

## The opportunities of Brexit for Irish higher education

05 October 2017

This *L&RS Note* examines the potential opportunities that have arisen for Ireland's higher education sector following the decision by the United Kingdom to withdraw from the European Union.

This paper discusses the opportunity for Ireland to attract international talent to third level institutions at home, and to improve our performance in attracting competitive European research grants. Furthermore, this paper examines the infrastructural challenges facing Ireland in positioning itself to fully capitalise on the underlying opportunities of Brexit for higher education.

This Note is structured as follows:

- **Section 1** introduces the paper;
- **Section 2** examines the opportunity for Ireland to attract academics from abroad;
- **Section 3** examines the extent to which Ireland can attract international students;
- **Section 4** discusses how Ireland can increase its share of European research funding;
- **Section 5** discusses the infrastructural barriers that prevent Ireland from exploiting these opportunities; and,
- **Section 6** concludes.

For Brexit related research and information, please consult the L&RS *In Focus* page on Brexit (available [here](#)).

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## 1. Introduction

In the period that followed the Brexit referendum, concern around the level of inward migration was recognised as a key motivating factor for those who voted in favour of the UK's withdrawal from the European Union.

The issue has dominated post-referendum commentary<sup>1</sup>, with a spokesperson for Prime Minister Theresa May confirming that free movement will end in March 2019<sup>2</sup>, when Brexit negotiations are scheduled to conclude<sup>3</sup>. Furthermore, the UK's Brexit "[White Paper](#)"<sup>4</sup> published on the 2<sup>nd</sup> of February 2017, outlines the government's approach to negotiations, and explicitly references the future implementation of immigration controls for EU nationals:

“We will design our immigration system to ensure that we are able to control the numbers of people who come here from the EU. In future, therefore, the Free Movement Directive will no longer apply and the migration of EU nationals will be subject to UK law.”

The exact nature of these immigration controls, and the implications for migrants already living in the UK, will depend on the position of the UK government once negotiations conclude. Regardless, any attempt to restrict the mobility of labour will have implications for EU nationals looking to work or study in the UK higher education sector. In advance of the UK general election on the 8<sup>th</sup> of June 2017, Theresa May committed<sup>5</sup> to an immigration target below 100,000, and has refused to omit international students from this target.

Already, there is some confusion<sup>6</sup> among international academics based in the UK regarding their current and future status. A survey by [YouGov](#) in January 2017 revealed that 76% of UK-based EU academics reported that they are more likely to consider leaving UK higher education, while 29% already know of academics that are leaving, and 44% know of academics that have lost access to funding, as a direct consequence of the Brexit vote.

The Joint Oireachtas Committee on Education and Skills [discussed](#) the implications of Brexit for the Irish higher education sector on the 21<sup>st</sup> of March 2017. The meeting contained contributions from the [Higher Education Authority](#), the Irish Research Council, [Dublin City](#)

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<sup>1</sup> Clarke H., Goodwin M., and Paul Whitely (2017) '[Brexit: Why Britain Voted to Leave the European Union](#)', *Cambridge University Press*, 20 April.

<sup>2</sup> MacLellan, Kyle (2017) '[Amid Brexit squabbling, PM May's spokesman says EU free movement to end in 2019](#)', *Reuters*, 31 July.

<sup>3</sup> McClean, Paul (2017) '[Brexit timeline: key dates in UK's divorce with EU](#)', *Financial Times*, 14 June.

<sup>4</sup> [The United Kingdom's exit from, and new partnership with, the European Union](#), Policy paper, 2 February 2017.

<sup>5</sup> Mance, Henry (2017) '[Theresa May sticks to 100,000 a year net migration target](#)', *Financial Times*, 8 May.

<sup>6</sup> Talbot, Colin (2017) '[No longer welcome: the EU academics in Britain told to 'make arrangements to leave](#)', *LSE Blog*, 26 January.

[University](#), [University College Dublin](#), the [British Irish Chamber of Commerce](#), the [Irish Universities Association](#) and the [International School of Dublin](#). In summary, there are three key opportunities for Irish HEIs (higher education institutes) post-Brexit. These are:

1. To attract and retain a greater proportion of EU and international academics;
2. To attract and retain a greater proportion of EU and international students, and to benefit from the expertise of returning migrants; and
3. To increase our share of research funding from EU-funded programmes.


These central opportunities are discussed in greater detail throughout this paper.

## 2. Attracting and retaining EU and international academics

### International Staff at UK HEIs

Any migratory controls imposed by the UK on EU nationals will act as a significant barrier to individuals looking to move to work in UK HEIs, and will create uncertainty for those already living there.

As shown in Table 1 and Figure 1 overleaf, UK HEIs employ large numbers of international staff across a range of academic roles (in fact, as shown in Table 1, 19.5% of all academic staff at UK HEIs come from the EU). In particular, EU nationals account for a sizable portion of the academic staff of the UK's best-ranked universities. They account for 38% of academic staff at the London School of Economics, 24% of academic staff at the University of Oxford, and 22% of academic staff at the University of Cambridge<sup>7</sup>.



*15% of staff at UK HEIs could be looking to relocate elsewhere post-referendum*

The evidence to date suggests that the impact of the Brexit referendum is already being felt in the UK higher education sector. German think-tank DAAD [reports](#)<sup>8</sup> that up to 15% of staff at UK HEIs could be looking to relocate elsewhere post-referendum, while the Scientists for EU group [reports](#)<sup>9</sup> cases of EU nationals turning down jobs at UK HEIs, withdrawing applications, or leaving the UK as a consequence of the referendum result. This presents an opportunity for other EU Member States seeking to attract or retain talent in their domestic higher education sector.

### Factors Motivating High-Skilled Migration

To understand how Irish HEIs can successfully market themselves as viable alternatives to their UK counterparts, it is necessary to examine the myriad of factors that impact on the mobility of highly-skilled labour. The [OECD](#)<sup>10</sup> examine patterns of emigration by doctorate holders across a range of OECD countries. They identify three categories of factors affecting mobility: **academic**, **economic**, and **personal**. As shown in Table 2, academic factors are the most influential for those with intentions to emigrate, at 43.9%. These academic factors

<sup>7</sup> Talbot, Colin (2017) '[No longer welcome: the EU academics in Britain told to 'make arrangements to leave'](#)', *LSE Blogs*, 26 January.

<sup>8</sup> Henley, Jon, Kirchgaessner, Stephanie, and Philip Oltermann (2016) '[Brexit fears may see 15% of UK university staff leave, group warns](#)', *The Guardian*, 25 September

<sup>9</sup> Sample, Ian (2016) '[UK scientists dropped from EU projects because of post-Brexit funding fears](#)', *The Guardian*, 12 July.

<sup>10</sup> [The Global Competition for Talent: Mobility of the Highly Skilled](#) (2008), OECD.

include better access to publishing, the development or continuity of research work, or lack of available work in a specific area at home.

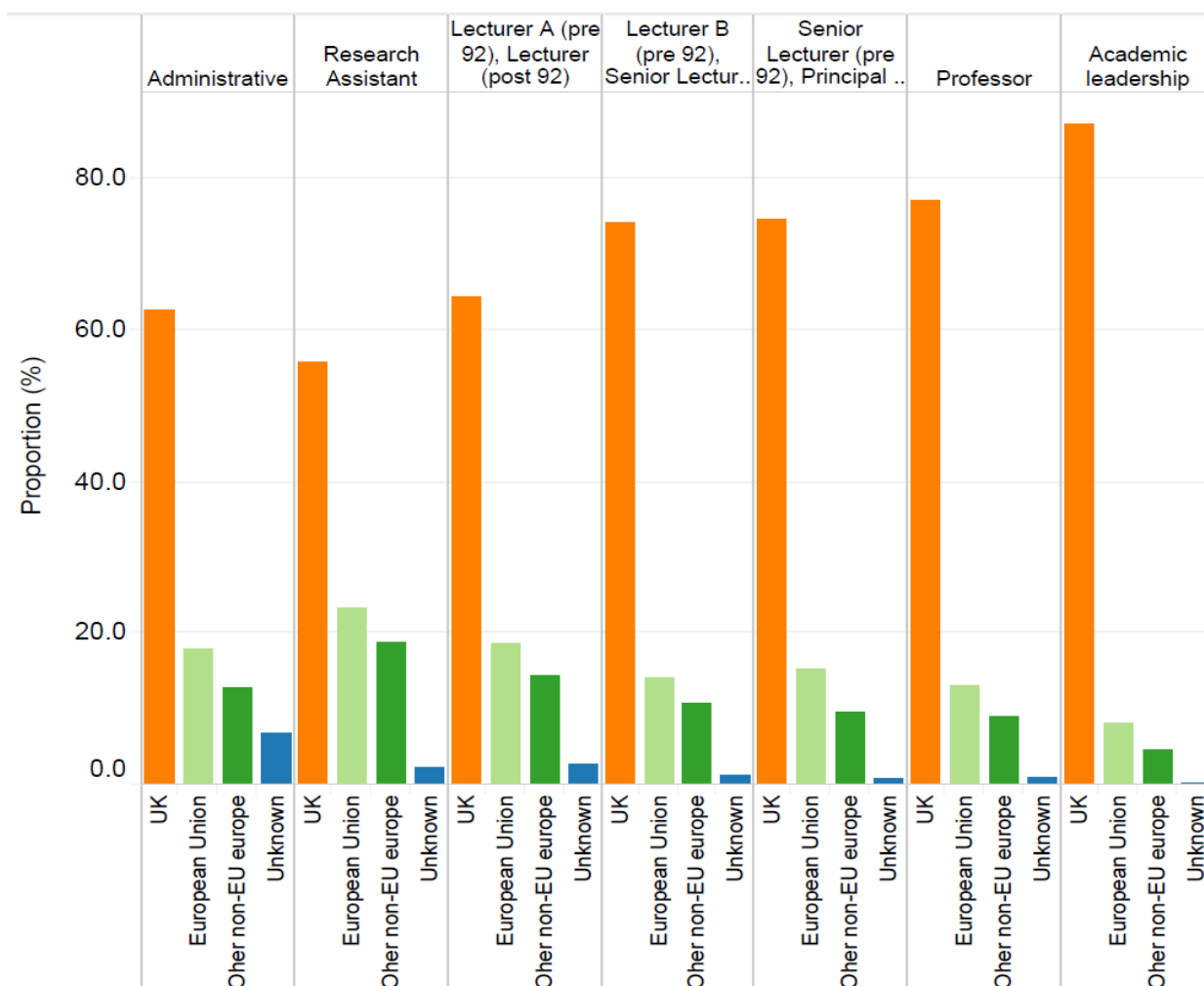
The OECD further [describe](#) opportunities for career advancement, access to better research funding, a higher quality research infrastructure and the opportunity to work with high-profile scientists, as being key motivators for migrating academics and researchers.

**Table 1.** EU Citizens Employed at Higher Education Funding Council for England (HEFCE) HEIs, 2015

Nationality	Number Employed	As a percentage of total
UK	115,740	80.51%
Italy	4,710	3.28%
Germany	4,640	3.23%
Greece	2,890	2.01%
Ireland	2,705	1.88%
France	2,615	1.82%
Spain	2,605	1.81%
Netherlands	1,325	0.92%
Poland	1,060	0.74%
Portugal	955	0.66%
Belgium	505	0.35%
Romania	485	0.34%
Austria	475	0.33%
Sweden	470	0.33%
Cyprus	385	0.27%
Hungary	355	0.25%
Denmark	345	0.24%
Bulgaria	305	0.21%
Finland	285	0.20%
Czech Republic	195	0.14%
Slovakia	125	0.09%
Lithuania	120	0.08%
Croatia	110	0.08%
Malta	95	0.07%
Slovenia	85	0.06%
Estonia	70	0.05%
Latvia	65	0.05%
Luxembourg	35	0.02%
Total - EU	28,015	19.51%
<b>Total</b>	<b>143,755</b>	<b>100%</b>

Source: [HEFCE Data](#).

**Figure 1.** Distribution of international staff across range of academic roles at Higher Education Funding Council for England (HEFCE) HEIs, 2015



Source: [HEFCE Data](#).

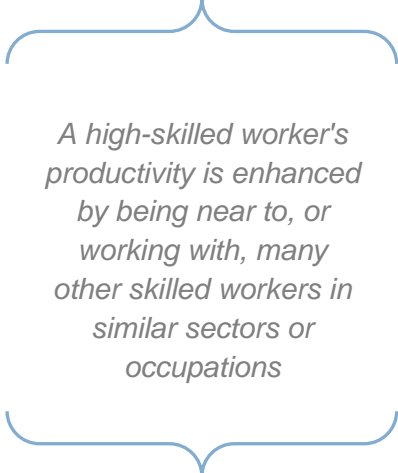
**Table 2.** Results of OECD survey regarding motivating factors behind migration of doctorate holders

	Reason for leaving		
	Academic	Economic	Personal
Prospective Migrants	43.9%	30.9%	15.0%
Returnees	27.5%	23.6%	20.6%

Source: [OECD, 2009](#).

[Franzoni, Scellato and Stephan \(2012\)](#) identify similar motivations for researchers across a sample of 16 countries. Those surveyed identified “opportunity to improve my future career prospects, outstanding faculty, colleagues, or research team, and excellence/prestige of the foreign institution in my area of research” as the three primary motivations behind seeking opportunities outside of their home country.

Agglomeration effects have also been identified as an important pull-factor in attracting and retaining talented academics. [Kerr et al \(2016\)](#) examine agglomeration effects associated with highly-skilled occupations. They claim that a high-skilled worker's productivity is enhanced by being near to, or working with, many other skilled workers in similar sectors or occupations. As a consequence, a surge of high-skilled migration incentivises other high-skilled workers to migrate to the same location. As an indicator of academic agglomeration, Table 3 overleaf contains [World Bank](#) data highlighting the number of researchers in research and development roles per one million of the population, for EU Member States.



*A high-skilled worker's productivity is enhanced by being near to, or working with, many other skilled workers in similar sectors or occupations*

Ireland fares well compared to the countries of southern and eastern Europe, but falls behind northern Europe.

### **Prudent Policy**

The research to date suggests that the country whose higher education sector is best positioned to capitalise on the opportunities of Brexit, in terms of attracting top talent, will be that which:

- offers substantial research funding;
- hosts top-ranked universities;
- already produces and hosts world-class academics;
- is highly productive in terms of academic output; and
- maintains an advanced and sophisticated research network.

While economic incentives could also be considered (for example, South Korea previously implemented [tax breaks](#) for foreign academics), any policy that is designed to attract academics from abroad must successfully market Ireland as an attractive location across these five criteria.



**Table 3.** R&D researchers per million population, EU-28

Country	R&D researchers (per million population)
Denmark	7,198
Finland	6,986
Sweden	6,868
Austria	4,815
Luxembourg	4,577
Netherlands	4,478
Germany	4,381
UK	4,252
France	4,201
Belgium	4,176
Slovenia	4,150
Ireland	3,732
Portugal	3,700
Czech Republic	3,419
Estonia	3,285
Lithuania	2,962
Slovakia	2,718
Greece	2,716
Hungary	2,651
Spain	2,642
Malta	2,133
Poland	2,036
Italy	2,007
Latvia	1,884
Bulgaria	1,833
Croatia	1,437
Romania	922
Cyprus	750

**Source:** [World Bank](#), UNESCO Institute for Statistics, 2016.

Science Foundation Ireland (SFI) has begun [developing partnerships](#) with UK Research Councils, the Royal Society and Wellcome Trust, and has been working to attract top-talent from the UK and the wider EU. In addition, SFI operates two international recruitment programmes in partnership with Irish HEIs; the Science Foundation Ireland Research Professorship programme and the Science Foundation Ireland Future Research Leaders programme. The intention is to attract ‘star’ researchers, which are, as previously discussed, a major pull-factor for migrating academics. According to SFI, these ‘star’ researchers:

‘attract collaborative research funding from the world’s leading companies, generate intellectual property and spin-out companies, attract companies to build research and development operations in Ireland, attract the best students from Ireland and around the world, attract the best staff from Ireland and around the world, and they significantly enhance Ireland’s international reputation.’

In addition to the recruitment of ‘star’ researchers, SFI further calls for the expansion of SFI Research Centres, the development of further international research links, and the expansion of PhD student numbers. SFI claim that these proposals are in line with the governments [Innovation 2020](#) strategy, which commits the government to increased expenditure on research and innovation by both the public and private sectors.

However, Irish universities have recently fallen in international rankings<sup>11</sup> due to a combination of reduced funding and higher student intake. Ultimately, this makes it harder for the sector to compete with European counterparts in attracting talent. While doubts have been raised about the scientific rigour employed in constructing these rankings<sup>12</sup>, it is generally accepted that they are important in signalling the quality of an institution to prospective staff and students<sup>13</sup>.



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In response to the pressures facing Irish HEIs, the [Cassells report \(2016\)](#) proposes three alternative funding models. Each model differs in the balance of public versus private contribution to fees, but all require a significant increase in investment in higher education. Specifically, the Cassells report calls for an extra €600m by 2021 and €1bn by 2030 in current funding over 2015 figures; and a capital programme of

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<sup>11</sup> Murray, Niall (2016) ‘[All but one of seven Irish universities fall in world ranking](#)’, *Irish Examiner*, 6 September 2016.

<sup>12</sup> Cited in Royal Irish Academy (2015) [A Dialogue on the Future Funding of Higher Education in Ireland](#). Rapporteur’s report of RIA event on 23 September 2015. p. 29.

<sup>13</sup> O’Hagan, John (2016) ‘[Falling college rankings not just about money](#)’, *Irish Times*, 7 September 2016.

€5.5bn over the next 15 years; in addition to an increase in student supports (an extra €100m per annum). The prospect of introducing an income-contingent loan scheme (ICL) has prompted considerable debate.

The [EU Country Report](#) for Ireland for 2017 also emphasises the importance of increased public investment in research and innovation, and highlights that Ireland ranks 25<sup>th</sup> out of 28 EU countries, in terms of public expenditure on research and development as a percentage of GDP.

For more information, see the following [L&RS post](#) on the Cassells Report and ICLs, which also links to Oireachtas commentary on the issue, and the 2016 L&RS publication [Research Matters](#).

### 3. Attracting and retaining EU and international students

#### International Students in the UK

According to the OECD<sup>14</sup>, the UK is second only to the US in the total number of international students it attracts. However, any restrictions on migration imposed by the UK on EU citizens will naturally have an impact on the mobility of EU students wishing to travel to the UK for study, with Prime Minister Theresa May indicating that international students will not be omitted from immigration control targets<sup>15</sup>.

In October 2016, the UK government [announced](#)<sup>16</sup> that EU students applying to commence studies at English universities in 2017 will remain eligible for the same loans and grants as domestic applicants. Furthermore, the announcement clarified that these conditions will apply for the entirety of the course, even if the UK formally leaves the EU during this time. Similar announcements were subsequently made for [Wales](#) and [Scotland](#). In short, EU students can avail of the same conditions, as before the Brexit vote, for the 2017/2018 academic year. However (apart from Scotland) no such guarantees have been made for those commencing in the 2018/2019 academic year and thereafter.

As of the 2015/2016 academic year, the UK hosts 127,440 EU students (shown in Table 4, below). Germany, France and Italy are the source of almost one third of all EU students in the UK, while students from Ireland make up 8% (shown in Table 5, overleaf). Among non-EU international students, Chinese students alone make up almost one third of the total number of internationals (shown in Table 6, overleaf).

**Table 4.** International students in UK HEIs

	Full-time	Part-time	Total
EU	112,410	15,025	127,440
Non-EU	185,120	25,450	310,575
Ireland	N/A	N/A	10,245

**Source:** [HESA First Statistical Release 242 \(2015-16\)](#), Table 8.

<sup>14</sup> [Education at a Glance 2016](#), OECD.

<sup>15</sup> Mance, Henry (2017) '[Theresa May sticks to 100,000 a year net migration target](#)', *Financial Times*, 8 May.

<sup>16</sup> [Funding support for EU students](#) (2016), UK Department for Education.

**Table 5.** Top ten EU sending countries to UK HEIs

Country	2015/2016	As percentage of total
Germany	13,425	10.5%
France	12,525	9.8%
Italy	12,135	9.5%
Republic of Ireland	10,245	8.0%
Greece	9,790	7.7%
Cyprus	9,330	7.3%
Spain	7,840	6.2%
Romania	7,200	5.6%
Bulgaria	6,195	4.9%
Poland	5,655	4.4%

**Source:** [HESA First Statistical Release 242 \(2015-16\)](#), Table 8.

**Table 6.** Top ten non-EU sending countries to UK HEIs

Country	2015-16	As percentage of total
China	91,215	29.4%
Malaysia	17,405	5.6%
United States of America	17,115	5.5%
India	16,745	5.4%
Hong Kong	16,745	5.4%
Nigeria	16,100	5.2%
Saudi Arabia	8,570	2.8%
Singapore	7,540	2.4%
Thailand	6,095	2.0%
Canada	5,980	1.9%

**Source:** [HESA First Statistical Release 242 \(2015-16\)](#), Table 9.

Certain academic disciplines attract a greater number of international students than others. Table 7 below shows the most internationalised academic disciplines in the UK. Business and administrative studies, and engineering and technology are among the most popular choices for international students, with approximately one third of all students enrolled in these courses coming from abroad.

### Brexit Impact on University Applications

There is evidence that Brexit is impacting on the decision of prospective international students, despite the guarantees made by the UK Chancellor. A [survey](#) of 1,000 prospective international students by Hobsons found that 43% feel Brexit has affected their decision to study in the UK, of which, 83% say it has made them less likely to study there. In an [appearance](#) before the Education Committee of the House of Commons in the UK, Professor Catherine Barnard of the University of Cambridge indicated that undergraduate applications from EU students has fallen 14%. Concerns were expressed by prospective students about anti-immigrant sentiment in the UK, the devaluation of the pound, and uncertainty over future research collaboration.

**Table 7.** Chosen subject of international students

Subject of study	% in subject who are international
Business & administrative studies	37.6%
Engineering and technology	32.5%
Law	26.4%
Architecture, building and planning	25.8%
Mass communications & documentation	23.6%
Mathematical sciences	21.8%
Computer science	19.9%
Social studies	19.3%
Languages	17.9%
Creative arts and design	16.9%
Veterinary Science	16.7%
Medicine and dentistry	16.1%
Physical sciences	16.0%
Agriculture and related subjects	11.8%
Historical and philosophical studies	11.3%
Biological sciences	11%
Subjects allied to medicine	7.5%
Education	6.4%
Combined	6.4%
Total	19.2%

**Source:** [HESA 'Introduction - Students 2015-16'](#), Table F.

However, there has been no tangible impact of Brexit on the number of EU applicants applying to study in UK HEIs. UCAS data from July 2017 shows that applications for UK higher education places are down 5% for EU students compared to 2016 (with UK applicants down 4%). These figures are in Table 8, below. This is in stark contrast to figures from 2016 for EU applicants, which rose 6% from 2015. However, the proportions of applicants from the UK, the EU and further afield, has not changed substantially from 2015 to 2017, as shown in Table 9 below. The implication is that, as yet, the direct effect of the Brexit vote on flows of non-UK students, has yet to manifest and will likely depend on the outcome of negotiations.

**Table 8.** UCAS applicants meeting the June deadline, total number of applications

Year	UK	EU	Ireland	Non-EU	Total
2017	529,620 (-4.4%)	49,250 (-5.0%)	4,360 (-15.8%)	70,830 (2.2%)	649,700 (-3.7%)
2016	553,740 (0.0%)	51,850 (6.0%)	5,180 (-8.8%)	69,300 (-1.7%)	674,890 (0.3%)
2015	553,590	48,930	5,680	70,530	673,040

Source: [UCAS July 2017](#).

**Table 9.** UCAS applicants meeting the June deadline, as a proportion of total applications

Year	UK	EU	Ireland	Non-EU
2017	81.5% (-0.6%)	7.6% (-0.1%)	0.67% (-0.1%)	10.9% (0.6%)
2016	82.1% (-0.2%)	7.7% (0.4%)	0.77% (-0.1%)	10.3% (-0.2%)
2015	82.3%	7.3%	0.84%	10.5%

Source: [UCAS July 2017](#).

In the Irish case, CAO data in Table 10, overleaf, shows that there have been sizable increases in the number of EU and international applicants to Irish universities from 2015 to 2017. Furthermore, there have been media reports<sup>17</sup> that individual universities (namely, University College Cork, University College Dublin, and Trinity College Dublin) have seen a surge in the number of applications from abroad. However, examining data from years preceding the referendum, there was also a notable rise in the number of EU applicants in 2016 (19.18%). While the referendum was held on the 23<sup>rd</sup> of June in that year, correspondence with the CAO indicates that the majority of applications were received by

<sup>17</sup> O'Brien, Carl (2017) '[Brexit linked to sharp rise in EU students](#)' CAO applications', *Irish Times*, 14 August.

the preceding February. Furthermore, there was also a considerable rise in EU applications in 2014 (24.71%), long before the Brexit referendum was formally announced. While a referendum was [promised](#) in January 2013, the majority of opinion polls at this time [showed](#) convincing support for the UK to remain a member of the EU.

**Table 10.** CAO Applications meeting the July deadline

Year	ROI	NI	Rest of British Isles	EU	Non-EU	Total
2017	75,369 (-0.5%)	1,780 (-2.7%)	1,056 (-2.5%)	1,922 (16.7%)	639 (9.4%)	80,766 (-0.1%)
2016	75,743 (1.4%)	1,830 (23.0%)	1,083 (-3.6%)	1,647 (19.2%)	584 (12.3%)	80,887 (2.1%)
2015	74,701	1,488	1,123	1,382	520	79,214

**Note.** These are provisional figures only, and are subject to change. They refer to applicants for undergraduate positions only, as recorded by the CAO.

**Source:** Compiled by L&RS using data obtained from the CAO website ([CAO.ie](#)), and from correspondence with statisticians from CAO. Source indicated that the bulk of applications are received by February of each year.

**Table 11.** CAO Applications meeting the July deadline

Year	ROI	NI	Rest of British Isles	EU	Non-EU
2017	93.32% (-0.3%)	2.20% (-0.1%)	1.31% (-0.0%)	2.38% (0.3%)	0.79% (0.1%)
2016	93.64% (-0.7%)	2.26% (0.4%)	1.34% (-0.1%)	2.04% (0.3%)	0.72% (0.1%)
2015	94.30%	1.88%	1.42%	1.74%	0.66%

**Note.** These are provisional figures only, and are subject to change. They refer to applicants for undergraduate positions only, as recorded by the CAO.

**Source:** Compiled by L&RS using data obtained from the CAO website ([CAO.ie](#)), and from correspondence with statisticians from CAO. Source indicated that the bulk of applications are received by February of each year.

### Competing for Internationals

Ireland faces tough competition for those students who are reconsidering their intention to study in the UK post-Brexit. The [Hobsons](#) survey presented prospective international students with a list of major alternative destinations to the UK for study, and asked if Brexit made the respondents more or less likely to study in those countries. English-speaking countries and Germany were the main beneficiaries.

The results were as follows:

- 32% net increase in the likelihood of studying in Canada;



- 21% net increase in the likelihood of studying in Germany; and,
- 20% net increase in the likelihood of studying in United States and Australia.

### The Erasmus+ Programme

The [Erasmus+](#) programme, set to last until 2020, facilitates the mobility of those involved in education, training, youth and sport across Europe. With a budget of €14.7 billion, it provides 4 million Europeans with the opportunity to study, train, gain experience and volunteer abroad.

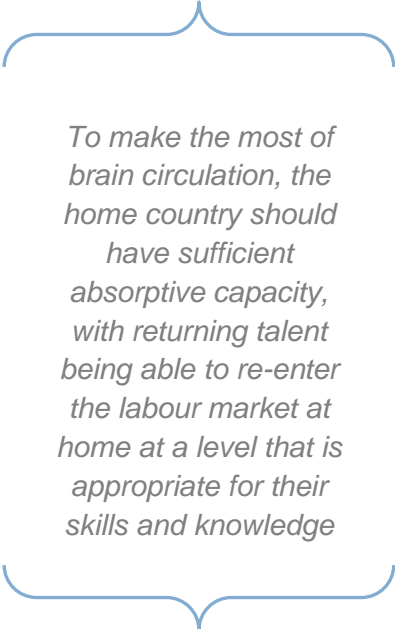
The UK receives 30,183 students from other EU countries and 14,801 UK students attend universities in other EU countries, as part of Erasmus+ and participation in Erasmus+ is not contingent on membership of the EU (EEA Member States and Turkey also have access to the programme). However, of note, Switzerland is [suspended](#) from the programme at present, due to restrictions placed on the free movement of people. If, as appears likely at present, the UK adopts a position against free movement, its future with the Erasmus+ programme and any successor programmes will be in jeopardy. This provides Ireland with the opportunity to attract those who might otherwise have attended universities in the UK as part of Erasmus+.

### Returning Migrants

In addition to attracting new migrant workers and students, there are opportunities associated with returning migrants. The UK currently hosts 10,245 Irish students (see Table 4, pg. 8) and 2,705 Irish academic staff (see Table 1, pg. 3).

The OECD [describes](#) brain circulation as the return of skilled migrants to their home country, allowing professionals to diffuse the knowledge acquired abroad and build and maintain networks facilitating continuous knowledge exchange. [Gibson and McKenzie \(2011\)](#) also identify the benefits of brain circulation, in terms of the knowledge shared by the diaspora, with the potential for these benefits to offset the human capital loss from the initial 'brain drain', or loss of talent.

To make the most of brain circulation, the home country should have sufficient absorptive capacity, with returning talent being able to re-enter the labour market at home at a level that is appropriate for their skills and knowledge.



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## **Prudent Policy**

If Ireland is to attract a greater proportion of EU and international students, it will be necessary to invest in the sector. To attract international talent, prudent policy might focus on investment in those disciplines or sectors that are most attractive to EU and international students, such as business and administrative studies, and engineering and technology.

Concerns<sup>18</sup> have been expressed by University heads that an increase in the level of interest in Irish universities among fee-paying international students will lead to an increase in CAO points which could exclude Irish students from the sector. Furthermore, if Irish students are forced to pay international (non-EU) fees at UK universities, there will likely be greater demand for Irish university places among prospective Irish students also. This would lead to further pressures in the sector.

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<sup>18</sup> ['Brexit could lead to increase in CAO points for Irish students'](#) (2017), *Irish Times*, 21 March 2017.

## 4. Increasing Ireland's share of European research funding

Alongside visa restrictions and uncertainty surrounding current and future status, a major push-factor for academics and researchers based in the UK, relates to potentially restricted future access to EU research funding. As shown in Table 12 below, the UK is a net beneficiary of this funding. Five UK universities (University of Cambridge, University College London, University of Oxford, Imperial College London, and the University of Edinburgh) are among the top ten universities in the EU in terms of winning Horizon 2020 funding.

Table 13 overleaf shows the amount received by each Member State under the FP 7 funding programme, which precedes the current FP 8, or Horizon 2020 programme. The amount received by each Member State under the current Horizon 2020 program can be seen in Table 14, overleaf.

**Table 12.** Flow of funds between the UK and EU 2007 – 2013 (€ billion)

	UK contribution to the EU (total €77.7 billion)	EU funding to the UK (total €47.5 billion)
Research, development and innovation activities	5.4	8.8

**Source:** [Royal Society website, data from Europa.](#)

The UK Chancellor Philip Hammond announced that the UK will [underwrite](#) the costs of participation in EU programmes until the end of the present cycle in 2020. This means that, even if the UK leaves the EU in 2019, UK universities can continue with projects currently funded by Horizon 2020. However, access to funds beyond this time remains an uncertainty.

In the future, UK-based academics and researchers may find themselves excluded from EU research funding opportunities. The Scientists for EU group [reports](#)<sup>19</sup> that UK academics working on international research projects have already been asked to scale back their efforts or to withdraw entirely.

To avail of an ERC grant, the researcher is [required](#) to spend at least 50% of their total working time in an EU Member State. To continue to access European funds, UK-based researchers could partner with researchers based in an EU Member State. This could involve joint academic appointments<sup>20</sup> between British and EU universities, or British

<sup>19</sup> Sample, Ian (2016) '[UK scientists dropped from EU projects because of post-Brexit funding fears](#)', The Guardian, 12 July

<sup>20</sup> Morgan, John (2016) '[Brexit prompts Ireland to attract 'world leading' researchers](#)', *Times Higher Education*, 3 November.

researchers spending a number of years based at an EU university. This presents an opportunity for Irish universities to lead European Horizon 2020 research programmes that may have previously been led by British scholars. In addition, there are opportunities for Irish universities to attract top talent from UK universities that are seeking continued access to ERC funding.

**Table 13.** Amount received by each Member State from FP7 and Structural Funds (for research and innovation) 2007 – 2013 funding

Country	Total (€, billions)	As % of total
Germany	12.07	13.16
Poland	9.74	10.62
Italy	9.66	10.52
UK	8.85	9.65
Spain	8.82	9.61
France	7.36	8.02
Portugal	5.03	5.48
Czech Republic	4.26	4.64
Netherlands	3.63	3.96
Greece	3.44	3.75
Hungary	2.42	2.63
Sweden	2.11	2.30
Belgium	2.11	2.30
Austria	1.54	1.68
Slovakia	1.38	1.50
Finland	1.34	1.47
Romania	1.27	1.39
Denmark	1.22	1.33
Slovenia	1.18	1.29
Lithuania	1.05	1.14
Latvia	0.80	0.87
Estonia	0.78	0.85
Ireland	0.78	0.85
Bulgaria	0.39	0.43
Croatia	0.21	0.23
Cyprus	0.13	0.14
Malta	0.10	0.11
Luxembourg	0.08	0.09
<b>Total</b>	<b>91.75</b>	<b>100</b>

**Source:** [Royal Society website, data from Europa.](#)

**Table 14.** Horizon 2020 funding received by each Member State

Country	Amount received (€, millions)	As % of total
Germany	3,869	17.97%
United Kingdom	3,613	16.78%
France	2,403	11.16%
Spain	2,053	9.53%
Italy	1,848	8.58%
Netherlands	1,779	8.26%
Belgium	1,067	4.96%
Sweden	796	3.70%
Austria	624	2.90%
Denmark	563	2.62%
Finland	500	2.32%
Greece	485	2.25%
Ireland	396	1.84%
Portugal	384	1.78%
Poland	205	0.95%
Czech Republic	151	0.70%
Hungary	147	0.68%
Slovenia	138	0.64%
Romania	83	0.38%
Cyprus	77	0.36%
Estonia	70	0.33%
Slovakia	66	0.30%
Luxembourg	60	0.28%
Bulgaria	45	0.21%
Latvia	38	0.17%
Croatia	36	0.16%
Lithuania	26	0.12%
Malta	17	0.08%
<b>Total</b>	<b>21,535</b>	<b>100%</b>

**Source:** [Europa data](#), compiled and collated by L&RS. Note, 'Total' refers to the total amount received by EU Member States only.

## 5. Infrastructural barriers

If Irish higher education is to avail of the opportunities created by the withdrawal of the UK from the EU, certain infrastructural barriers must be examined.

### Future Funding of Higher Education in Ireland

The first of these relates to the current state of the higher education sector. A recent pattern of reduced funding and increased student intake in the Higher Education (HE) sector has been described as representing “something of a ‘perfect storm’”.<sup>21</sup> A reformed model for the funding of the higher education sector will be required to ensure the future sustainability of the sector, and to ensure that sufficient supports are in place to attract and retain talented academics and students from abroad.

In July 2014, the then Minister for Education and Skills, Ruairí Quinn, TD, established an Expert Group to examine future funding policy for higher education. Chaired by Mr. Peter Cassells, former General Secretary of the Irish Congress of Trade Unions, the group was charged with identifying and considering the issues relating to the long term sustainable funding of Higher Education in Ireland and to identify options for change.

The Expert Group sets out a number of issues in particular around future sustainable funding of HE:

- Overall, the Expert Group calls for a significant increase in investment in higher education:
  - an extra €600m by 2021 and €1bn by 2030 in current funding over 2015 figures; and,
  - a capital programme of €5.5bn over the next 15 years; in addition to
  - an increase in student supports (an extra €100m per annum);

The three funding options proposed for future sustainable funding for a quality higher education system are:

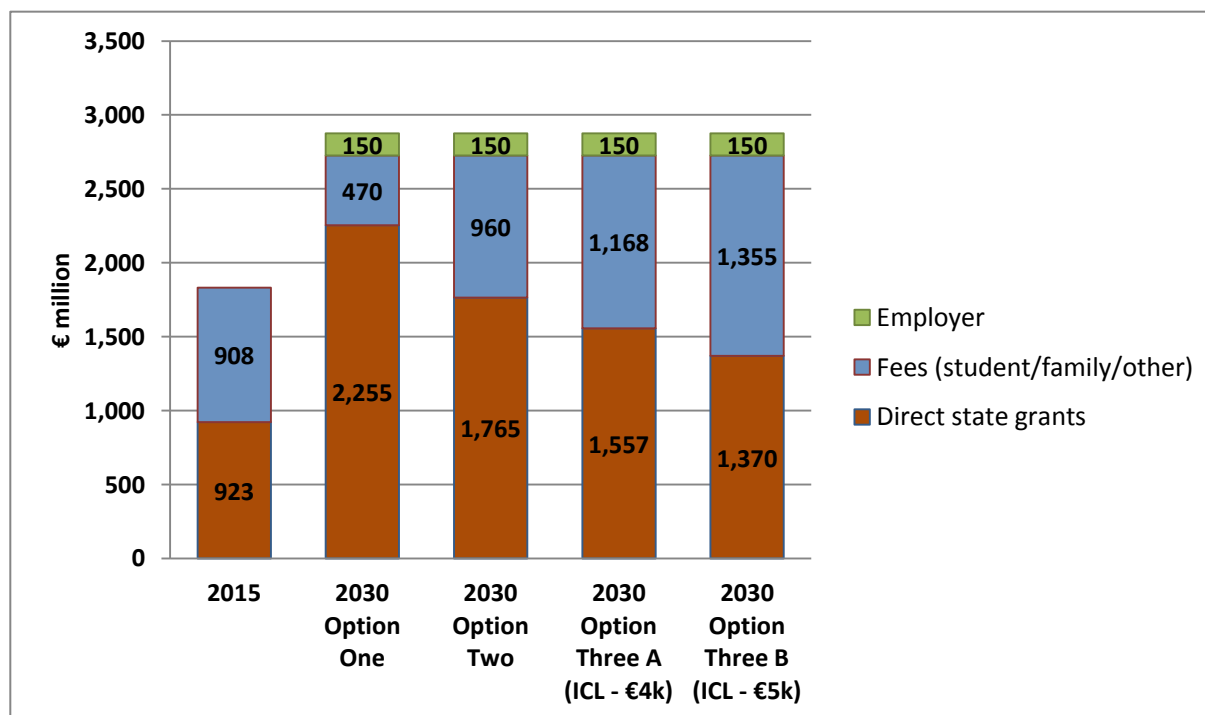
- **Option One:** A predominately state-funded system (abolition of undergraduate fees) (i.e. more state funding that currently);
- **Option Two:** Increased state funding with continuing student fees;
- **Option Three:** Increased state funding with deferred payment of fees through income contingent loans.

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<sup>21</sup> Clancy, P. (2015) *Irish Higher Education – A Comparative Perspective*, Institute of Public Administration: Dublin. p. 245.

The Joint Committee on Education and Skills [met](#) on 2<sup>nd</sup> May 2017 to discuss the implications of introducing an ICL scheme in Ireland, with contributions from academics on either side of the debate<sup>22</sup>.

**Figure 2.** Funding options proposed in the Cassells report (2016)



\* Note: funding throughout is presented in real terms.<sup>23</sup>

**Source:** data from the Cassells report (2016) [‘Investing in National Ambition: A Strategy for Funding Higher Education’](#).

<sup>22</sup> Corbet S. and James Larkin (2017) [Financing Higher Education in a Constrained Economic Environment: The Argument Against Income Contingent Loans in Ireland](#), and Chapman, B. and Aedin Doris (2016) [Modelling Higher Education Financing Reform for Ireland](#).

<sup>23</sup> This means that funding changes do not include changes that would arise from general inflation or salary increases that occur.

## Under-supply of Housing

The under-supply of housing and office space as identified in the draft of the Government's [Risk Assessment Report 2017](#) and the Irish Fiscal Advisory Council's [Fiscal Assessment Report](#) for June 2017 report, represents a major barrier to the extent to which Ireland can capitalise on the opportunities of Brexit.

Housing output (as measured by ESB connections) increased to over 15,000 units in the most recent 12 month period, however, this is below the Government's 25,000 unit target. In addition, Census 2016 data shows population growth is outpacing the growth in the stock of housing.

Persistent housing supply bottlenecks are resulting in strong rates of price and rental growth, and the lack of affordable accommodation has been linked to rising levels of homelessness, with significant associated social and financial costs. This lack of housing undermines Ireland's national competitiveness and its relative attractiveness for inward investment, for high-skilled migrants and for the return of Irish migrants<sup>24</sup>.

The Government's Action Plan for Housing and Homelessness, [Rebuilding Ireland](#), was published in July 2016. However, the Government's risk assessment report acknowledges that it will take time for its full impact to have effect. The five pillars of the plan are shown in Figure 3 overleaf.

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<sup>24</sup> National Competitiveness Council (2016) '[A Study to Examine the Affordability of Irish Housing](#)', European Commission (2017) '[Country Report Ireland](#)'.



**Figure 3.** Five pillars of the Government's Action Plan for Housing and Homelessness, Rebuilding Ireland



**Source:** [Government's Action Plan for Housing and Homelessness, Rebuilding Ireland, 2016](#)

## 6. Conclusion

In advance of the UK general election on the 8<sup>th</sup> of June 2017, Theresa May committed<sup>25</sup> to an immigration target below 100,000, and has refused to omit international students from this target. Any attempt by the UK to restrict the mobility of labour will have implications for EU nationals looking to work or study in the UK higher education sector.

This presents three key opportunities for Irish HEIs (higher education institutes) post-Brexit. These are:

1. To attract and retain a greater proportion of EU and international academics;
2. To attract and retain a greater proportion of EU and international students, and to benefit from the expertise of returning migrants; and
3. To increase our share of research funding from EU-funded programmes.

The research to date suggests that the country whose higher education sector is best positioned to capitalise on the opportunities of Brexit, in terms of attracting top talent, will be that which:

- offers substantial research funding;
- hosts top-ranked universities;
- already produces and hosts world-class academics;
- is highly productive in terms of academic output; and
- maintains an advanced and sophisticated research network.

If Irish higher education is to avail of the opportunities created by the withdrawal of the UK from the EU, certain infrastructural barriers must be examined. The first relates to the future funding of higher education. Irish universities have recently fallen in international rankings<sup>26</sup> due to a combination of reduced funding and higher student intake.

Ultimately, this makes it harder for the sector to compete with European counterparts in attracting talent. If Ireland is to attract a greater proportion of EU and international students, it will be necessary to invest in the sector. To attract international talent, prudent policy might focus on investment in those disciplines or sectors that are most attractive to EU and international students, such as business and administrative studies, and engineering and technology.

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<sup>25</sup> Mance, Henry (2017) '[Theresa May sticks to 100,000 a year net migration target](#)', *Financial Times*, 8 May.

<sup>26</sup> Murray, Niall (2016) '[All but one of seven Irish universities fall in world ranking](#)', *Irish Examiner*, 6 September 2016.

The second relates to an under-supply of housing. The lack of affordable accommodation has been linked to rising levels of homelessness, with significant associated social and financial costs. This lack of housing undermines Ireland's national competitiveness and its relative attractiveness for inward investment, for high-skilled migrants and for the return of Irish migrants<sup>27</sup>.

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<sup>27</sup> National Competitiveness Council (2016) '[A Study to Examine the Affordability of Irish Housing](#)', European Commission (2017) '[Country Report Ireland](#)'.