

# The UK and Ireland: The UK's Referendum on EU Membership

## The Implications for Northern Ireland's Higher Education Sector

On 11 March 2016, The Royal Irish Academy and British Academy jointly convened a high-level roundtable meeting in Clifton House, Belfast, to consider the implications of a potential UK withdrawal from the EU on the Northern Ireland higher education system. This meeting, conducted under the Chatham House Rule, included a number of important stakeholders from the higher education and business sectors, as well as a senior politicians and key civil servants. The meeting considered the potential implications for the Northern Ireland higher education sector in a number of key strategic areas, which are set out below.

### Horizon 2020 and EU Structural Funding

■ Northern Irish universities have been beneficiaries of successive EU research and innovation Framework Programmes, including Horizon 2020. In the 18 month period beginning in January 2015, Northern Ireland universities received approximately £11 million in funding from Horizon 2020. The Northern Ireland Executive has set an overall target of obtaining £145 million from the programme.

■ This success in achieving competitive research funding from EU Framework Programmes has been a helpful driver of research and innovation in a number of companies based in Northern Ireland.

■ The biotech and medical devices sectors, in particular, have benefited from previous EU Framework Programmes which provide financial assistance and facilitate effective knowledge transfer initiatives.

■ There are benefits from participating in EU research partnerships. Competing for EU research funding pitches Northern Ireland researchers against their international counterparts, thus helping to raise their game. EU research programmes, such as Horizon 2020, also provide a framework, underpinned by talent and excellence, for people to work together at the highest international standard.

■ Northern Ireland universities have also benefited from EU structural funds through the INTERREG IVA Programme (a regional structural funding programme for Northern Ireland, the border region of Ireland and western Scotland) and the EU Programme for Peace and Reconciliation in Northern Ireland and the Border Region of Ireland (PEACE Programme). Both of these programmes have facilitated the development (with the assistance of Invest NI) of important domestic research infrastructures, such as science parks and laboratories.

■ A UK withdrawal from the EU could limit access to Horizon 2020 and successive EU Framework Programmes. If access was limited this could significantly curtail Northern Ireland's ability to participate in large-scale European research infrastructures. Northern Irish Horizon 2020 funded research projects could also face disruption.

■ In the event of a UK withdrawal from the EU, Northern Irish universities could be faced with a significant loss of talent as researchers are drawn to universities in Ireland to ensure continued access to Horizon 2020 funding.

■ It is difficult to see how any new bilateral research funding agreements between the UK and Ireland could substitute for Horizon 2020 and the international opportunities it engenders for researchers.

## The Impact on Foreign Direct Investment (FDI) and on University/Business Collaborations

- There has been much emphasis on the reduction of the Northern Ireland corporation tax rate to 12.5% as the linchpin of an economic development strategy leading to the attraction of greater FDI. Although the local corporation tax rate is an important location factor, repeated surveys indicate that stability is often the prime consideration for international businesses in deciding where to establish their operations. A UK withdrawal from the EU could potentially lead to a sustained period of instability as a result of complex and protracted exit negotiations.
- Northern Ireland universities, through their engagement with EU research programmes, offer a series of further incentives to FDI including access to talent and research integrated with access to EU markets.
- There are other long-term implications for FDI from exiting the EU, as Horizon 2020 is much more industry-focused than previous Framework Programmes.
- If FDI into Northern Ireland slows as a result of a UK withdrawal from the EU, there will be an impact on the local economy, which is still heavily dependent on the public sector.

### The Free Movement of Students and the Impact on the Recruitment of Foreign Students

- A UK withdrawal from the EU would enable Northern Ireland universities to amend fee levels for incoming EU students to levels comparable with those paid by other international students. On the one hand this could result in increased funding for universities. On the other hand, it could result in reduced funding due to a declining take-up of places by students as a result of higher fee

levels and potentially more restrictions on freedom of movement for students coming from the EU.

- In such an eventuality students coming from Ireland could also be required to pay higher fees alongside other international students.
- It was suggested that Northern Ireland universities already find it difficult to attract overseas students. A UK withdrawal from the EU would likely make the process of attracting overseas students even more difficult. In particular, the current movement of students across borders is likely to be disrupted, as incoming overseas students would be required to comply with new additional immigration requirements.
- The Northern Ireland student body is very homogeneous. Northern Ireland universities currently attract 5% of their student populations from Britain, 4.9% from Ireland and other EU countries, and a further 5% from outside of the EU. A UK exit from the EU is likely to result in fewer inward and outward student exchanges from an already low base.
- Should the UK withdraw from the EU, it is possible that the participation of Northern Ireland universities in EU education fairs could be limited. Such fairs are an important mechanism for sourcing foreign (i.e. non-EU) students, and have been responsible, for example, for the significant growth in the number of Brazilian students coming to universities in Ireland in recent years.
- The Erasmus+ programme plays an important role in promoting an educated and skilled workforce for Northern Ireland by facilitating the outward mobility of Northern Irish students and university staff to EU universities. Participation in this programme would be limited in the event of a UK exit from the EU.

May 2016