A CASE STUDY OF FINANCIAL CONSTRAINTS
IN BRITISH UNIVERSITIES

Monograph 86-5

Henry Miller
Geoffrey Walford
University of Aston
Birmingham, England

$5.00
University of Houston Law Center/Institute for Higher Education Law and Governance (IHELG)

The University of Houston Institute for Higher Education Law and Governance (IHELG) provides a unique service to colleges and universities worldwide. It has as its primary aim providing information and publications to colleges and universities related to the field of higher education law, and also has a broader mission to be a focal point for discussion and thoughtful analysis of higher education legal issues. IHELG provides information, research, and analysis for those involved in managing the higher education enterprise internationally through publications, conferences, and the maintenance of a database of individuals and institutions. IHELG is especially concerned with creating dialogue and cooperation among academic institutions in the United States, and also has interests in higher education in industrialized nations and those in the developing countries of the Third World.

The UHLC/IHELG works in a series of concentric circles. At the core of the enterprise is the analytic study of postsecondary institutions—with special emphasis on the legal issues that affect colleges and universities. The next ring of the circle is made up of affiliated scholars whose research is in law and higher education as a field of study. Many scholars from all over the world have either spent time in residence, or have participated in Institute activities. Finally, many others from governmental agencies and legislative staff concerned with higher education participate in the activities of the Center. All IHELG monographs are available to a wide audience, at low cost.

Programs and Resources

IHELG has as its purpose the stimulation of an international consciousness among higher education institutions concerning issues of higher education law and the provision of documentation and analysis relating to higher education development. The following activities form the core of the Institute’s activities:

Higher Education Law Library

Houston Roundtable on Higher Education Law

Houston Roundtable on Higher Education Finance

Publication series

Study opportunities

Conferences

Bibliographical and document service

Networking and commentary

Research projects funded internally or externally
The conjunction of the appearance of Burton Clark's (1983) major work on 'The Higher Education System' and the dramatic and damaging impact of government cuts introduced in 1981 on British Universities provides the opportunity, based on a description and analysis of a particular case, for a discussion of Clark's theses.

Our own perspective is influenced by our position as lecturers in the University of Aston in Birmingham, one of the British Universities most heavily cut. A central part of our account and analysis is of the impact of the cuts on this one institution. This is introduced by a brief historical sketch of the recent development of universities within the British higher educational system and by a description of the organisation of the university sector. We describe the roles of the University Grants Committee, the Vice-Chancellors and University Senates and Councils.

In the article 'The Importance of Being Comparative' (1980) and in 'The Higher Education System' (1983), Clark develops a complex analysis, classification and description of higher education. Central to the analysis is the comparative element which Clark asserts is part of scientific method and commonsense. Certainly, we would not argue with the utility of comparisons. Also the array of concepts, the importance of the organisation of academic work in teaching and research, the pressure for differentiation, the beliefs, authority systems and differing bases for integration and change are impressive and useful. Further the range of reference and scholarship displayed have been useful in helping us understand the situation in our own case. However while Clark's analysis does explain some features of the British case and we frame and refer to it in our account, we feel there are some problems worth raising.

In the article explicitly and in the book implicitly, Clark places emphasis on:

'The idea is that the differentiation and integration of academic systems, and much else about them, are better approached and understood as a result of a struggle for power than a search for efficiency. In short, we have to turn from essentially economic to essentially political lines of inquiry.'

(Clark 1980, p.5)
and later he says:

'When we turn to the integration of academic systems, we are again better served by a focus on power than a focus on economy and efficiency'

(Clarke 1980, p.7)

He supports this approach by reference to Lindblom's (1977) Political Economy where:

'government authority is seen as operationally divided among a plurality of officials and offices, with conflicts and reciprocal obligations developing among them. In place of unilateral co-ordination, and any possibility of practicing economy and efficiency... we find..."mutual adjustment among authorities who practice an extended use of their authority in order to control each other"'.

(1977, p.32)

This seems a rather limited notion of political economy which posits a too rigid distinction between the economic and the political and privileges the political. Surely the point of political economy is to emphasise the interconnection between political and economic analysis.

Clark emphasises the autonomy of higher education system(s) and relates this to the dynamism and centrality of knowledge production and transmission within modern societies. He maintains an analysis at the level of organisations and interest groups which elucidates much of the workings of higher education. However, while the analysis drawing on Durkheim and Weber carries us a long way, some attention to marxist political economy may provide further insights.

Certainly in the case of Britain the changes in power and authority, the extent of the cuts, their direction and effect can be related to an account which acknowledges a degree of autonomy to the higher education system, and which allows the importance of specific institutional and normative features of British universities and their government. Further understanding is gained however if we place that account within a framework which relates changes in the economy and polity to changes in the policy for public expenditure of which the
funding of higher education is a part. We have attempted to locate
our case study as part of the political economy of Britain in the
1980s.

An outline of the development of higher education in Britain

In comparison with the United States and various other
industrialised nations, the higher education system in Great Britain
is small and serves an elite group within the society. The proportion
of the age group in the population who entered higher education in 1981
was a mere 13.2 per cent. Similar figures for the United States, Japan
and France are about 30 per cent, 26 per cent and 20 per cent respectively.
In Britain, the proportion entering universities is even smaller than
the crude age participation rate indicates, for some 6 per cent enter
non-university institutions of higher education, leaving a minute
7.2 per cent in universities.

Higher education in Britain can be traced back to its roots in
the antecedents of Oxford and Cambridge in the 12th century, but
growth was slow, and the nineteenth century closed with there being
just nine universities - four in England, four in Scotland and the
University of Wales. Seven more were established in the first decade
of the twentieth century and by 1960 there were 23 in all. The next
decade saw a virtual doubling.

The Robbins Report *Higher Education* (1963) is the key educational
document that proposed and legitimized a pattern of expansion which in
itself provided some of the features which have made current government
cut-backs possible and difficult to resist. The late 1950s and 1960s
were a period of economic boom and confidence. There was an assumption
held by many educationalists, economists, socialists, and democratic
conservatives that the economy would continue to expand and that
education contributed to that expansion.

The increase in the number of students at universities occurred
at an extremely rapid pace, through the enlargement of existing
universities, and by the creation of new ones. Eight completely new
universities were being built by the time the Robbins report was
published in 1963, which thus acted to legitimize these universities
whilst calling for the creation of more.
Ten new technological universities were created based upon Colleges of Advanced Technology. Some, like Bath, took the opportunity to move to new "green-field" sites. Most, like the University of Aston in Birmingham which is the subject of our detailed study, retained their inner city locations.

Harold Wilson's Labour government of 1964, proclaiming the spirit of the white hot technological revolution, established 29 polytechnics based on existing technical colleges with which, over time, many colleges of education merged to form the second half of a binary system. The hope was that this section of higher education would not only be cheaper to run than the universities but also amenable more directly to public control and responsive to the needs of industry, science and commerce. Thus, although the scale of the overall expansion of student numbers in higher education had, by 1981, come close to the Robbins' projection of 560,000 full-time students, their distribution in institutions was not what Robbins planned. Instead of 80 per cent or more being in universities, only about half were, the remainder being in Polytechnics and Colleges of Higher Education.

The failure of British higher education in general, and the universities in particular, to maintain the rate of expansion of the 1950s and 1960s, and to keep pace with the expansion of nearly all other industrialised countries from the early 1970s, reflects, Edwards asserts, 'a crisis of national confidence.' The authors of Unpopular Education (Baron et al, 1981) conceptualise the crisis in terms of the breakdown of credibility of Labour's reformist strategy, which placed too much faith on educational reform and expansion to develop economic growth as the basis for humanising capitalism in an egalitarian direction. In the mid 1970s Labour, faced by the energy crisis, capitulated to the demands of the IMF and started the process of cuts in education and other social services. This has been dramatically accelerated by a Thatcherite Conservative government wedded to Monetarist doctrine from 1979 onwards. The 1981 university cuts must be seen as a product of - and not the final product - of a process of cuts in public expenditure in train from the mid 1970s.
The British Higher Education System

As with much of British education, the higher educational system is complex, confusing and idiosyncratic. With few exceptions, it now can be divided into two sectors - on the one hand universities and, on the other, the polytechnics and other public sector colleges. This binary division expresses itself in the differing ways in which the institutions are financed, their degree of autonomy and their independent right to award degrees.

Table 1 shows the number of undergraduates in the two sectors in 1978. The Open University, which caters for undergraduates only by part-time distance teaching, is shown separately.

<table>
<thead>
<tr>
<th></th>
<th>Full-time</th>
<th>Part-time</th>
</tr>
</thead>
<tbody>
<tr>
<td>University</td>
<td>194,359</td>
<td>3,140</td>
</tr>
<tr>
<td>Polytechnic and other public sector</td>
<td>192,751</td>
<td>118,501</td>
</tr>
<tr>
<td>Open University</td>
<td>-</td>
<td>49,062</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>387,110</td>
<td>170,703</td>
</tr>
</tbody>
</table>

In 1980, excluding the Open University, there were 43 institutions with university status. These ranged in size from the multi-college University of London with 33,500 students, to City, Essex and Stirling with only just over 2,000 students each. There were 34 universities in England and 8 in Scotland, while Wales had the single, seven college, University of Wales with 17,300 students. After London and Wales the next largest universities were Oxford and Cambridge with 10,700 and 10,500 students respectively.

The universities are mainly funded through a block grant from the government which is distributed to the universities through the University Grants Committee (UGC) and students fees, almost all of which are paid by Local Education Authorities. During the 1960s and early 1970s a quinquennial system of distributing the grant was operated. This meant
that individual universities knew how much money they were likely to get from government sources for the next five years, and thus were able to plan their expansion of provision accordingly. Universities were given considerable freedom to use government money as they felt fit, decisions being made about the use of monies by the academics themselves.

The University Grants Committee has been the link between the universities and the state over the last eighty years. It is this committee that took the responsibility for the interpretation of the government's financial cuts into concrete recommendations to reduce student numbers and close courses and departments. Moodie (1983) argues that until roughly the time of the Robbins Report, the UGC was able to operate largely in its self-styled and generally accepted role as a 'buffer' between the state and the universities. Although the proportion of university finance coming from the Treasury via the UGC had increased from about a third in the inter war years to a half in 1946 and to over 70 per cent from 1953, he argues that:

'Despite this financial dependence on the government, however, in few times or countries have universities been significantly less dependent politically or less subject to partisan influence'.

The UGC, then as now, was run by academics giving one day a week to this work and supported by a small staff of civil servants. While the UGC stayed with only a full-time Chairman and a small staff it has, from the early sixties, become progressively more interventionist in its management of the grants to universities. From 1964 university funding was transferred from the Treasury to the Department of Education and Science. Instead of being a very small part of Treasury spending, it became a major part of DES spending, and the Department's influence on UGC has steadily increased since then. By 1968 the UGC itself was stressing its 'positive and active relations with the government, with parliament and with the universities individually, and collectively', a duty to give a 'broad strategic picture' even if appearing 'dirigiste', and the fact that 'the universities take their decisions within a framework of national needs and priorities on which it is our responsibility to give them the fullest and clearest possible guidance'. (UGC, 1968, pp.192, 180, 137).
University government

No two universities in Britain have exactly the same organizational structure. Most have Faculties and Departments; some have Schools and Groups. At Oxford and Cambridge the major part of undergraduate teaching is through individual semi-autonomous Colleges; in the majority of universities the teaching is in the control of academic discipline based groupings.

Most of the universities do, however, have a structure which incorporates within it two bodies with separate responsibilities for academic and financial matters. The body with responsibility for academic matters is usually called the university Senate. It is usually chaired by the Vice-Chancellor of the university who is the academic head of the university. Apart from the Registrar who is the senior administrative officer, and possibly the university Librarian, all of the members of Senate are academic from within the university. The actual composition and size varies from university to university but the average size is about 50 people, some of whom will be ex officio, while others will hold office through election from various constituencies within the university. It is the Senate's task to take supreme academic responsibility for all of the academic work of the university, both in teaching and research.

On the other hand, the responsibilities for the management and administration of the revenue and property of the university is usually entrusted to the second body, which is usually called the Council of the university. This is usually a smaller committee than the Senate and, in contrast with the Senate, a large proportion of the members of Council are usually drawn from outside the university. While some members are appointed by academic staff, others are appointed by external bodies such as County Councils or the Privy Council. There are also often considerable numbers drawn from industry and commerce. The nature of the overlap in responsibilities between these two bodies was to be tested and strained in times of financial cutback, as will be shown later.
Cutbacks to the University System

Politically, the ground for the cuts had been prepared by the breakdown of the domination of debate about education held by reformist labour and progressive conservative intellectuals and politicians which had characterised the '50s and '60s. By the early '70s a populist conservative challenge epitomised by Rhodes Boyson, one of the authors of the Black Papers and latter Minister of Education, had developed. The challenge involved an appeal to standards and quality, critiques of comprehensive education and a defence of selection and the private sector. As far as higher education was concerned, while the rather minor student agitation in British universities and colleges in 1968 had served to increase student participation in academic government a little, and connected with the development of academic radical and Marxist critiques of higher education, it also fostered virulent anti-student, anti-social science and at times jingoist sentiments amongst conservative writers and politicians. It seemed likely that in 1981 Margaret Thatcher and Sir Keith Joseph still had vivid memories of the obloquy they had suffered from left academics, particularly social scientists, when they had been Minister of Education cutting school milk or proposing theories about cycles of deprivation in the early 1970s.

Crucial, in terms of the political rationale behind the cuts with all its confusion and paradoxes, was the collapse of a progressive, optimistic political economy which loosely related investment in education to the prospects of economic growth, and the creation of a more meritocratic and fairer society. This was replaced by a much tougher negative political economy, a monetarist theory and practice drawing on the writings of Milton Friedman. Here a distinction is drawn between private wealth creating industries and public expenditure on services fuelling inflation and based on high taxation which, it was held, in turn reduced incentives for wealth creating entrepreneurs. Within this context education, including higher education, would have to take its share of cuts in public expenditure, particularly, it would
seem, where it did not directly serve the needs of industry. Here contradictions emerged in practice as the general logic of monetarist cuts, mediated by a conservative academic establishment, tended to protect the older universities and subject through reliance on accepted and unexamined criteria of excellence. Thus, as we shall show, the cuts fell most heavily on the technological universities and hit science as well as social science.

A good account of the cutbacks in provision for universities at the national level has recently been provided by Maurice and David Kogan (1983) in their *The Attack on Higher Education*. We shall summarize the most important points in order to contextualise our account of the effects on one institution.

The Kogans claim that the 1981 cuts were unprecedented. They state that:

'. . . it is now certain that between 1981-82 and 1984-85, when the number of 18 year olds seeking places in higher education will be at a peak, 18,000 undergraduate and graduate home and EEC places in the universities will be lost. This is in addition to the 5300 places held by overseas students which were lost between 1979-80 and 1982-83.

Some 5600 academic and academic related posts will be disestablished in the universities in the next two years.'

(Kogan and Kogan, 1983)

The warnings can be traced back to 1973, for from then until 1979, there was continued uncertainty about future financial support. As the economic recession deepened the quinquennial system of grants to universities was abandoned. From 1975 grants were expressly fixed by a cash limit imposed by government which, as it only partly took inflation into account, meant that the grant was gradually reduced in real terms. By 1981 some 10 per cent per student had already been cut.
The economic recession was not, of course, the only cause for concern. It was known that demographic trends in the birth rate would give rise to a peak in the number of 18 year-olds in 1983. More dramatically, by 1994 there would be only 67 per cent of the number in 1983. The various projections given in the Brown Paper by Oakes (DES, 1978) suggested that even if the age participation rate was to increase dramatically during the 1980s, it was highly unlikely that it would be able to compensate for the peak of provision requirement of 1983. In short it seemed that the major alternatives facing government were whether to expand higher education to take account of the 'hump' or whether to 'tunnel through' the hump by fixing the age participation rate at a lower level than demand would justify.

The most popular response within the universities was to argue for further expansion, and at the same time encourage a change in the recruitment patterns to take up the slack in the late 1980s, by increasing the numbers of working-class and mature age entry students. Little was done by the universities during the 1970s to bring this change about.

The Conservative government of Mrs. Thatcher was elected in May 1979 with a clear mandate to reduce public expenditure and "roll back the boundaries of the state". Unlike previous Conservative governments which promised similar cuts, however, the Thatcher government was committed to their implementation. When they came, the cuts in education were full of paradoxes for they were the result of the intersection of different logics. The consequences of any action were clearly not thought through in any detail, and the period from 1979-1983 saw wild swings in policy as the unintended consequences of actions became clear. While the cuts were the result of dogma, the dogma was itself not coherent.

The cuts were imposed by a sword with two sharp edges. On one side the cuts were purely financial. The Budget of June 1979 announced reductions in university recurrent grants, student awards, funding for building programmes and for the Research Councils. The UGC warned universities in August 1979 that they reduce their intake of students by 5 percent because further cuts were anticipated. The second sharp
edge, however, was directed at overseas students. It was announced in October, 1979, that their fees, which accounted for about 13 percent of all university income, would have to be drastically increased such that they paid the "full economic fee" for their courses. Where overseas fees had been about 30 percent higher than home student fees, they were to rise to between 90 to 150 percent higher depending on discipline. No one knew how many students would be able or prepared to pay such fees, but all predicted major losses.

In practice the losses were not as large as had been predicted. The fall in the value of the pound after 1981 reduced the effect of the fees increases for many overseas students, and the loss of some 5,300 places between 1979 and 1982 was large enough to hurt, but not as dramatic as had been feared. The government, too, had second thoughts on the affair for, in early 1983, under pressure from foreign governments and even its own Members of Parliament, an overseas student scholarship scheme was introduced. Money was given to students from specific countries who wished to study in Britain.

The major cuts were still to come.

By 1979 the decision had been taken that there would be no expansion of provision to take into account the peak in the age distribution - the best that could be hoped for was a "tunnelling through" the peak. By early 1980 the UGC had started a series of discussions with Vice Chancellors and senior officials from each of the universities. Small delegations from each university were summoned to London to be quizzed about their ideas for the future and reflections on the past. In November 1980 a 3½ percent cut below level funding was announced. The Expenditure White Paper of March 1981 deepened the cut by a further 8½ percent for the period 1981/84.

'for home students in higher education the plans provide for a progressive reduction in expenditure so that by 1983/84 institutional expenditure (not of tuition fee income) will be rather more than 8 percent below the level planned in Cmd. 7841. This is likely to oblige institutions to review the range and nature of their contribution to higher education. It is also likely to lead to some reduction in the number of students admitted to higher education with increased competition for places.'

(Expenditure White Paper, 1981)
The total cut in funding to universities during the period 1980-81 and 1983-84 was thus somewhere between 11 and 15 per cent in real terms. No one knew exactly how large it would be for no one knew how many foreign students would still come to Britain. We now know that it was about 13 per cent in a period of just three years.

Having decided how much money was to be spent on universities the government then did not at that time take direct responsibility as to how that money should be spent. Various Ministers and MPs made political statements about the need for greater 'relevance', more science, computing, engineering and management. Sir Keith Joseph, Secretary of State for Education and Science made very clear his dislike of social science. The 1981 White Paper had also included the allocation for the Research Councils in which the Social Science Research Council (SSRC) had fared very badly. Joseph's hatred of the very idea of social science was so great that he was later to 'persuade' the Social Science Research Council to change its name to the Economic and Social Research Council.

But, though the hints were there for all to take, the government left responsibility to the UGC. The Committee's task was horrendous, and one for which it was singularly unsuited. Committees composed of academics were ideal for handing out an ever increasing bounty to the various universities, where all current activities were continuously funded and bids were made for the icing on the cake. Cuts in funding, however, caused damage. Choices had to be made about the relative worth of activities that had previously been funded. Courses and departments would have to be closed.

The decision of the Committee to co-operate with the cuts, while protesting about their scale, was perhaps not unexpected. The Committee was, after all, administering DES funds and was served by full-time civil servants. While many of its members might disagree with the cuts and the economic philosophy of the government, the argument that presumably convinced them was that it was better that academics themselves administer the cuts than let outsiders control and change the delicate communities that constitute universities.
This type of argument was repeated at every level by Vice-Chancellors, Deans of Faculty, Heads of Department and at Councils, Senates, Faculty Boards, Academic Assemblies and Departmental Meetings - better we administer the cuts ourselves, we who understand the system and can assess priorities, than leave it to others to impose their plan. The obvious problem with this is that it makes it very difficult to mount an effective campaign against the cuts at the same time. Further, there is a tendency for each constituency to try to protect its own interests, which makes it only too easy for central administration, whether at state or university level, to divide and rule.

The Committee thought about resignation, but felt that as it would have to be done by someone, they did seem to be the most appropriate body. In Moodie's (1983) terms, the UGC had clearly become a 'coupling' between the universities and government, through which government financial policy could be disseminated.

The University Grants Committee quickly made several major decisions. They decided that they would not simply share out the cuts between the universities and give 'equal misery'. This option was probably not even a possibility as it is unlikely that the government would have accepted it. The official position is that the UGC advises government on allocations to individual universities. The UGC also decided, at the other extreme, that it would not close any institution, or rather, attempt to close any, for it is difficult to know how or who could actually close a university in Britain once it has received its Royal Charter. They decided instead that the grant would be selectively distributed, but have still not fully disclosed the criteria that were used to justify the distribution finally agreed upon.

On the 1st July, 1981, the UGC sent two letters to each of the University Vice-Chancellors or Principals, outlining individual allocations of the grant. In the first letter, in spite of the rise in demand for student place, the UGC announced a decision that,
'It is the Committee's view that the university system as a whole should not be asked, with this reduction in funding, to maintain its home and European Community (EC) student numbers at the 1979/80 levels, and a reduction of about 5% is therefore assumed.'

The decision to cut student numbers as such was taken by the UGC, not government. It aimed to worsen the staff/student ratio somewhat, but not as much as would be necessary to maintain (or expand) student intake. The reduced numbers of students were to be distributed in a somewhat different way between the subject areas. In line with government preferences, there was to be a 'substantial reduction' in social studies students, a cut in arts subjects and a small increase in business studies. Small increases were hoped for in physical sciences, mathematical sciences, engineering and technology. There were to be 'decreases' in agriculture, 'significant reductions' in town planning and a reduction of about one-quarter in subjects allied to medicine, especially pharmacy. Overall there was to be a shift in the distribution of students as among arts, science and medicine, from 50: 41: 9 in 1979/80 to 48: 42: 10 in 1983/84 within the reduced student numbers.

The second three page letter of 1st July 1981 detailed the individual grant allocation to the specific recipient university for 1981/82 and gave provisional figures for 1982/83 and 1983/84, along with numbers of students in arts, science and medicine 'that the Committee has used in determining provisional grant for 1983/84.' It then gave advice on particular subject areas and suggested what changes the university might consider making to achieve the desired numbers and balance its books.

The two letters were the instruments that were to reshape the British university system, and were to cause three years of disruption and chaos, court cases and in-fighting. They were to initiate or legitimize dramatic changes in the managerial style, organisation and governance of universities. They were to disrupt, damage and bring to a close the academic careers of thousands of staff who would otherwise have continued to be productive members of the academic community. They
were, in 2 years, to exclude 61,000 undergraduate students from university education who would have otherwise benefitted from it (Waldegrave, 1982).

For the first time the UGC gave specific advice to reduce student numbers even where the university was recruiting well qualified students in that area. All of the universities had some cut in income, but the range was wide. In three years even the 'luckiest' universities such as Bath or York were to lose some six percent of income, while the unlucky losers such as Salford, Keele and Bradford were to lose 44, 34, and 33 percent respectively. The university of Aston in Birmingham, the subject of special study in this paper was fourth in line from the bottom, losing some 31 percent income in three years.

The University of Aston in Birmingham

The University of Aston in Birmingham was given university status in 1966, as one of a group of new technological universities formed as a result of proposals contained within the Robbins Report (1963).

The University expanded through the 1970s, taking in slightly more students than the UGC grant would justify. The staff/student ratio was rather lower than most universities. It maintained close links with the industrial and commercial world, and had an emphasis on courses which included elements of industrial experience. In 1980 there were a total of 5690 students. Of the 4620 undergraduates, half (2430) were on sandwich four year courses, the third year being spent in industry or commerce. Paradoxically the government has praised such courses. There were four Faculties. Engineering had 2390 students, Science 1180, Management 790 and Social Sciences and Humanities 560. The remainder of the students were on interdisciplinary courses not attached to a single faculty.

The Vice Chancellor, Professor Crawford was appointed in July, 1980. He was a local Birmingham boy who gained a first degree in engineering at the College of Advanced Technology, Birmingham. His main experience of higher education was in the United States rather than Britain. He moved to Stanford University in 1959, where he became Director of a research centre. After twenty-two years there, he returned to Britain as
Vice Chancellor. His experience of higher education in the States helped to structure his understanding of how universities did and should work. His model of a successful university seemed much nearer the American model than the traditional British one. His American experience was visible as he set about establishing a Science Park financed by the Local Authority and a major clearing bank, and in the building of a Centre for Extension Education which was to operate using Tutored Video Instruction following the pioneering work on TVI at the Stanford Instructional Television Network. American management techniques were not so visible in the first year, but were to prove to be decisive in the following years.

Burton Clark (1983) has identified three basic elements of the organisation of higher educational systems. These three are: (1) the way in which tasks are conceived and arranged around knowledge specialities, (2) the primary norms and values of the many actors variously located in the systems, and (3) the distribution of legitimate power throughout the systems.

In our account of the responses to government cuts in our particular case study university, we will use the elements of knowledge, belief and authority to illuminate the rapid changes that occurred in the organisation of that university. We also structure our account around what we see as key events. A fuller account is given in Miller and Walford (1985).

**Before the letter: July 1980 - June 1981**

Professor Crawford took up his post as Vice-Chancellor of the University of Aston on 1st July 1980, just as it was becoming clear that the university was facing serious financial problems. He very quickly recognised that there would be a need for a revision to the Academic Plan and initiated "information gathering" exercises to this end.

The Vice Chancellor introduced a questionnaire as an exercise in democracy to enable the resulting Academic Plan to embody the view and aspirations of the greatest number possible of academic staff, but it also raised a number of doubts and questions. The Local Branch
of the Association for University Teachers (AUT), the university academic staff union, advised its members not to complete the form as they were concerned about how the information might be used in the future. They saw little need for a new structure of representation responding directly to the Vice Chancellor, when academics were already represented through trade unions and university official committees. This was an understandable reaction at a time when there was already talk of possible redundancies. The actions of the Vice Chancellor and AUT were already causing them to adopt polarized positions.

Aston had about 20 percent of its students from overseas. The government announcement that support for these students was to be withdrawn by the UGC, and that universities were going to be forced to ask for a "full economic fee", thus brought real fears for the future. The announcement of a 3½ percent cut in university spending was also made in November 1980.

The Vice Chancellor responded to these threats by setting up an Advisory Group on Budget Adjustment in January 1981. This consisted of a small, ad hoc, group of senior academic and administrative officers which tried to make short and medium range financial forecasts and suggestions as to how the university's budget might be balanced. In the setting up of this group we see the move away from the official organisational committee structure of the university and the greater involvement of administrative staff in academic decision making.

It is important to notice the tension between the initiation of consultation with a wide range of staff and the development of ad hoc centralised bodies paralleled to the official committee structure. Procedures were presented by the Vice Chancellor as a contrast to autocratic or centralised processes:

'...the revised Academic Plan is everybody's business. Though the democratic process may seem slower to the impatient, it is likely to prove more effective than an autocratic or centralized process whose initiatives are unacceptable to those whose support is necessary to bring them to fruition.'

(Crawford, 1981a)
The Advisory Group on Budget Adjustment produced an interim report which suggested that expenditure would need to be cut by 18-22 percent by 1984, and this would mean 1,000 fewer students, 120-150 fewer academic staff and 240-300 fewer non-academic staff unless new sources of funding could be found.

The major problem that British universities faced when confronted with rapid cuts is that possible responses are highly circumscribed. About three-quarters of all expenditure goes on pay to staff. Thus substantial savings can only be made by staff reductions. The majority of academic staff hold tenured positions which means that they cannot be removed from office except for good cause. Every university has a different Charter, Aston's Charter was one of the most specific and tight in this respect and provided a strong defense of tenure.

The university's potential inability to pay salaries was not a 'good cause' for removing them! Academics, it seemed, could not be made redundant and, if they could, someone would have to pay dearly for breach of contract. Lawyers for the AUT suggested claims for 30-80,000 pounds might be made and, at this time, the government was giving no indication that there would be any help for universities in paying these suits (Geddes, 1981).

In early 1981 all staff vacancies were frozen, but, in April, 1981, the University Council introduced an Early Retirement Scheme for those aged 55 or above, financed from the University's own funds.

What had started as an 'information gathering' exercise, became by April, 1981, contingency plans for varying possible levels of funding for the future. By May 1981, when the universities still did not know what their funding for the coming academic year would be, Aston froze all undergraduate admissions. The University Grants Committee finally announced its recommended allocations to universities for the academic year 1981/82 and projected allocations for the following two years on 1st July, 1981. It was a day of high drama.
The week of the letter - 1st July 1981 - 8 July 1981

On Wednesday, 1st July 1981, the Vice-Chancellor scheduled a Senate meeting

'At 5.10 pm, one year to the minute from first setting foot in Aston to take up my appointment, it fell to me to deliver the stunning news that the UGC proposed to cut 31% of our recurrent grant over the period 1981/84, and 22% out of our home student population. The dire prediction of the Advisory Group on Budget Adjustment in April, based on average cuts, had been far too optimistic.'

(Crawford, 1982a)

Professor Crawford sprang into action, Senate agreed to his plan to prepare a package of course cuts for discussion within a week at Senate meeting on the 8th July. The events of that week were crucial to the way in which the events of the next three years were to unfold. This was true of the content of the decisions but also, they were crucial to the development and acceptance of a particular managerial style.

The individual letter to each specific university sent by the UGC to each Vice-Chancellor, gave specific target student numbers for 1983/84. A paragraph of 'advice' was available indicating which areas the Committee valued and which areas the UGC recommended that 'the University should consider discontinuing'. It couched its recommendations in terms of 'significant' 5% or 'substantial' 10% cuts and gave overall student targets to two significant figures. With cuts of this magnitude all the Departments at Aston would have to suffer. Cuts in the areas indicated would not be sufficient to balance the books.

The Vice-Chancellor initiated action, meetings were held with Heads of Department, Deans of Faculty and other senior academics. Many of these meetings were just with the Vice-Chancellor alone - none brought all of the actors together as a group, 'bargains' were struck with each Head of Department and Dean in turn. There was little or no consultation with junior members of staff, indeed most staff remained ignorant of the 'deals' struck on their behalf until after the second Senate meeting on 8 July. Heads of Department remained ignorant of the whole 'package' until then.
One Head of Department described it in a memorandum: 'the Department's part of the "package" to Senate is summarised simply, and represents the best I can negotiate bearing in mind all the constraints, internal and external' (original emphasis). Heads of Department, fearful of what they might lose if they failed to agree, concurred within individual meetings with the Vice-Chancellor to the 'best deals they could get'. The fate of courses, and eventually individual academic careers, hung on the negotiating skills under pressure of each Head of Department. The whole package was presented to Senate at the 8 July Senate meeting with not enough time before the meeting for anyone to read the whole document. It was passed as 'a starting point' with only one dissenting vote.

It might appear that the University was in a good position to make decisions as it had spent the previous eight months considering possibilities, yet, in the event as one senior lecturer wrote 'It was observed that for many departments across the University the "package" proposals represented bilateral agreements between Heads (and/or Deans) and the Vice-Chancellor and bore little or no relation to plans submitted by departmental task forces' (10/7/81). No Faculty or Department escaped unharmed. Within the Faculty of Social Sciences and Humanities, for example, the cuts in student numbers were to be 40 per cent, and, of nine courses offered by the Faculty, four were to close and two to merge.

Burton Clark (1983: 46) outlines the essential differences between chair and department organisation within universities. Not unusually, Aston shows elements of both, yet before the arrival of the new Vice-Chancellor it was far closer to the chair than the department model. Chairs and departments co-existed and some departments had more than one Professor, yet the Head of Department was a permanent appointment and carried with it control of funding and facilities for teaching and research. Heads of Department were not usually accountable to the academics within their Departments, who often would not be able to find out how much money there was available or how it was actually spent.
Professor Crawford, it seemed, wanted to move towards a department type of organisation, with rotating Heads of Department and greater sharing of control and responsibility. The early exercises in information gathering and 'task forces' emphasised this, and were not generally popular with senior academics for this very reason. However, during 'the week of the letter' it was essential that Professor Crawford was able to draw upon the vestiges of the chair system of organisation. Only by emphasising the authority of the chair system, where individuals could take decisions on behalf of, or in spite of, the members of the Department, could such devastating decisions be made quickly.

It is unlikely that the most rational possible solution was found in that week. As Burton Clark makes clear, the work of academics centres around the creation and transmission of knowledge in a particular subject discipline. Academics are essentially part of a 'fragmented profession', where the individual disciplines to which each academic owes allegiance becomes the dominant force in the working life. The institution in which the academic happens to be presently working takes on only a secondary importance. At a time of cuts the essentially fragmented nature of the profession becomes clearly visible, and was evident in the distribution of courses axed. One of the main problems that the Association of University Teachers had was the difficulty of obtaining a united front with such a fragmented profession.

On the national scale there was considerable surprise and anger at the ways in which the cuts had been made. There were questions in Parliament particularly about the wisdom of heavy cuts falling on the technological universities of Aston, Salford and Bradford. Surely, it was argued, these were the very universities that needed protecting. Aston had an employment record for graduates better than any other British University.

As the scale of the cuts and threat to the courses, research livelihoods and tenure of academic staff became apparent, an opposition developed. In some universities less heavily hit than Aston, or with Vice-Chancellors who pursued a different policy, it seemed there was
less internal conflict than at Aston, but many of the pressures, paradoxes, professional position taking and personal soul searching must have been similar, if maybe less extreme, than at Aston.

There were some special features at Aston - we have already mentioned the Stanford background of the Aston Vice-Chancellor, Professor Crawford. This, together with his own distinctive determined personality, and preferred management style, undoubtedly gave the Aston situation its own peculiar flavour. There were other factors that made Aston special. The Charter of the University provided one of the most tightly drawn tenure protection arrangements for academic staff in British Universities. When the Vice-Chancellor was seriously considering the possibility of implementing a compulsory redundancy procedure the National Association of University Teachers was drawn into the discussions at Aston. This eventually involved a National Lobby of a Council Meeting to influence members to back down from compulsory redundancy, and the issuing of writs by the A.U.T. lawyers seeking to restrain the University.

It would be a mistake to see opposition as particularly coherent or organised. Academics are an individualist profession where emphasis is placed on individual teaching, scholarship and research. There are deep divisions between those in different disciplines, departments and faculties. They are not a professional group used to or easily organised in terms of trade union solidarity. One of our colleagues characterised Aston academics as 'a bunch of Kulaks' rather like rich peasants anxious to till their own little patch with a minimum of desire for collective action even when their own interests are threatened.

At the level of the University's central administration there seemed to be very little opposition to the cuts. The main policy that seemed to be developing from the Vice Chancellor and the administration was to make the budget balance at all cost by 1984, and to do this through voluntary redundancy and, if necessary, through compulsory redundancy, even though this latter step would require the university to break its own Charter and Statutes.
The 'us' and 'them' division of the university was becoming more polarized. Internal committees and groups within the university directed their attack on the Vice-Chancellor and a small group of administrators who they saw as acting against the best interests of staff and moving too quickly towards the possibility of compulsory redundancies. A meeting of Academic Assembly passed a motion opposing any steps being taken towards compulsory redundancies during the year 1981/82, and followed this by a vote of 350 to 21 for a motion of no-confidence in the Vice-Chancellor's strategy. Senate itself voted *nem con* to oppose any compulsory redundancies during that academic session. A packed meeting of 1500 students also voted to support campus unions in preserving their members' jobs. A Dean of Faculty resigned in protest against the threat of compulsory redundancy.

Yet the administration still put forward to Council the possibility of compulsory redundancies as one of the possibilities. In the event, and perhaps somewhat under pressure from the lobby of 400 odd staff and students outside the meeting, Council voted 20 to 12 not to go for compulsory redundancies that year.

Burton Clark (1983: 125) describes four different modes of authority distribution within higher education. His description of the British mode is essentially correct in that it has traditionally combined faculty guilds with a modest amount of influence from institutional trustees and administrators, but it is incorrect in assuming that the colleges of Oxford and Cambridge have provided the British system's most influential models, for their essential idiosyncratic difference is that the Colleges are not faculty guilds in any way. The American mode, Clark continues, 'has combined beloved faculty forms with institutional trusteeship and administration. But in comparison with the British, faculty rule has been weaker and the influence of trustees and administrators stronger.'

The early weeks of the fight against redundancies indicated the shift in mode that was occurring at Aston. The Administration found itself in a position of increasing and considerable power. They had both the time and the information to be able to influence outcomes in a way that academics did not. The Vice-Chancellor gave authority to senior members of the administration to put forward a university view.
There was also a significant shift in authority between Senate and Council. Although nominally Senate had authority over academic matters and Council over finance, the two were inextricably linked. At a time of growing or even finance it had been possible for the two to operate relatively independently, but at a time of drastic financial reductions practically everyone involved appeared to follow Marx in giving primacy to the economic factors, and acted as if Council had overall authority over Senate.

That this acceptance should have occurred without very great question is fascinating, especially with regard to redundancies. It has been shown already that the Statutes and Charter for Aston contained no mechanism for compulsory redundancy. The nearest that the Charter came to this was in the Statutes concerned with the removal of staff for misconduct or physical or mental incapacity. But here the Statutes made it quite clear that neither Council nor Senate had authority individually. There had to be a joint meeting of Senate and Council sitting together to remove members under this statute, yet no similar idea was put forward for dealing with redundancies. Everyone assumed that the underlying mode of authority was the American rather than the British one and further that it was crucially economic rather than academic.

The change in mode of authority was evident throughout the two year fight against redundancies. The two years must be remembered as a period of endless memoranda, planning documents and notices, of endless union, Departmental, Faculty, Academic, and Senate meetings. Academic work became identified with and described by numbers - of students, of staff, of ratios, of contact hours and mostly of pounds sterling.

In October 1982 Council agreed, quite exceptionally, to hold a postal ballot of its members on the question of compulsory redundancies. Even though the vote was a very close 19 to 17 with one abstention, the administration chose to act contrary to all wishes of Senate and Academic Assembly and start procedures for compulsory redundancy. Notices were issued to trade unions and the Department of Employment stating that redundancies were to be made, and a 'consultation' process was initiated.
The university erupted, as did AUT and other universities both nationally and locally. It looked as if Aston was going to be the stage on which academic tenure would be broken. AUT imposed a legal writ on the university for attempting to break its own Charter, and imposed a 'blackening' of the university. No AUT member was to come to Aston to give invited seminars or lectures or was to undertake external examining. A national lobby of some 1000 AUT and other union members silently greeted the next Council meeting in December 1982, where any decision to select individuals was deferred.

The December 1982 Council was only a deferrment, but it did bring about yet another scheme, this time financed totally from the university's own funds, where, in practice, the university declared itself open to negotiation on individual cases. This last move was sufficient and in July 1983 numbers roughly balanced and the threat of compulsory redundancies was removed by Council.

Kogan (1983: 83) summarises the position in which the Vice-Chancellor found himself:

'The problems he faced were considerable: he was threatened with legal action; many of his senior colleagues would not support the policy which he felt bound to administer to avoid a deficit; and he lacked the political support of the Council and the Senate to take the steps needed to achieve the projected reductions. This is a striking example of a Vice-Chancellor being forced out of his old collegial role and into the position of any manager in an enterprise facing recession and sudden contraction.'

Continued pressure - July 1983 onwards

Recession and sudden contraction in the University caused by UGC imposed government cuts had certainly been a major cause of two years of 'American mode' university management. But there were few signs of any reversal of style after the threat of compulsory redundancies was finally removed in July 1983.

Pressures continued after July 1983, because of future cuts indicated by the government, but also due to imbalances in the staff remaining. There was an imbalance in the academic subject areas of
the remaining staff. Most redundancies occurred at the top and bottom of the age range leaving a bulge of academics in the 35-40 age range. Concern about the effect on productivity of a group of academics growing old together with few chances of promotion had been voiced elsewhere (Walford, 1979; Blume, 1982) but universities based on the traditional collegial mode of authority had been unable or unwilling to rectify the problem. At this point, however, the new 'American mode' administration firmly encouraged even more staff to leave than absolutely necessary, so that the age distribution of academics could be improved through new appointments at a later date.

At Aston there are few indications of any moving back to a traditional British style of authority distribution. On many important issues we now see the administration initiating decision making processes in areas which are related to academic work. Further, Council has now taken on a role which has become very close to a Board of Trustees, which largely acts to maintain the managerial interest as defined by the administration. Small groups of senior academics now make major decisions which although initially are only 'recommendations', are usually accepted by Faculty Boards, Senate and various committees.

In the foregoing account we have said little about Clark's third basic element of the organisation of higher education - that of belief. Clark argues that the common belief system of academics is of vital importance in determining the ways in which these institutions function and react to changes.

Clark argues that the academic's favourite doctrines of freedom of research, teaching and learning, although heavily individualistic, act as an integrative element in higher educational institutions. Individualism is very much a shared value and one which carries with it respect for the choices and actions of others and non-interference with those choices and actions. Typically, the job of an academic is not tightly proscribed. They are expected to be involved in research and teaching, but there is very little accountability for either. In Britain it is extremely unusual for any academic to be removed from his or her post for failure to carry out duties - it is generally felt that a limited amount of abuse of the privileges can be tolerated and is preferable to the restrictions of full accountability.
Clark argues that both the culture of the discipline and the culture of the enterprise are important in maintaining high work norms. In the case of the academic discipline he argues, 'As the professor comes to care about the welfare of his discipline or profession as well as the advancement of his own work, there is less reason to go home at five o'clock.' (Clark, 1983: 80). In the case of the enterprise he argues that dramatic events of birth or transformation produce more heroic symbols for the institution than an uneventful life, and that competition for survival and status generate a sense of common struggle.

At the University of Aston there would not appear to be a conflict between these two elements. There has certainly been a struggle for survival, but, strangely, this does not seem to have brought about any great sense of commonality amongst the academics in the university as a whole. A sense of defeatism seems to be prevalent. This may well be linked to changes that have occurred in the freedom of research, learning and teaching within the university as a response to cuts. In research the administration has indicated a plan to concentrate research money provided by UGC into a small number of selected areas of excellence. Other research areas would be less well funded, if at all, by the university and growth of these other areas would not be encouraged or rewarded. Academics also used to have a fair amount of influence in the admissions procedures for students, giving them greater autonomy over the choice of students to be taught. Greater centralization of procedures has reduced this autonomy.

In many cases the changes which in part have resulted from the cuts have attacked the basic freedoms of academic life, making the job itself less rewarding and interesting. Some academics are simply opting out of the struggle - taking advantage of the individualistic norms of the profession, yet often stepping outside of the cultural norms of the discipline. It is too early to tell whether this is just a temporary phenomenon, or whether the longer term competition for survival will generate a common culture of the enterprise which will lead to new achievement. At the moment, however, there are clearly some who question whether the institution as such is worth the effort, when it has redirected so many of the traditions of academic work.
At the same time the experience of the turmoil of the last few years has, for other staff, particularly when they have been heavily involved in organising opposition to the cuts at local and national level, itself been an educative experience. At an intellectual and political level the configurations of power and authority have become more transparent and alternative models clearer. At an effective level, while stress has led to considerable backbiting and protection of individual interests, there has also been sympathy and solidarity between staff who were formerly divided by discipline divisions.

**Concluding Remarks**

We are here merely touching on the complexities of the dynamics of individual and institutional morale. But here, as with much of Burton Clark's analysis and categories, while recognising their utility in describing aspects of academic governance particularly in comparative perspective, we feel they fall short in allowing a full analysis of the dynamic of change within an institution, a higher education system or indeed a society.

We feel that the limitations can be linked to the structural functionist theoretical perspective implicit in Clark's work. An alternative approach would seek to place the description of institutional change within an account which stresses the pressures emanating from changes in the economy and polity.

Under this analysis 'efficiency and economy' re-appear as essential parts of the analysis under a number of guises.

In terms of a crisis of British capital of increasing proportions from the mid '60s on there have been attempts by British government, particularly by Conservative administration since 1979, to deal with this by cuts in public expenditure and pressure to relate education in general, including higher education, to the needs of industry, 'efficiency' for industry, 'economy' in the use of public resources not directly related to wealth and profit production.
Also 'efficiency and economy' both at the level of the national system and at the university level provides a powerful ideology which strengthens the hand of central administrations and can be used to constrain and control through the development of monitoring and costing devices.

A true political economy and understanding of higher education must surely include not only political and organisational analysis but relate these to broader movements within the economy and polity.

Such an analysis is founded in the economic crisis and in particular in the fiscal crisis (O'Connor, 1973) of contemporary capitalism. Even if one does not accept the argument that Castells (1980) develops, following Marx, that there is a structural crisis with the fall in the rate of profit at its core, it is possible to see that capitalism is certainly undergoing a dynamic restructuring. This not only has implications for patterns of employment and unemployment, but also for the way in which the state controls education and maintains legitimation. (Habermas, 1975).

There are at least triple pressures producing an often contradictory dynamic which finds its outcome in some of the paradoxes we have described in the cuts and changes occurring at Aston and throughout the British university system. Firstly, deriving from the economic crisis, there is the financial pressure, ideologised by monetarist rhetoric, but nevertheless there, to reduce public expenditure including that on higher education. Secondly, there is a pressure from the corporations to provide appropriate research and trained personnel to implement structured changes to maintain the rate of profit. Thirdly, there is a problem of control and legitimation of a government presiding over mass unemployment and sometimes sniped at by dissident intellectuals.

The last problem may appear at the moment to be the least pressing, in that, post Falklands, and the split in the opposition, the mounting of an effective challenge to the Thatcher government seems unlikely.
We have seen that the contradictory pressures, to cut public expenditure and provide more appropriate research and trained personnel for the corporations and the state, have led at Aston and elsewhere to some curious paradoxes. Attempts to resolve these are likely to strengthen central administration at both the level of the university and the systems. With limited resources, those who already control wealth and exercise power seek to more tightly control their use. This is likely to result in considerable changes to accepted academic organisational structures, which will probably reduce traditional academic liberties and impede attempts to democratise and extend access to the British university system.
References


Gedder, Diana (1981). "Dons' redundancies may cost up to £80,000", *The Times*, 14 May, p.5.


Gedder, Diana (1981). "Dons' redundancies may cost up to £80,000", The Times, 14 May, p.5.


