



THE GOVERNMENT RESPONSE TO THE
SEVENTH REPORT FROM THE
BUSINESS, INNOVATION AND SKILLS COMMITTEE
SESSION 2012-13 HC 1015

Too Little, Too Late: Committee's observations on the Government Response to the Report on Overseas Students and Net Migration

**Presented to Parliament
by the Secretary of State for the Home Department
by Command of Her Majesty**

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Any enquiries regarding this publication should be sent to us at:

Home Office,
Student Migration Policy,
Immigration and Border Policy Directorate
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Government Response to the Business, Innovation and Skills Committee

The Government's loose timetable of "between now and next summer" for a strategy to promote the Higher Education sector is unacceptable. The Government has to produce a deliverable strategy to support UK Universities far more quickly, and in any case before the end of June 2013. This would give us the opportunity to review it before the summer recess.

If the Government is to deliver credible response to our recommendations it needs to set out the facts in far greater depth and detail. The current evidence base is too weak to justify a policy with such profound implications for the FE and HE sectors. As a start, we expect the Government to respond to the questions raised as a matter of urgency.

The Government's Response was late, woefully short on detail and fails to take account of recent developments. It seeks to underplay the urgency of the problem and thus excuse the failure to act decisively to address this serious matter. The Government should listen, think again and change course.

The Government thanks the Committee for its observations on the Government's response to its earlier report on overseas students. The Committee asks for further information on a number of points and the Government welcomes the opportunity to provide this, and to explain its policy position again.

Government strategy and support

The Committee asked for further details about the Government's strategy for supporting higher education. The overarching objective of the Education Exports Industrial Strategy is to increase the capacity of the UK's education sector, including higher education; and to exploit its excellence to increase export earnings and the UK's international influence. The Government's strategy has been developed through co-creation with industry, focusing on a collaborative action plan - some 80 organisations have now contributed. Work is also underway to establish the International Education Sector Council to provide leadership, co-ordination and strategic direction to oversee and support implementation of the strategy. It is anticipated that the strategy will be published in summer 2013.

In January 2013, Matthew Hancock announced the new BIS/UKTI unit 'Education UK', which is a major element of the Education Exports Industrial Strategy. Education UK will help exploit international opportunities in education exports. The scope of Education UK will include: research to identify and help develop trading opportunities for UK exports; to support UK providers to respond effectively to targeted international opportunities, by fostering the development of UK consortia for specific opportunities and helping them to prepare and promote bids; to ensure large-scale complex commercial opportunities which the UK is not currently well-equipped to respond to, are effectively pursued, in order to increase the possibilities of UK organisations winning overseas business.

Government policy on student migration and measure of net migration

We recognise that there have been some negative perceptions about how open the UK is to overseas students. During his visit to India in February, the Prime Minister publicly

stated that we must continue to work hard to overcome these negative perceptions and communicate that the UK welcomes all genuine students.

The Committee says it is not recommending that the Government deviates from the agreed United Nations definition for migration data returns; rather, it is seeking reclassification of students as temporary migrants for domestic policy purposes. This would, however, mean deviating from the agreed UN definition in terms of presenting to the public the Government's progress towards its policy objective of reducing net migration. The Government does not consider such an approach to be appropriate or credible. The UN definition of a migrant is one that the Government have used and will continue to use for reporting purposes. It is important for public confidence that we do not change definitions. However, there is no cap on the number of genuine students we welcome and we have no intention to introduce one. The Further and Higher Education sectors can recruit with the confidence that all students who meet the requirements are welcome.

The Committee points out that the Organisation for Economic Co-operation and Development (OECD) classifies overseas students as temporary migrants in its 'harmonised' immigration figures. This is correct. But the OECD's harmonised definitions relate only to immigration - that is, the inflow - not emigration or net migration. Net migration of course consists of immigration minus emigration, and is the focus of the Government's policy. The OECD itself does not attempt to measure net migration. Its definition of immigration excludes some temporary migrant inflows on the basis that most are deemed not to be routes to settlement, but whether a route leads directly to settlement is not relevant to net migration. When reporting on UK net migration, the OECD's annual International Migration Outlook report uses the Office for National Statistics (ONS) figures, and OECD supports the use of the UN definition.

The Committee also says that other countries exclude students from their net migration figures. The Government does not accept this is correct. The ONS makes it clear in its *Frequently Asked Questions* accompanying the latest long-term international migration estimates¹ that the UK's major international competitors also include students in their net migration reporting figures:

Net migration figures for many countries, including Australia, Canada, Germany, New Zealand and the USA refer to the 'usually resident' population of international migrants. It should be noted that there are different ways of defining 'usually resident'. In New Zealand, as in the UK, 'usually resident' means being resident for twelve months or more. In Australia, however, it means being resident for at least 12 of the 16 months prior to when the estimate is made. Nevertheless, these countries refer to the 'usually resident' population in net migration estimates, regardless of visa status, or whether people are migrating for study, work or other reasons.

The key point however, is that the practice of other countries in how they present their migration statistics is irrelevant. Other countries do not have a stated commitment to reduce net migration as we do. This Government has said that it will reduce net migration. In reporting on progress against this target, the UK will continue to use the internationally agreed definition so as to have comparability.

¹ *Long-Term International Migration Estimates - Frequently Asked Questions*
February 2013

Students as temporary migrants

The UN's definition of net migration includes all migrants changing their place of residence for 12 months or more. This acknowledges that all migrants, students included, have an impact on communities, services and infrastructure for the time they are here. Of course, net migration measures the difference between the number of people coming to the UK and the number leaving, so where students return home after their studies, their impact on long-term net migration is minimal. The improvements to ONS methodology described in the Government's previous response to the Committee will make it possible, in due course, to determine with greater certainty how many students fall into this category, and how many stay for longer periods.

The best evidence currently available suggests that significant numbers are staying on in the UK. The number of migrants entering the UK for formal study trebled between 2001 and 2011 to 250,000 a year, but the latest ONS net migration statistics show that the numbers of non-EU nationals leaving the UK is not increasing. This suggests that large proportions of those students are still in the UK. 13% of those given settlement in 2009 – some 23,000 people – originally came as students.

The Home Office's 2010 study *The Migrant Journey*, aimed to improve our understanding of migrants coming to the UK, their countries of origin, their purpose for migrating and how long they stay. It remains the most complete picture of the behaviours over a five year period of those who have come to the UK on student and other visas. It found that 20% of students who came to the UK in 2004 were still here legally in 2009.

The Committee has criticised the Government's reliance on this study, arguing that the data is no longer relevant. It will always be the case that tracking migrants' long-term behaviour involves looking at cohorts who entered several years ago. The Government is committed to repeating the migrant journey research on an annual basis to ensure it has the most up-to-date information on which to base its analysis. The study has recently been repeated for migrants arriving in 2005 and 2006, and a similar proportion of those who entered as students remained in the UK after five years – 21% and 18% respectively were still legally in the immigration system in 2010 and 2011. The figures of course do not capture any that may have remained unlawfully. It also reports that 13% of those given settlement in 2009, and 16% of those given settlement in 2010 and 2011, originally came to the UK as students.

This suggests that the numbers of students staying in the UK long-term have remained broadly stable at around one in five. The number granted settlement who started out as students has also remained broadly stable. It shows the Government was right to take measures to refocus the student route as a temporary one, closing the old post-study work scheme and limiting the time that can be spent on a student visa. There are a number of ways that those graduates who wish to stay here and work after graduation can stay- either by getting a skilled worker Tier 2 visa or via a Tier 1 graduate entrepreneur visa. The Government believes that student visas should be for the defined and temporary time that an individual is in the UK to study.

The Migrant Journey – Third Report was published in February 2013 and is available on the Home Office website.

Government policy on student migration

The key point, however, is that changing the way net migration is measured or presented would not make any difference to the Government's overseas student policy. The

Government has always been clear that the UK welcomes genuine international students. The Coalition's Mid-Term Review stated that the Government will place no cap on the number of genuine students coming from across the world to study in this country, and the Prime Minister reaffirmed this message on his visit to India in February 2013. The Government has simply introduced some basic minimum standards for colleges and students, while ensuring the UK remains a great place to study.

The latest migration statistics show that while the number of Tier 4 student visas issued has fallen significantly overall, the number of sponsored visa applications for universities rose by 5% in the year to March 2013. The falls in numbers have been in further education (46%) and English language schools (46%), where we saw most abuse of the visa system. The proportion of Confirmation of Acceptance for Studies documents – the documents issued by education providers recruiting international students – issued to higher education students rose from 56% in 2011 to 75% in 2012. The continued rise in the number of students applying to come to the UK for undergraduate university courses is reflected by the latest UCAS statistics, which show that applications for the 2013 intake were 5.5% higher by 22 April than they were at the same time last year. Visas issued for Chinese students were up 10% in the year ending March 2013, showing there is nothing inherent in our visa system deterring international students.

The latest statistics from the Higher Education Statistics Agency (HESA), which relate to the 2011/12 academic year, show that enrolments of non-EU first year students dropped slightly (by 0.4%), as a result of a 1.9% fall in the number of post-graduates and a 2.0% rise in undergraduates. The total number of non-EU enrolments was up by 1.5%, first degrees were up by 8.8%, as were those doing post-graduate research courses (4.4%). There were falls in the numbers of taught post-graduate and sub-degree level students (3.5% and 9.3%).

Overall, the number of non-EU students studying at Russell Group universities was up 6% in 2011/12. The Government's policy is working as intended: reducing net migration by tackling abuse, while our world-class universities continue to attract the brightest and best international students. Although the key factor in students' choice of institution is, of course, the reputation and quality of education on offer, the Government has been making every effort to correct any misunderstandings about the UK's visa arrangements. In his visit to India, the Prime Minister made very clear that all talented students who choose a UK university will find a warm welcome here, and that "there is no limit on the number of students who can come from India to study at British universities, no limit at all. All you need is a basic English qualification and a place at a British university. What's more, after you've left a British university, if you can get a graduate-level job there is no limit to the amount of people who can stay and work".

On 6 April, the Government extended its existing arrangements for graduates to work in the UK. All those obtaining a graduate-level job paying £20,300 or more, and 1000 graduate entrepreneurs a year, will be able to stay on – as well as having opportunities for part-time work and work placements during their studies. In addition, all completing PhD students and selected MBA graduates are able to stay on for longer to find work or develop a business idea. This sends an even stronger signal that the UK wants to attract talented international students.

The Government welcomes the Committee's support in correcting inaccurate perceptions and ensuring the UK's excellent offer for international students is communicated and understood both here and around the world.



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