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Independent Scotland could find free university degrees unaffordable

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Unlike the rest of the United Kingdom, there are no tuition fees in Scotland for Scots or for other members of the EU. *Source:* Getty Images

IN contrast to England, Scotland maintains free higher education for its citizens. Free education sounds egalitarian, but there are questions over whether Scotland should continue with this policy after the independence referendum. Under a yes vote, European law could threaten Scottish university revenue. Under any vote, Scottish claims of student equity are threatened by new research into fees, grants and student loans.

Australian higher education is often compared with England, but the United Kingdom contains radically different models of funding. Scotland has a long tradition of providing equitable and democratic university education. Many hold this tradition responsible for the Scottish Enlightenment that delivered intellectual giants such as Adam Smith and David Hume.

Today, the notion of equity is represented in Scotland's commitment to free higher education for its citizens.

Unlike the rest of the United Kingdom, there are no tuition fees in Scotland for Scots or for other members of the EU. The Scottish National Party and the Palmer United Party could run a unity ticket on the benefits of free university education.

There are fees for English students in Scotland though, and each new cohort contributes about £170 million (\$307m) to the economy. This revenue is at risk under a yes vote.

Scotland is allowed to charge English students because European law allows fee discrimination within a member state. The law does not, however, allow discrimination between member states.

If Scotland votes for independence, English, Welsh and Northern Irish students will be foreigners just like other Europeans. The Scottish National Party is seeking legal advice to maintain the discriminatory fee regime, but would require an EU exemption.

Without the revenue from English students, Scotland may struggle to subsidise university education for its own citizens. Whether it is fair to charge English students £9000 alongside Scots and Belgians pursuing the same degree for free is also an ethical question.

A fall in revenue is not the only risk if Scotland must abolish fees for its neighbours. A further fear is that English students would rush across the border and crowd Scottish students out of their own universities. How much student mobility would occur if English students had an option of free education nearby? Australian universities would watch the impact of differential fees with interest.

Irrespective of the independence vote, Australia can learn much by looking to Scotland. The establishment of different fee regimes across the UK provides clear insight into student equity. Interestingly, a recent study by Lucy Hunter-Blackburn found that free education in Scotland was less equitable than the moderate fee regime of Wales, and even than the regime in England on some measures.

Cross-subsidisation is the problem. Scottish higher education funding comes partly at the expense of vocational education, whose funding has been cut in recent years. Australians will be familiar with the paradox of reducing funding for one education sector to increase funding for another.

Scotland also offers less generous support for the cost of living than other parts of the UK. There has been a shift in recent years from providing free grants to offering student loans instead. This shift means that low-income students are taking on large debt to support themselves while studying. First Minister Alex Salmond has claimed that the rocks will melt with the sun before Scottish students are charged tuition fees. Yet free education still has a price, and it is often paid by the poor.

The Scottish experience is important in assessing Australian higher education reforms. While lobbyists here have focused on the cost of degrees, less attention has been paid to changes in living cost support. The conversion of start-up grants to loans and the reduction of the relocation allowance will have an impact on poorer students. More broadly, institutions will need to consider the mix of support in allocating their own Commonwealth scholarships. Simply offering fee remissions will not suffice for students surviving on low incomes.

Independent or not, Scotland will stay committed to egalitarianism. Free higher education is a powerful symbol of that commitment. Indeed, it is extraordinary that a standard law degree could soon cost \$100,000 for Australians and zero for Scots.

Fees only tell part of the story, though. Affordable education requires a coherent package of income-contingent loans, cost-of-living grants and need-based scholarships.

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