Feature: University challenge
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Just after turning 18, I applied to study at Oxford University. I sat the entrance exam alone in my school’s career library and then went up for the interview at Lincoln College, Oxford. In a room above a quadrangle I faced three interviewers, answered some questions, but shook my head at others. ("What will be the outcome of the Austrian election?") A few weeks later, on a frosty morning just before Christmas, the rejection arrived. Holding that letter, I sat and wept.

Those tears of disappointment said everything about the place Oxford held in the British imagination. If you were young and ambitious, then Oxford, and its inseparable twin Cambridge, were really the only places to study for your degree. They were the gatekeepers to the world I wanted to belong to. Instead, I went to Bristol University - newer, bigger city, less rarefied - got a First and then made it to Oxford after all for a two-year masters degree.

I wouldn’t say that I was disappointed. I read at the great desks in the Bodleian Library and strolled through Christchurch Meadow; there were gargoyles and lawns, punting, pageantry and hardy student rites. But where was the intellectual flash and fizz? The buildings looked tired and the people did too. The students and staff were clever but not the best in the world. There was the feeling that although the greatest thinkers on the globe had lived there once, they had now flitted elsewhere. The epicentre of academic achievement had shifted 3,000 miles to the west and passed to America.

The decline began a few decades before I even contemplated going to Oxford, but has now brought the whole of the UK university system to what many feel is its current parlous state. Its undoing was an idea: equality - the worthy, anti-elitist belief that everybody should have access to university, and every university should be treated the same. Nobody - God forbid! - should have a pound more spent on his or her education than anyone else. The other part of this idea was that the state should pay for the education rather than the student, or the student’s parents.

In one way, the idea was a success: student numbers have risen roughly tenfold after the start of the big take-off in the 1960s. But since the money failed to rise to match the population explosion, the other consequence was burgeoning lecture theatres, underpaid teachers and sinking morale. And because the best institutions got the same money to spend as the weakest, the tendency was, according to Robert Stevens, a former Oxford and Yale academic and author of University to Uni: the Politics of Higher Education in England Since 1944, “to homogenise English universities and dumb them down to a lower, mediocre mean”.

The crisis has now got so bad that it is forcing some people to rethink the nature of higher education. In January, Tony Blair pushed a bill through parliament, in effect introducing the principle that some students are
better - academically better - than their neighbours and therefore deserve to have greater resources showered on them. It is hard to exaggerate what a radical U-turn this is, after 50 years of a prevailing philosophy that equated intellectual hierarchies with social class.

A new generation of leaders has emerged within Britain’s universities, people who are intent on disentangling intellectual privilege from social privilege and proving the case for a new academic elitism. Chief among them is Alison Richard, the 56-year-old British anthropologist who was head-hunted from Yale a year ago to become vice-chancellor, or principal academic and executive officer, of her old university, Cambridge.

Richard is 5ft tall, has short brown hair and an impish face with rosy cheeks, and brown eyes that watch you closely and thoughtfully and then flare up brightly when she gets angry. She was born in Kent in 1948, and studied at Cambridge’s Newnham College, then - and still - a serious, swotty all-girls institution. She got a First in archaeology and anthropology, took her doctorate in primate biology in London, and left for Yale when she was 24.

Along with Oxford, Cambridge is arguably still the best university in Britain and probably in Europe too. Once, they were the best in the world but they lost that crown a few years ago to the US - and it is Richard’s job to bring it back.

"There is a deeply rooted ambivalence to academic excellence in Britain,” she said as we sat in her office in Old Schools, a cool, stone medieval building on Trinity Lane in Cambridge. Sunlight streamed through an open window, along with music from King’s College Chapel just across the lawn. A stern portrait of Grindal, a fiery, 16th century Archbishop of Canterbury, glared from between the bookcases on the wall.

"In many domains in our society, nobody has any problem with elites. But when it comes to universities, it’s confused with social class,” she said. “There is no inherent reason why society should not value excellence and differentially back it, should not say we want excellent universities and we are going to give money to them to get it because we want them to compete on the world stage.”

That desire for excellence was evident all around us in the beautiful shapes of Cambridge’s colleges. The oldest were founded by a class of wealthy ecclesiastical civil servants and statesmen - bishops, kings, queens - in the 13th and 14th centuries. It may not always have seemed so to the monks clustered in the medieval darkness but the model they and their powerful patrons built in the ensuing centuries, including chapel, library, dining hall, bedrooms, teaching rooms, and the time and money to think, contained everything necessary for the learned life and was a near-perfect incubator for elite contemplation.

At this point in history, a university’s purpose was to produce men of learning to lead church and state. In the seven centuries following its foundation, the system moulded people just like that - Isaac Newton and Charles Darwin, Thomas Hobbes and John Ruskin, Lewis Carroll, Oscar Wilde and William Gladstone - scholars, artists, and political stars who administered the country and its global empire. Periodically, social elitism reared its despicable head as some colleges became mere finishing schools for the aristocracy and upper classes (think Brideshead Revisited); but then came reform, as crusading dons raised standards and again insisted on academic excellence.

But in the 20th century the purpose of a university changed. The new gospel, in the post-second world war era, was the 1963 Robbins Report, which declared higher education was for “instruction in the skills suitable to play a part in the general division of labour”. Universities were to train people to contribute to the economy. The implication was the more graduates the better.
Britain was transformed from a society in which, shortly after the second world war, only about 2 per cent - future civil servants, clergy, physicians - went on to higher education, to a nation in which, by 2000, more than 40 per cent of the 18-30 age group thronged the campuses, not only of Oxbridge and the 19th century institutions such as Bristol but also of the polytechnics and the new universities of the 1960s that rose up to house them.

That the state should pay for the expansion was accepted by the academics. The government had bankrolled higher education since the end of the first world war. Then, the universities had turned to it for help following a financial crisis caused by inflation and a war-induced drop in fee-paying students. But late in the 20th century the politicians had other priorities, such as schools and hospitals, while the electorate had no appetite for tax rises.

As student numbers rose, average spending per student dropped - from £10,000 (in current prices) 20 years ago to less than £5,000 today, according to the education charity, the Sutton Trust. Oxford and Cambridge were not spared the squeeze because the point was that no university got preferential treatment. This had an effect on standards.

"Suppose you move from 100,000 to 400,000 graduates a year,” says Alison Wolf, professor of education at King’s College, London, in her book Does Education Matter? “All the latter have some of what the former had, but you no longer have 100,000, or anything like it, educated in the way the old graduates were.”

When your average income per student is £4,000, but educating that student costs around £10,000, or more at Oxford and Cambridge, the inescapable result is a loss. Of the 131 English universities, about a third recorded deficits in 2003. Today, Cambridge loses about £11m a year. To cover the losses, universities have failed to maintain their buildings or invest in new equipment, or even pay competitively. (The starting salary at Oxbridge is in the region of £20,000, or less.)

"You focus your money on front-line activities,” says Michael Sterling, vice-chancellor of Birmingham University and chairman of the Russell Group of England’s top 19 universities. “You direct your money out of your estate. You don’t maintain your buildings. You can only do that for a limited amount of time.”

But perhaps more frustrating than the cutbacks was the salary and promotions structure that reflected the system’s anti-elitist credo. The government handed each university a fixed number of students and a fixed sum of money to teach them, so teachers had no financial incentive to improve teaching, which in a free, competitive system might attract more students and higher fees.

Instead, they advanced up the career ladder according to the years they put in. It was a system designed to protect the weakest rather than reward the best. In Oxbridge’s case, the rot went right to the top. The position of college head was too often viewed as a prize for a distinguished career elsewhere, rather than an important leadership position, a job to be done in a competitive world.

Andrew Oswald, professor of economics at Warwick University, says: “Oxbridge has suffered because they held on to rigid salary scales. They paid too low and in too equal a way. It’s been a disaster. In our universities we have clung on to ways of doing business that are now out of date.”

Faced with such a system, many of the brightest students who 30 years ago would have stayed on to teach or do research didn’t consider academia as a career. Instead, they left for the comparative riches and greater freedoms of the city, law or the media.
Leaking talent, poor, stretched, bureaucratic and scruffy - Oxbridge at the end of the 20th century was a less-than-perfect model for incubating serious thought. This has been borne out in the international prizes awarded for academic greatness over the past few decades.

Until the 1970s, Britain consistently won about a fifth of Nobel prizes for science. Now, however, its share is less than a tenth. Another popular measure is the number of citations in academic journals garnered by a country’s researchers. Today, of the 1,200 most highly cited scientists in the world, according to a poll by Thomson ISI, only 80 work in Britain.

“We are giving away increasingly a monopoly on discovery and inventions,” says Malcolm Grant, who worked at Cambridge before becoming provost of University College London in 2003. “There is nothing that would induce me to think that this trend is going to change.”

But if the UK got it so wrong, who in the world got it right? The country that now accounts for nearly three-quarters of Nobel prizes won each year, and where 700 of the world’s most highly cited researchers work, is the US. Last year, academics at Shanghai University constructed a league of the world’s best universities, using a composite index of Nobel prizes, citations, and measures such as articles published in Nature and Science. Oxford came in ninth, Cambridge fifth. The best four were all American: Stanford, Caltech, Berkeley, and - at the pinnacle - Harvard University.

I flew to Boston to find out how Harvard had done it. A foggy drizzle fell on grassy Harvard Yard and on the grey-brown, officious-looking dormitories and halls that surround it. Harvard is America’s oldest university, founded by the pilgrim fathers in 1636 and named after its first benefactor. For the next three centuries it remained a parochial institution serving the upper-middle-class social elite of Boston. But in the 20th century it began to modernise, opening itself to women and Jews and embracing more meritocratic ways.

In contrast to the UK, Harvard has managed to stay mainly independent of government money. (Despite temptations - during the cold war, the US government offered America’s private universities funding for science in return for state control; when they refused, the government granted billions of dollars in funding anyway.) Independence has meant it has remained free to compete for academic success with America’s other private universities, such as Princeton, Yale and Stanford.

Their rivalry has fired an arms race between them for money, the best students, the best staff. The system is very different from the UK, and it has pushed them to the pre-eminent position among US, and world, universities. Top of the bunch is Harvard, for the time being at least, and in global terms it is Oxbridge’s nemesis.

In 2001, it appointed as its president Larry Summers, an academic star and former Harvard professor, who was US Treasury secretary in the Clinton administration. Summers is a hugely energetic man who combines intellectual elitism with a vigorously competitive spirit. An hour with him leaves the impression that Britain’s polite academics stand no chance in any global academic brawl.

Since Summers’ appointment he has ruffled feathers by trying to bolster his powers at the expense of Harvard’s 10 schools, which have traditionally guarded their independence. (He wants professors to spend more time teaching, plus a greater focus on science and public services, and increased study abroad.)

His office is in Massachusetts Hall, a red-brick building on the side of Harvard Yard. Inside, clocks ticked, watercolours adorned the walls, and Summers sat, his feet propped on a coffee table, sipping a Diet Coke. He
was reluctant to make direct comparisons between British and American universities, but did not evade the issue entirely. “Americans believe more in individual agency,” he said, setting down the Coke, clasping his hands behind his head, and relaxing in his seat.

Summers has a large head and broad face and, when he speaks, wears a perpetual grimace, a sort of fixed grin. “We are a highly competitive system, one in which there is cut-throat competition for the best faculty and the best students. Faculty are in competition for grants.

There is recognition in estimation of peers, and in terms of compensation. It is a system where excellence at every level is being recognised and rewarded. That commitment to excellence is what makes American private education so effective, that sense of competition.”

One area where competition has pushed Harvard is the battle for money. Harvard gets income from charging students tuition fees, the level of which it is free to set itself and which reflects the popularity of courses and thus the quality of teaching. It gets about a further third of its money from government.

As far as this goes, Summers emphasised that a major building block of any great university is strong leadership in making “the case to the broader society that the pure pursuit of truth is valuable so that government supports us”. (“Half the US Supreme Court graduated from Harvard Law School,” he said.)

This sales pitch for Harvard’s raison d’etre is also important in cultivating the university’s third source of money, the philanthropic donors and former students who want to add to and be part of Harvard’s success. To see Harvard’s money machine - the machine that maintains the university’s relationship with its 320,000 alumni - is to feel a sense of awe.

The central operation is housed in a gleaming office block about half a mile from Harvard Yard. On the fourth floor, 200 people (a further 400 are dotted around the 10 schools) are hitting the phones to remind alumni what a great time they had at Harvard, what great things it’s still doing, and how much they owe their alma mater.

They dispatch magazines, letters, and a flow of e-mails - the June e-mail brought alumni up to date on the planned move of some schools of study to nearby Allston, the work of Professor Michael O. Rabin on Hyper-Encryption by Virtual Satellite, discounts for Harvard alumni on IBM computers, and upcoming dates of Harvard reunions for the classes of ’39, ’44, ’49, ’54. It’s a formula that seems to work. When I was visiting, even the receptionist was taking down a credit card donation.

I met Donella Rapier, who runs Harvard’s fundraising, in her office in Massachusetts Hall, along with Jack Reardon, the director of the Harvard Alumni Association. Rapier is a tall, thin woman with a lot of energy. Reardon is a tanned, fit, former Harvard athletics coach with a knowing smile.

They explained how they tracked alumni through their lives after Harvard and that the secret for getting money was knowing when to ask and how much for. “Alumni give for several reasons,” Rapier said. “They want to make sure that future generations have an educational experience here that is as good as or better than the one they enjoyed. They want to support research that will have important implications for our global society. And, in a way, a gift is also an investment in themselves. It’s your brand equity. It’s part of who you are.”

There is also the issue of whether a gift might help get your offspring through the door. But Rapier insists: “No one is admitted to Harvard that isn’t academically qualified to be here. I’ve previously made many calls to generous yet disappointed people.”
For cynical Britons, who rarely give their old university another thought, the level of attachment Americans retain for their university is astonishing. More than 165 Harvard Alumni Clubs meet around the world. Every year big reunions are held in Harvard at which Summers speaks and glad-hands the old boys and girls.

But it’s more than clubs and parties - in a sense the alumni actually run the university. They select (and sit on) Harvard’s Board of Overseers, which appoints and advises the president. They have real power and in return they give money. Rapier’s team raised, university-wide, more than $500m last year and the total Harvard endowment - built up since 1925 and expanded rapidly through canny investment during the boom market years of the 1990s - now stands at about $20bn.

Harvard’s total operating budget is $2.5bn; it has 13,900 employees. (A scandal is raging over the salaries of six top managers of the fund, who together received salaries of $107.5m in 2003.) Contributions range from a few dollars to multi-million dollar gifts. One new addition is the Spangler Center, a sparkling neo-Georgian showcase of chandeliers and marble floors in Harvard Business School, that was a multi-million dollar donation from Dick Spangler, a South Carolinian alumnus who sold the family bank to BankAmerica.

The second area to which competition led Larry Summers is the fight for the best students. Each year Harvard gets 20,000 applications for 1,650 undergraduate places. But it does not just wait for the best applicants to come to it; it also goes out to find them. Bill Fitzsimmons, the dean of admissions, told me how Harvard buys lists of SAT scores from schools to find out where the talent is. “We send them application booklets,” he said. “Then in the spring we go to 60-65 cities along with Georgetown, Penn and Duke, and another 10-15 cities on our own, doing five cities every five days.”

Interviews are on a needs-blind basis, that is, a student is accepted irrespective of whether or not he or she can afford the tuition fees. Those fees are a whacking $26,000 a year ($38,000 with room and board), but Harvard gives two-fifths of students financial aid, a combination of scholarships, loans or the opportunity to earn money by working in the libraries, dining rooms or labs.

In February Larry Summers announced he was taking money from Harvard’s endowment to boost financial aid so that nobody whose parents earned under $40,000 would have to pay any fees. It’s the egalitarian dream: the poor boy or girl whisked from the ghetto to get a rich man’s education, but it’s Harvard’s competitive market system that is delivering it and not the state. Harvard is also now starting to look around the world for talent. This year it accepted 30 students from Britain, out of the 217 who applied.

As well as the best students, Summers is also fighting for the best staff. In the US there is a massive turnover of faculty as star academics are lured with lucrative inducements - offers of houses or cars, money for laboratories or think-tanks - from one university to another. When I was in Harvard, there was much back-slapping that Steven Pinker, the celebrated evolutionary psychologist, had been persuaded to switch allegiances from Massachusetts Institute of Technology (MIT).

“We spend a lot of time thinking about finding and recruiting,” Larry Summers assured me. “We think about people’s homes, people’s spouses, the educational needs of their kids.” Getting the stars is important because they attract students, money and awards; academic achievement is highly skewed and it is this elite that comes up with the big ideas that fill the textbooks for the next 100 years.

Britain, with its clever, underpaid academics, is an obvious target. The top US universities can more than double UK academics’ salaries and require them to do less teaching so they can write or focus on research.
Many British academics have accepted the offer. Niall Ferguson, the star Oxford historian, last year decamped to New York and this year is moving to Harvard; Peter Goddard, master of St John’s, Cambridge, last year moved to Princeton to run its Institute for Advanced Study. When I walked through Oxford with Alan Ryan, warden of New College, he recited a list of star academics who had left the university and said: “We are in danger of turning into an incubator for the likes of Yale and Harvard.”

I wanted to learn at closer hand the attractions of the US system so I telephoned Andrew Sweeting, a 30-year-old British economist who studied at Oxford but went to graduate school at MIT, his tuition fees paid and clutching a $22,000 annual stipend. He is now described as one of “America’s hottest young economists”. Despite an offer from the London School of Economics (LSE) in the UK, he was going to a job at Northwestern University near Chicago, where he will initially only have to teach 11 weeks each year. “There is more going on in the US,” he said. “People told me if you want to become an academic you will be in a better situation to do that by going to the US.”

At Harvard, once Summers has got the best staff and students, he expects them to work hard. Unlike Britain, the US has an elitist rewards system - all those high salaries - designed to spur the best on. “Some younger people are paid more than older people,” Summers smiles, in a gentle dig at the less flexible British model. The system also punishes, discarding those who don’t make the cut.

“For the few who win, this is the best job in the world,” says Leah Price, a Harvard English professor who did research at Cambridge. “But there’s an awful lot of people working for food.” And again unlike the UK, where departments get block research grants every five years or so, US researchers must compete for government money continuously on a market-driven, project-by-project basis.

Then there is the rivalry between Harvard’s high-achieving dons and among its precocious undergrads. “Here,” said Summers, “if you have not published a paper in a couple of years, you don’t feel so great, you get looked at a little funny... Americans are not embarrassed by ambition. There is no particular enthusiasm here about making it look like you are not trying.”

It’s a model that seems to work. “You walk around there at night and the lights are on,” says Brian Bell, an economist who got a PhD from Oxford and then did post-doctoral work at MIT, “but walk around at Oxford and the only lights are in the dining room.”

This is the sort of comment that makes Cambridge vice-chancellor Alison Richard very irritated. Richard says she didn’t go to the US because American universities were any better. She was planning to go to Alaska to “domesticate musk ox and harvest their wool” when she got a call from her former supervisor who said come to Yale. “I said, where’s Yale?”

As an anthropologist, Richard became best known for her work on the lemurs of Madagascar. But she switched to administration, and in 1994 was appointed provost. In that role, she told me, she slowed the increase in student fees, eliminated Yale’s budget deficit, raised salaries, extended need-blind admission and financial aid to international students, and took on more women.

These innovations may be a sign of what she has planned for Cambridge. When I met her, she insisted that the crisis in UK universities is financial and is not yet reflected in academic standards. She disputes measures such as the Shanghai index, which is biased towards sciences and ignores undergraduate teaching.

“IT is to do with the fact that we do more with less,” she said. “The financial underpinnings are spread too thin.
But at some point frugality ends and unsustainability begins. It puts into question our capability to recruit the brightest and the best of the next generation to regenerate the institution... The slope of the trajectory is real. It can’t go on indefinitely.” Now, she appears ready to fight back at the challenge thrown down by Harvard.

“"We are mobilising!” she assured me. “We lose people to the US and we recruit in an array of fields. Harvard is nowhere near Cambridge at maths and engineering!” Her eyes flashed. “It is not for nothing that Bill Gates has been endowing Cambridge.

In 2000, Gates gave £150m for the Gates Scholarships, which brings about 100 students to Cambridge each year from outside the UK. In 2001, Microsoft built a new research laboratory next to the university’s own computer lab. “He [Gates] recognises the distinctive style of this university with great vision and foresight. Our collegiate system - there is nothing like it in the New World!”

For its part, the UK government is becoming more sympathetic to the plight of the elite institutions. Over the past few years, it has given an increasing share of research money to the top tier. In this way, it is directing resources towards those campuses it deems best able to use them - and has forced some of the less good to close. (“A penny spent here [at Imperial] is a hell of a lot better than a penny spent at Luton, for the economy,” is how Richard Sykes, provost of Imperial College London and one of the loudest heralds of the new elitism, puts it.)

And following Tony Blair’s victory on top-up fees in January, the same elitist principles will be applied to undergraduate teaching. The change means that from 2006 any university can charge up to £3,000 on top of what it already gets from government. (Students will only pay after they graduate and then at 9 per cent a year of income above £15,000.)

The fees, which will vary between courses and universities depending on supply and demand, are a recognition that students as well as the state benefit from education and should pay some of the cost. They are a mechanism allowing students to use future earnings to get a well-financed education in the present.

The fees also represent an admission that the big idea of the 1960s - free education for all to open universities’ gates to the working classes - never really worked. It was the middle classes that flooded in, entrenching social elitism as they undermined intellectual elitism. Proponents of top-up fees hope the new revenues will now give universities money and incentives to seek out poorer children.

The changes, however, are not enough to satisfy the academics. Annual fees of £3,000 pale against Harvard’s $30,000 and will not close the yawning gap in most university accounts. Meanwhile, the increased research money largely ignores arts subjects, reflecting the government’s interest in science’s contribution to the economy.

At this moment in history we have a great belief in the power of technology arising out of science, Colin Lucas, until recently the vice-chancellor of Oxford University, told me. “It is not always going to be like that. Don’t forget that universities also do other things whose immediate impact can’t be measured in terms of added value in the plane of commerce.”

Lucas, who has rolled-up sleeves and combed-over hair, is a historian and world expert on the French Revolution. When I met him before his retirement (his successor, John Hood, a New Zealander from the University of Auckland, took over this month), he had a wistful air, as if he couldn’t wait to wash his hands of the whole business. He gave one of the clearest calls I heard for the new elitism: “You have got to take the most
intelligent and give them the best education you can. All societies understand that this is how societies progress and remain strong.”

Until the government gives more help, UK universities are seeking new sources of money on their own. One way is to sell some of their intellectual property. Oxford set up Isis Innovation, which licenses ideas its scientists come up with or tries to spin them off into separate companies. In 2000, Oxford built a £60m chemistry lab, a gleaming glass cube near the university parks, which was partly financed by selling, for £20m, half of any future profits that the lab makes during the next 15 years.

As well as selling ideas, they are taking on more graduate students, part of a broader push to transform themselves into bigger research universities along US lines. They are accepting more foreign students. The government does not control graduate numbers or students from outside the EU, so universities are free to set what fees they like.

This is a route LSE has already pursued, taking on so many foreign fee-paying students that it has effect privatised itself (and earned the nickname “Let’s See Europe”). Universities are also pursuing foreign pupils in their home countries. Nottingham University has campuses in China and Malaysia, and is developing online courses to tap into an expanding, international distance-learning market that Sir Colin Campbell, Nottingham vice-chancellor, estimates is worth about £150bn a year by 2020.

But the biggest hope for new money rests with the alumni - and the aspiration that British universities can build endowments to rival Harvard’s. Oxford and Cambridge have development offices where they try some of the arts practised by Rapier and Reardon in Harvard. Cambridge is preparing a fund-raising campaign around its 800th anniversary in 2009.

Oxford is raising £100m to refurbish the Bodleian Library. Oxford’s is the more established operation. It opened a development office in 1989, which now employs 37 fundraisers in Oxford, 12 in New York, and two in Tokyo.

Development director Mike Smithson conjured up for me a future where modern-day benefactors like the great ones of old, such as Thomas Bodley, John Radcliffe and Elias Ashmole, would once again litter Oxford with academic treasures. “On Monday, we asked a guy for a million pounds,” he said. “That was over lunch at the vice-chancellor’s residence. The critical thing is institutional leadership. The VC has got to be there.”

So far, some of the modern-day donors include Jeff Skoll of eBay (£4.1m) and James Martin, another Silicon Valley millionaire (about £1m a year in perpetuity). But these are one-off donations. The culture of consistent giving by alumni by Oxford’s army of former students - where the real money is - has still to take off. “These things don’t happen in the UK,” Smithson said. “We don’t have the alumni culture.”

Oxford and Cambridge are not poor. Each possesses endowments worth about £2bn, the legacies of their medieval founding gifts. But their wealth is mostly divided among the colleges rather than in any central, ready-to-use pot. Some colleges are very wealthy and some poor, and the wealthy don’t always feel the need to subsidise their neighbours, or even participate in university-wide projects.

This dislocation inhibits fundraising, which is further hampered by a lingering reluctance to grub for money. That slight snobbishness towards outside wealth was seen in 2000 when Oxford began to set up the new Said Business School and had to put down a near-rebellion by enraged dons who claimed it didn’t belong in Oxford’s academic tradition.
And in contrast to Harvard’s blazing corporate empire, Oxford’s development office is tucked away in a kebab-strewn alley behind Debenhams in Oxford’s city centre. “Our biggest problem,” Smithson said glumly, “is we are not above stairs. The institution does not know quite how to deal with us. That is the biggest difference between America and the UK. It is not quite accepted.”

In order to tie their disparate colleges and warring dons together more coherently - to make decision-making quicker and more effective so they can avoid debacles like that involving Oxford’s business school, and to organise fundraising, cut costs and take on global competition - Oxford and Cambridge are reforming their governance structures to bring power to the centre and strengthen the role of the vice-chancellor.

Cambridge’s academics, unhappy about losing power, voted down the university’s first reform proposals, put forward in 2001. Big decisions must still be ratified by the Regent House, the governing body of the university and its 31 colleges. (It means, for example, that Cambridge has been unable to change its intellectual property rules; the dons keep most of the profits.) Richard talks of the “wonderful messiness of Cambridge” but when she wants to change things, she is not always able to.

”Harvard’s schools are strongly independent,” said Scott Mead, a former Goldman Sachs partner and a philanthropist who has supported both Cambridge and Harvard. “But if Larry Summers wants to guide admissions in a particular direction he has the capacity, by virtue of his role as president, to galvanise that process, whereas in Cambridge the colleges admit students directly. This raises a particular set of challenges for Alison as she decides the areas she wants to focus on.”

Since her appointment, Richard has forced some changes, introducing five pro vice-chancellors to serve beneath her, for example, so she can better delegate responsibility, and now promises further reforms. Oxford, meanwhile, has gone further. In 2000, Colin Lucas streamlined its 100 academic departments into five divisions, delegated responsibilities to four pro-vice-chancellors, brought lay outsiders on to a single new 30-strong governing council, and extended the VC’s term from four to seven years.

These modernisations are a move away from decision-making in the medieval tradition to government by a US-style professional executive. They, and the extra millions that institutions are getting from government or via their own efforts in the commercial arena, mean that at last the tide may be turning in British universities’ favour. The extra money means they can pay their talent better. This is a step forwards as the US takes a step backwards: in its war on terror, the government has tightened visa controls, discouraging some sought-after academics and students from settling in the US.

Meanwhile, the UK still has many world-class stars, such as Stephen Hawking and Roger Pederson at Cambridge, the immunologist Herman Waldmann at Oxford, and the economists Richard Blundell and Tim Besley in London. Others are returning, such as John Cardy of All Souls College, Oxford, who this year won the Lars Onsager Prize for theoretical physics.

There are other improvements. Imperial College now pays part of the London housing costs for star faculty. The Royal Society’s £20m Brain Gain programme brings scientists to Britain. The University of Nottingham pays the tuition fees of anyone from the area who is the first in their family to go to university. If the new top-up fees are deemed a success, then the government could raise the upper limit to £10,000 in 2009.

In 21st century Britain, a new academic elitism may be taking root, one that is disentangled from social elitism. If it happens, it will be thanks to the efforts of revolutionaries such as Alison Richard. “We are seeing now,” she said in the sunshine in Cambridge, “the beginning of a breaking from that box in which this country put itself
for so long - the notion that all universities should be like one another.”