Securing the future of postgraduate education

Geoff Whitty

The UK Government was slow to recognise a threat to the future health of postgraduate provision in English universities. Initially, it seemed to accept the 2010 Browne report’s assumption that, not only was there no need to extend the proposed undergraduate student support package to postgraduates, existing state funding to institutions for most taught Master’s courses could cease on the same basis as for undergraduate courses.¹ Ministers claimed that withdrawal of funding for courses would be offset by an increase in public funding for student support. Yet no new support package for postgraduate students has so far been proposed.

What is at stake?

At first, leaders of postgraduate institutions for the arts and social sciences led efforts to highlight the dangers. Subsequently, there has been a wider recognition that any threat to the funding of postgraduate education could have a serious impact on universities and the future strength of UK research. British Academy president, Sir Adam Roberts, asked:

“if fees reform puts graduates off postgraduate study, where will academia find its new blood?”²

But it is not just an issue for the future of arts subjects in UK universities, important as that is. In a report for the previous government, Adrian Smith argued that the skills of postgraduates were:

“critical for tackling major business challenges and driving innovation and growth.”³

Indeed, the wider consequences of not getting postgraduate education right could be considerable for the health of the professions and for the UK’s competitiveness in the global economy.

The Government itself has noticed that school teachers in high-performing countries are educated to Master’s level. Yet, while encouraging more teachers to take such courses, it has stopped funding a scheme that enabled them to do so.⁴ And, in a report last year, the inventor Sir James Dyson claimed that, in 2008, only 70 out of

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¹ Browne Report, Securing a Sustainable Future for Higher Education in the UK, October 2010.
³ Adrian Smith, One Step Beyond: Making the most of postgraduate education, Department of Business, Innovation and Skills, March 2010.
3,825 additional postgraduate engineering students were from the UK. He recently warned that this could have a huge impact on the economy and called for more government grants to enable UK students to study at postgraduate level.\(^5\)

Browne took comfort from the fact that, under previous arrangements, overall enrolments at postgraduate level increased by 25% between 2002-03 and 2008-09 and by 46% for taught Master’s courses. Yet rates for home students were significantly lower, even if they do seem to have increased somewhat in the last two years. As some of those students were already repaying undergraduate loans, this might suggest there is no problem. However, increased debt and the removal of state funding for most courses will now take us into uncharted territory.

**New access issues**

It is not just the number of students that matters, but also the composition of the student body. Browne quoted figures that showed private school students already more likely than their state school peers to undertake postgraduate study.\(^6\)

### The backgrounds of postgraduates and undergraduates\(^7\)

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<thead>
<tr>
<th></th>
<th>Privately Educated</th>
<th>State school educated</th>
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<tbody>
<tr>
<td>Postgraduate population</td>
<td>17%</td>
<td>83%</td>
</tr>
<tr>
<td>Undergraduate population</td>
<td>14%</td>
<td>86%</td>
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<tr>
<td>Total population</td>
<td>7%</td>
<td>93%</td>
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In arguing for “*fairer financial support for postgraduate students*” in 2009, Alan Milburn suggested that a lack of postgraduate funding for access to the professions had serious implications for social mobility.\(^8\) Evidence from other countries is that, as undergraduate qualifications become the norm, postgraduate study is an increasingly important social sorting mechanism.

Even after the Government’s reforms, fees for home undergraduate students will remain regulated. At Master’s level, they are not. Average fees for a one-year course for a home student rose to £4,000 last year, while an MBA cost an average of £12,000.\(^9\) Fees will rise significantly when the subsidy is removed and, when undergraduate


\(^6\) Browne, *op cit*

\(^7\) Browne Report drawn from Sutton Trust, itself drawing on DLHE data


fees triple from 2012, universities are unlikely to price postgraduate courses below undergraduate ones.

Compared with provision for undergraduates, support for postgraduates is ‘hit or miss’. Research Council studentships are available for some students, while some others have access to career development loans. Some get support from their employers, but many fund themselves, particularly if they study part-time. Cost sharing is already widespread at postgraduate level, but the proposed removal of any state subsidy would make the extent of a student’s own means to contribute increasingly important.

Terence Kealey has claimed that:

“the UK market in taught postgraduate courses has long been liberalised, so its fees are correspondingly high, yet demand rises inexorably.”

He, like Browne, may have been unduly influenced by a Business School model. While higher degrees as a whole do bring benefits to individuals and the Exchequer, not all subjects command high fees nor do they all produce impressive returns. Smith’s report showed that recent postgraduates earned on average £23,500 six months after graduating – a postgraduate premium of around 24%. However, Business and Administrative Studies postgraduates earned 36% more than first-degree holders, while Languages and Engineering students gained only an 11% premium.

In some arts subjects, individual financial benefits from study at this level could be minimal, despite its wider social benefits. Future funding options need to take this into account. Furthermore, the majority of home postgraduate students are part-time and, unless things change, they will face the triple disincentive of increased undergraduate debt, higher postgraduate fees and no student support package.

**Ways forward**

Browne himself accepted a need to monitor the impact of higher undergraduate fees and David Willetts has acknowledged that:

“It would be clearly detrimental to this country if we saw a big fall in postgraduate numbers”.

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10 Terence Kealey ‘Free the market: take the cap off tuition fees’, *The Times*, 29th March 2011.
11 Smith, *op cit*
He has now asked Sir Adrian Smith to review the future of postgraduate study in the new funding environment.13

So what options are open to the Government? Southampton Vice-Chancellor, Don Nutbeam, uses his Australian experience to champion a single loan system for undergraduate and postgraduate education, with a lifetime cap on the amount that can be borrowed. This would provide flexibility in relation to individual students’ lifetime learning needs and changing economic conditions, while maintaining financial control by government. He warns that:

“the alternative is a system in which UK universities continue to operate in a global market place...from which our own students become increasingly excluded.”14

If Nutbeam’s proposals are not feasible in the short term, some measures will need to be put in place before students emerge with increased undergraduate debt. Among those floated have been maintenance of teaching funding for postgraduate courses and an endowment fund to support ‘need-blind’ entry for home students in some subjects. Others might include repayment ‘holidays’ for those returning to study part-time while repaying their undergraduate debts, or a more comprehensive and comprehensible system of career development loans. Employers will need to make a greater contribution, perhaps incentivised by tax breaks. For key professions like health, social work, education and defence the state could act as a surrogate employer and provide other incentives. A ‘one stop shop’ for information on courses and funding for postgraduates would also help.

There is, of course, a need for continuing debate about the meaning of graduate skills and the nature of postgraduate education, as well as about the balance to be struck between undergraduate and postgraduate provision. However, such debates should take place in a context where access to postgraduate education is a realistic possibility for those who can benefit from it. It would be ironic if the new undergraduate arrangements proved to be more equitable than their critics fear, only to find that inequities are reintroduced via that part of the system that has so far been neglected in the funding debate.

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