

## **Reflections on the future of universities**

6<sup>th</sup> Annual HEPI Lecture

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(This is the transcript of a lecture given verbally.)

Ladies and gentlemen

I have to say that it is a great pleasure to be back here at the Royal Institution giving this annual HEPI lecture. The last time I lectured here was in 1999 when I gave the Reith Lectures. At that time the Royal Institution was a real 19th-century institution. It was dark, and atmospheric, I recall it had blue seats and clouds of dust rose up each time anyone sat down. As I say it had real atmosphere and I'm not sure I regard this new plush red upholstery as being an improvement. It is good that the Royal Institution has come into the 21<sup>st</sup> century but it's a pity that they have chosen this way to do it.

It is an honour to have been asked by HEPI to give their annual lecture. I'm a great admirer of HEPI. There is little that is more important for the future of this country than higher education, and HEPI does a unique and invaluable job in shedding knowledge and understanding about this subject. I'm a great and avid reader of HEPI publications and take their analyses very seriously. So it is an honour to have been invited to give this sixth annual HEPI lecture.

I have just finished writing a book on climate change. One of the factors that prevents people taking it as seriously as they should is what social psychologists call 'future discounting'. We find it difficult to give the same reality to the future as we do to the present, even though the future always eventually arrives. If one is invited to a conference at some point in the future it might sound attractive in the abstract. However, when the day arrives, one tends to think, why on earth did I accept that?

The idea of giving a lecture on the future of universities sounded good at the time, when it was comfortably in the future. However, the months have passed and now I find that I have to actually give it! So I was thinking in the back of a taxi what I might say, and I noted a few points. I shall break my lecture into two parts. In the first I shall reflect a little about my time as the director of the London School of Economics and try and enunciate a number of principles that I developed during that time. In the second part I shall address the heart of what I want to say, which concerns the relationship between higher education and social justice, which I believe is one of the most important issues facing higher education today and will become even more important in future.

First, a word about myself. I had no ambition to become the head of a university. I am undoubtedly what you would call an accidental institution head. The truth is that the London School of Economics had identified the person they really wanted as director, but for whatever reason I do not know he turned them down. And they were desperate. And so in an act of desperation they turned to me. I was surprised and delighted. There are few institutions in the world more prestigious and with better brand recognition than the LSE. I say that confidently, having travelled the world as LSE director – wherever I

went I found the British institution that was best recognized everywhere was the LSE, more than all others, and I include Oxford and Cambridge. The LSE is a wonderful institution – unique in the world – and it was a great pleasure and a privilege to lead it.

So it was a pleasure and a privilege to be director of the LSE, and I learned some lessons and developed some principles which I would like to share with you tonight.

First principle: Academic leadership is crucial. The leader of a university should not be like a doctor who tells his patients to stop smoking while going on with the habit himself. A leader should be an exemplar. I would say that it's essential that the head of an academic institution should remain an academic and be seen by his colleagues to be engaged in leading-edge academic activity. Universities are academic institutions. The people who work in them are academics engaged in academic activity. Their leader should not simply be an administrator or bureaucrat but should give them academic leadership too.

Second principle: In universities, the primary creators of value are the faculty, whether through research or teaching. The academic staff are the driving force of what a university is. Intellectual capital is the key to material success. There is enormous pressure on them to do other things – to serve industry, to create new products and services, to provide advice to government about the issues of the day; and even to deliver social mobility. I'm not saying that all these are not important, but they are not the primary purpose of a university, and we should not forget that. If universities are diverted from their primary purpose then they will in due course be less good at delivering all the other benefits that are demanded of them.

When I was running the LSE I wasn't a very good head of university because I used to go, like other people here, to Russell Group meetings and to UniversitiesUK meetings and I could never understand what they were talking about! Everything was full of acronyms; everybody seemed to know about government programmes that I'd barely heard of, so I retreated from that. I think there's an invasion of the university by language that I don't really like at all. People were always talking about "the sector", for example – well, "the sector" is a very funny way to talk of higher education. There was a debate on universities in the House of Lords recently; this is the kind of instructions that we received about what to talk about: "The importance of stability of unit funding for the HE sector"; "contribution of HE to UK plc"; "employers, Leitch, skills – what does the university sector need"; and of course, finally, "maintaining global competitiveness". All of those things are obviously important and have to be researched, but they don't for me make the main thrust of what universities are about. I think that applies to universities of any kind.

Third: I think it's very important for a university now to be cosmopolitan. This also applies to all universities. The reason is that globalisation is real; we do live in a completely different world from 20 or so years ago. When I was giving the Reith Lectures in this very institution, my theme was globalisation and the transformations that it has made in our lives. It is a reality. Globalisation is not a set of changes by which everybody becomes the same, it's almost the opposite – it's a set of changes whereby everybody becomes different, whereby difference is accentuated, and whereby the key aspect of the very survival of the world in such an era is the ability of people from different backgrounds who hold different beliefs and values to speak to one another and have a constructive dialogue. I think universities can form a key part of contributing to that. So when overseas students come to universities, well, they bring high fees with

them, and it's very important that they do – but they also bring something really crucial. I don't think there are many “troubles” in our universities between different sectors of Middle Eastern students; Israeli students and Islamic students for example. There are some troubles, but by and large universities have provided a forum in which debate and interaction is possible and I see this as perhaps one of the most fundamental changes affecting universities today. Of course, the LSE came to depend on it absolutely, because without overseas student fees it would not be viable as an institution. I don't think you'd want more than one institution like that. Something like 60% of the students at the LSE were not from the UK, so some people said it was like a finishing school for people from overseas – but I always saw it as an intrinsically cosmopolitan institution. This is one of the main structural shifts which universities not only have to respond to, but also to promote.

Fourth: I would argue for the continuing importance of the campus-based university. I'm sure that my story recapitulates the experience of many others sitting here. I became a head of institution in 1997, which was the advent of the internet and its revolution in the nature of education. I remember giving the lecture and since I was talking about globalisation I wanted the BBC to put it on their website – well, this was 1998 and the BBC had only just set up a website. Nobody at the BBC thought it was going to be of any importance at all. I was conducted to a little back room in the BBC where a few people (like me, in shirt sleeves) were working on it. Everyone else at the BBC seemed to scorn them at that point. It's amazing how quickly those transformations occurred, and interesting, I think, how we didn't quite see what the future had to offer. I'm sure I speak for other heads of universities sitting here when I say that we certainly experimented with new technology as a way of delivering on our courses. We joined with a very high-powered consortium of top American universities and it looked as though that was the way of the future. We thought that was how we were going to survive the advent of the internet, but within two or three years the whole consortium had collapsed.

Of course, we do have success stories, and the University of Phoenix is plainly one of those. That itself is quite a remarkable institution, with about 345,000 students. All those students register for courses online, pay a fee for access to online resources and have an electronic library of textbooks and other course materials. They do have instructors but quite a lot of instruction is online. But I think the University of Phoenix is a bit like Los Angeles – that is, it looked good at the time, but it's not where other universities primarily are heading. This is quite interesting. It was a bit like Mr Khrushchev at the United Nations – there were all these private educational entrepreneurs saying to us in orthodox universities “We will bury you, the traditional university is finished, the future is online education”. Well it may be, but it isn't at the moment – at least not in the way in which people imagined then. And I think it is fairly plain why campus-based universities won't go away: there is what sociologists call “the compulsion of proximity”, the need to be with other people.

Why are we all sitting in this strangely coloured room tonight when I could be lecturing to you across the internet and you could be responding with little buzzers saying “Load of rubbish!”? It's not like that – we are here, and I think you could argue the advent of the internet actually creates greater need for the presence of other people, greater need to be with other people, greater possibility to tour the world to be with other people, than was the case before.

So the advent of online education perhaps even accentuates the importance of the campus-based university. Obviously there are other things too. I have lost count of the number of alumni of the LSE who told me they met their spouse in the library, and many other liaisons that I won't recount to you began in the library – those are much more difficult to conduct online than in a physical setting. So the future of the campus-based university looks secure and we have to wait, I think, to see if there will be a second wave of transformation in the university system.

All of which brings me to point Five, the substance of what I want to talk about – the relationship between universities and inequality. And this also has a jargon – in the jargon it is "access", but I'm not going to call it access, I will talk about the impact of inequalities on universities and how universities should respond to this. Well, everyone knows the backdrop to this, and above all the noble Higher Education Policy Institute itself, which has produced quite a range of papers centred upon it and very valuable work I must say. When I went to university, which was a few years ago now, up in Hull – I'd never been north of Watford at the time so that was a formative experience I can tell you, everyone up there calls it 'ull not Hull – I was in the company of very few people. Only about 7% of people were in higher education then, whereas it is now over 40%. The remarkable thing is that according to sociological studies, the background of students hasn't shifted at all.

So far as I can tell, looking back over a period of about 30 years of research work on the social background of students at universities, we've had an extraordinary period of the expansion of universities, but with a static class system. The wider class system hasn't been static at all – as I'll be saying in a minute – but nevertheless, the proportion of students from poorer backgrounds going to university really doesn't seem to have shifted across that period. It's quite a remarkable thing. Some recent work which has been done at the LSE shows the extent of the class differences that exist. 80% of the sons and daughters of professional workers enter university. But only 11% of the sons, and now about 15% of the daughters, of unskilled workers do.

It's a quite extraordinary differential, a structural differential against which not just universities but the whole of the educational system has to operate. What is the backdrop to all of this? If you look at it as a sociologist, what is the changing nature of inequality in our society? How is it that entry to university has stayed the same through pretty tremendous mutations in the class system? Well, this is by and large what has happened: three major points that I would make as the backdrop to the inequalities that universities both reflect and in some sense have to face up to.

First of all, the biggest secular change of the past 25-30 years is a tremendous revolution in the workforce – a movement from people working in manufacturing and agriculture to people getting a livelihood through marketing symbolic skills. You cannot exaggerate the importance of the social and economic implications of this transformation. A generation ago, nearly 50% of the labour force was working either in manufacture or in agriculture, in unskilled, semi-skilled, or partly-skilled jobs. Now, that proportion is only 14% of the UK labour force. So in my day (and the day of some other people I can see sitting here) there was a very big working class. This, if you like, corresponded to the period of grammar schools and secondary modern schools. There was a lot of potential mobility from that background to higher occupational backgrounds.

Today, the consequence is that over 80% of the population have to market themselves purely on the services they can offer and the knowledge they have. Tony Blair said – perhaps the most famous thing he ever said – that his three priorities were "education, education, education". (You might know that John Major, who was not renowned for his wit, said "My priorities are the same but not necessarily in that order.") But Blair was right. The dramatic structural change in our society will not go backwards. There will not be a move back towards manufacture or the sorts of occupations that have disappeared. We have a very different class structure today. When I was involved with the development of New Labour, one of the things that we had to do was to recognise that there can no longer be a class basis for politics. Labour had to reach a variegated middle class in which there was a high proportion of people working in service occupations who didn't belong to unions in the way in which the traditional working class did, and a high proportion of people working in technical and symbolic occupations. A left of centre party absolutely must reach those groups. If it doesn't reach those groups it has absolutely no chance of being elected. So all these transformations belong together, and the role of education is crucial to all parties now and it has to be seen against that backdrop. But it does mean there is a different social stratification now from the one 25-30 years ago.

Second, this has dramatically influenced social mobility. There are debates about social mobility in the newspapers at the moment, inspired by very good research at the LSE and also at Oxford (which is one of the main centres for the study of social mobility). Here I think there is something very important to realise that I don't feel is reflected in the way in which most people discuss the issue, especially when they talk about declining chances of social mobility. This is that when there is a large working class which is progressively getting smaller, there will be a lot of upward mobility in a society but there will not be much downward mobility.

My dad worked on the London Underground and one granddad was a postman, the other a railwayman – there must be quite a few people here who come from such a background. It was possible to have a lot of mobility in our society because of the structural change I just described. This is very important because when there is a lot of upward mobility with little downward mobility the social consequences are quite easily contained and everybody can benefit, with a large proportion moving up in the system.

This is no longer possible. In a society which has already undergone this transformation, if there is a lot of upward mobility there has to be a lot of downward mobility too. Societies find it very hard to tolerate downward mobility – people who are downwardly mobile get resentful about it and this can fuel feelings of resentment in the wider society. We have no real experience, I think, of trying to construct education as social policy against the backdrop of a society where there must be a lot of downward mobility as a consequence of upward mobility. I'd suggest to you that quite a few of our structural problems at the moment stem from that. So when people say the chances of social mobility have gone down, we must be quite careful about that observation because it's now a different ball game from what it was. The chances of social mobility *must* go down; social mobility no longer reflects the sea change of structural transformations it did for a previous generation.

Another thing to watch out for in considering the impact of social mobility on universities is that most studies of social mobility do not study women – they study mobility of sons in relation to fathers. It's almost certainly true that the mobility of boys coming from

relatively low level backgrounds is less than it was a generation ago. On the other hand, there's plenty of evidence that the mobility of women is greater, and this includes at least a certain proportion of women from poorer backgrounds too. So we have to be very cautious about interpreting the debate about social mobility as it's represented in the media and in some of the discussions I've read in relation to universities.

The third big change which is consequent upon all this is that there are people at the bottom who are trapped there. The proportion of these is probably quite a lot more substantial than it was a generation ago. Estimates vary, but something like 10% of the population are for one reason or another not just poor, but trapped in poverty. They suffer from not just poverty but a whole series of other forms of deprivation that go along with it. Those are the people we have to reach – I think desperately really, if we're going to reach the full potential of people who could be going into HE – and they're much more difficult to reach than they were a generation ago. We simply don't have the mechanisms which will allow for people in that bottom 10% getting on in the way in which they could before.

I speak as a Labour supporter, but in my view Labour has failed in its policy of trying to reduce inequalities. For one thing, it has not reached these groups. Almost everybody, until the financial crisis, had participated in the increasing prosperity of the last 12 years or so, except for the people right at the bottom. Labour policy has not been able to reach them.

Secondly (and I think very importantly for us – we are struggling with it in universities) I think Labour did not try to address the basic inequalities in our society surrounding private education. They were very reluctant to make interventions early on and they only started doing it quite recently with the introduction of qualifications for charitable status which private schools would have to meet. If you look at the work by Peter Lampl – to whom I'd also like to pay tribute for everything he's done to help us understand these issues – he shows that the role of private education, especially in relation to elite universities, is so, so marked. There is no other country like us in the world that I know of which has such a biased system of recruitment.

I tried to persuade the Government without success over quite a period to adopt the sort of scheme that Peter Lampl proposed. He said that although according to European law we can't get rid of the public schools and it wouldn't be functional for the British education system to do so, what we could do is open access. We could have a needs-blind system of access to private schools. And that's what he tried to do with the Belvedere School in Liverpool which he set up, where anyone can apply. If you get in, *then* they ask you what your background is. They don't ask what your background is and how much you can pay *before* you get in.

Admittedly this is only a pilot institution, but it's seen a dramatic transformation in the social background of students. Additionally, the exam results have gone up rather than gone down. We can't tell completely what this means, because there is the "halo effect" which social scientists talk about, whereby if you only have one or a few institutions it might be just the feeling of being special that promotes the success of the experiment. But it did seem to me that it was an experiment that could be extended, and Peter was prepared to provide some funding for this, just to see if it's possible to get access to private schools away from the current arrangements which clearly just reproduce

privilege at the top of the system. I don't know of anyone who's produced a better scheme.

What should we in universities be doing? I'm very happy to accept the point that's often made, that universities are not primarily about social engineering. The inequalities that we face in the UK are very deeply embedded, for the reasons I've mentioned. The further down the social system you go, the more deeply they're embedded and the harder it is to raise people up from those circumstances. But I do believe that universities have to respond within the limits of their capacity. I do support government policy which proposes that we in universities should do our best anyway, even if it's only going to make a marginal difference, to expand the degree to which we're able to offer a university higher education experience to people from poorer backgrounds. There are lots of issues which that raises – let me mention three of them.

First of all I think Peter Lampl was right to say that in universities we can do an awful lot to provide more information for students from poorer backgrounds about what higher education means. We now have a lot of survey research on this which we didn't have until three or four years ago, which shows how remote the idea of going to university – or indeed, going into higher education at all – is, for the bottom 10-15% of the population. This is not a wholly ethnic thing, I should stress. One of the most disadvantaged groups in our society is actually made up of white ethnic marginalised people. Indians, Asians and so on outperform whites on average in terms of educational achievement and overall level of income. So we're not just talking about ethnic differentiation here. But we are talking about a very substantial lack of awareness, a lack of consciousness.

I'm certainly fully in support of the schemes which have been tried at the LSE and many other universities – bringing potential students onto the campus, running summer schools for them and their teachers, having current students go out and give talks in schools in poorer areas. These things do work. How do we know they work? Well, the LSE did some research on it comparing two different samples. The sample that had access to those opportunities had not only a much higher proportion of people applying to enter higher education, but much more success in actual entry into higher education. I wouldn't underestimate the degree to which the sheer provision of information – or breaking through consciousness – is an important thing in trying to repair at least some aspects of this fractured class system which we're faced with.

Second, there is the ticklish issue of university fees and the cap coming off. I think it's almost inevitable that the cap will come off. My view is that the government will probably elevate the fee cap to perhaps £7000 – I don't think they would dare to go beyond that. How do we counteract that? Here, we have to look to HEPI! The recent paper on the possibility of a national bursary scheme was very instructive and explores most aspects of the dilemmas. There is no magic bullet for reconciling the expansion of funding of higher education if it's not delivered directly by the state, and the expansion of the possibility for people from poorer backgrounds to get in. It's very difficult to contain increasing inequality within the system, as we know, but so far as I can see – having looked at quite a lot of literature before I came here, which I was very reluctant to do because when I left the LSE I made a vow I would never read the THES and never bury myself in statistics again – HEPI provides one of the most detailed and most useful discussions of the dilemmas. There's a good case to be made for a national bursary

scheme to be set up when the fee cap is taken off, in much the same way as HEPI outlined as one of the possibilities.

And thirdly, I'm not really a fan of the existing university degree classification system. I would prefer to have a credit system of the sort which exists in the United States. The reason for that is that I saw it all at first hand in the University of California, which is I think still one of the most remarkable university institutions, basically a state-run system with quite a lot of private money in it. There is an extraordinary role for community colleges, which provide access for poorer kids to get into the state university, where they get advantageous bursaries and financial support. There is a large level of movement through the community colleges into university and this is only really possible where there is a credit-based system and flexibility. We don't have flexibility in our system – either you're in or you're out of our system, by and large. We don't have the connections between FE and HE institutions which we should have. We simply don't have a model to match up to the role of the community colleges in California. So I'm in favour of moving to a credit-based entry system, and also a credit system of marking rather than our rather obsolete degree class system which is under so much strain and pressure. We're clearly not going to get structural change like that in the short term. I checked government policy on this before I came here, and the government does at least seem to be considering the possibility of introducing a partial system of credits, I presume in a very marginal part of the system. They don't seem as yet to have developed the detail of that policy.

There was a famous sociologist 30 years ago, Ralph Turner, who distinguished between what he called "sponsored" and "contest" mobility. He said we in the UK have "sponsored" mobility – the system has peaks, whenever someone drops out of the system they've had it, and the ones who are in the system are sponsored by the state to carry on. In a "contest" mobility system people can drop in and out, they can move back into the system maybe 10 or 20 years after they first started studying, and that's surely a much more effective system for promoting equality. I would call that a system of second chances and I don't think we have enough second chances in our HE system.

I'll leave you with a little story about second chances. It has only a tenuous connection with the rest of my speech, but I like the story. George Bernard Shaw, one of the founders of the LSE, had a somewhat acerbic relationship with Winston Churchill. He sent Churchill an invitation to come and watch one of his plays, saying "Dear Winston, here is an invitation to the first night of my play. Please do come, and bring a friend – that is, if you have a friend." Churchill wrote back and said "Dear Bernard, thanks so much for the invitation. I'm sorry but I can't make the first night. Do send me tickets for the second night – that is, if there is a second night."

And that's the end. Thank you very much.