

The European Union without Britain: Effects on Higher Education

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With added reference (slide 29) to a proposed “EU deal” for Britain, announced by Donald Tusk, President of the European Council, on the morning of 2 February 2016

BREXIT right now

“Draft Brexit deal hangs on benefit ‘emergency brake’”

“Carney warns of instability after Brexit”

“Chinese turmoil teaches three basic truths about Brexit”

“Sterling wilts under ‘Brexit’ pressure”

“Cameron clears diary for EU renegotiation talks in Brussels”

“Race to find British expats in Europe ahead of Brexit vote”

“How Brexit will put extra pressure on the pound”

(Source: *Financial Times* headlines, 26-29 January 2016)

BREXIT and Higher Education

Jo Johnson: “Brexit would damage UK science”

“Spanish Supposition”

Vote Leave claims “EU exit could make science bigger
priority in UK”

“Cambridge would open science parks abroad if UK left
EU”, says V-C”

“Academics must face EU’s “inconvenient truth”

(Source: *Times Higher Education* headlines, 25 September 2015 to 4 February 2016!)

A leap into the void?



Revision Quiz

What is the difference between the:

- A. European Union (Rutte)
- B. European Commission (Juncker)
- C. European Parliament (Schulz)
- D. European Council (Tusk)
- E. Council of Europe (Jagland)?

BREXIT Referendum

The Question: “Should the United Kingdom remain a member of the European Union or leave the European Union?”

- Referendum must be held by 2017, in keeping with a Conservative Party electoral promise in 2015
- Likely in 2016, if PM Cameron can, prior to the referendum, gain a satisfactory response to his reform demands from European Council
- Referendum is only held in UK and Gibraltar, for eligible voters; voters in the remainder of the EU have no opportunity to participate
- Referendum is about political mandate, not a precise course of action
- A similar UK referendum in 1975 reaffirmed EU/EEC membership.

British reform demands to EU

- Economic governance
- Competitiveness
- Immigration
- Sovereignty (financial, legal, geographic, rights)

“The UK could get the benefits of the single market but not the ‘burdens’ of bailing out the eurozone”

(George Osborne, Berlin, 3 November 2015)

“Ever closer union is not right for us any longer”

(Osborne, 3 Nov 2015)

The “Leave” Supporters

EU membership is “disastrous” for UK.

Further integration should not be followed.

Chris Grayling accepts EU as a trading bloc; he rejects it as a “wider social and political system”.

“Instead of sensible rules to encourage trade, we had European laws telling us how many hours we could work, or how to manage our countryside.”

“Nor can we simply accept endless migration from across Europe . . .”

Source: “Grayling launches attack on ‘disastrous’ EU membership”, *Financial Times*, 13 Jan 2016

Where are we now?

UK Alone in Wanting to Leave EU

“Would you vote to stay or leave the EU?”

43% for leaving

36% for staying

21% don't know

Excluding “don't knows”, it was

54% for leaving

46% for staying.

(Source: ORB International Survey, 7 January 2016)

How British business views EU impact?

NEGATIVE

Agriculture, fisheries, food safety

**Company law and corporate
governance**

Employment and social affairs

NEUTRAL

Competition

Energy and climate change

POSITIVE

Consumer protection

Environmental protection

Non-discrimination

Research and Development (high)

Single market, free movement and
market access (very high)

Telecoms (very high)

Trade (very high)

Transport (very high)

(Source: Renison, *The UK's
Relationship with the European
Union*, 2016)

**In total, British business has a
highly positive view of the
impact of EU membership upon
their businesses.**

Economic effects of BREXIT

- Diminished trade between UK and EU27: is EU more important to UK, than UK to EU?
- Greater caution in investment in UK within Europe
- Loss of UK, No.2 net contributor to EU, after Germany
- Potential for UK to undercut EU in selected services; be more opportunistic
- Both UK and EU27 weaker in world trade: no longer the world's biggest trading bloc.

Immediate effect of a BREXIT vote?

An “immediate and simultaneous economic and financial shock” for the UK economy:

- A snap recession
- 2% reduction in GDP
- Hampering of business investment
- Weakening of the pound currency
- “weigh on wage growth”

(Source: Torfx, daily update, 26 January 2016)

Trading Models for a post-EU UK?

- EEA : Norway
- Bilateral agreements: Switzerland
- Customs union: Turkey
- Free trade association : NAFTA
- Traditional Most Favoured Nation status
- Start own FTA: “Anglosphere”

Questions: how long would it take to move to new model?

Can a negotiated reform now meet UK demands, and so head off BREXIT?

EU country views on UK renegotiation

Austria: After BREXIT and Grexit, could Auxit be next?

Denmark: The Danish government [supports] UK demands, albeit with some caveats

Germany: Doubts that Britain really knows what it wants

Italy: A BREXIT would create a dangerous political precedent for Italy

Spain: A flexible but Europeanist response

(Source: <http://blogs.lse.ac.uk/europpblog/2015/11/10>)

A Hungarian view on BREXIT reforms

“A BREXIT would fundamentally change the geometry of EU voting, which would eventually cause mid-sized countries to lose some influence. . . . Proposing changes – both those UK-specific in character and those aimed at the wider EU -- that avoid treaty modification would make it easier to secure the support of Hungary’s government and parliament.”

(Source: Zoltán Galik, Corvinus University, Budapest, in LSE blog.)

A Romanian view on BREXIT reforms

“The only reforms the UK has been pushing that Bucharest favours are an enhanced role for national parliaments and a more economically dynamic and outward looking EU. . . . [there is strong support for Chancellor Merkel’s view] that a UK exit from the EU would be preferable to limitations of the right to free movement across the Union.”

(Source: Agnes Nicolescu, Aspen Institute Romania, in LSE blog)

Education in the EU: what the Treaty says

“The Union shall contribute to the development of quality education by encouraging cooperation between Member States and, if necessary, by supporting and supplementing their action, **while fully respecting the responsibility of the Member States for the content of teaching and the organisation of education systems and their cultural and linguistic diversity.**”

(Source: Article 165 of the Treaty on the Functioning of the European Union (Consolidated Version, 9 May 2008))

A “Leave” view of Higher Education

“Freed of **these worst aspects of EU membership** but retaining close cooperation with European universities and research programmes, British higher education would flourish.”

“Worst aspects of EU membership” include:

- “outmoded, parochial rules on immigration and student fees”
- “anti-science culture”
- “glacial bureaucracy”
- “adamantine [educational] institutions”
- “further centralisation of power”.

(Source: Jamie Martin, “You cannot solve the problems of 2025 using a 1950s model”, *Times Higher Education*, 24/31 Dec 2015)

UK universities in the BREXIT debate

- Education or research are not on Cameron's reform list. But they would be much affected by the decision.
- “Out of the limelight” trend of last decade in higher education is towards “closer and almost uncontested **European integration**” – linked to the European Research areas (managed by the EU), and the EHEA (supported by EU)
- Question of whether HE has the “right” to be in the debate: “yes”, so long as evidence-based.

Five university reasons to remain

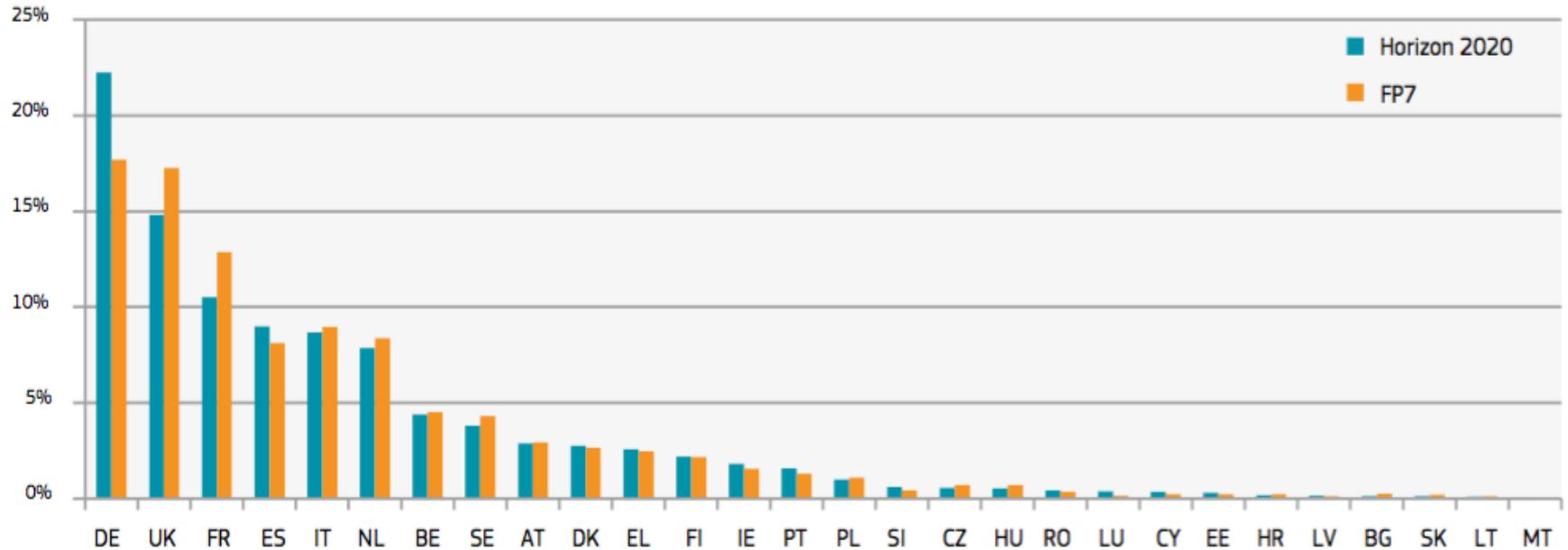
1. EU is a major supporter of UK research
2. EU supports UK universities in growing businesses/jobs
3. Talented EU students and staff bring benefits to UK teaching and research, and the UK economy
4. EU provides “life-changing opportunities for British students and staff”
5. EU funds and supports most talented researchers.

(Source: blog.universitiesuk.ac.uk/2015/10/12)

Source: <https://ec.europa.eu/programmes/horizon2020/en/horizon-2020-statistics> (2015)

What share of Horizon 2020 funding does each Member State receive?

Share of EU financial contribution to participants in signed grant agreements: Horizon 2020 compared with FP7



Horizon 2020 Associate Nations grants

Switzerland 2%

Norway 1.3%

Israel 1.2%

Turkey 0.6%

Serbia 0.3%

Iceland 0.2%

Also small grants below 0.2% each to Macedonia, Moldova, Montenegro, Bosnia/Herzegovina, Albania, Faroe Islands

(Source: https://ec.europa.eu/programmes/horizon2020/sites/horizon2020/files/horizon_2020_first_results.pdf; percentages are of share in signed grant agreements)

Horizon 2020 “other nation” grants

United States 1%

Canada 0.3%

South Africa, China, Australia,

Ukraine, Argentina 0.2%

Also, small grants below 0.2% to Russia,

Brazil, Japan

(Source: https://ec.europa.eu/programmes/horizon2020/sites/horizon2020/files/horizon_2020_first_results.pdf; percentages are of share in signed grant agreements)

UK university fears about a “Leave” win

- Weaker collaborations in education and research
- More dramatic effect upon research (Horizon 2020) than on (higher) education, but education changes more costly
- Fewer students from EU studying in UK, probably on less favourable funding arrangements
- Tendency back towards Anglosphere collaborations
- Tighter immigration effects , particularly for London institutions
- Loss of vital EU (cultural, linguistic) skills
- Loss of “soft power” diplomacy
- Loss of ground to the open, liberal agenda.

Summary 1. Fragmentation of EU

- Fragmenting EU, losing support for common European endeavour:
“... The EU is splitting along three faultlines. One divides **the prosperous north from the indebted south**. A second separates a **eurosceptic fringe from a europhile centre**. A third is **between a socially liberal west and an increasingly autocratic east**. This is a scene of disintegration and fracture.”

(Source: Wolfgang Münchau, “Europe’s multiplicity of crises is not accidental”, *Financial Times*, 3 January 2016)

Summary 2. Fractured UK over BREXIT

- a. Young versus old
- b. London/Scotland versus England
- c. More educated versus less educated
- d. Naturalized/immigrant versus native-born
- e. Business versus politics

Question: What is the location of core identity, hence desired sovereignty? Where is “home”?

Summary 3. Higher education & research

- Not a reform issue, but much affected by it
- Solidly pro-EU, on all scores. A success story of closer collaboration and integration.
- Fearing loss of EU income (for research excellence, student fees) would not be compensated for
- Fearing a less liberal environment both in UK and in the rest of Europe
- Organizing to ensure staff and students do vote in referendum
- EU countries are more mixed. Some see more research funding opportunity if UK leave EU.

So, what does UK want?

PM Cameron wants “‘the best of both worlds’ – in the Single Market but not in the single currency [Euro] and being able to travel in Europe but not having open borders with EU countries.”

This, says Cameron, is a “huge prize worth fighting for, a prize worth negotiating for”.

(Source: “David Cameron ‘not in a hurry’ to hold EU referendum”, *Guardian*, 21 January 2016)

Late Addition (2 February 2016): Proposed “EU deal” for Britain

On 2 February Donald Tusk, as president of the European Council, unveiled a proposal to be discussed at the 18/19 February meeting of the Council.

For initial comments on how far this proposal meets PM Cameron’s demands, and Tusk’s letter of 2 February, see:

<http://www.theguardian.com/politics/2016/feb/02/eu-renegotiation-tusk-proposes-migrant-worker-benefit-cap>

<http://www.telegraph.co.uk/news/newstopics/eureferendum/12135328/EU-referendum-draft-deal-revealed-by-Donald-Tusk-live.html>

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