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Press release

UK science and technology after Brexit: How to fix it

by Zach Meyers and John Springford, 28 November 2022

Britain's spat with the EU over participation in the €95 billion Horizon Europe research programme remains one of the biggest issues in the fractious post-Brexit UK-EU relationship. The EU will not allow Britain to join the programme before the Northern Ireland Protocol is settled. The loss of Horizon would damage British science. Yet Brexit has contributed to broader problems with how scientific knowledge and technology are developed, commercialised and used in Britain.

In this Centre for European Reform policy brief, 'UK science and technology after Brexit: How to fix it', Zach Meyers and John Springford explain how Brexit has hampered UK science and innovation. They conclude that the UK's world-leading universities can withstand the loss of Horizon, even though many of its non-monetary benefits will be hard to replicate. However, Brexit has had a more profound impact on the diffusion of technology across the economy.

A much smaller number of skilled European data scientists and engineers are taking jobs in the UK after Brexit – making it harder for UK businesses to adopt and deploy new technology. The government has tried to make it easier for skilled workers from around the world to migrate to Britain. However, the CER shows that this has only partially made up for the end of free movement.

Similarly, investment flatlined after the referendum, and then fell during the pandemic, lagging behind other European countries since 2016. That means UK businesses have slowed their investment in new computing and machinery improvements.

The policy brief concludes that UK innovation needs more than just money to mitigate the impact of Brexit. Settling the dispute about the Northern Ireland Protocol would not only unlock Horizon membership, but lift the threat of a broader trade war, increasing investment across the economy. Predictable regulations, research initiatives and access to big overseas markets are also needed to encourage businesses to make long-term technological investments. Brexit has instead encouraged a febrile political environment, where the government is tinkering with sensible EU rules and undermining the independence of UK regulators.

Germany illustrates what less adversarial politics can achieve for science and innovation. The main parties agreed on long-term increases to research and innovation budgets. And its Fraunhofer-Gesellschaft institutes, which stimulate partnerships between universities and businesses, are given time and money to design and deliver on their strategies. The major UK political parties could follow the German example, agreeing a cross-party pact on multi-year targets for science and innovation funding. They could promise not to subject research institutes to unprompted reviews for a certain period. A cross-party migration policy would probably prove impossible, but Sunak could cut at least visa fees for skilled migrants, and Labour would be unlikely to put them back up.

"The government's decision last week to increase public R&D expenditure is welcome, but our analysis suggests that more money is not enough," said Zach Meyers. *"To help mitigate the harm Brexit has caused to British innovation, the UK needs to be more welcoming to high-skilled workers and provide a more stable regulatory environment."*

"Businesses won't adopt technology without skilled workers who can deploy or use it," said John Springford. *"The UK must offer around a fifth more visas in high-skilled sectors to make Britain as open as it was before Brexit."*

Note for editors:
For further information on the new research and to request an interview with Zach Meyers @Zach_CER, or John Springford @JohnSpringford please contact Rosie Giorgi in the CER press office on pressoffice@cer.eu or +44 (0) 20 7233 1199.

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