

Introducing Howard Davies

LSE welcomes **Howard Davies** as its 12th director on 1 October this year. Until then he remains chairman of the Financial Services Authority, the independent body that regulates the UK's financial services industry. He spoke to Judith Higinson about his appointment.



Chair of the Court of Governors Lord Grahame QC:

'Howard Davies is the right choice to build on the tremendous work of Anthony Giddens and further the School's reputation for social science teaching and research excellence.'



Mervyn King, governor designate of the Bank of England and formerly a Professor of Economics at LSE:

'In appointing Howard Davies, LSE has found a new head with broad experience, a sharp mind and a deep intellectual curiosity about the social sciences. Howard's commitment to academic excellence will be key in ensuring that LSE maintains and indeed improves its position as one of the major research universities of the world.'



Professor John Hills, Professor of Social Policy and director of the Centre for Analysis of Social Exclusion:

'He will bring formidable skills to the School. His experience crosses many of the School's major interests

– not just finance, business and economics, but also social issues. He was a leading member of the Joseph Rowntree Foundation's Income and Wealth Inquiry in the mid-1990s, which did much to highlight growing inequality and set an agenda for reversing it, much of which is now being implemented. As a keen devourer of research findings – and occasionally a sharp critic – he is sure to do much to develop further the School's reputation for incisive and relevant research.'



Chancellor of the Exchequer Gordon Brown MP:

'I warmly congratulate Sir Howard on his appointment and I would especially like to thank him for his outstanding leadership of the FSA over the past five years. From nine constituent bodies, he has successfully established a single organisation responsible for regulating the UK's deposit-taking, insurance and investment businesses. That the FSA is now widely acknowledged as a world leader in its field is very largely thanks to Sir Howard's drive and vision.'

'Throughout my working life, I've been involved with the social sciences – economics, social policy, international relations, finance – and I've always aimed to engage with intellectual life and with academics. LSE is an exciting place, somewhere buzzing with new ideas, events, debates outside the core curriculum – that excitement linked with a practical engagement with society. Its international reputation is second to none. I'm very much looking forward to working with staff and students, and it will be a privilege to lead the School through its next stage of development.'

Howard Davies – technically Sir Howard since 2000 but he prefers not to use the title – is looking forward to his new LSE role very much, although he readily admits he's not yet had the opportunity to study the School in depth as he continues with FSA responsibilities until the end of September.

He hasn't a well-prepared manifesto, or a shortlist of changes he wants to make quickly. 'You can make big mistakes doing that. I find it's good to listen for a few months, talk to people, hear a broad cross-section of views before making any major decisions. This will be the fifth time I've gone into an organisation as its head or chief executive and that's always been the best approach.'

But he's clearly aware of the big issues. 'Responding to the white paper on education is one. LSE's physical state is another. Tony Giddens has achieved some fantastic changes but it's crucial to carry that on, maintain that momentum and that feeling that things are getting better. Working at the moment in a brand new building in Canary Wharf, I was a bit shocked by some parts of LSE that I've seen.'

He's also very aware of alumni and fundraising issues. 'From my own experience as an alumnus, I've been struck by the difference between the UK and the US approach. Stanford contacts me every fortnight. Material from Oxford has been patchy, although since the LSE appointment was announced, I have received a few more dinner invitations. But it's not only contact. Another key difference is endowments. If universities are going to compete internationally, they have to have their own resources.'

Alumni, he says, will see a lot more of him, as will students. 'I've made sure I've been involved with graduate recruitment in most of my jobs so that I come into contact regularly with students. It's a useful insight into the reputation of your organisation. I'm already an avid reader of *The*

Beaver,' said the former joint editor of the Oxford student newspaper, *Cherwell*.

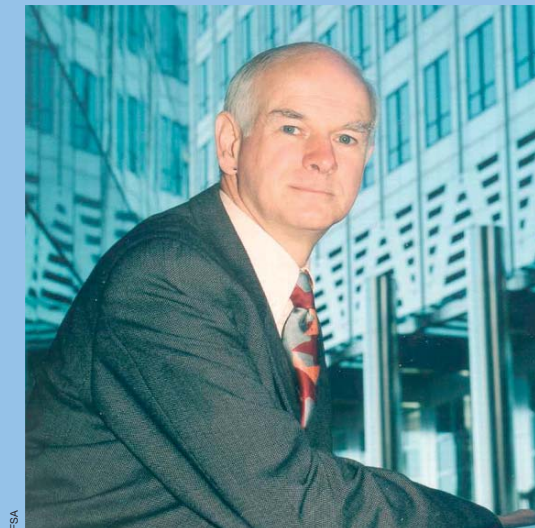
He regularly writes reviews for UK and international newspapers and magazines, including the *Times Higher Educational Supplement* and the *Times Literary Supplement*. He regards journalism as a form of relaxation, a hobby. Acting used to be another. He was a member of the drama society at university, and acted with London's Tower theatre group for a number of years. Now, in his free time, he's a trustee of the Tate Gallery and plays for the same cricket team he joined some 20 years ago. But his main sporting passion, which he shares with his two sons, is for Manchester City football club. In March this year the city's newspaper, the *Manchester Evening News*, started a campaign for him to become chairman of the club, describing him as a '24-carat City nut'.

So how did someone who graduated with a degree in History and French, with a love of writing, drama and sport, rise to the top in some of the UK's largest business and financial bodies?

'How did I go from being a dilettante arts graduate to economics and finance jobs for the last 20 years? Well, after Oxford I joined the Foreign and Commonwealth Office and went to work in Paris. Two things happened. First, it struck me that I was woefully uneducated compared with the French civil servants I was meeting. I had read Proust but I was very unaware of other subjects – economics, business, legal and political issues. I was about to hand in my resignation to go and study business when an offer came to transfer to the Treasury, where I was able to combine study and work.'

'Second, I made quite a clear strategic decision that I wanted to work between government and business. Being in France in the 1970s, I was very conscious of the nationalisation of industries and how government was working far more closely with private companies. Back in Britain, I envisaged something similar might happen. In fact, it was the opposite. Business ended up taking over former government concerns. Mine was a robust strategy but the premise was completely flawed! There was, however, still the need for people to work across both areas, and so what I've done since is transfer, six times in all now, back and forth between the public and the private sector. In one job, for instance, I was involved in the nationalisation of British Aerospace; in another, the privatisation of it. I very much enjoy that cross-fertilisation, the ebb and flow of working in both areas.'

'What has always struck me though, when working in the private sector, is that the one thing business people are most interested in, apart from taxation, is education. That's the attraction of LSE. Universities are about ideas, and about making the right connections to persuade people, change opinions, make a difference. That's an exciting job to have.' ■



FSA

In brief

1951	born in Manchester, scholarship to Manchester Grammar School
1969	MA History and Modern Languages (French), Merton College, Oxford
1973-74	joined Foreign and Commonwealth Office
1974-76	private secretary to the British ambassador, Paris
1976-82	joined the Treasury
1980	MSc in Management Science, Stanford Graduate School of Business
1982-87	management consultancy, McKinsey & Company Inc
1987-92	controller of the Audit Commission
1992-95	director-general of the Confederation of British Industry
1995-97	deputy governor of the Bank of England
1997-2003	chairman of the Financial Services Authority

Also chairman of the Employers' Forum on Age.

Married to Prue Keely, editor of BBC Radio 4's programme *The World Tonight*. Two sons, aged 18 and 15.