

[A small but brave step forward](#) [1]

Written by [Sam Bowman](#) [2] | Thursday 9 December 2010

Today's vote on the higher education funding changes is an important one, though sadly it has lost many of the better points made in the Browne Review. Until there's a free market in fees, with the price of a degree reflecting its cost and the demand for places, well-performing students will still struggle to get the place they want. If history has shown us anything, it's that price controls harm the consumer most of all. Similarly, the cap on fees means that taxpayers will still have to subsidize other people to go to university and universities will struggle for funding in the state system.

Still, the bill is a step forward. Increasing the student's contribution is right and means that the person who will be the overwhelming beneficiary of the degree will pay for most of it. The student loan system will probably continue to be massively inefficient, but at least it means that those students from poor families who do succeed in state schools will be able to study at quality universities.

Alternatives like a graduate tax, as proposed by some Labour politicians ? and rejected by others ? would disincentivize the work done by the most productive people. It's also not clear to me why the NUS prefers an extra tax that would hang around for graduates' entire lives to a finite sum that graduates can pay off and not have to worry about. When you think about how much debt people are willing to incur when buying a house, the £18,000-£27,000 cost of a degree doesn't seem too bad, especially since, [according to the OECD](#) [3], graduates earn an average of 57% more than non-graduates.

I somewhat understand students who feel hard done by ? the Lib Dems are the ones who made the error in signing the 'No Fees' pledge ? although students really ought to learn that part of being an adult is self-reliance. The Liberal Democrats' violation of that pledge should be a warning against the danger of this sort of pandering. I don't think they expected to ever be in a position to violate the pledge when they made it, but they are. But, to their credit, they're taking an enormously harmful step politically in voting for these reforms and going back on the error. Good for them.

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