

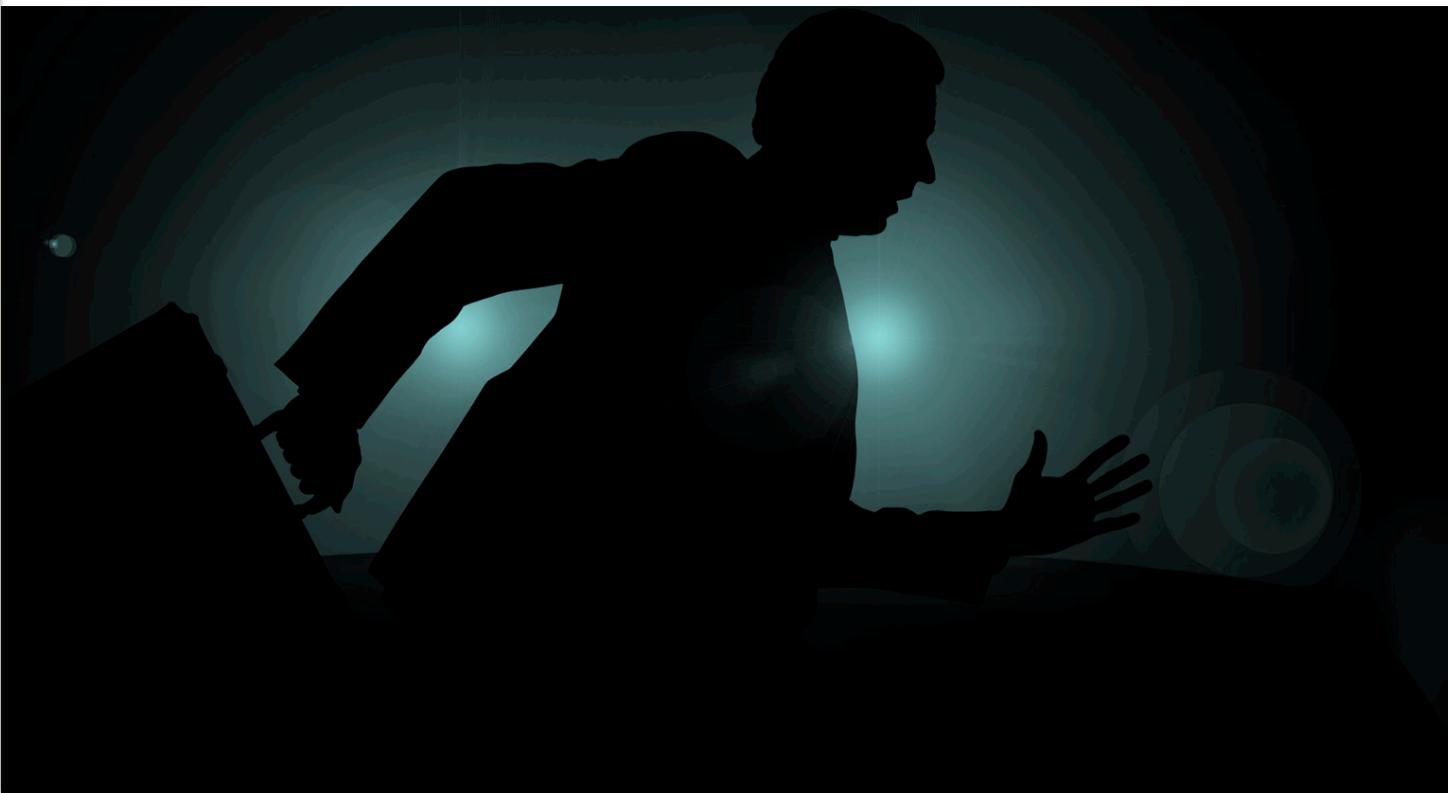
#USSbriefs21
USSbriefs.com
Twitter @ussbriefs



BRIEF OF BRIEFS (1-20)

Nick Hardy, University of Birmingham

28 April 2018



Brief of Briefs (1-20)

[Nick Hardy, University of Birmingham](#)

As USSbriefs reaches its one month anniversary, Nick Hardy reflects on what we have learnt from the 20 briefs published so far.

USSbriefs are a response to a political and epistemic crisis. Since February, university staff in the United Kingdom have been locked in an unprecedented struggle with their employers. But we staff do not necessarily agree what we have been struggling for. Is the largest industrial action in the history of UK Higher Education 'just about pensions', or is it about much more than that? Have we been reimagining the nature of higher education, or quibbling over accrual rates and gilt yield reversions?

There is, indeed, more at stake than our pension fund, but that is precisely because pensions are such an unusually important and multi-faceted element of the staff-employer contract. As our briefs show, the current 'pension crisis' is bound up with a range of issues involving the financing, management and learning environment of UK universities. Because of this, the recent industrial action has more diverse and more serious consequences than a typical dispute over pay increases. This also makes it harder to understand what is going on. The organisation of USS (the Universities Superannuation Scheme) involves scheme members, their union, their employers, the employers' elected representative (UUK), trustees, lawyers, fund managers, regulators, 'independent' panel chairs, actuaries, consultants, and the Government. For all but one or two of these groups, protecting staff benefits is not a priority. On the contrary, they are willing to sacrifice our pension scheme in pursuit of quite different aims.

If we are to defend our pensions, it may help to know what those aims are and how we might be able to reshape or thwart them. Here, members have struggled under what Gail Davies, in a conversation between the USSbriefs team, called 'asymmetries of information': the aforementioned actors all know more about our pension scheme than its members do, and much of what they know is difficult to access without breaking the law. USSbriefs are an attempt to correct this imbalance.

At its broadest, this dispute has been about the marketisation ([USSbriefs#3](#)) and financialisation ([#16](#)) of our sector. A series of reforms culminating in the 2017 Higher Education and Research Act has contrived a dysfunctional 'market' in which universities are supposed to compete for tuition fees and research funding. This competition requires investment, which requires aggressive borrowing on global capital markets, which requires universities to prove that they can maintain their revenue streams in a disciplined way. 'Discipline' in this context means avoiding exposure to dangerous 'liabilities': for example, guaranteed future pension payments to retired employees. This new environment has given some employers a pretext for attempting to abandon the mutual risk-pooling between universities that currently makes USS viable. It has also encouraged a particularly hawkish subsection of USS employers to push to destroy the scheme's

'Defined Benefit' (DB) element, which protects employees' pension payments against the risk of the scheme underperforming, and replace it with a Defined Contribution (DC) system, in which employees bear all the risk. This move to replace DB with DC was a long time in the making (#1), and it may still succeed in the future. In recent years, it has been advocated more or less discreetly by a cluster of groups who stand to gain materially from any such change, including USS's own fund managers and actuaries, external pensions consultants (#5) with DC-centric business models, and a small but powerful faction within UUK that represents the most financially bullish and over-leveraged institutions in the sector.

Together, these parties have created a climate in which the reduction or obliteration of DB seems inevitable. From a technical point of view (#7, #17), this notion is absurd. The claim that USS is 'in deficit' is a byproduct of recent changes in accounting and actuarial practices. These new practices may not even be appropriate for single-employer private-sector pension schemes, but in any case, their applicability to a multi-employer, quasi-public scheme such as USS has not been justified by the USS trustees, employers, or the Pensions Regulator. The first two of these bodies could have made a case to the third that USS should be judged by a different set of standards from other schemes, but they have instead adopted a passive, supine relationship to the Regulator which will run our pension fund into the ground in order to protect them from liability. Members can do little to change this because they have been sidelined by the scheme's governance mechanisms. Employer-appointed trustees outnumber union-appointed trustees in USS; the remainder of trustees are drawn from the private rather than the public sectors; and there are close personal and ideological affinities between the [USS trustees](#) and key figures within [UUK](#).

It is, admittedly, hard to ascertain how closely the goals of USS, employers, and the Pensions Regulator align with one another; but that, too, is their fault. Each of these parties has repeatedly ignored scheme members' calls for transparency. For example, Freedom of Information (Fol) requests to Oxbridge colleges have yielded evidence of a concerted campaign by college bursars and paid consultants, bypassing normal academic governance protocols, to bring about the end of the DB element of USS (#13). It is now clear that UUK used colleges' responses to a recent employer survey to overstate employers' appetite for changes to the scheme's valuation methodology (#12). But the precise scale of their manipulation of the data has been impossible to gauge, because UUK is not subject to Fol requests. Even though it is funded by institutions counted as 'public' for the purposes of Fol requests, UUK itself is [not considered to be](#) a public body. However much members manage to reassert themselves on an institutional level (#15), UUK will always provide a smokescreen (#8) for our employers' most underhand, anti-democratic practices.

Our employers seem to understand that knowledge is power, and they have worked hard to deprive us of it. But knowledge is not the only form of power we have (#9). Employers did little to soften their radical benefit-cutting initial offer until staff withheld their labour on a scale not seen for years in any British industry, and never in this sector. The strikes forced managers at several universities to reverse their positions regarding USS's future

(#12), and, combined with a powerful wave of student occupations (#20), yielded concessions on other fronts as well. Some of the energy for the industrial action came from staff and students' heightened awareness of the extent to which employers were acting against their interests, and in that sense, knowledge may have been a necessary, if not sufficient, condition for a successful strike. But as a relatively inexperienced and rapidly growing union in a volatile sector, we are still only beginning to ask how knowledge translates into action, and whether it can take us far enough in pursuit of our own interests (#2).

The April ballot on UUK's proposal of a Joint Expert Panel (JEP), which was the focus of briefs #2, #6, #10, #11 and #14, embodied this uncertainty. In voting to accept the proposal, members have chosen what could amount to a narrowly technical solution to the problems facing USS, centred on the assumptions and methods used to assess the likelihood of a future deficit and the benefit reforms that might follow from it. History warns us that members will find it hard to remobilise in the event that the JEP fails to give us an acceptable outcome (#18). This leaves us with two distinct battles to fight. The first will be fought over the JEP, and the range of perspectives and possibilities which it will be allowed to consider (#6, #19); the second will concern broader issues which the JEP may fail to address, issues central to this industrial action but not exhausted by it. These will include inequality (#4); the status of [migrant](#) and [precarious](#) workers; and the fraught social, economic and cultural relationships between different groups of university staff and students (#20).

USSbriefs will continue to explore and advise on all of these fronts. The immediate, overwhelming popularity of our contributions to the dispute has demonstrated UCU members' appetite for a source of information that reflects their concerns and empowers them to reimagine and, ultimately, remake the British university system.

This paper represents the views of the authors only. The authors believe all information to be reliable and accurate; if any errors are found please contact us so that we can correct them. We welcome discussion of the points raised and suggest that discussants use Twitter with the hashtag [#USSbriefs21](#); the authors will try to respond as appropriate. This work is licensed under a [Creative Commons Attribution-NonCommercial-NoDerivatives 4.0 International License](#).