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Author(s): MATTHEW WATSON

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## **The Contradictory Political Economy of UK Higher Education**

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Matthew Watson

Professor of Political Economy  
Department of Politics and International Studies  
University of Warwick, UK

[matthew.g.watson@warwick.ac.uk](mailto:matthew.g.watson@warwick.ac.uk)

## **Abstract**

The Coalition Government's first Comprehensive Spending Review will cut 40% from university budgets by 2014. This will result in an increasingly tension-prone political economy of UK higher education. As it is, the sector already sits uncomfortably astride the two distinct welfare models currently in existence in Britain. As the fees agenda has taken hold, university degrees have been increasingly susceptible to being rebranded as a strategic investment in the future, thus acting as an exemplar for the move towards an asset-based system of welfare. Despite this, even in the post-Browne world students will still not be charged the full market price of delivering degree programmes. Higher education institutions therefore continue to be redistributive mechanisms providing long-term welfare-enhancing transfer payments to their overwhelmingly middle-class student base. The budget cuts and the associated changes to student finance will bring into stark relief the contradictions of serving two welfare masters at once.

## **Key Words**

UK higher education; Browne Review; Comprehensive Spending Review; public expenditure cuts; transfer payments; asset-based system of welfare

# **The Contradictory Political Economy of UK Higher Education**

## **Introduction**

The announcement in October 2010 of the basic outline of the Comprehensive Spending Review confirmed that UK universities would face a 40% reduction in central government funding.<sup>1</sup> Immediately on entering office, Cameron's Conservative-led Coalition set about the task of creating an aura of austerity designed to leave the impression of the inevitability of lower levels of public expenditure in the future. In this context few eyebrows were raised when Chancellor of the Exchequer George Osborne committed Business Secretary Vince Cable to finding the full 40% budget cut for universities that all departments had been forced to cost. The only questions still to be resolved as the cuts are introduced sequentially over coming years are how many universities will be left standing and in what state of emaciation when the process is complete.

The economics of UK higher education are therefore already set in stone for the near future. They will be dominated by the forced requirement to do more with less, to put increased pressure on existing human resources without any additional reward, and to flirt as brazenly as possible with the breaking point of universities' underlying business models. There will be additional fee income as the recommendations of the Browne Review of Higher Education Funding and Student Finance are implemented, yet this can only be expected to partially cover the money being taken out of the sector as a whole on the back of the Comprehensive Spending Review. Even then, it will come with additional and understandable student demands for value-for-money, as well as therefore with further pressure on academics' already stretched work time. However, in one sense this merely promises more of the same. The headline changes to the sector in the New Labour years were dominated by the increasing numbers of students who were accessing higher education and universities' concerns about whether the basic unit of resource and the capital investment budget would keep pace as a means of enabling the system to cope with the extra numbers. This ensured that

universities were already required to work their staff harder in order to make scarce resources go further.

Yet if that is the economic situation, what about the broader political economy of UK higher education? My argument in the pages that follow is that the true significance of the impending cuts to university funding can only be understood in relation to the changing British model of welfare. If the answer to the question ‘what are universities now for?’ is simply to provide degree programmes as cheaply as possible from the perspective of the state then the forthcoming retrenchment of their budgets is a relatively straightforward mechanism for matching means and ends. As I seek to show, though, the situation is more complex than that. Britain now has an increasingly bifurcated welfare model, with one part of its provision continuing to take place through traditional structures of transfer payments and the other part now ever more reliant on the management of asset prices. Universities currently sit uncomfortably with one foot in each camp. Degree programmes are consistently under-priced relative to their true cost of delivery, and there is nothing in the Browne Review which will stop this being the case for the sector as a whole. The result is that higher education institutions are direct welfare providers to the overwhelmingly middle-class children enrolled as students. At the same time, universities have become increasingly vulnerable to a value-for-money backlash, with parents reluctant to see their children graduate with the scale of debt implied by Browne. This is despite the fact that learning to manage a life of debt is itself the only route into the asset-based systems of welfare which are increasingly taking over from transfer payments systems for those who can afford to be incorporated into them. It is the middle classes, of course, who benefit the most from these new systems, even as they are becoming more politically reticent about using a university education as a formative experience for their children of the principles of asset-based welfare. The higher education sector, then, already occupies a potentially contradictory position with respect to the increasingly bifurcated British model of welfare, and the impending cuts threaten to explode these latent contradictions in presently unpredictable ways for those who work within the sector.

## **Public Sector Austerity and the Changing British Welfare Model**

It should go without saying that the current squeeze on public sector spending is a result of the recent banking crisis. In particular, it follows the Brown Government finding itself faced with having to make largely open-ended financial commitments to stabilise banks' balance sheets or else run the risk of outright bank collapses. If the scale of the cuts now being introduced is eye-watering in its potential reach into the public sector, it is also merely a reflection of the scale of the previous transposition of private banking debts into public debt. The Brown Government authorised the Bank of England to spend pretty much whatever it took to relieve banks of the responsibility of continuing to carry failed investments and failed loans on their balance sheets. In April 2008, the Special Liquidity Scheme was established to allow banks to swap distressed assets linked to the collapsing mortgage lending and mortgage securitisation markets. Initially the swaps took place between increasingly worthless privately originated assets and government debt which was all but guaranteed to maintain its value; latterly they took place directly for public cash. This ensured that by one means or another the uncoverable liabilities that brought many banks to the point of bankruptcy as the credit economy stalled became the property of the state instead.<sup>2</sup>

What we have seen in action, then, is a logic of crisis displacement. In a game of political hot potato, the banks were deemed to be too important to have to face the consequences of their own errant decision-making, encouraging the state to socialise the banks' losses and then to decide whereabouts in society the consequences of such a strategy was to be felt most keenly. It was a deliberate move by the Coalition Government to use its first few weeks in power to institutionalise the expectation of looming austerity. Politically charged and politically motivated though it may have been, it was also an acknowledgement that socialised losses have to be repaid somehow. Universities will be just one part of the public sector left holding the potato as significant distance is placed between the origin of the banking crisis and the site of the disruption caused by trying to manage its fallout.

The fact that a 'business as usual' approach was generally adopted when trying to put the financial economy back on its feet is telling in this respect. Despite the massive

help that banks required following systematic miscalculations of the price of their accumulated balance-sheet liabilities, they have not had their ability to price the credit they sell to customers taken away from them. This is no doubt for fear of the adverse signalling effect that doing so would have when attempting to rebuild the status of the City of London as a global financial centre. However, that decision – or, perhaps more accurately, that non-decision – has had politically anomalous effects. Taxpayers have been passed the bill for resuscitating banks' bottom lines to maintain them as going concerns, while bank customers have also paid the cost of higher credit as banks have responded to the confidence shock of the credit crunch by pricing loans in a more risk-averse fashion. Yet, there are always occasions in which taxpayers and bank customers are one and the same people. This means that the bank bailouts formalised a redistributive mechanism whereby many people were forced to pay twice over for problems that were not of their making. The full impact of the public expenditure cuts will almost certainly constitute a third payment when understood in opportunity cost terms.

Throughout all this, taxpayers will be required to continue finding money to finance a process which will make them materially worse off. In circumstances in which people are made poorer, the typical response is an enhanced demand for state support of personal welfare. The budget for transfer payments always experiences greater pressure when individuals are given reduced alternatives to cater for their own needs in other ways. The significance thus comes to light of the Coalition Government's attempt to repay the public debt caused by the bank bailouts by stripping away existing programmes of public expenditure. By taking that option and not exploring others, it is almost certain that established systems of transfer payments will experience extra demands at a moment at which they are not financially predisposed even to cope with existing ones. Put somewhat bluntly, state support of personal welfare will become increasingly unaffordable just when it will be needed more than at any time in the near past.

There has, in any case, been a recent move away from delivering additional increments of personal welfare through a system of transfer payments organised by the state. This makes it no less ironic – or politically salient – that ordinary people are now being asked to pay up to three times over for the mechanism through which they

will have the right further taken away from them to access public welfare. Yet, it is important to note that this trend was already in train in other ways well before the onset of the recent banking crisis. Expanding the structure of state support for welfare claimants is feasible only in the context of expanding the fiscal basis of the state. Notwithstanding arguments in the UK about stealth taxes and the reality of shifting the tax burden increasingly from income to consumption, the decisive moves over the last three decades have all been in the opposite direction. The refutation of ‘tax and spend’ as an appropriate political platform for a modern finance-based economy has curtailed the fiscal space within which redistributive strategies might be adopted. It has also triggered the search for ways to reduce commitments embedded in the transfer payment budget. One response to the problem of how to make welfare expenditures more affordable has simply been to make welfare entitlements less generous. Another response has been to innovate in brand new ways of delivering welfare that bypass transfer payments altogether.

Most progress has been made in this latter sense through the turn towards an asset-based system of welfare.<sup>3</sup> The logic of such a system depends entirely on the willingness to allow the financial economy to replace the state as the means through which the individual might access welfare-enhancing services. The state does not become completely inactive under systems of asset-based welfare, yet it is able to vacate the responsibility for paying directly for the individual to receive welfare as it has to do under systems of transfer payments. It becomes the responsibility of the individual to self-fund access to welfare-enhancing services through the accumulation of assets, whereas the role of the state becomes to guarantee access to assets in the first place. This latter role is less costly than settling the bill directly for each welfare service for which the individual might have need, which almost certainly is why an asset-based system of welfare has been seized upon by British governments who have been either hesitant about or hostile to the alternative tax and spend agenda.

Under such systems, individuals are asked to imagine themselves as holders of a lifetime income, which will consist of income already earned, income currently being earned and income still to be earned.<sup>4</sup> At any stage of the lifetime income profile, current income can either be saved or spent. Indeed, it can be ‘overspent’ in the sense that rebalancing the relationship between saving and spending can be deferred until



the future to temporarily allow current expenditure to be higher than current income. The objective of acculturating individuals to an asset-based system of welfare can actually only ever be satisfied by encouraging people to overspend in this way at relatively early stages of lifetime income. Individuals can only subsequently position themselves to benefit from an asset-based system of welfare if they already own assets. While the state can be relied upon to offer an initial hand-up in this respect then that is almost certainly all it will do. Much more likely, individuals will be required to purchase credit from banks as part of their overspending at relatively early stages of lifetime income, to then invest that credit in assets which it is hoped will increase in value at a faster pace than money saved in interest-bearing bank accounts.

This, in many ways, is the crux of the operation of an asset-based system of welfare. If the financial economy is sufficiently dynamic to enable asset prices to rise consistently faster than the rate of interest, individuals will be able to purchase for themselves a greater number of welfare-enhancing services in later life the more that they have used credit in earlier life to load up on asset holdings. Successful negotiation of the internal dynamics of an asset-based system of welfare is therefore conditional for most people on learning how to manage a life lived a long time in debt. The purchase of credit has its flip-side in the embrace of debt, so debt lies at the heart of acquiring assets. The reason for holding assets in such a system is that they might be cashed-in when they are worth more than their original market price and that the ensuing cash flow multiplies the amount of welfare-enhancing services the initial income could have purchased. Any engagement with this process is about enhancing the real value of income, and debt is the mechanism through which that process is activated.

This in turn perhaps helps to explain why the priority of the bank bailouts appears to have been rebuilding the financial economy in its pre-crisis form rather than fireproofing it from similar crisis manifestations in the future. The prevailing structure of welfare provision in the UK is as yet by no means one of balance between transfer payments and asset-based delivery. However, the dominant trend is undoubtedly to move closer towards balance by shifting ever more of the provision from the former to the latter. Allowing financial markets free rein to continue to price both the credit through which people purchase assets and the assets themselves serves

to protect the logic of an asset-based system of welfare much more effectively than price regulation. The Special Liquidity Scheme was designed to allow banks to cleanse their balance sheets of failed assets, quantitative easing was designed to allow them to continue originating new assets and to provide credit economy conditions suited to selling them, while numerous interventions were made to keep homeowners in their homes and therefore to prevent more exaggerated falls in house prices. These are all examples of using policy levers to ensure that those who had already invested most in the structure of asset-based welfare had least to fear from the implosion of banks' balance sheets due to the systematic mis-pricing of mortgage-backed assets and the equally systematic overselling of mortgage credit.

The fact that the opportunity cost of such interventions has been the ability to finance existing entitlements to welfare-enhancing transfer payments is deeply instructive. It demonstrates quite clearly that the British economy is currently embedded within a clash of welfare cultures, whereby the advance of the coming welfare model appears to be at least partly conditional upon destroying the fiscal basis of the previously dominant model. The system of transfer payments and the system of asset-based delivery are based on incommensurable policy foundations. Prioritising the latter must therefore necessarily come at the cost of the sustainability of the former. In this respect, the content and the implications of the bank bailouts do not represent a break with past practice so much as confirmation of the trend that was already in play. The certainty that the Coalition Government's public spending cuts will emasculate the system of transfer payments still further is merely another reflection of the shifting centre of gravity within the British welfare model, rather than its cause per se.

While laden with implications in its own right, none of this yet explains why knowledge of changing British welfare norms helps us to understand the political economy of UK higher education. This is the task that I set myself in the following section, with potentially worrying implications for the pressures that are likely to ensue for those who work within the university sector. My argument is that the current structure of UK higher education itself reflects the clash of culture which splits the British welfare model in two. Universities – and by implication also their employees – are increasingly required to serve two welfare masters at once. Recent changes in the financing of the student experience have served to place students in

debt at a much earlier stage of lifetime income than would otherwise have been likely, and the implications of the Browne Review report will merely exaggerate such a trend. In effect, university has been increasingly rebranded from students' perspective as the first asset to 'overspend' on in a lifetime of accumulating assets. At the same time, even in the context of Browne, a university education will continue to be under-priced for UK students relative to its true cost of delivery. As such, and despite the headlines which will focus on increased fee levels, it will remain a cheap form of middle-class welfare along the lines of the traditional transfer payment model.

### **The Welfare Demands on the Higher Education Sector**

Universities currently sit on the cusp of the new and the old when it comes to their role straddling the clash of welfare cultures evident within British society more generally. Neither aspect of this role emerged in explicitly articulated form from reasoned public debate about the overall purpose of the university sector. Equally, neither in any direct sense fulfils the broader intellectual functions most obviously associated with the sector. One is about presenting university as an investment which students make in their lifetime income profile; the other is about freeing the state from responsibility for funding the system which provides investment opportunities of this nature. Neither is about education in and of itself.

The reality of working within universities during the New Labour years has been teaching increasing numbers of students within a more heavily audited system of quality control. Quite clearly, this is not a costless exercise for those delivering degree programmes. It also imposes new cognitive and behavioural characteristics for students to learn if they are to flourish within a generally under-funded sector. The options on student financing that have been consistently overlooked are as informative in this regard as the one that has been acted upon. As a matter of principle, the idea that students should pay towards their own education is almost wholly unchallenged by the UK's political classes except when means testing shows it to be exclusionary in practice. The non-appearance in public debates of the possibility of returning to grant-financed higher education is itself a sign of just how

far political opinion has moved away from a tax and spend agenda. Further evidence along the same lines is provided by the Business Secretary Vince Cable's very public out-maneuvring following the communication to Browne of his preference for the introduction of a graduate tax. Associated cognitive and behavioural characteristics of reliance on transfer payments remove both grants and the idea of a graduate tax from the equation, because such a system of student financing is deemed to create a generation that believes in and expects the wrong things from the state.

The option that had already been taken up, as well as the one that will be significantly reinforced by Browne, is to require fees to be paid through student loans. This, of course, is directly analogous to the purchase of bank-based personal debt. Going to university for all but the most fortunate now involves learning not only the subject matter of the relevant academic field but also how to think of higher education as an investment and how to think of that investment as a lifetime income decision. It involves engaging not only with the expectations of academic members of staff but also with the expectations of the banks that provide students with their debt facilities in the first place. The skills of personal debt management rival the intellectual assumptions of their chosen specialist field as the most important objective of students' socialisation. They are required to learn prudential techniques to prevent overspending at the early stage of lifetime income from becoming an increasingly less worthwhile investment in higher education. A self-oriented actuarialism is implied, whereby students come to value different educational choices with respect to their relative capacities for expanding lifetime income flows. Poor personal debt management during their student years inhibits individuals' subsequent ability to invest further in boosting overall lifetime income, whereas good personal debt management keeps that possibility in play.

In essence, the character traits that enable students to survive in a system of debt-financed university education are no different to those which acculturate people to an asset-based system of welfare. Both rely on exactly the same form of social engineering and a commitment to the same broad understanding of macroeconomic priorities. The particular type of prudence required to manage adaptation to both systems is not one that questions the relationship between prudential behaviour and a life lived in debt, so much as one that encourages the embrace of debt, but then

emphasises its use for the long-term purpose of enhancing personal wealth. The prudent student emulates the prudent welfare recipient in viewing the purchase of bank-provided credit in the short run as a means of creating life chances that are liberated from dependence on the state in the long run. If government policy is to succeed in its own terms, the welfare recipient of the future will measure his or her success in building up an asset base by how far late-life consumption possibilities will transcend the limits placed on consumption by the prevailing level of transfer payments. Students today are increasingly being asked to think of investments in higher education as part of the process of transcendence. A university degree will enhance their labour market standing, so they are told, which in turn transposes that degree into some sort of return-bearing asset. Higher rewards accompany enhanced labour market standing, allowing ‘underspending’ when at peak earnings potential not only to cancel out the money that was paid for the university degree, but also to finance the purchase of actual assets in pursuit of enhanced late-life consumption possibilities.

The social engineering inherent in the prevailing system of debt-based student financing is therefore most evident in the use of universities as a training ground for the new model citizen of asset-based welfare. Higher education now acts as an exemplar, not of the personal fulfilment which results from pursuing educational attainments as a good in their own right, but of a life of constant asset accumulation through the strategic management of personal debt. Within such a structure banks increasingly replace the state as the most important facilitator of the university experience for most students. Yet, this also serves to confirm the power that the banks enjoy within society: to consciously set out to live a life of strategic debt management is also to accept a life of indebtedness to banks. The model citizen of asset-based welfare first takes out a student loan to go to university; then folds outstanding student debt into a mortgage loan to become a first-time buyer on the housing market; then continually trades up on that market by rolling over mortgage debt to increase the capital gains embedded in rising house prices; only latterly to trade down in retirement so that the capital gains can be cashed in and used for late-life consumption of welfare-enhancing goods. Every step involved in getting to the point of being able to cash in accumulated assets requires the dependence of individuals upon banks as well as the ability and the willingness of banks to issue

credit. Indeed the further that people proceed towards reimagining themselves as model citizens of asset-based welfare the more they stand to lose should banks' credit-creating functions suddenly falter. The public sector cuts following in the wake of the bank bailout programme are themselves recognition of sorts of the social significance now placed on defending those functions at apparently all costs. This places universities in a peculiarly paradoxical position. They are now an essential element in the everyday embrace of personal debt and in the enhanced dependence of people on banks' credit-creating function, but at the same time they will be hit hard as 40% cuts are introduced to their funding as a result of securing banks' credit-creating function within the recent crisis.

It is this second aspect that brings more clearly into view universities' currently uncomfortable position spanning the clash of welfare cultures in modern Britain. Despite having been increasingly repositioned as a training ground for the new model citizen of asset-based welfare, the higher education sector also continues to act as a direct welfare provider of a more traditional type. Given the social characteristics of most student cohorts this is – on the whole but with some important exceptions – a distinctively middle-class form of welfare. New Labour's drive to bring more people into higher education increased access and continued, as a consequence, to challenge the link between a university education and outright social privilege. However, it also meant that a university education became an increasingly necessary experience for the middle classes if they are to guard against losing social status by no longer monopolising entry into the professions. The increased accessibility of higher education in recent years has mainly been exploited by children of middle-class families seeking to preserve that status. There are aspects of the student experience of universities that now come close to resembling some sort of finishing school for middle-class children, with access to that experience increasingly coming to be defined as a right of middle-class social reproduction. Exercising that right while relying on public support of under-priced degree programmes to do so is no different in essence to the old system of welfare provision via transfer payments.

The use of higher education as a means of middle-class social reproduction currently takes place in a context in which the British labour market simply could not take on the same role. From the 1980s onwards the decision has been to try to source British

competitiveness through emphasising the flexibility of the labour market.<sup>5</sup> One of the more obvious weaknesses of such a strategy is that it offers employers few incentives to invest in the long-term skills acquisition of recently hired workers. Given that it is cheaper to buy in those skills in workers who have already accumulated on-the-job experience, this skews the operation of the labour market against new entrants. As a result, the more flexible the labour market typically the higher the relative rates of unemployment in the 16-25 age range. Also from the 1980s onwards successive governments have appropriated the university experience as a means of seeking political shelter from more extreme instances of youth unemployment. As the middle classes have been the most obvious beneficiaries of the expansion in university places they have also benefited the most from using universities to disguise the full impact of youth unemployment in this way.

The pre-Browne capping of student fees created incentives for young people to delay their entrance into a particularly hostile segment of the labour market until they were better equipped to thrive there. Even in the post-Browne world it is inconceivable that more than a few elite universities will be able to charge the full market value of their degree programmes. As a consequence, an informal cap will remain in operation within the sector as a whole as institutions seek to differentiate themselves by matching their fee level to the social profile of their typical student cohort. The retention of such a cap – however much it is dressed up in the language of ‘market pricing’ – will continue to make it possible for middle-class students to envision the experience of higher education as an affordable asset. Consequently, it is to be presumed that they will continue to want to invest in a university place as the first step to becoming a model citizen of asset-based welfare. Yet, it also means that students do not have to pay the full market price for accessing a viable alternative to a segment of the labour market that otherwise would be unable to disguise its true level of unemployment. In what is a classic case of the logic of transfer payment, the full costs of that opportunity are born elsewhere. The direct recipients of the benefits of the deliberate under-pricing of degree programmes to UK students – the implications of Browne notwithstanding – are not the same people who make good the costs of the under-pricing. This ties students into a redistributive relationship with the higher education sector, through which universities are the welfare providers and students are the welfare claimants.

However, this does not yet tell the full story, because it does not say how, exactly, universities discharge their welfare provider responsibilities in this instance. The gap between home and overseas students' fees shows exactly how much degree programmes are under-priced to UK students relative to the cost of delivery, let alone to the subsequent labour market value of holding the degree. Browne might well close this gap to some extent, but it will not eliminate it entirely. In general, its existence is financed directly by the teaching staff in university departments, as the welfare service they provide encroaches into the time that should be set aside for other professional activities and those activities, in turn, are increasingly performed as if they were voluntary acts. If we think about the historical creep in working hours of nurses, doctors and school teachers, for instance, we see that large parts of the post-war British welfare state have remained functional only through enhanced reliance on the goodwill of the service providers. In this respect the higher education sector has increasingly become a prime example of a transfer payments model in which the transfer involves the unpaid appropriation of the time of the service providers.

This places a novel but perhaps rather discomfiting twist on the question of what universities are now for. The UK higher education sector continues to have an enviable record worldwide for the quality of the research undertaken and the quality of the degree programmes delivered. Yet, so much of this reputation depends today on further stretching the goodwill on which the sector relies and to test its pliability in the face of accelerating workplace demands. A good proportion of the effort expended by academic members of staff in protecting the world-renowned status of British universities now has to remain unaccounted for in workload models built around standard contractual obligations. The question of what universities are now for can be answered, at least in part, as providing a mechanism through which the goodwill of public sector employees is used as a substitute for proper funding of public services. This is a particularly sobering thought in the context of knowing that civil servants are now preparing the details of a further 40% reduction in public spending on UK universities.



## Conclusion

The history of public spending cuts in the UK is that they usually draw attention away from long-term trajectories of change and place it instead on the short-term priority of making the books balance. Moreover, the cuts currently being planned are more extreme than almost anything that has gone before. There is every possibility in such circumstances that the pressures of doing more teaching on less pay and with fewer resources will eat up the time to reflect on how the purpose of university teaching has changed under the new political economy model of UK higher education. In the preceding pages I have described that purpose as a form of social engineering linked to two distinct types of welfare provision. Yet, these two models are built upon fundamentally incommensurable understandings of the relationship between the individual and the state, of the basis of state legitimacy and of the preferred constitution of economic subjectivity. The contradictory pressures already in play suggest that something somewhere within the higher education sector will have to give sometime soon. The fact that the impending cuts will produce a context devoid of a viable solution equally acceptable to all university stakeholders makes it likely that the eruption will be a significant one.

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## Notes

<sup>1</sup> An earlier version of this paper was delivered on July 12<sup>th</sup> 2010 as the keynote address to the University College Birmingham conference, 'The Political Economy of Tertiary Education'. My thanks to David Jenkins for inviting me to deliver the lecture and for getting me to reflect upon the themes which appear in fleshed out form here.

<sup>2</sup> For accounts of the banking crisis and the accompanying bailouts, see, for instance: Paul Muolo and Mathew Padilla, *Chain of Blame: How Wall Street Caused the Mortgage and Credit Crisis*, Hoboken, NJ: John Wiley and Sons, 2008; Robert Shiller, *The Subprime Solution: How Today's Global Financial Crisis Happened and What to Do about It*, Princeton, NJ: Princeton University Press, 2008; Brian Walters, *The Fall of Northern Rock: An Insider's Story of Britain's Biggest Banking Disaster*, Petersfield: Harriman House, 2008; William Cohan, *House of Cards: How Wall Street's Gamblers Broke Capitalism*, London: Allen Lane, 2009; Larry Elliott and Dan Atkinson, *The Gods that Failed: How the Financial Elite have Gambled Away Our Future*, London: Vintage Books, 2009; Paul Mason,

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*Meltdown: The End of the Age of Greed*, London: Verso, 2009; Herman Schwartz, *Subprime Nation: American Power, Global Capital, and the Housing Bubble*, Ithaca, NY: Cornell University Press, 2009.

<sup>3</sup> On this shift, see, for instance: Rajiv Prabhakar, *Stakeholding and New Labour*, Basingstoke: Palgrave, 2003; Christopher Pierson, *Beyond the Welfare State?: The New Political Economy of Welfare*, third edition, Cambridge: Polity Press, 2006; Barbara Vis, *Politics of Risk-Taking: Welfare State Reform in Advanced Democracies*, Amsterdam: Amsterdam University Press, 2010. Relevant UK Government publications include: HM Treasury, *Saving and Assets For All: The Modernisation of Britain's Tax and Benefit System, Number Eight*, London: HMSO, 2001; HM Treasury, *Delivering Saving and Assets: The Modernisation of Britain's Tax and Benefit System, Number Nine*, London: HMSO, 2001; HM Treasury/HM Revenue and Customs, *The Saving Gateway: Operating a National Scheme*, London: HMSO, 2008; Otto Thoresen, *Thoresen Review of Generic Financial Advice: Final Report*, London: HMSO, 2008.

<sup>4</sup> The general logic of an asset-based system of welfare is well covered in the following places: Michael Sherraden, *Assets and the Poor: A New American Welfare Policy*, New York: M.E. Sharpe, 1991; Claire Kober and Will Paxton, *Asset-Based Welfare and Poverty: Exploring the Case for and against Asset-Based Welfare Policies*, London: National Children's Bureau, 2002; Randy Martin, *Financialization of Daily Life*, Philadelphia, PA: Temple University Press, 2002; Paul Langley, *The Everyday Life of Global Finance: Saving and Borrowing in Anglo-America*, Oxford: Oxford University Press, 2008.

<sup>5</sup> For instance: Colin Hay, *The Political Economy of New Labour: Labouring Under False Pretences?*, Manchester: Manchester University Press, 1999; Graham Ingham, *Managing Change: A Guide to British Economic Policy*, Manchester: Manchester University Press, 2000; Bob Jessop, *The Future of the Capitalist State*, Cambridge: Polity, 2002.