a national movement, and create an organic and grassroots programme of democratic reform for a ‘post-neoliberal’ HE system.
While campaigns for democratisation must formulate their demands according to local needs and concerns, there must also be some idea of what kinds of institution might be able to serve these needs and deepen local democracy rather than serving the needs of neoliberal capitalism. One promising idea currently being explored is of a democratically owned and controlled ‘co-operative university’.

In 2013, the Co-operative College sponsored Dan Cook to look specifically at the possibility of ‘realising’ a co-operative university. Interviewing key national-level co-operative sector and university sector stakeholders and reviewing the existing literature on the topic, Cook outlined in his final report a detailed breakdown of what a British co-operative university might look like, including how governance, membership, democracy and teaching and learning might be organised, as well as how such institutions might be financed.

Separately, a group of co-operators involved in the Lincoln Social Science Centre (SSC), a small scale community-based co-op founded on the approach to learning and teaching known as ‘critical pedagogy’, have been working towards a theoretically informed and practically grounded synthesis of co-operative HE that they claim activists, educators and the co-operative movement could take forward into implementation.

In 2017, these two groups came together at a conference hosted by the Co-operative College ‘with the intention of exploring [the College’s] role in supporting and co-ordinating a federated model of co-operative higher education’. The College is now inviting prospective students to find out about actually studying at its forthcoming Co-operative University.

While the co-operative model isn’t perfect, and in itself doesn’t challenge marketisation, because on the ideological level at least, marketisation professes to offer students the widest range of different private providers to choose from, including co-operative universities, it does offer a substantive way of institutionalising the kind of ‘democratic collegiality’ outlined above.

One co-operative model in particular, the ‘social co-operative’, offers an institutional structure that could formalise and sustain deep practices of local democracy and co-inquiry.

Social co-operatives’ multiple forms of membership enable them to reflect multiple interests, making them accountable to not only the producers within the organisation, but to surrounding communities that also have a stake, or that are impacted by its activities. This makes them ideal for the delivery of public and social goods, such as healthcare and education.
Mondragón University is the largest and perhaps only real example of a co-operative university structured on a social co-operative basis. Mondragón has three types of members: workers (academics and professional staff), users (other co-operatives, businesses, and the local community) and students, with each membership category providing a source of finance.

‘Worker members must invest around €15,000 in the university,’ Joss Winn explains, ‘which can optionally be taken from their social security payments over a two-year period. Workers receive a share of the organisation’s surplus as salary, which is distributed in anticipation of the year’s financial results, and may go up or down.’

‘The university maintains a governing structure similar to that of a conventional university, subject to the oversight of a Faculty General Assembly comprised of one-third each of workers, users, and students,’ Winn continues, ‘this is where the final decisions are taken on the basis of one-member, one-vote.’

‘Student members of Mondragón broadly consist of individuals on conventional degree programmes, and workers being up-skilled for new tasks elsewhere in the corporation,’ he adds. ‘As a private university, it does not receive the substantial state subsidies provided to public institutions, and charges students two-thirds of the full fees of €9000 a year, with the remaining third subsidised by consultancy and short courses.’

While the fees indicate that this is not a model of free HE, and others have pointed to the shortcomings of democratic participation within Mondragón, essentially due to the fact that worker ownership and control sits awkwardly with trade union traditions of collective bargaining, the existence of a large, fully operational and financially successful social co-operative university shows that it can be done.

Firstly, and perhaps most importantly, co-operative universities provide a way to realise the collegial ideal, which forms the basis our idea of the public university, but which has rarely been realised outside the elite colleges and seminars of Oxford and Cambridge Universities. By establishing strong, horizontal mechanisms of ownership and control, vice chancellors – who would, in this system, need to be elected – would not be able to create an environment where excessive risk-taking and grossly unequal incomes were acceptable.

Furthermore, where academics senates and boards have been neutered in today’s universities, the general assembly that would oversee these elected executives would represent a return to collegial forms of governance, with the addition of other key stakeholders that have been traditionally ignored: non-academic staff, students and the wider community.

Why would students bother with co-operation when they are only there for three or four years? While sounding like a practical question, this also betrays some conservative assumptions about students and young adults. As Alex Nunns has
shown, the success of Jeremy Corbyn’s Labour Party in the June 2017 snap election was based on the assumption – backed up by innovative social media engagement and ‘get the vote out’ campaigning – that young people are interested in politics but have been disenfranchised by 30 years of neoliberalism.

Besides, students have already turned to co-operation as a solution to problems caused by marketisation, for example high student rents and poor treatment by private landlords. ‘The student housing co-op is beginning to take root in the UK,’ insists the co-operative newspaper, Co-op News, ‘with viable co-ops formed in Edinburgh, Sheffield and Birmingham. Progress is being made setting others up in Nottingham, Newcastle and Leeds.’

Of course, the practicality of balancing short-term and long-term interests in the make-up of a multi-stakeholder co-operative must be acknowledged. But as co-operators point out, the degree of control for each member group is a matter for discussion and decision when constitutions are drawn up.

The same question can be asked of academic staff; why would they want the extra burden of having to run the university, as well as work in it? ‘The requirements of workplace democracy may be considered as either an onerous burden, or as a source of strength,’ Cook points out. ‘A traditional view is that the costs of operating an internal democracy are a burden upon co-operatives, making them less efficient than organisations which do not undertake this sort of activity.’

However, in a survey of 122 research students, Cook found that 73.8% of respondents found the idea of workplace democracy either ‘very attractive’ or ‘attractive’. Gender was a significant variable, with 15.9% more women than men considering workplace democracy an ‘attractive’ or ‘very attractive’ idea.

Cook concluded that approval ratings for workplace democracy were strongly positively correlated with desire to become an academic. ‘This, and the very high approval ratings for workplace democracy among all categories of respondent indicate that universities should consider workplace democracy a potent offer for recruiting and retaining tomorrow’s academic staff,’ he suggested.

What about the community? How can we ensure the participation of genuine ‘lay members’ on governing boards, rather than the majority white, male business leaders that currently dominate these structures, pushing executives even further in the direction of corporatisation?

Again, democratic collegiality provides the answer. ‘Through participatory methods of problem identification and analysis, action planning, and team building, the parties to such a process engage in mapping existing relationships, identifying social lacunae and imagining a better future that they can seek together,’ Rebecca Boden and colleagues argue.
‘Core to the success of such exercises is the collaborative inclusion of all the parties to the organisation,’ they continue. ‘These search conferences would then be repeated at regular intervals with stocktaking, new problem identification, and new action planning.’

‘The quality of this dialogue needs to be one of mutual respect between equal partners, not a contract for service because all the parties have a role to play in organisational success,’ they add. ‘These dialogues would constitute a strong form of accountability: they would be informed by formal reporting, but importantly, the parties would hold each other to account through social processes and relationships which cultivate increased understanding of each others’ work, life, hopes and worries.’

Through democratic co-inquiry, then, community leaders representing genuine community concerns can be selected, who can then ensure the effective operation of co-operative university governance. As a foundational practice of such institutions, democratic collegiality would create a virtuous circle in which co-operation is promoted by example and co-operative governance strengthened through practice and experience.

By promoting co-operation, then, democratised universities could play a part in spreading co-operative solutions within communities, helping community groups to learn to co-operate and perhaps set up their own co-operatives, with universities providing a knowledge base as well as in some cases, financial help.

Co-operative universities could also reinforce the virtuous circle of co-operation suggested above by adopting procurement policies preferring, where possible, local co-operatives. If such local co-operatives weren’t available, then co-operative universities could actively seek to help set up such co-operatives with interested parties. In this way, co-operative universities and practices of democratic collegiality could become the basis for far-reaching and ‘bottom-up’ processes of local and regional economic regeneration.

While ‘civic universities’ and former polytechnics have played a crucial role in the redevelopment of local and regional economies following de-industrialisation in the 1970s, the benefits of having large universities in such areas have tended, as explained above, to be distributed unequally. Alongside this unequal regeneration, which could be considered a form of ‘gentrification’, a discourse around universities as ‘anchor institutions’ has emerged in recent years.
In most cases, this discourse of universities as anchor institutions is just an ideological rationalisation for corporate universities to hoover up more public cash to aid further expansion. These pots of public funding are ostensibly for ‘re-skilling’ members of the public thrown out of work by crisis and austerity, but this money almost always goes to projects focusing on niche, high-tech industries in which local start-ups are supported in exchange for shares in spin-out companies. Democratic universities, on the other hand, by sourcing their services from local co-operatives while extending their extensive resources to wider communities as part of a co-ordinated approaches, could become anchor institutions for genuine, democratic regeneration and positive, long-lasting social change.

This is exactly the thinking behind the influential ‘Cleveland Model’, an innovative approach to economic development, green job creation and neighbourhood stabilisation based in the Ohio, US city of the same name.

Cleveland, like many post-industrial cities in the UK, is characterised by a concentration of anchor institutions, such as universities and hospitals. It is directly adjacent to six communities with a median household income of $18,500 and where 25-30% of residents live in poverty. Although these institutions currently spend about $3 billion on goods and services combined, historically very little of this money has stayed in the area.

‘Having funded many economic and community development programs for years,’ Elaine Wang and Nathaly Agosto Filión explain in a case study for the Institute for Sustainable Communities, ‘the Cleveland Foundation realised that status quo approaches were not working and sought a new approach in collaboration with key stakeholders, one that would not only create jobs and generate new business, but also keep the wealth and assets within the community long-term.’

Democratically owned and controlled local businesses like the Evergreen Co-operative Laundry, urban farm Green City Growers and the solar panel and LED firm Evergreen Energy Solutions supply these anchor intuitions with crucial services, employing local people often from disadvantaged backgrounds and keeping the money where possible within the local community.

As the Cleveland Foundation’s president and CEO Ronn Richard insists, this isn’t just some small scale example of middle class ‘localism’, but ‘equitable wealth creation at scale’. ‘The Evergreen Cooperative Initiative remains an important model for healing neglected post-industrial economies in the American heartland,’ the company’s website states. ‘But it’s also part of a larger experiment in alternative wealth-building and wealth-sharing models being considered by stakeholders in the Greater University Circle Initiative.’

This kind of ‘municipal ownership’ is also one of the key ‘Alternative Models of Ownership’ identified by a Labour’s pamphlet launched just before the 2017 snap
election. Although released with little fanfare, the Labour leadership, particularly Shadow Chancellor of the Exchequer, John McDonnell, has been in the last few months building on its suggestions in a series of events explaining the party’s alternative economic strategy.

The pamphlet points to an initiative begun in 2005 in the northern English city of Preston, in response to a £700 million regeneration scheme being abandoned by the local council after one of the major partners, the John Lewis Partnership, pulled out. ‘In response to the difficulties in securing inward investment,’ Labour’s pamphlet explains, ‘Preston and Lancashire have embarked on a pioneering experiment in democratic local economy.’

Working in partnership with six local anchor institutions – including Preston’s College, Cardinal Newman College, Lancashire Constabulary and Community Gateway – Preston City Council and the Centre for Local Economic Strategies identified £3 million of potentially ‘influenceable’ procurement budgets that could be redirected to local businesses.

Partnering anchor institutions started to revisit their commissioning and procurement strategies, breaking contracts into lots to enable smaller organisations to bid, while the Community Wealth Building initiative worked with small companies to raise their awareness of these potential opportunities and build their capacity to win these contracts.

‘The impact of this work will be more measurable in the longer term,’ Labour notes, ‘but changes that are bringing benefits for the local economy in the form of jobs and business development are visible. Preston has already improved its status in the ‘Index of Multiple Deprivation’, with better paid jobs and wealth rippling into its communities.’

‘If the amount spent in Preston by these anchor institutions increased from 5% to 10% and was sustained over the next ten years,’ Labour concludes, ‘this would mean a further £370 million being spent with organisations based in the city over that period. Multiply that across the UK and it’s easy to see how influential anchor institutions could be in their local economies if they harnessed the full potential of their procurement spend.’

Another important contribution made by Labour in the lead up to the 2017 election was the idea of a National Education Service (NES). Like the suggestions made in the alternative models of ownership pamphlet, the idea of an NES is meant to
provide a framework that can be taken forward by those working in the education sector and filled out with ideas forged from experience and local knowledge.

Essentially, the NES promises to create a unified system of ‘cradle-to-grave’ education that is, like the NHS it is modelled on, ‘free at the point of use’. While the main point of the proposal for UK HE in Labour’s electoral programme was the promise to abolish tuition fees, the potential for the NES to be expanded to include a whole raft of modernising policies for the sector is very exciting.

Although UCU’s contributions to this idea are somewhat limited, UCU’s suggestion that free HE should be funded through a ‘Business Education Tax’ is a robust and progressive one, countering arguments made by neoliberal reformers that ICRs are the only way to sustainably fund a mass HE system.

According to the union’s research, raising corporation tax (CT) by only 1% would generate around £2.5 billion for government spending. ‘CT in the UK is currently only 19%,’ UCU points out, ‘so to achieve the £11.2bn Labour would need for [free HE in 2018-19], overall CT would need to rise by 4.5% to 23.5%. If additional skills funding of £2.5bn is also included, it would need to rise to 24.5%.’

UCU proposes that CT should be returned to its 2010 level, a rate of 28%. ‘This would enable significant additional investment into education at all levels and would still mean the UK’s CT rate was lower than many competitor countries like France (33%) and Germany (30%).’

‘Labour has already committed to raise CT back to 26% and reintroduce a tax of 21% on small companies’ profits if it wins the next election,’ UCU notes. ‘By tying corporate taxation to tangible education outcomes – something which Jeremy Corbyn advocated during the election campaign – Labour has a chance to make a strong statement about who it wants to act for: students or shareholders.’

UCU also rightly points out that university funding should come with caveats. An NES which is primarily funded through taxation ‘must aim to ensure that it sets high employment standards,’ the union insists. ‘While decent pay and conditions of work are a pre-requisite for high-quality provision, the increasingly marketised further and higher education sectors are beset by exploitative working practices such as endemic high workloads and casualisation.’

Finally, UCU proposes the abolition of the ‘extremely unpopular’ REF, TEF and KEF performance management systems. ‘The NES is an opportunity to strike a different tone in terms of regulation and quality assurance, particularly in higher education,’ the union argues. ‘UCU would urge Labour to use this opportunity to explore alternatives to these frameworks and promote an approach to quality assurance which has greater support from staff.’

This is, of course, correct. Any alternative to marketisation would need to replace the
performance management systems that incentivise and reward instrumentalisation and corporate behaviour. Based on the concept of ‘democratic collegiality’ I have outlined above, I propose the creation of a ‘Council of Scholars’ (for want of a better name) to replace these frameworks and support democratic and co-operative governance at a national level.

At the core of this Council of Scholars (CoS) would be an expanded legal definition of ‘scholar’ to include, as well as academics, non-academic administrative and support staff, teachers and non-teaching staff in pre-16 and adult education, and members of the community with a stake in universities as centres for democratic knowledge production and economic regeneration.

Local CoSs would also drive the democratisation of universities, replacing on the one hand the market norms that have seeped into every aspect of life inside university walls, and on the other hand, opening up universities as public resources to local and regional communities, thus potentially reinvigorating structures of representative democracy that have also been hollowed out by neoliberalism.

As a policy proposal, the CoS idea brings together two of Labour’s most radical proposals, putting bones on the NES as an alternative to marketisation and also providing, in conjunction with democratised universities as social co-operatives, a concrete example of how democratic ownership and control could ground a vision of regional regeneration and sustainable economic growth.

One of the most important implications of this idea is that it would bring back together the teaching and academic professions. Before polytechnics were incorporated in 1992, teacher training was a core part of public HE. However, as Melissa Benn has pointed out, since incorporation, pre-16 teaching has suffered a similar de-professionalisation to that of academia.

While ‘scholarship’ is not always associated with pre-16 education, nor with further and adult education, the inclusion of teachers within a CoS structure would help to re-establish teaching as a highly-skilled profession comparable to that of research-informed university teaching. Alongside the abolition of the TEF, REF and KEF, the CoS would also provide an alternative system of self-regulation to the anxiety-inducing and counterproductive Ofsted inspections, at the same time re-establishing the collaborative relationship between schools and universities that is crucial to teacher training, education research and education policy creation.

As I have already acknowledged, not everyone is a supporter of Corbyn or approves of the left-ward shift of the Labour Party. However, Labour’s polices are both open to elaboration by those working in UK HE and suggest a truly modern alternative to marketisation that shows this ideology to be exactly what it is: a cover for the hollowing out of public services for the good of the few, against the needs of the many. In any case, I think these policies are sound, and should be supported.
Academics must now choose sides. Not with a particular political party or trade union faction, but with either the market or the public.

In this neoliberal era, the state and the market are so closely aligned, they are almost indistinguishable. I would personally argue for the subsumption of both state and market within the public, for the socialisation of not just HE but the whole economy. But I recognise that full-blown democratic socialism may not be everyone’s cup of tea.

As a minimum, though, some kind of strengthening of the public is the only way to democratise the HE system. In this pamphlet, I have tried to outline both the conditions for such a democratisation, and also some concrete ideas as to how to move in this direction.

However, the largest union in UK HE, UCU, and therefore the best vehicle for achieving these ideas in practice, is undergoing a period of transition. While providing a massive boost to the union’s confidence and sending a clear message to employers that enough is enough, the USS strike last year brought long-standing tensions within the union’s executive structure to a head.

Furthermore, the last national pay round also showed that this success could not be easily repeated when it came to pay, with 59% of members not feeling motivated by the issue enough to vote. Taking into account the choice of those that did vote, overall, 71% of UCU HE members said ‘No’ to strike action over pay.

However, a 41% turnout is not a bad result and is a solid basis on which to build future national pay campaigns. It shows that ‘get the vote out’ approach to campaigning works, and that local branches are getting better at connecting issues like casualisation, workload and inequality to headline pay claims.

Future campaigns need to be fought upon a strong foundation of grassroots participation and democracy. Grounding local campaigns in qualitatively felt and shared public issues relating to marketisation, and then linking these local struggles through regional and national union structures, is the way to turn UCU into a united force, capable of delivering tangible results and long-term, sectoral change.

Change is also good for the union, but new layers of activists need to get involved in its unwieldy but also essentially democratic internal processes. In my opinion, the main reason that the NEC has been allowed to remain so fractured and alienated from the ‘rank and file’ membership is because of a lack of new blood rising through the ranks and challenging the status quo.

What is missing is a sustained programme of political education within the union that would build on the grassroots dynamism created by the USS strike, explain
the union’s democratic processes in an open, engaging and practical way, and provide members with a general, theoretical understanding of marketisation and its alternatives. This pamphlet is a contribution to this long-term project. Theory is also important for gaining a strategic vantage point on what can otherwise seem like a relentless and chaotic avalanche of piecemeal reform. The interpretation presented in this pamphlet of marketisation as resurgent neoliberalism and eventual monopolisation hopefully helps to put the pieces together and reveal the general direction of travel beyond the incessant tweaks to marketisation that we see on an almost weekly basis.

An example. At the time of writing, the results of the Augar Review have not been published. However, some details have been leaked, the most headline-grabbing one being the suggestion that the government might lower tuition fees to £6000. Already the media frenzy has started, and various ideological positions assumed by key commentators. For supporters of the status quo, this would risk a financial crisis for over-leveraged universities, with the failure of some of these universities the result. Either that or it would mean supplementing this lost university income through increased government spending or the return of student numbers caps.

For advocates of free HE, on the other hand, this fee reduction is not nearly enough. But as pointed out in this pamphlet, by contrast to what will be painted as the ‘extremist’ and unrealistic objectives of the ‘far left’, the above arguments by defenders of the status quo will seem reasonable, and will have the effect of showing up critics of marketisation, once again, as anti-progressive.

So what’s the answer? To extrapolate the consequences of this policy and show that the damage caused by reducing fees is caused by marketisation, and are therefore avoidable if marketisation is abandoned wholesale. In other words, these consequences come from a lack of planning, and this is a political choice.

Universities are over-leveraged because Thatcher introduced corporate norms into UK HE, and then precipitated a financial crisis in this system by continuing expansion at the same time as cutting public funding. While marketisation has been driven ‘from below’, these behaviours would not have emerged had the government not transformed university governance in the 1980s and 90s.

The government is not worried about the financial consequences of lowering fees because it is more than happy for some universities to fail, as this will make mergers or private takeovers more palatable for the public, in contrast to the economically devastating alternative of universities dissapearing altogether. To put it in neoliberal terms, monopolisation would be positive ‘externality’ of reducing fees.

Publicly funded HE, or free HE at the point of entry for all, is only anti-progressive on the basis of an underlying class structure in British society that the government
Selective schooling begets selective university education begets selective employment. The British education system, as it has done for centuries, acts as a sorting mechanism for the country’s class system.

The crisis artificially produced by a reduction in fees, on top of the existing mess created by 30 years of marketisation, will also make it easier for the government to introduce differential fees, a goal it has had since 2010. More expensive science and technology courses, which also happen to be those more likely to produce R&D for corporate capitalist innovation, will be able to charge higher fees.

Arts and humanities subjects, on the other hand, may gradually disappear from public universities, being unprofitable for both institutions and individuals, and become the preserve of the rich or middle class, available in bespoke ‘liberal arts’ institutions like A.C. Grayling’s New College of the Humanities, or as conspicuous consumption choices in ‘alternative’ but acceptable Co-operative Universities.

The real alternative is still publicly and adequately funded HE, free at the point of entry. As Robbins pointed out in 1963 when such a system was put forward for the first time, this requires political will and economic planning. However, Robbins’ vision was not ambitious enough. We need to put forward a democratic alternative that can be sustained from the bottom up, and an alternative government willing to commit to democratic, public HE as part of a rejection of neoliberalism.

The model of democratic HE I have outlined in this pamphlet can be an important and exciting part of this movement for a post-neoliberal society, whether this be a return to the social democratic model of the 1960s – but of course with more far-reaching commitments to social equality and economic and environmental sustainability – or towards something more radical, for example, some form of democratic socialism.

Some really interesting ideas are coming out of the left now, as the movement for a post-neoliberal society gains traction with the wider public. Although a version of this policy was put forward by the New Economics Foundation about a decade ago, the idea of a Green New Deal (GND) has been catapulted to the political mainstream in the US thanks to campaigning by recently elected Congress representative Alexandria Ocasio-Cortez (AOC).

The resolution submitted to Congress by AOC argues that a national, social, industrial, and economic mobilisation on a scale ‘not seen since World War II and the New Deal’ is necessary to overcome the twin crisis facing not just Americans, but people across the world: climate change and socio-economic inequality.

As in the UK, climate activism in the US is being led by young activists worried about their future. The grassroots and spontaneous nature of this movement, which of course builds on decades of climate change activism, has taken the political mainstream by storm. ‘The political establishment is scrambling to keep
up with thousands of people across the country who are eager to take action and bring the promise of the GND into reality,’ comments the Sunrise Movement, a political organisation that co-launched the GND, on its website.

‘We’re building an army of young people to make climate change an urgent priority across America, end the corrupting influence of fossil fuel executives on our politics, and elect leaders who stand up for the health and wellbeing of all people’ the Movement continues. ‘Public opinion is already with us – if we unite by the millions we can turn this into political power and reclaim our democracy.’

While huge investment is needed to deliver the goals of the GND, the way in which this investment is managed is as important as the ends it is designed to achieve. Like the Cleveland and Preston models of economic regeneration, the GND is based on principles of co-operative and municipal ownership and control. The vision of HE presented in this pamphlet, of democratic universities acting as co-operative ‘anchor institutions’ and hubs of collective intelligence, offers an admittedly ambitious, perhaps slightly utopian way to achieve something like the GND. But ambition is what is needed right now. After all, the struggle against marketisation is also a struggle for the future and a different world.