

## **Scotland's place in Europe**

### **Submission to the Scottish Affairs Committee from Universities Scotland.**

Thank you for the invitation to submit views to the Committee's inquiry. This submission concentrates on matters as they affect Scotland's 19 higher education institutions. We have not answered every question posed by the Committee.

#### Summary of our position

- We wish to stress how important our community of EU and other international staff and students is to Scotland's higher education sector. Along with UK nationals, they are a tremendous asset and the contribution they make to teaching, learning and research is deeply valued. We are proudly international.
- Universities want to maintain the closest possible relationship with our European neighbours. We want to see the open exchange of talent and ideas continue across political boundaries.
- We ask both the Scottish and UK Governments for as much certainty for EU students, staff and our institutions as it is possible to give, as early as it is possible to give it. Most significantly our existing community of EU students and staff need urgent confirmation on their immigration status after the UK exits the EU.
- Whatever arrangement is reached for Scotland and the UK's future relationship with the EU, the mobility of talent needs to be retained for the higher education sector if we are not to become intellectually and culturally impoverished.
- Scotland's universities want to remain part of the European Research Area and its constituent programmes for research and innovation. This would support continued close research collaboration.
- There are various precedents for continued participation in the European Research Area for countries outside of the EU. However, our preference would be that the UK Government negotiates a bespoke arrangement.

#### **How will the EU referendum result affect Scotland's relationship with Europe?**

Scotland's higher education sector believes that it is very important to maintain strong and positive links with Europe even after the UK exits the European Union. It is essential for the quality of our education and our research that we continue to be able to partner with the best, wherever that is.

Following the referendum result, principals acted quickly to emphasise the value they place on the community of EU staff and students in our institutions. They also spoke to the value of teaching and research partnerships across the EU.

We welcomed the outward positive messages given in the days, weeks and months that followed the vote, by the Scottish Government, the Scottish Parliament and others, to make clear that Scotland values the contribution of EU nationals here in Scotland.

It is important to note that these messages were reciprocated by many organisations across the EU. The European University Association issued a statement in July to reaffirm the importance of

collaboration and international cooperation. The League of European Research Universities did likewise, stating that UK universities would remain “*indispensable collaborative partners*”.

We were very pleased to jointly issue early statements with the Scottish Government to reassure existing EU students on their status (1 July) and to indicate our intentions on EU staff and research programmes (21 July).

At present, the nature of our future relationship with Europe is obviously highly uncertain but Scotland’s higher education sector is focused on ensuring that important links, and opportunities, remain.

### **What role will Scotland have in the process of the UK's withdrawal from the EU?**

### **How will Scotland be included in the Government's Brexit negotiations?**

### **How will Scottish interests be represented in the negotiations regarding the UK's withdrawal from, and future relationship with, the EU?**

It is important that Scotland has a strong role in shaping the UK’s negotiating position and important that all those with a role in negotiating the UK’s exit take the opportunity to consult regularly with key sectors to be certain of priorities.

We welcome the appointment of Mr Russell MSP as Minister with Responsibility for Brexit Negotiations with the UK. Mr Russell has a good understanding of the issues as they relate to the HE and FE sectors given his time in the role of Cabinet Secretary for Education. We look forward to meeting the Minister soon to discuss issues facing higher education.

Universities were pleased to have participated in a discussion with Lord Dunlop of the Scotland Office in late summer, as part of its series of engagements with key sectors on the issue of Brexit. It has been useful to have this early engagement but it is important that this remains the case as we progress towards the beginning of formal negotiations, now expected in the spring of 2017.

We are disappointed to note that the Secretary of State for Scotland is not a member of the UK Government’s newly constituted sub-committee on Brexit.

As regards the interests of Scotland’s higher education sector, it is our strong preference to have the immigration status of existing EU national university staff and students confirmed well in advance of article 50 being triggered. Urgent assurances need to be given to EU nationals that their right, and that of their dependents to continue to live and work in the UK will not change in the future. It is also important that they, and their dependents, continue to be able to access public services. The current uncertainty puts the careers and personal lives of 4,595 highly valued staff in unnecessary doubt. Early confirmation of the immigration status of EU nationals already working in the UK could prevent an exodus of talent that would be greatly to the detriment of Scottish higher education, Scotland and the UK. Our ability to attract and retain academics and researchers from across the EU to our universities is a great asset. If this key issue has not been resolved by the commencement of negotiations this must be an urgent priority.

Scotland’s universities will be seeking to ensure that Scotland and the UK can continue to participate fully in future discussions about the EU’s research priorities as well as having access to funding programmes.

## **What future relationship with the EU would be best for Scotland?**

We answer this question in relation to Scotland's higher education sector only.

### A relationship which allows for mobility of highly-skilled talent.

It is essential to Scotland's universities that we retain the right for EU nationals to work in Scotland after the UK's exit from the EU so we can continue to attract the right highly-skilled talent. Whatever arrangement is reached for Scotland and the UK's future relationship with the EU, the mobility of talent needs to be retained if we are not to become intellectually and culturally impoverished.

We welcome the recent announcement from the Scottish Government to confirm that EU undergraduate entrants in academic year 2017 will be eligible to fee-free higher education for the duration of their degree programme even where that continues after the UK has left the EU. This decision was necessary in order to honour statements on fee status for EU students made by universities in prospectuses published well in advance of the referendum on EU membership. Looking beyond 2017, there are policy choices to be made about the post-Brexit fees status of future cohorts of EU students, and whether their post-Brexit fees status should be different from that of other international students. Arrangements are likely to depend on the terms of Scotland and the UK's future relationship with the EU. One example is the treatment of Swiss and European Economic Area (Norway, Iceland, Liechtenstein) students for fees purposes. This is not entirely straightforward, but in brief summary EEA/ Swiss citizens who have become resident in the Scotland for work purposes may be entitled to be treated on the same basis as Scottish-domiciled students for fees purposes, as may the children of Swiss nationals. Whatever policy choices are made, we wish Scotland to remain an attractive destination for students from the EU.

We need clarity from the UK Government that current and future EU students will continue to benefit from freedom to study in Scotland without visa restrictions.

We support opportunities for outward mobility for Scottish and UK-domiciled students through schemes like Erasmus and we want to see this continue. Universities and student associations have invested considerable energy encouraging outward mobility amongst our Scottish and UK student population over recent years. Numbers using Erasmus to study or work in Europe has grown by over 50 per cent to 2,107 students in 2013/14. It would be damaging to the next generation of graduates, and our future workforce, to be cut-off from these opportunities.

### A relationship which enables research collaborations and access to funding.

Scottish universities want to remain part of the European Research Area and its constituent programmes, supporting continued close research collaboration.

Scotland's university research is widely recognised as amongst the best in the world with three-quarters of our research described as 'world-leading' or 'internationally excellent'. Our research excellence is underpinned by significant funding from Europe and, just as importantly, extensive European collaborations. The major challenges that we face today, including climate change, food security or finding a cure for cancers, are not going to be solved by researchers working in isolation in Scotland. Moreover, the evidence shows that collaborative research on an international level is 1.4 times more impactful than research within national boundaries. It is therefore essential that Scottish

universities can continue to collaborate with colleagues across the EU if Scotland is to maintain its research excellence. Scotland has benefited enormously from research grants from the EU, however it is the access to networks across the EU and the ease with which research partnerships can be formed, as facilitated by the EU, which Scotland's universities value just as highly, if not more so. We would be keen to retain as much of this as possible through negotiations.

There are various models of relationship between non-EU nations and the European Research Area, as outlined below. We would want a bespoke arrangement that enabled UK/ Scottish universities to be the closest possible partners in the European Research Area.

There are three broad mechanisms by which non-member states access EU research funds:

1. Associated Country status where countries contribute to the Framework Programme proportionally to their GDP to get the same status as EU Member States but this is only open to countries that are members of the European Free Trade Association and current EU candidate nations. The terms of their association differ slightly by country but they do not have a role in the negotiations that shape EU research funding.
2. Non-associated third countries – institutions and researchers from other countries can apply to Framework Programmes under the 'openness' strategy and in some circumstances receive direct funding. Depending on the exact scheme, third countries might have to provide matched funds.
3. International agreements for scientific and technological cooperation. The EU has these with 20 countries to have a framework for participation in joint projects, sharing of facilities, staff exchanges and organising specific events

There are currently 13 Associated Countries including Norway, Iceland, Israel and Switzerland. These countries are not members of the EU but participate in EU Framework Programme funding schemes. Bilateral agreements are in place with each Associate and terms of association vary from one country to another. Associated Countries generally contribute to EU budgets based on GDP and researchers can apply for funding as those in Member States do. Where funding is awarded on the basis of excellence it is therefore possible to see a net gain.

A recent Swiss referendum voted for a policy to limit immigration through quotas and allow allocation of jobs preferentially to Swiss over foreigners. This has effectively removed freedom-of-movement agreements with the EU. Switzerland was therefore downgraded to 'third country' status and subsequently negotiated 'partially associated' status. This allows Swiss-based researchers to access the excellence science pillar (pillar 1) of Horizon 2020 so receive European Research Council funds and the Marie Curie mobility schemes Norway has Associate Member status and the agreement it has secured means that terms do not need to be renegotiated with each new Framework programme.

Universities Scotland welcomes confirmation from the UK Government that it will underwrite Horizon 2020 awards won while the UK is still a member of the EU and that it will fully fund all existing structural and investment fund projects. However, we want to see continued access on the current terms to Horizon 2020 until the completion of the funding period.

The EU Research Commissioner, Carlos Moedas, has confirmed that until the end of the Brexit negotiations, the UK will continue to have all the rights and obligations in relation to research programmes. Universities Scotland would like reassurances that that commitment extends to shaping the policy priorities of EU funding programme, particularly as a mid-point review of Horizon2020 is due soon. Excellence has been an important criterion in EU research programmes until now, and this

has served UK universities well, but this could change without the UK's influence in policy development in the EU.

### **How will the UK's withdrawal from the EU affect Scottish devolution and Scotland's funding settlement?**

We cannot answer this question in relation to the Scottish budget but we can provide an illustration of the potential lost investment in Scotland's university sector, and beyond, if we lose access to EU research funding.

- Scottish HEIs received £94 million of research funding from EU sources in 2014-15. This accounts for 9.4% of the total research funding that Scotland's universities won through competitive process in that year. Most of this funding (85%) comes from European Commission programmes. The rest comes from EU charities and business.
- Horizon 2020 is the biggest EU Research and Innovation programme, with nearly €80 billion of funding available over the period 2014 to 2020. To date, Scotland has received almost €250million from Horizon2020. While the UK received over 15% of total Horizon 2020 funding, Scotland received 19.9% of funding delivered through the 'excellent science' pillar.
- Scotland has also been successful at winning funding under the Marie Skłodowska-Curie Actions research fellowship scheme which provides grants researchers and encourages transnational, inter-sectoral and interdisciplinary mobility. Data published at a UK level show that over 3,500 UK researchers have been funded through Marie Skłodowska-Curie Actions in 7 years, with a value to British organisations of around €1,086 million.
- EU Structural Funds are another source of important revenue for universities and for the regions they serve. The University of the Highlands and Islands is an excellent example of this. UHI has been a major recipient of ESF funds because of its capacity to deliver on one of the core objectives of the grant; addressing regional and social disparity within its region. The ESF accounts for 35 per cent of UHI's external sources of income and the loss of this grant after 2018 would mean the University lost access to £19 million of resource intended for university places, student support and curriculum development to meet regional skills needs.

### **What consequences and opportunities exist for developing Scottish trade in Europe and beyond in light of the EU referendum result?**

Scottish higher education is international in its nature. Any successful higher education sector must be so. The partnerships we have across the rest of the world, and our non-EU international staff and students, are also very important to us. These partnerships include staff and student exchanges, research collaboration, and joint degrees.

Scotland's universities are already home to over 27,000 full-time equivalent students from outside the EU. We are proud to teach students from over 180 countries. Having a community of international students on campus enriches the educational experience for all students. They also make a significant social and cultural contribution to their universities and the community beyond. International students make an undoubtedly significant economic contribution. Fees from outside the EU amounted to £444 million in 2014/15. There is also a significant off-campus expenditure arising from international students in Scotland, estimated to be around the same order of magnitude.

However, there are real challenges to our ability to compete in a fiercely challenging global market for international students. There was evidence, soon after the Brexit vote that it was having an immediate and very negative impact on potential international students beyond the EU as a consequence of the way the vote was perceived around the world. A survey of international students in July of this year found that 30% of students surveyed were less likely to study in the UK as a result of the Brexit vote.<sup>1</sup>

Another significant challenge is the policy environment in which we operate. Our English-language competitors in Canada, New Zealand, the US and Australia make a highly attractive visa offer to international students. Whilst the quality of our higher education sector in Scotland is able to compete with the best, the policy environment in which we operate is a limiting factor. This has seen the growth of international student numbers in Scotland plateau at best, and fall significantly from some of what had been our key markets including India and Nigeria.

In addition to the delivery of education within Scotland, trans-national education (TNE) is a significant activity for some of our universities. There are also over 36,000 students enrolled in Scottish university courses overseas. Two universities, University of Glasgow and Queen Margaret University have bases in Singapore, Edinburgh Napier has been delivering higher education in Hong Kong for over twenty years in a partnership with two local institutions. The University of Glasgow also recently opened a graduate schools in partnership with another institution in Tianjin in China. Heriot-Watt University has campuses in Dubai and Malaysia and Aberdeen University has very recently opened a campus in Hadong-gun in South Korea.

[Connected Scotland](#) was formed as a partnership between relevant organisations and the higher education sector in 2014 to promote Scottish higher education internationally. The partnership has ambitious goal for export growth through both international student recruitment, transnational education and research and innovation links. Connected Scotland is a partnership between Scotland's universities, the British Council, the enterprise bodies<sup>2</sup>, the Scottish Funding Council, the Scottish Government and Royal Society of Edinburgh. It has identified priority markets in which to focus collaborative recruitment drives and separately where there may be opportunities to forge new international partnerships for research. So far a Connected Scotland delegation visited Brazil and a trip to Malaysia is planned for November.

Over 3,100 international staff (non-EU) are employed in Scotland's universities. This accounts for 7.4 per cent of our staff community. The referendum result and the prospect of change to freedom of movement within the EU prompts the need for urgent reconsideration of the UK Government's immigration policy. Any consideration of our current regulations for visa entitlements under Tier 2 must work for the higher education sector if we are to preserve its world-standing, its excellent research and the significant economic return it makes to the Scottish and UK economies. Our world-class higher education sector will thrive or fade based on our ability to employ the best talent, from across the globe. Any change to immigration policy must be sensitive to the academic career path which can involve relatively low starting salaries. Salary thresholds are not always a reliable marker for skilled jobs. Such a blunt determination of skill would cause great harm to the talent available in the higher education sector; a point we outlined in multiple submissions to the Home Office as it consulted on reforms to Tier 2 throughout 2015.

**ENDS**

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<sup>1</sup> <http://www.independent.co.uk/student/news/brexit-international-students-in-the-uk-after-eu-referendum-hobsons-survey-a7161661.html>

<sup>2</sup> Scottish Development International, Scottish Enterprise and Highlands and Islands Enterprise