

# Retaining and regaining talent in Northern Ireland



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# Overview

Northern Ireland's long-established pattern of educational migration means the loss of thousands of young people each year. Yet the Executive has no policy in place to retain or regain this talent.

Educational migration is a common occurrence and thousands of students leave home every year to study outside of their local towns and cities. However, Northern Ireland is an outlier amongst other United Kingdom (UK) regions as it has a troubling combination of high levels of students leaving to study elsewhere and a low number of incoming students. Over 17,000 students were studying outside of Northern Ireland whilst only 3,470 students chose to come to study in Northern Ireland in 2018/19. Once a student leaves for study outside of Northern Ireland, they are at risk of not returning after graduation.

There are multiple reasons for educational migration, although there has been limited research in this area. Some students leave Northern Ireland to seek enriched experiences and opportunities outside of their local areas. Others may reluctantly leave due to negative perceptions about the local economy and sectarianism. The demand for university places in Northern Ireland far outstrips supply of places. It is estimated that for every 100 home applicants there were only 60 available places in 2018/2019.

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Student recruitment in Northern Ireland is limited by the Maximum Student Numbers (MaSN) policy. Despite Northern Ireland having one of the highest higher education (HE) participation rates in the UK, the annual cap on students' attendance has remained at between 24,000-25,000 places per year for nearly a decade. The Executive have acknowledged longstanding funding deficits in HE but have failed to take action to increase public or private investment to address the problem. As a result, the Department for the Economy estimated a structural deficit in higher education of £39m by 2019/2020.

There are no current policies to address educational migration in Northern Ireland. Retaining and regaining students is crucial for economic growth and should be central to skills strategies to help address the low levels of productivity and human capital in Northern Ireland. Our future research will explore the evidence gap to contribute local data about the motivating factors associated with educational migration.

# Introduction

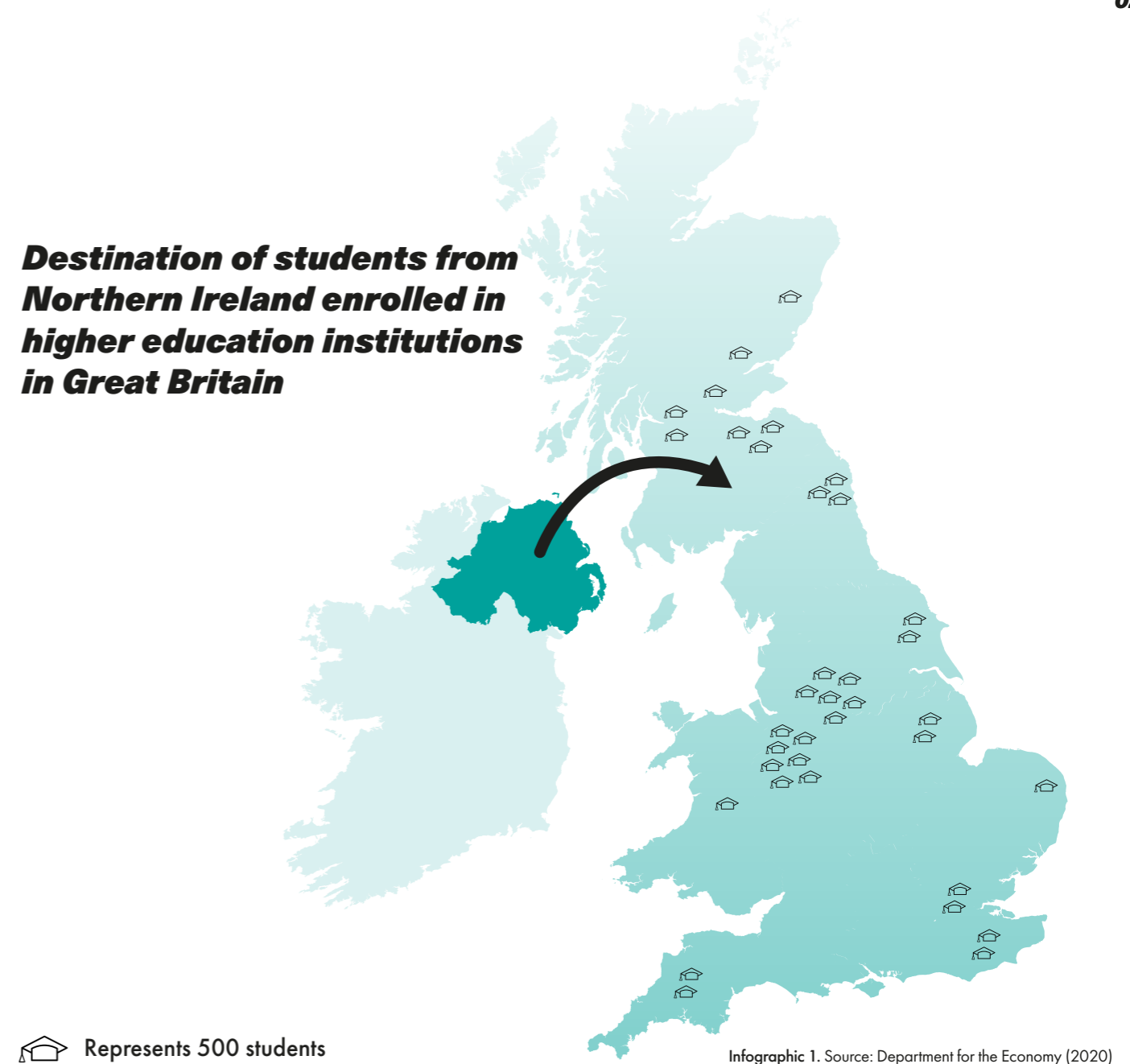
Northern Ireland has a net outflow of thousands of students each year, most of which do not return, with limited inflow of new students.

This paper provides an overview of the key factors associated with the educational migration of students from Northern Ireland to Great Britain (GB). Whilst students from Northern Ireland move to the Republic of Ireland (RoI), and elsewhere in Europe and beyond, GB is the most popular destination for outgoing student migrants. Our review is informed by local and international evidence alongside discussions with key stakeholders such as student representative groups,

universities and policy leads from political parties.

Our future research will address the key questions raised in this paper by using surveys and interviews with key stakeholders including young people, education professionals, senior leaders in higher education and business in Northern Ireland.

## ***Destination of students from Northern Ireland enrolled in higher education institutions in Great Britain***

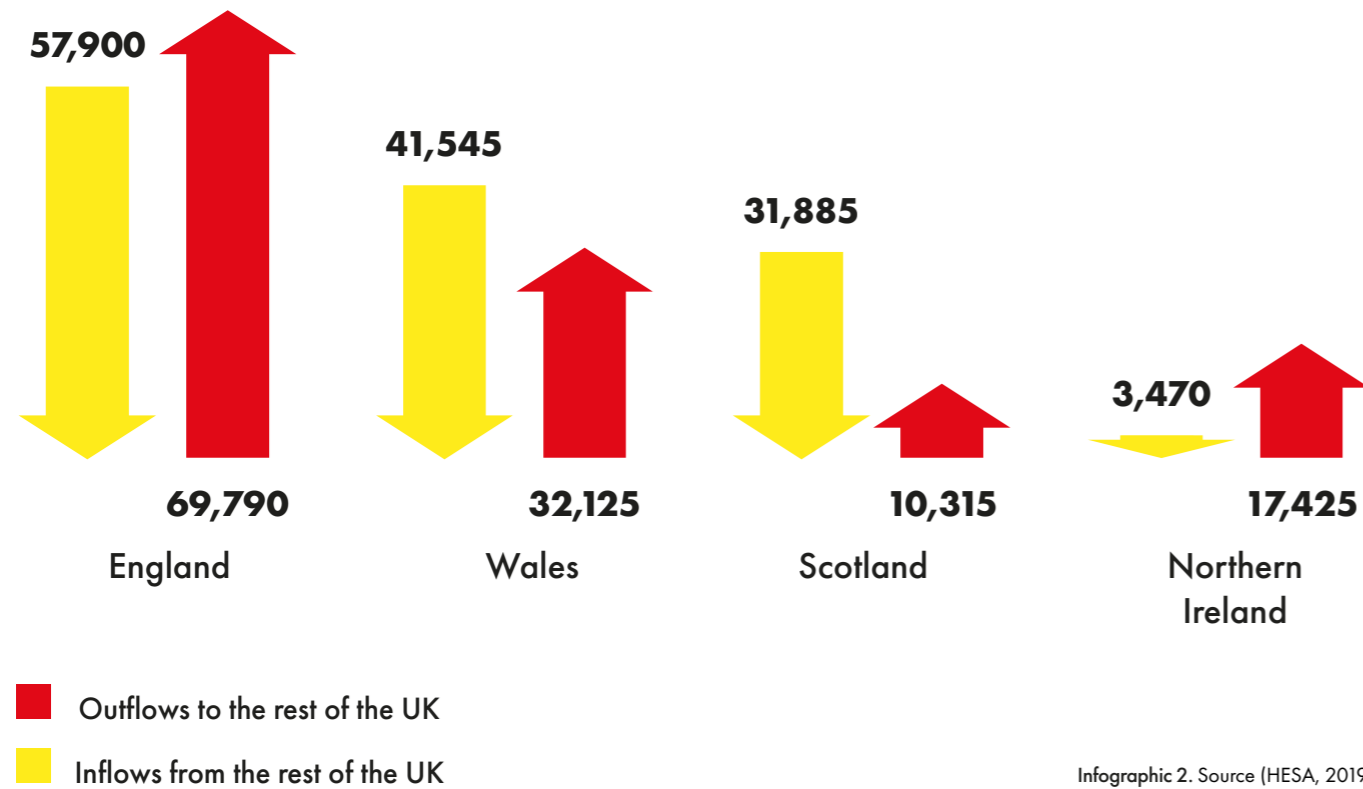


## **Where do students go to study in Great Britain?**

Northern Ireland has been an exporter for higher education for decades and consistently sees more students leave than attracted to study. However, there is limited research to understand the motivating factors involved in migration and there is an absence of policy response from the Northern Ireland Executive.

Northern Ireland receives a net gain of students from the RoI but this gain is offset by a significant loss of talent to GB. In the academic year 2018/2019, there were 17,425 undergraduate and postgraduate students from Northern Ireland studying in GB, which is equivalent in size to the University of Reading. Educational migrants are concentrated in Scotland, the North West and the North East of England as demonstrated in Infographic 1.

**Comparison of inflow and outflow of students in the UK**

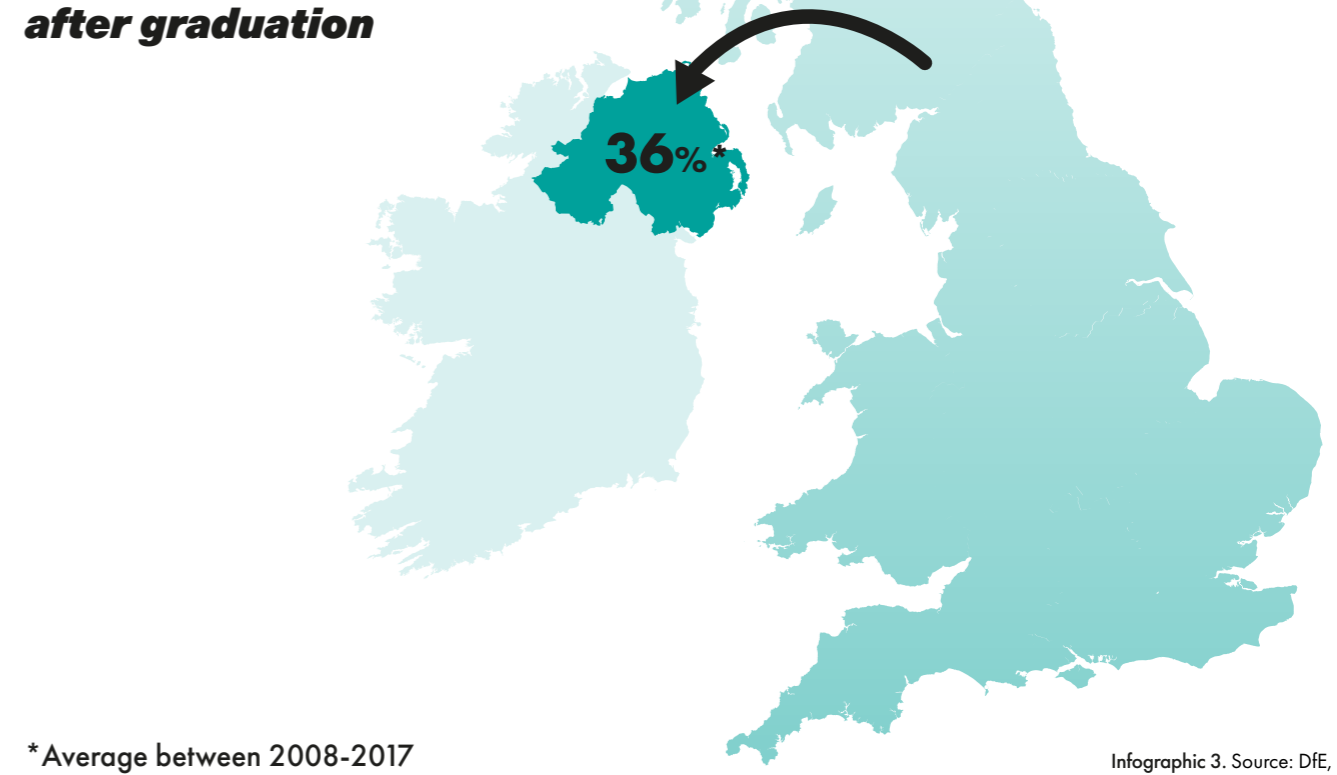


Infographic 2. Source (HESA, 2019)

The migration of students to study outside of their home town/city is common across the UK with large amounts of student movement from the North to the South East of England. However, Northern Ireland is an outlier amongst the devolved nations as it does not attract significant levels of incoming students to compensate for the export of students.

Infographic 2 demonstrates the limited inflow of students from GB with Northern Ireland attracting only 3,470 students to study in 2019. In contrast, other areas in GB have considerably higher levels of incoming students which helps counterbalance the outgoing levels of student migration.

**Percentage of Northern Ireland domiciled graduates who studied at institutions in Great Britain working in Northern Ireland six months after graduation**



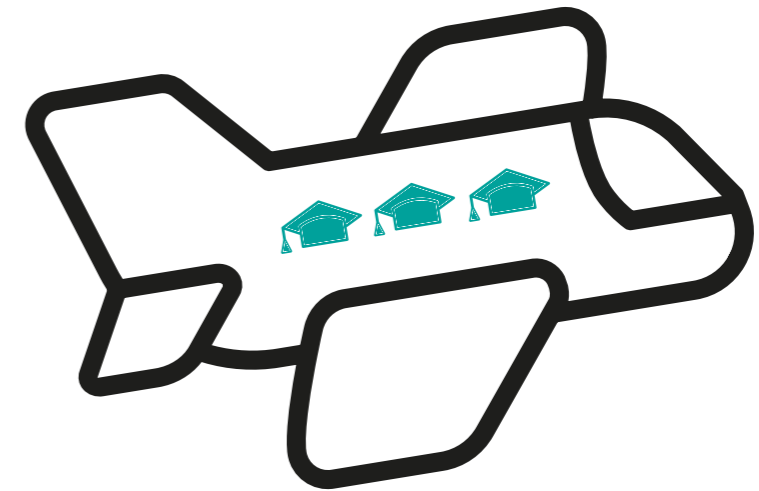
Infographic 3. Source: DfE, 2017

Northern Ireland also suffers from a poor return rate of students following graduation from universities in GB. Infographic 3 demonstrates that on average 64% of students from Northern Ireland, who studied in GB, had not returned to work six months after their graduation. Whilst some students may return following the six-month period when the data were collected, this group represents a considerable cohort of skilled

graduates who do not return to the labour market in Northern Ireland within this time period. The negative impact on the economy is further increased by the 15% of Northern Ireland's graduates who migrate for employment after graduation. It is however interesting to note that, compared to other regions in GB, Northern Ireland demonstrates the highest retention rate of students who studied here.

# Factors influencing educational migration

Participation in higher education has significantly increased during the past twenty years and demand for university places in Northern Ireland outstrips supply.



There are two notional categories of educational migrants; determined and reluctant leavers. Determined leavers reflect a demographic of young people who wish to leave Northern Ireland for personal or career development. Determined leavers are more likely to attend highly-selective universities and have more representation from grammar schools. Determined leavers may wish to seek out new experiences for personal development and experience the wider cultural offerings of university attendance in a large city.

Reluctant leavers may feel forced to leave Northern Ireland due to places being unavailable in Higher Education Institutions (HEIs) and/or the higher entry-level grades compared to some universities in GB. Reluctant leavers may be more likely to attend less competitive universities than their 'determined' peers.

The following section explores some of the factors that influence attitudes and behaviours associated with educational migration.



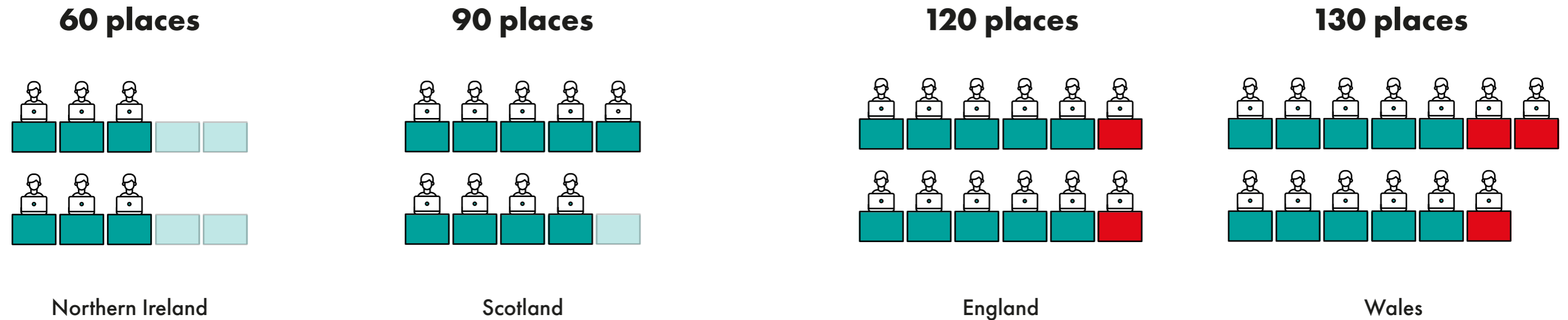
## Higher education funding in Northern Ireland

Higher education is funded through public investment via a grant issued by the Department for the Economy (DfE), which is taken from the department's overall allocation from the Northern Ireland block grant, and private investment via tuition fees. This DfE funding corresponds to the number of students being taught at a HEI and the subjects studied, with each subject attracting different levels of funding. Funding is also linked to a research

grant which is paid relative to the quality of the HEI's research output.

Student recruitment in Northern Ireland is limited by the Maximum Student Numbers (MaSN). The MaSN was introduced by the UK government before devolution in 1998 to restrict expenditure on HE by limiting the number of full-time home and non-UK EU-domiciled undergraduates enrolled in Northern Ireland. The previous Programme for Government (PfG) did not raise tuition fees in line with wider UK HEIs which has contributed to an increasing deficit in HE funding.

**For every 100 home applicants to university there are**



Infographic 4. Source: QUB

During the past decade, grant funding for HE from the Northern Ireland Executive has been reduced and, between 2009/10 and 2014/15, the annual grant allocations fell from £214m to £185m. This equates to approximately 13% in cash terms and 24% in real terms. This funding deficit was previously highlighted in a 2015 DfE consultation on HE which estimated a structural deficit of £39m by 2019/20.



**Available undergraduate places**

The demand for courses in HEIs in Northern Ireland outstrips supply of places. QUB reports that for every 100 home applicants, there were only 60 places available at Northern Ireland institutions in 2018/2019.

Restrictions on full-time places do not apply to students from GB and international students who wish to study in Northern Ireland. The grade requirements for students from outside of Northern Ireland also may be different to

the entrance requirements for home students with some programmes accepting lower grades for these students.



**Entrance requirements in Northern Ireland**

The MaSN may allow universities here to have higher entrance requirements as they have more applicants than places available. As a result, students who do not meet the higher criteria may be more likely to apply outside of Northern Ireland.

Our research found an inverse correlation between available places in Northern Ireland and the number of home students who attend their non-first choice university in GB between 2006-2020. This means that as the number of available places for Northern Ireland domiciled applicants at local universities decreases, the number who access a university in GB that is not their first choice increases. Whilst the correlation between the variables is weak it still demonstrates that restrictions on places in Northern Ireland have an effect on educational migration.

Young people leave Northern Ireland to study elsewhere for a range of social, economical and cultural reasons.



**Peer and family influence**

Studies indicate that social ties may both facilitate and restrict educational migration. Young people with strong family connections in Northern Ireland may be reluctant to leave home, particularly those with caring responsibilities. A student's relationship status and parenting responsibilities are also factors linked to a decision to remain in Northern Ireland. In contrast, young people with siblings or peers who have moved outside of Northern

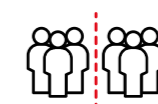
Ireland are more likely to migrate. Notably, young people who are considering educational migration are twice as likely to have friends who have left Northern Ireland.

Social networks established outside of Northern Ireland can also lead to a self-sustaining flow of migrants to areas with high educational migration. For example, 5,520 students from Northern Ireland were studying in the North West of England in 2019 which is equivalent to 39% of the MaSN student numbers who attended QUB in the same year.



**Economic reasons**

Young people's perceptions of the labour market are influential on their HE choice. Some young people may choose to study outside of Northern Ireland as they believe there are limited opportunities here to gain practical experience during their studies and after graduation. However, other young people may remain in Northern Ireland for the financial security gained from local part-time employment and close connections to home.



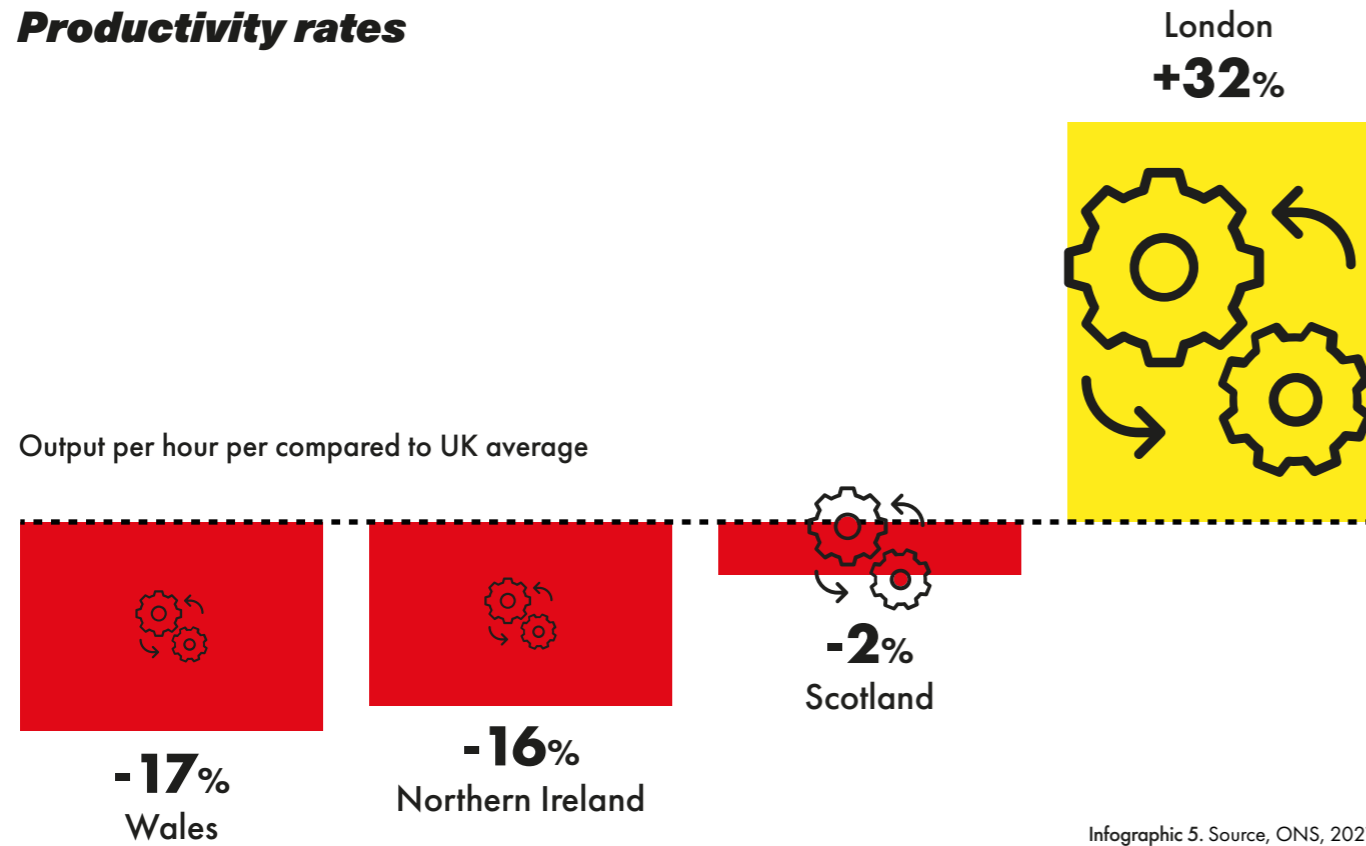
**Community relations**

Northern Ireland's history of conflict and sectarianism has influenced youth migration for decades. The economic, social and political instability linked to the conflict has led many young people to seek better opportunities elsewhere in the UK and beyond. The previous census in 2011 indicated that approximately a quarter of working-age adults born in Northern Ireland were living in England and Wales.



# The economic costs of migration

## Productivity rates



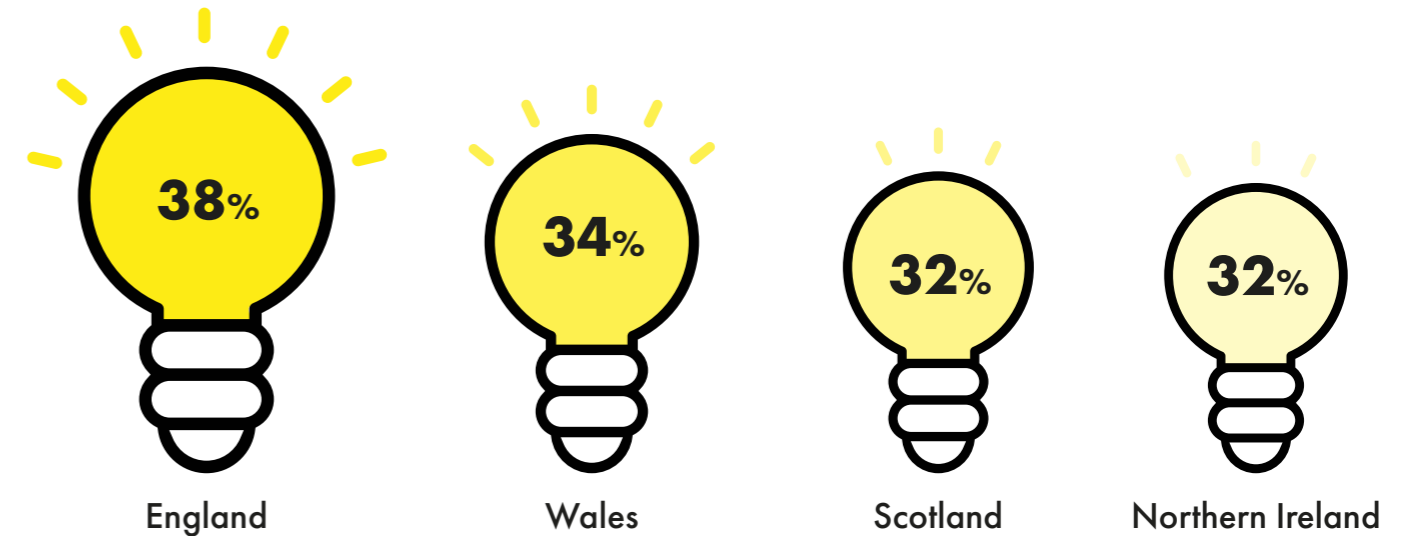
## Productivity and innovation in Northern Ireland

Northern Ireland has some of the lowest levels of productivity and innovation in the UK. Productivity is the primary driver of economic growth and determines the long-term material prosperity of a group of people, a region or a nation. The gap between the highest and lowest productivity regions in the UK has changed very little over the last decade. Infographic 5 demonstrates output per hour compared to the UK average.

Higher levels of graduates in the workforce are linked to increased levels of productivity. Some analysis indicates that if the UK HE sector were to expand to the level of the USA, it could raise the level of productivity in the UK by 15-30%.

Infographic 6 demonstrates innovation rates across the UK. 'Innovation' includes the development of a new or improved product or process, improved forms of business structure and investment in knowledge or machinery to create innovative outcomes.

## Innovation rates



Human capital is a measure of the knowledge, skills, competencies and attributes within an individual that facilitate the creation of personal, social and economic well-being. Collectively, human capital helps drive economic growth through its contribution to increased productivity. Although Northern Ireland's human capital has grown in recent years, it is consistently the lowest in the UK. Our previous report has highlighted that Northern Ireland has an imbalanced skills market with somewhat of an oversupply of young people with National Qualification

Framework (NQF) qualifications at level 2 (e.g. GCSE) and an undersupply of levels 3-5 and areas of expertise at level 6 (e.g. graduate level).

Government policies to increase human capital are central to increasing economic wellbeing. Northern Ireland has experienced longstanding difficulties with low levels of human capital. In 2019, there were over 17,000 young people from Northern Ireland who were studying in GB.



In 2019 just over a third of graduates returned home for employment six months after graduation.



However, in the same year just over a third of graduates returned home for employment six months after their graduation. Northern Ireland also attracts limited students for study and the retention rates for those who do attend are low.

Attracting students to study in Northern Ireland is important for economic growth and successful attempts have been made to increase international student numbers. However, Northern Ireland is starting from a lower base than other UK HEIs in attracting students as a result of historical perceptions of the region. Students and graduates expect excellent infrastructure and facilities associated with large cities, such as reliable transport, broadband etc. Therefore, enhanced regional

infrastructure and growth is crucial in Northern Ireland where regional inequalities and skills imbalances are amplified outside major cities.

The net impact of outgoing and incoming flows leaves Northern Ireland with fewer people who have tertiary qualifications than its counterparts in the UK. The majority of future employment will be at the managerial, professional or associate professional level whilst only approximately 10% will be at the (NQF) Level 2 or below. Without more graduates in the workforce, Northern Ireland risks facing skills shortages in key sectors in the future. Northern Ireland must value, retain and attract as many graduates as possible to support economic development both now and into the future.

Outward migration may occur due to limited opportunities in Northern Ireland and skilled graduates may be unlikely to return home if there are insufficient skilled-employment roles. Persistent outward skilled-migration creates shortages in skilled professions such as health and social care and STEM-related subjects. Educational migration restricts the growth plans of some of our most ambitious companies and may decrease opportunities for foreign investment.

Higher Education is a vital catalyst for social mobility, social cohesion and social change. Graduates provide economic and social currency to a country's overall wealth. However, graduates who do not return home

are unable to contribute to social, economic and political change in Northern Ireland.

HEIs make significant contributions to the economy of Northern Ireland in terms of job creation, generating spending and contributing to gross value added. They make these contributions directly through their own activities and also indirectly when they stimulate economic activity in other industries. In 2012/13, Northern Ireland's HEIs and their students generated over £1.6 billion of spending in the economy of Northern Ireland, supported over 18,000 jobs and contributed nearly £890 million to Northern Ireland's gross value added.

# Policy responses to educational migration

The absence of policy to retain and regain graduate talent in Northern Ireland is concerning and counterintuitive to plans to grow our economy.



Despite the evidenced benefits of a graduate workforce and the skills imbalances that exists in Northern Ireland, there is a lack of any policy action from the Northern Ireland Executive to address educational migration. Although some graduates may prefer to study outside of Northern Ireland, there is a clear need for a strategy to optimise the contribution graduates can make to economic growth.

## Policy responses in Great Britain

Policy responses in England have placed a strong emphasis on promoting innovation and addressing regional imbalances of productivity between London and the North of England. London is a magnet for students and graduate

workers, attracting up to a quarter of all UK graduates for employment. Significant attempts have been made to retain graduates in their home cities through incentivised graduate schemes and innovation hubs outside of the South East.

Scotland has a robust education and skills strategy and places investment in human capital as an integral part of economic policy development. Higher Education is fundamental to the overall skills policy to upskill the existing workforce and address educational inequalities for post-primary young people. Widening participation in Scotland is a key priority and the government is on course to meet its 2030 goal of attracting 20% of

students into HE from Scotland's 20% most deprived backgrounds.

The Welsh policy response to educational migration includes a wide range of policies focusing on skill development for young people, upskilling and strategies to engage the Welsh diaspora. The government has also partnered with HEIs and the private sector to invest in a regional graduate scheme.

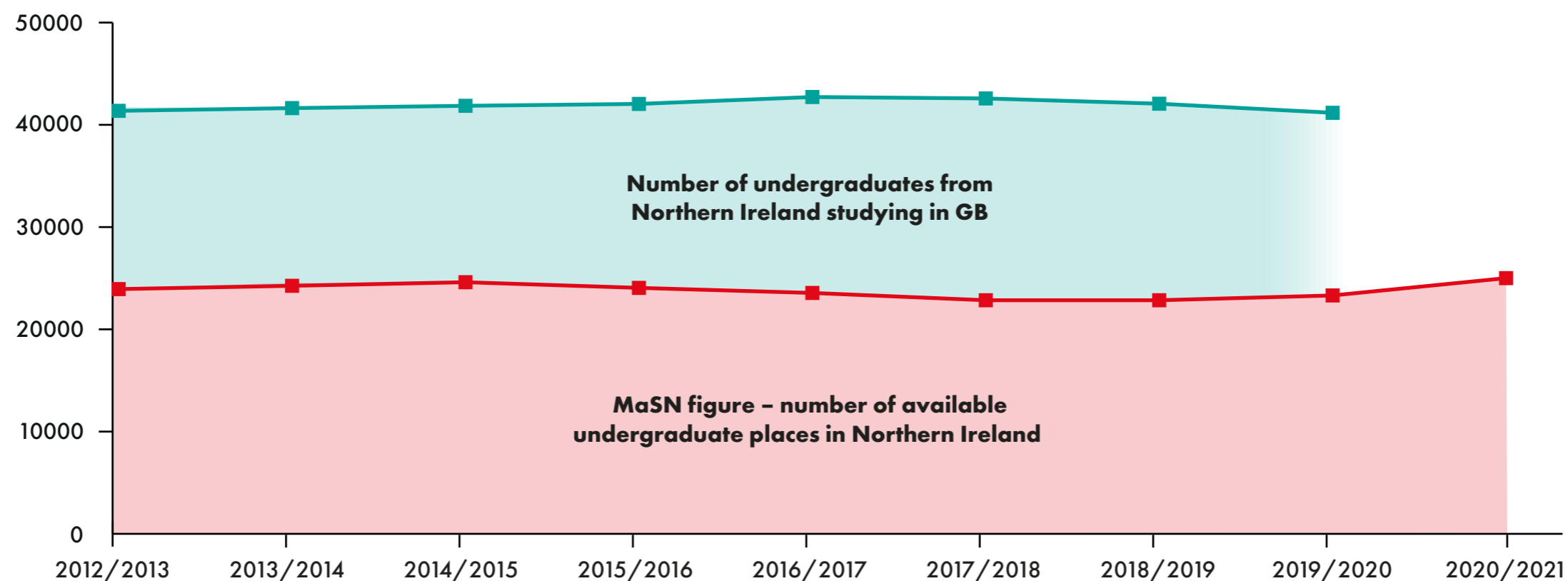
## Policy responses in Northern Ireland

Despite decades of brain drain and wider economic underperformance in Northern Ireland, there are no strategies in place to address educational migration. Rather than

develop graduate talent as part of a wider economic growth strategy, Northern Ireland is the only devolved government to reduce higher education funding in recent years.

The Department for the Economy recognised the need for reform of HE funding in their forward-thinking 'Big Conversation' consultation in 2015. The consultation indicated that significant changes were needed in HE to address deficits in funding, some of which were related to the decision not to raise tuition fees in Northern Ireland in line with other HEI fee structures in the UK. The consultation noted that the current model of funding was unsustainable and suggested various models to increase public or private investment

### Number of available undergraduate places compared to overall Northern Ireland domiciled enrollment



Infographic 7. Source, DfE, 2021 & HESA, 2020

(e.g. tuition fees). However, there are no published outcomes from this consultation and no steps appear to have been taken. The lack of strategic thinking on this issue is extremely concerning and may be another example of limited long-term policy planning within the Executive.

Although some policies link high-quality graduates with 'economic success', there are no direct policies to address educational migration. Northern Ireland requires graduates

in growth areas such as cyber security and biological sciences. A failure of policy action to encourage student retention seems completely counterintuitive to the Executive's ambitions to address skill deficits and increase productivity.

Participation in HE in Northern Ireland is amongst the highest in the UK but full-time student places have demonstrated limited growth in nearly a decade.

Current HE funding is not sustainable to grow student numbers and may require additional public and private investment. Furthermore, the current funding model not only inhibits home student places but may undermine the capacity of local HEIs to attract students to study in Northern Ireland. The DfE acknowledged that universities in Northern Ireland were "underfunded by £46m and £22m in comparison to their English and Scottish counterparts" in the academic year 2017/18. However, no action has been taken to address this funding deficit.

The Department of Education is currently undertaking a review of skills and training for young people which will link to a DfE review of higher education. In the interim, the DfE has committed to increase the MaSN at universities by 5% from 20/21-22/23 as part of a Covid-19 economic recovery plan. This temporary increase is welcome but it is not a substitute for longer-term strategic planning to address educational migration.

# Areas for further investigation

There is an absence of local evidence about the motivating factors associated with educational migration. Our future research will address this gap to contribute to policy development on this important issue for Northern Ireland.

The next stage of the project will gather new evidence through surveys and interviews with key stakeholders including young people, education professionals, senior leaders in HE and business leaders in Northern Ireland. The policy research will address the five broad questions that have emerged from an analysis of the available evidence.



## What motivates students to leave and not return?

Educational migration may be unavoidable for some leavers but there is limited research into why young people leave and do not return. We need to better understand the social and cultural issues that influence migration; for example, the role of peer and family members, and attitudes towards sectarianism in Northern Ireland.



## Should higher education policy place a greater emphasis on retaining and regaining talent in Northern Ireland?

There appears to be a strong economic case for Northern Ireland to retain and regain more of its graduate population because of their contribution to higher skills, productivity and economic growth. The absence of a clear policy on educational migration has led to available full-time places in Northern Ireland stagnating. The lack of policy direction appears at odds with the wider DfE ambitions to upskill the workforce. Higher education in Northern Ireland is currently informally outsourced to HEIs in Great Britain, particularly the North West of England. A strategic approach to funding is required that connects HE to a wider strategy on skills development and productivity in Northern Ireland.



## Would a stronger economy and graduate jobs encourage better student retention and/or return rate to Northern Ireland?

Attitudes towards leaving or returning to Northern Ireland are often focused on a

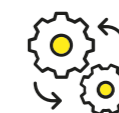
perception that there are fewer career development opportunities at home. There is an absence of policy thinking about whether, or how, Northern Ireland should actively seek to encourage young people to stay at home for studies or return home after graduation. Strategies to retain and attract new talent must be positioned within a wider skills strategy for Northern Ireland. Creating high-value job roles in Northern Ireland is crucial and is intrinsically linked to cultivating and maintaining a graduate workforce.



## How do regional inequalities in Northern Ireland influence educational migration?

Larger UK regions benefit from transient graduate movement between major cities and large towns. However, the economy of Northern Ireland is very focused on Belfast with significant regional inequalities and skills imbalances that are amplified outside the major cities. Educational migration may make these inequalities worse. The Executive must consider making the most of the economic return that universities provide and include them within wider economic strategies. The UU expansion at Magee is a positive move towards re-addressing regional challenges in the North West. However, this move must

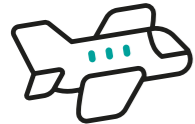
be accompanied by wider investment in infrastructure for the region.



## What role does infrastructure investment have in retaining and regaining graduates for Northern Ireland?

Strategic economic plans that promote graduate retention must invest in the economic fundamentals that underpin successful city economies; transport, housing, public space and planning. Students and skilled migrants have high expectations about local amenities and resources. In particular, transport is a key issue for attracting skilled graduates and may support regional growth across Northern Ireland. Investment in infrastructure and a focus on innovation, inward investment and enterprise policies will also support graduate retention and attract skilled workers back to Northern Ireland.

# Questions for discussion



What motivates students to leave and not return?



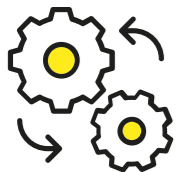
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