

## PARLIAMENTARY BRIEFING

# Erasmus+ and Student Exchange Post-Brexit

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## BACKBENCH BUSINESS DEBATE, THE FUTURE OF THE ERASMUS + SCHEME AFTER 2020, 21<sup>ST</sup> JUNE 2018

1. MillionPlus is the Association for Modern Universities in the UK, and the voice of 21st century higher education. We champion, promote and raise awareness of the essential role played by modern universities in a world-leading university system. Modern universities make up 53% of all UK undergraduates, and 38% of all postgraduates, with over one million students studying at modern institutions across the UK.

### ERASMUS+: THE FACTS

- Between 2014 and 2017 Erasmus+ has invested €229m into 824 projects within UK higher education
  - Over 200,000 students from the UK have worked or studied abroad as part of this initiative
  - Approximately 15-20,000 UK students participate in Erasmus+ exchange programmes each year
  - More than half of all study and work trips for UK undergraduates came via Erasmus+ in 2014-15
2. There is clear evidence that student exchange programmes have a beneficial impact upon students. For Erasmus+ projects, students that undertake exchanges have, on average, higher degree outcomes than those that have not<sup>1</sup>, are able to find jobs faster than non-Erasmus+ alumni and achieve higher salaries<sup>2</sup>. These gains are even more significant for students from disadvantaged backgrounds, who might otherwise have no access to studying abroad and all of benefits<sup>3</sup> it conveys. Modern universities educate the vast majority of students from areas of the country with the lowest participation in higher education and, as such, schemes like Erasmus+ are particularly important to these institutions and their students. It is important to remember that these exchange programmes do not only enhance the CVs of graduates but also offer a once in a lifetime opportunity for students to challenge themselves and develop as individuals.
  3. Besides the benefits to students from these exchanges Erasmus+ projects also play a beneficial role in boosting the skills of the UK workforce. The government itself has identified that greater numbers of UK students need to be studying outside of the UK (currently 6.6% of students do so), which is why projects like Erasmus+ are tools to achieve this ambition. Indeed, the CBI has produced clear evidence that the UK workforce requires more graduates with international cultural awareness and foreign language skills, which in a more globalized world are key to not just gaining competitive advantages, but everyday business practice<sup>4</sup>.
  4. UK-based home students, and the UK itself, also benefit from these exchange programmes. Greater cultural and academic diversity at institutions and the fostering of personal connections with regions of the UK help

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<sup>1</sup> [http://www.hefce.ac.uk/media/hefce/content/pubs/2009/200944/09\\_44.pdf](http://www.hefce.ac.uk/media/hefce/content/pubs/2009/200944/09_44.pdf)

<sup>2</sup> [http://ec.europa.eu/dgs/education\\_culture/repository/education/library/study/2016/erasmus-impact-nutshell\\_en.pdf](http://ec.europa.eu/dgs/education_culture/repository/education/library/study/2016/erasmus-impact-nutshell_en.pdf)

<sup>3</sup> <http://www.universitiesuk.ac.uk/International/Pages/uuki-calls-for-students-to-Go-International-Stand-Out.aspx>

<sup>4</sup> <http://www.cbi.org.uk/news/skills-needs-must-now-drive-reforms-cbi-pearson-education-and-skills-survey/>

to forge, and broadcast, a better understanding of, and appreciation for, the UK across the continent. Similarly, EU students in the UK are an enormous benefit to the country, and they may be even more significant post-Brexit, as the UK reshapes its relationship with these nations.

## ERASMUS+ POST-BREXIT

5. As the UK is leaving the European Union, negotiations on all manner of joint enterprises are being undertaken, with Erasmus+ one element of these larger discussions. The higher welcomed the government acknowledging the benefits of Erasmus+ and committed to continuing in the programme for academic year 2019/20, however, future participation has yet to be finalised.
6. With announcements by the EU that greater numbers of nations may be eligible for Erasmus+ from 2021 onwards, the appreciation of the benefit of student exchange programmes are clear<sup>5</sup>. The UK must therefore:
  - Work towards full participation in Erasmus+ post-Brexit.
  - Work with international partners to increase student exchange programmes internationally.
  - Ensure greater numbers of UK students have access to, and are taking up, such initiatives.

## EU STUDENT MOBILITY POST-BREXIT

7. Alongside the importance of Erasmus+, it is crucial to remember that far greater numbers of students from the EU come to the UK outside of the Erasmus+ programme. Over 125,000 EU students study around the UK, and alongside the cultural and academic benefits that comes with them, they also generate £4bn for the economy each year – the bulk of which comes from off-campus expenditure. The importance of these students to local economies is huge, with 20,000 off-campus jobs supported by these students across the UK, as well as a further 15,000 on-campus jobs. Indeed, a recent study calculated that the net economic impact is £68,000 for each EU student studying in the UK – which means for every 15 EU students £1m of net economic impact is generated (a ration of cost to benefit of 1:4.6)<sup>6</sup>.
8. Currently, EU students have access to 'home fees' and student loan support, which the government has agreed will continue in 2018/19. However, should the government wish to change the arrangements post-Brexit and, for example, charge EU students international fees, and remove all student support, economic modelling suggests a drastic drop in the numbers of EU students coming to study in the UK (a drop of 47%), with modern universities likely to be hardest hit by such a reduction<sup>7</sup>.
9. With the clear evidence stating the immense benefits EU students bring to the UK, MillionPlus believes it would be a mistake to close a source of such economic, academic and cultural value to the UK, and its student population. We **believe it is in the interest of the UK to remain as attractive and competitive as possible, and the UK must remain truly open to EU students post-Brexit**. This must form part of a wider negotiation on higher education, and knee-jerk reactions or decisions may prove catastrophic in the long-term, not least as these students will likely benefit the UK's direct competitors.

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<sup>5</sup> <https://www.timeshighereducation.com/news/erasmus-exchange-programme-set-open-all-countries-2021>

<sup>6</sup> <http://www.hepi.ac.uk/wp-content/uploads/2018/01/Economic-benefits-of-international-students-by-constituency-Final-11-01-2018.pdf>

<sup>7</sup> <http://www.hepi.ac.uk/wp-content/uploads/2017/01/The-determinants-of-international-demand-for-UK-HE-FULL-REPORT.pdf>

## KEY QUESTIONS

### *If the UK is leaving the EU, why should EU students get any special treatment?*

10. It is possible to argue that, once the UK is out of the EU, it logically follows that all previous preferential relationships with the EU, such as on student exchange, should finish. We believe this would be a fundamental mistake and would run counter to the stated ambitions of the government itself. In the Prime Minister's Florence Speech, she was extremely clear that, post-Brexit, the UK and EU will have a special and unique relationship, and that this would be reflected in the negotiations, and in subsequent policy. It is therefore illogical to suggest a simple third-country relationship, and all that comes with it, particularly when there are demonstrable collective gains to be had from continuing shared work in many areas.
11. Although the UK is leaving the EU, it is not leaving Europe, and geography will remain a factor. On student exchange, other areas of the world have realised, as the EU nations have, that there are enormous benefits to making student exchange across border easy and attractive. Australia and New Zealand, for example, have home fee status and student support for their respective students, Canada and the US have preferential treatment, Norway waives visas for Scandinavian students, and ASEAN nations in Southeast Asia are moving in the direction of greater student exchange, with programmes set up with universities in those nations.
12. With other neighbouring countries understanding the immense benefits of student exchange, and alongside a stated commitment of the UK government to establish a special relationship with the EU, the continuation of projects that are beneficial to the UK, like student exchange, should be encouraged.

### *What about loan repayments for EU students? Won't the UK be losing money?*

13. One criticism about loan support, pre and post-Brexit, has been that enabling EU students to have access to student loans represents a drain on the UK finances, and that, presumably, this drain would end were this to be stopped. Such an analysis misunderstands both the scale, and the economic reality, of the current situation.
14. On scale, in 2014/15 the total balance for all cohorts since 2008 stood at £30bn, of which £337m was from EU borrowers (roughly 1%). When setting these figures against the £220m spent each year on campus by EU students, and the £1.49bn spent off it, the overall amount in net terms, as we have established in the previous section, is a significant net gain for the UK economy.
15. Furthermore, the money going out via loans is, clearly, intended to be repaid. Since 2008 15% have repaid their loans in full, and a further 35% are currently repaying through the UK tax system. Of those that have left the UK only 10% have in any way defaulted on their loan repayments. Therefore, not only are the economic benefits far in excess of any cost, these costs are being mitigated by repayment mechanisms in the same way as UK student loans are. It may, of course, be impossible to continue to provide the same level of support post-Brexit, as well as taking into account the findings of the post-18 education review, however it is important to understand the reality of this economic situation, and the net benefits that the UK receives.

### *Why can't international students replace any loss in student numbers, or income?*

16. International students are a huge economic, academic and cultural benefit to the UK, and it is crucial that numbers of these students remain high, and are increased, for the health of the sector as a whole. However, any framing of student recruitment in such basic terms misreads the complexity of the situation.

17. Student recruitment should not be seen in zero-sum terms, and the UK benefits hugely from both EU and international students. It is in the UK's interest for the number of students to grow and taking measures that would drastically reduce one section of the student population and hoping that another section will not only make up that shortfall (and same dispersion) but also increase numbers, is not a sensible way to implement such a key policy. EU students, as highlighted above, make up a huge number of students across the UK, and this needs to be built on, not least if numbers going to the UK fall, these students will be benefitting direct competitor universities across the EU, or wider world, which may in time undermine the reputation and successes of the UK's world leading higher education sector. It is imperative the UK builds on its strengths and does not take unnecessary risks with its future.
18. Furthermore, any presumption that international students can make up the difference does not take into account the current environment with regard to an upcoming Immigration Bill, and the long-standing issues many universities have with recruiting international students at the level that they are today. These students remain within the government's net immigration figures, and thus the target, and under the current policy and logistical framework it is not simply a case of recruiting greater numbers – particularly on the scale that would be required. Ideally, there would be policy changes that would enable the UK to boost numbers and become even more competitive and attractive to all students, however until these changes are made, it is vital to appreciate the value of the students that do study in the UK currently, and build on that success through sound policy.

## CONCLUSIONS AND RECOMMENDATIONS

19. Erasmus+ is an integral part of a wider relationship that the UK has enjoyed with EU partners, across hundreds of higher education institutions. The benefits of such a project to students, universities, and the country more generally, are clear and demonstrable, and it must be a priority in negotiations to continue such a successful initiative.
20. Similarly, maintaining access to the EU student market more generally must not be overlooked or under-appreciated. The UK benefits greatly from the relationship established over many years, and the future relationship must be built from an understanding of what benefits the UK based on the available evidence. Brexit may provide great opportunities to build on relationships with nations across the world, but it should not be a zero-sum game of having to give a successful partnership up to craft a new one. Other countries around the world value geographical proximity as a reason for a special relationship, and the UK should do so too.

### MillionPlus recommends:

- The UK's continuation in the Erasmus+ programme post-Brexit
- An immediate clarification on EU student eligibility for 2019/20
- A commitment to keeping the UK as a realistic destination of choice for EU student post-Brexit
- Working to increase the numbers of international students in both short-term and full-time study in the UK, and ensuring the UK is seen as an open and attractive country to all students around the world

**If you would like further information, or have any questions, please feel free to contact Adam Haxell, Senior Parliamentary Officer at MillionPlus, at [adamhaxell@millionplus.ac.uk](mailto:adamhaxell@millionplus.ac.uk)**