

Acadamh Ríoga na hÉireann

Royal Irish Academy

Royal Irish Academy Submission to the UK House of Commons Select Committee on Science & Technology Inquiry:

Leaving the EU: Implications and Opportunities for Science and Research

22 August 2016

The Royal Irish Academy/*Acadamh Ríoga na hÉireann*, ('the Academy'), Ireland's leading body of experts in the sciences, humanities and social sciences, welcomes the opportunity to contribute to the House of Commons Select Committee on Science and Technology Inquiry: '*Leaving the EU: Implications and Opportunities for Science and Research*'.¹ Following the exit of the United Kingdom from the EU, the Royal Irish Academy will be unique among the national academies within these islands in representing an academic community which straddles the land border between the European Union (the Republic of Ireland) and the United Kingdom (Northern Ireland). The Academy is aware of comments being generated by other academies and learned societies and has sought to confine its submission to issues which are particularly relevant to Northern Ireland.

Context

The exit of the UK from the EU will pose considerable and specific political, economic and social challenges for both parts of the island of Ireland. The Northern Ireland universities, in association with their southern counterparts, have played an important role in helping to transition Northern Ireland from a society dominated by civil strife to a more tolerant, inclusive and prosperous region. These activities have been promoted by various EU funding initiatives, including the INTERREG IVA Programme (a regional structural funding programme for Northern Ireland, the border region of Ireland and western Scotland), the EU Programme for Peace and Reconciliation in Northern Ireland and the Border Region of Ireland (PEACE Programme) and successive research Framework programmes, including Horizon 2020. They have also been greatly facilitated by the 'invisible' border between both parts of Ireland which has been in place since the introduction of the European Single Market.

Northern Ireland is heavily dependent upon the economic and social benefits of higher education as it attempts to rebalance its economy, including the further development of its knowledge-based industrial sector and growth in foreign direct investment (FDI). Both Northern Ireland universities are major economic enterprises in themselves, with their combined activities generating over £1.5 billion of output and £845 million, or 2.6% of Northern Ireland's Gross Added Value (GVA), in 2013.² Northern Ireland universities, through their engagement with EU research programmes, offer a series of incentives to FDI including stability, talent, research excellence and knowledge transfer which have been successfully integrated with access to EU markets.

The importance of attracting FDI is highlighted in the 2015 Stormont Agreement 'A Fresh Start' which includes a commitment to reduce corporation tax rates to 12.5% from April 2018. The planned reduction of Northern Ireland corporation tax rate to 12.5% in 2018 has been a central plank of an economic

¹ The Royal Irish Academy expresses its thanks to Professor Gerry McKenna, MRIA, for his significant contribution in the preparation of this submission. The views expressed in this submission are not necessarily shared by each individual Member of the Academy.

² Viewforth Consulting (2015). *The Economic Impact of Higher Education on the Northern Ireland Economy*.



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development strategy leading to the attraction of greater FDI. A background analysis by the UK Treasury identified the main benefit of a reduced corporation tax rate as being additional investment into Northern Ireland by new foreign owned firms and existing firms. This analysis estimated that FDI will grow by over £300m per annum within 10 years of a reduction of the corporation tax rate, which will lead to increased economic growth and a stronger private sector which will contribute to a rebalancing of the Northern Irish economy.³ The Northern Ireland Economic Reform Group has also estimated that a reduction in the rate of corporation tax to 12.5% could lead to the creation of 90,000 new jobs over a 20 year period.⁴

These analyses however, did not factor in the prospect of the region being outside of the EU, and particularly the Single Market, or having a potential land border across the island to monitor and possibly restrict the flow of goods and people between the UK and the EU. FDI could also be further impeded through lack of access to Horizon 2020 funding, which has been much more industry-focused than previous EU research Framework programmes. If FDI slows, there will be a significant impact on the Northern Ireland economy overall which is still heavily dependent on the public sector.

The Northern Ireland universities are significantly underfunded relative to their counterparts in the rest of the UK.⁵ This makes their dependence on EU Framework and Structural funds greater than that of other UK regions. If the local universities are to continue to influence research policies, undertake world leading research and innovation, and compete globally for the best talent and access to the best facilities, it will be essential for them to have access to funding and collaborative opportunities within the EU while continuing to expand their global outreach.

Horizon 2020

The Northern Ireland universities have been major 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 £11million in funding from Horizon 2020. The Northern Ireland Executive has set an overall target of obtaining £145million from the programme. This success in achieving competitive research funding from EU Framework programmes has been a key driver of research and innovation in a number of companies based in Northern Ireland. In particular, research in biotechnology, nutrition, oncology, connected health, medical devices and informatics has benefited hugely from previous and current EU Framework programmes by providing financial assistance and in facilitating effective collaborative and knowledge transfer initiatives.

There have been major strategic benefits from participating in EU research partnerships. Competing for EU research funding has benchmarked Northern Ireland researchers against their international counterparts, which has had a dramatic effect on raising national standards. EU research programmes, such as Horizon 2020, have also provided a framework that is underpinned by talent and excellence, for people to work together at the highest international standard.

The UK withdrawal from the EU may limit access to future EU Framework Programmes and this could seriously curtail Northern Ireland's ability to participate in large-scale transnational research projects and

³ HM Treasury (2011). Rebalancing the Northern Ireland Economy.

⁴ Economic Reform Group (2011). 12 Key points on Corporation Tax Reduction.

⁵ Royal Irish Academy (2016). Advice Paper No. 10: The Sustainability of the Northern Ireland Higher Education Sector.



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large-scale European research infrastructures. Northern Irish universities could also be faced with a significant loss of talent, as researchers are drawn to universities in the Republic of Ireland to ensure continued access to Horizon 2020 funding.

It is difficult to envisage how any new bilateral research funding agreements between the UK and Ireland could readily substitute for Horizon 2020 and its successor programmes, and the international opportunities they engender for researchers and the wider community. However, this is a challenge which should be faced through innovative and visionary approaches. Two potential approaches could include exploring the possibility of continued access to Horizon 2020 through ongoing associate membership, or the establishment of a domestic UK research fund which would compensate for any loss of funding resulting from withdrawal from the EU.

Other Structural Funding

Northern Ireland has benefitted greatly from the INTERREG and PEACE programmes. INTERREG provides support for the development (with the assistance of Invest NI) of important domestic research infrastructures, such as science parks, start-up company formation and applied research laboratories. The PEACE programme focuses on funding projects which improve social inclusion including education and training for disadvantaged groups. These areas of work are vital to the rebuilding of a peaceful and inclusive Northern Ireland society, both in terms of strengthening the economy and enhancing the prospects and life chances of the disadvantaged, in order to consolidate and reap the benefits of the peace process.

The Chancellor of the Exchequer's confirmation on 13 August that 'all structural and investment fund projects signed before the Autumn Statement will be fully funded, even when these projects continue beyond the UK's departure from the EU' is to be welcomed. However, this commitment does not address particular concerns about funding for the INTERREG and PEACE programmes, and other initiatives that operate jointly between Northern Ireland and the Republic of Ireland, and which are reliant upon EU Framework funding. The INTERREG and PEACE programmes are uniquely important to Northern Ireland and it is to be hoped that the UK Government will guarantee shortfalls or undertake other mitigating measures.

While the Chancellor's statement guarantees structural funding awarded prior to the Autumn Statement, new awards have not yet been made under the present iteration of the PEACE Programme. Certain streams are not yet open to applicants, and it is unlikely that any new awards will be made in advance of the Autumn Statement. It is critical therefore, that before these funding streams are opened, there is clarity on what funding will be guaranteed and for what duration. This is particularly significant as it will alter the attainable deliverables of planned schemes and the viability of projects.

Free Movement of Students and Recruitment of Foreign Students

The UK withdrawal from the EU should enable Northern Ireland and other UK universities to amend fee levels for incoming EU students to levels comparable with those paid by other international students. In theory this could result in a significant financial windfall for the universities. Alternatively, this could also result in significant losses, due to a declining take-up of places by EU students as a result of higher fee levels. In such an eventuality, Republic of Ireland students could also be required to pay international fees.

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%



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from outside of the EU. The UK exit from the EU is likely to result in fewer inward and outward student exchanges, from an already low base. Northern Ireland universities already find it difficult to attract overseas students. 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 (596 students and 110 staff in 2014/15) to EU universities – this is particularly relevant given the homogeneous nature of the student population based in Northern Ireland universities. The current student mobility facilitated by ERASMUS+ is higher *pro rata* than for the UK overall and participation in this valuable programme may be limited as a result of the UK's exit from the EU.

The seamless transition of students across borders may also be severely disrupted, as incoming overseas students could be required to comply with complex and bureaucratic immigration requirements. It is also possible that Northern Ireland universities will be excluded from participating in EU recruitment fairs. 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 the Republic of Ireland in recent years.

Conclusion

It is clear that the exit of the UK from the EU will pose major and specific challenges for research and higher education in Northern Ireland. These include the potential economic and political difficulties arising from any re-establishment of a 'hard border' with the Republic of Ireland, which may compromise various EU-funded North-South initiatives. These activities have resulted in a significant cross-border flow of researchers and students, as well as major research and teaching collaborations of benefit in promoting peace, prosperity and stability, in both parts of the island. Considerable care should be taken during the forthcoming UK exit negotiations not to imperil the benefits which have accrued from the various EU-supported initiatives. This will require close interaction and formal dialogue and analysis involving the academic community and the UK, Republic of Ireland and Northern Ireland government departments with responsibility for higher education and research, as well as with the business community and other social and cultural stakeholders. It is to be hoped that this may lead to specific and innovative initiatives to mitigate any negative consequences of separation and to promote greater and adequately funded interactions and synergies of benefit to both islands.



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