

# Postgraduate funding: the neglected dimension

## INTRODUCTION

1. The British Academy is concerned that the increase in undergraduate tuition fees in English universities will be a major deterrent to postgraduate study with consequent damage to the UK in general and higher education in particular. The key problems are that students completing their undergraduate courses in England will have levels of debt that may discourage them from embarking on further studies, and that there are not as yet revised plans in place for funding postgraduate studies, which has traditionally been an under-funded sector in the UK. As this statement indicates, these problems are serious in relation to most if not all subjects taught at postgraduate level. However, in some respects they impact particularly severely on the subject areas with which the British Academy mainly deals, namely the humanities and social sciences.
2. First, a brief word on the changes in funding of undergraduate study in England. Under the former system, funding was derived from two main sources – a teaching grant from government administered by the Higher Education Funding Council for England (HEFCE) and tuition fees paid by students drawing on support from government-funded student loans. Under the new system, “students in England should pay more for their tuition, to reflect the personal benefit they receive from having a degree and to ease the strain on the public purse”.<sup>1</sup> Tuition fees will rise as the teaching grant is reduced. In 2011/12, undergraduate tuition fees for UK domiciled and EU students were around £3,375 a year. In 2012/13, this

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1. House of Commons Business, Innovation and Skills Select Committee (November 2011), *Government Reform of Higher Education*.

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figure will rise considerably and for many will be £9,000 a year. Moreover, postgraduate studies are themselves likely to be subject to sharply rising tuition fees.<sup>2</sup>

3. While the funds available through government-backed student loans will increase and undergraduate fees are not payable up front, those graduating will have much higher levels of debt than before. No new funding arrangements have been put in place for postgraduate students to take account of the significant increase in undergraduate debt. The Academy is concerned that the debts incurred will discourage graduates from embarking on postgraduate study. This would not be beneficial to the UK, as it would be harmful to the UK's research capabilities, to the supply of suitable applicants for academic posts, and to the economy and society as a whole. This statement outlines why postgraduate study must be a priority for public investment and the action that should be taken to address these threats to its future sustainability.
4. The changes to funding and tuition fees only apply to English higher education institutions: those funded by the Higher Education Funding Council for England. Higher education is a devolved policy area, and so the funding regimes in Scotland, Wales and Northern Ireland are different. However, the impact of the changes in England will be felt across the UK, leading to increasing differences between funding regimes and different treatment of UK students depending on their domicile.

## THE SUPPLY OF POSTGRADUATES

5. Over the last ten years, the growth in postgraduate education in the UK has outstripped that of undergraduate education (the former increasing by approximately 25% over the last 10 years; the latter by only 18%).<sup>3</sup> Much of this growth has been fuelled by overseas students, with increases of 69% and 155% for EU and non-EU postgraduates respectively, compared to 14% for UK postgraduates.<sup>4</sup> The latest figures on the number of postgraduates in 2010–11 show a marginal increase of 1 per cent compared to the previous year: UK domiciled numbers were virtually static (with an increase of only 0.1%), with higher levels of growth for other-EU students (at 5%) and Non-EU (at just under 3%).<sup>5</sup> While the UK's ability to attract so many postgraduates from overseas is welcome and should not be put in jeopardy, the Academy is concerned that the growth in numbers of home postgraduate students has not kept pace with that for international students.

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2. See paragraph 28.

3. Data taken from [www.hesa.ac.uk](http://www.hesa.ac.uk) Total PG students 01/02: 469,850. Total UG students 01/02: 1,616,225 Table Oa (01/02): All Students by Institution, Mode of Study, Level of Study, Gender and Domicile on HESA. Total PG students 10/11: 588,720. Total UG students 10/11: 1,912,580. Table A (10/11): All students by level of study and mode of study on HESA.

4. In the period from 1997/98 to 2008/9, UK postgraduate students increased by 14% compared to an increase of 69% and 155% for EU and non-EU postgraduates respectively. See Adrian Smith, *One Step Beyond: Making the most of postgraduate education*, report to the Secretary of State for Business, March 2010.

5. HESA Student Record 2009/10 and 2010/11, Tables 5a, 5b, and 8.

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6. Growth in the numbers of UK domiciled postgraduates will be further constrained by the demographic context: “the relatively small growth in demand for PG study from home students coincided with an increase in the population old enough to consider this form of education. Births have since declined and we may see a corresponding decline in demand for HE in future.”<sup>6</sup>
  7. There is some anecdotal evidence that an increasing number of UK-domiciled students are choosing to undertake their postgraduate studies at overseas institutions. The data on this is patchy. While there are undoubtedly benefits both to the individual and to the UK from the presence of UK domiciled students overseas, some concerns have been raised about the possibility that doing postgraduate study overseas might increase in the future at the expense of recruitment to UK universities. There is a need for a better understanding of the benefits that flow from their studying overseas, as well as data on the number of UK-born postgraduates who are studying overseas, and whether they return to the UK thereafter.

## WHY THE SUPPLY OF UK-DOMICILED POSTGRADUATES MATTERS

8. The proportion of UK-domiciled students in the UK postgraduate population matters. If they have inadequate funding arrangements, UK students will be deprived of important opportunities. This is not simply a matter of concern for the individual students. It is essential for the country generally that the supply of postgraduates with high-level skills is sufficient both to fill vacancies in academic posts and to meet the requirements of an increasingly sophisticated and knowledge-based job market. Yet there is no strategy in place to ensure that the number of UK postgraduate researchers is sufficient to replenish the next generation of researchers, especially for some disciplines where the average age of academic researchers is particularly high.<sup>7</sup>
9. While the UK can fill some academic posts in the short-term by recruiting talented researchers from overseas, a high proportion of overseas students are believed to return home either on completion of their studies or within five years. There needs however to be a better understanding of the destinations of overseas postgraduates (both on completion of their studies and five years later), to test the validity of this commonly-held belief.
10. Even if any shortfall in highly-qualified applicants for academic posts can be mitigated by recruiting overseas candidates, a significant concern remains that there are insufficient opportunities and funding support for UK students to engage in

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6. 1994 Group (February 2012), *The Postgraduate Crisis*, p. 15

7. Paul Blomfield, MP, (Sheffield Central, Labour), as reported at a Westminster debate on postgraduate education held on 25 January 2012, *Hansard*, Column 104WH–134WH.

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postgraduate research and therefore to be in a position to apply for academic posts. The loss of opportunity for UK students, which is already a feature of our system, is likely to become more serious.

11. The supply of UK domiciled postgraduates also needs to be sufficient to meet the needs of business and other sectors. For example, in 2007 the Council for Industry and Higher Education stated:

*“Businesses may want to consider how far they need more postgraduates. In a post-Bologna Europe where the length of a first degree is closer to the current English three/four year model, the knowledge depth from a first degree may not be sufficient. The Government will want to consider whether it needs to develop policies that support such provision. Currently some 39% of postgraduates are international students. They underpin the survival of many departments. But an increasing number return home and are not available to UK based employers. The UK has devoted little thinking on the demand for and role of taught postgraduates in a more knowledge intensive economy and society.”<sup>8</sup>*

## THE SUPPLY OF OVERSEAS POSTGRADUATES

12. As a consequence of the growth in overseas students studying in the UK, almost half of all taught masters and postgraduate research students are from overseas.<sup>9</sup> While overseas students are of tremendous value to the UK, making significant contributions to UK research and bringing other social, cultural and, of course, financial benefits to the host university and the wider economy, there are concerns that the UK has become over-reliant on the supply of postgraduates from overseas. As the Smith Review said: “as competitor countries do more to market their postgraduate provision to international students and developing nations invest more in their own higher education systems, it is likely that patterns of international student demand and participation will change over the next decade. It may become more challenging for the UK to attract the same high numbers of international taught postgraduates.”<sup>10</sup>
13. This potential vulnerability is exacerbated by the fact that, in 2010/11 over half of overseas postgraduate research students in the UK came from three countries – China, Saudi Arabia and the United States.<sup>11</sup> Competition for overseas students is intense. A number of countries such as Germany and the Netherlands have long offered postgraduate courses in English in order to attract overseas students. In similar vein, one of Italy’s leading science and engineering institutions, the Politecnico di Milano, has announced that from 2014 all its graduate programmes will be taught

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8. The Council for Industry and Higher Education (2007), *International Competitiveness: Competitiveness and the role of universities*, p.16

9. HESA Student Record 2010/11, Tables 5a, 5b and 8.

10. Smith, *One Step Beyond*, p. 74.

11. HESA Student Record 2010/11, Table 8

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in English. Other factors and developments may also have an impact on the levels of future demand for UK postgraduate study from overseas. Greece is an example of the changes that can occur: in the late 1990s, Greece was the main country of origin for non-UK students studying in the UK, but the numbers subsequently declined in the period between 2000–1 and 2007–8.<sup>12</sup>

14. Changes in the UK Government’s student visa requirements may also have a negative impact on the supply of students from overseas, as evidenced by an assessment made in 2011 of the impact of the Government’s policy on student immigration, which estimated that over 4 years the policy would cost the UK (worst-case scenario) £3.6 billion, including the loss of student tuition fees to universities and other direct, as well as indirect, financial costs.<sup>13</sup> In addition, the Academy has concerns about the potentially damaging impact on the free flow of academic interchange and the ability of the UK to recruit the most talented overseas researchers and students. Taken together these represent a considerable threat to one of the UK’s most prized assets: its internationally renowned higher education sector.<sup>14</sup>
15. For these reasons, the British Academy strongly supports the call by university chancellors and chairs of Council that overseas university students should be removed from net migration statistics for policy purposes. As they stated, this would bring us “into line with our major competitors ... help government by creating a clear differentiation between temporary and permanent migration, help universities whose international character is essential to their future success, and help the UK by contributing to economic growth.”<sup>15</sup>

## THE FUTURE SUSTAINABILITY OF DISCIPLINES

16. There are also questions about the potential impact of declining numbers of UK postgraduates on the longer term well-being of disciplines. For instance, Research Councils UK’s (RCUK) ‘Health of Disciplines’ report in 2008, drew attention to concerns about “research intensive disciplines, such as economics [which] are confronted with longer term sustainability issues due to recruitment and retention problems.”<sup>16</sup> The report also drew attention to the age profile of the social sciences: “the social science base is very large and diverse and is generally older than that in the natural and physical sciences. This poses challenges to its long term health.”<sup>17</sup> In Law, there are concerns about “the proportion of law graduates entering professional

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12. Ibid., p. 28

13. House of Commons Home Affairs Committee (2011), *Student Visas: Follow up: Report, together with Government Response to the Committee’s Seventh Report of Session 2010–11 and formal minutes*, 18 July 2011, p. 4.

14. British Academy (2011), *UK Border Agency Work and Settlement Consultation: Memorandum from the British Academy*.

15. <http://www.universitiesuk.ac.uk/Newsroom/Media-Releases/Pages/PMletterChancellors.aspx>

16. RCUK (2008), *Health of Disciplines Annual Report 2008*, p.7.

17. Ibid.

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practice rather than academia.”<sup>18</sup> Similarly, the Arts and Humanities Research Council (AHRC) has raised concerns about modern languages and language-based Area Studies.

17. The British Academy has a particular concern about the current lack of UK-domiciled postgraduates studying languages, as well as the small proportion of UK-domiciled postgraduates in non-language based disciplines who have core skills and competencies in either languages or quantitative methods. While these skills are vital to the health of humanities and social science research, the number of postgraduates who possess them is worryingly low. There are thus good grounds to fear that these areas, which are already highly vulnerable, will be further damaged by the changes to undergraduate funding, and that this will have a knock-on impact on demand at the postgraduate level.<sup>19</sup>

## THE IMPORTANCE OF POSTGRADUATE STUDY

18. Postgraduate study benefits the individual, the economy and society as a whole. It is an important element within UK higher education, as doctoral students do a significant proportion of the country’s research. The postgraduate students of today are the university staff of tomorrow. Renewal from below is essential if the UK is to maintain its position as a world-leader in research. Without well-trained, highly skilled researchers, UK universities will not be able to maintain their ability to conduct world-leading research. As the Smith Review said: “Cutting-edge research conducted by postgraduates in our world-leading research centres contributes significantly to the health of the UK research base.”<sup>20</sup>
19. The skills that postgraduates develop are vital to UK research, enable postgraduates to enter a wide variety of other careers, and “are critical for tackling major business challenges and driving innovation and growth”.<sup>21</sup> In September 2011, the European Commission drew attention to the importance of these skills, noting that the potential of European higher education institutions is currently underexploited. It estimates that by 2020 35% of all EU jobs will require high-level qualifications but that only 26% of the current workforce has these qualifications.<sup>22</sup> In the current economic climate, it is essential that the UK is able to nurture the people with the skills it will need to maintain its competitive edge and to support innovation and growth.

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18. Ibid.

19. For information about the British Academy’s Languages and Quantitative Skills Programme (L&QS) – a programme aimed at building capacity in these areas of shortage – see [www.britac.ac.uk/policy/Languages\\_and\\_Quantitative\\_Skills.cfm](http://www.britac.ac.uk/policy/Languages_and_Quantitative_Skills.cfm)

20. Smith, *One Step Beyond*, p. 32.

21. Ibid., p.5.

22. EC Communication to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions (September 2011), *Supporting growth and jobs – an agenda for the modernisation of Europe’s higher education systems*, p. 2.

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20. Postgraduate students are aware of the link between postgraduate study and employability. For instance, the latest longitudinal survey by the Higher Education Statistics Agency (HESA) of the destinations of graduates and postgraduates found that 90% of those who took a postgraduate research degree in 2006/7 and 88% of those who took a postgraduate taught degree believed that the skills and competencies they developed were either a formal requirement or important in gaining their current job.<sup>23</sup>
  21. For postgraduates in subjects such as economics, business studies or law, employment may relate directly to their subject of study. For other humanities and social sciences (H&SS) postgraduates, the skills they have developed in the course of their studies are applicable to a large number of different employment sectors as employers look for a flexible and responsive workforce which can meet often ill-defined challenges and customer needs. Indeed, this is demonstrated by the most recent CBI skills survey, which this year found that 80% of graduate jobs do not require a specific discipline, and 80% of employers rate employability skills as the most important factor in recruitment.<sup>24</sup>
  22. There are of course wider benefits of H&SS skills to the individual and to society as a whole. As this Academy stated in 2004: “Engagement with the study of the subjects falling within the arts, humanities and social sciences contributes vitally to the cultural life and health of the nation. ... they help in the formation and training of well-informed, culturally aware critical minds which can be brought to bear on diverse crucial issues. They provide a framework for the advancement of understanding of our own and other cultures and societies, past and present, and promote informed reflection and decision-making on the wide range of challenging choices – cultural, social, political and economic – confronting society.”<sup>25</sup>
  23. For example, analysis undertaken by the AHRC pointed to the high value placed by former postgraduate award-holders on a doctoral qualification in the arts and humanities. “Even the PhD award-holders who have not become academics say they would, with hindsight, take a PhD again. This applies to 70 per cent of those now working in the private sector, over 81 per cent in the public and non-profit sectors and 96 per cent of the self-employed. All these groups attach a high value to their PhDs in terms of career and personal development.”<sup>26</sup>
  24. Given the many public benefits of postgraduate study, we believe that it is essential that a coherent strategy should be developed to avert what has rightly been termed an “oncoming postgraduate crisis”.<sup>27</sup>

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23. HESA (2011), *DLHE longitudinal survey 2006/07*, Table 15.

24. [http://www.cbi.org.uk/media/1514978/cbi\\_education\\_and\\_skills\\_survey\\_2012.pdf](http://www.cbi.org.uk/media/1514978/cbi_education_and_skills_survey_2012.pdf)

25. British Academy (2004), *‘That full complement of riches’ – the contributions of the arts, humanities and social sciences*, p. 60.

26. Arts and Humanities Research Council (2006), *On the Right Track*, p. 9.

27. 1994 Group, *The Postgraduate Crisis*, p. 4

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## FUNDING POSTGRADUATE STUDY

25. Unlike undergraduate study, there is no general system of government-funded loans for postgraduate study, and the costs have to be found up-front. Only a minority of UK H&SS postgraduate students receive grants from the research councils (see para 32 below): 49% of postgraduate research students in these disciplines were unfunded. In contrast, the proportion of unfunded research students in the sciences was 22%.<sup>28</sup> The situation for postgraduate taught students is no better.<sup>29</sup> Only 44% of STEM students are in receipt of funding; in the humanities this situation is starker, where almost 80% of students are unfunded.<sup>30</sup>
26. While postgraduate study is of immense benefit to the individual, increased levels of graduate debt may well act as a deterrent. The British Academy is concerned that that impact will be particularly severe for the humanities and social sciences, where sources of funding are more limited than those for the sciences and where the proportion of unfunded postgraduate students is significantly higher.
27. How will higher levels of undergraduate debt affect postgraduate demand? There is very little evidence on this issue. A report undertaken in 2008 of the impact of the former system of undergraduate funding, where levels of graduate debt were much lower, found evidence to suggest that “some graduates are being discouraged from undertaking postgraduate study due to concerns about debt from previous study and, for those who do go on to pursue postgraduate study, financial concerns may well restrict its nature.”<sup>31</sup> Students starting postgraduate research studies may find them difficult to complete in the absence of sustained sources of funding. This is evidenced by a 2007 study by HEFCE which found that research students in receipt of funding were more likely to complete their PhDs.<sup>32</sup> To develop our understanding of the impact that higher levels of undergraduate debt will have on postgraduate demand, the British Academy will be commissioning a study to examine how increased debt affects student behaviour and postgraduate study intentions.

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28. British Academy analysis of HESA Student Record 2006/7–2010/11. Copyright Higher Education Statistics Agency Limited 2012. HESA cannot accept any responsibility for inferences or conclusions derived from data by third parties.

29. Here the phrase ‘postgraduate taught’ refers to all non-research postgraduate students.

30. The equivalent figure for social science students is 49%. However, this category includes the disciplines, law, education and social work, which tend to be supported either professionally (in the case of law) or by the government because they directly provide employees to the public sector. If these disciplines are excluded, the data suggest that nearly two thirds of students receive no funding.

31. Professor Thrift, *Research Careers in the UK: A Review*, IUS, 2008. p. 22. A report commissioned by the then Secretary of State for Innovation, Universities and Skills, John Denham, to look into the attractiveness of research as a career given the associated importance of this to the UK economy. <http://www.bis.gov.uk/assets/BISCore/corporate/docs/H/he-debate-thrift.pdf>

32. HEFCE (2007), *PhD Research Degrees Update – Entry and Completion*.



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28. It is also unclear whether postgraduate tuition fees will rise in response to the withdrawal of HEFCE teaching funding. When setting postgraduate fees in the past, universities have tended to follow the figures that the research councils are prepared to meet for the postgraduates in receipt of their awards, a figure around £4k per annum for masters and PhD students. The 1994 Group has predicted that “postgraduate fees will need to rise to cover losses in HEFCE teaching funding”<sup>33</sup> and the evidence of fee levels for 2012–13 in a number of leading institutions is already confirming that prediction.
29. The British Academy is pleased to note that, in its latest grant letter to HEFCE, the government stated that HEFCE is “... taking the lead on gathering evidence to improve our understanding of the purpose and characteristics of, and outcomes from, postgraduate study, with the intention of reviewing postgraduate participation following the changes to undergraduate funding. ... Until the findings from this work become clear, ... the Council should in any case take steps as far as possible to support postgraduate provision.”<sup>34</sup>
30. In 2012/13, HEFCE will provide (as an interim one-year initiative only) £1,100 in teaching funds for taught postgraduates in some disciplines, in addition to recognition of high-cost disciplines. This funding is a contribution towards the costs of postgraduate teaching and relates to price bands A-C. These measures do not in the main apply to the humanities and social sciences (which fall primarily in price band D), where costs are lower.<sup>35</sup> Given the difficulties of obtaining funding to support postgraduate taught study in the humanities and social sciences referred to earlier, the British Academy believes that HEFCE should extend this support to cover all subjects, including those in price band D.
31. For postgraduate research students, HEFCE will (from 2012/13) increase the amount of the Research Degree Programme (RDP) stream within quality research funding from £205m to £240m. Such funding currently supports around 45,000 UK and EU postgraduate research students across all subject areas.<sup>36</sup>
32. Securing funding support for postgraduate study is challenging for students in the humanities and social sciences, where competition for awards from the H&SS research councils is severe – around 13% of H&SS UK domiciled postgraduate research students received funding from either the AHRC or the ESRC (Economic and Social

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33. 1994 Group, *The Postgraduate Crisis*, p.11,

34. Funding for higher education in England for 2012–13: HEFCE grant letter from BIS, 25 January 2012. Available at [www.hefce.ac.uk](http://www.hefce.ac.uk)

35. In 2012/13, HEFCE will allocate an additional £1,100 per student undertaking postgraduate taught (PGT) study in Bands A, B and C, amounting to a total of £39million.

36. The level of funding for each student weighted according to the quality of research within the RAE unit in which they are based. Given the ring-fence for science and research, HEFCE will be able to maintain this funding (in cash terms) until 2014/15. For more information see [www.hefce.ac.uk](http://www.hefce.ac.uk)

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Research Council). This contrasts with other disciplines; for example Mathematics, where the comparable figure was 39%.<sup>37</sup> Furthermore, sponsorship for H&SS postgraduate study from business or industry is rare.

33. Research councils have been and are continuing to introduce new funding arrangements and organisational structures with the aim of refocusing their support for postgraduate training. The councils have provided welcome flexibility to universities in managing their investment in postgraduate research. However, there are some concerns about what the changes may mean for those running PhD programmes in the humanities and social sciences (which have typically been smaller scale, more individually focused programmes, unlike some of the larger project team arrangements in life, natural and engineering sciences).
34. The British Academy supports the development by the AHRC and the ESRC of multidisciplinary doctoral training centres (DTCs), creating cohorts of doctoral students in a high-quality environment supervised by world-class researchers. However, there is a risk that some of the inevitable concentration of funding that will occur in the formation of DTCs and a shifting balance towards larger strategic projects may lead to fewer funding opportunities for students. It may also make it difficult for discrete pockets of research excellence to recruit and supervise postgraduate research students if those pockets are in institutions that do not have the across-the-board strength to form or join a DTC.
35. As the funding support for postgraduate students continues to become more limited, there is a severe risk that UK PhD programmes will find it ever more challenging to fulfill their role of providing the next generation of university teachers, let alone produce highly trained professionals for the many other jobs that now require a PhD as an entry qualification.<sup>38</sup>

## POSTGRADUATE STRUCTURES: THE INTERACTION BETWEEN THE TAUGHT AND THE RESEARCHED

36. Postgraduate education is often discussed in terms of an overly simple dichotomy between taught (PGT) and research (PGR) postgraduate students. In fact, the lines are much more blurred, with a Masters degree fulfilling a number of overlapping functions, including at least:
  - a) continuation of the undergraduate programme into a fourth year as with degrees such as MPhys, MMath, etc, which are already well established in science and

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37. British Academy analysis of HESA Student Record 2006/7–2010/11.

38. In 2005: 9% of PhD graduates in the humanities became commercial, industrial or public sector managers. 35.4% went into other professional careers outside of education. (What Do PhDs Do? Commentary on 2004–5 surveys of PhD graduates, p. 23).

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technology disciplines and are beginning to appear among the degree offerings in Humanities and Social Sciences as well;

- b) a necessary additional year required for professional accreditation in fields such as law (LLM) and engineering (MEng);
  - c) A programme of study in a subject that is distinct from the applicant's first degree and that provides a career qualification in its own right;
  - d) a programme of specialised study in a sub-field of the first degree as with MAs in topics like 'Victorian Studies', 'History of the Book', etc;
  - e) the foundation year of a doctoral programme, nowadays often labelled MRes, though many MA and MSc programmes also serve that function.
37. In many of the smaller H&SS fields, postgraduate numbers are not large but it is essential to keep open a route into postgraduate research if recruitment of the next generation of academics and other specialists is not wholly to be from those trained overseas. To achieve this, it is common – and from an academic perspective entirely defensible – to bring together in one programme students of types (d) and (e) above. Indeed, in some subjects a masters degree course may bring together types (b), (d) and (e). The Masters year thus becomes an integral part of the postgraduate research career, a pattern often summarised in the formula 1+3.<sup>39</sup>
38. The expectation that a doctoral programme will contain a preliminary Masters year of research preparation has been the norm in UK graduate programmes in H&SS disciplines for close on twenty years. Very importantly, it is also the international benchmark, recognised in the Bologna process through the distinction between 'second' and 'third' cycle, or in what are sometimes called 'structured doctoral programmes' (for example by the Council for Doctoral Education of the European Universities Association).
39. This international yardstick is an essential point of reference since in the field of postgraduate research training there are no national boundaries.<sup>40</sup> If the UK cannot maintain its current reputation as the deliverer of world class graduate training, it will lose students to competitors in Europe and beyond, and risks

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39. In a field such as Economics where the advanced specialist training that is the precursor to original research takes longer, it is common to find a variant of this model, referred to as 2+2. The end result is the same nonetheless: a four year integrated programme of teaching and research leading to the conferment of a Masters and a PhD.

40. See in this context reports such as *Doctoral Degrees beyond 2010* prepared by the League of European Research Universities (LERU) [http://www.leru.org/files/publications/LERU\\_Doctoral\\_degrees\\_beyond\\_2010](http://www.leru.org/files/publications/LERU_Doctoral_degrees_beyond_2010). and published in the same month as *One step beyond* (March 2010)

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falling off the international pace.<sup>41</sup> As noted earlier, a growing number of leading institutions in non-anglophone countries now deliver their postgraduate programmes exclusively or principally in English, heightening further the competition for the most talented students.

40. These international developments explain the recent rise in Doctoral Training Centres within the UK.<sup>42</sup> Given the integral part that the preparatory or masters year plays in the doctoral programme, it is essential that the funding available for research council funded students is sufficient to cover the full duration of the doctoral programme. Otherwise, there is a risk that there will be a financial bar to progress at the postgraduate level for the UK's most able students precisely at the time when they will emerge from their undergraduate programmes encumbered with historically unparalleled levels of debt. The issue threatens both the UK's reputation and its ability to prepare the next generation of advanced researchers.

## WIDENING POSTGRADUATE PARTICIPATION

41. A further threat lies in the impact that higher levels of undergraduate debt will have on the socio-economic profile of the UK-domiciled postgraduate population. There is already evidence that the combination of levels of existing undergraduate student debt (even though much lower than the levels of debt that will arise under the new system) and the costs of postgraduate study have in the past deterred candidates from less prosperous homes. A 2006 study commissioned by Prospects and the National Postgraduate Committee found that, whilst a high proportion of students from less affluent socio-economic groups would like to enter postgraduate study, respondents from these groups were substantially more likely to report financial concerns as having a strong influence on their mode and place of study; and they were more likely to depend on grants and postgraduate awards to fund their study.<sup>43</sup>
42. It is difficult to develop an in-depth understanding of this issue in the absence of robust data. The traditional criteria used in the undergraduate sector – postcode of parental home, parental income, school background – are not necessarily the only appropriate measures for judging efforts to widening participation in postgraduate study, though they remain important. Without an improvement in data, it will be hard to identify problems and implement effective solutions.

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41. Such a threat was explicitly recognised in the field of mathematics in a report compiled by the International Review of Mathematical Sciences for the Engineering and Physical Sciences Research Council in 2010 (and acknowledged in the EPSRC Action Plan, Nov 2011), but the danger is not limited to a single discipline. Both documents available at [www.epsrc.ac.uk](http://www.epsrc.ac.uk)

42. The ESRC launched its new model for doctoral training in September 2011, and the same spirit informs the current call for the AHRC's second round of its Block Grant Partnerships.

43. National Postgraduate Committee (April 2006), *The market failure of postgraduate education: financial and funding related issues*.

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43. These challenges of widening participation in postgraduate study are likely to grow over the coming years, so it is important that the sector increases its efforts to understand who is participating in postgraduate education and identify where capable, suitable candidates who are missing out. The sector and the country would suffer if postgraduate participation became a preserve of the wealthy.

## CONCLUSIONS

44. The British Academy is concerned that increased undergraduate debt will act as a major deterrent to postgraduate study, which, if left unchecked, threatens to damage the UK's higher education sector as a whole. It is essential to ensure that the supply of postgraduates is sufficient to meet the increasing demands from employers for these high-level skills, that the UK workforce has the skills to compete with their counterparts from overseas, and that the supply of trained researchers is sufficient to maintain leading research in the UK. The Academy is also concerned about the potential impact of declining numbers of postgraduates on the health of UK universities – which represent one of the UK's most prized assets. No strategy has yet been put in place to address these threats.
45. In the humanities and social sciences, there is a worrying lack of opportunities for UK students to obtain financial support for their studies compared to students in other disciplines. This gives rise to the concern that H&SS postgraduate provision may find itself in a vulnerable position should UK students shy away from postgraduate study as a result of increased undergraduate debt.
46. While demand from overseas students for UK postgraduate study in the humanities and social sciences has been high, and in some cases has made up for any shortfall in numbers of UK or EU postgraduates, current immigration policies are sending the wrong messages to overseas students at a time when the global competition for such students is severe. These policies need to be changed. Otherwise, there is a risk that UK H&SS postgraduate provision may be faced with declining demand from both UK and overseas students, which would be damaging not only to H&SS postgraduate study and research, but would also be harmful to UK universities.
47. The British Academy welcomes the establishment by the Higher Education Commission (a body independent of the government) of a Postgraduate Education Inquiry. We also applaud the work that HEFCE has embarked on (at the request of the government) to examine the effect of the changes in undergraduate funding on the postgraduate sector, and the fact that HEFCE intends to identify any vulnerabilities arising as a result. However, this measure by HEFCE, though welcome, does not in the Academy's view go far enough in addressing the concerns that have been identified, and the need for the government to develop a coherent strategy for postgraduate study.

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## RECOMMENDATIONS

48. For these reasons, the Academy makes the following additional recommendations:

- A government-backed postgraduate loan system must be considered alongside the new funding system for undergraduate study. The various options for a postgraduate loan system need to be developed and examined so that such a scheme can be introduced as soon as possible.
- Overseas university students, both undergraduate and postgraduate, should be removed from net migration statistics for policy purposes.
- HEFCE should extend its support for postgraduate taught study to include Band D subjects.
- Granted that, at a time of severe stringency in public funding, it is unlikely that the government can address the full range of funding challenges identified in this paper, it is necessary to seek other sources for funding postgraduate studies. Universities should be encouraged to provide bursaries for postgraduate studies, making the funding of postgraduate studies by UK and EU students a major focus of their fund-raising efforts.
- A priority for the next spending review should be to increase the number of research studentships generally, across the full range of subjects.
- Given the danger that UK domiciled students will shy away from postgraduate study, the research councils should consider what action is necessary to guarantee a supply of high-quality postgraduates sufficient to meet the demands both from UK research as well as from other sectors that rely on these skills.
- Research councils should ensure that the funding available to their award-holders is sufficient for the full duration of the postgraduate training and research programme, in order to guarantee that these programmes can continue to be internationally competitive.

49. When considering possible funding models, care should be taken to recognise the complexity of postgraduate education as the category of 'postgraduate student' is far from homogeneous. It is important that this is acknowledged in the public debate especially as regards the smaller academic disciplines where student numbers do not permit an easy separation of these strands. A rigid separation of taught and research postgraduates is in this respect unhelpful.

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50. For its part, the British Academy remains committed to continue to monitor developments concerning postgraduate study in the humanities and social sciences, drawing attention in national debates to its value and significance and identifying how potential threats to sustainability might be addressed. As part of these efforts, the British Academy will be commissioning research to deepen our understanding of student behaviour towards debt and the potential impact on demand for postgraduate study.
51. Postgraduate study is vital to the future health of universities and research, and provides essential skills that the UK needs to help grow the economy and innovate. The British Academy shares the concerns expressed by many others in the sector that the question of how postgraduate study should be funded in the future has been largely ignored in public debate – it is the neglected dimension – and has received next to no attention in the Government’s White Paper on Higher Education. Postgraduate study is under threat from a number of quarters, ranging from: increased levels of undergraduate debt; rising postgraduate tuition fees; the shortage of postgraduate funding opportunities; and current immigration policy. To address these threats, it is essential to develop a holistic strategy that recognises the value of postgraduate study to the UK.

July 2012



# BRITISH ACADEMY

This Position Statement – Postgraduate funding: the neglected dimension – draws attention to the importance of postgraduate study to the future health of universities and research, and to economic growth and innovation. The question of how postgraduate study should be funded in the future has been largely ignored in public debate. Postgraduate study is under threat from a number of quarters, ranging from: increased levels of undergraduate debt; rising postgraduate tuition fees; the shortage of postgraduate funding opportunities; and current immigration policy. This statement makes a number of recommendations aimed at addressing these threats and urges the government to develop a holistic strategy that recognises the value of postgraduate study in the UK.

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