

Academy of Social Sciences response to Department for Education consultation on higher education reforms

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The Academy of Social Sciences (AcSS) submitted a response to the Department for Education's consultation on higher education reform.

Our response focussed on the issue of Student Number Controls (SNCs), which we oppose. We framed it largely around the wider economic impacts and the consequences for individual students and less-well off areas of the country, as that was the evidence we hoped government might listen to. We argued against both SNCs in general and DfE consultation proposals to impose them by subject or institution, again linking to evidence. Our response of course also noted the importance of social science subjects in broader ways too.

We also noted the importance of the issue of student funding and the changes made to the terms of student loans. The Institute for Fiscal Studies and other bodies have already documented that the changes in loan repayments are regressive, result in high marginal rates of tax, and will affect disadvantaged students more. It is hard to see how these new terms will be sustainable for long, and the issue of who pays for university degrees is likely to return as a policy concern.

Student Number Caps (SNCs)

We focussed on SNCs because we felt it was important to ensure a wider range of evidence about them was submitted to the DfE, and that we were particularly well-placed to do so. This also relates to need for Level 4 and 5 qualifications, an issue also raised in the consultation.

First, AcSS does not think the consultation paper gives an adequate justification for the need for or benefits of SNCs. In addition to students and taxpayers, the wider economic consequences of SNCs need to be at the heart of any decision about them. It was striking that the consultation did not include any analysis of the wider economic effects of restricting graduate numbers. Recent attempts to consider this have been set out in the Tony Blair Institute for Global Change [report](#), which discusses the evidence at length, looking at the economy as a whole; government needs to consider this type of evidence. Business employment of graduates with skills and knowledge is a driving force in productivity growth, where the UK's performance has been relatively poor compared to our international competitors.

Setting SNCs would also require an examination of the medium-term future economic needs, considering the sorts of jobs that will be available and the skills needed for them. Universities UK [cites](#) the Institute of Student Employers about the likely growth in demand for graduates by employers, and the Local Government Association commissioned the Learning and Work Institute about [the shortfall in higher level skills](#) by 2030. Before deciding to set SNCs, government needs to engage with the potential effects on the wider economy. To do otherwise may result in a short-term fall in the cost to government of student loans, but risks longer-term gains to economic growth.

It is also important to consider empirical evidence about the potential effects of SNCs on area-based growth and productivity, and levelling up. It is highly likely that any system of SNCs would disproportionately affect higher education institutions in disadvantaged areas. The government's own White Paper on Levelling Up addresses this issue.

There is also a wider literature on the prospects for individual graduates, identifying which graduates stay close to their home region and which are more likely to migrate in search of higher earnings or better jobs (including from the IFS, and the [University of Birmingham Business School](#)). There is less evidence about the role of increasing graduates in driving local or regional economic growth, in part because of the dynamic, complex and

long-term nature of the relationships between regional growth, business investment decisions, and graduate skills. We do know that universities are drivers of local economic growth, both directly and indirectly (see the work of the [Civic University Commission](#)), and that further more granular analysis is underway at the University of Birmingham's [City-REDI](#).

We also know that business considers population skills in making investment decisions. The recent [report](#) from the WorldSkillsUK Taskforce, led by the former CBI director general John Cridland, provides evidence about this. While the report stresses STEM and digital skills, it is clear from our own work (see below) that many social science disciplines can and do provide data and number skills, and are important in graduate jobs (meeting the government's definition) in both local private and public sectors.

Of course, the real question underpinning these structural and regional economic questions is *what* skills are needed medium-term, or are in short supply. AcSS agrees that the UK needs more Level 4 and 5 skills and courses – as does the Institute for Global Change report, and the WorldSkillsUK report, and the recent Royal Society report on [regional absorptive capacity](#). But it is entirely unclear how SNCs would be a mechanism for incentivising, stimulating and growing these courses and qualifications, and promoting their uptake. Higher education institutions often lead, or are important partners in, planning, delivering, and providing teaching and networks (with employers and others) for these qualifications, as is recognised in the DfE Consultation. Growing these qualifications, improving uptake by businesses and employers, and attracting students to them is important, but will take time. As the government's Levelling Up White Paper argued, having long-term, sustained investment and attention to these issues is the only way to deliver success.

In the meantime, and in the absence of enough alternative pathways, SNCs are likely to penalise individual students and their families. It is likely that SNCs will disproportionately affect students from disadvantaged backgrounds and in disadvantaged areas. These students are likely to do less well in the labour market after graduation than those from more advantaged families in other parts of the UK. The appropriate counterfactual is not, however, that comparison, but how it will limit individual social mobility and opportunity compared to those that do not attend university *under the current set of alternatives*. As [research](#) by IFS and the Sutton Trust has shown, this is a complex issue. Setting SNCs would, however, result in real and identifiable prospective students who lose opportunities. Again, we were surprised not to see any analysis of this – and particularly of the types of students who might be most likely to be affected – in the consultation.

Given these issues, AcSS believes that the Office for Students approach to regulating 'quality' is a more appropriate and nuanced policy tool to tackle many of the concerns the consultation suggests SNCs might address. AcSS has long supported greater transparency about employment outcomes for students (and even for school students considering their options), and more substantive, subject-specific and area-informed careers guidance. Both of these issues will be affected by the OfS quality regulation proposals. Some analysts have used PROCEED data to show how sensitive universities already are to the issue of 'course quality'. Our response to the OfS consultation made these points, with our main reservations about how OfS planned to prioritise implementation of any regulatory intervention by using 'justifiable' contextual information that would affect graduate employment metrics, such as area-based disadvantage. We would expect this to become clearer over the next few years, which would also give time for intermediate Level 4 and 5 qualifications to be put in place. Until there is far greater provision of these qualifications, SNCs simply close off choices that benefit individual students and the economy, at a time when the labour market options for school-leavers are very challenging.

DfE is well-placed to incentivise experiments into how growth in these intermediate qualifications might best be achieved. If the levelling up agenda, as well as the issue of higher education 'value for money', is to be addressed, an important element will also be how to ensure these intermediate qualifications are made available and attractive to disadvantaged students, and to students in disadvantaged areas with recognisable (though different) skills shortages, rather than being 'captured' by students from better-off families. If DfE were to provide funding and incentives for more decentralised initiatives and experiments for these qualifications below degree level (since different areas might benefit from different kinds and numbers of Level 4 and 5 qualifications), rather than assuming a centralised 'command and control' model, it could have a real impact, while allowing a more granular and empirical analysis than SNCs will do.

Meanwhile, there are other things DfE and others could and should do to improve the skills acquired in HE courses of all sorts. AcSS has long advocated for an increase in attention within the social sciences to data and number skills, both generically and as they relate to particular substantive areas. Many social science disciplines have come a long way in teaching those skills, including with support from the ESRC and the Nuffield Foundation in the form of Q-Step. Some social science Learned Societies have worked with QAA over a number of years to increase the content of social sciences that involve data and number skills (quantitative analyses, understanding data collection, and assessing outcomes using these) in the

form of QAA benchmarking exercises; the [Royal Geographical Society](#) has been among the most visible, but other disciplines are doing it too.

Combining this approach with the OfS regulatory powers and insistence on transparency in employability data would go a long way toward addressing the concerns over skills provision, employability and course quality that the DfE consultation mentions as justifications for SNCs.

Finally, there are important steps involving secondary schooling that DfE could take that would increase employability of school leavers, have an effect on intermediate and undergraduate qualifications, improve post-graduation employability, and increase the supply of skills in the wider economy. These should be far more pressing concerns than they are.

These include continuing measures to improve poor school performance, which has a regional dimension. (For instance, [this analysis](#) shows that improvements at GSCE level would do more to improve students' prospects after university than interventions at HE level.) AcSS has long argued for a return to AS maths, which is so important in teaching data and number skills that are in short supply in the UK, and from which many students from all disciplines could benefit without taking a full A-level. In addition, despite the announcement more than a decade ago that nearly all students should be able to take courses such as 'Core Maths' to improve and continue engagement with numeracy and digital data during their secondary years, this is still only available at a minority of schools. These initiatives would need resources but would more than pay for themselves if they delivered better economic growth, without the downside risks of any likely SNC policy.

Longer-term, as the [Royal Society has pointed out](#), there remain grounds for concern about the narrowness of the UK's system of secondary qualifications, which is very rare among our international competitors, and which has actually got worse since AS levels were 'decoupled' from A-levels, as both incentives for students to take them, or funding for schools to offer them, have been reduced. For instance, the average number of qualifications taken fell by 43% between 2016 and 2019, from five to three. In 2010, 38% students took A levels or equivalent covering 3 or more of the five broad subject groupings, but by 2019, just 17% did. Addressing these issues, combined with an expanded higher education sector that helped deliver a wider range of post-secondary qualifications including at Levels 4 and 5, would be a much better way of delivering both economic growth and better outcomes for individual students.

AcSS expressed even more concern about the justification for SNCs made on the basis of the subject of study, or by institutions.

First, these would be very different from the previous system of student number controls last used in England, when a more sensitive global tapering system was in place, that allowed numbers in HE to rise gradually. Controlling numbers by subject of study or institution would imply much more direct and active central government control of who studied what and where. This would undermine institutional autonomy and also require regular revision as circumstances change.

AcSS also believes there was no evidence-based justification for these proposals.

There is, for example, no simple STEM/ non-STEM divide in employment prospects. AcSS's Positive Prospects compiled evidence about 2105-16 graduates based only on one year follow-up from graduation. The general message is that social sciences were not appreciably different on average from their STEM counterparts in their prospects of being in work within a year of graduation. There are of course large differences in trajectories and earnings between disciplines within the social sciences, and within STEM. These disciplinary differences are larger than differences between STEM and social science graduate averages.

Indeed, our work was among the first to give prominence to the fact that so-called LEM graduates (graduates in law, economics and management) saw among the highest graduate premiums in employment and earnings, even compared to most STEM subjects.

The series of reports by the Institute of Fiscal Studies, of which this is one of the latest, take a longer-term view. They use tax data linked to graduate identifiers (so-called LEO data) to get full earnings returns across all students, from all universities and subjects. They can only so far identify graduates up to about age 30, since longer-term linkages are not available. But they come to the same conclusions: there is no simple STEM/non-STEM divide; law and economics do particularly well, and there are significant average differences between subjects, though these do not map neatly onto a STEM/ non-STEM divide. Both our work in Positive Prospects, and other data suggest that having number and data skills is also associated with higher lifetime earnings and greater prospects of 'graduate employment'.

AcSS also has concerns about how the prospects of students and less well-off areas would be affected by subject or institution-based SNCs. The IFS LEO data (particularly studies such as this) are particularly useful for showing just how important a range of other factors are in determining employment and earnings prospects, even after taking account the subjects studied. Student family and schooling background continues to play an

important part. So does the degree of institution selectivity (for various reasons), sex and ethnicity.

The social science subjects which are below average in promoting graduate employment outcomes, or life-term earnings, include social care/ social work; psychology and sociology. Many, if not a majority, of these students go into public service work, often in lower-paid professions. Like nursing, social work long ago became a graduate profession, in part because of evidence that that produced better social outcomes for families, older people and children. It is also operating in a labour market with low earnings but where there is an urgent need for more and better workers. All these disciplines are also disproportionately female, where other labour market selection issues apply.

Operating SNCs at a subject-level would require evidence about how many students the UK (or England) needs in particular subjects which does not on whole exist. This would also disregard evidence about generic graduate skills, as well as evidence about the responsiveness of universities (and students) to courses that are both valued in the labour market and essential for growth or respond to challenges facing the UK. Social science students take courses on climate change, economic growth, housing, health, individual behaviour change, geographical distributions, local government data and services, how to improve schooling, ageing, and more. Our own [Vital Business](#) and [Place to Be](#) reports showed social science skills and knowledge, as well as generic skills, being used and valued in surprising places and businesses, both nationally and locally.

Given the complexity of the interactions between degree subject, institutional selectivity, student family background, sex and ethnicity, and area of the country where employment is sought, SNCs imposed by subject are likely to magnify the equality impacts of any more general SNC system. Those approaches would be far less sensitive to course 'quality' issues, where the OfS regulatory approach is more sensible.

The DfE consultation sets out three abstract criteria it might use to set such caps. The first is 'quantifiable and measurable returns for students, taxpayers, and the economy.' The effects on the economy are not further discussed. The outcomes for students are the same as the OfS proposals for quality regulation, with the addition of graduate earnings.

AcSS is strongly opposed to using graduate earnings as an outcome measure for graduate employment. This is *not* because social sciences as a whole would be disadvantaged: disciplines like economics, law and business perform more strongly than STEM subjects in graduate earnings, and others, like politics and geography do as well as the STEM average

(and better than some individual STEM subjects). But earnings are even more strongly linked than the categories of 'graduate jobs' to student characteristics like sex (where women graduates earn less than equivalent men graduates) and ethnicity, even when looking at the same institutions and the same degree results. They vary widely across the UK and within England, and setting SNCs by earnings would be likely to exacerbate existing regional inequality. How would setting SNCs by earnings take account of this?

The second abstract criteria that is proposed as useful for student number caps are to do with outcomes that provide 'clear benefits for society as a whole and contribute to the greater good of the nation.'. Again, there is no fuller discussion but two possible areas are set out: education and training, and medicine and healthcare. In both these cases, the current issues are the shortfall in teachers (especially again those with various skills at secondary level) and the shortfall in UK-trained doctors and nurses. Ironically, the current government approach is not to expand higher education provision in medicine, though there is evidence that there are enough high-quality UK students to take up additional places. There continues to be a shortfall in nurses, for complex reasons. Social care is often shown to be relatively poorly-performing in graduate outcomes tables, but there is clear evidence that UK needs more and better trained (often at Levels 4 or 5) social care workers.

This criteria would also imply government taking a direct and centralised view of what subjects contribute to 'societal well-being'. We are concerned that this would not only undermine student choice, but labour market evolution and economic growth.

The third and final abstract criteria set out in the consultation is 'outcomes with a forward focus, that contribute to the strategic priorities of Government, and underpin future economic growth and stability', with a list of some examples given. How confident is government that it will be able to set SNCs that relate to these broad concerns? After all, if they are set at a general level there is no mechanism by which any particular pathways would be favoured. How will government manage being in front of trends such as evidence suggesting that employers are increasingly seeking graduates for jobs that did not formerly require graduate skills, but where those are now thought by the employers to be beneficial? It is more likely that any such controls would act to dampen or retard economic and productivity growth rather than accelerate it, and would unresponsive to evolving employer needs.