

## Russell Group response to House of Lords Select Committee on Economic Affairs inquiry: Brexit and the Labour Market

### 1. Summary

- The strong base of overseas talent at research-intensive universities, including researchers and academics, is fundamental in underpinning excellence in research, innovation and education, helping the UK to maintain and develop our position as a world-leading research nation and playing a critical role in educating future generations.
- Our universities are highly internationalised: staff from EU and non-EU countries represent 25% of the overall workforce at Russell Group universities. Nearly 37% of academics at Russell Group universities come from countries outside the UK, and 11% of non-academic staff.
- Overseas academics bring crucial expertise and skills and play a critical role in delivering a highly skilled workforce in the UK to meet labour market demands in the future. In particular, overseas academics play a key role in teaching and research in a range of science, technology, engineering and maths (STEM) subjects at our universities which are integral to the UK's national ambition to boost productivity and economic growth.
- Overseas researchers and PhD students are vital in refreshing the UK's research base which attracts investment and generates growth. Staff from outside the UK in non-academic roles also bring vital skills to the UK.

### Impact on the labour market

- There would be significant knock-on consequences for the labour market if the ability of research-intensive universities to recruit the most talented academics and researchers from across the world were limited in the future.
- Increased controls on recruiting international highly-skilled migrant workers, as well as those in technical and support roles, would put the UK's position on the global stage as a world-leader in research, innovation and education at risk.
- This would in turn impact on our universities' ability to train future graduates in strategically important subjects who will become the skilled labour force and leaders needed for the future development of the UK's economy and society.

### Key recommendations for the Government

- Any future immigration system must support the UK's universities to attract and retain researchers, academics and students from anywhere in the world. It should prioritise: highly skilled people (including researchers and academics); those with specialist knowledge and expertise (including technicians, analysts, and expert practitioners); and students.
- Universities should be at the heart of an ambitious industrial strategy to boost productivity and create a resilient economy based on high-skilled jobs, innovation and cutting-edge research through top quality education and training.

## 2. Context

1. The purpose of The Russell Group is to provide strategic direction, policy development and communications for 24 major research-intensive universities in the UK; we aim to ensure that policy development in a wide range of issues relating to higher education is underpinned by a robust evidence base and a commitment to civic responsibility, improving life chances, raising aspirations and contributing to economic prosperity and innovation. We welcome the opportunity to provide evidence to this inquiry.
2. Russell Group universities are major contributors to the UK economy generating positive effects right across the country and the ability to attract talented individuals from anywhere in the world is central to this success. The strengths of our world-leading higher education, science and research base are key drivers of growth and productivity for the UK, and universities should be integral to the formulation of the new Industrial Strategy.
3. We have welcomed the Government's ambition of ensuring the UK remains the best place for science and innovation and remaining open to international talent after the UK has left the EU.<sup>1</sup> Whatever the outcome of the Brexit negotiations, future policy should ensure UK universities can continue to recruit and retain talented staff and students from across the EU and more widely without bureaucratic visa burdens.

## 3. International staff at Russell Group universities

1. Russell Group universities are highly internationalised. Overseas (other EU and non-EU) staff represent 25% of the overall workforce at our universities (compared with 18% for all UK universities) and nearly 37% of academics (28% for the sector as a whole). This demonstrates the success of our universities in attracting the best global talent to work in the UK and build a world-leading reputation for UK higher education.
2. There tends to be a greater proportion of EU and non-EU nationals in academic posts within STEM subjects at our universities compared to the average. In particular, EU and non-EU academics are highly represented in the following disciplines:
  - Chemical engineering - 54%
  - Maths - 53%
  - Electrical, electronic and computer engineering and general engineering - 52%
  - IT, systems sciences and computer software engineering - 49%
3. Alongside this, EU and non-EU nationals also make up a high proportion of academic staff in humanities and social science disciplines, for example around two-thirds of academics in economics, and 50% of all academic staff in strategically important modern foreign languages are non-UK nationals.
4. Access to a pool of international talent at research-intensive universities, including researchers and academics, is fundamental in underpinning excellence in research, innovation and education. Overseas staff make a significant contribution to the success of research-intensive universities and to the UK's economy, society and culture more broadly. In particular:
  - (a) **Overseas academics play a critical role in educating future generations and producing a highly skilled workforce in the UK.** For example, around 36% of EU staff at Russell Group universities are directly involved in teaching (i.e. those on teaching only or teaching and research contracts) and thus provide a significant core of expertise and capacity for training future generations. Many of the overseas academics our universities attract are leading experts in economically important STEM subjects. EU academics also play a vital role in undertaking research in and teaching strategically important modern European languages. The provision of degrees in modern foreign languages is crucial for the UK in developing our capability to

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<sup>1</sup> White Paper: The United Kingdom's exit from and new partnership with the European Union

engage fully with the wider world in business, diplomacy and academia.

- (b) **Overseas researchers and PhD students play a vital role in refreshing the UK's research base**, and in maintaining and developing our position as a world-leading research nation.<sup>2</sup> Selection rates for the Research Excellence Framework 2014 were highest for other EU and non-EU staff at UK universities, a clear indication of the high-quality research they produce and their value to UK universities.<sup>3</sup> An international base of highly skilled researchers is also essential for universities in enabling access to vital international research funding (both from overseas governments and private companies) and in attracting inward investment to their regions, benefiting the local and national economy.
- (c) **Overseas staff in non-academic roles also bring vital skills to the UK and make up around 11% of all non-academic staff at Russell Group universities.** Many of these members of staff hold highly skilled posts as lab technicians and clinicians, engineers and senior managers and administrators, in addition to a small number in support roles which are equally important to the running of UK institutions. There are over 2,000 non-academic EU and non-EU staff in associate professional and technical positions at our universities. An area of growing importance, for example, is in the management of Big Data where staff may have more of a hybrid academic/non-academic role.

#### 4. Impact on the UK labour market and broader economic consequences

- 1. **The ability to recruit the 'brightest and best' talent from overseas (as well as from within the UK) is essential to maintain the UK's position on the global stage as a world-leader in research, innovation and education.** This in turn will help to drive economic growth and productivity, and contribute to progress on industrial strategy goals, particularly in a potentially more challenging environment post-Brexit.
- 2. There would be significant knock-on consequences on the labour market and on the UK's economy if the ability of research-intensive universities to recruit and retain the most talented academics and researchers from across the world were reduced. In particular:
  - (a) **Some posts may be left unfilled and universities would no longer be able to recruit the best candidate for the role, damaging their competitive position internationally.** UK nationals would not necessarily be able to replace any shortfall in EU and non-EU academics as they are unlikely to have the specialist skills, expertise and experience to match those brought to the UK by excellent overseas academics who will have won their current positions through competitive recruitment. Knowledge is not bound by national borders and it is essential for universities to be able to attract the most talented individuals in their fields from anywhere in the world. Evidence shows the primary driver of research excellence is excellent researchers.<sup>4</sup> Such is the level of specialised skill and knowledge which universities require in their workforce there are often only a handful of individuals internationally who are able to fulfil the requirements for particular posts.
  - (b) **A decline in the ability to recruit staff from outside the UK would therefore mean UK students would lose out on the benefits** of the expertise of staff who enrich the research, teaching and learning environment and student experience by exposing them to different ideas and approaches. This effect could be compounded if UK domiciled researchers and academics who are also globally mobile choose to build their careers overseas if the UK's research base becomes less internationally competitive. The loss of academic capacity and capability in key strategically important subjects such as STEM disciplines could have a negative impact on the pipeline of graduates and postgraduates who are needed to address existing skills gaps and will become the skilled labour force of the future.

<sup>2</sup> International Comparative Performance of the UK Research Base 2013: report prepared by Elsevier for BIS

<sup>3</sup> <http://www.hefce.ac.uk/pubs/year/2015/201517/>

<sup>4</sup> For example see *Growing the best and brightest: The drivers of research excellence*, a report produced for the Department of Business, Innovation and Skills (BIS) by Economic Insight (2014).

- (c) There could also be a **knock-on impact in terms of inward investment into UK universities**. For example, multinationals will choose to make international investments in R&D at the best universities and could decide to relocate R&D centres based at UK universities if the country's research standing declines.<sup>5</sup>
- (d) Furthermore, in the event that it becomes harder to attract and retain talented staff and students from overseas, **the financial benefits that universities are currently able to contribute to the UK economy could be seriously diminished**: Russell Group universities generate in excess of £32 billion a year in economic output and support more than 300,000 jobs.

## 5. Key recommendations for the Government

1. The Government now has an opportunity to leverage the strength of the UK's higher education and research sector to up-skill the domestic workforce, boost productivity and drive economic growth.
2. Future policy should ensure UK universities can continue to **recruit and retain talented staff and students from across the EU and more widely without bureaucratic visa burdens**. A new immigration regime should:
  - (a) Prioritise highly skilled people (including researchers and academics); those with specialist knowledge and expertise (including technicians, analysts, and expert practitioners); and students.
  - (b) Be light-touch, fair and transparent to avoid introducing disincentives to come to the UK, and to reduce the compliance burden which UK universities already face in sponsoring non-EU staff and students.
  - (c) Provide an attractive offer to overseas nationals who can make a significant contribution to the UK's economy and society, including: enabling genuine migrants (including staff and students) to bring dependants with them and avoiding placing restrictions on this; and providing a warm welcome at the border and throughout their time in the UK.
  - (d) Offer options for long-term migration with routes to residency and temporary migration for education, training, research collaboration and knowledge exchange in order to meet a range of different requirements.
3. **Universities should be at the heart of an ambitious industrial strategy to boost productivity and create a resilient economy based on high-skilled jobs, innovation and cutting-edge research**. The Government can help us maximise our potential to contribute to an effective Industrial Strategy by:
  - (a) Investing for future growth by strengthening commitments to excellent research, producing a roadmap to increase public and private sector investment in R&D in the UK to 3% of GDP
  - (b) Ensuring high cost subjects such as STEM and medicine are properly resourced to underpin the pipeline for future jobs essential for the economy and society
  - (c) Leveraging our strengths in science and research by backing university-business collaboration and innovation
  - (d) Using smart regulation to deliver productivity and ensure universities can continue to attract and retain the best talent.

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<sup>5</sup> UK-Innovation Research Centre 'The Economic Significance of the UK Science Base: A report for CaSE' (2014)