

# Student choice in higher education – reproducing social inequalities?

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# Choice and competition

...models [for delivering public services] that rely significantly upon user choice coupled with provider competition generally offer a better structure of incentives to providers than others...and, as a result, are more likely to deliver high-quality services efficiently, equitably and in a responsive fashion.....the government can use the ‘invisible hand’ of choice and competition to achieve its aims in public services.

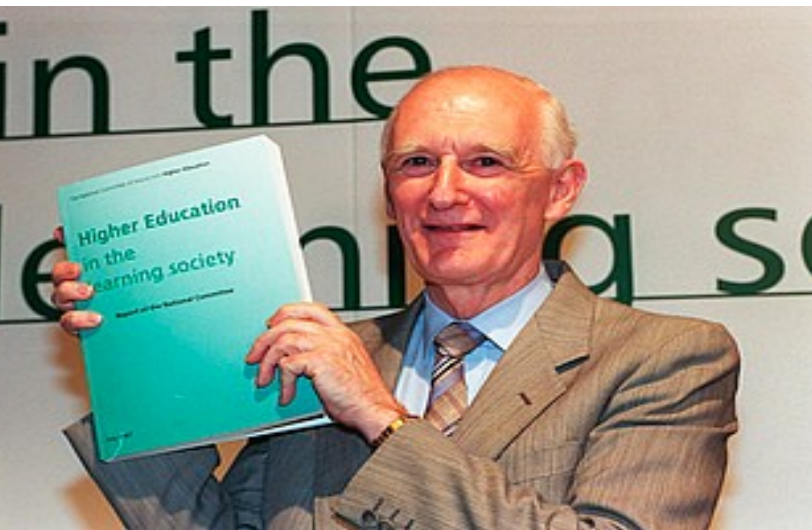
Julian Le Grand (2007) *The Other Invisible Hand: Delivering Public Services through Choice and Competition*. Princeton: Princeton University Press, p.38.

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# Policy rhetoric on choice and competition and the role of student funding

# National Committee of Inquiry into Higher Education, 1997



To make recommendations on how the purposes, shape, structure, size and funding of higher education, including support for students, should develop to meet the needs of the United Kingdom over the next 20 years, recognising that higher education embraces teaching, learning, scholarship and research.(3)

....student choice should be the main shaper of the system and that institutions must be enabled to respond flexibly. (Para 5.52)

# Independent Review of Higher Education Funding and Student Finance



COURTESY: EF

..tasked with making recommendations to Government on the future of fees policy and financial support for full and part-time undergraduate and postgraduate students. (BIS, 2009)



‘What we recommend is a radical departure from the existing way in which HEIs are financed. Rather than the Government providing a block grant for teaching to HEIs, their finance now follows the student who has chosen and been admitted to study. Choice is in the hands of the student.’ (3).



## **PRINCIPLE 4 :There will be no upfront costs for any student, regardless of the mode of study.**

We recommend that the same upfront support for the costs of learning is extended to part time students as well. Higher education will be free at the point of entry for all students, regardless of the mode of study, giving them more choice about how they choose to study – and where.(36)

## **PRINCIPLE 06: Part time students should be treated the same as full time students for the costs of learning.**

The current system requires part time students to pay upfront. This puts people off from studying part time and it stops innovation in courses that combine work and study. In our proposal the upfront costs for part time students will be eliminated, so that a wider range of people can access higher education in a way that is convenient for them. (5)



Our reforms are designed to deliver a more responsive higher education sector in which funding follows the decisions of learners and successful institutions are freed to thrive; in which there is a new focus on the student experience and the quality of teaching and in which [there is]... a diverse range of higher education provision. The overall goal is higher education that is more responsive to student choice, that provides a better student experience and that helps improve social mobility. (8)

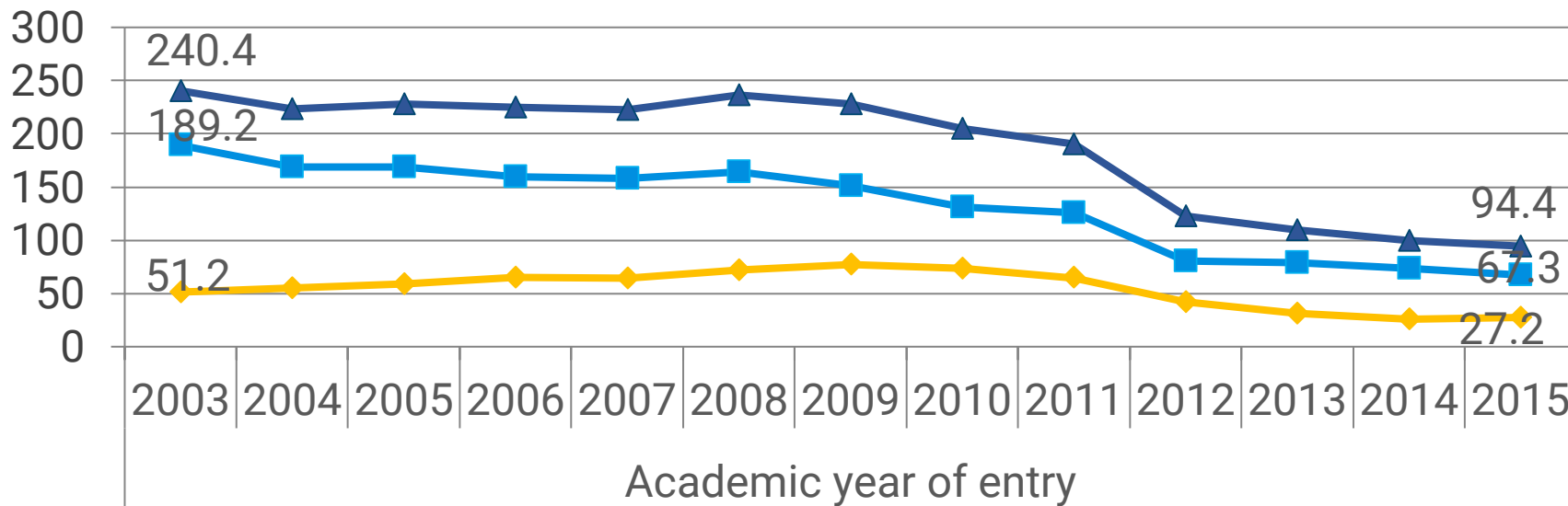


# The conceptualising student choice



# The consequences of student funding policies for student choice

# Part-time undergraduate entrants domiciled in England to UK universities, 2003 to 2015 (000)



Source: Callender & Thompson, 2018

◆ OU
 ■ Other
 ▲ All



# Explanations for long-term decline

- above inflation increases in tuition fees
- inadequate student financial support
- the ending of funding for most graduates taking a second degree (ELQ)
- macro-economic factors including the recession
- supply factors as universities' income from part-time fell behind the income possible from full-time provision
- the rise of unrecorded learning opportunities, e.g. unaccredited courses at universities, “alternative provider’s” courses, MOOCs.



# The 2012/13 reforms of part-time student funding

# 2012/13 part-time student funding reforms



- Withdrew most of universities' teaching funds
- Capped undergraduate tuition fees at £6,750 per annum.
- Introduced tuition fees loans for the first time for part-time students
- Abolished tuition fee and course grants for part-time students.

# Higher Education: Students at the Heart of the System, 2011

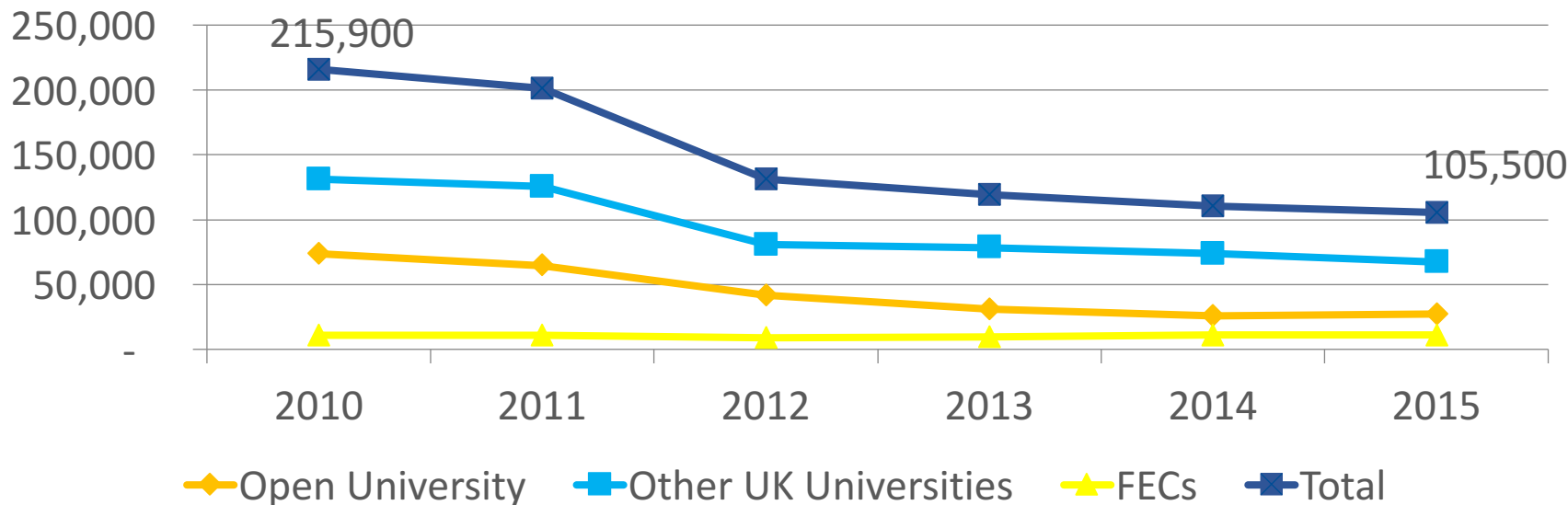
For the first time, students starting part-time undergraduate courses in 2012/13, many of whom are from non-traditional backgrounds, will be entitled to an up-front loan to meet their tuition costs.... *This is a major step in terms of opening up access to higher education, and remedies a long-standing injustice in support for adult learners.* Up to around 175,000 part-time students will benefit. (61)

# The impact of the 2012/13 reforms of part-time student funding and their effects on student choice

# Tuition fees increases

- Large increases in tuition fees, greater than anything experienced before.
- The Open University increased its fees for students living in England from £1,400 to £5,000 per FTE between 2011 and 2012, a real rise of 247%.
- In 2012/13, the median tuition fee charged for a part-time degree was £5,000 per FTE, some institutions charged the maximum £9,000 per FTE.

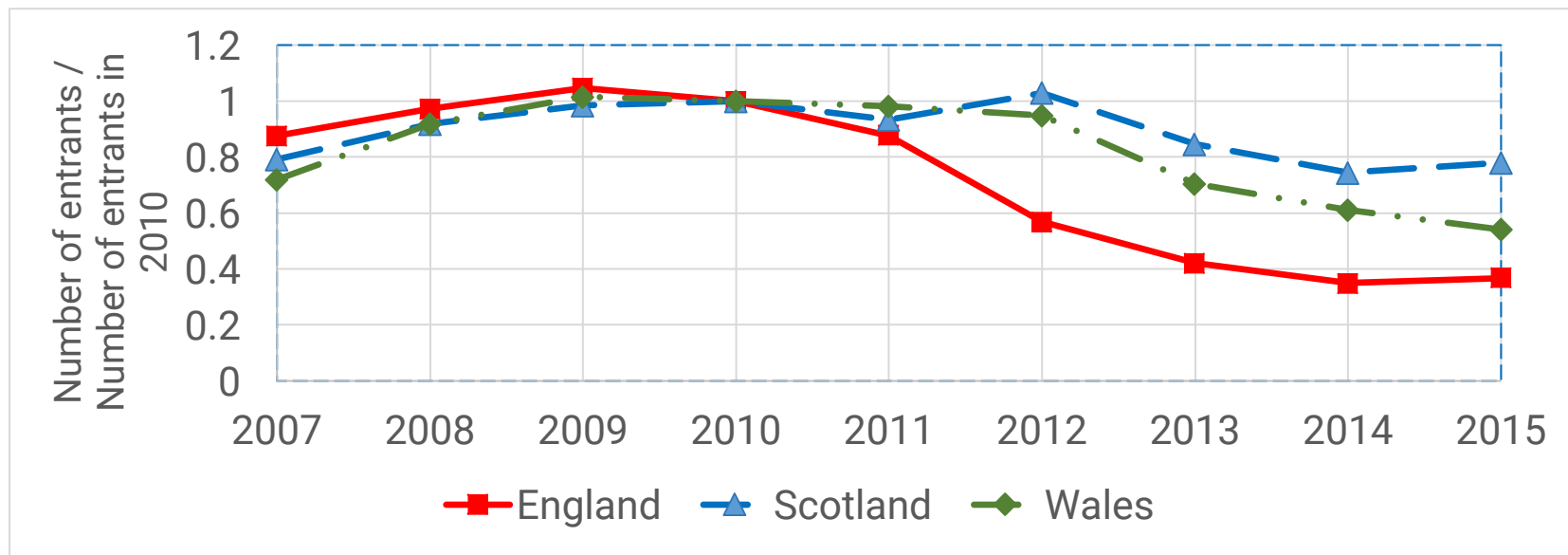
# Part-time undergraduate entrants to UK universities and FECs in England, 2010-2015



Source: Callender & Thompson, 2018



# Part-time undergraduate entrants domiciled in England, Scotland and Wales relative to 2010 entry (Open University only)



Source: Callender & Thompson, 2018

# Impact of tuition fee increases

- Part-time students numbers in England have been declining since 2008.
- But fee increases in 2012 caused a far greater decline.
- If entrant numbers had fallen by the same proportion as entrants domiciled in Wales (unaffected by the 2012 reforms), in 2015 there would have been 149,000 entrants living in England instead of 106,000.
- 40% of the decline can be attributed to tuition fee increase in 2012.

# Eligibility and take up of loans, 2012

	No. entrants	All entrants		Eligible entrants	
		%	Cum. %	%	Cum. %
All entrants	133,705	100%			
Eligible for loan	54,830	41%		100%	
Loan taken out	32,335	24%	24%	59%	59%
Employer support	6,805	5%	29%	12%	71%
Fee waiver	1,430	1%	30%	3%	73%

# Part-time undergraduate entrants domiciled in England by qualification aim, 2010-2015

Provider	Qualification	2010	2015	% decrease
Open University	Degree	32,425	22,235	31%
	Sub-degree	41,305	4,925	88%
Other universities, FE colleges	Degree	21,070	13,420	36%
	Sub-degree	121,110	64,910	46%
All	Degree	53,495	35,655	<b>33%</b>
	Sub-degree	162,415	69,835	<b>57%</b>

Source: Callender & Thompson, 2018

# Part-time undergraduate entrants domiciled in England on degree courses studying at less than 25% intensity

