

HOW CAN THE GOVERNMENT ENSURE UNIVERSITIES ARE BEST PLACED TO MAXIMISE THEIR CONTRIBUTION TO A SUCCESSFUL AND GLOBAL UK POST-EU EXIT?

As the government looks to minimise turbulence and maximise the opportunities associated with leaving the European Union, British universities have a vital role to play in creating a successful, dynamic and internationally competitive post-exit United Kingdom. Universities are central to driving inclusive economic growth locally, regionally and nationally; improving productivity as part of the Industrial Strategy; and strengthening international trade and diplomatic relationships across Europe and the wider world.

UK universities are a British success story. They are world-renowned, internationally competitive and a major economic asset, [generating an annual output of £95 billion for the British economy](#), and accounting for 2.9% of all economic activity generated in the country in 2014–15. They support more than 940,000 jobs and generate £13.1 billion of export receipts, and through their research, teaching and other activities, make a major contribution to society, individuals, and to social cohesion. Their positive impact is felt by local communities in every region of the UK.

In science and research, the UK produces 15.2% of the world's most highly-cited articles – with only 0.9% of the world's population – and ranks first among competitors by field-weighted citation impact (an indicator of research quality).

Universities also support the UK's soft power and global partnerships: they are connected with businesses, governments and research partners worldwide, and count many leading international figures among their alumni.

The positive contribution of UK higher education to the UK economy and society will be greatest if British universities are magnets for international talent, are welcoming to international students, and are leaders in international research collaboration.

This briefing sets out how the government can build on the momentum of the phase one and transition agreements and secure an effective post-Brexit settlement where universities can maximise their contribution to a globally-successful UK.

Without the government taking action, there are risks that:

- the UK higher education sector's reputation as a collaborator of choice in vital research is weakened
- access to key funding mechanisms to support research excellence are lost
- the UK will slip further behind competitors in sending students abroad as part of their degree
- the UK will lose existing academic talent from the EU
- universities will experience sudden, steep declines in EU student enrolments
- universities' activity to drive local growth and generate jobs will be hampered

BUILDING ON THE MOMENTUM OF THE PHASE ONE AND TRANSITION AGREEMENTS

Universities welcome the progress reached through the phase one and transition agreements on the UK's exit from the EU, which provides much needed certainty for:

- the 49,530 EU nationals working across the university sector, who are now clearer on what their post-Brexit rights will look like
- researchers in the UK and across the EU, who are now reassured on the UK's continued participation in Horizon 2020 until its end date
- students planning their semester or year abroad through Erasmus+, who can now be confident that they will be able to do so as part of their degree that they've already started
- university students and staff, who can be confident of a period of transition from March 2019 until December 2020 that is underpinned by stability and certainty

In order to provide even greater certainty and stability for universities, **the government should:**

- **enshrine the agreement reached on citizens' rights into UK law** as soon as possible.
- **confirm that EU students starting a course in 2019–20 – and throughout any post-exit transition period – will continue to be eligible for home fee status, and be eligible for loans and grants on the current terms, and that this will apply for the duration of their course.** Students from across the EU – who bring great economic and academic value – are already enquiring about 2019 study but face uncertainty on the expected financial costs of doing so. An equal level of clarification must be provided across all parts of the UK.
- **support the higher education sector in increasing awareness across Europe of the UK's continued eligibility to participate in certain EU programmes** until the end of 2020. This is most urgent for Horizon 2020, as government statistics show a drop in UK participations and collaborations following 18 months of uncertainty.

SECURING AN EFFECTIVE POST-EXIT SETTLEMENT FOR UNIVERSITIES

As phase two of negotiations progress, the government can ensure that universities are able to thrive post-exit by reaching an effective settlement that includes:

- securing a longer-term partnership based on **strong academic cooperation, collaboration and exchange between the UK and its EU partners**
- seizing on the opportunities Brexit provides to **enact vital domestic policy reform** and **strengthened support for cooperation with non-EU partners**

In order to achieve the above outcomes, the government should:

1. **Ensure the framework for the future UK-EU relationship agreed through phase two includes a comprehensive chapter on academic cooperation.** International collaboration and exchange underpin the university sector's success, and cooperation between the UK and the EU in higher education and research must form a key pillar of the deep and special relationship of the future. The framework for the future UK-EU relationship should include a commitment to work together to secure:
 - **association to a Framework Programme 9 (the next EU research and innovation programme and successor to Horizon 2020) focused on excellence.** The UK and EU should ensure that an association agreement to Framework Programme 9 (FP9) can be signed once the programme has been legislated (expected in 2020) and provided that it continues to focus on excellence. In the meantime, the government should work to influence

the shape of FP9 and make clear its desire to become an associate country in the programme so that the foundations for association can be laid as early as possible in the negotiation process. International collaboration is essential to the success of research and innovation in the UK. Currently, Horizon 2020 provides a ready-made platform for collaborating with key European partners, including six of the UK's top 10 research partners. Participation in Horizon 2020 allows access to a multi-national pooled financial resource that supports – and incentivises – collaboration. The programme offers globally-recognised prestige, enabling access and exposure to networks and contacts that inform further collaborations. It also provides a single regulatory framework for collaboration.

- **access to the Erasmus+ successor programme** once it has been legislated (expected in 2020). Erasmus+ is a significant programme for student and staff outward mobility, with as many as 55% of all UK students who go abroad choosing to do so through the scheme. The UK's participation in Erasmus+ continues to grow year-on-year, with 15,645 students from UK universities spending a period abroad in 2015–16, up from 14,801 students in 2014–15. The UK government should engage in the process of shaping the successor programme, by advocating the benefits of allowing greater flexibility for short-term mobility, and of providing targeted support for disadvantaged students who would like to participate in Erasmus+ in the future.
 - **the continued mutual recognition of professional qualifications, where it is desirable.** Certain qualifications are recognised across the European Economic Area (EEA) through the Mutual Recognition of Professional Qualifications (MPRQ) Directive. After the UK's exit from the EU, it may be more challenging for graduates to pursue their chosen careers in an EU member state as mutual recognition could be lost. This could reduce the attractiveness of existing mutually-recognised courses to UK and EU students. A considerable proportion of EU staff are also working in the UK under the MRPQ Directive, which has enhanced the academic workforce.
 - **where it might be mutually-beneficial to continue arrangements between the UK and the European Investment Bank (EIB).** Universities have received more than €2.6 billion from the EIB since 2006, with finance being used largely to fund campus developments, including to upgrade or expand research and teaching facilities. The long-term nature of EIB loans, the favourable interest rates, and the flexibility of funding available provide much added value. The government should work with the university sector to ensure that the added value of the EIB can be retained, with or without access to EIB funds in the long-term.
2. Seize the opportunities available to **implement vital domestic policy reforms and initiatives** to maximise the Industrial Strategy and international partnerships, including:
- **building an immigration system that supports universities' ability to attract global talent with minimal barriers.** The UK must develop a new, post-Brexit immigration policy that encourages all suitably qualified international students to choose to study in the UK. This includes enhancing the post-study work opportunities for qualified international graduates, as many of our international competitors have been doing to improve their student visa offer. This should be coupled with an ambitious strategy to expand the UK's education exports industry, worth more than £13 billion to the economy. And an expanded international communications campaign, backed by the government, to highlight that international students are welcomed and valued visitors to the UK. The future system for staff must enable the UK's universities to attract and retain EU academics and researchers, facilitate the recruitment of a broader range of workers and skills than the current system allows including technicians, minimise bureaucracy and cost to employers and applicants and protect the pipeline from study to work.

- **enhancing support for international research collaboration.** The government should prioritise the development of new and enhanced support for research collaboration with both European and non-European partners, with a focus on delivering excellent research and taking advantage of the influential role of institutions in both fostering and facilitating international partnerships. This should include substantial support for inbound and outbound mobility in the form of travel grants, fellowship and workshops, as well as new bi- and multi-lateral funding arrangements with other national funders. The government should also confirm that they will continue to fund research and innovation through overseas development assistance funding beyond 2021.
- **providing greater support to facilitate outward student mobility.** Evidence shows that students who go abroad at least once during their degree are 32% less likely to be unemployed, more likely to be in a graduate job, and earning 5% more compared to those with no international experience, six months after graduation. The UK lags behind the United States of America, Australia, and Germany when it comes to participation in student exchange, and [Universities UK \(UUK\) has set a national target to double the proportion of UK students who have an international experience by 2020](#). In addition to Erasmus+, the government should invest in supporting mobility further afield than Europe through the creation of new programmes or further support to existing university-run mobility programmes and through easing barriers to student participation in such schemes.
- **creating a UK Shared Prosperity Fund (UKSPF) that is informed by the expertise and experience of universities, sufficiently accounting for devolved/regional need.** Brexit provides an opportunity to create new mechanisms to facilitate and enhance universities' role in driving innovation and growth at a local level and generating jobs. European Structural and Investment Funds (ESIF) should be replaced by equivalent alternative domestic funds at a UK and devolved administration level, including funding for innovation-focused capital investment projects, of which the UKSPF must form a key part. We await the government's consultation on the shape of the Fund as promised in the Industrial Strategy.
- **maximising international opportunities for UK higher education and research through free trade and other government-to-government agreements with key non-EU partners.** [Research prepared for UUK by the UK Trade Policy Observatory](#) demonstrates that free trade agreements can help to create the conditions for the higher education sector's continued international success. This is particularly the case in relation to the provision of higher education overseas (transnational education); the recognition of qualifications in students' home countries; and the mobility of students, academics, researchers, and other staff pivotal to higher education institutions' international activities. Each free trade agreement will be different, meaning the government should consult closely with UUK in the lead up to any negotiation, and afford a reasonable period of time for meaningful consultation to take place, to ensure that offensive and defensive positions, sensitivities, and 'red lines' for the university sector are fully considered. Consultation should be accompanied by a coordinated review of existing UK commitments to partner countries relating to higher education and research. Achieving the right conditions for universities to flourish internationally will, in turn, support the success of other UK service sectors whose fortunes hinge on our universities' capacity to cooperate effectively with overseas partners.

- **preserve and build on regulatory standards facilitating collaborative research between the UK and other EU and non-EU countries.** The right balance should be struck between continued harmonisation and divergence when it comes to the future of regulations that impact on research directly. Any changes to existing regulations must be preceded by sufficient consultation with key stakeholders in order to minimise disruption and identify opportunities to strengthen the research base. Irrespective of the final destination, there are certain areas of regulation like data protection, clinical trials and chemical registration which are critical to the functioning of university research and innovation and in which alignment with the EU immediately following the UK's withdrawal should be guaranteed.

FURTHER DETAILS

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