# Submission to the Spending Review

The British Academy sets out seven ways government can harness the vast potential of the humanities and social sciences

The British Academy

# Introduction

The UK is a world leader in the humanities and social sciences: attracting students from around the world and punching above its weight in international research competitions. Humanities and social sciences subjects, also known as SHAPE subjects (Social Sciences, Humanities, and the Arts for People and the Economy), teach us to research, analyse, understand, interpret, communicate, create and collaborate, with rigour, clarity and energy – skills crucial to success for today's society.

From revolutionary theories that have shaped our economy and welfare state, to feminism and pioneering new ways of understanding our past, this country has given rise to many of the most ground-breaking ideas in history.

At the heart of these ideas are insights from the SHAPE subjects. These disciplines have been and will remain essential to our success as a country. Here, in our submission to the 2021 Spending Review, the British Academy sets out seven ways government can harness the vast potential of the humanities and social sciences to support its ambitions to Build Back Better and ensure the UK maintains its global reputation for excellence in all disciplines.

# 1. Advance Global Britain and bolster our relationship within Europe and the rest of the world

**There is a strong evidence base to show that:**

- The UK benefits hugely from close ties with its neighbours both within Europe and the international research community.[1] Association to Horizon Europe as well as strengthening the Turing Scheme are essential for advancing research and innovation and maintaining the UK's global position.[2] The UK has comparative advantage in many areas of research, technology and innovation and this has helped the UK, for example, be a leader in providing robust evidence for development on the most pressing global development challenges.[3]
- In order to deliver a truly Global Britain we must build strong and productive networks which seek to understand the nature of global problems and deliver solutions. Mutual understanding across different countries, languages and jurisdictions is fundamental to its success.[4]
- Languages and language learning are strategically vital in the context of Global Britain, as we look to recover from the COVID-19 pandemic and strengthen our commercial, soft-power, defence, security, cultural, and research relationships across the world.[5] It has been estimated that our language skills deficit could cost the UK economy up to 3.5% of GDP per annum.[6]
- Excellent research is a long-term undertaking, which depends on stable funding and infrastructures.[7] Maintaining all of these strengths through continued research and innovation ODA and non-ODA funding is key to ensuring that the UK remains best placed to deliver internationally. The research and innovation community has spent years building and maintaining significant and deep international partnerships with research and innovation partners, enabled by government funding.

**We therefore recommend that the government:**

- Ringfence funding so that the UK's commitment to association to Horizon Europe is clear and protected, and so that this can be clearly communicated for the sector and our international partners. Ringfencing this budget for the entire seven years of Horizon Europe will avoid creating instability and uncertainty for the research community.
- Ensure that the 10-year vision of the Integrated Review is matched by a similar long-term international research and innovation funding commitment, including for Official Development Assistance (ODA) research and innovation.
- Allocate future ODA funding in a way that supports long-term research collaborations as such investment has benefits not only for now but for societies and individuals into the future.
- Provide a stable, sustainable and trusted funding environment for all research and innovation, ensuring the UK is a partner of choice globally.
- Enable urgent, concerted and coordinated action to address the inadequate, longstanding, and worsening supply of the language skills needed by the UK to meet current and future needs.

# 2. Foster the right research environment

**There is a strong evidence base to show that:**

- Public investment in research and innovation is taxpayer money well spent: driving productivity, raising living standards and boosting our international reputation.[8]
- We operate in globally renowned research and innovation landscape in the UK, which punches above its weight because of its diverse funding landscape which supports research excellence through multiple pathways.[9]
- An inspiring and interconnected programme of investments to support talented people alongside investment in discovery research, research systems and physical infrastructure will ensure the UK is at the forefront of global collaboration and will contribute to the levelling up agenda.[10]
- Investments in research and innovation have made innumerable improvements and contributions to lives and livelihoods, but this broad-based contribution does not translate into policymakers' definitions of R&D, nor does it sit well with R&D statistics do not effectively capture the value of knowledge creation in SHAPE.[11]
- Sectors across the economy that draw on the skills and expertise from the SHAPE disciplines are among the fastest growing, including for example financial and legal services which are utilising advances in data science and AI, and the creative economy (which is worth over £100 billion a year).[12]
- Where R&D does occur, its adoption and diffusion can often be inhibited by the 'human factor', which can be addressed with insight from SHAPE subjects. Even in the most advanced and successful technology companies, technology only accounts for 10-20% of their activities. The rest are connected to business and leadership skills such as marketing, consumer insights and business acumen more generally, again relying on understanding of human and social behaviour.[13]

**We therefore recommend that the government:**

- Invests in people and create a long-term vision for the research and innovation system that matches the Governments' laudable ambitions.
- Supports increasing investment in UK research and development to 3% of GDP distributed across all disciplines and to ensure that we maintain a diverse funding landscape.
- Invests in outstanding UK-based researchers at all career stages, across all disciplines, and in essential skills such as leadership and entrepreneurship.
- More explicitly recognise SHAPE R&D in public investment such as in Innovate UK and other UK Research & Innovation (UKRI) bodies.
- Ensures that any future research environment maintains a balance between funding streams and works for all types of research, from challenge-led and project-based to exploratory and people-based funding mechanisms.

# 3. Attract and retain global talent

**There is a strong evidence base to show that:**

- A breadth of research and innovation talent allows us to pioneer new approaches and be a hub for the world; almost 3 in 10 UK academics are non-UK nationals.[14]
- The UK is a key partner for global research collaboration and researcher mobility, however the Government's own commissioned research has highlighted that there are growing indications it is losing ground.[15] Addressing the world's major challenges requires a global outlook as well as idea-sharing and engagement with academic and non-academic stakeholders across borders, and mobility is essential in this regard.
- Mobility helps to connect UK academics with centres of excellence in higher education and research overseas, thus contributing to the continuous strengthening of the UK research base.[16] Mobility facilitates the sharing of best practice in the higher education, research and innovation sector. This is beneficial to the UK and other countries, particularly those in the Global South. It helps the UK to retain its competitive advantage and its leadership position in research and innovation.[17]
- A key issue with the attractiveness of the UK's immigration system is cost to individual applicants and their host institutions. UK immigration costs are uncompetitive compared with other leading research nations.[18]
- Since 2011 and before the pandemic, countries such as Australia, Canada and the USA have seen high growth in international demand for study, while the total number of enrolled international students in the UK stayed flat.[19] At such a time, the UK needs an immigration system that actively helps to maintain and develop the UK's higher education and research strengths. The current system does not.

**We therefore recommend that the government:**

- Put in a place a fast, efficient and affordable immigration system that welcomes researchers and their dependants that allows institutions to attract and retain talented individuals from overseas.
- Reduce or eliminate the costs and fees for researchers and students wishing to visit, study and live in the UK, including for the Global Talent visa which includes those related to indefinite leave to remain and an exemption from paying the Immigration Health Surcharge, in order that the UK can be as competitive as other leading research and innovation nations.
- Ensure that the immigration system does not place undue impacts on the costs and fees for early career researchers – the future and emerging leaders of UK research and innovation.
- Ensure that schemes for outward mobility such as Erasmus+, and those that enable language specialists to come to the UK to teach, are able to continue to at least their present level into the future.
- Introduce a much more flexible system of recognition of language competence for those who regularly work in English, but do not have the formal qualifications that are currently recognised. The UK recognises only certain (mainly UK) degrees as demonstrating linguistic ability.
- Remove the liability currently placed on sponsors and simply require a verification of the legitimacy of the activity being undertaken.

# 4. Use the SHAPE disciplines to recover throughout the COVID Decade

The Academy's landmark review of the long-term implications of COVID-19 has shown that the pandemic has generated a series of social, economic and cultural effects that will cast a long shadow: we are in a COVID decade and, indeed, many of these effects will be felt far beyond that.[20]

**There is a strong evidence base to show that:**

- The long-term implications of COVID-19 are interconnected and include the nine areas listed here:
- exposing, exacerbating and solidifying existing inequalities in society, including health, structural and geographical inequalities; heightened awareness of the effects of mental health; low and unstable levels of trust across the country; pressure on revenue streams across the economy; rising unemployment; and heightening our awareness of the importance of investing in education and skills at all levels and for all ages.[21]
- But the evidence base also shows there have been areas of strength, resilience, creativity and innovation that emerged from the pandemic, many of which are highlighted in our review and through our evidence hub.[22]
- Throughout our history, times of upheaval – such as the pandemic – can be opportunities to reshape society, but that this requires vision and for key decision-makers to work together.

**We therefore recommend that the government:**

- Consider the seven, interconnected, strategic goals we laid out in order to shape a more resilient COVID decade. These are listed in the bullets which follow.[23]
- Build multi-level governance structures based on empowering participation, engagement and cooperation to strengthen the capacity to identify and respond to local needs.
- Improve the way we develop, share and communicate knowledge, data and information to enable all decision-makers to work from shared understanding of the facts.
- Prioritise investment in digital infrastructure as a critical public service to eliminate the digital divide, improve communication and joint problem solving, and create a more equitable basis for education and employment.
- Reimagine urban spaces to support sustainable and adaptable local businesses, amenities and lifestyles.
- Create a more agile, responsive education and training system capable of meeting the needs of a new social and economic environment and acting as a catalyst to develop and enhance our future.
- Strengthen and expand community-led social infrastructure that underpins the vital services and support structures needed to enhance local resilience, particularly in the most deprived areas.
- Empower a range of actors, including business and civil society, to work together with a sense of social purpose to help drive a solid strategy for recovery across the economy and society.

# 5. Reach Net Zero in partnership with the humanities and social sciences

**There is a strong evidence base to show that:**

- Achieving Net Zero requires insights from a range of SHAPE disciplines including economics, psychology, philosophy and law.[24]
- A just, sustainable, inclusive and equitable transition to Net Zero requires understanding the complex human and social dimensions to environmental challenges and their solutions.[25]
- All sectors of the economy must be part of the transition, including business. Business can and must play a positive role in creating a fairer, more resilient and more sustainable future. Our Future of the Corporation programme sets out the evidence base for how the purpose of business can be about creating profitable solutions for problems of people and planet, and not profiting from creating problems.[26]
- Implementing policies to achieve Net Zero require an understanding of places, and the people and cultures within them. SHAPE disciplines are essential for governments in making visible the specific local contexts that affect decisions on environmental sustainability.[27]

**We therefore recommend that the government:**

- Convene the entire research community and utilise a diversity of approaches, including localised and indigenous knowledge, to bridge sectors and disciplines, integrate insights to help effectively and equitably inform policy, and encourage interdisciplinary learning.
- Work with researchers and innovators to address the fundamental social, cultural, economic and political challenges of reaching net zero, including to improve our understanding of the political and cultural changes needed to shift societies and economies towards low carbon pathways.
- Take a people-centred approach to understand how individuals and communities can live with climate change and the changes needed within socio-economic, political and infrastructural systems to support their needs.
- Establish an advanced programme of activities for informing and shaping policy development, international cooperation and public engagement including around COP15 and COP26, focused on environmental sustainability and a just transition to Net Zero by 2050 while delivering justice and equity.
- Implement the interrelated policy proposals outlined in our Future of the Corporation programme to encourage business to maximise their impact in the transition to Net Zero, in particular the proposals to create more accountability for business commitments to purpose, including Net Zero commitments.

# 6. Level up across UK

**There is a strong evidence base to show that:**

- Levelling up across the country will require using the best insights from our research and innovation system to do so, in particular from geographers, sociologists, demographers, historians and economists, to name a few.
- SHAPE expertise is valuable to understanding places and in designing devolved funding models to fit and support local economic growth in context. Much public R&D funding is centralised, with little incentive for collaboration with local strategies and opportunities.[28] Centralised funding uses standardised cost-benefits ratios which rewards already productive regions, amplifying existing regional disparities.[29]
- A component of levelling up could rely on the development among different parts of the economy and society of 'common purposes': forward-looking positive narratives around prosperity and wellbeing which bring together different actors and have relevance both for partnering to deliver investment and in terms of how regulators engage with regulated companies. For example, in private finance, long-term relationships among providers of risk capital at local levels are critical to funding the start-up and growth of small and medium-sized enterprises, but are largely absent outside of London and the South-East of the UK.[30]
- EU structural funds played a vital role across the UK, including the devolved nations in supporting research and innovation and local economies.[31]
- Even in the most advanced and successful technology companies, technology only accounts for 10-20% of their activities. The rest are connected to business, leadership and other SHAPE skills, such as marketing, consumer insights and business acumen, skills which rely on understanding of human, economic, cultural and social behaviour.

**We therefore recommend that the government:**

- Use SHAPE expertise to develop an evidence-base for devolving funding decisions to localities and to improve understanding of how the translation of ideas and innovations occurs in order to increase innovation adoption.
- Have an experimental approach to devolved R&D funding which offers a flexible approach for local leadership and allows for the integration of R&D with localised, complementary skills policy. Future regional intelligence, priorities and approaches need to consider the strengths and needs from across the region, not just within its universities.
- Ensure that the Shared Prosperity Fund is designed with research and innovation as a central objective in delivering on its aims given the crucial value EU Structural Funds have provided across the UK.
- Consider recommendations for a purposeful approach to finance and investment as outlined in our Future of the Corporation programme, to improve access to finance across the UK.
- Support business in promoting commercial activity around locally based start-ups, entrepreneurial firms, and small and medium-sized enterprises (SMEs), as well as larger companies, to forge close relationships with local communities.

# 7. Support a sustainable higher education and skills system that champions all disciplines

**There is a strong evidence base to show that:**

- The insights the SHAPE disciplines yield are among the UK's greatest strengths and are crucial to tackling the most significant challenges we face in the world today, from climate change to meeting the needs of an ageing society and tackling poverty.[32]
- The researchers of the future will need to be able to apply knowledge from across the discipline range as the challenges they look to solve become increasingly complex. A broad and balanced curriculum throughout their school-level education will be vital in preparing them with the skills, from critical analysis, creative thinking and persuasion to statistical analysis and digital skills, they will need.[33]
- Improving the UK skills base is critical to increasing productivity and meeting the challenges created by the decision to leave the EU and the constantly changing world of work.[34] This will require a sustainable system of funding for our world-leading universities, one which maintains a breadth of subjects and sufficiently funds both excellent further and higher education.
- Sustaining the pipeline of skilled arts, humanities and social science graduates will help fuel the largest and fastest growing areas of the economy: the services sector which accounts for 80% of the UK's economy;[35] the creative economy, growing at twice the rate of the UK economy between 2014-2020 and worth £84.1bn;[36] and the heritage sector, which is central to the UK's appeal as a tourist destination and rebuilding the economy after the pandemic.
- High-skilled jobs will become increasingly essential and the SHAPE disciplines provide a rich context for the development of higher-level skills and lifelong learning that will allow the workforce of the future to cope, adapt and thrive. [37] [38]
- Our rapidly changing world of work also calls for a flexible, multilingual workforce that communicates and collaborates, excels at analysis and problem-solving, and thinks critically and creatively.[39] These skills offer high rates of employability, produce flexible and resilient graduates, and are in demand across the UK economy as 8 of the 10 fastest growing sectors employ more graduates from SHAPE than other disciplines.[40]

**We therefore recommend that the government:**

- Take steps towards ensuring that there is a broad, balanced and interconnected school curriculum which allows and encourages students to study a range of disciplines and languages, including the arts, humanities and social sciences alongside science, mathematics, engineering and technology.
- Safeguard the sustainability of the higher education sector and ensure that funding for all courses reflects the cost of high-quality teaching and research, especially the full costs of provision for language degrees.
- Reconsider the distribution of funding to recognise the value of a full range of subjects and skills vital to a thriving economy and environment, vibrant culture and cohesive society. Cuts in the performing arts, creative arts and media studies reduces the wider benefits to culture and society that students in these subjects bring and risks exacerbating inequalities and barriers to education for young people.
- Invest in and champion the humanities and social sciences, alongside science, technology, engineering and mathematics.
- Support excellent research in all aspects of a discipline through investing in researcher-led, curiosity-driven research.

# About the Academy

The British Academy is the UK's national academy for the humanities and social sciences. We mobilise these disciplines to understand the world and shape a brighter future.

From artificial intelligence to climate change, from building prosperity to improving well-being – today's complex challenges can only be resolved by deepening our insight into people, cultures and societies.

We invest in researchers and projects across the UK and overseas, engage the public with fresh thinking and debates, and bring together scholars, government, business and civil society to influence policy for the benefit of everyone.

# Endnotes

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