LSE was founded in 1895 as a university with a public mission. It would inform the public through various forms of communication, from lectures to classes to publications. In this it was aided by its location and in its engagement with a great city. It was not a university in beautiful medieval surroundings. It was not a university in retreat, in the countryside. It was a university in and of the city, and of the world to which the city connected it. It would be open to the founders, to the public, accessible not least by admitting a much broader range of students than traditional elite universities. It would advance subjects of research that could provide knowledge needed to pursue the public good.

Whether the pursuit would be carried out by the state or by civil society organisations was open, for the founders engaged both in different ways. Indeed, LSE worked with a variety of extra academic organisations throughout its early period, including local, and soon, national government, but also social movement organisations, charities, and a variety, some of them engaged even in the project of poverty eradication on the virtual spot where we sit tonight.

It is significant that the founding was carried out, however, not with state funding but with private resources. In due course, state funding did come to help LSE advance, but it was not this alone that defined its publicness, and I think that that’s a very important question, and the main issue, and the main theme for my talk tonight.

Being public is not something that is settled by the budget or its sources. Being a part of the state, or directly funded by the state, does not guarantee that any institution will pursue a public agenda or will work in broadly public ways as it engages people. Being public is a choice. A choice that we hope would be encouraged by state funding, and we hope we start to receive generous state funding and continue to receive some.

Our determination to be public is a determination that we choose, that we take on as a matter of mission. I want to talk about what that means and why it matters and to situate it in relation to the broader institutional changes in higher education in universities and in our context. LSE, as I’ve said, was then public by virtue of its mission, its ways of working. I think it still is in both cases, so this is not going to be a talk that leads to the conclusion that we’ve completely lost our way and must rethink completely. It is going to lead to questions about how one maintains that sense of a public mission in a new and a different era. It’s going to suggest, by way of foreshadowing, that our problem is not just with outsiders. Our problem is not just with externally imposed criteria of judgment, the REF or any others. Our question is about the way
in which we have grown and how we have organised ourselves as we have grown as an institution and indeed in the sector.

Implicit in LSE’s public mission was an agenda of advancing knowledge through research. Though LSE was not initially called a university; it was a tiny handful of people who could hardly have claimed simply to be a university at the outset, and it wasn’t even a part of London University until 1902, it was part of a transformation of higher education that produced the research university as a vital social institution.

We often use the word “university” as though it obviously would include research, as though that’s just what we mean by it and we all know that. But I think that it’s clear that that’s not so. It’s certainly not equally so for all the institutions that claim the title “university” today. Neither is it true for really any of the world’s leading universities before the late 19th century. The idea that research, advancing new knowledge, producing knowledge through empirical analysis, and a form of theory tied to, not separated from, empirical analysis would be definitive of universities was something very new.

The research university model is a relatively recent institutional innovation, not inherited from earlier institutions called universities. It ran contrary to the vision of the university that Cardinal Newman famously articulated, along with a variety of others in the 19th century who raised questions about why research should be bundled with teaching in the identity of the university. I want to raise that question, answer it in the opposite way, and I want to suggest that it’s pivotal for us today: if we cannot answer and answer well the question of why research should be at the heart of a great university, we will no long be a great university.

We need to answer that in ways that relate to and inform our teaching mission, relate to and inform our mission of engagement with broader public, of service to the public good; of building a better society, as the founders put it. New entrants into the project of a research university, and to some extent older universities as they transformed themselves in the 19th century, emphasised a new curriculum with courses of study more open to new thinking and to practical affairs in a changing world. Indeed, the University of London, the older version, that forebear to UCL, as well as to the larger university, to which King’s College was one of the first entrants, wasn’t initially a research university in any strong sense.

It was, in the 19th century, devoted to thinking, sometimes thinking outside the box; producing rational analyses of various social questions such as those suggested by Bentham and utilitarian tradition, or by new directions in legal thought, so that it was innovative. But it was innovative primarily not on the basis of research but on new abstract analyses carried out. It was, for it as well as for the great civic universities of the era, a change to begin to commit themselves to research, and a change that some, like Oxford and Cambridge, were resistant to.

I think we should think it was a bad thing in many ways, that there was as much resistance to the redefinition as there was, but we should also celebrate it because
we wouldn’t exist had there not been some of this resistance. Had Oxford said eagerly, "Absolutely! New subjects from the social sciences? Can’t get enough!" (Laughter) Then we would not be here today, and the public would be less for it. We should note then the importance in this, of moving towards a research definition from various other earlier definitions. I’m going to, more or less, assume vague knowledge and not try to provide much more specificity, but of a long history of thinking about this, out of which I want to pick only one or two points from the history of the university.

One, the extent to which the very idea of the university as indeed Cardinal Newman suggested, whatever else we take from his famous book, centred on an idea of the universe of knowledge, the integral connections of all knowledge. That idea was linked to the religious foundations of the university more than anything else: one god, one truth, one knowledge. Therefore, interconnection. Therefore, in fact, an organic interconnection.

One of the peculiar characteristics of medieval universities was that different academic specialisations, philosophy and arts, theology, law, medicine, were not different career tracks. In medieval universities, it was common for people to move successively through chairs in these different fields on the basis of seniority. Having proven yourself in law, let us make you a professor of medicine. Having proven yourself in philosophy, let us make you a professor of theology.

Perhaps a better bet, though we have only to recall the conflict of the faculties to realise that it was in the late 18th century, was a radical programme that confronted the censors in Prussia, and lost in that battle initially, to propose that philosophers should be able on the basis of reason, directly to address questions of theology. My point here is to suggest that we inherit an idea of the unity of knowledge from an earlier era that we no longer accept the basis for.

For the most part, I’m thinking about how we’re connected to each other today does not follow the logic, “one god, one truth,” and a series of careers through a fixed set of chairs based on seniority rather than the mastery of specialised knowledge. This transformation started with the enlightenment – you can argue the Renaissance in some ways – and continued through the rise of science. Arguments based on method in various senses, reason and logic, began to transform the university. There continued to be a faith in the unity of knowledge; not a religious faith, but a faith that transcended empirical proof.

The history of the research university was a history of the disintegration of knowledge in large part. A history of specialisation, achievements made possible by specialisation and various losses of some of the kinds of interconnection. There had been recurrent movements to overcome this, E. O. Wilson’s recent project of consilience, for example, in the sciences. We have a variety of efforts to change the curriculum in American universities to produce the ideal foundation that would integrate study before people start their specialised subjects. I don’t want to go into the history but only to suggest that we see a tension introduced here by the way in
which research began to develop, and developed as a project of specialisation...more on that in a minute.

Several of Britain’s great civic universities, often described as the red-brick universities, originated as teaching centres for University of London exams. London itself was always in some degree a federal institution and a structure for examinations more than teaching; this isn’t entirely new. For a time in the late 19th century, there was an alternative federal university, Victoria University, which joined Liverpool, Leeds and Manchester, in a common structure that became independent only at the beginning of the 20th century.

While they had given somewhat more of a place to research in technical subjects than universities before, it is a partially mythical history to say that these universities founded in great industrial towns were from the beginning, centres of science-based technological innovation. This is something that began to be introduced into these universities, though considerably farther along. It was in the early 20th century that they began to define research as central.

The 1895 founding of LSE was distinctive because of the centrality of research from the outset and of new subjects to the initial vision. It was not only a set of reforms in older models. It was radically suggesting that there were new and different subjects to teach. Occasionally through our history we have again introduced new subjects and argued for radical change. I could narrate other versions of a partially similar story, the way in which Scottish and especially German examples informed the late 19th century American universities as they restructured, also specialising and leading to changes that would affect us here and turn in various ways.

LSE was founded in the middle of the flowering of research universities, creating a form which has existed pretty much to the present, though LSE has always been a little atypical within it, not trying to knit together all the different parts common to the other universities. Research achievement became in this new model a requirement for teachers as the PhD degree spread. Again, it’s worth remembering, that’s the recent spread. It’s a much more recent spread in Britain than in the United States, but even there it’s a spread that starts very early with roots in the 1870s: places like John Hopkins University, catches on Chicago and Cornell and Columbia and eventually Harvard, grudgingly, and gradually grows.

Yet, at the beginning of the 20th century, there were approximately 600 PhDs granted annually in the United States. Last year, the figure was 43,000; down just a little bit in the context of the recession from a previous peak. A transformation in the production of specialised scholars, a change in the idea of who would be university teachers and how they would qualify for the post. The undergraduate curriculum in turn was reorganised in terms of disciplinary fields of research and became increasingly specialised.

We recurrently comment at LSE on the centrality of departments and disciplines to our structure. Rightly, I think for the most part they are central, we rely on them. We
talked about them as though they have existed from time immemorial. You will remember the story, Adam ate the fruit of the tree of knowledge and it was revealed that there would be 70 academic discipline spanning the subfields of the natural sciences, the social sciences and the humanities. LSE did not have departments prior to the 1960s. It was organised initially with only some partial reference to disciplines even though it played a central role in the emergence of disciplines, which really emerged in their modern form only in the year when the LSE was founded and on into the early 20th century, and always with various other projects accompanying them.

LSE resisted many aspects of the emerging model, like organisation through departments, like the ascendancy of disciplinary over interdisciplinary, and the ascendancy of disciplinary over problem-focused research and teaching. The early curricula of LSE were largely focused on issues and problems, not the teaching of academic disciplines. External funding for specific research projects began to grow in the same era. It is this era which gives rise to the modern philanthropic foundation in large part, as well as the investments of government money in this sort of funding.

Both science and fields of professional study that had often been organised outside universities were brought into academic structures and reformed in the process. So while there had been in those medieval universities faculties of medicine and law, it may be a kind of testimony to what went on in the faculties of medicine and law that when it came to training doctors and lawyers, society relied largely on extra academic institutions of apprenticeship and pupilage to accomplish this training in practical skills. But increasingly, professions were brought within the fold of university on the basis of a notion of research as fundamental to professional knowledge.

I won’t try to repeat any particular story of it but there are such stories in all professions. In medicine for example, it is partly the story of molecular biology, of micro-based analysis, of the transformation of medicine at the end of the 19th century. Again, by the rise of laboratory-based science in addressing diseases like cholera, not least in places like London, which had been recurrently hit by cholera. Accounts of it developed like miasma, which actually had both large elements of falseness – that is, they would be disproved by the microbial theories – and an element of truth. They connected disease to proximity, to sanitation, and to public health in various ways. In the case of cholera and then others, by the end of the 19th century, we saw the rise of a new model of medicine in which practitioners who had only practical training were increasingly at a disadvantage even in the marketplace to practitioners who also had scientific training. Through the 20th century, this would grow in importance.

I mentioned this partly because at LSE, I have heard in my ten weeks of experience, of more than once the indication that there is something odd about the fact that we have taken on professional education in this institution which should be devoted to something called the social sciences in a way that is not professional. Now I note, from the founding LSE was engaged in practical and often professional education,
but also that LSE is entirely typical of a trend that, in its very era, brought education for the professions into the realm of the universities more fully beyond education for a small number that had been part of the classical curriculum in this. Science previously had been largely an amateur enterprise, and it was remade as a professional activity of researchers working in a more disciplined division of labour.

LSE, in the social sciences, sought from early on to build a rigorous scientific basis. I have to note as an aside to the story that we mostly have accepted an interesting bit of nomenclature. Historically, it was the case that one spoke of the arts and humanities fields, arts and philosophy. The social sciences early on were often addressed like science in the singular. “Science,” we would say, not “the sciences.” But increasingly, we began to say, “the social sciences,” emphasising the distinction among the different fields, and their differences arguably, extensively of method, though I think that that was never quite an accurate picture. We began to produce more of the disintegration of the university in that sense.

The more typical pattern that drew on an older ideal that universities would reflect the unity of knowledge, was replaced by the very notion of research itself, and the unity of all being researchers, even doing different kinds of research in various ways. It drew on various sorts of epistemological arguments though I think that in fact researchers have never shown a great enthusiasm for epistemological arguments. It’s very hard to get practicing researchers to want to go back to epistemological philosophical headquarters to examine the underpinnings of their thought. It’s a practical enterprise and they want to get on with practicing it for the most part. Nonetheless, it provided a kind of working commonality.

Moreover, universities that embraced all of knowledge had a hard time sustaining any notion of the unity of knowledge. They said science came closer than arts and the social sciences. But everywhere, universities tended to divide into faculties, disciplinary departments and other specialised units. Universities by the middle of the 20th century had become a form of conglomerate corporation. They had begun increasingly to have units which pursued different agendas with minimal relationship to each other and, by the end of the 20th century, that operated often as separate profit centres.

Research universities expanded enormously in the era after World War II and were further transformed in the process, and indeed transformed their contexts. There was only relatively modest expansion before World War II. The majority of all universities did not exist before World War II, whether you are looking at Britain or the United States or other cases. Whether you measure expansion in terms of student enrolments or budgets or the number of researchers or the volume of their products, the expansion to create the system in which we now work is relatively recent and it’s still going on. This is significant for the future of LSE.

Expansion tracked for the most part, economic prosperity, though not perfectly. There was growth in the 1920s but relatively little growth in any other decade before World War II. There was growth in the post-war boom and especially in the 1960s
and early 1970s, followed by another period of stagnation in the 70s and 80s. Let me just recount it because I want to use it as a background for something. It’s important to remember that in the early 20th century university education was still the privilege of a very tiny elite and it’s important to remember conversely that that’s not true now. Not that there’s no elitism. Not that universities don’t participate in the production of elitism, but simply being a university student or graduate no longer sets one apart as an elite in any of the OECD countries, and not in Britain.

In the US, about 3% of young adults had Bachelor’s degrees at the beginning of the 20th century. There was an increase, as I said, in the period and in waves: 5% had degrees in 1945. So from 1900-1945, 3-5%. Growth from a low base. The figure jumped to 20% within the next decade. Another jump at the later 1960s brought it to 30% and it has since moved close to half. In other words we’re talking about a standard of education achieved by about half the population. It is closer to 40% in Britain but not that much different anymore, though the growth came a bit later. In the UK, overall participation in higher education increased from 3.4% in 1950 to 8.4% in 1970, 19.3% in 1990, and 33% in 2000.

It will not be lost to any of you that there’s both a transformation in what gets called a university in the middle of this story and a shift in the indicator. But that’s a staggering figure at both ends. It’s staggering to note how small the field of higher education was in the early part of the history of LSE. Through the early years; the halcyon days when our founders were still alive and the LSE was, as we sometimes think, in its classic days, going to any university was an activity of less than 3% of the population. As late as 1970s, less than 9% of the population went to university.

Very recent policies have changed this, starting in the 1960s with the Robbins Report from right here – and I will add Nick Barr will lead a conference in a year on the anniversary of the Robbins Report – which gave a major push to expansion of the university sector, and the last major intellectually driven, public-mission driven push that the higher education sector in Britain has had to this day. There had been expansions, there had been changes, but there has not been a comparable stock-taking and a comparable push on a collective intellectual basis. Expansion came partly, as in the case of the 1960s universities in Britain, by building new universities, partly by increasing numbers at those already existing.

In the UK, expansion was outside the university sector and modest until the 1960s. The boom that followed the Robbins Report maintained a division with polytechnics initially that ended in the post 1988 re-classification. The pattern since has been mainly growth and this is an essential background to looking at the question of cuts, the budget’s potential for shakeouts today. There is no understanding of what is going on in British higher education today that doesn’t have a historical perspective on this dramatic growth and the difficulty working through what it means, what it costs, who benefits from it. The post war boom was transformative.

Growth was enormous in almost all developed countries – I’ve just given examples – and it changed what had been only an educational option for elites into a broad
structure of opportunities. Though expanding opportunities, it has to be said, did not always deliver what was promised when it was sold. The post war boom in higher education, dramatic expansion in the size of universities continuing through that which followed the Robbins era, was largely said to promise social mobility. It was described by those who funded it, the policies have adopted it as a vehicle in large part to produce social mobility. Let me point out that inequality is greater now than at the date of the Robbins Report. It’s not because we didn’t expand the number of people going to university; we did. But we internalised into the university system a kind of hierarchy and a reproduction of hierarchy that had previously been largely outside of the university system.

Credentialism, the harnessing of universities to class reproduction were as real as new opportunities. But the new opportunities were not false. People were able to go to university from families in which nobody had previously gone to university before, from communities in which going to university was extraordinarily rare; and when they arrived at universities to study subjects, that they had barely heard of in some cases, to explore a larger world.

The excitement of LSE and excitement which we still feel among our alumni, if you go out and visit LSE alumni, was shaped in this era. We tell over and over again at LSE the story of the founding. We have different ideologies about what to make of the story of the founding, but we used that story all the time. We ought to tell more often a story of the LSE in 1960s, 50s, early 70s, in an era of controversy. In an era of change but also in an era when the university was central to producing that social change, bringing new populations into the university and changing their lives. So you have the opportunity, if you go and talk to alumni of LSE who are in their 60s or 70s, to talk to people who will tell you that their lives were transformed by coming to LSE.

Sometimes, that’s still true today. I want to hope it’s still true. But it’s a different situation. It’s a different situation partly because of change we made. Almost all the British undergraduates who come to LSE now come from families with prior university graduates. Not just 51%, almost all, vast majority. We have changed for the better something in the larger society, and it changes who we are and what we do here. But there’s more that has produced that change, and some of the other characteristics of the LSE are important.

In this same era of the post war boom, just to move on with my story, a university is central to the project of development outside the rich countries. Though in those developing countries, there is even more severe tension between massification and building research institutions and training elites. Around the world, this is an era when there is dramatic growth in universities. It largely comes to a halt in the 1970s, like many other things. When the recession comes in ’74, ’75, the post war boom ends rather abruptly and we change eras. From the late ‘40s to the middle of 1970s, governments in the OECD countries, in the rich world, subsidised higher education enormously, and rich world governments subsidised third world or developing country higher education enormously. Developing countries also bought into the promise of higher education and supported it.
When academics today talk about the good old days, there’s raised questions. Universities have been going downhill. LSE is plagued by managerialism. We have a set of problems that need to be resolved. The problems are being contrasted to an imagined history informed mainly by a golden age that was roughly the 1960s or the turn of the previous century, the 1890s into the era just before World War I. Those were boom years for higher education.

One of the things that I’m suggesting is we need to see the university, its fate, its promise in the context of a much larger picture of society. It’s not just a question of, did somebody decide that we should have different admission standards at LSE? Did somebody decide that we should have different evaluation standards? Did somebody decide that we should have this or that other managerial procedure? The university is embedded in a larger set of social changes. It tracks waves of prosperity and decline, but it also tracks waves of different kinds of societal advancement.

The university did much better as an institution in an era of high mobility growth based on widespread employment, state goals to produce this, and an industrial base to the economy. The university fared much worse in an era when growth was primarily in the financial sector and when it created fewer high-paying jobs, or actually created more incredibly high-paying jobs, but not so many upper and middle. It created a different investment structure aided by different government policies through this era. So governments in the earlier period, the post war boom of the ‘40s to ‘70s, not only subsidised higher education, they invested heavily in research. The proportionate inflow to universities, including this one, based on their research performance and proposals went up dramatically as a proportion of the budgets starting in this period.

As funders will, governments often set agendas for research. Something that we resent, although we’ve resented it more when other sorts of research funding dried up than we did in this earlier period. Investments were not always specifically to advance academic goals or knowledge for its own sake, or indeed, for the sake of disciplines. In the United States context, where there was much more research funding than in Britain, the largest funders of academic research were not the Department of Education or the National Science Foundation, but the Department of Defence and the National Institutes of Health. It has long been the case. It is not something thought up a year ago by David Willets to say that government investments in research would have practical purposes. This is something that we misunderstand if we think it solely in terms of the contemporary politics.

As this suggests, the investments were commonly not for immediate economic advancement. The investments the National Institute of Health made were to try to cure diseases, to try to improve health. The investments in the Defence Department made were to pursue security. Indirectly, they produced enormous economic benefits. The late last century saw the commercialisation of technologies that were produced in large part with government funding in the post war boom. The massive investments in science and technology produced huge amounts of knowledge that
was only later converted to intellectual property and made the basis of commercial applications in microelectronics, computers, biotechnology, and so forth.

Part of the importance of this is the relatively poor record of trying to invest at the last step before commercial application; something that has been basically unsuccessful by almost all governments that have tried it, and which we are trying now in Britain, and the relatively enormous success of investing in a broader portfolio of university research with other agendas and finding spinoff benefits of various kinds that do depend on entrepreneurs and do depend on commercialisation.

Don’t link this so closely that there isn’t the time for basic innovation. The later 1970s ushered in Reagan and Thatcher neoliberalism, worries about the bloated welfare state, a sharp decline in the industrial economies, and a massive turn towards finance, as it suggested. Universities suffered immediately, perhaps partly because of anger among some in power against the student protests of a few years before, but not entirely. The problems universities faced were mirrored by many other social institutions including even older models of business corporations and especially government supported institutions.

The fiscal crisis of the state which is behind a large part of the present world of cuts is a fiscal crisis that goes back to the 1970s. Again, it is not something we understand well by looking just in a completely contemporary sense, and therefore when we think of how to confront it and what may change, we miss a lot of what is crucial if we don’t see that this has defined a whole era and is unlikely to shift easily.

Struggling with the new austerity, universities also began to change their own internal character. Recently politicised campuses depoliticised in defence against external pressure. From this era, the 1970s forward, studies in professional and especially business-related subjects began a dramatic growth, while most of the social sciences saw a decline, or stable, and enrolments lost momentum. Part of what we see and is often analysed as due to some individual leadership position is a very widespread trend driven primarily by student enrolments and course preferences, though in a way that was also augmented by other kinds of funding arrangements.

In the US, just to make a comparison example, the same thing happened, with somewhat different organisations, and a somewhat earlier phase. All the net growth in the 50 leading US universities between the 1970s and the end of the century came in professional schools and techno science, big science, very large scale facilities, intensive science. All the net growth. That isn’t to say that there weren’t things going up and things going down.

It is true that in this very same period, the field of women’s studies or gender studies advanced enormously and became significant in universities. Though I don’t have the firm date in front of me, I am willing to bet a large amount of money, never cost as much as a hadron collider, a jet propulsion laboratory, or a variety of law, business,
dentistry, medicine, and other professional schools. So things grew. We tend, all of us to look in our immediate environment and to understand things from there. But a crucial thing to see is the extent to which something else was happening in this: a career orientation for some, a change in our environment.

Moreover, the third thing that is important is the importance of externally funded research. Most of the growth in externally funded research actually took place in the previous period with a handful of government agencies in the US. But this growth continued when many other kinds of growth did not. The proportionate role of externally funded research in university budgets went up significantly during this period partly because the research support was for more expensive stuff, the hadron colliders for example. So they were very major investments of a kind which create part of the environment in which we face various sorts of cuts.

In the 1990s, universities experienced another era of rapid growth, though this time on a different model. From the 1990s, inequality was at the centre in a new way, and again mirroring the social trend. Throughout that post war boom, inequality went down. Gini coefficients reduced in every industrialised country, in every well-off country in the world, in some cases dramatically. This was still a capitalist world but between the end of World War II and the middle of the 1970s, social inequality was reduced pretty much everywhere in the developed world and a good bit in some other places.

This stopped in the middle of 1970s. It would be a different talk to try to go into explaining all of that, but it’s a crucial bit of context because that interpersonal inequality, the changes and what’s going on gets mirrored in universities, and there’s also a change in the structure. So a very brief note on the larger societal inequality prior to the 1970s: it was explicable very largely by differences in occupations.

In most of the industrialised world after the 1970s, the increasingly financialised world, differences within occupations explain more and more of income inequality. It’s not just whether you’re a lawyer or whether you’re a doctor, it’s which lawyer or which doctor you are that explains a large part of the variants; where in the country you are a doctor or a lawyer. It’s within, to a much greater extent. What happens in universities? The inequality among universities grows dramatically. This is what I mean by internalising some of the production of social inequality. So inequality in society at large is growing, but inequality within the university sector is growing as well.

This is the era when rankings became a fetish. There is next to no role of rankings, and no officially produced ranking structure in Britain, which is obsessed with officially produced ranking structures now, or in other countries prior to this period. They grow in the context of a new kind of inequality, a notion that there is a transitive hierarchy, and you have to stand someplace in this hierarchy, preferably higher. This is related to various sorts of things including the rising costs of universities. University costs rose here; they just weren’t passed on to students in this period.
It’s not as though universities were ever free. You had to pay for things in all periods. The question was, who paid for the things? The costs began to go up and so it wasn’t just that the government changed its mind about what it wanted to pay for, though in part it did; it’s that the bills got bigger. They got bigger in healthcare, and they got bigger in other areas, and contended with each other.

Inside the university sector, inside the United States, which was increasingly the hegemonic power in this as in other things, the price of university fees tracked remarkably closely on the price of luxury goods. In fact, a researcher in the United States looked at a bundle of 50 commodities to see what most closely paralleled university tuitions, and the answer was single malt whiskey. Single malt whiskey, I might remember, mind you, is also a fad that dates from the same period. People were drinking blended whiskeys and perfectly happy with it most of the time before the 1970s. But a set of claimants to distinction, and a hierarchy of distinctions, became increasingly important.

It was hard to charge those fees if you couldn’t promise people higher places in the hierarchy. And the cost reflected a growing competition, as much as they reflected any particular kind of underlying trend, say labour costs or facilities cost. They reflected a competition for rankings based on star researchers, facilities attracting elite students, etc, and that brings us into the present era. For those of you who don’t like historical narratives, I’m going to leave that structure for the talk and get on to the morals of the story.

Note that last point about competitions. There was no escaping for this competition. This competition was not something people could opt out of, and it produced interesting, remarkable responses. In this race for the rankings, some universities, charging high fees, began to also offer high financial aid. Others did not and began to alter the picture of competition dramatically, because one of the things that shaped rankings was who got what were judged to be the best students to come to the university. Universities could invest in that just as they could invest in research or facilities.

Students could be attracted by fabulous gymnasiums and sports. I know this doesn’t matter at LSE except to the students, but it could be facilities. It could be scholarships and bursaries. There are various ways of investing and this played a role in an external competition. The competition for faculty might be one. It’s always been an interesting question to me in Britain where I keep hearing that the system of competition is an Americanisation, that there is in fact a government-run evaluation system that has no parallel in United States for this. It’s also interesting to me to wonder whether those who conceived it actually intended to produce a system for bidding up the salaries of star faculty. But it is in part a system for doing just that.

That’s not again, simply, a managerial decision somewhere. It’s produced in this larger world in common with why you would pay more for older, single malt scotch whiskeys. The structure of the costs and the structure of who pays for the cost
become pivotal questions, and these are basic questions for our context now, for LSE, for its future, and for thinking about the future of higher education and us in it.

First, there’s a very large ecology, which has various differences in form and mission and intention and student population. Universities that are local in their purposes and their catchment. Teesside is not trying to become LSE; that’s not in that sense our competition. But there is in fact a funding system and a national policy framework which in many ways denies the significance of differences of mission and emphasises the significance of place in a transitive hierarchy, a ranking system. This is going on internationally.

The standardisation around the use of English is partly an adaptation of a larger global society and partly an adaptation to structures of which scientific research will generate citations and recognition in the external rankings and so forth. There are a lot of things going on in this.

I want to close by suggesting that this creates a context in which we need to think about all of our decisions, and in which the question of how we are or aren’t going to be public comes back; that’s what I’m going to close with.

So I’ve told you a story in which several things happened. Universities became more and more centred around research. Research became distributed in an uneven fashion so that elite universities were particularly centred around research. They might be pulling elite students in but their condition of being elite and of the students’ selectivity was partly their performance in research, and this was driving this. The cost structure was heavily shaped by the performance in research, so research universities become the model for the top end of the sector. They have big influences on what people do, including people in the universities and how they spend their time.

In addition to that, the story of growth is a story of, by the end of that period, extremely growing hierarchy, extremely growing difference. The sector does not grow evenly. Within every institution, there is growing hierarchy. Within almost every institution the differentiation of salaries paid to people with the same ostensible rank grows dramatically. It grows to the point where people with the same job title may be paid three times what others with the same job title are paid, from a system that was relatively flat with seniority a primary differentiator.

So we might prefer one system or the other, but this change happens in a much larger pattern. Again, the proliferation of units, of research centres, of departments and so forth, grows everywhere. Nobody finds themselves able to contain this, although when they get together, and I can tell you this is so true today, presidents and vice chancellors and provosts and directors talk about how wonderful it would be if they could close down a few of those different centres or institutes or departments, because it’s much easier to start them than to close them and they have continuing costs that make it hard then to do other things and drive out the overall cost of the system.
Competition grows in this and there have to be goods to compete over. You can take just professorial salaries but you can also look at all manner of other goods that drive the competition. The competition shapes what is feasible at every institution because it shapes who it will attract to be at that institution, and how it will reward them and what activities it will most value. I’m not going to try to tell you how intense that competition is, just that it is really intense.

LSE is shaped continually on a daily basis by that competition, because of some other features with larger context including globalisation. In an era where there has been growth in Britain, growth in the US, there has been dramatically more growth in China, in Singapore, in Malaysia, in Australia, in a variety of other settings around the world, LSE now is a competitor in a global competition which only adds to the questions.

What I want to get to is not just this sort of warning, and I could go on with a series of lists of these, but some possibilities. Almost everything, as I wanted to suggest, plays out including how public we can be. How public are we in our communication with new technologies that demand investment and that create new opportunities and new revenue streams? How public are we in our teaching? How public are we in our research?

Well, what does that mean? First, I think it means, what is it we study? It matters more to us than almost any other university to be public because we study the social sciences and we do it with an intention to produce a better society. We do it with a public purpose and we do it in fields which are in constant interaction with public issues and public agendas. But we do it in ways that are constrained by the attempt to meet all of the competition. They’re driven forward sometimes, but also constrained by that attempt.

If we are going to be public, we need to think about how, and I would start with teaching. The question of who comes to study should be a question for us as it was for the founders. The founders said that the model from Oxford and Cambridge was distorted by privilege and that inherited privilege shouldn’t shape who is involved. In fact, there should even be some intention to reach out to other populations that were not part of inherited privilege. They didn’t call it widening participation, that jargon came later, but it was in the agenda.

Well, one of the questions about being public is who comes, how many students should we have, how do we reach out through our teaching? The most important form of public engagement in LSE is our teaching. This is the way most members of LSE staff will have their biggest public impact. The second most important form of public engagement is our research. We can do research on small problems that score points inside disciplines or we can do research on major problems that matter a great deal for society. Choice is fundamental. It’s not just a question of how you disseminate the findings. Are you able to publish a bestselling book? Do you have a
blog? All significant, but public engagement goes to what you actually study, what work you do, and how it matters.

The standard phrase: we do research, teaching, and public engagement, is misleading if we don’t emphasise that public engagement is integrally involved in the research and teaching, that the way in which we have our effect, succeed in the competition, achieve what we want to achieve in research and teaching, is tied up with these things. Actually, LSE does this fairly well. We can do it better but this is one of our strengths.

We are better at that hybrid model of doing these things together than the vast majority of other universities. We benefit in this from our central character as a more specialised social science university. We don’t benefit in everything, say in all manners of wealth from that because there’s a lot of wealth generated in the hard sciences in other places. But what we do generate in our capacity we should think of as directly public engagement.

The moral of my story is if we want to be serious about being public, we have to think it through in this context of the hard things: costs, competition, the challenges that we face; but also in the context of a set of opportunities, whether they’re technological changes, or they are the opportunity to change the size or the composition of our student body, or the opportunity to set the agenda for our research, the opportunity to determine where we reach out and to whom we reach out.

Do we connect to the schools in Britain? Do we connect globally? Can we do both? How do we do it? All of these things are basic questions about the publicness of the university. I want to close with just suggesting that they are, happily, questions to which we can find good answers. So I don’t think there is much of any way in which we can wish ourselves out of some of the predicament we’re in. We cannot wish ourselves back to a low-cost era. Nobody gets a computer anymore. Sharing offices tomorrow. Bursaries, out. We can’t wish ourselves back without destroying the institution. We can’t go back to that low-cost era, out of the question.

We can move forward by asking ourselves hard questions about this. Where are we going to get the resources to be public? We can’t wish ourselves back to an era of high government funding. It’s not going to happen, not even a little. Therefore, to invest heavily in that is to choose not to make the university a great university and not to make it effectively serve its public purposes for its students or for the larger society. That’s not a choice, I think we should make, but that’s the reality. There are other sources of funding. We could decide that we simply want to get our students to pay the maximum amount. We’re still pretty cheap in global standards. LSE is actually a bargain. British universities are a bargain. A recent survey was done finding out the most common reasons why British students, British undergraduate students choose to enrol in American universities instead of British universities. The
reason? Cost. It’s not that they want to pay $50,000 a year at Harvard; it’s that Harvard gives them full scholarships. British universities had barely began to do this.

If we’re serious about a public mission; we’re serious about reaching larger student populations, different student populations; reaching people not only on the basis of who can afford to pay, we need to be able to fund ourselves in a different way. To fund scholarships but also not to be entirely dependent on fee structures for programmes. That means raising money in various other sorts of ways; there’s no way around that, and we need to think about it. We need to think about what courses we offer, but we also need to think about how to make the budget work in this sense.

There is no way around competition. We can’t wish it away. If we try to wish it away, nobody at LSE is getting a higher salary than anyone else at the same rank. We will simply wind up deciding that we’re not going to teach certain subjects, we’re not going to have world leading faculty members, and if we do that, we will actually undercut our revenue stream. We will actually drive ourselves into bankruptcy. We will not thrive in this alternative, egalitarian vision. We will have very serious problems. We won’t be able to support the institution financially. We will not get the research revenue. It will actually reduce the amount of government money we get, in addition to reducing our ability to raise money, the willingness of students to pay for this, and our leading status in the world. It might create various kinds of benefits for us socially.

The question is how do we analyse, how do we cope with this? It’s not right, let’s just give in, competition everywhere. It’s a question of how we do. What is the just way? How do we preserve solidarity? How do we preserve linkages among fields? How do we take account of fashions that are temporary versus long-term trends in demand? How we do this becomes crucial and the purposes are public. This is my last point, you’ll be glad to know. Because we’re a public. They’re public about who the students are, they’re public about how we reach out in information because we try to serve a larger public. But we are also a public.

LSE is a public, the social sciences are a public. Internally, we need to be able to talk to each other, work with each other, carry on scientific collaboration with each other and so in the ways in which we meet competition, we cannot be so intensely individualistic that we undercut the social fabric of the university and its ability to be a cohesive internal public. I worry that we might do that. I worry that there are incentives in the short-term to do that, but I think the long-term incentive is to find ways in which we maintain the cohesion of the LSE, maintain its productivity at the same time, create opportunities for individuals to flourish, but embed those individuals in a rich and diverse public of debate and argument collaboration; and work for that larger public outside the university. I’ll stop here. Thank you.