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# **BREXIT, Higher Education and Research: an economist perspective**

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# The cost of BREXIT:

## a simple economist's perspective

- An interesting perspective was given Tuesday by the EC Chief Spokesman: “We should be clear that during the time of its membership the UK has taken... financial commitments. And these commitments should be honoured in full. It is like going to the pub with 27 friends, you order a round of beer but then you cannot leave while the party continues. You still need to pay for the round you ordered.”
- Which led Sam Morgan from Euractiv to make a simple calculation: “A Belgian beer costs about €4 in the Kitty O’Shea’s pub by the Commission. If Britain has to buy 28 pints, including its own, that will cost €112. There are 510 million people in the EU. To buy everyone in the EU a beer will cost a grand total of €57 billion.”
- A figure more or less equal to the costs calculated by the Financial Times of the UK's final divorce bill of €60 billion... Which proves that economics is at its best when it stays in simplicity!

# Thatcher and BRENTY

- For an economist, and in particular a professor of international economics, the current debate on Brexit contains many paradoxical features.
- Most perplexing is probably that the most lucid description of the many advantages of the need for a multinational federation such as the EU, can be found back in the writings of Friedrich Hayek “The economic conditions of interstate federalism” (1939), known for his liberal, neo-Austrian views on limiting the power of the state.
- Arguments well understood by Margaret Thatcher when she campaigned to confirm the UK’s membership of the EEC in 1975, strongly supported the Single European Act of 1991 as well as the further expansion of the EU following the collapse of the iron curtain in 1989.
- And of course opposed the monetary union.

# Hayek and state power

- From the Hayek vision of the world perspective, there are two basic reasons why a multinational order (such as the EU) is much more preferable than a national one.
  - First, there is the disempowerment of national governments and other state-level organizations such as trade unions, cartels, professional organizations which lose their monopolistic position.
  - Second, replacing national disempowerment by a higher level of a multinational federation is difficult. Economic differences are more pronounced in a large entity than in a small one; many forms of national state interference, justified in one particular setting will be regarded by other members as an impediment. A multinational federation lacks by definition common identity and readiness to transfer resources in the name of solidarity on which nation states can rely.

# The EU caught in a Hayek trap

- In many ways the Hayek vision seems a good description of the way the UK achieved through its membership, the creation of the EU as a primarily neo-liberal multinational institution:
  - deepening further the common market,
  - disempowering member states with the defence of the “four freedoms” by the European Commission and the Court of Justice,
  - the whole being accompanied by an increased heterogeneity following subsequent enlargements preventing the EU to take over the redistributive powers that member states were no longer able to exercise.
- Paradoxically, BREXIT offers an opportunity for both the EU and the UK to escape the Hayek-Thatcher neo-liberal “trap”

# New post BREXIT opportunities

- New opportunities to create European solidarity frameworks at the EU level and national one's at the UK level.
  - At the level of Higher Education, exploiting the fact that neither “union” (the UK or the EU) has full prerogatives over higher education. That allows the creation of a HEA with flexibility and at the same time European dimensions. See e.g. the creation of a European statute for universities in Europe and the UK, as proposed by Jo Ritzen and myself and now proposed by the RISE expert group to the EC;
  - At the level of research by developing further the ERC as autonomous agency for fundamental/basic/strategic research. Without the UK, the likelihood that the ERC will obtain the same amount of FP9 funds as in H2020 in the next FPP is minimal.
  - I was yesterday at the ERC workshop on the future of the ERC (see next picture). There is a need for the ERC for it to survive to broaden its funding base through e.g. partnership with non-publicly funded foundations/trusts located in different member states allowing the ERC also to become more independent from the EC.

IT'S ALL VERY WELL "MAKING DISCOVERIES",  
"SAVING LIVES" AND "IMPROVING THE WORLD",  
ROGER. BUT YOUR RESEARCH IS MAKING  
BARELY ANY IMPACT ON SOCIAL MEDIA.





The Journal of Alternative Facts

## We Have All the Best Climates, Really, They're Great

Iwas A. Scientistance \*

\* and now I have all my research approved by a public relations office

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### Abstract

The research presented in this paper is really the best research that you will ever see. We have methods, the best methods, and we used them to study climate. As you may already know, the Earth led by America, has all the best climates. In this paper we refute prior work by but-of-tou<sup>ch</sup> scientists who insist that the climate is changing – why would it change, when it's so great already? It is not getting warmer. In fact, our findings show that you were cold at least one day last year. Our (really) fantastic data also reveals that America has all the best CO<sub>2</sub> levels, really great levels. In our discussion, we reveal that there is no reason to believe a bunch of scientists who spent all their time learning and studying "facts" instead of being out in the real world making jobs. Our alternative facts definitively prove that scientists are losers. Finally, we had peer reviews, by all the best people, our people, because politicians know the most about science, the very best things about science.

Keywords: climate, "data", "facts", #makeclimatogreatagain, "science"

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**Thank you for your attention**

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