

# THE ECONOMIC CHAOS OF RESEARCH GRANTS<sup>1</sup>

DR PETER BOWBRICK

[Peter Bowbrick is a consultant in the economics of markets]

Applications for research grants are taking up more and more of researchers' time leaving less time for research. The research selectivity exercise places emphasis on research funding obtained, with some questionable evaluation of the "quality" of the research that is done with it, and none at all of the value of the research to the nation. As a result the advertisements for lecturers, readers and professors increasingly specify that the applicant must have a record of attracting funding.

This means that anyone ambitious and the army of contract researchers whose immediate ambition is to get another contract, are all trying to outdo each other in producing more proposals and fuller and better proposals.

However, there is a fixed amount of money available - or at least it is difficult to argue that more money will become available if everyone spends six weeks instead of four preparing a proposal, or if they send multiple applications to the same or different potential funders. The result of the competition is more and more time being spent for the same amount of money. Ambition being what it is, it is difficult to see where the limits lie.

This is a classic example of a badly designed market producing an unwanted product, applications, instead of the desired product, research (or more accurately useful research).

## THE EFFECT

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The effect has been dramatic. Once I spent a month writing a very carefully planned, researched and targeted proposal for a one year grant. However, so did a dozen other people, with the result that thirteen months was spent applying for twelve months research.

One grant giver advertised widely and expensively that it was giving away £7000. I wrote for details and was sent application form number 250. A quick calculation suggested that the payout would be perhaps £2 per day spent writing proposals so I dropped it.

About one in five applications for ESRC grants are funded. The ESRC was not able to give figures for the amount of time funded but gave a rough guess (optimistic, I believe) of 30 months research officer time per funded application. At four to six weeks per application this means that 17% to 25% as much time is spent on preparing applications as in doing the research. Add to this the ESRC administration costs and the time of the referees and the amount of time spent on applying is probably over one third.

One ESRC research programme had over 300 people spending two to three weeks writing outline proposals, out of whom 19% were allowed to submit full proposals and 8% eventually got grants. Again figures are not available on the research time actually funded, but on estimates some 27% as long was spent on writing proposals as on actual research. In this particular case the professor organizing the research programme improved the outcome from the 27% using only ESRC money to 15% by getting other money at the last moment.

### IS QUALITY IMPROVED?

There is no reason to believe that this competition selects the best research for funding - what evidence could possibly be produced?. There is a lot of reason to believe that it selects average or below average projects.

The ESRC can only fund one third of the projects that are alpha rated, so the choice between these is arbitrary. However, there is no reason to believe that alpha rated projects are better than the others - the assessment of probable outcomes must be far less reliable than the notoriously erratic refereeing of journal articles.

Anything brilliantly original or non-routine is certain to annoy some people. With four referees it is highly likely that such a proposal will be violently attacked by one or two referees.

Referees also stand to lose money and promotion if they approve competing projects, particularly work that is likely to supplant or refute their own. Even if a small minority react, consciously or unconsciously, the effect can be significant where there are four referees. This is another failure of the system: when professionals design a market, they always guard against moral hazard. They would not design one where there is a major moral hazard in the key decision.

Clearly, therefore, if there were no research selection exercise, there would be perhaps 25% more time available for research and the quality of the research produced would be unquestionably better. The quality of the output of a research programme should be judged on the absolute amount of good or very good research produced. It should not be judged on the absolute amount of poor research produced, and certainly not on the percentage of poor research produced.

An extreme solution would be to let recent graduates enter a lottery. The successful ones would be funded for their whole career, subject to some precautions against abuse. The unsuccessful ones would go into business, and not waste any time getting a PhD or going from temporary contract to temporary contract. And of course nobody would write research proposals. This is very similar to the system that operated in the days when Britain led the world in the social sciences.

Less extreme, and less efficient would be for today's researchers, or their departments, to enter a lottery, with the winners allowed to fund their pet proposals.

Of course this system would rule out Einstein if he had happened not to win the lottery (but what a businessman he would have made!). However, he would not have stood a chance with today's system: no history of research grants! does not want any serious money, just a pencil and paper! has not specified the software needed! has only written one paper! works in a patent office not a university! methodology not stated! quite incompatible with existing theory: he obviously has not read the literature! he has not stated what his outcomes will be!

997 Words

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