

THE LOGIC OF UNIVERSITY FEES

The recent publication of the *THE's* annual world university rankings raises a key question in the debate about student fees and university funding: How many institutions regard themselves as being in the top n universities in England?

The success of the government's plans to re-fashion the undergraduate market seems to rest on the answer being n (or, even more optimistically, *less than n*). But that is not where the evidence is currently pointing. Where the sample is less than the total number of universities in England, the answer is *greater than n* . Moreover, as the sample size diminishes, the answer becomes *much greater than n* . All of which helps explain why the coming weeks may well witness a steady flow of (as ministers would see them) disconcerting announcements from English universities about their intentions in relation to undergraduate fees.

No doubt ministers have expected from the outset that certain well-known universities would pitch for the maximum fee – not just because they needed the money, but out of a sense of their own standing in the market. Charging the maximum lays down a marker. It says *we are the top of the range*. As such, the declarations of intent by Oxford, Cambridge, and Imperial will surely have come as no great surprise in Whitehall. The important question all along has been whether there are, within the existing scheme, sufficient incentives (or disincentives) to prevent other universities following suit.

For now, much attention is focused on the members of the Russell Group that have yet to declare their hands. These universities are very likely facing a dilemma. If they accept there is a link between fee level and prestige, they must either follow Oxbridge and Imperial in charging the maximum or risk appearing to be part of a second or third tier within the Russell Group. Of course, they could always take a stand and deny the link between fee level and prestige. But this might be a hazardous strategy. It carries with it the danger of splitting the Russell Group on a point of principle and of creating a new configuration of universities bound together by their willingness to charge the maximum.

Certainly, the list of institutions that see themselves as belonging at the top table of UK universities has been growing over the years. The announcement by Exeter that it too intends to charge the maximum fee tells us plenty about the institution's confidence and sense of its place in the world – at the same time adding to the pressure not just on the Russell Group but on other members of the 94 Group as well.

To understand the underlying logic here we can look beyond the jockeying for position between individual universities and their umbrella organisations at the research-led end of the market: the Russell Group is simply a convenient starting point. However they style themselves, all universities are mindful of the company they keep. Their reluctance to break ranks with one another sits alongside a desire to be placed in the correct ranks to begin with. The judgements they make about who they are and where they belong cut across the increasingly fuzzy boundaries demarcated by their umbrella bodies.

If they have got their calculations wrong, ministers may find that two quite different kinds of reasoning will propel universities en masse in the direction of the maximum fee. One says: *regardless of whether we need the money, our reputation requires we charge the same as our peers.* The other says: *regardless of sensitivities about our reputation, we need the money.* As if this weren't enough, the fact that the bidding process is blind puts institutions in the position of second-guessing one another – and there is good reason to believe that the rational course of action in these circumstances is to assume everyone else will bid for the maximum and do likewise for fear of ending up the odd one out.

So, the question of self-definition and peer groups is central to whether the government's scheme will generate the outcome its architects have hoped for. The current proposals may come tumbling down just because there is no settled hierarchy of English universities. Of course, there are league tables aplenty. But the league tables have added to, not diminished, the contestability of *who ranks where* by providing conflicting sources of apparently authoritative data. In more ways than one, English universities simply do not know their place – and anyway have every incentive to try and break out from it. As such, they have more in common with businesses vying for position than they do with public sector monopolies entrenched in their powers and budgets.

It would be odd indeed for a government that celebrates the market – and wants its disciplines to permeate the university world – not to have reckoned on its anarchic possibilities and the willingness of market actors to do the unexpected. Imposing patterns upon markets is a notoriously difficult enterprise. Where such patterns emerge, they likely owe more to each actor anticipating the behaviour of their

immediate neighbour than to a body of actors accepting, collectively, their place either upstairs or downstairs.

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