

THANK-OFFERING TO BRITAIN FUND LECTURE

The Future of Our Universities

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I. Background

I WANT TO BEGIN BY SAYING how immensely honoured I am to be giving this lecture in your ‘Thank-Offering to Britain’ series, not least of course because it has been part of the British Academy’s history for the last four decades. There are also personal reasons why it means so much to me.

These relate to the origin of the lectures. They originated in the mid-1960s with a remarkable initiative. This was due to a fellow refugee, Victor Ross, who happens to be an old and precious friend of mine. Victor Ross wanted to find a way by which refugees could express their gratitude to Britain for enabling them to settle here, as he put it, ‘in peace and prosperity’. So he wrote to a number of newspapers in 1964, and an appeal was launched. The Association for Jewish Refugees (of which I have long been a member) helped in the process. A remarkable £90,000 was raised, worth about £1,200,000 now. Then the question was how best to use it. Victor consulted his LSE teacher, Professor Lionel Robbins, who sent him to the British Academy, which then told him to consult Isaiah Berlin. As a result, the money came here, to the Academy, and the Fund was set up. Lord Robbins, the then President, received the funds in characteristically moving words. He found it:

A most deeply moving circumstance that in addition to bringing many benefits . . . in the world of scientific and human learning, great benefit in music and the arts, and in technical and economic affairs . . . you should be making this thank-offering . . . It is we who should be expressing gratitude, not you . . . you have given twice.

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So much for the initial gift. The Academy decided to use it for Research Fellowships and a series of lectures—of which this is the twenty-second.

Given this background, and my own as a refugee, you will understand why this occasion is special for me. My family, that is my parents, my brother and I, were extremely fortunate in getting out of Germany in 1936, before the Nazi attacks on Jews reached the indescribable horrors we all know about, and which none must ever forget. The vast majority of Jews perished, and those of us who escaped can never forget that good fortune, coupled with the warm home that awaited us here. Incidentally, now that the records and papers of the time have been released and researched, especially in an important book by Louise London¹ we know that the British doors were not as happily open to refugees as has long been thought. In fact, the Government was extremely hesitant in the 1930s to admit refugees, unless they had clear job opportunities, and it was largely due to a few brave individuals in Whitehall and various non-governmental organisations, by no means mainly Jewish, that so many, about 70,000, were let in. So we were, as it were, doubly fortunate. My own gratitude, as that of so many others, never leaves me. I am in a true sense part and parcel of this lecture series.

And my personal link goes even further. As I have mentioned, Lord Robbins, then President of the British Academy, launched this ‘Thank-offering’, and he actually started this series with a lecture on ‘Academic Freedom’²—a fine lecture in itself, though to today’s university world it would seem to relate to Mars.

It so happens—and then enough of autobiography—that Lord Robbins became one of my closest friends, and certainly the most important influence on so many fortunate parts of my life. We were colleagues at LSE for many years, and became really close when he appointed me as Statistical Adviser to the historic Robbins Committee on Higher Education.³ Together with Richard Layard, I was responsible for the Committee’s research and statistical background. From 1961 to 1964, the Robbins Committee was my life, and I think that both Richard and I remain proud of our involvement in the work of the Committee, and of its outcome and influence.

¹ Louise London, *Whitehall and the Jews 1933–1948* (Cambridge, 2000).

² Lord Robbins, ‘Of Academic Freedom’ (Inaugural Lecture under the ‘Thank-Offering for Britain Fund’, 6 July 1966, *Proceedings of the British Academy*, 52 (1966), 45–60).

³ Committee on Higher Education, *Higher Education* (Report of the Robbins Committee, HMSO, London, 1963); see also Lord Robbins, *The University in the Modern World* (London, 1966).

My thoughts in this lecture stem from the broad ideas underlying the Robbins Report, and not least from its passionate belief in the crucial value of universities to society.

II. Robbins and now

The changes in our university world since Robbins are truly remarkable. Forty years ago there were some thirty universities and about five per cent of the young age group went to university, roughly another similar proportion to the rest of higher education. Today we have about 120 universities—a number just about to go up to 134—and the numbers of 18 to 30 year olds entering higher education are of the order of forty-six per cent, with the Government aiming at a target of fifty per cent. The very nature of universities has changed, not least because of the transformation of polytechnics and, in present times, of teaching colleges. It is also fair to recall that, at that time four decades ago, universities were, fairly universally, accepted as a precious part of society, and to be a university teacher was a highly prestigious profession. Links with the State were perhaps easier, with the University Grants Committee acting as a buffer body between government and universities. Not least, we were not yet embedded in a world of targets, performance indicators and league tables.

I do not wish to make it sound like a golden age. More, that in the days of what is often described as an *elite* system, many things were just easier than in the *mass* system of today. But what I think *is* worth discussing is whether in this massive transformation—from a time when about 120,000 youngsters were in universities to today when the number is close to a million full-time undergraduates—some of the essential values in the role of a university have been lost, or face that danger.

Looking back for a moment, it would be good to think that the transformation from elite to mass has been a well-planned strategy. I wish it were so. But, in reality, we have rather stumbled to the present situation, with the vast increases in student numbers unaccompanied by necessary resources. Today's problems are the inevitable result.

The expansion over these years has been very uneven. The Robbins proposal was to go from the then five per cent of the age group entering university to ten per cent over some fifteen years. This deliberate path was followed, with necessary finances, until the late 1970s. Then came the headlong rush in the 1980s and early 1990s. Since 1989, numbers of students have shot up by some ninety per cent, with funding per student—the *unit*

of resource—down by nearly forty per cent. Fortunately, that decline was halted in the late 1990s, but the earlier decline dominates today's situation, and indeed this lecture.

During these decades of transformation there were occasional political rethinks affecting the universities, and some independent reviews which made everyone think afresh. Two were noteworthy, the National Commission of Education, in 1991, and the Dearing Committee in 1997.

The National Commission,⁴ chaired by Lord Walton, had the merit of concerning itself with the entire range of education—from nursery schools to lifelong learning. In this wide context it did throw light on various aspects of higher education, notably qualification levels and future funding. The Dearing Committee⁵ focused on higher education in depth, and turned out to be the most important public policy investigation of these years. It was an immense achievement, with major thinking and research on the diversity of the system, relations with the State, funding issues, student contributions and much else. Today's policy directions owe much to Dearing. It is also worth remarking that both Robbins and Dearing were securely based on research, evidence and statistical care, essential ingredients of such efforts. Recent public policy contributions have, by comparison, been somewhat evidence-free.

When Dearing was published in 1997, a new Government came to power which, in the well-known words of the Prime Minister, was given Education, Education and Education as its three top priorities. Like others involved in education, I strongly welcomed this, and appreciated that the focus had to be on schools, with higher education a lesser priority. The White Paper of 2001⁶ has produced a change, and our field of concern—higher education—now occupies one of the three Es. That initiative has changed the scene, in a most welcome way. But I do not yet see higher education receiving a genuinely high government priority, in spite of the commitment of the present Secretary of State.

But I must note that the White Paper led to the Higher Education Bill and the debates in Parliament and the media, with particularly valuable

⁴ National Commission on Education, *Learning to Succeed* (London, 1993); also recent report by the Commission's Follow-up Group, *Learning to Succeed: the next decade* (University of Brighton, 2003).

⁵ The National Committee of Inquiry into Higher Education, *Higher Education in the Learning Society* (Dearing Committee, London, 1997); see also Sir David Watson, 'Whatever happened to the Dearing Report' (HUCBAS Annual Conference, University of Brighton, 2 Sept. 2003); also Lord Dearing, unpublished Inaugural Lecture, 18 Feb. 2003, Higher Education Policy Institute (HEPI).

⁶ Department for Education and Skills, *The Future of Higher Education* (HMSO London, 2003).

contributions in the Lords. For the first time almost since Robbins, certainly since Dearing, the universities have been front-page news.

The big picture facing us is clear. Getting on for half the young population is heading for higher education, to institutions which are said to be dramatically underfinanced, certainly with their key players, the academics, grossly under-rewarded. Standards are thought by many to be in decline, and indeed the Secretary of State himself has commented on this being a risk. Expansion remains a top priority, wrongly so, since the key issue should be what offerings and standard await the students when they come through the door. Relations between universities and the State are felt by many to be unsatisfactory.

I do realise that such issues are receiving attention from policy leaders within higher education and government, and in the media. The Funding Councils and Universities UK (U/UK) produce much authoritative material, and various think-tanks do welcome work in this field.⁷ I cannot compete with any of this in a single lecture. What I aim to do is to stand back from the scene, and express my views on a few key concerns—my views grounded in the Robbins Report and a lifetime spent in universities.

III. The basic role

It is well to start by reviewing the basic roles, as perceived in the earlier reports I have mentioned. Let me first go back to the Robbins Paper. Four basic aims were the Committee's starting point. Put briefly they were:⁸

- 1 instruction in skills suitable to play a part in the general division of labour;
- 2 teaching in such a way as to promote the general powers of the mind;
- 3 the advancement of learning;

⁷ For background reading, see Higher Education Funding Council, *HEFCE Strategic Plan 2003–8* (Bristol, 2003) and its other publications; Universities UK, *Patterns of Higher Education, annual reports*; and Universities UK's response to *The Future of Higher Education* (April 2003); regular booklets from the HEPI; the Green College (Oxford) 2004 lectures by Bahram Bekhradnia, Baroness O'Neill, Professor Alan Ryan and Sir David Watson; Ronald Barnett, *Realising the University* (Inaugural Lecture, Institute of Education, University of London, 25 Nov. 1997); and T. Tapper and D. Palfreyman, *Understanding Mass Higher Education: Comparative Procedures on Access* (forthcoming).

⁸ Committee on Higher Education, *Higher Education*, pp. 6–7.

- 4 the transmission of a common culture and common standards of citizenship.

There is much here that resonates with today. Teaching and research were seen as the clear priorities. Even then, four decades ago, there was an implied recognition that, however important general learning may be, so is the practical career purpose. After all, looking back to the medieval universities, what could be more vocational than medicine, law and religion—the aims of those times. And, just to emphasise that point, Robbins recalled that: ‘Confucius said in the *Analects* that it was not easy to find a man who had studied for three years without aiming at pay’.⁹ The report recognised that different roles, or, as we might now say, missions, will characterise different universities and that, to quote again, ‘the vocational emphasis will be more apparent in some than in others’.

I also note in the Robbins paragraphs, the reference to ‘. . . promoting the general powers of the mind’, a helpful reminder that teaching is not the presentation of facts, more the conveying to young people *how* to learn. The references to research and wider community influences are also clear. In short, Robbins was conscious of the diverse roles universities had to perform, but suggested that, however varied the missions, ‘there is room for at least a speck of each in all’.

The vital Dearing Report stressed similar aims, though in different terms. As regards teaching, it emphasised ‘developing the students’ capabilities to the highest potential levels throughout life so that they grow intellectually and are well equipped for work, can contribute effectively to society and achieve personal fulfilment’. Research was stressed, both pure and applied. And, again on the wider objectives, universities were expected to serve ‘the needs of an adaptable, sustainable, knowledge-based economy at local, national and regional levels’.¹⁰ These broad objectives were carefully translated by Dearing into specific action recommendations.

The recent *White Paper on Higher Education* was less specific in setting out objectives, but it would be fair to say that most of the above aims are reflected in it. But, above all in the public discussion that followed, there has been a change of emphasis—towards serving the community, strengthening the economy, serving human knowledge-transfer, aiding democracy and so forth. I have no problem with any of these, but I see a distinction between what one might call primary and secondary roles,

⁹ Committee on Higher Education, *Higher Education*, p. 6.

¹⁰ Lord Dearing, unpublished Inaugural Lecture HEPI, p. 20.

fundamentals and by-products. For example, while no one would question knowledge transfer as an objective, it is a by-product of good research and scholarship, a secondary rather than a primary aim. The fundamental aims are always teaching and research. It is their quality which is the bedrock of what a university is about.

In what I go on to discuss, I will focus on four broad issues, on each of which Robbins—and of course Dearing—can give us some food for thought:

- 1 as regards overall numbers, should we be concerned about the present scale, let alone the government target of fifty per cent of 18 to 30 year olds going into higher education;
- 2 given further expansion, should we be concerned about the system's capability of coping at acceptable standards;
- 3 should we be concerned about the possibility of backing this financially; and
- 4 should we be concerned about relations between universities and the State?

IV. Expansion

It is appropriate to start with the question about expansion. This was the key issue dealt with by Robbins, in fact the very *raison d'être* for its appointment. So its thinking is relevant to today's situation when expansion has taken us to forty-six per cent of the 18 to 30 year group going into higher education, with that further increase to fifty per cent now targeted. Though it is a vast increase from the days of Robbins, it is by no means out of line internationally. The Western European average is around fifty per cent, the United States is in the mid-sixties, and Australia over seventy per cent.

It has to be said that the present high figure has come about in recent decades without much research or deliberate planning. Not so with the Robbins approach, which I will now recall.

At that time, some five per cent of the age group were entering universities, plus another substantial figure to colleges of education and further education. The Committee was charged with the task of examining the case for expansion. Many voices were against. Some on the grounds that the economy could not sensibly absorb more graduates, some that there were not enough able children coming from schools to merit university education. Kingsley Amis famously said that 'more means worse'.

The Committee took a clear view about the approach to be adopted. Obviously there was a choice. One way was to estimate what numbers of graduates the economy needed, the other to estimate what numbers of pupils were coming out of schools qualified for university. The Committee had little hesitation in opting for the latter, both on what one might call ideological grounds, and also for reasons of methodology.

Our Chairman, one of the most distinguished economists of the day, had little faith in estimating manpower needs, other than for specific occupations like teachers or doctors. He had even less confidence in attempts to estimate the economy's needs for graduates in general. So this approach was not researched by us, but the Committee expressed its view that the economy would indeed benefit from a more highly educated labour force; and that this justified an expansionist approach to our numbers. This case, apart from being supported by general economic arguments, was much influenced by the Committee's visits to seven other countries, several of which were travelling the expansionist route.

So the supply of places was to be based on a golden rule: 'Courses of higher education should be available for all those who are qualified by ability and attainment to pursue them, and who wish to do so.'¹¹ Our statistical task was tricky, requiring us to estimate demographic trends, A-Level outputs and application rates. The complex calculations were published in the Committee's *Pool of Ability* volume,¹² on which the Committee's ambitious expansionist proposals were based. In brief, they called for an increase in higher education places in the coming five years from 216,000 to 328,000, a greater increase than in the previous twenty-five years. As regards universities, the recommendations for Great Britain were to go from 130,000 places in 1962–3 to 219,000 in 1973–4 and 346,000 in 1980–1: not far short of trebling in twenty years. It is a particularly happy memory that the Committee's quantitative recommendations were accepted by the Government in a White Paper published within twenty-four hours of the Report.

The choice of approach has relevance to today. Specifically, on what basis should future expansion rest? Are we now more confident about estimating the economy's needs? The White Paper on Higher Education says that: 'National economic imperatives support our target to increase participation in higher education towards 50 per cent of those aged 18–30

¹¹ Committee on Higher Education, *Higher Education*, p. 8.

¹² Committee on Higher Education, Appendix One, *The Demand for Places in Higher Education* (HMSO London, 1963); and Richard Layard, John King and Claus Moser, *The Impact of Robbins* (London, 1969).

by the end of the decade.¹³ I have to say that I see no merit in this precise statement. Whatever is meant by national imperatives could just as well be taken to justify any other increase. The main case for fifty per cent is that it makes a political point and is easy to remember.

I know that we live in a time of targets, and this is one more in which I see little real point. However, what would be helpful is to get more convincing evidence on this economic case, but this is quite tricky. We have good evidence about skill gaps, notably the striking fact that forty per cent of our labour force has no significant qualifications, surely a top economic priority.¹⁴ But, as regards returns on investment in higher education as a whole, let alone particular parts of it, the evidence is confusing.¹⁵ Results on rates of return, social and individual, vary from zero to substantial; and the purely economic growth case has been substantially questioned in Alison Wolf's well-known book.¹⁶ Although, personally, I would not give the economic case for expansion prior place, I think the whole economic investment arguments are ripe for rediscussing. Perhaps the British Academy might take this up.

In reality, numbers will be determined by the demographic and social trends, school trends, the market place—simply meaning the motivations and job expectations of youngsters and the offerings of the system, capped by government funding. I have little doubt that all this points upwards, and I would support the estimate of the Higher Education Policy Institute that by 2010 another quarter of a million places may be required.¹⁷

The Funding Councils of course take all these trends into account in deciding how many places to allocate to each university. Requests are received and the institution is assessed on its facilities, planning and standards. The final total is put to the Government, which then determines the overall funding. What is crucial in this is the unit of resource, that is

¹³ Department for Education and Skills, *The Future of Higher Education*, p. 57.

¹⁴ Lord Layard in the National Commission on Education Follow-up Group *Learning to Succeed: the next decade*, ch. 1.

¹⁵ There is a mass of academic literature on the economic aspects of investment in (higher) education. That apart, recent writings of interest were in Department for Education and Skills, *The Future of Higher Education*, ch. 5; Sir Alan Budd, 'The Universities and Money' (The Tony Crosland Lecture at Sheffield University, 21 Oct. 2003); Martin Wolf, 'How to Save the British Universities' (The Singer and Friedlander Lecture, Magdalen College, Oxford, 6 Sept. 2002), and Libby Aston and Bahram Bekhradnia, *Demand for Graduates: A review of the economic evidence* (HEPI Report Summary 3, 2003).

¹⁶ Alison Wolf, *Does Education Matter?* (London, 2002).

¹⁷ Libby Aston, *Higher Education Supply and Demand to 2010—an update* (HEPI Report Summary 10, 2004).

money for each student, used in that decision. It is that figure which determines how satisfactorily the university can cope with its numbers.

In looking to the future, we need to be clear about the way the applicant population is changing. We are seeing a growing proportion of vocationally minded applicants; and of those wanting part-time courses, often later in life, who already account for forty per cent of the total—a dramatic change. And, inevitably, a wider range of abilities, including many with school qualifications who would not have been considered in earlier times.

Above all, there is a hoped-for change in social composition, an issue much in the news.¹⁸ The facts are well-known. At present, some seventy-six per cent of children from professional families enter higher education, compared with fourteen per cent of children with manual workers' backgrounds. It is a vast difference, reflecting the social class disadvantages that permeate the educational years. Moreover, it has remained stubbornly steady as overall numbers have grown. Of course, as everyone knows, the problem originates in school. Over a quarter of children drop out between sixteen and nineteen, mostly working-class children; and children and schools think twice about looking towards higher education, especially to the more prestigious universities. The aim is to encourage the talented children from state schools to apply and to have equal chances of admission. As I know from personal experience in Oxford, LSE and Keele, immense efforts are made via improved links with state schools and special bursary schemes, and the efforts are increasingly succeeding. No doubt more could be done, since there is certainly a large 'Pool of Ability' to be tapped.

With this in mind, I have long favoured more central monitoring and advice on access arrangements. But the setting up of OFFA, the new Access Regulator, seems to me not only an unnecessary bureaucratic device, but a step too far in government interference with university independence. In fact, recent developments were confusing. Thanks largely to the debate in the House of Lords, the original government plans were watered down, and government proposed a 'light touch'—itself an interesting concept. Then, surprisingly, targets were announced, which led the President of Trinity College, Oxford, to demand that 'the Government

¹⁸ Steven Schwartz *Consultation on Key Issues Relating to Fair Admissions to Higher Education* (Addresses to Higher Education Steering Group, Sept. 2003); also, on the American scene, William G. Bowen lectures in the Thomas Jefferson Foundation Distinguished Lecture Series, University of Virginia, April 2004: on (1) 'Pursuit of Excellence'; (2) 'Quest for Equity'; (3) 'Stand and Prosper! Race and American Higher Education'.

remove its tanks from the Oxford lawns', something of a military over-reaction to the threats. Now, the Minister has announced the withdrawal of targets, though not, as far as I am aware, the threat to interfere with the charging of fees if access improvements are not in place. But I sense that the Regulator has already lost his teeth.

My conclusions on future numbers and access are straightforward. Given demographic, school and social trends, I believe that the present target of fifty per cent will soon be passed. We will follow other countries into sixty per cent and seventy per cent of the young entering higher education, but probably more than half of them seeking part-time studies, often in their mature years. I welcome these trends, partly because, given real progress with the young from poorer social backgrounds, it points to a fairer society; partly because I want as many young people as possible to have the chance to develop their talents to the full; partly because I believe in the increasing importance of lifelong learning; and above all simply because I believe in all that education does to enrich one's quality of life.

But, of course, it all depends on what awaits the student once inside the doors of the university, that is, on course offerings and study standards. Ultimately, numbers should be *quality-led*, not demand-led; and quality depends on resources.

V. Shape and functions

So I turn to the next question: is our system of higher education equipped to cope with further expansion, both for the students and the academic staff, and for all that is now expected of universities? There are two answers: yes as regards structure, no as regards standards.

I wish first to say that, in my view, we can be proud of a system which has grown with efficiency and effectiveness, and is broadly of high quality. We have the ancient foundations of Oxford and Cambridge, a number of other world-class research universities, a host of large city and campus universities, a number created after the last war or during or immediately following Robbins, the transformed Polytechnics, recent additions named by the Government, and, for part-time students, Birkbeck and the Open University. There is one private university. In addition, though not for further comment here, there are separate research centres, business-linked institutions, and the adjacent system of Further Education.

In the university sector alone, there were until recently 120, to which the Government is believed to be adding another fourteen. This policy to give the title 'University' to Colleges with degree-awarding powers, though they cannot give doctorates or do research, is regrettable. It dilutes and confuses the system. If there are to be 'teaching only' institutions, they are comparable to Community Colleges in the Californian system, and could be named such. The Government should now call a moratorium on further additions.

The title question apart, one could ask whether we have too many universities. Given the likely expansion of numbers ahead, I do not think so—as long as each institution can find a clear mission within the system, and as long as, where appropriate, institutions do not hesitate to merge or form themselves into clusters, especially regionally.

Diversity

Clearly our system consists of a number of tiers and hierarchies, probably more differentiated than in any other country apart from the United States. The subject of diversity of missions was considered even at the time of Robbins, in very helpful details by Dearing and centrally in the recent White Paper. Robbins wrote:

It must, however, be recognised that within the wide field of higher education, there is a need for a variety of institutions whose functions differ . . . All are needed to provide appropriate educational opportunities and to supply national needs.¹⁹

Everybody agrees that diversity of missions is a good thing, and that every institution should build on its strength, but without having to confine itself to one of the roles we have referred to. The problem is that, although as Robbins said, there 'should be no freezing of institutions into established hierarchies', we should also avoid 'mission drift', on which Dearing was particularly wise. This is a key issue today.

There are clear examples, one from the past. The Polytechnics were particularly noted for their emphasis on part-time studies, vocational education and links with industry. In 1992 they became universities, and some though not all of them moved away from these strengths, and towards the traditional university priorities. That was mission-drift, not perhaps helpful to the system as a whole.

¹⁹ Committee on Higher Education, *Higher Education* p. 8.

Similar temptations may apply today. The major research universities are an enviable model, with their graduate schools, world-class research, evidently high-quality staff and students, and favourable research funding. Temptations to follow that model may be less strong for universities low on the conventional league table, with their definite emphasis on teaching, vocational studies and regional links, than for the many major universities in the middle of the table. Such universities may already have top strengths in a few departments, and will understandably wish for more. The hurdle for them gets ever higher because of the Research Assessment Exercise. Already, seventy-five per cent of research funding goes to twenty-five universities, more concentrated than in any other country. Departments rated 4, let alone below, are on a losing streak, even though they may be doing valuable, if not world-class, research, not to mention fine teaching. In my view teaching is every bit as high a priority as research, so the dominance of research for departmental funding points the wrong way. This balance needs to be reformed. No university or department should be disadvantaged in government funding because its emphasis is on teaching.

‘Top universities’

One issue much discussed in this context is the future of what are sometimes called our ‘top’ universities, those with world-class research standing, and distinguished academic leaders in some or all of their fields. No one here in the British Academy needs reminding how much our intellectual and scientific strengths depend on our leading universities, and that these need to be sustained.

There are various rankings. The most recent to achieve publicity comes from the annual study at Shanghai Jiao Tong University. Five hundred world universities are ranked on the basis of a number of academic and research performances. There is an admitted scientific bias. Among the top ten in the world, Cambridge comes third, Oxford eighth. The next is Imperial College at twenty-third, UCL at twenty-fifth. The USA has seventeen of the top twenty places. Britain has forty-two among the top five hundred. If we look at rankings more parochially, we may note that the Russell Group now numbers nineteen universities, and that amongst them a predicted four or five probably regard themselves as the ‘toppest’ of the top.

Whatever the choice of rankings, it is clear that our leading universities are feeling the pressure of underfunding. Staff positions are so poorly

paid that most of our ablest doctoral students move to the United States where, not only in the leading private universities like Harvard, Princeton, Yale, facilities and funding are incomparably more favourable. The British Academy study on the social sciences noted that the academic profession is no longer attractive to social scientists. Professor Layard has shown in a private analysis that in economics it is extremely hard to attract or keep top academics, and that we now have very few departments that can compare with leaders in the United States. It is a bleak picture.

There are obvious reasons why we need top universities. They can provide some of the most important research and scholarship—in all fields—that the country needs. They can bring major support for business and industry, and indeed the whole economy, not only directly through research, but through their hopefully top academic personnel. They can help to train staff for the rest of the system; and, thinking globally, they can contribute to the country's strength and competitiveness. They should be particularly fulfilling for the students in the midst of distinguished departments.

All that is obvious, and I think uncontroversial. The problem lies in funding. Already our leading universities are sustained by highly favourable research support. The problem is how to retain this without harming the rest of the system. I am not going to fall into the trap of suggesting that we should spread resources equally throughout the system, 'equal misery for all'. It is the Government's and the Funding Councils' task to assess the needs of each institution, and to try to ensure that all universities are funded to achieve their tasks and strengths. As I will have to say repeatedly, at this time all parts of the system are underfunded, including our world-class universities. This has to be solved, but within the context of an overall solution for the entire system.

My emphasis on this whole system leads me to remark on the Russell Group. In the early days, a few university heads met in the Russell Hotel—the hotel was their choice—to discuss common problems. That was harmless, perhaps even helpful. Now the Group is a formal operation, with a Chief Executive. Its role appears to be to speak, and above all to lobby, on behalf of its nineteen members. Yet many other universities are worthy, certainly with distinguished departments within them, and I regard this public segregation as harmful to the general case. If the Group remains, I hope it will turn to focus its attention on the system as a whole. It might even find ways by which the Russell Group could help less fortunate parts of the system. It is after all one of the historic strengths of our system that it *is* a system, and our policy concerns should always be with *all* universities.

Teaching and research

What about the opposite end of the spectrum, the proposed ‘teaching only’ institutions? I feel uneasy about these, for the simple reason that research and teaching are, as Robbins made clear, not two activities that should be merged, but rather two sides of the *same* activity. Of course I am not talking about high-cost scientific research. Such activities must obviously be concentrated in a limited number of universities, with mergers between them or with separate research centres where appropriate. I am referring to more modest research and scholarship needs, which, as I know from personal experience, can constantly refresh and improve one’s teaching. So ‘teaching only’ universities should *not* be such as this term implies. There should always be some related research activity, which means that *all* universities should have access to research funds, which at present is far from the case.

Saying that, however, leads me to express the view that teaching *is* the prime role of a university. This is true for postgraduates, who, in some universities form a major part of the total, and of course for undergraduates. Literally millions of the young—and also mature—people pass through university over the years. What they are there for was admirably expressed by Sir Colin Lucas, the retiring Vice-Chancellor of Oxford, in his farewell address:

Universities aim to teach all students how to cope with complexity, how not to be misled by approximations and simple arguments, how to seek evidence and how to test it . . . our function is to provide society with generations of creative and innovative, informed and alert, responsible citizens . . .²⁰

I believe that much remains to be done to move the teaching function to the top of the agenda. This is always acknowledged, for example in the Robbins and Dearing reports and in the Government White Paper, but does not necessarily happen. Of course I am not thinking only of steps like external quality monitoring by the Quality Assurance Agency, hopefully less bureaucratic and sensible in its future form, or the establishment of Centres of Excellence (but only seventy). These may be helpful, but more crucial is the funding element. This depends on the unit of resource which, as I have said, was radically cut in the 1980s and early 1990s, until this Government halted the decline. The key problem now lies in the resultant teaching infrastructure, above all the inadequacy of staff numbers

²⁰ Sir Colin Lucas, ‘Oration by the retiring Vice-Chancellor’ (*Oxford University Gazette*, 6 Oct. 2004, p. 116).

and salaries. Unless the unit of resource is gradually restored to higher levels, when funding of departments becomes less dependent on research criteria, serious decline in standards is inevitable.

The research side is clearly supported, via the Funding Councils and the Research Councils based on the Office for Science and Technology. There is a strong and regrettable bias towards the sciences, and, as already mentioned, on the 'top' universities. The Funding Councils' allocation is based on the Research Assessment Exercise (RAE), and it has become inevitable that departments go out of their way to recruit on the basis of research promise, and to put top priority on the research output of individuals, and on their ability to raise money. Not that these are totally wrong criteria, just that the RAE is now too dominating, often to the detriment of teaching criteria, and possibly standards.

The general issue of standards always hovers over us. Is it inevitable that moving from elite to mass higher education necessarily means lower standards? In one sense, yes. First, it would be surprising if the average ability of entrants had not dropped in this massive increase in numbers. Indeed many entrants now have A-Level grades that would not have been adequate in earlier years, and this obviously affects different universities differently. Half of our universities are having to give remedial Maths and English for new entrants. Non-completion rates have risen: though our figure of eighteen per cent is still impressive in international terms, there are big differences between universities, ranging from one or two per cent at Oxbridge to thirty per cent or more in less-favoured universities. In short, different universities now have very different student population profiles, and I see a case for substantial additional funding for teaching 'harder to teach' students.

There is more to university standards than the quality of students. Declines in capital funding in earlier years have left some of the plant, especially in older universities, with much to be desired. Recently the Government has made up for some of this, though with an unnecessary bias in the direction of science and technology. Buildings for subjects as those of particular British Academy interest, like the social sciences, have suffered in comparison.

But most important is the state of the academic staff. Here there is much to worry about. First, the question of numbers. Due to that dramatic decline in the unit of resource, the staff/student ratio, which in Robbins years was 1:9, later fell to 1:18, and in some departments is at 1:30. Even if the actual quality of staff is as good as ever, which is an open question, this does signify a major change in our university life.

Much more pressure on academic staff, less time for reflection, scholarly work and links with students, fewer small classes and more big lectures. The pressure is further increased by the required attention to the university's outreach activities. It is not hard to see in this not only a less fulfilling experience for staff and students, but also a likely decline in standards.

As to the actual quality of academic staff, impressions differ. As I have said, some leading universities clearly have difficulty in recruiting and retaining top quality academics, but whether this is true up and down the system is hard to judge.

In fact, it would be surprising if there is not a trend downwards, given the disgraceful state of remuneration. Academic salaries have risen in real terms by five per cent in the last twenty years, compared with forty-five per cent in average earnings and even twenty per cent on average in other professions. Lecturers are paid a pittance by today's standards, only improved marginally following recent negotiations. Professorial pay *has* improved, but even now many professors are paid of the order of £40,000 to £50,000, not adequate in the general salary picture. It is true that vice-chancellors are free to fix professional salaries above a certain minimum, but overall financial stringency boxes them in. In the universities, only vice-chancellors themselves are reasonably paid, though even their pay does not reach the levels of, say, medical professors.

It is not surprising that overall morale is poor, and that there are signs of a growing brain drain. I have no doubt that the salary issue is the most serious problem in today's universities. The problem requires an urgent solution, and change of attitude, not least in the Treasury. The Chancellor's comments have been discouraging, and I cannot resist remarking that, fifteen or so years ago, an average professor was paid the same as an Under-Secretary in the Treasury—today he gets half! It is more than time for university salaries to be put on a proper basis.

Contents and structures

There could be a lot to say about ways in which universities may change courses and subject interests, up to a point reacting to the market. But, following the example of Robbins, I will not engage in these details, though I will comment on one general issue. This relates to what is in fact a central point in Robbins, namely that its expansion proposals rested on a belief in broad education, against excessive specialisation. I share this view and the sentiment that 'the economist who is only an economist—unless of course he is a genius—is not much use to society, even as an

economist.' The National Commission on Education also pointed in the direction of breadth. Hopefully the new Tomlinson proposals, very much in tune with this for the school years, will find acceptance. In the university years, the threat of excessive specialisation is ever present, especially in the sciences. As an antidote, I recall the excellent Foundation Year which used to be the first year for undergraduates at Keele University. It was a splendid way of broadening education, which had to be abandoned for resource reasons, but is now being rethought. I regard it as the right way for giving students a wider outlook, whatever their main fields, in sciences or humanities, with an academic or vocational emphasis.

Happily, there is an increasing interest in wider interdisciplinary structures, though those high in the policy world are still inclined to think in black and white terms, separating the sciences, which enjoy prime attention, from the humanities, social sciences and arts. As the right aim, I recommend the British Academy Centenary Addresses by the President, and the President of the Royal Society, which boldly and clearly argued the Unity of Knowledge.²¹ Such sentiments need to be translated into policy thinking by Government, Funding Councils and the universities.

In discussing academic structures, I should mention the sub-degree innovation entitled Foundation Degrees. This is a two-year mainly vocational course, and is intended to account for a substantial number of students. So far it is not widely favoured by employers or universities, but perhaps its time will come, though I wonder why these courses should not belong more appropriately to Further Education.

What is beyond question is the rise of part-time studies. Indeed this is one of the key trends for the future. Already over forty per cent of students are studying part-time, and there is every reason to expect this proportion to increase. The world is changing towards lifelong learning, with more and more people turning to education later in life. Some are seeking a second opportunity, having missed out earlier, some want to add to their earlier qualifications; and, perhaps most important, some decide later in life to change direction, and see this as their best way to achieve it. All these groups include highly motivated mature students, and deserve good financial arrangements. When the Higher Education Bill came to the Lords, one of the major improvements achieved there was to include part-time students in its coverage.

Of course, part-time education has a long history in this country,

²¹ W. G. Runciman and Robert M. May, *Two Bodies, One Culture* (Speeches given at the Centenary Dinner of the British Academy, 4 July 2002, the British Academy, 2002).

largely due to the distinguished work of Birkbeck College. More recently the creation of the Open University has opened a new world for part-time students, via distance learning. It reaches some 200,000 students each year through a high-quality range of courses. It has now been followed, in some cases copied, by Open Universities around the world through its innovative work in distance learning.

In thinking about future expansion, we thus need to remember that a high proportion of applicants will be looking for part-time studies. At present, universities vary greatly in what they offer, some have a majority of part-time undergraduates, whereas others have a tiny number. It is a major challenge for the whole system to move towards part-time studies, with the Open University centrally placed for growth in distance learning.

One more trend is worth mentioning. It is clear that universities are increasingly engaging in outreach activities of various kinds. Of course this is not new. Virtually all universities have a variety of links with the world of business and industry. This was recognised in the recent report by Richard Lambert, commissioned by the Chancellor of the Exchequer, although of course he saw even greater opportunities for knowledge transfer in the future. But as he recognised, enhanced initiatives also need specific funding.

Outreach activities go much wider. It always struck me as remarkable at Keele University how much effort and energy all departments, while still focusing on teaching and research, put into external activities. I recall the crucial links with industry, with local authorities, the arts and, very strikingly, the local Health Service. A parallel picture could, I am sure, be drawn for universities up and down the country, such as I also know personally at LSE and Oxford.

Given the richness of involvement, I hesitate to add one more desirable activity to the list. But it strikes me how little many universities are involved in schools. Yet I regard education as a seamless web from nursery education to lifelong learning, every stage depending on what has come before. And so higher education is, in so many ways, dependent on what has gone before.

Obviously there is the link through issues to do with university applications and admissions. But I have in mind more than that. No one can doubt that the worst problems in our education system are at the secondary stage. Apart from curriculum confusions and constant changes in structures, there is the crisis in the teaching profession. We face 2,000 vacancies, and disastrous shortages in some subjects, notably mathematics. The situation affects universities directly, and those with education

departments do involve themselves with local schools. That is as it should be. My point is that *all* universities should find ways to support their local schools in whatever ways are helpful and practicable.

VI. Finance

What I have discussed so far gives ground for much potential excitement for the future: ever increasing enthusiasm from the young and not-so-young to aim for some form of higher education, and a wide range of offerings awaiting them, coupled with activities throughout the system to serve industry and business, local and regional needs and the whole range of research and scholarship. So much for the potentials. Unfortunately, the reality is different.

As I have remarked at various points, there are unmistakable stresses in the system, and threats to standards. The financial facts are sadly straightforward. Where we stand now is as follows. The universities depend largely on government funding. Leaving aside research funding from the Research Councils, the basic Funding Council grant to universities stands at about £6 billion per annum, to which needs to be added another £5 billion for student support of all kinds. U/UK has done a careful analysis of what is required for the coming years to cover core funding for additional student numbers plus premium for new students, staff pay, knowledge transfer and community links and, not least for the teaching and research infrastructure: in short for all the roles we have discussed.²² The estimates add up to additional higher education funding needs averaging £4.4 billion for the years 2006–8, for England and Northern Ireland. I found the estimates carefully based, with the help of independent consultants. Nor has this funding gap been questioned by government.

Following the 2002 Spending Review, a significant settlement was agreed for 2003–4 and 2005–6. Even if this year's Spending Review takes the situation further forward, there is no sign of a major re-evaluation. So I regard the outlook as gloomy in the extreme. We have gone through decades of underfunding. Governments have been cramming ever more students into the system without providing the money, and universities have not had the option of charging more. So, in total, over the last fifteen years, student numbers have doubled, and spending per student halved.

²² Universities UK, *Achieving our Vision* (Universities UK, 2004 Spending Review Submission for England and Wales, 2004).

Already most universities are said to be in deficit, and those without long-established endowments are in particular trouble. Moreover, most of the additional funding provided by the 2002 settlement was, to quote from U/UK, allocated for special initiatives and will not translate into core funding for institutions, with ‘little or no real term increase in the funding for baseline teaching’. Current investment is judged to be well below what is needed to finance the necessary quality of provision for students.

There are many issues of detail one could discuss about present funding mechanisms, notably ways to overcome the dilemma of matching diversity of provision with uniform funding. But these are beyond the scope of this lecture. Whatever the details or methods, the broad picture is unmissable. For the decade following Robbins, financial support broadly sustained the expansion. After that, and especially in the 1980s and early 1990s, it fell massively short, then the decline was at least halted in 1997 in the sense that the disastrous fall in the unit of resource was stopped. But now even the ambitions covered by the White Paper would involve further deterioration, unless there is a substantial increase in funding.

So where is one to look? The possible sources are few and obvious, and include the decision on top-up fees. Personally I had no hesitation in going down that route. It is clear that graduates have differential favourable earnings over their lifetime—though it is hard to measure—and this alone justifies seeking a fee contribution from them. The Dearing Report argued this case in impressive depth, and I am glad that the principle has become law. However, it has to be recognised that the present cap of £3,000 will in general cover only a small percentage, say fifteen per cent, of the funding gap, and much less for costly courses. To cover future needs of the sector, it seems to me inevitable that the cap of £3,000 be raised as soon as politically feasible; in short that students make a higher contribution than now envisaged. This will obviously require a strong system of maintenance grants, and bursaries for scholarships to support the less well-off. There are many sensible variants.²³

The only source other than fees that could make a substantial dent in the funding gap is of course general taxation. We spend 1.1 per cent of

²³ Most of the general references referred to above have useful discussions on issues to do with fees, bursaries etc.—particularly the papers by Sir Alan Budd, Lord Dearing, Martin Wolf, Sir David Watson; and the DfES White Paper and HEPI publications. Also Nicholas Barr, *Funding Higher Education: policies for access and quality* (House of Commons Education and Skills Committee, 24 April 2002).

GNP on higher education, compared with 2.2 per cent in the United States. We are one of the lowest within OECD. It seems obvious that, if we want to make up on some of the underfunding of the past and get closer to the achievements in the United States, some increase in that figure needs to be faced. Of course I realise that good cases can be made for a whole host of public expenditure causes, so that we are in the area of political choices. All one can hope for is that those responsible are well briefed on where the sector of higher education stands financially, and what threats of decline now face the system.

I know that there are other sources to be tapped. I agree with the case made by U/UK for the better use of the estate, and no doubt industry and business can contribute more. Servicing the local community, for example the health service, can help. Perhaps regional funding will become a possibility. Fundraising is always mentioned. At present it is a minor source of income, apart from support for capital improvements, and it is clear from the Thomas Report that universities could become much more adept.²⁴ But even at the best, this will only help at the margin, especially for the less privileged universities.

I note that some 'top' universities are talking about going private. This emerged with some drama from the President of Trinity College, Oxford, as a reaction to government intervention. I believe that a stronger case may come from a feeling of excessive dependence on government funding, and no doubt an envious look at Harvard and other leading private universities in the United States. Personally, my preference is for universities to remain with the State, but hopefully with reduced financial dependence and collective opposition when interference becomes unacceptable. That may be asking for the moon, and I do not rule out that some universities will harden in their desire to go private—perhaps all of the Russell Group. But such is the scale of endowment that would be required that I do not regard it as a realistic option.

In any case, this pleading from a few top universities must not divert attention from the plight and financial pressures felt by the system as a whole. That, inescapably, is the challenge the Government should now face.

²⁴ Eric Thomas, Vice-Chancellor of University of Bristol, *Increasing Voluntary Giving to Higher Education* (University of Bristol, 2004).

VII. Universities and the State

As I approach the end of my lecture, I want to remark on one of the more controversial aspects of the scene, namely government intervention in the affairs of universities. This occupied Robbins as a central issue, and I was interested to note its comment 'how remarkably immune from interference or control by the government of the day our universities have been'; going on to the question, 'whether in the conditions of today this freedom of control can be expected to persist unchanged'.²⁵ Could anything be more relevant for today?

As I have remarked, this matter is controversial. I have encountered, at high university levels, the view that, given the amount of state subvention involved, it is surprising how free from control the universities are; and, at the other extreme, the picture of government tanks on Oxford lawns, to which I have referred.²⁶

Issues of academic freedom and government control *are* complex, and deserve the careful treatment they received in the Robbins and Dearing Reports. In conventional discussion of academic freedom, the focus is on the individual academic's freedom to teach, research and publish totally without interference, that is on freedom of speech. I am not aware that this is a serious issue in our system: nor, for that matter, is interference on appointments or on academic matters such as curricula.

In some ways, individual institutions are autonomous, more so than in many European universities. They receive a block grant from the Funding Councils, and within this a university has a pretty flexible life. It can create or scrap individual departments, move funds between teaching and research and so forth. Even, as noted by Sir Martin Harris, a major merger—such as between the two large Manchester universities—required no approval. In short, universities remain self-governing in major academic strategies. But this is of course freedom within the tight grip of the Treasury, and the resultant financial pressures. Moreover, some ten per cent of overall Funding Council funding is now for special purposes, so here there is influence outside the block grant. And research funding gives much direct control.

Comparisons are often made between the Funding Councils and the supposedly light touch from their predecessor, the University Grants

²⁵ Committee on Higher Education, *Higher Education*, p. 228.

²⁶ T. Tapper and D. Palfreyman, *Understanding Mass Higher Education*, see ch. 10 for a thorough discussion on various phases of state intervention.

Committee. Here memories can deceive. I remember only too well the days of so-called UGC planning, quite as interventionist as today. I also recall the warning from Sir Edward Parkes, the UGC Chairman, in 1980: 'There is going to be in future a somewhat greater degree of direct intervention in the affairs of individual universities, than has been customary—or necessary—in the past.'²⁷

If anything, I see the Funding Councils as a relatively benign successor to the UGC. Where, possibly, the old days were better was that the UGC, together with the then Vice-Chancellors' Committee, were dealing with a much more modest system, with less competition between universities, and governments less hungry to intervene. The UGC was able to act, very much in the public eye, as a true buffer body. Today's governments seem tempted to limit the buffer roles of intermediary bodies, such as the Funding Councils or the Arts Council. The wish to control is never far absent, especially from the Treasury.

Moreover, one has to remember that most university income comes from research funding sources. Here, largely via the RAE, there is direct opportunity for differential influence between universities, departments and subjects. So, when people refer to our Higher Education system having become a nationalised industry, it is the research side where this is probably most true. And, it is rumoured that the Treasury intends to extend its controlling steps into details of research funding.

Anyhow, even though the system is autonomous in some basics, I see justification for widely felt concerns, and the general sense of irritation. Let me make clear that no one expects freedom from what is generally called accountability. Large sums are involved, and every university and its leaders accept that the money has to be accounted for in a professional manner. We live in an audit world, and systems common to business need to be followed in universities, and generally are. Indeed, I would argue that the record in recent years has become highly respectable and professional. It does not deserve the Chancellor's strictures, or apparent view that more businessmen should be brought in to run universities. From what I read in the papers, this is not the source to which I would look either for reliability or ethical standards.

The problem is that, in government eyes, accountability is often translated into control and minor management. This is what most irritates universities: the ever-increasing steps of bureaucracy, often ill thought-

²⁷ Sir Edward Parkes, as UGC Chairman in 1980 quoted by Simon Jenkins in *University College, London, Provost Lecture*, 2002.

out when first introduced. Such are the RAE, and the monitoring of teaching by the QAA, and now the Admissions Regulator, not to mention endless form-filling.

So in my view problems with interference do not lie in the Funding Councils' routine operation, which leave universities relatively autonomous. They relate first to excessive bureaucracy in relation to the monitoring of teaching and research, to Treasury attempts to control, and, not least, to our world of performance indicators, league tables and targeting. It is up to the universities collectively to fight these trends, whilst always remaining financially responsible and accountable.

VIII. Concluding remarks

In concluding, I cannot do better than to quote Professor Ivor Crewe, President of U/UK:

Our vision for the future is of a well-funded sector that can continue to maintain its position of international excellence both in teaching and research, expand and widen access and contribute to a knowledge-based economy at regional, national and international levels. The achievement of this vision requires substantial additional public and private investment, as the Government recognised in last year's Higher Education White Paper.²⁸

Against that background, I want to stress a few key conclusions from my own remarks.

- 1 Expansion of numbers wishing to enter higher education is likely to increase well above the present fifty per cent target, with increasing numbers of talented students from State schools.
- 2 It will be a changing composition from the present applicant population, with an inevitably wider range of abilities. More will be vocationally oriented. A growing number will seek part-time studies, often via distance learning, mainly based on the Open University.
- 3 The higher education system should develop accordingly, with more universities regionally focused, with clearer mission distinction between universities, and with the assured sustaining of major world-class research universities.
- 4 All universities should be eligible to receive research funding.

²⁸ Professor Ivor Crewe, President of Universities UK in Universities UK, *Achieving our Vision*, Foreword, p. 3.

- 5 Teaching—normally backed by some research—should be taken as the top priority throughout the system, and the teaching infrastructure strengthened accordingly.
- 6 Central to this aim is the academic profession; university salaries should be put on a sensible basis, with proper relativities to professional salaries generally.
- 7 The universities already engage in a wide range of outreach activities. This will and should continue, with special emphasis, as now, on knowledge transfer to the worlds of business and industry, on local and regional needs and regeneration, on the arts and, increasingly, on local schools.
- 8 This is an additional aspect of the enormous financial pressures under which all universities are working. It is an inescapable conclusion that the system as a whole faces a large funding gap, due to irresponsible cuts in financing in earlier decades, and that the top-up fees, when implemented from 2006, will cover only perhaps fifteen per cent of that gap. Unless steps are taken by Government to bridge substantially more of the gap, universities will not be able to cope with what is expected of them: serious decline will be unavoidable.
- 9 Underfunding has been accompanied with overinterference. This is not at the hands of routine Funding Council operations, rather because of a host of government-led bureaucratic interventions of a mini-management style. The universities, individually and collectively, need to fight these trends, whilst not relaxing their own management and accountability responsibilities.

Looking at the scene as a whole, I feel a mixture of optimism and pessimism. I feel *optimistic* because we have a fine university tradition almost equal to none, and have built up a large and diverse system poised to respond to all the challenges I have talked about. Moreover, there is no shortage of enthusiasm and commitment amongst academics, nor, in my view, of financial and management skills in university leadership.

But at the same time I cannot help feeling *pessimistic*. This is partly because I fear a continued underfunding of the universities against a background of growing expectations from them; and also because, in spite of all the achievements in the past, universities do not seem to have gained the support, from public and government, that they deserve. In particular, I wonder whether the Treasury, on which so much depends, accepts how much is at stake, nationally and internationally, if the universities are allowed to decline.

In this context, I wish to stress how important it is for the leaders of our universities, Vice-Chancellors and Chancellors, to raise their voices more willingly than has come to be their way. I cannot resist quoting a recent speech for the Higher Education Policy Institution given by Professor Robert Reich (Labour Secretary under President Clinton, and now President of Brandeis University):

It is very hard to find a university president in the United States these days willing to stand up and say something that is controversial. Why is that? Well partly because universities are now so dependent upon a flow of money from the private sector.

He goes on,

. . . what happened years ago was that universities could be so certain of the flow of public funds, of their endowments, of the public dedication to the public purposes of the university, that it was entirely acceptable and expected that university presidents and others in the university world speak out in ways that might be controversial or provocative.²⁹

This is regrettably no longer the case here, so a warning is in order. It is not only a question of fighting for one's own university, or for universities in general, but of reminding all of us constantly of the importance universities play in society. This includes the many ways in which they enrich the quality of life for all who pass through them. It includes their contribution, however hard to measure, towards economic growth; and to regional strength and regeneration. It includes—something I need hardly mention here in the British Academy—their critical role in nourishing the intellectual, scientific, cultural strength of the nation; and in supporting the nation's world standing, although in our links abroad, especially within Europe, much more needs to be done. The bearing of university developments in the Far East, and in Europe, deserve separate discussion.

I have, throughout, avoided the word 'crisis' because this implies an immediate and dramatic threat. Rather, as so typical of this country, I think our universities do face gradual deterioration. It seems to me an inescapable fact that, unless we invest the increasing sums necessary to make up for much of the underfunding of the past and the desired needs for the future, our universities will become the British Rail of the future.

²⁹ Robert Reich, *Higher Education 'Market' Warning* (HEPI Lecture 2004); two recent books bearing on fundamental concerns facing higher education in the United States are Derek Bok, *Universities in the Market Place: The Commercialization of Higher Education* (Princeton, 2003) and David L. Kirp, *Shakespeare, Einstein and the Bottom Line: The Marketing of Higher Education* (Cambridge, MA, 2003).

Someone said to me recently that ‘even the future is not as good as it used to be’. As regards our universities, I believe that such a gloomy prospect is avoidable, but it does need a change of heart in many high places.

Note. In the course of preparing this Lecture, I have benefited from conversations with Tessa Blackstone, Ivor Crewe, Ronald Dearing, Janet Finch, Paul Flather, Oliver Fulton, Richard Layard, Howard Newby, Helen Simons, Graham Upton, Diana Warwick and David Watson.

They have all helped me greatly in clarifying my thoughts, but of course bear no responsibility for anything I ended up saying.