

**Professor Craig Calhoun**  
***The State of the School***  
**Inaugural alumni lecture**  
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It's wonderful to be at LSE and it's wonderful to get a chance to talk with the alumni. I want to stress at the outset that from my point of view, this is still your university. Claim it, care about it, challenge us on what we're doing and what we ought to be doing, and raise the necessary questions; because nobody does the right thing or the necessary thing simply by themselves and without any larger context of debate, of discussion, of ideas.

We need in you in a whole range of ways. I know that you've joined the Alumni Association. I know you've been supporters in various ways. The School needs its lineage and part of what I'm going to talk about is going back to the founders, what the School stands for and means, continuing through to what we're doing now, and continuing to what you do.

The School isn't just those people who are here for any particular three-year period, or one-year period, or if it's a PhD study five, or six, or seven-year period. It's the whole community and what LSE stands for. This is a school with very rich traditions, with wonderful alumni of all sorts. I'm personally disappointed that Mick Jagger didn't make it tonight but I'm very pleased that all of you made it.

LSE is a school that goes beyond simply achieving academic excellence, or simply offering students career opportunities. We do both of these things. This is an extraordinary research institution which is at the forefront of work in a variety of disciplines and interdisciplinary areas, from finance and financial regulation to climate change to urbanisation. So let's take it as read, it's really good academically.

But that's not the whole of what makes LSE. It's also a school that opens up extraordinary career opportunities for its students, and I hope that you have benefitted from these opportunities, in a range of different fields from the civil service, to social welfare administration, to the city of London and working in global finance, to other kinds of corporate work, and to the highest levels of policy. The School's graduates go on to remarkable careers. We make that possible, and that's critical and crucial, but the animating spirit of the School is more than that. It is about making a difference in the world.

LSE makes a difference in the world, and seeks to make a difference in the world. It does that through research in part, and through teaching to a very large extent. We are oriented to that idea and this goes back to the founding of the school; not to simply be one more university ranked higher or lower in a list of universities, but to make a difference in the world, and specifically to make the world better. I think we do this but it's a goal that we want to keep setting ourselves and challenging ourselves with. We do make a difference, we do make the world better, and we could do more.

Our goal isn't satisfied by saying, "Oh, in the last REF, we were ranked third, and second, or fourth, or whatever in England." That's not our goal. Nor is it simply a goal to be in some other league table. The goal for LSE, the purpose of LSE, is to make the world better, which calls on us to teach and do research and to engage the public in distinctive ways, not generic ways, not just a little better than they do it here, or more or less the same as they do it there, but to find the ways that we think are distinctively important in value.

Let's build us a State of the School Address. I'm pleased to report to you that the state of the school is very good. We're in good shape financially, we have wonderful students, we have terrific research programmes. I'll tell you a little bit more about good things happening, but "very good" is not our aspiration. Our aspiration is not simply to achieve "very good" and then rest on our laurels, to be content with our accomplishments, to celebrate being "very good". Our aspiration is to have a major impact. To have major impacts, plural, in a variety of different areas, making the world better, innovating and leading in scientific work.

We don't want just to be doing good work published in good journals. We want to be pushing boundaries, challenging the orthodoxies of fields, innovating, and doing all of that with an eye to the real world. One of the great things about LSE is that it is harnessing extraordinarily distinguished, high quality, rigorous academic work in order to address issues in the real world. Yes, we try to improve work inside each of our disciplines, but overwhelmingly our work is oriented to the world, and it takes up a variety of the world's issues.

Richard Layard is here in the front row. He helped found the Centre for Economic Performance, building out of earlier programmes and exemplifying this. It is not a centre for the internal study of economics but a centre for putting economic knowledge to work, studying, understanding, and improving performance of a variety of different social institutions in a variety of different areas of life. This is exemplary of what we do at LSE.

It's also exemplary of why we want to push ourselves further. I'll say, "Just a little bit more than that." I want to stress this at the beginning: we want nothing less than to be remarkable. We want it not just so we're proud, though I do want you all to be proud of LSE. We want it so LSE knowledge is helping to shape the discussions among policy makers, the general public, business corporations, people who are working in a variety of different sectors of public service delivery, profit entrepreneurs and social entrepreneurs in London and around the world. The agenda for LSE is a very, very ambitious agenda and we know we fall short sometimes because we have extraordinarily high goals. We are motivated to keep doing more, to keep dealing with these problems.

The world has plenty of big issues to deal with but also opportunities to seize. It's not all problems, it's also chances to do things that really matter. LSE is doing very well, I said before, financially, in admission of students and in hiring good faculty. It's

doing well and it's doing it well in a very challenging context. One reason that we don't rest on our laurels, that we don't just say, "Great! Alright! Let's keep doing everything the same," is that our context is changing so dramatically that it is reshaping the work we do and the conditions in which we do it.

Declining government funding is part of this story. The government in the UK does not finance universities as it did a generation or two ago. This is no surprise to anybody here but it changes what's possible for LSE in how we work. There's no decline in government regulation, I'm sorry to say, accompanying the decline in funding. We literally spend millions of pounds a year on compliance, reporting, and dealing with regulatory agencies, despite the declining government support for LSE. So that's a change in our context, and the context of all the other universities in Britain, and the place of the higher education sector, which we may want to talk more about. Not the future of LSE, but the future of higher education in Britain.

The change in the context isn't just declining government funding, it's a change in the proportion of Britons who go to university. As recently...well not all that recently, I'm getting old, as recently as when I was at Oxford in the 1970s, about 10.5% of the UK public went to higher education. Since then, we shot past 40% and kept growing. This is now not a narrow elite definition. To have gone to university does not make you a member of an exclusive club. Half the population goes to university.

That's changed the character, changed the cost of higher education in society. It's changed what higher education means, it's shifted the internal composition of the universities, and it's challenged the larger enterprise in a lot of ways to have a much bigger higher education sector serving many more people but in different ways. In addition to simply growing, it's been reorganised with the post-1992 universities - the transformation of institutions that were previously differentiated in their function as they're reknit into universities in a more general way - and with other shifts in the way in which research is organised and funded.

Our context has also changed by increased international competition. LSE was founded in 1895. It's always had some international competition but it was founded with a pretty clear reference group to other UK universities. In order to be founded, it hired faculty members away from Oxford and a handful of other schools, and it created this remarkable institution. But for us to continue to be at the vanguard of the production of new knowledge, teaching students the best of the knowledge in their fields, working with partners at high levels, we became global.

LSE became global initially in the context of the British Empire, remained global in the critique of the British Empire, in movement beyond empire into new kinds of international relations during recent decades, and became the most extraordinary global university perhaps in the world. This is a big change. It's partly something we celebrate with all of the international students coming to LSE and with the global content of our courses. But it also means that our competitors are not just Oxford and Cambridge. They are Harvard and Stanford. They are the National University of

Singapore and Beijing University. These are our competitors and sometimes our partners. We work with them but we acknowledge considerable differences including financial differences.

Harvard has a \$35 billion endowment which puts it in a very different position when it recruits. We're in the midst of trying to bring back to LSE a wonderful economist who has moved to Princeton, because we want our students to have the benefit of the most extraordinary economists we have. But Princeton has a \$16 billion endowment and it's small, it's not even bigger than we are, like Harvard. We're in competition financially for recruiting faculty.

We're in competition for recruiting students. The number of English students going for undergraduate study abroad goes up every year. LSE pioneered a global proliferation of Masters courses bringing students from all over the world to LSE. But these kinds of global courses are now taught in Australia, China, Abu Dhabi, the States, Canada, and in a variety of other places. So we're not the only game in town for globally-oriented, real-world, high-quality education that helps prepare students for careers in our global and complicated society.

We also see our environment changing and possibly changing more in the next few years because of a variety of disruptive and potentially transformative new technologies. Most of you have probably heard discussions about MOOCs, wondered what it was and figured it out. The use of computers in instruction, the use of telecommunications in instruction, is something that's been tested and tried and has been going on for a long time. Television with the Open University and distance learning has taken a new turn on a very large scale.

MOOCs stand for Massive Open Online Courses, and started with a few being offered, like a Stanford Calculus course which used new technology to help students learn how to solve problems; an almost game-like approach to teaching calculus to university students, it used the computer to enable students to get advice remotely from the equivalent of a teaching assistant or sometimes the professor. The professor took it to more than 100,000 students in its first online offering.

There are now a series of different projects for trying to provide platforms and use technologies that sign up 100,000-150,000 students at a time with one professor in a course. They use other kinds of innovation, like having the group of students online discuss problems and issues by writing text rather than orally. They have bits of filmed lecture, but also use lots of other sorts of resources from libraries, archives, and research - including research that has just been done, not waiting for a textbook to be published three years later.

There's something very exciting about this. Also something sort of scary and something possibly not as good. Think of your LSE experiences and imagine them without being at LSE. Would it be the same? If you didn't get to look at the professor, if you didn't get to discuss the work you were doing with the professor in the seminar, and even more so if you didn't have each other? Isn't part of what is at

the centre of that LSE experience the other students, including the times when you argued with and then went out for a drink with that guy? That guy was important to your education. And I think that that's part of the LSE experience.

That doesn't mean that we can just say, "Right, we were doing it perfectly in the 50s, or 60s, or 70s, or last week and therefore we can ignore all this new technology." We can't, and in fact we weren't doing it perfectly. Sometimes that wasn't Karl Popper just delivering a fantastically brilliant lecture. That was a professor who was a mediocre lecturer. He was sort of ordinary. You kind of lost the track of the lecture halfway through. Your notes did not enable you to score a First in your exams. It wasn't perfect, some of it was much too passive - sitting and listening. Not enough of it was actively involved in the discussions, actively involved in trying out your ideas, actively involved in making things happen. Some of it was and that's part of what was great about LSE, and more of it needs to be now.

We need to work out how to shift towards more engagement of students in projects, more engagement of students in active learning in relation to the course content, and in a relation to each other. Team projects: we do this and we're going to do more. It may be that the new technologies help us to shift some of the way in which students get basic knowledge out of passive listening, and build in more time for active engagements in learning.

This isn't just affecting universities. At the moment, we have this huge explosion of Massive Open Online Courses, but it affects other fields as well and others have had disruptive experiences. Look what's happening to media and journalism today as they are changed by the internet and the business model is transformed. Then we ask ourselves, "Is the university going the same way?" I've heard someone say about The Guardian not long ago, "Well you know, they have a loss regularly. They have a trust which sustains the paper. It has a finite single-digit number of years before it runs out in the current business model." It's The Guardian. That's a successful paper. It's a paper lots of people in this room read. I read every morning. That's not some small, fly-by-night organisation but it's being transformed, and figuring out how to realise a profit in the online world is challenging for them. It's not because they lost all their readers, it's because the whole context and model changed.

"Open" is a key word in these MOOCs. They don't charge. They are free. That changes something. At the moment you can't get a degree this way, and I'm not sure you'll ever be able to get the elite, distinguished kinds of degrees LSE, or for that matter, Cambridge or Oxford offer, but it changes the whole field of higher education and it challenges us to figure out how to be doing the work that we need to do.

Some of the work is about things students need to do here at LSE with each other, not online. We'd better be working out what those things are: Is it sitting passively in the lecture, or is it working in a group on a project? Let me just continue this for a moment. We have an Entrepreneurs Club at LSE. We haven't thought very much about entrepreneurs historically, but we produced a number. What we've thought

about is people who would go to work in finance for large corporations, people who would go to work for the government in large organizations, people who would be senior leaders. LSE students didn't come here to learn how to be followers, they came here to learn how to be leaders.

We haven't really been fully part of a transformation in the expectations and aspirations of our students, many of whom want to make a new organisation. They want to invent a company, a social movement, an activist organisation, an NGO that will help people with one or another kind of issue. They want to make things happen in a certain way, not just get a good job.

You might say, "That's terrific! It's good you have this club of 50 students who are interested in this." No. There's over 1,000 LSE students in the Entrepreneurs Club. More than 10% of all the students at LSE across all fields and all levels, and more than 20% of our undergraduates are in this club. It's a very important part of how a lot of people now think of making a difference in the world, making the world a better place, which is the long standing LSE goal. They think of starting a new firm: going off to Shoreditch, hooking up with some technology, inventors, some people who apply new ideas, doing design work but also being activists; creating a web-based support system for women who are dealing with breast cancer. It's not always inventing the next Apple but the inventing part; something that is new, something you made that followed up something that you were passionate about, is very important to a lot of our students.

We need to think about how we teach, and think about LSE, in the context of a changing student body. Yes, it's financing by the government or somebody else, and yes, it's the question of international competition, and it's the technology. But really, in the end, it's the students and what they're trying to get out of coming to university. They have the distinctive set of opportunities that we give them, and the set of opportunities needs to change to work well for them.

Now, to get our bearings in all of this, I want to go back for just a moment to the founding. I think we have a sort of origin myth, as the anthropologists say. We have a story about LSE we tell, and it's important and instructive. Part of what I would tell in that story of LSE is how the founders, the Webbs, George Bernard Shaw, the people who made the LSE happen, first off were entrepreneurs. They didn't start a business, but they started a university. They were innovators. They didn't say, "What departments do they have at Oxford? Let's have those." They said, "Oxford doesn't want to teach Economics? We will." They didn't just say it because they thought, "Oh, that would be cool, it will differentiate us from Oxford." They said it because the world was changing.

London was becoming the first global megacity during this period. There was dramatic social inequality in new ways. This was in fact a site right here of significant poverty. They said, "The world needs to cope with these changes better and it can do that based on knowledge, based on new kinds of knowledge. We need new kinds

of knowledge to deal with the new problems of a new era, and LSE can help to deliver that. LSE can create and advance that knowledge.”

Eventually LSE becomes a great research institution in ways that go beyond the traditional student body of Oxford or Cambridge; not based on privilege and social background but on recruiting a range of different sorts of student who can use that knowledge in various ways. LSE has a huge impact on the basis of this model.

I want to tell that story because I think we’re in a new era. There are new issues. There are new academic fields. We don’t want to do exactly the same lines of academic work LSE did 50 or 100 years ago. But we want to do just what the founders did when they said, “Let’s make a new kind of institution that can speak to the issues of today, help the students of today; help them without regard to class, background, or privilege, have an impact in the world.”

LSE was made into a very open sort of university. It’s no accident that it’s not in some pretty cathedral town setting in the countryside, that it’s in London. London has shaped it throughout its life, shaped the way it could be open to business, to social movements, the way that it could engage with government, the Courts of Justice right next door, the way in which it could become global and multicultural. All of the LSE history is shaped by this decision to be in the world, open to the world. Not walled off, not in retreat from the world, not a sort of monastic place for study. Right in the middle of London, a place for study and engagement with the world.

LSE has probably had an influence beyond its founders’ dreams. I think they had high aspirations and they started something that can go on beyond the specifics of their dreams. It supported and helped the Trade Union Movement - which would support and help other movements that they didn’t even think about at the time of the founding of LSE. It’s changed, attracted students from all over the world, and dramatically improved the physical estate. So we’ll go on changing those things. But there are ways in which we change that the founders probably would not have approved of.

LSE costs a lot more. This project of being open to a range of different students is a project in difficulty. The British student may pay higher fees because of the recent government changes. That’s just part of a bigger story of cost. People pay more to come here. It costs more to students but it costs more overall to run; just the whole thing costs more and the money has to come from somewhere. Though I highlight that this is a problem, that is not because we’re not going to raise the money. We are. It is a problem because of what it means to the mission of LSE and therefore it is something we’ll work on. The founders rightly wanted LSE to be open to people who would put knowledge to use from a variety of different walks of life. That’s harder in this class structure. It’s harder in this field of higher education. It’s harder in many ways in real lives.

Now, we do some of it with our global reach. We do some of it with widening participation outreach efforts in England. But we need to keep asking ourselves, “Is this a university open to and recruiting the best and the brightest?” Well, yes, you

might say. All of our students are really smart. It's really hard to get into...there are 12 to 14 students applying for every place at LSE. Applications are up 15% this year, even while they're down at a lot of other British universities. We're getting the best and brightest.

We have to watch out unless we want to say we're getting the best and the brightest whose parents can afford to pay, because that's really the description of a lot. They really are smart. They're really terrific. They're motivated, then they actually go on to careers that challenge some of the global inequality. But their access to the LSE to a very large extent is based on family capacity to pay. Yes, some are sponsored by their governments or by an employer, by others, that's true. But we're in a situation along with most of the other leading universities in the world in which family ability to pay is governing access and that's one of the things that the founders objected to about other universities.

So, if it's part of our mission to reach out to get the best and brightest, to get the students from different walks of life who can use the knowledge...how do we do it? Well, maybe those MOOCs, those Massive Open Online Courses or some other kind of outreach programs are part of that and we can use these to open access. Maybe we will be able to raise scholarship money: my number one priority, I'll say, and more about philanthropy in a moment. We should be able to offer more scholarships to students. I don't think there's any way out of this world in which the fees are going up. The fees are at £8,500 for British students. Just today, the academic board voted to make them £9,000 starting in Fall 2014, which is what every other Russell Group university charges. So there's one issue about that. The fees for international students are considerably higher, £15,000 and up. Postgraduate fees are higher than undergraduate fees. There's an issue about these. They're not even close to the fees of Harvard or Stanford. It's a bargain in some comparisons.

I don't think it's that we made the wrong decision exactly. I think it's that we face a real issue around the fees. There are only a few places that money can come from to run the university. It can come from government. Raise your hand if you think it's likely that the British government will anytime soon double the investment in universities. Now, there are people who are saying, "Oh, maybe we'll go down to £6,000 and Labour will have a different platform, this will happen." I'm telling you I don't believe it. I don't think this is going to happen. We may keep it capped for a long time and not let it go higher, I don't know. But fundamentally, I don't think government's going to find the money for a big new investment of that kind and certainly not across the board of all universities with a system the scale of what we have now. There may be new investments and research, there may be new investments in specific programmes and innovations but the idea that we're going to go back to the kind of grants and income system that the government paid a very large proportion of the costs, I think, is not realistic.

So we have to figure it out. Government pays something but not everything. Research contracts and grants are important. LSE has a terrific programme of research, it's why the leaders in the UK externally fund the research, and is certainly



in the lead among social scientists. There are large grants in the biomedical sciences and engineering and other areas that are somewhat different. We get contracts for research but they mostly pay for additional activities; they don't actually pay for educating the undergraduates or the masters students. They pay for an additional project, doing a research on an important issue - very key work but not primarily the core budget. Occasionally, they do.

We get some money from philanthropy. A tiny amount by comparison to many competitors, especially American competitors. The new economics school in Moscow just completed a \$300 million endowment fundraising campaign. (Not the higher school, I'm sorry, Richard. Not the one we're partnered with, the different one.) We're used to thinking, "Okay, we know Harvard and Yale and Stanford and so forth..." but this issue of philanthropic funding really tracks inequality and the existence of people with the money to be philanthropic with.

Oxford and Cambridge have had their billion-pound campaigns. When LSE set out in its centennial campaign to raise £100 million, it was a pioneer in Britain. It was one of the first really big university campaigns of this kind. It took longer to achieve it than the original plan suggested. But Bristol just passed us, and Imperial just declared that it was having a billion-pound campaign. We are no longer in the vanguard of this, we're playing catch up. That changes the competition, the costs of professors, as does housing in London. If you live anywhere near LSE, it's very expensive. So, the cost of faculty changes, student housing, all of this. Philanthropy plays a big role.

What pays the majority of the costs? Fees charged to students right now. I don't think it's unsustainable. I think we could charge students more and charge those high fees as long as we wanted to if we didn't care about two things: if we didn't care about getting the best students and if we didn't care about the morality of it. But if we do care about quality of morality, then, we cannot finance LSE indefinitely primarily on student fees. We have to become better at philanthropy.

Government funding: we want it, we're happy to get it. The government pays about 18% of the LSE budget now. One-eighth, 18%. So, we are not primarily funded by the government. We have a kind of historical debt to it; the government helped to buy buildings and things in earlier periods. We still owe something to the British taxpayers in this. But in terms of the current budget, it's a pretty small percentage.

I think there's a limit to what we can legitimately expect student to pay and it's not just because £9,000 is too high a number. It's because costs are going up and we need to recognise that not all of those costs are immediately going into undergraduate teaching or other kinds of teaching. They support research, they support buildings, they support recruitment, faculty, they support public engagement, our wonderful lecture series. I think probably most of you have been to fantastic events in this room which don't happen with no cost but for which we don't charge. There are a variety of things that create expenses. So, we need to work on this. I actually think we're going to solve this problem. But we're only going to solve

this problem because we need to succeed in generating new kinds of income, mainly from philanthropy. Otherwise, too much of the burden falls on students and too many students have other options.

A survey was done last year, about 18 months ago, asking British students who chose to study in the United States, why they studied in the United States. The number one reason, actually, both of the top two reasons are interesting. I'll tell you the second first, it's not quite as shocking. The second reason is the desire to do an interdisciplinary degree rather than a single honours degree. So, second highest reason, to be able to do economics and French. Or sociology and computer science or other kinds of combinations that are very hard to do in the UK. But the number one reason UK students went to study in the United States was because it was cheaper. Now, you've heard about the tuition at \$40,000-\$50,000 per students. That's not what's cheaper. What's cheaper is scholarships. British students going to Yale get a bill which is for about \$42,000 plus the cost of room and board minus scholarships. More than half the students going to Yale get scholarships. Many of them full scholarships, paying for the room and board as well.

So, many of the British students are choosing other schools. Not Oxford and Cambridge, not LSE, schools that are actually supported by philanthropy, supported by alumnis who said, "I'm going to give somebody else the kind of opportunity I had." Sometimes supported by corporations, supported by people who are trying to buy prestige, by associating themselves with universities; they're supported by philanthropic gifts and that defrays some of the costs.

For us, this is an issue that bears on how well we're going to serve our mission of getting really good knowledge and sharing it, because our mission wasn't to store up the best knowledge and hide it. Our mission was to create and improve knowledge and share it. We need to work on how we're going to do that and we need to work on it in England and indeed, globally because LSE at this point is committed to London, to England, to Britain. It's committed to Europe. I gather there's going to be a vote about this but I expect LSE to still be committed, and it's going to be committed globally. We do a pretty good job, but among our English students we have mostly students from the southeast, not so many from the rest of the country.

LSE is remarkably global among students whose families can afford it. We don't have as large an African student population, as large a Latin American student population as just reflecting the globe would suggest. If we are going to have not only wealthy but less wealthy Indian students and not only wealthy but less wealthy Chinese students, we need to think about how this is going to work and how we're going to support it. It's not only a matter of justice, morality and helping those students, it's also a matter of the LSE experience which is about having different kinds of students from all over interacting with each other, changing the character of seminars.

We are enthusiastic about this mission. I hope you're enthusiastic about pursuing it because it's not going to be easy to achieve, but we will be able to achieve it, I think. It's going to take really hard work and it's going to take asking ourselves hard

questions. We're in the middle of a strategic review that we launched to be able first, to be clear about what we are trying to accomplish and then be able to ask, of all the different things we do, "Is this the best way to accomplish our goals?"

We have 22 departments at LSE. At the founding, LSE had no departments. IT had no departments until the 1960s. The department is a relatively modern invention to organise academic work at the LSE. Why 22? The founders thought there were seven social science fields. We've added a lot. Now, our departments are good. This is not a complaint about any one of those departments but it's a question. If we are going to try to meet our objectives, if we are going to make a difference, if we're going to make the world better, if we're going to do it by sharing knowledge widely, what's the right mix of departments and research centres? What should we invest in? What faculty do we need? What programmes do we need to make this work?

We have a strategic review that is asking these questions, asking them of you, and you're about to get another question in your email. They will get a little more specific. The first one was a success. I appreciate that 181 of the alumni answered so this is great. We got answers from students, we got answers from faculty. We got really good answers about the importance of the new library, the importance of argument and debate in class, and the importance of Wrights bar which, a number of people said, was the single most memorable and important thing about LSE.

We got enthusiastic alumni connection, remembering what's important, and what we take seriously. We are not going to get rid of Wrights bar but we also take seriously various things about what matter. It mattered to students that they had a globally diverse set of other students in their classes. Interestingly, a number of international people have also reported it mattered to them that there are English people. One of the actions we've taken is actually some balancing to slightly increase the number of places we offer to English undergraduates.

LSE, over the years, has moved in the direction of more postgraduate education and more international education. Both of those are good but we ask ourselves, in new circumstances, might it not also be good to have more opportunity for English undergraduates? Is part of the mission of sharing what we do, a mission in England? And so, we're increasing over the next three years, by a thousand places, the number of places for English undergraduates.

In all of this, LSE works in the context where we don't ignore rankings, we want to be at the top. We want the best. We aren't saying, "Well, it used to be that we wanted to have Laila Robins but now we want Joe Schmoe." Now, we want the new Laila Robins. We want the best faculty. We know that that's expensive. We'll work on that. We want to deliver innovative research not conventional research and we want to deliver innovative and good teaching.

We're really highly ranked for our research and literally, the last time we went out, we went ahead of Oxford, just behind Cambridge on the average poll. That's really good. We want to be as highly ranked globally as in the UK, but we're very

impressed with that rank. They also did a ranking of teaching. We didn't rank second in the UK or 10<sup>th</sup> or 20<sup>th</sup> but we should. It is not an acceptable thing for LSE to not take teaching as seriously as it takes research.

Now that doesn't mean we are going to pander to mere mass popularity because the teaching that LSE does is challenging, serious teaching, not hard questions and issues. But it means we'd better be figuring out how to do it better, so we're making a priority of strengthening the teaching programmes at LSE at every level. There are simple things we do like, "Oh, let's try it out, more small classes." But it's more than just that. It's about incentives and rewards systems. It's about the physical, surprise, people like classes in this room better than classes in less attractive rooms. It's about the professors and what they are committed to, and all the other faculty and teachers.

We're working to improve the teaching and we're doing some really good things. We have an outstanding Centre for Teaching and Learning and we now have programmes to help faculty members who are good researchers learn how to be good teachers, because good teachers are not just born, they actually try. It takes some effort and you have to know what effort. It's something you learn, like other things. So, we're working on improving the teaching and it's not easy. But again, I think we will do it. It's not easy because people are really busy. They know that the REF, the Research Excellence Framework, and a big evaluation are coming, they're going to be judged and their salaries are going to be affected by publication. So, they say, "How can I afford to be doing all of this extra time?"

I got very frustrated early in my time at LSE when I heard that a department had determined that 10 minutes per student was too much time for feedback. Outrageous. We can't tolerate that but we have to recognise that that comes from lots of different pressures on their time. It also means we have to figure out what is needed. Is it that they don't have enough faculty for the students? What is it that's going on? We'll work on that.

The strategic review is trying to take account of this; we cannot fulfil our mission by research alone. We absolutely have to be a great research institution and we have to be a great teaching institution. We have to consider new possibilities like those online programmes that we're working on, at the heart of all of this. LSE not only teaches and does research, it engages publicly in remarkable ways.

I came from New York University and before that, I taught at Columbia. They have public programmes and New York is a big city. I ran an institute of public knowledge at NYU that had large programmes but nothing like LSE. Our public speakers programme is second to none. It's amazing. Heads of state, UN leaders, top academics, leading business figures during term every night of the week, often two or three and a hard decision between them. We're doing something great there but we need to go beyond just the lectures, by gauging policy, working in other ways, working on other media.

Teaching is part of our public mission. Most of us professors, most teachers at LSE will reach more people and have more of an impact through our teaching than through those times when we get to talk to the minister, or those times when we get on television. The teaching is the public mission of sharing knowledge. But we also share knowledge when we work with professional groups: lawyers, continuing education and advanced programmes. When we work with various government ministries, when we run programmes for non-traditional students, executive education or other fields, we have a lot of opportunities and London's a brilliant place to have those opportunities. That's part of what made LSE special.

I'm going to guess when you were a student, that some of those classroom arguments spilled over into the local pubs. You were at the George IV not just having a beer but continuing the discussion. The elevators at LSE, they're not one of our real strong suits technologically but they are pretty impressive because every time you stand around waiting for the elevator in the Old Building, you hear students having discussions. "Do you agree with what he said about that?" "I don't know." "Actually, I saw it completely differently. Here's my perspective on it." You hear serious intellectual conversations the minute they spill out of class and those also spill out into the pubs or into other places, and those very discussions are part of what the LSE is about. It's about arguments, it's about creative challenge.

It matters, though, that we've grown larger and we need to think institutionally about spaces where these arguments flourish, about ways in which students can continue to do that. When we have 3,000 students, some of this could work differently. Students from Anthropology could meet Economic students and both of them could be geographers, accidentally, easily. Now, it's easier for students to stay all in their own group, whether it's a national group or departmental group. LSE is not just a bunch of disciplinants. It's not just economists and finance, it's the mixing of economists and finance and anthropology and geography and international development and social policy and all these different programmes. We need to make sure we facilitate that mixing.

LSE has had some of the great people whose ideas galvanise. When figures like Popper, Beveridge, Robbins, and when Michael Oakshot, the great conservative thinker spoke, they attracted students outside their own departments. Students who are not registered in a class seemed to want to know what some of the leading ideas of their days were, wanted to see it face to face and they had the chance at LSE. We've developed LSE 100, a new teaching innovation to give that opportunity to people and nudge them a little bit towards it in case they're forgetting to take advantage of it.

Leading faculty members come and talk about the different ways you see issues; because very major problem like urbanisation or health care, climate change, finance, every one of them in the real world spills out across disciplines. None of them is contained by one academic discipline. They all can be seen from different angles. Some of the best writing on finance recently has come from Gillian Tett, a social anthropologist writing for the Financial Times, who wrote *Fool's Gold*, looking

anthropologically at how the world of derivatives could get out of control the way that it did in the financial crisis. We brought her in and she talked to the students, to see how you put together that perspective with more conventional finance or economics.

We have an innovative teaching programme run by a great professor and a terrific teacher, Dr Jonathan Leape, who animates and leads this programme. The top professors in school come in, all the students take the course and 10% of them grumble. But they all take it and they learn something beyond, something a little more challenging than just what was in their field. Our research does that too. We bring people from different fields. Part of what LSE does is connect different lines of vision, different lines of understanding to see the big problems. We are working to say, "Well, what are those five or six or seven big problems today that we're going to bring people together around?" We have some of those that we're clear of. You don't think of LSE as a health science school. We don't have a medical school but we have a growing health program which is bringing together economists, social policy analysts, sociologist and others to look at health issues in Britain and around the world, to look at the process of innovation, to look at the way the public is changed by these issues.

I want to stress that LSE did distinctive things in its traditional mission that we're going to do in new ways now. Those big thinkers are in big lecture rooms but they're also on television, they're also increasingly online. Student interaction is one thing we need to work on because we became efficient by having too many lecturers and not enough small interactive seminars. Not enough chances for projects and engagements and active learning. Shift that. It's the same LSE mission. It's renewing our commitment to the core classic LSE mission in a new era with some new problems.

Finance was not the same concern to the founders but it has to be to anyone who lives in today's world. We have new problems but also the same approach to a real world understanding, formed by the best possible scholarship and understanding of the way in which the world works from different vantage points.

So, we're challenged, we're going to succeed. Well, what are people out doing? This year, we won not one but two major new ESRC funded centres on systemic risk and macroeconomics. Large scale £10 million projects, creative envelope stretching and also bringing people together so the centre for systemic risk connects to people in the City to corporations that have huge amounts of data that can be analysed in completely different ways because we also connect to people with completely different kinds of computer technology to analyse big data sets. So, innovation, connection, success and competition and it involves students in the research. It's not just research by faculty off somewhere, students get involved in these projects too.

The International Growth Centre, the largest concentration of development economics work on countries, the Cities programme which is doing remarkable

urban agendas and has just received substantial new funding to continue this, where I got to have the interesting experience of sitting on the stage with Boris Johnson and David Cameron and listening to each of them make comments about the other while the other was speaking. You know, “Boris doesn’t know they can’t vote for him, does he?” That kind of thing. The Cities programme staged a remarkable event that attracted the prime minister and the mayor as a place to showcase their vision.

The teaching programmes at LSE have a teaching task force doing new work, we have new projects; we’re building some of those interdisciplinary degrees. We’re not just saying, “Oh, students want flexibility.” We don’t do that. We’re figuring out how to deliver it, expanding the whole new numbers as I said, working on public engagement in a variety of ways. Tony Travers is a leading professor who works on urban issues but also very much on policy advice and connections to the British government. Charlie Beckett, a journalist who’s turned into a leading communications researcher in specialist communications projects. Sonia Livingstone, a social psychologist who works on adolescence in children, research communication; a range of different leading professors to be able to engage and animate and shape public discussion. So, things are turning, they’re working. These are all people, by the way, who are already in LSE. I didn’t just go find these people. These are great LSE professors. My job and our job to some extent is to improve the platform in which they work. To help them have more impact, to be that change in the world.

And our students, that entrepreneurs’ club, we’ve got to connect them to entrepreneurs. Some of you, perhaps, will be volunteering but we have begun systematically trying to build connections for them to reach a variety of people in London and internationally in different sorts of fields.

So, we do the philanthropic support. We need connections to different kinds of partners: government, corporate, social movement. We need applications from wonderful students; we need to be able to reach them from all over and whatever background.

Well, we have an amazing faculty. We have an amazing spirit and an amazing determination to pursue these goals so I’m really impressed. I don’t mean there are never arguments. There are always arguments, which is kind of what’s cool about LSE. But there’s also an underlying commitment to the school that really impresses me, from people who work here and from current and former students, and it’s a commitment not just to be at the top of the league table but to make a difference, as I started out saying. A commitment to make the world better, a commitment to understand things better, to know the causes of things. As the slogan goes, to think hard, argue hard, try hard; to grasp what’s really going on and then to use that knowledge to make the world a better place. So, the state of LSE is very good and getting better and better and better. Thank you.