

Dialoghi con l'Accademia

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A word with Malcolm Sargeant

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In recent years it has become commonplace for comparativists to emphasise the resilience of welfare states in advanced capitalist societies and the failure of neoliberal efforts to dismantle the welfare state, including the right of access to education and instruction. Challenging some tenets of the resilience thesis, we're seeking to broaden the discussion of welfare-state retrenchment. A sharp deceleration of social spending has occurred in most OECD countries since 1980, that welfare-states have failed to offset the rise of market-generated inequality and insecurity, and that welfare programmes have become less universal. They stress the distributive and political consequences of market-oriented reforms of the public sector. All these features seem to increase in time of change and crisis. How did this process affect UK too during years? Could you make a comparison between UK and other EU countries?

Successive Governments in the UK have been intensively outsourcing the public sector for some

years now. It started in the 1980s when Margaret Thatcher became Prime Minister and has continued through successive Governments, regardless of their politics. There has also been much use of a process called the 'private finance initiative' where private sector money is used for public sector capital investment, so that new hospitals and schools are built by the private sector and then leased back to the state. Many people also believe that the current cuts in Government spending will lead to more of the public sector being outsourced. I think that there are clearly short term advantages to this process, although perhaps not for the workers affected, but I wonder whether there will be longer term detrimental consequences for the welfare state in this dismantling process.

From May 2011, the new UK Government, led by David Cameron, has introduced its 'emergency budget' and in the public sector was subject to a two year pay freeze. In addition the Education Department, which includes responsibility for Universities and research, planned for a 25% cut in its budget. In October 2010 the chancellor confirmed that nearly 500,000 public sector jobs are expected to be lost in the next four years and that those who remain in posts will have to pay significantly more for their pensions. Details began to emerge of the scale of the

job cuts across Whitehall as George Osborne confirmed that departments' administrative budgets would fall by 34% over four years – beating a target of 30%. Unions claimed that 14,000 will be lost in the Ministry of Justice, 25,000 the Ministry of Defence and 15,000 at the Department for Work and Pensions. This process was described as inevitable by the Government representatives. Do you agree with this statement? Could the Government have coped with the crisis differently? What are the actual and expected prospects in terms of redundancy and unemployment rates? Were there any special grants introduced for unemployed? Is the cut policy affecting the pension system reform?

The political divide in the UK is not about whether cuts should take place but the speed at which they should happen. Public finances are obviously unsustainable in their present form. The opposition argues that the cuts could take place at a slower pace and that this would encourage growth in the economy which, of course, would help with the public sector deficit. If this is possible then I support that view. The present cuts are having harsh effects on the voluntary sector which supports many of the less able and privileged of society. The Government holds up the example of Greece and Portugal and says that this is what could happen to us if the cuts do not proceed. I personally doubt that this is the case. The loss of jobs is a great worry, although the Government says that the private sector will create new jobs to make up for those lost in the public sector. I cannot see this happening in the short term. Many of the new jobs created are part-time and not always on open ended contracts. There are I think increasing numbers of people working part-time and on low wages. Examples of the harshness of Government policy are a review of disabled people to test whether they can continue to receive benefits or whether they are able to work which is resulting in many people losing their allowances, even though there is not the work available for them; and a ceiling on the maximum allowances for rent paid to families with low incomes, which may force many people to move home from more expensive areas to cheaper ones.

In addition the Government has now launched a review of employment protection measures contained in the law. How could it affect the management of labour relationships and the evolution of labour market? Do social dialogue and trade unions have the power to 'balance' this action?

They seem to want, amongst other measures, to reduce the amount of notice required of employers before workers can be made redundant and to make it more difficult to claim unfair dismissal. The Government is obsessed with what it calls 'red tape', i.e. regulation that imposes obligations on employers and reduces their competitiveness. All employment protection measures seem to be regarded as 'red tape' and there is even a Government web site devoted to the subject of red tape. I sometimes wonder, if it were not for our membership of the EU, whether we would have any effective employment protection at all. The trade unions are not in a good position to defend their members against Government policy, although they do try. The majority of trade unions are now in the public sector and there is little representation in the private sector. Their ability to take industrial action is severely curtailed as a result of measures taken by the Thatcher Government in the 1980s and continued thereafter by the Blair Government.

UK has traditionally been characterized by an internationally respected system of higher education. There are now a record number of people enrolled, studying an increasingly varied range of subjects at a diverse set of higher education institutions (HEIs). Graduates go on to higher paid jobs and add to the nation's strength in the global knowledge based economy. The UK possesses a disproportionate number of the best performing HEIs in the world, including three of the top ten. In this context one of the most intense cuts concerned University, not only in terms of cutting and freezing pays for academics, but also in terms of an increase and liberalisation of fees making more expensive the access to University study. According to the report *Independent Review of Higher Education Funding and Student Finance* this action is necessary because the current funding and finance systems for higher education are unsustainable and need urgent reform. The plan is addressed to create genuine competition for students between HEIs, of a kind which cannot take place under the current system. There will be more investment available for the HEIs that are able to convince students that it is worthwhile. This should be a surer way to drive up quality than any attempt at central planning. In these proposals, the system is put on a more sustainable footing by seeking higher contributions from those that can afford to make them, and removing the blanket subsidy for all courses – without losing vital public in-

vestment in priority courses. These measures create the potential to allow the numbers of student places to increase by 10% and enhance support for living costs while still allowing public spending reductions to be made. This led to violent student strikes and protests in autumn 2010 most of them supported by academics and professors too. What's the position of British Academia? What's your position about this plan, do you think it was a very urgent priority field of action?

I think what the Government is doing to higher education is horrific. Essentially much of the cost of teaching at higher education is being transferred from the state to students. Most Universities have received a cut in funding for teaching of about 25% for the coming academic year. Student fees will increase to about 10,000 Euros per year from October 2012. This means that for the next year most Universities will have a significant budget cut but no increase in student fees to compensate until the following year. The state will lend students the money to pay their fees but it means that many will spend much of their working lives paying back this money. The Government sets the quotas for the number of UK students that Universities may recruit and, indeed, imposes a fine on those that exceed their target. It is now proposing to allow Universities to recruit students in addition to their quota provided that the students do not receive state aid are able to pay a premium rate (about 14,000 Euros has been suggested). This means that the children of the wealthy will be able to buy places at Universities of their choice whilst those less well off will be burdened with excessive debt. The likely outcome, in my view, is that fewer people will wish to go to University and that this will affect especially students from poorer families who will be frightened by the prospect of having huge amounts of debt. I think the whole process is shameful and very detrimental.

On the other a recent article published by the Economists (*The disposable academics*, 18th December 2010) pointed out that in OECD countries PhDs (especially foreign PhDs) the number of doctorates handed out grew by 40% compared with 22% in America, but in some countries such as Britain and America poor pay and job prospects are reflected in the number of (foreign born) PhD students. Do you agree with this statement? Is there any relevant difference between foreign and home PhD students? How can you explain this contradiction?

We attract large numbers of overseas students to the UK. My University attracts many from all over the world, including China and South East Asia. These students pay premium rates and many Universities would be in financial difficulties without them. They add, of course, a great deal to the life of the University and we would be sad not to have them. Of course the English language is a great advantage for British Universities as many students wish to develop their language skills whilst studying. Many students come because they see that having a British post graduate qualification is a great asset when they return home. The real problem for UK students is that there is very limited state or private sector financial assistance available for post graduate studies. Many students are self financing and this I think limits the number of people who can undertake, for example, a PhD over 4 years. For many having a PhD is a way of starting a career as an academic, but with the current cuts this will be a difficult career to develop.

In conclusion, is there a serious risk of a brain drain process which could negatively affect, in the long term, the British economy? What impact is expected on the evolution of University, research and innovation? And in the access of young people to the labour market?

I think that the number of people wishing to go to University in the first place will decline. There is much talk about apprenticeships as an alternative route for young people getting into work. I think an educated workforce is essential for the British economy and we will suffer in the long run because of these cuts. We have record youth unemployment in the UK, with some 20% of young people unable to find any work. I welcome the work that is done, for example, by Adapt in promoting research into the whole process of transition from education to work. Much more of this is needed. My fear in the UK is that there are two routes into work and one is seen as more appropriate for less well off and less educated young people. So Universities will exist for those who can afford it or are willing to take on the debt, whilst apprenticeships and other Government schemes exist for those unable or unwilling to take on this debt. This cannot be the right way to develop.

* The interview has been carried out by Maria Giovannone.