

# Introduction

1. A quarter of a century is a long time in the life of a society, let alone a politician. To be asked to talk about the shape of higher education in 25 years time is, therefore, an invitation to speculation.

2. All of us now engaged in higher education should nevertheless be prepared to take some responsibility for how it will look in 25 years' time. Views that we take today could have a critical effect on the shape of things to come. Just as the present system of higher education was largely determined by decisions made in the late 1950s and early 1960s, so its further development over the next 25 years could be largely determined by the conclusions we reach in the present great debate on the organisation and funding of higher education.

3. I believe that, in 25 years time, the higher education scene will be markedly different from what it is today – just as it is today from what it was 25 years ago. Then we had just over 30 universities, some of them very new; the 10 colleges of advanced technology; some 150 teacher education colleges – the vast majority catering for under 500 students; 25 regional colleges; and 160 area colleges. The funding of higher education institutions came from a variety of sources: the University Grants Committee; the Ministry of Education; and local education authorities. Much has changed. We now have over 50 universities and close to 100 polytechnics and colleges in which the vast majority of higher education, including teacher education, takes place. The LEAs' role in funding higher education has been ended; the direct funding of some colleges by my Department has also been ended. And we have consolidated funding from the state through the new Universities Funding Council and Polytechnics and Colleges Funding Council.

4. The other great change over the past 25 years is that higher education is now provided on a quite different scale. Twenty five years ago there were barely 200,000 full-time and 100,000 part-time students. Now the overall total is very nearly 1 million students – we have achieved record numbers and record participation rates. Since 1979 alone, numbers have increased by over 200,000. In our 1986 projections document we envisaged 50,000 more students between 1985 and 1990. They were already in the system by the autumn of 1987!

5. The expansion of higher education started 160 years ago in 1825 when a group of men decided to establish a new university with no clergy on its governing body and no religious tests. Until that time there had been four universities in Scotland, but only two in England – Oxford and Cambridge, and these had excluded Jews, Catholics and Dissenters. Henry Brougham, a prickly English politician, and Thomas Campbell, a minor Scottish poet, led the campaign to found University College in Gower Street, and even sold shares in it. Wintthrop Mackworth Praed wrote a poem about this, which I included in my **Anthology of the History of England in Verse**. I did this not just to celebrate the foundation of UCL but also to show the degree of opposition and prejudice which accompanied any expansion of higher education. Learning and scholarship constituted a monopoly of knowledge that had to be defended. The assumption was that only a few could benefit: the lower classes of society simply were not clever enough to benefit:

*“But let them not babble of Greek to the rabble.  
Nor teach the mechanics their letters;  
The labouring classes were born to be asses,  
And not to be aping their betters.*

*’Tis a terrible crisis for Cam and for Isis!  
Fat butchers are learning dissection;*

*And looking-glass makers become Sabbath-breakers  
To study the rules of reflection;*

*'Sin: ø' and 'sin: o' what sins can be sweeter?  
Are taught to the poor of both sexes,  
And weavers and sinners jump up from their dinners  
To flirt with their Y's and their X's."*

6. We have come a long way from that historic moment. There was a huge expansion in the 19th century. Forecasting the growth of higher education is hazardous. Governments have tended not to get their student number projections right. Neither the Robbins projections nor those in the 1972 **Framework for Expansion** White Paper were realised on their predicted timescale. Recently we have been underestimating the growth of demand for higher education. The result of that growth is, moreover, that for the first time in our history a large part of a whole generation of children can say that their parents went through higher education. Over the next 25 years that generation, and its successors, will certainly want to follow in their parents' footsteps.

## **The size of the sector**

7. I want to focus my thoughts on four aspects of the future of higher education: the size of this sector of education; the shape of the institutions; the value of what is studied; and funding. The record of the expansion of higher education in the 1980s is a good one that stands to the credit of all who have made it possible. But there is scope over the next 25 years for even greater advance. Assuming an average annual economic growth rate of 2%, in 25 years time Britain will be more than half again as rich as it is today. That is to say, our per capita income will be more or less at the same level as it is in the United

States currently. This more affluent society will be built on better education and will itself want to be more highly educated. The foundation of London University, to which I have just referred, meant that higher education would never again be the exclusive privilege of ecclesiastics and patricians. It enabled wider aspirations to be met. So has the great expansion of the past 25 years. In the next 25 years, I have little doubt that higher education will continue to play this liberating role. We are looking to a period in which aspirations to higher education and participation in it will continue to increase.

8. This is not just a British phenomenon. Increased participation is important for all of us in Western Europe. Finding the right way forward is putting higher education further up the political agenda in most of our partner countries across the Channel. The pathways of this Western European expansion of higher education over the next 25 years are not yet determined. One of the great trends of the next quarter of a century will be our increasing integration into Western Europe, and increasingly close links between our institutions of higher education. But I sense that we may face something of a choice between expansion on the lines so far followed in Western Europe, and expansion along the patterns followed by our American cousins. And I would say that the diversity and flexibility so evident across the Atlantic represents the future towards which we in Britain – and, I hope, throughout Europe – will want to move. I will return to this theme later.

9. In a 25-year perspective we have to look beyond the period immediately ahead of us, when the decline in the number of 18 year olds – by nearly a third over the period 1985-1995 – will make it difficult simply to maintain numbers at present levels. My belief is that the platform for the growth of British higher education will

nevertheless be firmly laid during this forthcoming period.

10. If 25 years is too far for Government to look ahead, looking half a decade ahead is certainly within scope and compass. We have already indicated our intention that, notwithstanding the fall in the number of 18 year olds, the numbers in higher education should be sustained in the mid-1990s. The evidence to date is that we shall succeed in this. To do so means that we will have substantially to increase the participation rate among 18 year olds - from nearly 15% at present to something approaching 20%. That is a very substantial achievement. And it also means that our higher education institutions will have to re-orient themselves in new ways to recruit students not drawn from the traditional 18 year old class, and to attract groups currently under-represented.

11. In American higher education, equal access for all qualified people is a major goal. One measure of progress towards achieving this goal is the participation of particular groups, for example blacks and Hispanics, or younger and mature students, or men and women. Among 18-24 year olds, participation rates for blacks and Hispanics are 22% and 18% respectively - an improvement, and better than here for equivalent groups, but still below the figure of 28% for whites. American higher education institutions have, however, been successful in attracting an increasing proportion of older students, who now comprise 39% of higher education enrolments; and in attracting women - who now account for 53% of enrolments. If I had to make one prediction for higher education in Britain, it is that in 25 years time women will be in the majority here too; and the numbers of students from the ethnic minorities in Britain will increase, both absolutely and proportionately.

12. We are embarked on vitally important groundwork now. When the number of 18 year olds starts to rise again in the latter part of the 1990s, the whole of higher education will be poised to expand on the basis both of this increased participation from the conventional student age-group, and of new patterns of recruitment among non-conventional students.

## **The shape of the institutions**

13. One of the main characteristics of post-secondary education in the US is its diversity. A great variety of universities and colleges offer a wide range of academic, vocational and recreational programmes of study, serving a wide range of individual needs and aspirations. This, together with the modular nature of many of the programmes, allowing progress and credit accumulation towards a terminal qualification, has made higher education more accessible to all parts of the population than it is anywhere else in the world. One of the keys to this is that modes of study are flexible, with much interchange between periods of full-time and part-time study.

14. Compared with these characteristics of mass higher education in the United States, our arrangements in Britain and elsewhere in Western Europe are relatively simple and homogeneous. British higher education has made one major structural breakthrough in the shape of the Open University, with its highly successful and expanding facilities for distance learning – which are the envy of the world. However, the staple for our universities remains a three year, full-time, degree course, framed with the interests of a bright 18 year old in mind. In the polytechnics the modes and levels of study are more diversified, but they still quite closely resemble those of

the universities. Nearly 90% of university students and nearly two thirds of polytechnic students enter higher education before they are 21. In the universities well over 90% of full-time students are studying away from home, as are nearly 90% in the polytechnics and colleges.

15. These patterns are all likely to shift under the pressures of wider participation in higher education. So too will the pathways into the system, with a higher proportion of students coming through non-traditional routes. At present, for example, very few students come from access courses designed by the universities and the polytechnics themselves in order to attract young people who might only think of acquiring technical skills, but who can gain further skills through higher education. I know that a great deal of thought is being given – in this University as elsewhere – to the marketing of higher education and to alternative means of selection which are both appropriate to the experience of non-traditional entrants and are affordable.

16. My expectation is that, as numbers and participation rates rise over the next 25 years, the relatively simple stereotypes around which British higher education teaching is still organised will lose their hold. The structures appropriate to higher education with 3% participation, or even 13% participation, simply cannot be sustained when participation rises to 30%.

17. As to what sort of structural changes there will be, I believe that we may be approaching a fundamental choice between two different patterns of evolution. One route towards mass higher education could be through an increasingly state funded and therefore state organised “system” of higher education. There is a real possibility that this will be the course followed on the Continent. If this is the path we follow, the difficulty which the

institutions of higher education will face is that the expansion of provision by the State -- with tax payers' money -- will be expected to take place without substantially increasing the burden of public expenditure and taxation, and in the absence of mechanisms for engaging private funding. The other route, which I have already indicated that I would prefer, would see the movement towards mass higher education accompanied by greater institutional differentiation and diversification in a market-led and multi-funded setting. But much depends upon the willingness of the institutions, of the heads of department, of the teachers, to go out and market what they have to offer, rather than to wait for applications to roll in.

18. In the first scenario, the structures of mass higher education will tend to be increasingly rationalised, under pressure to stretch public funding as far as it will go. The effect will be to offer a limited variety of institutional structures and missions, providing a range of broadly similar experiences to all, and producing a range of similar outcomes for all. In the second scenario, the structures of mass higher education will be much more diversified, as they are in the United States. The traditional modes of provision will still, of course, be cultivated; but there will be a much greater emphasis on a variety of approaches better able to meet the needs of different types of students.

19. Why do I prefer that we in Britain should take the second of these two routes, that of expansion through diversification and differentiation? Most profoundly, because it seems to me to be the one which is natural to us. Historically, traditionally, Britain is a bottom-up, not a top-down society. We should build on our national genius, on what comes naturally to us. We do best when we avoid the abstract intellectual construct, the grand design. We

do much, much better when the practical intelligence of the many is applied at the level where, in this case, the students are taught and the research is done. This is the way I hope British higher education will grow in the next quarter century.

## The value of what is studied

20. Just as it is impossible to imagine that a doubling of participation in higher education is compatible with maintaining present day structures, so it is clear that the values engaged in higher education will be elaborated as it grows in scale and diffusion.

21. The debate about the values at stake in higher education in Britain has tended to be as stereotyped as has been the range of structures. Typically "knowledge for its own sake", where a disinterested elite ponders the understanding of the world, has been opposed to "vocationalism", under which label universities are conceived as being turned into centres for job training and exclusively profit-orientated research.

22. Let me make it clear where I stand in this rather worn debate. In my view, the pursuit of knowledge as an object of interest in and for itself remains the cornerstone of the whole higher education edifice. It lies at the heart of scholarship and research. It teaches us the skills of rational enquiry — the ability to think for oneself which is, or ought to be, the mark of the highly educated person. Knowledge also brings keen personal satisfaction through the appreciation of great art and literature; the understanding of the laws of science; and the appreciation of other civilisations and other periods. The wide dissemination of knowledge is one of the best guarantees we have of a free society as against one in which

knowledge – and therefore power -- are concentrated among the few. At the same time the disinterested pursuit of knowledge is an essential part of the guarantee that excellence will be secured in teaching and research.

23. But knowledge for its own sake is not and has never been the only value of importance in higher education. Sir Keith Thomas has recently reminded us of the very particular social and political purposes in which the study of the classic humanities was instrumental. Alongside the disinterested pursuit of knowledge, feeding off it, and also vitalising it, "vocationalism" has always had its place in higher education – which has always performed an important service function. Indeed, in the 18th and 19th centuries, Oxford and Cambridge had an essential role, to meet the manpower needs of the Church of England. (If one wants to see this clash between the school of knowledge for its own sake, and practical vocational education, one can do no better than to read David Lodge's delightful novel, *Nice Work*.) As higher education expands, the values of professionalism and enterprise will assume a larger place alongside the more traditional academic verities. If they do not, universities and polytechnics will fail to provide adequately for many of the large number of their students who would not formerly have entered their doors. They will miss the opportunity to play their part in the expanding market for professional updating and high level continuing education. And, perhaps above all, they will miss an opportunity to tap into new currents of commitment and energy flowing through our society.

24. All of this means that we shall have to be careful not to generalise about "quality", on the basis of traditions of cultural exclusiveness which belonged to the world of 3% participation in higher education and which are neither appropriate nor sustainable in a world of 30%

participation. There are of course traditions and standards inherent in particular disciplines - standards which are best safe-guarded and enhanced when higher education is marked by institutional autonomy and diversity. For it is these characteristics which make for the confident but self-critical academic community that is the surest guarantee of quality. Indeed, in a more competitive situation the college itself will have to secure its own high quality to demonstrate to its potential students, who will be more discriminating, what exactly it has to offer which is better than others.

25. At the same time there are real questions about what standards are to be expected of - and will be demanded by - a much wider set of customers for higher education. I am *not* suggesting in any way that students should not be stretched intellectually to the limit of their capacities. But I believe that we must recognise that mass higher education will need to be more varied both in the nature of the courses it offers and in the levels at which it offers them. One of the great trends of the 25 years ahead of us will be the development of higher education for a range of capabilities. 25 years ago the norm of study in the universities was the single subject - history, English, mathematics or a foreign language. Today, higher education institutions offer a wide variety of mixed courses. I note with interest that while the study of a foreign language as a separate discipline is just about holding its own, there is a very great interest in courses combining business studies with a foreign language. I would predict that there will be many more of these sorts of courses which seek to harness the strengths of different disciplines.

26. Another traditional value is also under challenge. This is the tradition - like so many, one of quite recent date - which holds that all teaching at the level of higher

education must be accompanied by research at the frontiers of knowledge, and that funding for the universities must be provided on the basis that 40% of the time of all academic staff is devoted to research. It is interesting to note that Cardinal Newman, in one of those many passages from **The Idea of a University** which is silently passed over in references to that work, expressly argues that teaching and research are quite distinct functions, preferably carried out in quite distinct institutions. (Let me hasten to reassure the universities that I do not agree with him!)

27. The state will, and should, continue to act as a patron for disinterested, "curiosity-driven" research. But there is little or no point in supporting research which is of mediocre quality. Over the years ahead we will have to become more discriminating. From the point of view of the quality of research, I believe that those whose task it is to allocate the resources for research, acting as patrons on behalf of the taxpayer, should be able to be more selective in their choices - so that these funds can be more purposefully directed towards areas, individuals, and groups with the greatest potential. If for no other reason, we will find ourselves obliged to pursue this approach because of the growing cost of increasingly sophisticated research equipment: it is simply not feasible to equip well found laboratories in all disciplines in all institutions. Nor, indeed, is it economically possible to equip first class research libraries for all the humanities and social sciences in all institutions. There is also a need for some concentration in order to secure more effective critical masses of thought and intelligence in particular disciplines. Above all, there is a need to ensure a more deliberate approach to the allocation of funds for research, which are always limited - and which the taxpayer-patron is entitled to expect should be directed towards the highest possible excellence.

28. As research values become more closely focused, so also I believe will be the values attached to higher education. The idea that teaching and research must always go together has perhaps led to an undue subordination of teaching to research. I took away many fond memories and impressions from my days at Oxford. But one of the more chilling moments for a young and enthusiastic first generation higher education student, as I was, was being told by my College President, over a friendly lunch for undergraduates, that "the only important things that happen here are when the students have gone". What, indeed, was I there for? My fond belief that all those dons really relished teaching succeeding generations, that they just couldn't wait for the next year's intake, was shattered over the suet pudding in the President's Lodgings. We need brilliant teachers as well as brilliant researchers – and I relate this story to illustrate the importance of identifying and rewarding good teaching. This will become easier if the exercise of teacher appraisal can be distinguished more clearly from that of the assessment of research quality.

29. I am sure that for large numbers of academics it is appropriate that their research activities should be supported alongside their work as teachers. And all can surely be expected to be "scholars", in the sense that they should be abreast of all that is being thought, said, and done, in relation to their particular disciplines. But to say that the teaching and research functions may continue to be integrated is not to say that the funding of those functions must necessarily be integrated. I have already indicated the Government's expectation that, in future, the funding of research will be separately identified. I will be involving the new UFC and the Vice-Chancellors and others in taking this forward. Over the 25 year perspective which we are considering today I expect that this new element in the machinery for the allocation of public

support for higher education will result in a much clearer focus on support for the best research.

## Funding

30. That brings me, as you will expect, to funding. What sort of higher education we have in 25 years time will depend critically upon the way in which it is funded. Let us take stock of where we stand on this matter at present. Britain already spends a higher proportion of GDP on higher education -- whether we include or exclude student support -- than any other Western European country except the Netherlands. And expenditure per student -- excluding student support -- in our universities seems to be higher than in some places in the United States -- including states like California where per capita GDP is double that in the United Kingdom.

31. Compared with many other countries, Britain runs a high cost education system with a relatively low volume output. What, then, will happen to costs as the volume increases? I do not affirm any particular ideology, but merely make a prediction, in observing that there is no political party anxious to increase taxation and, therefore, public expenditure. With a rising proportion of over-60s necessarily taking an increasing share of public spending, it will certainly be tempting for Governments of any stripe to try to ensure that the expansion of higher education which I am projecting will take place on the basis of falling unit costs across the whole system.

32. Expansion on this least-cost basis is the funding methodology appropriate to the first "Western European" scenario which I set out earlier. The reason why this seems to be the dominant tendency in Western Europe is

because in most of Western Europe higher education has come, in the post-War world, to be identified as a predominantly public function. Any good which is provided "free" out of general taxation is bound to be subject to "planning" so as to secure its provision at the least possible cost to the taxpayer. The greater the expenditure, the closer the planning and – it must be said – the stronger the political pressures for a uniform approach, on the principle that like must be treated alike. But if we can expand higher education on the basis of the American pattern, involving a much greater engagement of private resources, then it will be possible to secure much greater differentiation and diversity, and correspondingly greater institutional autonomy and flexibility.

33. A start has been made in Britain on the task of increasing income from private sources. Much more should be done to improve this trend. It will not be easy because new habits of mind are required and new attachments need to be formed between institutions and potential sources of support. But the rewards can be very great. The support of alumni is the key to American private funding. Many of those who attend college, indeed the great majority, are proud of having been there and have a sense of happy obligation. Tapping the alumni is a highly-developed art form in America. In Britain it's only just begun. The colleges at Oxford and Cambridge have for long developed a life-long relationship between the individual and the institution. Hilaire Belloc reflected this in his extraordinary poem to **The Balliol Men Still in Africa:**

*"Balliol made me, Balliol fed me,  
Whatever I had she gave me again;  
And the best of Balliol loved me and led me,  
God be with you, Balliol men".*

Many colleges in America founded much later than the 19th century universities of Britain, have already established a tradition of graduate support: we here are just getting round to it.

34. Another source of support is industry and the world of business. Companies buy research; they sponsor students; they establish endowments. I foresee this expanding. It is in industry's own interest, since in the 1990s they will want to recruit better executives, better scientists and more qualified young people. Their demands are consonant with the expansion I foresee.

35. Private income decreases dependency on the State and enables higher education institutions to respond to a wider range of demands. By facilitating expansion it can be deliberately designed to increase access, which must be the critical factor in whatever future approaches are adopted. More money from private sources make public money available for those who need it most. This is the spirit in which the Government has for a decade placed such a great emphasis on the diversification of the funding of higher education – on expanding the effort to attract benefactions and donations, increasing research contract earnings, and also on increasing earnings from the provision of teaching both to overseas students and to some home students on particular courses. And this consideration – broadening the financial platform for the future expansion of higher education – is also a factor in the Government's recent proposal to introduce top-up loans for students. Britain has for many years been running one of the most generous systems of student support in the Western world: a higher proportion of GDP is spent on student support than anywhere else. The taxpayer derives substantial benefits from this investment – but individual graduates benefit even more. The expansion of higher education which I am projecting

cannot, and should not in equity, be borne simply by increasing the burden on taxpayers, most of whom are less well-off than the average graduate. Top-up loans will help to underpin the expansion of higher education that I foresee, by reducing the cost per student to the taxpayers, and thus enabling more students to be supported.

## A new vision of higher education

36. In modern societies the universities, polytechnics and colleges of higher education are key institutions. They are not just about giving the luckiest chaps the jolliest time, as Chesterton once wrote of Oxford. From the economic point of view, they are a critical resource: the value added by human capital becomes increasingly important as our society becomes more and more knowledge-based. And from the cultural point of view, higher education institutions are our principal means of organising the transmission of knowledge and values created in the past and of articulating the creation of new values and new knowledge. To fulfil these functions successfully our institutions of higher education must be in the right measures **autonomous** – to maintain their vitality and to manage themselves effectively – and **accountable** to the individual, the economy and the society that sustains them.

37. As I said at the outset, 25 years is a long time to look ahead but decisions we make today may yet determine where we end up in 25 years time. The most fundamental decisions are those which will set the pattern of relationships between the students, the institutions, those who are willing to contribute to meeting the cost of higher education and the State. No one disputes, I think, the accountability of institutions to those who fund them

and to those they teach. To the extent that funding is provided by the State, then, inevitably, accountability will be to the State - whether to the institutions of the State, or to the Government of the day. But I do not believe that the proper autonomy of higher education institutions can be sustained if their funding and accountability are so narrowly focused.

38. The necessary autonomy of higher education does not derive just from grants or endowments from the State, but by diversification. For the foreseeable future, the scene will be dominated by the role of the State in funding higher education. But provided access is preserved - particularly for the less well-off - I see funding and accountability being increasingly diversified as higher education institutions interact with a whole range of the vital forces in society.

39. Under this Government British society at large is moving towards growing openness and diversity, based on expanding opportunity, choice and responsibility. While the State, public goods, and collectively provided services will continue to have an important place, it is surely right, in any increasingly affluent and highly educated society, that the ambitions and frontiers of state-sponsored collectivism are being rolled back. As this happens, the ambitions and frontiers of civil society will and must grow. A more and more rich and complex variety of forms of association is emerging. It is a noble vision which sees our institutions of higher education in the vanguard among them.