

**OECD/France International Conference
CERI 40th Anniversary**

***Higher Education to 2030:
What futures for quality access in the era of globalisation?***

Speech by David Lammy, Minister of State for Higher Education and Intellectual Property, the United Kingdom:

**The creation of the future; new directions in British higher education
8 December 2008**

I'm going to talk to you today about some of the ways in which universities in England are helping the United Kingdom as a whole to move forward towards a brighter and more prosperous future and some of the challenges we need to overcome in doing so.

The first way is by widening participation in higher education and helping more people to enjoy the benefits it offers over the next period.

The more people go to university, the more influence universities have over what sort of society we become. And, in my view at least, educating more people to a higher level will make society more equal, more tolerant and a more healthy environment for democratic values to flourish in.

For most of its long history, the British university system was devoted to the creation of a graduate élite. Fifty years ago, only about 5 per cent of school leavers went to university, and most of those came from middle- and upper-class families. Over the intervening years, the higher education sector has grown out of all recognition, with the creation of new universities and the expansion of existing ones.

Nowadays, more than 40 per cent of young people go to university and there are over 300,000 more students in higher education than there were only ten years ago. We want to increase that even further, so that 50 per cent of all young people get a higher education.

Even that's not high by OECD standards, we want to couple that target with more and better workplace training routes for young people who decide that they don't want to go to university straight after school. Our Apprenticeships programme, which has also grown enormously over the past decade, is the most important of these, offering an alternative route to young people not willing to go to university.

In part, the imperative for expanding access to higher learning is the concern for social justice. People from less well-off backgrounds – and also youngsters from black and ethnic minority communities – remain under-represented in higher education. The proportion of young people from the lower socio-economic groups as a whole who go to university is just under 20 per cent.

Most universities have responded to this challenge and are taking action to encourage more young people from poorer backgrounds to apply for courses. For example, by embracing our Government's programme called Aimhigher, designed to raise aspirations among groups who are under-represented in higher education.

That's why, back in April, we announced a new strand to the programme. We're investing £21 million - €25 million or in the Aimhigher Associates scheme. That will fund around 5,500 university students to provide long-term individual and face-to-face support to more than 21,000 learners in schools and colleges across the country.

But the imperative to widen access is economic as well as social.

We estimate that, by 2020, we will need 40 per cent of the whole working-age population to have qualified at degree level or the equivalent. The figure at present is about 30 per cent. And the challenge is going to be all the greater because, owing to the falling birth rate, numbers of school-leavers will decline over the coming years. 75 per cent of our 2020 workforce have already left school. It is hugely important to encourage young people whose parents or others in their neighbourhood didn't go to university, that it is an option for them.

That means that universities will also need to attract more mature students as well as school leavers. There are currently 6 million workers in Britain with a level 3 but no degree level qualification.

That's a very different market for students from the one that most universities are used to, because many mature people already have family commitments and careers. And few mature students will be willing or able to sign up for a conventional three- or four-year full-time degree course.

That will mean more part-time students. But universities will also have to go out into the workplace itself to find their recruits, and be prepared to cater for them on their employers' premises at times convenient to employers and learners alike.

The second way in which universities are helping to determine what sort of future we will have is by achieving excellence in research, science and innovation.

Clearly, there are sound economic reasons to promote research. It's the basis of the innovative, high-value products and services that Britain needs to be able to offer to compete effectively in global markets. It attracts international businesses and jobs to Britain. And it encourages employers to keep those jobs we already have in Britain, rather than sending them elsewhere.

We've had in place strong incentives for universities to promote excellent research for a long time now.

Government research funding has been allocated on a competitive basis and according to quality criteria for more than twenty years. That has been reflected in a steady rise in both the amount and the quality of the research produced. As a result, any international research league table you can name places the UK second-only to USA.

That research is currently receiving about £6 billion of Government funding a year. That's equivalent to €7 billion or just over US\$9 billion. Almost all of the 130 universities in England get some of it, but very large amounts of money tend to go only to a small number of élite institutions. Most of these – institutions like Oxford, Cambridge and Imperial College – are internationally famous.

It's one of the things that makes our universities so attractive not just as research partners for UK and international business, but also as places to learn and work for students and researchers from other countries.

Of course, the challenge is not just to do research, but also to find ways of using it. British universities have got much better at offering research services to business, and also at commercialising their own activities by creating spin-out companies and applying the results of basic research.

In the five years from 2000, the number of patents granted to universities have doubled, the number of licensing agreements signed by universities have quadrupled. Over the same period, universities' income from business consultancy contracts has more than doubled and their income from licensing more than trebled.

The way in which we've assessed and funded research in recent years has obviously been effective. But it's also been very bureaucratic and has led to a lot of academic time that could have been spent conducting research being

spent on paperwork instead. So we're currently examining ways of offering universities the same incentives to continually improve their research performance while minimising the amount of paperwork that this involves.

The third way in which our universities are helping to create the future is by engaging with employers to maximise their contribution to economic development.

A couple of years ago, the total economic impact of the British higher education system was calculated at £45 billion a year. That's about €53 billion or US\$70 billion a year.

I think that makes it pretty obvious that universities are an integral part of our economic system. And that they have a potentially important role to play in helping to bring us through the current economic downturn, ready to take full advantages of the opportunities that lie beyond. And that individuals are equipped to fill the jobs we will need for tomorrow's manpower

That's one reason why public funding is now being offered to encourage co-financing of job-specific courses between universities and employers.

Only two weeks ago, the representative organisation for UK higher education published a brochure describing in some detail how our universities are already helping to do that.

This isn't a question of impact at a national level. We know that universities have a substantial impact on their local and regional economies, too. And that many have tailored courses and services they can offer to take account of the particular circumstances of their areas. It's important to understand that this involvement proves most effective when it's structured. When providers of higher education are brought together with providers of other sorts of education and training, public and private-sector employers, local authorities and others to take a strategic view of an area's needs.

The nine Regional Development Agencies in England have been especially facilitating this sort of dialogue.

It's to encourage more of this sort of activity that the Government published its high level skills strategy - *Higher Education at Work* – earlier this year. And it's why we have announced plans to open an extra 20 university campuses in order to bring a higher education presence to parts of the country that have not previously benefited from one.

All of the themes that I have mentioned so far this morning feature in a wide-ranging discussion on the future of our university system which has become known as the Great Higher Education Debate

The Government launched the debate last February. Its purpose is to allow us to understand better what we will need to do to develop our education systems over the next ten to fifteen years, and what barriers we will need to overcome in order to achieve this.

The debate will lead to development of a framework for higher education in England over next 10-15 years, which we expect to publish in 2009.

So far the debate revolves around nine strands of work, each of which has been led by independent experts. They cover a wide range of areas, ranging from the use of intellectual property by universities, to how to improve the quality of the student experience, to how to cope with the demographic changes which Britain is experiencing, and in particular the falling number of 18 year-olds in the population.

Clearly, some of the recommendations that are emerging from the debate won't mean much to many of you because they're very specific to how our national higher education system. But others do have wider interest.

For example, there are important findings around the need to increase institutional diversity and specialisation. The reviews have also identified a

need for universities to work more closely with students, including the design of curriculum.

But perhaps the findings that would be of most interest to this audience are those which concern how much more we should be doing to promote more interchange of people and knowledge - between countries, between universities, between higher education and business and between higher education and the Government.

The recommendations are currently the subject of wide consultation and we expect the debate to reach its conclusion during 2009.

We intend to publish proposals which will not only be for Government but also for universities to take forward. It is clear that we cannot achieve excellence in higher education unless there is a real and effective partnership between universities and Government.

And we intend to publish a framework that is flexible. A rigid plan for development will fall into disrepair as the world changes around us. We need a framework that allows us to take regular stock of the progress we are making towards our vision, and adjust what we are doing accordingly.

The Government understands just how important universities are to our future as well as our present. That's why the sorts of activities that I've mentioned are being underpinned by public funding on an unprecedented scale. Public funding for higher education rose in real terms by 24 per cent between 1997 and this year. On current plans, it will have increased by over 30 per cent in real terms by 2010.

The mathematician Alfred North Whitehead once wrote that [“The task of a university is the creation of the future, so far as rational thought and civilized modes of appreciation can affect the issue”](#).

As I have tried to show this morning, in Britain today, this is a critical time for and our universities are well placed to meet are heavily engaged in helping to create our collective future.

Thank you.