



Economics Q2

What will be the effect on socio-economic mobility of the UK government's plan to impose value-added tax on school fees?

Key Issues and Questions to Address

To write a comprehensive essay on this topic, you'll need to contend with several fundamental issues:

1. Direct Economic Effects
 - How will adding 20% VAT affect demand for private education?
 - Which socioeconomic groups will be most affected by the price increase?
 - Will there be differential impacts across regions, school types, and fee levels?
2. State School Capacity and Funding
 - How will state schools accommodate potential transfers from private schools?
 - Will additional tax revenue effectively translate to improved state education?
 - What are the regional variations in state school capacity and quality?
3. Behavioral Responses
 - How will private schools adapt (fee adjustments, cost-cutting, mergers)?
 - How will different family types respond (stay, leave, relocate, economize elsewhere)?
 - What substitution effects might occur (international schools, homeschooling, tutoring)?
4. Social Mixing and Segregation



John Locke Global Essay Prize 2025 Prompts Breakdown
Economics Category - Key Issues and Questions to Address



- Will increased movement between sectors lead to greater social integration?
- How might changing school demographics affect educational outcomes?
- Will the policy reduce or potentially reinforce educational stratification?

5. Long-term Mobility Impacts

- How do educational pathways influence career outcomes and earnings?
- What is the relationship between private education and elite university access?
- How might changes in educational provision affect intergenerational mobility?

6. International Competitiveness

- How might changes affect the UK's position in global education?
- Will there be implications for international student attraction?
- Could there be broader economic impacts through human capital effects?

7. Distributional Justice

- Is taxing private education a matter of fairness or potentially counterproductive?
- How should we weigh parental choice against educational equality?
- What philosophical frameworks help evaluate the justice of such policies?

8. Evidence-Based Assessment

- What does empirical evidence suggest about similar policies elsewhere?
- How reliable are predictive models of behavioral responses?
- What methodological challenges exist in assessing socio-economic mobility impacts?

9. Alternatives and Modifications

- What alternative policies might achieve similar goals with different tradeoffs?



John Locke Global Essay Prize 2025 Prompts Breakdown
Economics Category - Key Issues and Questions to Address



-
- Could more targeted approaches (progressive fee structures, partnership requirements) be more effective?
 - What complementary policies might enhance positive outcomes or mitigate negative ones?

10. Transition and Implementation

- How might phasing and grandfathering provisions affect outcomes?
- What support mechanisms might be needed during implementation?
- How should success or failure of the policy be measured?

For this essay question, it is recommended to approach this question by first establishing a clear analytical framework that distinguishes short-term effects from long-term mobility impacts.

Then, systematically examine the evidence and competing perspectives, acknowledging uncertainty where it exists. Consider both intended and unintended consequences, and develop a balanced assessment that recognises the complexity of educational systems and their relationship to social mobility.

This essay question should aim to move beyond ideological positions to engage with empirical evidence while acknowledging the normative questions at stake. Since this is a John Locke competition, you might particularly consider how Locke's views on education and property rights might inform contemporary debates about educational access and taxation.