MIGRATION ADVISORY COMMITTEE

International Students

A briefing note to accompany the call for evidence

3 October 2017

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1. Introduction

1.1. In August 2017, the Home Secretary commissioned the Migration Advisory Committee (MAC) to asses the impact of international students in the UK. The MAC welcomes the opportunity to consider this important and high profile area of migration.

1.2. This note provides some preliminary analysis of international students in the UK to accompany the call for evidence. It does not make any policy recommendations. As with all our briefing notes, we welcome comments and feedback on any of the issues raised, as well as responses to the wider call for evidence.

1.3. For the purpose of the commission, international students at all types of institution (including students at higher education institutions; tertiary or further education; English language schools; independent schools) and both EEA and non-EEA are in scope.

1.4. The remainder of this note provides an overview of the latest student migration data published by the Home Office and the ONS. It also provides a very high level analysis of the stock of international students in the UK. Finally, it summarises some of the available evidence looking at the impact international students may have on the host country.

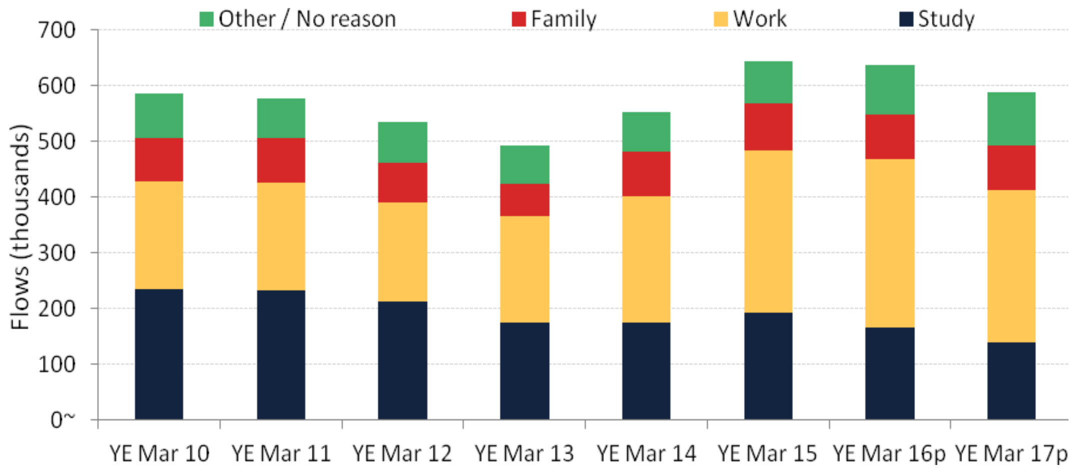
2. Data – international students coming to the UK every year

2.1. The data on the number of international students has been subject to considerable debate in recent years, resulting in the ONS and the Home Office embarking on a comprehensive programme of work[1]. A number of sources exist which look at international student migration; this section examines the main ones. Although the MAC is interested in all types of international students, this briefing paper focuses on international students from Higher Education (HE) owing to data limitations regarding other types of international students, such as those from Further Education (FE), English Language schools and Independent schools. In the corresponding call for evidence we ask for evidence especially in regards to data on these areas where data limitations exist.

[1] See https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/internationalmigration/articles/internationalmigrationdataandanalysisimprovingtheevidence/february2017

2.2. The ONS International Passenger Survey (IPS) provides information on the number of migrants ("inflows") entering the country at any given time. The latest data shows that there were 139,000 international students (coming to the UK for one year or more) arriving in the 12 months to March 2017[2], however, both the number and share of international students as a proportion of all migrants has been declining over time – from 235,000 in the 12 months to March 2010, or 40% of all migrants to 24% according to the latest data. The decline has been attributed to a number of operational and policy changes[3] - see chart 1.

Chart 1: Inflows of migrants by reason



Source: IPS March 2017.
Notes: figures include all migrants intending to stay for 12 months or longer.

2.3. The IPS also provides information on the number of migrants leaving the country – "outflows". The ONS[4] no longer publishes a breakdown of net migration by reasons as *"these don't reflect the complexities of people's lives"* and suggests that the *"IPS statistics are likely to underestimate student emigration"*.

2.4. The Home Office publishes data on the number of non-EU international students granted visas in any given year. There were 213,729 study-related visas granted (this number includes individuals with visas granted for more than 6 months) in the 12 months to June 2017, an increase of 4% on previous year. The number of

[2] See https://www.ons.gov.uk/file?uri=/peoplepopulationandcommunity/populationandmigration/internationalmigration/datasets/migrationstatisticsquarterlyreportprovisionallongterminternationalmigrationltimestimates/current/provisionalestimatesoflongterminternationalmigrationyemarch2017.xls

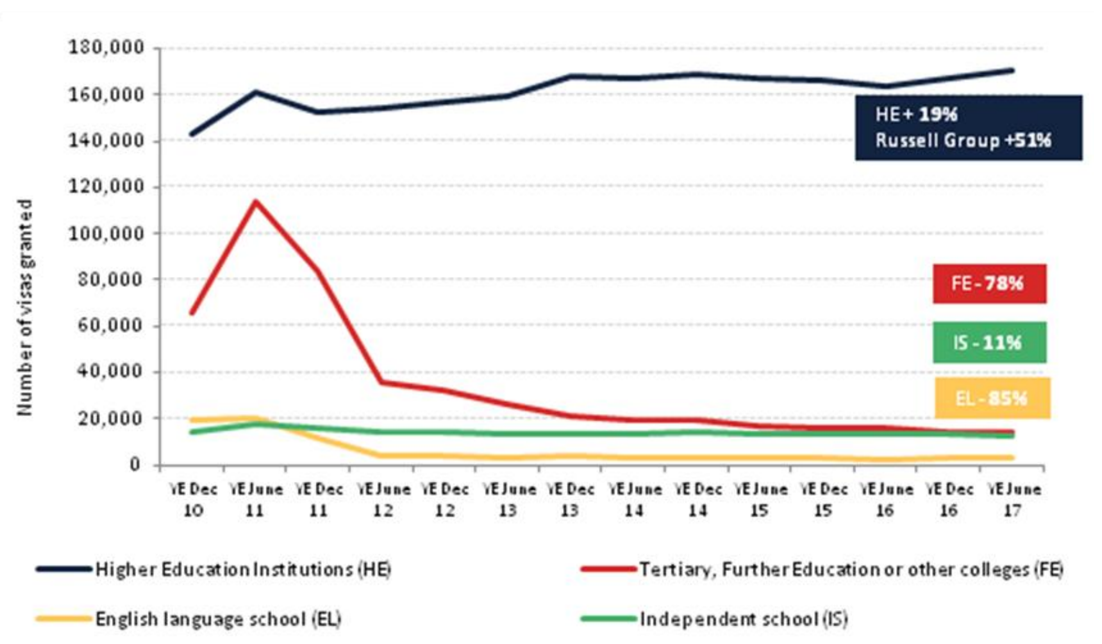
[3] Between May 2010 and October 2014, 836 education providers lost their licenses as part of a series of policies designed to address abuse of the student visa route.

[4] See https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/internationalmigration/articles/whatshappeningwithinternationalstudentmigration/2017-08-24

long-term (1 year or more) study related visas, excluding dependants was 142,128 in the 12 months to March 2017 – a 5% increase from year earlier[5].

2.5. The majority (around 80%) of the visas were granted to higher education students[6] – their share has increased from 50% in the 12 months to June 2011. The number and share of international students at tertiary or further education institutions has decreased considerably from 35% of all student visas in 2011 to 7% in the 12 months to June 2017 – see chart 2.

Chart 2: Applicants for visas for study using sponsor acceptances, by education sector and showing percentage change between the year ending (YE) December 2010 and year ending (YE) June 2017[7]



Source: Home Office Immigration Statistics, Sponsorship Tables, table CS_09_q

2.6. Last month, the Home Office published data on its Exit Check Programme[8] which combines a number of administrative and operational data sources (including information from passengers' ticket bookings; passport swipes and immigration

[5] See https://www.gov.uk/government/publications/immigration-statistics-april-to-june-2017/why-do-people-come-to-the-uk-3-to-study

[6] The Home Office describes **Higher Education Institutions** as a 'recognised body' (meaning that it has its own UK degree-awarding powers), or a body in receipt of public funding as a HEI. Institutions (including further education colleges) which receive some public funding to deliver higher education courses do not fall within this definition of an HEI. **Tertiary, Further education or other colleges** contains the remainder of sponsors who described themselves as 'University and tertiary', plus those who described themselves as 'Private Institution of Further or Higher Education' or whose self-description included 'Further education' or 'Higher Education'. **English language school** - This category contains sponsors those who described themselves as 'English Language school'. **Independent school** are sponsors those who described themselves as 'Independent school'. The **Other** category contains all other sponsors, accounting for very small numbers.

[7] Visas for study exclude the short-term study category (a maximum six-month stay).

[8] See https://www.gov.uk/government/statistics/second-report-on-statistics-being-collected-under-the-exit-checks-programme

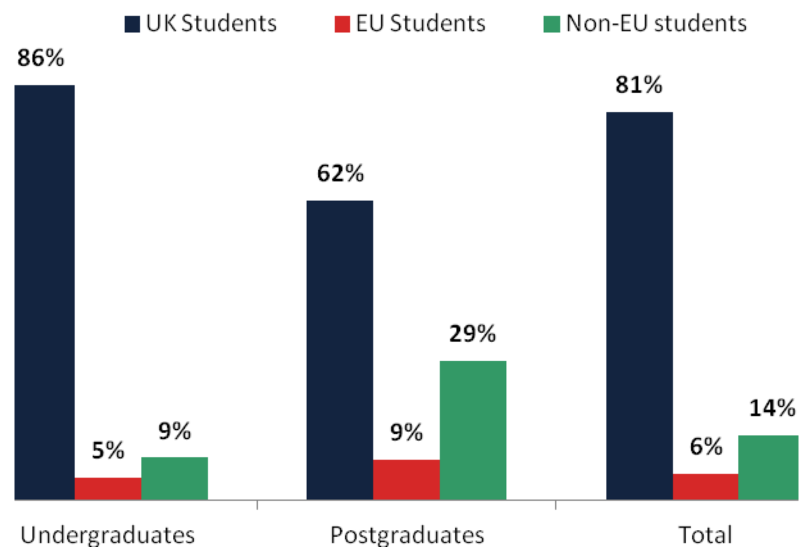
records) to get a more accurate picture of the number of non-EU students leaving the UK after their studies. The data shows that 69% of international students who migrated on a long-term visa (12 months or more) and whose visa or extension of leave expired in 2016/17 left the UK by the time their visa expired. A further 26% extended their visas to remain in the UK for further study or other reasons such as work. A minority, 4% of all non-EU students whose visas were due to expire in 2016/17, had no evidence of departure. However, it should not be assumed that these individuals did not actually leave – dual nationality (individuals leaving on different passports) or individuals departing via the Common Travel Area (which is not captured by Exit Check data) might explain why some students show no evidence of leaving.

2.7. In conclusion, the latest data suggests that the number of international students has changed considerably in recent years. The latest Home Office Exit Check data provides an insight on what non-EU students do once their visas expire but more information is needed to get a better understanding of student characteristics, their journeys and their overall contribution to net migration.

3. Data – international students living in the UK every year

3.1. Data on the number of international students living in the UK (“stock”) published by HESA shows that of the 2.3 million students in higher education in the UK, 14% are non-EU students (around 310,000) and 6% are EU students (around 130,000). The shares differ significantly by whether students are post-graduates or under-graduates. 14% of all undergraduates are international students (5% are EU and 9% are non-EU); whilst 38% of all post-graduate students are international students (9% are EU and 29% non-EU) – see chart 3. Scotland has the highest concentration of international students at 22% (around 50,000), above the UK average of 19%, though England has the highest number of international students (360,000).

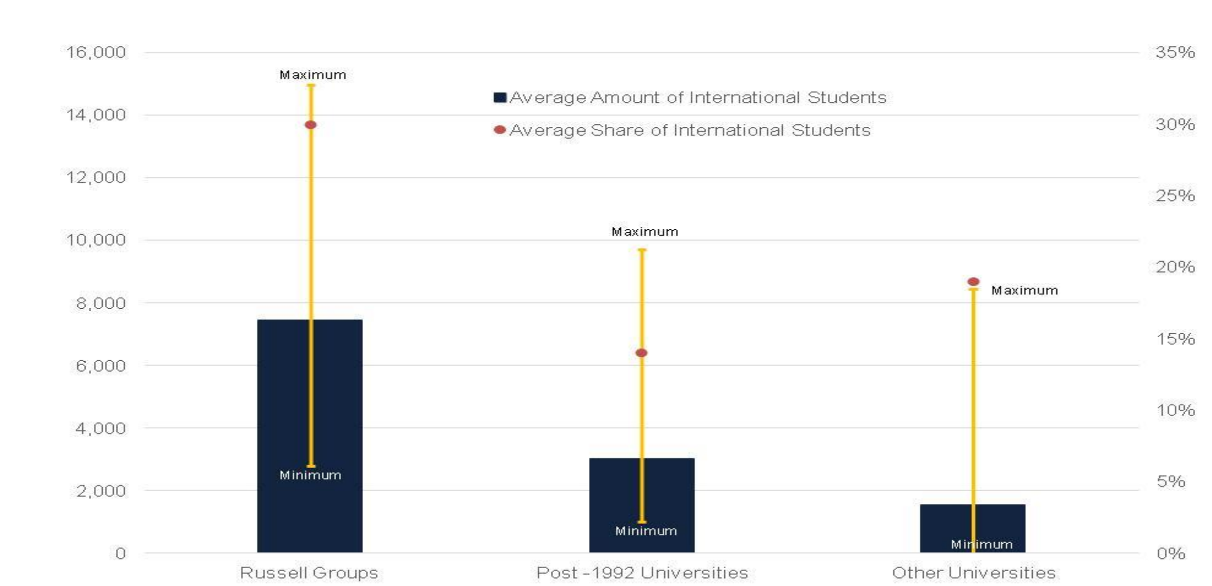
Chart 3: Share of international and UK students by type of course



Source: HESA data 2015/16

3.2. Russell Group Universities have the highest average amount of international students (almost 7,500) and the highest average share of international students (30%). Post-1992 Universities have an average of just over 3,000 international students, followed by an average of just over 1,500 for all other universities. International students account for 19% of all students for other universities, whereas this figure is only 14% for post-1992 Universities. The data shows that there is wide variability within each university group. For example, the number of international students at Russell Group Universities range from 14,975 to 2,800 (9,715 to 1,020 for post-1992 Universities and 8,460 to 5 for other universities).

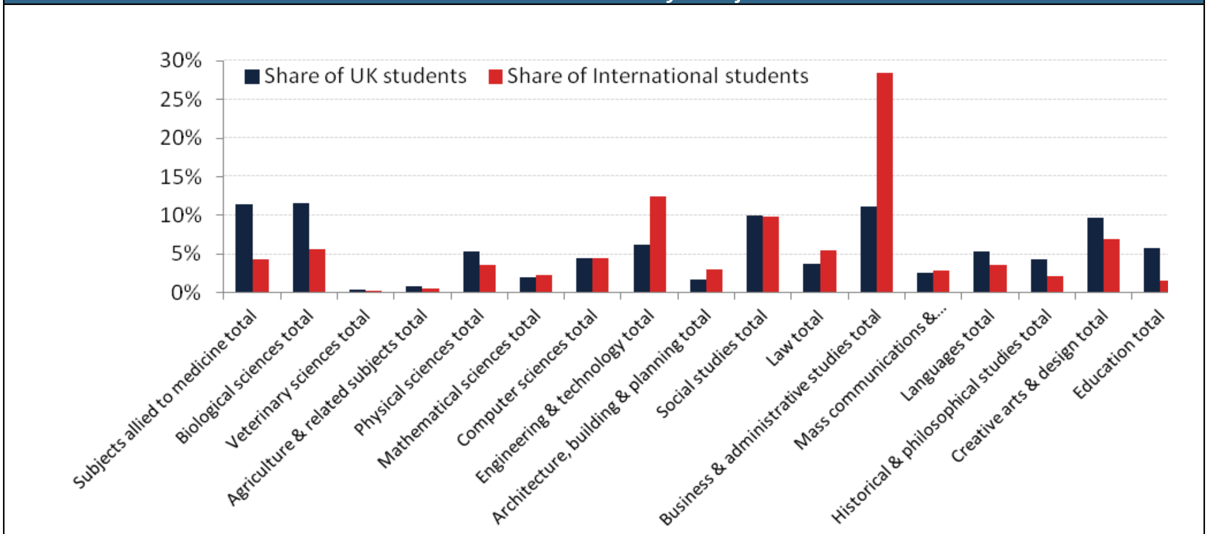
Chart 4: Number of international students by academic institutions – average by Russell Group[9], Post-1992 Universities and Other Universities



Source: HESA data 2015/16

3.3. The share of international students differs markedly by subject areas. International students are more likely than UK students to study Business and Administrative Studies and Engineering and Technology. UK students are more likely to study subjects allied to Medicine; Biological Sciences and Education, see chart 5.

Chart 5: Share of UK and International students by subject area



Source: HESA data 2015/16

3.4. The data presented in this section thus far focuses on Higher Education institutions only and more data is needed to get a more thorough understanding of the number of international students in the UK in other parts of the sector. In particular, we welcome data on international students in further education.

[9] See http://russellgroup.ac.uk/about/our-universities/

4. Impacts

4.1. International students may make a net economic contribution to the host economy directly through the fees they pay and indirectly through the broader economic stimulus that comes from the money they spend on food, accommodation, leisure, travel, etc[10]. International students may also bring a range of social and cultural benefits to the UK[11]. A recent study by Universities UK[12] suggests that in 2014-15 international students generated £25.8 billion in gross output for the UK economy. This activity contributed £13.8 in gross value added (GVA) – 80% of which was attributable to non-EU students. The authors find that on and off campus spending by international students and their visitors support 206,600 full-time equivalent jobs nationally.

4.2. A recent OECD report[13] finds that whilst international students bring monetary benefits to the host economies, they can put host nations' education and training systems under pressure. In theory, international students can put pressure on existing infrastructure, e.g. the housing market, public services. However, a study by NIESR in 2011 estimated that based on their demographic characteristics, non-EEA students make lighter user of education, healthcare and social services than the average UK resident but did not calculate a net cost or contribution[14].

4.3. The evidence on both direct and indirect impacts of international students on the host economy is relatively underdeveloped, especially in regards to the FE sector. The MAC is hoping to make a substantial contribution to the debate through its own independent research and the evidence received through this accompanying call for evidence.

5. Staying on in the UK

5.1. A number of individuals who come to the UK to study may decide to stay by applying for other visas or settlement once their study visa expire. The latest Home Office Statistics on changes in migrants' visa and leave status show that

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[10] See http://www.universitiesuk.ac.uk/policy-and-analysis/reports/Documents/2017/briefing-economic-impact-international-students.pdf and Knight (2011) 'Strategic Review of the Student Visa Program 2011'. Australian Government Report.

[11] See https://russellgroup.ac.uk/media/5448/russell-group-response-to-hoc-education-committee-inquiry-the-impact-of-exiting-the-european-union-on-higher-education-november-2016.pdf

[12] See http://www.universitiesuk.ac.uk/policy-and-analysis/reports/Documents/2017/briefing-economic-impact-international-students.pdf

[13] See http://ifuturo.org/documentacion/InternationalMigrationOutlook.pdf

[14] See https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/257236/impact-of-migration.pdf

around a fifth (19%) of migrants issued a study visa in 2010 still had valid leave to remain in the UK or had been granted settlement by 2015. The proportion had decreased from 31% of those issued a study visa in 2004. The decline is consistent with both the tightening of the Immigration Rules for post-study work since 2007 and the recession, which could have reduced the incentive for students to remain and seek work in the UK. However, 29% of the total grants for settlement in 2015 were issued to people who had originally come to the UK on a student visa. More research is needed to fully understand the direct and indirect social and economic impacts these individuals have.

5.2. There is little specific evidence on the impacts of students who remain in the UK past the end of their studies. The impacts are likely to vary by the type of student. The MAC welcomes evidence on these impacts and will be seeking to do its own analysis of these impacts.

5.3. The rules for post-study work are likely to be important in influencing the numbers and types of international students who remain in the UK. There is little existing work on the effect of different regimes for post-study work and this is one area where the MAC welcomes evidence.

6. Conclusion

6.1. This note provided some background on student migration in the UK to complement the call for evidence on our most recent commission.

6.2. Whilst some progress has been made in improving our understanding of the student migration data through the most recent publications by the ONS and the Home Office, more work needs to be done not just in terms of continuing to improve the quality of the available data but also in building the evidence base on the impact of student migration on the UK economy. The MAC will be working hard to improve our understanding but we cannot do this alone – we need input from anyone who feels they have something to contribute.

6.3. The accompanying call for evidence outlines the questions that the MAC has been asked to investigate. We look forward to engaging with stakeholders and receiving your evidence.