MIGRATION ADVISORY COMMITTEE

Impact of international students in the UK: Call for evidence responses (1 of 3)

September 2018

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Impact of international students in the UK: Call for evidence responses (1 of 3)

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In 2016/17, Cancer Research UK (CRUK) spent £432 million on research in institutes, hospitals and universities across the UK. Our research covers all aspects of cancer and this is achieved through the work of over 4,000 scientists, students, doctors and nurses. Research into new and more effective ways to prevent, diagnose and treat cancer is at the heart of our plan to see 3 in 4 people survive their cancer for 10 years or more by 2034. It is crucial that the UK maintains its excellent science base and that we can continue to attract global scientific talent at each stage of their career.

We welcome the focus on access to scientific talent in the Government's Life Sciences Industrial Strategy and Brexit Science paper. Research fundamentally improves the nation's health and, as such, delivers savings to Government[1] by reducing the incidence of disease or limiting its impact. The success of the Industrial Strategy will be dependent on having a migration system that enables the UK to attract, recruit and retain global scientific talent at all levels—including international students. The UK currently ranks second in the world for the quality of our research institutions and a diverse, talented international research community contributes to this[2].

The flow of talent globally is an essential part of a thriving research environment. Nearly half of the UK active researcher population is transitory—that is, they have stayed in the UK for less than two years, or temporarily stayed outside for a similar period[2]. These researchers are, on average, the most productive and associated with high field-weighted citation impact.

CRUK welcomes the opportunity to respond to this consultation. Our position emphasises the following key point: international students play a key role in our life-saving research. We have answered the questions where we can provide expertise. We endorse the recommendations in the Russell Group response for international postgraduate and undergraduate students.

We engaged our research community in March and April 2017 to understand their motivations for coming to the UK. This included an online survey with more

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[1] An analysis of the fiscal impact of medical research, January 2018, can be found here: https://wellcome.ac.uk/sites/default/files/whats-itworth-musculoskeletal-disease-research-januar-2018.pdf [2] World Economic Forum, Global Competitiveness report 2014-15

[2] Elsevier, International Comparative Performance of the UK Research Base 2016 https://www.elsevier.com/__data/assets/pdf_file/0018/507321/ELS-BEIS-Web.pdf

than 600 respondents and interviews with the research workforce (including international students) as well as those responsible for their recruitment processes[3]. Our case studies have been compiled from the CRUK Cambridge Institute, one of CRUK's core funded institutes. These case studies demonstrate the importance of international students to our research and reflect the work done by our funded international students across the UK.

We want to reiterate our intention to work with the MAC during the reviews of both EEA workers and international students. We would be happy to engage with our research community on any issues that might arise or develop any further evidence which may help with your review.

The importance of international students to CRUK's research

Our response focuses on the funded postgraduate community, specifically, Doctor of Philosophy (PhD) students. Our current annual spend on studentships is around £20 million (5% of our annual research spend)[4,5], supporting the research of over 500 students[6] across the UK. Reflecting the need for global talent and mirroring the UK's wider PhD population[7], half of all PhD students who receive funding from CRUK are from outside the UK[9].

As well as UK talent, the UK benefits from recruiting talented postgraduate students who have received specialist training from centres abroad. Such recruitment is particularly important and it is sometimes necessary in areas of science where the UK has a national skills shortage such as in computational biology and big data[8].

Questions

1) What impact does the payment of migrant student fees to the educational provider have? In 2014/15, international students paid an estimated £4.8bn in tuition fees to universities, accounting for 13% of total university income[9]. International student fees allow universities to maintain their current spending on infrastructure and high-quality teaching. Universities also benefit from charity

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[3] The survey was sent to our funded research workforce in March 2017 and we had responses from both UK and non-UK nationals at all professional levels including PhD and Masters students. We captured information about their key considerations when relocating and information about their status in the UK

[4] Based on actual awards in addition to estimations based on cost guidance given to Institutes and Imaging Centres for student spend

[5] Funding for students come through grant awards, centre training accounts and our core 5 institutes

[6] In 2016/17, we funded 425 students and have just recruited a further 116, but are yet to collect the details of these students

[7] According to Royal Society data, accessible here https://royalsociety.org/topics-policy/projects/international-researcher-mobility/ [9] Based on the proportion of students who answered the question on nationality in our recent survey. Students filled in a survey, which contained a non-mandatory question on nationality. November 2017. More than one-third of our PhD students are from the EEA and 15% of our PhD students are from outside of the EEA.

[8] 'Bio-informatician' and 'informatician' are included on the Shortage Occupation List, valid from 6 April 2015

[9] According to the 2015/16 HESA student finance record

investment, such as CRUK, through paying stipends for PhD students. CRUK funds PhD students in 5 core institutes and 20 universities across the UK—see figure 1. The 20 universities provide infrastructure to our PhD students, enabling them to undertake vital research into cancer.

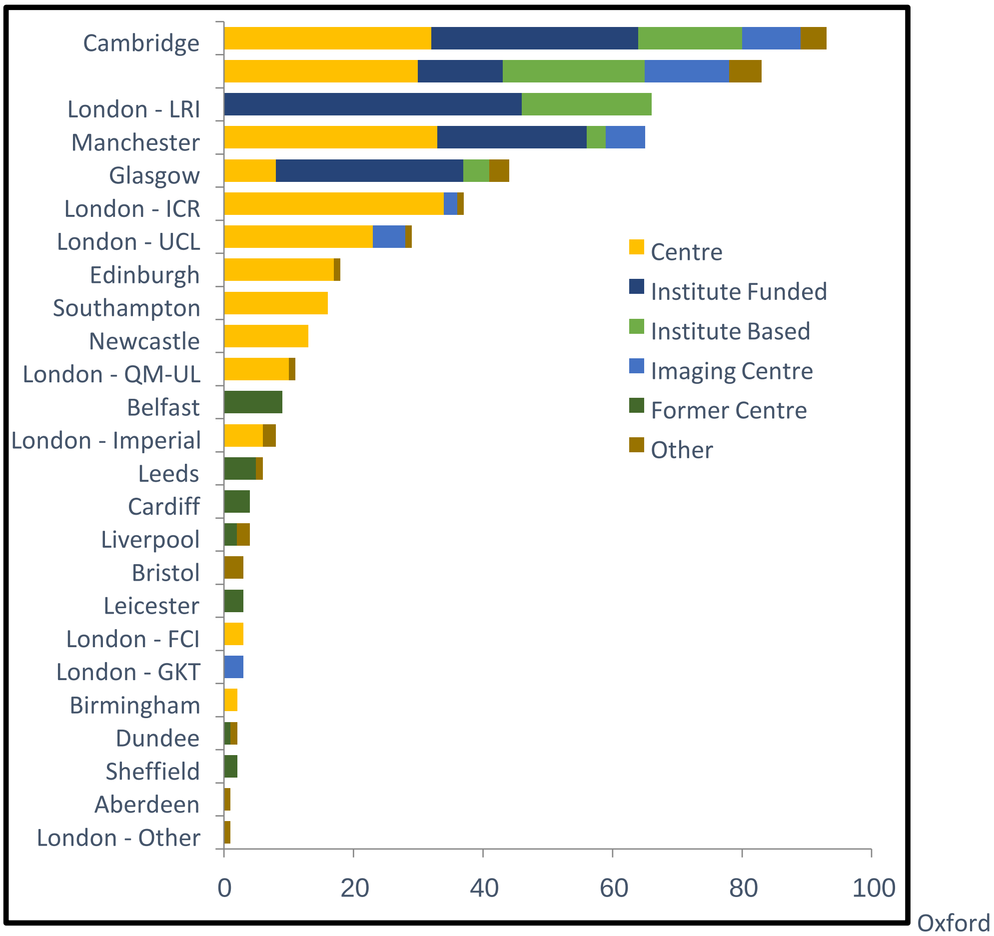

Figure 1- number of Cancer Research UK funded postgraduate students

Do migrant students help support employment in educational institutions?

We do not collect this data for the students we fund. For an analysis of the effect of international students on employment, we suggest reviewing the Russell Group's response.

How much money do migrant students spend in the national, regional and local economy and what is the impact of this?

We do not record the spending patterns of the students we fund. However, research shows that every £1 invested in cancer-related research by the taxpayer and charities returns around 27p to the UK economy each year[10, 11,12]. This includes research done by international students.

[10] Health Economics Research Group (Brunel University), RAND Europe, and King's Policy Institute, medical Research: What's it Worth? Estimating the economic benefits of cancer-related research in the UK, 2014

[11] http://kcl.ac.uk/sspp/policy-institute/publications/SpilloversFinal.pdf

[12] https://wellcome.ac.uk/sites/default/files/whats-it-worth-musculoskeletal-disease-research-januar-2018.pdf

How do migrant students affect the educational opportunities available to UK students? The universities and institutes in which we support students advertise for PhD roles based on what the research project needs to advance. Educational opportunities in the field of cancer research therefore exist based on the need for outcomes which can positively impact cancer patients. Applications are open to all, regardless of nationality, and PhD students are selected solely on merit. This process has led to a mix of nationalities being recruited, with half our PhD students from the UK and the other half from outside the UK.

To what extent does the demand from migrant students for UK education dictate the supply of that educational provision and the impact of this on UK students?
International PhD students working on cancer research have a positive impact on UK students in the same field. The demand from international students for UK education makes the UK a desirable place to work for global scientific talent. This means the expertise available to UK students, both postgraduate and undergraduate, is of high quality—reflected by the fact the UK ranks second in the world for the quality of our scientific research institutions[13].

What are the broader labour market impacts of students transferring from Tier 4 to Tier 2, including on net migration and on shortage occupations?
We invest in international PhD researchers in the UK and there should be opportunities for them to continue to work and develop expertise in the UK to ensure we continue to have a thriving research environment. Case study 1 demonstrates the international talent we have recruited in areas of skill shortage. We believe it would be detrimental to the UK research environment if we lost this talent.

Case study 1 – Tony Wu Tony Wu is a PhD student at the Cancer Research UK Cambridge Institute. He is a US citizen and has a Tier 4 student visa. After studying an undergraduate degree in Biology and Psychology at the University of Kansas, he completed a master's degree in Social Policy.
He currently employs statistical analysis in a systems biology context to identify the contribution of tumour microenvironments in pancreatic cancer progression and metastasis. Using various programming languages and platforms, he works in an area of which there is a UK skills shortage. Tony receives funding from Cancer Research UK to cover his tuition and expenses, as well as a £19,000 stipend.
Once his degree finishes, he would like to find a job in an academic research institution or in the pharmaceutical industry where he can utilise his statistical background. Ensuring that international students like Tony Wu can stay in the UK is essential for a flourishing research community.

[13] World Economic Forum, Global Competitiveness report 2014-15

Whether, and to what extent, migrant students enter the labour market when they graduate and what types of post-study work they do?

We do not currently collect post-study work data for our funded students. However, it is essential for CRUK that we can retain our talented international students following their studies. Retaining our international students ensures a training pipeline and a highly skilled UK research community.

2) The MAC would like to receive evidence about what stakeholders think would happen in the event of there no longer being a demand from migrant students for UK education.

Half of Cancer Research UK funded PhD students are from outside of the UK. Retaining a mix of UK and international talent is key to having a world class research base. If migrant students no longer demanded UK education, we anticipate there would be a significant negative impact on our research – both in the short and long term. The competitiveness of the UK's medical research sector would fall, affecting the quality of our research. As case study 2 demonstrates, keeping a mix of UK and international talent is key to having a world class research base.

Case study 2 – The Cancer Research UK Cambridge Institute

The Cancer Research UK Cambridge Institute is a joint venture between Cancer Research UK and the University of Cambridge. Opening in 2007, the Institute has excellent state-of-the-art facilities. Research ranges from basic cancer biology and computational biology through to translational research and clinical application.

The Institute is world-leading and continues to produce exemplary research. For example, hyperpolarised carbon-13 spectroscopic imaging, a technique that can increase the sensitivity of MRI by more than 10,000 times, will soon undergo patient trials. Similarly, the METABRIC project used expertise from many Cambridge Institute staff and collaborators world-wide to generate a new classification of 2,000 breast cancers with clinical follow-up.

The Institute has 61 graduate students, playing pivotal roles in the continuing success of research programmes. Approximately one third of graduate students at the Institute are from the UK, with two thirds coming from outside of the UK. In 2017, the Institute took on 11 new graduate students— 10 are from outside of the UK.

Short-term impacts

We fund a range of talented UK students, but there are simply not enough with the right skills to fill all advertised PhD studentships in the shorter term. Case study 3 is an example of an international student bringing skills it would otherwise have been difficult to recruit from the UK pool of talent.

University income would also likely fall by a minimum of 13% —the proportion of all UK university income arising from international students' tuition fees. We fund students at 20 universities across the UK and PhD researchers rely on universities being able to maintain current infrastructure. This may be threatened by a 13% fall in income.

Case study 3 – Jiazheng Wang Jiazheng Wang is a Chinese PhD student who has a Tier 4 visa to study at the Cancer Research UK Cambridge Institute. He studied a BSc in Electrical Engineering at North China Electric Power University, before completing an MSc in Electrical Engineering at the University of Maryland, focusing on MRI imaging and restructuring. His studies have attempted to develop techniques to make fast and high-resolution images for molecular imaging through hyperpolarised MRI. This work aims to help the early diagnosis of cancer and to detect early evidence of treatment response. Research Group Leader Professor Kevin Brindle says it is 'very unlikely' that he could have recruited a PhD student with this background from the UK and that Jiazheng's contribution to his lab has been 'invaluable'.

Jiazheng's wife came to the UK on a dependent's visa for the first 2 years of his studies. If she had not been granted this visa, he would not have come to the UK to study.

Long-term impacts

The competitiveness of the UK's medical research sector depends on being able to recruit global scientific talent. Narrowing the pool of PhD candidates that universities can select from will limit the UK's competitive advantage in the research sector. A less competitive research sector would inhibit the Government's ambitions for the Life Sciences, as set out in the Life Sciences Industrial Strategy. In the long term, the UK's lack of competitive edge may lead to the relocation of both the UK and international research workforce who seek access to the best global science. A lack of international demand for UK education will have negative consequences for the UK's science and research sector.

While we do not record the nationality of failed applicants for our PhD funding to support this view, the case studies demonstrate this point. Some of our international PhD students work directly in areas listed on the shortage occupation list[14]. Without the ability to recruit from the best students available from across the globe, we would also expect research to decline in standards and in the long term, postdoctoral and senior researchers to relocate.

3) As per the commission from the government set out above, the MAC would also like to have evidence about the impact of migrant students depending on the institution and/or subject being studied – do different subjects and different institutions generate different impacts? We fund international students from a range of academic backgrounds, including shortage occupation areas such as computational biology. These backgrounds include, but are not limited to: Biological Sciences, Sciences allied to Medicine, Epidemiology, Public Health, Physical Science, Social Sciences, Mathematics and Engineering. Students are recruited based solely on merit. Each student's work is reflective of a need in a research project and are therefore equally as valuable as each other.

In 2016/17, we supported PhD students at 5 core institutes and 20 Universities. Cancer Research UK funds high quality research. Irrespective of the institution or research question, migrant PhD students have continually contributed to our life-saving research. Reflecting the impact PhD students have on cancer research, this year Cancer Research UK recruited a further 116 PhD students[15,16].

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[14] See case study 1: Tony Wu

[15] We are collating data on the nationalities of these students and will be happy to provide this data to the MAC when it becomes available

[16] http://www.cancerresearchuk.org/sites/default/files/cruk_annual_report_2016-17.pdf

Commonwealth Scholarship and Fellowship Plan Support Group

1. Background information.

The Commonwealth Scholarship and Fellowship Plan (CSFP) Support Group is a sub-committee of the Council for Education in the Commonwealth (CEC). Its role is to promote the Plan within the United Kingdom, to liaise with Parliament to explain the value of the Plan, and to foster the well-being of Scholars and Fellows while they are studying or researching under the terms of the Plan at British higher education institutions. Its membership is drawn from a wide variety of appropriate bodies, including the Association of Commonwealth Universities, the British Council, the Commonwealth Secretariat, Cumberland Lodge, Goodenough College, the National Union of Students, the United Kingdom Council for International Student Affairs, and Universities UK.

The CSFP Plan came into existence in 1959 and at the moment over 800 students are in the U.K. under the auspices of the United Kingdom Commonwealth Scholarship Commission.

The CEC has been in existence for nearly sixty years, a membership organisation which fosters knowledge of and activity within the Commonwealth educational sector. It provides though conferences and events a forum for debate about all aspects of educational development in the Commonwealth.

2. Introduction.

Comments in this submission largely echo what reports and evidence have pointed to over a long period of time. We confine our observations to two (numbers 9 and 12) of the dozen issues on which the Migration Advisory Committee (MAC) has invited evidence, namely (i) the role played by migrant students in extending the U.K. 'soft' power and influence abroad, and (ii) whether, and to what extent, migrant students enter the labour market when they graduate and what types of post-study work they do.

It is axiomatic that the benefits to a receiving country of hosting foreign students are wide-ranging and long-lasting. The immediate economic impact is felt in the boost which the presence of a cohort of international students provides to the university where they are studying and to the surrounding local economy. Others will be reiterating the value of this. This submission asserts the importance of the longer term 'soft power' influence of providing British university education, particularly at higher degree level, to students from other countries.

3. Benefits to the U.K. of hosting international students.

In October 2017 the Institute for International Cultural Relations at the University of Edinburgh reported that ‘promoting a nation’s culture and political ideals on the global stage brings significant economic and strategic advantages’. ‘Soft’ power, it argued, is achieved partly through the recruitment of students from abroad and has a statistically significant impact globally on foreign direct investment into the U.K., on tourism, and on Britain’s overall international influence. For example, an increase of £1.3 billion in foreign direct investment in the U.K. results from a 1% increase in the number of countries capable of such investment reached by our cultural and educational initiatives.

Sir Ciarán Devane, Chief Executive of the British Council, concurred with the report’s findings. They offer, he said, ‘new evidence for the impact of soft power on a state’s economic success and global influence. A country’s soft power can play a huge part in strengthening its role on the world stage. More than ever the U.K. needs to ensure that leaders and influencers globally know, understand and experience the U.K. as an outward looking, engaged nation, promoting its world class arts and education to as wide an audience as possible.’

Time and again evidence has emerged of the influence of Britain’s soft power abroad, especially through education. Indeed, it is not possible to find any authoritative reports or documentation which argue to the contrary. In July 2017 ResPublica published *Britain’s Global Future: Harnessing the soft power capital of U.K. institutions*. Education, especially at university level, took its place, alongside the monarchy, Parliament, museums and professional societies, as a vital part of Britain’s reputation internationally. ‘In helping others, we help ourselves’. This report called for the creation of 5,000 new postgraduate scholarships for students from abroad to study in the U.K. and 10,000 transnational education bursaries for overseas students studying with British institutions within their own countries. There is a need for both methods of educating postgraduate students. By coming to the U.K. they benefit from locally available resources (libraries, specialist facilities, laboratories, world level expertise) and work in partnership with British academics. Though often not feasible, study within their own country is sometimes a cheaper and equally viable alternative for students, but *only* where suitable teaching and research facilities can be made available, or when appropriate online study can be accessed. The report’s proposals for the augmentation of existing awards and establishment of new ones sprang from the conviction and the knowledge that Britain’s own fortunes would be materially enhanced by extending our educational influence globally as a main instrument of our soft power policy. Indeed, these new awards should, it was suggested, be called ‘Global Britain Scholarships’.

In 2014 the House of Lords Committee on Soft Power and the U.K.'s Influence produced its report, *Persuasion and Power in the Modern World.* It made the crucial point that 'Soft power may be difficult to measure and control, but it is none the less essential for protecting the U.K.'s interests'. This may be generally true of education: the extent of its influence can only be truly evaluated at the close of a life. There are, however, measurable impacts of a more immediate kind. Almost all international students studying in the U.K. return to their own countries at the end of their period of study or research. UKCISA estimates that it is fewer than 2% who do not. As the House of Lords report puts it, 'Investment now will realise significant future returns, not least because it is cheaper to support established and successful soft power assets now than it would be to attempt to generate neglected assets later, when the benefits of soft power become even clearer.'

At the moment, according to Universities UK, the presence of international students in the United Kingdom generates more than £25 billion annually for the British economy and provides a significant boost to regional jobs and local businesses. Each one of these students will have a future in which, if their social and academic experience in this country has been good, they will look back with affection to their days in Britain. They will also retain a network of contacts in their specialist field that they can draw upon when devising contracts, partnerships or research programmes. The benefit of this to the U.K. economy and to maintaining our global influence is literally incalculable and it is simply perverse to deny its existence. In a post-Brexit environment, the creation of new trade partnerships will in many cases derive directly from the links established when a negotiator in another country recalls his or her postgraduate education in Britain.

4. Specific Soft Power Benefits to the U.K. of the CSFP.

Overseas or international students come to the United Kingdom from many nations. The Commonwealth Scholarship and Fellowship Plan by definition involves students only from Commonwealth nations. Participating countries in the scheme have varied since the Plan began in 1959, but the UK has always belonged to it. Though most of the flow of students is inward to the U.K. from elsewhere, there has been a steady trickle of outward bound British students who have studied in another country and returned to Britain with a specialist knowledge which it was only been possible for them to gain by being 'in the field' elsewhere. One example of the latter is highlighted in section 5 below.

In both the inward and outward movement of Commonwealth Scholars and Fellows a great variety of disciplines is apparent, though the emphasis in recent years has been on education for development. Overseas or international students come to the United Kingdom from many nations. A CSFP alumni survey in 2014 revealed that up to 92% of Commonwealth Scholars actually live back in the region in which they grew up. The 'returnees' join companies, investment banks, educational institutions and, of course, governments, in any of which they will, having already proved that they are highly motivated and high-achieving, soon be in positions to influence decision making. Their inclination is often to advise that the country in which they earned their higher degree will have the expertise and suitability to meet the needs of the country to which they have come back.

Taken at random individual Commonwealth Scholars who have returned to their own countries and subsequently referred back to their days in Britain include Zinta Zommers from Canada, who studied at Oxford and who is now with the United Nations Development Programme, thus ensuring a heritage of British influence in an international developmental body; James Brandful from Ghana, who studied at Cambridge and who works in HIV/AID research, extending what he had learned in the U.K. into a global humanitarian project; Aishath Rizma from the Maldives, who studied at SOAS and who works now in human rights back in her own country, which hitherto has had a poor record in this domain; Sir Michael Cullen, who studied in Edinburgh and became Deputy Prime Minister of New Zealand; Lydia Nzoka from Kenya, who after being at the Royal Veterinary College set up her own craft business in Kenya with trade links to Britain; and of course the Canadian Mark Carney, now Governor of the Bank of England who on many occasions has acknowledged the importance of his Commonwealth Scholarship held at Oxford University.

In its submission the House of Lords in 2014, the Association of Commonwealth Universities maintained that 45% of respondents in their Commonwealth Scholarship and Fellowship Plan survey of alumni claimed that they had been able to influence government policy in their own countries in their specialist areas, calling upon their British experience in doing so. 25% of alumni had held public office back home.

5. One case study.

The Chairman of the CSFP Support Group, Dr. Alastair Niven, was an 'outward' student, going early in his career as a Commonwealth Scholar from the U.K. to Ghana to study African literature. He attributes all that followed to the moulding influence of his years in West Africa. His contact with the University of Ghana and with Ghanaian institutions has been maintained over fifty years. The professional consequence of being in Ghana led directly to him becoming Director General of the Africa Centre in London ten years later and to his work thereafter in the senior management teams of the Arts Council and of the British Council promoting cultural diversity. He later became the chief executive of the King George VI and Queen Elizabeth Foundation of St. Catharine's at Cumberland Lodge, Windsor, a charitable foundation, headed by The Queen, which exists specifically to promote good understanding between young people of different national background and ethnicities. None of this would have come about without the experience of holding a high level award in another country.   'Seeing ourselves as others see us' has stood him in good stead and made him certain that study away from one's own place of upbringing cements a deep and life-long relationship of practical benefit to both nations.

6. Conclusion.

As recently as 19 January 2018 seven regional mayors, including the mayors of London and Manchester, this month signed a letter to the *Financial Times* insisting once more that international students bring huge economic advantages to the U.K. worth ten times the cost of hosting them.   They emphasised the ongoing soft power value of bringing candidates from abroad to study and research in this country. 'Many students return home having built strong professional and personal links that benefit our regions, and the U.K. as a whole in terms of long-lasting 'soft' diplomatic power.'

In a survey in 2009 of 2,000 former international students who had studied in the U.K., 92% said they maintained strong links with this country and 71% said they were still in active communication with the British university at which they had been based. There is no reason to suppose that these figures have much changed.

In the light of all the information that has been gathered it is evident that international students studying in the U.K., and Commonwealth Scholars particularly, have influence in their own countries and refer back to their time in the U.K. with every determination to maximise the practical value of their connections.   Soft power is real power and it advantages the United Kingdom immeasurably.

Careers Research and Advisory Centre

CRAC input to Migration Advisory Committee – assessing the impacts of international students in the UK

Thank you for the chance to respond to the call for evidence. We are keen to discuss any of the points raised. CRAC (the Careers Research & Advisory Centre) was established in 1964 as a registered charity with the remit to support the career-related learning of people of all ages. Our mission is the provision of research, expertise and innovation for all those who support career development, across all age ranges.

The UK has a long tradition and worldwide reputation for being at the forefront of international higher education (HE), and is a top destination for internationally mobile students. There is direct financial impact of international students on the host country through fee income and associated expenditure during study. The value of this 'education export' for the UK has been well researched.

However, there has been much less investigation of the wider benefits of international HE study in the UK. In 2013 the former Department for Business, Innovation & Skills published research that CRAC undertook in this area: The wider benefits of international HE to the UK1

This study was designed to develop a full understanding of the wider impact, beyond direct economic returns, to the UK and to international graduates' home countries, as well as to the graduates themselves. It identified a wide range of social, indirect economic and political benefits, including several characterised as 'soft power' impacts. The research was conducted through detailed interviews with a range of first degree and Masters course graduates of non-EU origin who had studied in the UK 5-10 years previously and returned to their home countries. This primary research was underpinned by a review of existing knowledge and literature.

In summary, we identified tangible personal benefits for the international graduates themselves, in relation to their career progression, their position in society and especially their personal growth, not least the development of extensive networks of social, and potential future professional, contacts, which included contacts within the UK. As highperforming and highly skilled employees, they introduce benefits to their home countries' employers and economies. As such they brought impact in education, capacity building and societal development, all of which would increase in extent with time as they become more influential.

1 https://www.gov.uk/government/publications/international-higher-education-in-theuk-wider-benefits

For the UK itself we identified:

• Tangible, indirect economic benefits as these graduates became part of international business networks which included UK contacts – through additional trade with existing UK enterprises but also new international collaborations. The potential value of these global networks of links existing between alumni and their contacts in the UK grew with time;

• Enhancements to existing active international collaborations in research and education, between the UK universities the graduates had attended and institutions in the countries they returned to or worked in, and the potential for more in future;

• Continuing benefit for the UK economy through further higher education exports as they personally recommended many others to participate in UK education;

• Benefits to UK higher education and to the UK students who participate in it, as international students bring great student diversity to UK campuses which improves the overall learning environment and develops cosmopolitanism in UK and international students alike. It is thought that the UK's courses, especially at Masters level, may be the world's most cosmopolitan in terms of their student cohorts;

• A few of the graduates had subsequently returned to the UK to undertake highly skilled roles in STEM occupations including as academic staff – much of the higher education research and teaching in STEM subjects is undertaken by staff who are not of UK origin and some Masters courses would be unsustainable and unavailable to UK students were it not for these staff and, indeed, international students;

• Tangible personal purchasing power from the graduate alumni's allegiance to British brands, through their own consumption and influence on others when they returned home, but also including their own tourism to the UK and by those they influence;

• Strongly enhanced perceptions of the UK, its people and culture, especially an increased trust in the UK which supports cultural and political ties but also future economic benefits.

It was clear from parallel research conducted with graduates who had undertaken transnational education through a UK institution (i.e. without physically being in the UK) that many of these impacts only arose through the graduates' physical presence in the UK when they studied. The magnitude of several of the benefits was greater the more time they had spent in the UK off-campus, and/or in activities outside university. This research was conducted with alumni who had been first degree or Masters-level students at UK institutions 5-10 years earlier. We hope to have the opportunity to repeat the study but for alumni who had undertaken postgraduate research degrees, and are currently seeking partners and funders for such a study.

Equality Challenge Unit

Equality Challenge Unit (ECU) response to Migration Advisory Committee Students' Commission Call for Evidence, August 2017

ECU works to further and support equality and diversity for staff and students in higher education institutions (HEIs) across all four nations of the UK and in colleges in Scotland. We believe that colleges and HEIs should be diverse and inclusive. Given ECU's remit and expertise, our response focuses on the social impacts of migrant students. We draw on ECU's past research and continuous efforts to support the HE sector in complying with the Equality Act 2010 through developing inclusive practices for both international and UK students, and highlighting how advancing equality and diversity can support the internationalisation agenda of HEIs in a competitive international market (ECU 2011).

The inclusion of international students in a diverse student body is particularly important because of the ways that international students affect the educational opportunities available to UK students, particularly in the area of intercultural skills:

Intercultural skills are in high demand

The British Council report 'Culture at Work' (2013) found that employers in nine countries including the UK value intercultural skills very highly, as highly as formal qualifications.

The Economist Intelligence Unit report 'Competing across borders' (2012) identified cultural and communication barriers as a key impediment to the growth of business.

UK students learn intercultural skills from studying alongside international students

While there are some limits to the extent to which UK students are able to take advantage of the opportunities presented by studying in an international environment, Lorraine Brown and Steven Richards (Journal of Further and Higher Education, 2012) have shown that UK students are enthusiastic about cultural learning.

HEIs across the UK are working to improve the integration of international and UK students, to continue to improve the opportunities available to UK students. ECU support this work, for example through our guidance 'Attracting international students: equitable services and support, campus cohesion and community engagement' (2012).

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UK students understand this benefit

UK students understand the benefit of studying alongside international students. A 2015 report from the HEPI found that 76 per cent of UK students agree or strongly agree that studying alongside international students is useful preparation for working in a global environment.

International students also have broader impacts on the experience of UK students, including the subjects that they can choose to study, the value of their qualifications in the global labour market and progress on equality, diversity and inclusion:

International students increase the choice of subjects available for UK students

International students have an impact on the subject choice available to UK students through stimulating demand for degree courses, including those that could not be sustained through purely domestic demand.

Recent analysis by the Complete University Guide shows that some of the courses studied by the largest numbers of international students are in subject areas in which the UK has recognised skills gaps, e.g. engineering and computer science.

Internationalisation enhances the value of awards from UK institutions

The 'Britain Wants You!' report by the Institute of Public Policy Research showed that the internationalisation of reputation and brand recognition of UK HEIs enhances the value of awards from UK HEIs for UK and international students alike, giving them an advantage in the global labour market.

A diverse study body can drive equality, diversity and inclusion work

It is ECU's experience that a diverse student body, including international students, can drive progress on equality, diversity and inclusion. This can particularly benefit UK students of minority ethnic and religious backgrounds whose backgrounds are mirrored in the cohort of international students, for example through the provision of appropriate faith spaces.

Finally, studies in peer countries have shown broader social benefits of international education. Studies published by the Australian Government and New Zealand

Ministry of Education have identified benefits for home students and the host country including cultural capital and soft diplomacy, and have suggested ways in which the positive effect of international students can be maximised, through peer-pairing programmes, cooperative learning and residential programmes.

Friends International

Dear Sir/Madam,

I am writing in response to your open consultation on the role of international students in the UK. My response is on behalf of Friends International, a registered UK charity seeking to befriend and welcome international students and giving them the opportunity to investigate the Bible during their time in the UK. We work in partnership with local churches, Universities and chaplaincies in 35 cities in the UK. You can find out more information about us here: https://friendsinternational.uk/about

There were two areas in which we felt we were able to feed in out experience which are below. However we would be very happy to answer any additional questions or be involved in further research.

· *How do migrant students affect the educational opportunities available to UK students?*
Migrant students add cultural breadth to UK student experiences. They also help benchmark UK students against global standards, leading to a rise in standards potentially over time. Where migrant students choose UK courses then increased resources are available to develop quality courses which benefit UK students. In our experience, where interactions between international and UK students take place, there is growth on both sides in terms of cultural awareness and global focus. As a charity seeking to serve and welcome international students, we often have UK students as volunteers and their experience is that they get exposed to things that they never would if they only met other UK students. For example, seeing how different cultures view the same topics, even something as fundamental as learning can be very different. This equips both the UK and international students to work better in a global marketplace upon graduation. With many UK students studying languages, international students often offer the opportunity for language exchange enhancing the skills of UK and international students.

· *What role do migrant students play in extending UK soft power and influence abroad?*
If migrant students value the quality of education in the UK, and are welcomed by UK students, international offices, welcome committees, churches and cultural organisations they will return home with a good view of the UK leading to improved perceptions of the UK and effectively soft power when contracts come up for

consideration, agreements are suggested, visit destinations being chosen, and reception of British visitors, ideas and programmes. Anecdotally, international students are often keen to stay in contact with their UK friends, remembering the time fondly and wanting to offer reciprocal hospitality.

Association of Colleges

The Association of Colleges (AoC) represents nearly 95% of the 275 colleges in England incorporated under the Further and Higher Education Act 1992. Colleges are transformational – they help people make the most of their talents and ambitions and drive social mobility; they help businesses improve productivity and drive economic growth; they are rooted in and committed to their communities and drive tolerance and well-being. They are an essential part of England's education system.

Colleges provide academic, technical and professional education for young people, adults and employers. The 275 colleges in England provide education and training to:

- 712,000 young people aged 16 to 18
- 1.4 million adults including 150,000 taking higher education courses
- 313,000 apprentices[17]

College International Activity

Colleges engage in a wide range of work involving students, education partners and governments from other countries. In December 2017 AoC published the results of a survey tracking college international activity for the academic year 2016/17. The survey highlighted over 20 different types of international work that colleges are engaged in, ranging from participation in European projects to the operation of a campus overseas. The recruitment of international (non-EU) students to the UK was the most popular international activity at colleges, underpinned by a clear message that the college sector wishes to see international students removed from Government net migration targets.

Some colleges have longstanding history of working internationally, for example in providing training in specialist subject areas such as marine engineering. Colleges have also been at the forefront of operating English language classes for successive waves of migrants to the UK, whether those looking to settle or study here, or those seeking asylum and resettlement. The UK's education system has a very strong reputation internationally, and overseas government education policy has an increased focus on skills and technical training. Colleges offer academic, technical and professional programmes that are attractive to international organisations and students alike. 90 colleges identified 66 different countries in their individual lists of their top 5 overseas markets.

[17] AoC Key Facts about colleges 2017: https://www.aoc.co.uk/sites/default/files/Key%20Facts%202017-18%20.pdf

Participation in projects, partnerships or exchanges with international education organisations brings a range of benefits to colleges, including:

- Intercultural learning and work experience for Home students
- Continuing professional development (CPD) opportunities for staff
- Curriculum development
- Generation of additional income streams outside Government funding

Sources of evidence

AoC's response to the MAC has been compiled using the following data sources:

- AoC Survey of College International Activity 2016/17[18]
- AoC network meetings with colleges
- College case studies
- AoC Survey of College ESOL provision[3]

Whilst the information provided here relates to colleges in AoC membership, AoC has discussed the MAC Call for Evidence with our counterpart organisations in Wales, Northern Ireland and Scotland, to whom this response is copied.

Responses to the MAC enquiry questions

Association of Colleges

1. **What impact does the payment of migrant student fees to the educational provider have**?

AoC's 2016/17 survey of college international activity reported that:

- The combined international (non-EU) and EU college income 2016/17 was nearly £57m (£52m international (non-EU); £4.4m EU student fees)
- Colleges that are active internationally generate an average of £838,753 per year in international (non-EU) income. This figure includes income from a range of international work, for example international tuition fees
- Colleges that are active internationally generate an average of £105,948 per year in EU student tuition fee income

[18] AoC Survey of College International Activity 2016/17: https://www.aoc.co.uk/sites/default/files/AoC%20international%20survey%20report%202017_0.pdf [3] Pending publication

- Colleges that are active internationally enroll an average of 121 non-EU international students a year and 353 EU27 students per year

Migrant student fees can provide an additional revenue stream for colleges. Any surplus from this revenue can be invested back into central college operations and services, benefitting all students and staff at the organisation. However, it should be noted that college leaders are expected to report satisfactory financial management to Government without any dependency on migrant student fees.

2. **What are the fiscal impacts of migrant students, including student loan arrangements?**

AoC has not carried out any specific research on the fiscal benefits of international further education students because this issue was effectively covered in a report commissioned by the Department for Business, Innovation and Skills in 2013, the “Evaluation of the value of Tier 4 international students to FE colleges and the UK economy”[19]. The report concluded that:

- Additional income from Tier 4 learners is perceived as highly valuable in supporting the college’s financial viability, and can also help fund further activities in the college such as building projects and further international projects
- Colleges estimate that Tier 4 students will spend approximately twice the value of their tuition fees on subsistence in the local area. This may include spending on college owned accommodation, rent for local host families, and spending at local shops. This additional income is perceived as very beneficial for local areas

3. **Do migrant students help support employment in educational institutions?**

In the main, migrant students join timetabled college classes with UK students. Curriculum staffing will already be in place therefore as migrant students are joining a core college programme. However, migrant students do create additional employment opportunities for colleges. The addition of migrant students to the class can boost class numbers and help to ensure the viability of some courses that are difficult to recruit to. This in turn secures teaching staff jobs. An example of this is an AoC member college where migrant student numbers, particularly Tier 4 sponsored students, helped to maintain the college’s economics, accounting and pure maths provision. Without the migrant students the provision was stripped back, leading to a reduced local offer.

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[19] https://www.gov.uk/government/publications/value-of-tier-4-international-students-to-further-education-collegesand-the-uk-economy-evaluation

Furthermore, some courses may be arranged specifically for migrant students and hence do not fall within the scope of ESFA-funded programmes. Examples include some English language courses, summer courses or short bespoke training programmes for an overseas partner. In this scenario the college will recruit additional staff to teach the courses or will offer additional teaching hours to part-time staff. For example, one AoC member college has been able to continue offering higher-level ESOL (English to Speakers of Other Languages) courses to its local community given the demand from international students for the courses. Other colleges maximise their estate by running summer courses for international students, outside the traditional academic year.

Larger, sustainable numbers of migrant students studying in colleges also create a requirement for administrative, support and management jobs to oversee their study. AoC's 2016/17 international survey reported that 77% of colleges active internationally employ staff with dedicated responsibility for international work. Such roles include:

- Compliance officer for Tier 4 operations
- Erasmus+ programme coordinator
- International welfare officer
- International manager/director

The recruitment of international students through the Tier 4 visa route necessitates staff roles to manage the institution's sponsor licence. However, staff roles can be at risk should the college lose its sponsor licence, for example in the event of a change of Ofsted grading and the failure to meet educational oversight requirements.

4. **How much money do migrant students spend in the national, regional and local economy and what is the impact of this?**

AoC has no specific data on spend for migrant students at colleges. However, it can be reasonably assumed that if colleges generated £57m in international income in 2016/17, significant additional spend (often estimated to be double the tuition fee income for international non-EU students) would be brought to the local economy by migrant students on housing, transport and food during their studies.

International (non-EU) students applying for a Tier 4 visa must evidence that they have sufficient funds to support themselves during their course of study (currently £1,265 per month for living costs if studying in London and £1,015 per month for living costs if studying outside London). They must also pay a healthcare surcharge to access NHS services. It is clear therefore that whether they are studying in the UK for one week or for one year, international students contribute financially not only to the institution that they are studying at, but also to the local economy where their institution is based.

There are 321[20] colleges in the UK, spread across major cities such as Birmingham and Manchester, through to market towns and rural areas of the southwest of England or the north of Scotland. Colleges serve the local communities in which they reside, and they may be the only post-16 education provider in the local area. There may be no university situated nearby, therefore migrant students studying at the college will be the main migrant students contributing to the local economy.

5. How do migrant students affect the educational opportunities available to UK students?

Migrant students enhance college life. As outlined in question 4 above, colleges are located in very different areas of the UK, including areas of low social mobility or ethnic and cultural diversity. Some college principals take a strategic decision to engage in international activity not to generate additional income but simply to bring diversity and opportunity to the college campus. Migrant students joining classes alongside UK students means that UK students have the chance to learn about other countries and cultures, broadening their global outlook and developing competencies attractive to employers. This is more important than ever for young people as the UK prepares to leave the European Union and foreign language learning declines.

The European Commission's Erasmus+ programme[21] is an example of how migrant students enhance educational opportunities for UK students. Erasmus+ funds placement opportunities for UK students in Europe and vice-versa. The programme allows young people from across Europe to meet each other and to develop their interpersonal and employability skills. Through Erasmus+, colleges also strengthen their links with local employers, who work with their local college to offer short placements to Erasmus+ students coming to the UK.

As outlined in question 3 above, migrant student numbers can help to sustain important areas of college provision. Moreover, a 2017 NUS survey of UK students[22] showed that:

- 70% of UK students agreed that any reduction in international students would impact their cultural experience at university

[20] https://www.aoc.co.uk/about-colleges/research-and-stats/key-further-education-statistics
[21] https://www.erasmusplus.org.uk/
[22] 'Student Perspectives on International Students', National Union of Students 2017

- A quarter of students believed that their course could not run without international students
- 75% of students agreed that international students should be allowed to work in the UK after graduating

When asked about having international students in their classes, lecturers at one college fed back to AoC that international students often have complementary skills to their UK counterparts. For example, in an A-level Mathematics class, lecturers paired a Chinese student with a local English student. The Chinese student had stronger mathematical knowledge than the English student, but paired together, the Chinese student improved his English language level and the English student improved his mathematics.

Another AoC member college reported that the international nature of the college's student body was highlighted by the college's Ofsted inspector. The inspector observed that by being part of a truly international student body, the students expanded their understanding, tolerance and acceptance of difference. Colleges that have large ESOL provision cite it as a valuable tool for encouraging community cohesion and for respecting and valuing difference in the community.

The Department for Business, Innovation and Skills 2013 report highlighted numerous educational benefits reported by colleges which have Tier 4 learners, including enabling them to offer courses they may not be able to otherwise through increased demand and additional student numbers; helping staff develop new teaching styles and skills to accommodate learners from different cultural backgrounds; and enriching the overall learning environment. The report stated that many colleges emphasised the value that Tier 4 students have by adding diversity to more homogenous areas and increasing UK learners' awareness of other cultures which will be useful for future employment.

6. **To what extent does the demand from migrant students for UK education dictate the supply of that education provision and the impact of this on UK students?**

Demand from migrant students for UK education does not dictate the supply of education provision at colleges. As outlined in question 3 above, migrant students, especially those taking full-time courses, infill into college classes. This is particularly the case for EU27 nationals settled in the UK who come to college to improve their qualifications. In most instances, they will be classed as Home students.

However, colleges engaged in international projects have often been able to use short, bespoke courses developed for international partners to pilot innovative delivery models and new provision that can then be offered to Home students. Such opportunities prove highly valuable to the ongoing work of a college and provide staff with CPD.

AoC’s international survey 2016/17 showed that study at RQF Level 3 is the most popular level of study for international (non-EU) students, reflecting the attraction of Alevels and foundation programmes overseas. College students often progress to degree programmes from Level 3, as the sector provides a pathway into university.

AoC’s international survey 2016/17 also highlighted that almost half of colleges engaged in international education offer English language programmes. However, the number of international students taking higher level vocational qualifications such as Higher National Diplomas has progressively declined. Changes introduced to student visa regulations since 2010 have meant that students from the traditional non-EU countries interested in higher vocational qualifications found it more difficult to obtain student visas. AoC and the British Council’s 2012 report ‘Sector Skills International
Activity’ highlighted that 67.9% of respondents were offering HNC/Ds internationally. By contrast, AoC’s international survey 2016/17 showed that only a third of international students were studying at Levels 4 and 5. Home Office immigration data[23] charts the drop in sponsored study visa numbers to the further education section since 2011, although it should be noted that the data is not broken down by public/private college or qualification type.

7. **What is the impact of migrant students on the demand for housing provision, on transport (particularly local transport) and on health provision?**

AoC’s international survey 2016/17 reported that 65% of colleges engaged in international work offer ‘homestay’ accommodation, and 27% offer on-campus residential accommodation. Migrant students include both students temporarily in the UK to complete a qualification before returning home, but also those who have settled in the UK, for example EU27 students.
Migrant students require accommodation, which generates opportunities for local families to open up their homes to international students. ‘Homestay’ accommodation involves families offering room and board to students at their local college, a popular choice for households where their children have left home and there is a spare room. Hosting an international student brings not simply financial benefits to the homestay family, but also cultural benefits and company for older hosts.
Colleges work closely with their local network of homestay hosts to ensure safeguarding standards are met, working with at least 50 families in their local area, and up to 250 families in parts of England where there is high demand for short-term

[23] https://www.gov.uk/government/publications/immigration-statistics-july-to-september-2017/summary-of-lateststatistics

English language courses. Homestay is particularly popular with college students who are aged 16-19 or who are studying in the UK for short periods. Homestay provision is located near the college campus, allowing students to use local transport to get to college. Most migrant students will use public transport or college-arranged transport to reach college.

8. What impacts have migrant students had on changes to tourism and numbers of visitors to the UK?

AoC has no specific data in relation to this question, however it is clear that migrant students studying at colleges bring more visitors into the UK, benefitting the tourism economy. All colleges enrolling migrant students will showcase the local and national tourism attractions available. The range of budget flights within the EU make it possible for EU27 students to invite friends and family to visit. International (non-EU) students, especially those on Tier 4 visas who must be able to finance tuition and living costs into the thousands of pounds, will also be visited by friends and family whilst they are in the UK. The friends and families of migrant students will take the opportunity to engage in tourism activity whilst they are in the UK, and to spend in tourist attractions, accommodation and restaurants.

The UK's strength as a tourist destination is evidenced in a project that AoC is operating in partnership with the Ministry of Tourism, Brazil. In January 2018, 100 Brazilian young people sponsored by the Ministry joined tourism and hospitality courses running at 10 host colleges in AoC's network. The colleges are located across the country, each offering different tourism opportunities to the students.

9. What role do migrant students play in extending UK soft power and influence abroad?

Migrant students who study in the UK are ambassadors for our education system and for our country. If they have a positive experience in the UK, they will encourage others to come and study here. Colleges active in international work often establish 'buddy' or 'international ambassador' schemes to connect current and future international and Home students together. Indeed according to the Times Higher Education[24], the UK is top of the table for educating world leaders.

10. If migrant students take paid employment while they are studying, what types of work do they do?

College international (non-EU) students are not permitted to work during their studies, following Home Office rule changes in July 2015. Work rights are however in

[24] https://www.timeshighereducation.com/news/uk-top-table-educating-world-leaders#survey-answer

place for international (non-EU) students taking specified courses and sponsored by a UK recognised body or a body in receipt of public funding as a higher education institution. EU27 students who are studying at colleges may be working part-time in industries where they fill key skills gaps, for example in the hospitality sector.

11. What do stakeholders think would happen in the event of there no longer being a demand from migrant students for a UK education?

It is a very unlikely scenario, given the strength of the UK's education sector and our place as the home of the English language, that migrant students would no longer choose the UK as a study destination. However, it is a real and current risk that EU27 students and students from outside the EU may be put off from coming here due to mixed messages arising from the Brexit process. Some media reporting of the outcome of the 2016 referendum has conveyed an impression that people from other countries are not welcome in the UK. Indeed since the referendum, non-UK students have reported hate crimes. Colleges play a vital and inclusive role in their communities, and it is important that colleges can continue to welcome migrant students into their student body.

University and College Union

January 2018

The University and College Union (UCU) is the UK's largest trade union for academics and academic-related staff in higher and further education, representing over 100,000 members working in universities, colleges, training providers, adult education settings and prisons.

UCU welcomes the opportunity to contribute to the Migration Advisory Committee's work on the impact of international students in the UK.

International students and the academic workforce

The higher education sector is both international and outward facing, with a very strong international reputation, but this relies heavily on its ability to attract the best talent from around the world to work here. UK education has always had among the most international of labour forces. Approximately 15% of the UK's current academic workforce is drawn from other EU countries[25]. With no assurances about their long-term right to remain, this significant proportion of the academic workforce therefore remains vulnerable to decisions taken during Brexit negotiations.

Over 124,000 students from other EU countries studied at UK universities in 2014/15, around 5% of the total student population.[26] This is estimated to contribute £2.7bn to the economy and support 19,000 jobs.[27] After Asia, the EU is currently the biggest market for international students coming to the UK.[28]

EU students currently pay the same as UK-domiciled students, but Brexit could mean they become subject to higher fees, which may suppress demand and could significantly reduce the income for universities from this cohort.

At both a national and local level, the loss will also be felt in the local economies of dozens of towns and cities around the UK who currently benefit enormously from having universities and colleges at their heart. Across the board the international workforce and student cohort within UK further and higher education bring billions to UK businesses every year.

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[25] Universities UK, July 2016: http://www.universitiesuk.ac.uk/policy-and-analysis/reports/Documents/2016/uuk-parliamentary-briefing-4-July-2016.pdf

[26] HESA, *Statistical First Release 224*, Table 1: https://www.hesa.ac.uk/index.php?option=com_content&view=article&id=1897&Itemid=634

[27] Complete University Guide, http://www.thecompleteuniversityguide.co.uk/international/eu-referendum-how-does-the-european-union-affect-universities-and-students/

[28] HESA, *International Study:* https://www.hesa.ac.uk/data-and-analysis/students/international-study

Six elected metro mayors in England, alongside the Mayor of London Sadiq Khan, recently signed a joint letter [29] to the Financial Times highlighting the positive impact international students have on our regions.
The letter called for a new immigration system 'that acknowledges the vital contribution international students make to regional jobs and growth' and a 'more open and welcoming message to international students'.
At both a national and local level, the impact will also be felt in the local economies of dozens of towns and cities around the UK who benefit enormously from having universities and colleges at their heart.

The mayors cited recently-published research by the Higher Education Policy Institute[30] showing that international students provide a net impact of more than £20bn for the UK economy. For the regions in question, international students bring a net economic benefit of:

- **London** – £4.6bn
- **The West Midlands** – £1.2bn
- **Greater Manchester** – £852m
- **City of Liverpool Region** – £469m
- **West of England** – £374m
- **Cambridgeshire and Peterborough** – £278m
- **The Tees Valley** – £203m

The HEPI study provides a detailed analysis of the costs as well as the benefits to the UK of welcoming 231,000 new international students each year. It shows:

- the gross benefits (inc tuition fees, other spending and economic knock-on effects) of international students amount to £22.6 billion
- these gross benefits are, on average, £87,000 for each EU student and £102,000 for each non-EU student
- the public costs of hosting international students – including education, health and social security – total £2.3 billion
- these public costs are, on average, £19,000 for each EU student and £7,000 for each non-EU student
- the net impact (benefits minus costs) of hosting international students totals £20.3 billion
- this net impact is, on average, £68,000 for each EU student and £95,000 for each non-EU student

[29] Letter to FT https://www.ft.com/content/955a3198-fabc-11e7-a492-2c9be7f3120a

[30] HEPI research http://www.hepi.ac.uk/2018/01/11/new-figures-show-international-students-worth-22-7-billion-uk-cost-2-3-billion-net-gain-31-million-per-constituency-310-per-uk-resident/

Concerns around overstaying are also largely unfounded with data pointing to the fact that international students are not visa-overstayers and most come to the UK, study for a period, and the vast majority return home. A longstanding argument for counting students in net migration target is the claim that up to 90,000 students a year over-stay, abusing their study visas. The Times[31] previously referred to an unpublished government report showing that only 1,500 (around 1%) of students do not leave each year.

Recent public opinion polling by Universities UK[32] has found that 73% of the general public say they would like to see the same number, or more, international students in the UK, with only 26% of British adults even considering these students as immigrants. 64% of people think overseas students have a positive impact on their local economy.

The poll also revealed that the overwhelming majority of the British public (91%) think that international students should be able to stay and work in the UK for a period of time after they have completed their study.

The survey shows that the British public clearly recognise the huge benefits international students bring to our universities and to the towns and cities where they live. The public recognises these students are highly skilled individuals who go on to contribute to our economy after finishing their studies.

International students are vital for a successful post-Brexit, industrial strategy fit for a global Britain. They make a significant contribution to driving economic growth and engaging the UK's diplomatic and trade links on the world stage. Further, their contribution to regional economies will be a vital anchor for a successful industrial strategy.

The Prime Minister repeatedly refuses to see the wood for the trees when it comes to international students in UK higher education and previous proposals to limit international students to the 'best' universities and courses were misguided. The government needs to take a very different approach and support universities and local economies by removing international students from the net migration target altogether.

The economic context of UK higher education's relationship with the EU and internationals students

Higher education institutions are major contributors to the UK economy in their own right. In the academic year 2011-12, universities contributed over £36.4bn to UK GDP and accounted for 757,268 jobs, equivalent to 2.7% of all UK employment[33].

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[31] Times https://www.thetimes.co.uk/article/ministers-hide-report-on-migrant-numbers-dv8dbj7cz

[32] Universities UK http://www.universitiesuk.ac.uk/news/Pages/majority-of-british-public-would-like-to-see-same-number-or-more-international-students.aspx

[33] Universities UK, *Why Invest in Universities?,* June 2015: http://www.universitiesuk.ac.uk/policy-and-analysis/reports/Documents/2015/why-invest-in-universities.pdf

Internationally, higher education is both highly collaborative and highly competitive. It is also a growing market, with global enrolments in tertiary education expected to grow by 1.4% per year between now and 2020.[34] For its size, the UK punches well above its weight in terms of its market share for international students and research income.

The Department for Business, Innovation and Skills estimated the total value of education exports in 2008/09 was £14.1bn, including a total of £9.6bn in Foreign Direct Investment[35], although this is not disaggregated for EU and non-EU sources.

The UK's share of the total international student market in 2012 was 12.6%[36], although this is expected to decline as emerging economies bolster their higher education offer. In 2014/15, there were 663,915 students studying wholly overseas at UK institutions, of which 11% were studying in other EU countries.[37]

Impact of Brexit on international students and the academic workforce

The higher education sector is both international and outward facing. UK education has always had among the most international of labour forces. Approximately 15% of the UK's current academic workforce is drawn from other EU countries[38]. Despite calls for urgent clarity on the long-term right to remain of EU nationals currently working the UK, no such assurances have yet been given. This significant proportion of the academic workforce therefore remains vulnerable to decisions taken during Brexit negotiations.

Our range of students also reflects the cosmopolitan nature of our universities and benefits to both students, universities and the country as a whole. The fact that so many international students stay and continue to contribute to the economy is a key

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[34] British Council, *The shape of things to come: higher education growing trends and emerging opportunities to 2020:* https://www.britishcouncil.org/sites/default/files/the_shape_of_things_to_come_-_higher_education_global_trends_and_emerging_opportunities_to_2020.pdf

[35] BIS, *Research Paper Number 46: Estimating the Value to the UK of Education Exports:* https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/32395/11-980-estimating-value-of-education-exports.pdf

[36] Universities UK, *International students in higher education: the UK and its competition:* http://www.universitiesuk.ac.uk/policy-and-analysis/reports/Documents/2014/international-students-in-higher-education.pdf

[37] HESA, *Statistical First Release 224*, January 2016: https://www.hesa.ac.uk/news/14-01-2016/sfr224-enrolments-and-qualifications

[38] Universities UK, July 2016: http://www.universitiesuk.ac.uk/policy-and-analysis/reports/Documents/2016/uuk-parliamentary-briefing-4-July-2016.pdf

strength of the UK, and this is driven by the open, international nature of our post-16 education systems.

The sector needs clarity that EU citizens currently living and working in the UK, along with their families, will be able to continue to live and work here in future. If colleagues from the EU feel they are no longer welcome to study or work at our universities, the damage to our international academic reputation will be significant.

A survey of international students by Hobson's International[39] suggested that the tone of the EU referendum campaign, and the increase in racist and xenophobic attacks reported since the result was announced, may be off-putting to potential new international students. This is seriously worrying since 23% of teaching income in 2014-15 came from non-EU tuition fees[40], meaning that a fall in international student demand could have a significant financial impact on institutions. Instead of introducing new regulations, the government priority should be to help universities to focus on the retention and recruitment of overseas students in order to avoid severe funding deficits.

The continued uncertainty about the future status of students and employees, as well as what the arrangements for attracting future staff and students from EU nations will be, is stifling higher education institutions' ability to plan effectively in terms of workforce and tuition fee income. UK higher education has a very strong international reputation, but this relies heavily on its ability to attract the best talent from around the world to work here. Given that so many higher education staff are EU nationals, a change in status which makes it harder for them to remain in the UK could lead to a significant 'brain drain' of intellectual talent to competitor countries. This would inevitably have a negative impact on both university finances and international reputation.

UCU has previously outlined concerned about the pernicious narrative on immigration which developed during and since the EU referendum debate and result. Immigration was a major issue of the referendum campaign with aspects of the tone of the debate being a matter of regret to UCU.

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[39] Report of survey findings in Financial Times, 28 July 2016: http://www.ft.com/cms/s/0/c179cb10-53f3-11e6-9664-e0bdc13c3bef.html#axzz4FgGnUeiA

[40] Universities UK, *University Funding Explained,* July 2016: http://www.universitiesuk.ac.uk/policy-and-analysis/reports/Documents/2016/university-funding-explained.pdf

International students and staff make a useful and vibrant contribution to the UK's education system, and we need to challenge any negative discourse which makes the UK seem unwelcoming. As part of this effort, UCU and many other sector organisations have called for international students to be removed entirely from the net migration target.

UCU are not the only ones who have raised concerns about the government's rhetoric on international students. As well as removing international students from migration targets the government should send a clear message that the UK is open and welcomes international staff and students by guaranteeing the thousands of EU staff working in our universities the right to stay in the UK.

The UK remains one of the most popular destinations for foreign students because of our proud international reputation for excellence. We need to be able to offer places to the world's best and brightest. The last thing we want to do is send a message to students and academics that they are not welcome here.

We have very real concerns over immigration policy and how this will affect EU citizens' ability to contribute to the work of our universities in the future. If colleagues from the EU feel they are no longer welcome to study or work at our universities, the impact will not just be felt in lost research income, but through a brain drain of UK academics abroad and the loss of one of our key strengths as a producer of skilled labour.

Foreign students bring in billions of pounds every year, but the benefits are not merely financial. UK students profit enormously from exchange programmes with foreign universities and also through mixing with, and working alongside, foreign students studying here. The government has made it very clear it wishes to reduce net migration, but it needs to be very careful that it does not end up putting international students off studying in this country. International students bring widespread benefits to the UK and the government should do all it can to stand up for and encourage them.

British Council

Migration Advisory Committee

Call For Evidence: August 2017 MAC Students' Commission

Written evidence from the British Council

26th January 2018

Contents

Summary

- The British Council welcomes this opportunity to respond to the Migration Advisory Committee's call for evidence on the impacts of international students in the UK.
- The British Council is well positioned to respond on the benefits of international students from an overseas perspective. We have developed global education partnerships for the UK and promoted the UK's world class education system for over 80 years, creating huge long term benefits for the UK.
- It is clear that international students studying in Britain take UK connections, cultural understanding and trust back to their countries, and many global senior leaders and influencers have had positive experiences of UK learning. The MAC's inquiry provides a vital opportunity to understand the soft power, influence, and trust benefits of international students, as well as the economic prosperity they generate.

Key Points

- International students not only bring benefits to the UK whilst studying here, but are also advocates of the UK overseas on their return to their countries.
- Over the longer term, the value of international students who have spent time in the UK continues, through increased levels of trust, trade and soft power for the UK.
- The trust and connectivity arising from international student mobility to the UK helps support long term peaceful, respectful and positive forward looking relationships for the UK with countries around the world.
- Countries with policy frameworks that support internationalisation strategies demonstrate positive outcomes for domestic and international students.
- International collaboration and engagement in research is important and valuable. There is evidence that suggests that the higher the numbers of international students the higher the levels of international research and collaboration.
- Higher levels of international mobility relates to the production of research papers that are more highly cited, which in turn relates to a university's placing in international rankings.
- Allowing international students to remain to work post-study has a net economic benefit for the receiving country.
- As a result of inward mobility a high percentage of UK higher education's domestic students have international friends and interact internationally.
- There is a danger of the UK getting left behind as global competition grows: The UK's global share of international students is decreasing and there is increasing competition from other countries for international students. International students are being hosted by a smaller cohort of institutions than previously and, in some regions in the UK, there has been significant decline in international student numbers. In addition there is in an increase in international students accessing an international education in their home countries through TNE provision.
- The effect of long term connectivity, trust and stability, including international trade potential through research outcomes, will not be evident for some years after a decline in overseas student numbers – but it will be similarly a long term effort to rebuild confidence once it is lost or reduced.

Summary recommendations

- **Strategy**: We would welcome the development of a high profile, national, crossGovernment international education strategy to position the UK as a first choice study destination and first choice cross-border HE provider (TNE).
- **Migration policy**: That the UK government removes international students from net migration figures.

- That the UK government introduces a more streamlined process of obtaining post-study work visas for all higher education scholars.
- That the UK government considers reviewing the need for international students to undergo police registration: Specifically whether this is now a duplication of data following the introduction of the points based visa system.
- As highlighted recently, there has been a vast over-estimation of the numbers of international students overstaying their visa periods. Now we know this is not the case, we recommend a clearer, more streamlined process of understanding student pathways.
- **Promotion**: The existing Study UK: Discover You campaign (funded by the British Council and the GREAT Britain Campaign) would be strengthened if it were able to support a national international education strategy (with targets to strengthen international mobility).
- **Evidence**: We recommend a more systemic tracking and data collection process for international graduates. While we have a good level of data (HESA 'destination of leavers' data), we do not have any comprehensive data covering international graduate outcomes, employment, income or future roles and achievements. This level of data would enable the UK to further understand the real impact of a UK education experience.
- That further research and development is commissioned to understand the experience, impact and influence of alumni.

The British Council

The British Council is the UK's international organisation for cultural relations and educational opportunities. We create friendly knowledge and understanding between the people of the UK and other countries. We do this by making a positive contribution to the UK and the countries we work with – changing lives by creating opportunities, building connections and engendering trust. This enhances the security, prosperity and influence of the UK and, in so doing, helps make the world a better, safer place.

We have worked in higher education for over 80 years, helping to build trust and understanding with other countries and establishing lasting connections and relationships for the UK.

We see attracting international students to study in the UK as a core part of our role and something that delivers huge long term benefits for Britain due to their positive economic impact and the long term influence and connections that result from their time in the UK.

We provide opportunities to promote the UK's strength in higher education, science and innovation and encourage global sharing of knowledge and best practice in these areas, helping to position the UK as a world leader in higher education.

Our education advisers around the world support UK institutions to increase international higher education links, including transnational education. We provide international opportunities, including overseas study, for UK students, helping them to gain valuable skills through initiatives such as Generation UK China. We also work with international alumni of UK education institutions to help them to stay connected to the UK.

The British Council works directly with individuals planning to study overseas and helps to make connections and facilitate partnerships for the UK higher education sector.

The British Council strand of the GREAT Britain Campaign promotes the UK as a destination for study in specific markets. It has generated £228 million return on investment (ROI) for the UK economy since the start of the campaign in 2013–14, with £85.3 million attributable to the 2016– 17 academic year.[41]

In Autumn 2016, we launched Study UK: Discover You, a digitally focused partnership with the GREAT Campaign, to promote the attractiveness and value of a UK education.

Through our wider Services for International Education Marketing, we have worked with over 500 UK academic institutions, supporting their promotional activities in more than 50 countries, reaching in excess of 250,000 prospective students through exhibitions work alone.

International Students – UK and the world

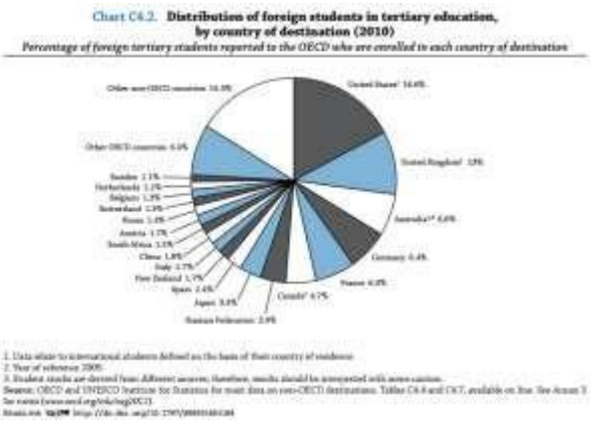
In setting out a response to the Migration Advisory Committee's call for evidence, it is important to have a clear picture of the international context.

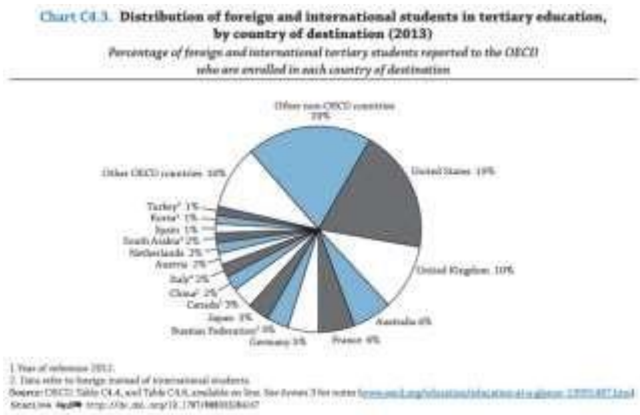
i) The UK's share of the global market for international students is falling:

- The latest figures on the number of international students studying in UK HE show that overall there has been a slight increase (1%) from 2015/16 to 2016/17 (Source: HESA).
- However, this compares with an overall global growth in international student mobility of over 6% (and growth of 3.4% to USA, growth of 12% to Australia, growth of around 6% to Germany, etc.).

[41] The ROI figures measure the contribution that international students who have been influenced by the campaign make to the UK economy, verified by HMG's independent strategic evaluators.

- In 2010 the UK hosted 13% of all internationally mobile students: UK was the 2nd most popular study destination for international students, just behind USA (hosting 16.6%). By 2013, the UK was hosting a reduced share of the global market (10%): the UK was still the 2nd most popular study destination, but losing ground internationally [See figures below from OECD Education at a Glance editions 2012 and 2015].





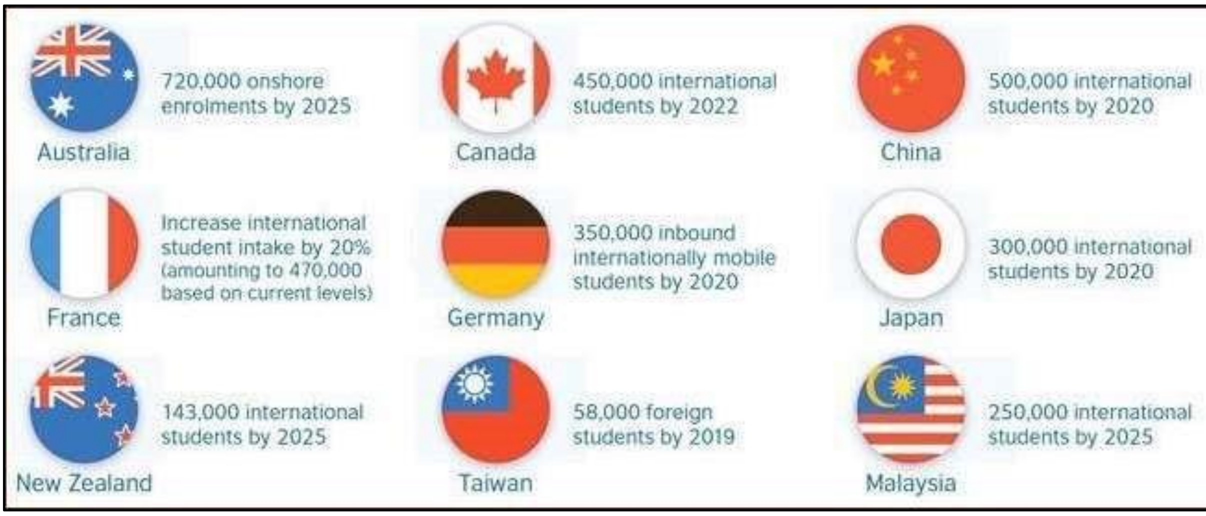
ii) There is increasing global competition, with more countries becoming attractive hosts for international students:

- In 2005, just nine countries hosted over 50,000 internationally mobile students. By 2015 this had more than doubled – 20 countries now host over 50,000 students.
- The fact that a greater number of countries are now positioning themselves as attractive international study destinations is something to be celebrated; but the fact that international student growth to the UK continues to stagnate even when compared to other 'traditional' international study destinations is a matter that should attract some concern and if this trend continues, will reduce the comparative soft power and influence benefits that the UK gains.
- Appendix 1 (page 18) outlines the growth in international student mobility from 2011-2015, across key competitor markets.

iii) Within the context set out above, it is interesting to look at the approach of other countries to setting recruitment targets, their approaches to offering work experience opportunities during study and after graduation and at the language used by other countries to refer to international students.

- A number of countries have ambitious targets to grow international student intake – see graphic below from "10 Trends: Transformative changes in higher education".[42]

[42] British Council, Education Intelligence (July 2017), www.britishcouncil.org/education-intelligence



- Two recent British Council studies look in detail at the policies and frameworks in different countries and how these support the international activities and engagement of domestic universities:
    - The global race for international students (https://ei.britishcouncil.org/educationintelligence/ei-feature-global-raceinternational-students)
    - The shape of global higher education (vols 1 and 2) (https://www.britishcouncil.org/education/ihe/knowledge-centre/globallandscape/report-shape-global-higher-education)

- The global race for international students highlights that of the ten countries studied, seven have clear international student recruitment targets (and notes several other countries outside the scope of the study also have targets – p.52).

- In looking at national strategies for internationalisation of higher education, it is possible to identify how policy has real impact on the top factors that influence student perceptions and decision-making: quality of education, mutual recognition of degrees, career prospects and work rights, costs, language and quality of welcome. Having a cohesive national strategy that shapes a host destination's overall outlook and offer to students has resulted in mutual benefit for the country and its institutions, as well as the students who choose to learn there.

iv) Effect of different regimes for post study work:

- Dr Janet Ilieva, Education Insight, has investigated the impact of national policy on international student mobility. Her comparisons of how student visa policy and post study work arrangements relate to demand for HE are summarised in the table overleaf:

Table 2: A snapshot of student visa policies, post-study work and demand for higher education – international comparisons

Description	Australia	Canada	Germany	New Zealand	UK	US
Work allowed during study per week	Up to 20 hours	Up to 20 hours	Up to 20 hours	Up to 20 hours	Up to 20 hours for degree programs	Up to 20 hours (on campus only)
Post-study work	2–4 years.	Up to 3 years	12 months	12 months	Limited	12 months OPT and 36 months for STEM students (OPT)
International student recruitment targets	720,000 international students by 2025	450,000 international students by 2022	350,000 international students by 2020	143,000 international students by 2025	No	No
Growth rate over the past 2 years	17.8%	25%	16.3%	38.1%	0.2%	15.7%

NOTE: Table adapted from World Education Service and British Council (2017), 10 Trends: Transformative Changes in Higher Education; https://ei.britishcouncil.org/educationintelligence/10-trends-transformative-changes-higher-education?platform=hootsuite.

DATA SOURCE: UNESCO Institute for Statistics: http://data.uis.unesco.org/Index.aspx?DataSetCode=EDULIT_DS. (data extracted on 27 August 2017.)

METHODOLOGICAL NOTE: UNESCO Institute for Statistics (UIS) data are used for this analysis which covers 2013–2015 for Australia, Germany, New Zealand and the US; 2012–2014 for the UK and 2011–2013 for Canada.

- Assessing the national policies in 38 countries and territories, the British Council's 'Shape of global higher education' study concluded that:

  - Seven countries have explicit visa policies which make it easier to come to live in the country (including post-study work arrangements and entitlement to bring family and dependents).

- A study from 2012 (Mobile talent: the staying intentions of international students in 5 EU countries[43]) found that students are attracted by the opportunity to remain for work for a short period of time (1-2yrs), and that the opportunity to access the labour market is a positive influential factor in choice of study destination. In addition "The desire to permanently migrate is clearly not the intention for the majority of the respondents".

  - "Almost two-thirds of the survey respondents indicated that they would like to stay on after graduation, most for a relatively short period of time (one to two years). Employment opportunities and the desire to gain international work experience are the main reasons for wishing to stay on, supporting the idea that professional experience is increasingly regarded by students as a key aspect of the 'study abroad package". (p.50)

[43] http://www.migpolgroup.com/portfolio/mobile-talent-the-staying-intentions-of-international-students-in-five-eucountries/

Spotlight on Germany

- In Germany, international student numbers have grown 30% since 2012 – tuition is currently (practically) free, but in addition, Germany offers 18 months post study work visa.

- Germany sees a benefit in attracting young, innovative students – "to fill a demographic hole" – as it needs young, skilled workers to keep its economy going, but there is also the 'soft power' argument: "we invest a certain amount of money [in their education], but what we get back is worth so much more. The international students, when they graduate, will be partners for Germany in the world, this kind of international network building is of immense importance to us." https://www.timeshighereducation.com/news/why-germanyeducates-international-students-for-free

- Allowing/encouraging international students to remain in country post graduation has a net economic benefit: A 2013 study from DAAD and Prognos looking at the financial and economic effects of cross-border student mobility in different European countries comes to the conclusion that after some time (given a minimum stay rate of international students in Germany) the investment pays off. (English summary: https://www.prognos.com/uploads/tx_atwpubdb/131118_Prognos_DAAD_Studie_Financial_Impact_Student_Mobility_Summary_EN.pdf Full report (in German): https://eu.daad.de/medien/eu.daad.de.2016/dokumente/service/medien-undpublikationen/studien-und-auswertungen/studentische_mobilit%C3%A4t_und_ihre_finanziellen_effekte_auf_das_gastland_prognos.pdf

v) Currently the UK includes international students within domestically set and defined migration targets. It is relevant to consider how other countries refer to and categorise international students:

- **USA**: "International students are defined as "non-immigrant" visitors who come to the United States temporarily to take classes" (Berkeley, University of California)
  "An international student is defined as an individual enrolled for credit at an accredited higher education institution in the US on a temporary visa, and who is not an immigrant (permanent resident on an I-51 or Green Card), or an undocumented immigrant, or a refugee." (Source: UNESCO[44])

- **Australia:** Describes an international (and overseas) student as a "Temporary entrant"[45]

[44] quoted on www.WPUNJ.edu/cie/definition-of-international-student.html
[45] www.internationaleducation.gov.edu

(also uses phrases including: “A person who holds a student visa (as defined by ESOS ACT)” and makes it clear that such individuals are “Not Australian Citizens or permanent residents”).

- **New Zealand**: International student, at any time, means a person who is not then a domestic student (ie not “a NEW Zealand citizen or the holder of a residence class visa”)[46].

- **Canada:** Students who have a visa, or refugees, neither of whom are permanent residents. An international student may need a temporary resident visa (ie in some cases is considered to be a temporary resident)[47].

- **UNESCO** Institute for Statistics, OECD, Eurostat: “…..students who have physically crossed an international border between two countries with the objective to participate in educational activities in the country of destination, where the country of destination of a given student is different from their country of origin”.

vi) Impact of visa policy on international perceptions of the UK:

British Council analysis from 2015 showed that the perception of the UK visa offer amongst customers was very poor. That perception was based both on reality (the constant changing of rules) and the effect of extensive press coverage about the rule changes and accompanying rhetoric.

There is sufficient evidence to indicate that visa policy is having a significant impact on the UK’s attractiveness compared to our key competitors and is contributing to a decline in the UK’s overall market share. The key points arising from this analysis are:

- Recent perception surveys show the UK to be weak compared to key competitors in the area of visas and post study work opportunities.
- Feedback from British Council officers and education agents in key target markets also highlights visa changes as one of the main obstacles to growth.

[46] http://www.legislation.govt.nz/act/public/1989/0080/latest/DLM175965.html#DLM175965
[47] https://www.canadavisa.com/study-in-canada-faq.html

Economic and Social impacts of international students in the UK

The UK's world leading HE sector ranks second globally, in part due to its immense success in attracting international students and researchers.

International students bring huge economic benefits to the UK through the payment of tuition fees and their spending on local economies in towns and cities across the country. Recent research by UUKi[48] has found that over 73% of the British public would like to see the same number or more international students coming to study in the UK after discovering the contribution they make to the economy and jobs.

Over recent years, several studies have investigated the economic impact of international students to the UK. Although the approach and calculated figures differ slightly from study to study, the reports consistently find that international students provide significant net economic benefit to the UK.

International students also bring positive benefits of diversity across the UK, ensure the financial viability of some courses, foster international friendships and build international collaboration on research.

i) Several studies have evidenced the positive economic impact of international students to the UK:

- Universities UK[49] calculate that:
  - On- and off-campus spending by international students and their visitors generated £25.8 billion in gross output for the UK economy.
  - International students are responsible for £10.8billion of UK export earnings.
  - International students and visitors support 206,000 full time equivalent jobs nationally (close to the number of employees of the British Army, Royal Air Force and Metropolitan Police Service combined).

- The Higher Education Policy Institute and Kaplan International Pathways[50] report found that:
  - The gross benefit of international students is £22.6 billion, and the public costs of hosting these students is £2.3 billion. The

[48] Comres poll: public views on international students, UUKi April 2017 http://www.universitiesuk.ac.uk/news/Pages/majority-of-britishpublic-would-like-to-see-same-number-or-more-international-students.aspx
[49] The economic impact of international students", Universities UK, March 2017 http://www.universitiesuk.ac.uk/policy-andanalysis/reports/Documents/2017/briefing-economic-impact-international-students.pdf
[50] HEPI, Kaplan International: http://www.hepi.ac.uk/2018/01/11/launch-hepikaplan-report-costs-benefits-international-studentsparliamentary-constituency-produced-london-economics/

conclusion is that the net impact of hosting international students is £20.3billion.

ii) Studies also show the benefit at a local level, for instance:

- The HEPI/Kaplan report calculates "international students have an impact across the entire United Kingdom, varying from a £0.2bn net economic contribution from international students in Northern Ireland to £4.6bn generated by international students attending HEIs in London".
- Oxford Economics calculated (2013)[51] that international students benefit the economy of Sheffield by £120million (and £176 to the wider region).
- Oxford Economics[52] also calculated that international students contribute over £88million per year to the economy of Exeter and support 2,880 jobs (2.8% of all employment in the city).

iii) A UK Government research paper from 2013[53] identified several 'wider benefits' that international HE brings to the UK in addition to direct economic impact, including "tangible business to business transactions benefiting the UK….and professional networks offering the possibility of future business transactions"; as well as the benefits of influence, with international alumni becoming informal ambassadors for the UK who "facilitate educational, cultural, developmental and business links and collaborations with the UK". The study also flagged that "Alumni promote trust in the UK, leading to perceptions of the UK as a desirable partner in potential trade, diplomatic or developmental relationships", and that "a proportion of alumni had returned home to work in capacity building or other societal development, taking with them embedded British values and ideas"[14]

iv) Why international students choose the UK:

From the British Council survey of over 200,000 prospective international students, we know many details about the motivations and important factors considered when students are deciding where to study. The most important factors behind students' decision making are:

- Quality of education;

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[51] The Economic Costs and Benefits of International Students", Oxford Economics, 2013 https://www.sheffield.ac.uk/polopoly_fs/1.259052!/file/sheffield-international-students-report.pdf

[52] The economic impact of the University of Exeter's International students", Oxford Economics, April 2012 http://issuu.com/universityofexeter/docs/oxford_report?mode=embed&layout=http://sk

[53] (pp xi – xii, "The Wider Benefits of International Higher Education in the UK", BIS RESEARCH PAPER NUMBER 128, September 2013, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/240407/bis-13-1172-the-wider-benefits-ofinternational-higher-education-in-the-uk.pdf

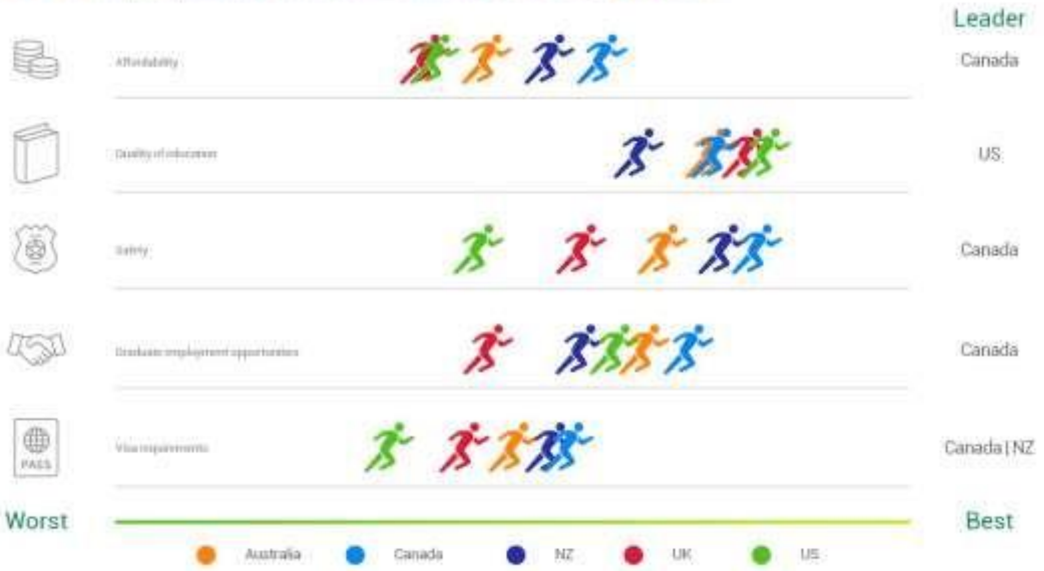
- Opportunity to enhance career prospects/employability (including work experience whilst study and post graduation);
- Experience of living in another culture and country; Language learning opportunities.

Further analysis of this data reveals that prospective students' views on 'quality', 'price' and
'career enhancement', as well as whether a student has previous experience of studying in the UK are all significant factors in an individual's choice of the UK as study destination. In particular:

- Quality – as individuals cite more quality factors in their decision making, the likelihood of them choosing the UK as their first choice study destination increases.
- Price – this is negatively related to an individual choosing to study in the UK: As individuals give more price sensitivity factors in their survey responses, the likelihood of choosing the UK decreases.
- Previous UK study experience – this is a positive relationship, and those individuals who have already experienced a UK education are more likely to choose the UK as their first choice study destination in future.
- Career enhancement – this is also a negative relationship, although much smaller than that for price: As individuals give more career enhancement factors in their survey responses, the likelihood of choosing the UK decreases. This could be interpreted that students looking to enhance their careers view countries which offer clearer routes to post study work experience opportunities.

These findings are echoed by surveys from IDP (Figure 7, on next page):

Figure 7: IDP student perceptions 2017
IDP student perceptions of each destination on the following attributes:

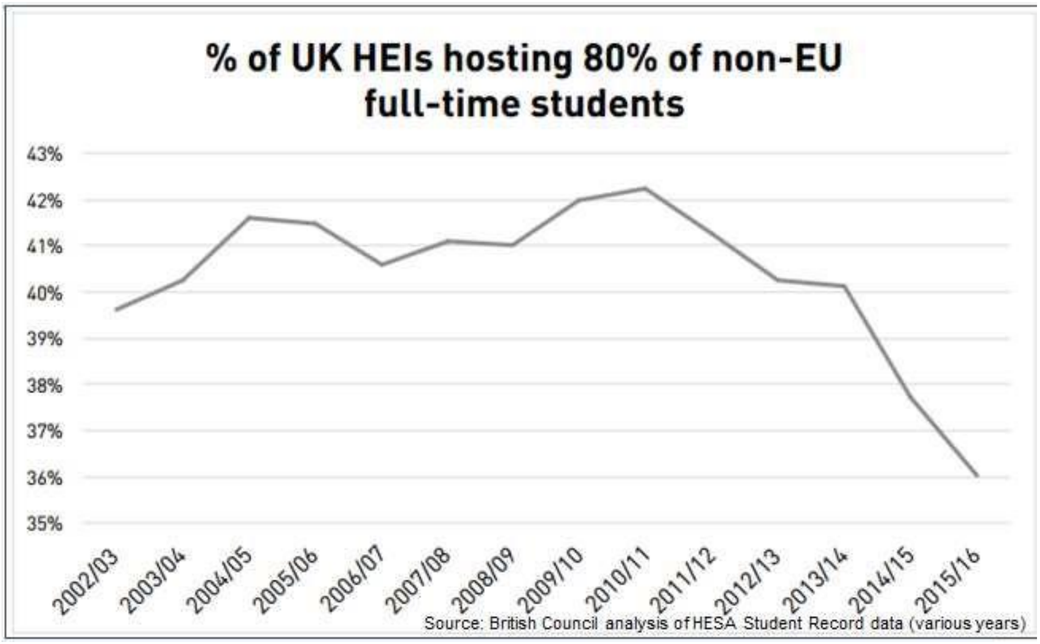


SOURCE: IDP Education Student Buyer Behaviour Research 2017,
https://www.idp.com/global/news/2017/10/11/2017-international-student-buyer-behaviour-research

v) UK diversity

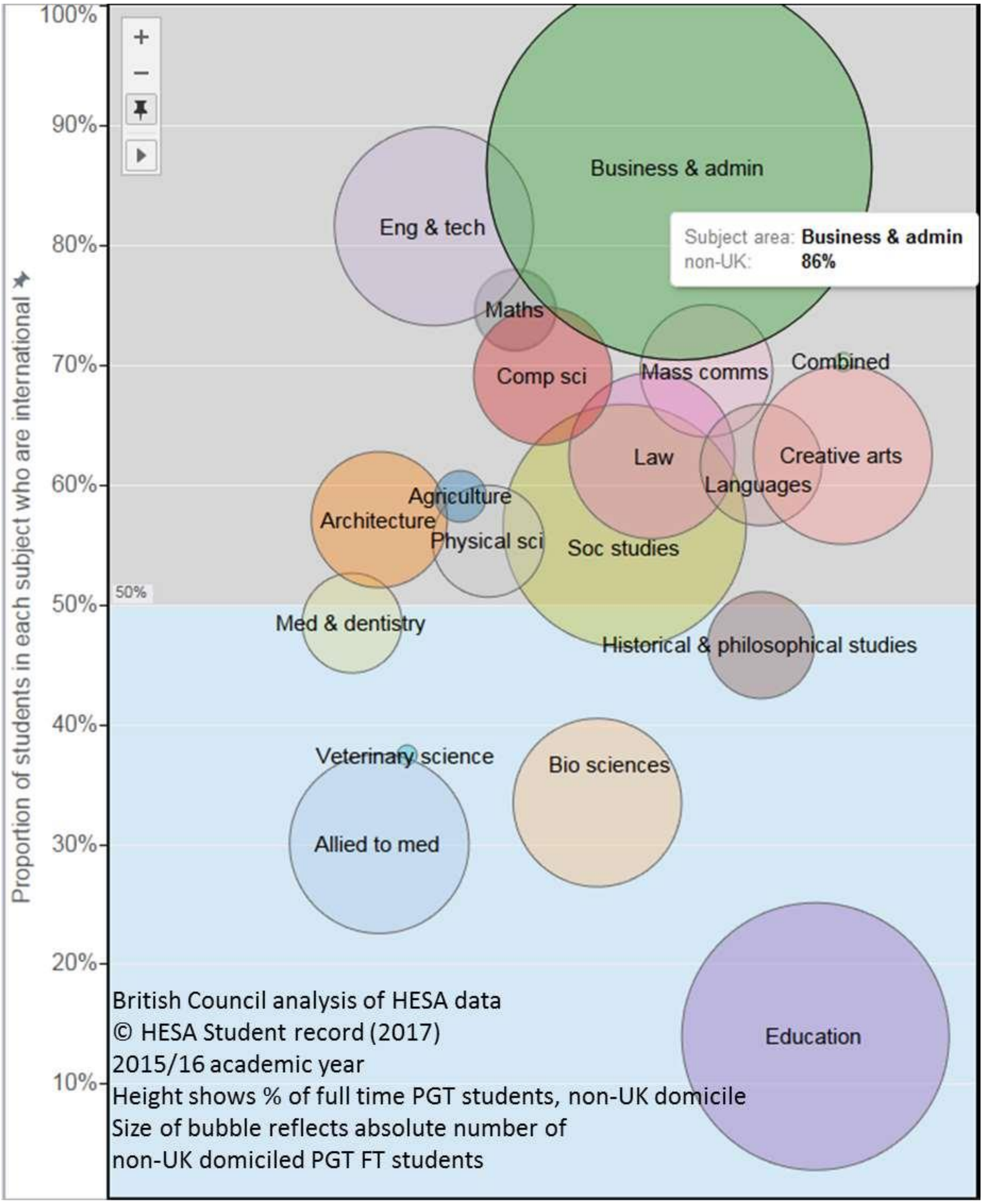
UK Higher Education is valued for its diversity (in terms of geography, university mission and strength, subject specialisms etc.). But the spread of international students around the UK has changed over the last five years:

- In 2010/11 (end of the Prime Minister's Initiative (phase 2), and pre-changes to visa system), over 42% of HEIs hosted the majority (80%) of non-EU students.
- By 2015/16 the same students were hosted by just 36% of HEIs. International students are being hosted by a fewer number of institutions, and the effects/impacts/benefits/risks of these students (whether positive or negative) are not shared across the breadth of HEIs, nor across the country. Whilst new, full time, non-EU students have increased to the UK 4.5% between 2010/11 and 2015/16; the numbers have actually declined in North East England (-6.8%), East of England (-21.9%), Wales (-29.2%):



vi) Viability of courses:

- At post graduate taught level (PGT), non-UK students represent 60% of all full time students. For certain subjects this is over 90%. This is not because domestic students don't study these courses, but because many domestic students access these courses on a part time basis.
- International students support courses across UK: If non-UK students stopped enrolling in these programmes, the likelihood is that for certain disciplines (notably STEM and Business), universities would no longer be able to offer these to UK students on a part time basis.
- The following graphic illustrates the volume of total students (circle size) and the proportion of FT students who are non-UK domiciled. This is the national (UK) picture for 2015/16:



vii) Benefits as described by UK students:

'Integration of international students' survey[54] findings showed that:

[54] September 2014 study from British Council: Education Intelligence based on a survey of 2,632 UK domiciled students in UK HE. https://ei.britishcouncil.org/educationintelligence/integration-international-students-ukperspective

- “International students who leave the UK having had a positive student experience convey feelings of trust towards not only their host institution and student peers, but the UK as a whole.”
- “International students are increasingly valuing safety and multiculturalism, and see the two as intertwined”.
- “UK students who believe that international students are welcomed are more likely to have international friends”.

viii) Relationships between international students, staff and research:

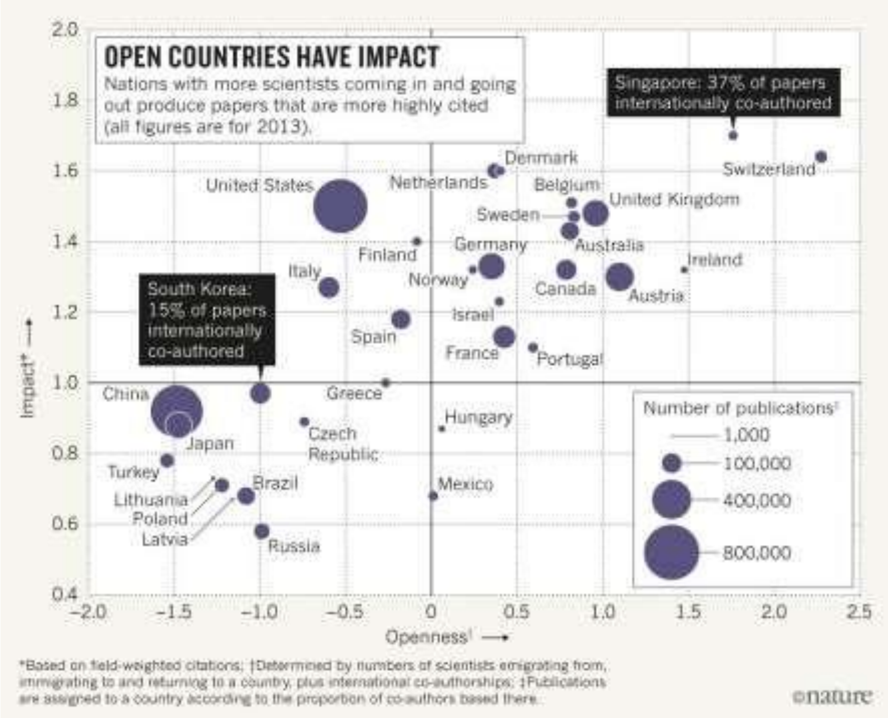
The importance and value of international collaboration in research is well documented. Internationally mobile researchers are more productive; research produced through international collaboration is of higher quality and has a greater impact; and over 50% of all UK research output is currently undertaken with international co-authors.

British Council analysis of data from HESA and from Elsevier shows that there is a strong correlation (r=0.63) between the proportion of students who are international in a university and the proportion of teaching and research staff that are non-UK nationals i.e. the more international students, the higher the likelihood there will be significant international teaching and research staff.

There is an equally strong correlation between the (r=0.60) proportion of teaching and research staff that are non-UK nationals, and the impact of internationally collaborative research from that institution i.e the more significant the international teaching and research staff, the greater the impact (Field Weighted Citation Impact) of research from that institution.

Furthermore, open countries have impact, in terms of research citations[55]:

[55] http://www.nature.com/news/open-countries-have-strong-science-1.22754



5) Impact for the UK overseas: What role do returning international students play in extending UK soft power and influence abroad?

i) UK international education and soft power:

International students studying in the UK are an immense source of long term influence and soft power for the UK. Studying in the UK develops people's trust in and attraction towards the UK, its values and its people. At a time when trust levels in institutions and countries around the world are falling, and misinformation and 'fake news' are increasingly prevalent, maintaining and building trust in the UK, its people, institutions and government globally is an increasingly vital task to ensure our future prosperity, security and influence.

There is a very strong, positive relationship between trust and economic outcomes: countries with high levels of trust in people and institutions have a higher GDP per capita than those states where trust is low, as trust reduces transaction costs between economic actors. This same dynamic operates across borders as well as within them. Using data for the member states of the EU, Dutch academics formally modelled the impact of increased trust on both levels of trade and levels of Foreign Direct Investment (FDI). Their results show that if mutual trust between the populations of two countries increases by 1%, exports increase by 0.6% and the stock of FDI increases by 3.0%.[56]

[56] Diverse Europe: Public opinion on the European Union & Cultural diversity, economics and policy European Outlook 4 – 2007 provides a summary of studies in this area: https://www.scp.nl/dsresource?objectid=dc8589a6b1e3-4fd3-a473-62098c7a55ca&type=org pages 77-81.

The British Council has worked with Ipsos Mori and YouGov to research the impact of cultural relations – which includes relationships build through international students' participation in UK Higher Education. They found that a cultural relations approach is associated with an enhanced willingness to trust the UK and its people. Participation in cultural and educational activities with the UK is associated with an increase in trust. In a study of 10 strategically important countries[57], the average level of trust in the UK was 16 percentage points higher amongst those who had participated in cultural relations activities than amongst those who had not, and 24 percentage points higher for those who had participated in British Council cultural relations activities. Trust manifests in a greater likelihood to visit the UK as tourists, study in UK universities and do business with UK companies**.**[58] This corresponds to a UK study by the University of California that found that a 1% increase in soft power of a state leads to a 0.8% increase in exports.[59]

Trust also passes between generations as families pass on stories and connections with other countries to their children, with clear potential benefits to the UK's soft power over the long term. For example, research has shown that on average people whose parents or family members learned English with the British Council have higher trust in the UK than those whose family did not.[60]

When world leaders, diplomats, or people running large businesses or organisations with which the UK wishes to work have experienced the UK by studying in our universities or other education institutions, this really matters.

58 current world leaders studied in UK universities, giving the UK a long term advantage in global diplomacy.[61] As the late Sir Anthony Parsons, Former UK Ambassador to the UN wrote: *"It is really dazzlingly obvious … [i]f you are thoroughly familiar with someone else's language and literature, if you know and love his country, its cities, its arts, its people, you will be instinctively disposed … to support him actively when you consider him right and to avoid punishing him too fiercely when you regard him as being wrong."*
Just a few examples include the current President of Iran Hassan Rouhani, who studied at Glasgow Caledonian University, President of Columbia Juan Manuel Santos, President Sisi of Egypt, former US President Bill Clinton.

ii) Impact overseas in focus: Latin America:

[57] https://www.britishcouncil.org/sites/default/files/trust-pays-report-v2.pdf

[58] https://www.britishcouncil.org/sites/default/files/culture-means-business-report-v2.pdf

[59] Andrew K. Rose, Like Me, Buy Me: The Effect of Soft Power on Exports http://www.nber.org/papers/w21537

[60] https://www.britishcouncil.org/sites/default/files/trust-pays-report-v2.pdf

[61] Higher Education Policy Institute – UK is (just) number 1 for educating the world's leaders - 2017 http://www.hepi.ac.uk/2017/08/05/uk-just-number-1-educating-worlds-leaders/

UK Alumni across Latin America:

Colombia: The last two presidents in Colombia have been educated in UK institutions:
Alvaro Uribe in Oxford and current President Juan Manuel Santos in LSE. Uribe is the strongest contender for President in the upcoming elections next May. Likewise, the current Minister of Education, Yaneth Giha, did a MSc in War Studies at Kings College London. This has been critical to UK cooperation with Colombia in the post-conflict agenda to secure peace in the country.

Brazil: One of the largest HE mobility programmes globally, Brazilian Science Without Borders , was conceived to send 101,000 placements abroad to top ranking universities, and the leading figure (Margaret Macanus Pimentel), is a PhD from Oxford and MSc from University of Edinburgh. She now leads the next phase of the programme called Language without Borders , which clearly favours English as the key language and the UK as a top country of destination.

Mexico: In Mexico, the official in charge of science development (Julia Tagüeña) is a proud Oxford alumni. Julia Tagüeña pushed for and landed one of the strongest programmes for science cooperation with the UK under BEIS' Newton Fund (54m GBP in five years), and likewise positioned the UK to be number one in government-funded scholarships and fellowships over the last two years (2,500 yearly), surpassing the USA.

The impact of research collaboration with the UK:

In HE and science, exchanges, joint research projects, expertise and knowledge transfer contribute to building solutions that can bring economic, community, and or political benefits to the UK. An example is the successful multi-country research programme on biodiversity with six countries in Latin America, which provides access to one of the largest natural laboratories in the world and positions the UK at the forefront of cutting edge research. Likewise, under the auspices of the Newton Fund, researchers from the Nuffield Department of Medicine collaborated with Mexico's universities and local governments to develop a vaccine for Zika, which eventually can migrate to prevent Chikungunya and Dengue across the world, tackling one of the biggest health challenges developing countries face today.

The consequences of no demand for a UK education from International students

A UK education system without international students would have devastating consequences:

- Nearly 500,000 fewer bright minds on UK campuses.
- The existing global talent pipeline would be halted.
- A more parochial UK student experience, with fewer intercultural experiences and international opportunities for domestic students.
- Fewer UK alumni in positions of international authority and influence would lead to a long term decline in the UK's soft power.
- Less trust in the UK, leading potentially to reduced trade and FDI.
- UK HEIs would dramatically fall down the international rankings tables. The UK would become a less significant partner for international governments around the world.
- Considerable direct economic and social impact on UK communities and societies.

  International students not only enrich the university campuses but also local economies. This in turn would have an impact on local businesses and industry as opportunities to upskill the local UK workforce through part time access to Masters courses will become much more scarce (in some regions these will dry up completely).
- The closure of a significant proportion of postgraduate taught and research based programmes (which would also have consequences for the provision at UG level).
- UK HE's position in global rankings as a perceived world class leader in research would be lost. UK researchers would become less productive with less highly cited papers, leading to reduced overall impact, and reduced capability to bid for international funding.
- The academy is intrinsically global and dependent on international students, international academics and international knowledge exchange. Closing down the inflow of international students will ultimately impact on every aspect of the academy. In the long run this will compromise research, teaching and knowledge transfer.
- A less internationalised and outward facing UK HE system would impact the number of international academics wanting to work in UK, leading to a further out flux of academics from the system.
- Without the direct influence that international students bring to the UK institution, there will be long term effects on curriculum design becoming more domestic and narrowly focused. □ In the long run this would undermine the UK's science and innovation capacity, teaching and learning excellence, and reduce economic grow and prosperity.

Conclusion

The UK has traditionally recruited more international students than any country in the world except the USA. There is clear evidence to support the economic and wider societal benefits of international students at both a local and national level. There is now evidence that clarifies that the financial benefits international students bring outweigh any associated (domestic) costs and we know that the majority of the UK population do not think of international students as immigrants.

The long-lasting impact that a UK education has on individuals and the advantage that this provides for the UK's place in the world and international relations more generally is clear. The links between increased levels of trust, the UK higher education system and growth in exports and trade have been made and the contribution that internationalism brings to research across the UK is evident and vital.

The changing global environment with increased competition from other countries who have welcoming visa policies and attitudes underlined by comprehensive international education strategies reinforce the need to look again at international students in the UK. As we proceed through Brexit negotiations and seek to be a truly global Britain, it has never been more important to reinforce and open-up international channels for the UK. We look forward to working closely with the Migration Advisory Committee to understand and evidence the impact and benefits that international students bring both into the UK and for the UK overseas.

Appendix 1 - Growth in international student mobility from 2011-2015, across key competitor markets.

		2011/12	2015/16	Growth	Notes and sources
	Global	3921912	4574107	16.6%	From UIS - UNESCO Institute for Statistics http://stats.uis.unesco.org
	UK	**435235**	**438515**	**0.8%**	**From HESA student population data**
Traditional English language 'competitors'	USA	679338	896341	31.9%	From IIE Open Doors - numbers do not include OPT figures, nor figures for 2016/17 (which show total to be 1.079million)
	Australia	230090	305539	32.8%	From internationaleducation.gov.au - figures for 2012 - 2016. Latest enrolment figures for Australia show over 345,000 by October 2017.
	Canada	95590	151244	58.2%	Figures from UIS - Note that 5yr period taken from 2009 to 2013 as no more recent data available via UIS
	New Zealand	40854	57091.03	39.7%	From UIS

Various EU	Germany	192853	251542	30.4%	From http://www.wissenschaftweltoffen.de/daten/1/index_html?lang=en Bildungsauslander figures
	France	288600	309600	7.3%	From Campus France via https://www.thelocal.fr/20170120/who-areall-these-international-students-in-franceand-what-do-they-do
	Netherlands	38367	86189	125%	From UIS
	Italy	73584	90419	22.9%	From UIS
	Belgium	37866	56453	49.1%	From UIS
	Denmark	20252	32264	59.3%	From UIS
	Romania	16075	23073	43.5%	From UIS
Various other 'emerging' study destinations	China	79638	123127	54.6%	From UIS
	India	27531	41993	52.5%	From UIS
	Brazil	14432	19855	37.6%	From UIS
	Hong Kong (SAR)	17959	31955	77.9%	From UIS
	United Arab E	48653	73445	51.0%	From UIS

Study Group

Study Group response to the Migration Advisory Committee call for evidence on the impact of international students in the UK

Study Group is a global education provider, incorporated in the UK that provides educational services to the Higher Education (HE) sector through delivery of pathway courses to international students whom we recruit and prepare on behalf of UK universities, on the campuses of those universities and with whom we have exclusive partnerships. Those contractual partnerships include relationships with Durham University, University of Sussex, University of Sheffield, Lancaster University, University of Surrey, University of Leeds and many others. Where possible we are recognised by the Home Office as being an embedded college of our university partners. Study Group currently holds 14 Tier 4 Licences. All our higher education operations have educational oversight from the QAA under their HER(EC) - Higher Education Review (Embedded College) - scheme. We employ 1,469 staff in the UK and globally recruit over 60,000 International and EU students from 145 countries via our extensive sales and marketing operations around the world, every year. Our longest standing partnership, with the University of Sussex, is now in its 11th year, and every customised partnership with an HEI, providing for contractual articulation for students, supports that institution's internationalisation and widening participation agendas.

We also provide similar services for other universities around the world, in Australia, New Zealand, Ireland, Netherlands, Canada and US and we work with over 3000 recruitment agents in markets all over the world, which gives us unique insight into the relative attractiveness of destination countries for international students, seeking education outside of their own country. As we have been operating in the HE pathway sector for many years eg in Australia for over 20 years and in the UK for over 10 years, we also have a longitudinal perspective on the relative competitiveness of different destination countries and their HE offerings and how this has fluctuated over time.

In 2017 Study Group spent £1.8M with homestay providers, utilising underutilised capacity in family homes in the vicinity of our teaching locations and providing income to those families. Study Group also spent £3.8M with local accommodation providers (not university accommodation) and we estimate that the international students that we teach expended c. £70M in off-campus expenditure.

Study Group welcomes the opportunity to provide evidence to the Migration Advisory Committee. As a pathway provider to the HE sector, we help international students to develop the study and language skills they need to succeed at degree level which they have not had the opportunity to attain in their local education systems, due to different languages of instruction, academic content, educational pedagogy etc. In this respect the pathway sector is engaged in widening participation and access, but for international students.

Clarifications- in this response 'International Students' are defined as non-EU and 'EU students' do not include UK domestic students. In the call for evidence, there are multiple references to 'migrant students'. This is potentially confusing as even if this refers to the UN definition of a migrant as someone who has changed their country of residency for more than 12 months, a substantial number of international and EU students would not qualify under this definition, as they are in the UK to study on Short Study Visas for less than 12 months.

Summary

International students make an overwhelmingly positive contribution to the UK in so many ways. They make a huge net contribution to the UK economy, create and sustain jobs across all the regions, are the single most important source of the UK's soft power and make contributions that do not just benefit the UK's education sector but the domestic students that it supports.

Unnecessary barriers to international students, making the UK offering uncompetitive in the global marketplace, only puts the long term benefits of international students at risk.

In order to grow the UK's Higher Education export as a sector, the government should:

Request the ONS to track and report on education exports on a monthly basis, recognising its status as the 7th biggest export sector and second biggest net contributor to the net balance of payments after financial services (Home Affairs Committee report on Student Visas, March 2011, p. 8). The UK should celebrate what is a huge success and a sector which could be an even greater one, with appropriate encouragement.

As it clearly makes no sense to have numbers that the government purports to want to grow (international students), within numbers that the government wants to reduce (net migration target), materially and rapidly, then international students should be withdrawn from that target and counted separately, as does every other major competitor country. This would remove international students from the exclusive remit of the Home Office and would result in a more holistic strategic approach to one of the UK's biggest export opportunities after Brexit.

Regularly benchmark the UK's offering against competitor countries in all dimensions that influence the attractiveness of the destination country to international students, and report this publically every year.

Establish a joint cross sector and governmental body that can monitor and respond to changes in the global marketplace and whose remit is squarely to optimise the benefits to

UK plc of the international export opportunity (consistent with appropriate compliance and regulatory risks). The government should set a target for growth in this export sector, recognising the growth in global demand and the growth rates that our competitors are achieving eg Australia growing international students numbers by 15 % year on year to April 2017 (Australian Government, April 2017, International student data monthly summary)

Post study work opportunities should be reviewed to make them competitive with other countries. Special treatment should be given to graduates in STEM subjects or other shortage areas, with a longer period to find employment from within the UK. Equality should be given to Tier 4 licence holders with equivalent compliance records and the current discrimination ended.

Response to questions

What role do 'migrant students' play in extending UK soft power and influence abroad?

HEPI's 2017 report showed that among 377 serving heads of government and heads of state, 58 of them had attended university or college in the UK (HEPI, August 2017, UK is number 1 for educating the world's leaders, August 2017). Not only do alumni from the UK speak English, but they carry with them an appreciation of our culture, institutions, values and are generally more well-disposed to the UK than to other countries, because of their education and time in the UK. It is generally accepted that those students who chose to study abroad, away from their country, family, comfort etc. are generally more likely to be high achievers in their careers and this self-selects for people who are likely to be influencers in their careers and therefore particularly valuable to the UK. It can be anticipated that below the level of head of government of state, there are UK educated alumni in senior positions in commerce, industry, diplomacy, politics, culture etc., all having a positive pre-disposition to engage with the UK, the place of, at least part, of their education. It is also noticeable that all countries with a Higher Education sector recognise the benefits of international students, not least for the projection of soft power plus all the other benefits that they bring to the HE sector and the economy and all have a proactive, government supported strategy to grow the numbers of international students coming to study in their country. UK is currently an exception to this.

What impacts have 'migrant students' had on changes to tourism and numbers of visitors to the UK?

The HEPI 2018 report (London Economics, 2018, The costs and benefits of international students by parliamentary constituency, Report for the Higher Education Policy Institute), showed that every first year international student generated c. 1.4 international visitors and this equates to an incremental 330,000 visitors in 2015/16. These are friends and family of the students and because international students are spread in UK universities all across the country, one could postulate that many of these visitors are to non-traditional tourist locations, helping to spread the economic benefits of these tourists to regions all over the country. Research in Australia demonstrated that as much as 10% of Australia's tourism industry was directly dependent on international students with every 10 international students generating visits by 5 friends or family every year (ExEdUK, June 2016, Supporting International Education in the UK).

What is the impact of 'migrant students' on the demand for housing provision, on transport (particularly local transport) and on health provision?

There has long been a government assertion that international students use public services and that the costs of these outweighs the benefit of international students. The HEPI 2018 report (London Economics, 2018, The costs and benefits of international students by parliamentary constituency, Report for the Higher Education Policy Institute) assesses all the costs and calculates the benefit, net of all costs (direct and apportioned), to be over £20 Billion a year (2015/16) across both EU and international students. Student housing and the provision of Purpose Built Student Accommodation (PBSA) has expanded rapidly in the last ten years- 230,000 new students beds between 2010 and 2015 (http://www.savills.co.uk/research_articles/141558/188890-0). In the case of pathway providers who have made investments in PBSA, such as Kaplan, this has been on the basis exclusively of international students demand. It has been asserted (Savills http://pdf.euro.savills.co.uk/residential---other/spotlight--uk-student-housing-2015.pdf) that the rapid expansion of PBSA has freed up housing stock that is now available to local families and that previously had been used for student accommodation. Over 30% of investment in student accommodation has been from overseas and it is likely that a good proportion of this is as a result of international students, both directly and indirectly.

How do 'migrant students' affect the educational opportunities available to UK students?

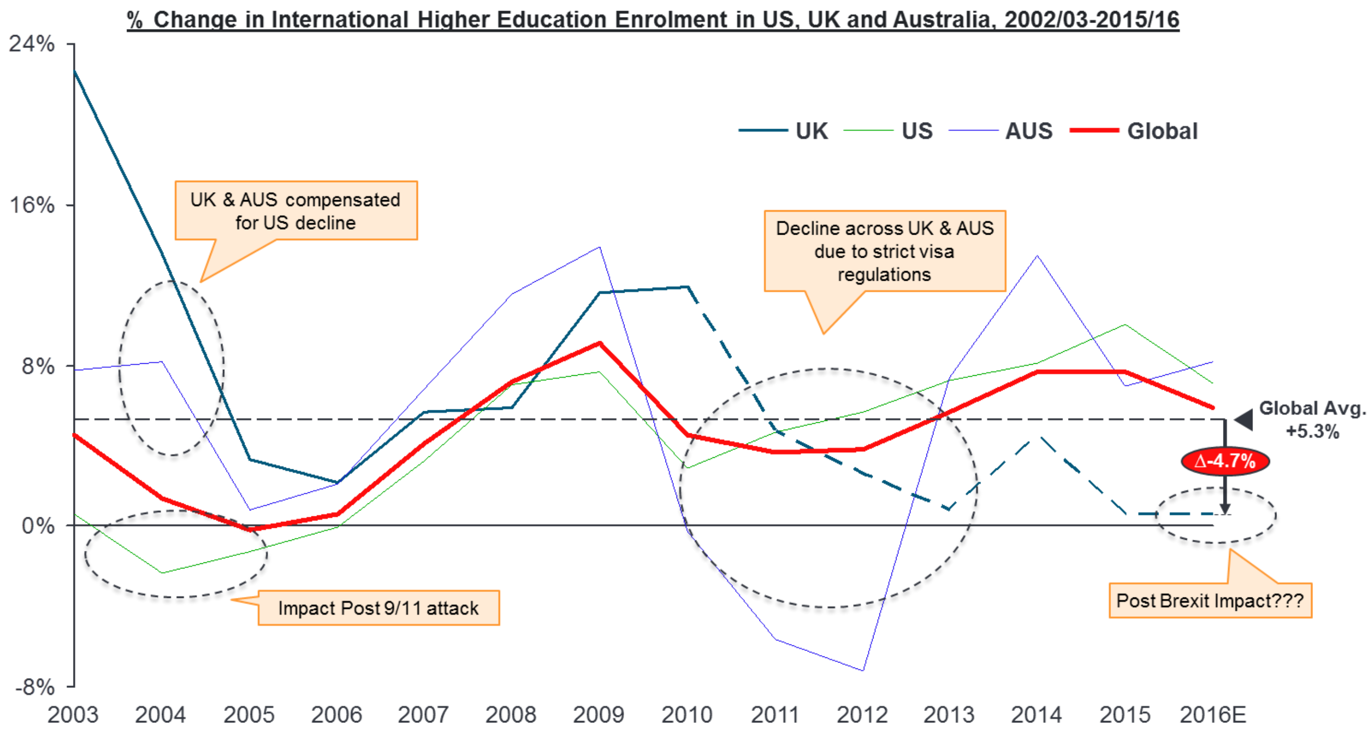
The concentration of international students in post graduate and STEM courses, supports the continued availability of these courses to UK domestic students. Any reduction in international and EU students coming to the UK will disproportionately impact the continued viability of many of these courses, leading to concentration of remaining courses in higher ranked and centrally located universities, therefore reducing the availability and accessibility of those courses for UK domestic students. As Study Group exclusively teaches international students from over 145 countries, we can demonstrate the value of a multi-cultural learning environment, whereby students bring different perspectives and approaches to the learning environment, to the benefit of all participants. This value must also apply to UK domestic students gaining benefit from contributions of international students (as long as the mix is appropriate) to their own learning environment. A multi-cultural learning environment also better prepares UK domestic students for a global career, appreciation of cultural differences and offers a career network and richness of experience that can only be beneficial vs a monocultural one.

To what extent does the demand from 'migrant students' for UK education dictate the supply of that education provision and the impact of this on UK students?

The HEPI report (HEPI, November 2017, How much is too much? Cross subsidies from teaching to research in universities) showed that UK HE research benefited to an average level of £8,000 per international student over the course of their degree. Self-evidently a reduction in international student numbers would have a detrimental impact, in extremis resulting in the loss of £1.2Billion of income to UK universities each year. This would have a significant negative impact on the HE institutions and therefore the quality of the education that they could provide to UK domestic students. Put another way, if international students were not providing this income, in order to maintain the same level of research funding, all other things being equal, UK and EU domestic fees would have to be raised to £9844. **One could therefore argue that international students currently subsidise UK domestic student fees by £594 per student, per year.**

Unfortunately the relative demand for UK education is dropping and we are losing market share to competitor countries and this is why it is critical to put the UK education export sector in a global context. It is generally accepted, based on UNESCO and OECD projections that global demand for education outside of the home country has been growing at an average 6-7% per annum over the last 7 years. This implies that since 2010 global demand has grown 50% and this fact makes it all the more worrying that the number of international students coming to the UK has declined by -40% in that same period (see MAC briefing note accompanying this consultation)

The graphic below shows the relative rates of growth across UK, US, Australia and global market over the period 2002/03 to 2015/16 and is derived from Study Group research.



A stark illustration of the poor relative performance of the UK over the last 7 years is the fact that evidence shows that in 2017 **Australia overtook the UK as a destination of international students in Higher Education** (in November 2017 Australia had 350,390 international students in Higher Education - https://internationaleducation.gov.au/research/International-Student-Data/PublishingImages/IST_2017/2017Graph_Table3.png and in 2016/17 the UK had 307,540 – HESA data: https://www.hesa.ac.uk/news/11-01-2018/sfr247-higher-education-student-statistics/location). As a comparison of scale, Australia has around 40 universities and the UK has around 130 universities. The difference that we see, and we have international education businesses in both the UK and in Australia, is the welcoming visa environment in Australia where everything is made as easy as possible for international students, consistent with a robust immigration system, recognising international education as a strategic growth export sector, contrasting with the UK, where over the last 8 years there have been 7 immigration bills and in the last 5 years, 45,000 immigration regulation changes (http://www.bbc.co.uk/news/uk-politics-34508958), a very large proportion of which, we believe, were designed to make the UK a less attractive destination for international students. As the Hindustan Times aptly puts it: ' …The British may have the top universities, but they also offer the most student-hostile government in the world' (http://www.hindustantimes.com/columns/planning-to-study-in-the-uk-think-twice/story-jNrz5F3oClTaWNtXvuzUMI.html)
Recent research by ICEF i-graduate Agent Barometer which researches international student attitudes (http://monitor.icef.com/2017/11/2017-agent-barometer-survey-links-student-agent-perceptions-destination-attractiveness/) via

agents shows that US and UK are becoming steadily less attractive to international students (consecutive declines for 3 years) and in the case of the UK the biggest single component of concern was 'visas'.

The single most damaging government policy change of the last 8 years was probably the 2012 removal of the Post Study Work Route, not unsurprisingly this resulted in the loss of over 40% of all Indian students from HE in the subsequent 12 months. The rationale for this change has never been clear, because there has never been any evidence, that we are aware of, to suggest that international students were damaging domestic graduate job prospects and furthermore the national consultation of 2010- Student Immigration System a Consultation, had over 30,000 responses, the results of which were published in March 2011 (https://www.gov.uk/government/consultations/the-student-immigration-system-consultation). Interestingly only 6% of respondents agreed that the Post Study Work route should be closed, but it was, in April 2012. Perhaps even more interesting is the research carried out in 2017 by the NUS among domestic students, whom you might expect to be the most vociferous about competition for jobs by international student graduates, (https://www.nusconnect.org.uk/resources/student-perspectives-on-international-students) which asked how UK students felt about sharing the graduate job market with their fellow students from outside the EU. The answer was resounding: **75% of students either agree or strongly agree that international students should have the right to work in the UK after graduation.**

Unfortunately there is anecdotal evidence that there is both a multiplier and momentum effect in international education with parents educated abroad more likely to send their own (multiple children, except in the case of China) children to the same country for their education. The UK's loss of international students over the last 7 years and current perceptions of the UK as a destination, is likely to negatively impact the UK's soft power in the next 10-20 years. **However this is all reversible, if the government takes action now.**

January 2018

Boarding Schools' Association

Migration Advisory Committee: International students

Over 27,000 young people from overseas come to the UK each year to study at one of the UK's 480 boarding schools. The UK has more boarding schools than any other country in the world and are highly regarded and respected by parents overseas who recognise the quality, reputation and value of a British education.

Economic benefits of fee contribution

According to the Oxford Economics 2014 report for the Independent Schools Council[62], overseas boarders generate an estimated gross value-added contribution of £713 million to GDP support 17,300 jobs and generate tax revenues of £278 million. Many boarding schools are key employers in small local communities and a loss of overseas students could have a direct and damaging effect.

In the ISC annual census May 2017[63], one third of boarders (27,281) were identified as international (parents who live abroad EU and non-EU). The average full boarding fee is £32,000 – therefore the sector contributes approximately £873 million GDP in fees alone every year. The average BSA boarding school has 154 boarders equating to an average annual income of £4.9 million per school.

In addition to fee income, every overseas boarding student who comes to the UK spends money on travel to and from UK and from airport to school, uniform, mobile phones, family visits to the UK, study materials, school trips etc. This income is distributed throughout the UK - there is a boarding school approximately every 1.8 miles from Gordonstoun at the very north of Scotland to The Five Islands School, Scilly Isles in the south of England.

Public services impact

To accept overseas students, boarding schools have to achieve sponsor status from the Home Office and meet stringent visa requirements. This involves control

62 https://www.isc.co.uk/media/2588/2014_economicimpact_report_isc.pdf

63 https://www.isc.co.uk/media/4069/isc-census-2017-final.pdf

measures such as ensuring students have a named guardian in the UK and taking responsibility for them returning home at the end of term.

The impact of boarding pupils versus their cost to the UK is also considerable. Boarding students are not accessing UK public services such as housing or benefits and have minimal impact on healthcare as most boarding schools provide full time, onsite medical care provided by the school at their own cost in accordance with the National Minimum Standards for Boarding: standard 3.[64]

International students supporting employment and educational opportunities
BSA examined a sample of 6 of its ten member schools in Wales and discovered 61%
(47% Tier 4 & 14% EU) of students on role at these boarding schools were international. If international students were no longer in attendance the schools could consider diversification by:

-recruiting more UK boarders to fill the spaces. BSA estimates to educate one child paying full boarding fee an annual income of £120,000 is required (fees accounting for 40% of household bills), statistics published for 2015/16[65] show that approximately 0.3% of welsh taxpayers who fall into this bracket so the shortfall would not be covered by topping up with local full fee paying boarding pupils.

-replacing boarding student with day students. The average day fee is one third of a full boarding fee, meaning schools would be required to find two thirds more students. Assuming this task was simple, there would be a shortage of teaching space (classrooms) and the cost of remodelling boarding houses into classrooms would run into the millions making this solution not viable.

It can therefore be assumed if international student income was lost a number of welsh boarding schools would close affecting not only the jobs of those directly employed in the schools but also of the subsidiary suppliers – food suppliers for catering, local shops and taxi firms etc. In addition, if boarding schools closed and the pupils at said schools were to be placed back into the state system this would place considerable strain on public services. The average state school pupil costs the UK government £4,800 (primary) and £6,200 (secondary)[66] per year.

[64] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/416186/20150319_nms_bs_standards.pdf

[65] https://www.gov.uk/government/statistics/number-of-individual-income-taxpayers-by-marginal-rate-gender-and-ageby-country, 0.3% refers to people paying the Additional rate PAYE, earnings of £150,000 or more

[66] https://schoolsweek.co.uk/private-schools-spend-three-times-more-on-each-pupil/

If this example was multiplied across the UK the effects would be devastating and felt more harshly in areas with less employment opportunities and available school places.

International pathways and social benefits

In the 2016 BSA parent survey[67], international parents cited their main reason for choosing a UK boarding school is that it typically provides a fundamental mechanism for accessing the UK education offer (Chart 31). More generally, many international parents also see the school as providing an important pathway into higher education opportunities in the UK.

UK parents see boarding with international students as something that equips their children to be international citizens (Chart 35). There is strong agreement that a boarding education prepares children well for living and working in a globalised world (51% strongly agree and 88% agree overall). Overseas students enrich the lives of UK boarding schools and create highly diverse communities where all young people can learn and develop. UK boarding schools have typically 20+ nationalities in their schools and in some schools this can be as many as 50+.

This evidence is supported by the British Council who state 'UK higher education is among the best in the world and consistently performs well in world rankings[7], and according to ISC research in 2016[1], 91% of their pupils went on to higher education in the UK.

About the boarding schools association

The Boarding Schools' Association (BSA) is a non-profit orgnaisation that champions boarding and promotes boarding excellence. The BSA represents over 550 independent and state boarding schools in the UK and overseas.

BSA's members directly provide outstanding pastoral care to over 75,000 boarding students in the UK and thousands more in over 20 countries.

BSA is an affiliate member of ISC and we support the contents of their submission to
MAC. BSA is also aware that several boarding schools have responded directly to MAC.

[67] http://boarding.org.uk/userfiles/bsa/pdf/BSA%20Research%20May%202016%20-med%20res.pdf [7] https://study-uk.britishcouncil.org/options/why

Boarding Schools' Association

January 2018

Bosworth Independent College

Evidence for consideration by the MAC with regard to the impacts of international students in the UK

Bosworth Independent College prepares students aged 14 – 19 for university entrance. We are a registered boarding school, inspected by the Independent Schools Inspectorate. We work with around 282 students of whom 197 are international, from over 32 countries. We are a Tier 4 sponsor with Tier 4 (general) and Tier 4 (child) students. We are a member of the ISA, BSA, BAISIS, ExEdUK and CIFE. www.bosworthcollege.com

- We rely on payment of fees by international student to employ our 175 staff. Our UK nationals pay lower fees and many are in receipt of scholarships and bursaries, contributing a far lower percentage to the college's fees income. The annual fees income needs to cover our annual outgoings as we do not have any reserves in the form of bequests or trusts. Payment of migrant student fees is key to our very existence!

- Our students are not in receipt of any student loans as we are fully independent.

- Our migrant students support the employment of our teachers, administrative staff, staff in boarding, cleaners, restaurant team, maintenance, admissions, the gardener and consultant staff too such as our IT consultant. Without our migrant students, these jobs would not exist at this college. We directly employ 175 people.

- In additional to college fees of around £30,000 each year, including full board and lodging, we estimate that students spend on average at least £200 each week in the local economy. Some spend **a lot more**. In total, for a full year, our students contribute **at least** £1,000, 000 to the local economy, buying toiletries, fast food, clothes (197 students, each here for around 33 weeks a year). We know from pocket money safe-keeping that some students have very significant weekly allowances. £1000 a week is not unheard of. Other scholarship students perhaps spend less than £70 a week.

- In the national economy, we might estimate some £250,000 a year alone on airport transfers (12 trips a year at approximately £110 each for 197 students). In addition, students often travel during term-time to visit university Open Days, friends and family. Hotel costs are therefore spent in the national economy. School-organised trips contribute to the national economy too. Each weekend we have a visit of some sort, costing on average £25 a head, before their spending money is accounted for. Students will usually buy a souvenir gift alongside food and drinks. The impact of our students on the national, regional and local economy is significant. Parents tend to stay in local hotels when they visit, paying around £150 a night and staying for several nights, also then spending in local restaurants and shops. Visiting parents and educational agents tend also to spend money on gifts for the migrant student or for teachers and boarding staff too. Many visiting parents will support the local economy's luxury brand shops and use the more prestigious services available too, encouraging the availability of such services in Northampton, where the local community might, without migrant students, have reduced access to luxury brands.

- At Bosworth, our UK students have the opportunity to join us only as a result of the presence of migrant students. The college would not be economically viable without migrant students who subsidise UK students' fees.

- Our range of provision of education is dictated to some extent by the demand from migrant students who tend to focus on traditional subjects, including sciences, maths and economics. However, Art and photography are also popular as is BTEC Business. We are able to offer minority subjects such as Latin, Music and Classical Civilisation, popular only with UK students, only because of subsidy by migrant students. The breadth of the curriculum is, all the same, somewhat inhibited by the demand from our international fee-payers.

- Our migrant students are accommodated in 6 boarding houses and 7 local terraced houses. The 6 boarding houses were either derelict or failing hotel buildings which our maintenance team have brought back to life. Without Bosworth, the college's immediate environs would be in disrepair. We maintain our buildings to a high standard and therefore promote the appearance of our neighbourhood. The very large houses or former hotels are not attractive to the local community. Similarly, we bought the former Masonic Lodge and refurbished it when it had fallen into disrepair. The 7 local terraced houses would probably be attractive to local families if not used for our students' accommodation. Our students tend not to use local public transport. They can walk between our buildings and use taxi services to travel further afield. They may use trains but not at peak times and therefore the impact on availability for the local community is not significantly reduced. For the most part, students are relatively healthy. We provide our own Nurse and sick bay who can refer students to a local GP surgery when required during the 33 weeks a year when they are with us. We do not believe that our 197 international students have a negative impact on the availability of health provision to the local community and they pay the NHS surcharge too which on balance probably outweighs the cost of provision. Students who feel the need for urgent health care tend to seek private provision and generally have health insurance to cover such costs.

- Migrant students have a positive impact on tourism and the number of visitors to the UK. They encourage family and friends to visit either during non-term holidays or before or after their course. Alumni often visit the UK with partners to show them where they studied.

- It is difficult to measure soft power of migrant students. However, our fee-paying students tend to come from affluent families who tend to have greater access to people of influence than the less wealthy. A positive experience in the UK will generally be communicated, we believe, to friends, family and acquaintances abroad. Students from Bosworth tend to progress to top UK universities, although one or two go to top institutions overseas too. They all carry memories of their welcome in the UK which, assuming they are positive, are of great value to the UK. Many students progress to positions of influence in their own countries and it is often said, although difficult to prove, that they are then inclined to trade with the UK or liaise in some other constructive way with the UK as a direct result of having studied here.

- Our migrant students do not generally work as their courses are very intensive. Some do, however, work in local charity shops as volunteers at the end weekend. I do not know of any Bosworth migrant student who has paid employment.

- Our students are preparing for university entrance and not yet therefore likely to transfer to Tier 2. In general terms though, our alumni tend to be hard-working, focussed, bright and aspirational young people whom I would welcome into the UK labour market. Some former Bosworth students aspire to work in the UK after graduation, usually after a Master's degree, and might aim for a career in finance, economics, research or academia.

My most relevant experience in working with migrant students dates from 2002 when I was first appointed as a Principal of a small 6th Form College. I have subsequently been Principal of two other similar institutions, each of which welcomed fee-paying migrant students from mostly exceptionally financially privileged families. The economic contribution made by such students, mostly studying A-level is huge. Unlike at Bosworth, my current school, former students often lived independently, perhaps employing staff and certainly spending staggering sums of money on a day-to-day basis in addition to their very significant tuition fees. In cities such as Oxford, Cambridge and London, the numbers of such students in small non-traditional independent colleges where the courses are mainly pre-university programmes, typically A-level, should not be overlooked. These wealthy and usually aspirational students feed UK universities where migrant students progress to spend a further 3 or 4 years, bringing very significant spending power with them.

Thank you for the opportunity to present this "evidence" which I hope will be of use to the MAC, even though anecdotal to some extent. My thoughts are based on 16 years of experience of working with migrant students mainly from financially privileged backgrounds. My colleagues in similar positions may not have presented evidence as we can often work in relative isolation but the numbers of students from such backgrounds is by no means insignificant.

CATS Colleges and CSVPA

Stakeholder Evidence submitted by CATS Colleges and CSVPA

January 2018

Background information about CEG Colleges (CATS and CSVPA)

Since our foundation in 1952, we have grown into one of the most innovative and successful independent education providers in UK and USA. We welcome students from around the world, and currently have over 75 nationalities represented within a student body of circa 1500.

CEG Colleges operates three independent schools in the UK; Cambridge Arts and Sciences (which consists of CATS Cambridge and the specialist art school, CSVPA), CATS Canterbury and CATS London. The majority of our students are studying courses that prepare them to enter a UK university; A-levels, International Baccalaureate, University Foundation and Art Foundation, and many of our students go on to study at Russell Group universities. Adapting to the UK education system, improving English language skills and understanding British values prior to starting at a university mean that our students have a much greater chance of successfully completing their university course, as well a greater ability to integrate with the wider student body.

CATS and CSVPA employ over 500 staff and have a turnover of up to £50m. A very high proportion of the students are international and are therefore are vital to our business. Current visa regulations mean that some genuine students, willing to pay circa £50,000 for a year of tuition, are being turned away (most commonly due to the 2 year below degree level limit). Whilst we understand the need to protect our borders, we strongly support efforts to ensure that regulations do not impact unduly on genuine businesses and legitimate students.

Even more importantly, regulations need to be clear, stable and disseminated effectively and widely. We have numerous examples of UKVI errors, caused in part by their inability to ensure staff keep up to date with changing rules. For example, responses provided to policy queries can vary depending on who is asked. If the UK wants to compete to attract international students it is vital that staff working in education, overseas agents and students, and the UKVI themselves clearly understand the rules surrounding entry to the UK. Every mistake that UKVI makes means that our schools need to work harder to minimise the impact on the customer experience.

Please find more detailed answers to specific questions. We have combined data from the three schools to simplify the information.

More information about our institutions can be found at www.catseducation.com and www.csvpa.com.

Do migrant students help support employment in educational institutions?

As stated above, the vast majority of our students are international and therefore the schools would not operate without them, meaning that all of our employment is dependent on international students. We currently employ over 500 staff in a variety of roles including teachers, administrative staff, boarding staff, cleaners and catering staff. We therefore make a significant contribution to local economies through a payroll of over £10m per year.

What impact does the payment of migrant student fees to the educational provider have?

Given that most of our students are international (and the remainder generally EU), the substantial majority of our turnover (circa £50m) is reliant on international students.

How much money do migrant students spend in the national, regional and local economy and what is the impact of this?

If we assume (very conservatively given the wealth of many of our students) that on average a student spends £200 per month (during a 9 month academic year) on entertainment, transport, food, books and other items, then this would be over £2.5m in direct spending in the local economy. This does not include additional spending by family and friends during visits to the UK. The colleges additionally spend well over £10m with, mostly UK-based, suppliers in relation to our international student body – this includes rents, rates and council tax.

How do migrant students affect the educational opportunities available to UK students?

We strongly believe that international students enrich the experience of UK students, both academically and culturally. Furthermore, our understanding is that the numbers of UK students at a UK university is centrally decided by government and that international students are in addition to this and provide vitally needed extra income.

What is the impact of migrant students on the demand for housing provision, on transport (particularly local transport) and on health provision?

The schools provide accommodation for all students under 18, and for the majority of over 18 year olds as well. We also provide nurses within all the schools, who only refer students for further treatment if they feel it is necessary. Most of our international students will pay £150 per year International Health Surcharge so are actually contributing to the NHS, particularly as many of those students will also have private medical insurance. Much of our college accommodation is extremely close to the school (or within reasonable walking distance) and therefore our students have very little impact on local public transport. They do however create excellent business opportunities for taxi drivers! Students have paid circa £500 for taxis to London and back from Canterbury for example.

What impacts have migrant students had on changes to tourism and numbers of visitors to the UK?

Students often have family visiting during their studies with us, and even before whilst they are choosing a school to study at. More generally, anyone who has completed a significant period of study within the UK (for many of our students at least 5 years; A-levels plus degree) will have numerous connections to the UK and are therefore likely to be repeat visitors throughout their life, both for business and pleasure.

What role do migrant students play in extending UK soft power and influence abroad?

Our students are generally from wealthy and influential backgrounds and will go on to be future professionals, business and political leaders. Their experience in the UK during their formative years means that they tend to be anglophiles who are strong advocates for the UK in their home countries and thus extend the soft power and influence of the UK abroad. Most of our students will return home after their university studies and the strong links and friendships formed during potentially 5-7 years of UK education mean that their relationship with the UK will last a lifetime.

If migrant students take paid employment while they are studying, what types of work do they do?

Our students do not generally take any paid employment in the UK while they are studying.

HEPI and Kaplan International Pathways

Submission to the Migration Advisory Committee: HEPI/Kaplan Report, *Costs and benefits of international students by parliamentary constituency*

We welcome the opportunity to contribute to the Migration Advisory Committee's assessment of the impact of international students on the UK.

Shortly before the MAC's call for evidence in August 2017, the Higher Education Policy Institute (HEPI) and Kaplan International Pathways jointly commissioned London Economics to assess the financial impact of international higher education students studying in the UK. Unlike earlier research, our study provides a detailed analysis of the costs as well as the benefits to the UK of welcoming over 230,000 new international students each year. This study was published on 11 January.

Among the benefits we measured were: tuition fee income, including its indirect and induced effects; non-tuition fee spending and its knock-on effects; and the spending of friends and family visiting international students. Among the public costs we included were: teaching grant costs; tuition fee support provided to EU students; and the costs of public services for international students and their dependents.

These costs and benefits were calculated for EU students and non-EU students for each region and each constituency throughout the UK. The study shows that the benefits of international higher education students are ten times greater on average than the costs. While the contribution to the UK economy is clustered around the location of higher education institutions, the net economic impact is positive for each of the 12 regions and 650 parliamentary constituencies across the UK. On average, international students make a £31.3million net economic contribution to the UK economy for each parliamentary constituency, or £310 per member of the resident population.

The benefits international students bring to the UK go far beyond economic calculations. Having played an irreplaceable role in enriching the cultural, social and educational experiences of UK-based students, international students go on engaging with the UK after they return home, promote UK goods and services and influence policy debates to the benefit of the UK.

HEPI is the UK's only specialist higher education think tank and is supported by most UK universities and a number of trusted corporates with a long-term commitment to the higher education sector. Kaplan International Pathways is one of the major university pathway providers with 16 university partners in the UK and 12 years of experience in recruiting and preparing international students to study in the UK. London Economics is one of Europe's leading specialist economics and policy consultancies with a growing reputation for excellence and leadership in the higher education sector.

Together, we would be happy to meet with the members of the MAC to discuss the findings of our study, as well as the policy implications, in greater detail. We attach a copy of our report.

English UK

Evidence from English UK to the MAC International Students' Enquiry

English UK is the trade body and membership organisation for accredited state and privately-owned English language teaching providers.

Executive Summary

English language teaching (ELT) is a sector which is largely invisible to the British public, unless they encounter a group of exuberant teenage summer students queueing for a bus. But it is a significant export industry, bringing monetary, cultural, soft power and educational benefits to the UK with few, if any, negative impacts on the economy, jobs or services.

Figures gathered for this submission[68] suggest 550,000 international students came to the UK to study English at some level in 2016/17, staying for an average of 3.7 weeks. The majority of students - 60 per cent - at English UK member centres are from the European Union (EU).[2]

They attend universities, colleges, privately-owned language centres and boarding schools in every region and nation of the UK, sometimes located in areas where they become a significant driver for the local economy. Around half of the students are under 18: the vast majority come here to learn or improve English for further study or employment.

During an average month-long stay, each student's net fiscal contribution to the UK economy is £216. That represents a gross value added for the UK in 2016/17 of £1.429bn, and a turnover of £3.197bn.

ELT supports around 35,700 jobs, ranging from teachers and other language centre staff to supply chain employees, to workers in shops, transport, tourist attractions and other places where students and their overseas visitors spend money. ELT centres directly employ 19,300 staff in all roles, including welfare, host family liaison, marketing and management, with a full-time equivalent (FTE) of 14,800: 11,400 of these are highly-qualified teaching staff.

While UK PLC as a whole benefits from the tax take and wider job implications of ELT, and there are

ELT centres in every region and country of the UK, there are also hotspots such as Bournemouth and Brighton where English students are a vital driver in the local economy. Even in Northern Ireland, the region with the smallest ELT presence,

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[68] The Value of English Language Teaching, Capital Economics, 2018, The Social Impact of UK ELT, StudentMarketing, 2018 [2] English UK Student Statistics 2016

there are 160 staff in the language centres and 120 supplier jobs are supported through ELT alone, rising to 170 from all the activities of the centres. Similarly, there is a turnover of £14m from ELT activities in the region, rising to £19m if all the centres' activities are taken into account.
Students want to maximise their UK experiences and their spending extends beyond course fees and accommodation. During their time in the UK, they spent around £880m extra, with a further £155m a year coming from visiting friends and family.
But benefits to the UK extend far beyond jobs and export income.

Studying here has a powerful effect on people, building a lifetime of affinity to and affection for the UK. Almost 80 per of current and past students plan to return, often bringing friends and family. Just two per cent do not intend to come back.
Many return for undergraduate or postgraduate study: students seeking English-medium education often form a bond with the country in which they first study. If students do not come to study English as a teen, they may never come at all.
Over 90 per cent of ELT students take part in UK life, with the majority attending cultural or social events, or making local friends. A minority volunteer in the local community.
They are a valuable source of income for ordinary families who care for them in their spare rooms, and they bring a wider cultural exchange, often starting friendships with host parents which can last for generations.
There are clear soft power benefits of having a significant group of highly-educated, motivated and often wealthy individuals as influencers once they have returned home to careers or further study. This particular soft benefit can only become more important as we make our way in the world postBrexit.
The UK has always led in the ELT market, but that position is increasingly threatened as competitor English-speaking nations, understanding the value of these students to their own systems, seek to attract them elsewhere. In countries such as Australia and Ireland it has been policy at the highest level to build the ELT sector, in the knowledge that the students tend to remain loyal to their temporary home when choosing higher education.
In this climate, we need an even more explicit welcome to all potential students who wish to learn our language and experience our culture for themselves.
We are also concerned that the end of freedom of movement for EU nations from March 2019 does not cut us off from our key markets, which represent 60 per cent of our members' business.
We would like to see visa-free travel for students from Europe, and ideally a mechanism for teenage groups to be able to come for courses on a joint travel document without the need for passports. Without this, we fear an accelerated decline for this important industry as potential students choose Malta and Ireland instead.

English UK and our members

- English UK is the trade body and membership organisation for accredited state and privatelyowned English language teaching providers. It currently has 437 members, of which 43 are state colleges, 26 state universities, and the rest are privately owned.
- Members include university English Language centres, pathway providers, further education colleges, boarding schools, and privately-owned centres which are a mix of chain schools and independents.
- There is a huge diversity of centres, including those teaching thousands of students each year, those offering summer courses for teenagers only, to very small providers teaching a handful of students each week. The majority of ELT centres are owner-run SMEs.
- All members must be accredited by Accreditation UK, one of the world's longest-running and most rigorous specialist inspection schemes. It is run by the British Council with English UK as a strategic partner. Members who offer Tier 4 visas must also have accreditation from a Home Office-approved provider.

Information in this submission was drawn from a specially-commissioned update of our 2014 Capital Economics report into the Value of English language teaching, with figures gathered from English UK member centres in December 2017 by StudentMarketing attached; a specially-commissioned survey of past and current students by StudentMarketing; and our Annual Student Statistics report, collated by StudentMarketing for English UK, also attached.

Contents

Global competition

Approximately 1.38m students travelled abroad to learn or improve English in 2016 in one of eight major destination countries in 2016, a slight drop on the previous year because of declining student numbers in market leaders the UK and the USA. The UK remains by far the top destination for international ELT students, but is also experiencing a decline in the amount of time students are spending on courses. Competitor nations such as Australia, Canada, Ireland, New Zealand, Malta and South Africa, where governments have made it policy to grow their international

education sector, are in the main experiencing rising student weeks and rising or relatively stable student numbers.
Type of course offered is a key driver: the UK market is becoming more popular with junior students. The average course length for a student at a private language school in the UK is currently 3.7 weeks: this data is unavailable for state sector institutions.
In general, students under 18 (juniors) come for shorter courses than adults.

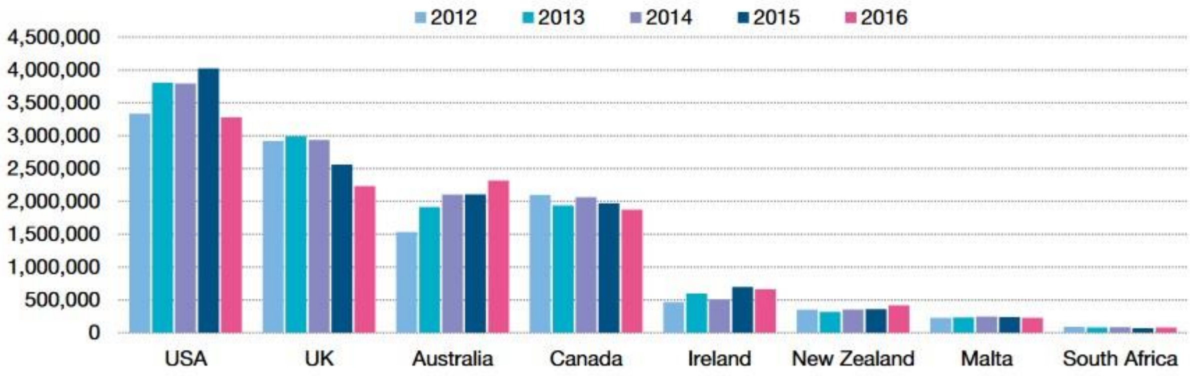

Fig 1. Overview of ELT destinations (student weeks)

Source: StudentMarketing, 2017; Figures represent extrapolations based on multiple sources. They cover all centres in the destinations and represent the best possible calculation, rather than a headcount

Who are the students and why do they come?

Around 550,000 students came to the UK last year to learn or improve their English[69], attracted by our nation's history, culture, reputation for education and status as the home of the language.

> *"The younger generation... view English as an essential stepping stone to better career prospects in the private sector."*[70]

Though English is increasingly taught from an early age in schools in many countries, most students do not achieve the level they need for employment or university, typically getting no higher than B1.

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[69] The Value of English Language Teaching, Capital Economics, 2018
[70] The Relationship Between English and Employability, British Council 2015

Many key source markets have moderate or low levels of English[71] and an advantage of coming here is total immersion.

a. Junior Students

Under-18s now make up 51 per cent of students in private ELT centres, staying on average two weeks. Many are on short-stay summer courses but sometimes visiting with their own schools in closed groups or here to improve their language level for university entrance. They are covered by stringent safeguarding regulations.

b. Adults

Most 18+ students are here to improve their language skills for study or work.

i. Learning for academia
They may need a particular English level to enter university in their own country: a large proportion are ambitious to study at a UK university at undergraduate or postgraduate level and need to get their English to at least B2/IELTS 6.5, so take a course in academic English, or join a special pathway course to improve language skills and accustom them to UK teaching methods.
It is important for the UK HE sector that these students are captured when they are juniors or young adults. Once they have found their feet in one English-speaking system, they are likely to want to remain within it for the duration of their education.

> *"We know, from the work done by the Knowledge Partnership earlier this year on previous years' higher education student data, that university applications from international students already in the UK are far higher than previously believed, at around 50 per cent. And importantly, almost 60 per cent of successful applications to UK universities by international students come from within the UK, where those students are on preparatory courses such as international foundation year programmes.*
>
> *If the visa changes hit that 'pipeline' the damage to the UK higher education sector could be severe – international students subsidise home students by the higher fees they pay, and they keep many departments and degree courses (especially in science, engineering, technology and maths-related subjects) open.*
>
> *Incredibly international students are 70% of the total of students taking UK Masters degree courses – if we lost them, virtually every Masters degree course in the UK would become unviable financially."*[72]

[71] EF English Proficiency Index https://www.ef.co.uk/epi/
[72] Tony Millns, former chief executive of English UK, English Language Gazette, August 2012

Many of the students who start as English learners do carry on to become what the Government refers to as “the brightest and the best” - high-flying university students.

> *“Meet Abdulrahman from Saudi Arabia, another one of WSE’s success stories. Abdulrahman studied at Wimbledon School of English for 8 months in 2012 and came back to visit us today. He has been in the UK ever since and has just completed an MSC in Aerospace Engineering.*
>
> *Abdulrahman was studying at Brunel University and living in Putney so he’s definitely a West London kind of guy! He is now hoping to do his PhD at Brunel University and has put together a fascinating research proposal about Unmanned Aerial Vehicles.”*[73]

ii. Learning for work

Significant numbers of adults come to improve their English for work.
Some EU nationals choose to come and work in the UK to practise English, with some language centres helping them to fit classes around shifts (Student visa holders on courses in the private sector or state colleges are no longer permitted to work).
Others come specifically for instrumental English - learning for a purpose - or work-focused tuition, sometimes sponsored by their workplace, focusing on employability and key competences. This can include short, intense courses, longer ones, and continuing tuition using Skype or other technology.

> *“I studied English at school but now I need to improve my skills because I must speak it daily. I am trying to improve my English for my job, but I suggest an experience in England to everyone, old or young, because the knowledge of a different language makes you feel comfortable everywhere in the world.”*[74]

iii. Learning for pleasure

A much smaller group come to learn or improve English for pleasure. They often come on cultural packages aimed at over-50s with a strong leisure or sightseeing element. There are very restrictive rules around whether study is allowed for people on tourist visas, or when accompanying children who are studying in the UK.

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[73] Wimbledon School of English website
[74] Paolo Poggi, ex-Serie A footballer, now international project director of Venezia FC

3. Where do our ELT students come from?

Where do our ELT students come from?

- In 2016 the top five UK source markets were Italy, Saudi Arabia, Spain, France and China
- The rest of the top 10 were Turkey, Switzerland, South Korea, Japan and Germany
- Other major players include Brazil, Kuwait, Russia, Colombia, Taiwan, Oman, Thailand, Mexico and Argentina.

EU markets are particularly important: almost a quarter of students came from Italy in 2016, just under 10 per cent from Spain, around nine per cent from France and 7.7 per cent from Germany.
Some juniors, particularly in school groups such as on the EU-funded PON scheme in Italy, do not travel on passports but identity cards. Our members are concerned that post-Brexit, these students will instead go to Malta or Ireland if parents otherwise have to purchase expensive passports primarily for use on their child's UK language holiday.
4. ELT in the UK: scope, jobs and revenue

English language teaching centres

English language teaching centres operate throughout the UK.
There are 509 language centres accredited by Accreditation UK, of which 437 are English UK member centres, and several hundred, often seasonal, centres operating without any accreditation and teaching EU students only.
London has the biggest share of the market, on 27 per cent in 2016, followed by the South-East with 24 per cent.[75] In hotspot areas such as Bournemouth, Brighton, Oxford and Cambridge ELT is a vital part of the local economy, injecting many millions of pounds annually and providing additional income for host families, revenue for transport and tourism as well as directly through schools and their staff.
The ELT sector is becoming ever-more nimble and innovative in its course offer, to thrive in an increasingly competitive global market. The latest opened just this week: the Capital School of English in Bournemouth has launched its Future Success centre focusing on instrumental English and international employability.
Students come to work on real-life projects set by local businesses, improving both their soft skills and their English as they work with course tutors and the employers to get hands-on experience in the global marketplace.

[75] English UK Student Statistics Report 2017

Employment in ELT centres

EL centres directly employ 19,300 staff in all roles, including welfare, host family liaison, marketing and management, with a full-time equivalent [FTE] of 14,800. Of these, 11,400 are teachers and academic managers, with a FTE of 8,800: much ELT is seasonal and so many staff are employed on temporary contracts.

ELT centres employ a wide range of highly-trained and more general staff. They include teachers, who will commonly have at least a first degree, a Certificate in English language teaching (CELTA) and often a Diploma in English language teaching (DELTA) as well. In FE colleges, the teachers will also have a PGCE or equivalent. Centres also have marketing staff and a wide range of administrators and student welfare specialists.

	English language teaching	All activities
North East	70	130
North West	550	920
Yorkshire and The Humber	440	730
East Midlands	160	270
West Midlands	290	500
East	720	1,210
London	2,100	3,540
South East	2,140	3,610
South West	1,510	2,550
Wales	330	560
Scotland	390	660
Northern Ireland	90	160
United Kingdom	**8,800**	**14,800**

Fig 2: Number of full time equivalent employees at English language teaching centres by region, 2016/17

Source: Capital Economics' analysis of survey of English language centres and English UK data

Regional effects and supply chains

The effects of language centres reverberate throughout their regions and supply chains. Even in Northern Ireland, the region with the smallest ELT presence, the industry employs 90 teaching staff (160 for all the centres' activities), bringing a GVA of £2m and a £4m turnover.

Spreading further out in the province, 120 supplier jobs are supported through ELT alone, rising to 170 from all the activities of the centres. Similarly, there is a turnover of £14m from ELT activities in the region, rising to £19m if all the centres' activities are taken into account.

At the other end of the spectrum, the London centres create 2,100 teaching posts and a further 1,440 in their wider activities, with a GVA of £30m and a £68m turnover. The centres' supply chain supports a further 1,190 jobs from all associated activities, increasing overall GVA to £53m.

	English language teaching			All activities		
	Jobs (number)	GVA (£ million)	Turnover (£ million)	Jobs (number)	GVA (£ million)	Turnover (£ million)
North East	120	6	15	160	8	21
North West	420	20	48	580	27	67
Yorkshire and The Humber	250	12	31	340	17	43
East Midlands	310	14	34	430	19	47
West Midlands	280	14	34	380	19	47
East	380	17	41	530	23	58
London	850	38	95	1190	53	132
South East	810	34	84	1120	47	117
South West	270	14	34	380	19	47
Wales	190	8	21	260	12	29
Scotland	460	20	50	640	28	70
Northern Ireland	120	6	14	170	8	19
United Kingdom	**4,450**	**203**	**501**	**6,190**	**282**	**697**

Fig 3. Indirect effects of spending on suppliers by the English language teaching centres by region, 2016/17

Source: Capital Economics' analysis of survey of English language centres, English UK data and StudentMarketing data. Figures may not sum due to rounding.

The effect in the South East is almost as significant, with 680 jobs in language centres, 1,120 jobs in the supply chain and a GVA of £43m.
Scotland sees the next largest effect, with 270 jobs, a GVA of £12m, and a turnover of £27m in the language centres and a further 640 jobs and GVA of £28m in its ELT supply chain.

	English language teaching			All activities		
	Jobs (number)	GVA (£ million)	Turnover (£ million)	Jobs (number)	GVA (£ million)	Turnover (£ million)
North East	60	3	6	90	4	9
North West	230	10	22	320	13	30
Yorkshire and The Humber	160	7	15	220	9	21
East Midlands	130	5	12	180	7	16
West Midlands	160	7	16	220	9	21
East	230	9	20	320	12	28
London	540	22	50	740	30	68
South East	500	19	43	680	26	59
South West	300	12	26	410	16	36
Wales	110	4	10	140	6	13
Scotland	190	9	20	270	12	27
Northern Ireland	40	2	4	60	2	6
United Kingdom	**2,650**	**108**	**244**	**3,650**	**148**	**335**

Fig 4. Induced effects of the English language teaching industry by region, 2016/17 Source: Capital Economics' analysis of survey of English language centres, English UK data and StudentMarketing data. Figures may not sum due to rounding.

ELT's impact on mainstream education

ELT has no detrimental impact on mainstream education in the UK, and if anything supports services provided for UK nationals. For instance, students in universities, paying international fees, will tend to subsidise students paying their way with a UK government loan. International students in FE colleges also subsidise other courses,

and also ensure there are specialist staff to teach English as an Additional Language courses for people newly-settled in the UK.
Privately-owned ELT centres would be unlikely to exist at all without demand from international students, and we have seen recent closures as demand falls - but having these centres ensure there is EAL teaching available for UK citizens as well as recent refugees and asylum-seekers. Several English UK member centres are working *pro bono* with RefuAid, a charity helping often highlyqualified refugees gain the language skills they need to be able to use their medical, scientific and other skills for the benefit of their adopted country.

5. Where do students live?

The majority of our students live with ordinary UK families in "homestay" accommodation, with a minority in specialised residences. Summer students on junior courses often learn and stay in boarding schools or campus universities.
A survey of former and current students found 61 per cent of students living with host families, a further 16 per cent in student residence, and five per cent with relatives.[76] Just eight per cent rent a self-catering apartment, and 10 per cent make other arrangements, demonstrating that ELT students living in the UK have no significant impact on the wider availability of accommodation.
Rather, the EL students usually represent a useful, extra source of income for families who can make space for them, or for schools and universities which would have surplus accommodation during holiday periods.

> *"I've seen first-hand how hosting families affects people's lives for the better. Shortly after being widowed, a lady was persuaded by her friend to host with us, it wasn't long before we received a letter from her daughter thanking us for giving her mum a new lease of life and sense of purpose. Another new host had recently got divorced and was frantic with worry about supporting her family; at our Christmas party last week she was all smiles and has proved a very popular host. Johanna is in a wheelchair but manages to welcome many students who all love her and enjoy getting involved with a dog rescue charity she set up."*[77]

6. Tourist and other leisure spending by students and their visitors

ELT students who come to the UK are keen to experience the culture and go sightseeing - adults often travel independently as well as enjoying activities organised by their language centre, whilst tourist trips are part of most junior summer courses.

[76] The Social Impact of UK ELT, StudentMarketing, 2018
[77] Jacqui Ashman, host family co-ordinator, St Giles Highgate

Many students have a high disposable income to cover their stay in the UK and like to enjoy food, travel, entertainment and shopping. Overall, the effect of students' spending outside their language centres supported a further 8,250 jobs throughout the UK, with the largest numbers in London (1,800) and the South East (1,570), dropping to one hundred in Northern Ireland. Their spending had a GVA of £334m, with a turnover of over half a billion pounds - £757m.

Their biggest spending is on food, followed by personal shopping, leisure travel and accommodation. This spending has a particular impact in ELT hotspots, where buses and taxis, cafes, shops and tourist attractions are often underpinned by the patronage of students and their language centres.

> *"Our older students are allowed to walk to the local shop (Motcombe) in their free time. This is a small community-run shop and they say every year they enjoy our students going there because they sell more in the month we are taking our students then they do all year! It's what keeps the shop going which is important for the community."*[78]

We also benefit from the spending of students' visitors: just over a quarter of students had an estimated four friends or family member to stay at some point during their studies. We estimate that each one of these visitors spends around £140 on a three or four day stay, generating additional spending of around £155m, supporting around 2,970 jobs and a GVA of £120m.

7. What do students do after their course is finished?

Predominantly, they go home: 77 per cent of current/past students surveyed by StudentMarketing in December 2017 gave this answer, with 23 per cent taking the opportunity to travel a little first if their immigration status allowed this.

But they plan to return: almost 80 per of current and past students told us they planned to return: half were considering solo travel, while over a third wanted to come back with a small group of friends or family. Just two per cent had no plans to return.

We estimate that students remaining in the UK after their course spent an average of £320 per week each for almost nine weeks, with a total spend of £450m over the year. This supports around 8,590 jobs, and represents a turnover of around £788m.

	Jobs (number)	GVA (£ million)	Turnover (£ million)
North East	200	9	20
North West	740	31	69
Yorkshire and The Humber	510	21	48
East Midlands	420	17	39

[78] Sarah Etchells, English Country Schools

West Midlands	480	21	47
East	710	28	63
London	1,870	76	171
South East	1,640	63	142
South West	950	37	83
Wales	290	12	27
Scotland	660	29	66
Northern Ireland	130	5	12
United Kingdom	**8,590**	**348**	**788**

Fig 5. Induced effects of the spending by English language teaching students after their course finishes by region, 2016/17

Source: Capital Economics' analysis of survey of English language centres, English UK data and StudentMarketing data. Figures may not sum due to rounding.

Visa rules mean that non-EU students who wish to continue their education in the UK must return to their home country to make the application.

Students typically form a strong affinity with the UK: they say people are friendly and helpful, and for many it is their first experience abroad without their parents.

8. Visas

There are several different types of visas available to ELT students: Tier 4, six-month short-term study visas, and 11-month short-term study visas which are available only for students on English courses. In general, students at state sector institutions are more likely to travel on Tier 4 visas and those in privately-owned centres on six-month short-term study visas, although the 11-month option is very popular across the sector.

We estimate that students spent £27m on visas and the £150 healthcare surcharge in 2016/17: the cost for both ranges from £93 for short-term study visas (where the healthcare surcharge is not applicable) to £485 for the Tier 4 version.

9. Overall impact and fiscal cost of students

There is no doubt that English Language students are, overall, a benefit to the UK economy.

Their consumption of public resources is estimated at £83m for 2016/17, but set against tax revenues generated from their course fees and other spending, the outcome is a net gain of £131m.

This averages out as a profit for UK PLC of £216 for each four-week student visit.

> *“I think it’s fantastic what our nation earns from those coming in: it’s far too important to have any restrictions on it or not encourage it. It should be encouraged by everybody - look at the employment, the taxis, tour buses and private cars we use in a year is staggering. There are guides, blue badge guides… the employment opportunities that come from somebody like us is unbelievable, and we’re driving so much foreign currency. I am a 100 per cent foreign exporter. It’s a fantastic import company and this is a fantastic opportunity - goodness knows what the sector is worth.”*[79]

The overall fiscal cost of students to the Treasury before tax revenues are taken into account is £250m: the components of this are spending on public order and safety, health, economic affairs and a very small component - £5m - on education.

	Per capita cost of all public services for the UK general population, £ per 3.7 week	Cost of public services accessible by foreign English language students in proportion to likely usage, £ per capita per 3.7 week	Estimated additional or incremental cost to UK Government of provision of public services to foreign English language students, £ per 3.7 week course
EU transactions	5	0	0
Housing and community amenities	11	6	0
Environment protection	12	12	0
Recreation, culture and religion	12	12	0
Public order and safety	32	65	65
Defence	40	40	0
Economic affairs	51	51	32
General public services	67	21	0
Education	94	4	4
Health	155	72	70
Social protection	284	0	0
Total	**763**	**283**	**171**

[79] Peter Brown, Director of Hosts International which has 8,000 fully trained and vetted host families working with 37 ELT centres throughout the UK

Fig 6. Estimated fiscal cost of international students, 2016/17(£ per 3.7 week period, which is the average length of study)

Source: Capital Economics, HM Treasury and Office for National Statistics. Figures may not sum due to rounding.

Tax revenues are supported by payments from the EL centres, their suppliers, spending of employees as well as the students' spending on visa application fees, leisure activities and accommodation. For instance, a student pays an average of £44 VAT during their 3.7 week stay.

Other headline figures the ELT sector can claim are:

- Gross value added to the UK of £1.429bn from all ELT, supplier and student/ student visitor activities
- Turnover of £3.1bn
- Taxes paid: £257m
- Supports 35,700 jobs
- Total turnover from ELT of £630m in 2016/17, and from all ELT centre activities of £790m
- Gross value added from ELT of £320m, and from all ELT centre activities of £420m
- Total tax take supported by ELT £83m
- Students spent £430m outside their centres
- 124,000 students spent £27m on visa and healthcare levy applications
- 6.2 per cent of students' spending went on VAT, to which each student contributed £44
- The sector and its students contributed £236m to UK tax
- Students spent £450m after their courses ended.

	GVA (£ million)	Jobs (number)	Turnover (£ million)	Taxes (£ million)
Direct effects from students' spending on English language courses	316	8,800	635	83
Indirect effects from centres' spending on suppliers	203	4,450	501	29
Induced effects from spending of centres' employees	108	2,650	244	17
Induced effects from students' spending while studying	334	8,250	757	53

Induced effects from students' spending after their course	348	8,590	788	56
Induced effects from spending of those visiting students	120	2,970	272	19
Total	**1,429**	**35,710**	**3,197**	**257**

Fig 7. Components of the contribution of English language teaching to the United Kingdom economy, 2016/17

Source: Capital Economics' analysis of survey of English language centres, English UK data and StudentMarketing data. Figures may not sum due to rounding.

There are also many soft benefits to the UK.

Students, particularly those staying for longer, often get involved in a positive way in the life of the UK, supporting their local communities by volunteering - sometimes in local schools - or raising money for charity.

> *"Last summer the students contributed over 2160 volunteering hours by volunteering to support Pilgrims' Hospice, Cancer Research UK Fun Runs, Canterbury Park runs, local festivals and cultural workshops to local schools. Our co-ordinator says: ''According to my volunteer hours log, Yuya Ishii has completed the most amount of hours for volunteering (88). Therefore I shall be nominating him for the prize for Contribution to Community. If it were also possible to have a female going forward, Kaide Hada has been a superb volunteer, joining in just about everything & with such cheerfulness too. She contributed the next highest number of hours: 78.'"*[80]

> *"Working as a volunteer practitioner photographer in London since 2016 is being a rewarding experience. I feel really happy to be part of MRC - Migrants Resource Centre, BRS - Barnet Refugee Service and NCS - National Citizen Service teams and see the great work they delivery to their customers. It is not always easy but it is challenging and it is good to know that all our efforts could contribute and make the difference in a positive way in one's life."*[81]

The students themselves value the experience, although coming to the UK is rarely a cheap option for them.

> *"I would recommend people to come here though it was a long journey. I sold my car to study here - it's more expensive than Brazil. I would really recommend coming here to Leeds."*[82]

> *"There's nothing I don't like. It's a very good country. Before I came here I thought English food had a very bad image but I am staying with a host family*

[80] Chaucer College, Canterbury
[81] Brazilian student, The English Studio
[82] Lucas Marinho Da Silva, Brazilian student at Leeds English Language School

and they are always making food which is delicious. And Torquay is always sunny.'[83]

Conclusion

English language teaching is a sector which is often overlooked by policymakers as well as the general public, but is important not just because of the economic benefits it brings, but because of its disproportionate effect on the UK's soft power reach, as an informal feeder to the HE sector, and because it encourages cultural exchanges at all levels.

In this climate, it is important to convey an even more explicit welcome to all potential students who wish to learn our language and experience our culture for themselves.

The voice of the ELT sector can go unheard as a result of the huge variety of providers, and because many are SMEs working in isolation. It is important that the value of our industry be understood by the Migration Advisory Committee and the Government, to ensure that our industry can continue to bring its wider benefits to the UK's economy, society and world influence as we move beyond the stable trading relationships of the EU.

It is vital that the end of freedom of movement for EU nations from March 2019 does not cut us off from our key markets, which represent 60 per cent of our members' business, and we reiterate our desire to see visa-free travel for students from Europe, and travel document flexibility for teenage groups.

Without this, we fear an accelerated decline for this important industry as potential students choose our EU competitors, which will welcome them with open arms.

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[83] Japanese pop singer Risa Kitano, studying for fun at Torquay International School

Taunton School International

For the attention of the Migration Advisory Committee

What impact does the payment of migrant student fees to the educational provider have?

This has a direct impact on the number of assisted places we can offer. The vast majority of our International students do not qualify for assisted places (which is means tested) and consequently, they are large/yfu//fee payers. Some of this income can then channelled into recruiting disadvantaged students living in the local area (and beyond), who otherwise would not be able to attend private school due to the costs involved.

How much money do migrant students spend in the national, regional and local economy and what is the impact of this?

Taunton School has two International Schools, comprising approximately 140 students. These students spend, on average, around f50/week in the local area on things such as food, clothes, electronics, etc. From these students alone, the local economy is over f200,000 per year better off.

How do migrant students affect the educational opportunities available to UK students?

Without International students, the cultural diversity at Taunton School would likely be very minimal. At Taunton School, we have over 40 nationalities, all sharing their different and hugelyfascinating cultures and customs. British students have had the world brought to them and by working so closely with International students, they are able to learn the very important skills of respect, tolerance and understanding. Furthermore, at Taunton School, we introduced the 1B nearly 10 years ago, which although very popular with International students, is also available to British students and we are seeing greater interest from British students in this alternative to A Levels every year.

To what extent does the demand from migrant students for UK education dictate the supply of that education provision and the impact of this on UK students?

At Taunton School, no UK students are prevented from applying and gaining a place at the school as a result ofplacement of International students. It is true that the boarding community is becoming more international but this is the same of all boarding schools and is something we should celebrate.

What is the impact of migrant students on the demand for housing provision, on transport (particularly local transport) and on health provision?

International students at Taunton School are significant users of taxis and trains, and as such, are putting hundreds of thousands ofpounds into the loca/ and national economy through their use of

transport.

In terms of health care, their impact is minimal and in fact, is likely to be positive. Firstly, we have our own Health Centre and the nurses here deal with the vast majority of any needs the International students might have. For those who do need hospital treatment, any Tier IV student will have already paid the health surcharge, which from experience, I am confident more than covers any costs incurred.

What role do migrant students play in extending UK soft power and influence abroad?

International students choose to come to Britain to study because they know it is fair and rigorous and that it offers a very wide curriculum. International students learn about fundamental British values whilst here, which are sometimes not aligned with their own cultures, and this knowledge undoubtedly helps to change minds and opinions for the better across the world. This is because we are often educating the children of highly successful and influential people and so once their children themselves become influential, they are in a strong position to make positive change happen in their own countries through what they have learned and experienced whilst studying in the UK.

Department for Education

Dear Professor Manning,

I am writing in response to your call for evidence regarding the impact of international students on the UK. Please find my department's response attached.

This is the first time that the MAC has undertaken a full assessment of the economic and social impacts of international students in the UK, and I am very pleased that you are doing so. Your report will deliver vital evidence for the Government's future decisions on student migration, and I know that the education sector welcomes this formal opportunity to contribute its views.

The Government recognises the important contribution that international students make to the UK's education sector, both economically and culturally. They bring greater diversity to campuses, an international dimension to the experience of all students, stimulate demand for courses and add to the UK's impressive research capacity. In the longer term, they offer the prospect of productive business, political, cultural and research links. And, of course, they bring welcome income to the UK's schools, colleges and HE providers, as well as to our wider economy.

The evidence contained in our response highlights that:

- International students (in Higher Education (HE), Further Education, Independent Schools and English Language Training) contributed an estimated £14.0 billion to the UK economy in tuition fees and living expenditure in 2014.

- Non-EU students are the most compliant visa category (ahead of workers, visitors and others), with the overwhelming majority of students (97.4%) whose visas expired in 2016/17 leaving the UK on time.

- International students are important to the Higher Education sector. One in five students enrolled at UK Higher Education Institutions is from overseas. Tuition fees paid by EU and non-EU students accounted for 15% of HEI sector income, with non-EU fee income helping to cross-subsidise other sector activities such as our world-class research.

- EU students currently benefit from home fee status, capped tuition fees and tuition fee loans based on their residency in the EEA and/or Switzerland. In the academic year 2016/17, around 56,500 EU domiciled students received £460 million in English student support. We are considering the student finance arrangements that will apply to EU students after the UK exits the EU carefully – they will need to be considered as part of wider discussions about the UK's relationship with the EU.

- International HE students have a positive impact on the wider economy. A recent study by London Economics, commissioned by the Higher Education Policy Institution and Kaplan International Pathways, shows that the benefits of international students coming to the UK are 10 times greater than the costs and are worth £330 per UK resident. Universities UK (UUK) estimated that overseas students generated £25.8 billion in gross output, £1 billion in tax revenues for the UK and 206,600 full-time equivalent jobs nationally.

- International HE students are valued by the sector and by domestic students, benefitting UK students by facilitating knowledge exchange and helping to develop intercultural awareness. More than 30% of undergraduates and 43% of postgraduates thought that the quality and value of their course would be lowered if there were fewer international students. 73% of UUK research respondents said that they would like there to be a similar number of or more overseas students, in recognition of the significant benefits they bring to the UK when they choose to study here.

I encourage you to continue to work with DfE, and with our stakeholders, as your work progresses. My department and I are grateful for the positive engagement we have had with the MAC to date and I look forward to learning more about the MAC's findings as it progresses.

Damian Hinds
Secretary of State for Education

Summary

1. In August 2017, the Government commissioned the Migration Advisory Committee
(MAC) to assess the impacts of international students in the UK. Specifically, the MAC asked for submissions of evidence on the direct and indirect

economic and social impacts that international students have on the UK at all levels of education.

2. In this response, we set out the key data and evidence that the Department for Education (DfE) is aware of in relation to the use of different parts of the education and skills system by international students and the value of this to the UK economy.

3. Throughout this response, the term ‘international students’ refers to both EU and non-EU students. Also, ‘international’ and ‘overseas’ are used interchangeably.

4. In summary, the evidence suggests:

- International students contributed an estimated £14.3 billion to the UK economy in tuition fees and living expenditure in 201584, £11.5 billion of which came from students in Higher Education (HE).

- Non-EU students are the most compliant visa category (ahead of workers, visitors and others), with the overwhelming majority of students (97.4%) whose visas expired in 2016/17 leaving the UK on time.

- The UK is the second most attractive destination for overseas tertiary students, after the USA. In 2016/17, 442,000 international students were enrolled at UK HEIs, comprising 135,000 EU students and 308,000 non-EU students2. International students make up a significant proportion (20%) of the total UK HE student population.

- International students make a large financial contribution to HE sector and the wider regional economy. In 2015/16, tuition fee income from international students accounted for around 15% of total HEI income (13% from non-EU, and 2% from EU).

[84] This estimate includes international students enrolled in Higher Education Instiutions, Further Education Colleges (non-EU students only), English Language Training Schools and Independent Schools. [2] Numbers do not sum due to rounding.

- Tuition fee income from non-EU students can be used to cross subsidise other areas, such as teaching and research. A HEPI report85 estimated that in 2014/15 the surplus generated from teaching non-EU students was £1.3 billion. Sector representatives tell us that this surplus plays an important role in cross-subsidising and therefore maintaining the viability of certain higher-cost courses so that domestic students can continue to access them.

- A recent study by London Economics, commissioned by the Higher Education Policy Institution and Kaplan International Pathways, shows that the benefits of international students coming to the UK are 10 times greater than the costs86, and are worth £330 per UK resident. The net benefit of an EU and non-EU student in the 2015/16 cohort to the UK economy is an estimated £68,000 and £95,000, respectively.

- Universities UK (UUK) estimated that overseas students generated £25.8 billion in gross output, £1 billion in gross tax revenues for the UK and 206,600 full-time equivalent jobs nationally.

Coverage

2. This submission covers international students in the following levels of education:

    - Higher education - primarily drawing on data from the Higher Education Statistics Agency (HESA), United Nations Education, Scientific and Cultural Organisation (UNESCO) and Student Loans Company (SLC).

    - Further education – there is significantly less data available on international students' use of the Further Education system, although Home Office visa application data provides us with some insight into non-EU student numbers.

[85] http://www.hepi.ac.uk/wp-content/uploads/2017/11/HEPI-How-much-is-too-much-Report-100-FINAL.pdf.

[86] Some of the costs quantified in the study are the public cost of teaching grants (EU students), tuition fee support (EU students) and public services such as health care, education for dependents, public order and safety, defense etc… See http://www.hepi.ac.uk/wp-content/uploads/2018/01/Economic-benefits-ofinternational-students-by-constituency-Final-11-01-2018.pdf for the full list.

- Schools (state and independent) – drawing on data from the School census in England and the Independent Schools Council.

Our analysis focuses primarily on higher education because it has the largest share of international students in the UK and consequently has the most comprehensive data available.

Evidence

4. In what follows we supply evidence on:

- Education-related exports from 2010-2015 – this DfE publication87 estimates the amount of revenue international students contribute to the UK economy through tuition fees and living expenditure across several education sectors (including Higher Education, Further Education, Independent Schools and English Language Training);

- Student data – broken down by domicile, geographic, level, mode of study and subject where available;

- Fiscal impacts of students to the UK economy broken down by region and educational sector where available (this draws upon our education exports publication and wider external research);

- Impacts of international students on the labour market; and

- The soft power and cultural benefits of international students.

[87] https://www.gov.uk/government/statistics/uk-revenue-from-education-related-exports-and-tne-activity-

2015

Education exports

5. Unlike most other tradeable goods and services, education is unique in that it largely requires international consumers to be present in the UK for some temporary period. This benefits the UK economy, through tuition fees and living expenditure, but it also imposes a cost because international students consume public services and potentially place upward pressure on prices.

6. In February 2018, the DfE published “UK revenue from education related exports and TNE activity 2015[88]. This estimates the export income to the UK from educationrelated sales of products and services for the years 2010-2015, including the contribution that international students make to the UK economy through tuition fees and living expenditure. It does not, however, take into account any of the costs. The Department has announced that it will publish education exports statistics covering the 2016 calendar year in Autumn 2018.

7. International students contributed an estimated £14.3 billion to the UK economy in tuition fees and living expenditure in 2015 (almost 75% of the total value of education exports). Within this, higher education was the largest source of income (£11.5 billion), followed by international students enrolled in English language training (£1.7 billion), independent schools (£0.9 billion) and then further education[89] (£0.3 billion).

[88] https://www.gov.uk/government/statistics/uk-revenue-from-education-related-exports-and-tne-activity2015. This publication is an update of the previous report which covers figures from 2010-2014: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/630741/UK_Revenue_from_Educational_Exports_2010-14.pdf

[89] Further education estimates do not included EU students, due to lack of data available.

Table 1: Estimated direct impact of international students (tuition fees and living expenditure) by sector, £ millions.

	2010	2011	2012	2013	2014	2015
Higher Education	8,660	9,440	9,950	10,450	11,070	11,500
Further Education (non-EU only)	880	980	610	380	320	280
Independent Schools	630	700	760	760	800	900
English Language Training	2,230	2,000	1,890	1,860	1,820	1,650
Total	12,400	13,110	13,200	13,450	14,010	14,330

8. It should be noted that these estimates do not currently include data on exports from privately funded providers (so-called ‘Alternative Providers’); income from EU students attending Further Education Colleges; and fees collected from visas granted to individuals coming to the UK from outside the EU for the purposes of study. As such, they are likely to underestimate the total direct impact of international students. A fuller description of the methodology and caveats

associated with the figures above can be found in the report "UK revenue from education related exports and transnational education activity 2010-2014"90.

9. Not only do non-EU students contribute to the UK economy, exit check data91 shows that 97.4% of non-EU students that arrived on a visa to study (whose leave to remain expired in 2016/17) were recorded as having left in time. Students are the most compliant visa category. The proportions shown as departing in time for visit, study and work visas are shown in the table below.

10. Of the 2.6% that were not recorded leaving the UK on time, this figure includes those who left soon after their visa expired, those who were not matched in the data, and those who have no record of leaving. This means the proportion of long term over stayers is likely to be even smaller.

Table 2.1
Expiries and departures for non-EEA nationals granted visas[11] by category - 2016/17

Visa Category	Volume of expiries*	Number with known departure in time	Percentage with known departure in time	Percentage with no initially identified in time departure**
Visiting the UK***	1,058,212	1,023,057	96.7%	3.3%
Study	181,024	176,407	97.4%	2.6%
Of which				
Sponsored study (Tier 4)****	112,270	108,930	97.0%	3.0%
Short term study	68,754	67,477	98.1%	1.9%
Work	79,013	75,381	95.4%	4.6%
Other*****	17,433	11,526	66.1%	33.9%
Total	1,335,682	1,286,371	96.3%	3.7%

90 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/630741/UK_Revenue_from_Educational_Exports_2010-14.pdf

91 https://www.gov.uk/government/statistics/second-report-on-statistics-being-collected-under-the-exitchecks-programme.

Higher Education

Data

11. This section sets out the structure of the higher education (HE) sector and the availability and quality of data on international students in HE. It outlines the numbers and characteristics of international students across different HE providers, including information on their chosen subjects and level of study.

12. The sector breaks down into three broad types of higher education providers (HEPs):

- Higher Education Institutions (HEIs). HEIs are universities receiving direct grant funding, institutions conducted by HE corporations, and designated institutions. There are 16792 HEIs in the UK, serving between around 200 and 100,000 students each (13,900 students on average).93 The majority of their courses are at HE level.94 HEIs are the largest of the provider types in terms of student numbers and account for the largest proportion of higher education provision in the UK – in 2016/17 they taught 2.3 million HE students.95

- Further Education Colleges (FECs) offering HE courses. A FEC is a body which primarily provides any study after secondary education that is not part of HE (that is, not taken as part of an undergraduate or graduate degree). In 2017, there were 241 FECs or sixth form colleges offering HE courses in England96, with 208 of them in receipt of Higher Education Funding Council for England (HEFCE) funding for HE provision.97 HEFCE data shows that FECs providing HE have on average 163 students studying HE98.

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[92] Students in higher education 2016/17 – Figure 6, HESA, January 2018

[93] Students in higher education 2016/17 – Figure 6, HESA, January 2018

[94] Defined as being courses which match the academic standards as they are described in the FHEQ at
Level 4 or above. This is in addition to the eligibility criteria for registration which state that a provider must offer HE, which is more broadly defined as delivering a course of any description mentioned in Schedule 6 of the Education Reform Act 1988.

[95] Students in higher education 2016/17 – Figure 6, HESA, January 2018

[96] Higher Education Providers, HEFCE, 2017

[97] HEFCE-funded further education colleges, HEFCE, 2017

[98] Higher Education Providers – HEFCE, 2017

- Alternative Providers (APs). APs are those HE providers which do not receive grant funding from HEFCE or any other kind of recurrent public funding99 and are not FECs. Research commissioned by the Department for Business Innovation and Skills (BIS) identified 732 APs in the UK in 2014 and suggests the average AP has 348 students, although there is variation across APs100. In England, APs are able to apply to have HE courses designated for student support funding, with HEFCE reporting 114 APs (including those with Degree-Awarding Powers) having courses designated for academic year 2017/18.19

13. The Department's main source of HEI student data is the Higher Education Statistics Authority (HESA), which collects and publishes data on HE students, staff and graduates at publically funded HEIs (i.e. excluding APs and FECs proving HE)101. The most recent available data is for the academic year 2016/17. We hold data on overseas (EU and non-EU) domiciled students studying at all UK HEIs.

14. We currently do not hold data on overseas students in FECs or non-designated APs, but we do hold data on the number of undergraduate overseas domiciled students studying at 96 APs in England that provide courses designated for student support. However, as this is a small proportion of the overall number of APs, it may not be representative of the overall population.

15. HESA data can be split into three domicile groups: UK, EU (including Republic of

Ireland) and non-EU. HESA data records the domicile of a student; domicile refers to the

'normal country of residence prior to commencing their programme of study102'. Therefore, a student recorded in the HESA data as non-EU domiciled could be a national of an EU country who was living outside the EU prior to their study.

16. Although nationality data can be obtained from HESA, the Department uses domicile as it is a more complete and accurate variable in the HESA Student

[99] For example, from a local authority or the Secretary of State for Education

[100] Understanding the Market of Alternative Higher Education Providers and their Students in 2014, BIS, May 2016. Estimate excludes the largest provider, which accounts for 40,000 students. [19] Register of HE providers, HEFCE, as of Feburary 2018.

[101] HESA – HESA student volumes includes data on the University of Buckingham (an AP that receives no direct HEFCE funding and submits data to HESA voluntarily).

[102] HESA, Definitions – Students 2015/16

Record – it is also important in determining eligibility for student support103. Domicile gives a strong indication of whether someone has crossed borders for their studies, which would align more closely with migration data. Defining an international student using domicile and not nationality also follows the OECD and UN definition of an international student104.

Overseas Student Characteristics

International (EU and non-EU) students make up a large proportion of the HE student population. Approximately, one in five students at UK HEIs are from overseas. International students are concentrated in particular levels and subjects, for example, they make up 42% of postgraduate research students at UK HEIs105.

17. Of the 2.3 million students enrolled at UK HEIs in 2016/17, 442,000 (19.2%) were international students, comprising 135,000 EU domiciled students (5.8%) and 308,000 non-EU domiciled students (13.3%)106

Table 2: Enrolments in UK HEIs by domicile 2016/17

Domicile	Enrolments by Domicile	% of Total Enrolments
UK	1,875,125	81%
EU	134,835	6%
Non-EU	307,540	13%
Unknown	375	0%
Total	2,317,880	100%

18. In the 2016/17 academic year, there were 51,900 undergraduate students enrolled on courses designated for student support at alternative providers (APs). Of these, 6,700 (12.9%) were overseas domiciled students, comprising of 2,700 EU students (5.5%) and 3,700 non-EU students (7.4%)107.

[103] For example, home fee status, capped fees and tuition fee loans are available to EU nationals who have been ordinarily resident in the EEA and/or Switzerland and/or the overseas territories for the three years before the first day of the first academic year of the course.
[104] https://www.oecd.org/education/skills-beyond-school/EDIF%202013--N%C2%B014%20(eng)-Final.pdf
[105] Students in higher education 2016/17 – HESA, January 2018
[106] Students in higher education 2016/17 – HESA, January 2018
[107] Higher Education Student Statistics: Alternative Providers, 2016/17. February 2017.

19. The vast majority of EU and non-EU students (88% and 85% respectively) at APs were enrolled on first degree courses, for UK domiciled students 60% were enrolled on first degree courses.

20. However, as mentioned above, those APs designated for student support are a small proportion of the overall number of APs in the higher education sector and may not be representative of the overall population.

Table 3: Enrolments of undergraduate students in English APs with courses designated for student support by domicile 2016/17

Domicile	Enrolments by Domicile	% of Total Enrolments
UK	45,250	87%
EU	2,845	5%
Non-EU	3,835	7%
Total	51,930	100%

First year students and trends

In the long term (since 2005/06), the UK has seen a large growth in the number of first year non-EU students entering UK HEIs. However, over the last 7 years (since 2010/11) these numbers have remained stable. Although the number of EU entrants dipped in 2012/13 following an increase in tuition fees, the numbers have since recovered to almost the same levels as prior to the reform.

21. In 2016/17, 235,000 first-year international (EU and non-EU) students enrolled at UK HEIs, comprising of 63,000 EU domiciled students and 172,000 non-EU domiciled students.

22. From 2005/06 to 2016/17, the number of first-year non-EU domiciled students entering UK HEIs increased by almost 60% from 109,000 to 172,000. However, since 2010/11 the number of first year non-EU domiciled students has remained fairly consistent.

23. The number of first-year EU domiciled students entering UK HEIs dipped in 2012/13 when the tuition fee cap was raised to £9,000 per year. Post 2012/13, the

number of first year EU domiciled students has been steadily increasing and has almost returned to 2011/12 levels of 65,000.

Table 4: First year enrolments by domicile at UK HEIs from 2005/06 to 2016/17.

	Non-EU	EU	Total
2005/06	109,285	52,850	162,135
2006/07	122,425	55,445	177,870
2007/08	126,465	57,750	184,215
2008/09	144,765	60,215	204,980
2009/10	161,745	64,385	226,130
2010/11	174,220	65,480	239,700
2011/12	173,560	64,760	238,320
2012/13	171,910	56,120	228,030
2013/14	179,395	57,185	236,580
2014/15	174,305	57,815	232,120
2015/16	172,190	59,100	231,290
2016/17	172,275	63,035	235,310

Enrolments by subject[108]

International students are concentrated in particular subject areas, such as business studies, engineering and law.

[108] Students in higher education 2015/16 – HESA, January 2017

24. The courses with the largest proportion of EU domiciled students were mass communications and documentation courses (where EU students made up 8% of total enrolments), whereas the courses with the largest proportion of non-EU domiciled students were business and administrative studies (where non-EU students made up 30% of enrolments).

25. However, HESA data also supplies a more detailed breakdown of subjects, which shows that specialised subjects can have significantly larger proportions of EU domiciled students. For example, a quarter of the students enrolled on naval architecture and classical Greek studies courses are EU domiciled.

Table 5: Top five subjects109 with the highest proportion of EU domiciled enrolments 2015/16

Subjects Studied	EU domiciled enrolments	% of Total Enrolments
Mass communications & documentation	3,955	8%
Computer sciences	7,415	8%
Engineering & technology	12,420	8%
Business & administrative studies	24,750	8%
Law	6,035	7%
Total	127,440	6%

Table 6: Top five subjects29 with the highest proportion of non-EU domiciled enrolments 2015/16

[109] This table looks at student numbers at a subject, and not course, level. [29] This table looks at student numbers at a subject, and not course, level.

Subjects Studied	Non-EU domiciled enrolments	% of Total Enrolments
Business & administrative studies	97,820	30%
Engineering & technology	40,670	25%
Law	17,370	20%
Architecture, building & planning	9,460	19%
Mathematical sciences	6,870	16%
Total	310,575	14%

Enrolments by level of study110

International students are currently more likely to be studying at a postgraduate level than UK domiciled students are.

26. 34% of EU and 49% of non-EU domiciled students study postgraduate courses, compared to 19% of UK domiciled students.

Table 7: Domicile of enrolments by level of study 2016/17

	UK	EU	Non-EU	Total
Undergraduate	81%	66%	51%	76%
Postgraduate	19%	34%	49%	24%
Taught	15%	23%	38%	19%
Research	3%	11%	11%	5%

[110] Students in higher education 2016/17 – HESA, January 2018

Enrolments by mode of study111

International students are currently more likely to be studying full-time than UK domiciled students.

27. 89% and 92% of EU and non-EU domiciled students, respectively, study full-time, compared to 74% of UK domicile students.

Table 8: Domicile of enrolments by mode of study 2016/17

	UK	EU	Non-EU	Total
Full-time	74%	89%	92%	78%
Part-time	26%	11%	8%	22%

Geographic variation in enrolments32

International students are spread across the country, but there is a concentration of EU and non-EU students studying in London. Scotland also has a relatively high number and proportion of EU students.

28. The area with the highest numbers of EU domiciled enrolments in HEIs in 2016/17 was London, with 34,600 EU enrolments – 26% of the total number of EU domiciled enrolments in UK HEIs. London and Scotland were the areas with the largest proportion of total EU domiciled enrolments in 2016/17, with 9% of the total EU enrolments in the UK studying here.

[111] Students in higher education 2016/17 – HESA, January 2018

Table 9: Geographic breakdown of EU domiciled enrolments

	Total EU enrolments	Total enrolments	EU enrolments as % of total enrolments in the area	EU enrolments in each area as a % of total EU enrolments in the UK
East	9,030	124,530	7%	7%
West Midlands	10,525	198,305	5%	8%
South West	7,855	163,595	5%	6%
London	34,625	367,240	9%	26%
East Midlands	6,125	165,780	4%	5%
North West	8,630	233,765	4%	6%
Yorkshire	6,710	192,375	3%	5%
South East	17,150	249,110	7%	13%
North East	4,050	101,610	4%	3%
Wales	6,235	129,395	5%	5%
Scotland	21,245	241,935	9%	16%
Northern Ireland	2,480	54,570	5%	2%
UK33	134,835	2,317,880	6%	100%

Students in higher education 2015/16 – HESA, January 2017

The numbers do not sum because the 95,675 students (of which 175 are EU domiciled) at the Open University in England are not assigned to a region.

29. The area with the highest numbers of non-EU domiciled enrolments in HEIs in 2016/17 was also London, with 71,010 non-EU enrolments – 23% of the total number of non-EU domicile enrolments in UK HEIs. The area with the largest

proportion of total EU domiciled enrolments in 2016/17 was also London, 19% of students at HEIs in London were non-EU domiciled.

Table 10: Geographic breakdown of Non-EU domiciled enrolments

	Total Non-EU enrolments	Total enrolments	Non-EU enrolments as % of total enrolments in the area	Non-EU enrolments in each area as a % of total non-EU enrolments in the UK
East	17,335	124,530	14%	6%
West Midlands	27,625	198,305	14%	9%
South West	19,185	163,595	12%	6%
London	71,010	367,240	19%	23%
East Midlands	20,690	165,780	12%	7%
North West	28,365	233,765	12%	9%
Yorkshire	24,420	192,375	13%	8%
South East	35,610	249,110	14%	12%
North East	14,420	101,610	14%	5%
Wales	14,970	129,395	12%	5%
Scotland	31,045	241,935	13%	10%
Northern Ireland	2,810	54,570	5%	1%
UK[112]	307,540	2,317,880	13%	100%

[112] The numbers do not sum because the 95,675 students (of which 50 are non-EU domiciled) at the Open University in England are not assigned to a region.

Overseas student's country of origin113

China is the largest source of international students at UK HEIs, with over five times more students enrolled than from the United States, our second largest source country. Germany, France and Italy are the largest EU source countries.

30. The largest proportion of EU students are domiciled in Germany (10%), closely followed by France (10%) and Italy (10%).

Table 11: Top 10 countries of origin for EU domiciled enrolments in UK HEIS in 2016/17

Country of origin	EU domiciled enrolments	% of EU enrolments by country of origin
Germany	13,735	10%
France	13,560	10%
Italy	13,455	10%
Ireland	10,070	7%
Greece	10,045	7%
Cyprus (EU)	9,145	7%
Spain	8,820	7%
Romania	8,110	6%
Poland	6,585	5%
Bulgaria	5,655	5%
All other	35,020	26%
Total all UK HEIs	134,835	100%

31. Enrolments from students domiciled in China represent almost a third (31%) of all non-EU enrolments in UK HEIs.

[113] Students in higher education 2016/17 – HESA, January 2018

Table 12: Top 10 countries of origin for Non-EU domiciled enrolments in UK HEIS in 2016/17

Country of origin	Non-EU domicile enrolments	% of non-EU domiciled enrolments by country of origin
China	95,090	31%
United States	17,580	6%
Hong Kong*	16,680	5%
India	16,550	5%
Malaysia	16,370	5%
Nigeria	12,665	4%
Saudi Arabia	8,065	3%
Singapore	7,300	2%
Thailand	6,175	2%
Canada	5.915	2%
All other	105,150	34%
Total all UK HEIs	307,540	100%

*Special Administrative Region of China

International comparison and market share data

The UK is the second most attractive destination for international tertiary students (EU and non-EU), after the USA.

UNESCO collects international data on the global flow of international tertiary[114] students[115]. According to the latest available data, the UK has an estimated 9.3% market share of international tertiary students, second only to the USA which has a 19.7% market share.

Table 13: UNESCO Institute for Statistics data on mobility of tertiary students, 2015

	Total number of mobile students hosted	Inbound mobility rate[116]	Market share[117][118]
United States	907,251	4.7%	19.7%
United Kingdom[40]	428,724	18.2%	9.3%
Australia[119]	294,438	18.3%	6.4%
France	235,123	9.8%	5.1%
Germany	228,756	7.7%	5.0%
Canada[120]	151,244	..	3.3%
Russia	226,431	3.4%	4.9%
China	123,127	0.3%	2.7%
World	4,606,718	..	100%

32. There is little quantifiable data to specify the precise causes for our leading market share position, however there is some survey data to indicate what drives international students to select the UK as their study destination. In the 2017 UUKi

[114] UNESCO definition. Tertiary education (ISCED levels 5 to 8): Tertiary education builds on secondary education, providing learning activities in specialised fields of education. It aims at learning at a high level of complexity and specialisation. Tertiary education includes what is commonly understood as academic education but also includes advanced vocational or professional education

[115] http://uis.unesco.org/en/uis-student-flow. Data is also collected by the OECD.

[116] Number of students from abroad studying in a given country, expressed as a percentage of total tertiary enrolment in that country.

[117] Market share is calculated by dividing the number of mobile student hosted in each country by the total. If

[118] data is unavailable, the latest year’s data is used. [40] Data only available from 2014.

[119] Data only available from 2014.

[120] Data only available from 2013.

report setting out International Student Barometer findings, the UK is a global leader for recommendation when compared with the major English-speaking and continental European competitors, amongst undergraduate, postgraduate taught, and postgraduate research students. The UK is ranked number 1 in terms of recommendation, overall satisfaction, arrival, orientation and support, and learning and living experiences. While undergraduate international students focus their value on a mix of social aspects and the learning environment, postgraduate taught students place significant emphasis on the learning dimension of the student experience. For postgraduate research students, the quality of the research environment and employability are important drivers of recommendation. As the global leader for recommendation, this indicates that the UK ranks highly across all these measures.

Impacts of overseas students on the HE sector

34. This section outlines the economic and social impact of international students on the HE sector. It assesses the contribution of tuition fee income from international students and looks at how this income can be used to cross-subsidise other HEI functions. It also explores the cultural and reputational benefits of international students to the HE sector, and the contribution they make to HE employment.

Tuition fees

Tuition fee income from international students accounts for around 15%[121] of total HEI income (13% non-EU and 2% EU). HEIs derived more fee income from non-EU students, compared to EU students, because there are more of them and they pay higher tuition fees on average.

Under EU law, we are required to not discriminate against EU students in terms of access to HE, meaning that we offer support on broadly the same basis as available to UK nationals[122]. EU students currently benefit from home fee status, capped tuition fees, tuition fee loans based on their residency in the EEA and Switzerland and, subject to residency in the UK and Islands, maintenance loans.

[121] HE Finance 2015/16 – HESA, March 2017

[122] Article 18 of the Treaty on the Functioning of the European Union, mirrored in Article 24(1) of the Free Movement Directive (TFEU) (Directive 2004/38/EC). There is a specific derogation (Article 24(2) of TFEU) from the principle of equal treatment in respect of maintenance support.

International students from outside the EU do not qualify for regulated fee caps at HEFCE funded institutions, and are generally subject to a higher overseas rate.

35. In 2015/16, 13% of the UK HEI sector income was derived from non-EU students' tuition fees – a total of £4,454 million. However, there is considerable variation across institutions, with the proportion of total income derived from non-EU fees ranging from 36% to less than 1%.

DfE estimates that UK HEIs received £796 million in EU tuition fee income in the academic year 2015/16, 2.3% of total UK HEI sector income[123]. However, similarly, there is considerable variation across institutions, with the proportion of total income derived from EU fees ranging from 10% to under 1%.

Cross-subsidisation

Tuition fee income from non-EU students can be used to cross-subsidise other areas, such as teaching and research. Sector representatives tell us that international (non-EU) students play an important role in maintaining the viability of certain higher-cost courses so that domestic students can continue to access them.

39. Non-EU tuition fee income is important for the HEI sector. HEFCE financial modelling from 2016[124] shows that "the removal of projected growth in overseas fee income over the next three years (2016-17 to 2018-19) would all but wipe out sector surpluses by 2018/19[125], with projected surpluses falling from £1,081 million (3.4 per cent of total income) to £56 million (just 0.2 per cent of total income)".

40. HEFCE states the importance of institutions operating at a surplus. "HEIs need to generated surpluses to provide the positive cash flow which is used to fund investment in infrastructure, to the extent that these are not met from capital funding."

[123] DfE analysis of HE finance plus 2015/16 – HESA, March 2017. We estimate EU tuition fee income to be £796m. EU tuition fee income is estimated by taking the proportion of EU students of EU and UK students combined in each level and mode of study, and applying this to the publically available figure of 'home and EU tuition fees' for each mode and level of study. For example, if 6% of EU and UK students studying a full-time undergraduate course are EU domicile, we assume that 6% of tuition fees collected for EU and UK students on full-time undergraduate course can be attributed to EU domicile students.

[124] http://www.hefce.ac.uk/media/HEFCE,2014/Content/Pubs/2016/201634/HEFCE2016_34.pdf. See pargaph 27 and Annex C.

[125] This assumes not mitigating behaviour is undertaken by HEIs.

A HEPI report126 estimated that in 2014/15 the surplus of non-publicly funded teaching (through teaching of mostly non-EU students) was £1.3 billion (28% of total income). This means that on average, the surplus per non-EU student is approximately a £3,770 per year.

Cultural impacts of overseas students

Beyond their direct economic impacts, overseas students also contribute to the sector in terms of supporting greater diversity of the student population and university campuses, and international HEI rankings and reputation.

The sector's feedback is that international students bring greater diversity to university and college campuses and an international dimension to the experience of all students, which benefits UK students through facilitating knowledge exchange and helping to develop intercultural awareness.

42. An NUS survey127 showed that about 70% of postgraduates and 65% of undergraduates said that they would have a less culturally diverse experience at university if there were a 50% drop in non-EU students. More than 30% of undergraduates and 43% of postgraduates thought that the quality and value of their course would be lowered if there were fewer international students.

43. Representative organisations such as UUK tell us that UK HEIs perceive a benefit from the mobility of students, helping to create and sustain education partnerships around the world. International students also stimulate demand for courses and add to the UK’s impressive research capacity. In the longer term, they offer the prospect of productive business, political, cultural and research links, with a network of globally dispersed people who are generally more favourably dispositioned to the UK following their education experience here.

44. Evidence also suggests that there is some public support for maintaining or increasing overseas student numbers. In a recent poll conducted by Communicate Research (ComRes) on behalf of Universities UK (UUK), 73% of respondents said that they would like there to be a similar number of or more overseas students, in recognition of the significant benefits they bring to the UK when they choose to study here128.

[126] http://www.hepi.ac.uk/wp-content/uploads/2017/11/HEPI-How-much-is-too-much-Report-100-FINAL.pdf .

[127] Students perspectives on international students – NUS, April 2017

[128] ComRes poll: Public views on international students – UUK, 2017

Role of overseas students in driving demand for UK HE

UK universities have a strong presence in all global ranking tables with four universities in the world's top 10 and 16 in the top 100, according to the QS World rankings[129]. The numbers of international staff and students in a HEI are taken into account in the QS rankings, which weights international faculty ratio and international student ratio at 5% each in the methodology. Other measures, such as academic reputation (40%) and employer reputation (10%), are derived from surveys of academics and employers from around the world, so an institution's international reputation is also an important part of the QS rankings methodology.

46. A Universities UK International[130] report says that overseas students "studying in the UK are more likely to recommend their chosen destination than in any of our major competitors. This applies across students at undergraduate, postgraduate taught and postgraduate research levels." The report also shows that overseas student satisfaction with UK higher education is very high: 91% of overseas students across all levels of study report that they are satisfied with their experience.

Impact on HE employment[131]

A significant proportion of academics at UK HEIs were previously international students studying in the UK. Attracting international students feeds the pipeline of future academics which adds to the UK's research and teaching capabilities.

48. In 2015/16, there was an inflow of 6,580 EU national academic staff to the total UK HE academic staff population. 'Inflow' is defined as all those members of academic staff who had a new contract at an HEI and whose previous employment

[129] QS World University Rankings, 2018

[130] The UK's Competitive Advantage – Universities UK International, 2017

[131] DfE Analysis of the HE Staff Record 2015/16 – HESA, February 2017

was not at another UK HEI. The table below provides a breakdown of the top 10 of these inflows' previous activities.

49. HESA data shows that around 44% of EU academic staff inflow in 2015/16 were previously working or studying overseas; 33% were already based in the UK and the previous activities of the remaining 23% were unknown. Of the known previous activities, the most common previous activity of EU academic staff would appear to be staff working in an overseas HE provider (21%), followed by having previously been a student in the UK (16%).

50. It is worth noting that the HESA data indicates the activity the person was engaged with immediately before starting the new contract, so if someone was a student in the UK, then moved to another activity (for example, working at a research provider) and then joined an HEI as an academic staff member, their previous employment would be 'research provider'. In this sense, the count of students in the UK among inflow of academic staff is likely to be a lower bound estimate of the actual number of EU nationals who studied in the UK and become academic staff.

Table 15: Top 10 previous activities of inflows of EU academic staff in UK HEIs

Previous activity	% of EU academic staff inflows
Not known	23%
Publicly funded HEI in an overseas country	21%
Student in the UK	16%
Student in an overseas country	6%

Other employment in an overseas country	5%
Other education provider in an overseas country	5%
Private industry/commerce in the UK	4%
Public research institute in an overseas country	4%
Other education provider in the UK	3%
Other employment in the UK	3%

51. In 2015/16, there was an inflow of 2,070 EU national non-academic staff to the UK
HE total non-academic staff population. The table below provides a breakdown of the top
10 of these inflows' previous activities. HESA data shows that around 19% of EU nonacademic staff were previously working or studying overseas; 52% were already based in the UK; and 29% is unknown. Of the known previous activities, the most important recruitment route would appear to be student in the UK (14%), followed by private industry/commerce in the UK (13%).

Table 16: Top 10 previous activities of inflows of EU non-academic staff in UK HEIs

Previous activity	% of EU nonacademic staff inflows
Not known	29%
Student in the UK	14%
Private industry/commerce in the UK	13%
Other employment in the UK	11%
Other employment in an overseas country	7%
Publicly funded HEI in an overseas country	5%
Other education provider in the UK	4%
Student in an overseas country	3%

Other public sector in the UK	3%
NHS/general medical or general dental practice in the UK	2%

52. In 2015/16, there was an inflow of 5,205 non-EU national academic staff to the UK HE total academic staff population. The table below provides a breakdown of the top 10 of these inflows' previous activities. HESA data shows that around 39% of non-EU academic staff were previously working or studying overseas; 36% were already based in the UK; and 25% is unknown. Of the known previous activities, the most important recruitment route would appear to be student in the UK (23%), followed by a publically funded higher education institution in an overseas country (18%).

Table 16: Top 10 previous activities of inflows of non-EU academic staff in UK HEIs

Previous activity	% of EU academic staff inflows
Not known	25%
Student in the UK	23%
Publicly funded higher education institution in an overseas country	18%
Student in an overseas country	6%
Other employment in an overseas country	5%
Other education provider in an overseas country	4%
Private industry/commerce in the UK	3%
Other education provider in the UK	3%

Working in a research institute (public) in an overseas country	3%
Other employment in the UK	2%

53. In 2015/16, there was an inflow of 1,265 non-EU national non-academic staff to the UK HE total non-academic staff population. The table below provides a breakdown of the top 10 of these inflows' previous activities. HESA data shows that around 17% of non-EU non-academic staff were previously working or studying overseas; 48% were already based in the UK; and 32% is unknown. Of the known previous activities, the most important recruitment route would appear to be student in the UK (19%), followed by private industry/commerce in the UK (11%).

Table 17: Top 10 previous activities of inflows of non-EU non-academic staff in UK HEIs

Previous activity	% of non-EU nonacademic staff inflows
Not known	32%
Student in the UK	19%
Private industry/commerce in the UK	11%
Other employment in the UK	7%
Other employment in an overseas country	7%
Publicly funded higher education institution in an overseas country	6%
Other education provider in the UK	3%
Other public sector in the UK	3%
Student in an overseas country	3%

NHS/General medical or General dental practice in the UK	2%

Impact of overseas students on the wider UK

54. Using a range of sources, this section explores the evidence on the impact of international students to the wider UK. This includes their impact on the UK economy – which includes their gross and net benefits; the cost of EU student fee loans to the taxpayer; the contribution international students make to the labour market; and the softer power impacts, which are more difficult to quantify.

Fiscal impacts

International students contribute to both HEIs' income and to the wider economy by generating economic activity, jobs and tax revenue. It is estimated that the benefits of international HE students coming to the UK are 10 times greater than costs – worth £310 per UK resident.

55. Non-EU students at UK HEIs contributed £8.9bn to the UK economy in tuition fees and living expenditure in 2015, and EU students contributed £2.7bn.

Table 18: Education exports of overseas students in HEIs, £ millions[132]

	2010	2011	2012	2013	2014	2015
Non-EU students						
Fee income	2,700	3,040	3,340	3,650	4,000	4,300
Living expenditure	3,860	4,140	4,270	4,380	4,550	4,600
(Scholarships awarded)	(40)	(40)	(40)	(40)	(40)	(50)

[132] "UK revenue from education related exports and TNE activity 2015: https://www.gov.uk/government/statistics/uk-revenue-from-education-related-exports-and-tne-activity-2015

Total	6,520	7,150	7,570	8,000	8,510	8,850
EU students						
Fee income	350	380	430	530	630	700
Living expenditure	1,580	1,680	1,710	1,680	1,700	1,730
Incoming Erasmus students	260	280	310	330	340	380
(Cost to Government of tuition fee loans)	(50)	(50)	(60)	(80)	(100)	(150)
Total	2,140	2,290	2,380	2,450	2,570	2,660
Non-EU and EU students						
Total	8,660	9,440	9,950	10,450	11,080	11,510

56. A recent study by London Economic133, commissioned by HEPI, analysed the costs as well as the benefits of international students. It shows that the benefits of international students coming to the UK are 10 times greater than the costs134 and are worth £310 per UK resident. The net impact for an EU and non-EU student in the 2015/16 cohort is an estimated £68,000 and £95,000135. Other research by Oxford research and DfE's education export estimates only measure the gross benefit of international students to the UK economy.

[133] http://www.hepi.ac.uk/wp-content/uploads/2018/01/Economic-benefits-of-international-students-byconstituency-Final-11-01-2018.pdf.

[134] London economics quantifies the following public cost associated with international students: the cost of teaching grants (EU students only), tuition fee support (EU students only), other public services, which indluded healthcare, housing, education of depenedents, and 'non-identifiable' public expenditure such as servicing national debt and oversea avtivities. See http://www.hepi.ac.uk/wpcontent/uploads/2018/01/Economic-benefits-of-international-students-by-constituency-Final-11-01-2018.pdf for a full list of all costs.

[135] The difference between the two figures is primarily because non-EU students are charged higher tuition fees than EU students.

57. Oxford Economics research, commissioned by UUK, found overseas students spent an estimated £6.1 billion in the UK economy in 2014–15[136]. This figure includes all subsistence spending, including payments to universities, except for expenditure on tuition fees. Student subsistence spending has been calculated using survey evidence on the expenditure of students attending English, Welsh and Scottish universities, multiplied by the number of overseas students[137].

58. Oxford Economics estimates that £5.4 billion of overseas students' subsistence expenditure funded from abroad was spent off campus. This spending generated an estimated £11.3 billion of gross output[138] in the UK in 2014–15[139].

59. The economic activity and employment sustained by overseas students' subsistence spending generated £1 billion in tax revenues for the UK Exchequer in 2014–15. This figure encompasses corporation taxes, labour taxes (including income tax and National Insurance contributions), consumption taxes, and other taxes on businesses.

60. Through their payments to universities (for tuition fees and accommodation), overseas students supported an additional estimated contributed £13.8 billion gross value added[140] to GDP in the UK in 2014–15.

61. Taking their university payments, off-campus spending, and the spending of their visitors together, overseas students generated £25.8 billion in gross output in the UK in 2014– 15. This contributed £13.8 billion gross value added to GDP. 80% of this impact is attributable to students from outside the EU.

62. Spending by overseas students in 2014/15 was estimated to generate 206,600 full-time equivalent jobs nationally. Again, 80% of these jobs (165,900

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[136] The economic impact of international students on the English regions – Universities UK, March 2017

[137] The methodology that Oxford Economic uses is very similar to the DfE education export estimates on living expenditure and use mostly the same data sources.

[138] "Gross output is the value of an industry's sales or receipts. It includes the value of the inputs of goods and services it buys in plus the value added by the industry itself."

[139] The economic impact of international students on the English regions – Universities UK, March 2017

[140] "Gross value added contribution to Gross Domestic Product (GDP) is a measure of net output. It is most easily thought of as the value of an industry's sales minus the value of inputs of goods and services used up in their production. It is the measure the Office for National Statistics (ONS) use to quantify the contribution to the economy of each individual producer, industry or sector."

FTE) are attributable to students from outside the EU. Put another way, 33 jobs are generated in the UK economy for every 100 university students from outside the EU.

Table 19: Regional impact of overseas students[141]

	Export earnings	Off-campus expenditure (living expenditure)	Jobs generated by overseas students
North East	£514m	£256m	2,032
North West	£970m	£458m	3,995
Yorkshire and Humber	£835m	£429m	3,594
East Midlands	£781m	£353m	3,094
West Midlands	£904m	£478m	3,916
East of England	£781m	£368m	3,081
London	£2,740m	£1,327m	8,855
South East	£1,270m	£641m	5,247
South West	£612m	£323m	2,832

63. The transport and retail sectors significantly benefited from overseas students' subsistence spending in 2014/15. The £750 million and £690 million boost to their gross value added comprised 13% and 12% of the total increase in economic output from the presence of overseas students, respectively[142].

64. There are measures in place to help limit the potential costs to exchequer incurred by non-EU students. Students applying for a Tier 4 visa must currently pay a £150 (which will rise to £300 from September 2018) health surcharge for each

[141] The economic impact of international students on the English regions – Universities UK, March 2017
[142] The economic impact of international students – UUK, March 2017

year of their visa, upfront. Non-EU students pay a reduced health surcharge rate compared to other entrants to the UK, but their rate is considered to be a fair contribution to the estimated £470 average cost per person of NHS treatment across all surcharge payers143 (it is not possible from the data we have to consider cost generated by use of the NHS by students only).

65. Students must show that they have enough money to pay their course fees for the first year of their course, or the entire duration if their course is less than a year long.
They also must have enough money to support themselves whilst studying in the UK, which in most cases means a student must show they have money for their living costs for each month of their course, up to a maximum of 9 months65. This is to ensure that non-EEA students are able to support themselves without recourse to public funds throughout their studies.

66. Friends and relatives will in many cases visit overseas students studying at UK universities, such as parents travelling to drop off or collect their children, or visiting while on holiday. As the expenditure they undertake in the UK is additional to that spent by UK residents, it creates extra economic activity in the country.

67. While it is not known how many visitors from home each overseas student receives, Oxford Economics uses data on students' nationality, the nationality of the wider population, and the origin of visitors to friends and relatives in the UK to estimate the number of visitors each student receives, and how much they spend. Open days and graduation ceremonies are not included in this estimate but are likely to accrue additional expenditure144

68. Based on this data, in 2014–15 visitors to overseas students in the UK spent an estimated £520 million145. In the first instance, this expenditure is likely to benefit the transport, hotels, hospitality, cultural, recreational and sports attraction sectors. It is then likely to ripple out along their supply chains to the rest of the economy, with the associated wage-consumption impacts146. Overseas visitors' spending generated an estimated £1 billion in gross output in 2014–15.

69. Overseas students' visitors' spending is estimated to have contributed £480 million in gross value added to UK GDP in 2014–15. It supported a further 11,000 jobs and £100 million in tax receipts. Around 30% of this impact is attributable to

[143] https://www.gov.uk/government/news/health-charge-for-temporary-migrants-will-increase-to-400-a-year.
[144] The economic impact of international students – UUK, March 2017
[145] The economic impact of international students – UUK, March 2017
[146] The economic impact of international students – UUK, March 2017

visitors of students from other EU Member States, with the remainder due to visitors of students from the rest of the world.

EU fee loans

Almost three quarters of eligible EU students on full time courses received tuition fee loans in 2015/16. EU students have on average smaller loan balances compared to domestic students, given they are usually only eligible for tuition fee loans and not maintenance loans.

70. In the academic year 2016/17, around 56,500 EU domiciled students received £460 million in English student support,147 of which:

    a. around 48,600 received full-time tuition fee loans amounting to £403 million;

    b. around 6,000 received postgraduate master's loans amounting to £50 million; and

    c. around 2,000 received paid part-time tuition fee support amounting to £8 million.

71. An estimated 73% of eligible EU domiciled students on full-time courses received English tuition fee loans in 2015/16. This compares to an estimated 94% of eligible English domiciled students148.

72. At the end of the 2016-17 financial year, EU domiciled borrowers held around

1.9% (£1.7 billion) of the total English HE loan book (£89.3 billion)149.

73. Of those EU borrowers who have entered repayment and have at least one tax year processed in the financial year 2016-17,150 80% have fully repaid or are meeting their repayment obligations, 15% are overseas and in arrears, and 5% still have their status to be confirmed. This compares to 98% of all (i.e. UK and EU domiciled) borrowers who have fully repaid or are meeting their repayment obligations, 1% who are overseas and in arrears, and 1% who still have their status to be confirmed.

[147] Student Loans Company (SLC), Student Support for HE in England, 2017
[148] SLC, Student Support for HE in England, 2017
[149] SLC, Student Loans in England, 2017
[150] SLC, Student Loans in England, 2017

Table 14: Student loan borrowers by repayment status and domicile, FY 16-17[151] (those liable to repay and with at least one tax year processed)

Repayment status	English and EU borrowers	EU borrowers
Account closed	22.4%	16.2%
In the UK and repaying	45.0%	18.1%
In the UK and not repaying	28.5%	21.9%
Overseas and repaying	1.1%	6.1%
Overseas and not repaying	2.1%	33.1%
of which in arrears	0.9%	15.3%
Repayment status to be confirmed	1.0%	4.7%
Number of borrowers	3.5 million	58,900

74. EU borrowers who were repaying in the UK made an average repayment of £820 in the tax year 2015-16, less than the average repayment overall of £900. However, a larger proportion of EU borrowers are likely to be recent graduates so it is fairer to compare borrowers from the same cohort. For each cohort entering repayment since 2011, EU borrowers repaying in the UK have made higher average repayments.

75. EU borrowers are more likely to pay off their loans in full at an early stage of repayment than English borrowers are. Already 29% of EU borrowers who entered repayment in 2010 have fully repaid, compared with 12% overall. However, borrowers resident in the EU prior to studying tend to have smaller loan balances, as they are not eligible for maintenance support[152].

[151] SLC, Student Loans in England, 2017

[152] SLC, Student Loans in England, 2017

Impacts of overseas students on the labour market

Over 5,000 non-EU students switch to Tier 2 high skilled work visas after studying in the UK. In addition, EU students who remain in the UK to work after study typically work in professional occupations.

76. There are no restrictions placed on the ability of EEA and Swiss nationals studying HE in the UK to work during their studies. They have the same working rights as UK nationals and are able to work in both term-time and vacations.

77. Students from outside the EEA and Switzerland must apply for a Tier 4 visa in order to study HE in the UK, which restricts the number of hours they can work. Non-EEA students studying at an HEI are eligible to work 20 hours per week in term-time and fulltime during vacations. Non-EEA students studying at an AP or FEC providing HE cannot work during either term-time or during vacations.

78. It should be noted that in the statistics below, domicile refers to the 'normal country of residence prior to commencing their programme of study'. Therefore, a student recorded in the HESA data as non-EU domiciled could be a national of an EU country who was living outside the EU prior to their study. Therefore, a student recorded as nonEU domiciled in the HESA data may not require a Tier 4 visa, and be eligible to work an unrestricted number of hours in the UK.

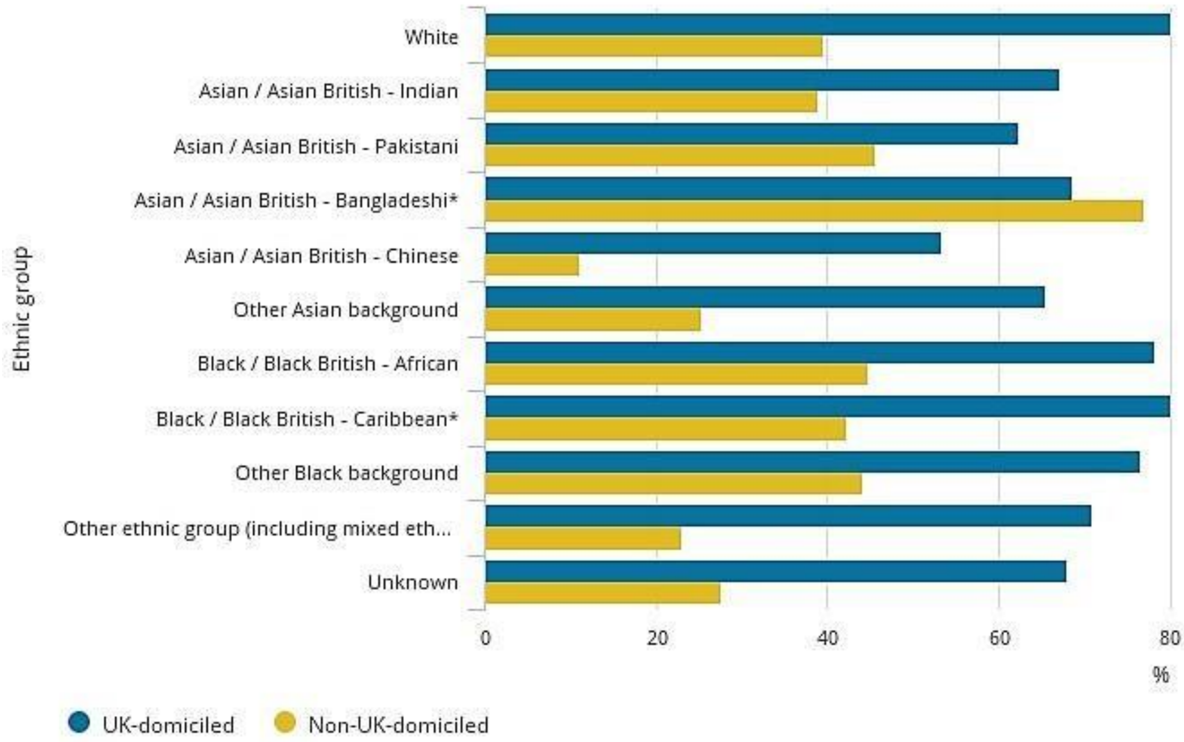
79. According to research by the Office for National Statistics (ONS),[153] UK-domiciled students are more likely to take up paid employment during their studies than non-UK domiciled students are. Overall, 77% of UK-domiciled students in England and Wales were in employment at some stage during the tax years ending 2015 and 2016 compared with 30% of non-UK-domiciled students. Of the 11 ethnic groups, 10 also had higher employment for UK-domiciled students compared with non-UK-domiciled students. Appropriate caution should be taken with these figures given that the ONS highlight they are published as research outputs rather than official statistics.

80. A large proportion of international students in UK universities study STEM subjects, especially at postgraduate level; international students make up approximately 20% of the STEM undergraduate student population and almost 60% of the STEM taught postgraduate (masters) student population – 18% of STEM taught postgraduates are from the EU. As the UK faces a shortage of STEM-qualified workers, the pipeline of overseas STEM students who remain to work in

[153] Investigating the economic activity of undergraduate students using administrative data – ONS. Note: these research outputs are not official statistics. Rather they are published as outputs from research into an Administrative Data Census approach. These outputs should not be used for policy- or decision-making.

the UK is important to the economy, as is the international research community who work in the UK154

Figure 1: Percentage of the undergraduate student population in employment by ethnic group for UK-domiciled and non-UK-domiciled students, England and Wales - Tax years ending 2015 and 2016, men and women, aged 16 and over155.



81. Students can switch to another visa route after their studies (assuming they meet the visa requirements to do so), notably a Tier 2 skilled worker visa which enables them to take up a graduate level job in the UK. There is no cap on the number of students that can do this. In 2016, 5,143 non-EU students switched to a Tier 2 visa, down from 6,004 in 2015.

[154] Immigration: Keeping the UK at the heart of global science and engineering - A report by the Campaignfor Science and Engineering, 2016

[155] Investigating the economic activity of undergraduate students using administrative data – ONS. Note: information on ethnic group was available for 76% of non-UK domiciled students and 99% of UK domiciled students in the HESA data.

Table 20: Number of students switching from Tier 4 to Tier 2 skilled work[156]

Year	Number of students switching from Tier 4 to Tier 2 skilled work
2011	1,730
2012	2,614
2013	4,176
2014	5,639
2015	6,004
2016	5,143

82. We are currently exploring using the Longitudinal Education Outcome (LEO) data to calculate employment and earnings outcomes for international students, which will help improve our understanding on the number and proportion of EU and non-EU students working in the UK following their studies. We intend to include this data in our HE LEO statistical release scheduled for Spring 2018.

83. The Destinations of Leavers from Higher Education Longitudinal survey (Long DLHE) captures the activities of graduates from UK HEIs three and a half years after graduation. However, it is worth noting that the Long DLHE has a relatively low response rate of 34%, meaning the survey may not be representative of the graduating 2012/13 cohort as a whole[157].

84. The Long DLHE shows that in 2016/17, 72% of the EU domiciled leavers who responded (graduating in 2012/13)[158] were in full time employment three and a half years after graduating from their course[159].

Of EU respondents who resided in the UK and were in employment, 71% were employed in highly skilled occupations (defined as Standard Occupational Classification (SOC) codes 1-3). The majority of these graduates were working in professional occupations[160].

[156] Home Office Migration statistics: Expc 01 w Grants of an extension of stay by current category and previous category, excluding dependants: Work

[157] Destinations of Leavers from Higher Education Longitudinal survey – HESA, 2016/17. Note: the Long DLHE provides a snapshot in time three and a half years after graduation; it does not give any indication of what a graduate was doing in those three and a half years prior to the date of the survey.

[158] These results include all EU-domiciled graduates three and a half years after graduating, not just those resident in the UK.

[159] Destinations of Leavers from Higher Education Longitudinal survey – HESA, 2016/17

[160] DfE analysis of the Destinations of Leavers from Higher Education Longitudinal survey – HESA, 2016/17

Table 21: EU domiciled graduates employed in the UK by occupation (2016/17 Long DLHE)161

SOC Code	Proportion of total employed EU domiciled graduates
1. Managers, directors and senior officials	5%
2. Professional occupations	43%
3. Associate professional and technical occupations	22%
4. Administrative and secretarial occupations	3%
5. Skilled trades occupations	0%
6. Caring, leisure and other service occupations	1%
7. Sales and customer service occupations	1%
8. Process, plant and machine operatives	0%
9. Elementary occupations	1%
Not known/Not applicable	23%
Total	100%

86. EU domiciled graduates responding to the long DLHE are employed in a wide range of industries. The largest proportion of EU graduates residing in the UK three and a half years after graduation and who were in employment were working in Professional, scientific and technical activities (17%) and Education (13%).162

87. Within the wider educational labour market, the MAC will be aware from their 2017 report of the use of overseas teachers in the school workforce that there are domestic shortages in modern foreign languages, mathematics and science subjects. Although we do not hold nationality data for the teacher workforce, the British Council85 has

[161] DfE analysis of the Destinations of Leavers from Higher Education Longitudinal survey – HESA, 2016/17
[162] DfE analysis of the Destinations of Leavers from Higher Education Longitudinal survey – HESA, 2016/17 [85] British Council 2017 What's happening to Language-learning in English Schools?

highlighted the role of non-UK born nationals within the modern foreign language teacher workforce. It is reasonable to assume that some proportion of these non-UK nationals will have been international students who entered teacher training either as postgraduate students or via the domestic higher education system as undergraduates. This is against the context of growing pupil numbers increasing demand for teachers in secondary schools and a decreasing domestic graduate pool from which to recruit trainee teachers.

88. With pupil numbers set to rise in secondary schools, our forecasts predict that the total number of qualified teachers is required to grow by 4 per cent between 2017/18 and 2027/28 (1 per cent in primary and 7 per cent in secondary). Significantly increasing the number of pupils entered for the English Baccalaureate (EBacc) will require increased recruitment of teachers in priority subjects, particularly for modern foreign languages. The domestic pool of potential MFL teachers has reduced in recent years, since languages were removed from the compulsory Key Stage Four (KS4) curriculum in 2004. Since 1996, the number of A level entries in MFL has fallen by 12,302 pupils (from 39,554 in 1996 to 27,252 in 2013).

Table 22: Top ten industries by proportion of employed EU domicile graduates (2016/17 Long DLHE)163

SOC Code	Proportion of total employed EU domiciled graduates
M Professional, scientific and technical activities	17%
P Education	13%
Q Human health and social work activities	10%
J Information and communication	8%
K Financial and insurance activities	6%

[163] DfE analysis of the Destinations of Leavers from Higher Education Longitudinal survey – HESA, 2016/17

C Manufacturing	6%
G Wholesale and retail trade; repair of motor vehicles and motorcycles	4%
O Public administration and defence; compulsory social security	3%
R Arts, entertainment and recreation	3%

Soft power impacts of overseas students

International students studying in the UK and domestic students studying overseas develop links between countries and build soft power, impacting upon higher education, research and business. These benefits are challenging to quantify given the diversity of impacts.

89. A study by the Higher Education Policy Institute (HEPI)164 found that no other country had educated as many of the world's leaders than the UK's HE sector. Of 377 serving heads of state and heads of government, at the time of the study, 58 attended universities and colleges in the UK. This places the UK just ahead of the United States (57) but far ahead of all other countries. France is in third place, with 33 world leaders, ahead of Russia (9) and Australia (8).

90. In terms of outward mobility, the latest data from the OECD88 shows that at least 26,100 UK students were studying overseas in 2015. Of these students, 10,500 were studying wholly in other EU countries89, and 15,600 were studying in countries outside the EU165.

91. 15,756 students from UK institutions went overseas on an Erasmus+ programme in 2015/16, of which 9,606 (63%) went to study and 6,150 (37%) to work. The number of students attending UK institutions going overseas on Erasmus+ programmes has been steadily increasing, with an increase of 34% since 2009/10166.

[164] UK is (just) number 1 for educating world leaders – HEPI, 2017 [88] International student mobility – tertiary mobile enrolment, OECD, 2015 [89] EU28 countries.

[165] EU28 countries.

[166] Erasmus + statistics 2015/16 – Erasmus +, 2017

92. Erasmus+ funds students for a period of academic study of between three and twelve months at a partner institution in another European country. The academic credit for this study is transferred at the end of the period and allows the study to be recognised as part of their degree. Students may alternatively undertake a funded traineeship in a company or other organisation – again, the work they do and the competences they develop will be assessed and credited as a part of their degree.

Table 23: Numbers of UK students in Erasmus 09/10 – 15/16[167]

	Work	Student	Total
2009/10	3,670	8,053	11,723
2010/11	4,256	8,576	12,832
2011/12	4,568	9,092	13,660
2012/13	4,930	9,641	14,571
2013/14	5,250	10,316	15,566
2014/15	5,485	9,249	14,734
2015/16	6,150	9,606	15,756
Change since 09/10	68%	19%	34%
Change since 14/15	12%	4%	7%

93. The country that hosted the most UK Erasmus+ students in 2015/16 was France with 27% of total students travelling overseas on Erasmus+. Italy, Spain, France and Germany host 70% of all UK students on Erasmus+[168].

[167] Erasmus + statistics 2015/16 – Erasmus +, 2017

[168] Erasmus + statistics 2015/16 – Erasmus +, 2017

94. 37% of students who went overseas on an Erasmus programme in 2015/16 were language students169.

Further Education

95. Further Education includes FE colleges, sixth form colleges, specialist colleges, private training providers and adult and community learning.

Data

96. There is very little data available internally regarding international students in the FE system. Tier 4 visa applications, however, give an indication of the level of non-EU nationals in Tertiary, FE and other colleges. The latest figure for Year Ending September 2017 is 14,278 applications170. This equates to roughly 1% of the total FE student cohort. Tier 4 applications were made from around 200 institutions, out of a total of 284171.

Impacts of overseas students on the FE sector and wider economy

[169] Erasmus + statistics 2015/16 – Erasmus +, 2017

[170] https://www.gov.uk/government/publications/immigration-statistics-july-to-september-2017/why-dopeople-come-to-the-uk-3-to-study

[171] As at 31 August 2017 according to Ofsted.

97. Experimental data published in July 2017 estimated the value of export income to the UK from education-related sales of products and services for the years 2010-2014172. For Further Education this looked at non-EU only.

98. For 2014 this estimated a total income from FE of £360 million, through fees, living costs and other incomes.

State-funded Schools

Data

99. Information on the nationality and country of birth of pupils attending state-funded schools in England is obtained via the school census. The data collected is self-declared by parents and a high level summary relating to the 2016/17 academic year was published in December 2017 at the link below:https://www.gov.uk/government/publications/pupil-nationality-country-of-birth-andproficiency-in-english

100. The published data shows that a country of birth and nationality was declared by parents for 76.5% and 74.4% of pupils respectively. Of those pupils for which a country of birth and nationality was declared, 92.5% of pupils were recorded with a country of birth of UK and 91.4% with a British nationality. The most common non-UK classification is European Union (4.0% of pupils with a classified country of birth

[172] https://www.gov.uk/government/publications/education-related-exports-and-transnational-educationactivity

had an EU country of birth and 5.2% of pupils with a classified nationality had a EU nationality).

Independent Schools

Data

101. The department itself does not gather data on the nationality of pupils at independent schools (no pupil-level data is gathered by DfE).

102. The Independent Schools Council (ISC) does gather nationality data, and produces its own data summary from its annual census held in January each year and usually published each April. The ISC has about half of the total number of independent schools in England linked through membership of its affiliated associations, but the pupils in those schools represent around 85% of the total. As such, the data are fairly comprehensive, especially as the larger schools which attract pupils from overseas are mostly members of ISC associations. In the absence of departmental data, the ISC data represents the only viable source of information. ISC published data:
https://www.isc.co.uk/media/4069/isc-census-2017-final.pdf.

103. The ISC Census data splits non-British pupils into two categories: those whose parents live overseas, and those whose parents live in the UK. The largest number of
International pupils come from mainland China. In total, 46% of non-British pupils have parents living in the UK. As one might expect, this percentage is significantly higher for Irish pupils than it is for pupils from mainland China and Hong Kong. There are currently 23,192 non-British pupils whose parents live in the UK and 27,000 pupils have parents who are living overseas. Overall, ISC schools cater to 5.2% of international pupils and of those 3% are from the EEA.

104. Education exports from Independent schools were estimated to be £800million in 2014, up from £630 million in current prices from 2010[173].

[173] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/630741/UK_Revenue_from _Educational_Exports_2010-14.pdf

Scottish Government

THE IMPACT OF INTERNATIONAL STUDENTS IN SCOTLAND
Scottish Government response to the Migration Advisory Committee's consultation on the impact of international students in the UK

February 2018

MINISTERIAL FOREWORD

Scotland has always been an open and welcoming nation, and that welcome has been extended to the many people from around the world who choose to study, live, work and raise their families here. Their presence in our communities across the country has helped make Scotland the modern, dynamic nation it is today.

International students have an incredibly positive impact in Scotland. They make up almost a quarter of all students at our universities and make a significant financial and academic contribution to our institutions. They bring important social, cultural and economic benefits to our society and add to the diversity of our communities, enriching the learning experience and supporting local businesses and jobs. Those that choose and are able to stay contribute valuable skills to our workforce and support the sustainable growth of our economy. Those who move elsewhere in the world become valuable friends and ambassadors of Scotland.

Additionally, international students are a potential source of long-term immigration. Scotland faces significant demographic challenges. There will be more deaths than births every year for the next 25 years. The profile of Scotland's population is ageing faster than that of the UK as a whole. Migration is projected to account for all of Scotland's population growth between 2016 and 2041. Attracting skilled people to live and work in Scotland is vital to the nation's economic and social health.

We therefore need an immigration system that recognises the particular needs of Scotland, especially the importance of being able to attract and retain international students. The implications of Brexit gives us huge cause for concern, as the potential loss of freedom of movement of people with EU Member States could severely undermine Scotland's ability to attract talented students from across Europe, reducing the economic benefits that they bring and compounding the demographic challenges that we face.

There is broad support across educational institutions, businesses and political parties in Scotland on the need for change in the UK Government's approach to international students to ensure that Scotland remains a welcoming place for talented and ambitious students from around the world.

The UK Government's refusal to consider the re-introduction of a meaningful post-study work route are counter-productive to our aspirations. The evidence presented in this paper makes it clear that we should celebrate and encourage the presence of international students in our institutions and communities.

INTRODUCTION

Our position

International students have an overwhelmingly positive impact on Scotland's economy and society. They play a vital role in making Scotland an outward-looking country, enhancing its skills base and building connections with the wider world. We extend a warm welcome to those coming to study in Scotland and hope that many will continue to choose to live here.

International students make a valuable direct economic contribution to educational institutions. The income from international students in higher education institutions, particularly tuition fees paid by students from outside the EU, has grown consistently and significantly in recent years, directly supporting employment at institutions and providing a valuable income stream to support a wide range of teaching and research activity.

The benefits of international students to the wider economy are considerable. Both EU and non-EU international students spend money on accommodation, travel and a wide range of other living and recreational expenses. This amounts to tens of thousands of pounds for each individual student, contributing hundreds of millions of pounds to the Scottish economy. This vastly outweighs the costs of providing public services such as healthcare and education for students and their dependents, as well as the cost to the Scottish Government of paying tuition fees for eligible EU students.

International students support the range and quality of education provision in Scotland. A multicultural, multinational learning environment is beneficial for all students who participate in it, raising cultural awareness and a global perspective among domestic students. These skills are valued by business. The recruitment of international students also allows educational institutions to exploit economies of scale and support the viability of some courses, particularly in some science, technology and engineering-related disciplines, ensuring that they remain available for domestic students to study.

International students support Scotland's reputation and visibility overseas. Graduates from Scottish institutions who move overseas take with them an awareness of and affection for Scotland, along with contacts and connections that may be of value in their future careers. This network is reinforced and sustained by institutions' own alumni engagement activity, bringing both direct benefits to the institutions and broader benefits to Scotland's international economic, social and cultural connections.

International students are a potentially valuable longer-term resource for Scotland's workforce. Inward migration is essential for the Scottish economy given the demographic challenges that Scotland faces. International students represent a future pool of talented individuals who can be drawn into the workforce. Scotland currently does well in attracting students to Scottish institutions. But in the face of increasing competition from other countries for the best global talent, the UK's immigration system has to be improved to allow Scotland to retain students after graduation and draw them into the workforce, through an inclusive migration system which includes a post study work offer that meets Scotland's needs.

About this paper

This paper sets out the Scottish Government's response to the call for evidence launched by the UK Migration Advisory Committee (MAC) on the impacts of international students in the UK.

This paper follows the themes set out in the call for evidence:

- **Chapter one** describes the profile of the international student body in Scotland.
- **Chapter two** provides information about the direct economic impact of international students in terms of student fees, loan arrangements, support for employment in educational institutions and spending by migrant students in the wider economy.
- **Chapter three** assesses the educational, social and cultural impact of migrant students on Scotland. This includes the effect on the teaching and learning experience in educational institutions; the impact on educational opportunities to UK students; and the contribution of international students to social and cultural life in educational institutions and wider society.
- **Chapter four** considers the impact of migrant students on the provision of public services such as housing, transport and health. It also examines their effect on tourism and other aspects of the economy beyond education.
- **Chapter five** looks at the role of migrant students in the labour market.

CHAPTER ONE – INTERNATIONAL STUDENTS IN SCOTLAND

International students at Scotland's Higher Education Institutes (HEIs)

Scotland is highly successful, compared to the UK and internationally, in attracting international students to study at Scottish higher education institutions. The latest available data suggests that international students account for 22% of students at Scottish higher education institutions (HEIs) compared to 19% of students studying in HEIs across the UK as a whole. International students account for 19% of international students in England, 16% in Wales, and 10% in Northern Ireland. The proportion of non-UK students enrolled in HEIs has remained relatively constant over the past five years, with non-UK students consistently making up 2-3% more of student enrolments in Scottish HEIs than across the UK as a whole.

Of the 241,935 students enrolled in Scottish HEIs in 2016-17 (both undergraduate and postgraduate), 189,630 (78%) were UK domiciled, 31,045 (13%) were non-EU domiciled and 21,245 (9%) were EU (non-UK) domiciled.

Student enrolments on HE courses in UK HEIs by domicile, 2016-17[174]

	UK Students		International Students	
	Number	% of total number of students	Number	% of total number of students
Scotland	189,630	78%	52,290	22%
England	1,528,030	81%	363,585	19%
Wales	108,190	84%	21,205	16%
Northern Ireland	49,275	90%	5,295	10%
UK	1,875,125	81%	442,375	19%

Student enrolments on HE courses in UK HEIs by domicile, 2012-13 to 2016-17[175]

	2012-13	2013-14	2014-15	2015-16	2016-17
All UKs					
Total UK	1,915,150	1,863,860	1,829,195	1,842,315	1,875,125
EU	125,330	125,300	124,575	127,440	134,835
non-EU	299,990	310,195	312,010	310,575	307,540

174 https://www.hesa.ac.uk/data-and-analysis/students. Numbers rounded to nearest 5.

175 https://www.hesa.ac.uk/data-and-analysis/students. Numbers rounded to nearest 5.

Total Non-UK	425,320	435,495	436,585	438,010	442,375
Total	2,340,470	2,299,355	2,266,075	2,280,830	2,317,880
% non-UK	18%	19%	19%	19%	19%
Scotland					
Total UK	184,005	182,445	182,545	184,630	189,630
EU	18,640	19,750	20,805	20,945	21,245
non-EU	28,305	28,610	29,210	29,980	31,045
Total Non-UK	46,945	48,360	50,010	50,925	52,290
Total	230,950	230,805	232,570	235,565	241,935
% non-UK	20%	21%	22%	22%	22%

Whilst international students are attracted to study in Scotland at both an undergraduate and postgraduate level, they are much more prevalent in postgraduate courses. In 2016-17, international (both EU and non-EU domiciled) students accounted for 58% of students on full-time postgraduate courses in Scottish HEIs and 19% of students on full-time undergraduate courses.

Scotland attracts a high proportion of international students relative to other OECD countries. [176] In 2014, Scotland ranked second (21.5%), behind Luxembourg (44%), out of the OECD countries for which data was available. The UK ranked fifth (18%), closely followed by Switzerland (17%). New Zealand was ranked third (19%), and Australia was ranked fourth (18%).

Students at Scottish HEIs split by mode of mode of attendance, level of study & domicile, 2016-17[177]

Mode	Level	EU	Non-EU	UK	All
Full-time	Postgraduate	15%	43%	42%	36,495
	Undergraduate	10%	9%	82%	147,300
	Total	**11%**	**15%**	**74%**	**183,795**

[176] OECD Education at a Glance 2016, Indicator C4.1 http://www.oecd.org/edu/education-at-a-glance-19991487.htm Whilst the publication only provides data for the UK as a whole, it is possible to provide an estimate of Scotland's international performance by combining HESA data for Scotland on the percentage of international students studying at Scottish HEIs (at both undergraduate and postgraduate level) in 2014/15 with OECD data for the other countries. It should be noted that these two data sets are not directly equivalent, however when comparing the figure for the UK across the two data sets there is only a difference of 0.5 percentage points suggesting that the two sources are broadly comparable.

[177] https://www.hesa.ac.uk/data-and-analysis/students. Numbers rounded to nearest 5.

Part-time	Postgraduate	5%	7%	88%	22,330
	Undergraduate	2%	3%	95%	35,805
	Total	**3%**	**5%**	**92%**	**58,140**
All	**Total**	**9%**	**13%**	**78%**	**241,935**

EU students at higher education institutions

International students as a whole make up a higher proportion of the student body in Scottish HEIs (22%) than they do for the UK as a whole (19%). However, a larger proportion of international students in Scotland are from within the EU than is the case for the rest of the UK. This may be a consequence of the different arrangements for tuition fees for EU students in Scotland compared to elsewhere in the UK, as discussed in chapter two of this paper.

Of those students studying at Scottish HEIs from within the EU, the countries with the highest proportion of students were Germany (5% of the total number of both EU and non-EU international students), Ireland (4%), France (4%), Italy (3%), Greece (3%) and Bulgaria (3%).

Non-UK EU student enrolments in Scottish HEIs – top ten sending countries 2016-17[178]

Country of origin	Number of students	% of non-UK student total
Germany	2,805	5%
Ireland	1,880	4%
France	1,850	4%
Italy	1,830	3%
Greece	1,540	3%
Bulgaria	1,335	3%
Spain	1,250	2%
Poland	960	2%
Finland	825	2%
Sweden	820	2%

UCAS data shows that the number of non-UK EU-domiciled students applying to Scottish HEIs in the 2017 cycle decreased by 3.7% compared to the previous year, decreasing by 730 applicants to 19,090. This compares to the number of non-UK EU-domiciled students applying to English HEIs decreasing by 5.1% compared to the previous year, decreasing by 2,250 applicants to 42,080.

[178] https://www.hesa.ac.uk/news/11-01-2018/sfr247-higher-education-student-statistics/location.

The number of non-UK EU-domiciled applicants who were accepted by Scottish HEIs in 2017 decreased by 10% (470 students) from 4,650 to 4,175, although this follows an increase to a record high the previous year. The number of non-UK EU-domiciled applicants accepted by English HEIs decreased by 1 per cent (270 students) from 24,840 to 24,565.

The decline in applications and acceptances from EU students to study in Scotland broadly coincides with the timing of the EU referendum and the beginning of the UK Government process to withdraw from the European Union.

Non-EU students at higher education institutions

Of those students from outwith the EU, the countries with the highest proportion of students were China (16%), the United States (9%), India (3%) and Malaysia (3%).

Non-EU student enrolments in Scottish HEIs – top ten sending countries, 2016/17[179]

Country of origin	Number of students	% of non-UK student total
China (exc. Hong Kong)	8,475	16%
United States	4,480	9%
India	1,425	3%
Malaysia	1,415	3%
Nigeria	1,265	2%
Canada	1,055	2%
Hong Kong	940	2%
Saudi Arabia	760	1%
Norway	700	1%
Singapore	670	1%

International students at Scotland's colleges

The number of students at Scotland's colleges whose home area prior to study was overseas (both EU and non-EU) has been consistently fairly small, representing around 1% of all students. While there may be a sizeable number of students from other countries already living in Scotland who attend a college, we cannot be certain

[179] https://www.hesa.ac.uk/news/11-01-2018/sfr247-higher-education-student-statistics/location

that the opportunity to study is the primary reason for them to choose to live in Scotland.

Enrolments at Scotland's colleges, by student's home area prior to study, 2011-12 to 2015-16[180]

Domicile	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
UK	317,975	295,025	297,390	294,414	278,575	289,959
EU	760	682	565	469	487	510
Non-EU	1,911	1,879	1,873	2,128	1,987	1,339
Total non-UK	2,671	2,561	2,438	2,597	2,474	1,849
Total	320,646	297,586	299,828	297,011	281,054	291,843
% Non-UK	1%	1%	1%	1%	1%	1%

While the number of international students at Scotland's colleges is low, The data shows that international students make up a larger share of the student body in Scottish HEIs than they do for the UK as a whole, and that students from other EU countries account for a larger proportion of all international students than for the UK overall. This suggests that the economic contribution of international students at HEIs, particularly EU students, will be greater and the impact of the policies that affect them will be felt more acutely in Scotland than elsewhere in the UK.

180 Scottish Funding Council Infact database, https://stats.sfc.ac.uk/infact/

CHAPTER TWO – DIRECT ECONOMIC IMPACT OF INTERNATIONAL STUDENTS

As shown earlier, the number of international students at Scotland's colleges is relatively small, at 1,849 in 2016-17, representing 1% of the total number of students at college. By contrast there are over 28 times as many international students at Scottish HEIs. For this reason, and because of a relative lack of data on the economic and broader impact of international students at college, this chapter focusses on the economic impact of international students at HEIs.

Scotland is highly successful in attracting international students to study at Scottish HEIs. However, it is important to consider differences in tuition fee levels when comparing across the nations of the UK.

Since 2008 the Scottish Government has paid the tuition fees of full-time, first-time Scots-domiciled students and a limited number of postgraduate students. EU law requires that citizens resident in other EU Member States are eligible for the same fees support as home students. However, this does not apply within Member States. Therefore, while eligible EU students at Scottish HEIs generally have their fees paid by the Scottish Government, since 2012-13 undergraduate students from England, Wales and Northern Ireland have paid tuition fees to study in Scotland. Similarly, undergraduate students from Scotland pay fees to study in other parts of the UK.

The level of fees for UK students is set by the HEIs on a course by course basis up to a limit of £9,000 a year. HEIs are obliged to declare fees in Scotland for UK students in advance. According to Scottish Government analysis, in 2014-15 the average fee paid by UK students at Scottish HEIs was £7,681[181].

There is no limit on the number of non-EU international students that Scottish HEIs can recruit. The level of fees charged by HEIs for non-EU international students is for each individual institution to determine. In 2015-16 these ranged from £8,880 to £47,200 per year, depending on the institution and specific course.[182]

At postgraduate level, students are charged fees regardless of their domicile. However there are separate fee scales for students whose status is "home" (UK or EU) and those whose status is "overseas".

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[181] The average fee is based on 2014/15 tuition fee levels, and is based on the standard four-year degree in Scotland.

[182] Audit of higher education in Scottish universities, Audit Scotland, July 2016, www.audit-scotland.gov.uk/report/audit-of-higher-education-in-scottish-universities

In Scotland, of the total tuition fee income raised by Scottish HEIs in 2015-16, home and EU domiciled students[183] accounted for 48% of income (£446m) while non-EU domiciled students accounted for 52% (£488m). Whilst it is not appropriate to compare total international tuition fee income in Scottish HEIs with the other nations of the UK due to the differences in fees charged to EU students at undergraduate level, it is possible to compare fee income from non-EU domiciled students.

Average fee income from non-EU domiciled students in UK HEIs, 2015-16[184]

	Number of non-EU domiciled students	Fee income from non-EU domiciled students (£)	Mean fee income per non-EU domiciled student (£)
England	261,275	3,790,096,000	14,506
Wales	16,730	150,520,000	8,997
Scotland	29,980	488,360,000	16,290
Northern Ireland	2,585	25,270,000	9,776
UK	310,570	4,454,246,000	14,342

When considering total fee income received from non-EU domiciled students and the number of non-EU domiciled students enrolled in 2015-16, Scottish HEIs receive an average fee income per student of £16,290, higher than the UK average of £14,342.[185]

Increasing significance of international students

Enrolments at Scottish HEIs split by domicile, 2005-06 to 2016-17

	2005-06		2016-17		Change 2005-06 to 2016-17	
Domicile	**Enrolments**	**% of total**	**Enrolments**	**% of total**	**Enrolments**	**%**
UK	193,050	87%	189,630	78%	-3,415	-2%
International	29,035	13%	52,290	22%	23,255	80%

183 At undergraduate level, tuition fee income from 'home and EU domiciled students' will comprise only rest of UK students as Scottish and EU students are not charged fees. However, at postgraduate level, it will comprise students from Scotland, the rest of the UK and EU students.

184 *HESA student and qualifier statistics 2015/16, HESA HE Finance Plus 2015/16*

185 These comparisons do not take account of the different compositions of courses which non-EU students may attend across the countries of the UK. For example, if a higher proportion of students enrol in medical courses in Scotland, which generally charge higher fees, we would expect to see a higher overall average fee in Scotland compared to the rest of the UK. The data is not clear whether the higher average fees in Scotland reflect a perception among non-EU students that there is a premium to be gained from studying at Scottish HEIs relative to other UK HEIs, or whether it is down to differing compositions of course enrolments.

Total	222,085	100%	241,935	100%	19,850	9%

Between 2005-06 and 2016-17, the total number of students enrolled in Scottish HEIs increased significantly, up 9%. Over this period, whilst the number of UK domiciled students has remained relatively constant, the number of international (both other EU and non-EU) students at Scottish HEIs has increased by 80%.

This increase in international students (particularly non-EU international students) is reflected in the changing financial position of Scottish HEIs. Between 2005-06 and 2015-16 overall income in the university sector grew by 38% in real terms. The largest percentage increase in income in that time was in non-EU tuition fees, which increased from £140 million to £438 million in cash terms, a real-terms increase of 154%. By comparison, income from research grants and contracts increased from £381 million to £748 million in cash terms, and increase of 60% in real terms.[186]

Support for fees and living costs

In addition to tuition fees, the Scottish Government is responsible for policy and funding for living cost loans and bursaries for eligible EU students at Scottish HEIs. The Students Awards Agency Scotland (SAAS) is responsible for delivering financial support to students. Unlike Scottish domiciled students, EU students are generally not entitled to living cost loans.

In Scotland, tuition fees are generally paid only for full-time students undertaking their first undergraduate degree or some specified postgraduate courses. The majority of students undertaking postgraduate courses also pay their own fees.

In 2016-17, SAAS provided tuition fee support to 14,785 EU students at an average of £1,900 per student. 91% of these students were undergraduate students.

Using 2014-15 baseline data, the cost of maintaining free tuition for EU students in all four years of their undergraduate degree course at a Scottish university is around £97 million per year. This includes funding from the Student Awards Agency Scotland for tuition fees as well as teaching grants from the Scottish Funding Council.

Employment in educational institutions

As described earlier, international students make up a significant proportion of the student body at Scottish HEIs. The income generated from non-EU international students is significant and has been increasing.

[186] Audit of higher education in Scottish universities, Audit Scotland, July 2016, www.audit-scotland.gov.uk/report/audit-of-higher-education-in-scottish-universities

The distribution of international students between Scottish HEIs varies considerably. For example, while on average international students make up 22% of all students at Scottish HEIs, they account for 47% of all students at the University of St Andrews compared to 3% at the University of the Highlands and Islands.[187] There is also considerable variation between courses. Subject areas such as engineering and technology, computer science and business and administration tend to attract a much higher proportion of international students than subjects such as law, humanities and creative arts and design.[188]

Universities Scotland have estimated that Scottish HEIs employ 38,450 directly and another 142,000 jobs are supported indirectly, accounting for almost 6% of all jobs in the Scottish economy.[189] Given the large share of the student body that they represent, it is reasonable to assume that international students support a significant proportion of those employed in higher education institutions across Scotland as a whole, and that this is more acute in those institutions and in those subject areas with a higher proportion of international students than those with less. There is a direct impact through the need to employ teaching staff, particularly for those subjects with a high proportion of international students, as well as administrative and management roles relating to the recruitment and support of international students and the provision of services such as student accommodation. There is also an indirect impact as any surplus generated by fees from international students and other on-campus expenditure may also support employment in broader teaching, research, management, administrative and other roles in HEIs.

Impact on the wider economy

In addition to fee income, international students contribute to Scotland through other expenditure incurred during their studies, including accommodation and other day-to-day expenses. A number of recent studies have estimated the total value of expenditure by international students to the economy.

In a 2011 study, London Economics used data from the former Department for Innovation, Universities and Skills' (DIUS) Student Income and Expenditure Survey (SIES)[190] to estimate total non-fees spending by full-time international students in the

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187 https://www.hesa.ac.uk/data-and-analysis/students.

188 For more detail, see the table in the attached annex showing enrolments at HEIs by provider, domicile and subject.

189 Universities Scotland (2017) *Ten things to know about Scottish Higher Education*: http://www.universities-scotland.ac.uk/scotlands-universities/

190 It should be noted that the SIES survey covers only English and Welsh domiciled students. However London Economics believe the level and pattern of expenditure of international students in Scotland is unlikely to be significantly different to that of English/Welsh students. Therefore, they

UK, including living expenses, housing, transport, course-related materials and other costs. For Scotland this was estimated to be approximately £441m in 2008-09 (equivalent to £509 million in 2017-18 prices)[191], which represented 10% of the total UK figure. [192] This is higher than Scotland's share of the UK population at around 8.5%,.

Using a different methodology, a report by Oxford Economics in 2017 on the economic impact of UK universities estimated that £5.4 billion of international students' subsistence expenditure funded from abroad was spent off campus across the whole of the UK in 2014–15, generating an estimated £11.3 billion of gross output. This included £42,000 in gross output generated for every EU student and £66,000 for every non-EU international student[193] (equal to £44,000 and £69,000 respectively in 2017-18 prices[194]). These figures do not include tuition fees or some other forms of on-campus spending including university accommodation.

Most recently, a study by London Economics for the Higher Education Policy Institute and Kaplan International Pathways published in January 2018 used a different approach to calculate that in 2015-16 the net economic benefit to the UK of each EU student was £68,000, and £95,000 for each non-EU student, including tuition fees, living costs and other expenditure. The authors noted that these figures may over-estimate the costs of international students in terms of teaching grants, student support and the provision of public services to their dependents, while under-estimating the benefits. The report estimated that the total net economic contribution of international students to the UK in 2015-16 was £20.3 billion. This includes £1.94 billion in Scotland, supporting the 2011 study's suggestion that around 10% of the economic benefit of international students to the UK is in Scotland.[195]

Despite the variations in methodology, the consistent message of these analyses is that the net benefit of each international student to the Scottish economy is in the tens of thousands of pounds; that both EU and non-EU

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assume that the average non-tuition fee expenditure of an international student is the same as English domiciled students

[191] Calculated using autumn budget 2017 deflators.

[192] Estimating the Value to the UK of Education Exports, Department for Business, Innovation and Skills, June 2011, https://www.gov.uk/government/publications/education-exports-estimating-their-value-to-the-uk

[193] The Economic Impact of UK Universities 2014-15, Oxford Economics, October 2017, http://www.universitiesuk.ac.uk/economic-impact

[194] Calculated using autumn budget 2017 deflators, rounded to the nearest thousand.

[195] The costs and benefits of international students by parliamentary constituency, London Economics, January 2018, http://www.hepi.ac.uk/2018/01/11/costs-benefits-international-students-including-parliamentary-constituency/

students have a positive economic impact despite the different fees and student support arrangements (although the economic contribution of non-EU students is greater); and that the economic benefit of international students to Scotland is higher per capita than it is for the UK as a whole.

CHAPTER THREE - EDUCATIONAL, SOCIAL AND CULTURAL IMPACT OF INTERNATIONAL STUDENTS

The impact of international students on the educational opportunities for students in Scotland is hard to quantify. However, there is broad consensus among stakeholders in Scotland that exposure to a multicultural and multinational environment in educational institutions brings benefits for students. These include an enriched learning experience and international outlook among home students and graduates. These make an important contribution to ensuring the connectivity of Scotland's economy and society to the global exchange of people, ideas and trade.

For these reasons, employers value students' exposure to an international environment. The British Council reported that 79 per cent of business leaders in the UK said that knowledge and awareness of the wider world was important to them when recruiting undergraduates and 85 per cent said they valued employees that could work with customers, clients and companies from a range of cultures and countries.[196]

A survey conducted for the Higher Education Policy Institute in 2015 suggests that students are also aware of the importance of a global outlook for their careers. It showed that 86% of undergraduate students in UK higher education institutions reported that they study alongside international students. For Scotland, the figure was 95%. Three quarters of the respondents to the survey agreed that studying alongside people from other countries "is useful preparation for working in a global environment."[197]

Scotland's HEIs have taken steps to ensure that they support internationalisation; the evidence suggests with some success. When asked in a survey by the British Council if they thought they had an international outlook, 73 per cent of undergraduate students in Scotland thought they did to some or a large extent compared to 63 per cent of students at university in England.[198]

It is worth noting that the social and cultural contribution of international students goes beyond the institutions at which they study. Migration in general, including the presence of international students in our communities, enriches our culture and

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[196] Global Skills Gap: Preparing young people for the new global economy, Think Global, 2011, https://think-global.org.uk/resource/the-global-skills-gap-preparing-young-people-for-the-new-global-economy/

[197] What do home students think of studying with international students? YouthSight survey conducted for the Higher Education Policy Institute and the Higher Education Academy, July 2015, http://www.hepi.ac.uk/2015/06/25/home-students-think-studying-international-students/

[198] Richer for it, Universities Scotland, September 2013, https://www.universities-scotland.ac.uk/publications/richer-for-it/

strengthens our society. There is also some evidence to suggest that migrants increase qualities of tolerance, inclusiveness and openness to intercultural learning amongst Scottish citizens.[199]

Sustainability of educational opportunities

As noted in chapter two, the proportion of international students among institutions and courses varies considerably. Subjects such as engineering and technology, computer science and business administration generally have a high proportion of international students, particularly so at postgraduate level. International students can account for as much as 60-70% or more of those enrolled in some subjects at some institutions. In such cases institutions might not consider it viable to run certain courses without the participation of international students. Domestic students therefore benefit from access to a range of courses that might not otherwise be available.

Percentage of international enrolments at Scottish HEIs split by subject and level of study, 2016-17[200]

	% of international enrolments			All enrolments		
Subject area	Undergraduate	Postgraduate	All levels	Undergraduate	Postgraduate	All levels
(1) Medicine & dentistry	17%	29%	20%	5,720	1,920	7,640
(2) Subjects allied to medicine	8%	19%	11%	22,025	8,140	30,165
(3) Biological sciences	16%	40%	20%	19,410	3,525	22,935
(4) Veterinary science	47%	36%	46%	1,385	160	1,545
(5) Agriculture & related subjects	6%	37%	17%	1,355	770	2,125
(6) Physical sciences	16%	45%	22%	9,085	2,685	11,770
(7) Mathematical sciences	22%	64%	29%	3,685	645	4,330
(8) Computer science	20%	53%	27%	9,205	2,400	11,600
(9) Engineering & technology	18%	54%	26%	15,790	4,830	20,620
(A) Architecture, building & planning	21%	46%	29%	3,965	1,855	5,820
(B) Social studies	21%	44%	25%	16,435	3,905	20,335
(C) Law	11%	43%	20%	5,905	2,520	8,425
(D) Business & administrative studies	20%	64%	34%	22,355	10,105	32,460
(E) Mass communications & documentation	18%	36%	24%	2,365	1,125	3,495
(F) Languages	23%	55%	27%	10,155	1,615	11,770
(G) Historical & philosophical studies	14%	45%	20%	9,215	2,075	11,285
(H) Creative arts & design	14%	48%	19%	10,380	1,835	12,215
(I) Education	2%	12%	8%	6,615	8,625	15,240
(J) Combined	3%	17%	3%	8,075	95	8,165
Total	**16%**	**40%**	**22%**	**183,105**	**58,825**	**241,935**

Some international students may also be recruited to the teaching, research and administrative staff of universities after completing their course. 19% of staff at Scottish institutions were from the EU and 14% from outside the EU, though there is no data available to indicate what proportion of them initially came to Scotland as undergraduate students.

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199 Evidencing the social and cultural benefits and costs of migration in Scotland, Professor Rebecca Kay (CRCEES & GRAMMNet) and Andrew Morrison (CSMP), 2013

200 HESA Student Data (SG Analysis). Numbers rounded to nearest 5. Totals and percentages based on unrounded numbers.

The available evidence strongly suggests that international students in Scotland make a valuable contribution to achieving the Scottish Government's ambition, set out in the International Framework, that our people are better able to engage in a global world; engaged in international exchange and learning opportunities; and are aware of the international environment and Scotland's place in the world.[201] International students also play an important role in sustaining the provision of higher education, particularly at a postgraduate level in science and engineering-related subjects.

[201] International Framework, Scottish Government, December 2017, https://beta.gov.scot/publications/scotlands-international-framework-9781788514033/

CHAPTER FOUR – IMPACT ON PUBLIC SERVICES AND WIDER ECONOMY

International student demand on public services

A Migration Observatory Briefing of October 2017 reported that international students make less use of healthcare and social services compared to the average UK resident.[202] This is to be expected, as access to some forms of social services is limited for non-EU international students, and students are more likely to be on average younger than the general population and less dependent on health and social care services. Student households also tend to have fewer dependents than those in the wider community.

The report published by London Economics on behalf of the Higher Education Policy Institute and Kaplan International Pathways in January 2018 estimated the public costs of hosting international students in 2015-16 to be £19,000 for each EU-domiciled student and £7,000 for each non-EU domiciled student. This estimate included teaching grants and tuition fee support, healthcare, housing, education for dependent children and a range of other public services and is considerably less than the estimated economic contribution of £87,000 for each EU domiciled student and £102,000 for each non-EU international student.[203]

Impact on tourism and visitor numbers

Oxford Economics estimated that in 2014-15 visitors to international students at HEIs in the UK spent £520 million, with particular benefits for the transport, hospitality, cultural and recreational sectors with secondary benefits to the wider economy. As Scotland accounted for 11% of international students in the UK in 2014-15, that would suggest that visitors to international students in Scotland generated in the region of £57 million in that year.

Analysis published by London Economics in January 2018 estimated that each EU first-year student attracted 3 visits from family and friends at an average spend of £296 per trip, and 0.9 visits by non-EU international students at an average of £822 per trip. Based numbers at Scottish HEIs in 2015-16, that would represent approximately £41 million of spending from visitors to international students in Scotland.

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[202] Migration Observatory Briefing, October 2017, http://www.migrationobservatory.ox.ac.uk/resources/briefings/

[203] The costs and benefits of international students by parliamentary constituency, London Economics, January 2018, http://www.hepi.ac.uk/2018/01/11/costs-benefits-international-students-including-parliamentary-constituency/

These analyses are based on different methodologies but both suggest that the presence of international students at Scottish educational institutions generates a significant economic benefit for the tourism, hospitality and associated sectors.

Extending influence abroad

International students support the long-term development of Scotland's reputation and influence abroad. Work by the British Council has shown that attending an educational institution is one of the most important cultural activities for developing trust among people from other countries. Students who have studied in the UK are more likely to have a higher level of trust of British people.[204] A survey by the Department for Business, Innovation and Skills found that 90% of international graduates had an improved perception of the UK as a result of being educated at a UK institution.[205]

The Scottish Government's International Policy Statement recognises the value of the diaspora who raise the profile of Scotland and help to promote social, cultural, academic and economic links with other countries. International alumni of Scottish further and higher education institutions who have returned home or moved on to other countries are a valuable part of this diaspora both in terms of their numbers and the fact that they are, almost by definition, highly educated and experienced in living and working in a global context.

Engagement with alumni of Scottish HEIs is an important part of the Scottish Government's internationalisation objectives. The Scottish Government's Trade & Investment Strategy commits to "strengthen engagement with the international university alumni community including the new diaspora of international students who return home as ambassadors for Scotland." [206]

Scotland's Saltire Scholarship programme, established in 2009, has sought to attract and engage international students in order to develop an alumni network to support connections between Scotland and priority countries in areas including trade, investment, education and culture. The GlobalScots network, managed by Scottish Enterprise, actively seeks out and works with business leaders and other influential figures with a connection to Scotland, including many who are alumni of Scottish

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[204] Trust Pays: How international cultural relationships build trust in the UK and underpin the success of the UK economy, British Council, 2012, https://www.britishcouncil.org/organisation/policy-insight-research/research/trust-pays

[205] The Wider Benefits of International Higher Education to the UK, Department for Business, Innovation and Skills, 2013, https://www.gov.uk/government/publications/international-higher-education-in-the-uk-wider-benefits

[206] Global Scotland – Scotland's Trade & Investment Strategy, Scottish Government, March 2016, http://www.gov.scot/Publications/2016/03/7779

institutions. Members of the network have been instrumental in securing a number of trade and investment successes for the Scottish economy.

The costs incurred in providing public services to international students in Scotland are generally less than those for the wider population, and are significantly outweighed by the benefits that they bring. These benefits include raising the visibility and reputation of Scotland internationally by attracting additional visitors (which also brings direct economic benefits), building trust among those who spend time studying in Scotland, and building a network of well-educated and influential alumni who can support economic, social and cultural links with other countries.

CHAPTER FIVE – IMPACT ON THE LABOUR MARKET

Demographic context

As we set out in our recent publication 'Scotland's population needs and migration policy: Discussion paper on evidence, policy and powers for the Scottish Parliament', the dominant feature of Scotland's history over the last seventy years or so has been out-migration. This is in contrast to the rest of the UK. Throughout the 1950s and 1960s, when England and Wales saw strong in-migration, almost 6% of the population left Scotland in each decade. Scotland also saw population decline throughout the 1970s, 1980s and 1990s whereas the UK as a whole saw almost constant growth in population over this period.

There are projected to be more deaths than births in Scotland in every year going forward. Each year for the next 25 years all of Scotland's population growth is projected to come from migration. UK Government policy and the impact of Brexit mean that international migration to Scotland is projected to decline, further inhibiting Scotland's growth.

The age profile of the population will also change, with the proportion of the population of state pension age increasing by 25% in the coming years as the Baby Boomer generation reaches retirement. People aged 75 and over are projected to be the fastest growing age group in Scotland, increasing by 79% over the next 25 years.

The prospect of people in Scotland living longer, healthier lives is welcome, and increasingly many people of state pension age continue to work and contribute to the economy in that way. It is also the case that people in the oldest age categories become more likely to need access to health and social care services to support them in their old age. Those essential public services will require a buoyant working age population. [207]

Immigration policy

UK Government policy and rhetoric on international students, including their continued inclusion in the Government's target to reduce net inward migration to the tens of thousands, has been noted in several key markets. [208] The impact on Scotland

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[207] Further analysis of Scotland's demographic challenge and the Scottish Government's position can be found in Scotland's Population Needs and Migration Policy: A Discussion Paper on the Evidence, Policy and Powers for the Scottish Parliament, February 2018. http://www.gov.scot/Publications/2018/02/5490

[208] See for example the description in the Hindustan Times in September 2017 of the UK Government as "the most student hostile government in the world". https://www.hindustantimes.com/columns/planning-to-study-in-the-uk-think-twice/story-jNrz5F3oClTaWNtXvuzUMI.html

is apparent in the reduction in the number of international students from certain countries. For example the number of Indian entrants fell by 58% between 2010-11 and 2016-17 from 1,985 to 835, and the number of Nigerian students has reduced by 61% in the same timeframe, from 1,395 to 550. The decline highlights the vulnerability of Scottish institutions' ability to attract international students to changes that make or are perceived to make the UK's immigration system more restrictive. Scottish HEIs will have suffered a material loss as a result of the decline in students from such key markets.

Overall, Scottish HEIs have seen a modest increase in both non-EU and EU entrants in recent years, rising by 2% in 2014-15, 1% in 2015-16 and 5% in 2016-17.[209] While this is welcome, it contrasts sharply with other countries that are in competition for international students. During the period 2013-14 to 2014-15, the number of international students in higher education in Canada increased by 8% and in Australia by 9%. During the period 2014-15 to 2015-16, the number of international students in higher education in the United States increased by 7%. There is therefore of real concern that Scottish institutions are inhibited in their ability to compete in the global marketplace for international students by a UK immigration regime that is less attractive than that of its competitors, from the cost of applying for visas to arrangements for post-study work.

The UK Government has not yet published its proposals for immigration rules for EU citizens after Brexit. However, should the UK Government adopt more restrictive approach than the current freedom of movement of people, it is reasonable to assume that there will be a decline in number of students from the EU, with the subsequent loss of the economic, educational, cultural and social benefits described elsewhere in this paper.

International students in the workforce

Until recently the UK Government estimated that the number of international students in the UK overstaying their visas each year was as high as 100,000. However, figures published by the Office for National Statistics in August 2017 showed that in fact fewer than 5,000 international students overstay their visas.[210] The perceived risks that have driven the current UK Government's policy on student migration and post-study work have therefore been found to be baseless.

[209] https://www.hesa.ac.uk/data-and-analysis/students. Numbers rounded to nearest 5.

[210] International student migration research update, Office for National Statistics, August 2017 https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/internationalmigration/articles/internationalstudentmigrationresearchupdate/august2017

Evidence shows that international students are a potentially valuable asset to Scotland's workforce, helping to address the demographic challenges described above. Data from 2012 showed that a higher proportion of graduates from Scotland's universities go into positive destinations of employment of further study within six months than anywhere else in the UK and graduates from Scotland's universities have the highest starting salaries in the UK.[211] In 2015-16, of the EU domiciled graduates with confirmed destinations, 87% went on to positive destinations (work, further study or combination of both).[212]

Destination of EU (excluding UK) qualifiers 6 months after graduating from Scottish HEIs[213]

Activity	2011-12	2012-13	2013-14	2014-15	2015-16
UK work	29%	30%	34%	33%	33%
Overseas work	26%	27%	26%	26%	25%
Combination of work and further study	5%	6%	6%	7%	6%
Further study	29%	26%	23%	23%	26%
Positive destination	**89%**	**89%**	**89%**	**89%**	**90%**
Unemployed	7%	7%	7%	8%	7%
Other	4%	3%	4%	4%	3%
Negative destination	11%	11%	11%	11%	10%
Total	100%	100%	100%	100%	100%

Scottish Government analysis found that the average EU citizen in Scotland adds £10,400 to government revenue and £34,400 to GDP. There is some evidence that migration generally boosts long term GDP per capita, thereby increasing living standards, through diversity of skills and higher innovation activity.[214]

In order to sustain an ageing population, Scotland needs to expand its working age population. All of Scotland's population growth over the next 25 years is expected to come from migration. International students are a valuable source of talented migrants. However, UK Government policy, driven by assumptions about the risk of students breaching their visa conditions that have now been shown to be incorrect and based on the demography of the UK as a whole

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211 Grow, Export, Attract, Support: Universities' contribution to Scotland's Economic Growth, Universities Scotland, September 2013.

212 Comparable data for non-EU qualifiers is not available.

213 HESA, Destination of Leavers from Higher Education 2015-16. Omits non-responses. Percentages based on unrounded numbers.

214 Scotland's Population Needs and Migration Policy: A Discussion Paper on the Evidence, Policy and Powers for the Scottish Parliament, February 2018. http://www.gov.scot/Publications/2018/02/5490

rather than differentiated by the needs of its constituent nations, does not allow Scotland to make the best use of this pool of talent. There is broad agreement among stakeholders in Scotland on the need for the re-introduction of a post-study work route to be more inclusive in retaining international students in the workforce after graduation and precedent for a differentiated immigration system that caters for Scotland's particular demographic and economic needs.

CONCLUSION

The profile of international students at Scottish institutions is different to that of the UK as a whole, with different consequences for the immediate economic, social and cultural impact that they have on their institutions and local communities during their period of study. The potential that they offer to Scotland in terms of longer term migration and economic and social value is also more significant when seen in the light of Scotland's particular demographic and economic challenges.

UK Government's current approach to immigration presents challenges for Scottish educational institutions in attracting international students. The removal of the post-study work route has set Scotland and the UK back relative to the visa offer being made by competitor countries, reflected in the lower rate of growth in international student numbers in Scotland compared to the likes of Australia or Canada.

The UK Government has made clear its intention to withdraw from the European Single Market and the customs union and to end freedom of movement of persons between the UK and the European Union. This is likely to have a significant effect on the number of students from EU countries studying in Scotland in the future. The lack of clarity from the UK Government about its preferred immigration arrangements for EU citizens after Brexit inhibits the ability of educational institutions to plan effectively for the future and creates uncertainty among those EU citizens considering their options about where to study.

While immigration is reserved to the UK Government, the Scottish Government believes that continuing free movement of persons is in the best interests of Scotland and the UK as a whole. We do not believe that a restrictive model which limits free movement is in Scotland's, or the UK's, interests. Furthermore, for migration from outside the EU it is clear that a one-size fits all approach does not meet Scotland's needs. There is a clear case for a differentiated migration system that recognises the different needs across the UK.

There is precedent for a differentiated approach to immigration within the UK: The Fresh Talent initiative, introduced in 2005 by the previous coalition government in Scotland in partnership with the UK Government, allowed international students at Scottish higher education institutions to work in Scotland for two years after graduation.[215] The post-study work route was subsequently closed by the UK Government in 2012.

[215] In 2008 Fresh Talent was mainstreamed into the newly-implemented UK points-based immigration system.

There is consensus in Scotland, amongst business, education and across political parties represented in the Scottish Parliament of the importance of the return of a post-study work route. This will make Scotland's offer to international students more attractive relative to competing countries, to allow talented students to remain and contribute to the Scottish economy. The Scottish Government encourages the UK Government to accept the recommendation of the Smith Report to *"explore the possibility of introducing formal schemes to allow international higher education students graduating from Scottish further and higher education institutions to remain in Scotland and contribute to economic activity for a defined period of time."*[216]

The UK Government launched a "low risk Tier 4 pilot" in July 2016, simplifying the visa application process for international students studying a Masters' course of 13 months or less at four UK universities (Oxford, Cambridge, Bath and Imperial College London). In December 2017 the UK Government announced that the pilot had been expanded to include a further 23 HEIs from across the UK, including the University of Edinburgh and the University of Glasgow.

While we are pleased that the UK Government has recognised the need to introduce more flexible arrangements for international students to find work after their studies, the Tier 4 pilot falls far short of a full post-study work route visa. We are disappointed at the lack of consultation from the UK Government with either the Scottish Government or Scottish HEIs; that it took over a year for the pilot to be extended; and that it has been extended to such a limited extent. We are concerned at the emphasis on visa refusal rates as the basis for including institutions in the pilot, as this discriminates against smaller and more specialist institutions whose refusal rates are more likely to vary due to the relatively low number of applicants.[217]

In their report on their inquiry into Demography of Scotland and the implications for Devolution, the House of Commons Scottish Affairs Committee stated that "The [UK] Government response makes clear that the UK Government believes that the current system is excellent, and already meets the needs of Scottish universities and the Scottish economy more widely. This position contrasts with the evidence we received during our inquiry into post-study work schemes, and also stands in stark opposition to the views expressed by all of Scotland's main political parties."[218]

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216 http://webarchive.nationalarchives.gov.uk/20151202171017/http://www.smith-commission.scot/

217 https://www.universities-scotland.ac.uk/response-home-office-tier-4-visa-pilot/

218 Demography of Scotland and the Implications for Devolution, House of Commons Scottish Affairs Committee, Second Report of Session 2016-17, November 2016, https://www.parliament.uk/business/committees/committees-a-z/commons-select/scottish-affairs-committee/inquiries/parliament-2015/demography-devolution-scotland-15-16/

The Scottish Government encourages the Migration Advisory Committee to recognise the heightened beneficial impact of international students to Scotland relative to the rest of the UK; and to recommend that the UK Government acknowledges the broad consensus across academia, industry and political parties for the need for a migration system that is more conducive to attracting and retaining international students in Scotland.

ANNEX

Enrolments at Scotland's colleges 2016-17 split by college and home area prior to study

College name	Scotland	Other UK	EU	Non-EU	Total Non-UK
Ayrshire College	14,568	42	8	19	27
Borders College	5,019	30	0	0	0
City of Glasgow College	27,083	618	178	1,108	1,286
Dumfries and Galloway College	6,503	76	5	0	5
Dundee and Angus College	18,867	10	5	0	5
Edinburgh College	21,018	57	63	11	74
Fife College	30,929	104	5	10	15
Forth Valley College	14,604	33	18	10	28
Glasgow Clyde College	19,968	6	7	0	7
Glasgow Kelvin College	18,039	0	0	0	0
Inverness College	4,274	5	13	0	13
Lews Castle College	1,659	5	0	0	0
Moray College	3,278	0	0	0	0
New College Lanarkshire	18,968	103	12	5	17
Newbattle Abbey College	143	0	0	0	0
North East Scotland College	19,531	117	83	38	121
North Highland College	7,375	5	0	0	0
Orkney College	3,364	7	5	19	24
Perth College	6,322	5	0	0	0
SRUC Land based	6,272	16	0	0	0
Sabhal Mor Ostaig	804	129	67	132	199
Shetland College	3,919	0	0	0	0
South Lanarkshire College	4,387	5	0	0	0
West College Scotland	24,994	22	46	8	54
West Lothian College	7,116	5	0	5	5
Total	**289,004**	**1,400**	**515**	**1,365**	**1,880**

Source: Scottish Funding Council Infact database
Unknown values excluded from table.

Students at Scottish HEIs 2016-17 split by HE provider, level of study and domicile

	Postgraduate				Undergraduate			
HE provider	**Other EU**	**Non-EU**	**UK**	**All**	**Other EU**	**Non-EU**	**UK**	**All**
The University of Aberdeen	9%	27%	64%	3,940	23%	6%	71%	10,210
University of Abertay Dundee	19%	14%	67%	390	11%	1%	88%	3,455
The University of Dundee	5%	18%	77%	4,800	6%	4%	89%	10,590
Edinburgh Napier University	21%	16%	63%	2,385	10%	5%	85%	10,525
The University of Edinburgh	16%	39%	46%	10,270	9%	18%	73%	21,640
Glasgow Caledonian University	6%	30%	64%	2,905	4%	3%	93%	13,510
Glasgow School of Art	16%	37%	46%	610	14%	13%	73%	1,590
The University of Glasgow	10%	41%	49%	8,190	12%	8%	80%	20,425
Heriot-Watt University	18%	35%	47%	3,085	6%	14%	80%	7,415
The Open University	0%	0%	100%	470	0%	0%	100%	14,990
Queen Margaret University, Edinburgh	14%	14%	73%	1,750	16%	3%	82%	3,460
The Robert Gordon University	6%	21%	73%	3,465	10%	4%	86%	9,065
Royal Conservatoire of Scotland	14%	25%	61%	315	11%	12%	77%	845
The University of St Andrews	23%	40%	37%	2,080	9%	32%	59%	8,250
SRUC	26%	0%	74%	100	3%	1%	96%	1,520
The University of Stirling	9%	32%	59%	3,480	8%	4%	88%	8,585
The University of Strathclyde	9%	23%	67%	7,365	6%	5%	89%	15,595
University of the Highlands and Islands	4%	6%	90%	665	2%	1%	97%	8,055
The University of the West of Scotland	3%	23%	74%	2,560	4%	3%	93%	13,395
Total	11%	29%	60%	58,825	8%	8%	84%	183,105

Source: HESA Data, SG Analysis
Totals include Open University students; however there are 0 international students at this HEI in Scotland.

Enrolments at HEIs split by country of HE provider, domicile, and level of study 2016-17

Scotland HEIs	**EU**	**Non-EU**	**UK**	**Total**
Postgraduate	11%	29%	60%	58,825
Undergraduate	8%	8%	84%	183,105
Total	9%	13%	78%	241,935
Rest of UK HEIs	**EU**	**Non-EU**	**UK**	**Total**
Postgraduate	8%	27%	65%	492,770
Undergraduate	5%	9%	86%	1,583,175
Total	5%	13%	81%	2,075,945
UK Total HEIs	**Other EU**	**Non-EU**	**UK**	**Total**
Postgraduate	8%	27%	64%	551,595
Undergraduate	5%	9%	86%	1,766,285
Total	6%	13%	81%	2,317,880

Source: HESA Data, SG Analysis
Numbers rounded to nearest 5. Totals and percentages based on unrounded numbers.

UCAS Applicant Statistics – as at 30 June Deadline

Domicile of applicant	Country of Provider	2015	2016	2017	Change between 2016-17

EU (excluding UK)	Scotland	19,290	19,820	19,090	-3.7%
	England	41,330	44,330	42,080	-5.1%
	UK	48,930	51,850	49,250	-5.0%

Source: UCAS: Applicant Statistics – 30th June Deadline – 2017 Cycle
Note: Applicants can make up to five applications

UCAS Acceptance Statistics

Domicile of applicant	Country of Provider	2015	2016	2017	Change between 2016-17
EU (excluding UK)	Scotland	4,245	4,650	4,175	-10%
	England	23,380	24,840	24,565	-1%
	UK	29,300	31,350	30,700	-2%

Source: UCAS: End of Cycle - 11th December – 2017 Cycle

HESA student numbers
The University of Edinburgh accounts for 16.8% of Scotland's EU domiciled students. The University of Glasgow accounts for 14.6% and The University of Aberdeen, 12.0%. EU domiciled enrolments are most likely to be enrolled on 'Business & administrative studies' (17.3%) and 'Biological Sciences' (11.9%) subjects.

Enrolments at Scottish HEIs split by HE provider, subject, and domicile of student 2016-17

HE provider	Subject area	Other EU	Non-EU	UK	Total
The University of Aberdeen	(1) Medicine & dentistry	4%	12%	84%	1,105
	(2) Subjects allied to medicine	17%	12%	72%	775
	(3) Biological sciences	33%	6%	60%	1,805
	(5) Agriculture & related subjects	17%	17%	83%	30
	(6) Physical sciences	13%	14%	73%	1,190
	(7) Mathematical sciences	33%	10%	62%	105
	(8) Computer science	36%	17%	48%	210
	(9) Engineering & technology	11%	23%	66%	1,580
	(A) Architecture, building & planning	11%	0%	89%	45
	(B) Social studies	39%	9%	52%	1,555
	(C) Law	17%	17%	67%	1,090
	(D) Business & administrative studies	27%	27%	45%	865
	(E) Mass communications & documentation	33%	33%	33%	15

	(F) Languages	29%	11%	60%	755
	(G) Historical & philosophical studies	15%	10%	75%	855
	(H) Creative arts & design	27%	4%	70%	280
	(I) Education	3%	2%	95%	1,855
	(J) Combined	0%	0%	100%	40
The University of Aberdeen Total		19%	12%	69%	14,150
University of Abertay Dundee	(2) Subjects allied to medicine	2%	0%	96%	225
	(3) Biological sciences	12%	1%	87%	940
	(5) Agriculture & related subjects	8%	0%	93%	200
	(6) Physical sciences	8%	8%	88%	120
	(8) Computer science	11%	4%	86%	700
	(9) Engineering & technology	38%	0%	63%	160
	(B) Social studies	10%	1%	90%	335
	(C) Law	10%	0%	90%	105
	(D) Business & administrative studies	15%	5%	79%	585
	(H) Creative arts & design	9%	3%	88%	445
	(I) Education	0%	14%	86%	35
University of Abertay Dundee Total		12%	2%	86%	3,845
The University of Dundee	(1) Medicine & dentistry	2%	18%	79%	1,335
	(2) Subjects allied to medicine	2%	4%	94%	4,240
	(3) Biological sciences	16%	5%	78%	1,005
	(5) Agriculture & related subjects	0%	0%	100%	5
	(6) Physical sciences	9%	9%	81%	480
	(7) Mathematical sciences	9%	6%	83%	175
	(8) Computer science	14%	7%	78%	430
	(9) Engineering & technology	11%	15%	74%	600
	(A) Architecture, building & planning	16%	17%	67%	350
	(B) Social studies	8%	5%	87%	910
	(C) Law	7%	23%	70%	795
	(D) Business & administrative studies	11%	35%	54%	820
	(E) Mass communications & documentation	2%	2%	98%	235
	(F) Languages	10%	3%	87%	630
	(G) Historical & philosophical studies	2%	3%	94%	500
	(H) Creative arts & design	5%	3%	93%	1,335
	(I) Education	1%	2%	97%	1,550
	(J) Combined	-	-	-	0
The University of Dundee Total		6%	9%	85%	15,390
Edinburgh Napier University	(2) Subjects allied to medicine	3%	1%	96%	2,555
	(3) Biological sciences	12%	4%	85%	1,355
	(5) Agriculture & related subjects	17%	0%	83%	175
	(8) Computer science	16%	4%	81%	1,655
	(9) Engineering & technology	12%	11%	77%	1,170
	(A) Architecture, building & planning	7%	7%	86%	470
	(B) Social studies	6%	1%	93%	530
	(C) Law	0%	0%	100%	230
	(D) Business & administrative studies	19%	17%	64%	3,145

	(E) Mass communications & documentation	11%	4%	85%	460
	(F) Languages	18%	2%	80%	300
	(H) Creative arts & design	14%	5%	81%	860
Edinburgh Napier University Total		12%	7%	81%	12,910
The University of Edinburgh	(1) Medicine & dentistry	6%	13%	81%	2,070
	(2) Subjects allied to medicine	14%	18%	68%	995
	(3) Biological sciences	16%	19%	64%	3,150
	(4) Veterinary science	4%	41%	55%	795
	(5) Agriculture & related subjects	8%	15%	77%	370
	(6) Physical sciences	16%	17%	67%	2,245
	(7) Mathematical sciences	18%	28%	54%	775
	(8) Computer science	34%	35%	31%	1,420
	(9) Engineering & technology	19%	30%	51%	2,025
	(A) Architecture, building & planning	10%	50%	41%	1,045
	(B) Social studies	9%	34%	57%	3,520
	(C) Law	9%	26%	65%	1,425
	(D) Business & administrative studies	8%	46%	46%	2,010
	(E) Mass communications & documentation	17%	33%	50%	90
	(F) Languages	10%	18%	72%	2,865
	(G) Historical & philosophical studies	7%	17%	77%	3,000
	(H) Creative arts & design	10%	16%	74%	1,410
	(I) Education	2%	17%	81%	1,885
	(J) Combined	3%	16%	82%	820
The University of Edinburgh Total		11%	25%	64%	31,910
Glasgow Caledonian University	(1) Medicine & dentistry	0%	0%	100%	35
	(2) Subjects allied to medicine	3%	6%	91%	5,530
	(3) Biological sciences	9%	5%	87%	1,235
	(6) Physical sciences	6%	12%	82%	170
	(7) Mathematical sciences	-	-	-	0
	(8) Computer science	12%	5%	83%	1,200
	(9) Engineering & technology	3%	13%	84%	1,690
	(A) Architecture, building & planning	2%	9%	88%	1,025
	(B) Social studies	2%	0%	97%	1,030
	(C) Law	3%	3%	97%	180
	(D) Business & administrative studies	5%	12%	83%	3,660
	(E) Mass communications & documentation	8%	1%	91%	385
	(F) Languages	9%	0%	91%	55
	(H) Creative arts & design	5%	19%	76%	185
	(I) Education	0%	40%	60%	25
Glasgow Caledonian University Total		5%	8%	88%	16,415
Glasgow School of Art	(2) Subjects allied to medicine	0%	20%	80%	25
	(9) Engineering & technology	25%	25%	50%	20
	(A) Architecture, building & planning	16%	26%	58%	510
	(H) Creative arts & design	14%	18%	68%	1,590

	(I) Education	9%	18%	73%	55
Glasgow School of Art Total		15%	20%	66%	2,195
The University of Glasgow	(1) Medicine & dentistry	5%	16%	79%	2,565
	(2) Subjects allied to medicine	11%	8%	82%	1,115
	(3) Biological sciences	14%	11%	75%	3,130
	(4) Veterinary science	3%	44%	54%	710
	(5) Agriculture & related subjects	3%	21%	76%	145
	(6) Physical sciences	15%	7%	78%	1,875
	(7) Mathematical sciences	15%	12%	73%	690
	(8) Computer science	29%	14%	57%	985
	(9) Engineering & technology	15%	22%	63%	1,960
	(A) Architecture, building & planning	8%	29%	63%	190
	(B) Social studies	16%	26%	58%	2,575
	(C) Law	10%	11%	79%	1,290
	(D) Business & administrative studies	11%	59%	30%	2,395
	(E) Mass communications & documentation	7%	53%	40%	75
	(F) Languages	12%	6%	82%	2,090
	(G) Historical & philosophical studies	9%	8%	82%	2,625
	(H) Creative arts & design	9%	13%	77%	1,395
	(I) Education	3%	8%	89%	2,805
The University of Glasgow Total		11%	18%	71%	28,615
Heriot-Watt University	(3) Biological sciences	7%	8%	86%	1,025
	(5) Agriculture & related subjects	18%	32%	55%	110
	(6) Physical sciences	19%	6%	75%	855
	(7) Mathematical sciences	6%	33%	61%	850
	(8) Computer science	12%	12%	76%	420
	(9) Engineering & technology	9%	18%	73%	2,675
	(A) Architecture, building & planning	8%	17%	75%	625
	(B) Social studies	7%	18%	76%	225
	(C) Law	0%	10%	90%	50
	(D) Business & administrative studies	8%	28%	64%	2,235
	(F) Languages	10%	45%	45%	735
	(H) Creative arts & design	6%	8%	87%	665
	(I) Education	14%	0%	86%	35
Heriot-Watt University Total		9%	20%	71%	10,500
The Open University	(2) Subjects allied to medicine	0%	0%	100%	375
	(3) Biological sciences	0%	0%	100%	2,000
	(6) Physical sciences	0%	0%	100%	535
	(7) Mathematical sciences	0%	0%	100%	535
	(8) Computer science	0%	0%	100%	830
	(9) Engineering & technology	0%	0%	100%	905
	(B) Social studies	0%	0%	100%	1,325
	(C) Law	0%	0%	100%	290
	(D) Business & administrative studies	0%	0%	100%	1,215
	(F) Languages	0%	0%	100%	770
	(G) Historical & philosophical studies	0%	0%	100%	825

	(H) Creative arts & design	0%	0%	100%	325
	(I) Education	0%	0%	100%	535
	(J) Combined	0%	0%	100%	5,000
The Open University Total		0%	0%	100%	15,460
Queen Margaret University, Edinburgh	(2) Subjects allied to medicine	14%	9%	77%	2,900
	(3) Biological sciences	13%	1%	86%	345
	(B) Social studies	6%	0%	94%	170
	(D) Business & administrative studies	17%	4%	79%	985
	(E) Mass communications & documentation	26%	1%	72%	425
	(H) Creative arts & design	10%	4%	86%	390
Queen Margaret University, Edinburgh Total		15%	6%	79%	5,210
The Robert Gordon University	(2) Subjects allied to medicine	8%	6%	85%	3,235
	(3) Biological sciences	12%	1%	87%	345
	(6) Physical sciences	13%	5%	85%	195
	(8) Computer science	16%	7%	77%	625
	(9) Engineering & technology	3%	20%	78%	1,075
	(A) Architecture, building & planning	9%	5%	85%	635
	(B) Social studies	4%	2%	94%	925
	(C) Law	3%	13%	84%	785
	(D) Business & administrative studies	11%	12%	76%	3,160
	(E) Mass communications & documentation	17%	8%	75%	575
	(H) Creative arts & design	9%	1%	90%	735
	(I) Education	7%	29%	67%	210
	(J) Combined	17%	17%	67%	30
The Robert Gordon University Total		9%	9%	82%	12,530
Royal Conservatoire of Scotland	(H) Creative arts & design	14%	18%	68%	985
	(I) Education	0%	0%	100%	170
Royal Conservatoire of Scotland Total		12%	16%	73%	1,155
The University of St Andrews	(1) Medicine & dentistry	2%	28%	69%	490
	(2) Subjects allied to medicine	13%	39%	45%	155
	(3) Biological sciences	15%	30%	55%	1,030
	(5) Agriculture & related subjects	0%	50%	0%	10
	(6) Physical sciences	10%	18%	71%	1,340
	(7) Mathematical sciences	12%	18%	69%	515
	(8) Computer science	16%	34%	51%	445
	(B) Social studies	11%	46%	43%	1,830
	(D) Business & administrative studies	22%	56%	22%	655
	(E) Mass communications & documentation	11%	42%	47%	95
	(F) Languages	13%	33%	54%	1,920
	(G) Historical & philosophical studies	9%	34%	57%	1,680
	(H) Creative arts & design	7%	33%	60%	75
	(J) Combined	0%	0%	100%	95
The University of St Andrews Total		12%	34%	55%	10,330

SRUC	(3) Biological sciences	2%	2%	96%	275
	(5) Agriculture & related subjects	5%	0%	95%	715
	(6) Physical sciences	5%	0%	95%	285
	(A) Architecture, building & planning	13%	0%	88%	40
	(D) Business & administrative studies	3%	2%	95%	295
	(I) Education	0%	0%	100%	10
SRUC Total		4%	1%	95%	1,620
The University of Stirling	(2) Subjects allied to medicine	5%	1%	93%	1,980
	(3) Biological sciences	9%	5%	86%	2,175
	(4) Veterinary science	25%	25%	38%	40
	(5) Agriculture & related subjects	19%	38%	43%	105
	(6) Physical sciences	6%	11%	82%	485
	(7) Mathematical sciences	9%	0%	91%	110
	(8) Computer science	16%	10%	75%	440
	(A) Architecture, building & planning	0%	0%	100%	95
	(B) Social studies	6%	4%	90%	1,625
	(C) Law	6%	7%	88%	405
	(D) Business & administrative studies	11%	39%	49%	1,815
	(E) Mass communications & documentation	15%	20%	66%	615
	(F) Languages	10%	13%	77%	600
	(G) Historical & philosophical studies	7%	4%	89%	670
	(H) Creative arts & design	-	-	-	0
	(I) Education	2%	11%	87%	825
	(J) Combined	13%	88%	0%	80
The University of Stirling Total		8%	12%	80%	12,065
The University of Strathclyde	(2) Subjects allied to medicine	4%	14%	81%	1,455
	(3) Biological sciences	6%	2%	91%	1,055
	(6) Physical sciences	8%	6%	86%	1,400
	(7) Mathematical sciences	9%	13%	79%	575
	(8) Computer science	16%	6%	80%	540
	(9) Engineering & technology	9%	16%	74%	5,080
	(A) Architecture, building & planning	25%	16%	58%	510
	(B) Social studies	9%	8%	83%	1,115
	(C) Law	4%	6%	90%	1,375
	(D) Business & administrative studies	12%	27%	61%	3,420
	(E) Mass communications & documentation	11%	11%	77%	220
	(F) Languages	6%	2%	94%	630
	(G) Historical & philosophical studies	2%	3%	94%	545
	(H) Creative arts & design	0%	0%	88%	40
	(I) Education	2%	1%	97%	3,085
	(J) Combined	0%	0%	100%	1,915
The University of Strathclyde Total		7%	11%	82%	22,955
University of the Highlands and Islands	(1) Medicine & dentistry	0%	0%	89%	45
	(2) Subjects allied to medicine	0%	0%	100%	270
	(3) Biological sciences	2%	0%	98%	650

	(5) Agriculture & related subjects	4%	4%	90%	255
	(6) Physical sciences	11%	2%	88%	280
	(8) Computer science	1%	0%	99%	465
	(9) Engineering & technology	2%	3%	95%	970
	(A) Architecture, building & planning	0%	0%	100%	280
	(B) Social studies	1%	0%	99%	1,160
	(C) Law	0%	0%	100%	30
	(D) Business & administrative studies	2%	1%	97%	1,640
	(E) Mass communications & documentation	0%	0%	100%	10
	(F) Languages	4%	3%	91%	340
	(G) Historical & philosophical studies	3%	3%	95%	590
	(H) Creative arts & design	5%	1%	95%	875
	(I) Education	1%	1%	99%	860
University of the Highlands and Islands Total		2%	1%	97%	8,720
The University of the West of Scotland	(2) Subjects allied to medicine	1%	1%	98%	4,345
	(3) Biological sciences	4%	1%	95%	1,420
	(6) Physical sciences	8%	5%	87%	315
	(8) Computer science	6%	6%	88%	1,240
	(9) Engineering & technology	6%	6%	88%	715
	(B) Social studies	1%	0%	99%	1,510
	(C) Law	1%	0%	99%	370
	(D) Business & administrative studies	5%	22%	73%	3,565
	(E) Mass communications & documentation	9%	0%	89%	285
	(F) Languages	0%	81%	19%	80
	(H) Creative arts & design	6%	1%	93%	620
	(I) Education	4%	3%	93%	1,300
	(J) Combined	0%	3%	97%	180
The University of the West of Scotland Total		4%	7%	90%	15,955
Total		9%	13%	78%	241,935

Source: HESA Data (SG Analysis)
Numbers have been rounded to the nearest 5. Percentages are based on rounded numbers.
"-" Has been suppressed for disclosure control.

Northern Ireland Executive

The UK Government has commissioned the Migration Advisory Committee (MAC) to advise on the economic and social impacts of international students in the UK. As Permanent Secretary of the Department for the Economy with responsibility for economic development and higher and further education finance and policy, I am writing to highlight Northem Ireland's particular issues and priorities in relation to this important commission from the Home Secretary and the related catl for evidence from the MAC.

The Higher Education sector makes a vital contribution to the Northern Ireland economy, as an employer in its own right, providing teaching and learning for the future workforce and through research, innovation and entrepreneurship. The Viewforth Consulting Report (2015) estimated the total impact of Higher Education Institutions (HEIs) in Northem Ireland on the UK economy at El ,890m, with El ,623.6m accrued in Northern Ireland.

The higher education sector and its continued development is critically important to the outcomes set out in the of the Northern Ireland draft Programme for Government[l] targets and the vision of a globally competitive economy articulated in Economy 2030: A consultation on an Industrial Strategy for Northem Ireland, which was published in January 2017. [2]0ur universities make a vital contribution to economic growth and stability in Northem Ireland which in tum underpins the Peace

[i] https://www.northernireland.gov.uk/programme-government [2] https://www.economy-ni.gov.uk/consultations/industrial-strategy

Process. The development of the higher education sector is therefore of unique importance to Northem Ireland.

The Northem Ireland Higher Education Strategy, Graduating to Success[219] was published in 2012 and sets out our vision and direction for higher education policy in Northern Ireland for the period to 2020. Amongst other things, the strategy identifies the need for increased intemationalisation. Northem Ireland's political past and its consequent impact on inward and outward student mobility and investment, led to a

[219] https://www.economy-ni.gov.uk/publications/graduating-success-he„strategy

lower share of the intemational student market than would otherwise have been the case.

International students are vital from an economic and social perspective. They help to provide diversity on campus, and contribute to the ongoing peace process by exposing local students to different cultures and different ways of thinking, enhancing the learning experience for all students. They also make a very important financial contribution to our institutions. Student fees for local and EU students are currently set at 24,030 per annum with the Department providing further funding through a teaching grant. Due to budgetary constraints, this does not match the fee income level of other GB universities. Northern Ireland universities receive between ,OOO and 2,500 less per place than their counterparts in England and Wales. For academic year 2017/18, the universities are currently underfunded by E46m and 222m in comparison to their English and Scottish counterparts respectively. International student fees are therefore uniquely important to NI institutions in generating income and enabling them to continue to maintain and develop high quality teaching and learning for local students.
The HEIS have therefore developed their own international strategies and have focused on increasing their intake of international students (particularly non EU) over the next number of years, in order to remain financially viable. To date, Northem Ireland still only attracts approximately 1% of the total international student enrolments in the UK. The student population in Northem Ireland is largely made up of locally domiciled students. In 2015/16 there were 55,245 students enrolled at NI HEIs, 85.4% local, 5.3% other GB, 4% Republic of Ireland, 0.7% other EU and 4.7% Non EU.

Across the UK, almost half (45.5%) of full-time postgraduate (PG) students are from outside the El-J. In 2015/16, 21.5⁰/0 of full-time PG enrolments in NI were from outside the El-J. This enhances the quality of teaching and research and opens doors to further international partnerships and collaboration whilst also contributing significantly to the viability of PG provision. In Northem Ireland our HEIS are striving to increase the total number of PGs in line with our Programme for Govemment and draft Industrial Strategy ambitions, it is therefore critical that the number of intemational PG students is maintained and where possible enhanced.

It is also worth noting that the average salary level of newly qualified graduates in Northern Ireland is lower than the UK average and this can pose problems in the retention of intemational graduates who wish to transfer to tier 2 visas after graduation and also has a knock on effect on the ability of Northern Ireland institutions to attract their share of intemational students in the first place. This is exacerbated further by the attractive visa arrangements in the Republic of Ireland which enable students to remain for up to 24 months post study for the purposes of seeking employment. It is vital that UK policy on visas takes account of salaries across the UK.

The Further Education sector also makes a vital contribution to the economy in Northern Ireland by developing the skills base of the workforce. The sector has become increasingly focused on the need to operate in an international arena and to equip their students and staff with the skills to work and compete in the global economy. In 2016/17 the total number of regulated enrolments in FE Colleges was 67, 344 individuals, of which 95.89% were NI domiciled, 2.4% Republic of Ireland and 1 .7^0/0 either other European or overseas. Whilst the overall percentage of non NI domiciled students is relatively small the numbers of ROI students are significant particularly at FE Colleges situated close to the border. The status of these students post Brexit will therefore be of particular interest to the FE sector.

Short term mobility of students, both inward and outward, plays a significant part in the international strategies of our HE and FE institutions. The institutions have engaged with a number of European and intemational programmes, the most significant being the Erasmus+ programme. Not only has this programme provided life changing experiences for individual students, it has also served as an important marketing tool, encouraging students and their peers who come here on a short term experience to enrol as full time postgraduate students and has helped to secure on going partnerships between institutions. The institutions in Northern Ireland, both HE and FE have been ardent supporters of the Erasmus programme and between 2014 and 2016 accessed €9.29m under the mobility strand and €5.15m under strategic partnerships. This represents 5.1% of the total UK drawdown for these sectors and considerably more than the 2% that we would normally expect. The institutions would be keen to ensure that they have access to this and similar programmes in the future and that the status of UK and EU citizens would enable full participation.

As indicated in your briefing paper there is a lack of specific data in relation to the impact of international students. The data available in Northern Ireland is largely extrapolated from the limited UK-wide data available. I have attached an analysis of relevant data and would be happy to engage further as you progress with your investigation.
Whilst the higher and further education sectors in Northern Ireland recognise the need for controls in immigration, they are of the view that International students should not be part of any immigration target. They are very clear that intemational students and intemational partnerships have a critical pan to play in the sustainably and development of our institutions. They make a vital contribution to the quality of the student experience for all students and the breadth and quality of research and innovation and the participation of international graduates in the Northern Ireland workforce enhances the skills base and contributes to the growth of our economy. NI HEIS have set targets to increase the number of intemational students, in line with

the Department's Graduating to Success strategy. They are therefore keen to ensure that the UK, and Northern Ireland in particular, continues to be an attractive location for international students both undergraduate and postgraduate. They believe that it is important that real and perceived barriers to the enrolment of genuine intemational students are reduced in order to allow our institutions to expand recruitment, to attract the brightest and the best and to enrich their student population.

I trust this response is helpful to your considerations and that the MAC will reflect on these issues, the related evidence, and the evidence that will follow in your ultimate findings and recommendations to the Home Secretary. Finally I need to stress that this letter has been drafted by officials and seeks to set the local context and reflect the views of stakeholders but it has had no political input. Should the Northem Ireland Executive return, have no doubt that a newly appointed Minister will want to engage on these matters.

Yours sincerely,

Permanent Secretary

Impact of International Students in Northern Ireland - Summary

International Student Expenditure

There is no UK data source that captures the non-fee expenditure and income of international students in the UK. However, estimates of international student nonfee related expenditure can be made using published methodologies and making some assumptions on use of the available data. Further details are provided in Section 1.

The Department for the Economy (DfE) estimates that international student per capita non-tuition fee expenditure in 2015/16 was El 1 ,402 for full time EU undergraduate students. This is the same level as for UK students. DfE estimate that per capita expenditure for non EU undergraduate students was 8% higher at El 2,279. DfE estimate that post graduate per capita expenditure for EU and non EU students was 33% higher than UK undergraduates at El 5,203.

Table 1: Estimated International Student Expenditure 2015/16 (E per head)

	Full-Time Student in	Student	Non EU Student	EU / non Student

	England			
Total Participation Costs (exc. Tuition fees)	E942	E942	El,015	El,257
Total Living Costs	E7,052	E7,052	E7,595	€9,403
Total Housing Costs	E3,157	E3,157	E3,400	E4,210
Child Spending	E250	E250	E270	E334
Estimated total expenditure per student (excl. Tuition fees)	El 1,402	Ell,402	E12,279	E15,203

Source: SEIS 2011/12, DfE calculations

Per capita expenditure on housing was estimated by DfE to be 23,157 for EU full time undergraduates, compared to E3,400 for non EU full time undergraduates and E4,210 for EU and non EU full time post graduates.

Per capita expenditure on travel was estimated by DfE to be E2,071 for the 2015/16 academic year for EU full time undergraduates, compared to E2,230 for non EU full time undergraduates and E2,761 for EU and non EU full time post graduates.

For EU undergraduates, DfE estimated that expenditure on course related travel was estimated to be 24234, with non-course related travel expenditure5 estimated to be El ,648 per capita.

Table 2: Estimated International Student Expenditure on travel 2015116 (E per head)

	Full-Time Student in England	Student	Non EU Student	EU / non Student
Costs of facilitating participation (e.g. course travel)	E423	E423	E456	E564
Non-Course Travel	El,648	El,648	El, 775	€2,197
Total travel	E2,071	E2,071	E2,230	E2,761

Source: SEIS 2011/12, DfE calculations

Student Earnings

Student Earninqs while studvinq

Earnings for full time students in 2015/16 were estimated by DfE to be El , 743, with part students earning El 2,671. Like student expenditure, there were no distinct earning figures reported for international students. It is assumed that any such earnings would be at a similar level to UK students, because they are likely to undertake similar types of employment. Further details are provided in Section

Graduate earnings

- The mean salary of all full-time leavers from NI HEIS in full-time employment was 221 ,090 in 2015/16, with a median of E21 ,OOO.

The mean salary for NI leavers of NI HEIS in 2015/16 was 20,970, which was 1% lower than the overall average.

The mean salary for GB leavers of NI HEIS in 2015/16 was 224,630, which was 17% higher than the overall average.

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[4] Course travel expenditure is included in the participation expenditure total. [s] Non-course travel expenditure is included in the living cost expenditure total

The mean salary for other[220] leavers of NI HEIS in 2015/16 was 221 ,390, which was 1% higher than the overall average.

UK graduates starting employment in England, Scotland and Wales in 2015/16 were paid on average 12%, 11% and 5% more than graduates starting employment in Northern Ireland. Further details are provided in Section 2b.

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[220] Other leavers are from other EU countries i.e. not the UK. The sample size is too small to break this category into individual countries. It does not include leavers from outside the EU, who are not included in the overall reporting of data as that data collection is still at the pilot stage.

The economic impact of higher education on the Northern Ireland economy7

Viewforth Consulting produced a report for the Department for Employment and Learning, which measured the overall impact of higher education on the Northern Ireland economy 2012/13.

The total output of HEIS in Northern Ireland on the UK economy was estimated to be El ,890 million in 2012/13, of which El ,623.6 million was accrued in Northern Ireland. The total GVA of the HE sector was estimated to be 2889 million in 2012/13, which was 2.7% of total GVA in Northern Ireland.

DfE has estimated the total expenditure of EU and non-EU students to be El 17.9 million. The contribution of EU and non EU students to GVA in Northern Ireland was estimated to be 261.0 million, which was 0.2% of total GVA in Northern Ireland in 2012/13. Further details are provided in Section 3.

The economic impact of further education on the Northern Ireland economy

Viewforth Consulting produced a report examining the economic impact of further education on the Northern Ireland economy. [8]• The FE sector generated over 2524 million of output in Northern Ireland from college and student off campus expenditure. In 2013/14 it contributed almost 2300 million to NI GVA., which was around 0.9% of GVA in Northern Ireland.

DtE has estimated the economic impact of EU and non EU students at FE Colleges to the Northern Ireland economy in 2013/14. The total output was estimated to be 239.2 million in Northern Ireland. EU and non EU students contributed 220.6 million to GVA in Northern Ireland, which was 0.06% of total GVA in Northern Ireland in 2014.

The costs and benefits of international students by parliamentary constituency

London Economics were commissioned by the Higher Education Policy Institute (HEPI) and Kaplan International Pathways to undertake a detailed analysis of

[7] Department for Employment and Learning (January 2015). The economic impact of higher education on the Northem Ireland economy, Belfast.

http://niopa.qub.ac.uWbitstream/NlOPN2141/1/Economic%201mpact%200f%20FE%20in%20Nl.pdf

both the benefits and costs to the United Kingdom economy associated with international students.

For Northern Ireland the total economic benefit was estimated to be E210.6 million. Total costs were estimated to be E43.2 million which gives an overall net benefit of El 67.4million. Further details are provided in Section 4.

It was estimated that on average each EU student attracted visitor expenditure with an impact of 23,000 to the UK over the course of their studies. This figure was 22,000 for non EU students.

Section 1 — International Student Expenditure

There is no UK data source that captures the non-tuition fee expenditure and income of international students in the UK. This is noted in the BIS report 'Estimating the Value of UK Education Exports' (2011 which states that the SIES survey does not cover non-UK domiciled students, However, it is possible to come up with an estimate of international student non-fee related expenditure using published methodologies and making some assumptions on use of the available data.

This following sub-sections outline:

The approach used to estimate international student expenditure.

- The assumptions on the use of expenditure data.

- Headline UK student non-tuition fee expenditure in 2011/12 and 2015/16.

Estimated non-tuition fee expenditure of international students in 2015/16.

The approach used to estimate international student expenditure

The BIS 2011 report provides a methodology for estimating the expenditure of international students in the UK.

The report states "it is not believed that the level and pattern of expenditure by non-UK domiciled students is significantly different to that of English domiciled students, so we assume that the average non-tuition fee expenditure per full-time international student is the same as English domiciled students"10 . The report produced estimates of EU / non-EU student non-tuition fee expenditure by adjusting the UK domiciled non-tuition fee expenditure by the assumed length of time that the non-UK students were in the UK relative to the overall term time of 39 weeks.

It assumed that EU undergraduates were in the UK for the duration of the course i.e. 39 weeks, so there was no time period adjustment.

For non-EU undergraduates it was assumed that the students were less likely to travel home in the holiday period compared to EU undergraduates due to the cost and ease of travel and so they spent 42 weeks per year in the UK. It was assumed that ail overseas postgraduate students (EU and non-EU) spent 52 weeks in the UK due to dissertations undertaken in the summer.

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[9] BIS (2011), Estimating the Value of UK Education Exports, London. [10] Ibid P. 29

The method for arriving at an expenditure figure for these non EU undergraduate students is outlined as follows.

Non EU undergraduate expenditure = UK domiciled student non-tuition fee expenditure*42/39

For EU and Non EU postgraduate students as it is assumed that they spend the entire year in the UK including over the summer to write their dissertations.

EU and Non EU postgraduate expenditure = UK domiciled non-tuition fee expenditure * 52/39

The assumptions on the use of expenditure data

Viewforth Consulting produced a paper examining the economic impact of higher education on the Northern Ireland Economy in 2012/13[221] [222].
They used the Student Expenditure Survey data from Department of Business, Innovation and Skills (BIS) for 2011/12 [223], and uprated using the CP1 [224].
International Student off-campus expenditure using the approach outlined in the BIS 2011 paper.

Because the BIS figures are the only extant estimates of international (rather than domestic) student expenditure in the UK, they assumed that international students studying in Northern Ireland will have similar expenditure patterns to international students in other parts of the UK.

Headline UK student non-tuition fee expenditure in 2011/12 and 2015/16

The student expenditure provided in this section of the paper is from the 2011/12 Student Income and Expenditure Survey, published by BIS in June 2013. The total expenditure in each category are provided for 2011/12 and 2015/16. The expenditures for 2015/16 levels are uplifted using the consumer price index. The detailed costs in each category are provided in Annex A.

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[221] Department for Employment and Learning (January 2015). The economic impact of higher education on the Northem Ireland economy, Belfast.

[222] A summary of this paper is provided in Section 3.

[223] BIS (June 2013). Student Income and Expenditure Survey (SEIS) 2011/12, BIS, Research paper number 115.

[224] They used data for England because the last NI student expenditure survey was conducted for 2004/05. They noted that when the NI survey findings were uprated to 2011/12 using the consumer price index, the figures turn out to be remarkably similar to those in England. The minor differences in the uprated NI expenditure figures and the England 2011/12 expenditure figures were of the same order of magnitude as the difference between the 2004/05 NI expenditure survey and the 2004/05 England expenditure survey.

Table 3: Total non-tuition fee expenditure in 2011/12 and 2015/16

	2011/12	2011/12	2015/16	2015/16
Summary of Costs	FullTime	PartTime	FullTime	Part-Time
Total Participation Costs (exc. Tuition fees)	E896	E948	042	097
Total Living Costs	E6,705	Ell,534	E7,052	E12,131
Total Housing Costs	E3,002	E3,995	E3,157	E4,202
Child Spending	E238	El,178	E250	El,239
Total Spending per student (excl. Tuition fees)	ElO,841	E17,655	Ell,402	E18,569

Source: SEIS 2011/12, DfE calculations

Estimated non-fee expenditure of international students in 2015/16

Estimation Approach

In summary, to provide estimates of International Student non-tuition fee expenditure in 2015/16 in Northern Ireland the steps below were followed:

SEIS data for England 2011/12 was used.

This data was uplifted to 2015/16 prices using the CPI data[225] . • International student expenditure was estimated by adjusting UK expenditure data for the time spent by EU and non EU students in the UK.

Table 4 provides DfE estimates of international student non-fee expenditure in 2015/16. DfE estimate that international student per capita non-tuition fee expenditure in 2015/16 was El 1 ,402 for full time EU undergraduate students. This is the same level as for UK students. DfE estimate that per capita expenditure for non EU undergraduate students was 8% higher at El 2,279. DfE estimate that post graduate per capita expenditure for EU and non EU students was 33% higher than UK undergraduates at El 5,203, due to the assumption that the post graduate academic year runs for 52 weeks compared to 39 weeks for UK undergraduates. The methodology for estimating international student expenditure (BIS, 2011) is only provided for full time students therefore no estimates have been undertaken for part time students in this paper.

Table 4: Estimated International Student Expenditure 2015116 (E per head)

[225] This approach was in the BIS 2013 paper and the DEL 2015 paper.

	Full-Time Student in England	Student	Non EU Student	EU / non Student
Total Participation Costs (exc. Tuition fees)	E942	E942	El,015	El,257
Total Living Costs	E7,052	E7,052	E7,595	E9,403
Total Housing Costs	E3,157	E3,157	E3,400	E4,210
Child Spending	E250	E250	E270	E334
Estimated total expenditure per student (excl. Tuition fees)	Ell,402	Ell,402	E12,279	E15,203

Source: SEIS 2011/12, DfE calculations

Per capita expenditure on travel was estimated by DfE to be 2,071 for the 2015/16 academic year for EU full time undergraduates, compared to E2,230 for non EU full time undergraduates and 22,761 for EU and non EU full time post graduates.

For EU undergraduates, DfE estimated that expenditure on course related travel was estimated to be 2423[226] , with non-course related travel expenditure [227]estimated to be El *648 per capita.

Table 5: Estimated International Student Expenditure on travel 2015/16 (E per head)

	Full-Time Student in England	Student	Non EU Student	EU / non Student
Costs of facilitating participation (e.g. course travel)	E423	E423	E456	E564
Non-Course Travel	El,648	El,648	El, 775	€2,197
Total travel	2,071	E2,071	E2,230	E2,761

Source: SEIS 2011/12, DfE calculations

Section 2a — Student Earnings while studying

[226] Course travel expenditure is included in the participation expenditure total.

[227] Non-course travel expenditure is included in the living cost expenditure total

As noted in section 1 , the most recent student expenditure and income in Northern Ireland was conducted in 2004/05. Therefore, the 2011/12 SEIS in England in used to provide an indication of student earnings in Northern Ireland. It is assumed that student earnings in England Wii} act as a reasonable proxy for student earnings in Northern Ireland. The figures are uplifted for 2015 using the consumer price index.

Income from paid work was important for full-time students and it averaged El ,662 overall in 2011/12 which represented 15 per cent of their average total income. It was key for part-time students and averaged El 2,083, comprising 80 per cent of income.

Earnings for full time students in 2015/16 were estimated to El 1743, with part time students earning El 2,671. Like for expenditure, there were no distinct earning figures reported for international students. It is assumed that any such earnings would be at a similar level to UK students, because they are likely to undertake similar types of employment.

Table 6: Average student earnings in 2011/12 and 2015/16

	2011/12	2011/12	2015/16	2015/16
	Full-Time	Part-Time	Full-Time	Part-Time
Earnings	€1,662	E12,083	El, 743	E12,671

Source: SEIS 2011/12, DfE calculations

Section 2b - Graduate Earnings

The statistical bulletin produced by the Department for the Economy (DfE) [228]presents findings from the 2015/16 Destinations of Leavers from Higher Education (DLHE) survey. The DLHE survey is carried out approximately six months after a student graduates from Higher Education (HE).

The coverage of the survey has been expanded to include additional HE qualifications and now includes non-EU domiciled leavers, where it was previously restricted to UK and European Union (EU) domiciled leavers only. Surveying these leavers was undertaken as a pilot from 2011/12, with a clear distinction that the information collected should not be published until carefully reviewed. Therefore, these leavers are excluded from the report.

Summary of findinqs for leavers from Northern Ireland (NI) Hiqher Education Institutions (HEIs) in 2015/16

[228] DfE, (August 2017). Destinations of Leavers from UK Higher Education Institutions (DLHE): Northem Ireland analysis — 2015/16, Belfast.

- Approximately six months after leaving, 63.2% of full-time leavers from NI HEIS were in full-time work, 11.1 0/0 were in part-time work, 2.2% primarily in work and also studying and 2.3% primarily studying and also in work — a total of 78.8% in some sort of employment.

- • The employment rate of full-time leavers from NI HEIS varied depending on subject area studied. The rate was highest for those who studied Medicine & Dentistry (97.3%), Subjects Allied to Medicine (89.4%) or Education (86.9%); and lowest for Physical Sciences (54.2%) and Mathematical Sciences (63.2%).

- Full-time leavers from NI HEIS (78.8%) were more likely to be in employment than leavers from English (73.9%), Scottish (73.3%) and Welsh (72.4%) HEIs.

- 88.1% of NI domiciled full-time leavers from NI HEIS in employment were employed in NIT whereas non-NI domiciled full-time leavers from NI HEIS were more likely to be in employment outside NI (61 .7%). • The mean salary of all full-time leavers from NI HEIS in full-time employment was 21 ,090 in 2015/16, with a median of 221 ,OOO (See Table 7).

- The mean salary for NI leavers of NI HE(s in 2015/16 was 220,970, which was 1% lower than the overall average.

- The mean salary for GB leavers of Ni HEIS in 2015/16 was 224,630, which was 17% higher than the overall average.

- • The mean salary for other[19] leavers of NI HEIS in 2015/16 was E21 ,390, which was 1% higher than the overall average.

Table 7: Salary of full-time leavers from NI HEIS in full-time employment by country of domicile and gender - 2015/16

Country of domicile	Gender	Mean	Median
	Male	Q 1,520	Q 1,000
	Female	E20,585	21,000
	Total	E20,970	E21,OOO
	Male	26,435	25,000
	Female	22,220	Q 1,000
	Total	E24,630	E23,OOO

Other	Male	23,390	24,000
	Female	20,205	21,000
	Total	E21,390	E21,OOO
Total	Male	E21,775	21,000
		E20,605	21,000
	Total	E21,090	E21,OOO

Source: DfE, DLHE 2017

Table 8: UK domiciled leavers who obtained first degree qualifications and entered full-time paid work in the UK by location of HE provider 2015/16

	Mean Full time (E)	% difference with NI
UK	21,500	4.9%
England	22,000	7.3%
Wales	20,500	0.0%
Scotland	22,500	9.8%
Northern Ireland	20,500	

Source: HESA 2017

Note: In this table salary figures are rounded to the nearest €500.

Table 8 provides the average salary for UK domiciled leavers who entered fulltime paid employment in 2015/16 by the location of the HE provider. UK graduates from HEIS in England and Scotland were on average paid 7% and 10%more respectively than graduates from HEIS in Northern Ireland. Graduates from HEIS in Wales were on average paid the same as graduates from HEts in Northern Ireland.

Table 9: Salary of all leavers[229] from UK HEIs, in full-time employment approximately six months after graduating, by location of employment .

[19]Other leavers are from other EU countries i.e. not the UK. The sample size is too small to break this category into individual countries. It does not include leavers from outside the EU, who are not included in the overall reporting of data as that data collection is still at the pilot stage.

[229] Full-time and part-time students.

2015/16

Location of employment	Mean	Median	% difference to NI (mean)	% difference to NI (median)
England	25,675	22,000	+12%	
Scotland	25,365	22,000	+11%	
Wales	24,105	22,000		
Northern Ireland	22,860	21,000		

Source: Higher Education Statistics Agency (HESA)

Table 9 provides the average salary for all leavers of UK HEIS who entered fulltime paid employment in 2015/16 by the location of employment. UK graduates employed in England and Scotland were paid on average 12% and 11% more than graduates starting employment in Northern Ireland. Graduates in employment in Wales were paid 5% higher than in Northern Ireland in 2015/16.

Section 3 — Summary of The economic impact of higher education on the Northern Ireland economy[230]

This section provides a summary of the findings of the Viewforth Consulting report on the economic impact of higher education (HE) on the Northern Ireland economy.

Viewforth Consulting produced a report for the Department for Employment and Learning, which measured the overall impact of higher education on the Northern Ireland economy in 2012/13. It measured the impact of Higher Education Institutions (HEIs) and the impact of off campus expenditure by students.

The impact of Northern Ireland's Higher Education Institutions (HEIs) on the UK economy was modeled using a purpose-designed economic model of the UK. The share of Northern Ireland higher education institutional impact likely to have accrued to Northern Ireland was also calculated.

The impact of student off-campus expenditure in Northern Ireland was also estimated. This expenditure excludes monies paid by to the HEIS for fees, accommodation and other ancillaries (canteen/on-campus catering) as this impact is captured with the analysis of the HEI impact.

Table 10 show the total output generated by HEIS and students in Northern Ireland in 2012/13.

[230] Department for Employment and Leaming (January 2015). The economic impact of higher education on the Northem Ireland economy, Belfast.

10: total Output generated 2012/13 (the HEIS and students together)

	Direct (E million)	Knock-on' Impact on	Of Which Accruing to the Region	Total UK Impact (Direct & 'Knock-on'	Total Impact on the Region (Direct & 'Knock-on')
HEI	E502.9	E664.9	E439.6	€1,167.8	E942.5
Plus Non-EU Students	EO.O	E66.2	E44.O	E66.2	E44.O
Subtotal	E502.9	E731.1	E483.5	El,234.O	E986.4
Plus EU students	EO.O	E55.8	E37.1	E55.8	E37.1
Subtotal	E502.9	E786.9	E520.6	El,289.8	El,023.5
Plus RIJK Students	EO.O	E26.5	E26.5	E26.5	26.5
Subtotal	E502.9	€813.4	E547.1	El,316.3	€1,050.0
Plus N.l Students	EO.O	E573.7	E573.7	573.7	573.7
Total Combined Impact	ES02.9	El,387.1	El,120.7	El,890.O	El,623.6

Source: Viewforth Consulting, (2015)

The total impact of HEIS in Northern Ireland on the UK economy was estimated to El ,890 million in 2012/13, of which El ,623.6 million was accrued in Northern Ireland.

There were 6,170 jobs in Northern Ireland due to the HE sector, with a total of 18,136 jobs resulting from the direct and knock-on effects of the HE sector. Tablel 1 outlines the total GVA impact of the HE sector in Northern Ireland and the GVA impact of EU and non-EU students. The total GVA of the HE sector was estimated to be E889 million in 2012/13, which was 2.7% of total GVA in Northern Ireland.

11 contribution to Regional GVA 2012/13 (Universities and students together)

	Direct (E million)	Secondary	Total
HEIs	343.4	216.3	559.7
Plus All students	0.0	329.2	329.2

Total Sector	343.4	545.5	888.9

Source: Viewforth Consulting, (2015)

The impact of EU and non EU students

Using the analysis reported by Viewforth Consulting, The Department for the Economy (DfE) in Northern Ireland estimated the economic impact of EU and non EU students to the Northern Ireland economy in 2012/13.

The share of HEIS expenditure resulting from having students from the rest of the EU and non EU countries was estimated using the percentage of HEIS income that was from EU and non-EU students Northern Ireland. This figure was 3.9⁰/0[231] . This figure was used to apportion the share of HEIS expenditure to EU and nonEU students.

As reported in Table 12, the direct HEIS expenditure due to EU and non EU students was estimated to be El 9.6 million. This resulted in wider impacts to the Northern Ireland economy of 236.8 million when multiplier effects are included. Off campus expenditure by EU and non EU students in Northern Ireland in 2012/13 (direct and knock-on) was estimated to be E81.1 million.

The total expenditure of EU and non-EU students was estimated to be El 17.9 million, which was 7.3% of the total sector output in Northern Ireland.

12: total Output generated by EU and non EU students in 2012/13 (HEIS and students together)

	Direct (E million)	Knockon' Impact on UK*	Of Which Accruing to the Region	Total UK Impact (Direct & 'Knock-on'	Total Impact on the Region (Direct & 'Knock-on')
HEIs	19.6	25.9	17.1	45.5	36.8
Non EU students	0.0	66.2	44.0	66.2	44.0

[231] Fee income for EU and non EU students was E19.7 million out of total HEE income of E503 million in 2012/13.

EU students	0.0	55.8	37.1	55.8	37.1
Total	19.6	147.9	98.2	167.5	117.9

Source: Viewforth Consulting (2015), DfE estimates

241 jobs in the HE sector could be directly attributable to EU and non EU students, with a total of 470 jobs due to direct and knock-on effects resulting from these students.

The contribution of EU and non EU students to GVA in Northern Ireland was estimated to be 261.0 million, which was 0.2% of total GVA in Northern Ireland in 2012/13.

Table 13: Summary of EU and non EU Student contribution to Regional GVA 2012113 (Universities and students together)

	Direct (E million)	Secondary	Total
HEIS - EU and non EIJ student contribution	13.4	8.4	21.8
Students - EU and non EU student contribution	0.0	39.2	39.2
Total attributed to EU and Non EU Students	13.4	47.6	61.0

Source: Viewforth Consulting (2015), DfE estimates

Section 4 — The economic impact of further education on the Northern Ireland economy

This section provides a summary of the findings of the Viewforth Consulting report on the economic impact of further education (FE) on the Northern Ireland economy23.

The study examined the six colleges in the FE sector in Northern Ireland and measured the impact generated by the sector's expenditure during the college academic and financial year 2013-14. The report considered the impact of expenditure on the generation of output, employment and contribution to GDP.

The impact of off campus student expenditure was also estimated. Only students who were identified as being from outside Northern Ireland and living in Northern Ireland were included because their expenditure was considered as additional to the Northern Ireland economy[24].

Table 14 shows the impact of the sector on the Northern Ireland economy, which generated over E524 million of output in Northern Ireland from college and student off campus expenditure.

Table 14: Summary of total Output generated 2013/14 (FE Colleges and

non-NI students to ether

	Direct (E million)	Knock-on' Impact on UK Em	Of Which Accruing to the Region Em	Total UK Impact (Direct & 'Knock-on' Em	Total Impact on the Region (Direct & 'Knockon') Em
Colleges	253.96	364.32	240.53	618.28	494.49
Plus Non-NI Students		44.86	29.81	44.86	29.81
Total Combined Impact	253.96	409.18	270.34	663.14	524.3

Source: Viewforth Consulting (2015)

There were 4,074 jobs in Northern Ireland due to the sector, with a total of 7,139 jobs resulting from the direct and knock-on effects of the FE sector in Northern Ireland.

23 http://niopa.qub.ac.uWbitstream/NIOPA/2141/1/Economic%201mpact%200f%20FE %20in%20Nt.p df

24 There were 123,431 students attending courses in 2013/14. 2,629 students from outside Northern Ireland were resident in Northern Ireland.

Table 15 reports the overall impact of the FE sector. In 2013/14 it contributed almost 2300 million to NI GVA, which was around 0.9% of GVA in Northern Ireland in 2013/14.

Table 15: Summary of contribution to Northern Ireland GVA 2013/14 (FE Colleges and Non-NI students together)

	Direct (E million)	Secondary (NJ)	Total
Colleges	166.6	118.2	284.8
Plus NON NI students		14.41	14.41
Total Combined Impact	166.6	132.61	299.21

Source: Viewforth Consulting (2015)

The Impact of EU and Non EU Students

DfE estimated the economic impact of EU and non EU students at FE Colleges to the Northern Ireland economy in 2013/14. As reported in Table 16, the total output generated was estimated to be E39.2 million. El 7.3 million was attributed to the expenditure associated with EU and non Students by the FE colleges and 221.9 million was due to off campus expenditure by these students[232] .

Table 16: Summary of total Output by EU and Non EU Students generated 2013/14 (FE Colleges and non-NI students together)

	Direct (E million)	Knock-on[t] Impact on UK Em	Of Which Accruing to the Region Em	Total UK Impact (Direct & 'Knock-on' Em	Total Impact on the Region (Direct & 'Knock-on') Em
Colleges - EU and non EU student	8.9	12.8	8.4	21.6	17.3
Students - EIJ and non		33.0	21.9	33.0	21.9
Total Combined Impact	8.9	45.8	30.4	54.7	39.2

Source: Viewforth Consulting (2015), DfE estimates

Table 17 shows that EU and non EU students contributed 220.6 million to GVA in Northern Ireland, which was 0.06% of total GVA in Northern Ireland in 2014.Table 17: Summary of contribution of EU and non EU students to Northern Ireland GVA 2013/14 (FE Colleges and Non-NI students together)

	Direct (E million)	Secondary (N))	Total
Colleges - EU and non EU student	5.8	4.1	10.0
Students - EU and non	0.0	10.6	10.6
Total attributed to EU and Non EU Students	5.8	14.7	20.6

Source: Viewforth Consulting (2015), DfE estimates

[232] The 694 students from the rest of the UK were excluded from the estimate of EU and Non EU students, to give a total of 1935 students.

Section 5 — Summary of "The costs and benefits of international students by parliamentary constituency"[26]

This section provides a summary of the London Economics report on "The costs and benefits of international students by parliamentary constituency'.

Approach

London Economics were commissioned by the Higher Education Policy Institute (HEPI) and Kaplan International Pathways to undertake a detailed analysis of both the benefits and costs to the United Kingdom economy associated with international students.

With 438,000 international students studying for qualifications at higher education institutions across the United Kingdom — equivalent to 19% of all HE students — international students contribute significantly to UK economic and social prosperity, both in the short term during their studies as well as in the medium to longer term after they graduate.

Although many of the costs of higher education are borne by these students themselves, there are some costs imposed on the UK public purse associated with hosting international students. These costs relate to general Exchequer expenditure on the provision of public services (whether used or otherwise) for both international students and dependants who accompany them to the UK, as well as the higher education costs associated with the teaching grants provided to universities and student support (for EU students but not for non-EU students).

Economic benefits

They estimated the economic benefits of international students in terms of:

- The tuition fee income generated by international students studying in the

[26] London Economics, (January 2018). The costs and benefits of intemational students by parliamentary constituency", Report for the Higher Education Policy Institute and Kaplan International Pathways.

- The knock-on (or 'indirect'27 and 'induced'28) effects across the UK economy associated with universities' spending of this tuition fee income on staff, goods and services;

- The income from the non-tuition fee expenditure of international students; • The subsequent knock-on effects associated with the non-tuition fee expenditure undertaken by international students; and

- The income associated with the spending of friends and family visiting international students in the UK.

- There are a number of benefits that were not considered as part of this analysis, given the difficulty in providing adequately robust evidence and measuring some of these benefits in monetary terms. These include:

- The tax and National Insurance paid by international students (or their dependants) while in employment in the United Kingdom — during and/or after their studies;

- • The longer term investment, business and trade links that are expected to occur as a result of hosting international students in the United Kingdom; • The soft diplomatic power exerted by the United Kingdom on an international stage as a result of the networks built up during their stays; and

- The wider cultural and societal impacts associated with a more diverse population.

Given these omissions, the analysis will underestimate the true contribution of international students to the UK economy.

Costs

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27 An indirect effect arises from universities' and students' purchases of goods and services from other sectors in the economy to support their consumption and investment decisions. These purchases generate income for the supplying industries, which are in turn spent on their own purchases from input suppliers to meet the universities' and students' demands. This results in a chain reaction of subsequent rounds of spending across industries, commonly referred to as the 'ripple effect'.

28 The induced effect is based on universities' and suppliers' statuses as employers. In return for their services, each university and supplier pays salaries to their employees, who will use this income to buy consumer goods and services within the economy. This generates wage income for employees within the industries producing these goods and services, who in turn spend their own income on goods and services. Again, this leads to subsequent rounds of wage income spending, i.e. a further 'ripple effect' throughout the economy as a whole.

In relation to the public costs associated with hosting international students, they considered:

- The teaching grant costs incurred by HEFCE, HEFCW, the Scottish
- Funding Council and the Department for Employment and Learning Northern Ireland to fund higher education institutions' provision of teaching and learning activities (for EU students only);
- The costs associated with the tuition fee support (through loans and/or grants) provided to EU students studying across the home nations; and • The costs associated with the provision of other public services to international students (net of any direct contribution) or their dependants, including healthcare; housing and community amenities, primary and secondary-level education received by dependent children; social security; public order and safety; defence; economic affairs; recreation and culture; environmental protection, and other general public services.
- • They also included the costs associated with other 'non-identifiable' public expenditure incurred by the UK Exchequer (e.g. expenditure relating to the servicing of the national debt), and expenditure on overseas activities (i.e. diplomatic activities etc.).

Students considered

The analysis focuses on the aggregate economic benefits and costs to the UK economy associated with the 231 ,065 international students commencing their studies in the UK in 2015/16, taking account of the total impacts associated with these students over the entire duration of their study in the UK (adjusted for completion rates).

In addition to the total UK-wide impact, to understand the contribution at a regional level, they linked international students to the location of the higher education institution they attend. This allowed then to estimate the contribution to the UK economy originating at a regional level. The total costs and benefits for Northern Ireland were based on the share of all international students in the UK studying in Northern Ireland.

Students in Northern Ireland

There were 2,445 international students commencing their studies in Northern Ireland in 2015/16. 43% from the EU and 57% from non EU countries. This was just over 1% of the total.

The economic contribution of international students to the UK economy

Benefits per student

The average benefit to the UK economy associated with a typical EU-domiciled student was approximately E87,000 in 2015/16, with the comparable estimate for non-EU-domiciled students standing at approximately El 02,000. As reported in Table 18, the difference between the two estimates is primarily driven by the relatively higher tuition fees charged to non-EU-domiciled students compared to students from (other) EU countries studying at UK higher education institutions (HEIS).

Table 18: Average benefits per student (E)

Expenditure		Non-EU	Average
Direct, indirect and induced impact of tuition fee income (E)	29,000	252,000	246,000
Impact of non fee expenditure (E)	E55,OOO	E47,OOO	249,000
Impact of visitor expenditure (E)	23,000	22,000	22,000
Total (E)	E87,OOO	El 02,000[233]	E97,OOO

Source: London Economics, January 2018

Costs per student

Table 19 outlines the breakdown of costs for international students. The estimated cost to the Exchequer associated with a typical Ell-domiciled student was El 9,000, while the comparable figure for non-EU students was estimated to be E7,OOO.

Table 19: Average costs per student (E)

Costs		Non-EU	Average
Teaching grant costs (E)	22,000	n.a.	El tooo
Student support costs (E)	22,000	n.a.	El ,OOO
Other public costs (E)	El 5,000	27,000	E9,ooo

[233] Note - Values per student are rounded to the nearest El ,OOO therefore the total my not equal the sum of the individual items.

Total (E)	El 9,000	27,000	El 1,000

Source: London Economics, January 2018

Net economic benefits across the UK economy

Total net impact for the UK

Across the total cohort of first-year international students enrolled with UK HEIS in the 2015/16 academic year, the total net impact of international students on the UK economy was estimated to be E20.3bn, with E4.Obn of this net impact generated by Ell-domiciled students, and El 6.3bn of net impact generated by non-EU-domiciled students in the cohort[234] .

For Northern Ireland the total economic benefit was estimated to be 2210.6 million. Total costs were estimated to be 243.2 million which gives an overall net benefit of El 67.4million[235] .

Net economic impact per international student in the UK

The net economic impact was estimated to be 268,000 for each typical EUdomiciled student in the 2015/16 cohort, and 295,000 generated by each typical non-EU-domiciled student.

On average, international students make a E31.3m net economic contribution to the UK economy for each of the 650 parliamentary constituencies across the UK, which is equivalent to 2310 per member of the resident population. This varies from E549 per member of the resident population per constituency in London to 292 in Northern Ireland.

Impact of visitors to international student

They estimated that in 2015/16 alone there were approximately 1.4 international visitors for every first-year student undertaking some form of higher education learning in the United Kingdom. This equates to approximately 330,000 visitors in

2015/16.

[234] This approach measures the impact of one cohort over the course of their studies, which is broadly comparable to the estimate of the impact of all international students in one particular year.

[235] These figures are calculated by the average benefit and costs for 18 constituency in Northern Ireland. Summing the report net benefit for each constituency in Northern Ireland gives a slightly higher estimated net economic benefit of El 68.7 million.

The analysis demonstrated that EU students typically attract more overseas visitors per year than non-EU students (3.0 visits per EU student compared to 0.9 visitors per non-EU-domiciled student per year). However, non-EU-domiciled visitors spent more on average during each visit (2822) compared to EU student visitors (296).

Over the course of their studies it was estimated that on average each EU student attracted visitor expenditure with an impact of 23,000 to the UK. This figure was 22,000 for non EU students.

ANNEX A — Detailed breakdown of Student Expenditure

The following sections present the detailed student expenditure breakdowns for England for 2011/12 and 2015/16. The data for 2011/12 if from SEIS 2011/12. The data for 2015/16 (in the shaded columns) is calculated by DfE, by uplifting the 2011/12 figures using the consumer price index.

Participation Costs

These are the costs that students incur as a direct result of attending university or college and are the third-largest category of expenditure for most students. They include: the costs of course-related books, equipment and stationery; the costs of travelling to and from their university or college; the costs of any childcare that parents obtain in order to allow them to study; and all course fees paid by the students.

Table 20: Total participation costs 2011/12 and 2015/16

	2011/12	2011/12	2015/16	2015/16
Participation Costs	Full-Time	Part-Time	Full-Time	Part-Time
Direct Course Costs (e.g. Books & equipment)	E459	E414	E483	€435
Costs of facilitating participation (e.g. study related travel)	E402	E520	E423	E547
Other participation costs	E35	E14	E37	E15
Total Participation Costs (exc. Tuition fees)	E896	E948	E942	E997

Source: SEIS 2011/12, DfE calculations

Living Costs

This is by far the largest category and includes expenditure on: food and drink; personal items such as clothes, toiletries, mobile phones, CDs, magazines and cigarettes; entertainment, including nightclubs, concerts, sports and gambling; household goods including cleaning and servicing costs; and non-course travel such as holidays and visits to family and friends.

Table 21 : Total living costs 2011/12 and 2015/16

	2011/12	2011/12	2015/16	2015/16

Living Costs	Full-Time	Part-Time	Full-Time	Part-Time
Food	El,884	E3,387	El,982	8,562
Personal Items	El,840	E2,500	El,935	E2,629
Entertainment	El,082	El,618	El,138	El,702
Household Goods	E344	E905	€362	E952
Non-Course Travel	El,567	E3,056	El,648	E3,214
Other Living Costs	E37	E70	E39	E74
Total Living Costs"	E6,705	Ell,534	E7,052	E12,131

Source: SEIS 2011/12, DtE calculations

Housinq Costs

This is the second-largest category of expenditure for most students and includes rent, mortgage costs, retainers, council tax and household bills.

Table 22: Total housing costs 2011/12 and 2015/16

	2011/12	2011/12	2015/16	2015/16
Housing Costs	Full-Time	Part-Time	Full-Time	Part-Time
Mortgage and Rent Costs	E2,462	E2,880	E2,589	E3,029
Retainer Costs	E148		E156	
Other Housing Costs	E391	El,051	E411	El,105
Total Housing Costs	E3,001	E3,940	E3,156	E4,144

Source: SEIS 2011/12, DfE calculations

Spendinq on Children

This is the smallest category and covers all spending by parents on their children, including the costs of any childcare that is not related to their study.

Table 23: Total childcare costs 2011/12 and 2015/16

	2011/12	2011/12	2015/16	2015/16
Spending on Children	Full-Time	Part-Time	Full-Time	Part-Time
Child Spending	E238	El,178	E250	El,239

Source: SEIS 2011/12, DfE calculations

[32] Note: The reported total living costs are adjusted for joint financial responsibility (where relevant) and therefore the sum of the components does not equal the total.

Welsh Government

INTRODUCTION

The Welsh Government Position

Migration policy is a non-devolved matter. However the UK Government's approach to migration as implications for Wales in relation to various devolved matters – such as skills, public services, economic development, higher education etc.

The Welsh Government set out its position on migration policy, particularly as regards EU exit, in its policy paper "Fair Movement of People", which took an evidence based approach to analysing the issues. Amongst the issues highlighted in "Fair Movement of People" was the implications for higher education policy in Wales of changes to UK immigration policy for international students https://beta.gov.wales/brexit.

The Welsh Government has repeatedly made clear its position that overseas students contribute positively to Wales. International students are valued by their institutions, contributing to the diversity of the student body, generating income and securing the viability of their courses. Not only do International students add to the rich, diverse cultural mix to the communities in which they study they are also income generating in those communities through living and housing costs etc. It is important that UK Government policy and the messages that it sends out do not significantly undermine the ability of universities to attract international students given their important contribution. We have made clear our view that students should not be counted as migrants for the purpose of net migration targets. Our HEIs provide a globally competitive service, and any restrictions to our ability to deliver this are effectively a restriction to trade.

Global Wales

Enhancing Wales' international position/ promoting Wales on the world stage is a strategic priority of the Welsh Government. We recognise the contribution that international student recruitment can make to building positive international relations and enhancing Wales profile. Global Wales is a partnership between Universities Wales, Welsh Government, British Council Wales and the Higher Education Funding Council for Wales. It aims to support investment in Wales by building collaborative ventures through market research, intelligence gathering, targeted inward visits and outward missions and increased promotional activities such as the delivery of the 'Study in Wales' brand in key markets. One of Global Wales' main objectives is to deliver a consistent message about the quality and diversity of the Welsh HE offer in terms of research, skills, knowledge exchange, and student experience with a view to driving further overseas investment to Wales.

The Economic Contribution of International Students in Wales

Universities Wales has produced a series of reports on the economic contribution of international students. The latest of these was published in November 2017. http://www.uniswales.ac.uk/study-shows-international-students-at-welsh-universities-are-bringing-significant-and-positive-benefits-to-wales/. Universities Wales also published in January 2018 a report into the Economic Impact of Higher Education in Wales http://www.uniswales.ac.uk/new-report-launched-the-economic-impact-of-higher-education-in-wales-2/.

The latest data on international students in Wales is published on the Welsh Government website which can be found at https://statswales.gov.wales/Catalogue/Education-and-Skills/Post-16-Education-and-Training/Higher-Education/Students/Enrolments-at-Welsh-HEIs/highereducationenrolments-by-domicile-year-mode.

MAC QUESTIONS

MAC QUESTIONS	WG COMMENTS
What impact does the payment of migrant student fees to the educational provider have?	According to the HESA Finance Record, tuition fee income to Welsh HEIs from non-EU international students totalled around £150m in 2015/16 (around 20% of total fee income) According to HEFCW figures, tuition fee income to Welsh HEIs from EU students totalled around £24m in 2013/14.
What are the fiscal impacts of migrant students, including student loan arrangements?	EU domiciled (but not non-EU international) students are eligible for student finance for tuition fees, but not maintenance (living costs). In the 2015/16 academic year, EU domiciled students at Welsh HEIs received a total of £13m in tuition fee grants and £8m in tuition fee loans. We would be happy to respond to any specific queries from MAC in relation to Wales.
Do migrant students help support employment in educational institutions?	As Universities Wales pointed out in their report to the MAC, international students paid an estimated total of £185m in fees to the universities, as well as a range of other payments. The universities then re-spend this money, both in buying goods and services for institutional purposes and also hiring staff and paying wages to university staff who then re-spend their wages on housing, food, and other consumer goods and services. The loss of this funding would have a significant impact on Welsh institutions.

How much money do migrant students spend in the national, regional and local economy and what is the impact of this?	Again the Universities Wales evidence shows that communities across Wales benefit from the direct and immediate impact of international students on the economy, even those without a university presence. On and off-campus spending by international students and their visitors generated: - £716 million in gross output for the Welsh economy - £372 million of Welsh GVA – which was equivalent to 0.7% of 2015 Welsh GVA. This is a significant contribution to the economy of Wales.
How do migrant students affect the educational opportunities available to UK students?	In Wales, they support the viability of certain courses where international students are particularly represented; and enhance the educational experience by contributing to the diversity and international perspective of the student body.
To what extent does the demand from migrant students for UK education dictate the supply of that education provision and the impact of this on UK students?	The supply of courses is not dictated by migrant students, but rather the demand from those students demonstrates the high regard that the education provided by institutions is held in around the world.
What is the impact of migrant students on the demand for housing provision, on transport (particularly local transport) and on health provision?	The Welsh Government does not hold any data on the impact of migrant students on housing, transport or health provision.
What impacts have migrant students had on changes to tourism and numbers of visitors to the UK?	The Welsh Government supports the view outlined in the Universities Wales report that international students and their visitors can support tourism to Wales, through the promotion of Wales as a destination to visit. The economic impact by the tourism generated through visiting family and friends of international students is significant.
What role do migrant students play in extending UK soft power and influence abroad?	The Welsh Government considers international students and the international activities of higher education as central to our strategy for selling Wales to the World, particularly post-Brexit. International students form an important link to the rest of the world, which can be beneficial to trade and diplomatic considerations.

	Alumni can help to create lasting positive relationships with future leaders, influencers and policy makers. The Welsh Government engages with alumni around the world through our overseas offices, to help promote Wales.
If migrant students take paid employment while they are studying, what types of work do they do?	The Welsh Government does not have this information.
What are the broader labour market impacts of students transferring from Tier 4 to Tier 2 including on net migration and on shortage occupations?	We have not undertaken an analysis of this specific issue in relation to Wales.
Whether, and to what extent, migrant students enter the labour market, when they graduate and what types of post-study work do they do?	**Some information on the destinations of EU domiciled graduates from Welsh HEIs is available from: https://statswales.gov.wales/v/C0XZ**

FEBRUARY 2018

Individuals

Individual A

Dear sir/madam

We are a host family who have been receiving international students into our home since 1985, there are a huge amount of benefits to becoming a host family not only to the host family but also to the student and the local economy. One of the most important aspects is assisting a young person with their language skills , passing on British customs and mannerisms which can only be experienced in the country of the language being learnt, our children have now grown up but they have learnt about different cultures, made lasting friends all over the world this enriched there education and has helped them in adult life within there chosen careers. Our grandchildren now have the benefits bestowed on our children and the circle begins again, having students has meant sacrifices from all the family learning tolerance, empathy when our students are home sick, helping the students cook some of there own food to make them happy, being able to take a holiday with my family as it brings in a little extra money.

Hosting students has enriched our lives and we hope to continue.

Individual B

In my view foreign students have a positive impact on both the economy and to the rich diversity which makes up our country.

Economically they bring in income to families and to our commercial businesses. My family, for one, have found the income from such students helped us to maintain a higher level of education by helping towards the university fees we required for our sons.

We have also benefited from becoming acquainted with many people from other cultures which has been interesting and educational to us. It also promotes diversity, which can only be positive in this day and age.

Students from other countries are beneficial to many areas of the U.K. and as such need to be encouraged to continue to study here.

Individual C

Dear Migration Advisory Committee

I hope to send a concise reply to one or two of your questions by the deadline of 26th of Janurary.

Meanwhile, I have informal notes in progress as a blog post on this link.

http://veg-buildlog.blogspot.co.uk/2018/01/httpswwwgovukgovernmentconsultationspro.html

I send the link in case useful for provoking further questions and ideas.

Migration Advisory Committee call for evidence
International Students

Introduction: some suggestions with reasons further-down.
http://archive.is/JWMpT is an important part of this response.
This response is made without funding and without great short-term memory so it rambles under some of the headings. Thanks for patience in reading the bits that ramble, particularly because some of the opinions are rude. For example I suggest that international sduents' courses are bad. My name and address are at the end.

Lobby data doesn't mention crowding.
Lobby data is comissioned by lobbyists from Oxford Economics or London Economics.
Crowding is my word for housing & transport overload.
Crowding or excess demand could be mentioned under most of the headings below. For housing, or tickets, or space in the congestion zone, or polluted air, or tiny bits of space shared with too many people. It is expensive to hire staff in crowded inner cities, and so harder to run services. Meanwhile there are disproportionate needs for staff to run parts of the housing and transport systems at inefficient maximum capacaity.

Migrants often take courses with bad student feedback, in expensive areas like London
I have a separate table of data with more detail about this: http://archive.is/JWMpT or
http://veg-buildlog.blogspot.co.uk/2018/01/international-student-course.html
London School of Economics' economics degree is the least popular of any economics degree; University of the Arts courses, taken altogether, rank it as the least popular institution of any. Both have large numbers of migrant students. Both teach in the most expensive areas of London.

How to help migrants find better courses in cheaper areas.

The Higher Education Funding Council could restrict funding to colleges that advertise badly abroad, and restrict funding to one or two colleges that work directly against the interests of UK taxpayers and UK manufacturing like London College of Fashion that ran a Creative Connexions project and published course material and case studies for fictional organisations related to Ethical Fashion Forum and the organisations called Juste, Sari Dress Project, and, slightly less fictional, Pants to Poverty (see http://pantstopoverty.org.uk/bond.html for details)

The British Council's service to promote higher education can be changed to offer course advice rather than promoting colleges. I understand that the British Council is largely funded by the Foreign Office and it might get a Department for Business grant for this work. At the moment it offers an extra service to colleges that pay more. I think this should stop, because it encourages the promotion of colleges over courses and so promotes bad courses.

Home Office visa application systems could ask a few online questions with an online form, to check that students know what syllabus they have applied to study, know the unistats feedback and the relative housing costs, and have not seen too much vague language on the prospectus. They could do this for all applications backed by colleges. The college would then have to tell the applicant how to fill-in the form, and avoid using vague words on their prospectus.

What impact does the payment
of migrant student fees
to the educational provider have?

Migrant fees are about double home fees, so have double the impact.
Migrants are worse at choosing courses, so the worst course makes the most money.

Everybody looses including the student, home students sitting alongside, anyone who would benefit from better educated students, or another educational provider looking for students and money. Take one example. Economics students are often not trained in how to fund the welfare state. That syllabus is banished to an obscure degree subject called Public Administration. So, if you ask an MP about funding the NHS, they don't know what to say. The Prime Minister was caught with the question and said *"people are getting older"*, and I doubt any of the last few prime ministers could have answered any better.

There is a table of data showing economics course feedback scores for the colleges with most international students, showing that most have the worst student feedback.

http://archive.is/JWMpT (Changes after 26.1.18 they will show on the long link http://veg-buildlog.blogspot.co.uk/2018/01/international-student-course.html)

What are the fiscal impacts of migrant students, (including student loan arrangements)?

Crowding costs are the obvious urgent problem, but not mentioned in lobby data.

I think the fiscal cost of public services rises more per head as crowding increases, as a curve, so it is less per head in Lampeter and more per head in London. I think the data funded by lobby groups via Oxford Economics or London Economics is silent here, as you would expect. London Economics does do some work to try and price public services per head in different consituencies, but only has two zones for health spending, and has a theory that some categories of public spending are much higher in Wales for example, so I don't think their figures help and they don't state how the figures are worked-out.

Take housing.
Housing is more expensive to manage if it is scarce and expensive than if nobody cares about a months' vacancy or qualification for a special needs waiting list. There used to be some hotels around Argyle Square and Gower Street that might take a guest on housing benefit and advertised in Loot. I expect the guest had to be convincing at some kind of interview and provide lots of ID, but they did it, making a lot of social housing provision unnecessary. Now that housing benefit is harder to get and housing costs in Camden are about the highest in the UK, I doubt you can still get a hotel room on housing benefit. Gower Street is also the main address for London University; prices round Gower Street and Camden and London are increased by London University's trade

Take transport.
I guess rail journeys cost more per ticket at capacity than at half capacity. Signaling, unsocial hours, and emergencies cost more at full capacity. Journeys cost more than the ticket price if one emergency stops a line from working for an hour, as they do in central London. As the limits to capacity are tested, it becomes clear that money cannot buy more tube tunnels, cubic meters of air to disperse exhaust fumes, linear meters of traffic lane or parking space, seats in existing transport, miles of commute that commutes are willing to endure. There are congestion charges in London but some streets are still too polluted by EU standards. So all services in central London have to beat the cost of harder deliveries and harder commutes. And transport is one of the more measurable factors, along with housing prices.

There are plenty of less measurable fiscal costs to the numbers of public sector staff needed, the stress to them, the cost of staff turnover or bad staff, and the fiscal cost of extra wages paid to make-up. The fact that shortage occupations include emergency medicine and old-age psychiatry suggest, in part, that not enough people are trained but they also suggest that not enough people want the job at any wage after a few years in post, quite likely because of strains related to overcrowding, lack of social care in overcrowded areas, high staff turnover among colleagues, and so-on.

Take lobby data: a repeated point
Lobbyists fund data.
Universities UK finds reports from Oxford Economics; other lobbyists fund London Economics. Lobbyists want taxpayer funding or student fees, so they don’t pay for data about overcrowding and its fiscal costs, obviously. Not obvious to elected mayors of London or ministers, but obvious. Mayors and ministers have a puppy-like enthusiasm for trotting-out this stuff out in speeches after going on a visit and shaking someone's hand.

So as taxpayers, we read claims of benefits and have to un-pick them, un-paid, to state the costs to officials & politicians. If we send these opinions in, as I did to Sadiq Khan about a different way of funding London Fashion Week, we might get an acknowledgement from their secretaries, or might not, and then we see their next speech with the puppy-like enthusiasm for lobby data because I suppose they have met someone in person and shaken their hand and believed every word.

The Mayor of London uses taxes to fund some economists directly. Their office is called GLA Economics. I hoped they would have a report on crowding of housing and transport, and so the need to have less visitors to London as students or tourists or arts audience or lured-in tech employees or any other category.

https://www.london.gov.uk/what-we-do/research-and-analysis/economy-and-employment/
https://data.london.gov.uk/gla-economics/

This is an example report:

https://www.london.gov.uk/what-we-do/research-and-analysis/economy-and-employment/economic-evidence-base-london-2016

Their web site does mention rising population, pollution, an a graph of median earnings falling against housing costs over time. This looks like an argument for less crowding. Next to these chapters are other pages about the need to bring more business and visitors into London: an argument for more crowding. This is the clash between evidence and policy that I do not understand, and seems so blatant that I do not know how to argue against it except by stating the obvious point about over-crowding under every heading.

Fiscal cost of crowding: (could be repeated under "how much money ... spending ... impact ... regional")

This is the most important point and could sit under several headings, including fiscal costs of governing an over-crowded expensive town like London with staff on Inner London Weighting, Congestion charges, long commutes, excessive staff turnover, extra services like traffic control and congestion charging, extra costs of running services over without spare capacity for housing or social care, and so-on.

The briefing paper notes a report on education healthcare and social services spending, which are not much used by people of student age. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/257236/impact-of-migration.pdf

I think it's obvious that the crowding ads to the cost of those services. They have to be run without enough beds, bedsits, flats, transport seats, meters of traffic lane, parking spaces, or cubic meters of air to disperse exhaust fumes. This makes each service, from social care to education to housing, more slow and stressful to manage. There is a congestion charge. There are 24 hour traffic monitors trying to keep traffic moving even so, and people working full-time on the cameras that catch people on certain yellow box junctions when the traffic jam strands them there. All these extra public services have fiscal costs, even if those costs are funded by traffic fines or tickets

Meanwhile, reports from lobby groups have nothing to say.

Oxford Economics mention no costs, if I remember right. I have linked to the part of their report that states working methods. http://bit.ly/reportmethods

London Economics does mention some costs or "fiscal impacts". One of their reports costs public costs and benefits by parliamentary constituency, and if there is a vital part that I have missed it is in how they cost public services per head in Westminster or Coleraine or West Highlands. Their main report is more national.

Costs of Hosting International Students

Funding Council Teaching Grants

Costs of Student Support

The Other Public Costs of Hosting International Students

Total

Other Public Costs for Students and Dependents

This is the only lobby data I have seen which mentions higher costs in Gower Street, Camden, London, than in Coleraine or West Highlands. The 't is rough, and opaque.

It calculates that health costs £729 in some regions and £529 in others - there are only two bands. General public services are cheap in London, it estimates, at £84 compared to £159 in Wales. The calculation is kept private. So I don't think that lobby data helps any more than GLA Economics in making sense of the cost of crowding.

Fiscal cost of scholarships:

Most international students are over-charged by the colleges, but some are subsidised by the taxpayer through scholarships, I understand, even though the same taxpayer no longer gets a student grant themselves.

Source

https://study-uk.britishcouncil.org/options/scholarships-financial-support.

The Great China scholarship fund is worth a million pounds says and the Great India scholarship fund looks similar. There is an EU Erasmus program which I don't understand. The Chevening Fund is for students "personally selected" by British embassies "Funded by the Foreign and Commonwealth Office (FCO) and partner organisations", meaning that it is funded by removing money from the welfare state.

if you are not a courtier but just live in the UK and pay taxes, I understand that you can only get a student loan for fees and maintenance, charged at 7%, repayable in installments if you ever earn an average income. The government pays interest at a much lower rate, but does not pass-on the saving and ministers have stated that the scheme makes no money; it makes a big mark-up but the system is expensive to run and a lot of people don't ever make an average wage with which to repay their student loan.

Fiscal cost of unravelling the statements

There is no government grant for un-ravelling the statements made by Oxford Economics or London Economics for public-funded organisations that want more taxpayers' money. I think that's a bit unfair because they use taxpayers' money to pay for the reports:

"The economic activity and employment sustained by international students' subsistence spending generated £1 billion in tax revenues in 2014–15 – equivalent to the salaries of 31,700 nurses or 25,000 police officers"

http://www.universitiesuk.ac.uk/policy-and-analysis/reports/Documents/2017/economic-impact-international-students-final-WEB.pdf

London Economics did similar research for one sponsor and something called the *"Higher Education Policy Institute"*, (registered charity number 1099645) named to confuse by the look of it. They ran a dinner event with the title "challenger institutions: useful competition or unhelpful disruption?" and invited a miniter or MP along. So they are probably the same bunch as the other sponsor, Kaplan, which is a crammer that wants to be called a University.

London Economics' account of jobs created does not mention jobs lost as a result of so many students studying bad courses in crowded places. London Economics' estimate might make sense at Coleraine in Northern Ireland, or the Highlands, or in County Durham. Areas where there are empty bedsits, and if this isn't always true, then the less measurable claims of benefit make-up. Maybe students add variety and connections and bring skills, or maybe they make businesses viable that would otherwise not be viable, such as cheap clubs and venues that local people can also use. Unfortunately I think that most areas are more crowded than this.

The most crowded area is London if you measure by property prices.

Universities UK's report from Oxford Economics quotes this about London.

£1327m off campus expenditure

8,855 jobs created by spending (it doesn't say on or off campus)

£2.714bn export earnings.

One of the worrying things is that there are no notes and queries attached. A politician or a civil servant could simply take these figures as given. Just as a lot take the cliches as given - "world class", for example.

I doubt any of these figures helps.

Off campus expenditure would be spent by other people in London who would be allowed-in if international students were not there. The people priced-out, who commute-in. They would also be less tired and more enterprising, maybe talking to children more or sleeping or doing a more fun job with lower prospects or earnings or hanging around clubs and bars and venues or whatever common people do.

Fiscal benefit of VAT and other taxes on the supply chain for off-campus spending

This requires modelling that is not easy for most of us to challenge although I would welcome a chance if there's any need for specific feedback, or if anyone with more up-do-date skills wants to do it with me.

http://www.universitiesuk.ac.uk/policy-and-analysis/reports/Documents/2017/the-economic-impact-of-universities.pdf

... is the report commissioned by a lobby group

... http://bit.ly/reportmethods is the part that quotes their reporting methods

including student loan arrangements?

(I don't know any relevant evidence to send to the migration advisory committee.

There could be a chance for UK students to build their student loan into the state national insurance scheme, so that, if they have a high income throughout their lives, maybe they get a state pension years later than someone who has worked in mining from the age of 16 for example.

It is frustrating that UK government cannot afford student grants to people in the UK, but does grant them to people in China or India as part of a scholarship scheme, and does still grant research work to universities in large amounts)

Do migrant students help support employment in educational institutions?

Crowding can be mentioned under each heading, such as long commutes or high local housing costs.

How much money do migrant students spend in the national, regional and local economy and what is the impact of this?

Crowding can be mentioned under each heading.
Housing spending will crowd-out other potential users of the land, or the specific floor space if students rent privately.
Transport spending will raise the congestion charge, or crowd–out other users of public transport

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How do migrant students affect the educational opportunities available to UK students?

To what extent does the demand from migrant students for UK education dictate the supply of that education provision and the impact of this on UK students?

I take these together, under Quantity and Quality.

Quantity.

A couple of reports note international demand for courses otherwise harder to run. So far as the quantity of teaching goes, I think the reports make sense, but they have not said why these courses lack a critical mass of home students - maybe because of faults in schools or bad choices made by prospective students, or lack of wealth among home students.

The reports also suggest that post-graduate study is strategically important. I'm baffled. How could home students possibly afford it? Why aren't their first degrees sufficient to teach them to study by themselves without further help? What does it mean for their job prospects when applicants from wealthy backgrounds have two degrees and they only have one? Does a first degree get dumbed-down and un-critical in a college where so many students are postgraduates? Do the conventional wisdoms about how the world works get influenced by the wealthy. international backgrounds of so many students? How does an employer distinguish between a rich but useless person with two degrees and poor useful person with one degree?

"Graduates entering employment predominantly move into management, banking and finance and the civil service.", according to University College London economics department, and I find that rather frightening when I think of the problems of economics teaching in the UK.

I simply quote some paragraphs, to show the arguments I mean, before moving-on to Quality.

A further benefit for UK HEIs from the presence of international students has been cited as their role in achieving critical mass for teaching on some courses, including some which may have declined in popularity with home students. In some STEM subjects especially, the proportion of international students may be relatively high in some institutions, and without the presence of those students the course would become unsustainable, thereby reducing the range of courses available to UK students at certain institutions. The make-up of some course groups reported by the alumni supported this view. Any such reductions of course availability could have potential long-term impact on the UK stock of strategic skills.

These issues also arise in relation to postgraduate research study.

- BIS (2013) The wider benefits of international higher education in the UK
https://www.gov.uk/government/publications/international-higher-education-in-the-uk-wider-benefits

The same point is made for Universities UK by Oxford Economics several times in different parts of their report

International student fee income accounted for 13% of sector income in 2013–14, and demand from international students can support the provision of certain strategically- important subjects in the UK (eg engineering, technology and computer science, particularly at postgraduate level where around half of all students are from outside the EU).

Universities UK (2014) International Students in Higher Education
http://www.universitiesuk.ac.uk/policy-and-analysis/reports/Documents/2014/international-students-in-higher-education.pdf

Quality

In the same way as other students who are easily-led or mis-led; and not sure what to expect. They make bad courses possible.

This is particularly true of Economics courses, which have been exposed as needing reform, but continue - by the look of them - even more clogged-up with rubbish than when I took an economics degree decades ago.

The Survey of Graduating International Students found that *"recognition of UK qualifications, the university reputation and the language"* were important.

On the other hand, there was no question about the course itself, so a different survey might get a different result.

http://www.cpc.ac.uk/docs/2017_SoGIS_Technical_Report.pdf

I know that some universities recruit abroad more than others, and often with help from government to do it.

Example: Leeds College of Health, circa 1996.

I repeat this point under another question

I was myself on a distance learning course, advertised as part of Leeds University but in fact run by Leeds College of Health, an organisation unable to provide any contact at all with tutors, and lost its last one, I think while I was on the course. I think it collapsed at that point. What I noticed was that most of the distance learning students were from Pakistan, and another large proportion were paid-for by a health trust in Yorkshire. I suspect that these two groups of students were less likely to complain, and less likely to know what to expect, than a self-funded student. I suspect that's why the course survived as long as it did and my chances of study were reduced instead of increased, because someone could have set-up a proper college and I could have found it if Leeds College of Health had never existed. And so the demand from those migrant students and employer-funded students reduced the supply of education to me, with a bad impact on how well I did my job and on my job prospects. Current unistats data would single-out the course and force closure a little sooner than in 2002.

Example: Manchester University Economics degree, quoted in 2013 http://www.rethinkeconomics.org/wp-content/uploads/2017/03/Economics-Education-and-Unlearning.pdf

100% of marks awarded by multiple choice exam for both Principles modules in first year.

UK Micro and Macro have 90% awarded by multiple choice exams and the other 10% is an essay. However, this essay is only 1,000 words long and students get 100% for handing it in on time. This means that many students don't widely research the topic or fully engage with the material.

Micro and Macro Principles are a delivery of neoclassical theory and students are expected to learn the theory by rote.

There is no mention of what school of thought is being taught or that there are any other schools of thought. It is presented as facts about the world which leads to the possibility of students believing that these ideas represent indisputable truths

The largest recruiter of overseas students - UCL - now claims to have improved its syllabus:

http://www.ucl.ac.uk/news/news-articles/0917/180917-core-economics-teaching

The news has not reached their page on the complete university guide for 2018 admission

https://www.thecompleteuniversityguide.co.uk/courses/details/164395747.

If graduates are produced who don't look things up or think things through, and haven't quite got the right skills for self-employment, there must be an effect on the demand for graduates. One measure of this, I think, is the number of people who do post-graduate courses that I know very little about.

Take another example of a bad course - the footwear design course at London College of Fashion. Last I heard, Clarks asks students to design some prototype uppers each year, but not the soles because those require engineering which the college doesn't teach. Meanwhile, one of the shortage occupations is "product development engineer; product design engineer" under an engineering heading.

Anecdotal examples that human rights and democracy are not much mentioned by

Lobbying of mayors such as Khan: " It's great that so many people want to come to London to study fashion". I disagree, but the effect of un-democratic lobbying is greater, I think, than the democratic pressure to make london a less crowded place to live,

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What is the impact of migrant students on the demand for

housing provision

transport (particularly local transport)

health provision

Crowding is the main point here.

The Planning Act prevents building to meet demand; Britain is overcrowded in most places.
British manufacturing shrank more than manufacturing in similar countries, I think, during a period of high exchange rates from 1979-2009. That left the jobs disproportionately in the areas where service industries are common, rather than in Belfast or Tyneside So there is a lot of overcrowding in London, quite a lot in most areas, and just a few tiny bits like Coleraine where imigrants are a great help.

Extra crowding, I believe, can only add to fiscal costs, even without thinking of data.

If taxes have to pay for roads, for example, then they might as well pay for rails, and so there is a fiscal cost to peoples' long commutes to London. There is the fiscal cost of running transport very near to full capacity, with the extra traffic monitoring work that has to be done, and the cost to travellers of the congestion charge. There are fiscal costs of a less efficient workforce, more stressed and tired because of long commutes.

The fiscal costs of housing rise with over-crowding too I think. There is the fiscal cost of housing benefit has to rise with rent. Emergency housing schemes like council homeless persons units have to make extra use of hostels and B&Bs to house homeless people because more suitable space is not available, and increased rough-sleeping because people who are willing and able to use a room or a hostel space on housing benefit are not able to find one.

The fiscal costs of running public services have to be higher in a crowded area. The market price for a care assistant from an agency is likely to be higher in London. People on formal public sector pay scales are likely to be in Inner London Weighting.

Housing specifically: a general point based on easily-available data

Data from http://www.bbc.co.uk/news/business-23234033, which maps UK housing costs.

One bed flats in Camden range from £1,457 to £1,625 mid-market to £1,842 for more expensive Westminster and Kensington are slightly more expensive. Generally, the cluster of institutions that attract overseas students have their central buildings in Camden and central London.

The example I looked at - Footwear design at London College of Fashion - has a library and teaching space about British Home Stores in Oxford Street, and uses a former school at Golden Lane in Islington. One of their halls of residence - Cordwainers Court in Shoreditch.- sounds as though it is one of the fixed assets sponsored by past generations to help UK shoemakers study.

"Standard rooms (shared bathroom) are £154 per week for 42-week tenancies, (£6,468 in total) and £150 per week for 50-week tenancies (£7,500). These rooms are approximately 12 m2"

I don't think economists need to add-up all the rent paid by students and declare it a good thing, arguing that it trickles-around the rest of the economy.

I think that the opportunity cost of this space being used in such an overcrowded part of london is that other rental is crowded-out, just as tourist hotels crowds-out other people from London, or the Royal Opera crowds-out people from London with the bad effects of homelessness, high housing costs, long commutes, and a reduction in variety of London services which is hard to explain economically, but seems associated with high rents.

I don't think this would matter if the students

enjoyed their courses,

got value for money by being stretched, stimulated, interested, career qualified etc

benefit the rest of us as much as anyone else who might end-up in central London.

The evidence I can see points the other way on each point.

The London College of Fashion charge for overseas students is £17,500 a year, which is a lot of a course that doesn't teach you to run a shoe factory, learned alongside UK students paying £9,000.

In contrast, there are two shortage occupations on the home office list - "2126 ... product development engineer, product design engineer" which are in demand as well as "2219.... prosthetist". These similar skills are clearly not much taught at London College of Fashion, or hard to practice after graduating with the skills taught, or they would not be shortage occupations.

What impacts have migrant students had on changes to tourism and numbers of visitors to the UK?

Crowding needs a mention under every heading.

There is no room on the Piccadilly Line for more tourists at rush hour.
Most areas of the UK are overcrowded and short of housing, and migrant students study in the most overcrowded areas with the least housing, so if they increase tourism, it might well be in the areas that have too much tourism like London.

Reports including The Value of Fashion by Oxford Economics list extra visitors to London prompted by London Fashion Week. Each extra visitor causes more crowding on the tube.

What role do migrant students play in extending UK soft power and influence abroad?

The Department for Business research asks about their interest in "british goods" and "british brands" interchangably.

Goods made in Britain are good for the economy, helping money circulate and providing a wider range of UK jobs to job appicants who want a wider range of jobs.

British brands may not even be owned in Britain and are unlikely to be made in the UK.

The research found no great take-up of either goods or brands by graduates, but the interchangable use of both words suggests the problem: international students are not keen on a society in which taxes are earned to pay for public services.

I think there is potential for greater benefits among the fifteen categories listed. If every migrant student had to understand the principal of national insurance and similar schemes, the faults of countries without such schemes, and the difficult of trading between the two kinds of country, then I think more of the worlds' countries would reduce poverty sooner and fewer would compete unfairly with the UK.

There are fifteen categories of soft power listed on one report, without much evidence available for success or failure in any of the fifteen categories, so to avoid rambling I say nothing more.

If migrant students take paid employment while they are studying, what types of work do they do?

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What are the broader labour market impacts of students transferring from Tier 4 to Tier 2 [student visa to ex-student visa with rights to apply for skilled work related to the course] including
- on net migration and

?

- on shortage occupations?

Shortage Occupations: need for research on why they are unpleasant jobs, and spending on solutions already known

I think each shortage occupation deserves research on why it is such an unpleasant job that not enough people want to do it for long enough, or to train to do it, even when the pay is high and job agencies have the vacancy ready to fill. Not quite an answer to this consultation, but a point worth making. In some cases, like emergency medecine, I think the answer is well-known. A lack of social care, mental health services, and hospital capacity make the job frustrating and stressful. The answer is clearly to spend less on another shortage occupation - classical dancers and choreographers - and more on social care or mental health services.

There is clearly a need for NHS managers to know more about why nursing is an unpleasant job, I am told by a nurse. She says the clinical nurse specialist job is turned into a production-line job with one diagnosis and one small role and no chance to use expeirence and training. I don't know what more junior nurses on shift work in wards think, but it is worth asking.

I used to do social work social work jobs and found them, the line managers, and the offices a little bit like the ones described in the Victoria Climbie Enquiry.
https://www.gov.uk/government/organisations/victoria-climbi_-inquiry
It strikes me that if there is some way for a course to test whether a social worker is intelligent and honest, that should be the only sort of course to justify a student visa.

I knew a social worker on a postgraduate course at Kingston Uni who was shocked by the other people on the course, and thought that they were just interested in the job for the power. Maybe they were the same people who cropped-up a year or two later at the victoria climbie enquiry.

If there is some country from which it is harder to judge whether applicants are

- polite in UK terms, not giving direct instructions to the client
- respecting the idea of an insurance like service pre-paid by the client through taxes,
- helping where possible instead of just assessing, for example in looking up benefits rules or fitting a stair rail

and ,
- intelligent,
- honest,
- able to look things up with a history of doing it,
- able to think impossible things though with a history of doing it...

then visas should not be allocated in that country, even if some applicants are perfectly good. Maybe they should have special extra testes which can then be applied to all applicants a bit later.

Ideally, social work employers would know how to select job candidates. That wasn't the case at Harringay Social Services when they hired Carole Baptiste. If the Migration Advisory Committee can find out where Carole Baptiste or other employees of Haringay Social Services got their qualifications, I think that would be a good piece of work and help to prevent bad social work courses from running in future - I write with sympathy for

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Whether, and to what extent, migrant students enter the labour market, when they graduate and what types of post-study work do they do?

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In addition, the MAC would like to receive evidence about what stakeholders think would happen in the event of there no longer being a demand from migrant students for a UK education.

Other exports would have to increase

The pound would fall until some other export became competitive and made-up, which would quite likely be a goods rather than a service because easily tradable. Import substitution would work in the same way. The effect would be the same as an end to any other export, such as oil of financial services.

Government can make exports easier

There is no list of “something else”; there is no directory of UK manufacturers taken from income tax & VAT data. Manufactueres are at a disadvantage compared to educators, who's degree courses are all neatly arranged online. Such lists can't be compiled for manuracturers from tax data, because the Revenue and Customs Act restricts use of tax data for other purposes. Government can make exports easier by changing the law and helping directories of UK manufacturers get the most complete possible data. At the moment it's easier to log-on to Alibaba and find a footwear company in China than it is to find one in the UK, which will probably be very lean, keep a low profile, and stick to some niche market.

I think an advantage to manufacturing exports over service exports is that they tend to export from regions that have lower property prices, shorter commutes, no congestion zones, and less crowded public transport.

UK students might integrate with each other more

English schools are not designed to integrate different types of English pupil. An increasing number are faith schools. A proportion are private, and a high proportion of university students are privately educated. The private schools have a contingent of pupils from overseas. Anecdotally, the schools that retain a little capacity for boarding find it filled mainly with pupils from Asia. My old boarding school, Wellington College, now has a branch in China. So an ex boarder from Wellington like myself at the age of 18 might know more about China than about the people in the council school down the road in Berkshire. I expect that there is some self-censorship among people at Wellington about human rights abuses in China, the lack of democracy there, and the difficulty of a country with no welfare state trying to trade with a country that has one. That last point might not even be stated, and if I went from Wellington to a college like University of the Arts with its big Chinese student population, the pattern would be repeated.

When I was 19, the differences between people were to do with class, region, skills, and different kinds of shared general knowledge. People had done quite well at ignoring religion in order to make it go away. Now, there is increasing segregation on religious grounds that also happen to be racial but also show in the wearing of veils, the avoidance of alcohol, and I suspect sexism, homophobia and mis-treatment of animals. I hope that students at UK iniversities find-out more about segregated groups just as previous generations found out about people from different classes, and I guess this is more likely if there are more people from the UK in each university.

Increased diversity in London

"International students bring many benefits to the UK, which have been well articulated in recent years: they bring diversity to campus life and enhance the student experience for 'home' students" - Oxford Economics for Universities UK (2014) International Students and Higher Education

I don't know where to find evidence for increased uniformity in expensive, gentrified areas like London. A reduction in music clubs, gay bars, odd ethnic restaurants, and independent businesses. A reduction in things that people can only do if they pay low rent. A tendency of councils and development agencies to try and gentrify deliberately in underhand ways. I think the evidence for this is often anecdotal; I don't know where to look for something quantitive.

If a lot of London colleges closed, I am sure that would slow the increase in London living costs and I hope that would be good for diversity.

UK MPs might know a little more about their constituents

I am constantly surprised by the way MPs seem to know very little about the country where they stand for parliament, assuming that local people are mainly interested in the issues around them (Susan Kramer MP at a public meeting), or that they prefer points to be expressed as emotions rather than arguments (David Lammy MP on Genfell), or that ordinary people cannot understand economic arguments. As a result, populists are left to make the popular arguments.

An example is TTIP free trade agreement that Hilary Clinton was in favour of, as was Cameron, without thinking it worth debating or important. The presumption was that ordinary people don't need to be told what graduates and post-graduates have worked-out for them. A big indicator of voting for Trump was being a non-graduate. A big election issue was that he's interested in industry, and against unfair trade with China.

An example is Brexit. A big indicator of voting Brexit was being a non-graduate. Graduate MPs seemed to have trouble catching-up with the issues of migration between very different countries, and of the cost of belonging to the EU organisation. So populists made the arguments instead.

An example is Ethical Fashion Forum, Creative Connexions, Making it Ethically in China, and the cluster of related activity. The cluster was funded in secret, with Ethical Fashion Forum miraculously getting a chance to exibit at The Crafts Council and the V&A as well as getting funded by Business Link to give lectures on how to run a business. Officials met in ministries and worked-out with Futerra Communications how to set-up something that looked like a spontanious trade association, rather than a project by Hilary Benn MP at the Department for International Development and then Defra. The presumption, again, is that non-graduates wouldn't understand the need to close UK manufacturing.

I think that if future MPs mixed more with other UK students at university, they might be less surprised and surprising.

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impact of migrant students depending on the institution and/or subject being studied –

do different subjects and different institutions generate different impacts?

Fiscal cost of damage done by badly educated scholars: a strange example

You do not have to think critically to get the grant. I assume that the taught masters degrees in international development at Oxford Brooks University, close to Oxfam's offices, are often funded from this kind of grant, maybe nominated by the Department for International Development. Of some similar system.

Certainly the student who went-on to found Ethical Fashion Forum as a kind of front for UK government interests, pretending a false past as an "award winning architect" and business called Juste - a dress importer that was quoted alongside Pants to Poverty and Sari Dress Project as Case Studies in government funded course materials written-up as an online book by London College of Fashion. Juste only existed as a student project. The student is not registered to practice as an architect, but she agreed with the government so I imagine that she got the student grant. Pants to Poverty claimed not to exist on grants, but the accounts on Pantstopoverty.org.uk/bond.html show a steady stream of them.

I said you don't have to think critically to get the grant. If you don't believe me, I'll send you some qutoes from the masters degree thesis at Oxford Brooks. She claims that people in the UK made their own clothes until international trade allowed them to enjoy fashion. She mixes-up the East India Company with the British Empire, but not with Nike. She backs-up her opinion with a quote that looks fake, on a web site that looks as though it never existed, from an academic who generally states different views. One thing that's clear in her opinions is that she is opposed to UK garment production

This particular student has cost millions of pounds in lost revenue from the companies that she has helped close in the UK, by diverting attention from UK manufacturers. For example, while Pants to Poverty, who shared her office, promoted themselves as "ethical", Manchester Hosiery went bust, was bought out of receivership, and went bust again due to lack of interest from customers. It made T shirts and underwear on high-tec machines that wove them to shape from yarn and could produce more cheaply than T shirts with more sewn seams in them. The same team promoted a seminar of about 50 clothes buyers headed "buying from co-operatives". They didn't mention UK co-operatives.Within a month or two, Equity Shoes of Leicester had gone bust and was closed by the receiver because of lack of interest in UK-made shoes. Equity Shoes was a 100 year-old worker co-operative in a high unemployment area. And then there was the seminar "Making it Ethically in China", funded by the taxpayer through the higher education funding council, that promoted Chinese production with speakers including a fur-dress importer, a Nike consultant and Terra Plana. It was held within a mile of JJ Blackledge, a cheap British PVC wallet manufacturer, that went bust the same week. Just a few orders might have encouraged them to keep going.

I do not know how to estimate loss to the UK economy caused by this covert operation of Dfid, British Council, and scholarships for students who agree with them. I understand that when companies call in receivers, there is usually a statement of reasons why the company failed. A study of these reports, and interviews with former directors, might show that a little encouragement, by universities and government, of firms that pay UK taxes and reasons to buy from them, would go a long way in keeping more of them open and make a positive difference to tax revenue while reducing the costs of benefits and services to stressed people or deprived people.

To save you clicking on the link, I add the email which I got inviting me, as someone in the footwear trade, to the event.

Own-it Event:

Making it ethically in China -

A practical guide for fashion and textile designers

Sourcing materials or manufacturing in China should be considered seriously if you want to compete in a global market and keep production cost low. Many do not think that China should be your first port of call if you have decided to build your brand on a sustainable business model in which worker's rights are recognised, the materials used are environmentally friendly and your carbon footprint is as small as possible. However, China has started to acknowledge the need for sustainable business practices in the production of textiles and clothing, and has set up the Sustainable Fashion Business Consortium in Hong Kong in 2008 to promote just that.

Own-it, Ethical Fashion Forum and Creative Connexions have invited a panel of experts to discuss the current situation in China, how designers can source manufacturers and material that meets their ethical standards and how they can monitor compliance. A lawyer will speak about important clauses in manufacturing or licensing contracts concerning IP rights and confidentiality, as well as what to do when you are faced with counterfeits that are cheap, unethically sourced and damage your good name.

Date: 28.10.09 Time: 6-8pm followed by drinks and networking until 9pm

Location: Asia House, 63 New Cavendish Street, London W1G 7LP

Cost: Free (paid for by taxpayers and paid for again by loss of tax after UK factories close as a result of this)

Fiscal cost of colleges which actively damage the UK economy, sustained by fees from international students and UK Higher Education Funding Council grants.

The international student industry has a cuckoo-like ability to claim grants from UK taxpayers which I think should mainly be meant for the UK population.

My example is London College of Fashion, working with School of Oriental and African Studies, and Kings College, both parts of University of London. It adds a couple of its own off-shoots to the list as well: Centre for Fashion Enterprise and London Business School. It is hard to know the boundaries of this cluster of institutions.

It won a bid for 80% of the Higher Education Innovation Fund promoted help by universities to business until 2005, when it was used for a different purpose, which was to put UK-based designers or anyone from the UK in touch with Chinese manufacturers.

"The Creative Connexions project (originally called "Creative Capital-World City") received £5 million of funding from HEFCE via the third round of the Higher Education Innovation Fund bidding process ("HEIF 3"). This funding was allocated to the University of Arts in London which was the lead higher education in the project bid. This represented just under 80% of the total project budget which was £6.275 million. "

I think the covert use of this tax money is so opposite to the overt, and so opposite to the interests of UK taxpayers, that I think something special should be done.

The institutions should not be awarded any specialised grants for higher education for the life of this government and a suggested fifteen years total; they should receive only the standard higher education funding per head that any other college gets.

The names of officials & ministers who signed for the payments should be published, and similar funding bids and grants likewise.

The process should be published, step-by-step, date-by-date, that led to the grant.

Another example is the cost of promoting UK colleges overseas by civil servants at the Department for Business and the British Council, which I don't think benefits UK students or taxpayers. When these colleges are in over-crowded parts of the UK, I think the spending is directly opposite to the interests of UK taxpayers. It is as bad as spending on the Olympics, and it is more like corruption than proper government spending.

A third example is a pretend fashion industry, centered on London Fashion Week and a couple of feed-in fashion shows, which is good at getting column inches but not so good at promoting UK manufacturers. It is as much to do with manufacturing and UK jobs as a Eurovision song is to do with music you would want to hear or play. I believe that London Fashion Week exists in competition with UK manufacturers, particularly for column inches of media coverage.

Footwear, London College of Fashion, part of University of the Arts

I was a stake-holder in the UK footwear industry, selling dozens of pairs every day or two with a commitment to promote UK manufacturing. Unfortunately, bad health got in the way. I suffered very slight encephelopathy or bad concentration after an accident. You can probably tell by my rambling style of writing. But I keep the old web site running and keep in touch with events. I blog as planB4fashion.blogspot.co.uk and on veg-buildlog.blogspot.co.uk as well as on my own website, Veganline.com

When I became ill, I looked on the net for business support of adult education that might help me. For example my short term memory got too bad for me to learn how to set-up an online shopping cart to sell shoes. I could probably do it with subsidised help, or as part of a class where other people did it together, but no such class exists. I expected to see classes run by London colleges with titles like "automate your book-keeping without an accountant", or "set up a Drupal shopping cart in a month", or "sell with Prestashop". No such courses exist. London College of Fashion runs some footwear courses, but no knowledge transfer partnership system works to help small businesses in London. The Knowledge Transfer Partnership person at London College of Fashion has no background in fashion or footwear, and uses the job to promote a course.

I did find a cluster of taxpayer-funded activity centred around London Fashion Week, London College of Fashion, and Ethical Fashion Forum. A cluster of overlapping organisations and groups of people claiming various government grants in order to promote Chinese or Bangladeshi or Kenyan goods at the expense of goods made in the UK. I found that a significant grant from Greater London Authority went to London Fashion Week, which is a PR organisation that fashion colleges try to infiltrate for their graduates but has as much to do with making clothes as Eurovision has to do with making music.

I believe that if London College of Fsahion closed, the world would be a happier place.

Something else would supply the informed demand for good courses - probably the universities of Leicester and Northampton for footwear degrees. Kingston has a better-reviewed course for design.

I believe that the network of grant-claimants, claiming European Social Fund grants or working with the Department for International Development or the British Council or the Cabinet Office or the Higher Education Funding Council or the Greater London Authority would stop applying. That would leave the grants now paid towards London Fashion Week, for example, to cease. Maybe a replacement would spring-up in the midlands, representing the works of UK factories rather than graduates of fashion colleges and a few other applicants who do not state where their products are made. Either way, there would more more column-inches and air-time for people who make things in the UK and argue the case for goods made in a democratic welfare state. I think this would be great for the economy and particularly for non-graduates who want to do manufacturing jobs.

I believe that the covert operations of this lobby would be discouraged, or at least have to be privately funded. Operations like the online course materials from London College of Fashion with their completely false "case studies" of businesses which had never existed, like Juste, a fictional dress import business run by someone who became a front for another bogus organisation, Ethical Fashion Forum (the industry voice for ethical fashion) which had little to do with fashion businesses, ethical or not, and promoted free trade with Bangladesh.

Example of Manchester University Economics Degree.

I think this course would probably close, as it should, and UK students would find other universities willing to provide better courses. I quote a student report on year one, as taught about 2013, on this page, to illustrate that it puts theory first and doesn't mention public administration.

Example of Cardiff University Economics Degree
This is what their professor wrote about free trade deals with countries that have no welfare state and so lower costs:

"Over time... it seems likely that we would mostly eliminate manufacturing, leaving mainly industries such as design, marketing and hi-tech. But this shouldn’t scare us."

I would like

https://unistats.ac.uk/subjects/satisfaction/10007158FT-100 - unistats marks it down

I would like to repeat the quote back to him, but with "bad economics courses" instead of "manufacturing". Here are some stats about the Cardiff economics

degree.
3,285 international undergraduates,
7,110 including international post-graduates,
73rd out of 83 courses for student feedback on the Complete Uni Guide, with students
46% stimulated by the syllabus,
69% thought that staff made the syllabus interesting, and
52% thought they got a chance to apply what they had learned.

Other universities have shrunk considerably in the past few years, so a good course in a shrunken university will have plenty of space in lecture theatres and halls of residence and teaching rooms. I think that they have more chance of changing, if it brings-in students. They have a history of running more unusual subjects. There are also universities taking-over at the top of league tables for student feedback for economics - Coventry and DeMontfort - which could expand.

The important point is that students need to know more about the course and think less about the institution as they apply, so that students who would have gone to Manchester don't go to another bad course instead.

I think better economics courses would produce better voters, civil servants, politicians, and people in business. For example, past economics courses have not prepared us for the funding of the NHS over the next decades as the population gets older. The systems have not been set-up. I think this is because of bad economics teaching in the past, in colleges full of ex-pats and ex-private school pupils, staffed by people who use a US style syllabus with its silence about public administration.

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https://www.ukcisa.org.uk/Research--Policy/Statistics/International-student-statistics-UK-higher-education, presenting data from a spreadsheet called Table 3 here

University of the Arts with its London College of Fashion courses is a rather weird addition to the list, but I have a run-down footwear business, they teach a footwear degree, and I have a long-running problem with their associates promoting a different sort of footwear or fashion to the sort that I have produced in the UK.

My sales points are that the footwear contains no animal products and is made in a democratic welfare state with a good human rights record.

Their sales points - if I take Terra Plana for example - are that the brand's intellectual property was borne in the UK, wherever it is held now. I think the brand is defunct after a web site quote saying that "China is arguably more democratic than the UK", and stating that footwear production is only possible nowadays in China. I sauntered into their shop once, and asked, after a while, why the brand was promoted as "ethical". The assistant said I should look at the web site. But this is a brand promoted by UK taxpayers at the expense of companies that have had to close like Manchester Hosiery, Equity Shoes, Remploy Uniforms and others.

Similar companies put great emphasis on whether their shoes can be put in a compost bin and promote this as the only ethical test available. I don't know if Terra Plana shoes can go in a compost bin.

I say "they" because I have no detail about who in what ministry asked for Terra Plana goods to be displayed at the V&A, the Crafts Council, and British Council exhibitions; I am up against something organised, but I don't know who organises it and how much the organisation overlaps with London College of Fashion.

They are my rivals in a way, trying to persuade the public to buy fast-changing designs made in China.

Some international students come from countries which offer free or cheap education to people from the UK. I know so little about this subject, that it is best to pretend nothing. Obviously, the deal that a UK student gets when studying in another country is relevant to the deal a student from that country should get when studying in the UK, and if that country offers free education to people like me, I think my taxes should offer students from there similar deal, or at least a cuddly toy or a "thank you" note, if they come over and pay high fees for a bad course in an expensive town, even if they do increase over-crowding,

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Note to self: the things politicians say
I am not quite sure which call for evidence this should address, but there is clearly some kind of hotline between London College of Fashion and various mayors of London of different political parties, including this most recent one Sadiq Khan.

Sadiq Khan and Zac Goldsmith answered questions from Vogue for the mayorial elections. I had sent a statement to Khan about London Fashion Week as he started his campaign, but he didn't reply.

Vogue Q5. London is home to some of the best fashion schools in the world, many of which are oversubscribed - what will you do to address this?

SK: It's great that so many people want to come to London to study fashion. We are blessed with some of the world's most famous institutions like the London

College of Fashion and Central Saint Martins. I always love visiting the University of the Arts. But being popular brings with it its own challenges - and to cope with that, we need to support our fashion schools to expand. The mayor can help with this - from sourcing land, to supporting them through the planning process and making sure that in large developments we find space for new state-of-the-art premises. The fashion industry will have a friend and ally in me at City Hall.

ZG: In the next few years, the mayor of London will get control of further-education funding in London. I want to channel funding into London's growth industries, and fashion is definitely high up the list. Kingston College, in my current patch as an MP, is one of the most successful fashion schools in the world. I want to export that across London.

Vogue Q9. London Fashion Week, London Fashion Weekend, and London Collections: Mens are major attractions throughout the year - do you plan on working with the BFC on these events and if so, how?

SK: Absolutely! I really enjoyed David Koma's show at London Fashion Week this year. I know what an important part of London's calendar it is. It's really broken through in the last decade and our designers have been recognised internationally, from big brands like Burberry, Paul Smith and Alexander McQueen, to smaller ones like Christopher Kane and Mary Katrantzou. I will work hand-in-hand with the British Fashion Council to make London Fashion Week even bigger and better. I'll also use the role of mayor to sell London abroad, travelling to new and expanding markets to promote the city's crown jewels including the fashion industry.

ZG: Absolutely - these are flagship events for London, a chance to show off our city and its brilliant designers to the rest of the world. As mayor, I will protect the financial contribution that City Hall makes to these events, and I will be enthusiastically promoting them - in government and across the globe.

Individual D

Dear Sir/Madam,

I am responding to your survey as St. Giles School in Shepherds Hill Crouch End asked me to do so. This is regarding 'International Students:

economic and social impacts'.

I have been hosting students in my house from St. Giles School (Teaching English to Foreign Students) for many years. I have done this to assist with payment of my mortgage. In the main I find that the majority of students have no interest in the country at all, they just come for their

own advantage to get a certificate.   They like to go out and like to

shop. Some of the students (particularly from Brazil) don't go home after staying with me for a month they have friends here in flats and they go on to live there and get jobs. The system needs tightening up so that there are checks on each student to make sure they go home. This applies less to more mature students who are already working in their own country.

Also, it is a responsibility and a lot of work to host students and feed them on a daily basis and generally advise and look after them and the College does not pay enough to reflect this.

I hope this is useful. I live in East Finchley, London.

Individual E

Dear Members MAC,

I am quite inspired by the MAC efforts to protect the rights of immigrants especially students.

I heard the news about the amnesty of illegal migrants, i am sure that the members of MAC are qualified and would always for the best interest of the Great Britain but I would request that most of the illegal are students.

I request the honorable MAC members to give amnesty to people (students) who escape or couldn't complete their studies and became illegal. It would be more appropriate to give permission to allow admissions to those students with conditional visa to go back after completion of their studies.

Individual F

I am writing in response to request for evidence of how international students affect us.

As a host, International students, not only give me the ability to earn a little extra money to help me in my finances,

but they also spend a lot of money in London in general. No student will come to London without spending huge amounts

on theatre, fashion, catering, transport, thus adding to the economy on London.

Having International students in our homes gives us an insight into other cultures that we would not normally have the opportunity

to get to know or understand.

I think International students are an important social and economic value to Britain.

Individual G

Dear Sir

I would like to support the continuation of language students being able to come to the UK to study English. They are a huge benefit both to family finances and importantly to the health of the city economy.

Many families, (of all description - single parents, grandparents, single men and women, two parent families) rely on the extra income they bring to pay their mortgages, to eke out modest earnings, to save for that much needed necessity or indeed holiday. Families value also the cultural benefits - of learning about other countries and traditions, of their food, family customs, and celebrations. Many families and students forge lifelong relationships of mutual affection and regard which benefit the hosts but also the City in return visits and recommendations to others.

In my city of Brighton and Hove it is impossible to ignore the importance of language students to the local economy, they use the buses, trains, go on regular excursions, and probably most importantly are enthusiastic patrons of pubs, coffee outlets, restaurants, and night clubs. All around the language schools are cafés and eating establishments which are there to service the student intake. The local economy would be devastated if the student numbers were to decrease.

Therefore to conclude I firmly believe that families in Brighton, and the City itself, are the richer for the presence of the students, richer both economically and culturally, and richer in the present and the future, in forming lasting relationships with the educated young people of the world about us.

Individual H

1. What impact does the payment of migrant student fees to the educational provider have?

2 Significant impact. It is difficult to base too much long-term financial planning from home fees under this government because of the inconsistent leadership and volatility of messaging. As non-EU student fees are more under the control of higher educational providers, they can provide a greater degree of control and flexibility in future planning.

3 Do migrant students help support employment in educational institutions?

4 Yes. They bring a cultural awareness that may be lacking in classrooms and help broaden educational perspectives improving the quality, and especially the depth, of pedagogical activities. Students benefit enormously from such interactions boosting employability on and off campus. Migrant students help make viable different programmes benefiting all students, including home students, that might not otherwise survive financially.

5 How do migrant students affect the educational opportunities available to UK students?

6 Yes. Migrant students undoubtedly improve it. The different perspectives help raise questions and deepen discussions that would be missed if migrant students were fewer.

7 To what extent does the demand from migrant students for UK education dictate the supply of that educational provision and the impact of this on UK students?

8 Migrant students can help make programmes viable that might not otherwise run because of the higher fees they bring. The impact is UK students can study more subjects and a wider range of topics because of migrant students. The biggest threat to UK student numbers is poor government leadership on home fee levels on future planning. Because there is little real flexibility on home fees, flexibility where needed – in reaction to adverse interference from government – might be found in raising migrant student numbers at cost of home students. This is foreseeable and avoidable.

9 What is the impact of migrant students on the demand for housing provision, on transport (particularly local transport) and on health provision?

10 Relatively little. In my experience, migrant students (I was one) tend to be more resourceful given higher costs of study so less than average impact on housing and transport – and much less impact on health provision.

11 What impacts have migrant students had on changes to tourism and numbers of visitors to the UK?

12 High. Migrant students are great ambassadors for Great Britain plc bring friends, family and contacts from abroad to the UK, especially to where they are staying. This increases the benefits to local economics off-campus much more than from migrant students alone.

13 What role do migrant students play in extending UK soft power and influence abroad?

14 A significant role. In my subject (Law), students go on to become judges, law firm partners, etc with strong interests in maintaining links and providing opportunities abroad for students. The soft power and global influence of our graduates is difficult to quantify, but clearly immense.

15 If migrant students take paid employment while they are studying, what types of work do they do?

16 Work can range from working on campus (library assistants, college assistants, catering, etc) to off campus (waiting at restaurants, working at bars, etc).

17 What are the broader labour market impacts of students transferring from Tier 4 to Tier 2 including on net migration and on shortage occupations?

18 Good for UK students. I was a Tier 4 student in 2001 who transferred to Tier 2 in 2004. I took a highly skilled job as a university lecturer where most of the competition was foreign nationals. But in taking that role, the department expanded its staff and students. As Dean of Durham Law School, our school is doubling under my leadership creating more, not less, opportunities for all.

Individual I

The effect of international students' English skills on their ability to fulfil their academic potential and contribute to the academic quality of UK Higher Education

Executive summary

This submission presents evidence that bears on two critical questions concerning language entry requirements for international students who do not speak English as their first language:

Are minimum language entry requirements necessary?

Do current minimum language entry requirements need revising?

The submission makes the following points:

There are large and significant differences between international students' and home students' English skills. The initial language gaps are difficult to overcome.

English skills with which international students start their degree programme are critical for their academic attainment: those with better English skills on arrival achieve higher grades. - For most international students, knowledge of English equivalent to CEFR (Common European Framework of Reference) level B2 seriously constrains what they can achieve academically.

Limited proficiency in English has a negative effect not only on the international students' academic achievement, but also on home students' educational experience.

The submission makes the following recommendations:

The Government would be ill-advised to remove the minimum language entry requirements as a condition for a student visa. Limited proficiency in English is a barrier to academic achievement in that it both constrain the opportunity to learn and presents a handicap in assessment. It damages not only the educational outcomes for international students but also the educational experience of home students.

Evidence suggests that the minimum language entry requirements for a student visa are currently set too low and should be revised upwards: for degree level study to CEFR Level C1, and for pre-degree level to CEFR level B2.

All entrants to degree level courses – including those who transition from pre-degree pathway programmes or pre-sessional courses – should be required to demonstrate their knowledge of English on a secure English language test (SELT). Research evidence suggests that presessional and pathway programme providers systematically overestimate language proficiency of their students.

The submission is primarily based on research published as “Language and literacy skills of home and international university students: How different are they, and does it matter” in a peer-reviewed journal *Bilingualism: Language and Cognition* (Trenkic & Warmington, 2018). Supplementary evidence on the effect of studying with many students with limited proficiency in English on home students’ educational experience comes from a representative student narrative.

About the investigator

I am a senior lecturer in second language education at the University of York. My research expertise lies in second language development and communication of adolescents and adults. The current focus of my research is on international students who study in English as their foreign language. Over my 18 years of experience at UK universities, I have also supervised and taught many international students at both undergraduate and postgraduate level. I currently serve as president of the European Second Language Association.

Submission

Problem: Academic achievement of international students in UK higher education

International students make an important contribution to UK universities, both financially and culturally. It is therefore of concern that international students experience lower academic attainment than home students. Annual reports from the Higher Education Statistics Agency (HESA, 2016) show that international students consistently achieve fewer good degrees (first class, and upper second class) compared to home students (Morrison et al. 2005). They are also disproportionately represented in academic dishonesty cases (cheating, plagiarism, outsourcing work). This situation is troubling not only for international students themselves, whose educational experience, wellbeing, and future employment prospects may be compromised, but for the universities sector as a whole, whose reputation is at stake.

There is a general agreement that well-developed language and literacy skills are essential for studying at tertiary level. University education requires a lot of learning through reading, and nearly all learning outcomes are assessed in writing. International students for whom English is not their first language must arrive with the required language qualifications. Language entry requirements vary from university to university, but they are nevertheless aligned with the minimum requirements set by the UK Home Office for visa purposes; a student must prove that their knowledge of English is an equivalent to CEFR (Common European Framework of Reference) level B2 for degree level study or above, and CEFR level B1 for below a degree level. This usually means passing a secure English language test (SELT), though some exceptions apply.

The critical question is: are English skills equivalent to CEFR Level B2 good enough to enable international students to fulfil their academic potential? We investigated this by a) comparing English skills of international students to those of home students; b) measuring how much international students' skill improve over the course of the year; and c) modelling how much the English skills with which students arrive influence their academic success (Trenkic & Warmington, 2018).

How different are English language and literacy skills of international students who arrive having met the language entry requirements from those of home students?

We recruited 63 newly-arrived international students and 64 home students at the start of an academic year. The international students' proficiency in English on arrival was equivalent to the higher end of CEFR level B2 and the lower to mid end of level C1 (IELTS score range 6.5 to 7.5; mode 7). All international students spoke Mandarin Chinese as their first language, and home students spoke English as their first language. We tested the participants on a range of cognitive, language and literacy measures at the beginning of the year, and on a subset of measures at the end of the year. We statistically compared the groups both at the beginning and at the end of the year, and explored how their language and literacy skills influenced their academic grades.

The results show that differences in language and literacy skills needed for university education are extremely large between international students who speak English as a foreign language and home students who were brought up speaking English. We found large and significant differences on every linguistic variable we measured. For example, the international students had a vocabulary size of just under 8,000-word families, compared to 15,000 for home students; these group means were 5 standard deviations apart. The international students read and processed information in English at roughly half the speed of the home students. They understood considerably less of what they read and were less able to summarise what they had read in writing.

The difficulty with reading and writing found in our international student sample was much greater than the difficulty reported on the same tests for British home students with dyslexia (Warmington at al, 2013).

The reported gap in language skills could not be attributed to a difference in intelligence. On the measures of non-verbal intelligence, both the international and the home students performed equally well.

Neither was our sample of international students of atypically low proficiency in English. Their level of English (IELTS range 6.5 to 7.5) was considerably higher than the minimum language requirement for visa purposes (IELTS 5.5). Our results must therefore be taken as conservative: the gap between international students arriving with the minimum language scores for visa purposes and home students would be larger still.

Are language difficulties experience by international students on arrival quickly overcome?

There is a widespread expectation, both amongst students and the receiving universities, that once international students start their studies, and especially when provided with additional language support classes, their English will improve quickly and dramatically. Both our study and wider research (Elder et al, 2007; Murray, 2010; Oliver et al, 2012) shows that this expectation is unrealistic.

We measured language and literacy skills both at the beginning and at the end of the academic year. While there was some improvement in the international students' results – in expressive vocabulary, reading comprehension, written summarisation skills, and phonological processing – the gains were modest.

Language gaps observed on arrival are difficult to overcome. Not only do international students' English skills develop slowly, but home students continue to improve their language and literacy skills at university, too. This makes the task of catching up for international students all the more challenging. We found the end-of-year gaps to be as just as large at those at the beginning.

What effect do English skills with which international students arrive have on their academic attainment?

International students' language skill on arrival are critical for their academic success (Daller & Phelan, 2013; Daller & Xue, 2009; Elder et al, 2007; Harrington & Roche, 2014; Oliver at al, 2012). In our sample of international students, English language and literacy skills accounted for over half of the variance in academic grades. The strongest unique predictors were vocabulary knowledge, text-level skills (reading comprehension and the ability to summarise a text in writing), speed of verbal processing, and spelling. Students with stronger English skills achieved better grades and failed fewer credits. The effect persisted even when non-verbal intelligence was taken into account. This means that the observed positive relationship between English skills and learning outcomes cannot be due to variation in students' general cognitive ability.

Individual differences in home students' language skill on arrival were not strongly related to their academic success.

The results demonstrate that the link between language skills and academic performance is present only before a certain threshold of proficiency is reached, but this threshold does not correspond to the minimum language entry requirements.

Our research cannot answer where exactly this threshold lies, but the results indicate that it must fall at or above the mid-range of CEFR level C1. Knowledge of English equivalent to the high end of CEFR level B2 and the low end of C1 still seriously constrains what international students can achieve academically.

We also found a strong positive relationship between scores on the IELTS test – one of the secure English language tests (SELT) approved by the Home Office – and academic achievement of international students. IELTS is assessed on the 1-9 scale. The minimum IELTS score a student needs for Tier 4 visa purposes is 5.5. The students in our sample arrived with IELTS scores ranging from 6.5 to 7.5. Although IELTS is not designed to be a predictor of academic success, in our sample it showed a robust association with academic grades, with each drop of half a point in IELTS band score corresponding to a drop of 4 points in grades.

The minimum language entry requirements (either the Tier 4 visa requirements, or the usually higher requirements set by the receiving institutions for individual programmes) appear not set sufficiently high to allow international students to fulfil their potential.

Our results must not be taken to mean that international students cannot do well. Rather, our findings suggest that international students are often capable of doing much better academically than their language abilities allow them to. International students who hope to work at the level of their general ability need to arrive with English skills much higher than those indicated by the minimum language entry requirements.

What provision is put in place to support the learning needs of international students and is it effective?

Universities recognise that many international students need help with their English skills, and most provide language support classes that run alongside academic teaching. But this provision differs from university to university, and there is little research on how effective it is. The results of our study show no language development in the international student group that goes beyond what home students also experience simply by attending the university.

Most universities also offer pre-sessional courses, which typically run for 6 to 12 weeks over the summer. Applicants who narrowly miss on the programme-specific language entry requirements (e.g. achieve IELTS score of 5.5 where the programme requires IELTS 6) are often accepted on the condition of attending one of those courses. The receiving institutions make an assumption that a student who successfully completes a pre-sessional programme will have a similar level of English skills as a student who has met the set language requirements on a secure English language test. The results of our study show that this assumption is unwarranted. Students who attended pre-sessional programmes had weaker English skills than the direct entry students at the start of the academic year; they also achieved lower grades and failed more course credits during the year.

An increasing number of universities offer pre-degree pathway programmes – foundation programmes lasting a whole academic year – to prepare international students, linguistically and academically, for the demands of the degree level study. Students at below degree programmes can currently be accepted with knowledge of English equivalent to CEFR level B1 (IELTS 4.5). When international students transition from a below-degree programme to a degree programme, they are not required to prove their knowledge of English on a secure English language test. Instead, pathway providers themselves certify their students' progress and proficiency in English. Evidence suggests, however, that pathway providers systematically overestimate their students' proficiency in English. The results from a large study in Australia shows that students who meet the degree-level language entry criteria on one of the secure English language tests, even at the minimum level, experience greater academic success than students who bypass this requirement by joining the same universities through either their pre-sessional or pathway programmes (Oliver et al, 2012).

In sum, the available evidence shows that language development, even at university, is slow. In particular, expectations that students will be able to make quick and dramatic gains through attending preparatory courses and / or in-sessional language support classes seem widely unrealistic.

How does limited English proficiency of international students affect home students' educational experience?

Our study did not look at the impact of the limited English proficiency among international students on home students' experience. However, in my role as tutor and supervisor, I have frequently witnessed home students' reflection on the matter. Many common sentiments are eloquently summarised by a home MA student in an email sent to teaching staff at the end of her programme of study, which is submitted here as an Appendix (the document is anonymised and submitted with the student's consent). I highlight below the main and most representative points:

Home students appreciate the diversity and insight that international students bring.

At the same time, they experience deep frustration and disappointment when limited English skills of fellow students prevent a genuine academic discussion appropriate for the level of study.

Home students often perceive that courses themselves, both in content and the style of teaching, have been modified specifically for international students with limited English abilities; they believe that the overall standards are lowered 'to meet the market'.

Home students whose experience was negatively affected by limited English proficiency of their fellow students would not recommend the programme to their friends.

What can universities do to better support the learning needs of international students, as well as the educational experience of both international and home students?

Smaller vocabulary, slower processing in English and weaker comprehension and writing skills put many international students at a systematic disadvantage at university. Like other groups that are similarly affected (e.g. home students with dyslexia), international students should be allowed to apply for individual study and assessment arrangements. Reasonable adjustments should be made to compensate for everyone's language difficulties.

The use of dictionaries in exams should be allowed for all students. The ban on dictionaries in exams (which many universities currently operate) disproportionately disadvantages international students as their vocabulary is radically smaller than home students'. Our study confirms that vocabulary knowledge is the strongest predictors of international students' academic success. (This is also shown in Daller & Phelan, 2013; Daller & Xue, 2009; Harrington & Roche, 2014).

International students process verbal information in English at roughly half the speed of the home students. International students should be allowed to apply for extra time in exams as a reasonable adjustment for their slower processing, and be allowed to spread their studies over a longer period (e.g. masters over 2 years; undergraduate over 4 or 5).

International students appear largely unaware that the level of English with which they arrive may present a barrier to learning. They are often shocked when they find that it is. A clearer message must be sent to the applicants that knowledge of English equivalent to the minimum language requirements is not sufficient for performing at the top of one's game. For many, this may not matter. But for those who expect to learn as much as they are capable of, who aspire to compete on a level peg with home students, or who wish to achieve top degrees that would make them competitive in international markets, a clear message may provide impetus to work harder on improving their English before starting their degree.

What role can the Government play in protecting the educational experience of both home and international students?

The Government would be ill-advised to remove the minimum language entry requirements as a condition for a student visa. Starting university education with a limited proficiency in English puts students at a disadvantage that is often difficult to overcome. Limited proficiency in English is a barrier to academic achievement in that it both constrain the opportunity to learn and presents a handicap in assessment. Limited proficiency in English damages not only the educational outcomes for international students but also the educational experience of home students, and the reputation of UK higher education.

Evidence suggests that the minimum language entry requirements for a student visa are currently set too low and should be revised upwards. Based on available evidence, I would recommend that for degree level studies, this should be CEFR Level C1, and for pre-degree level, it should be CEFR level B2.

All entrants to degree level courses – including those who transition from pre-degree pathway programmes or pre-sessional courses – should be required to demonstrate their knowledge of English on a secure English language test (SELT). Research evidence suggests that language competence certification by pre-sessional and pathways provides appears unreliable and leads to the admissions of students who are below the expected standard.

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Individual J

International students, soft power, and educational quality

1 This is a response to the call for evidence by the Migration Advisory Committee which argues that the historical record is relevant to questions about the impact of international students. It looks in turn at overseas student numbers; at changing policy towards them; and at the historical record in relation to educational quality, soft power, economic benefits to Britain, and international development, which in turn relates to soft power, all issues referred to in the call.

2 I am a Fellow of the Royal Historical Society, a one-time member of the education programme of the Commonwealth Secretariat and a former deputy chair of the Commonwealth Scholarship Commission in the United Kingdom, with a longstanding interest in international student mobility, discussed in my *A history of foreign students in Britain* (Palgrave Macmillan 2014).

Overseas student numbers

3 We have some earlier figures and good data on university overseas student numbers from 1921 which provide the context for the discussion.[i] These show that from 1910 until the 1980s the proportion of overseas students in British universities remained steady at around 10 per cent, rarely outside the band 8 to 12 per cent. Actual numbers rose from about 4,450 in 1921 to 6,250 in 1938. Postwar numbers rose from 6,700 in 1946 to 34,500 in 1976 and 365,000 in 2010 (see table 1.) After an initial fall, there were big increases in numbers after the introduction of full-cost fees for non-EC overseas students in 1979, which provided an incentive to universities to recruit internationally. When polytechnics gained university status in 1992 their funding model changed and they, too, increased their international recruitment. Numbers rose sharply again in the new century, reflecting both government policy and a world-wide trend. Thus, without any deliberate national policy, the proportion of overseas students has since the mid-1980s risen away from its 75-year norm. For many years data were not disaggregated by gender but, in recent decades, the proportion of female overseas students, as of home students, has risen..

Table 1: Overseas university student numbers 1921-2010

	Overseas total	
	Number	*%*
1921	4,470	9
1931	4,885	10
1938	6,264	13

1951	7,622	9				
1961	13,385	12				
			Undergraduate		*Postgraduate*	
			no.	*%*	*no.*	*%*
1971	19,710	8	7,735	4	11,975	27
1981	33,586	12	17,412	7	16,174	34
1991	60,869	16	33,097	9	27,772	39
2001	185,635	15	105,625	10	80,010	43
2010	365,045	22	187,225	14	177,820	57

Source: Perraton *A history of foreign students in Britain*

4 There are more patchy data on overseas students at other levels and sectors of education and some available figures are in table 2.[ii]. Overseas numbers in both advanced and non-advanced further education tended to be lower than those in universities. From the 1940s to the 1980s, however, significant numbers of trainee nurses were recruited from overseas, with the intention that they would train in British hospitals and remain in this country to work in the National Health service. For some years their totals exceeded those in universities.

5 Data on English-language schools are limited as these were regarded as commercially sensitive until the late 1990s. Total numbers were estimated at 86,000 in the mid-1970s, which rose to 381,000 in 2010. Adult students have stayed an average of just over six weeks and children three weeks or less. There are fuller data on independent schools, where numbers increased in the 1970s following more vigorous

Table 2: Overseas student numbers in some other sectors 1959-2010

	Polytechnics and advanced further education	*Non advanced further education*	*Trainee nurses*	*English language schools*	*Independent schools no.*	*%*
1959	11,944		5,850			
1962	4,500	11,083	13,542			
mid 1960s					3,400	
1966	6,529	11,180	16,745			
1971	6,724	12,387	20,120			
1974			16,794		7,156	2.4
mid 1970s				86,000		
1976	21,509	26,016	14,202		9,927	3.3

1981	19,271	10,864	4,277		14,805	3.9
1986	14,466	8,300	2,703		13,626	3.2
1991	24,605	6,700				
1996					c20,000	
1997				205,000		
2001				156,000		
2006				267,000		
2010				381,000	23,136	4.5

Source: Perraton *A history of foreign students* except for Trainee nurses: British Council *Statistics of overseas students*; Schools: Independent Schools Council *Annual census*

recruitment programmes in response to a concern at the coming drop in the size of the domestic age cohort. The total overseas number rose from over 7,000 in 1974 to over 23,000 in 2010 as the proportion of pupils from abroad increased from 2.4% to 4.5%

Policy

6 Formal statements about policy on overseas students, by government or even by individual institutions, have been the exception rather than the rule. A ministerial enquiry in the 1930s looked at the potential benefits to Britain's trading interests of recruiting students internationally (see para. 24 below). In 1963 the Robbins committee summed up a consensus view that:

> The presence here in institutions of higher education of students from abroad is widely regarded as valuable, and rightly so in our judgment. It fosters a sense of international community on both sides. It encourages a valuable give-and-take. The connections to which it gives rise are not without their diplomatic and economic advantages; and where students from developing countries are concerned it provides a helpful contribution to the country's advancement. We should greatly regret a dwindling in the number of overseas students in Britain's universities and colleges.[iii]

7 The Foreign and Commonwealth Office produced a statement of policy in 1985 which identified a number of British interests in welcoming overseas students:

> 'the academic health of institutions depends on international scholarly exchange';
> overseas students' research output could 'be seen as an unpaid contribution to the generation in Britain of knowledge and scholarly activity';
> there was academic and social value to British students from their presence;
> the country had 'a moral obligation to help Third World countries';

there were good economic, commercial and political reasons for enabling foreign students to 'take back with them a better knowledge of and familiarity with the British way of life';
'if one had any doubt on this score one should note the great effort that the Soviet Union and Eastern bloc countries make to attract Third World students'.[iv]

8 In 1989 FCO evidence to the house of commons foreign affairs committee referred to its departmental objectives, which did not include the academic benefits that had previously come first, and saw these as to:

win influential friends overseas by enabling future leaders, decision makers and opinion formers from all walks of life to study in the UK;
help the development of manpower skills and resources in developing countries;
promote the security and prosperity of the UK by cultivating good political and commercial relations with other countries'[v]

9 During the 1990s the economic benefits flowing from the presence of overseas students gained a new prominence so that the Higher Education Council referred in 1996 to the winning of overseas research contracts worth £200 million.[vi] A year later, the Dearing report on higher education generally went on from a discussion of the economic benefits of higher education to argue that:

> The other increasingly important economic contribution of higher education is as a generator of foreign exchange earnings. The UK remains one of the most popular destinations for overseas students, who bring with them, not just the fees they pay to higher education institutions in this country, but more general spending power used in the UK economy. Recent estimates suggest such spending exceeds £1 billion. There are also unquantifiable economic and other benefits for the UK in having people in positions of influence throughout the world who have a knowledge of, and links with, the UK. Such people are likely to look naturally to the UK as a potential trading partner or for investment opportunities.[vii]

10 Economic and soft-power arguments were also deployed in the post-1997 prime minister's initiative to increase overseas student recruitment. The 2003 white paper on *The future of higher education*, argued that 'People who are educated in the UK promote Britain around the world, helping our trade and diplomacy, and also providing an important economic benefit. British exports of education and training are worth some eight billion pounds a year'.[viii]

Curriculum and the quality of education

11 It has been so widely assumed that knowledge is universal, and that universities are members of an international community, that the benefit of

international links and exchanges, including the recruitment of overseas students, barely needed to be spelt out. They have been seen as being of the essence of a university. Benefits have flowed both to institutions and to students within them. The physicist, and Nobel Laureate, J. J. Thomson, who recruited Rutherford from New Zealand as his first overseas research student, argued in his memoirs that::

> The advantage gained by our own students by their intercourse with men of widely different training and experience, of different points of view on political, social and scientific questions, of very different temperaments, can, I think, hardly be exaggerated. They gain catholicity of view and some of the advantages they would get by residence in the universities from which the research students came.[ix]

12 Similarly, some four decades later, Edward Boyle, speaking as a former minister of education and a university vice-chancellor, coupled arguments about educational quality with those of soft power, in telling the house of lords

> First, there is the wide recognition that without the contribution of overseas students British universities would be quite different institutions, of much less value. … We are a part of … the international confraternity of universities. By that I do not mean only, or perhaps even mainly, arcane contributions to learning. I mean the part that universities like Leeds and Manchester and Liverpool and Birmingham play in validating international standards of professional performance that are held right across continental boundaries, and indeed right across ideological boundaries. Secondly, I would make the point that fully one-quarter of overseas students are here to do research, and they play a vital part in the intellectual and scientific life of the nation and therefore in helping to keep academic disciplines alive. Thirdly … all over the world there are men and women, often in positions of influence, who have a real understanding of the United Kingdom because they spent some of their formative years of their lives being educated in this country.[x]

13 While maintaining the quality of British universities, the interests of international students have also brought changes to their curriculum and to the qualifications that they offer. Some subjects, from forestry to social anthropology, entered the university curriculum in response to international – and in its day – imperial demand. The development studies course available at Cambridge today is a linear descendent of courses originally developed for cadets for the Indian Civil Service and the colonial service.

14 The recruitment of international students has had a direct effect on the programmes made available to both United Kingdom and overseas students. In an

early concern for the use of soft power, the PhD degree was introduced to Britain in 1917, with the strong encouragement of the foreign secretary, in order to attract students who would previously have sought a doctorate in Germany and might otherwise travel to France or Italy. In practice the degree proved even more popular with home students so that, within seven research universities between the wars, home students made up 60 per cent of the total.[xi] More recently, the increased recruitment of overseas students in the 1980s encouraged universities to expand the range of master's degrees on offer, of potential importance for home and overseas students alike. In 1971 49% of the 22,400 postgraduate students (11,980 from abroad) were on taught master's degrees, a proportion that had increased to 71%, or 88,000 (42,400 from abroad) by 2001.[xii]

15 While the expansion of taught master's programmes has been a consequence of demand by international students, and programmes to recruit them, doctoral programmes have also become heavily dependent on international recruitment.

16 I am not aware of attempts to quantify the educational benefits brought to universities by foreign links, exchanges and students, as opposed to calculations of income through research grants and fees. It has, however, long been the case that universities perceived to be of high status have attracted the largest numbers of overseas students. (The correlations are clear; in relation to the direction of causality it is reasonable to assume that there is a feedback loop so that good universities attract the ablest students and teachers who in turn enhance university reputations.) Between the wars, Oxford, Cambridge, London and Edinburgh took about half of all full-time students but often three-quarters of those from overseas.[xiii] In 1971, when overseas students made up 8% of the national total, Imperial College had 21% from abroad, while by 2000 Oxford and Cambridge had some 23% overseas students, half as many again as the national average. Data from other countries show the same picture: France for many years sought unsuccessfully to lure foreign students away from Paris. While foreign students have rarely been more than 2 to 3% of the United States total, Harvard, for example, had 9% foreign enrolment in 1976 and 19% in 2001.[xiv]

17 In short, foreign students have always brought strengths to the universities they attend, have shaped and influenced their work in ways which have also opened opportunities for home students. University experience shows that they would be intellectually impoverished if they lost their international connections.

Soft power

18 The foreign office concern to attract foreign students (para. 14 above) was an early recognition of their value in relation to soft power. Until the 1960s overseas student recruitment was seen as being of particular importance for the empire and

later Commonwealth. It was argued in 1910 that the universities' supreme function was 'to guide the thought of those who mould the destiny of the nation and the empire' while the royal commission on Oxford and Cambridge in 1922 looked forward to their becoming centres for postgraduate study and research for the empire.[xv] The need to combat German and Italian propaganda, and to recruit students, especially in the middle east, led to the establishment of the British Council in 1934, which soon launched its own scholarship programmes. After the second world war Marshall scholarships were established, both as a recognition of Marshall Aid and to strengthen links with the United States. In 1959 Commonwealth scholarships were established with both government and universities arguing that their main purpose was to reinforce 'Commonwealth cohesion'.[xvi] Once the European Communities were established they recognised that student exchange offered Europe opportunities for soft power. Britain recognised the significance of this in 1980 when government agreed that European students should pay home, rather than overseas student fees. The department for education was anxious not to be out of line with its European peers and its secretary of state reported to the foreign secretary on a point, made to him by the German ambassador, that this was a test of being 'good Europeans'.[xvii] In 2003 a white paper on higher education, under the heading 'Recruiting international students' argued: 'We have a very strong record in recruiting international students, and as we expand our provision we should build on this record. People who are educated in the UK promote Britain around the world, helping our trade and diplomacy, and also providing an important economic benefit'.[xviii]

19 The consistent argument that Britain had soft-power interests in recruiting students is matched by the policy of other countries with large numbers of foreign students. Fulbright awards were set up in the interest of international understanding. A state department ruling in 1951 required American scholarships 'to demonstrate to other people, by every possible means, the evidence of our moral, spiritual and material strength, our determination to support the free nations of the world … in our efforts to halt Soviet aggression and Communist infiltration.[xix] For much of the cold war student recruitment was seen as a route to soft power by both east and west, with competing policies to attract students, seen as potential leaders, from the developing world. More recently a state department 'Summit on US leadership in international education' in 1998 called for more vigorous and entrepreneurial federal activity in response to this competition'.[xx] Two years later a Clinton memorandum argued that support for international education and encouragement of foreign students was necessary 'to compete successfully in the global economy and to maintain our role as a world leader' and 'to attract and educate future leaders from abroad'.[xxi] Within Europe, the Erasmus scheme was created in the hope that study in a different European country would help develop the Europeans citizen of the future. France demonstrated its concerns in a reversal of policy in the 1990s. French universities had a tradition of openness with few restrictions on entry but, in response to increasing demands and rising costs, began restricting entry in a series of measures put

in place between 1974 and 1979. France then hosted a declining proportion of the world's international students until, in 1997, a report to the prime minister noted that 'More and more rigid and vexatious obstacles, notably in the supply of visas and residence permits, have been imposed and have led to France's being marginalised in the world education market'. Concerns about immigration had led to these controls but now it was necessary 'to abandon this strictly "defensive" logic in order to reaffirm the advantages which can be regained by France with a better welcome for a student population which constitutes a network of influence that is currently not exploited'.[xxii] With French policy reversed its foreign student numbers went from 137,000 in 2000 to 260,000 in 2010.

20 There have been few attempts to gauge the success of international student recruitment in terms of soft power, even where students have been on scholarship programmes. Most assessments have relied on identifying national and international figures who are alumni of British institutions, and on anecdotal evidence. When full-cost fees were introduced the FCO noted internally that 'British missions abroad were unanimous that the higher-fee policy would do lasting damage to British interests' and that there were strategic and political reasons to try to soften the policy in a range of countries including Cyprus, Egypt, India and Pakistan.[xxiii] More recent studies have continued to affirm the soft-power value of recruiting overseas students not got much further in evaluating this. In 2003 the FCO commissioned a review of its investment in three scholarship schemes (Marshall, Commonwealth, and Chevening), identified the distinction between output and outcome measures, but did not cite hard evidence on outcomes. It noted that the Chevening programme, the largest of the three, aimed 'to bring future leaders, decision-makers and opinion-formers to the UK for a period of postgraduate study at a formative period of their careers' but in terms of impact could only report that it was 'highly regarded by many within the FCO, and especially by Heads of Mission' and that some heads of mission 'describe Chevening as their Post's *most* important activity … [and] 'argue that scholarships are helping the UK build a powerful network of long-term friends, and that this is having a tangible impact on UK interests'.[xxiv]

21 There is a contrast here between FCO and DfID policy. While the Commonwealth Scholarship Commission received funding from both departments, it was pressed to evaluate its DfID-funded awards in developing countries (see para. 30 and 32 below) but not those in the wealthier Commonwealth countries, funded by the FCO, whose objectives included 'Specifically to identify and offer study or training opportunities in the UK for future leaders, decision makers and opinion formers from around the world. Thereby, to further the UK's long-term political, diplomatic, commercial and other interests through the cultivation of influential friends overseas'.[xxv] Thus, as with other assessments, the commission could not go beyond citing its alumni whose subsequent careers showed that they had become both influential and friends of Britain. A Cabinet Office Review of 2014 could go no further

than producing its list of distinguished alumni of the Chevening, Commonwealth and Marshall programmes.[xxvi]

22 Thus it has been a staple of policy and practice that overseas students bring benefits in terms of soft power. Insofar as developing countries are concerned these benefits are likely to be enhanced where study in Britain has been relevant to their educational needs (see. para. 29-33 below).

Economic benefits

23 There is extensive recent literature on the economic costs and benefits attributable to overseas students and it is assumed that the MAC enquiry is already familiar with this and it is not examined in detail here.[xxvii] It is possible to distinguish a number of routes through which overseas students may bring economic benefits, three of which are examined briefly here: supporting British trade; encouraging skilled immigration; generating revenue for institutions, the local economy, and the country.

24 It has long been argued that students will benefit the national economy if, on their return home and familiar with Britain, they place orders for British goods and equipment. In the 1930s the Department of Overseas Trade, wanting to increase trade to Europe, China and Latin America, set up an enquiry into the recruitment of foreign students, explaining that trade missions had ‘been unanimous in saying that the export trade would receive considerable benefit if a greater number of students from overseas countries were to come to the United Kingdom … instead of going to other countries, for instance Germany and the United States’.[xxviii] In the 1970s similar arguments resurfaced in response to the introduction of full-cost fees. In a detailed analysis the economist Mark Blaug, however, concluded that, *at the previously subsidised level of fees* the costs of teaching overseas students outweighed the benefits.[xxix] Although Blaug demonstrated that, in principle trade benefits were quantifiable, his approach has not generally been followed in later work, which had concentrated more often on direct fiscal and economic effects and on the value of British educational exports.[xxx]

25 With perhaps three exceptions, the United Kingdom has rarely used the recruitment of overseas students as a way of encouraging skilled immigration. The first exception is that universities have, where visa restrictions allow, made considerable use of postgraduate students to contribute to research. Their contribution is recognised and assessed in some of the earlier studies (e.g. Blaug). The second is the practice, which ran from the 1950s to the 1980s, of recruiting trainee nurses with the intention that, once they had qualified, they would work in the National Health Service. Their numbers rose from just below 6,000 in 1959 to a peak of over 20,000 in 1971 before falling back to 2,700 in 1986. Their recruitment was uncoordinated, and followed initiatives by individual hospitals leading the Royal

College of Nursing to note in 1979 that 'there is still no meaningful national policy regarding the recruitment of nurse learners from overseas on a more humane and ethical basis to replace the present rather crude, haphazard, method of control'.[xxxi] Their presence was vital for the NHS. A change in DHSS policy, coupled with an increase in the output of already trained nurses (e.g. in the Philippines) who could be recruited, brought an end to this significant use of student recruitment to meet workforce needs. A third potential example of this is the need to meet labour-force demands for particular specialisms and, in particular, for people with doctoral qualifications where, in some disciplines, less than half of the research students have recently been from the United Kingdom. American experience, where it is claimed that some parts of the economy, such as software development, are dependent on retaining doctoral students in the economy, is relevant here. In 2004 it was noted that 'because of a dearth of US applicants in US graduate programmes in science and engineering, these fields are especially dependent on the presence of international students'.[xxxii]

26 From the mid-1990s there has been an increased emphasis on both sides of the Atlantic on the importance of revenue-generation, both nationally and institutionally. Fees from overseas students from outside the European Union have become a significant part of university income, and one that is under individual university control. In the United States 'terms and phrases such as "the economics of exchange," "economic contribution that foreign students make to the US domestic economy," and "economic impact"' entered the discourse from the mid 1990s.[xxxiii] There has been a similar shift in emphasis in British discourse.

27 Much of the British literature – as noted above this is not examined in any detail here – is about higher education but there have also been assessments of the value to the national and local economy of English language schools and of independent secondary schools. At a local level, two of the major host towns, Bournemouth and Cambridge have made assessments of the numbers of English-language students and their effects on the local economy.[xxxiv] The Independent Schools Council monitors international recruitment; its *Annual census* provides information on the rising numbers of overseas students, which went from 3,400 in the mid 1960s to over 23,000 in 2010 when the average annual boarding fee was £24,000.[xxxv]

28 It is easier to quantify the economic costs and benefits of international students than those that relate to their curricular, diplomatic or developmental effects but the debate would be lopsided and impoverished if it concentrated solely on them.

International development

29 Governments have sent students to Britain in the interests of national political and economic development since the 19th century. Colonial office and Government of India funds were used to support students while the Colonial Development and Welfare Acts of the 1940s and the Asquith Commission of 1945 provided mechanisms to carry students to Britain. At its height, the Technical Cooperation and Training programme was bringing 12,000 trainees to Britain a year. Government statements have repeatedly emphasised the importance of education and training within the UK in the interests of the developing world. A 1961 white paper on technical assistance paid tribute to Britain's long experience in the area and noted that the majority of the 47,500 overseas students were from less-developed countries and went on: 'Many of those trained in the United Kingdom go back to their countries to help to train others, thus continuing the process of education and helping to produce the skilled men and women who are needed in their thousands.[xxxvi] A 1975 white paper on aid, while giving new emphasis to primary education, confirmed that 'We shall continue to offer training and further education in this country for those who require it and for whom the appropriate facilities are not available or cannot be economically provided nearer home'.[xxxvii] The Dearing report on higher education in 1997 saw that 'The aspirations of many of the developing countries to improve the skill levels of their population also provide opportunities for UK higher education, both to educate overseas students in the UK and to provide educational services, support and advice overseas.[xxxviii]

30 This support has been reflected in government's support for its relevant scholarship programmes and these have, in recent years, devoted increasing attention and resources to evaluation. As a result, much of the evidence on effectiveness, in developmental terms, comes from their activities; the Commonwealth Scholarship Commission has, over the last ten years, produced a number of reports on its evaluations together with a useful summary on methodology.[xxxix] A London International Development Centre report also summarises the results of a number of relevant evaluations.[xl]

31 Bilateral and international agencies concerned with their own effectiveness have tended to use four kinds of assessment: completion and success rates; proportions of award holders returning home; assessment of students' subsequent careers; income measures allowing for rate-of-return analysis. These are in ascending order of complexity for the researcher. One early study used rate-of-return analysis to look at the returns to local and international higher education in east Africa, using data from surveys of alumni and comparing cohorts of students who had studied in western Europe, USA, and the Soviet bloc, but this approach has rarely been used since.[xli] (It also bristles with difficulties given the different levels of costs and incomes in host and home countries.)

32 Two general conclusions can be drawn from the literature. First, for scholarship programmes, there is solid evidence of efficiency, in terms of completion and success rates, and of students' return to their home countries. Given the correlations between higher education and both increased individual income and socioeconomic development, it would be possible to argue that this provides adequate evidence of impact. Inevitably, less is known about self-funded students. Second, follow-up studies have produced robust evidence that former scholars are having a developmental impact within their own countries. A survey by the Commonwealth Scholarship Commission, for example, looked at the effects of its work, and careers of its alumni, in relation to the Millennium Development Goals and was able to conclude that its awards: 'do enable the transfer of skills and knowledge not only to individual award holders, but also beyond to their colleagues, employers and wider communities'.[xlii] This reinforced the positive findings of other earlier studies. The United States, for example, carried out large-scale studies, incorporating field work within developing countries, of education in support of agriculture and other developing-country priorities, with generally well-established positive outcomes.[xliii]

33 Over the years the moral case for support for students from the developing world has been made, within universities and more widely, and government has been consistent as seeing this as one element in its policies. Support for developing countries can also be seen as bringing benefits in terms of soft power. There is adequate evidence of its effectiveness.

Conclusion

34 Debate about international students, over the last two decades, has generally been conducted either in relation to migration, or in economic terms. This note has attempted to look, alongside the economic and fiscal issues, at the evidence on the quality and curriculum of UK institutions, on soft power, and on international development. The historical record shows that there is evidence to support widely accepted assumptions that overseas students bring benefits to British universities, and to the country in relation to soft power and international development, alongside their, more easily quantified, economic effects. It suggests that there is a case for a government reaffirmation of the importance of international student mobility, repeatedly recognised in previous policy statements.

Bournemouth and Poole International Education Forum

Assessment and Response to the Call for Evidence "The impacts of international students in the UK"

17th January 2018

Written evidence submitted on behalf of Bournemouth and Poole International Education Forum

Summary

The International Education Forum's response to the call for evidence "the impacts of international students in the UK" in which the submission will include:

- The economic and social impacts of international students in the UK
- The support from migrant students in employment in educational institutions
- The financial gain in the national, regional and local economies
- The impact on the demand for housing, transport and health provision.
- The impact migrant students have on the increment of tourism and numbers of visitors to the UK.
- What role do international students play in extending UK soft power and influence abroad?
- What would happen to UK education industry in the event of there no longer being a demand from migrant students
- English language school differs ever so slightly from other education institutions

IEF – who are we?

- IEF is an association that consists of key, local, international – facing education providers with strong, proven track records in their individual fields. The Boroughs of Bournemouth and Poole are also actively involved through their Tourism Offices. Our shared vision and goal is for Bournemouth and Poole to become recognised as 'A World Class Centre for Excellence in International Education' and to represent members on various external committees.

- The Forum has already taken up the challenge of the Prime Minister's initiative to promote UK education and international students to a world-wide audience.

- The local environment of Bournemouth and Poole is also a major contributory factor to the international education destination market. Both Bournemouth and Poole are thriving resort towns, enjoying a temperate climate all year round and a wealth of quality recreation, sporting and entertainment facilities. The outstanding natural beauty of England's central south coast, combined with this wide range of social amenities, is a major attraction for prospective students and contributes a great deal to student satisfaction, creating a stimulating environment for not only personal and educational growth for the student but a vast contribution to UK economic growth.

Economic and Social Impacts

- It can occasionally be forgotten that international students not only make tuition payments to contribute to UK economy, but they spend money off-campus on an extensive range of goods, activities, and services, and attract a significant number or overseas visitors such as friends and family members, during their UK study period.

- Transport and retail combined received over £1.4 billion thanks to international student's spending, as reported by Universities UK.

- According to research carried out in 2017 by Oxford Economics for *Universities UK, in 2014-15* both the south east and south west regions of England have the second largest international student's off-campus expenditure of £964 million, the second largest generation of jobs due to international student spending with 8,079 jobs, and export earnings generated by international totalling to a combined £1.88 billion. Only falling in second place to London statistics.

- Not to mention other English language institutions, universities alone in the south of the UK attracted 75,270 students from outside the UK in 2014-15, as stated by Universities UK.

- Spending by international students and their visitors in 2014-2015 in university towns across the UK sustained 206,600 jobs and generated a knock-on impact of £25.8 billion in gross output in the UK, and in the same year was responsible for £10.8 billion of UK export earnings.

- The United Kingdom is currently the second most popular destination for international students to study English after the United States.

- From a global perspective, there are over 10,000 educational agents across the world actively promoting international education in Bournemouth and Poole alone.

- Bournemouth and Poole contain one of the highest concentrations of English language institutions in the UK.

- Hundreds of thousands of UK families rely on the demand for housing in the way of Homestay arrangements as a primary income. International education supports these families through direct employment and hosting the students.

- Local education providers rely on a mix of both EU and non-EU students to support their educational mission. Within the education industry, any barriers in place for international students entering the UK will have a negative impact on English language schools in particular. The majority of the income and jobs at these types of institutions rely on and benefit from the expenditure from international students.

- It has been said that in theory, international students can put host nations' education sector, training systems, and public services under pressure but countless studies have shown international students make lighter use of the aforementioned services than the average UK resident, and without their economic contributions, the local health service, transport industry and tourism companies would not be as profitable, especially in peak season.

Soft Power

- While we focus on the economic impacts of international students in the UK, we must also think beyond the initial monetary outcomes, and recognise the social advantages alongside the economic ones that the students bring to the value of the UK student's/resident's experiences and the UK's global soft power.

- The economy will benefit from soft power in both contexts – from international students and from British students. Britain will gain an increased globalised labour market through British students building international relationships with contacts worldwide and gaining an awareness and understanding of other cultures. International students will more likely return in the future with an already established knowledge of the UK, proving to be an asset to the economy and society. Furthermore, on the return home of the international students, the British educated graduates will have professional and personal ties to the UK, and become positive influencers, contributing to decisions on UK trade products and services.

- The fact that the UK can facilitate and attract such a great number of international students to the UK's education industry signifies a feeling of public diplomacy.

We need to continue to stand as a world-leading education industry with minimal barriers in order to retain such an enviable ranking. Taking into consideration our current position in the exit of the EU, we should encourage the intake of international students to strengthen our international links at a critical economic period and have a more global perspective. At an appropriate time outlining a post Brexit vision would instil confidence to those international students either already studying in the UK, and those hoping to enrol on a course in the UK in the future.

Proposals for post-Brexit

Understandably there will be obstacles whatever the future holds in terms of international students in the UK, and not every path will be a definite solution but possibilities include:

- Introducing more accessible methods of applying for visas and obtaining visa extensions from within the UK.

- Re-instate work-rights to international students who have studied at accredited institutions.
- International students being excluded from net migration figures.
- Undertake campaign to reverse the recently adopted view that the UK is no longer welcoming to international students.
- Commence a government campaign to make the UK once again the top educational destination in the world.

GS/LC/180105

Greater London Authority

I welcome the opportunity to respond to the Migration Advisory Committee's (MAC) Call for Evidence on the economic and social impacts of international students in London and the UK.

The UK has a strong reputation for learning and research. This is especially the case for London which attracts more international students and has more world-leading universities and specialist institutions than any other city on the planet. In terms of trade, this is a great UK export. In the capital, it is estimated that international students contribute over £1.5 billion directly in fees and a gross overall contribution of £3.4 billion.

Before outlining the main themes of my response, I want to address the Government's position on international students – namely, that they should remain included in its annual net migration target. I am clear that this does not make economic sense – the Government is, in effect, choosing to impose a limit on the export growth of a key sector. It is also reputationally damaging to the UK: we are viewed as being cautious and politicising international students; employers remain concerned that a supply of skills and talent could come under pressure. Furthermore, it sends a very negative message to young people around the world about the kind of country we want to be. I believe the Government should remove students from the net migration target. I also believe it is essential that a post-study work visa route be reintroduced.

The focus of my response is on higher education. This is largely due to the public data available but also because of the sector's importance to London. The key themes identified in my response are:

International students benefit the country

- International students have a positive economic impact and, given their age profile, do not impose significant costs on the public purse. They are also an established part of our higher education institutions' strategic approach, academic community and financing.
- The social impacts of international students are largely positive. Polling suggests that the (UK) public want to see the same number or more coming to the UK (ComRes 2017).

Clear post-study work opportunities benefit international students, London and the UK

- The international student market is becoming increasingly competitive. A number of our competitor countries have identified the growth of their international education sector as a strategic priority and already have dedicated post-study work routes.

- Surveys have found that many international students found it difficult to secure work in the UK after graduating. (London First/PwC 2015) and that these opportunities are increasingly part of an international students' decision-making on where to study. (UUK 2014) I have called on the Government to introduce a clear post-study work route for international students to complement the Graduate Entrepreneur visa.
- Introducing clear post-study work opportunities will allow the UK to benefit from the higher level skills and talent of international students, often in shortage areas and innovative sectors, in the years after graduation. Increasing this supply further incentivises investment and economic activity.

International students are part of the UK's long-term global strategy, post-Brexit

- The importance of international students extends much further than their economic, social and academic contribution. Studying in London establishes ties to the city and UK that last a life time.
- The value of this cultural or soft power is difficult to quantify but is recognised as a significant asset for the UK and cannot be built up overnight by our competitors. As we leave the European Union, these relationships and global networks will become even more important over the coming century. In my discussions with higher education institutions in London, there is clearly potential to use alumni networks more effectively to promote the capital and UK.

The UK is at a crossroads as we renegotiate our relationship with the European Union and the rest of the world. I am clear that the UK needs to remain in the Single Market and maintain our direct involvement in European research programmes. However, international students remain an important litmus test of the country's openness to people, trade and ideas. At this time, adopting a more strategic approach to supporting the export growth of our education sector, and making it clear that we continue to welcome talented students from around the world, would send a clear and positive message that London and the UK remain open.

Yours sincerely,

Sadiq Khan

Mayor of London

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Overview

In October 2017, the Migration Advisory Committee (MAC) called for evidence on the impact of internationals students in the UK. The Mayor of London recognises the significant economic and social contribution international students make to London – both from EU and non-EU countries – and welcomes the opportunity to respond to the Committee's call for evidence.

The London Context

London is an international city with a long history shaped by globalisation: it already has some of the world's leading universities and a diverse mix of higher and further education institutions. These range from traditional universities through to specialist colleges and schools and national research centres. These institutions attract talented students, lecturers and researchers from across the world, supplying businesses with a pool of highly skilled people and adding to London's success and appeal.[236]

There are over 40 higher education institutions in London, many of which have a strong international focus.[237] The quality of instruction is often seen as an important factor for international students when selecting their country of destination for study[238] and this is one of the main reasons for the popularity of London as a destination for study.[239] As Table 1 shows, the capital's education institutions feature prominently in global rankings.[240][241] According to data from the Higher Education Statistics Authority (HESA), there were 112,205 overseas students studying in London in 2016/17, accounting for 29 per cent of students in the capital and almost a quarter (24 per cent) of international students studying in the UK.

Table 1: Number of universities based in London within the top 100 globally

Publication	Number in Top 100

[236] The strength of the capital's economy also generates significant revenues for public finances and supports economic activity in the rest of the
UK. For more detail, see: GLA (2017) MAC Call for Evidence on EEA workers in the UK labour market
[237] Note: satellite campuses of other UK institutions are not included in the calculations. Similarly, private universities and higher education colleges have also been excluded from the analysis. A complete list of the 40 institutions considered can be found in Appendix 1. Due to availability of data the focus of this submission is largely on higher education.
[238] OECD (2017) Education at a Glance 2017
[239] Along with, for example, English speaking education and London's status as a social and cultural centre). See: London First & PwC (2015) London Calling: International students' contribution to Britain's economic growth
[240] London also has a number specialist HEIs which are internationally recognised – e.g. Royal College of Music and the Royal Academy of Music are ranked 2nd and 3rd in the world for Performing Arts and the Royal Veterinary College 3rd for Veterinary Science (QS World University Rankings
[241] by Subject).

Academic Ranking of World Universities[242]	3
Times Higher Education World University Rankings[243]	4
QS World University Rankings[244]	4
Times Higher Education World Reputation Rankings[245]	4
The Economist Full-time MBA ranking[246]	3
FT Global MBA Ranking[247]	3

Various, see footnotes

The economic and non-economic benefits of international students can be large, both at a national and institutional level (as well as for individuals). International students are, for example, a considerable source of export earnings for the UK, directly contributing around £3.4 billion to the UK economy in the 2016/17 academic year – or £30,700 per non-UK domiciled student.[248] Their value is also to London's wider reputation as a place for innovation, research and connectedness – contributing to the capital's position as a leading European city for access to human capital and openness.[249] By comparison the public costs of hosting students are relatively small (estimated at £8,009 per non-EU student in 2013/14[250], roughly £8,400 in 2016/17 prices) and the net economic impact of international students to the UK and London economy is thus likely to be positive.[251]

At the same time, the competition for international students is becoming increasingly intense and global.[252]
After the United States, the UK is the second most common destination for mobile students in the OECD.[253] However, patterns of student migration to the UK have changed considerably over the last decade: in particular, operational and policy changes made to UK immigration rules since 2010 have contributed to a significant fall in immigration for study, with much of this decrease concentrated in the Further Education sector.[254] However, as Table 2 illustrates, the UK's population of international HE students is also growing at a slower rate than in other large

[242] Academic Ranking of World Universities 2017
[243] Times Higher Education World University Rankings 2018
[244] QS World University Rankings 2018
[245] Times Higher Education World Reputation Rankings 2017
[246] The Economist full-time MBA ranking 2017
[247] Financial Times Global MBA Ranking 2017
[248] London & Partners (2018) The Economic Impact of London's International Students in London (report forthcoming)
[249] European Commission (2017) The Cultural and Creative Cities Monitor 2017
[250] London First & PwC (2015) London Calling: International students' contribution to Britain's economic growth
[251] Also see: London Economics (2018) The costs and benefits of international students by parliamentary constituency Report for the Higher Education Policy Institute and Kaplan International Pathways
[252] The number of foreign students engaged in tertiary education programmes worldwide surged in recent decades, rising from 0.8 million to 4.6 million between 1975 and 2015. Source: OECD (2017) Education at a Glance 2017
[253] OECD (2017) Education at a Glance 2017 – at a city level, London has the highest number of international students – above New York, its closest competitor.
[254] ONS (2017) What's happening with international student migration?

countries.[255] Several countries show a decline in sending students to the UK in recent years.[256]

Table 2: Trends in international HE students enrolled in selected countries (000s), 2010-2015

Country	2010	2011	2012	2013	2014	2015	Change, %	
							2010-2015	2013-2015
Australia	271	263	250	250	266	294	9%	18%
Canada	96	106	121	151	164	172	79%	13%
Germany	181	177	185	197	211	229	26%	16%
United Kingdom	398	420	428	417	429	431	8%	3%
United States	685	710	740	784	829	907	32%	16%

Source: OECD Statistics. Notes: Data relate to international students defined on the basis of their country of residence. These data exclude students who are under short-term study and exchange programmes that last less than a full school year. Figures are presented in thousands.

Were the recent slowdown to continue, then the UK's position as the second ranked country of choice for international HE students may come under threat. The viability of subjects in which international students are disproportionately enrolled, including sciences, engineering and technology, could also be at risk.[257] Indeed, several competitor countries are actively developing policies aimed at becoming more attractive to overseas students: Germany has set a target to increase the number of foreign students in the country;[258] while, as Box 1 illustrates, other OECD countries are implementing policies aimed at simplifying immigration procedures and easing restrictions on short-term work permits to attract more international students. Evidence suggests that complex systems can deter students from entering a country.[259]

Box 1: Examples of recent immigration policy changes to attract international students

- Australia has announced the implementation of a simplified student visa framework as from 2016.

[255] University of Oxford (2017) International Trends in Higher Education 2016–17 / Prazeres, L., Findlay, A. (2017) An audit of international student mobility to the UK. ESRC Centre for Population Change.

[256] Prazeres, L., Findlay, A. (2017) An audit of international student mobility to the UK. ESRC Centre for Population Change.

[257] House of Lords Select Committee on Science and Technology (2012) Higher Education in Science, Technology, Engineering and Mathematics (STEM) subjects

[258] Federal Ministry of Education and Research (2016) Strategy of the Federal and Länder Ministers of Science for the Internationalization of the Higher Education Institutions in German

[259] OECD (2017) Education at a Glance 2017 / London First & PwC (2015) London Calling: International students' contribution to Britain's economic growth

- Canada revised its International Student Program in 2014 and streamlined work permit access for international students enrolled in a Canadian institution so as to allow them to work part-time off campus.
- Korea has increased the number of weekly hours of employment allowed during study from 20 to 25 for international students who have been certified according to the International Education Quality Assurance system.

Source: OECD (2017) Education at a Glance 2017

The Mayor wants London to remain the world's leading city for learning, research and innovation. It will be critical that there are clear and accessible routes for international academic and technical staff to come and work in the capital (from the EU and further afield). After graduating, international students should have more options to apply for work here so they do not have to leave immediately after their course finishes. The Mayor believes the lack of dedicated post-study work routes damages the UK's reputation and limits the competitiveness of our universities. Post-Study Work (PSW) options are increasingly part of countries' 'offer' to international students. And, when they return home or work abroad, international students are the UK's ambassadors – an important soft power benefit. The Mayor wants the government to reintroduce a clear poststudy work visa route that can be part of the offer to prospective international students. The Mayor also believes that international students should not be included in the government's net migration target until they move into work or start a business after their studies.
Responses to the MAC's call for evidence

Having set out the context, the aim of this section is to review the evidence on the role of international students in London – those who come from the rest of the EU and outside of the EU. We have sought to provide a response to questions posed by the MAC where appropriate, and where we have access to relevant evidence and examples. Due to availability of data the focus is largely on higher education.

The rest of the report is set out as follows:

The profile of international students studying in London

International students' direct contribution to the London and UK economy

The wider benefits from international students in London

International students and labour market participation

Impact on the demand for housing, transport and health provision

The profile of international students studying in London

The scale of international students in London underlines their importance to the capital's HE providers. Data from the Higher Education Statistics Authority (HESA) shows that there were 384,705 students studying at HE providers in the capital in 2016/17. Of these, 272,500 were from the UK and 112,205 were non-UK domiciled. Of the international student population, 36,745 or 33 per cent were from the rest of the EU and 75,460 or 67 per cent from non-EU countries.

Table 3: Number of students at London based HEIs, by country/area of domicile

Publication	UK	Other EU	Non-EU	Total
Undergraduate	194,795	21,255	35,905	251,965
Postgraduate	74,005	14,220	37,130	125,555
Other	3,700	1,270	2,425	7,185
Total	**272,500**	**36,745**	**75,460**	**384,705**

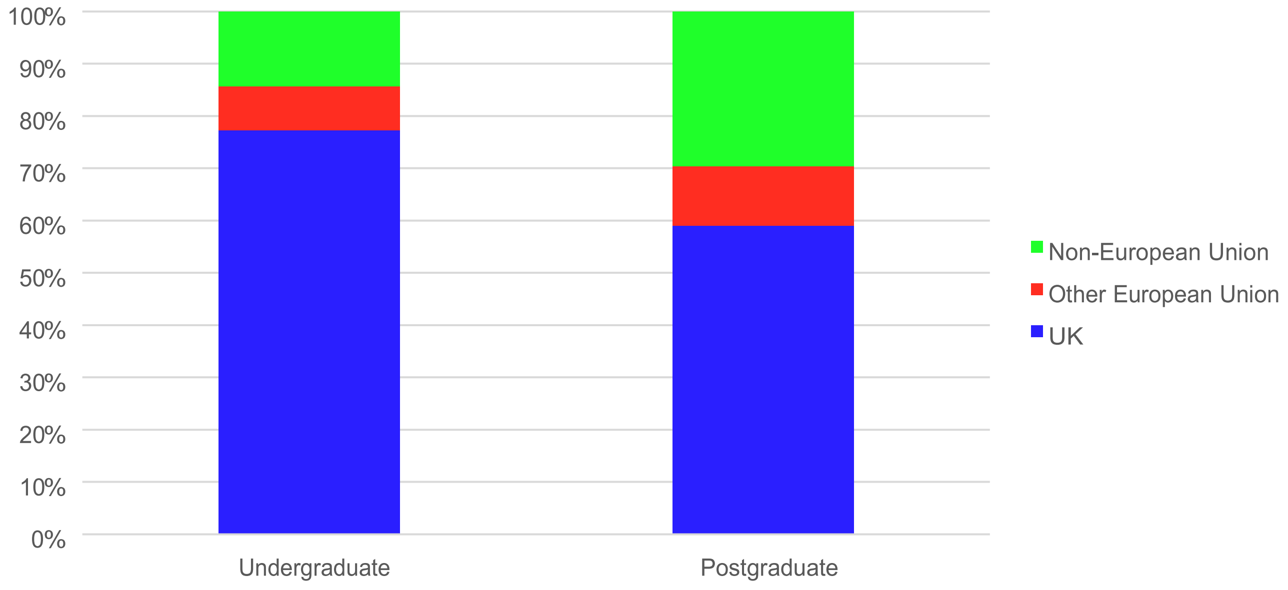
Source: HESA. 'Other' includes students who are writing up or on sabbatical.

As Table 3 shows, these students account for a significant share of London's student population. In total, 71 per cent of the students at London HE providers were from the UK in 2016/17, while 29 per cent of the student population were non-UK domiciled. Overall, the capital attracts 24 per cent of all international students in the UK compared to 14 per cent of UK-domiciled students.[260] Of the 20 largest recruiters of international students among HE providers in the UK, six are based in London.[261]

In-line with evidence from elsewhere[262], international students make a particularly strong contribution at postgraduate level in London. As Figure 1 shows, around 23 per cent of undergraduate students at London HE providers were non-UK domiciled in 2016/17 (8 per cent other EU; 14 per cent non-EU), rising to 41 per cent for students at postgraduate level (11 per cent other EU; 30 per cent non-EU).

Figure 1: Percentage of HE students by level of study and country/area of domicile in London, undergraduate and postgraduate, 2016/17

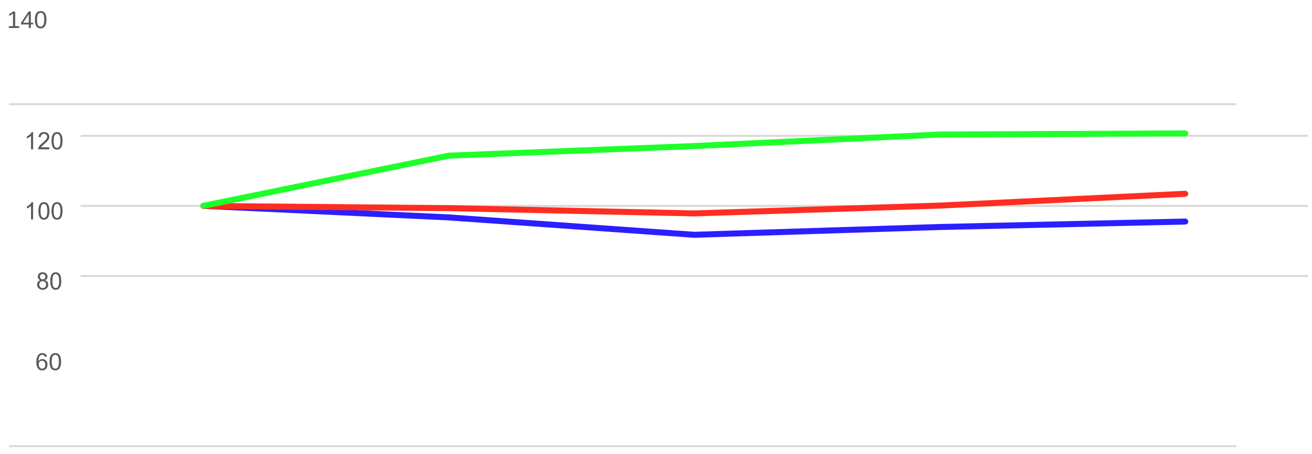
[260] In addition, term-placements/exchange students – which are not otherwise counted in statistics – are another source of international student numbers in London.
[261] UKCISA (2017) International student statistics: UK higher education
[262] OECD (2017) Education at a Glance 2017



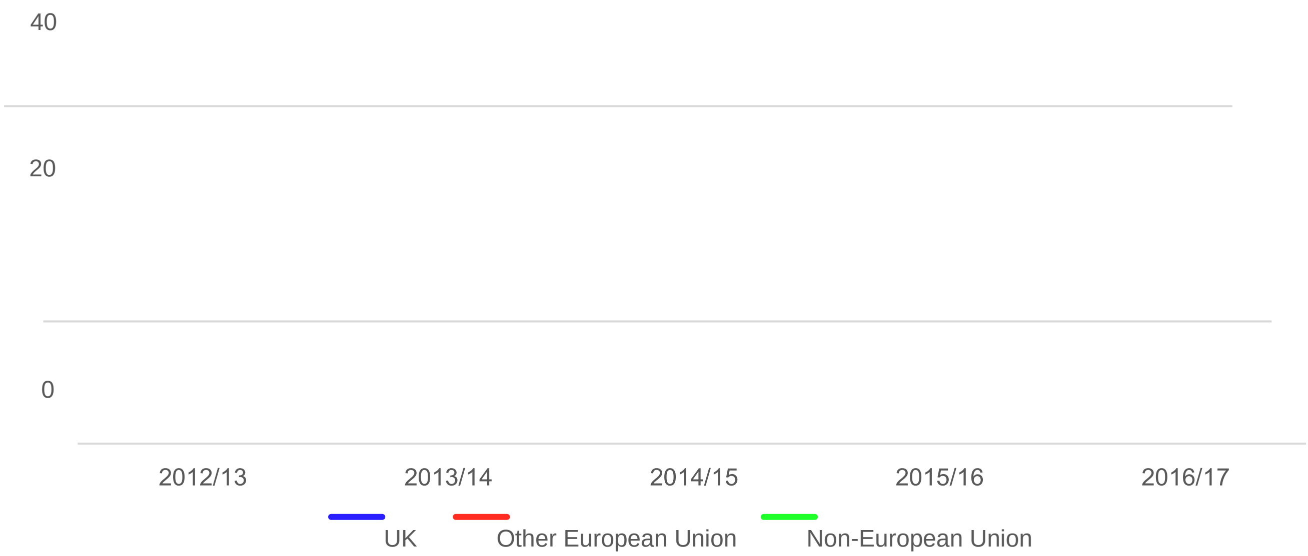
Source: HESA

Over the last five years international students have helped to maintain overall student numbers at the capital's HE providers. Indeed, as Figure 2 shows, they have offset a decline in UK student numbers at London based HE providers since 2012/13. The number of UK-domiciled students has fallen by 12,800 or 4 per cent during this time; this compares to a 1,200 or 3 per cent increase in EU students and a 12,900 or 21 per cent increase in non-EU domiciled students. There is no evidence that the rise in international students enrolling in UK universities has crowded out domestic students[263]; conversely, demographic forces could make the contribution of international students even more important to HE sector in the years ahead.[264]

Figure 2: Number of HE students by country/area of domicile, London, 2012/13 – 2016/17



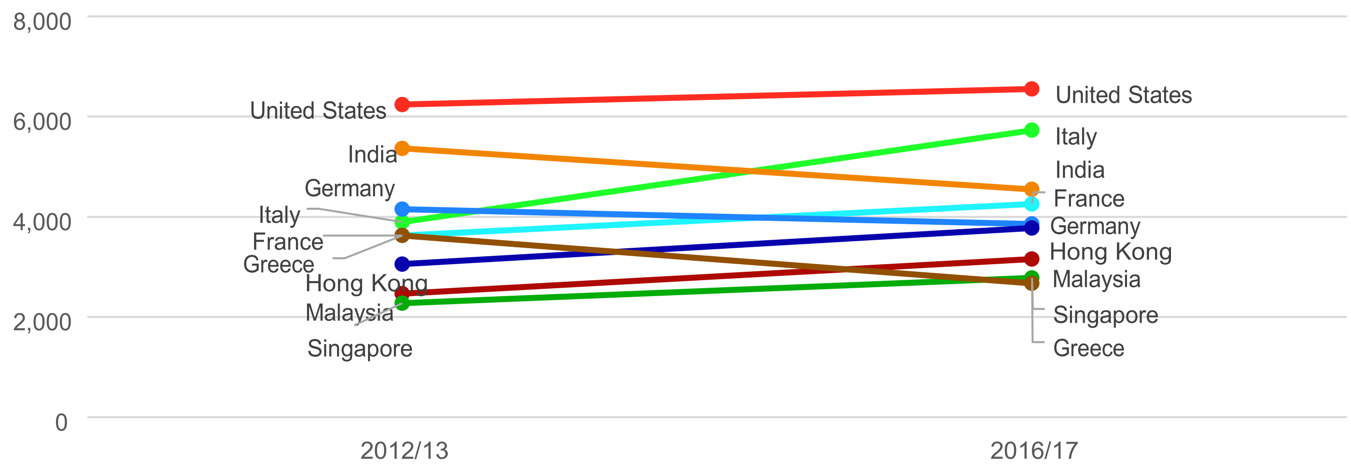
[263] Machin, S., Murphy, R. (2014) Paying Out and Crowding Out? The Globalisation of Higher Education. CEP Discussion Paper No 1299
[264] Prazeres, L., Findlay, A. (2017) An audit of international student mobility to the UK. ESRC Centre for Population Change



Source: HESA

A small number of countries continue to be important sources of international students coming to the UK. With 17,795 students studying at London HEIs in 2016/17, China is the leading international student source market for London and the fastest growing. Looking at the change since 2012/13 (Figure 3), Chinese student numbers have grown by around 5,785 or 48 per cent. The next largest increases in international students during this time were from Italy (+1,830 or 47 per cent) and Hong Kong (+720 or 24 per cent). Conversely, student numbers from other countries have declined during this time, including from India (-820 or -15 per cent), Greece (-955 or -26 per cent) and Germany (-295 or –7 per cent). The number of students from the United States, the country with the second largest number of non-UK students in the London, has remained steady during this period (+310 or 5 per cent).

Figure 3: Top 10 Countries of domicile (excluding UK) in London for 2016/17, for HE enrolments in 2012/13 and 2016/17



Source: HESA

International students' direct contribution to the London and UK economy

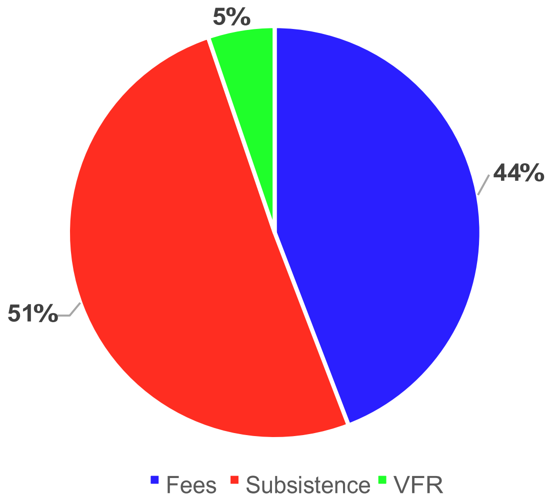
Analysis carried out by London & Partners estimates that international students studying at London HE providers directly contributed around £3.448 billion to the UK economy in 2016/17.[265] This was up from £2.990 billion reported for the 2013/14 academic year[30] – an 11 per cent increase in real terms. In keeping with previous analyses, there are three main channels reviewed to calculate international students' direct economic impact:

- **Fee income** paid directly to HE providers
- **Subsistence spending** of international students whilst studying (e.g. rent, food, transport and leisure)
- **Expenditure of friends and relatives** who come to London to visit international students. This is known as VFR (Visiting Friends and Relatives)

In terms of the direct economic benefits, subsistence spending had the highest impact, making up £1.745 billion of international students' economic contribution. This is followed by the direct economic benefit from tuition fees at £1.523 billion. London's student population also promotes tourism activity from family and friends visiting people studying in the capital; London & Partners estimate that this was worth £180 million in 2016/17. Figure 4 shows the relative contribution of each channel in 2016/17.

Figure 4: Share of overall expenditure by spending channel, 2016/17, London

[265] For a summary of the methodology used, see: London & Partners (2015) The Economic Impact of London's International Students [30] London & Partners (2015) The Economic Impact of London's International Students



Source: London & Partners

International students also make an important contribution to economic output and employment in London. According to Oxford Economics, universities have a greater impact on the capital's labour market than in other regions of the UK, accounting for 1.7 per cent of employment in 2014/15.[266] Based on assumptions about the impact of international students' expenditure by sector, London & Partners estimate the total direct GVA impact of international students on the UK economy to be around £1.8 billion in 2016/17.[267] Using the same assumptions about sector benefits suggests that almost 39,800 jobs are supported by international students in London.[268] Table 4 shows spend allocation across fees, subsistence and spend generated by friends and relatives visiting, and its conversion into GVA and jobs supported.

Table 4: Gross Value Added and jobs supported by channel

Publication	Total Expenditure, £M	Gross Value Added (GVA), £M	Jobs Supported
Fee Income	£1,523	£913	21,129
Subsistence	£1,745	£794	16,470
Family and Friends Visits	£180	£96	2,197
Total	**£3,448**	**£1,803**	**39,796**

Source: London & Partners analysis

Table 5 breaks down the GVA and jobs contribution broken by London's top ten international student markets (in 2016/17). Looking at the GVA contribution by country, China and US are the biggest contributors, followed by Italy and India.

[266] Oxford Economics (2017) The economic impact of UK universities, 2014-15
[267] In other studies, the indirect and induced economic impact of students spending is estimated. This looks solely at direct economic impact, i.e. excluding any multiplier effect.
[268] London & Partners (2018) The Economic Impact of London's International Students (forthcoming)

Table 5: Gross Value Added and jobs supported by country of origin (top 10 markets)

Domicile	Number of students	Total Expenditure (£M)	GVA (£M)	Jobs Supported
China	17,795	£598	£317	7,035
United States	6,550	£240	£128	2,836
Italy	5,725	£137	£69	1,503
India	4,545	£137	£72	1,582
France	4,255	£121	£63	1,377
Germany	3,855	£96	£48	1,049
Hong Kong	3,775	£129	£69	1,522
Malaysia	3,155	£107	£57	1,261
Singapore	2,780	£101	£54	1,199
Greece	2,670	£63	£32	687

Source: London & Partners analysis

The wider benefits from international students in London

The potential for indirect or less tangible benefits

International students bring a number of indirect or less tangible benefits to London and the wider UK. A number of London's HEIs have well established reputations as world leading HE providers, capable of attracting a diverse base of highly educated international students. Although there is limited quantitative evidence on the institutional and reputational value associated with the presence of international students, the literature provides a number of examples of ways through which the education system can benefit.

These include positive impacts arising from graduate students' contribution to research in the UK[269] and benefits from the development of international research collaborations.[270] For example, over 51 per cent of UK research articles were co-authored with at least one non-UK researcher in 2014 – and research shows a strong link between field-weighted citation impact and international collaboration, which itself is linked to greater researcher mobility.[271] By enhancing competition between HEIs and enabling them to specialise, openness to international students may also lead to an improved educational offering for domestic students.

There are also benefits which can accrue to domestic students.[272] For example, previous research by GLA Economics found that universities' fee income from non-

[269] Migration Observatory (2017) Non-EU Higher Education Students: Impact on the UK Economy
[270] Opinion Leaver (2017) The role of international collaboration and mobility in research
[271] Department for Business, Energy & Industrial Strategy (2017) International Comparative performance of the UK research base 2016. A report prepared by Elsevier for the UK's Department for Business, Energy & Industrial Strategy (BEIS)
[272] Department for Business, Innovation & Skills (2013) The Wider Benefits of International Higher Education in the UK

EU students helps to keep costs down for home/EU students.[273] This is supported by a 2014 paper produced by the Centre for Economic Performance, which finds no evidence that the increase in international students enrolling in UK universities had crowded out domestic students.[274] On the contrary, this report finds evidence of international students crowding in domestic students at postgraduate level and raising the level of funding per student at undergraduate level.
In addition, HE students also seem to value the experience of studying alongside international students. In a recent survey undertaken by the Higher Education Policy Institute, 77 per cent of UK students felt that studying with international students made them more aware of cultural sensitivities, 76 per cent of students felt that it gives them a better world view, and 63 per cent of students felt that it helped them to develop a global network.[275] Very few students felt that it had a negative impact of the quality of academic discussions. These results are similar to a survey of HE students undertaken by the National Union of Students in 2016.[276]

Finally, international students can also stimulate demand for courses where domestic demand alone may be insufficient to sustain them, thus ensuring that a wider range of courses are available for all students. For example, across the UK's HE providers in 2015/16, subject areas with a high proportion of international students included Engineering & technology (33 per cent), Law (26 per cent), Architecture, building & planning (26 per cent) and Mathematical sciences (22 per cent).[277,278] With a shortage of STEM graduates a key issue in the UK's industrial strategy[279], international student recruitment has a particularly important role in sustaining these subject areas.[280] For example, a 2012 House of Lords Science and Technology Committee report concluded that a reduction in the number of overseas students coming to study to the UK "may result in a general reduction of provision of STEM courses that rely on this income to make them viable".[281]

The potential for economic gains from promotion of international links

There is a tendency for evaluations and impact assessments of the benefits of international students to focus on the more readily measurable contribution of fees and expenditure. However, a positive experience living, studying and working in

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[273] GLA Economics, '*The potential impact of a Tier 4 immigration cap on UK and EU-domiciled student fees*', 2011, available at: https://www.london.gov.uk/priorities/business-economy/publications/gla-economics/the-potential-impact-of-a-tier-4-immigration-cap-onuk-and-eu

[274] Machin, S., Murphy, R. (2014) Paying Out and Crowding Out? The Globalisation of Higher Education. CEP Discussion Paper No 1299

[275] Higher Education Policy Institute (2015) What do home students think of studying with international students? HEPI Report 76, July 2015

[276] NUS (2016) Student perspectives on international students

[277] HESA (2017) Introduction - Students 2015-16

[278] Around a third of OECD mobile students at all tertiary levels are enrolled in STEM fields of study. The preferences for STEM disciplines is even more pronounced at doctoral level. Source: OECD (2017) Education at a Glance 2017

[279] HM Government (2017) Industrial Strategy: Building a Britain fit for the future

[280] Department for Business, Innovation & Skills (2013) The Wider Benefits of International Higher Education in the UK

[281] House of Lords Select Committee on Science and Technology (2012) Higher Education in Science, Technology, Engineering and Mathematics (STEM) subjects

London generates considerable soft power for the UK, which can help to promote overseas business, research and diplomatic links.

- According to a Lords Select Committee on Soft Power and the UK's Influence, the country's HE sector represents one of its "strongest cultural assets" which "creates support for the UK and its products, culture and language".[282]
- A strong international student base, and alumni network, can help HEIs to attract overseas investment due to the ties established. The Department for Business, Innovation & Skills (now BEIS) previously estimated income from overseas donations to be worth £34.5 million in 2008/09.[283]
- There is also evidence that the presence of migrants has a positive impact on wider inward investment decisions.[284] According to a survey conducted by London First & PwC, 60 per cent of international students in London (including alumni) said they were more likely to do business with the UK as a result of studying here.[285]

International students and labour market participation

International students can also play an important role in the labour market whilst studying. According to the results of a London First and PWC survey of international students, almost a quarter (24 per cent) of international HE students in London worked while studying in 2013/14; a total of around 16,000 international students.[286] The results of the survey, which focused on non-EU students, are in-line with the 2017 Survey of Graduating International Students. This survey found that 28 per cent of UK international finalist students were working while studying – mainly in part-time job or casual work.[287]

The vast majority of those surveyed by London First/PwC – over 80 per cent – had a Tier 4 (General) student visa, so were typically able to only work for up to 20 hours per week during term-time.[288] By sector, the majority of students worked in the Education and cultural activities, Hospitality, hotels, catering and other services and Retail and related service industries. On average, they worked 11 hours per week during term time and 15 hours per week during holidays, earning around £7.80 per hour (given their earnings and hours, international students are unlikely to contribute significantly to the Exchequer via income tax or national insurance contributions).[289]

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[282] Department for Business, Innovation & Skills (2013) The Wider Benefits of International Higher Education in the UK

[283] Department for Business, Innovation & Skills (2011) Estimating the Value to the UK of Education Exports

[284] Burchardi, K B, T Chaney and T A Hassan (2016) "Migrants, ancestors, and foreign investments", NBER, Working Paper 21847

[285] London First & PwC (2015) London Calling: International students' contribution to Britain's economic growth

[286] London First & PwC (2015) London Calling: International students' contribution to Britain's economic growth

[287] CPC-ONS-UUK (2017) 2017 Survey of Graduating International Students

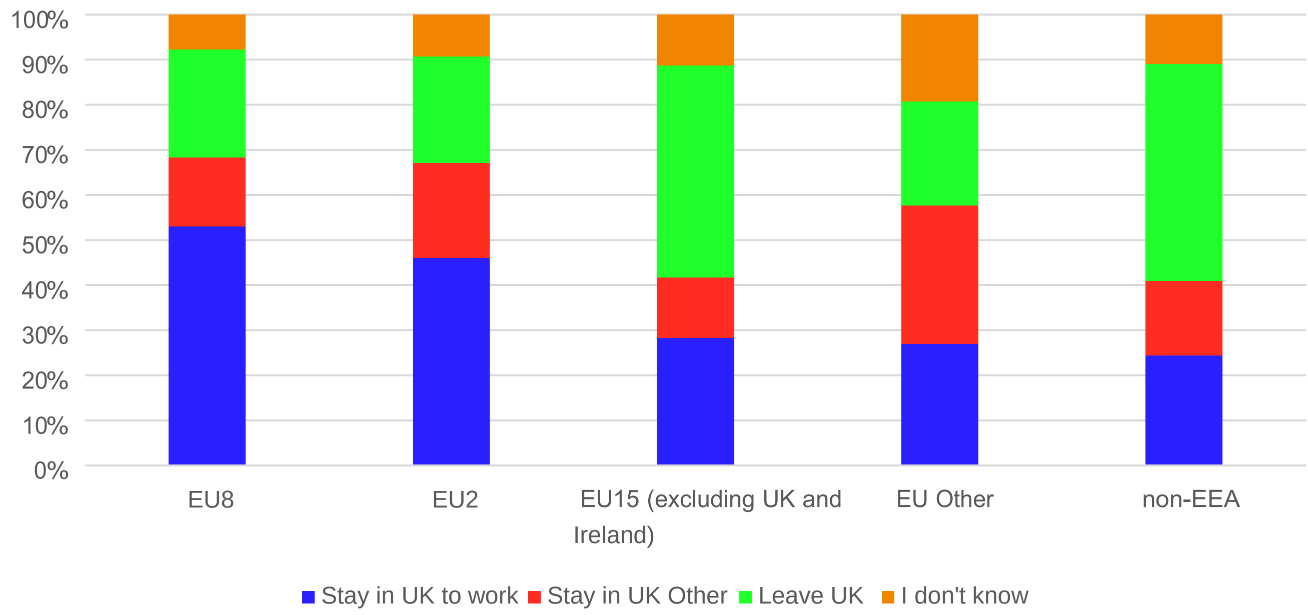
[288] Based on this survey, over 80 per cent of international students in London had a Tier 4 (General) student visa while studying and around 3 per cent had a variety of Tier 1 and 2 visas such as Entrepreneur, Exceptional Talent, Graduate Entrepreneur, Investor, Post Study Work or General Tier 1 and 2 visas. Source: London First & PwC (2015) London Calling: International students' contribution to Britain's economic growth

[289] International students that work while studying are expected to earn around £5,000 per year. Since this is below the personal tax allowance of £9,440 and below the Class 1 (contributions on salary) National Insurance threshold of £5,676, London First & PwC estimate

In addition, international students that leave academia, but stay and work in London can provide a pool of skilled labour for the capital. Evidence suggests that most of London's international students leave the UK post-study. For example, the survey undertaken by London First and PWC found that, at the start of their studies, around a quarter of international students in London intended to remain in the UK after finishing[290]; though based on responses from alumni the actual figure that stay may be lower. The analysis estimated that around 5,000 international students entered the UK labour market in 2014, equal to about 3 per cent of total students graduating from London HE institutions.[291]

There are, however, likely to be significant differences in labour market intentions for international students from different countries – particularly between EU and non-EU countries. To illustrate the point, the 2017 Survey of Graduating International Students found that only 24 per cent of non-EEA graduates intended to stay in the country to work after finishing their studies, compared to over half (53 per cent) of students from EU8 countries.[292] Moreover, London is the most attractive destination for international students planning to remain in the country from across the UK as a whole[293], so the capital's labour market may also benefit from access to international students who graduate from HEIs in other parts of the country.

Figure 5: Post-study plans of international graduating students in the UK, 2017, UK



Source: Survey of Graduating International Students. Office for National Statistics and the Centre for Population Change. Note: Leave UK includes "travel in the UK & outside the UK". Figures presented are unweighted counts,

that they will not contribute to the Exchequer via income tax or national insurance contributions. Source: London First & PwC (2015) [London Calling: International students' contribution to Britain's economic growth]

[290] By comparison, 33 per cent were undecided and 42 per cent did not plan to remain in the UK.

[291] London First & PwC (2015) London Calling: International students' contribution to Britain's economic growth

[292] ONS (2017) International student migration research update: August 2017

[293] CPC-ONS-UUK (2017) 2017 Survey of Graduating International Students

and respondents whom were based outside of the UK or who were of UK nationality were removed from any tables and/or analysis.

Impact on the demand for housing, transport and health provision

Although the benefits can be large these need to be considered against the potential costs. Yet, taking into account demographic characteristics, the available evidence suggests that the demand placed on public services by international students is likely to be significantly lower than for other population groups.

For example, a 2013 study for the Home Office sought to assess the extent to which international students impose costs on the Exchequer and local communities. This research – based on discussions with local authorities and a series of online and expert panels – concluded that “legitimate international students… are likely to have low impacts on public services and social cohesion, making a lower demand on most services than an average UK resident”.[294] The main findings are summarised in Table 6.

Table 6: Expert opinion on the costs of international students relative to other migrants

Cost category	The nature of the costs of international students relative to other migrants
Health & social services	- Less likely to access health services, reflecting the consensus in the academic literature. - Make fewer demands on social services.
Accommodation & housing	- Demand for low cost accommodation was seen as less of a burden on housing though the impact may be starker on the private rented sector in particular areas.
Crime & policing	- Less of a hindrance in reporting crime and less likely to incur interpretation costs. - The group least likely to be associated with tensions between communities.

Source: Home Office Research Report 72

While according to the National Institute of Economic and Social Research, in proportional terms, average demand per adult for education, health and personal social services was between 41 per cent and 49 per cent lower for Tier 4 migrants than for non-migrants in 2011.[295] More recently, the Survey of Graduating International Students asked about the extent to which international students across the UK engage with public services.[296] When asked about their use of health

[294] Poppleton, S., Hitchcock, K., Lymperopoulou, K., Simmons, J. and Gillespie R. (2013) Social and Public Service Impacts of International Migration at the Local Level, Home Office Research Report 72, July 2013.

[295] Average costs for Tier 4 migrants were substantially lower for all three categories: 35 per cent to 51 per cent lower for education; 41 per cent to 48 per cent lower for personal social services and 45 per cent to 48 per cent lower for health. Source: National Institute of Economic and Social Research (2011) Impact of migration on the consumption of education and children’s services and the consumption of health services, social care and social services

[296] CPC-ONS-UUK (2017) 2017 Survey of Graduating International Students

services, only 8 per cent of final year international students had visited A&E in the past 12 months – the majority report their general health as very good (40 per cent) or good (41 per cent). In terms of housing, around half of final year international students lived in private rented accommodation (48 per cent), a quarter of lived in University accommodation (24 per cent), and one in eight lived in private student halls (12 per cent).

As a result, studies which analyse the net economic benefit to the London and UK economy – i.e. the difference between the short-term economic benefit and use of public services – find significant positive impacts associated with international students in London:

- London First and PWC estimate that, on average, each international student at London universities consumed public services costing £8,009 during the 2013/14 academic year. This suggests that total consumption of public services by non-EU students was worth around £540m per year.[297] Therefore, according to London First & PwC, the net short-term economic benefit of non-EU students in London was equal to around £2.3 billion in the 2013/14 academic year (or around £34,122 per non-EU student, on average).
- Other research carried out by London Economics for the Higher Education Policy Institute estimates that, across the UK, the cost to the Exchequer associated with a typical EU-domiciled student was £19,000 over the duration of their studies, and £7,000 for a non-EU student in the 2015/16 cohort.[298]
  By comparison, the total benefit per student was estimated at around £87,000 for an EU student in the 2015/16 cohort and £102,000 for each non-EU student. Thus, the total net economic impact generated by international students starting to study in London in the 2015/16 academic year was £4.6bn.[299]

Appendix 1

[297] Note: this analysis does not account for public transport costs, given the very small share of total London commuters they make-up during peak times. The London First & PwC analysis finds that, on average, 41 per cent of London's international students use public transport during peak hours – a total of around 28,000 international students in 2013/14, or 0.6 per cent of commuters during peak time. Source: London First
& PwC (2015) London Calling: International students' contribution to Britain's economic growth

[298] London Economics (2018) The costs and benefits of international students by parliamentary constituency Report for the Higher Education Policy Institute and Kaplan International Pathways

[299] Note: Values per student are rounded to the nearest £1,000. All estimates are presented in 2015/16 prices, and discounted to reflect net present values.

For the purpose of this report, the following HE institutions are considered to be based in London:

Birkbeck College

- Brunel University London
- City, University of London
- Conservatoire for Dance and Drama
- Courtauld Institute of Art
- Goldsmiths College
- Guildhall School of Music and Drama
- Heythrop College
- Imperial College of Science, Technology and Medicine
- King's College London
- Kingston University
- London Business School
- London Metropolitan University
- London School of Economics and Political Science
- London School of Hygiene and Tropical Medicine
- London South Bank University
- Middlesex University
- Queen Mary University of London
- Ravensbourne
- Roehampton University

- Rose Bruford College of Theatre and Performance
- Royal Academy of Music
- Royal College of Art
- Royal College of Music
- Royal Holloway and Bedford New College
- SOAS University of London
- St George's, University of London
- St Mary's University, Twickenham
- The Institute of Cancer Research

Mayoral Response

Letter to the Chair of the Migration Advisory Committee
Professor Alan Manning

CC: Amber Rudd MP, Home Secretary

Dear Chair,

We are writing to you as the combined authority mayors representing diverse regions of England in response to the Migration Advisory Committee (MAC) call for evidence on the impact of international students.

We welcome the MAC undertaking a detailed examination of the net benefits of international students and the opportunity to demonstrate the profound and positive impact on the UK economy and our local communities.

International students are a vital source of export earnings for the UK, as well as a source of investment in the UK's towns and cities and spreading the UK's international influence. International students generate a net economic benefit of over £20bn for the UK economy and support over 200,000 jobs in communities across the UK.

Research commissioned by the Higher Education Policy Institute reveals that international students studying in our regions in 2015-16 provide a £8 billion net economic benefit

The West Midlands benefits from a net economic impact of £1.2 billion from international students while Greater Manchester's net benefit is £852m, the City of Liverpool Region sees £469m and £374m in the West of England. The Tees Valley region sees £203m in net impact form international students while Cambridgeshire and Peterborough benefits from £278m. London sees a net benefit of £4.6bn – the capital attracts more international students than any other city in the world.

However, the impact of international students extends far beyond income. These students also enrich our university campuses and the experience of UK students. Many students return home having built strong professional and personal links that provide long term soft-power benefits to our regions and the UK as a whole. These benefits are understood and valued by our local communities. A recent poll revealed that the majority of the British public would like to see the same number or more international students.

The Migration Advisory Committee's commission on international students comes at a time where the UK is preparing to leave the EU and developing an Industrial Strategy which needs to raise productivity and earning power in every region. International students are central to the UK remaining open and competitive following Brexit, as well as a locally focused industrial strategy.

The UK is a world leader in higher education and research, and the second most popular destination for international students behind the USA. However, new data from the Higher Education Statics Agency reveals that progress on attracting a growing number of non-EU international students remains stagnant in a growing international market. This lack of progress illustrates the impact of limiting post-study work routes compared to competitor countries as well as prospective students not being convinced of being wanted and welcomed in the UK.

While UK international student recruitment has grown sluggishly - between 0 and 2% over the last few years – the USA, Australia, Germany and Canada have consistently witnessed growth in student enrolments of between 6-8% a year.

We welcome the announcements made in the recent Budget (November 2017) such as allowing scientists and researchers endorsed under Tier 1 route to apply for settlement after three years, and the relaxation of labour market tests for sponsorship of some researchers. We hope to see further movement towards what our competitor countries such as the USA, Australia and Canada offer their international students in post-study work opportunities.

We ask the Committee and, in turn government to consider recommendations that focus on:

- Protecting and maximising the impact of international students to support a strong, regionally focused industrial strategy

- Creating a more open and welcoming message for international students – showing the world that the UK is open for business

- The important role higher education plays as an export industry especially in the context of Brexit

- How the UK matches its competitor countries when it comes to post-study working opportunities to provide much needed skills in the regions

Signed:

Sadiq Khan, Mayor of London
Andy Burnham, Mayor of Greater Manchester
Steve Rotheram, Mayor of the Liverpool City Region
Andy Street, Mayor of the West Midlands
Ben Houchen, Mayor of the Tees Valley
James Palmer, Mayor of Cambridgeshire and Peterborough
Tim Bowles, Mayor of the West of England

Office for National Statistics

Response to the Migration Advisory Committee's consultation on International students

Office for National Statistics – 26th January 2018

1. Introduction

The Office for National Statistics (ONS) is the UK's largest independent producer of official statistics and its national statistical institute. We are responsible for collecting and publishing statistics related to the economy, population and society at national, regional and local levels. We also conduct the census in England and Wales every 10 years.

Since 2014, the ONS has followed the UK Statistics Authority's 'Better Statistics Better Decisions' strategy and has established a work programme to improve evidence on the impact of migration on a number of topics, including international students. This work programme was recently set out in a Public Policy Forum in September 2017. In August 2017, the ONS published a brief report and a more detailed, technical report on what international students do after their studies, using Home Office Exit Checks data. Although this research does not directly answer any of the questions asked in the MAC commission, it does provide some additional information on international student's behaviour that might be useful.

Our response to this consultation consists of a number of ONS held data sets that we consider provide useful evidence on the impact of international students in the UK. In our response, we have provided analysis where evidence is available to directly answer a question. There are some questions where we have no supporting evidence and have therefore not included them in our response.

2. Data Sources

All data detailed in this report has originated from one of four data sources, described below.

Survey of Graduating International Students (SoGIS) - In 2017, the ONS commissioned the SoGIS in collaboration with the Economic and Social Research Council (ESRC) Centre for Population Change (CPC) and Universities UK (UUK), a full technical report has also been produced. The survey provides data on post-study plans of international students and how certain they are of those plans, as well as use of public services, travel patterns, funding and courses studied.

The CPC have recently sent out a follow-up survey to approximately 1,500 respondents to SoGIS who agreed to be re-contacted. One of the aims of the follow-up survey is to establish whether what international students planned to do at the end of their studies was realised.

It is important to note that SoGIS data has been made available to researchers external to the ONS; therefore similar tables may have been produced by others with differing numbers. Respondents who were of UK nationality or who were based outside of the UK were removed in all SoGIS tables provided in our response.

Annual Population Survey (APS) – The APS is an annual household survey covering the UK with a sample size of approximately 320,000. This survey provides data on topics such as employment and unemployment, housing, ethnicity, religion, health and education at local levels. One of the limitations of the APS is that coverage does not include student halls of residence. However, some students may be included in the sample if they are living at a private household address.

Census 2011 – The 2011 census covered all usual residents in England and Wales on 27th March 2011, and provides a rich source of data on the population. The census provides data on the demographics, housing, education and health of the entire population.

International Passenger Survey (IPS) – The IPS is a sample survey taken at all major UK ports, and provides information on the numbers and types of visits made by people to and from the UK. The IPS is used to provide official long-term and short-term migration estimates, published quarterly in the Migration Statistics Quarterly Report (MSQR), and in the Short-Term International Migration (STIM) report.

3. Number of international students immigrating to the UK

The most recent IPS figures estimated that in the YE June 2017, 141,000 migrants immigrated to the UK long-term (12+ months) for the purpose of study. In terms of short-term immigration (3-12 months), the IPS estimated that in the YE June 2015, there were 69,000 short-term immigrants who came to the UK to study. In YE June 2017, the APS estimated that there were 328,000 EEA-born, 806,000 non-EEA born and 26,000 Irish born individuals living in the UK whose main reason for coming to the UK was to study.

Table 1: Student and graduate employment, APS, 2016_17

4. **What are the fiscal impacts of migrant students, including student loan arrangements?**

When respondents of the SoGIS were asked to indicate main sources of funding for their current course of study, provisions from parents/guardian/family/friends was the most popular source listed by both EU and non-EU nationals (51% and 50%, respectively). However, 31% of EU respondents also listed student loans as a main source of funding, compared to only 12% of non-EU respondents.

Table 14: Survey of Graduating International Students - the impact of International students, UK, 2017

5. **How much money do migrant students spend in the national, regional and local economy and what is the impact of this?**

According to the SoGIS, both EU and non-EU students were most likely to earn between £100 and £499 per month (38%, 43% respectively). However, it is important to bear in mind that these data do not confirm how much of the earnings mentioned were spent in the UK.

The majority of both EU and non-EU international students had spent no money on health-related costs in the previous 12 months (excluding private healthcare- 59% and 62%, respectively). Those that did spend tended to spend less than £100 (EU- 31%, non-EU- 23%). We have also provided regional analysis on spend on healthcare.

Table 7, Table 11 & Table 12: Survey of Graduating International Students - the impact of International students, UK, 2017

6. **What is the impact of migrant students on the demand for housing provision, on transport (particularly local transport) and on health provision?**

The 2011 Census estimated that 3%[300] of all schoolchildren and students in full-time education in England and Wales were born in the EU (excluding the UK), 8% were born outside of the EU, and 88% were born in the UK[1]. When broken down by region, London had the highest proportion of both EU-born (7%) and non-EU born (20%) schoolchildren and students, and collectively Wales had the lowest proportion of EU-born (2%) and non-EU born (4%) schoolchildren and students. It is important to note that the census data confirms only a person’s country of birth, and not whether that person immigrated to the UK for the purpose of study. Therefore the true numbers are likely to be lower than reported here.

[300] The percentages do not add up to 100% due to rounding

As would be expected, the majority (55%) of students who responded to the SoGIS were living in rented accommodation at the time of survey; the proportion of students living in rented accommodation was highest in Wales (66%), and lowest in the North East and Yorkshire and the Humber (46%). University accommodation was the second most popular choice regardless of region (27%). Interestingly, those living in the South East were least likely to live in private student halls of residence (6%), and those living in the East Midlands were most likely (24%). Unsurprisingly, students living in their own home were in the minority.

The majority of all respondents to the SoGIS described themselves as in very good or good health (86%), with little variation within nationality or region. When asked which NHS services they had used in the previous 12 months, international students living in all regions indicated they were most likely to have had a GP consultation (between 40% – 57%, dependant on region). Only 35% of international students living in the East of England indicated "none of the above", compared to 51% of those living in the South West, the highest proportion recorded. Small proportions of international students used Accident & Emergency (A&E) services or out of hours care. Those living in the East of England reported higher use of both A&E services (14%) and out of hour's care (5%) than those living in other areas. Those living in Scotland were more likely to have seen an NHS dentist in the last 12 months (19%).

Sheet 1: 2011 Census country of birth by age
Table 13, Table 8, Table 9, Table 10: Survey of Graduating International Students - the impact of International students, UK, 2017

7. **If migrant students take paid employment while they are studying, what types of work do they do?**

Of those that responded to the SoGIS, 28% took on some form of work during their studiess Specifically, 19% had a part-time job or casual work, 5% had a full-time job, 2% were working on placement, and 2% worked during vacations. Of those that had a job, professional occupations were most popular (25%), followed by sales and customer service occupations (22%). Respondents were least likely to be in process, plant or machine operative occupations (0.4%). There was some variation displayed between regions for all types of occupation. The majority of those that worked did so for up to 20 hours per week (61%), and monthly income was most likely to be between £100 and £499 (41%).

Table 3, Table 4, Table 5, Table 6, Table 7: Survey of Graduating International Students - the impact of International students, UK, 2017

8. **Whether, and to what extent, migrant students enter the labour market, when they graduate and what types of post-study work do they do?**

Twenty six percent of EU nationals who responded to SoGIS planned to look for a job in the UK after graduating, and a further 9% planned to take up an existing job offer in the UK. By comparison, 19% of non-EU nationals planned to look for a job in the UK, and 5% planned to take up an existing job offer in the UK. However, it is important to note that only 55% of respondents were certain of their planned length of stay in the UK.

According to the APS (YE June 2017), both EEA-born and non-EEA born UK residents who held a degree were most likely to work in the Education and Health sector (27% & 36%, respectively) and were least likely to work in Agriculture & Forestry (0%). The same pattern was observed for UK-born residents. EEA nationals who held a qualification lower than degree level were more likely to work in Manufacturing (18%) or Distribution, hotel and restaurant (27%) sectors than individuals born in any other country. However, it is not possible to confirm whether these qualifications were obtained in the UK.

A higher proportion of recent graduates (17%) worked in the distribution, hotels and restaurants sector than non-recent graduates (8%); suggesting recent graduates may start off in this sector before moving on to other jobs, this pattern of behaviour was observed for all nationals. The reverse was true of those working in the Education and Health sector, where 35% were recent graduates and 43% were non-recent graduates. Interestingly, EEA nationals were more likely to work in the private sector (85%) than UK nationals (65%) or non-EEA nationals (74%).

Table 2, Table 1: Survey of Graduating International Students - the impact of International students, UK, 2017
Table2, Table 3, Table 4: Student and graduate employment, APS, 2016_17

9. **Further contributions to the evidence base**

The figures and accompanying data sets presented here are likely to provide some of the evidence required for a detailed understanding of international students in the UK. We would welcome the opportunity to collaborate further with the Committee over the next year in advance of their report to government to identify evidence gaps and to work on solutions to fill these. We have set out an ambitious work plan to link data across government to provide better evidence on migration and we would welcome a continued dialogue with the MAC to see how this increasing evidence base can assist this commission.

10. List of data sources

Where available, we have linked to Quality, Methodology and Information documents on each of the sources listed below. These documents explain the source, relevant time period and a summary of limitations with the data.

International Passenger Survey (IPS), ONS
2011 Census, ONS
Annual Population Survey (ASP), ONS
Survey of Graduating International Students (SoGIS), ONS and the Centre for Population Change

11. List of tables

Survey of Graduating International Students, UK, 2017
2011 Census country of birth by age
Student and graduate employment, APS, 2016_17

i-graduate International Graduate Insight Group Ltd

We are writing in response to the following 2 questions (issues) in your consultation paper:

1) How do migrant students affect the educational opportunities available to UK students? (The impact the recruitment of international students has on the provision and quality of education provided to domestic students.)
2) What role do migrant students play in extending UK soft power and influence abroad?

Issue 1: How do migrant students affect the educational opportunities available to UK students? (The impact the recruitment of international students has on the provision and quality of education provided to domestic students.)

The International Student Barometer (ISB) is an independent measure of student opinion which is externally verified and internationally benchmarked. Since inception the ISB has been implemented at over 100 UK HEI's and at over 800 HEI's worldwide across over 30 countries. 21 of the 24 Russell Group universities have been using this measure, most since 2007.

The Barometer tracks 26 dimensions of learning satisfaction, 6 dimensions of student engagement, 23 dimensions of the living experience and is the global benchmark for the student experience. It provides robust evidence of student opinion on teaching, living and support across all students, all years and all levels of study.

In the 2016 Student Barometer there were 33,490 domestic students that responded at 15 Universities in the UK.

91% of UK domestic students were satisfied or very satisfied with the multicultural learning environment ('Studying with people from other cultures'). At UG level satisfaction was 90%, and at PGT and PGR levels it was 94%. At subject area level, satisfaction with the multicultural learning environment was highest in Subjects allied to Medicine and Engineering (both 95%). The multicultural learning environment was positively correlated with recommendation (whether students would recommend their University).

Domestic students also provided feedback on the living experience on campus, and 88% of UK domestic students were satisfied or very satisfied with 'Making friends from other countries'. At UG level satisfaction was 87% and at PGT and PGR levels it was 93%. 'Making friends from other countries' was also positively correlated with recommendation scores.

In summary, the 2016 Student Barometer data shows that domestic students have high levels of satisfaction with the multicultural learning environment at our Universities, and they also experience high levels of satisfaction with the opportunities to make friends from other countries.

Issue 2: What role do migrant students play in extending UK soft power and influence abroad?

The International Graduate Insight Group (i-graduate) was commissioned to run a study Tracking International Graduate Outcomes by the Department for Business, Innovation and Skills (BIS) in November 2009.

The first wave of the study took place in 2010 and surveyed international graduates (those who graduated from undergraduate, taught and research postgraduate degrees) of publicly-funded UK higher education institutions (HEIs) from 2009 (6 months after completing their studies) and from 2007 (in the third year post-completion). The second and final wave, conducted in 2011, surveyed international graduates who had graduated from UK HEIs in 2010 (6months after completion) and 2008 (2½ years after completion).

The total number of graduates responding to the 2011 survey was 7,620 (2,113 from 2008 cohort, and 5,507 from 2010 cohort) from 63 participating institutions. There were 5,708 responses from the first wave. International graduates were asked a range of questions to establish their current situation and future intentions.

Providing evidence for the role that migrant students play in extending UK soft power abroad, data was collected regarding their future intentions. This question asked explored their likelihood to undertake various activities in the next 5 years (multi-choice).

77% of international graduates responded that they would be likely to develop professional links with organizations in the UK. This rises to 83% for Indian graduates. 61% said they would collaborate with UK universities / colleges for academic research purposes, and 87% said they would seek to remain connected with their University in the UK.

This provides evidence to show that migrant students extend the UK's soft power abroad both in professional links with UK organizations and continued relationship with the UK University.

The table below shows the likelihood of 2010 graduates to undertake various activities in the next 5 years (multi-choice question) by nationality, BIS Research Paper Number 62, Tracking International Graduate Outcomes 2011:

Future plans	Overall	China	India	USA	Malaysia	Nigeria	Canada	Pakistan	Hong Kong	Taiwan	Singapore
	2010	2010	2010	2010	2010	2010	2010	2010	2010	2010	2010
Seek short term employment in UK	37% (2,262)	33% (393)	46% (320)	36% (175)	37% (117)	45% (127)	33% (62)*	46% (74)*	29% (99)*	45% (67)*	27% (26)**
Seek long term employment in UK	45% (2,305)	32% (397)	55% (326)	42% (180)	51% (118)	54% (129)	33% (62)*	63% (78)*	41% (99)*	56% (68)*	45% (27)**
Undertake further study in UK	49% (2,296)	43% (387)	39% (328)	29% (179)	55% (120)	69% (128)	32% (62)*	56% (77)*	42% (99)*	52% (67)*	44% (27)**
Visit UK for holiday/leisure	84% (2,298)	86% (400)	75% (324)	85% (179)	88% (117)	89% (126)	87% (64)*	83% (77)*	81% (98)*	94% (68)*	81% (27)**
Apply for perm. residence in UK	29% (2,287)	25% (395)	27% (327)	24% (175)	30% (117)	39% (129)	14% (63)*	47% (79)*	31% (95)*	33% (68)*	41% (27)**
Develop professional links with orgs. in UK	77% (2,315)	67% (398)	83% (329)	73% (178)	77% (118)	94% (129)	63% (63)*	91% (79)*	61% (98)*	78% (68)*	64% (28)**
Collaborate with UK unis/colleges for academic /research purposes	61% (2,300)	51% (398)	58% (324)	50% (178)	60% (118)	83% (129)	42% (63)*	78% (78)*	47% (98)*	54% (68)*	67% (27)**
Seek to remain connected with my university	87% (2,319)	90% (399)	87% (329)	73% (178)	89% (121)	94% (128)	72% (63)*	95% (78)*	77% (98)*	91% (68)*	85% (28)**

*Number of responses is below 100
**Number of responses is below 50

Migration Watch

Evidence submitted by Lord Green of Deddington, Chairman of Migration Watch UK, to the Migration Advisory Committee - January 2018

The impacts of international students in the UK

Summary

- The benefits of international students are not in doubt – provided that they are genuine.
- There has been substantial abuse of the route since 2009 which has now been largely dealt with.
- The first year of exit checks has shown that 60,000 students extended their stay for further study, work or marriage. Of the rest, some 97% left within their visa conditions.
- 25,000 of those who arrived for study were granted settlement in each year between 2009-2015, according to Home Office analysis.
- The case for continuing to include students in both the net migration statistics and the net migration target is very strong.
- It should not deter international students as there is not, and never has been, any limit on the number of such students, provided they are genuine. Much of the negative publicity has been generated by ill founded complaints from the Higher Education sector itself.
- Nor has there been any limit on the number permitted to switch into work provided that is at graduate level with a salary of £20,800.
- Continued vigilance is essential since the future of the Higher Education sector depends crucially on its reputation.

Introduction

1. International students are of very great benefit to the UK provided that they are genuine (see response to first question in annex A). The government rightly offers non-EU nationals a fair and flexible route by which they can benefit from a chance to study in the UK. There is no limit on the number of genuine students who can come to the UK and the Government has said that it has no intention of imposing such a limit. There is also no cap on the number of international students who can switch into work provided that they take up a graduate-level job earning at least £20,800 a year. Furthermore, those going into work from study are exempt from the Immigration Skills Charge and the Resident Labour Market Test.

2. We have argued that the UK should also maintain an open and generous route for EU students after Brexit. Following the UK's departure from the EU, movement to the UK for EU students (along with EU tourists, business visitors, and the self-sufficient) should remain as unhindered as possible. EU students should be

free to enter the UK to study on a visa-free basis (the same should apply for UK students travelling to study in the EU). Those who wished to stay on and work would need a work permit since, in our view, post Brexit controls on EU migration should focus on workers. In addition, there is no reason why existing schemes such as Erasmus, which currently includes non-EU states such as Turkey and the former Yugoslav Republic of Macedonia, should not be able to continue unaffected.

Previous abuse

3. Following the introduction in 2009 of the points-based system with respect to students, abuse of the student visa route became a significant problem. A 2012 National Audit Office report found that, between March 2009 and February 2010, 40,000-50,000 individuals may have entered the UK to work rather than study. Additionally, the government found maladministration of the student visa route by a number of UK universities. To take one example, London Metropolitan University's sponsorship licence was revoked for a period of months from August 2012 after the UK Border Agency (UKBA) found that more than a quarter of sampled students had no valid visa to be in the UK. Furthermore, in 2014 a BBC Panorama investigation uncovered evidence of abuse in a language testing center used by those in need of an English language examination in order to extend their student visa. The Home Office suspended the tests provided by the company. The investigation also uncovered a network of agents selling fraudulent documentation such as bank statements and academic records.

Remedial measures

4. Reforms aimed at tackling abuse have met with considerable success. The key measures included the following:

- From 2011, new English language requirements were introduced;
- From 2012, the post-study work route was closed to new entrants. In part, this stemmed from the publication of a 2010 Home Office report, which found that, of those who had taken employment via the Tier 1 post-study work route, more than half of those whose occupation could be identified were found to be working in unskilled jobs.
- From July 2012, the re-introduction of interviews for high-risk applicants;
- From November 2014 – the permitted visa refusal rate for sponsor institutions was reduced from 20% to 10%;
- Student visa extensions were limited to those demonstrating academic progression;
- Close to 1,000 bogus colleges were closed.

Effect of the measures

5. As for the effectiveness of these changes, the Home Office noted in August

2017: “The tightening of the rules in areas where abuse has been uncovered was reflected in a 78% decrease in entry clearance visa applications sponsored by the further education sector between 2010 and 2016.” However, ‘over the same period the number of applications sponsored by the higher education sector rose by 17%’. This suggests that, from 2010 onwards, measures aimed at tackling abuse had an impact, notably in the Further Education sector. There was also a 47% rise in applications sponsored by Russell Group universities from 20102016.

Post study work route

6. Calls are often made by various parties for a post-study work visa to be reintroduced following its closure in April 2012. However, one study by the then-UK Border Agency found that a majority of those whose occupation could be identified went into unskilled work (See above). Furthermore, most students already have a post-graduate period of four months after the completion of their course in which to find work. The UK’s post-study work arrangements are more generous than those in New Zealand and the United States. Furthermore, in December 2017, the UK government said that it would extend a pilot programme to allow masters graduates to remain in the UK in order to search for work for up to six months after the end of their studies at a total of 27 universities in all parts of the UK.

Indian-domiciled students

7. Much is often made of the fall in the number of Indian students applying to study at UK universities since 2010. However, 2010 was the peak of the abuse of the route. In that year several visa sections in the Indian subcontinent had to be closed for six months as a result of concerns over fraudulent applications. A 2011 UKBA pilot study interviewed student visa applicants at both high and low risk posts across the world to assess the credibility of students. It concluded that 59% of applicants interviewed in India should have been denied on credibility grounds.

8. The fall in student visa applications by Indian nationals that has occurred since 2010 has mostly been in the non-university sector and was largely due to the elimination of abuse. However, numbers are now recovering. Figures released by the Home Office on 30 November revealed a 27% rise in the number of long-term study visas granted to Indian nationals in the year ended September 2017. Higher Education Statistics Agency (HESA) data show that there was a 50% increase in the number of Indian-domiciled undergraduates enrolled at ten top universities between 2010/11 and 2015/16. Meanwhile, the fall since 2010 in the overall number of Indian students applying to UK higher education institutions since 2010 has been counter-balanced by a rise in applicants from other countries. HESA data released in January 2018 found that between 2012/13 and 2016/17 there was a 5,800 decrease in higher education enrolments by students domiciled in India. However, this was paralleled by a rise of 11,400 in the number of students domiciled in China.

Inclusion in the migration statistics

9. A number of voices have called for international students to be removed from the net migration statistics. Such a move would be impracticable and further erode public confidence in the government's ability to monitor, measure and control immigration to the UK. It could also risk damaging the reputation of the Higher Education sector.

10. While they are here, international students have an impact on communities, infrastructure and services. As acting Deputy National Statistician Ian Cope told the Lords EU Home Affairs sub-committee in December 2016: *"Long term international migration is defined as those people coming into the country for 12 months or more. Obviously students here at universities will be here for more than 12 months and should be included in the long term international migration numbers."*

11. The direct and indirect effects of net migration, if it remains at around current levels of a quarter of a million a year, have been projected to account for over 80% of population growth by 2041. A proportion of international students add to this longer-term population growth so they should continue to be counted in the net migration figures (see Annex A). While evidence from Exit Checks suggests that international students are nowadays largely compliant with their visa requirements, nearly 60,000 obtained an extension for marriage, work or further studies in 2015/16. Home Office visa statistics suggest that the number of students switching into work or family has been just over 10,000 a year.

12. In addition, an average of 23,300 non-EU migrants who originally arrived on a student visa, along with 4,000 who arrived on a student dependant visa, were granted settlement in the UK in each year during 2009-2015, according to Home Office 'Migrant Journey' analysis published in February 2016.

Additionally, over a million foreign-born people living in the UK in early 2016 had originally arrived for purposes of study, according to analysis of the Labour Force Survey. The longer-term impact on the UK population only underlines why students should remain in the net migration figures.

13. International students should continue to be recorded as net migrants for the following additional reasons:
    - The net migration statistics define a migrant as someone changing their normal place of residence for more than a year. This reflects international best practice, in line with a United Nations definition. The majority of students who come to the UK for a year or more clearly count as migrants under this definition and should continue to be included in the net migration figures.
    - All of the UK's major competitors report a net migration figure that includes students.
    - As the reliability of the IPS outflow figures are still in doubt, and as we have only one year of Exit Checks, accurate departure figures will not be available for several years.

- Removing students would create confusion with respect to a range of official statistics that would continue to use net migration statistics with students included. As the House of Commons Library has said: “Removing specific groups from a time-based definition of migration breaks the mathematical relationships that underpin population estimates” (see paper).

14. There are also wider reasons:
    - Even if students were removed from the statistics, the press and public would add them back in and accuse the government of fiddling the numbers.
    - This would turn a policy success in cleaning up abuse and improving the statistics into a negative outcome. The painstaking work to tackle the abuse of the student route since 2010 could be undermined.
    - Removing students could well result in other interest groups seeking similar treatment – for example, Intra-Company Transferees are entirely temporary yet numbered 36,000 last year.
    - The public are opposed (by a margin of 19 percentage points) to removing students from the net migration figures (ComRes poll, April 2017). This reflects similar results from an Autumn 2016 YouGov poll.

International students and the net migration target

15. The government committed to voters prior to the last General Election that it would reduce net migration to less than 100,000 a year. However, there has been an attempt to ensure that international students are excluded from the net migration figures ‘for public policy purposes…for the duration of their studies’. Indeed, an amendment to the Higher Education Bill was passed to this effect in the House of Lords in early 2017 (although it was later reversed in the House of Commons). Should such a move succeed in future, it would effectively remove international students from being considered as part of the net migration target.

16. The case for doing so rests on the claim that students are ‘temporary migrants’. However, this is quite wrong because some students are able to, and do, switch into routes that allow settlement (as is noted above). In addition, a 2015 Parliamentary Answer revealed that, since 2011, over 17,000 asylum claims had been received from individuals who initially entered the UK on a student visa. Those granted protection are entitled to apply subsequently for settlement in the UK. In addition, a proportion of those entering the UK for purposes of study may have been granted settlement in the UK on the basis of the ten year rule (Immigration Rule 276B). This allows those who can prove that they have a decade of continuous and lawful residence in the UK to apply for indefinite leave to remain.

17. If students were to be removed from the net migration target, it would be necessary for students switching into another visa category to be reinserted into net migration statistics for the statistics to accurately reflect net migration of non-students. This would raise a host of practical problems, including whether students switching into other categories should be reinserted into net migration statistics in

the year that they switched or whether they would be reinserted into net migration statistics for the year that they initially arrived. Students who remain in the UK illegally after their visa has expired would also have to be reinserted into the net migration statistics once it became clear that they had failed to depart the country.

18. Removing students from the net migration statistics, even 'for public policy purposes', raises the danger that the student route could become subject to abuse, as it has in the past, especially if it was not possible for those who overstay to be identified and reinserted into net migration statistics. It is possible that the government's focus would be on those routes that count towards net migration. Abuse could start to flourish again if this were to occur, in particular amongst those less academically rigorous institutions that might wish to increase the number of non-EU students that they attract. There is a serious risk to the reputation of the sector should it become clear that the government are half-hearted about cutting out abuse.

18 January 2018

Annex A:

Answers to specific questions in the Migration Advisory Committee's Call for Evidence:

- **What are the fiscal impacts of migrant students?**

International students pay considerable amounts in tuition fees and are a much needed revenue stream for universities. Also, by spending their money in the local community, they create and sustain jobs.

- **What role do migrant students play in extending UK soft power and influence abroad?**

On their return to their home countries, students are more likely to do business with Britain and are often 'ambassadors' for this country making them an important source of 'soft power'. A very significant number of Heads of State and other notable persons have been educated in Britain. However, the benefits of international students are maximised when the majority go home at the end of their studies. See our list of Foreign Heads of State and Notable Alumni who studied at UK Institutions.

- **What is the impact of migrant students on the demand for housing provision, on transport (particularly local transport) and on health provision?**

There is very little available data on the specific impacts that international students, either from the EU or from outside the EU, have on specific areas such as housing, transport and health provision. However, it is worth repeating the broader point made above that, like other migrants, students who stay for longer than 12 months have an impact on communities, infrastructure and services while they are here. A proportion also add to longer-term population growth.

- **Whether, and to what extent, migrant students enter the labour market, when they graduate and what types of post-study work do they do?**

There is evidence that EU domiciled students 'are high performers in UK higher education, and that they go on to occupy a strong position in the UK labour market', at both the undergraduate and postgraduate levels (Institute for Social and Economic Research, May 2016).

However, the extent of demand amongst employers for international students, at least with respect to those from outside the EU, is called into question by Home Office visa extension statistics which show that, between 2012 and 2016, an average of only 4,700 previous students per year switched into the Tier 2 (General) – or highly-skilled work category. By contrast, in 2011, the final full year in which the Tier 1 (Post Study Work) route was open, there were almost 50,000 grants of that visa.

Calls to reintroduce the post-study work route to the UK could very well lead to a proliferation of non-UK students entering unskilled work. This would not be of any significant benefit to the UK economy. Re-introducing such a route would likely also lead to an increase in net migration levels (at a time when the public has made clear that they want such levels reduced significantly), along with additional pressure on population growth, public services and infrastructure.

National History Museum

Migration Advisory Committee consultation:
International students: economic and social impacts
Natural History Museum response
26 January 2018

Introduction

The Natural History Museum is pleased to respond to the call for evidence for the Migration Advisory Committee (MAC) Student's Commission "to assess the impacts of international students in the UK".

We have limited our response to the issues of greatest relevance and interest to the Museum. These include the Museum's role in educating international students; the local impact we experience from international students as a leading public institution in London; and, the influence of international students on the Museum's – and the UK's – global reputation.

About the Natural History Museum

The Natural History Museum (the Museum) is the most visited natural history museum in Europe and the top science attraction in the UK. We welcome more than 4.5 million visitors each year, who come to enjoy our galleries and events and engage with our science and educational activities through innovative programmes and citizen science projects.

We are a world-leading scientific research centre. We have 350 scientists working at the Museum who are working to unlock answers to the big issues facing humanity and our planet. With our vast collection of more than 80 million specimens and our pioneering research programme, we are powerfully placed to engage people with science. We use the unique combination of our collection, scientific expertise and public reach to engage people with issues of human origins, biodiversity and sustainable futures. This includes specific learning programmes spanning early childhood to higher and further adult education.

We deliver science of the highest quality: our collections, laboratories, digital resources and other facilities comprise a widely recognised and established international infrastructure for science that is the basis for the Museum's international leadership role. We host up to 10,000 scientific visitor days and loan tens of thousands of specimens internationally each year, accruing benefit for our collection and delivering new scientific knowledge from the resulting research.

The Museum works collaboratively in partnership – nationally and internationally – with diverse institutions, spanning governments, universities, research institutes, NGOs, and partners in industry. As an institution with global networks and interests, we are responding to this consultation to reflect our experience of the impact of international students; their participation in the courses we deliver; and, where we see opportunities to facilitate beneficial connections between students from outside the UK with the Museum, and the UK's research base more broadly.

Educational impact

As an active participant in the UK's world leading research sector and higher education system, the Museum has a particular interest – and particular expertise – in supporting students and aspiring researchers from all over the world.

We are encouraged that the UK retains its position as the second most popular destination in the world for international students;[301] and, particularly pleased that international students in STEM subjects cite the quality of education available in the UK as the main reason for their decision to study here.[302]

The Museum takes its responsibility to help train the next generation of scientists seriously, delivering benefits to the students themselves but also investing in the future of relevant areas of science in the UK and internationally..

The Museum, while not a higher education institution, has a direct and formal partnership role in teaching students in higher education in the UK. We are involved in the formal co-supervision of close to **100 PhD students** in conjunction with around 30 universities, including in five NERC Doctoral Training Partnerships; we jointly run **three Masters courses**;[303] we run more NERC-funded **Advanced Training Short Courses** (ATSC) than any university; and, we deliver **BBSRC Strategic Training Awards for Research Skills** (STARS).

Supervision and hosting of students brings benefits to the students themselves through training, but crucially this activity is also, and fundamentally, a means of scientific collaboration between the supervisors at partner institutions. Such collaboration is an essential element in maintaining the value of the Museum in scientific terms, developing collections and delivering research outcomes. This is complemented by formal supervision of international students in collaboration with UK universities and some supervision for students based in overseas institutions as part of research collaboration.

Through our roles in these courses, the Museum recognises the benefit to the UK's education system of welcoming and supporting international students.

Of our 2017/18 postgraduate cohorts, nearly 40% of students on our three Master's courses and over a quarter of PhD students are from outside the UK. Numbers are provided in a table below. The diverse and international culture that this demographic creates within our courses helps foster a positive learning environment in which ideas, collaborative discussion, and collective discovery thrive.

Course (2017/18)	**UK students**	**EU students**	**International (non-EU) students**	**Total students**
MSc Taxonomy and Biodiversity (*with Imperial College London*)	10	2	7	19
MRes Biosystematics (*with Imperial College London*)	5	0	2	7

[301] http://www.universitiesuk.ac.uk/policy-and-analysis/reports/Documents/International/International_Facts_and_Figures_2017.pdf

[302] https://www.britishcouncil.org/organisation/press/uk-education-top-attraction-international-stem-students

[303] Two courses are jointly run with Imperial College London (MRes Biosystematics, and MSc Taxonomy and Biodiversity); and one with University College London and the Institute of Zoology (MRes Biodiversity, Evolution and Conservation).

MRes Biodiversity, Evolution and Conservation (*with University College London and the Institute of Zoology*)	16	3	5	24
PhD students (*co-supervised*)	67	14	10	91
Totals	98	19	24	141

Our experience is that the impact of migrant students on educational opportunities for home students is a positive one, bringing broader perspectives and collaborative depth to the student experience. The use of smaller peer research groups and cohort-wide community sessions are in-built into the educational offer available at the Museum. Such initiatives provide opportunities for both home and migrant students to integrate, collaborate and learn together.

Research has consistently shown that home students recognise the importance – and feel personal benefit – from studying alongside international students. Work specifically on this topic includes research by the British Council (2014),[304] HEPI and HEA (2015),[305] and the National Union of Students (2017)[306].

The Museum knows of no evidence that international students negatively affect educational opportunities available to UK students by, for example, overfilling or 'taking' places or other reasons.

We are encouraged by growing numbers of international students in recent years (both across the UK and, specifically, in the Museum), but are alert to risks that disrupt international students' educational experience in the UK or deter them altogether. The UK has a decreasing share of international students globally, and we note with concern reports that international STEM student numbers have been in decline across the UK's HE sector.[307] We urge that any policy should aim to increase and encourage high quality international students to enhance the UK's international reputation and bring benefits to home students, UK institutions, and the UK as a whole.

We would also note particular difficulties for the Museum in facilitating students and researchers from overseas institutions in accessing the Museum for educational and research purposes through existing visa arrangements. The Museum is unable to welcome postdoctoral fellows with grants from national or international sources (e.g. Newton & FAPESP) for periods of 6 -24 months to collaborate at NHM. Furthermore, PhD and MSc students from universities overseas are unable to obtain visas for short-term, externally-funded research placements to use NHM collections. Both groups of visitors would not be direct employees of the Museum nor technically be an 'international student' with a UK university, but represent a significant opportunity to extend the Museum's international reach with the global student and research community. The most appropriate route for such visitors would be a Tier 5 'Employer Sponsored' temporary visa; however, unlike HEIs, the Museum as an independent research institution is currently not eligible under the Tier 5 'Government Authorised Exchange' scheme. Opportunities to facilitate wider international student collaboration therefore exist through an examination of this disparity. We are participating in discussions with relevant government departments to review this situation.

[304] https://www.britishcouncil.org/sites/default/files/oth-integration-report-september-14.pdf

[305] http://www.hepi.ac.uk/wp-content/uploads/2015/06/HEApaper7.pdf

[306] https://www.nusconnect.org.uk/resources/Student-perspectives-on-international-students

[307] https://publications.parliament.uk/pa/ld201314/ldselect/ldsctech/162/162.pdf

Economic impact
The Natural History Museum receives financial benefits from international students – fees and other sums paid by students or their sponsors to HEIs are shared on a negotiated basis with the Museum to cover costs.

The economic impact of international students has been well explored in recent analyses (for the most recent and comprehensive reports, we would note: Universities UK (2017)[308]; and, HEPI, Kaplan International Pathways and London Economics (2018)[309]). Such reports have well evidenced the positive net economic contributions made by international students, nationally and locally.

The Museum has its main site in South Kensington, London, and a second site in Tring, Hertfordshire. In both locations, the Museum and the local area experience benefits from international student communities.

With more than 100,000 international students, London attracts around a quarter of those who come from overseas to study in higher education in the UK. Around 1 in 4 students in the capital are international students. This diverse community makes important contributions to the city – from expenditure on food, leisure and travel; to enhanced tourism and visits of family and friends; to participation in the local economy through employment alongside studies.

A number of reports have examined and sought to quantify the contributions made by international students to London. These include London First and PwC (2015),[310] London & Partners (2015),[311] Universities UK (2014),[312] and HEPI and Kaplan International Pathways and London Economics (2018).[313] The most recent of these estimates the total net economic contribution of international students who started in 2015/16 to London to be £4.64 billion, (before contributions made by existing students are taken into account). In Kensington alone, the net contribution was estimated to be £77.9 million.

The Museum, in addition to our research and education programmes, is of course a popular visitor attraction in the capital. We are the most visited natural history museum in Europe and the top science attraction in the UK. Although we do not specifically collect figures on visits of international students (visiting as members of the public), 60% of the 4.5 million visitors to the Museum each year are from outside the UK – demonstrating our significant international audience. Anecdotally it is clear that the free museums, such as ours, and the wider cultural offer in the city are a big attraction to international students considering London as their education destination.[314] The impact of international students on tourism is therefore a keen area of interest to us that we would welcome the MAC to explore further.

The studies on international students' impact on London noted above all give specific consideration to the impact of visiting friends and relatives, noting that international students' visitors themselves support and drive tourism across the city. Numbers of visiting friends and relatives (VFR) have

[308] http://www.universitiesuk.ac.uk/policy-and-analysis/reports/Pages/briefing-economic-impact-of-international-students.aspx

[309] [309] http://www.hepi.ac.uk/wp-content/uploads/2018/01/Economic-benefits-of-international-students-by-constituency-Final-11-01-2018.pdf

[310] http://londonfirst.co.uk/wp-content/uploads/2015/05/Londons_First_Student_Report_AW3_SINGLE-PAGES_WEB.pdf

[311] http://files.londonandpartners.com/l-and-p/assets/media/students_impact_report.pdf

[312] http://www.universitiesuk.ac.uk/policy-and-analysis/reports/Documents/2014/economic-impact-london.pdf

[313] http://www.hepi.ac.uk/wp-content/uploads/2018/01/Economic-benefits-of-international-students-by-constituency-Final-11-01-2018.pdf

[314] For example, https://www.theguardian.com/education/2015/apr/07/why-international-students-are-choosing-london

been increasing – both in London and across the whole country – since 2010.[315] There is no reliable source of information on the number of visitors that international students attract, specifically; and, it is not known whether, for example, international students are more or less likely to attract visiting friends or relatives than other demographics. However, the recent HEPI analysis does helpfully shed light on the increased likelihood of students from the EU being visited by friends and relatives compared to non-EU students – attributed to geographical proximity and relative ease of travel.

Whilst to a naturally lesser extent than in London, the Museum also welcomes the recent constituency-level analysis conducted by HEPI, which assesses the net benefit of the 2015/16 cohort of international students to be £17.5 million per year in South West Hertfordshire (where our Tring museum is located). It is welcome to see analysis that highlights that the impact of international students is felt nationwide.

Global influence impact

The UK has an international reputation for quality research, for quality education, for unrivalled culture, and for field-leading expertise. The Natural History Museum is an inherently international institution, with a global brand, global audience, and global programme of scientific, public business activities. As such, the Museum both enhances and benefits from the UK's international standing. We take our responsibility for extending and enhancing the UK's international activities seriously, whilst taking an active interest in the perception of the UK, its science and its culture around the world.

The Museum therefore recognises the impact that international students have on the UK's soft power and influence. A 2017 report by ComRes specifically identified evidence showing that "The ability of a country to attract foreign students, or facilitate exchanges, is a powerful tool of public diplomacy" and that "Prior research on educational exchanges gives empirical evidence for the reputational gains that accrue to a host country when foreign students return home."[316]

The Museum is privileged to support the education of many international students and early career researchers. We directly witness the progression of lasting relationships between migrant students and the UK, and are clear about the continued benefits to the UK following the end of their studies. Through the courses that we deliver, we are involved in training international students in particular scientific approaches and critical thinking techniques. These will, when they return home and begin careers, shape their lifelong approaches in professional or academic contexts; adopting such techniques further extends UK soft power, reinforcing the UK's reputation for quality.

Furthermore, international students will often return to employment or close association with the Museum's partner institutions in other countries. These collections, infrastructures, wildlife organisations, universities and big data enterprises operate as a dynamic international network and the involvement of Museum alumni means that benefits of collaboration over time are released to the UK through research, data access, common knowledge platforms and commercial engagement. As examples, Museum links formed with junior researchers lead to longer term collaborations and reciprocal research visits. Many Museum staff have strong overseas collaborations and field sites, spanning South America, India, China, other parts of Asia, and central and east Africa.

The value gained within the UK from the impression made, and relationships built, whilst students from overseas study in the UK should not be overlooked. As has been noted by the Lord Select Committee on Soft Power in 2014, "Bringing learners and educators to the UK from abroad… helps

[315] https://www.visitbritain.org/latest-quarterly-data-area, using data from the quarterly International Passenger Survey.

[316] https://softpower30.com/wp-content/uploads/2017/07/The-Soft-Power-30-Report-2017-Web-1.pdf

to build social and cultural links and strengthen business and research ties".[317] Studies by the former Department for Business, Innovation and Skills (BIS) show that international students offer the UK excellent potential business and trade links for the future. According to the 2012 Tracking International Graduate Outcomes study, 78% of 2010 graduates planned to maintain professional links with UK organisations.[318]

The Museum, both through its participation in the GREAT campaign and through its own diverse activity, is actively involved in the promotion of the UK abroad. Our work with business and industry across the world is as central to our activities as our work with the scientific community and the general public. Through securing international interest in our Museum as a filming location; collaborating with mining industries to design more sustainable processes; promoting our services and expertise on diverse fields, spanning forensics, micropalaeontology, and museology; and, supporting creative industry development and big data innovation – the Museum is a driver of innovative international partnerships. The influence and reputation of the UK is a significant factor that supports such innovation.

Students across the world present innovative opportunities to facilitate even deeper connections between the UK and the rest of the world. We would welcome mechanisms for students and early career researchers with support from overseas universities and other institutions to travel to Museum for collections access and to undertake short research training projects. This is available for UK HEIs but not to the Museum and parity in eligibility would enable the Museum and similar institutions to further reinforce the UK's soft power capability.

Conclusion

The UK's higher education sector and associated institutions, such as ours, are enhanced directly and indirectly by international students. Whether through enriching the courses we teach, the communities we live in, or the professional relationships we seek across the world, international students have a positive and welcome impact.

Their impact is felt in diverse institutions and in diverse ways, as indeed is the case in the Museum. There are opportunities to better understand such impacts, which we would encourage the MAC to consider, in order that international students and communities across the UK may be sufficiently supported.

The Museum would particularly welcome the MAC to consider:

- Opportunities to promote the UK's STEM offer internationally, and to attract international STEM students
- Opportunities to establish parity between HEIs and comparable research institutions, such as the Museum, to facilitate routes for the global student research community to undertake short-term, externally-funded research placements in the UK
- Mechanisms to deepen understanding of the contributions made by international students to the UK's tourism industry
- Implications of the UK's future relationship with international students on the UK's global influence and reputation as a world-leading destination for higher education, and as a world-leading scientific research base

[317] https://publications.parliament.uk/pa/ld201314/ldselect/ldsoftpower/150/150.pdf

[318] https://www.gov.uk/government/publications/tracking-international-graduate-outcomes-2011.

It will be important to the sector and the UK's future that international students continue to take a welcome place within the country's education system.

Association of American Study Abroad Programmes UK

The Association of American Study Abroad Programmes in the UK (AASAP/UK) has 101 members, 90 of whom are universities, colleges and organisations providing study abroad in the United Kingdom to approximately 25,000 American students per annum.

The USA study abroad sector, whose interests the AASAP/UK represents, is significant both in terms of its impact (both academic and cross-cultural) on the lives of some 25,000 US students per annum but is also a major contributor to the UK economy. **This figure for the number of students is a conservative estimate: AASAP is currently undertaking a survey of its members to generate accurate, up-to-date figures.**

American study abroad programmes have been in existence since the 1920s and are administered throughout the world. Unique in many regards, study abroad was established as courses of study managed by American institutions of higher education in order to promote global understanding and to fight against cultural isolation. Here in the United Kingdom some study abroad students are full-time enrolees at UK universities; some are enrolled part-time at UK universities with additional instruction being offered by the UK office of an American college; and some are enrolled exclusively in modules administered and monitored by the UK office of a US institution. The sector has students coming for as few as 3 weeks (short intensive modules) and as many as 10 months (academic year), but the majority are here for 4 months (one semester).

In bringing ca. 25,000 students to the UK every year, US study abroad programs contribute significantly to enlarging the world-views of tomorrow's leaders, fostering international understanding and, to speak practically, injecting significant money into the UK economy. AASAP/UK member institutions spend in excess of £100 million in the UK, including salary and wage costs, tax and NI payments to HM Treasury, residential accommodation, and academic provision and ancillary services. Personal expenditure by students is not included in this figure, so the total contribution to the UK economy by American study abroad programmes and their students is substantial. Charley Harrison, Director of London Tailored Tours, comments: 'US students make a significant impact to my small business, attending cultural and educational tours throughout the year'. Once again, up-to-date figures for expenditure, which we expect to be significantly higher than the figure quoted above, are currently being generated. **Once again, up-to-date figures for expenditure, which we expect to be significantly higher than the figure quoted above, are currently being generated.**

In general, the majority of AASAP/UK members' students enter the UK with Short Term Student status. However, those undertaking a work placement and/or those

enrolled on programmes of greater than six months duration enter the UK on a Tier 4 General Student visa. In general, students are pursuing an undergraduate degree in the USA and are studying courses/modules in the UK as part of that degree and who later return to the United States to complete their degrees.
The current government consistently stresses the need for increased competitiveness within international education and the desire for the UK to work to hold and enhance its market share. We argue above that the UK economy benefits significantly from the presence of US study abroad programs here. Less immediately measurable but no less crucial are the creative academic conversations and links, and synergies in future research collaboration, that are fostered by the presence of international students in the UK and that can only position a post-Brexit UK economy more favourably in global markets in the uncertain years to come. We likewise believe that Britain's 'soft power' - for peace and for influence - is strengthened by means of the understanding and the relationships that are fostered through the presence of US students studying in the UK in significant numbers.
Former US First Lady Michelle Obama put a related point well in her speech at Stanford University's centre at Peking University in March, 2014: '[study abroad] will . . . make you more compassionate. We could always use more compassionate, young leaders out there in the world, people who are willing to step outside their comfort zones and be open to wiping away misconceptions'.
'Or, as the Chinese saying goes: "It is better to travel ten thousand miles than to read ten thousand books." But let's be clear, studying abroad is about so much more than improving your own future. It's also about shaping the future of your countries and of the world we all share. Because when it comes to the defining challenges of our time -– whether it's climate change or economic opportunity or the spread of nuclear weapons -- these are shared challenges. And no one country can confront them alone'.
Finally, as I have emphasised above, the results of AASAP's 2018 survey into spending within the UK of US study abroad programs and their students will be available shortly – we anticipate during the month of March 2018. If the MAC would like to receive this data, albeit after the 26 January deadline, please do let me know.
Thank you for your attention.

British Academy

A submission from the British Academy to the Migration Advisory Committee inquiry on the economic and social impacts of international students in the UK

Summary

International researcher and student mobility is fundamental to the health of the humanities and social sciences in the UK, as well as to the UK's prosperity more generally, since these disciplines contribute significantly to an economy that is more than three-quarters services- and craft-oriented.

In recent years, the number of international students has increased more rapidly than the number of UK students, helping to increase the number of staff employed in HEIs. The humanities and social sciences have particularly excelled at attracting international students. Five of the top ten disciplines with the highest proportions of non-UK FTE undergraduates are in the humanities and social sciences (Table A). The humanities and social sciences fare particularly strongly in attracting students, both at undergraduate and postgraduate levels, from other EU Member States. Seven of the top 10 disciplines with the highest proportions of non-UK EU FTE undergraduate levels are in the humanities and social sciences (Table C). All of these are disciplines where deep understanding of European languages, cultures, and societies is essential.

UK students benefit from interacting with international students, with three in four UK students having reported that they have a better world view and an enhanced awareness of cultural sensitivities as a result of the interaction. Three in five UK students have indicated to have benefited from greater networking opportunities worldwide. UK HEIs are thus an essential asset to the UK's ability to influence abroad and to soft power. Furthermore, international students predominantly come from key trade, diplomatic, and cultural partners of the UK or from areas of growing interest to the UK.
International students also bring specific skills (e.g. language and cultural knowledge) invaluable to UK businesses and strengthen their capacity to export goods and services.

We strongly encourage the UK Government to facilitate international student mobility in view of its important net economic contribution to the UK and its invaluable contribution to the academic, intellectual and cultural vibrancy of UK universities. In this respect, we recommend that the Government remove international students from its migration statistics. In addition, students who have studied in the UK should be

allowed a period of up to 12 months after completing their course to remain in the UK and should be able to apply in-country for employment with UK employers.

Introduction

The British Academy, the UK's national academy for the humanities and social sciences, welcomes the opportunity to submit evidence to the Migration Advisory Committee on the economic and social impacts of international students in the UK. The Academy draws on the expertise of its Fellows to provide independent and authoritative advice to UK, European and international decisionmakers. The Academy is also a Designated Competent Body for the Tier 1 (Exceptional Talent) visa route.

International mobility is fundamental to the practice of research and the Academy has a longstanding interest in immigration policy. Most recently, we have published the Academy's priorities in the current negotiations on the UK's withdrawal from the EU, highlighting the importance of the UK's ability to attract an international talent pool through our open labour market. This particularly highlighted that "world-class research in the humanities and social sciences is outward looking and internationally engaged, benefitting from the exchange of ideas, people, methods and practices across borders".[319] The fundamental nature of outward and inward mobility for the humanities and social sciences has also been found in a joint national academies commissioned analysis of the role of international collaboration and mobility.[320] The following submission draws on all of the above experience and expertise.

The Migration Advisory Committee specified that Government wished to receive advice on what are the economic and social impacts of international students in the UK. The Committee is interested in the overall impact of international students, as well as, the impact of tuition fees and other spending by international students on the national, regional, and local economy and on the education sector; the economic and social impacts beyond education, including on the labour market, housing, transport and other services, in particular, the role they play contributing to local economic growth; some breakdown of impacts by type and level of course and institution; and, the impact the recruitment of international students has on the provision and quality of education provided to domestic students.

[319] British Academy, 'Brexit means…? The British Academy's Priorities for the Humanities and Social Sciences in the Current Negotiations', November 2017, http://www.britac.ac.uk/sites/default/files/Brexit
[320] Opinion Leader, 'The role of international collaboration and mobility in research', March 2017, https://www.britac.ac.uk/sites/default/files/UK%20National%20Academies%20Report%20Final%20280417.pdf

The following submission will respond to the Committee where the Academy is best able to do so and particularly focuses on whether migrant students help support employment in educational institutions; how migrant students affect the educational opportunities available to UK students; and, what role migrant students play in extending UK soft power and influence abroad.

International Students: Educational Opportunities and Employment

International students have provided a rich contribution to the scholarly and research activity of the UK. Government policy plays a vital role in attracting these students by facilitating mobility, including through participation in mobility programmes, and guaranteeing quality of teaching and scholarship.

The economic contribution of these students is significant and can be evidenced throughout the UK.[321] The total net impact of international students on the UK economy was estimated to be £20.3 billion in 2015-2016. All UK regions and nations report economic benefits from international students. In 2015-2016, London reported the greatest net impact with £4.64 billion, followed by the South-East with £2.44 billion, West Midlands with £1.95 billion and Scotland with £1.94 billion.

International students represent a significant part of the UK student body. They accounted for 15.26% and 47.13% of the UK Full-Time Equivalent (FTE) student body in HEIs at undergraduate and postgraduate levels in 2015-2016. The number of
international full-time undergraduate and postgraduate has increased by 68% between 2006-2007 and 2015-2016, from 275,315 to 403,570, while the UK student body has increased steadily by 4.76% from 1,428,610 to 1,496,516.

The number of international students has increased more rapidly than the number of UK students between 2006-2007 and 2015-2016 and helped increase employment in HEIs. In these years, the UK higher education system has seen its staff body, both academic and non-academic, increase by 18%. It increased from 289,995 FTE staff in 2006-2007 to 342,085 in 2015-2016.

The humanities and social sciences have particularly excelled at attracting students from outside of the UK. Five of the top ten disciplines with the highest proportions of non-UK (i.e. non-UK EU and non-EU combined) FTE undergraduate are in the humanities and social sciences (Table A). These are: economics & econometrics

[321] Higher Education Policy Institute and Kaplan International, 'The costs and benefits of international students by parliamentary constituency', 11 January 2018, http://www.hepi.ac.uk/wp-content/uploads/2018/01/Economic-benefits-of-internationalstudents-by-constituency-Final-11-01-2018.pdf

(34.47%), business and management studies (28.55%), politics & international studies (24.6%), law (22.14%) and anthropology and development studies (21.58%).

Similarly, four of the top ten disciplines with the highest proportions of non-UK FTE postgraduate students are in the humanities and social sciences (Table B). These are:
economics & econometrics (83.88%), business & management studies (74.18%), anthropology and development studies (68.33%) and area studies (63.54%).

The humanities and social sciences fare particularly strongly in attracting students, both at undergraduate and postgraduate levels, from other EU Member States. Seven of the top 10 disciplines with the highest proportions of non-UK EU FTE undergraduate levels are in the humanities and social sciences (Table C). These are: politics & international studies (11.69%), modern languages (10.62%), anthropology & development studies (9.73%), area studies (9.2%), economics & econometrics (9%), business and management studies (7.85%) and architecture, built environment and planning (6.96%). All of these are disciplines where deep understanding of European languages, cultures, and societies is essential.

Six of the top ten disciplines with the highest proportions of non-UK EU FTE postgraduate students are in the humanities and social sciences (Table D). These are: classics (21.09%), politics & international studies (19%), modern languages (18.86%), philosophy (18.24%), area studies (17.22%) and music, dance, drama & performance arts (15.18%).

The ability of the UK to attract non-UK EU FTE students has been largely facilitated by the UK's EU membership, including its participation in successive Erasmus programmes. The UK's EU membership has allowed non-UK EU FTE students to benefit from freedom of movement to study in the UK, financial support and similar or lower levels of tuition fees than students in the UK. Through successive Erasmus programmes, 207,546 students have studied in UK HEIs between 1987 and 2013, benefiting both HEIs and their student body.[322]

The humanities and social sciences also attract a high number of students from outside of the EU. Four of the top ten disciplines with the highest proportions of non-EU FTE undergraduate students are in the humanities and social sciences (Table E). These are: economics & econometrics (25.46%), business and management studies (20.7%), law (15.63%) and architecture, built environment & planning (14.83%).

[322] European Commission, 'The Erasmus Impact Study', September 2014, http://ec.europa.eu/dgs/education_culture/repository/education/library/study/2014/erasmus-impact_en.pdf

Three of the top ten disciplines with the highest proportion of non-EU FTE postgraduate students are also in the humanities and social sciences (Table F). These are: economics and econometrics (71.38%), business & management studies (64.63%), anthropology and development studies (53.84%).

This picture illustrates the profound importance of international students in the UK across the humanities and social sciences. The Academy would, however, particularly wish to stress that sufficient critical mass, with regards to student numbers, is required to make some courses viable in specialist subjects and that without the involvement of non-UK students those specialisms might become non-viable. This would thereby deny such opportunities to all UK students too, diminish the breadth and depth of expertise amongst researchers in the UK in the humanities and social sciences, and thus also affect employment opportunities.

International students are present across the UK and are a vital part of the UK's HEIs, both at undergraduate and postgraduate levels. Tables G, H, I and J list the institutions with the highest proportions of non-UK EU and non-EU FTE students. These tables illustrate the broad geographical distribution of international students. The income generated from international students allows universities to invest in additional, enhanced or expanded facilities and to offer a greater variety of courses. However, the value of international students far exceeds their financial contribution.[323]

International students provide an indispensable contribution to strengthening the UK higher education research sector, including as future academics, and in facilitating and intensifying cross-border collaboration opportunities. As the tables below illustrate, the proportion of non-UK students in more research-intensive universities helps to sustain their research capacity through income but also through the international linkages, and connections that they sustain. In addition, these international linkages and international students more generally, provide UK students with a greater cultural and educational enrichment through exposure to and connections with non-UK students. We explore this further below in relation to soft power.

Support to HEIs from international students is multidimensional. Any restrictions to international student mobility would risk changing the nature of UK higher education significantly and hinder employment in HEIs. These students account for an important share of the student body and provide a vital role in strengthening research, bringing distinctive skills and perspectives. International students constitute vital support to UK students, including by championing language learning,

[323] UUK, 'International Facts and Figures 2017', May 2017, http://www.universitiesuk.ac.uk/policy-andanalysis/reports/Documents/International/International_Facts_and_Figures_2017.pdf

raising student's awareness of the benefits of outward mobility as part of their studies[324] and widening opportunities to study.

The UK is one of the top destinations for international students in a context of increased mobility and competition from Higher Education Institutions (HEIs) globally.[325] The UK is part of a global market for international students and government policies play a large role in how we in the UK stand globally. We strongly encourage the UK Government to facilitate international student mobility considering its net economic contribution to the UK[326] and its invaluable contribution to the academic, intellectual and cultural vibrancy of UK universities.[327] In this respect, we recommend that the Government remove international students from its migration figures.

It is essential that no restrictions should be placed on the number of students either from the European Economic Area (EEA) or the rest of the world recruited to higher education courses in the UK. In addition, students who have studied in the UK should be allowed a period of up to 12 months after completing their course to remain in the UK and should be able to apply, in-country for employment with UK employers.

Furthermore, students coming to the UK for study visits or exchanges of up to nine months should be permitted to come, provided that they are formally registered with a UK HEI. The conditions on entry should simply be that the registering HEI certifies that:

The students demonstrate sufficient resources to pay the fees for their course and a sufficient level of English to undertake the course;

The students have adequate additional resources;

The students have adequate medical insurance.

International Students: Soft Power and Influence

As indicated above, UK students benefit from interacting and collaborating with international students in the context of their degree.[328] In this respect, three in four

[324] Higher Education Policy Institute and Kaplan International, 'What do prospective students think about international students?', March 2015, Report 74, http://www.hepi.ac.uk/wp-content/uploads/2015/03/InternationalStudents_v5_web.pdf

[325] UUK, 'International Facts and Figures 2017', May 2017, http://www.universitiesuk.ac.uk/policy-andanalysis/reports/Documents/International/International_Facts_and_Figures_2017.pdf

[326] Higher Education Policy Institute and Kaplan International, 'The costs and benefits of international students by parliamentary constituency', 11 January 2018, http://www.hepi.ac.uk/wp-content/uploads/2018/01/Economic-benefits-of-internationalstudents-by-constituency-Final-11-01-2018.pdf

[327] British Academy, 'Brexit means…? The British Academy's Priorities for the Humanities and Social Sciences in the Current Negotiations', November 2017, http://www.britac.ac.uk/sites/default/files/Brexit Means...TheBritishAcademy%27sPrioritiesForTheHumanitiesandSocialSciencesInTheCurrentNeogtiations.pdf

[328] Higher Education Policy Institute and Kaplan International, 'What do prospective students think about international students?', March 2015, Report 74, http://www.hepi.ac.uk/wp-content/uploads/2015/03/InternationalStudents_v5_web.pdf

UK students have reported to have a better world view and an enhanced awareness of cultural sensitivities. Three in five UK students have indicated to have benefited from greater networking opportunities worldwide.[329]

International students in the UK account for some of the best students globally and help strengthen and develop the UK's research talent pool and enrich the research capacities of the UK both during their study and following. This helps to maintain and enhance the UK's international research reputation and its influence overseas. In addition, international students returning to their home countries or working and/or further studying in other countries enrich the research capacities of these countries and become part of the international collaborative processes on which excellent science so clearly depends.[12]

As one of the major destinations for international students,[13] UK HEIs provide an asset to the UK's soft power and ability to influence abroad.[330] In July 2017, 58 world leaders had at that point studied in the UK, more than any other country in the world.[331] Having Heads of States spend part of their most formative years learning about and being part of UK culture highlights how the UK's higher education sector is a long-term asset, not just locally and nationally but also globally.

As illustrated above, a high proportion of international students' study in the humanities and social sciences. These disciplines are concerned with cross-border issues such as trends in population, the management of the economy, our relationship with others, climate action, the implications of new technologies and, as a result, play a critical role in shaping the understanding of former UK international students on these issues to the potential benefit of the UK.

The experience of international students in the UK is highly positive too. In 2013, the then Department for Business, Innovation and Skills carried out a survey and reported that 90% of international students studying in the UK agreed that their perception of the UK had changed positively as a result of their studies, illustrating the potential for inward mobility to translate into long-term influence and soft-power.[332]

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[329] UUK, 'International Facts and Figures 2017', May 2017, http://www.universitiesuk.ac.uk/policy-andanalysis/reports/Documents/International/International_Facts_and_Figures_2017.pdf [12] Opinion Leader, 'The role of international collaboration and mobility in research', March 2017, https://www.britac.ac.uk/sites/default/files/UK%20National%20Academies%20Report%20Final%20280417.pdf [13] UUK, 'International Facts and Figures 2017', May 2017, http://www.universitiesuk.ac.uk/policy-andanalysis/reports/Documents/International/International_Facts_and_Figures_2017.pdf

[330] ComRes, The Soft Power 30 : A Global Ranking of Soft Power, 2017, http://www.universitiesuk.ac.uk/policy-andanalysis/reports/Documents/2017/briefing-economic-impact-international-students.pdf

[331] HEPI, 'UK is (just) number 1 for educating the world's leaders', August 2017, http://www.hepi.ac.uk/2017/08/05/uk-justnumber-1-educating-worlds-leaders/

[332] Higher Education Policy Institute and Kaplan International, 'What do prospective students think about international students?', March 2015, Report 74,, http://www.hepi.ac.uk/wp-content/uploads/2015/03/InternationalStudents_v5_web.pdf

It is important to note that international students predominantly come from key trade, diplomatic and cultural partners of the UK or from growing areas of interest to the UK (Table K). International students bring specific skills (e.g. language and cultural knowledge) invaluable to UK businesses[333] and strengthen their capacity to export goods and services.

[333] British Academy, 'The Art of Attraction, Soft Power and the UK's Role in the World', March 2014, https://www.britac.ac.uk/sites/default/files/The%20Art%20of%20Attraction%20Full%20Report.pdf

Annexes

A: FTE relative undergraduate student proportion in 2015-2016

Discipline	Non-UK FTE relative undergraduate student proportion
Economics & econometrics	34.47%
Mineral, metallurgy & materials engineering	31.51%
Chemical engineering	29.31%
Business & management studies	28.55%
Electrical, electronic and computer engineering	27.05%
Civil engineering	26.07%
Politics & international studies	24.6%
Mechanical, aero & production engineering	24.18%
Law	22.14%

Anthropology and development studies	21.58%

Table B: Non-UK FTE relative postgraduate student proportion in 2015-2016

Discipline	Non-UK FTE relative postgraduate student proportion
Economics & econometrics	83.88%
Catering & hospitality management	77.39%
Electrical, electronic & computer engineering	74.29%
Business & management studies	74.18%
Civil engineering	68.39%
Anthropology & development studies	68.33%
Mineral, metallurgy & materials engineering	67.11%
Mechanical, aero & production engineering	66.11%
Area studies	63.54%
Chemical engineering	63.42%

Table C: Non-UK EU FTE relative undergraduate student proportion in 2015-2016

Discipline	Non-UK FTE relative EU undergraduate student proportion
Politics & international studies	11.69%
Modern languages	10.62%
Catering & hospitality management	10.52%
Anthropology & development studies	9.73%
Area studies	9.2%
Economics & econometrics	9%
Business & management studies	7.85%
IT, systems sciences & computer software engineering	7.15%
Electronical, electronic & computer engineering	7.09%
Architecture, built environment & planning	6.96%

D: EU FTE relative postgraduate student proportion in 2015-2016

Discipline	Non-UK EU relative postgraduate student proportion
Classics	21.09%
Mechanical, aero & production engineering	20.26%
Politics & international studies	19%
Physics	18.97%
Modern languages	18.86%
Mathematics	18.44%
Philosophy	18.24%
Area studies	17.22%
Music, dance, drama & performing arts	15.18%
Chemistry	14.69%

Table E: Non-EU FTE relative undergraduate student proportion in 2015-2016

Discipline	Non-UK EU relative undergraduate student proportion
Mineral, metallurgy & materials engineering	25.95%
Economics & econometrics	25.46%
Chemical engineering	24.09%
Business & management studies	20.7%
Civil engineering	20.3%
Electrical, electronic & computer engineering	19.96%
Mechanical, aero & production engineering	17.30%
Law	15.63%
Architecture, built environment & planning	14.83%
Mathematics	14.31%

Table F: Non-EU FTE relative postgraduate student proportion in 2015-2016

Discipline	Non-EU relative postgraduate student proportion
Economics & econometrics	71.38%
Business & management studies	64.63%
Catering & hospitality management	63.22%

Electrical, electronic & computer engineering	62.27%
Civil engineering	55.01%
Mineral, metallurgy & materials engineering	54.58%
Anthropology & development studies	53.84%
Chemical engineering	50.17%
General engineering	49.47%
IT, systems sciences & computer software engineering	47.49%

G: EU relative undergraduate student proportion in 2015-2016

Higher Education Institution	Non-UK EU relative undergraduate student proportion
The University of Aberdeen	21.88%
Queen Margaret University, Edinburgh	16.42%
Glasgow School of Art	14.05%
Imperial College of Science, Technology and Medicine	13.94%
University College London	13.41%
The University of Essex	13.25%
The School of Oriental and African Studies	13.14%
University College Birmingham	12.90%
King’s College London	12.70%
The University of Glasgow	12.59%

Table H: Non-UK EU relative postgraduate student proportion in 2015-2016

Higher Education Institution	Non-UK EU relative postgraduate proportion in 2015-2016
Cranfield University	29.90%
The University of St Andrews	26.18%
Royal College of Art	25.74%
Edinburgh Napier University	24.80%
London School of Economics and Political Science	24.58%
Imperial College of Science, Technology and Medicine	22.12%

The University of Cambridge	20.41%
The University of Oxford	19.61%
London Business School	19.58%
Heriot-Watt University	19.40%

Table I: Non-EU relative undergraduate student proportion in 2015-2016

Higher Education Institution	Non-EU relative undergraduate student proportion
University of Buckingham	45.73%
London School of Economics and Political Science	43.68%
The University of St Andrews	32.07%
University of the Arts, London	31.86%
Imperial College of Science, Technology and Medicine	30.29%
University College London	27.40%
The University of Liverpool	25.08%
City, University of London	24.15%
The School of Oriental and African Studies	23.79%
The University of Sussex	21.24%

Table J: Non-EU relative postgraduate student proportion in 2015-2016

Higher Education Institution	Non-EU relative postgraduate student proportion
Coventry University	69.15%
London School of Economics and Political Science	58.25%
London Business School	57.64%
Loughborough University	55.21%
The University of Sheffield	53.18%
The University of Southampton	52.98%
Brunel University London	52.34%
The University of Manchester	51.30%
The University of Warwick	49.38%

Newcastle University	48.99%

Table K: Top 10 countries of student origin in 2015-2016[334]

Country	Number of students
China	91,215
Malaysia	17,405
United States	17,115
Hong Kong, China	16,745
India	16,745
Nigeria	16,100
Germany	13,425
France	12,525
Italy	12,135
Ireland	10,125

[334] UUK, 'International Facts and Figures 2017', May 2017, http://www.universitiesuk.ac.uk/policy-andanalysis/reports/Documents/International/International_Facts_and_Figures_2017.pdf

British Property Federation

British Property Federation

1. The British Property Federation (BPF) is a membership organisation that represents the commercial real estate sector to government– an industry with a market value of £1,662bn and which contributed more than £94bn to the economy in 2014. We promote the values of those with an interest in the UK's built environment to government. Our membership comprises a broad range of real estate owners, managers, developers and supporters. Their investments drive the UK's economic success, provides essential infrastructure, improves society by creating great places where people can live, work and relax.

Executive Summary

2. International students bring many benefits to Britain's higher education sector, which is of fundamental importance to the UK's future economic, political and industrial prosperity. These benefits are national and regional, economic and social.

   2.1. The 437,000 international students (EU and non-EU), which made up 19% of all students registered at UK universities in 2014-15, created an extra £25.8 billion in gross output for the UK economy.

   2.2. Corporate Residential Management, the UK's leading independent student accommodation management brand, operating over 50 student schemes and totaling over 23,000 bed spaces across the UK, note that nearly half of all the bed spaces that they manage around the UK are taken by international student, generating over £216 million of rent over the last three years.

   2.3. This national impact is mirrored at a regional and local level. In the North West of England, international students' off-campus expenditure was £458 million in 2014–15, as well as being £781 million in the East of England, £2,739 million in London, £514 million in the North East, £688 million in the East Midlands, £970 million in the North West, £1,271 million in the South East, £612 million in the South West, £904 million in the West Midlands and £835 million in Yorkshire and the Humber.

   2.4. London's international students bring a net benefit of £2.3 billion per annum to Britain's economy (primarily through fees and accommodation), equating at around £34,122 per student, and representing 39% of the total fee income of London's universities.

   2.5. International Students bring well over £935 million in rent, annually, to the UK's purpose-built student accommodation market. They also gravitate to the higher end of the housing market; spending more on rent, studio flats, purpose-built accommodation and local amenities than domestic students.

   2.6. PwC found that 60% of international students, who studied in London, are more likely to do business with the UK because of studying here, thus helping to strengthen the UK's business and economic influence around the world.

Introduction

3. We are delighted to be able to respond to the *Migration Advisory Committee's International Students Call for Evidence*. We welcome the work done by the Committee and believe that the call for evidence is an opportunity to outline the importance of international students to the student accommodation sector, the wider education sector and the UK in general.

4. Please see the Appendixes at the end of the document, containing further evidence to empathise the points made in this response.

5. The student accommodation industry has been an important support to the expansion of the UK's higher education sector over the past three decades, aided by local authorities in the regions encouraging private sector investment in Purpose Built Student Accommodation (PBSA). That pipeline continues, with Knight Frank estimating that over 23,000 additional purpose-built student bedrooms are due to be completed across 60 university towns and cities between now and the start of the 2018/19 academic year[xliv]. These new additions will lift the total stock of nationwide PBSA by 4.3%. A further 11,000 beds are currently under construction or in planning to be delivered in the 2019 and 2020 academic years, and this total will probably rise as new development applications are approved[xlv]. Currently, PBSA accommodates over 1.8 million students[xlvi]. In total, private sector developers will deliver 74% of the total beds due to be completed by 2020, and 84% of the beds due to be built for the 2018/19 cycle[xlvii]. There are also many positive economic implications from PBSA development, with many institutional investors, such as pension funds, seeking to invest in it. Savills note that PBSA is highly attractive to international investment with Singapore being the largest source of investment in 2016 (£1.2 billion for over 13,000 beds) and North America second[xlviii]. Knight Frank calculates that the combined asset value of the UK's PBSA sector, both private and university owned, is now £43 billion[xlix]. The sector is therefore an important facilitator of, and beneficiary from, HE expansion.

We would be delighted to provide further information on any aspect of this paper on request.

Response

How much money do migrant students spend in the national, regional and local economy and what is the impact of this?

National Economy

6. International students spend money on a wide range of goods, services, and activities while living in the UK. This is highly beneficial to the UK's economy, as this expenditure is additional to that undertaken by domestic students. In 2014–15, UniversitiesUK outlined that the 437,000 international students (EU and non-EU), which made up 19% of all students registered at UK universities, created an extra £25.8 billion in gross output for the UK economy, £13.8 billion gross value added (GVA) to UK GDP, £10.8 billion of UK export earnings, £750 million to the UK transport industry and £690 million to the retail industry and £5.4 billion in university fees and accommodation[l]. Research by the Higher Educational Policy Institute and Kaplan International Pathways outline that in 2015/16, International Students contributed over £25 billion to the UK economy and over £20 billion in net profit to the country[li]. They also contributed to 206,600 jobs in university towns and cities.[lii] These statistics provide a high-level illustration that international students are imperative to the UK sustaining a prosperous national economy.

National Student Accommodation Market

7. International students bring significant economic benefits to the national housing and student accommodation market. From the 2.3 million students recorded in 2015/16, Unipol estimated that between 1.7 and 1.8 million have a residential need. International students made up 20% (463,470 out of 2,280,325) of the UK student population in 2015/16, nevertheless they account

for around 26% of students with a residential need (450,000 out of 1,750,000).[liii] This is because nearly all UK-based part-time students attend their institution from their existing home base, unlike international students engaging in part-time studies, as the logistics of their international status means they are unable to remain in their home base.[liv]

8. International students significantly contribute economically to the national PBSA market. During the 2014/15 academic year, there were 391,930 full time international students (approximately 28% EU/72% non-EU) enrolled in the UK, reflecting 23.1% of the full-time student population.[lv] This represents a growth by a total of 7.4% over the past five years, which has significantly contributed to the rise in demand for PBSA. International students are often prepared to pay higher rents for all-inclusive, superior and guaranteed student accommodation[lvi]. As an example, Empiric Student Property Plc's 2016 Annual Report includes the statement 'approximately 70% of the students residing in our properties are originally from outside the UK.'[lvii]

9. If international students were straightforwardly represented in the purpose-built sector based on their representation of the national residential demand (26%)[lviii], they would occupy over 148,000 purpose-built bed spaces. This would have generated over £935 million in rent, based on a weekly rent of £146.73 on a 43-week contract in 2015-16 (averages found by the NUS / Unipol *Accommodation Costs Survey* for the same year). However, the occupancy level and rental yield from international students has been substantially higher:

9.1. Corporate Residential Management, the UK's leading independent student accommodation management brand, operating over 50 student schemes and totaling over 23,000 bed spaces across the UK, note that nearly half of all the bed spaces that they have managed around the UK over the last three years are taken by international students[lix]. The breakdown is stipulated below:

CRM STUDENTS	Percentage of International Students Staying in UK PBSA across 2015/16, 2016/17 and 2017/18			
Country	**Total**	**1516**	**1617**	**1718**
UK				
Total	41191	11963	14539	14689
International Countries				
Total	26082	7859	8607	9616
Grand Total	67273	19822	23146	24305
	All years	**1516**	**1617**	**1718**
Total proportion of International Students	39%	40%	37%	40%

9.2. This has generated £216,569,862.54 in rent over three years[lx]. The breakdown is stipulated below:

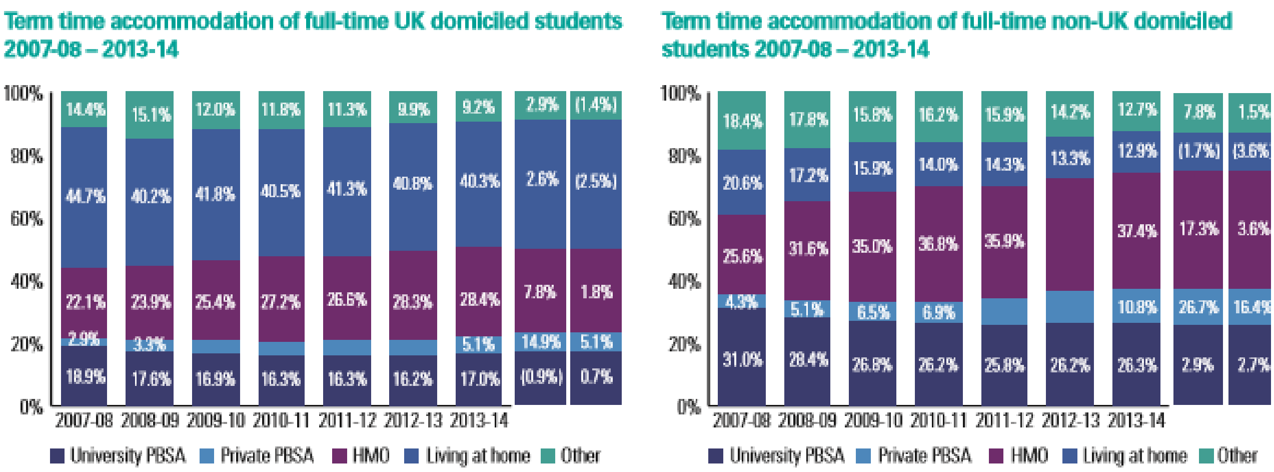
CRM STUDENTS	Total Amount of Economic Revenue International Students Generate through their stay in PBSA across 2015/16, 2016/17 and 2017/18			
Academic Year	1516	1617	1718	Grand Total
Sum of Rent	£48,810,808.12	£76,156,454.95	£91,602,599.47	£216,569,862.54

9.3. Corporate Residential Management have also noted that well over half of the PBSA bed spaces that they have managed in London over the last three years are taken by international students[lxi]. The breakdown is stipulated below:

CRM STUDENTS	Total Number of UK and International Students Living in London PBSA across 2015/16, 2016/17 and 2017/18															
	ALL				1516				1617				1718			
Total of London	UK	International	Total	% of International	UK	International	Total	% of International	UK	International	Total	% of International	UK	International	Total	% of International
	10041	13134	23175	57%	3230	5349	8579	62%	3625	4296	7921	54%	3186	3489	6675	52%

9.4. KPMG specify that international students are 65% more likely to live in PBSA than UK students[lxii]. International students prefer purpose-built accommodation (CUBO and University of Nottingham research, 2008). Data from HESA on the 2015/16 academic cycle indicates that almost 50% of full time international students were living in either private or university controlled Purpose-Built Student Accommodation compared to 35% of UK domiciled students. (HESA).

9.5. The proportion of international students living in private PBSA has grown from 4.3% in 2007/08 to 10.8% in 2013/14[lxiii]. The graph below elucidates this and compares the percentage of international students living in PBSA accommodation to the percentage of



domestic students living in PBSA[lxiv]:

9.6. The Greater London authority stipulate that international students have, and project that they will continue to have, a greater need for PBSA than domestic students. The graph below elucidates this[lxv]:

Projected need for purpose-built student accommodation 2015/16

2015/16	London HESA students			Campus branches of non-London HEI		Alternative Providers			
Domicile	other EU	Non EU	Other UK (non-London)	Other UK (non-London)	other EU & Non EU	Other EU	Non EU	Other UK (non-London)	
Category 1	7,236	12,606	24,908	105	327	913	1,522	2,123	
Category 2 and 3	3,618	10,085	9,963	42	212	456	1,218		
Category 4	7,757	23,273	NA	NA	2,744	NA	NA	NA	**Total PBSA need**
PBSA need	**18,611**	**45,964**	**34,871**	**147**	**3,283**	**1,369**	**2,740**	**2,123**	**109,108**

Projected need for purpose-built student accommodation 2041/42

2041/42	London HESA students			Campus branches of non-London HEI		Alternative Providers			
Domicile	other EU	Non EU	Other UK (non-London)	Other UK (non-London)	other EU & non EU	Other EU	Non EU	Other UK (non-London)	
Category 1	10,618	20,660	33,960	112	589	913	1,522	2,123	
Category 2 and 3	5,309	16,528	13,584	45	383	456	1,218		
Category 4	14,501	43,919	NA	NA	5,111	NA	NA	NA	**Total PBSA need**
PBSA need	**30,428**	**81,107**	**47,544**	**157**	**6,083**	**1,369**	**2,740**	**2,123**	**171,551**

10. Potential reasons for why international students prefer PBSA to other forms of student accommodation:

10.1. Institutions often give priority to international students in allocations of their PBSA provisions[lxvi]

10.2. UK students are less disposed to remain in purpose-built accommodation than returning international students[lxvii]

10.3. PBSA can be bought online, meaning international students can purchase this accommodation from their home countries[lxviii].

10.4. According to Shah (2010), international students prefer PBSA because their parents want assurance that they will be in high quality accommodation whilst studying in a foreign country, which PBSA is known to provide in comparison with other living alternatives[lxix].

11. International students also tend to pay more rent than the national average. This is because they often have a larger budget than UK students and therefore live in more expensive accommodation.[lxx] They are also more inclined to live in studio accommodation (which is more expensive than standard ‘cluster flat’ student bedrooms), with 8.4% of international students living in studio flats in 2015/16.[lxxi] Furthermore, their gravitation to London means that they are inclined to pay more rent than the national average, with London accommodation 69% more expensive than the average rent across the UK and being 48% more concentrated in studio flats.[lxxii]

Higher Education Sector

12. The UK is blessed with world-class higher education institutions across its width and breath, however the projected shortage of UK students by 2021/22 would require international acceptance to increase by 63% above its current level for UK institutions to have the economic ability to carry on thriving[lxxiii]. Acceptances from EU students totalled 29,300 in 2015[lxxiv], 11% up on the previous year, and this trend has continued in 2016[lxxv], with this pool of students exhibiting the fastest growth over the past ten years, increasing by 60.3% since 2006[lxxvi]. Over the last five years there has been a 22% increase in international students from all over the world attending UK universities full time[lxxvii]. The data shows that the national higher education sector is becoming more and more reliant on the influx of economic revenue generated by international students, especially amid the forecasted decrease in enrolling domestic students. Therefore, any reduction in the number of migrant students being allowed entry into the UK will servery harm one of society's most important and progressive sectors.

Regional and Local Economy

13. This national impact is mirrored at a regional and local level, providing an important anchor for the government's Industrial Strategy and contributing to economic growth across the country. In the North West of England, international students' off-campus expenditure was £458 million in 2014–15, generating a £281 million GVA contribution to local GDP.[lxxviii] Sheffield significantly benefits from the impact of international students; they made a net contribution to Sheffield's GDP in 2012/13 of £120.3 million[lxxix] Additionally, international students' spending on and off campus equates to £781 million in the East of England, £2,739 million in London, £514 million in the North East, £688 million in the East Midlands, £970 million in the North West, £1,271 million in the South East, £612 million in the South West, £904 million in the West Midlands and £835 million in Yorkshire and the Humber.[lxxx] These figures indicate that any reduction in the number of international students being granted entry into the UK will significantly harm the economies of many UK regions.

14. International students promote investment in all parts of the UK for Purpose Built Student Accommodation development. Cities that have procured PBSA development in 2016 include Glasgow (by 858*[335]), Edinburgh (1888*), Aberdeen (718*), Liverpool (1241*), Newcastle (1453*), Durham (307*), Leeds (1332*), Sheffield (1178*), Leicester (939*), Coventry (376*), Nottingham (311*), Birmingham (1128*), Cardiff (1311*), Bristol (71*), Exeter (362*), Plymouth, Bath, Southampton (1382*), London (5082*) and Canterbury[lxxxi]. Regions that have procured PBSA investment in 2015 include London (10,402+[336]), North West (6524+), South East (5253+), Yorkshire and Human (4522+), North East (4067+), Wales (4023+), Scotland (3988+), West Midlands (3767+), East Midlands (3463+), South West (1938+) and East (517+)[lxxxii]. For many of these cities, PBSA investment is one of their only avenues to boost development and regeneration; the social benefits of this means that the PBSA market, which (as points 9, 10 and 11 articulate) is heavily supported by international students, must be protected.

15. Research by the Higher Educational Policy Institute and Kaplan International Pathways outline that international students bring a £31.3m net economic contribution to the UK economy for each of the 650 parliamentary constituencies, an average of £310 per member of the resident population. Manchester, Birmingham, Newcastle, Oxford, Cambridge, Cardiff, Bristol, Glasgow, Nottingham, Sheffield and Birmingham are all in the 20 constituencies receiving the greatest levels of economic benefits from international students[lxxxiii]. Therefore, an esteemed benefit that ascends from hosting international students in the UK is that it encourages investment and

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[335] * = The amount of PBSA Beds built in 2016.

[336] + = The amount of PBSA Beds built in 2015.

an economic current around the whole of the UK and not just in London and the South of England.

Employment

16. A reduction in the number of international students in the UK would put many people in local areas out of employment. Destination for Education, an organization led by pathway providers to prepare international students for study at British Universities, outline that they currently employ 3,771 people across the UK. They provide employment for over 500 people in the North, almost 300 in Yorkshire and the Humber and almost 2,000 people in the South East alone. That is almost 4,000 jobs in one organization whose employment is dependent on international students finding the UK an attractive place to study.[lxxxiv] Any endeavour that decreases the amount of people in employment should be avoided as the financial and social repercussions of unemployment in local areas are damaging.

London

17. The scale of international students in London outlines their importance to the capital's higher education sector. In 2015/16 there were 104,68 international students at London universities, 29% of the total student population in London[lxxxv]. This constitutes a significant increase from 2013/14, where there were 67,405 international students at London universities, 18% of the total student population in London[lxxxvi]. Despite the fall in the number of domestic students enrolling into London universities over the last five years by over 40,000, international student numbers remained steady,[lxxxvii] and even increased by 3.7% (+3,770 students) in 2016.[lxxxviii] London's international students bring a net benefit of £2.3 billion per annum to Britain's economy (primarily through fees and accommodation), equating at around £34,122 per student[lxxxix], and representing 39% of the total fee income of London's universities.[xc] London hosts a number of world class universities and this adds to the city's charm and aura, so making sure that these institutions have the capacity to flourish, which international students certainly enable from a financial and social context, is imperative to London preserving itself as a world class city.

What is the impact of migrant students on the demand for housing provision, on transport (particularly local transport) and on health provision?

Housing

18. A study by PwC about the impact of International Students in London found they do not contribute to the lack of affordable housing in London, as they often live in either university accommodation or private rented accommodation during their studies.[xci] In this study, PwC conducted a survey which showed that at some point during their studies, international students live in privately rented accommodation, and in the majority of cases pay significantly more than domestic students.[xcii] Furthermore, Dustmann, Frattini and Hall (2010) in their study of A8 migration to the UK, found that migrants were 57% less likely to live in social housing[xciii], which means that they would not be taking this living space away from domestic residents. Ultimately, the results suggest that even though international students use both university-owned accommodation and privately rented accommodation, the extent to which they displace UK citizens from affordable housing is negligible since on average they pay higher rents to the current market rates and rarely gravitate towards the lower (price) end of the housing market.

Infrastructure

19. The long-term impact (or damage) caused by international students on Britain's infrastructure, amenities and services is not substantial. PwC found that only 12% of international students

remained in the UK after their studies finished.[xciv] London First and PwC also stipulate that of those international students entering the UK labour market, the majority work in education, cultural activities, financial services, and retail; earning an average salary of £19,000 p.a., contributing an estimated £9million to the UK Government via income tax and £17 million per year in National Insurance contributions.[xcv] Therefore, instead of damaging infrastructure and draining resources due to use for a sustained period, international students provide timely economic boosts, and subsequently opportunities for growth and regeneration in local areas.

Purpose Built Student Housing

20. Fears that a growing number of regional cities are to suffer a surfeit of purpose built student housing will be allayed by the influx of international students coming into the UK, particularly Chinese students. Rising supplies are only a problem if not matched by increased demand. Demographic and macro-economic data from China shows that by 2025 there will be around 117,000 applications every year to the UK's higher education sector from overseas students, increasing to 239,000 by 2034.[xcvi] Resultingly, UK universities and PBSA providers will have to invest in increasing their dormitory capacity and creating new student accommodation on undeveloped sites. Opportunities to invest in student services generally remain lucrative and this could provide a catalyst for economic prosperity and regeneration (in areas benefiting from the economic affluence of international students). Furthermore, the significant number of world-class universities located in the north of the UK means that the economic and societal benefits of increasing student accommodation will be enjoyed all over the country, and not just in London or south of England.

20.1. An example of increased demand leading to rising supplies comes from Nottingham City Council. They have encouraged investment in PBSA in the city centre to reduce the number of residential houses being converted to Houses in Multiple Occupation (HMO's) to cope with the increasing quantity of international students[xcvii]. In the last three years, private sector PBSA providers have created over 1,787 bed spaces where there were previously empty or derelict buildings.[xcviii] Consequently, this has freed up many homes for the residential market, improved affordability and eased the city's housing shortage[xcix]. Nottingham's economic situation has also improved as the development locates more international students in the city centre with easy access to shops, amenities and services[c]. This outlines how international students can prompt regeneration and an upturn in economic prosperity of a local area.

20.2. The breakdown of the PBSA development in Nottingham is as follows:

Year	**Bed Spaces**
<u>2015</u>	
KP House (Urban Student Life)	47
Halley House studios (Primo)	66
Hydrogen (Hydrogen Students)	164
Varsity (FHP)	31
<u>2016</u>	
Express Building (Urban Student Life)	26
Lace Market Studios (Host)	113
Victoria House (Megaclose)	80
The Frontage studios (CRM)	162

Talbot Point studios (CRM)	67
95 Talbot Street (Hello Student)	77
2017	
Sneinton Road (Megaclose)	79
Norwich Union House (Unipol Student Homes)	88
Nova (Collegiate)	437
Newtown & Newland House (iQ)	350[ci]

What role do migrant students play in extending UK soft power and influence abroad?

World Leaders

21. A 2017 study by the Higher Education Policy Institute reveals the UK's higher education sector has educated more world leaders than any other country. Among 377 serving heads of state and heads of government, 58 have attended UK universities and colleges, living in Britain[cii]. Leaders educated in the UK include: Burmese State Counsellor Aung San Suu Kyi, who took degrees at Oxford and SOAS during the 1960s and 1980s; Gambian President Adama Barrow, who worked as an Argos security guard while studying property management in London; and the Prime Minister of Australia, Malcolm Tunbull, who studied at the University of Oxford. All the leaders in the study came to the UK before the current migration target and, like most international students, they returned to their country of origin once their studies were complete.[ciii] Having heads of state spend part of their formative years living in Britain and engaging with British culture underlines how the UK's higher education sector and student accommodation sector is a long-term asset which encourages international relations. Therefore, a restriction on the number of international students in the UK would be damaging to Britain's international influence.

Business and Economic Influence

22. Having international students in the UK also improves Britain's business influence. PwC found that 60% of international students, who studied in London, are more likely to do business with the UK because of studying here.[civ] Therefore, international students are likely to form long-term ties with the UK, thus helping to strengthen the UK's business and economic influence around the world.

Multiculturalism

23. University provides individuals with more than just an academic education, it also provides a social education for many of its students that can be used in a variety of business and communal contexts. Exposure to international students will equip graduates with the aptitude to circumnavigate the ever-globalising world and feel comfortable with the many cultures and ethnicities that they will have to interact with in contemporary business and society.

Conclusion

24. The economic, social and regeneration benefits of international students have been made clear in this response, and the constant influx of international students is imperative to many of the UK's principal industries, none more so than the thriving student accommodation sector. In the current climate of political uncertainty, government should be doing all it can to protect sectors that are prospering and that harbour benefits to the UK, which as highlighted in this response, both the student accommodation sector and the education sector certainly do. We therefore hope government will not pursue policies that aim to restrict the number of international

students in the UK and allow the natural influx of international students to study and live in the UK.

British Medical Association

The BMA (British Medical Association) is an apolitical professional association and independent trade union, representing doctors and medical students from all branches of medicine across the UK and supporting them to deliver the highest standards of patient care. The Association welcomes the opportunity to respond to the Migration Advisory Committee's (MAC) call for evidence on the Government's commission to assess the impact of international students in the UK. The BMA values the contribution of international students, at both an undergraduate and postgraduate level, the different experiences and viewpoints that they bring to the UK, and the benefit this has for medical schools and the wider NHS.

Q2. The economic and social impacts of international students in the UK

International medical students who have either graduated from a medical school outside the UK or from a medical school within the UK have become essential members of the UK's NHS and university workforce. We are dependent on their contributions in the provision of high quality education and care to patients.

1. New research1 into the economic impact of international students conducted by Oxford Economics and commissioned by universities UK has shown the considerable impact made by them. The research found that in 2014-15:

    - International students paid an estimated £4.8 billion in tuition fees to UK universities. This accounts for over 14% of total university income. Some 88% – £4.2 billion – of this fee income was paid by students from outside the EU
    - As well as university fees and accommodation, international students spent £5.4 billion offcampus on goods and services
    - Spending by international students supported 206,600 jobs all over the UK
    - Visitors to international students in the UK spent an estimated £520 million – benefitting in particular the transport, hotels, hospitality, cultural, recreational and sports attraction sectors
      – generating an estimated knock-on impact of £1 billion in gross output
    - Taking their university payments, off-campus spending, and the spending of their visitors together, international students generated £25.8 billion in gross output
    - International students were responsible for £10.8 billion of UK export earnings
    - The economic activity and employment sustained by international students' off campus spending generated £1 billion tax revenues. This is the equivalent to the salaries of 31,700 nurses or 25,000 police officers

1 Economic impact of international students Universities UK

3. In other research – jointly published by the Higher Education Policy Institute and Kaplan International Pathways – the costs and benefits of international students are analysed by parliamentary constituencies. After taking out the “cost” of international students, including health and social security costs, which amount to £2.3bn, the net contribution from international students in the UK amounts to £20.3bn. The report also shows that international students benefit all areas of the UK, not just cities such as London337.

4. Students from outside the EU are often paying full fees for their course and this is thought to provide an internal subsidy for other parts of a medical school’s work. Indeed, Aston University’s plans for a medical school explicitly proposed using international student fees to subsidise the fees of students from the local community from under-privileged backgrounds.

The long term impact of Medical Students

5. As well as the general economic impact that international students have on a local community, international medical students bring additional benefits. First, a medical degree is four to six years in length and therefore each student will have an impact over a longer period. Second, there is significant evidence that, post graduation, domestic and international medical students stay in the locality in which they were educated and trained (hence the reason in recent years for establishing new medical schools in areas that have a lack of doctors).

6. Medical students are also different from the generality of EU and international students in that they are expected (and expect) to stay on after graduation in order to undertake postgraduate medical training. This is factored into the workforce planning assumptions of the NHS. For example, from graduation the majority of UK graduates enroll onto the Foundation Programme, a two-year generic training programme which forms the bridge between medical school and specialist/general practice training. The programme is facilitated by the UK Foundation Programme Office (UKFPO), and is open to non-UK/non-EU nationals who graduate from a UK medical school.

7. A further economic impact is through the building of a long-term relationship between the UK and doctors who may become their country’s future healthcare leaders, medical researchers and teachers. And the opportunity this provides for collaborations of economic benefit in all three of these areas, such as selling UK expertise and medical education and contributing to research projects.

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[337] The costs and benefits of international students by parliamentary constituency - Report for the Higher Education Policy Institute and Kaplan International Pathways

8. Any fall in the number of non-EU students to UK medical schools has serious consequences for medical school funding, as non-EU students pay, in England, fees of between £25,000 and £35,000 per year. If they were replaced by UK medical students, this would create an increased burden on both the UK tax payer and individual universities. It has been suggested that a drop in EU student numbers would adversely affect the ethos of universities and the experience of students338.

Q3. Brexit and the impact on International students

9. Brexit brings great political uncertainty and the longer-term impact on international students at higher education institutions is currently still unknown. Much will depend on what is agreed during the ongoing negotiations between the UK government and the EU.

10. However, the UK's decision to leave the EU will have wide ranging ramifications for the education of EU students currently studying and seeking to study at medical schools in the UK. The following issues urgently need to be addressed.

- funding arrangements,
- transferability and recognition of medical degrees,
- transferability and recognition of postgraduate medical training;
- access to the Erasmus scheme by UK-based medical students and trainee doctors;

the future immigration system and the extent of its flexibility regarding medical students and doctors.

Application and funding process

EU students

11. During the second phase of negotiations the government must clarify the application and funding process for EU students who wish to study at a UK medical school once the UK leaves the EU.

12. This is particularly important regarding the level of tuition fees that EU medical students will be set and whether this will involve a shift in the level of tuition fees they pay from home fee status to international fee status. This may have an impact on the number of students from the rest of the EU applying for UK degrees, especially in medicine, which is longer than most undergraduate degrees.

[338] The House of Commons Library briefing on the impact of leaving the EU on higher education from December 2016.

13. In October 2016 the government announced that EU students applying for a place at an English university in the 2017 to 2018 academic year would continue to be eligible for student loans and grants for the duration of their course, even if the UK leaves the EU during this period339. The government has also confirmed that EU students will be charged the same tuition fees (home fee status) as UK students; EU nationals who have lived in the UK for over five years will be able to apply for undergraduate maintenance support and master's loans.

14. The announcement gives universities greater certainty and clarity over future funding whilst also reassuring future medical students from the EU that the terms of their funding will not change if the UK withdraws from the EU during their course. Currently home and EU domiciled student course fees account for £10,481 billion of the income of UK HE providers with a further £4,226 billion coming from fees paid by non-EU students340.

15. In March 2017 the Scottish Government announced that EU students studying until 2022 will not need to pay tuition fees. That means that EU students entering medicine courses in Scotland in 2018 will not need to pay fees for their first four years – however their fee status for their fifth and sixth years of their course are still unclear.

Non-EU students

16. It is also important to acknowledge that the current costs for students from outside of the EU are by comparison to EU medical students substantial, as mentioned earlier in our response.

In addition to these fees, in Scotland, students from outside of the EU also have to pay an additional cost of clinical teaching levy (ACT levy) to cover the costs of NHS clinical teaching. This means that from September 2017 and each subsequent year of study a student would be required to pay an annual sum of up to £10,000. This is a substantial cost to the student and separate from the University tuition fees.

Mutual recognition of professional qualifications

18. We note from the recent report341 on the UK's orderly withdrawal from the EU, that qualifications granted either in the UK or in any other EU 27 state before the specified date, or where recognition procedures are ongoing on the specified date, will have recognition maintained.

[339] Department of Education (11 October 2016) *Funding support for EU students*
[340] House of Lords library note (October 2016) Leaving the European Union: funding for universities and scientific research
[341] Joint report from negotiators of the EU and UK Government on progress during phase 1 [7] Read the full State of medical education and practice in the UK report.

19. Although we welcome progress made in this area, and support the stance of the UK government during Phase I negotiations (to recognise qualifications in the course of being obtained as well as those granted), we urge the government to continue to seek, during Phase II negotiations, the maintenance of some form of mutual recognition of professional qualifications.

20. Current regulations have helped create an environment which has facilitated and encouraged movement of workers and students, sharing of ideas as well as ensuring EU nationals are quickly able to fill gaps within specialties in UK medical workforce and the wider health service. EU nationals are eligible to apply for training posts on the same basis as domestic students. However, those outside the EU have additional hurdles to jump through such as the resident labour market test – where they can only be considered for the position when the job has been advertised for 28 days and there are no suitable UK or EU applicants.

21. In medicine, the opportunity to continue postgraduate training in the NHS also helps to make UK medical schools an attractive option. Should reciprocal arrangements be lost completely there is a risk this will have a detrimental impact on the UK's ability to fill gaps within the NHS and also on our ability to collaborate with our EU partners, to retain research staff and to learn from colleagues. There is also a risk that upon qualification as a doctor, EU students who have trained at a UK medical school may face difficulties in practising medicine in their country of origin or in another EU country.

The future of the Erasmus+ programme following the withdrawal of the UK from the EU

22. UK students should retain the right to benefit from the wider experiences offered by the Erasmus+ scheme. Following the UK's departure from the EU, the loss of funding currently provided by Erasmus+ would have significant financial repercussions for students moving abroad. The UK also benefits from the opportunities that the Erasmus programme offers to students from the rest of the EU to spend some time in the UK as part of their degree.

Workforce planning

23. As referenced in the General Medical Council's (GMC's) State of medical education and practice in the UK report, the UK's medical profession is at 'a crunch point' and will suffer increasing pressure over the next 20 years unless action is taken7.

24. As highlighted above, medical students are factored into NHS workforce planning and, therefore, retaining them within the NHS as they progress to become doctors is vital to future sustainability of services. There is a risk that, due to uncertainty or the introduction of an immigration system which does not allow students to study and then continue to work in the NHS, some medical students from the EU may

either choose to leave their prospective careers in the NHS or be forced to leave the UK.

25. To encourage doctors to stay within the NHS, the Scottish government is introducing a new graduate medical course open to its first intake of students from 2018 and designed to develop doctors interested in a career as a general practitioner within NHS Scotland, with a focus on rural medicine and healthcare improvement. Those accepted onto the course will be entitled to a bursary of up to £16,000 if they commit to work in the NHS in Scotland for at least four years after qualifying. The programme is, however, only open to applicants classed as home/EU or RUK (rest of the UK) for fee purposes. Those classed non-EU for fee purposes are not eligible to apply for this course342.

Expansion in medical school places

26. The number of medical school places in England will increase by 1,500 beginning in 2018 onwards as a move towards self-sufficiency in medical staffing

27. It takes at least 10 years to train a senior doctor, and poor workforce planning by the government over many years has meant that the UK does not have enough for the number of patients in need. The NHS is already understaffed in many areas such as A&E and general practice. The government has recognised the challenge this presents and recently introduced a new international recruitment programme to bring in more than 2,000 GPs from overseas to meet workforce targets.

Future immigration system

28. It is unclear what immigration system will be put in place for EU students once the UK leaves the EU, but it is essential that EU students who are currently studying at UK medical schools are given certainty about their future in the UK. Thousands of EU and non-EU medical students are factored into NHS workforce planning. The ongoing absence of certainty over their future rights to live in the UK and train and work in the NHS may force some EU medical students to leave their prospective careers in the NHS. There is a danger that the implementation of stringent immigration policies will deter EU students from seeking to study in the UK at all.

29. We have also raised concerns about the bureaucracy and costs inherent in the visa system for international students from outside the EU who choose to study at a UK medical school, particularly as they progress through their medical training. Additional costs, such as the health surcharge and visa fees, have exacerbated the costs incurred by these medical students who have committed to training and working in the UK. While the extension of international student tuition fees to EU students would raise a significant amount of revenue for medical schools, there is

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[342] https://www.st-andrews.ac.uk/subjects/medicine/scotgem-mbchb/

a risk that this may deter some EU students from choosing to take up a place at a UK medical school favouring instead other EU or international destinations.

30. Unlike EU students, international (non-EU) medical students are currently subject to a 7.5% cap on numbers (the Government has announced the removal of this cap from 2019/20). In addition, starting in 2019-20, international medical students will be required to fund their own clinical placements as well as tuition fees and living expenses. This represents a potential increase in annual cost to students in addition to current University fees and whilst this appears to be potential new revenue, a more likely scenario is that many students may be priced out of coming to the UK with an overall net loss of income to the UK.

31. For example, an overseas medical student at the University of Sheffield in their third year, would normally be expected to pay £35,500 per year for the final 3 (clinical years)343, would see more than a 100% increase in fees for these years with the inclusion of the placement tariff, and around a 72% increase in total fees for their medical degree (from about £148,000 to more than £255,000).

Quality of the student experience

32. Among the risks to UK students is the likelihood that the quality of the student experience is diminished. The destabilising effect of a reduction in the number of students from the rest of the EU may also risk losing the creative diversity that has been an important feature of UK universities in recent years.

33. The opportunities that UK students currently have to spend part of their degree in another EU country (through exchange programmes such as ERASMUS+) and the educational and cultural benefits that they derive from them risk being diminished and thus diminish the attractiveness of UK higher education.

Q4.1.3. Do migrant students help support employment in educational institutions?

34. As noted above, fees by international students help support the wider work of medical schools and will, therefore, in turn, support the employment of academic, technical and administrative staff at the university.

Q4.1.5. How do migrant students affect the educational opportunities available to UK students?

35. The proportion of international students on medical courses has historically been capped, in part reflecting the fact that there is an overall limit on medical student numbers. It is, therefore, unlikely that international medical students are taking away opportunities from UK students. Indeed, as noted above they are more likely to be helping to support the system overall and thus enabling participation by UK students.

[343] (University of Sheffield. Undergraduate Fees Look Up. Available from: http://ssd.dept.shef.ac.uk/fees/ug/ug-fees.php [Accessed 6 April 2017

Q4.1.6. To what extent does the demand from migrant students for UK education dictate the supply of that education provision and the impact of this on UK students?

36. UK medical degrees would be available regardless of the level of demand from outside of the UK. Medical students studying in UK universities as said earlier, are factored into workforce planning. The fact there is a demand from international students to study medicine in UK Universities does have an economic impact as well as a benefit to UK students for the reasons we've outlined earlier in our response.

Q4.1.9. What role do migrant students play in extending UK soft power and influence abroad?

37. The UK is ranked 2nd in the Soft power 30[344] index. The index provides an analysis of a countries soft power resources across six categories (Government, Culture, Education, Global Engagement, Enterprise and Digital). The UK scores highly on education, and provides services fed by some of the world's most successful higher learning institutions that attract the world's best and brightest.

38. The instability caused by the decision to leave the EU has thrown many of these strengths into question. In the analysis of the index in order to make a success of striking out alone in such a politically unstable period, the UK requires 'a positive and inclusive narrative to take to the rest of the world and the right structural policies'. It is vital therefore that the UK remains attractive for international students and continued investment in universities and medical schools that export British soft power will only become more vital as the Brexit process continues.

Q4.1.11. What are the broader labour market impacts of students transferring from Tier 4 to Tier 2 including on net migration and on shortage occupations?

39. We know that medical students from a UK medical school are expected to stay on after graduation and transfer onto the UK foundation programme, and then undertake postgraduate medical training.
Medical graduates from outside of the EU, who studied at a UK medical school, will start the foundation programme on a Tier 4 student visa and generally progress onto postgraduate training on Tier 2.

40. We would expect that some of these students will have gone on to work in hard-to-recruit specialties that are included on the shortage occupation list. However, it is not our role to provide data on net migration or the exact number of these students that work within specialities on the shortage occupation list.

[344] Soft Power index created by Portland https://softpower30.com/

Q4.1.12. Whether, and to what extent, migrant students enter the labour market, when they graduate and what types of post-study work do they do?

41. As stated above, medical students from a UK medical school are expected to stay on after graduation and transfer onto the UK foundation programme and then undertake postgraduate medical training. As mentioned previously this is factored into workforce planning assumptions of the NHS.

42. The numbers of international medical students in the UK is increasing. The number of European students rose slightly from 2.6% in 2012 to 3.1% in 2016. Students from outside the EU make up 9% of the medical student population, which is a 6.6% increase from 2015 to 2016 but is similar to the proportion of non-EU students in 2012345.

43. Most doctors enter foundation training from medical school and then many doctors go onto GP training, specialty training or core training or they can practise as a doctor without further training. We do not have sufficient data to determine which pathway international students decide to take following foundation. However, data for 2016 shows that most doctors in their first foundation year (F1) qualified at a UK medical school. Of the remaining appointees, 2.2% qualified at an EU medical school (excluding the UK) and 1.8% qualified from a non-EU medical school12

44. Data for F1 doctors by ethnicity in hospitals, show that approximately 15% are international. We can therefore assume that 10-12% are international students who graduated from UK medical schools.

[345] The State of medical education and practice in the UK 2017, General Medical Council [12] UKFPO Annual report 2016

British Veterinary Association, the Royal College of Veterinary Surgeons and the Veterinary Schools Council

A joint submission from the British Veterinary Association, the Royal College of Veterinary Surgeons and the Veterinary Schools Council

The Royal College of Veterinary Surgeons (RCVS), is the statutory regulator for veterinary surgeons, responsible for the registration of veterinary surgeons and veterinary nurses in the UK, and sets, upholds and advances their educational, ethical and clinical standards.

The British Veterinary Association (BVA) is the national representative body for the veterinary profession in the UK with over 17,000 members. BVA represents, supports and champions the interests of the veterinary profession in this country and therefore takes a keen interest in all issues affecting the profession.

The Veterinary Schools Council (VSC) consists of the heads of seven UK veterinary schools offering degrees accredited by the Royal College of Veterinary Surgeons. VSC also represents two non-UK associate members: The School of Veterinary Medicine, University College Dublin; and the Faculty of Veterinary Medicine, Utrecht University.

VSC provides a source of informed opinion on matters concerning veterinary education, from the welfare of its students and academic researchers to its links with government and industry.

The UK veterinary profession is relatively small, with over 24,000 veterinary surgeons, but its reach and impact are significant. The UK veterinary profession is an integral part of the international scientific community using evidence and practical skills to further animal health and welfare, and public health. Veterinary surgeons work across the economy, allowing strategically important economic sectors to operate successfully.

We are grateful for the opportunity submit a response to this call for evidence on the economic and social impacts of international students in the UK.

Executive Summary

There is currently a shortage of veterinary surgeons in the UK, estimated to be 11%.[346]

The higher fees paid by overseas students helps to make up for the shortfall in the cost of delivering veterinary education in the UK.

Any measure that reduces the number of overseas students will need to be balanced by increased funding for veterinary schools

overseas nationals graduating from UK vet schools should be allowed to live and work in the UK to help address the shortage of veterinary surgeons.

Veterinary Undergraduate Numbers

[346] Based on findings of a review Major Employer Group in July 2017 of members providing first opinion clinical services direct to the public found well over 600 vacancies open for primary veterinary surgeons in the UK. Based on MEG’s combined employment at the time of the survey, this represents a workforce shortage of around 11%.

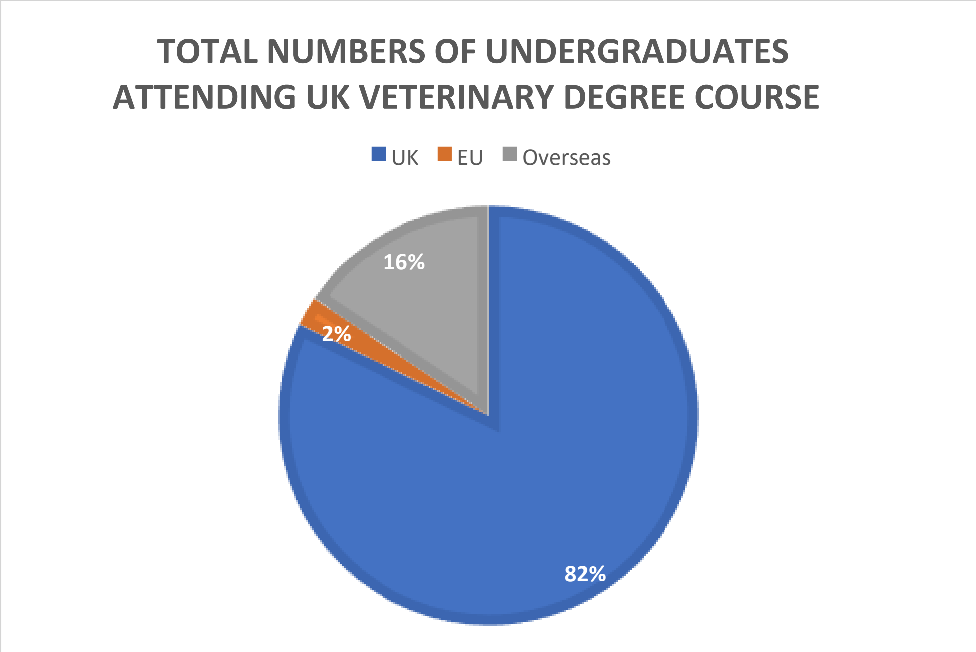

Figure 1. Total number of undergraduates attending UK Veterinary degree courses, (Complied using data from Royal College of Veterinary Surgeons RCVS Facts 2016 (2017))
There are eight veterinary schools within the United Kingdom, seven of which are established schools approved by the RCVS; and the University of Surrey which expects to graduate its first students in 2019.

University of Bristol
University of Cambridge
University of Edinburgh
University of Glasgow
University of Liverpool
University of Nottingham
Royal Veterinary College, University of London
University of Surrey (not yet approved by RCVS)

According to the RCVS, across these universities there were 5,295 veterinary undergraduate students in 2017 (over a five-year course). Of these, 129 were from the EU and 1,016 were from third countries.[347]
As the Migration Advisory Committee notes of all undergraduates 14% are international (6% EU and 9% are non-EU). Veterinary undergraduate courses are more reliant on international students than undergraduate courses generally, with 18% international students. The composition of veterinary undergraduate students is different than the general undergraduate population with more drawn more from third countries (19.2%) than the EU (2.4%).

[347] Royal College of Veterinary Surgeons *RCVS Facts 2016* (2017) https://www.rcvs.org.uk/news-andviews/publications/rcvs-facts-2016/

There is variation in the numbers of international students studying across the eight UK veterinary schools. Partially, this is because three of these schools (Royal Veterinary College, the University of Glasgow, and the University of Edinburgh) provide American Veterinary Medical Association (AVMA) accreditation, whereby their degrees are recognised in the United States of America. In the University of Glasgow, 49% of all veterinary undergraduates are overseas students (including EU).

Economic Contribution

The costs per student for veterinary education are high compared to other taught subjects. This is because of the wide range of clinical and professional skills graduates need to be equipped with, as set out in the RCVS Day One Competencies (the minimum essential competences that the RCVS expects all veterinary students to have met when they graduate).[348] The current cost of veterinary courses is in excess of £20,000 per student per annum, higher than any other course.[349] This figure does not include the cost of Extra-Mural Studies (EMS), clinical inputs from vet school owned businesses, and various indirect costs.

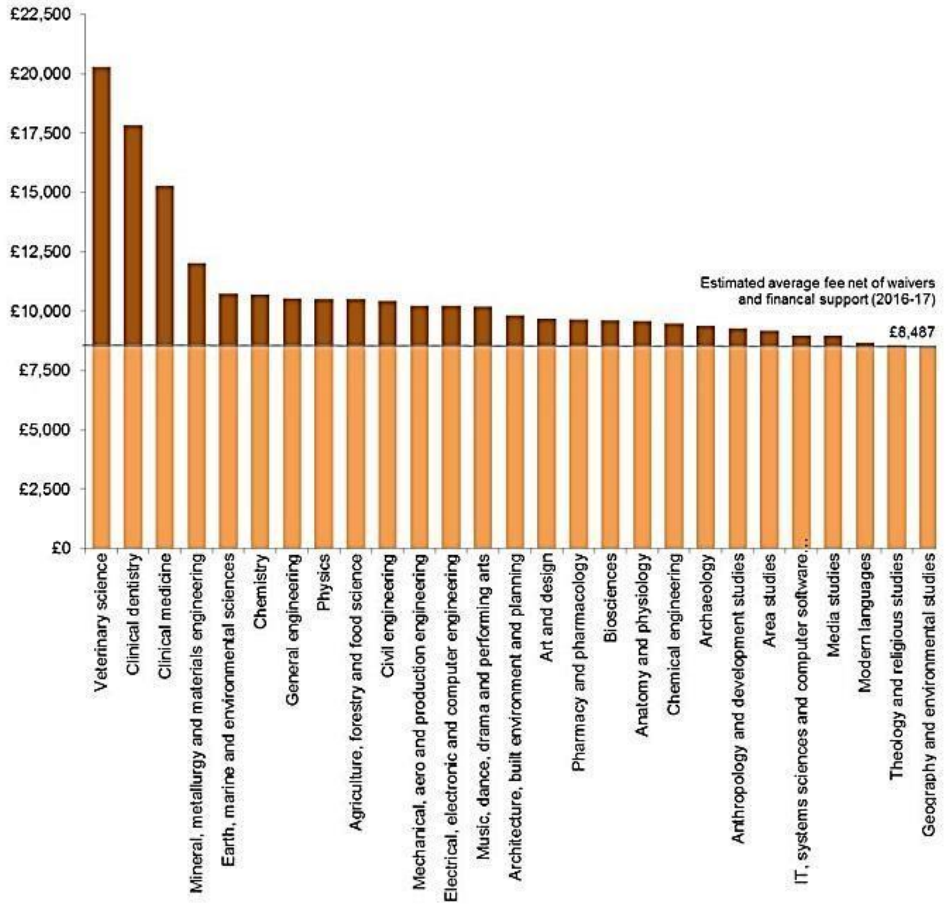

Figure 2: Identifying high-cost subjects: Difference between fee income and costs

[348] Royal College of Veterinary Surgeons, *RCVS Day One Competences*, 2014

[349] Veterinary Schools Council, *Maintaining excellence and sustainability in UK veterinary education and research post-Brexit* < http://www.vetschoolscouncil.ac.uk/wp-content/uploads/2017/05/Veterinary-educationresearch-post-Brexit-VSC.pdf> (Source: Adapted from Universities UK analysis of Higher Education Funding Council for England TRACT(T) and Office for Fair Access data)

(Source: Adapted from Universities UK analysis of Higher Education Funding Council for England TRACT(T) and Office for Fair Access data)

This is more than the £9,000 covered by student fee plus the current support provided from the Higher Funding Council for England (HEFCE) or similar funding levels provided by the devolved administrations. The economic reality of veterinary education is that student fees and government funding do not meet the costs of producing qualified veterinary surgeons. The higher fees paid by overseas students helps to make up for the shortfall in the cost of delivering veterinary education in the UK.

The economic and social contribution of veterinary students extends far beyond the lecture theatre. Higher Education Policy Institute and Kaplan International Pathways commissioned London Economics to analyse the contribution of international students to the UK economy.[350] The report estimates the net economic impact to be £68,000 for each typical non-UK EU student in the 2015/16 cohort, and £95,000 generated by each typical third country student. "In other words, every 15 EU students and every 11 non-EU students generate £1m worth of net economic impact for the UK economy over the duration of their studies."

EU Nationals working in academia

18. Non-UK EU nationals make up 22% of veterinary surgeons working in academia in the UK, most of whom will be in roles directly linked to providing education and training within the undergraduate veterinary degree. All of the UK veterinary schools have expressed concerns about losing EU staff who report feeling uncertain about their future rights to live and work in the UK, or who may not be permitted to stay after Brexit. UK academic institutions must be able to attract staff from an international pool.

Brexit and the veterinary workforce

As noted in the joint BVA and RCVS submission to the Migration Advisory Committee call for evidence on the contribution of EU immigration to the UK economy,[351] fulfilling demand for veterinary surgeons, following the departure of the UK from the EU will be essential to maintain animal health and welfare, public health, food safety and trade. This is the context within which decisions on international students will need to be made.

Following the decision that the UK should leave the EU, RCVS commissioned the Institute for Employment Studies (IES) to conduct three online surveys over a two-year period to gather the views and intentions of veterinary surgeons and veterinary

[350] The Higher Education Policy Institute and Kaplan International Pathways The costs and benefits of international students by parliamentary constituency, 2018 http://www.hepi.ac.uk/wp-content/uploads/2018/01/Economic-benefits-of-international-students-by-constituency-Final-11-01-2018.pdf

[351] BVA RCVS response to MAC consultation on EEA workers in the UK labour market https://www.bva.co.uk/uploadedFiles/Content/News,_campaigns_and_policies/Get_involved/Consultation_archive/Migration%20Advisory%20Committee%20BVA%20RCVS%20Submission%20FINAL.PDF

nurses registered to practise in the UK whose nationality is non-UK European.[352] Of those who responded to the first survey:
18 per cent are actively looking for work outside the UK;
32 per cent are considering a move back home;
40 per cent think they are now more likely to leave the UK.
In the months following the UK's decision to leave the EU, there was a reduction in the numbers of EU graduated vets registering to work in the UK.[353] This contradicts the trend, which had seen a steady increase in the numbers of vets from elsewhere in the EU.
On leaving the EU, the UK will not merely need to maintain the current level of veterinary workforce, but also meet additional demands. Post-Brexit all EU countries may fall to be regarded as third countries for the purposes of exports and imports. Consequently, there may be increased demand for veterinary certification and supervision estimated by the Chief Veterinary Officer to be as much as 325%.[354] The government has stated that "high environmental and food standards will not be diminished or diluted because of leaving the EU or establishing free trade deals with other countries."[355] Further, the veterinary sector has been expanding at a compound annual growth rate (CAGR) of 5.6% in recent years.[356] Consequently, there will be no reduction in the demand for vets going forward.
A consistent supply of qualified vets will be necessary to maintain standards. In the short to medium term, it will be impossible to meet this demand with UK nationals. The veterinary students from third countries who are educated in the UK, at present are qualified to practise in the UK but are often unable to stay because of visa restrictions. Accommodating these graduates within a post-Brexit immigration policy would assist with alleviating an impending workforce shortage. It would also allow graduates who have contributed to UK economy and wider society to continue to do so.
Our calls
24. We would jointly like to make the following calls:
That student numbers are not included in the overall immigration target, as to do otherwise would add to the downward pressure on the number of qualified vets able to come here from abroad.
That overseas students who qualify in the United Kingdom should be able to remain here to live and work after graduation in order to alleviate the existing shortage of vets.

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[352] Royal College of Veterinary Surgeons European veterinary surgeons working in the UK: The impact of Brexit (baseline survey), 2017
[353] RCVS figures
[354] Chief Veterinary Officer Speaking at Official Veterinarian Conference 2017, reported https://www.vettimes.co.uk/news/non-uk-vets-essential-after-brexit-says-cvo/
[355] George Eustice MP, Minister of State (Department for Environment, Food and Rural Affairs) July 2017 http://www.parliament.uk/business/publications/written-questions-answers-statements/writtenquestion/Commons/2017-07-07/3647/
[356] Pets at Home Group Plc Annual Report and Accounts 2017, 2017 Market data sourced from OC&C Strategy Consultants. https://investors.petsathome.com/media/213705/pets_at_home_2017.pdf

That any required increase in the number of UK-national veterinary graduates - whether in general or due to a reduction in the number of overseas students - be properly funded, noting as outlined above that they currently make a disproportionate contribution to the finances of the veterinary schools.

Campaign for Science and Engineering

International students: economic and social impacts

CaSE response | January 2018 | Migration Advisory Committee consultation

About CaSE

The Campaign for Science and Engineering (CaSE) is the leading independent advocate for science and engineering in the UK. CaSE believes the UK Government should support a healthy and flourishing science base.

CaSE works to ensure that the UK has the policies, funding and skills to enable science and engineering to thrive. It is funded by individuals and around 100 organisations including businesses, universities, learned and professional organisations, and research charities. Collectively our members employ 360,000 people in the UK, and our industry and charity members invest around £34.9bn a year in R&D globally[357].

Summary

International students bring great economic benefits to UK higher education institutions and local economies across the UK.

International students facilitate the viability of courses available to domestic students.

The UK could lose out on the lucrative international student market if it is no longer seen as an attractive proposition to foreign students.

International students bring economic benefit to UK institutions and local economies

The benefits of immigrants to the UK are not limited to workers. International students, of which there are presently around 438,000 in the UK, contribute more to the economy than they take out through the services they use[358]. Recent conservative statistics showed that the cohort of international students beginning their studies in 2015 would contribute over £20bn to the UK economy over the duration of their studies[359]. There is also a growing global market in higher education: in 2005 there were 3 million students enrolled in universities outside of their country of citizenship, in 2015 this figure had risen to 4.6 million and is expected to continue growing[360].

Due to the geographic spread of the UK's universities, foreign students are particularly valuable to regional economies across the UK. The economic benefits of international students to local economies are most profound in regions that contain higher education institutions, but recent data has shown that every single constituency throughout the UK yields positive economic impacts from international

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[357] Figure calculated in October 2016 from latest available data

[358] Office for National Statistics, What does the UK aerospace industry look like today? 2014

[359] HEPI, Kaplan, London Economics: The costs and benefits of international students (including by parliamentary constituency), January 2018

[360] OECD (2017), *Education at a Glance 2017: OECD Indicators*, OECD Publishing, Paris. http://dx.doi.org/10.1787/eag-2017-en

students, whether that constituency contains a higher education facility or not[361]. The average net impact of international students per UK resident is conservatively estimated to be £310.

In 2014-15, on- and off-campus spending by international students and their visitors alone generated £25.8 billion in gross output for the UK economy. This activity contributed £13.8 billion gross value added (GVA) to UK GDP[362]. Across the UK, EU students alone contributed £5.2bn through fees paid, while wider spending while at UK universities supports around 40,700 jobs.

The economic benefits of international students do not simply end once they leave the UK. Like with skilled workers, the connections and shared understanding developed during their stay in the UK contribute to the UK's international soft-power. Indeed, some 55 current world leaders from 51 countries studied at British universities, according to the Higher Education Policy Institute[363]. And a survey of students and alumni by London First and PwC found that 60% said they were more likely to do business with the UK as a result of studying here, as they went home understanding British values and principles[364]. Another study found that 92% of postgraduate research students would like to develop professional links with UK organisations after leaving, this is despite only 47% wishing to seek long-term employment in the UK[365].

International students maintain levels of choice for domestic students

About 30% of international students in UK universities study STEM subjects[366]. International students make up approximately 20% of the STEM undergraduate student population and almost 60% of the STEM taught postgraduate (masters) student population[367]. 42% of STEM masters students are from outside of the EU and therefore pay international fees, typically between £10,000 and £20,000 per year, although it can be much higher. These fee contributions, particularly for expensive-to-run STEM subjects, allow the provision and maintain the viability of such courses that universities can offer. They therefore ensure that a wider range of courses are available for UK residents to benefit from. This means that far from crowding out opportunities for UK residents, international students enrich and expand the education opportunities for UK residents, particularly in technology and engineering.

The UK should actively seek to attract international students

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[361] HEPI, Kaplan, London Economics: The costs and benefits of international students (including by parliamentary constituency), January 2018

[362] http://www.universitiesuk.ac.uk/policy-and-analysis/reports/Pages/briefing-economic-impact-of-internationalstudents.aspx

[363] Higher Education Policy Institute, Now that's what I call soft power! 2015

[364] London First and PwC, London Calling: International students' contribution to Britain's economic growth, 2015

[365] Department for Business, Innovation, and Skills, Tracking international graduate outcomes 2011, 2012

[366] Office for Economic Cooperation and Development, Education at a glance 2014: OECD indicators, 2014

[367] Campaign for Science and Engineering/Engineering Professors' Council analysis of HESA data from the Higher Education Database for Institutions (HEIDI), accessed September 2015

The Government have indicated they are looking to crack down on student migration[368] which would be damaging to the UK and our universities. In our opinion, this is a conflation of concerns about overseas students at 'bogus teaching colleges' and the body of students at UK universities. UK universities are awarded trusted-sponsor status to recruit from overseas on strict criteria and the government should make this distinction clear in its positions.

We know that policy decisions affect the desirability of the UK as a place to study. Recent research has shown a 20% decline in international undergraduate level enrolment due to the changes to post-study work options[369]. This is despite, as reported above, the international student market steadily growning over the last decade.

A combination of anti-immigration rhetoric and tightening of post-study work routes, alongside exiting the EU, could rapidly lead to a diminished view of the UK as a desirable place to choose to study. This could reasonably be seen as an impact on universities and the wider UK rather than on EU students, as they will simply undertake their studies elsewhere in countries actively seeking to increase their share of the valuable and growing education export market.

Alongside the general debate on immigration in the UK, a number of opinion polls have shown the British public is in support of international students coming to the UK:

A majority of British adults would like to maintain (56%) or increase (20%) the number of international students in the UK[370]

70% say it is better if international students use their skills here and work in the UK after graduation in order to contribute to the economy rather than returning immediately to their home country

A minority consider international students (24%) or EU students (23%) coming to study at a UK university as immigrants[371]

It would therefore be damaging for the Government to target international students in their attempts to lower net migration to the UK. Not only would it have economic ramifications for every region across the UK, it would harm the educational landscape for domestic students, while going against public consensus on the matter.

Recommendations

Remove international students from migration targets

While international students are migrants, and they cannot be discounted from migration statistics, including them within current Government migration targets

[368] Rt Hon Amber Rudd, Conservative Party Speech, October 2016

[369] The determinants of international demand for UK higher education, HEPI Report 91, 2017

[370] British Future, Time to get it right (2017)

[371] Universities UK poll conducted by ComRes, October 2016

sends a very damaging message internationally. For all of the reasons we have outlined, restricting and discouraging international students coming to the UK would be to the economic detriment of the domestic population, while risking the viability of some courses for domestic students. This call is widely supported across science and engineering, and was echoed in the recent Home Affairs Committee report[372].
Increase the length of time given to students to find a job who hold a Tier 4 visa
In an increasingly competitive market, the UK must seek to implement measures that attract international students to study here. Equally it makes economic sense for the UK to benefit from the education and training once students graduate. Countries such as Canada, the US and Australia currently offer attractive post-study work routes that permit international students to take up a job in their country, while the UK only permits most international students to stay and search for work for four months post-study. As recent Home Office statistics showed that international students do adhere to their Tier 4 visa rules[373], longer job search periods should be given to international students should they want to stay and use their skills to contribute to the UK. This would send a clear message to prospective international students that the UK is an open and welcoming place to study and work.

[372] https://publications.parliament.uk/pa/cm201719/cmselect/cmhaff/500/50002.htm
[373] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/639621/second-report-onstatistics-being-collected-under-exit-checks.pdf

Confederation of British Industry

CBI response to the Migration Advisory Committee

THE economic and social contribution of international students

The CBI is the UK's leading business organisation, speaking for some 190,000 businesses that together employ around a third of the private sector workforce. We work with policymakers to deliver a healthy environment for businesses to succeed, create jobs and ultimately, drive economic growth and prosperity.

The UK is second only to the US as a destination for overseas students – reflecting the strength and reputation of our world-class higher education sector. The government have rightly made clear their desire to continue to attract international students, recognising the considerable economic, social and cultural contribution this group makes to UK universities and the country more broadly.

The CBI believes that any changes to the future migration system should be evidence-led and we welcome the opportunity to highlight the following to the Migration Advisory Committee (MAC):

International students are of significant economic benefit to the UK, helping to boost economic growth across the UK's regions and nations, filling domestic skills gaps and contributing to the sustainability of our higher education system.

Businesses and universities are clear that their social and cultural contribution is equally important, fostering a global perspective amongst students studying in the UK, adding to the diversity of the UK businesses and society, and helping to increase our influence around the globe.

To maintain our leading position, the government needs to demonstrate that the UK remains open by sending a much more explicit and welcoming message to those wanting to study in the UK.

International students are of significant economic benefit to the UK, helping to boost economic growth across the UK's regions and nations, filling domestic skills gaps and contributing to the sustainability of our higher education system.

The economic contribution of international students is substantial and has a vastly positive impact on the UK's economy. With higher education representing one of our stronger export sectors, the knock-on effect of overseas students is considerable. Not only does their spending help boost economic growth and help ensure the long-term sustainability of our universities, but they help meet skills gaps which would be otherwise difficult to fill.

Far from being an economic burden, international students are significant contributors to the UK economy. Research undertaken by London Economics on behalf of the Higher Education Policy Institute (HEPI) and Kaplan International from January 2018 has demonstrated that, even when factoring in the public costs associated with hosting international students, the total net economic contribution of overseas students starting in 2015/16 was £20.3 billion.[374] Significantly, this research omitted various other benefits, such as National Insurance or tax receipts from international students or the anticipated longer-term investment, trade and business links that come with having a diverse international student body, and, as such, is likely to underestimates the true contribution of overseas students.

The higher education sector represents one of the UK's most successful export industries, with the majority of this due to the contribution of international students. With the government keen to increase exports, UK universities represent a clear success story with international students significantly boosting our export earnings. Given the Office for National Statistics (ONS) does not measure higher education within its annual International Trade in Services (ITIS), it is hard to compare the performance of our universities to other sectors of the economy, however it is clear their contribution is significant. According to research by Universities UK (UUK) from March 2017, higher education was estimated to generate £13.1 billion in export earnings, with £10.8 billion of this estimated to have come from international students.[375] The knock-on effect of this is substantial and impacts across a wide range of goods, services, and activities, as well as helping to support jobs. For example, international students are estimated to add £750 million to the UK transport industry and £690 million to the retail industry and support an estimated 206,600 full-time equivalent (FTE) jobs nationally.

International students are also vital in supplying skills that are not readily available in the UK economy. Research by BIS from 2013 has shown that those who stay in the UK after graduation tended to be working in highly skilled occupations – such as engineering and IT where the UK has a shortfall of skilled labour – and, as such, they are significant contributors to the UK economy.[376] This is important in the context of the CBI's 2017 Education and Skills survey which found that well over half of businesses (61%) are not confident there will be enough people available in the future with the necessary skills to fill their high-skilled jobs.[377] According to the Institute of Student Employers (ISE), roughly 7% of graduate vacancies go to EU nationals (based on 95 employers with year-on-year data) whilst in 2017, 79% of employers hired at least one EU national.[378]

These economic benefits are felt across the UK's regions and nations. UUK research has broken down the economic impact of international students across England's regions. For example, in the West Midlands, 3,916 jobs were generated by international student spending, whilst in the North West £970 million of export earnings were generated thanks to international students.[379] Many higher education institutions have also developed individual impact assessments, such as the University of Sheffield, which predicted that in 2012/13 international students made a net contribution of £120.3 million to Sheffield's GDP, and

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[374] *The costs and benefits of international students by parliamentary constituency*, HEPI/Kaplan International, January 2018.

[375] *The economic impact of international students*, UUK, March 2017

[376] *Research paper number 128: The Wider Benefits of International Higher Education in the UK*, BIS, September 2013

[377] *Helping the UK thrive: Education and Skills Survey 2017*, CBI/Pearson, July 2017

[378] *The ISE 2017 Annual Survey*, ISE, September 2017

[379] *The economic impact of international students*, UUK, March 2017

£136.8 million to the GDP of Yorkshire as a whole.[380] On top of this, they found that the vast majority of students were young, had no dependents and were highly skilled, therefore suggesting their long-run net fiscal impact is highly likely to be positive. This local impact is of particular significance within the context of the government's industrial strategy which seeks to boost productivity and growth across the UK's regions and nations.

In developing a modern industrial strategy, international students are essential to ensuring the financial sustainability of courses which of strategic importance to the UK's future growth. As the government has acknowledged recently in its industrial strategy white paper, the UK needs to tackle skill shortages in STEM subjects however it is important to recognise the crucial role international students play in ensuring the long-term sustainability of these courses. As research conducted by the Russell Group has demonstrated, international students make up 32.5% of engineering and technology students, 21.8% of maths students and 19.9% of computer science students.[381] With these courses tending to cost significantly more than social sciences or humanities courses, according to a 2015 report by the Financial Sustainability Strategy Group, the financial contribution provided by non-EU students is essential in maintaining the sustainability of such courses and benefits both domestic and international students alike.[382]

Business and universities are clear that their social and cultural contribution is equally important, fostering a global perspective amongst students studying in the UK, adding to the diversity of the UK businesses and society, and helping to increase our influence around the globe.

Alongside the economic benefits, there are also substantial social and cultural benefits to the UK's diverse international student population. The softer links that universities help drive means that significant long-term value is also driven by international students who enrich our education institutions, local communities and go onto to become important ambassadors for the UK in later life.

The experiences international students bring to our higher education system enrich the learning environment for all. In 2016-17, there were 442,375 non-UK students studying in higher education, representing just under 20% of total students.[383] These students come from all over the world – with many coming from China, India and the United States in order to study at UK institutions. As the CBI has previously warned, immigration must not only be viewed as being about filling domestic skills shortages. International students bring fresh ideas, added diversity, and unique perspectives to our higher education system. As research by HEPI and Kaplan International in 2015 demonstrated, domestic students regard this as a substantial benefit to their future careers, with 87% of students saying it gave them a better world view and 85% anticipating it would be useful preparation for working in a global environment.[384] With the CBI's Education and Skills survey in 2017 highlighting that graduate job seekers often have weaknesses regarding the level of their

[380] *The Economic Costs and Benefits of International Students*, University of Sheffield/Oxford Economics, January 2013

[381] *The value of international students at Russell Group universities*, Russell Group, June 2017

[382] *The sustainability of learning and teaching in higher education in England*, FSSG, March 2015

[383] *Where students come from and go to study 2016/17*, HESA, January 2018

[384] *What do prospective students think about international students?*, HEPI/Kaplan, March 2015

international cultural awareness, maintaining a diverse and international higher education sector is of critical importance.[385]

Having come to the UK to study, international students use their ideas and experiences to set up new businesses and create a more vibrant entrepreneurial scene. Universities are often hubs for local enterprise, bringing together academics, industry expertise and cutting-edge equipment and facilities. Recognising this, many universities have established their own innovation centres to help foster student entrepreneurship, whether that be in supporting students to have careers as entrepreneurs, establish social enterprises or to develop skills that will help them be innovative in their own careers. From speaking to CBI members, it is clear that overseas students are well represented within this area of activity. For example, Coventry University has supported almost 40 international students to develop their own companies through an incubator programme, whilst two former-MBA students from the University of Northampton have recently established their own interior design company which, in the space of a few months, has already generated total sales revenue of over £20,000. These are just two examples of many that we have received.

The influence of international students extends far beyond a university campus and adds to the diversity of our society and culture. As anchor institutions, universities play a significant role within the local community and the international students that come to study often go on to make a significant impact on the culture of their local area. This can take many forms, such as outreach events with the local community or cultural celebrations, and anecdotal evidence from our higher education members has stressed the high level of engagement from overseas students in volunteering activities, with Taiwanese students at Lancaster University, for instance, delivering a 6-week project at a local school on Taiwanese food, language and history. In addition, local businesses recognise the role international students play within their local communities. As the #WeAreInternational campaign has highlighted, local businesses in Sheffield clearly value the way in which overseas students have helped to shape the city.[386] According to their experience, not only do they help in providing knowledge and expertise, but add to the culture of the area and shape the type of restaurants, bars and cultural activities on offer and add to the diversity of the city.

The UK benefits from the soft power generated from the UK's alumni of international graduates across the globe. As research by BIS in 2013 highlighted, the international professional networks, developed as a result of our diverse higher education system, offer the possibility of future business transactions and collaborations which are of substantial economic value to the UK.[387] This is something that was reflected in the feedback from CBI members during recent consultations as international students and graduates can often provide unique cultural understanding or specialist knowledge that domestic students, even when highly educated, cannot provide. On top of this, our diverse international student population also adds to the UK's soft power. A 2017 report by the University of Southern California noted that a country's ability to attract international students as well as facilitate exchanges can serve as a powerful tool in public diplomacy – even between countries with a history of animosity – and can have a knock-on effect with returning students acting as

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[385] *Helping the UK thrive: Education and Skills Survey 2017*, CBI/Pearson, July 2017

[386] *Business perspectives*, We Are International, November 2016

[387] *Research paper number 128: The Wider Benefits of International Higher Education in the UK*, BIS, September 2013

advocates on behalf of their host country of study.[388] Consequently, overseas students studying at our universities can help extend our influence across the globe, with every satisfied student becoming an ambassador for the UK and providing the opportunity for better political, economic and cultural relations between our country and the rest of the world.

To maintain our leading position, the government needs to demonstrate that the UK remains open by sending a much more explicit and welcoming message to those wanting to study in the UK.

Government has rightly made clear that it has no desire to limit the number of international students coming to study in the UK. Nonetheless, our leading position in attracting overseas students is threatened and the number of students choosing to come here to study has already shown signs of stagnating (and declining significantly in some countries). With competition rising and other countries developing explicit plans to attract a greater share of the international students' market, government should be much more explicit in their desire to attract students to the UK.

Our share of the global market in international students is under threat as our competitors increase their efforts to recruit international students. The UK is the second most popular destination for international students to come and study with only the United States attracting more students. Our share of the market, however, is at risk with other countries growing their proportion of international students and launching strategies to further attract more students – often including more attractive post-study work options. For example, in 2014 there were 336,497 international students in Canada, representing an 83% increase since 2008, and an increase of 10% over the previous year, with the biggest source of growth coming from India, Nigeria and China.[389] At the same time, however, the UK's proportion of Indian students has fallen by over 50%, declining from 39,090 in 2010/11 to 16,550 in 2016/17, according to Higher Education Statistics Agency (HESA).[390] With the UK's growth in international students stagnating, research by Parthenon-EY from June 2016 has estimated the cost to the economy could be as high as £8 billion.[391] This figure is likely to underestimate the total cost to the UK as well given it does not factor in the knock-on effect to the economy which could result from potential skills shortages or the decline in the UK's soft power.

Anti-immigration rhetoric and the net migration target have driven a narrow debate on migration and the government needs to send a more positive message to prospective international students. Changes to the future immigration system should reassure people that controls are in place and ensure that those who come are here to work and to contribute, but the government must be more proactive in ensuring international students feel welcome in the UK and are promoted as beneficial. Whilst there is no limit on the number of international students able to come to the UK to study, the net migration target has driven a narrow debate on migration in the UK that is centred on a number which cannot

[388] *The Soft Power 30: a global ranking of soft power*, University of Sothern California/Portland, July 2017

[389] *Canada's Performance and Potential in International Education*, Canadian Bureau for International Education, 2016

[390] *Where students come from and go to study 2016/17*, HESA, January 2018

[391] *Supporting International Education in the UK*, EdExUK/Parthenon-EY, June 2016

reflect the nuances in the public's views on immigration. This has been exacerbated by the lack of quality in the customer service experience that many applicants for entry visas report. As the Hobsons' 2017 International Student Survey highlighted, when choosing a destination international students are highly motivated by how welcome they feel. According to their research, 84% of prospective international students felt that positive campaigns, such as the #WeAreInternational campaign, positively influence their perception of the UK.[392] A net migration target is too blunt a policy to meet the UK's economic interests or restore public confidence that immigration is controlled. It should be abolished. While effectively removing international students from the shadow of the target would be a welcome step, government also needs to provide a more welcoming message for international students and, as such, government should be more explicit in its desire to attract more international students in order to prevent our share of the market declining.

The ease and simplicity of the application process is important in making international students feel welcome. The CBI believes the application process for international students should be rigorous but students are increasingly expecting a slick and frictionless process when applying – this has not been the case in reality. Universities spend considerable resources in supporting students applying for visas as well as providing pre-arrival and departure information for those coming to the UK to study. As the Hobsons' 2017 International Student Survey makes clear, there is a growing expectation amongst many international students of rapid, personalised communication, and this applies at all stages of the process.[393] Following an enquiry, application or offer, prospective international students prefer at least weekly contact and it is clear that good customer experience for those navigating the system is an important factor in decision-making. As such, it is important to recognise the issues that can arise when a student is navigating this journey – such as the conduct of Skype interviews, lack of appropriate information, or poor arrangements upon arrival – and to appreciate the knock-on effect this can have on deterring others from applying to study in the UK.

CBI higher education sector

January 2018

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[392] *International Student Survey 2017: Maintaining the UK's Status as a Top Global Study Destination*, Hobsons, April 2017

[393] *International Student Survey 2017: Maintaining the UK's Status as a Top Global Study Destination*, Hobsons, April 2017

Creative Industries Federation

Contents:

About this submission

The Creative Industries Federation is the national organisation for the UK's creative industries, cultural education and arts, representing members in every sub-sector across all nations and regions.

We count over 50 education institutions among our membership, ranging from universities to conservatoires and specialist arts colleges. Our skills working group of over 160 members convenes these organisations with employers that have an interest in creative education and skills pipeline from across the sector to discuss current skills policies and opportunities facing the creative industries.

For further details regarding any aspect of this representation, please contact

Between 2015 to 2016, the total net economic contribution of international students was over £20 billion.[394] For many creative businesses, the status of international students and professors in the UK is closely linked to questions about their workforce need. Our sector employs a very high number of graduates; across the sector, more than 60% of the workforce has a degree or equivalent qualification.[395] This compares with a third across the UK workforce as a whole.

International students are vital to maintain the global outlook of UK's specialist creative institutions and constitute a significant portion of the student body. This is particularly true for our member institutions. The proportion of international students at Conservatoires UK, which represents eleven British conservatoires, ranges from

[394] "The Costs and Benefits of International Students by Parliamentary Constituency." Higher Education Policy Institute, Kaplan International Pathways, London Economics, January 2018.
[395] "DCMS Sectors Economic Estimates 2017: Employment and Trade." DCMS, July 2017.

24% to 47%. Similarly, international students account for almost half the student population at University of the Arts London (UAL). EU nationals account for more than 20% of student body at the Royal College of Music, 16% at the Glasgow School of Art and around 13% at UAL.[396]

How do migrant students affect the educational opportunities available to UK students?

Costs of provision in the specialist creative sector are high as creative subjects require highly-trained technicians, specialist equipment, materials and space. Since migrant students pay higher tuition fees, their generated surplus allow various courses - at both the undergraduate and postgraduate level - to be offered to UK students. At University of the Arts London (UAL), the critical threshold for viability is around 50% of international students for the overall course cohort.

In addition to the economic benefits, migrant students enhance the educational opportunities for UK students as they come from a wide range of pedagogical and artistic backgrounds. They create a global learning environment and provide valuable contacts and network for UK students who are considering international careers. At Conservatoires UK, international students typically come from 50 to 60 different countries and provide a diverse experience for UK students.

What are the broader impacts of international students on the creative industries labour market?

Migrant graduates entering the UK labour market make a unique contribution to the workforce. A Federation survey of more than 250 businesses found that 75% of them employed EU nationals. Of these, two thirds told us they could not fill those jobs with British workers. There are four key ways in migrant graduates benefit the UK workforce:

Building a world-class workforce: Britain leads the world in the creative industries. We are able to do this because we attract the brightest and best talent from around the globe, whether for an evening's performance or a long-term job. Industry leaders from advertising giant Havas to the Royal Opera House build their reputations and their business models on access to international talent. We cannot retain our standing as a global cultural hub without the ability to bring in the best the world has to offer.

[396] Powell, Jack *et al.* "Brexit Report." Creative Industries Federation, October 2016.

Broadening skill sets and accessing global markets: Businesses with staff from a wider range of backgrounds perform better. Numerous studies have shown that cultural diversity gives teams access to a broader range of skill sets and experiences.[397][398] This means they develop more innovative products. It also means that businesses can understand and better maintain relationships with different export markets.

This is particularly true of companies working in the creative industries, which account for almost 10% of all UK service exports.[6] Creative businesses must understand local culture and tastes in order to develop products and to sell them into the market effectively. A British advertising firm delivering a campaign in Brazil, for example, must understand the local sense of humour, social and political contexts and much else besides. While domestic workers can be trained on foreign languages and cultures to an extent, international workers are able to bring a lived experience of overseas markets with which domestic workers cannot compete. Our ability to bring in staff with such international skillsets has helped secure inward investment from multinational companies, who use the UK as a base of operations for work around the world.

Tackling domestic skills gaps: The creative industries rely on a broad range of highly developed skills. We are the third largest employer of STEM graduates after healthcare and construction.[399] We also hire a large number of humanities graduates and graduates in creative subjects from fine art to lighting and sound design. Technical pathways are also important in the creative industries - including apprenticeships and other non-academic routes.

But the sector has major skills gaps - particularly in jobs that need a mix of creative and technical skills, such as graphic design and vfx.[400] We rely on international workers to fill these roles.

In the Federation's snap workforce survey of more than 250 creative businesses, 57% told us that they were facing skills shortages. Of these, 78% told us that they were not confident these would be solved in the next five years.

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[397] Nathan, Max. "Cultural Diversity, Innovation, and Entrepreneurship: Firm-Level Evidence from London." Economic Geography 89, no. 4 (2013): 367–94.

[398] Hunt, Vivian, Dennis Layton, and Sara Prince. "Diversity Matters." McKinsey, February 2015. [6]
DCMS Sectors Economic Estimates 2017: Employment and Trade." DCMS, July 2017.

[399] "Understanding the UK STEM Technician Workforce: For the Gatsby Charitable Foundation." TBR: economic research & business intelligence, September 2014.

[400] Easton, Eliza. "Social Mobility and the Skills Gap: Creative Education Agenda 2016." Creative Industries Federation, October 2016. [9]
Pooley, Emma, and Andrew Rowell. "Studying Craft 16: Trends in Craft Education and Training." Crafts Council; TBR, October 2016.

Sector skills gaps stem from a mix of inadequate provision in schools, an underdeveloped technical education system and a lack of awareness about careers that the sector has to offer. These gaps are only set to get worse as the number of people studying creative subjects continue to decline:
The number of students taking GCSE design and technology dropped by 41% between 2007/8 and 2014/5.[9]
2016 saw the lowest number of entries for arts subjects in England and Wales for a decade.[401] Entries for GCSEs in creative subjects fell by 46,000 last year against a rise in subjects promoted as “core” by the government’s EBacc attainment measure.[11] Entries for arts subjects in Scotland also showed a decline.

The Federation has outlined a number of steps government and industry can take to tackle these skills gaps domestically. This will reduce our reliance on international workers. But it will take a number of years for industry to feel the benefit of any improvements made to domestic skills training and for our sector’s skills gap to close. Creative businesses will have to fill skills gaps with international workers until the point this is reached.

However, it is also important to recognise that recruiting international workers to a team holds inherent benefit for domestic skills, too. Staff from around the world expose UK workers to a wider variety of skill sets and experiences, improving their own ability to do business.

Tackling global skills gaps: While our reliance on international workers can be reduced to some degree through domestic skills and education policy, there are other ways in which their contribution to the creative industries can never be replicated by domestic workers.

The creative industries maintain demand by innovating. They use technologies and techniques that constantly evolve. Video games developers use increasingly sophisticated artificial intelligence, fashion houses employ highly specialist craftspeople to develop unique pieces, new materials are used by architects in construction projects.

Creative workers are increasingly in demand by other industries too, from the aerospace industry to financial services: the Royal College of Art works with clinical practitioners at the Healthcare Innovation Exchange (HELIX) centre to design answers to emerging problems in the health sector; major banks employ graphic designers to design online banking platforms and improve user experience. In each

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[401] Johnes, Rebecca. “Entries to Arts Subjects at Key Stage 4.” Education Policy Institute, September 2017. [11] Hill, Liz. “Arts in Schools Plummets, New Figures Show.” ArtsProfessional, July, 2016,

of these cases, creative disciplines deliver innovation and boost productivity across the economy.

Emerging technologies are, by definition, practised and understood by a small number of people. Even with far greater investment in domestic skills training, the wider workforce will lag behind the latest technological developments.

As such, the creative industries will always face global skills gaps, where companies the world over compete for small numbers of workers with knowledge of these lucrative new technologies. It is vital that any future immigration system allows us to access these world leaders with relative ease, and that Britain retains its reputation as an attractive place to work and live.

3. To what extent do migrant students enter the labour market when they graduate and what types of post-study work do they do?

Students from all backgrounds go on to work in all parts of the creative industries, not always following obvious pathways. For example, Brighton's 2011 Creative Fuse examined a tech and creative cluster that was strongly linked to higher education institutions in the area. It found that 48% of technology entrepreneurs were local arts, design and humanities graduates.[402]

Similarly, the creative industries benefit from graduates in a vast array of subjects. Research for The Gatsby Foundation has shown our sector to be the third largest employer of STEM graduates after healthcare and construction.[403] We also hire a large number of humanities graduates and graduates in creative subjects from fine art to lighting and sound design. Technical pathways are also important in the creative industries - including apprenticeships and other non-academic routes.

However, UK industry is limited in its ability to benefit from those international students in which HEIs have invested. This is because the UK's non-EU immigration system does not cater to the needs of the creative industries.

Freelancers: More than a third of people working in the UK creative industries are self-employed. This rises to a half of all those working in creative roles. The Federation provides an in-depth analysis of the freelance creative workforce in its report 'Creative Freelancers'.[404]

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[402] Sapsed, Jonathan, Paul Nightingale, Juan Mateos Garcia, Georgina Voss, Roberto Camerani, Alex Coad, James Byford, Steven Miles, Phil Jones, and David Docherty. "Brighton Fuse." Brighton Fuse, October 2013.

[403] "Understanding the UK STEM Technician Workforce: For the Gatsby Charitable Foundation." TBR: economic research & business intelligence, September 2014.

[404] Easton, Eliza and Evy Cauldwell-French. "Creative Freelancers." Creative Industries Federation, July 2017.

Many of the sector's self-employed pursue independent careers, such as musicians, visual artists and craftspeople. Others have specific skills that businesses do not require full-time but hire in for certain projects. The average creative company employs just 3.3 people and freelancers allow them to broaden their set of skills as and when needed: theatres recruit specific casts and crews for different productions, a stylist will be brought in by a fashion house for a certain campaign, vfx companies use specialists to complete contracts for particular films.

The very high proportion of freelance workers in the creative industries means that the closure of the post-study work visa route in 2012 was of particular disadvantage to the sector. Currently, most UK visas are administered through a points-based system and require employer sponsorship. Applicants are awarded points according to factors including ability, experience and English skills. They must achieve a minimum score in order to qualify for a visa. For example, Tier 2 visas are designated for skilled workers with a long-term job offer in the UK and impose an 'immigration skills charge' of up to £5,000 on UK businesses, which is untenable for many creative businesses.

While Tier 1 visas have allowed some of the world's leading creative talent to base itself in the UK without the need for employer sponsorship, they are not accessible to those working in advertising and media, photography, publishing, videogames, film, TV, animation and postproduction. Currently, the criteria for Tier 1 exceptional talent and promise visas in the arts are set so high and often unrealistic for recent international (non-EU) graduates to qualify for this route.

Appendix: what are the creative industries?

The creative industries were defined in the government's 2001 Creative Industries Mapping Document as "those industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property".

The sector includes: advertising, architecture, broadcasting, crafts, design, creative tech, fashion, film, heritage, museums and galleries, music, performing arts, photography, publishing, video games and visual arts. The creative economy includes the contribution of those who are in creative occupations outside the creative industries as well as all those employed directly in the sector.

The creative industries deliver £91.8bn GVA and has been the fastest growing part of the UK economy since 2010.[405] Creative employment is growing at 5% year-on-year compared to 1.2% across the wider economy.[406] Creative industries account for 9.4% of total exports, with the latest figures showing a 7.2% year on year increase in the value of exported services.[407]

The creative industries have been named as a priority sector of government's industrial strategy due to their ability to deliver jobs and growth for the future. The Federation is taking a leading role in negotiating a sector deal for the creative industries.

[405] "DCMS Sectors Economic Estimates 2016: GVA." DCMS, November 2017.
[406] "DCMS Sectors Economic Estimates 2017: Employment and Trade." DCMS, July 2017.
[407] *Ibid.*

Dental Schools Council

1. The Dental Schools Council, since its inception in 1930, works to ensure that undergraduate and postgraduate dental training in the UK remains world-class. As a membership organisation, it has representation from all the dental schools within UK universities, and Irish institutions. The Dental Schools Council is a source of informed opinion on matters concerning dental education, from the wealth of its students and academic research, to its links with government and NHS Trusts.

2. It is the position of the Dental Schools Council that overseas students provide considerable benefits to UK dental education and practice, including playing a significant role in NHS dental care. We are grateful for the opportunity to submit a response to this call for evidence on the economic and social impacts of international students in the UK.

3. The Education Policy Unit findings which were published on the 11th January 2018, demonstrate that overseas students are worth £20 billion to the UK economy or £102,000 each (HEPI, 2018)[408]. The net impact of international students is £31.3 million on average per parliamentary constituency, with each of the following constituencies home to a dental school:

    - Sheffield Central gains more than any other Parliamentary Constituency from International students (£226 million), while the Yorkshire & Humber region receives £1.6bn.
    - Cardiff generates £151 million; Glasgow Central generates £135 million; and Belfast South generates £29 million (HEPI, 2018).

4. HEPI also cites that the net impact of international students is on average 68,000 for each EU student, and £95,000 for each non-EU

[408] Higher Education Policy Institute (2018) New study shows the benefit of international students are ten times greater than the cost-and are worth £310 per UK resident. [Online] Available from: http://www.hepi.ac.uk/2018/01/11/new-figures-show-international-students-worth-22-7-billion-ukcost-2-3-billion-net-gain-31-million-per-constituency-310-per-uk-resident/#prettyPhoto

student.[409] This is of significant benefit to the local economy that is host to these UG and PG dental international students. For those Dental Schools that have 100 international students and EU students, roughly £10 million pounds overall is generated.

5. In 2014-15, the 437,000 international students made up 19% of all students registered at UK universities. 125,000 of the international student population were identified to be from EU Member states and 312,000 from the rest of the world (Universities UK, 2017)[3]. More recently, drawing on the HESA data referenced by The Migration Advisory Committee, of all undergraduates in 2016, 14% were international students, 6% EU and 9% non-EU.

	2012/13	2013/14	2014/15	2015/16	2016/17
UK					
England	1,578,315	1,529,430	1,497,715	1,511,890	1,540,205
Wales	101,295	100,085	99,200	97,585	98,485
Scotland	165,860	165,060	164,005	165,095	169,240
Northern Ireland	64,405	64,570	63,965	63,600	63,070
Other UK	4,920	4,540	4,315	4,145	4,130
Total UK	**1,914,795**	**1,863,690**	**1,829,195**	**1,842,315**	**1,875,125**
Non-UK					
Other European Union	125,325	125,295	124,575	127,440	134,835
Non-European Union	299,490	309,910	312,010	310,575	307,540
Total Non-UK	**424,815**	**435,210**	**436,585**	**438,010**	**442,375**
Not known	860	460	295	505	375
Total all domiciles	**2,340,470**	**2,299,355**	**2,266,075**	**2,280,830**	**2,317,880**

Figure 1. HE Student enrolement by domiclie (HESA, 2018)

6. International students are of great value to the education system, due to the "soft power" which is gained in terms of attachment to their Alma Mater and the UK in general. The teaching received within the UK can

[409] Higher Education Policy Institute (2018) New study shows the benefit of international students are ten times greater than the cost-and are worth £310 per UK resident. [Online] Available from: http://www.hepi.ac.uk/2018/01/11/new-figures-show-international-students-worth-22-7-billion-ukcost-2-3-billion-net-gain-31-million-per-constituency-310-per-uk-resident/#prettyPhoto [3] Universities UK (2017) The Economic Impact of International Students (2017) [Online] Available from: http://www.universitiesuk.ac.uk/policy-and-analysis/reports/Documents/2017/briefingeconomic-impact-international-students.pdf

be of great benefit to their home country, in turn improving perception of the UK. This is especially true for Medicine and Dentistry, as HESA when reporting on international student numbers by subject area, recorded that there were 16.1% international students within these subjects for the academic year 2015-16[410].

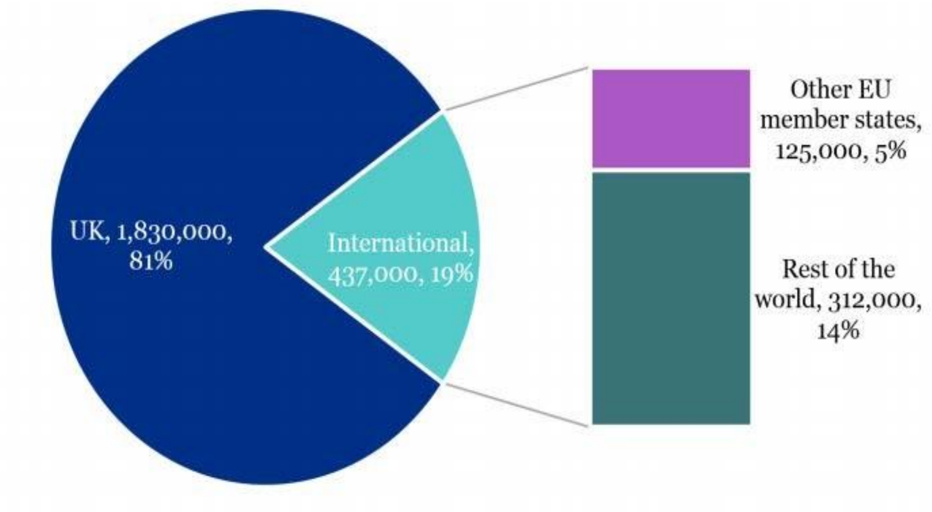

Figure 2: Students attending UK universities by nationality, 2014-15 (Universities UK, 2017)

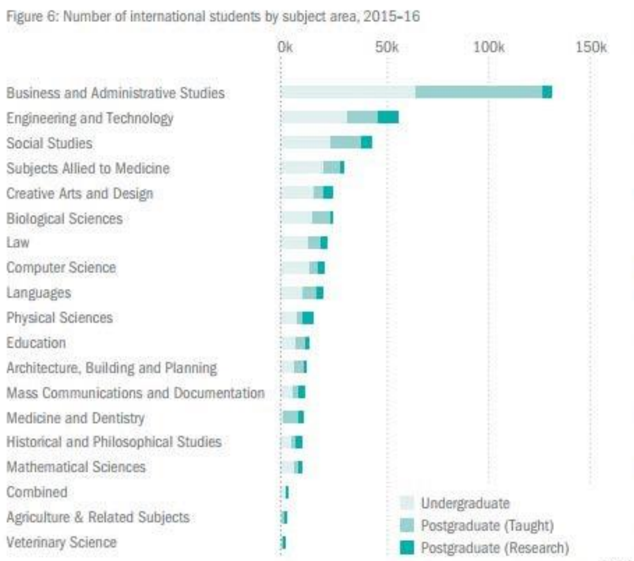

Figure 7: Proportion of non-UK students by subject area, 2015-16

	Undergraduate	Postgraduate (Taught)	Postgraduate (Research)	Total
Business and Administrative Studies	26.8%	62.9%	59.0%	37.6%
Engineering and Technology	23.8%	60.0%	61.0%	32.5%
Social Studies	13.6%	36.5%	47.1%	19.3%
Subjects Allied to Medicine	5.6%	10.5%	35.4%	7.4%
Creative Arts and Design	12.7%	48.2%	30.8%	16.9%
Biological Sciences	8.2%	21.5%	31.7%	11.0%
Law	21.0%	44.4%	51.1%	26.4%
Computer Science	13.0%	50.4%	58.2%	19.9%
Languages	13.7%	45.0%	44.3%	17.9%
Physical Sciences	9.5%	41.4%	40.8%	16.0%
Education	1.8%	10.6%	31.1%	6.7%
Architecture, Building and Planning	20.4%	35.0%	54.7%	25.8%
Mass Communications and Documentation	15.5%	55.3%	41.0%	23.6%
Medicine and Dentistry	11.2%	24.1%	30.8%	16.1%
Historical and Philosophical Studies	6.6%	27.8%	36.0%	11.3%
Mathematical Sciences	15.9%	57.5%	54.0%	21.8%
Combined	6.5%	3.4%	40.0%	6.4%
Agriculture & Related Subjects	6.2%	33.7%	48.1%	11.8%
Veterinary Science	17.3%	10.7%	31.7%	16.8%
Total	13.6%	36.6%	43.2%	19.3%

[410] UK Council for International Student Affairs (2016) International student statistics: UK higher education [Online] Available from: https://www.ukcisa.org.uk/Research--Policy/Statistics/International-student-statistics-UK-higher-education

Figure 3. Number of international students by subject area (2015-16), Proportion of nonUK students by subject area (2015-16) Universities UK International (UUKi, 2017)[411].

7. Postgraduate taught courses, which train UK dentists to specialist, or the "lower grade 2" treatment standard, could not run without overseas students' fees to make the courses viable. For one of the members of the Dental Schools Council, students from Kuwait and other international students contribute an estimated income of £3 million for the school per annum.

8. An estimate of £4.8 billion in International student tuition fees were paid to UK Universities in 2014-15, with the Higher Education Policy Institute (2018) identifying that the gross benefit of international students is £22.6 billion[412]. These students therefore support the training of NHS staff, as these fees have supported an additional estimated £13.5 billion in gross output (Universities UK, 2017)[7].

9. Overseas postgraduate students are also a significant benefit to research in the UK, both in terms of the research they generate as individuals and their part in larger research groups. UK oral and dental research is world leading, encompassing not only dental disease but immunology, cancer research, microbiology and materials science to name a few. The current quality of research is produced only through a strong inflow of research talent and a collaborative, international ethos. Dental students also provide high-quality care to NHS patients for free.

10. The Dental Schools Council would like to call for the following:

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[411] Universities UK International (2017) International Facts and Figures [Online] Available from: http://www.universitiesuk.ac.uk/policy-and-analysis/reports/Documents/International/International_Facts_and_Figures_2017.pdf

[412] Higher Education Policy Institute (2018) New study shows the benefit of international students are ten times greater than the cost-and are worth £310 per UK resident. [Online] Available from: http://www.hepi.ac.uk/2018/01/11/new-figures-show-international-students-worth-22-7-billion-ukcost-2-3-billion-net-gain-31-million-per-constituency-310-per-uk-resident/#prettyPhoto [7] Universities UK (2017) The Economic Impact of International Students (2017) [Online] Available from: http://www.universitiesuk.ac.uk/policy-and-analysis/reports/Documents/2017/briefingeconomic-impact-international-students.pdf

a. That student numbers are not included in the overall immigration target, as to do otherwise would add to the downward pressure on the number of qualified dentists able to come here from abroad.
b. That overseas students who qualify in the United Kingdom should be able to remain here to live and work after graduation.
c. That any required increase in the number of UK-national dental graduates - whether in general or due to a reduction in the number of overseas students - be properly funded, noting as outlined above that they currently make a disproportionate contribution to the finances of the dental schools.

EEF – The Manufacturers’ Organisation

Overview

EEF, the manufacturers’ organisation, is the voice of manufacturing in the UK, representing all aspects of the manufacturing sector. Representing some 20,000 members employing almost one million workers, EEF members operate in the UK, Europe and throughout the world in a dynamic and highly competitive environment. EEF is a member of the European body CEEMET which represents the metal, engineering and technology-based industry employers in Europe, covering sectors such as metal goods, mechanical engineering, electronics, ICT, vehicle and transport manufacturing.
EEF’s Technology Training Centre and Technology Hub[413] currently runs over 50 different technical training courses and trains around 400 apprentices a year in a variety of vital engineering and manufacturing skills. The centre works in partnership with over 70 employers, ensuring that their apprentices and other trainees learn how to use the cutting-edge technology and techniques used in manufacturing today. EEF is therefore both an employer representative body and a training provider.

Manufacturers rely on the recruitment of graduates to meet their skills needs, particularly those that hold degrees in the sciences, technologies, engineering and maths (STEM). International students are including within this talent pool.

Government policy should not restrict this talent pool; however it has been our fear that migration policy is doing just this. Policy decisions are having an impact on international students which consequently impacts on manufacturers’ ability to recruit from a wide graduate talent pool. This includes the decision to include students in the government’s net migration figures, the abolition of the post-study work route and further restrictions to the wider points-based system and skills charge.

Migration policy must be viewed as part of the Government’s wider industrial strategy. In the Government’s recent Industrial Strategy White Paper its sets out its four gran challenges as well as setting out ambitions to become or retain its position as a global leader in a number of areas. However, we need the right people and the right skills to do so and understand that access to a global talent pool is the best way to ensure employers are recruiting the very best talent/ Government should also be more aware of the image UK plc is sending out to international students who are potential employees, and indeed employers, of the future. While currently the UK remains a global leader in higher education, government must not become

[413] https://www.eef.org.uk/apprentices/why-eef-apprenticeships/technology-training-centre

complacent and let the UK's position slip in a bid to meet an arbitrary net migration target. Therefore we recommend:

Students are removed from net migration figures to signal to the rest of the world that the UK remains the ultimate destination to study.
A post-study work route is reinstated that would allow non-EEA graduates to stay in the UK for a reasonable period of time, this could, at least in the first instance, focus on skills shortage areas such as engineering.

The ability for international students to work whilst studying is valued by both employers and learners and should not be restricted further.

Any EU migration system should continue to allow EU students to study at UK universities and enable them to seek employment upon completion of their studies on the same terms as currently.

Manufacturers demand for graduates and recruitment of international students

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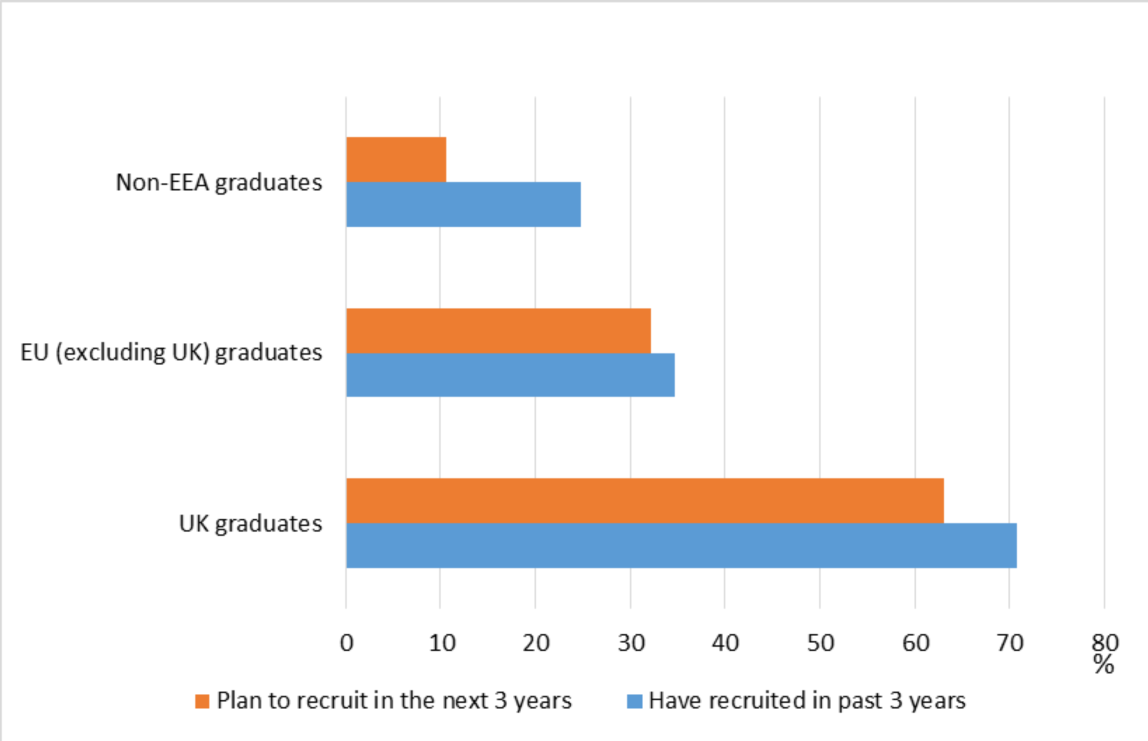
Manufacturers plans for graduate recruitment

EEF's latest Manufacturing Outlook found the balance of companies taking on more employees eased slightly in the final quarter of 2017, however remained close to last quarter's three- year high. Moreover, recruitment intentions continued to be firmly rooted in positive territory in quarter four of 2017; a balance of 22% of manufacturers reported an increase in headcount in the past three month and a positive balance of 20% of companies expecting an increase in headcount in the next quarter. [414]
These employment intentions include the recruitment of graduates with manufacturers recruiting graduates from within and outside of the UK. Recruiting graduates is often complemented by the recruitment of apprentices to increase the flow of talent into the manufacturing industry as evident in EEF's last Higher Education Survey (see chart 1).

Chart 1: Manufacturers are recruiting graduates within, and outside of the UK, % companies who have recruited or plan to recruit a graduate

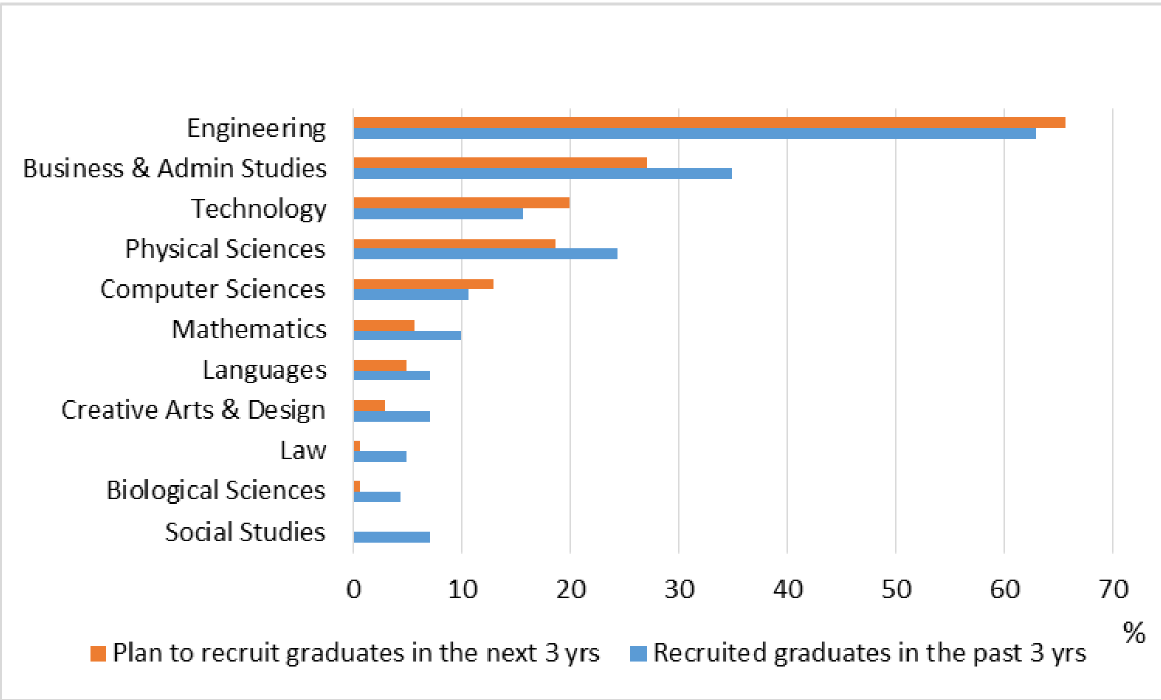
[414] EEF, Manufacturing Outlook, Q4 2017



Source: EEF Higher Education Survey 2013-14

9. Unsurprisingly, the graduates most in demand from manufacturers are those that hold a degree in an engineering discipline, with 63% of employers saying they have recruited engineering graduates in the past three years and 66% planning to recruit on engineering graduate in the next three years. Alongside this, companies are focusing graduate recruitment in other STEM disciplines (see chart 2). Graduate recruitment among manufacturers is not solely focused on STEM graduates, however, with an increasing demand for business graduates to ensure that future employees have commercial awareness that sits alongside technical knowledge.

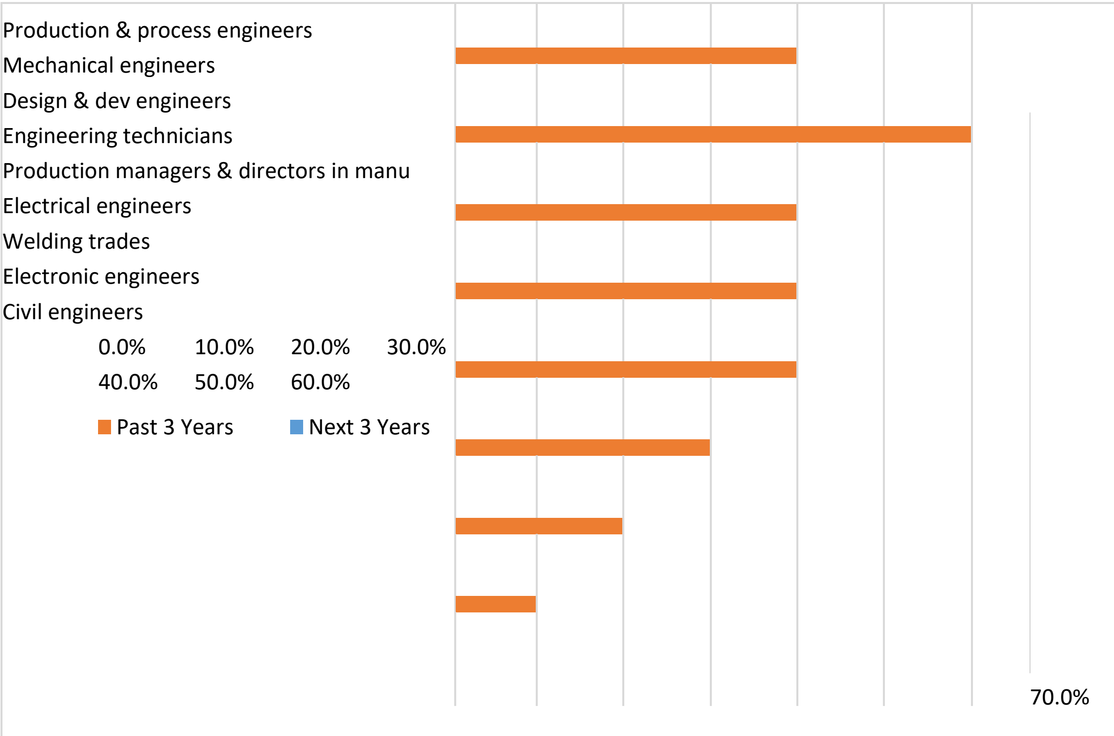
Chart 2: Manufacturers are looking to recruit engineering graduates, % companies reporting plans to recruit graduates and graduates they have recruited by subject



Source: EEF Higher Education Survey 2013-14

10. While we do not have specific data on recruitment of graduates by sub-degree of engineering, we can see the engineering job roles that manufacturers plan to recruit for. These roles are at least graduate level roles and therefore in many cases manufacturers will be looking to recruit graduates or apprentices that are trained to a higher level. Some 60% of manufacturers have recruited, or tried to recruit, a mechanical engineer in the past 3 years. Just under half have recruited for production and process engineers with the same again recruiting design and development engineers. Around four in ten (43%) have recruited for engineering technicians and a third (35%) recruited electrical engineers. Looking ahead the trends are similar, however, plans to recruit production and process engineers are in most demand (see chart 3).

Chart 3: Manufacturers continue plans to recruit highly skilled engineers in the coming years, % companies reporting roles they have recruited for and plan to recruit for



Source: EEF Skills Survey 2016

Trends in applications to study engineering at university in recent years have been positive. Indeed the increase in tuition fees has not deterred applicants with only minor drops reported when fees increased to their highest level. In fact, as fees have increased the number of applications to engineering have also increased. Some of this increase may have contributed to learners making more informed decisions and ensuring they gain a return on investment from their degree.

However, we cannot become complacent. Engineering UK predicts that we still need to double the number of engineering graduates to meet demand and meet the need for
265,000 skill engineers each year. Moreover, we suffer from a "leaky" pipeline – the number of engineering degree acceptances falls short of the number of engineering degree applications, not all students complete the course and not all engineering graduates then go on to work in engineering. In addition, migration policy deters, or in some cases prevents, non-EU students from staying and working in the UK, which we discuss later in this submission.

The value manufacturers place on non-EU graduates

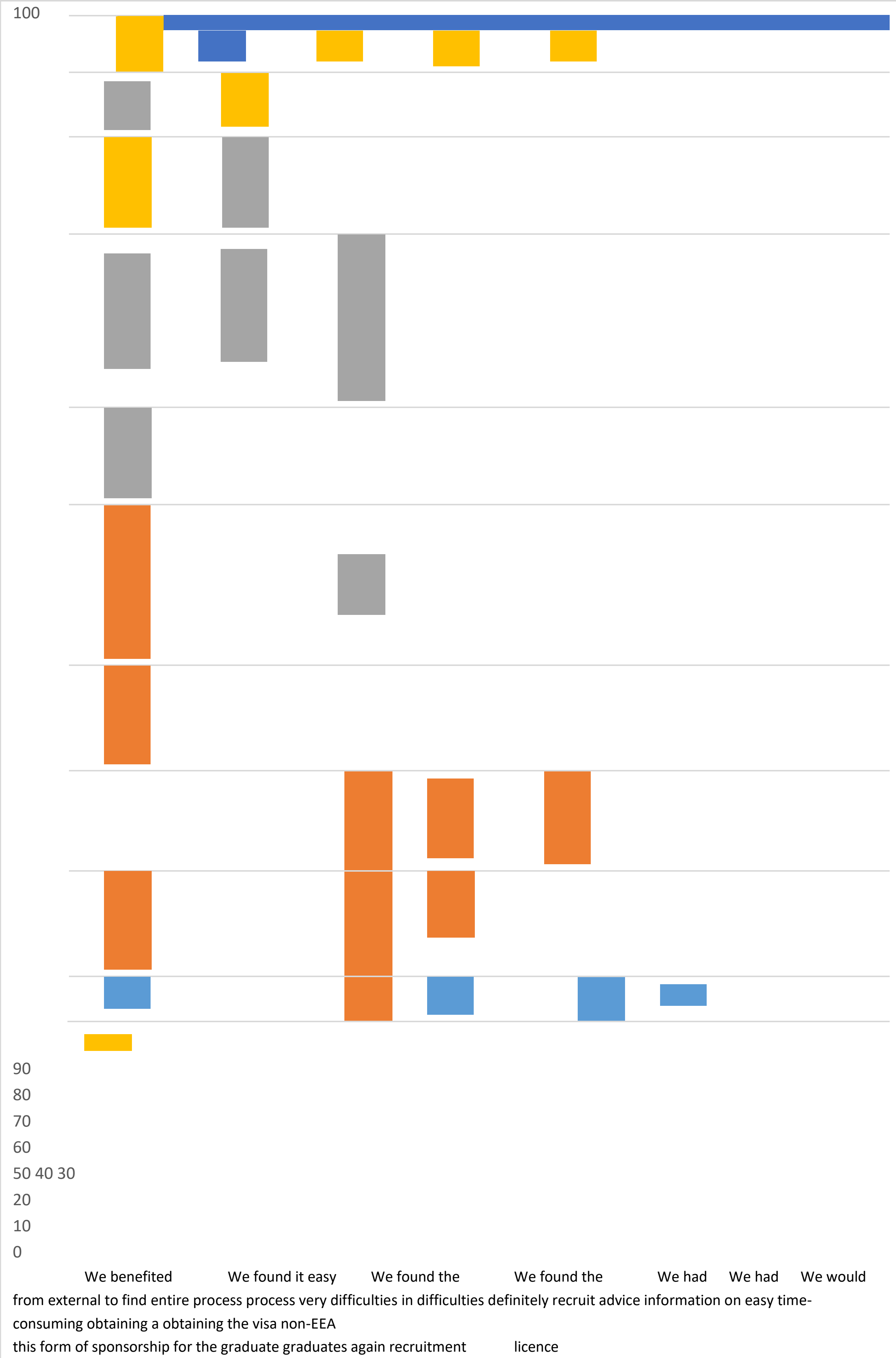
Previous EEF research shows that a quarter of manufacturers had recruited a non-EEA graduate in the past 3 years.[415] Such recruitment tends to be organic with that particular non-EEA graduate simply being the best person for the job. However, some employers will recruit international students for certain skill sets, for example language skills, which are rare within the domestic labour market.

Only one in ten manufacturers said they specifically plan to recruit a non-EEA student in the next year, with seven in ten not considering recruiting a non-EEA student. Whilst then manufacturers rely on international graduates, not all plan to tap into this talent pool. This is particularly the case for SMEs. This may reflect the negative rhetoric surrounding recruiting non-EEA nationals, or the real, and perceived hurdles in terms of administration and cost.

Manufacturers that have recruited international students have not found the process easy. Almost half of manufacturers disagreed that the process of recruiting a non-EEA graduate was easy and over half (53%) found the process very time-consuming. Worryingly, four in ten companies said they had difficulties securing a sponsorship licence and almost half had difficulties obtaining a visa for the graduate. (see chart 4).

Chart 4: Manufacturers find recruiting non-EEA graduates challenge, % companies agreeing/disagreeing to statements, Source: EEF Higher Education Survey 2013-14

[415] EEF, Higher Education Survey 2013-14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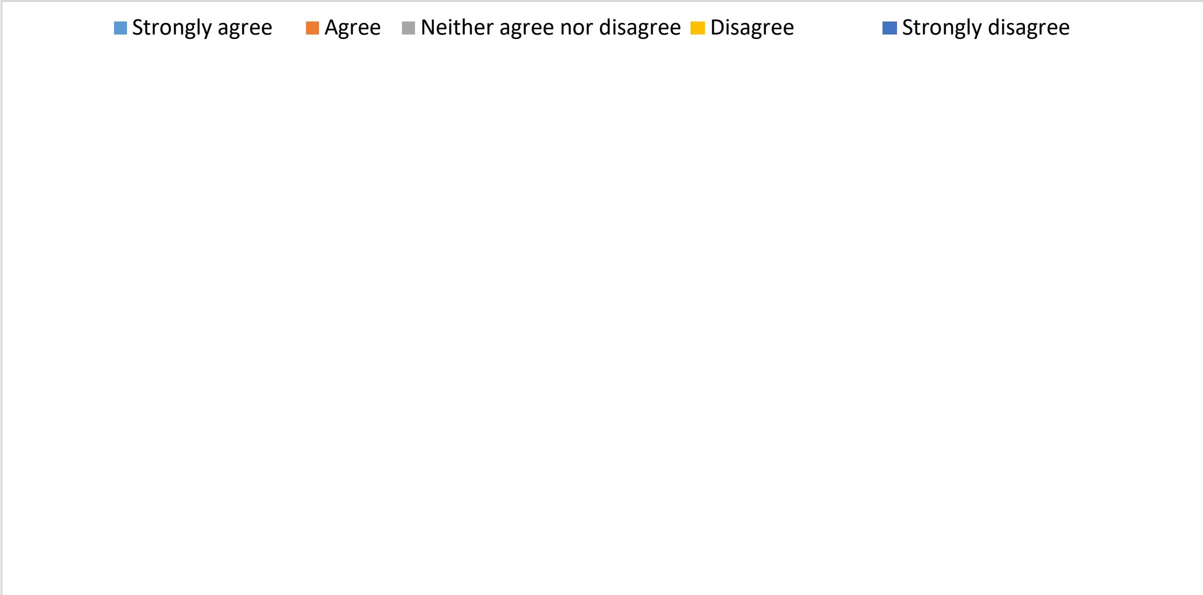


Yet manufacturers clearly value non-EEA graduates as in spite of these difficulties, a positive balance of 22% of companies said they would definitely hire a non-EEA graduate again. Our responses to the specific questions below go into more detail of the role of international students in supplying manufacturers with the skilled graduates they need and the contribution of international students to the higher education sector.

It is not surprising that companies have faced challenges in recruiting international students given the complex and costly nature of the UK's migration system. While the UK still continues to be seen a global leader in higher education and retain its position, our global competitors are beginning to catch up with many other countries relaxing their migration policy when it comes to international students, as we discuss later in this submission.

Responses to specific questions

What impact does the payment of migration student fees to the educational provider have?

Currently, the main source of funding for higher education institutions are tuition fees and education contracts, accounting for 48% of all income. Whilst there are other streams of funding, these have reduced in the past year, meaning higher educational institutions are ever more reliant on tuition fees – an 8% increase since last year.

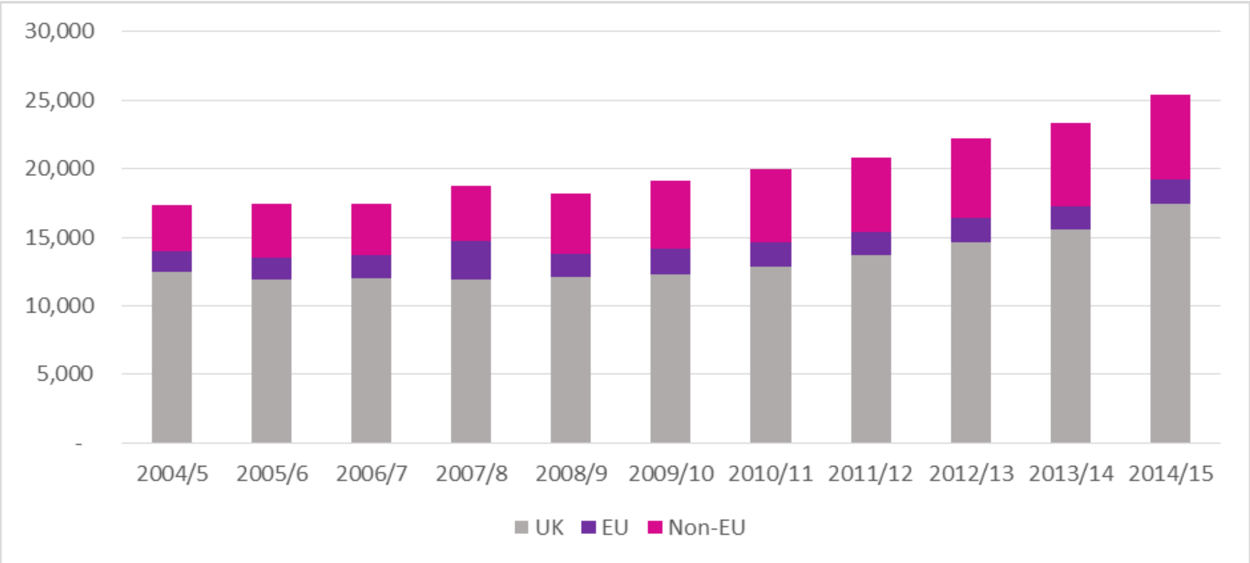
International students make a significant contribution towards the income received by the higher education system, bringing in an estimated £11bn annually to the UK economy – with a large amount (£7.3bn) coming from non-EU students. Much of this is from tuition fees paid by non-EU students which range from £10,000 to £35,000 per year, compared to £9,000 for UK and, currently, EU students. This is on top of any additional money spent in the UK economy during their studies.

In 2015-16 there were 49,375 unique applicants to study engineering. Of these 21% were non-EU and 8% were EU (ex UK). When we break down by sub-degree there are then certain engineering degrees have an even higher prominence of international students for example non-UK students make up 33% of chemical and process engineering applications.[416]

When we look at the number of engineering first degrees achieved by domicile of students, whilst in general engineering 23.5% of first degree achievers are non UK this increases to 31.5% for aerospace engineering and 43.5% for electronic and electrical engineering.[417] Looking then at postgraduate degrees achieved in engineering, 68.2% for general engineering are non-UK, increasing to 78.8% for aerospace engineering and 85.7% for electronic and electrical engineering.

When looking at taught postgraduate degrees the number of non-UK achievements in engineering increases dramatically. Indeed in 2014/15 74.6% of engineering postgraduate degrees achievements were non-UK learners. The reliance on non-EU students for these degree programmes makes engineering courses particularly vulnerable to changes to migration policy.

Chart 5: Degrees achieved in Engineering and Technology, by domicile



Source: HEA bespoke request via Engineering UK – State of Engineering 2017

[416] UCAS figures via Engineering UK – the State of Engineering 2017

[417] HESA bespoke request via Engineering UK – the State of Engineering report 2017

How do migrant students affect the educational opportunities available to UK students? To what extent does the demand from migration students for UK education dictate the supply of that education provision and the impact of this on UK students?

Universities will run courses dependent on demand from learners subject to their capacity and capability of being able to do so. Therefore an increased demand to study engineering at university should then drive higher education institutions to offer more places. As outlined above, international students make up a significant proportion of engineering students; without this demand there is a risk that HEIs would not then offer engineering courses to the extent they do now.

Not only are engineering degrees vulnerable to migration policy because of international students, they are also more vulnerable to wider policy changes to the higher education landscape such as fees. This is because engineering is a high cost subject. Whilst there is additional funding in a form of a premium for strategically important and vulnerable subjects (SIVs) some HEIs have argued that the premium and fee income from a domestic student is not sufficient to cover the cost of delivering that course. Therefore, fee income from international students will in some cases subsidise the cost of delivery. There is a risk then that if international students were discouraged from studying in the UK and demand for engineering courses falls, HEIs may reconsider pulling on these courses due to insufficient demand.

It is not solely the individual cost of delivering an engineering degree this is the issue but also the cost of expansion. If an engineering faculty wishes to expand their offer they would need to make a significant investment. To ensure there is a return on this investment they would need to be confident there was demand from learners in future years. Changes to migration policy can put these plans at risk.

Some universities are seeking alternative funding including collaboration with employers who in some instances sponsor engineering faculties. Examples of this includes the
Siemens sponsored engineering faculty and Lincoln University and Unipart's partnership with Coventry University which has created a "Faculty on the Factory Floor". However such engagement is limited with just 9% of manufacturers saying they currently fund specific faculties. Moreover, this tends to be larger firms with just 5% of SMEs doing so compared to one in five (20%) of larger firms. [418]

If migrant students take paid employment while they are studying, what types of work do they do?

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[418] EEF, Higher Education Survey 2013-14

Currently, students are allowed to work for 20 hours each week during term time, rising to full time hours during holiday periods. This provides a pool of labour for employers, particularly those based in and around university towns. This can be particularly useful if holiday times fall within peak periods of demand. Whilst this may be assumed to be in areas such as retail and hospitality, this can also occur within manufacturing particularly in sectors such as food and drink manufacturing. We would be concerned if further restrictions were placed on students that impacted their ability to work whilst studying or if similar restrictions were placed on EU students in the future.

Having a strong level of industry experience can put graduates ahead of the game when it comes to seeking employment. 61% of manufacturers say they are struggling to fill engineering roles because applicants lack industry experience. This is true of graduates also. This has been exacerbated in recent years with the demise of industrial placements/sandwich course years. While four in ten manufacturers say they currently offer industrial placements to students, some companies report that these are not always taken up. It is also again the case that placements tend to be offered by larger companies who have more established graduate recruitment programmes in place.

Having the ability then to work during studies allows international students to gain work experience, especially in local companies they may not have considered working within otherwise. This knowledge is a particular advantage when a non-EU student comes to graduating as – as we explain below – they only have a limited time to secure employment. Building relationships with employers prior to completing their course would give them a better chance of gaining employment within the limited time frame they have before their Tier 4 visa expires.

What are the broader labour market impacts of students transferring from Tier 4 to Tier 2 including on net migration and on shortages?
Abolishing the post-study work route has meant that employers are recruiting from a smaller talent pool. This impacts particularly on SMEs and those companies that are not already sponsors. Graduates could previously transfer to a Tier 1 post-study work visa upon completion of their studies. This allowed those that had graduated from UK higher education institutions to remain in the UK for a maximum of two years to take-up employment, without needing a sponsor.

However, if the government argued that the route was subject to abuse and subsequently closed to new applicants in April 2012. Since then the government has introduced a post-study work route, but this is limited to PhD students able to work for just one year upon completing their course. We have not seen any appetite from Government to extend this route further. In addition, government has made it easier for graduate entrepreneurs to switch to Tier 2 and some to switch to Tier 5; however we do not see this having any real impact on manufacturers' ability to fill their vacancies.

Whilst non-EEA graduates retain the opportunity to switch from Tier 4 (Student) to Tier 2 (Highly-skilled migrant)[7] visa for four months after graduation, it is highly unlikely those that are not already sponsors will be able to secure their sponsorship licence within this short timeframe. Therefore SMEs, often without HR departments, are disadvantaged as they are unlikely to be able to commit the time and resources to navigating through what is a complex, and time-consuming migration system.

There are alternative ways in which government could make it easier for industries with a high proportion of hard-to-fill vacancies to recruit non-EEA students. Government could, for example, use the shortage occupation list[419] to identify which job roles are not being filled by the domestic workforce, and are therefore likely to require skilled migrant workers from outside the EEA. The majority are currently STEM occupations – in particular engineers and scientists. This has been a consistent pattern since its introduction, demonstrating the demand for engineering roles further. The MAC's recommendations are evidence based, looking at a number of credible metrics to form conclusions.

The list could be expanded to graduates also, allowing international students studying disciplines that fall within these categories to stay in the UK for a period of up to two years after their studies to support them in seeking employment within these fields. This is not a radical proposal, indeed the Science and Engineering Graduate Scheme allowed non-EEA nationals who had graduated from UK higher or further education institutions in certain physical sciences, maths and engineering subjects with a 2.2 or higher grade to remain in the UK for 12 months after their studies or pursue a career without needing to secure, what was then, an Employer Sponsored Work Permit.

While the government has restricted post-study work for international students, our global competitors are opening up their doors. Canada for example has recently set a target to attract more than 350,000 students a year to study by 2022 and Germany has a target to increase international students to 350,000 annually by 2020. Meanwhile in the UK the government has a target to cut net migration to "tens of thousands" and continues to include students in the net migration figures. EEF, together with many other stakeholder, wants to see students excluded in the net

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http://www.ukba.homeoffice.gov.uk/sitecontent/documents/workingintheuk/shortageoccupationlistnov11.p df migration figures. Based on current figures if the government was to remove students from the net migration figures the figures would be 113,000.

Empiric Student Property

Executive Summary

"International students bring social and cultural diversity to our campuses and this benefits all students, and they contribute £25.8bn to the UK economy."

Dame Julia Goodfellow. President, Universities UK, July 2017

International students contribute value to the UK most obviously in economic terms, through the tuition fees they pay to universities and the money they spend on accommodation and living expenses while staying in the UK.

A typical student from outside the EU will spend £25K-£30K each year. Much of this money is effectively export earnings for the UK. The university sector is generating money for the UK economy in exactly the same way that sectors such as Financial Services or the Automotive industry do when they sell goods and services abroad.

The UK is a world leader in international education, a global market which is worth approximately £70bn in export earnings today and could be worth £180bn by 2025.

Spend by international students currently generates £26bn gross output for the UK each year, supports 207K full-time equivalent jobs and generates £1bn in tax receipts for the exchequer. The money spent equates to nearly £11bn in export earnings and benefits every region of the country. In Scotland it generates £837m in export earnings, in Wales £576m and in Northern Ireland £123m.

International students contribute £4.8 billion in tuition fees to UK universities each year. This fee income accounts for 13% of total university fee income in England and allows universities to offer courses to UK students which would otherwise no longer be financially viable and underpins more broadly the stability of many institutions.

International students spend a further £6.1bn each year in the wider UK economy, of which £5.4bn is spent off campus and approximately £2.5bn is spent on accommodation. The UK's travel and retail sectors are also major beneficiaries.

International students contribute to the general cultural diversity and richness of UK society on and off campus. More specifically, they enrich the study experience for UK students, over three-quarters of whom agree that studying alongside international students is a *'useful preparation for working in a global environment'*.

Many UK students make lifelong friendships with some of the brightest and most talented young people from all over the world who are attracted to study in the UK.

Offering international study opportunities is a key soft power asset for the UK. Fiftyfive world leaders from 51 countries have attended higher-level education in the UK and a recent House of Lords report noted that *"British universities are "centres for shaping the thoughts of the future elite in the world"........;..*

A 2014 report by the British Council found that 36% of educated Millennials (aged 1834) in China, India, USA, Brazil and Germany thought that the UK has most right to be proud of its universities - second only to the UK's Royal Family (39%).

Unlike in many competitor countries, international students in the UK are currently categorised as migrants, alongside other people who come to live and work permanently in the country. But Home Office data suggest that less than 1% of international students overstay their visas and opinion polling has found that the majority of the UK public do not regard international students as immigrants, when asked to think about UK government immigration policy.

The profile of international students in the UK

Growth in international student numbers

According to the Higher Education Statistics Agency (HESA) there were 2.28 million students at UK universities and Higher Education Institutions (collectively referred to as Higher Education Providers - HEPs) in the 2015/16 academic year (HESA, 2017). Of these students, 76% were studying full-time and 26% part-time.

As the UK university sector has expanded over the last twenty years, overall student numbers have grown dramatically, increasing by 33% since 1995/96.

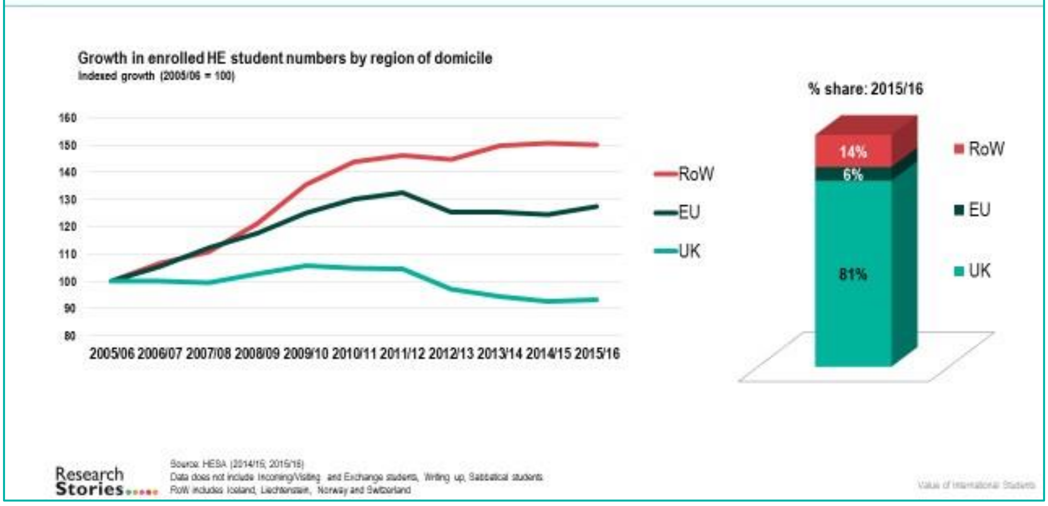
The majority of students are UK domiciled but the most dramatic growth in student numbers has been in students from outside the European Union (EU) (*Figure 1.*).

Between 2005/06 and 2015/16 the number of students at UK HEPs from the Rest of the World (RoW) grew by 50% from 207K to 311K.

Over the same period, the number of students at UK HEPs from the European Union outside the UK grew by 27% from 100K to 127K.

The total number of international students in the UK in 2015/16 was 438K and RoW students now make up 13.8% of all students in the UK and EU students a further 5.6%.

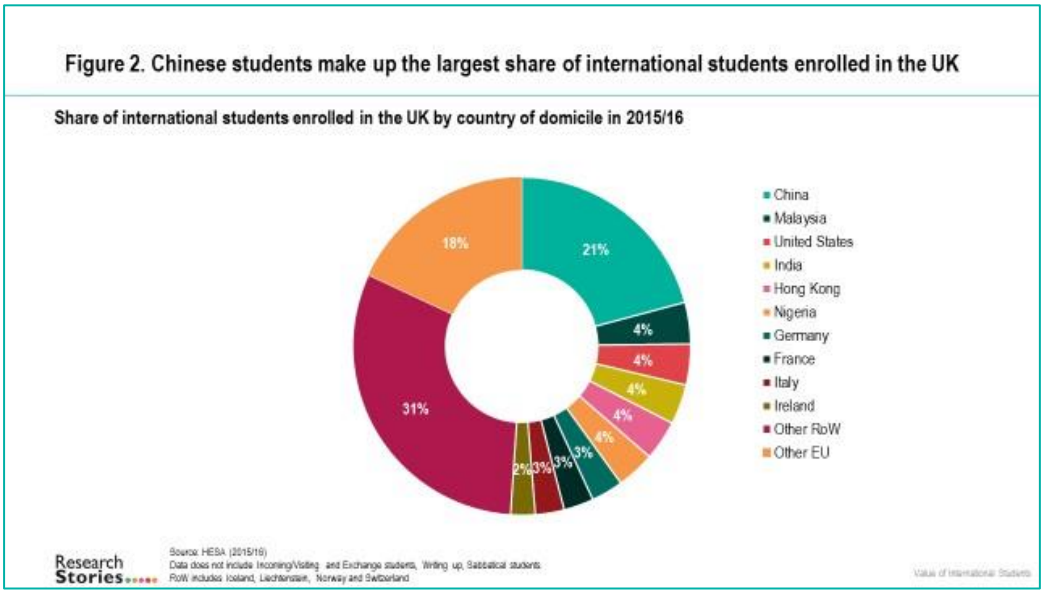
Figure 1. Four in five HE students in the UK are British – but growth is from international markets



International students in the UK

International Higher Education students have a different profile to UK students:

○ They are overwhelmingly full-time students (91% vs 73% UK) ○ They are far more likely to be Post-Graduate students (46% vs 18% UK)
International students very often come to the UK to study for one year Master's courses. Significant numbers of students from other EU countries also come to the UK to study for shorter periods of a year or six months, often within the Erasmus+ programme of international student and academic exchange
By far the largest student sender country to the UK is China (*Figure 2.*). Twenty-one percent of all international students in UK HEPs come from China and in 2015/16, 91K students from China were enrolled in a course in the UK.
Between 2006/07 and 2015/16 there has been a 147% increase in the number of enrolled Chinese students at UK HEPs.
Other large sender countries from outside the EU include Malaysia, the USA, India, Hong Kong, and Nigeria
From within the European Union, the largest numbers of students come from Germany, France, Italy, Ireland, and Greece



While just over half of all international students in the UK come from ten countries, the UK attracts students from almost every country in the world. Around 150 different countries and territories have more than 50 of their citizens studying at a HEP in the UK and more than 200 nationalities are represented in the total UK student body.
The UK's competitive position in the market for international Higher Education
According to data reported by the OECD (2013, 2015), globally there are about 4.5 million internationally mobile students studying outside their country of citizenship. This total has more than doubled since the year 2000.
There is no official data but making assumptions about typical spend levels it can be estimated that internationally mobile Higher Education is a market currently worth approximately £70bn in global export value.

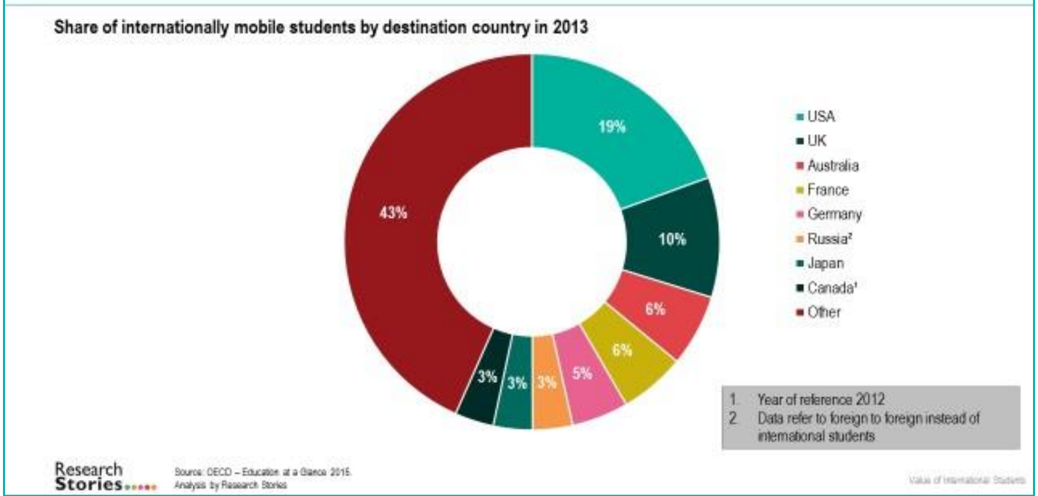
Countries such as China and India have expanding populations of middle class families who focus on education as the single most important priority for their children. While domestic HE capacity is expanding rapidly in these countries, it is still struggling to keep pace with the demand and many families look outside their country of citizenship to access the best education globally.

China is by far the largest origin country for internationally mobile accounting for more than one in 5 of all internationally mobile students, with India and South Korea also generating large numbers. Asian countries account for more than half of all internationally mobile students around the world. Germany is the largest source country outside Asia.

And international education as a sector looks set to continue to enjoy explosive global growth. As economies around the world continue to industrialise and develop, the middle class focus on education looks set to see global demand continue to grow at around 6% per year according to the OECD (2013). This could see the number of internationally mobile students rise to more than 8m by 2025 with an export spend value in excess of around £180bn in today's terms.

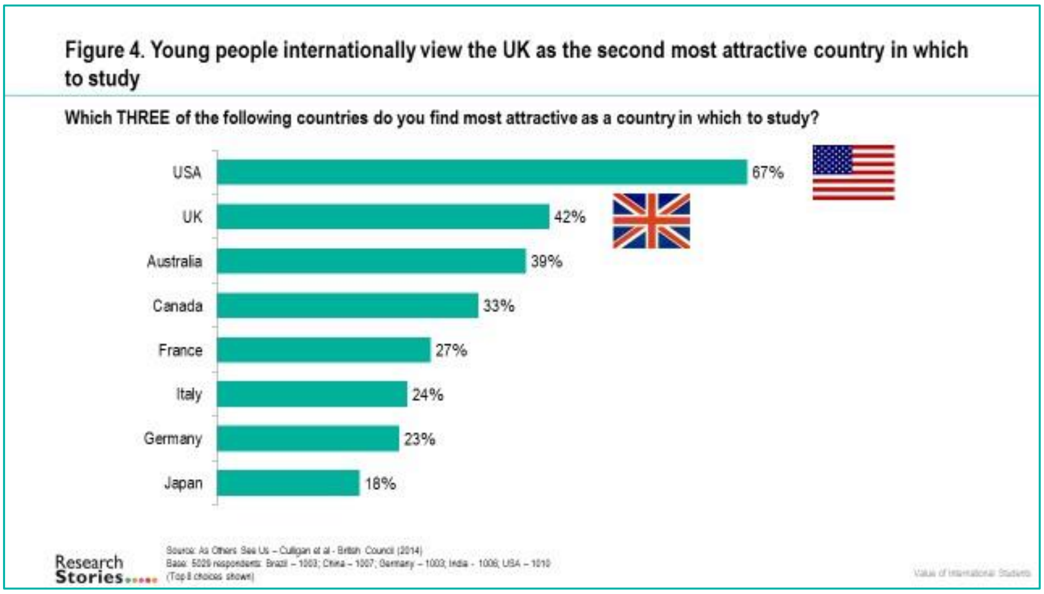
The UK is currently second only to the USA (*Figure 3.*) in terms of the share of internationally mobile students which it attracts. In 2013, the OECD estimates that the UK had approximately 10% global share vs the USA's 19% share. Australia (6%), France (6%) and Germany (5%) are also major global competitors. Among internationally mobile students at a postgraduate level, the OECD estimates that the UK has 15% global share vs the 26% share of the USA.

Figure 3. The USA receives the highest share of internationally mobile students



The UK therefore has a global leading position in education generally and in Higher Education in particular. Alongside for example, Financial Services, Pharmaceuticals and Marketing Services, Higher Education is one of a small number of sectors in which the UK can genuinely claim global competitive advantage.

This competitive advantage for the UK in international education was reinforced by the findings of research conducted by the British Council in 2014 published under the title *‘As Others See Us’* (British Council, 2014). This research surveyed nearly 5,000 young people aged 18-34 across China, India, Brazil, Germany and USA. It found that outside the respondent’s own country, the UK was considered the second most attractive country (*Figure 4.*) in which to study around the world



What makes the UK attractive to international students?

The UK attracts so many young people as students from around world because it is widely regarded as both a global leader in Higher Education and a very attractive place to live while studying.

Research among first year international students newly starting a course at a UK HEPs in the 2016/17 academic year undertaken by Research Stories for the GREAT campaign shows this very clearly (Research Stories, 2017). The 3,200 international students in the UK identified the ‘*Opportunity to experience life and culture outside my home country’* and access to *‘High quality of universities and teaching’* as the two most important reasons for studying internationally (*Figure 5.*).

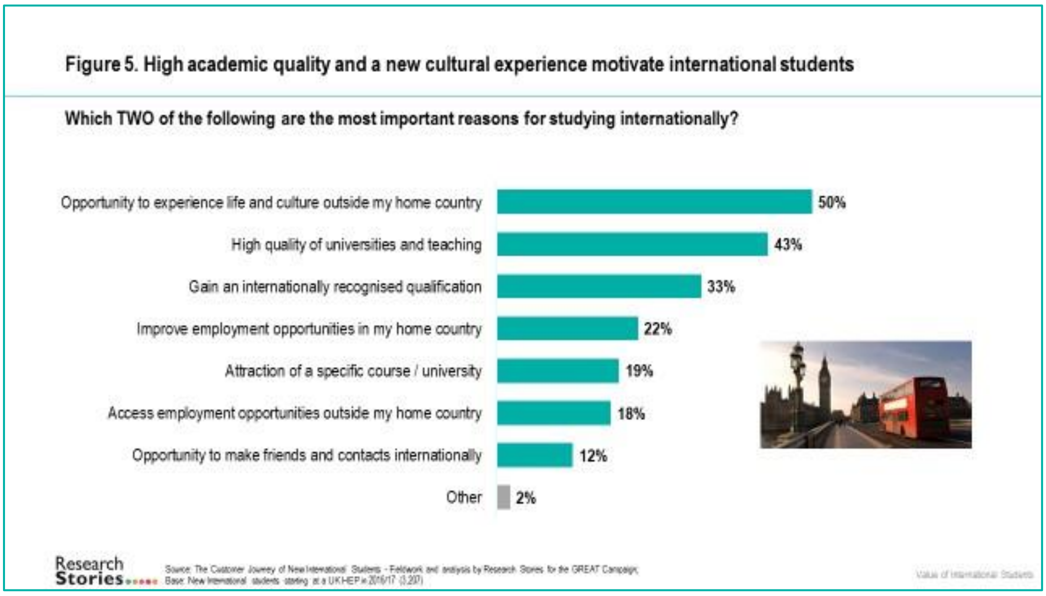


Figure 5. High academic quality and a new cultural experience motivate international students

The UK's global leadership in higher education is evidenced by having 3 universities in the top 10 of the Times Higher Education World University Rankings (THE, 2017a), with the University of Oxford ranked 1st.

But alongside the elite Universities it is the UK Higher Education sector's strength in depth which is unmatched by any other country with the exception of USA. The UK has 12 universities in the top 100 global universities and 32 in the top 200.

UK universities have produced 125 Nobel prize winners and attract leading academics from Europe and across the world.

The attractiveness of the UK as a place to live for young people and students has been widely explored by the British Council (Culligan et al, 2014, Lotten, 2017) among others. London, as a global city in which just about anybody from around the world can meet fellow country men and women and feel at home, is of course a massive draw in its own right.

More widely, English as the medium of instruction makes UK education courses and life in the UK itself easily accessible for people around the world. It is also the birthplace of Shakespeare, consistently identified as the UK's best known cultural icon around the world.

The UK is also widely seen as a relatively safe and secure place to live, governed by the rule of law and, as the British Council has pointed out, UK culture in the widest sense is very attractive to young people internationally. This culture includes the UK's specific cultural attractions such as the British Museum or Tate, its globally known festivals such as Glastonbury or the Notting Hill Carnival, its cosmopolitan food offer and of course to its many natural attractions.

The UK's openness and tolerance of difference, reflected in its legislation and support for LGBT and Minority Ethnic rights, is also extremely attractive to young people internationally. And this perception of openness and tolerance extends to the

British people, who – at least before the Brexit referendum - were widely seen as tolerant and welcoming of people from abroad.

Image 1. GREAT Campaign billboard promoting the openness of Great Britain in Tel Aviv, Israel

©AviMayorcas

So, the UK has some huge competitive advantages in international higher education. But given the size of the prize, it is no wonder that established competitors such as Australia, Canada and New Zealand are constantly upping their game and developing integrated international education strategies to take a bigger slice of the global cake. Both Canada and Australia in particular have seen strong growth in international student inflows recently with Canada's global perception of openness and welcome coupled with its integrated approach to education and immigration proving extremely attractive

An increasing number of other countries including Ireland, Germany, Singapore and the Netherlands are also making huge efforts to increase their international competitiveness in Higher Education. More and more countries are offering English language courses to international (and their domestic) students, negating the traditional language advantage of the established big global competitors including the UK and USA.

Economic contribution to the UK

A typical full-time student from outside the EU will spend between £25K and £30K each year in the UK, depending on their chosen university, course and whether they are living in London or elsewhere in the country.

According to analysis by Oxford Economics for Universities UK (Universities UK, 2017), international students generated £10.8 billion of export earnings for the UK in 2014-15. To put this figure in perspective, in 2016 the UK exported approximately £40bn of cars, £25bn of pharmaceuticals and £3bn of books and printed materials.

£11bn is approximately the value of the UK's physical exports each year to countries such as Italy or Spain.

Oxford Economics also estimates that spending by international students and their visitors generated £25.8 billion in gross output for the UK economy in 2014-15. Gross output is an economic term which roughly equates to the total revenue generated by these students in the UK economy.

This figure is equivalent to £13.8 billion of gross value added (GVA) to UK GDP. (GVA differs from gross output in discounting the double counting of intermediate output within the sector).

The report also estimated that total spending by international students and their visitors supports 206,600 full-time equivalent (FTE) jobs across the UK nationally.

As a result of this economic activity and the employment generated by it, £1 billion tax revenue is created for the UK exchequer. This is roughly equivalent to the salaries of 31,700 nurses or 25,000 police officers.

Economic contribution to countries and regions of the UK

International students make up 19% of students across the UK and are represented at universities in each of the countries and regions within the country.

London has by far the largest number of university level international students of any region in the UK. More than 90,000 international students are enrolled in London and through their spending they generated £2.75bn of export earnings in 2014-15 (*Figure 6.*).

In Scotland there are 23,600 international students - 22% of all students (9% EU, 13% RoW). A high share of students in Scotland come from EU countries, reflecting the fact that EU students (but not students from England, Wales or Northern Ireland) are eligible for free tuition at universities in Scotland. The contribution of international students to exports from Scotland was £837m in 2014-15.

Seventeen percent of students in Wales and 10% of students in Northern Ireland are international. Their contribution to regional exports in 2014-15 was £576m and £123m respectively.

Figure 6. Export earnings generated by international students by UK country and region, 2014–15

Research Stories

As is true at a national level, international students also positively impact local economies in the UK more widely. For example, in the North West of England, - international students generated £970m in export earnings for the region in 2014-15, including £458 million in spending off-campus. The North West includes approximately 18,000 international students at the various universities in Manchester - the UK's second largest international student city. These international students made a £281 million contribution to regional GDP and supported 3,995 full-time jobs. Students have long been a very visible and important contributor to local economies in established university towns such as Oxford, Cambridge, Durham and St Andrews but increasingly they are also integral to the re-generation and economic growth strategies of many other towns and cities in the UK, including many which have suffered from the decline of traditional manufacturing industries as sources of jobs and wealth. Attracting international students is in turn at the heart of most of these local growth strategies.

Coventry is a good example of a former industrial city whose fortunes are now very much entwined with the continued success and expansion of its two universities – Coventry University and Warwick University. The newer and larger Coventry University in the centre of the city has built on the area's heritage in engineering to create a global reputation in the twenty-five years since its foundation in 1992. It is now ranked within the top 200 young (less than 50 yrs old) universities globally (THE, 2017b) and with 1,800 employees is the fourth largest employer in the city. Coventry has been among the UK's fastest growing universities in terms of student numbers and this growth has been driven overwhelmingly by recruitment of international students. In 2014/15, Coventry University had nearly 10,000 international students across its three campuses, one third of its total student enrolment. These students are spending more than £200m of new money in the UK of which just under £100m is going into the local economy off-campus.

Universities and their international students are also integral to the economic prospects of many other former industrial cities such as Liverpool, Birmingham, Sheffield and Glasgow but also to many smaller towns and cities including Bath, Exeter, Aberystwyth, Norwich, Falmouth, Dundee and Lancaster. For example, there are 1,200 international students at the University of Aberystwyth - 14% of total student enrolment- and 385 at Falmouth University – 8% of the total (HESA, 2017).

Economic contribution to the UK's Higher Education sector

International students most obviously contribute to the finances of the UK's Higher Education sector. The report by Oxford Economics for Universities UK estimates that international students paid an estimated £4.8 billion in tuition fees to UK universities in 2014-15.

Nearly 90% of this tuition fee income – £4.2 billion – is paid by students from outside the EU.

As historic government grants to the HE sector have been withdrawn and funding for the sector has increasingly been market driven, student fee income (from both UK and international students) has become an increasingly important source of revenue for HEPs.

Detailed analysis by Hefce across HEPs in England for the financial year 2015-16 (Hefce, 2017) showed that fee income from international students contributed 13% of total income to the sector, an increase from 12.7% in the previous year.

International student fee income makes a major contribution to maintaining the range and diversity of faculties and courses currently available to UK students within Higher Education across many HEPs. Put simply, some courses would no longer be financially viable if HEPs recruited only UK domestic students.

In addition, the financial stability of some whole institutions is now highly dependent on the fees which international students pay. While the average contribution to total income from international fees across the sector in England is 13%, Hefce analysis shows that about a dozen institutions rely on overseas fee income for more than 20% of their total income. At two institutions, the figure is above 35%.

The Hefce report makes clear the importance of fee income from international students to the stability of the sector, *"One of the sector's most significant risks is a fall in overseas recruitment causing fee income to fall".*

Economic contribution to wider sectors of the UK economy

In addition to spend on tuition fees, international students spent an additional £700m on accommodation and subsistence on campus and a further £5.4bn within the wider economy off-campus in 2014-15, making a total spend of £6.1bn.

Extrapolating from the analysis by Oxford Economics and earlier work by the New Economic Foundation (NEF, 2013) suggests that international students spent approximately £2.5bn in total on accommodation in 2014-15.

The student accommodation sector has been transformed in recent years by the response of private accommodation providers to the needs of students – especially international students – for higher quality accommodation and by the needs of UK

HEPs for greater supply and more efficient management and financial control of properties.

“Since the 2006-07 survey the ownership, type and range of purpose-built student accommodation have changed beyond recognition. Rooms with their own private bathroom are now the norm and the provision of what would have been thought of as ‘traditional’ catered halls with shared bathrooms has dwindled to a residual level..........In 2006 82 per cent of the sector was operated by educational institutions but by 2015-16 this has shrunk to 59 per cent............If this trend continues, the private sector will be the majority supplier by the time of the next survey in summer 2018” **NUS/Unipol Accommodation Costs Survey 2014-2016**

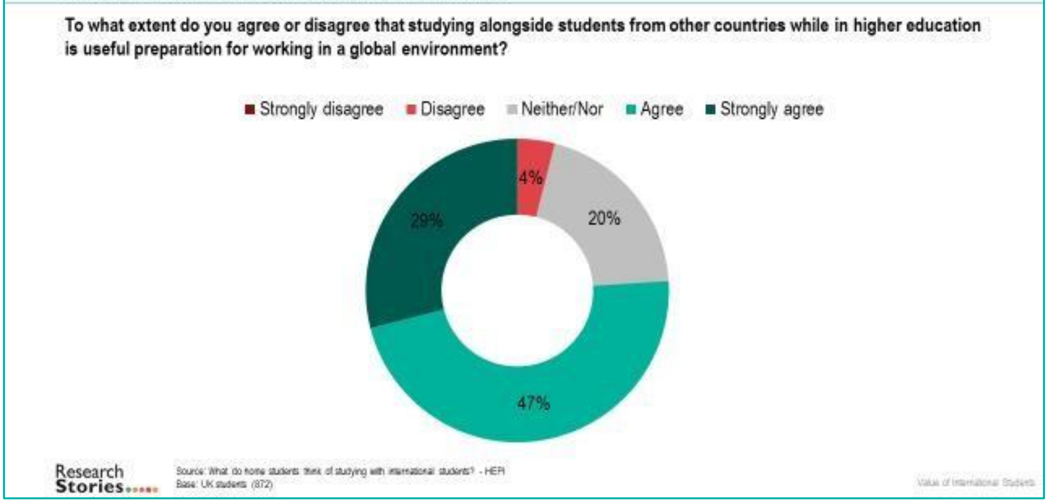
Students also spend money in the wider economy and unsurprisingly have a particular interest in areas such as travel, going out, music and fashion. The UK’s Transport sector is estimated to gain a £750m (13%) boost to its Gross Value Added and the UK’s retail sector £690m (12%) from international students.

International students attract a significant number of overseas visitors during their time studying in the UK. The expenditure of these friends and relatives, at hotels, restaurants, and attractions also makes a significant contribution to the economy. Visitors to international students in the UK spent an estimated £520 million – benefitting in particular the transport, hotels, hospitality, cultural, recreational and sports attraction sectors – generating an estimated knock-on impact of £1 billion in gross output.

Contribution to UK culture and preparedness for globalisation

As discussed, the fee income from international students essentially underpins some university courses and allows UK students to pursue studies which would otherwise not be available to them. But more widely there is evidence that exposure to international students both enriches social and cultural life on and off campus and also helps UK students prepare for life and employability in a globalised world. By implication, this exposure helps improve the global competitiveness of the UK. Research undertaken for the Higher Education Policy Institute (HEPI) in 2015 (*Figure 7.*) found that over three-quarters of UK students agreed that studying alongside international students was a *‘useful preparation for working in a global environment’*.

Figure 7. Majority of UK students feel that studying alongside international students is useful preparation for working in a global environment



The same survey found that UK students had a net positive view of the impact of studying alongside international students on their ability to:

○ Gain a better world view ○ Be more aware of cultural sensitivities ○ Develop a global network

Observation at any university campus in the UK will show that friendships and relationships are made by students from across nationalities and cultures. The social and personal value of these friendships to the individuals concerned, whether from the UK or elsewhere in the world, is un-measurable.

But it is also true that international students who come to the UK to study are by definition among the brightest, the most skilled and the most ambitious in the world. They bring their skills and talents to the universities at which they study and to the UK more generally. UK students and citizens have the opportunity to make friends and build relationships with some of the world's most talented future citizens.

And the evidence is that after they leave the UK, most international students retain professional and/or personal links and networks to the UK, benefiting directly the UK citizens and institutions with whom they maintain these links and indirectly the country more broadly.

A study commissioned by the former Department for Business, Innovation and Skills (BIS, 2012) found that of those former international students they interviewed, 84% retained either personal or professional links to the UK and 90% agreed that their perception of the UK had improved as a result of studying here.

Contribution to UK soft power

A major report into the UK's future strategy for influence in a globalised world undertaken by the House of Lords in 2014 (House of Lords, 2014) pointed to the growing importance of so-called soft power. The report talked about the importance of *"......generating international power through influencing other countries to want the same things as the UK, by building positive international relationships and coalitions* *which defend our interests and security, uphold our national reputation and promote our trade and prosperity. This has been described as the exercise of 'soft power', as distinct from the use of force and coercion for a nation to assert itself, labelled as 'hard power'".*

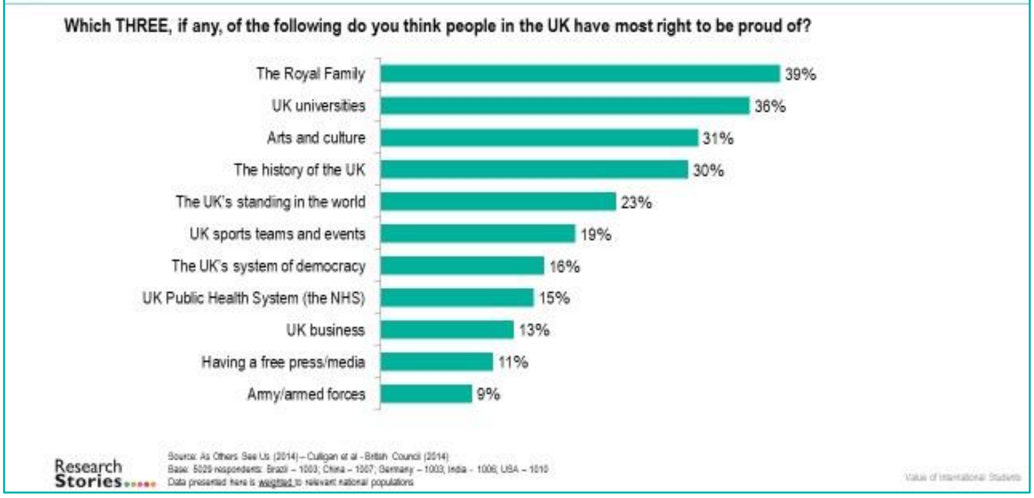
Many commentators have pointed to the UK's global strength in education generally and in Higher Education in particular as one of its most important soft power assets. A 2015 report by Portland, ComRes and facebook, The Soft Power 30. A Global Ranking of Soft Power (McClory, 2015) identified education as an important marker of a country's soft power and ranked the UK as the world's soft power leader. It noted that the ability of a country to attract foreign students, or facilitate exchanges, is a powerful tool of public diplomacy and one of the UK's greatest strengths.

A report just published by ResPublica (ResPublica 2017) similarly argues that, "*One widely recognised route through which higher education and research can become soft power assets for a country is through the international mobility of students, staff, and researchers............Mobility promotes a deeper understanding of different cultures and values, going beyond mere familiarity to encourage personal friendships across national boundaries, and demonstrates a country's interest in achieving a reciprocal relationship with the rest of the world. It therefore represents a key vehicle for the power of example we have offered in this report as the critical determinant of a country's soft power, as well as an opportunity for countries to build sympathy for their values abroad."*

The House of Lords report commented that international students in UK-based educational institutions *"develop an awareness and respect for UK culture, governance, institutions and history"* and gain exposure to *"UK norms and cultural values",* and that *"95 per cent of UK university international alumni are "positively orientated" towards the UK"*

The 2014 report by the British Council researched how the UK is perceived by educated Millennials (aged 18-34) in China, India, USA, Brazil and Germany. It found that 36% of the young people surveyed thought that the UK has most right to be proud of its universities. In this respect UK universities ranked second only to the Royal Family (39%). In comparison, only 19% though that the UK had most right to be proud of its sports teams and events (*Figure 8.*)

Figure 8. Universities are something that British people should be proud of



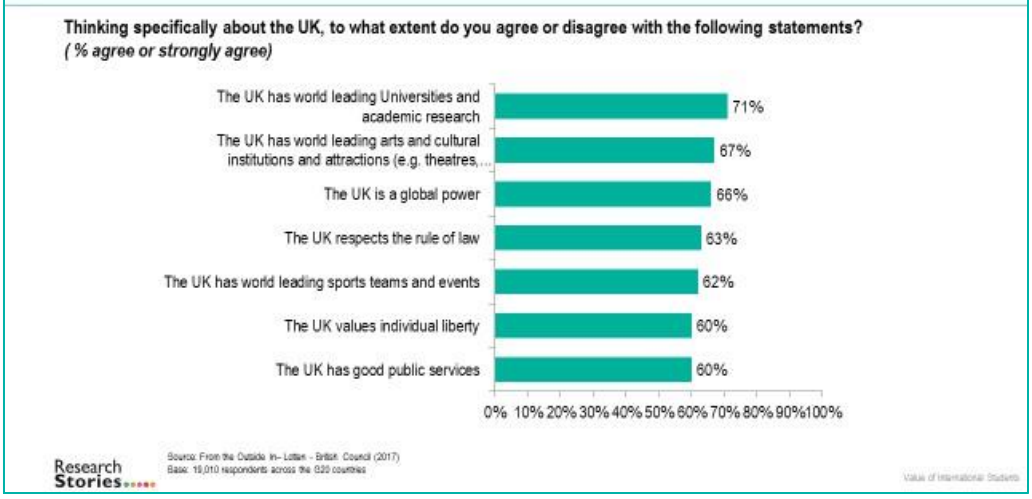
More recent research by the British Council (Lotten, 2017) also looked at perceptions of the UK, this time among 19,000 educated Millennials (aged 18-34) from across the G20 countries. From a list of eighteen different statements about the UK the highest level of agreement (69%) was with statement, *"The UK has world leading universities and academic research"* (*Figure 9.*).

In 2015, HEPI undertook desk research which found that that 55 world leaders (Presidents, Prime Ministers and monarchs) from 51 countries attended higher-level education in the UK. HEPI commented that having heads of state spend part of their most formative years learning about and being part of UK culture highlights how the UK's higher education sector is a long-term soft power asset, not just locally but internationally.

The House of Lords report noted that *"British universities are "centres for shaping the thoughts of the future elite in the world".........;..Students returning to their home countries can be the UK's "greatest ambassadors"..........Many go on to hold influential posts, including government roles, in their home countries. This connection puts the UK and its businesses in a position to engage successfully with the leaders of the future, perhaps particularly in developing countries."*

And ResPublica argues, *"........... the findings of academic research, which shows that accepting students from more authoritarian states onto exchange programs in more liberal countries not only advances their understanding of Western values but can also produce spillover effects, with students advocating on behalf of their host countries when they return to their country of origin, helping to change patterns of thinking in those states"*

Figure 9. UK is seen as having world leading universities



Attitudes to international students among the UK population

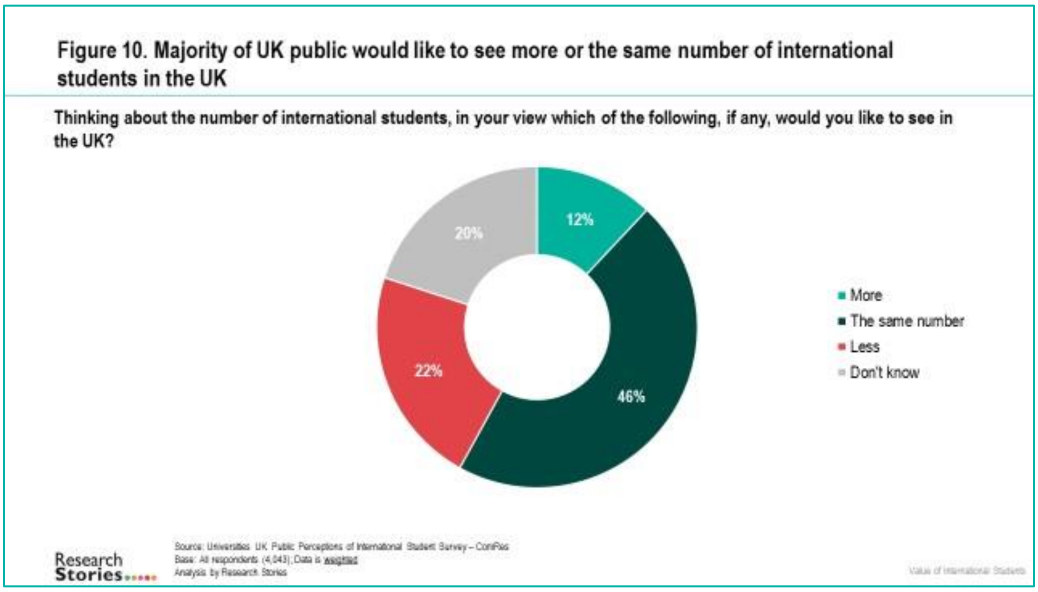
Students coming to study in the UK from outside the European Economic Area EEA or Switzerland are currently categorised as migrants alongside other people coming to the UK to live and work. Those studying in the UK for a year or more are counted against the government's net migration aspiration to reduce net migration to under 100,000 per year.

Other competitor countries in international education typically view students as being non-permanent or temporary residents: e.g. Australia classifies them as temporary arrivals alongside tourists and visitors; the US classifies them as 'non-immigrant admissions' alongside tourists and business travellers; and Canada categories them as 'non-permanent residents'.

And there is evidence that a majority of people in the UK view international students differently to other migrant groups.

A recent poll of more than 4,000 UK adults conducted by ComRes on behalf of Universities UK (ComRes,2017) found that on the whole, the UK public does not perceive international students to be immigrants, with only 26% of respondents stating they saw international students as immigrants when asked to think about government immigration policy.

The survey also that a majority of the British public have a positive attitude towards international students, with 58% of respondents stating that they would like to see more or the same number of international students coming to the UK. This proportion rose to 73% after respondents were informed of the contribution international students make to the UK economy (*Figure 10.*).



The UK public recognises both the economic and social benefit of international students. Sixty-four percent agreed that international students have a positive impact on the local economy of where they study, and 61% agreed that international students have a valuable social and cultural impact on the towns and cities in which they live.

This survey also found that when respondents were asked whether it is preferable that international students stay and contribute to the UK economy or go back to their home country after finishing their studies, 75% said that it would be preferable if international students stayed in the UK and contributed.

And contrary to some commentary in the media, a 2016 report in The Times (The Times, Oct. 2016), which referenced an unpublished Home Office analysis has suggested that the number of international students who actually overstay their visa following graduation is around 1,500 - or just 1% of all international students. This figure has seemingly been obtained using data from the exit checks implemented at UK borders in April 2015.

Appendix: Regulations around international students coming to the UK to study

Students coming to study in the UK from outside the EEA or Switzerland are required to obtain a Tier 4 (General) visa. In order to qualify for this visa, prospective international students need to provide evidence not only that they have an unconditional offer from a certified UK HEP, but also to demonstrate a sufficient command of English and evidence of sufficient funds to pay their tuition fees and to support themselves while in the UK.

RoW students generally pay significantly higher tuition fees than domestic or EU students and also pay an annual Immigration Health Surcharge, currently £150 per year, to gain access to NHS services.
Prior to 2012, students who were not from the EEA or Switzerland could remain in the UK to work for up to two years after completing their studies on a so-called Post Study Work visa (PSW). Now, students who are not from the EEA or Switzerland who want to work in the UK after completing their studies must obtain a separate Tier
2 (General) visa. To be eligible, graduates must be offered a job that is 'graduate level' or on the Shortage Occupation list by an employer with a Tier 2 sponsorship licence.
A broadly comparable post-study work visa regime also exists in the USA but some key competitor countries do offer more flexible arrangements. For example in Canada, graduates can apply for a post-graduation work permit that will allow them to live and work in the country for three years after completing their course and in some cases this can lead to permanent right of residence and access to employment in the country.
Currently, students from the European Economic Area (EEA) and Switzerland do not require a visa in order to study in the UK. EU students are charged the same fees as UK domestic students. They have the same rights and access to the UK labour market as any other EU citizens.

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Engineering Professors Council

Introduction

1. The Engineering Professors' Council (epc.ac.uk) represents the academic engineers in the UK, with 81 university engineering faculties as members comprising over 6,500 academic staff. All branches of engineering are represented within the membership.

2. Our primary purpose is to provide an influential voice and authoritative conduit through which engineering departments' interests can be represented to key audiences such as funders, influencers, employers, professional bodies and Government.

Summary

3. The EPC has serious concerns about the impact of migration policy on the future of engineering in Higher Education and the wider impact on society through research, innovation, skills shortages and economic impact.

4. Higher education – undergraduate and graduate study – is the gold standard in the delivery of engineering skills in the UK and has a strong international standing and reputation. The UK's Higher Education sector is one of the UK's most important export industries and despite high costs, the UK remains a destination of choice for international students, particularly for engineering subjects. In 2015/16, 1 in 3 Engineering students were international in 2015/16.[420] Furthermore, 1 in 8 international students at UK universities were studying Engineering and technology.[421]

[420] HESA 'Introduction - Students 2015-16' Table F

[421] Higher Education Statistics Agency HEIDI data

5. Higher education relies on international mobility more than most sectors of society in terms of attracting experts from all over the world to research and teach in the UK and attracting international students. Moreover, engineering relies on international mobility more than most other academic disciplines. In 2014/15, 40% of engineering and technology academic staff in the UK were non-UK nationals, compared to 28% across all subjects.

6. Engineering is critical and central to the UK's Industrial Strategy. However, there are massive labour skills shortages in Engineering. The UK desperately needs to safeguard and grow the supply of engineering graduates to address the existing massive skills shortages and to plug the talent pipeline shortage in Engineering.

7. Engineering economic activity is dependent on the UK's highly regarded higher education system, highly productive research base and long history of innovation. The excellence of the

   UK's higher education sector plays a critical role in filling key roles across engineering sectors.

8. International students play a crucial role in meeting industry engineering graduate demand. Attracting engineers and allowing them to do post-study work, working for engineering firms and starting their own enterprises here in the UK, bring huge economic benefits in the short and long term.

9. In addition to our comments herein, the EPC refers MAC to the recent Higher Education Policy Institute and Kaplan International Pathways cost and benefits analysis[422], which identifies an average net impact on the UK economy per international student £68,000 (EU student) and £95,000 (non-EU student). This represents a 10:1 ratio of economic benefits compared to the costs to the country of each international student.

[422] http://www.hepi.ac.uk/2018/01/11/costs-benefits-international-students-including-parliamentary-constituency/

10. The Committee will also wish to consider the variations by region included in the report, which demonstrate that every single parliamentary constituency in the UK enjoys a net economic gain from international students.

11. We note that these represent underestimations of the economic impact of international students, due to the omissions of data on: tax and national insurance contributions; the resultant international business and trade links.

12. The Committee should also note many other non-economic benefits of international students.

    These include international diplomatic influence (currently 60 world leaders were educated in UK universities) and the wider cultural and societal impacts associated with a more diverse population, such as enabling UK students to meet people from other cultures and gain understanding and contacts that will prove useful in the UK's role in the global economy.

13. We note that the contribution of international students, researchers and staff is also widely acknowledged by business. The EPC welcomes evidence gathering in this regard.

The impact the recruitment of international students has on the provision and quality of education provided to domestic students

14. Universities are global contexts of interaction and collaboration in developing knowledge and skills impacting on wider society.

15. The ability of the UK to attract the best researchers in a field is critical to the maintenance of the UK's excellence in research and higher education. The evidence demonstrates that the primary driver of research excellence is exceptional researchers, with high-performing institutions having more staff who are from, or have worked, overseas.

16. The Higher Education sector is one of the UK's most important export industries and despite high tuition costs, the UK remains a destination of choice for international students, particularly for engineering subjects.

17. The significance of international mobility and engagement is reflected in the international outlook indicator underpinning the Times Higher Education World University Rankings. It is also reflected in other international HE rankings such as QS Top Universities and the 'International Focus' dimension of U-Multirank.

The economic and social impacts beyond education of international students in the UK

18. Engineering is critical and central to the UK's Industrial Strategy. However, there are massive labour skills shortages in Engineering.

19. The Royal Academy of Engineering cite that, of the 32 standard occupations listed in the Home Office Shortage Occupation List, half are either in engineering sectors such as civil, mechanical and electrical, or in allied professions.[423]

20. In particular, a shortfall of engineering graduates is well documented, with EngineeringUK quoting a conservative estimated shortfall of 20,000 engineering graduates each year in the UK[424].

21. The UK HE system partly counters this shortage for the wider economy by attracting students who have desirable skills from other countries. This is particularly relevant for research projects addressing global issues, for which science and engineering are major contributors and where international partnerships are critical to the effectiveness and impact of the work. UK university engineering departments have higher proportions of international researchers than the average for all subjects.

[423] http://www.raeng.org.uk/publications/reports/engineering-a-future-outside-the-eu
[424] https://www.engineeringuk.com/research/

22. Engineering teaching for many HE institutions is at best a 'break-even' activity, even accounting for the teaching grant contribution and the additional grant for high cost subjects.[425]

23. Since engineering is also a high-cost subject to teach, income from the payment on migrant student fees is a critical source of revenue.

24. International students are also essential to the UK labour market in terms of attracting engineers and allowing them to do post-study work starting businesses and working for engineering firms, bringing huge economic benefits in short and long term.

25. The UK desperately needs to safeguard and grow the supply of engineering graduates to address the existing massive skills shortages and to plug the pipeline shortage in Engineering.

26. International students play a crucial role in meeting industry engineering graduate demand. The annual 20,000 shortfall of engineering graduates assumes that similar numbers of international students will continue to study in the UK and continue to work in engineering in the UK.

27. In particular, the supply of postgraduate-level skills in engineering and computing is currently highly dependent on international graduates studying in the UK, more so than any other major higher education discipline.

28. The shortfalls cannot be met for the foreseeable future by increasing the skills base of UK nationals. There is not a large surplus of domestic student applicants with suitable qualifications applying to engineering courses. To increase the number of applicants would involve major changes throughout the entire education system. Even if effective, these would take many years to feed through the pipeline to address the skills shortages. Furthermore, there is no evidence

[425] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/254885/bis-13-1269-professor-johnperkins-review-of-engineering-skills.pdf

they would be effective: initiatives that have already been operating for many years either have shown limited impact or the effect has merely been to avoid a drop in applications to engineering.

29. If the skills shortfall were to be met by increasing the UK talent pipeline and reducing international student migration, that would have significant impact on the financial sustainability of engineering courses which, in many cases, are modelled on average tuition costs that are higher than the available funding for UK students and are supplemented by international student fees.

Geological Society and University Geoscience UK

1. This submission has been produced jointly by the Geological Society of London and University Geoscience UK.

    a. The Geological Society (GSL) is the UK's learned and professional body for geoscience, with over 12,000 Fellows (members) worldwide. The Fellowship encompasses those working in industry, academia, regulatory agencies and government with a broad range of perspectives on policy-relevant science, and the Society is a leading communicator of this science to government bodies, those in education, and other non-technical audiences.

    b. University Geoscience UK is the subject association of Geoscience (geology, applied geology, Earth science, geophysics, geochemistry and some environmental science) departments/schools based within universities in the British Isles. It promotes discussion and exchange of information between departments and provides a point of contact between these and professional, government and quality control agencies.

    c. It has not been possible to collect meaningful data on many of the questions posed in the call for evidence. This is in part because of the size and nature of the academic geoscience community. Many of the postgraduate courses in geoscience are highly specialised and technical but comparatively small in number compared to those in other disciplines and so useful granular data is difficult to obtain. We ask the committee to note the difficulty in collating statistically significant evidence in this area, the evidence presented below has been collected from academics and researchers in geoscience from institutions across the UK.

What impact does the payment of migrant student fees to the educational provider have?

2. Migrant student fees have a significant impact on higher education geoscience in the UK, at all levels, but most particularly at postgraduate level. A significant proportion of PhD and MSc students in the UK are from overseas, and they make a major contribution to maintaining the research base in UK geoscience including in a number of strategically important areas such as energy and natural resources (fulfilling roles that cannot be filled by UK graduates). The fees from migrant students attending UK taught MSc courses are vital for the viability of such programmes, and their continued enrolment on these courses

is critical in maintaining the geoscience skills base, both in the UK and overseas.

How do migrant students affect the educational opportunities available to UK students?

3. As noted above, many of critical MSc programmes with smaller enrolment numbers are in part made viable because of enrolment from migrant students and the funding it draws.

4. The UK has a reputation for producing world-leading geoscientists trained to postgraduate level and many of these postgraduate MSc courses attract large numbers of migrant students, which ensures that a wider range of courses is available for UK students than would otherwise be the case. Across geoscience, many of the employment opportunities are high-value jobs requiring advanced technical expertise in geoscientific, engineering and other disciplines. Increasingly, a taught applied MSc is a de facto prerequisite for entry to many of these careers. Changes in immigration policy for international students could have a very damaging effect on the viability of many of these crucial Masters courses and have a negative impact on the UK skills base. By way of example, both ‘Hydrogeologist’ and ‘Petroleum Engineer’ appear on the current Shortage Occupation List maintained by the Home Office. For careers in both of these sub-disciplines of geoscience, a taught applied MSc is required for entry into the job market in these highly technical areas. Furthermore, geoscientists trained to masters level in the UK, for example in mining geology, are in great demand internationally - an opportunity which will be lost if this training provision is allowed to dwindle.

To what extent does the demand from migrant students for UK education dictate the supply of that education provision and the impact of this on UK students.

5. As detailed above, anecdotal evidence from a number of geoscience departments over the years suggests that the survival of many technical and specialised courses in geoscience is dependent on the enrolment of international students and the international fees that they draw. However, the picture around demand, enrolment and financial support for MSc courses is not uniform and the courses are subject to shifts in the wider economy such as the ebbs and flows of the oil and gas cycle. Enrolment numbers and course capacity is also small and so meaningful data on changes in enrolment is difficult to obtain.

What role do migrant students play in extending UK soft power and influence abroad?

6. International students that study in the UK are global ambassadors for UK higher education and research and those that join major companies in their home country are an excellent source of international research and training links. Overseas students who return to take up professional positions in their home country extend the influence of the UK by encouraging their colleagues and students to consider UK universities as destinations of choice. This is particularly true of mining geology skills which are in demand internationally and is an area where the UK has a well-respected teaching programme. Many UK mining geology graduates will take up jobs in international locations where they both extend the influence of UK institutions but also share and communicate ideas of best practice in the extractive sector. In addition, international alumni of UK universities provide invaluable points of contact for multi-national research projects. This is particularly true in geoscience which is composed of a highly mobile workforce. As alumni, many are also major contributors to endowment funding of UK universities.

7. International students in UK geoscience also play an important role in sharing and communicating ideas of best practice, particularly around themes of sustainable development, natural hazards, ethical and responsible working and other cross-border research areas. Geoscience plays a significant role at the international development/research interface where the UK government has directed significant additional funding in the current spending cycle through the Global Challenges Research Fund programme, particularly in natural hazard management and mitigation. An important part of such projects is capacity-building, which may require students from developing countries to visit or study in the UK: these students are an important link in the communication of best working and research practices in developing nations. The UK has an excellent track record in translating fundamental research into understanding risk to humans from natural processes (volcanoes, earthquakes through to pollution and climate change) and much of this is achieved by training migrant students who take these skills back home. Some respondents to this call for evidence support the idea that delivering technical training to international students from affected countries is one of the most important and effective contributions to sustainable development and hazard mitigation that the UK can make.

What are the broader labour market impacts of students transferring from Tier 4 to Tier 2 including on net migration and on shortage occupations?

8. We are not best placed to comment on the specifics of the current tiered immigration system but we include some more general points about the impact of the current system on processing international students. It is widely considered that the current system is too complicated and should be simplified; currently it causes unwarranted stress on overseas students which discourages overseas students from applying. Further visa restrictions are likely to make it

harder to recruit; at a time of general cuts, growth or even maintaining income is likely to depend on the overseas market which his increasingly competitive.

9. A potentially unforeseen impact of a changing immigration system would be the implications for those universities and institutions that have set up campuses in international locations including those that operate degree programmes where part of the course is taken overseas as part of university exchanges. By way of example, the School of Geosciences at the University of Edinburgh runs the '2 + 2 programme', an agreement with several Chinese universities which allows students to study an Earth Science degree for two years in China and then transfer to the University of Edinburgh to complete a further two years of study. It is not clear how schemes such as this would be impacted by a post-Brexit immigration policy.

In addition, the MAC would like to receive evidence about what stakeholders think would happen in the event of there no longer being a demand from migrant students for UK education. The MAC would also like to have evidence about the impact of migrant students depending on the institutions and/or subject being studied – do different subject and different institutions generate different impacts?

Additional points and comments.

Immigration Policy and Geoscience

10. Many STEM subjects, and especially geosciences, involve extensive study outside of the UK as part of their programme (e.g. fieldwork, international conferences) and also collaborative work with industry (e.g. placements). Field skills in particular are essential for geoscience graduates, and developing these skills in a diverse range of landscapes and terrains makes it essential to include international destinations. Delays and/or concerns over visas arrangements can, at best, complicate matters and, at worse, prevent participation from overseas students (especially masters students where the study period is more limited). Virtually all UK Geoscience departments run international field courses, and these are vital components of university training at all levels but run the risk of being curtailed if changes to UK immigration regulations are reciprocated in other countries. Any shift in immigration policy that extends or further complicates the within the EU or further afield will put a significant strain on completion of fieldwork programmes and will have a knock-on effect on the skills training of UK and international students alike.

11. Exchange programmes, such as the scheme at the University of Edinburgh mentioned earlier, are an important feature of maintaining student diversity in UK Universities, and as many exchanges are organised on a reciprocal basis, any reduction in migrant student entry to UK universities via such programmes

would have a knock-on effect on the opportunities available to UK students to study abroad during their degree.

Goodenough College

Goodenough College Founder's Day Oration 2017
Kia Ora
Tena koutou, tena koutou, tena koutou katoa
Recognising the international diversity of today's audience (and indeed, any gathering at this College), and being the first non-English Chairman of the College, I felt it appropriate to wear this magnificent feather cloak and offer a few words of greeting in Maori. Now, in English,
you are all very welcome.
A few words on the Maori cloak. It is a privilege and an honour to be allowed to wear such a cloak made of such wonderful feathers. A cloak for leaders.
To deliver the Founder's Day oration is a great honour, and one that I cherish. Indeed, I cherish every aspect of my association with this great College. We stand for the encouragement of respect and understanding between individuals, between nations and between faiths. This is clearly as important in the world today as it was in the late 1920's and early 1930's, when Frederick Goodenough's vision was so boldly imagined and then created.
Our Founder {point to picture} foresaw and delivered us the means of providing not just the ambience of an Oxbridge College, but one with a Hall as grand as and far bigger than any at those Colleges. The Great Hall and the other public spaces within the College contribute greatly to your ability to build multi-faceted lives here and become part of a very rich and supportive community.

In the course of 86 years, from our beginning as a Commonwealth-only institution, our doors have become open to all nations. Our Founder would be proud indeed that we currently have near 80 countries represented here and that our Members are studying a range of subjects unimaginable in

1931.
Our Founder would surely also allow himself a satisfied smile at the extent of our Royal Patronage. Not just that we are so fortunate to have Her Majesty the Queen as our Patron, but also how we have benefited by the interest she has shown in the College. Those of us who enjoyed her visit to William Goodenough House last December will never forget it. It was her 11th visit to the College! I am reliably informed that no other Charity of which she is Patron has seen her as often. Her enthusiasm for meeting members was palpable and appreciated by those from Commonwealth and non-Commonwealth countries alike – as is evident from the smiles in the many photographs on the walls downstairs. Her parting remark of "*I'll be back*" showed a love for what we are, way beyond duty.
Founder's Day is also a day to acknowledge our Alumni. In one sense the College is its Alumni. It is our alumni who spread the word of what we stand for most effectively. They speak fondly of their time here and what it has done for them and of the friendships formed and the lessons learned about others' points of view.

My compatriot, Helen Clark has written of her time here as:
…a positive experience...which put me on a successful career path… to an academic post at Auckland University, to being a Member of Parliament for over 27 years, to being Prime Minister of New Zealand for 9 years, and to my…position as the Administrator of the United Nations Development Programme….
I find it hard to speak of famous Alumni without mention of F.W. De Klerk, the former President of South Africa. He has oft spoken of how it was here that he first realised that Apartheid was intellectually bankrupt. When we look at those iconic photographs of Nelson Mandela walking out of jail with De Klerk in 1990, we can reflect with pride on the thought that it

was FW's experience here that was the spark that started the journey leading to that moment. Now, THAT is something to be proud of. THAT reflects what this College stands for.
An overriding common thread through the Alumni messages and stories is the love of Britain generated by their time here. What is also clear to all of us here is what a wonderful example of soft power this provides the UK. Our Founder foresaw that this is how it would be. Clever people who came here to study and become part of the "United Nations in one Square" that we have become, would take away with them a fondness for British values that could only benefit both their countries and Britain in the years to come.
So, how damaging to the British national interest is the current policy of lumping student numbers in with general immigration numbers? How can the current UK Prime Minister be so blind (or possibly blindsided?) on this? As I said in our 2017 Annual Report:

"Undue restrictions on international student numbers … pose a clear threat to the attractiveness of studying in the UK and hence potentially to the … diversity of nationalities and the subjects being studied by our Members, which is at the heart of the College's mission and contributes to the UK's reputation across the globe as a provider of top quality tertiary education. Our alumni list is testament to that and its contribution to the soft power it provides the UK."
Lord Patten, the last British Governor of Hong Kong, a former chairman of the BBC Trust and Chancellor of Oxford University, has this to say on the matter:
"*I have always preferred policy to be based on facts rather than prejudice. A good example of the latter is the way the immigration figures are presented. At the moment our policy is not, alas, founded on evidence."*
He goes on to explain why we should follow the approach

taken by Britain’s main competitors for international students (America, Australia and Canada) and exclude students from the immigration numbers, concluding
“*that whilst the change in classification would have little effect on the government’s ability to control medium and long term migration, the difference to the education sector, to Britain’s soft power around the world and to the UK economy, is very significant.*
It is enough to make the strong weep.”
Such a view was echoed with even more venom in a *Spectator* magazine article last month by Martin Vander Weyer who described the PM’s clampdown on non-EU students entering the UK as “*an exercise in pig-headed economic self-harm.”*

But there is hope. I welcome the Home Secretary’s recently commissioned report on the positive economic impact of international students. I intend to make a submission to that Enquiry and throw the weight of this College behind the search for common sense on this issue. We owe that to our Founder and we must not let him down now. Let me assure you that achieving a good outcome from the government Review will remain a top priority for the College Board.
Whilst that battle continues, we can reflect upon many positive achievements here. Our National Student Housing Survey Award for 5th successive year is but one measure of how well we are delivering our Founder’s dreams. Another is the range of activities and interests pursued by each year’s members. I witnessed that first hand last week with the buzz at the Clubs & Societies Fair in this Hall.
These good things do not happen by accident. Much is owed to the leadership provided by Andrew Ritchie and his team and by our members who get involved in the Members’ Council and other organs of our governance. Thank you, on your behalf, to them.
And it is on matters of good governance that I shall conclude.

Over the last year, we reviewed the financial sustainability of the College which led to a major debt restructuring in May. This was the third leg of the long-term sustainability strategy which the Board has pursued, since the current Director, Andrew Ritchie, identified the need for it, shortly after his appointment. The other legs of this strategy were the refurbishment of both London House and William Goodenough House and the creation of a long-term Plan to ensure that the asset maintenance and replacement needs of the College became central to our planning. We have achieved a transformation of lasting benefit to the College.

Accordingly, and notwithstanding the many ill political winds across the globe, the College can now look forward with a confidence not imaginable at any previous time in our history. That seems a pretty good note on which to conclude…. with Three Cheers for Goodenough College and our Founder, Sir Frederick Goodenough!
Hip Hip...Hooray
Hip Hip…Hooray
Hip Hip…Hooray.
Tena koutou katoa

Independent Schools Council

International pupils in ISC schools

According to the 2017 ISC Census[426], approximately 10% (50,473) of the pupils in ISC schools are non-British and of the 1,301 schools that completed the last Census, 685 are registered as Tier 4 Sponsors with the Home Office.

The 50,473 figure can be further broken down as follows: 46% of these pupils have parents residing in the UK and 54% have parents residing overseas. This is an important distinction as both categories of non-British pupils bring different economic benefits. For example, the pupils whose parents reside in the UK will contribute to the UK economy through their tax contributions, living expenditure and consumer spending whereas the pupils whose parents live overseas will bring with them tourism benefits and expenditure when parents and family members visit the UK.

31% (15,689) of the total number of international pupils in ISC schools is made up of pupils from EEA countries and 37% (5,837) of these pupils have parents living overseas i.e. they would not be in the UK were it not for attending an independent school.

Quantified economic impact of international students at ISC schools

In 2013 ISC commissioned Oxford Economics (OE) to prepare a report on the impact of independent schools on the British economy[427]. OE set out in this report that the economic impacts supported by international pupils at ISC schools arise from three main sources – the fees that they pay to ISC schools; all other spending that they undertake while in Britain; and the expenditure of their friends and relatives who come to visit them while they are at school.

426 https://www.isc.co.uk/media/4069/isc-census-2017-final.pdf (page 15)

427 https://www.isc.co.uk/media/2588/2014_economicimpact_report_isc.pdf (page 65)

Fees

According to OE's report, international pupils at ISC schools paid an estimated £685 million in fees in 2012. They will have made further payments to schools for extra-curricular activities.

OE also estimated that the fees paid by international pupils at ISC schools supported a £713 million GVA contribution to the British economy, 17,300 jobs and £278 million in tax payments in 2012.

Living expenditure

The living expenditure of international pupils at ISC schools can be directly attributed to ISC schools because the pupils would not be in the UK were it not for their education.

As data on how much international pupils at ISC schools spend on living expenses was not available to OE, they made an estimate based on data collected by Department for Business Innovation & Skills (2013) on the income and expenditure of students at higher educational institutions (HEI). They controlled for age by stripping out items that school pupils are too young to purchase. For the 88% of international pupils that were boarding, key items of expenditure included transport, clothes and mobile phone bills. For the 12% that were day students, the main items were housing, food and transport.

Overall, OE estimated that international pupils at ISC schools spent £114 million on living expenses in Britain in 2012. Including its multiplier impacts, this expenditure by international pupils supported a £123 million GVA contribution to British GDP, 3,570 jobs and £77 million of tax revenue.

Expenditure by international pupils' friends and relatives who come to visit them in the UK

Visiting friends and families spend money on goods and services – including accommodation, recreational activities and retail – in the areas they visit.

Using visitor expenditure data by nationality from the ONS International Passenger Survey, OE estimated that international pupils' visitors spent £50 million in Britain in 2012.

Incorporating the indirect and induced impacts of this activity, they estimated that spending by international pupils' visitors supported a £53 million GVA contribution to GDP, 1,760 jobs and £31 million in tax receipts in 2012.

Total economic contribution

Combining the impacts set out above, OE estimated that international pupils at ISC schools supported a total GVA contribution of £890 million, 22,700 jobs and £385 million in tax payments in Britain in 2012. In addition to these impacts, OE noted that international pupils' attendance at ISC schools brings subsequent benefits for British HEIs.

Impact on public services

Pupils at ISC schools are generally 18 and under so would not place demands on housing as they will either be boarding at an ISC school or living with parents or a guardian. Anecdotally, ISC understands that an increasing number of independent schools have onsite medical practitioners and the vast majority of international pupils have private medical insurance, thereby reducing their burden on health provision.

As some British parents make the decision to pay privately for their child's education, which would otherwise be a cost to the public purse if their child was to take up a place at a state school, the closure of an independent school could have a direct impact on public services. For example, if a school that relied on fee income from international students found they could no longer recruit international students and more British pupils do not take up those places, they could face the very real threat of closure. Alternatively, they might consider reducing the amount spent on bursaries for UK students which would again impact the number of pupils in the state sector. Most independent schools rely solely on fee income to fund bursaries and according to the 2017 Census 30.8% of pupils at boarding schools received means-tested bursaries. Given boarding is particularly popular with international pupils (approximately one third of pupils in boarding schools are international pupils), British students are essentially being subsidised by full fee-paying international boarders. Boarding has become less popular with British families so these international pupils are not taking places that would otherwise go to British children.

Soft power benefits of international students at ISC schools

British independent schools are recognised as amongst the best in the world. Schools not only provide international pupils with an excellent education but also an introduction, during formative years, to British culture, values and humour. Independent schools are an important pathway provider for UK universities; in 2016, 91% of all ISC school pupils went on to higher education. International parents often choose to send their children to UK schools in order to prepare them for entry into UK universities.

1 in 10 current world leaders are UK alumni (British Council survey 2014[428]) and links between leading international families and British independent schools sometimes go back many generations and are an essential ingredient of the friendly relationship we enjoy with these countries. HM Government's Industrial Strategy (2013) publication notes stated "*Our independent school sector has been attracting students from all over the world for decades … Our schools are recognised globally for their excellence … Our schools have a long history of excellence and innovation, and a global reputation for quality and rigour*."[429]

International pupils in UK independent schools allow British school pupils to forge relationships and links with international students for the future. British pupils are more likely to have a better sense of other cultures and develop an international outlook and relationships when exposed to the international community at a young age. These links are likely to continue throughout their education and professional careers.

[428] https://www.britishcouncil.org/organisation/press/uk-alumni-leading-world

[429] https://www.gov.uk/government/publications/international-education-strategy-global-growth-and-prosperity

Independent schools are often the first links international pupils form with the UK. They are therefore likely to become accustomed to the UK way of life and as stated in a research paper produced by the Department for Business Innovation & Skills in 2013, form *"a positive understanding of the UK's culture and values….[and] become informal ambassadors for the UK"*. [430] This new generation of students, from various countries (including dominant international powers) will develop links to the UK resulting in a global influence over future professionals, business leaders and political leaders. Independent schools are therefore indirectly promoting the UK to pupils who may return to their home countries and end up in positions of influence taking with them relationships and business connections for the future and trust in the UK.

International competition

The UK's competitor economies are tapping into the international student market and most are seeing growth which far exceeds what the UK is experiencing[431]. Many have relaxed immigration laws to attract international students and the UK is hindering this type of growth by increasingly stringent immigration laws[432]. Australia has reduced regulation for certain countries and Canada is actively targeting international student applicants[433]. If independent schools can continue bringing students in at school level then those students are very likely to continue onto higher education in the UK and form strong attachments to the country, as well as bring talent and skills in areas where there might be shortages.

Case Studies

A girls' school in the competitive south east currently survives as a consequence of its decision in the 1990s not to close the boarding house at a time others were but instead to open it up to international pupils. Boarding contributes £1.4M in fees and

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[430] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/238822/13-1172-wider-benefits-of-international-higher-education-in-the-uk.pdf

[431] https://www.iie.org/en/Research-and-Insights/Project-Atlas/Tools/Current-Infographics

[432] http://webaworld.com/emergingopportunities.pdf (in particular page 6)

[433] http://monitor.icef.com/2017/04/measuring-global-market-share-national-targets-international-education/

extracurricular activity, doubles the catering (£250K) need and provides employment for six pastoral staff including a nurse who would not otherwise be needed (£300K). 40 boarders travel home three times a year, and at least once a year members of their family visit them in the UK, staying in local hotels and enjoying the London attractions.

In many rural parts of the UK, independent schools are a major employer, not only of teachers but, crucially, support staff in areas such as maintenance, grounds, catering, cleaning, housekeeping and transport. In Taunton, Somerset, for example, there are four large independent schools. Taunton School, Queen's College, King's College and Wellington School all take international students, comprising up to 25% of their student body. The four schools employ large numbers of local people in a whole range of such low or semi-skilled positions. Money is also spent by the students in local restaurants, supermarkets, retail outlets and on taxis, while visiting parents use local hotels.

Scotland: Data provided by the Scottish Council of Independent Schools (SCIS) suggests that in 2015 a total of 1,274 international pupils were attending SCIS member schools. This figure included 1,025 boarding pupils and 249 day pupils who lodge elsewhere in the community during term-time. Data provided by SCIS also suggests that in 2015 the average fee for a boarding pupil was £26,910 and the average fee for a day pupil was £9,095. By applying these fees to the pupil numbers estimated above it was estimated that in 2015 SCIS members generated £29.8 million in export earnings[434].

About the Independent Schools Council

The Independent Schools Council is a non-profit organisation that represents 1,332 schools in the independent education sector, educating over 500,000 children. Around half of UK independent schools are ISC schools, educating around 80% of

[434] http://www.scis.org.uk/facts-and-figures/economic-impact-report/

all independent school children. ISC schools save the taxpayer £3 billion a year from students not being in state education and contribute £9.5 billion to overall UK GDP.

The ISC’s seven constituent associations are: Association of Governing Bodies of Independent Schools (AGBIS), Girls' Schools Association (GSA), Headmasters' and Headmistresses' Conference (HMC), Independent Association of Prep Schools (IAPS), Independent Schools Association (ISA), Independent Schools' Bursars Association (ISBA), The Society of Heads.

The ISC's four affiliate associations are: Boarding Schools Association (BSA), Council of British International Schools (COBIS), Scottish Council of Independent Schools (SCIS), Welsh Independent Schools Council (WISC).

We support the contents of the submission made by BSA and several independent schools that have responded directly to MAC. We would also like to acknowledge the contribution made by the British Association of Independent Schools with International Students (BAISIS) to this response.

Institute of Physics

The Institute of Physics is a leading scientific membership society working to advance physics for the benefit of all. We have a worldwide membership ranging from those early in their career or in academic or technical training to those at the top of their fields in academia, business, education and government. Our purpose is to gather, inspire, guide, represent and celebrate all who share a passion for physics. And, in our role as a charity, we aim to ensure that physics delivers on its exceptional potential to benefit society. Alongside professional support for our members, we engage with policymakers and the public to increase awareness and understanding of the value that physics holds for all of us. Our subsidiary company, IOP Publishing, is a world leader in scientific communications, publishing journals, eBooks, magazines and websites globally.

The IOP welcomes the opportunity to submit evidence to the Migration Advisory

Committee's call for evidence on the economic and social impacts of international students. Our written evidence concerns the importance of international students to UK universities and institutions and for physics and we address the relevant consultation questions here.

Summary

International students[435] make up 11% of undergraduate students, 43% of taught Masters' students and 39% of PhD students in UK physics departments.

The impact on higher education institutions of student fee payments by physics students from non-UK countries varies depending on the level of study. The impacts are more substantial for postgraduate level courses.

The impacts of migrant students on the educational opportunities available to UK students are positive. The demand for UK higher education from international students makes more courses viable, particularly at postgraduate level, leading to more choice for UK students.

Science and research are extremely collaborative. The international nature of science and research is supported by a number of mechanisms that

[435] When using the term 'international' we are referring to non-UK EU and non-EU domiciled students in accordance with HESA descriptors which can be found at https://www.hesa.ac.uk/support/definitions/students.

encourage the international mobility of scientists at all career stages, including international students temporarily in the UK.

The presence of international students on UK courses enhances the learning experience for UK-domiciled students, providing them with collaboration in an international learning environment.

Unless the cap on Tier 2 visas is amended or removed, transferring students to the Tier 2 (General) visa would have implications for both international students and other migrants who may wish to use this route to work in the UK

The ability of migrants to mitigate skills shortages and students to study in the UK, who may later enter the labour market upon graduation, may be affected if the cap proves to be restrictive.

A longitudinal study of nearly 6000 physics graduates, which included non-UK EU and non-EU domiciled students, published by the IOP in 2012 found that more than half (52.4%) of respondents were continuing with education one year after study: 3.7% were in teacher training, 39.2% were in employment, 6.5% were unemployed.[436]

A reduction in demand of international students coming to study in the UK could lead to increased funding pressures on physics departments, in some cases leading to course closures and funding issues across the sector. Over longer timescales, there may be missed opportunities for collaborations, which can often start from the development of informal networks during study.

As the upward trend in research productivity has been linked to growing international research collaboration,[437] in turn associated to greater citation impacts, reduced levels of collaboration could result in a slowing in the growth of the UK's research base. There would also be immediate losses to the research base as many PhD level students make important contributions to research papers during their studies.

International students in UK physics

International students make up a significant proportion of UK physics students. Non-UK EU students make up 6% of undergraduates, 16% of Masters' students and 20% of PhD students in UK physics departments. These proportions are higher than for

[436] The remaining respondents are classified as 'other', which encompasses career breaks, voluntary work or other further study options.
[437] Elsevier and BEIS, 2017. International comparative performance of the UK research base 2016. https://www.elsevier.com/__data/assets/pdf_file/0018/507321/ELS-BEIS-Web.pdf

all subjects combined: 5% of undergraduates, 9% of Masters' students and 13% of PhD students are from non-UK EU countries.

On the other hand, non-EU students make up a further 5% of undergraduate physics students, 27% of Masters' students and 19% of PhD students in UK physics departments. These proportions are smaller than for all subjects combined, where non-EU students make up 9% of undergraduates, 38% of masters students and 30% of PhD students.

Consultation questions

What impact does the payment of migrant student fees to the educational provider have?

The impact of student fee payments of physics students from non-UK countries on higher education institutions varies depending on the level of study. Non-UK EU students at undergraduate level currently pay the same as their UK counterparts. While non-EU students pay more, they make up a small proportion of physics students, so may have limited additional financial benefits. At postgraduate level, the impacts are greater:

postgraduate taught students in physics pay considerably more than UK students and make up a substantial proportion of the cohort. At PhD level, the financial benefits to institutions are more difficult to assess. There may also be disproportionate impacts on institutions, particularly in London, which have larger proportions of international students than the average.[438][439]

There are high costs associated with teaching physics. Several physics departments were forced to close in the early 2000s, which led to departments being provided with extra funding from HEFCE as part of their support for 'strategically important and vulnerable subjects'.[5] However, overall funding has been capped, so funding per student has declined in recent years. Budgetary difficulties may increase the dependence of some departments on the payment of fees from migrant students, particularly if they are in deficit.

At undergraduate level, 6% of physics students are non-UK EU domiciled, although this is not uniform across all UK nations. Non-UK EU students in Scotland make up 12% of the cohort compared to 5% in England and 3% in Wales. According to research published by Times Higher Education for the 2016-17 academic year,[440]

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[438] UKCISA. International student statistics: UK higher education. https://www.ukcisa.org.uk/Research-Policy/Statistics/International-student-statistics-UK-higher-education [5] HEFCE, 2011. Evaluation of HEFCE's programme of support for SIVs.
http://www.hefce.ac.uk/media/hefce/content/pubs/indirreports/2011/RE,0511,Evaluation,of,SIVs/rd05_
[439] .pdf
[440] THE, 2017. Annual tuition fee data for full time courses at UK institutions, 2016-2017.

UK and non-UK EU students paid an average of £8,891 annually for courses at universities in England. Non-EU students paid more; an average of £15,034 for laboratory based subjects. On average, these students only make up 5% of the undergraduate physics cohort, so their impact on departmental income at most institutions will be small.

There is also a large difference in the fees charged for postgraduate taught students between UK/ non-UK EU students and non-EU students: in 2016-17, UK and non-UK EU students paid an average of £6,486 for courses at universities in England, and for non-EU students, the cost for laboratory based subjects was £15,638 annually. In physics, 27% of postgraduate taught students come from non-EU countries, suggesting that tuition fee payments from international students are likely to provide income for physics departments.[441]

How do migrant students affect the educational opportunities available to UK students?

The impacts of migrant students on the educational opportunities available to UK students are positive. The demand for UK higher education from international students leads to a larger number of viable courses, particularly at postgraduate level, and can enhance the learning experience for UK-domiciled students.

There is currently no limit on how many undergraduate students universities can take on since the cap on UK and EU student recruitment was lifted in 2015,[442] although in physics there can be limits imposed by the requirements for teaching and laboratory space. Courses offered at universities are based on student demand, so the demand of international students for physics courses at UK universities will also influence the opportunities available to UK students. Investment is needed to maintain teaching standards (student: staff ratios and laboratory facilities), which requires a stable situation for long term outlook. The proportion of non-UK EU and non-EU students at undergraduate level is low in most institutions, so the effect would be small at this level, but at Masters' level where international students make up a higher proportion of the cohort,[443] the demand from them is more significant.

The presence of international students has led to the availability of MSc programmes which would not otherwise be offered to UK students. If international students did not come to study in the UK, there would be costs beyond the availability of the course itself, as international student fees can support departmental budgets more broadly.

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https://www.timeshighereducation.com/sites/default/files/breaking_news_files/annual-tuition-fee-datafor-full-time-courses-at-uk-institutions-2016-2017.pdf

[441] IOP and the Royal Society of Chemistry, 2015. The Finances of Chemistry and Physics Departments in UK Universities: Third Review. http://www.iop.org/publications/iop/2015/page_66517.html

[442] BBC, 2013. Autumn statement: cap on student numbers to be lifted. http://www.bbc.co.uk/news/education-25236341

[443] IOP, 2017. Students and graduates in UK physics departments. http://www.iop.org/policy/consultations/file_69759.pdf

The reduced funding could result in cuts to equipment, student support and cause pressure on staff. In severe cases departments could be forced to close, with consequences for staff, their careers and UK physics research as a whole.

The training of international students in UK universities can produce high-quality scientists that may return to the UK later in their career. All students will benefit from being taught by staff at the top of their field in the subject, which relies on recruiting teaching staff from all over the world.

What role do migrant students play in extending UK soft power and influence abroad?

Science and research are extremely collaborative: more than half of all UK research articles in 2014 resulted from international collaboration, ranking second amongst comparator countries in that year.[444] This demonstrates the international nature of science and research, which is supported by a number of mechanisms that enable the international mobility of scientists at all career stages, including international students in the UK.

It is common for postdoctoral researchers to spend time overseas and research has found that non-UK nationals were more likely to have had longer stays abroad than UK nationals in the early and mid-career stages.[445] This mobility period is important for the strength of UK physics and to some extent will be built on the opportunities for international students at undergraduate and postgraduate level to study in the UK earlier in their career. The domicile data of postdoctoral researchers in physics departments reflects the mobility of this career stage: 61% of postdoctoral researchers in UK physics departments are from outside of the UK.[446] International students, when they leave the UK, take back home new professional contacts with them to develop new international partnerships with UK scientists in the future, and share knowledge. Such partnerships may be especially important for obtaining funding from the Global Challenges Research Fund, which aims to boost international partnerships, especially in developing countries.[447] Alternatively, international students may choose to stay in the UK to further their career in academia, industry or elsewhere in the economy.

[444] BEIS,2017. International comparative performance of the UK research base 2016. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/660855/uk-researchbase-international-comparison-2016.pdf

[445] Royal Society, 2017. International mobility: A survey of academics in the UK. https://royalsociety.org/~/media/policy/projects/international-mobility/researcher-mobility-reportsurvey-academics-uk.pdf

[446] IOP, 2017. Academic staff in UK physics departments. http://www.iop.org/policy/consultations/file_69758.pdf

[447] Gov.UK. UK strategy for the Global Challenges Research Fund. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/623825/globalchallenges-research-fund-gcrf-strategy.pdf

At undergraduate level, non-UK EU students also visit the UK to study for part of their course through programmes such as Erasmus+. Participation in these programmes is reliant on freedom of movement within the EU. This also offers reciprocal benefits to UK students visiting EU universities and the benefits of such programmes, including funding and skills development for participants, have been documented in the mainstream press. [448,15] Aside from Erasmus+, programmes such as Marie Skłodowska-Curie actions programme, part of Horizon 2020, assist in developing the quality of UK research by attracting talented PhD students as well as early career researchers to the UK.

What are the broader labour market impacts of students transferring from Tier 4 to Tier 2 including on net migration and on shortage occupations?

Transferring students to the Tier 2 (General) visa would have implications for both international students and other migrants who may wish to use this route to work in the UK. If students are added to the same quota, it could restrict the total number of migrants entering the UK to mitigate skills shortages and for international students to study, who may later enter the labour market upon graduation.

The UK currently has a shortage of STEM skilled workers and concerning gaps in the skills pipeline, partly caused by a lack of specialist physics teachers. [449] Both EEA and non-EEA migrants currently mitigate this skills shortage, as well as bringing different expertise, experience and cultural perspectives to the UK. Physics teachers, physical scientists and engineers are all currently on the UK Tier 2 shortage occupation list.[450] Furthermore, the 2016 CBI survey found that 90% of engineering, science and hi-tech businesses are expecting an increased demand for STEM skills in the next 3-5 years.[451] If students were to be included in Tier 2, it could reduce the availability of visas for migrants to enter the UK to fill jobs in these areas, further exacerbating the shortage of skilled STEM workers.

It is appropriate that students have their own route to coming to the UK as their visit is different to that of a migrant worker and the current system allows for this. The UK leaving the EU provides the opportunity to make the immigration system work for everyone and we will look forward to the forthcoming white paper on this topic. The development of an effective migration policy will be a vital component of the future success of UK science as international students play a crucial role in that. As such

[448] Times Higher Education. UK students ‘may be barred from Erasmus after Brexit’. https://www.timeshighereducation.com/blog/uk-students-may-be-barred-erasmus-after-brexit [15] BBC, 2017. Erasmus loss post-Brexit ‘would be massive’ in Wales. http://www.bbc.co.uk/news/ukwales-42052393

[449] IOP, ASE, RSB, RSC and RS response to the Education Select Committee on the supply of teachers, 2015. http://www.iop.org/policy/consultations/file_66631.pdf

[450] Gov.UK. Shortage Occupation List. https://www.gov.uk/guidance/immigration-rules/immigrationrules-appendix-k-shortage-occupation-list

[451] CBI 2016. The right combination. CBI/Pearson Education and skills survey 2016. http://www.cbi.org.uk/cbi-prod/assets/File/pdf/cbi-education-and-skills-survey2016.pdf

their social and economic impacts must be considered fairly in a new immigration system.

Whether, and to what extent, migrant students enter the labour market, when they graduate and what types of post-study work do they do?

Government LEO data[452] provides statistics on the employment and earnings of higher education graduates by subject and institution. Although it only assesses UK-domiciled students, there is no reason to believe the labour market is different for migrant students. According to the 2017 LEO data, 84.3% of physical sciences students were in further study or sustained employment one year after graduation. Five years after graduation, this figure was 82.1%.

A longitudinal study of nearly 6000 physics graduates, which included non-UK EU and nonEU domiciled students, published by the IOP in 2012 found that more than half (52.4%) of respondents were continuing with education one year after study. 39.2% were in employment, 6.5% were unemployed and 3.7% were in teacher training.[20]

For graduates who do not go on to further study for a Masters Level or PhD qualification, employment is varied. The IOP study found the most respondents were working in education, finance and scientific and technical industries. Popular career destinations within science include the armed forces, astronomy, medicine, meteorology and climate change, nanotechnology, oil and gas and renewable energy.[453]

Consequences of there no longer being a demand from migrant students for a UK education

A reduction in demand of international students coming to study in the UK could lead to increased funding pressures on physics departments, in some cases leading to course closures and funding issues across the sector. Over longer timescales, there may be missed opportunities for collaborations, which can often start from the development of informal networks.

The higher education sector is a global market and if international students increasingly choose other places to study, other countries will eventually overtake the UK in international student recruitment. The UK may lose talented students who may go on to further study or skilled jobs and may be less likely to choose the UK as

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[452] Gov.UK. Graduate outcomes for all subjects by university. https://www.gov.uk/government/statistics/graduate-outcomes-for-all-subjects-by-university [20] IOP, 2012. The Career Paths of Physics Graduates. http://www.iop.org/publications/iop/2012/page_55925.html
[453] IOP. Your future with physics: career directions. http://www.iop.org/careers/undergrad-postgrad/your-future/page_64487.html

a career destination. Additionally, UK students will not benefit as they do now both socially and professionally, from studying in a diverse environment.

A reduced demand from migrant students could also result in missed opportunities for collaborations. As the upward trend in research productivity has been linked to growing international research collaboration,[454] in turn associated to greater citation impacts, reduced levels of collaboration could result in a slowing in the growth of the UK's research base. There would also be immediate losses to the research base as many PhD level students make important contributions to research papers during their studies. **Conclusion**

International mobility is an essential feature of science and engineering in the UK and developing an effective migration policy is a vital component of future success – international students are a contributor to that. As such, these impacts would be detrimental to the UK higher education, research and technology sector.

Changes to UK immigration policy post Brexit should ensure that the UK retains its position as a destination of choice for qualified students from non-UK EU and non-EU countries. There should be a continuous dialogue between current and prospective students, universities, government and other bodies to ensure the best outcome for the UK and secure the future of the STEM skills pipeline and the higher education system.

[454] Elsevier and BEIS, 2017. International comparative performance of the UK research base 2016. https://www.elsevier.com/__data/assets/pdf_file/0018/507321/ELS-BEIS-Web.pdf

Institute of Student Employers

Context

The Institute of Student Employers (ISE) is a national employer-led membership organisation with a vision of ensuring “every employer’s success is maximised by full access to student talent”. Previously known as the Association of Graduate Recruiters (AGR), the ISE has around 300 employer members which collectively operate in over 15 sectors, recruit into all UK regions and are both large and small organisations. All of these organisations hire students from universities or schools. The opportunities they offer include structured graduate programmes, apprenticeships, summer internships, year-long industrial placements and school leaver direct entry programmes.

Evidence on the recruitment and development activity of ISE employers comes from the ISE Annual Surveys. These pieces of research typically receive around 200 employer responses and are a robust proxy to the wider market for graduate talent due to the wide range of sectors and intake sizes of the respondents. In 2017, the 200 respondents to the ISE Annual Survey hired 20,614 graduates and 11,016 apprentices and collectively represented companies with over 2.8 million staff. Some individual employers hired over 1,000 graduates but 44% of respondents hired less than 25.

The role of international talent

ISE recruiters see international students as a key part of the talent pool that they recruit from. When employers recruit from UK universities, they also recruit students who have been born overseas but come to the UK to study. 79% of employers hired at least one (non-UK) EU national in 2017. The average share of EU nationals was 8% of a graduate intake this year.

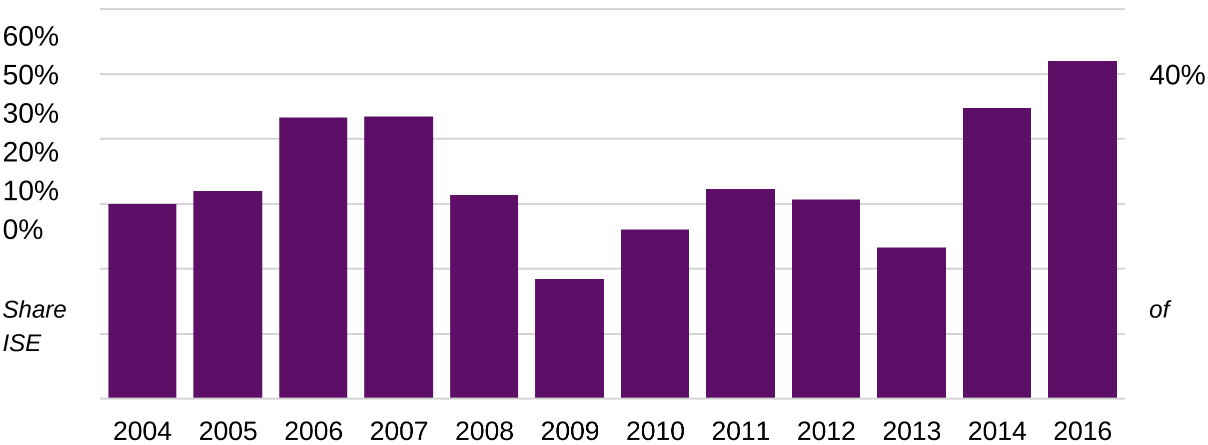
ISE employers are also open to applications from overseas and some recruit overseas for UK positions. In 2017, two-thirds accepted applications from the European Economic Area (EEA) and 9% conducted recruitment activity in the EEA. Some firms require candidates to have the right to work in the UK in order to be considered. This is the first year that ISE has captured information on the nature of international recruitment, so past trends are still unclear.

Employers face persistent challenges in securing the student talent that they need. Over the past two years, more than 40% of employers have not been able to fill all of the vacancies that they had available. This happened despite the high level of interest from students: for example, an estimated 52%[455] of employers could not fill their vacancies in 2016 despite an average of 68 applications for every vacancy, increasingly sophisticated selection processes and more targeted advertising. One

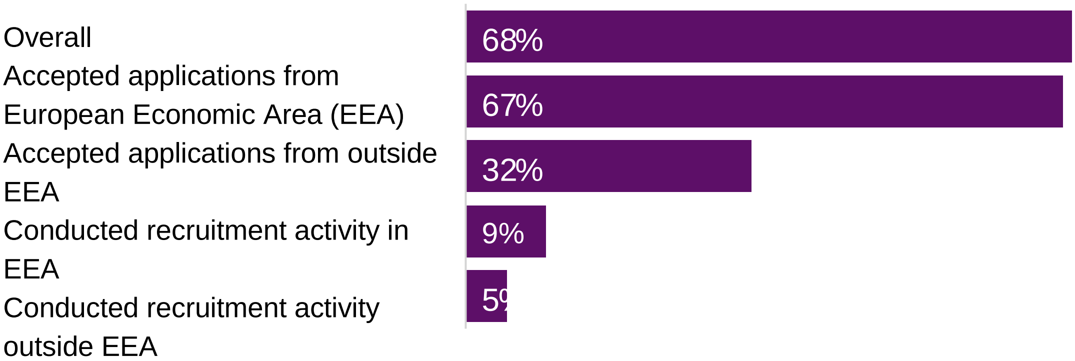
[455] *Based on a pulse survey of 79 employers with 12,452 graduate hires.

particular skills gap is in regards to language skills. Any tightening of regulation on migration could increase the problem of talent shortages and negatively impact business performance.

ISE calls for a sensible approach to student immigration that recognises the positive effect that international students have on the UK economy. UK employers also rely on a healthy higher education system which is partly contingent on the continued presence of international students: these students are not only a source of fees for universities but their presence helps to provide an environment where UK students can develop a global mindset.



Share of ISE employers with unfilled vacancies. Note: not tracked in 2015. Source: ISE/AGR Annual Surveys.



Share of ISE employers conducting international recruitment activity. Source: ISE Annual Survey 2017.

Evidence on the impact of Brexit

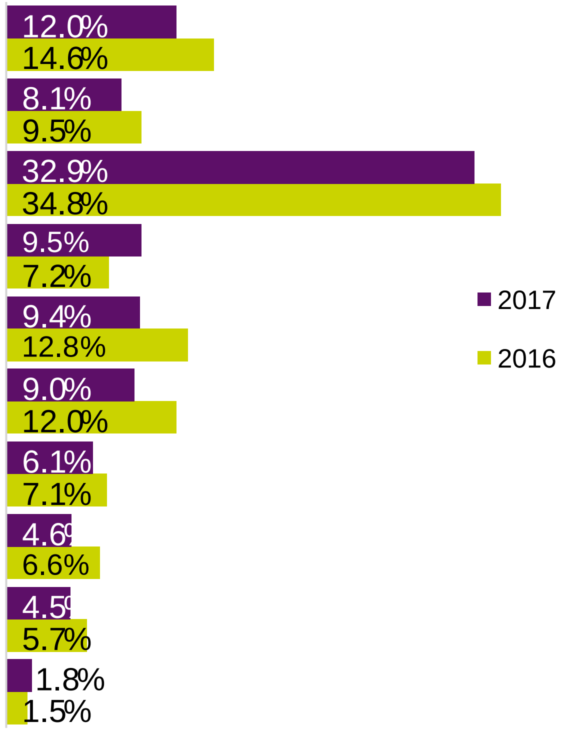
During the Brexit negotiations, ISE employers continue to invest in students and grow the number of opportunities available. According to the latest ISE Annual Survey, which was captured in July 2017 and released in September 2017, employers increased their graduate vacancies by 1% overall and apprenticeship vacancies by 19% overall this year. Median graduate salaries rose by 2% to £28,000 and median intern salaries rose by 5% to £360 per week. At the moment, the Brexit process does not appear to have led to fewer opportunities being made available to students.

ISE employers also do not rank Brexit as one of their top five challenges in 2018. Even though Brexit was seen as the number one challenge in 2017, its relative importance has dropped by eight places this year. Organisations see making the most of domestic talent, and responding to domestic competition for that talent, as higher priorities. According to one employer "Brexit will most likely only pose issues once the UK physically leaves the EU. Due to our location and the somewhat niche sector we operate in, attraction of candidates is likely to remain our biggest challenge, even post Brexit".

Top challenges in 2018	Change in ranking
1. Improving diversity	+5
2. Budget constraints	-4
3. Managing candidate experience/expectations	equal
4. Managing organisational response to Levy	+5
5. Responding to competition	+3
6. Finding candidates with required STEM/tech skills	+1
7. Attracting candidates	-3
8. Responding to Brexit	-7
9. Reneges	-1

There is some evidence that suggests that Brexit has had an effect on the volumes of graduate hires from the EU. The average share of graduate hires with (non-UK) EU nationality dropped slightly in 2017, from 9.5% to 8.1%, with small declines across most of the sectors which were tracking this information. However, it is not yet clear whether this is a temporary drop or the start of a long-term trend. It is still too early to say.

Overall - employers who hired at least one EU national in 2016
Overall - all employers tracking the nationality of their hires
Banking or financial services
IT & Telecommunications
Engineering or industrial
Energy, water or utilities
Law
Construction/Built Environment
Accountancy or professional services
Public sector



Average share of graduate hires with EU nationality. Note: for employers who provided information on both years. The minimum number of responses to report on a sector is five. Source: ISE Annual Survey 2017.

International Association of Maritime Institutions

Evidence to the Migration Advisory Committee, January 2018 submitted by the International Association of Maritime Institutions (IAMI).

This evidence is presented by IAMI, the International Association of Maritime Institutions. We represent 46 maritime training establishments around the world, of which 28 are based in the UK, and we have a history which goes back to 1917. We act as the link between individual training providers and the regulator namely the Maritime and Coastguard Agency's Standards Branch to ensure consistency of the maritime training developed and undertaken in the UK.

1. The international nature of maritime training

The Maritime and Coastguard Agency (MCA) is the UK Government agency which implements the requirements of the international Convention on Standards of Training, Certification and Watchkeeping (STCW), which is managed by the International Maritime Organization (IMO), a United Nations agency (based in London). The STCW Convention imposes quality and content requirements that dictate the minimum length of training required to achieve MCA Certificates of Competency (effectively licences to practice for seafarers) and the choice of the externally accredited academic standards. UK maritime colleges and universities must follow these rules to meet IMO requirements and these UK qualifications and certificates are accepted world wide by other maritime authorities and nation states.

2. The position of the UK as a trainer for international students

For over 50 years the UK's maritime training programmes have attracted both international ship-owners and individual seafarers to train within the well-respected UK standard of training and education. Technically every country trains to the same international standards, in reality only a number of countries have gained the reputation for the high quality of their training: and the UK is in that top rank.

The Department for Transport's recent Maritime Growth Study (a major strategic review of commercial opportunities in the maritime sector) says this:

> *The UK's training and research institutions attract students not only from the UK but also from abroad, with many overseas students seeing the benefits of the UK offer. These students are seeking the opportunity of receiving top class training from a world-leading maritime nation.*

What attracts these overseas students to the UK is the high reputation of our courses. Most could get the same IMO certification as a junior officer in their own countries, but they choose to come to the UK – with all the benefits we get from that – because UK training is so highly regarded.

The Maritime Growth Study set an ambition to build on the high international reputation of the UK's specialist maritime colleges and universities, recognising the many benefits which flow from it.

international students aged between 18 and 60 come to the UK to benefit from the experience and international reputation of the Lecturers as well as undertake training on specialised facilities. Most non-EU nationals studying in the UK for their first "certificate of competency" as an officer (i.e. manager) in the Merchant Navy study either a Foundation Degree or a Higher National Diploma (HND). Though most Foundation Degrees and HNDs are two years long, our full programmes of study typically last at least a year longer because trainee officers must also spend time at sea as part of their studies. This initial study period is then supplemented by further study in the UK to gain the highest Maritime and Coastguard Agency professional certificates as Master Mariner or Chief Engineer and further Continual Professional Development, where course fees of £2000/week/person are common . This repeat business for the educational establishments and the locality in which they operate provide significant regional financial benefits, not only to the immediate business and its people but also helps to secure and improve the training resources for UK students who study at the same locations.

3. The positive effect on the economics of training UK nationals

The number of international students in 2016/17 who undertake maritime training in the UK is estimated at 1,230/year. For comparison, the current number of UK students trained within these programmes is 1,745/year, so the non-EU student cohort is around 40% of the total on these programmes. The fee income of these 1,230 students is around £7.1 million, which equates to £5,750/student/course/year. For comparison, the number of international students admitted to the UK on Tier 4 visas over the last 10 year period is

Year	2006/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15
No	2110	2140	2030	1770	2025	2055	1860	1550	1450

The table shows that there has been a steady decline in the number of international students applying to study in the UK since 2011. This is due to the increase in time now required by seafarers to complete their student visa application, which they can only complete after returning from working on-board, for entry into the UK following the introduction of the English Language test, and TB medical tests. These international students can also choice to study in other countries such as Australia and Singapore.

In many of the longer one or two year duration programmes international students can make up as much as 85% of the student cohort. That means first, in financial terms, that international students are effectively cross-subsidising the training offered to the UK students by ensuring the viability of courses which might otherwise be too small to run. Secondly, international students enable training providers to run more programmes more often (i.e. more centres can offer the same programme, with multiple start dates each year), which is very helpful to UK-based companies which must manage their staff release for CPD training very carefully to avoid undue pressure on crewing. It would be a significant problem for UK-based companies if colleges could only offer a single cohort dates each year.

4. Localised impacts, largely in more deprived communities

Using the data from the English indices of deprivation 2015[456] most of UK maritime colleges are in the more economically-deprived areas.

Training provider	Local authority district	Index of Multiple Deprivation Rank
Blackpool and the Fylde College	Blackpool	4
Liverpool John Moores University	Liverpool	7
Tyne Coast College	South Tyneside	31
Plymouth University	Plymouth	82
East Coast College	Waveney	95
Warsash Maritime Centre	Fareham	312
City of Glasgow College	Glasgow south east (S01003303)	Decile 3[457]

In addition to the loss of programme fees, there is also the loss of accommodation and living expenses (as inward investment to the UK) of around £8,000/student/course, hence the total loss to the UK in monetary terms would be around £16.9 million / year. This is a substantial loss to those communities where alternate inward investment opportunities are limited.

5. International professional maritime students are low risk – and we will keep them low risk

IAMI members understand very well the immigration threat to the UK posed by international students. We also know that the risk of overseas students trained in the UK maritime sector delaying their return to their home country is very low. These students are either sponsored by their employer overseas or they are self-funded. In both cases when they leave the UK their primary place of work is on-board their ship and their preferred place of residence is in their home countries. There are not only no financial rewards for staying in the UK, there are real financial gains from returning home because they earn more (i.e. the gap between international salaries

456 https://www.gov.uk/government/statistics/english-indices-of-deprivation-2015

457 http://statistics.gov.scot/doc/statistical-geography/S01003303

at sea and the cost of living back home is invariably much greater than if they lived in the UK).

IAMI members can verify when their overseas students leave the UK at the finish their studies, and offer to do so because we are confident that the risk of them overstaying is very low. Because seafarers' service at sea must be recorded in their Discharge Book, IAMI members have a verifiable means of identifying not only where someone has worked, but when. Colleges already examine these records when a seafarer applies for a course, or for entry to an MCA examination, so we have a robust means of establishing whether someone has worked outside the UK.

As the training providers undertake this admission check already they are so confident about the insignificant risk posed by international maritime students that they will accept the added responsibility to ensure their students leave the UK on completion of their studies.

6. Summary

IAMI provides this evidence to support that

A. The UK already has significant advantages in the international maritime educational market and wishes to retain this strength
B. The current Tier 4 and Short Term Student visas provide a structured and established framework to minimise visa abuse, but the Home Office needs to understand and differentiate between training for professional certification, and other applications that abuse our visa system.
C. Maritime and other professional certification programmes should be allowed to operate in a regulated manner that recognises that Short Term Student visas enable professionals to undertake their Continual Professional Development in the UK, with its associated advantages to the positive image of the UK with these managers forming a future decision-making bias towards the UK.
D. Allow mature sponsors to operate in a risk based system, that reflects the low risk of professional trained graduates abusing the privilege of studying in the UK against the significant advantages this inward investment brings to the UK.

Institute of Directors

Dear Sir/Madam,

Thank you for giving the Institute of Directors (IoD) the opportunity to participate in this call for evidence on the impacts of international students in the UK, published by the Migration Advisory Committee, on the 3rd October 2017. Access to skills has been the number one concern for IoD members for many years, and we are very pleased to contribute to the current consultation. This paper presents the IoD's comments on some of the key issues raised by this review and presents the views of the IoD's members on the future of inward migration to the UK.

About the IoD

The IoD was founded in 1903 and obtained a Royal Charter in 1906. It is an independent, non-party political organisation of approximately 33,000 individual members. Its aim is to serve, support, represent and set standards for directors to enable them to fulfil their leadership responsibilities in creating wealth for the benefit of business and society as a whole. The membership is drawn from right across the business spectrum. 49% of FTSE 100 companies and 45% of FTSE 350 companies have IoD members on their boards, but the majority of members, some 70%, comprise directors of small and medium-sized enterprises (SMEs), ranging from long-established businesses to start-up companies. IoD members' organisations are entrepreneurial and growth-orientated, and more than half (57%) export goods and services internationally.

The IoD's position: The views of our members

For the United Kingdom to be an economic success outside the European Union, employers must prosper. Access to skilled workers will be vital in helping achieve that prosperity. One of the many things the Government will need to do is ensure that whatever new immigration policy is to be implemented, businesses, universities and the public sector are not prevented from accessing the international talent our economy needs.

IoD members believe that international students and academics should continue to have unrestricted access to UK universities after Brexit. UK higher education is a key industry and remarkable economic success story, contributing £95bn to our economy every year. As well as tuition fee payments, international students spend money off-campus on a wide range of goods, services, and activities. This generates £25.8 billion in gross output each year, through on- and offcampus spending by them and their visitors, and supports 250,000 jobs (almost 1% of the total) across the nation[458]. The transport and retail sectors are significant beneficiaries of international students' spending. Their off-campus spending added £750 million to the UK transport industry and £690 million to the retail industry. International students also attract a significant number of overseas visitors during their time studying in the UK. The expenditure of these friends and relatives, at hotels, restaurants, and attractions makes a significant contribution to the tourism, hospitality and retail sectors. Universities are also often the largest employers in their area, especially in economically disadvantaged regions of the country. Through links with businesses and in attracting students from overseas, they bring in significant investment from around the world to all the UK's nations and regions. The knock-on impact of universities on local businesses and jobs has supported the regeneration of many deprived towns and cities. The spending of international students and their visitors now provides a major export boost for the UK economy, responsible for £10.8 billion of UK export earnings. These figures highlight the enormous economic contribution international students now make to UK plc and to jobs and communities in every region of the UK[459].

Most students who come to the UK to study are not permanent migrants. Public concern about immigration is driven principally by long-term immigration for settlement in the UK, not short-term immigration, particularly if the primary purpose of that immigration is for legitimate study. Overseas students comprise approximately one-third of all immigrants coming to Britain[3]. Yet, polls have repeatedly shown that the vast majority of the public do not consider overseas students to be immigrants and do not want the number coming here reduced, even if this would make it harder to reduce overall immigration numbers[460][461]. Aiming to reduce the number of international students would therefore fail to address the public's anxieties about immigration but would be very damaging to our businesses and our economy.

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[458] Universities 'generate £95 billion for UK economy', Times Higher Education Supplement, October 16th 2017: https://www.timeshighereducation.com/news/universities-generate-ps95-billion-uk-economy

[459] The Economic Impact of International Students, UniversitiesUK, March 2017: http://www.universitiesuk.ac.uk/policy-and-analysis/reports/Documents/2017/briefing-economic-impactinternational-students.pdf

[3] Destination education: Reforming migration policy on international students to grow the UK's vital education exports, Marley Morris, Chris Murray & Stephen Murphy, Institute for Public Policy Research (IPPR), 6 September 2016: http://www.ippr.org/publications/destination-education .

[460] International students and the UK immigration debate, ICM Poll, British Future & Universities UK, 25 August

[461] : http://www.britishfuture.org/wp-content/uploads/2014/08/BRFJ2238-International-Students.WEBFINAL.Embargo-25.8.14.pdf ; Survey of Londoners on behalf of London First on whom they perceive to be an immigrant and their attitudes towards overseas students, ComRes Poll, London First, 18 January 2016: http://www.comresglobal.com/polls/london-first-immigration-and-students-survey/.

Restrictive student and related post-study visa rules etc. would undermine the UK's claim to be an open, outward facing, trading nation. Shutting the door to highly-trained international graduates would hurt businesses and lead to a loss of important skills at a time when such skills are ever more critical to our economic success.

A related concern for employers is the impact that a reduction in the number of international students studying in the UK, and UK students studying abroad through initiatives such as the EU's Erasmus programmes, would have on the domestic skills pipeline and trade relations. While this report focuses on economic impact, it is important to remember that international students also enrich our campuses and the experience of UK students, both academically and culturally. Many return home having built strong professional and personal links here that provide long-term, 'soft power' and trade benefits for the UK. The continuation of this will be vital if 'Global Britain' is to prosper after our EU exit.

Higher Education Statistics Agency data show that some UK universities would be particularly at risk were there to be a decline in the number of overseas students, while certain key subjects are also disproportionately affected, with mathematical sciences and engineering (a sector which is experiencing acute skills shortages) particularly exposed[5]. In the wake of Brexit, overseas students may have to pay high international student fees and they may also lose access to the UK's student loans system. This, by itself, would reduce the attractiveness of the UK as a place to study for overseas students. The impact could be even greater if politicians' recent anti-immigrant rhetoric continues to result in further drops in international recruitment[6]. The fiscal impact on HE is therefore a major concern given the Governments new universities' league table – the Teaching Excellence Framework – has exposed those universities that are underperforming at the same time as the UK HE sector is preparing to lose its EU funding (there are 20 UK universities which get 50% or more of their research funding from EU sources and 10 get 90% or above). In addition, there is also now talk of scrapping tuition fees. While things rarely turn out as bad as they could, the consequences on the HE sector if this perfect storm comes to fruition could be catastrophic for the skills pipeline.

The Government must always remember that immigration related headlines designed for sympathetic readers of *The Times of London* can also make their way into the less sympathetic *The Times of India*, with often damaging consequences. So it is essential that the UK presents a welcoming climate for international students and academics. Apart from the direct economic costs to the UK, a fear for employers is that, without overseas students, many university courses at UK universities could become unviable, meaning UK students would also not be able to study those courses. This could have a catastrophic effect on the domestic skills pipeline. The UK Government should exempt all international students of bona fide UK universities from any restrictions on entering, staying, and studying in the UK and grant a two year work visa to those who successfully complete their studies and wish to stay here for a period.

More broadly, IoD members regularly state that a lack of access to skilled workers is a significant obstacle to growing their business. There are, simply put, not enough skilled people across the workforce to fulfil the demand of growing businesses. Studying in a UK university can provide a vital first entry point for immigrants who later enter the UK workforce. As such, 70% of IoD members believe "UK businesses need the skills of immigrants to compete globally", 59% agree that "immigration has allowed their business to become more productive" which, in turn, leads to higher economic growth and employment. This is hardly surprising. The UK is the only country in Europe where immigrants are, on average, better educated than natives. 67% of IoD members have at least one employee from outside the UK. That is not to say IoD members use immigrant workers as a substitute for training British workers. The evidence from our members is that those who rely most on foreign workers also invest disproportionately in training British workers.[7]

But it is not just working in existing companies where immigrants provide a valuable boost to the UK economy. Immigrants are also three times more likely to start a company in the UK. Indeed, more than 15% of those born abroad have set up a company within the last three years compared to around 5% of UK-born residents according to the Centre for Entrepreneurs. Immigrant

5
Lower EU recruitment 'could force courses to close', Time Higher Education Supplement, 7 July 2016: https://www.timeshighereducation.com/news/lower-eu-recruitment-could-force-masters-courses-close.
6
International study, The Higher Education Statistics Agency (HESA), 1 September 2016:
https://www.hesa.ac.uk/data-and-analysis/students/international-study ; International student statistics: UK higher education, The UK Council for International Student Affairs (UKCISA), 14 July 2016:
http://institutions.ukcisa.org.uk/Info-for-universities-colleges--schools/Policy-research--statistics/.
7
IoD Member Survey conducted via online "Policy Voice" platform, July 2016
entrepreneurs are behind one in seven UK companies. If much of our public debate around immigration gives the impression that immigrants are job-takers, the stats

suggest that the term jobcreators might be more appropriate[462]. In a survey of IoD members born outside the UK, 44% came to the UK between 16-35, most notably as university students, and 6% of foreign born IoD members started their business while studying at a UK university[463]. These figures show that many immigrants who come to the UK for study are likely to set up their own firms in due course, creating job opportunities for others.

Conclusion

Most British citizens recognise that immigration brings both costs and benefits. Higher population means increased demand for infrastructure and public services, but immigration also brings the skilled workers and cultural diversity that have made our economy and our country stronger. Nevertheless, employers cannot ignore the public's concerns, and those of us who rely on international workers need to help develop a clear plan to manage the challenges of immigration in order to keep the rewards. Businesses are working hard to train more British people to do the jobs they need and they are making progress. But it takes time and people don't just become expert engineers or doctors overnight. Until such time as we can train enough of our own, and for as long as skill and labour shortages remain, it is important that universities and education providers are able to attract and recruit foreign students to the UK.

Thank you once again for giving the IoD the opportunity to participate in this call for evidence. We hope you find our comments useful and look forward to seeing the MAC's final report and to further engagement on ensuing policy changes. If we can provide further information on any of the issues discussed, please do not hesitate to contact me.

Yours faithfully,

Head of Policy Research

[462] Global Entrepreneurship Monitor, 2015/16 Global Report; Centre for Entrepreneurs, Migrant Entrepreneurs: Building our businesses, creating our jobs, March 2014.
[463] IoD Policy Voice Survey, October 2014.

Direct Travel Journeys

Dear Sirs

I wrote with regards to above enquiry taking place and information requested.

We are a 100 plus strong fleet of taxis, Airport transfers operating in Eastbourne and surrounding area.

From March to end of September, about 85% of our Airport business is solely based upon the international student market and we will at anyone time have about 35 drivers dedicated to the international schools and transferring students etc.

It's a vital part of our business and ensures we are able to employ our drivers to service this market and there are many language schools located within Eastbourne. The night time economy is very dependant upon the students during the summer months as various clubs hold special nights for them.

Hope the above demonstrates the need to keep this market open and viable.

Thank you.

Kind Regards

Law Society of Scotland

Introduction

The Law Society of Scotland is the professional body for over 11,000 Scottish solicitors. With our overarching objective of leading legal excellence, we strive to excel and to be a world-class professional body, understanding and serving the needs of our members and the public. We set and uphold standards to ensure the provision of excellent legal services and ensure the public can have confidence in Scotland's solicitor profession.

We have a statutory duty to work in the public interest, a duty which we are strongly committed to achieving through our work to promote a strong, varied and effective solicitor profession working in the interests of the public and protecting and promoting the rule of law. We seek to influence the creation of a fairer and more just society through our active engagement with the Scottish and United Kingdom Governments, Parliaments, wider stakeholders and our membership.

The Society's Immigration and Asylum Sub-committee welcomes the opportunity to consider and respond to the Migration Advisory Committee's call for evidence on International students: economic and social impacts.

International Students in the United Kingdom

Throughout our history, the UK has a proud record of welcoming international students to study at our institutions and on the whole, it is widely accepted that international students have contributed positively and helped secure Britain's role as a centre of excellence in international education.. In recent years, UK Government attention on international students has come to focus on the rather small group of international students who may have used the student visa route as a manner to obtain entry to the UK in a manner that could be viewed as abusive.

With the UK government's policy to reduce net migration and the insistence that international students be included in the net migration statistics,, we have seen a number of restrictive measures that could be said to act as a barrier to attracting the brightest and the best international talent to study in the UK.

It is evident that international students bring a range of benefits to the United Kingdom: economically, culturally as well as socially and we recognise the importance of maintaining ease of access for those who wish to come to the UK to study.

Visa Applications

In order to study in the UK, an international student who is subject to UK immigration control would usually require to apply for and be granted a Tier 4 (General) visa (commonly referred to as a 'student visa').

The eligibility criteria for such require the prospective student to have sufficient English language skills in order to study in the United Kingdom. For some applicants, this includes sitting an English language exam. In addition, applicants are also required to have sufficient funds to maintain themselves for the duration of their stay in the UK. This is in addition to the costs of tuition fees and visa application costs. Applicants must also be sponsored by a registered educational institution who in turn are very heavily regulated by UKVI. The number of institutions willing and able to sponsor international students has dropped in recent years due to the complexity of the Tier 4 sponsorship system and the rigidness of the obligations placed on Tier 4 sponsors.

Given the eligibility criteria of this visa type, one can see that there are a number of checks in place, checks that appear to work relatively well, t o ensure that those obtaining student visas in order to study in the UK have the means and ability to do so and this is a very different system to the visa system in place a number of years ago which, as is now widely accepted, was more open to abuse.
Studying in the United Kingdom

International students generally have a very positive impact on the UK economy. At the outset of their studies (and even prior to travelling to the UK), they make a substantial financial commitment to study in the United Kingdom and the relevant educational institution will benefit financially from that as well as by gaining motivated students from different backgrounds and cultures which brings diversity to university and college campuses around the country.

The Immigration Rules also permit most international students to work for up to 20 hours per week during term-time and full-time hours during vacation periods. The jobs they carry out will vary from part-time employment in sectors such as hospitality and retail to employment in their field of studies. many international students who take up additional part time work bring expertise of overseas markets and language skills that can and are used to facilitate additional exports and international trade and this is especially important to SMEs who might not otherwise be able to access such high quality talent.

Another positive consequence of international students studying in the United Kingdom will be in relation to tourism. Often family members of international students will visit them during their stay, staying in local hotels and spending in local businesses and often touring the country. International students therefore also directly contribute to key sectors of the Scottish economy and this link can also open up opportunities for direct foreign investment from family members of students who can see what Scotland and the UK has to offer.
There is an issue in relation to the restrictive nature of the immigration rules in relation to family members of some international students coming to the UK as dependents. We are of the view that restrictive changes n this regard has had a negative impact on the UK's ability to attract new international students. .

We also regularly see situations where an international student meets a partner or spouse whilst studying in the United Kingdom. However the spouse visa rules are particularly problematic for international students in such scenarios switching given the rigidness of the Appendix FM financial requirements which require salary or savings levels that can be difficult for graduates to obtain.

Post-Graduation

Whilst the Tier 2 (General) visa for skilled workers provides some ‘concessions’ for employers seeking to recruit international graduates, the rules remain problematic for graduates.

Since the abolition of the Tier 1 (Post Study Work) route, it is not straightforward for international students to stay in the United Kingdom post-graduation for work purposes. Not enough employers are registered as Tier 2 sponsors and the salary scales are problematic for SMEs in many parts of the country. . It would be preferable from both an employer viewpoint as well as a graduate viewpoint if there were a simpler and more straightforward route into sponsored employment with this route perhaps acting as a bride into Tier 2 sponsorship.

Once a student has been in Scotland to study, they have usually contributed considerably in many ways. We understand the government’s position on post-study work visas and desire to reduce net migration. However, given the difficulties in acquiring a Tier 2 (Genral) visa and Scotland’s reliance on migration to stem our population decline, international students could contribute more to the country if there was a re-introduction of some kind of post-study work visa aimed at skilled workers. This would ensure that Scotland is benefitting from the brightest and best settling in the country post-graduation and enhancing the skills available in the country and could be designed in many ways, including targeted at those who study key courses. .

EU Students

The same contributions previously raised for international students are also relevant for students from the European Union and the European Economic Area. The have a significant impact on the fabric of the UK economically, socially and culturally. We are aware that there are very concerning barriers to EU/EEA students obtaining permanent residence documentation in the UK when they have not held comprehensive sickness insurance and the UK government’s insistence on this being required by international students seeking to obtain residency documentation is, in our view unlawful. We understand that students will not require this under the proposals for settled status and if this is indeed the case, then we would welcome that.

London First

About London First
London First is a business membership organisation, with the mission to make London the best place in the world for business. We're focused on keeping our capital working for the whole of the UK. We represent the capital's leading employers in key sectors such as financial and business services, property, transport, information and communication technology, creative industries, hospitality, retail, and education.

We've galvanised the business and higher education community to bring pragmatic solutions to London's challenges over the years. Now, we are working on solutions to what our business leaders see as the top priorities for our capital: talent, housing and transport. We also scan the horizon, link with other cities, and support our members on the key issues that will keep our capital globally competitive.

Summary position

International students deliver many benefits to the UK, and one of the principal benefits is financial. Higher education is one of the UK's leading export sectors, generating £11bn[464] a year nationally.

In London, international students are a major success story. The capital is the most popular city in the world for international students; their spending on tuition fees, subsistence and that of families and friends visiting them – generates a net benefit of £2.3bn each year[465].

The revenue generated by tuition fees for international students helps to protect the very viability of our world-class universities, providing the resources that institutions require in order to offer the courses that thousands of British students take and to continue to deliver their world-leading research.

Another key consideration is soft power. International students arrive in the UK to study, and some have ambitions to work here for a time. They build networks, add cultural richness, and return home with a strong fondness for, and connections to, the UK. These international students frequently go on to become the greatest

[464] http://www.universitiesuk.ac.uk/policy-and-analysis/reports/Documents/2014/the-impact-ofuniversities-on-the-uk-economy.pdf
[465] http://londonfirst.co.uk/wp-content/uploads/2015/05/London-Calling-report.pdf

ambassadors for the UK, creating the conditions for successful future trading relationships.
In London, 60% of international students and alumni of UK universities have said that they are more likely to do business with the UK having studied here[466].

A third consideration is the urgent matter of skills. International students bring skills and experience that we simply cannot grow from the local labour market. For example, our worldleading professional services firms value the language skills, local knowledge and connections that global talent brings to international projects.

International students support the Government's industrial strategy, which aims to deliver a regionally balanced economy; cities across our nation are home to universities delivering this diverse and deep talent pipeline to their local economy. This even extends to driving local entrepreneurialism: through the Tier 1 Graduates Entrepreneur visa, universities can endorse international graduates with credible business ideas and help to turn their ambitions into a reality.

As well as being a source of skills to local employers in their own right, international students also help to generate jobs for local residents. UUK's analysis states that 'in 2014–15, spending by international students supported 206,600 jobs in university towns and cities across the UK'. London First's own research for *London Calling* shows that London's international students support 70,000 jobs in the London economy.

But our status as a world-leading magnet for international students is not guaranteed. Canada, for example, saw enrolments surge by 22% in 2016, with India the biggest single growth rate at 57%[467]. By contrast, Indian student numbers in the UK have dropped by over 75%[468] in the last few years. Cities that historically have fared less well in attracting international students, such as Seoul, are also fast improving.

Action should be taken that will boost the number of genuine international students who come to study and subsequently choose to work in the UK. Three immediate steps are required to secure this prize.
Firstly, it is crucial to recognise that students are temporary visitors and not migrants. The Government has been clear that there is no cap on the number of genuine students who can come to study in the UK,,yet including students in the net

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466 http://londonfirst.co.uk/wp-content/uploads/2015/05/London-Calling-report.pdf
467 https://ukcisa.org.uk/Research--Policy/Statistics/International-student-statistics-UK-higher-education
468 https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/internationalmigration/articles/internationalstudentmigrationresearchupdate/august2017

migration target – with its policy ambition to reduce migration to the UK – sends the opposite message.

In order to bring greater clarity, the UK's official net migration figures should be presented in a different way. Rather than publishing an aggregate net migration figure each quarter – based on flawed International Passenger Survey data – the best sources of data available should be used, including exit-check information, to present separate figures for each group of people coming and going from the UK, with the separate classifications of students, workers, and family. When this data is published, the Government must then be clear that it is not cracking down on student numbers.

The value in removing international students from an aggregate and blunt target figure that aims to cut migration is clear: it would send a strong message that the UK is serious about its ambition to invest in international education. And it is also important to note that poll after poll shows that the vast majority of the British public do not even regard students as migrants in the first place. For example, a ComRes survey for London First in 2016 revealed that only 17% of Londoners consider international students studying in London to be migrants.

Secondly, it should be easier for students to use their skills and work in the UK after they complete their studies. British-educated overseas talent is an asset and not a liability. The two-year post-study work visa should be reinstated. This would make the UK more competitive as it seeks to make the best of Brexit. Such a move would be good for UK tertiary education, good for UK business, and good for Britain's long-term relations with the global business community when these graduates return to their home countries.

Thirdly, it is essential to simplify the system. Immigration rules for international students have changed so frequently in the last few years that it makes it hard for both the student and their chosen education institution to navigate the system. More than one-third of the students surveyed for *London Calling* found that Britain's immigration system, particularly its complexity, negatively affected their experience of studying here. Of course, the flow of international students in and out of the country should be policed, but the Government should work with the education sector to identify ways to reduce friction in the system.

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1. Data and definitions

The majority of data used in this response represents international students studying at one of London's 39 Higher Education Institutions (HEIs)[469] in 2015/16 and is drawn from Higher

[469] See London Higher for full list of HEI

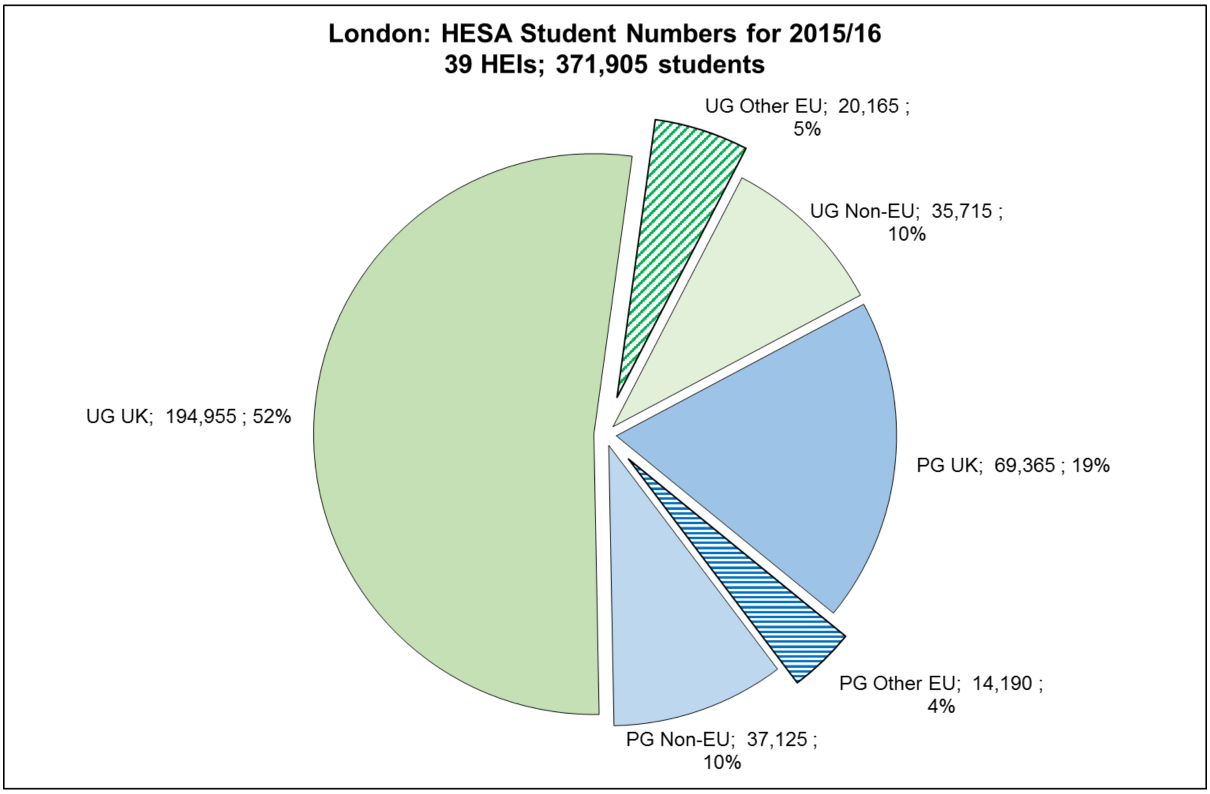
Education Statistics Agency (HESA) data modified for London by London Higher. For the
'economic impact' section of this response, data is drawn from the *London Calling* report from London First and PwC, which was published in June 2015[470] and which used HESA data for 2013/14.

By international students we mean non-EU and non-UK EU students. Where we make specific points in relation to non-UK EU students in the response, we refer simply to 'EU students'.

2. Pattern of international students in London

In 2015/16, of the 438,000 international students in the UK, 24.5% (107,195) were studying at a London HEI. London is home to 27% (34,355) of the total number of EU students studying in the UK and 20% (72,840) of non-EU students in the UK. In total, 29% (107,195) of the 371,905 students in London are international students.

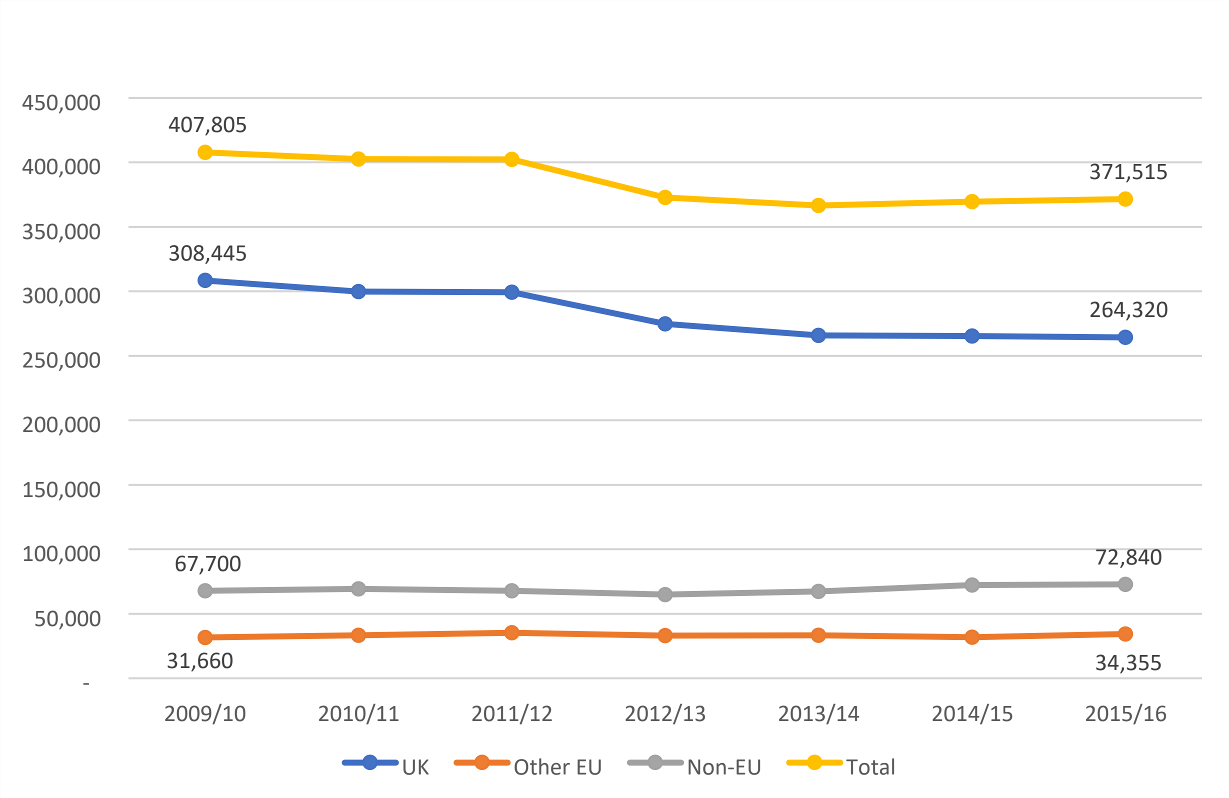
Figure 1: Distribution of student body in London 2015/16 by domicile and degree level (UG: undergraduate, PG: postgraduate)



Source: London Higher

Figure 2: Timeline of enrolment in London HE by domicile 2009-2016

[470] http://londonfirst.co.uk/wp-content/uploads/2015/05/London-Calling-report.pdf



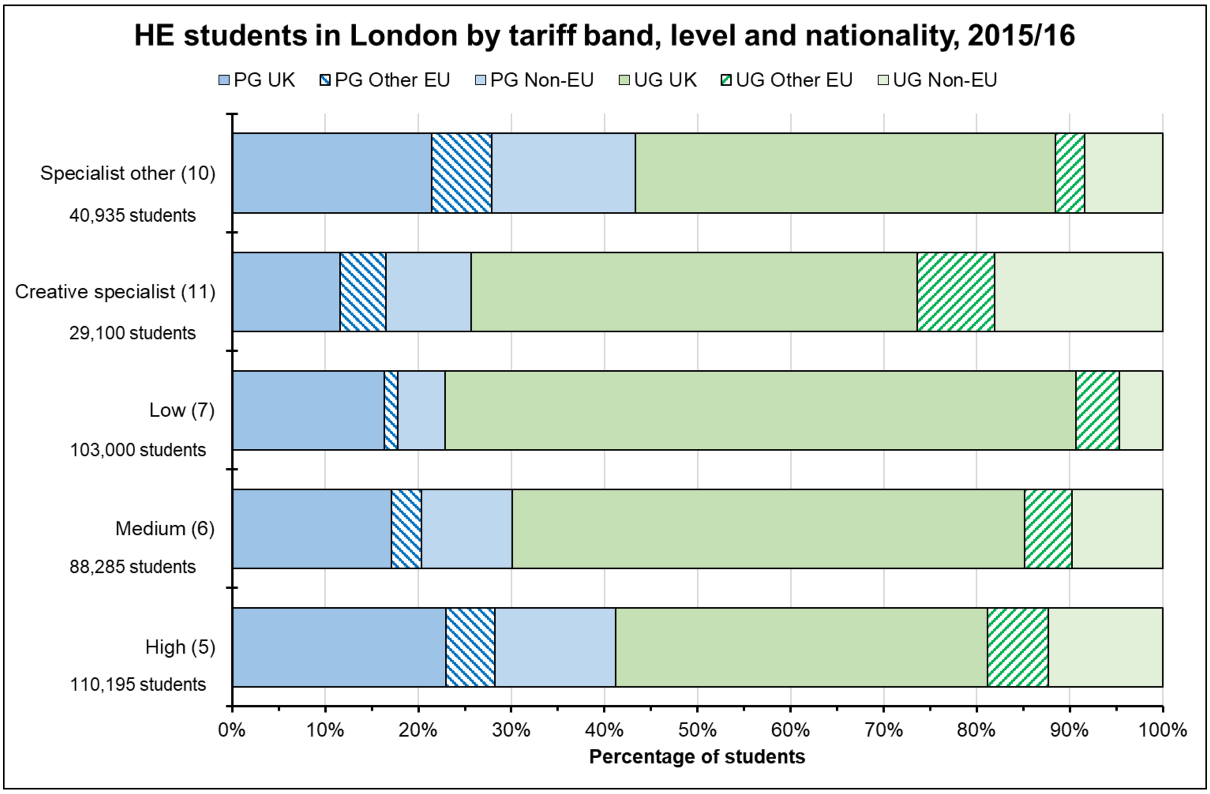
London HE enrolment by domicile - timeline changes

Source: *London Calling*/London Higher data

Overall numbers of higher education students in London have slowly declined by 9% since
2009/10; this is due to a 14% decline in UK student numbers. At the same time, EU and nonEU enrolment have increased by 8%, showing the rising popularity of UK institutions and the rising global demand for higher education.

Figure 3: Distribution of students by domicile and level across different tariff bands of London HE

[Tariff bands define the average student tariff points needed for entry to an HE course based on the student's post-16 qualifications and grades.]



Source: London Higher

The above graph shows that the percentage of international students is especially high in hightariff band universities and specialist universities, but they are well represented across all types of universities.

The following table shows the distribution of undergraduate international students by degree choice in London. It is important to note that on average international students make up around a third or more of the total student number in a number of subjects, including engineering and technology, business studies, and mathematical science.

Figure 4: Undergraduate subject areas ranked by overseas student's uptake/participation, 2015/16

FULL TIME FIRST DEGREE, 2015/16	No. FT First degree	% Other EU	%Non-EU	%Other EU and Non-EU
Engineering & technology	12,860	9.7%	27.0%	36.7%
Combined	25	24.0%	12.0%	36.0%

Business & administrative	30,755	11.6%	24.3%	35.9%
Mathematical sciences	4,960	6.7%	25.8%	32.5%
Law	9,050	11.2%	21.1%	32.3%
Architec. building & planning	3,760	12.6%	18.1%	30.6%
Mass comms. & doc.	7,695	15.1%	12.2%	27.3%
Social studies	21,445	10.6%	16.2%	26.8%
Creative arts & design	31,960	10.0%	16.3%	26.3%
Physical sciences	6,790	8.1%	13.7%	21.8%
Computer sciences	10,105	8.4%	10.6%	19.0%
Hist. and phil. studies	7,420	8.7%	8.1%	16.8%
Languages	9,455	10.1%	6.4%	16.5%
Veterinary sciences	1,245	1.2%	14.1%	15.3%
Biological sciences	18,710	6.9%	8.0%	14.9%
Medicine & dentistry	9,985	3.4%	8.9%	12.3%
Allied to medicine	20,145	4.3%	6.0%	10.3%
Agriculture & related	755	3.6%	3.3%	6.9%
Education	6,175	0.9%	1.1%	2.1%
Total - All subjects	213,295	8.8%	14.8%	23.6%
* Core area in Industrial Strategy				

Source: London Higher

At postgraduate level, the proportion of international students is much higher, at over 60% for many subject areas, and 81% for business, as Figure 5 below shows. The most popular subjects are similar to undergraduate level: engineering and technology, mathematical science, and computer sciences.

The demand for these subjects among international students, and the tuition fees that they pay, allow universities to maintain their financial viability and to continue to offer the courses that thousands of British students elect to study. See Section 3.4 below on cross-subsidy.

Figure 5: Postgraduate subject areas ranked by overseas students uptake/participation, 2015/16

FULL TIME POSTGRADUATE, No. FT PG 2015/16		%Other EU	%Non-EU	%Other EU and Non-EU
Business & administrative	14,165	15.9%	64.9%	80.9%
Engineering & technology	5,060	18.2%	54.0%	72.2%
Law	3,965	20.4%	51.5%	71.9%
Mathematical sciences *	1,240	18.8%	51.6%	70.4%
Mass comms. & doc.	2,620	17.5%	52.5%	70.0%
Agriculture & related	110	10.9%	58.2%	69.1%
Computer sciences	2,865	16.2%	48.5%	64.7%
Social studies	9,205	17.4%	46.0%	63.3%
Creative arts & design	7,075	18.7%	43.3%	62.0%
Languages	2,095	17.5%	41.6%	59.1%
Architec. building & planning	2,745	10.8%	44.9%	55.7%
Hist. and phil. studies	2,170	15.6%	36.0%	51.6%
Physical sciences	3,060	18.4%	32.6%	51.0%
Medicine & dentistry	4,660	13.5%	32.2%	45.6%
Biological sciences	4,475	11.9%	21.5%	33.4%
Veterinary sciences	190	14.2%	16.3%	30.5%
Allied to medicine	4,585	7.9%	18.3%	26.3%
Education	5,145	4.3%	17.7%	22.0%
Combined	-	-	-	-
Total - All subjects	75,430	15.1%	43.6%	58.7%
* Core area in Industrial Strategy				

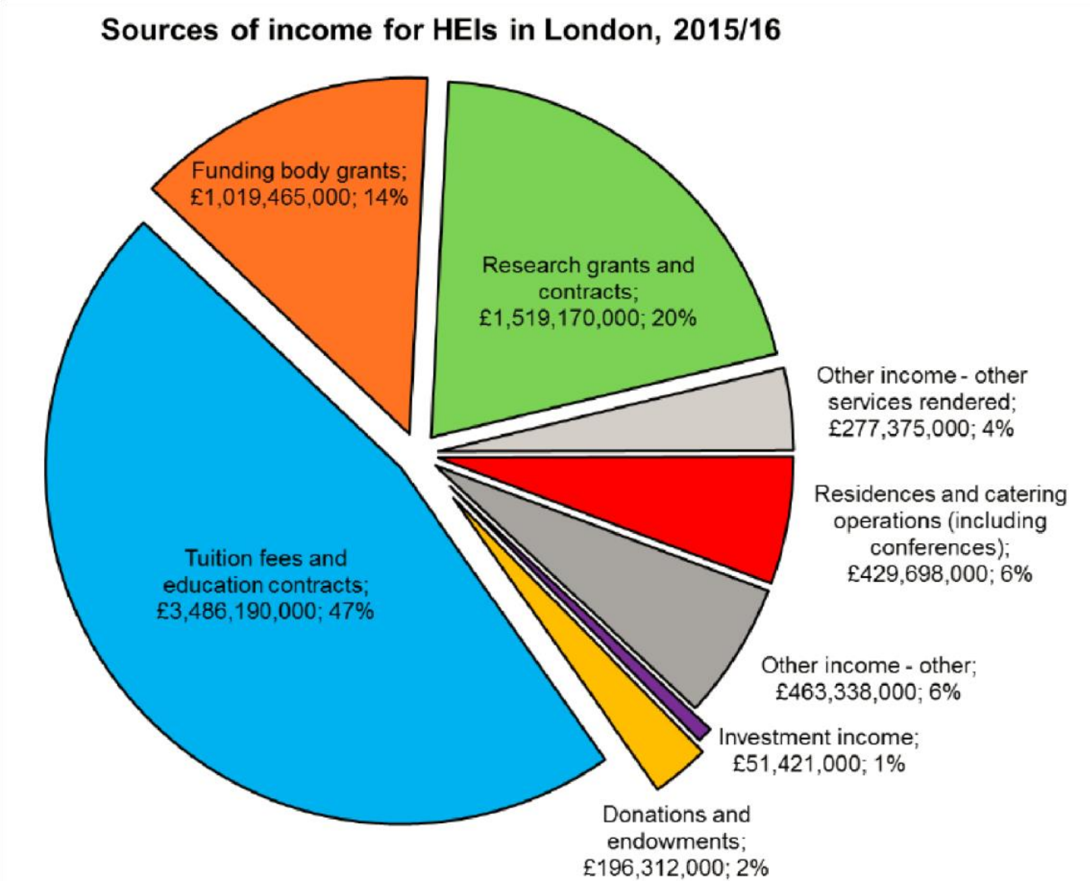
Source: Higher London

3. Impact of international students in London

3.1 Tuition fees

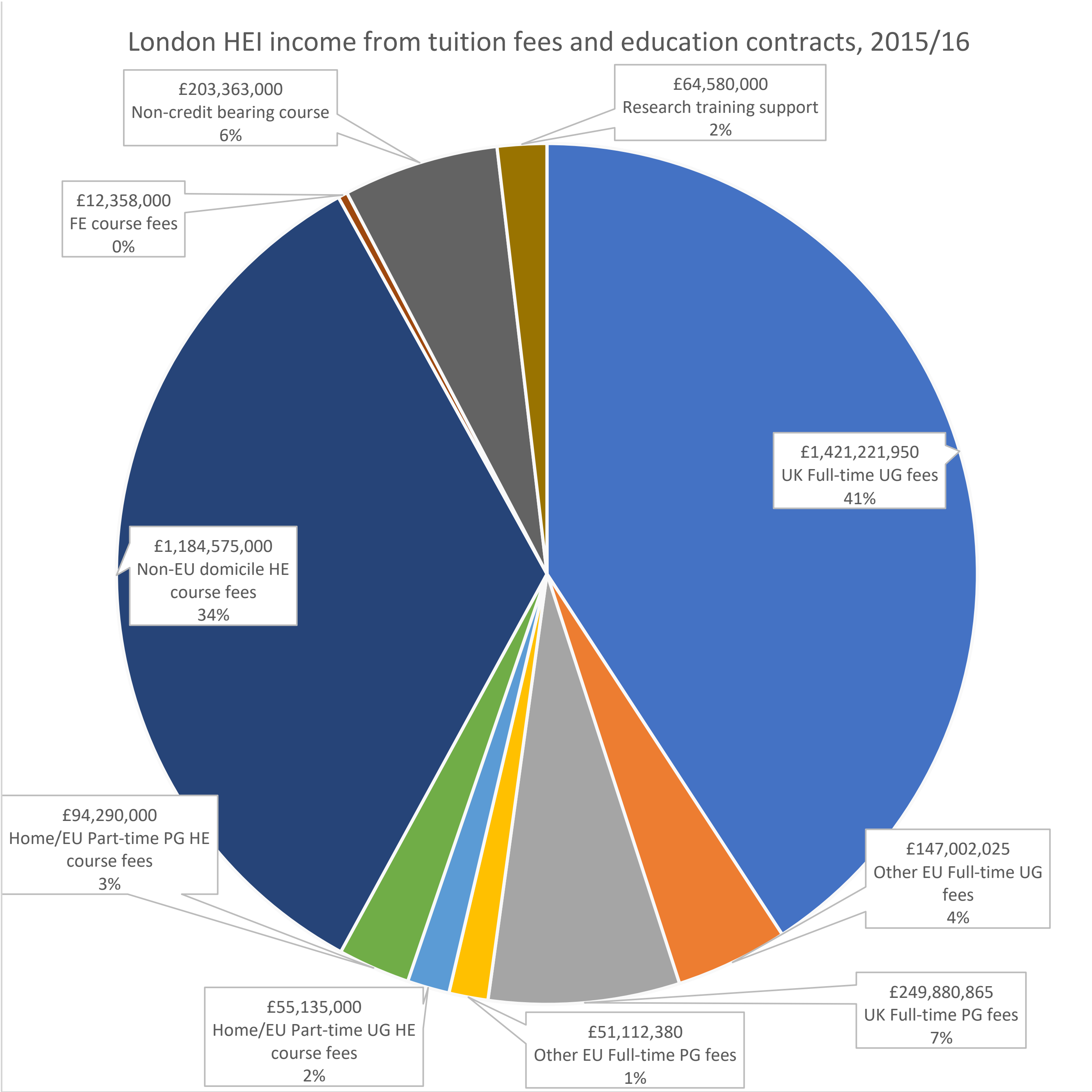
As Figure 6 shows, in 2015/16 nearly half of the income generated by London's universities came from student tuition fees. The fees paid by international students, especially those paid by non-EU students, make up a substantial part of the total fee income of universities in London.

In 2015/16, Non-EU students paid over £1.18 billion in tuition fees to London’s HEIs, while EU students added another £198 million, as they currently pay the same domestic fee level as UK-born students.
Tuition fees paid by international students contribute more than 39% of the total student-fee income for London’s universities (see Figure 7).
International students’ fees represent 19% of total income of London HEIs (see Figure 6 for total income distribution).
Figure 6: Distribution of sources of income for HEIs in London, 2015/16



Source: London Higher

Figure 7: London HEI income from tuition fees and education contracts by domicile



and level

Source: London Higher data/London First calculations

3.2 Economic impact of international students

It is clear that international students are a net benefit to our economy rather than a net drain on our services.

Looking at the benefits first, *London Calling,* using an input-output analysis to estimate the direct, indirect and induced impacts across the economy, found that the 67,405 non-EU students studying in London contribute a total of £2.8bn each year to UK GDP, through the fees and spending that they – and their friends and family – bring to the UK. This total contribution is broken down as follows:

£1.3 bn as a result of the fees they pay

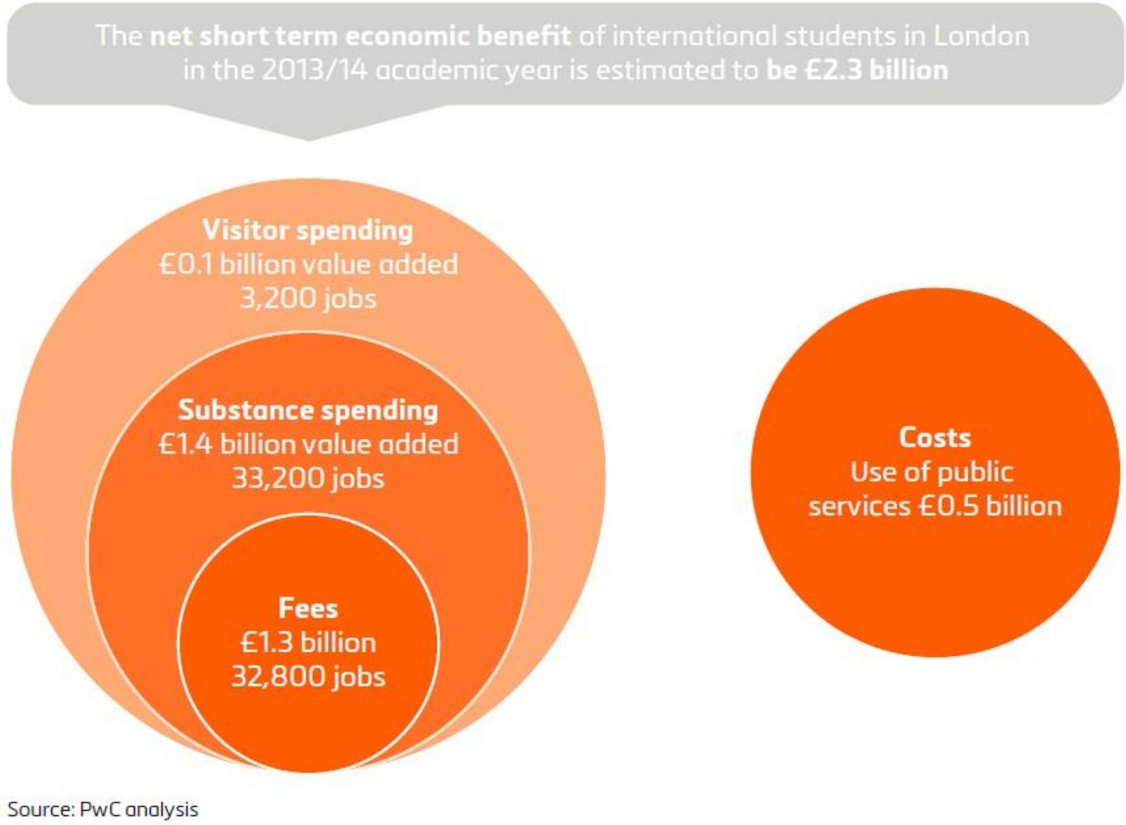
£1.4 bn as a result of subsistence spending

£121m through visitor spending

Looking at the costs, these international students in London are estimated to consume public services, including the NHS, at a cost of £540m each year. They have no recourse to public welfare benefits as a condition of their visas, represent a negligible impact on public transport, and do not add to the problem of affordable housing in London.

London's international students bring a net benefit of £2.3bn each year to our economy. That equates to an average of £34,122 per student.

Figure 8: Short-term economic benefits and costs of non-EU students in London, 2013/14 per year



Source: *London Calling*

We are unable to update these figures to include EU students for this response.

3.3 Jobs

London Calling calculated that non-EU students in London alone support 70,000 jobs at their place of study and across the local economy through their expenditure on fees and subsistence.

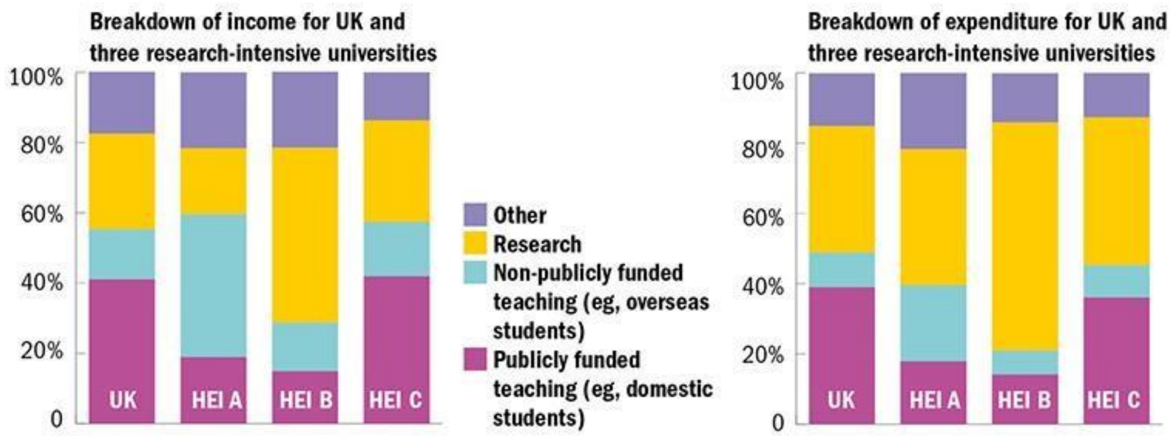
3.4 Cross subsidy[471]

International student fees are becoming ever more vital to UK universities due to rising insecurities triggered by falling UK-born student numbers, increasing pension liabilities, and increased costs and pressures in maintaining and expanding campuses, as well as the reputational risk of Brexit.

Income from international students generates an estimated surplus of £1.46 billion across the UK (2015/16).[472] Research activity for universities currently runs on an estimated deficit of £3.13 billion in the UK, as funded research rarely covers the full actual cost.

In November 2017, Hepi reported[473] just how vital non-EU student tuition fees are to universities and their research funding. Roughly £3,800 of each non-EU student's annual tuition fee supports the funding of research. In total, £1.8 billion of fee income from non-EU students is used to contribute to the cost of university research across the UK annually. In comparison, teaching UK and EU students generates a surplus of £200 million for the whole sector. We do not have comparable figures for London.

Figure 9: Example of sources of income and expenditure for UK universities on average and three anonymous HEIs



Source: *Times Higher* November 2017

Figure 9 highlights the importance of income from non-EU students to universities where research expenditure is typically higher than research income.

'Phil McNaull, Director of Finance at the University of Edinburgh and Chair of the British

Universities Finance Directors Group, said the Government "must accept" that if it could not meet the full cost of research through grants, institutions should be able to

[471] Please note the switch to UK numbers, as London figures were not available to us.

[472] http://www.hefce.ac.uk/media/HEFCE,2014/Content/Funding,and,finance/Financial,sustainability/TRAC,Guidance/TRAC_analysis_2015-16_summary_statement.pdf

[473] http://www.hepi.ac.uk/wp-content/uploads/2017/11/HEPI-How-much-is-too-much-Report-100FINAL.pdf

cross-subsidise from teaching to other courses. “The government could help by recognising the important contribution from overseas fees to the portfolio of funds required to support research activity in universities. Practical steps could include removing overseas students from net immigration targets and scaling back efforts to break up the cross-funding activities of universities through selective focus on tuition fees.”’[474]

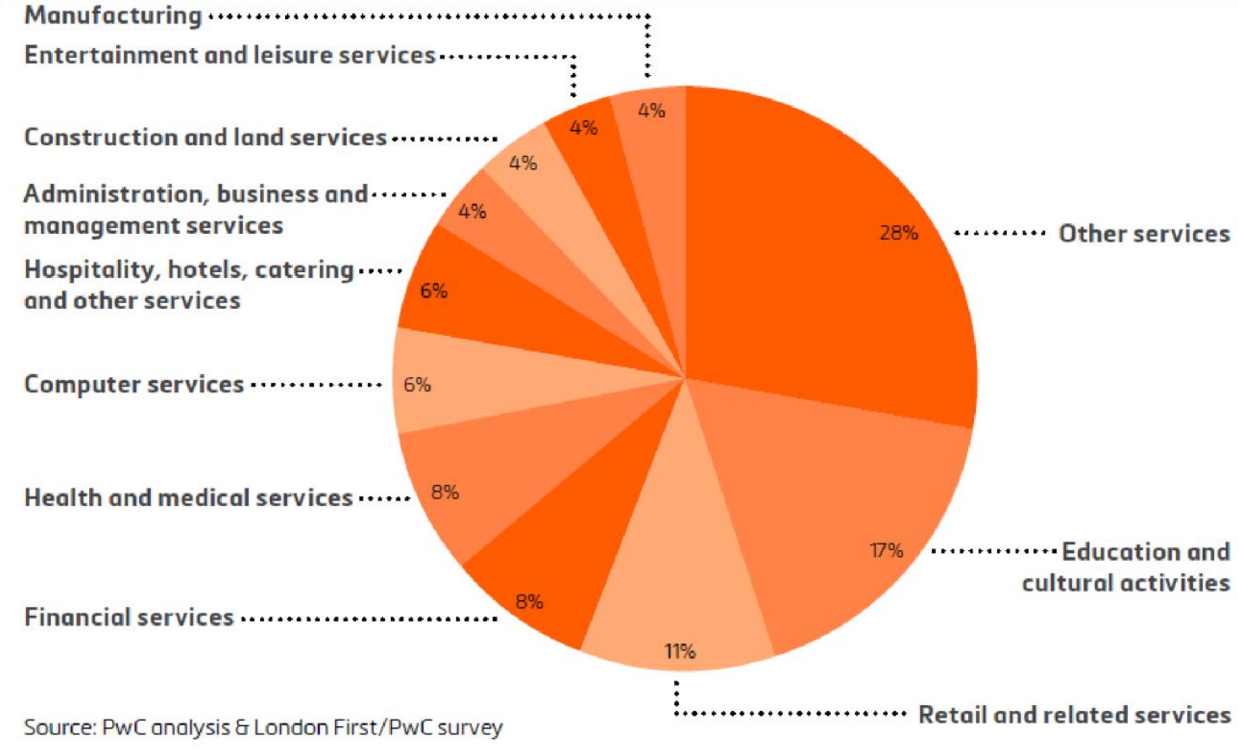
Non-EU students and their fees also allow universities to deliver a range of courses that also attract UK-born students but would otherwise be financially unviable. Surpluses generated in a subject popular with international students can be used to cross subsidise other courses that are either expensive to run, like STEM-based courses, or are less popular with international students, but nonetheless popular with UK-born students.

3.4 Skills

International students bring skills and experience that we simply cannot grow from the local labour market. For example, our world-leading professional services firms value the language skills, local knowledge and connections that global talent brings to international projects. The nation’s universities represent important talent pipelines for the UK labour market.

Figure 10 below shows the employment of international students by sector. It is clear that they help to fill recognised skills gaps in areas like health, technology and construction, all areas recognised in the Government’s Industrial Strategy.

Figure 10: Main sectors of employment of international students 2013/14 working in the UK



[474] https://www.timeshighereducation.com/news/overseas-students-pay-8k-each-fund-uk-research

Source: *London Calling*

3. Soft power

Figure 11: Reasons for international students to study in the UK

Source: PwC analysis & London First/PwC survey

International students come to London and the UK to study, some have ambitions to work here for a time. They build networks, add cultural richness, and return home with strong fondness for, and connection to, the UK. These international students often become the greatest ambassadors for the UK, creating the conditions for successful future trading relationships.

More world leaders – monarchs, presidents and prime ministers – have studied at UK universities than anywhere else in the world, and 1 in 10 current world leaders are alumni of UK universities.[475] As well as those who come here to study, there are many more around the world studying at British universities via distance learning. Our leading language schools teach business leaders and government officials English, the world's lingua franca. Indeed, as the Lord's Select Committee on Soft Power stated, 'According to the British Council, 1.5 billion people around the world are currently learning English, and many look to the UK to provide them with teachers.'

In 2015, ComRes ranked the UK number-one nation in global soft power.[476] For the UK to thrive in a post-Brexit landscape, it is essential that this position is maintained and opportunities to grow soft power are taken wherever we find them. With international students being one of the UK's main soft power assets, this is a good place to start.

4. System issues

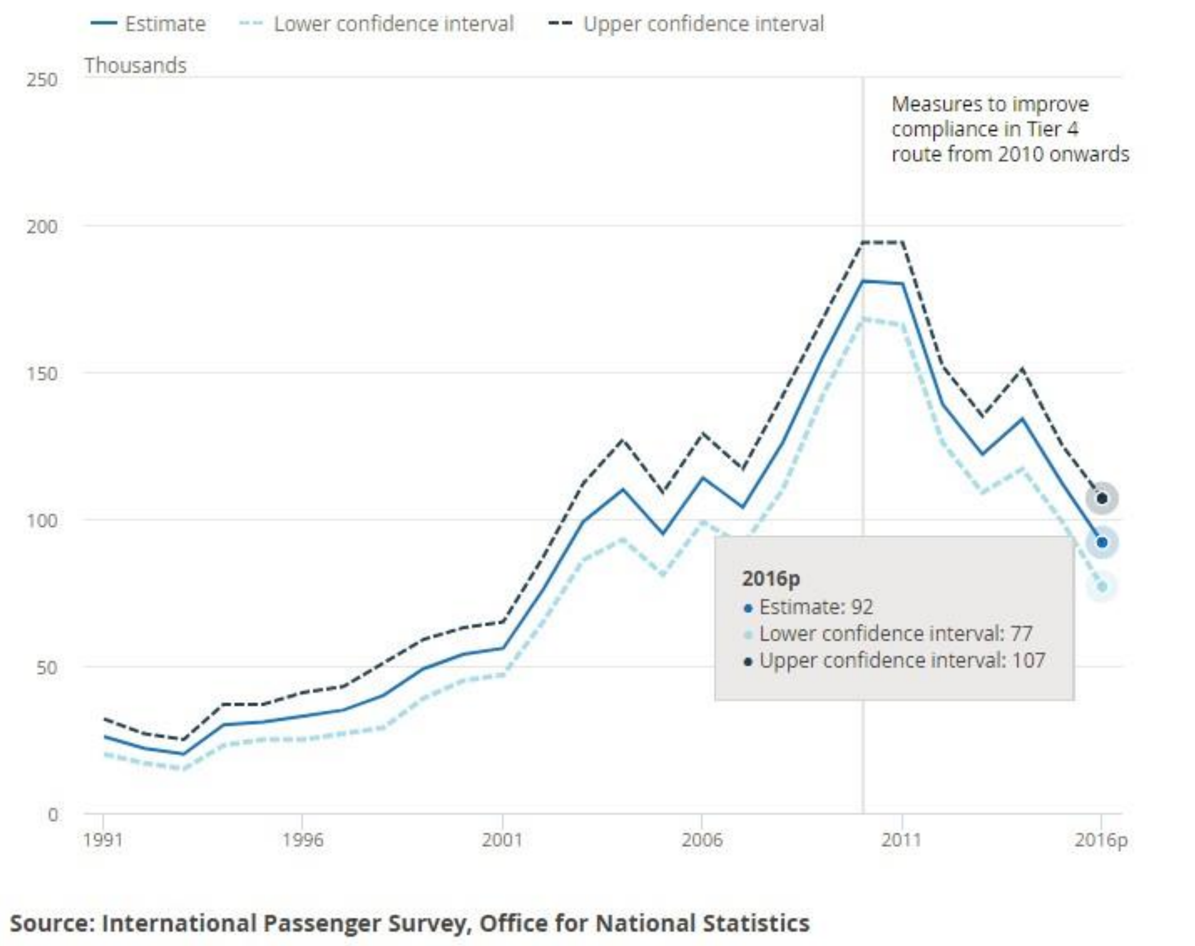
[475] https://www.britishcouncil.org/education/ihe/news/uk-education-leading-world

[476] http://www.comresglobal.com/wp-content/uploads/2015/07/Report_Final-published.pdf

Immigration rules for international students have changed so frequently in the last few years that it makes it hard for both the student and their chosen education institution to navigate the system. More than one-third of the students surveyed for *London Calling* found that Britain's immigration system – particularly its complexity – negatively affected their experience of studying here.

Figure 12 shows that there is a falling trend in international student numbers, from 2010 onwards, a period when the Government introduced frequent rule changes and new restrictions to the compliance regime.

Figure 12: Long-term non-EU international immigration for study to UK, 1991-2016



Source: ONS[477]

Our current status as a world-leading magnet for international students is not guaranteed. Canada, for example, saw enrolments surge by 22% in 2016, with India the biggest single growth rate at 57%[478].By contrast, Indian student numbers in the

[477] https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/internationalmigration/articles/internationalstudentmigrationresearchupdate/august2017

[478] https://ukcisa.org.uk/Research--Policy/Statistics/International-student-statistics-UK-highereducation

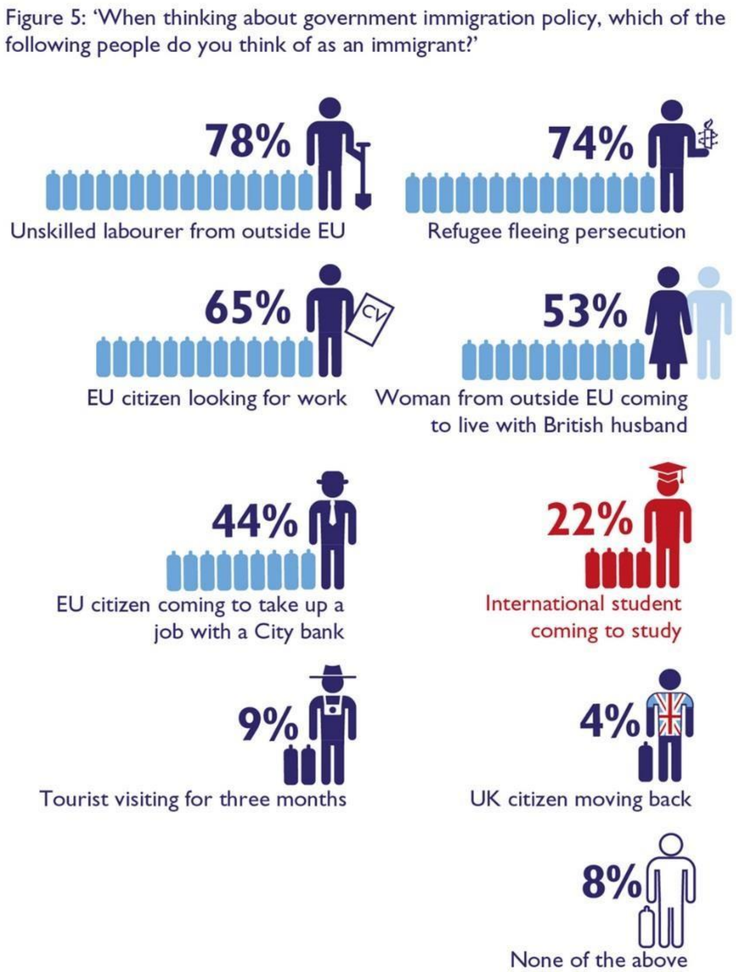
UK have dropped by over 75%[479] in the last few years. Cities that historically have fared less well in attracting international students, such as Seoul, are also fast improving

5. Public opinion

Many public opinion polls have shown that international students are not regarded as immigrants, but are rather viewed in a favourable light, contributing to the UK economy with their skills, spending power, diversity, and links to their home countries. For example, a

ComRes survey for London First in 2016 revealed that only 17% of Londoners consider international students studying in London to be migrants. It is not just Londoners who feel like this, as the following chart shows, based on a UK-wide survey conducted by British Future.

Figure 13: Poll if certain groups were considered immigrants in the UK and would fall under government immigration policy



Source: British Future[480]

[479] https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/internationalmigration/articles/internationalstudentmigrationresearchupdate/august2017

[480] https://www.britishfuture.org/wp-content/uploads/2014/08/BRFJ2238-International-Students.WEBFINAL.Embargo-25.8.14.pdf

Million Plus

1. MillionPlus is the Association for Modern Universities in the UK, and the voice of 21st century higher education. We champion, promote and raise awareness of the essential role played by modern universities in a world-leading university system. Modern universities make up 53% of all UK undergraduates, and 38% of all postgraduates, with over one million students studying at modern institutions across the UK.

2. There are 438,000 non-UK students studying in universities across the UK, which is 19% of the entire student population. Modern universities educate 30% of all international students, and 34% of EU students, studying in the UK. MillionPlus member universities alone educate 13,025 EU students and 18,860 international students. Although the consultation questions use the terminology ‘migrant students’, we believe that, owing to the unique nature of these groups, the more specific terms ‘international’ and ‘EU’ students, are more appropriate for our answers.

Executive Summary

3. The evidence and analysis demonstrates the overwhelming benefits to the UK of international and EU students studying in UK universities. This is true both in the short and long-term. The economic contribution of these students, both to the institutions concerned and to their regional and the UK economy, is profoundly positive in many different respects. These impacts include the educational, cultural and longer-term soft-power contribution that international and EU students generate. Current economic estimates suggest non-UK students studying in the UK make a net contribution to the UK economy of £20.3bn, spread across every region and nation.481

4. The nations of the UK benefit from having non-UK students studying at their universities, a benefit that increases proportionately with the numbers of students that study here. It should therefore be the policy of the UK Government to both remove any unnecessary barriers that preclude universities from recruiting overseas students, and then to help the sector increase their recruitment of overseas students. Current Home Office and UKVI practices can place unnecessary and restrictive barriers on international recruitment, matters that should be reviewed.

5. Our evidence also suggests that it is highly important that the government recognises that the EU student and international student markets are separate and distinct, and need to be treated as such. Any policy that underplays the

[481] https://londoneconomics.co.uk/wp-content/uploads/2018/01/International-students-parliamentary-constituency.pdf

differences between these two markets would risk missing out on the chance to capitalise and build on both markets for the good for our economy and our communities.

6. As the Prime Minister made clear in her Florence Speech in September 2017, the UK does not start with 'a blank sheet of paper', instead there is a desire to retain what is in the mutual interest of both parties, and in the economic interest of the UK.482 It remains incontrovertibly the case that it is in the best interests of the UK to remain attractive to EU students by not erecting trade barriers that would diminish the ability of universities to access such a proximate and extensive marketplace. Efforts should therefore be made to maintain a productive and beneficial relationship in the ongoing negotiations, appreciating the 'special partnership' between the UK and EU.

What impact does the payment of migrant student fees to the educational provider have?

7. The payment of fees, for non-UK students, has a beneficial impact on higher education institutions. For non-UK EU students483, this equates to the same investment that providers get from UK students (up to a current maximum of £9,250 per academic year). For the year 2015/16 this investment level, from EU students, was £1.7bn. As EU students make up a significant proportion of students, both in modern universities and the sector more generally, this investment is an important part of the overall investment and income for the sector – particularly as over recent years EU student numbers have been the only growth part of the sector for recruitment, given domestic student demographic trends and a flatlining of international student recruitment.484

8. For international students, there are additional benefits through the higher fees that can be charged and the extra investment that these fees bring. In 2015/16 UK universities received £4.45bn in tuition fee income from international students. This figure amounts to 25.6% of all tuition fee revenue, and is therefore a highly significant source of direct investment into the sector.

9. All generators of core revenue are important to universities, meaning that the reduction in any one area will have an impact. Since 2010 the level of direct government investment in the higher education sector, through the Teaching Grant, has fallen from £5.1bn in 2010/11 to £1.4bn in 2017/18, leaving providers much more reliant on the direct investment through tuition fees than ever before. Similarly, if, after Brexit, UK universities lose access to EU funding, another valuable income stream will be lost and likely not replaced by a commensurate increase in domestic students. To maintain the quality of their provision across the board, UK universities require high levels of such

[482] https://www.gov.uk/government/speeches/pms-florence-speech-a-new-era-of-cooperation-and-partnership-between-the-uk-andthe-eu

[483] Throughout this submission EEA students also come under the general classification of non-UK EU students

[484] http://www.universitiesuk.ac.uk/blog/Pages/You-say-stability-I-saystagnation.aspx?utm_source=UUK+Bulletin&utm_campaign=c6dfb36b84-EMAIL_CAMPAIGN_2017_10_26&utm_medium=email&utm_term=0_99e42a5336-c6dfb36b84-100693173

investment, facilitating stability to allow for long-term planning and investment. With a baseline of stable and growing income through non-UK EU students and fee income brought about through the recruitment and education of international students, UK universities will be equipped to continue to invest in the educational experience of all students.

What are the fiscal impacts of migrant students, including student loan arrangements?

10. There are a number of fiscal impacts that should be taken into account regarding overseas students, however, in all cases the wider economic benefits (both direct and indirect) clearly outstrip these costs/impacts. The most obvious fiscal impact regards non-UK EU students, and their ability to access UK student finance and 'home' tuition fees in England. In 2016/17 the sum lent to such students was £418m.

In total this amounts to a sum of £1.7bn that EU borrowers owe, since the introduction on tuition fees in these cases in 2006. This figure represents only 2% of the overall outstanding loan balance.

11. Although this is a significant outlay, it remains far less than the economic benefits that these students bring to the UK economy. Analysis by London Economics has calculated that a typical EU student studying in the UK benefits the country's economy by £87,000. This figure represents both the direct economic benefits these students bring (through tuition fees) as well as additional indirect benefits. In 2015/16 the total economic benefit associated with EU students in the UK was calculated at £5.1bn.485 Therefore, not only is benefit per student far greater than the loan which these students are able to access (which they then begin to repay), the overall figure that the entire body of EU students owe to the Student Loans Company since 2006 (£1.7bn) is dwarfed in a single year by the amount these students benefit the country, and each EU student's net benefit stands currently at £68,000.

12. It is therefore in the all-round best interests of the UK for EU students to continue to study in the UK. It is worth noting that it has been predicted that should the UK adopt a post-Brexit policy towards EU students where the current home fee status and student support were taken away, numbers would be expected to drop by almost half (47%), and for some universities that figure would be far higher.486 Such a dramatic fall would see the UK lose out on the high, and increasing, levels of investment that EU students bring, and due to the higher education culture and practices of the EU member states that have the highest numbers of students currently studying in the UK, it is extremely unlikely that levels would rise to as significant a number again under such a system.

13. Such a scenario, of a significant drop in EU student numbers, would have negative consequences for the university sector, and the UK more generally.

[485] https://londoneconomics.co.uk/wp-content/uploads/2018/01/International-students-parliamentary-constituency.pdf

[486] http://www.hepi.ac.uk/wp-content/uploads/2017/01/The-determinants-of-international-demand-for-UK-HE-FULL-REPORT.pdf

As evidenced by analysis from London Economics, a significant loss in EU students is likely to hit modern universities the hardest, and see fewer EU students in these institutions. This has knock on impacts not only on the diversity of ideas and experiences in the learning process and therefore on the academic benefits that EU students bring to the UK, but also impact on particular courses that have significant numbers of EU students. These courses may well become far less viable for all other students, including domestic students. Many of MillionPlus's member universities have reported significant numbers of EU students on some of their courses, and they have made it clear that without these numbers it is unlikely that many such courses would remain viable. One member, for example, has highlighted that any drop would hit STEM courses at their institution the hardest, which would run contrary to government ambitions to increase the uptake of STEM for UK students, as signaled throughout the government's Industrial Strategy Green Paper.487 This potential negative impact on curriculum choice for domestic students should be properly factored into any policy in this area.

14. Keeping strong economic and educational ties with the UK's European neighbours will be a priority for the UK after Brexit. Continuing to having students come and study from across the EU will build ties that will foster better relationships and potential business opportunities. If fewer EU students come to the UK, they will go to competitor nations, and the large benefits highlighted above will go to other universities and national economies. This would clearly deplete the UK's market share and its continued higher education excellence in the long run. This is particularly true with increasing numbers of universities in mainland Europe teaching degrees in English, something becoming ever more mainstream.

Do migrant students help support employment in educational institutions?

15. Overseas students are responsible for the creation, or maintenance, of 206,600 full-time jobs across the UK.488 These are spread across every region and nation - many of these are in educational institutions as a direct consequence of both the volume, and requirements, of having both EU and international students in universities across the UK.

16. Job creation is supported across the sector, and in some parts of the country, where the university is one of the major employers within the town/city/region, the presence of these overseas students helps support jobs and boost the local economy. Recent independent analysis for one of our member universities concluded that the presence of overseas students supported 1,045 jobs in its metropolitan area (a ratio of one job created or supported for every two overseas students at the university). The impact of a significant reduction in international or EU students, therefore, is likely to have a direct impact on the sustainability of these jobs. Similarly, it is reasonable to assume that an

[487] https://beisgovuk.citizenspace.com/strategy/industrial-strategy/supporting_documents/buildingourindustrialstrategygreenpaper.pdf
[488] http://www.universitiesuk.ac.uk/policy-and-analysis/reports/Documents/2017/briefing-economic-impact-international-students.pdf
[9] http://www.universitiesuk.ac.uk/news/Pages/International-students-now-worth-25-billion-to-UK-economy---new-research.aspx

increase in numbers will have the opposite, positive, effect of making current jobs more stable, and the prospect of creating more jobs increasingly likely.

How much money do migrant students spend in the national, regional and local economy and what is the impact of this?

17. Whilst all overseas students, and their particular circumstances, are different, it is very clear that both EU and international students contribute a large amount to the local/regional economies in which they are based, and therefore also the wider economy of the UK. In 2014/15, for example, overseas students contributed £5.4bn in spending on goods and services.9 As we have detailed above, part of this investment in regional economies is seen through the creation, or support, of jobs across the UK, but this spending power can positively impact on a whole range of areas, across the entire UK economy. It will also have an impact on the creation and success of supply chains in many regions, and the connectivity that flows from this continued investment is noteworthy.

18. As well as overseas students supporting local businesses, they are also beneficial to the UK's research and innovation base. At modern universities, which specialise in translational research, this can have a direct and highly beneficial impact on businesses and industries in many parts of the UK. Whether this be through postgraduate study up to PhD level, or through the extra levels of direct investment that is channeled into universities from overseas students, universities are given more resources of people and capital from which to develop their research base. In 2015/16 29% of all full-time engineering students were international students, and their investment helps to grow the capacity and quality of these departments across the country. In turn these departments work directly with businesses to help them innovate. A decrease in student numbers and investment, will harm this relationship, and such indirect consequences of the presence of these students must be taken fully into account.

19. Furthermore, with universities, and in particular modern universities, spread across the entirety of the UK, in every city and region, the benefits of the spending power of these students cannot be overstated. This can be in cities, like London, with one of our member universities in the capital calculating that each of their overseas students contribute almost £4,000 a year in their London Borough alone. Or, in more rural areas of the UK, another member with a number of rural campuses has stated to us that the impact of overseas students is highly significant in the local economies they study and live in.

    This will be a fact replicated across the UK, and indeed UUK figures on the regional impact of non-direct investment from these students highlight the immense contribution they make across the regions, from the £256m spent off-campus in the North East of England, to the £323m in the South West.489

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

20. It is also important to highlight the specific contribution of EU students, who contribute a significant proportion of the amount generated for regional economies; £414.1m in Scotland, £221.6m in the North West of England, and £788.9m in London, for example.490 A significant drop in EU student numbers would therefore be damaging to regional economies across the UK. As London Economics have modelled that such a drop would disproportionately affect modern universities, it would be in those communities where the regional economies would suffer the most, and many of these are likely to be outside of the largest cities or the 'golden triangle' within the South of England, and therefore would likely already have lower levels of economic growth.491

21. Alongside spending, the presence of overseas students is classified as an educational export for the UK, and are calculated to contribute £10.8bn in export earnings for the UK.492 At a time when the UK is exiting the European Union and attempting to expand export markets around the world, it has never been so important to build on the successes of educational exports across the country, and enable every university to build on the capacity they have and develop further such growth in the future.

How do migrant students affect the educational opportunities available to UK students? To what extent does the demand from migrant students for UK education dictate the supply of that education provision and the impact of this on UK students?

22. There are a number of ways in which overseas students have an impact on the educational opportunities for UK students, and this includes the supply side of higher education provision. These students make up a significant proportion of the student population in the UK, and a similarly significant proportion of the direct investment that goes into universities. It is therefore inevitable that they have a sizable impact, and the evidence suggests that the impact is profoundly positive.

23. As highlighted previously, the investment levels that come with overseas students are significant, and as an integral part of the income a university gets, they are a key component in the delivery of high level courses and resources for students. More specifically, however, as EU and international students are not always spread evenly amongst departments or courses, many courses remain successful, or viable, through the intake of overseas students. It is by no means an exaggeration to suggest that significant decreases in the number of either EU or international students would see not just a general financial hit to universities, but also specific impacts to key university departments which could directly affect the ability of UK students to study in them, as they may be under threat of closure.

24. One MillionPlus member university is a world leader in video games technology, and EU students make up a significant number of undergraduates enrolled on courses in that field. Similarly, at another member university, a fifth

[490] http://www.millionplus.ac.uk/documents/Policy_Briefing_-_Trade_in_HE_services_and_research_-_negotiating_Brexit.pdf

[491] http://www.hepi.ac.uk/wp-content/uploads/2017/01/The-determinants-of-international-demand-for-UK-HE-FULL-REPORT.pdf

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

of all architecture students are international students, who add both economically and academically to the success of that particular course.

Sizable drops in student numbers (be they EU or international) as a result of any loss of access to such students could diminish the investment in, and prestige of many courses across the sector. This would be bad for students, and for the wider reputation of the UK higher education sector.

25. The opposite effect is also true, whereby greater numbers of overseas students bring greater levels of direct investment, that, in turn, can increase investment in the education of UK students – with possible expansions in courses or departments which increase the provision for all students.

26. There are other, less direct, factors that also play a significant part in shaping the impact overseas students have on UK students. The cultural and academic benefits that an internationalised course, campus or environment bring to the university experience of a student can be transformative. This can be particularly true for students at modern universities, 68% of which come from areas of the UK with the lowest levels of higher education participation, and may otherwise not be able to interact and share ideas with people from other countries and cultures.

27. All MillionPlus members are clear that the cultural and academic benefits that come with overseas students are genuinely valuable as they enhance the quality of UK higher education, and the offer they can make to their UK-based students. It is also the case that many departments within universities have become far more internationalised in their scope, and have developed programmes with partner universities or departments as a consequence. This can improve student exchanges, enhance learning gain, and build relationships that can be beneficial in the long-term to both institution and student/graduate.

28. All UK universities benefit from having both EU and international students studying at them, and any significant drop would be harmful to the experience of all UK students, and this would be likely to impact upon modern universities the hardest, and would risk making internationalised student experiences narrower and more elitist in the future, which would signal a backwards step in efforts to boost social mobility.

What is the impact of migrant students on the demand for housing provision, on transport (particularly local transport) and on health provision?

29. Overseas students study across the UK, and as such, the scale of any impact that they may have on issues such as housing provision and transport will necessarily be varied. It is beyond dispute that and 400,000 extra people in the UK creates requirements for housing, transport infrastructure, and healthcare provision.

30. It is difficult to accurately quantify the direct impact they have, however owing to the immense economic contribution that these students bring to the UK and

to their regional economies, it would be wrong to suggest that they represent a net drain on the system. In fact, with the typical make-up of overseas students as being young, they will have far less of a need to access healthcare, for example, than a typical UK citizen. As London Economics have stated, the benefit to cost ratio for these students are approximately 4.6 and 14.8 for EU and international respectively – leading to an overall net contribution of over £20 bn per year.493

31. It is also important to recognise that, particularly when looking at healthcare and transport provision, overseas undergraduate students do not always spend the entirety of the year in the UK, and many return to their home countries for many weeks of the year. It is estimated that, on average, undergraduate international students spend 42 weeks in the UK (81% of the time) and for EU undergraduates the figure averages at 39 weeks (75%). This, therefore, takes any additional pressure off of services, whilst still retaining high levels of investment from these students.

What impacts have migrant students had on changes to tourism and numbers of visitors to the UK?

32. Although it is impossible to say with precise accuracy, all indicators suggest that overseas students boost the numbers of visitors that come to the UK, and the relationships that can be built whilst studying mean that this may have both short and long-term impacts on visitor numbers.

33. Analysis from London Economics stated that the economic impact associated with an overseas student from visitor expenditure in 2015/16 was £3,000 for an EU student, and £2,000 for an international student. Taken together, and over the course of a students' studies, this additional expenditure amounts to £600m for the UK economy.

34. Visitors are likely to attend graduation ceremonies for overseas students, and due to the spread of higher education institutions across the UK, this influx of visitors is not restricted to certain areas of the country. This provides a welcome economic boost to regions that may otherwise not receive it. The additional bonus on this is that these students and visitors will be able to pass on information and recommendations to others, and also have a longer-term link with the regions they or their loved ones studied in, which can lead to repeat visits and a greater boost for the area.

What role do migrant students play in extending UK soft power and influence abroad?

35. Soft power can have extremely beneficial impacts on universities, regions and the UK more generally, and is a key element of why having an internationalised higher education sector in the UK is so important. The 2017 ComRes study on

[493] https://londoneconomics.co.uk/wp-content/uploads/2018/01/International-students-parliamentary-constituency.pdf

soft power ranked the UK as second in the world, and is unequivocally clear that “the ability of a country to attract foreign students, or facilitate exchanges, is a powerful tool of public diplomacy, even between countries with a history of animosity. Prior research on educational exchanges gives empirical evidence for the reputational gains that accrue to a host country when foreign students return home. Foreign student exchanges have also been shown to have positive indirect ‘ripple effects’ when returning students advocate on behalf of their host country of study”.494 The report also suggested that, post-Brexit, there is a fear that the UK’s soft power could weaken, which makes utilising the strengths it currently has ever more important.

36. All universities are creators of, and beneficiaries of, soft power. The fact that the UK has universities in every area of the country, many of which are moderns, helps to ensure that the benefits of soft power are not too hyper-concentrated, and it is therefore vital that the work that all universities do in the creation of soft power, and the benefits that all regions receive, are fully taken into account. Benefits of such relationships can include the creation of international partnerships or campuses overseas that build cultural, academic and research links with countries across the world. In 2017 MillionPlus universities had 685 partner institutions worldwide, in 435 cities, in 81 countries.

37. There are many ways in which soft power can derive benefits. Diplomatic relations are one element, and having government officials or ministers study at UK universities can be extremely fruitful in developing links with countries today and in the future. Another important element are the links students have with a region that can inspire them to invest in that area, or develop business opportunities across borders that will grow the UK economy, and open up opportunities for greater collaboration in the future. This will only be more important post-Brexit, both with EU nations (through EU students) and those further afield (through international students).

UKVI

38. As demonstrated, all universities benefit from overseas students, and create soft power. However, barriers currently exist that make it difficult for many universities to build on their successes, and grow their presence in developing markets. The current system for recruiting international students to UK universities is unhelpful in this regard and acts as a de facto non-tariff barrier to UK trade and exports.

39. If a potential student applies to a UK university and they are judged to meet the academic and other standards required, the university will issue them with a Confirmation of Acceptance of Study (CAS). The potential student then must apply for a visa from UK Visas and Immigration (UKVI). At UKVI they are then assessed, and in many cases, are interviewed by Entry Clearance Officers (ECOs) to assess their perceived ‘credibility’. Over recent years’ universities

[494] https://softpower30.com/wp-content/uploads/2017/07/The-Soft-Power-30-Report-2017-Web-1.pdf

have noted that the numbers of refusals have increased, and report that in too many cases refusals appear to be based on highly spurious grounds, with results that are wildly inconsistent. In some cases, the family background of an applicant can be used against them, in other cases not knowing the transport links in the city they are looking to study in can mark them down as not credible, and it has become apparent that certain areas of the world are more likely to yield higher refusals by UKVI than others.

40. A 2013 report by the UK Council for International Student Affairs (UKCISA) highlighted instances of judgments being made by ECOs well beyond the stated terms of ‘credibility’ as a potential student, and the Home Office does not publish any information on reasons for refusal.[495] The decisions of ECOs have a huge impact on potential overseas students, and paints the UK in a highly unwelcome light in many parts of the world. Refusals can also have huge ramifications for universities. Currently, the refusal rate a university must be under is 10% of all CASs issued. As a result, if more than 10% of potential international students to whom a university has issued a CAS, are then refused a visa, the university risks having its Tier 4 license withdrawn or can be stopped from recruiting any international students on a temporary basis. This measure exists even though the universities themselves have no input into the visa evaluation process undertaken by ECOs. In response to decisions which affect their visa refusal rates, universities have no option but to scale back operations in areas of the world, and the markets, that they believe are deemed as high-risk by UKVI, even if they have long established relationships and prior investment in those areas.

41. The choice of the UK as a destination of study has been further undermined by changes to the poststudy work route (now Tier 2) which provided opportunities for graduates to work in the UK for a period after they had completed their courses. Whilst other competitor nations, such as Canada and Australia, are improving their offer to international students, the UK is making it harder for them to use their expertise in the UK, and live, work and contribute to the UK economy post-graduation.[496]

The reduction in post-study work opportunities, mixed with a more stringent application of Tier 4 regulations, as well as harsher government rhetoric around migration more generally, has had a particularly deleterious impact on some markets, such as India. These changes are reported around the world, and alarmingly, but perhaps unsurprisingly, the numbers of Indian students studying at UK universities has fallen by 53% since 2010/11.[497]

42. The UK, now more than ever, needs to build on its successes and capitalise on the potential of all UK universities. Removing unnecessary trade barriers to such a lucrative export market by reforming the current recruitment system for international students has the potential for greater market growth, higher export

[495] http://institutions.ukcisa.org.uk//Info-for-universities-colleges--schools/Publications--research/resources/2/Tier-4-CredibilityInterviews-UKCISA-survey-report
[496] https://www.britishcouncil.org/education/ihe/news/uk-losing-competitive-edge-new-international-students
[497] http://www.hindustantimes.com/world-news/coming-soon-more-curbs-on-uk-student-visa/story-pQcvqgLzlM38ZMXPm2zSPL.html

earnings, and the development of even greater soft power relationships in the years ahead. This is also true with respect to remaining as attractive as possible to EU students, and not taking decisions that would erect further trade barriers in that specific marketplace.

If migrant students take paid employment while they are studying, what types of work do they do?

43. It is difficult to fully assess this, as no two students' circumstances are the same, however it is worth noting that many students work for their university in paid roles, either as ambassadors for their institution when required or, for postgraduates, in teaching and research roles. Postgraduate PhD students, for example, are highly trained assets for universities and may work within their departments in teaching or research roles. It will therefore be important both for the academic strength of the university and the offer they can make to overseas students that postgraduates will remain able to contribute in this way in the future.

44. Whilst the primary focus of all students whilst at university should be their studies, having the opportunity to work, and to work within their institutions, is highly beneficial both to the student and to the university. Both international and EU students should retain the ability to work in these capacities.

What are the broader labour market impacts of students transferring from Tier 4 to Tier 2 including on netmigration and on shortage occupations?

45. International students are currently in the net migration figures, and therefore come under the government's migration target. Tier 2 and Tier 4 are therefore classed the same in terms of the overall numbers, so switching should not have an impact. To make it easier to determine the impact on the jobs market, however, the government could remove students from the overall numbers, and the target, which would lead to more accurate data.

46. The impact on shortage occupations, and on areas of the country with the greatest need for highly skilled or specialised workers, is, however, directly impacted by the nature of the 'switch' from Tier 4 to Tier 2. Currently, an international graduate requires a job offer with a salary of more than £20,800, and for experienced workers this can be far higher. This can be problematic for many sectors of the UK economy (particularly in public services) as well as for a variety of regions across the country.

47. In 2015 MillionPlus and London Economics undertook an analysis of average annual earnings for individuals between 22 and 24 (inclusive) in possession of a first degree and not in full-time education. The findings in the table below highlight that, under this threshold, the only parts of the UK where average salaries are higher for equivalent entrants to the labour market were the South East and East of England (for men), as well as London (for men and women).

SALARY			
REGION	MALE	FEMALE	ALL

North East	£18,600	£17,700	£18,100
North West	£16,700	£17,700	£17,300
Yorkshire	£16,200	£17,800	£17,100
East Midlands	£17,000	£17,300	£17,200
West Midlands	£19,100	£15,700	£16,800
East Anglia	£21,000	£18,900	£19,800
London	£26,100	£21,600	£23,900
South East	£22,100	£18,200	£19,900
South West	£18,200	£18,800	£18,600
Wales	£17,100	£17,400	£17,200
Scotland	£20,600	£17,000	£18,600
Northern Ireland	£17,800	£15,300	£16,400
Total	£20,300	£18,200	£19,200

http://www.millionplus.ac.uk/documents/Post_Study_Work_Inquiry_Dec_2015_FINAL.pdf

48. Although, of course, this analysis cannot capture large variations in salaries across sectors, it does highlight a general issue of regional variation in salary level which means that, under the current system, it is far more likely for businesses, and public services, to benefit from the expertise of international graduates in the South East of England than it is anywhere else in the UK. This therefore has a direct impact on the labour market, and can drive graduates who studied in regions across the country to London, for example, in order to get a job that pays the salary necessary for them to work in the UK.

49. To address the skills gap in areas outside of the South East of England, and to give businesses a wider talent pool from which to recruit, this issue should be addressed, and a policy of post-study work for international students should be developed. Such a policy could only work if it benefitted the whole of the UK, and as such, all universities must have access to it, otherwise it will simply create new cold-spots rather than have a genuine impact on opening up the potential of the entire country.

Whether, and to what extent, migrant students enter the labour market, when they graduate and what types of post-study work do they do?

50. Migrant students entering the labour market undertake a variety of roles, and contribute to the expertise of the UK and add to the UK economy. It is extremely important in a developed economy, such as the UK's, that the talent pool is both wide and deep, and the overseas graduates who leave UK universities can add expertise across all sectors.

Conclusions

51. International and EU students have an overwhelmingly positive impact on the UK. It is in the best interest of the higher education sector, and the UK economy, that the levels of EU and international students be maintained and then increased, so that the benefits associated with them are themselves increased and spread across the UK.

52. Government policy on the issue of international students has sent mixed messages across the world, and now, more than ever before, it is imperative that the UK is unequivocally clear and positive about the offer it can make to overseas students.

53. All universities benefit from having overseas students, just as all universities create additional benefits, both at home and abroad, due to the investment and links these students bring. The higher education sector is diverse, and its strength comes from that diversity, and policy on overseas students must understand that the greatest benefits can only be achieved by tapping into the potential and skills of all universities and all students.

54. To do so the government should:

- reform the current visa system of applications for international students, to reduce trade barriers and boost educational exports
- make sure that the UK remains attractive and competitive for EU students, which may include the continuation of some elements of the current relationship
- take international students out of the net migration figures
- re-introduce a post-study work visa scheme

The Royal Society

The Royal Society is the National Academy of Science for the UK and the Commonwealth. It is a selfgoverning Fellowship of many of the world's most distinguished scientists working across a broad range of disciplines in academia and industry. The Society draws on the expertise of its Fellows and Foreign Members to provide independent and authoritative scientific advice to UK, European and international decision makers. The Society is also a Designated Competent Body for the Tier 1 (Exceptional Talent) visa route.

Research and innovation is a global enterprise and one that benefits everyone by creating and underpinning the industries and jobs that are of strategic value to the UK, and improving the quality of life for people in the UK and around the world. International mobility is fundamental to the practice of science and the Society has a longstanding interest in immigration policy. We therefore welcome the Migration Advisory Committee's call for evidence on international students.

For the overall health of the research and innovation system, UK academia and business require the skills of not only successful leaders in research fields, but also early-career researchers, the technologists and technicians with specialist expertise that support them, and the students that learn from and work with them. International students should be attracted and welcomed to the UK. They add to the diversity of our student population and raise the level of competition for home students, as well as being worth £25 billion to the UK economy.[498]

Other organisations in the research and innovation sector are better placed than the Society to provide the detailed evidence on the impacts of international students that the Committee are seeking. However, this short submission serves to highlight two issues that the Society hopes will be considered as part of the Committee's work on this topic.

First, we note that at the postgraduate level international students make a significant contribution to the UK research endeavour; over half of UK postgraduate research students come from overseas.[499] These students are an important part of the research workforce and integral to the UK's research effort. Any assessment of the economic and social impact of international students should also consider their impact on the health of the UK research and innovation system.

Second, and following from this, the UK should remove international students from immigration figures and targets. Polls indicate that nearly three-quarters of the British public would like to see the same number or more international students coming to study in the UK. A change in policy would send a message that the UK will remain a global beacon for higher education and send a message to the brightest and best

[498] Universities UK (2017) The Economic Impact of International Students (see: http://www.universitiesuk.ac.uk/policy-andanalysis/reports/Documents/2017/briefing-economic-impact-international-students.pdf)

[499] Higher Education Statistics Agency (2017)

young minds around the world that they are welcome to study in the UK, ensuring that they continue to contribute to the health of the UK research and innovation system.

The Royal Society of Edinburgh

Summary

The UK is the most popular destination for EU students wanting to study abroad and the second most popular destination for international students. International students comprise 22% of the student cohort at Scotland's universities, compared to 19% of the UK student population as a whole. Notably, 16% of the UK's total cohort of EU students are studying at Scottish universities. The opportunity to study at world class institutions is the most influential factor for international students choosing to study in the UK. The ability for international students to start a career in the UK following their studies is also an influential factor for them when choosing where to study. However, if the consequences of Brexit result in the UK being regarded as a less desirable destination for work and study, then the competitive position of UK HEIs will be adversely affected.

International students enrich the learning and cultural experiences at Scotland's universities. Given the attractiveness of the UK as a place to study, our HEIs are very well placed to support the UK's international relations. International students act as ambassadors for our HEIs, and Scotland and the UK more widely. Overly restrictive immigration policies could harm the UK's reputation and diplomatic relations with other countries.

UK immigration policy needs to be sufficiently proportionate and flexible to enable the UK to attract and retain international talent. This will be required to support strategically important developments, including the UK's Industrial Strategy. The UK Government should remove overseas students from the net migration target and reintroduce the post-study work visa to make it clear it wants talent to come to the UK. Recent studies confirm that international students make a significant net economic contribution to regions throughout the UK.

MAC analysis for the UK Government needs to take account of Scotland's distinctive demographic challenges to ensure immigration policy can accommodate the particular needs of Scotland. This may require a differentiated approach in Scotland. There are an estimated 295,000 non-UK nationals in Scotland; and with the employment rate in Scotland being close to record levels, any significant reduction in the number of non-UK nationals could adversely impact economic activity in Scotland. The rigidity of the current Tier 2 provisions of UK immigration policy, particularly the skills and salary thresholds, mean they are unable to take account of distinctive circumstances pertaining to different employment sectors and geographic areas.

UK immigration policy needs to be underpinned by accurate data. The reintroduction of exit checks shows that 97% of foreign students departed the UK on time after finishing their studies, and addresses previous overestimates of the number of students that overstay.

Given the different tuition fee arrangements throughout the UK, Scotland is distinctive in raising a much higher share of its tuition fee income from non-EU students. The fee surpluses generated from teaching international students make an important contribution to cross-subsidising research and teaching at Scotland's universities. International students also enable our HEIs to provide courses, particularly at postgraduate level, that would otherwise be unviable.

The UK higher education system attracts a large number of international students from China. Consideration needs to be given to the sustainability and risks associated with an approach that is so heavily reliant on a single country.

A key issue distinctive to Scotland is the cap on the number of funded undergraduate places for Scottish-domiciled and EU students set by Scottish Government. It has become more difficult in recent years for Scottish and EU students to gain a place at a Scottish university as applications have increased at a greater rate than the number of funded places available. The removal, post-Brexit, of EU students from these figures would help institutions address the level of demand for places, particularly in relation to meeting the Scottish Government's ambitious targets for widening participation in higher education in Scotland. However, this can be achieved only so long as the Scottish Government does not use the change in circumstances for EU students post-Brexit to reduce the number of funded places.

Introduction

The Royal Society of Edinburgh (RSE) welcomes the opportunity to respond to the Migration Advisory Committee's (MAC) call for evidence on the impacts of international students in the UK. The UK is the most popular destination for EU students wanting to study abroad and the second most popular destination for international students. This highlights the criticality of the consideration that needs to be given to immigration policy in the UK, not only in the context of the higher education sector, but also to the economic and social wellbeing of the UK.

In preparing this response the RSE established a working group comprising experts on migration, economics and public finance, and law, as well as those with interests spanning higher education and research. This builds on the work of the RSE's EU Strategy Group which has published papers on Migration and Diversity; Economic and Public Finance, Constitutional Law and Government, and Research, Innovation and Tertiary Education.[500]

It is important that the MAC receives information relating to the circumstances in the devolved nations as well as the UK as a whole. This is especially important in terms of the differential demographic trends across the nations of the UK. As Scotland's National Academy, we have, where possible, sought to focus our response on impacts for Scotland. The RSE would be pleased to meet members of the MAC to discuss our response should this be considered useful.

The RSE would wish to highlight that it is a member of *Connected Scotland.*[501] Established in 2014, along with the RSE, this partnership comprises the Scottish Government, Scottish Funding Council, Universities Scotland, British Council Scotland, Scottish Development International, Scottish Enterprise and Highlands and Islands Enterprise. Internationalisation is regarded as a fundamental part of the mission statements of universities in Scotland. Connected Scotland aims to assist Scotland's higher education sector in positioning itself as a world leader and in becoming an international partner of choice in teaching, research and knowledge exchange.

Scotland's Distinctive Demography

Scotland's population is projected to increase by 5% over the next 25 years from the current figure of 5.40 million. This compares with an increase of 11% for the UK as a whole over this period. In Scotland's case, it is notable that the projected increase is wholly reliant on net-immigration. Scotland's population is an ageing one, with people aged 75 and over projected to be the fastest growing age group in Scotland over the next 25 years.[502] These projected demographic changes mean a reduction in cohorts of those domiciled in Scotland most likely to comprise the future

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[500] RSE Brexit Position Papers (2017)
https://www.rse.org.uk/rse-publishes-advice-brexit-challenges-opportunities/

[501] http://connectedscotland.org/

[502] Projected population of Scotland (2016-based); National Records of Scotland; October 2017 https://www.nrscotland.gov.uk/statistics-and-data/statistics/statistics-by-theme/population/population-projections/population-projections-scotland/2016-based

population of students.[503] It is therefore important to recognise the contribution that immigration from the EU has made in terms of helping to offset the impact of Scotland's ageing population. EU nationals in Scotland have a lower age profile than the population as a whole.

Given that migration is concentrated among young adults, the introduction of a more restrictive UK immigration policy than exists at present, coupled with Scotland's demographic projections, would have a disproportionate impact on the number of young people, including students, and those of working age in Scotland. In one of its assumptions, the National Records of Scotland (NRS) has considered the impact of zero future EU migration on UK population. Under this scenario, Scotland's working age population is projected to decrease by 3% whereas the UK's is still expected to increase by 3%.

There are an estimated 295,000 (181,000 EU nationals and 113,000 non-EU nationals) people with non-UK nationality in Scotland. With the employment rate in Scotland being close to record levels, any significant reduction in the number of these non-UK nationals in the UK could adversely impact economic activity in Scotland.

It will be important that MAC analysis for the UK Government takes account of Scotland's distinctive demographic challenges, with a view to ensuring that future UK immigration policy is designed to accommodate the particular needs of Scotland. It is worth acknowledging that Scotland already has experience of adopting a differentiated approach to the rest of the UK, through its Fresh Talent – Working in Scotland scheme, and its separate Occupational Shortage List.

In this context, current UK immigration policies and the removal of the post-study work visa are having a detrimental impact on the ability of Scotland's universities to attract international students and for them to remain in Scotland following their studies. In 2014, Lord Smith's Commission into further powers for Scotland recommended that the Scottish and UK Governments should explore the

[503] Tindall, S.; Findlay, A.; Wright R.; The changing significance of EU and international students' participation in Scottish higher education; Centre for Population Change; Working Paper 49; May 2014 https://eprints.soton.ac.uk/364567/

introduction of formal schemes to allow international students to remain in Scotland following their studies. We welcome the recent announcement from UK Government to extend the Tier 4 visa pilot to a further 23 universities, that will now for the first time include two universities in Scotland (Edinburgh and Glasgow). However, we remain of the view that all Scotland's universities and Scotland more generally should be able to benefit from a flexible and proportionate immigration system.

The RSE agrees strongly with the recommendation made by at least six UK Parliamentary Committees that the UK Government should remove overseas students from the net migration target to make it clear it wants talent to come to the UK. This would help alleviate the tension between the UK Government's commitment to reduce net migration and its ambition to ensure that the UK remains a hub for international talent. Unlike the UK, its competitors, including the USA, Canada and Australia, regard international students as temporary migrants rather than permanent migrants. UK immigration policy needs to be underpinned by accurate data. It is notable that the recent decision to reintroduce exit checks indicate that 97% of foreign students departed the UK on time after finishing their studies. The data addresses previous overestimates of the number of students that overstay.[504]

International Students in Scotland

In 2016/17, there were 21,245 non-UK EU students and 31,045 non-EU students studying at Scottish universities, representing 22% of the student cohort. By comparison, 19% of the UK's student population is international. The student cohort of Scotland's universities has become increasingly international. The number of students from the EU and outside the EU has grown by 97% and 58% respectively over the past decade.[505] Whereas 75% of all students at Scottish universities in 2005/06 were Scottish, this had reduced to 66% by 2014/15. Of all the UK nations, Scotland has the highest proportion of EU students (9%) relative to its student body. Notably, 16% of the UK's total cohort of EU students are studying at Scottish

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[504] Second report on statistics being collected under the exit checks programme; Home Office; August 2017
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/639621/second-report-on-statistics-being-collected-under-exit-checks.pdf

[505] Audit of Higher Education in Scotland's Universities; Audit Scotland; July 2016
http://www.audit-scotland.gov.uk/uploads/docs/report/2016/nr_160707_higher_education.pdf

universities. This reflects the attractiveness of Scotland as a place to study for international students, particularly for those from the EU.

Table 1, below, provides a breakdown of the student population at Scotland's universities on an institution-by-institution basis. This shows that the proportions of EU and non-EU students varies considerably among institutions. Therefore, any changes that impact on universities' abilities to recruit international students post-Brexit will have differential consequences for Scotland's universities. We return to this issue in our responses to the consultations questions.

It will be important to consider the impact of international students in colleges, and we are aware that *Colleges Scotland,* the umbrella body for the college sector, is preparing a response to the MAC. Scotland's colleges provide both further and higher education. Colleges Scotland has indicated that the number of international students coming to study in Scotland has declined in recent years.[506] In addition to a more restrictive migration regime, this has come as a result of significant reform of the college sector in Scotland, including the Office for National Statistics (ONS) reclassification of incorporated colleges as public bodies, and ongoing funding pressures. This has resulted in Scotland's colleges reducing their international student recruitment activity, and focussing education provision on Scottish-domiciled students.

Table 1: Breakdown of students studying at each university in Scotland (HESA 2016/17)

University	Total Student Numbers	Percentage of students by domicile			
		UK%	Non-UK EU%	Non-EU %	Total International %

[506] Colleges Scotland Briefing; October 2016
https://collegesscotland.ac.uk/briefings-and-publications/briefings/808-briefing-on-the-implications-of-the-eu-referendum-on-higher-and-further-education-3-october-2016/file

University of Aberdeen	14,150	68.8	19.2	12	31.2
University of Abertay	3,845	85.9	11.7	2.5	14.2
University of Dundee	15,390	85.5	5.9	8.6	14.5
Edinburgh Napier University	12,910	80.9	12	7.1	19.1
University of Edinburgh	31,910	64	11.4	24.6	36
Glasgow Caledonian University	16,415	87.7	4.6	7.7	12.3
Glasgow School of Art	2,195	65.8	14.6	19.8	34.4
University of Glasgow	28,615	71.2	11.1	17.7	28.8
Heriot-Watt University	10,500	70.5	9.2	20.2	29.4
Queen Margaret University, Edinburgh	5,210	78.6	15	6.3	21.3
Robert Gordon University	12,530	82	8.9	9	18
Royal Conservatoire of Scotland	1,155	72.7	11.7	15.6	27.2
University of St Andrews	10,330	54.5	11.7	33.7	45.5

SRUC	1,620	95	4.3	0.6	4.9
University of Stirling	12,065	79.6	8.1	12.3	20
University of Strathclyde	22,955	81.7	7.3	10.9	18.3
University of the Highlands and Islands	8,720	96.6	2.4	1	3.4
University of the West of Scotland	15,955	89.8	3.6	6.6	10.2

Consultation Questions

Question 1: What impact does the payment of migrant student fees to the educational provider have?

EU-domiciled students

EU nationals studying in the UK have the same rights as home students, including paying the same tuition fees as home students. In Scotland, this means that the Student Awards Agency for Scotland (SAAS) meets the undergraduate course fees of both Scottish-domiciled and EU students studying at HEIs in Scotland. In contrast to the rest of the UK where annual undergraduate tuition fees for UK and EU-domiciled students have risen to £9,250, from the figures quoted in the introduction to this response it would be reasonable to conclude that free tuition for EU students has enhanced the attractiveness of Scotland as a place to study for these students.

The Scottish Government has guaranteed that cohorts of EU students enrolling on undergraduate courses in Scotland up to 2018-19 will retain their fee status and eligibility for the duration of their studies. The position for new EU students at

Scottish universities in 2019-20 and beyond will depend on what is agreed as part of the UK's exit negotiations and whether there is a transitional period. However, once the UK has left the EU the presumption is that EU students would be expected to pay tuition fees at full international rates. Any move to treat EU students studying in the UK more favourably than other international students is likely to be challenged on the grounds of being discriminatory.

It would be reasonable to expect the imposition of fees to result in a reduction in the number of EU students choosing to study in Scotland. On the other hand, tuition fees (at international fee levels) from those EU students who do come to Scotland to study would be considered additional revenue for Scottish higher education institutions, particularly as Scottish universities are increasingly reliant on generating income from fee-paying students.[507]

A key issue distinctive to Scotland is the cap on the number of funded undergraduate places set by Scottish Government. The cap means that currently Scottish-domiciled and EU students are competing for a limited number of funded places. Both Audit Scotland and Universities Scotland have reported that it has become more difficult in recent years for Scottish and EU students to gain a place at a Scottish university as applications have increased at a greater rate than the number of funded places available. Between 2010 and 2015 the offer rate for Scottish-domiciled students reduced by 7%.[508]

The removal of EU students from these figures would help institutions address the level of demand for places, particularly in relation to meeting the Scottish Government's ambitious targets for widening participation in higher education in Scotland for those from socioeconomically disadvantaged backgrounds. However, this can be achieved only so long as the Scottish Government does not use the change in circumstances for EU students post-Brexit to reduce the number of funded places. The RSE agrees with Scotland's Commissioner for Fair Access who has recently recommended that the Scottish Government should consider whether the total number of funded places in Scottish higher education needs to be increased in

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[507] *ibid*. 6

[508] Universities Scotland submission to the Education Select Committee's inquiry on the impact of exiting the European Union on higher education inquiry; November 2016 https://www.universities-scotland.ac.uk/wp-content/uploads/2016/11/Universities-Scotland-Brexit-submission-November-2016.pdf

order to ensure that overall demand is met; and that the Scottish Government should commit to retaining within the higher education budget any savings produced by any overall reduction in demand as a result of the removal of EU students from the total of funded places.[509]

Non-EU-domiciled students

So long as they have a Tier 4 student visa, there are no restrictions on the number of non-EU international students that Scottish higher education institutions can recruit, with individual institutions deciding how many of these students they wish to attract. As is shown by table 1, the scale of international student recruitment varies considerably among institutions. Tuition fee levels for non-EU students in Scotland are determined by individual universities taking into account a range of factors including the cost of providing the course, demand, competition, and marketability. In 2015-16, tuition fees for these students ranged from £8,880 to £47,200 per year.[510]

Given that EU students are currently entitled to free tuition in Scotland, compared to other parts of the UK, Scotland is distinctive in raising a much higher share of its tuition fee income from international students from outside the EU. Scottish universities are therefore more reliant on the fees paid by international students than universities in other parts of the UK.[511]

Research from the Higher Education Policy Institute (HEPI)[512] demonstrates the importance of international student fee income in supporting wider university activity. HEPI has estimated that fees for non-EU students average £13,461 per annum and

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[509] Laying the Foundations for Fair Access; Annual Report 2017; Commissioner for Fair Access; December 2017

http://www.gov.scot/Publications/2017/12/2659/downloads

[510] *ibid*. 6

[511] *ibid*. 4

[512] *How much is too much?*; Cross-subsidies from teaching to research in British universities; Vicky Olive; Higher Education Policy Institute; November 2017

http://www.hepi.ac.uk/wp-content/uploads/2017/11/HEPI-How-much-is-too-much-Report-100-FINAL.pdf that this produces a surplus of 28% over the costs of provision. Despite attempts to impose full economic costs on funded research projects, in 2014/15 there was a research deficit of £3.3 bn across the higher education sector in the UK. While Scottish universities face a smaller research deficit than English universities (23% compared to 40%), unlike their English counterparts, they also make a deficit of 6% on publicly-funded teaching due to the different tuition fee arrangements. Therefore, in effect, fee surpluses from teaching international students contribute to cross-subsidising both research and teaching at Scotland's universities. The size of the cross-subsidy will of course vary among universities depending on a range of factors including an institution's research intensity, its number of non-EU students, its international fee levels and the proportion of high-cost subjects taught.[513]

It is notable that the UK is very reliant on being able to attract large numbers of students from China. In 2016/17, there were more than 95,090 Chinese-domiciled students enrolled in the UK, representing nearly a third of all non-EU students, and 20% more than in 2011/12. The number of Chinese students is greater than the combined number enrolled from the next largest providers of international students to the UK: Malaysia, the USA, India, Hong Kong, Nigeria and Saudi Arabia. Consideration needs to be given to the risks and sustainability of a current strategy that relies so heavily on a single country. In contrast, a range of factors, including cost, changes to immigration policy and the removal of the post-study work visa has led to the number of Indian-domiciled students studying in the UK reducing by 45% over the last five-years. India had traditionally been one of Scotland's biggest markets for international student recruitment.

It is worth noting that the weakening of sterling since the EU Referendum potentially makes the UK more financially attractive to prospective international students. However, this has to be set against the way the UK is viewed by international citizens post-Brexit, particularly in relation to concerns about the imposition of more restrictive immigration policies.

Not only is it valuable to consider the economic contribution that international students make from the perspective of the education providers, it will be important to consider the wider impact of these students on university campuses and on the

[513] *ibid.* 13

wider economy. We return to this in our responses to the subsequent questions posed in the call for evidence.

Future Recruitment and Retention

The preceding text has commented on the impact of changes to the tuition fee regime as a consequence of Brexit on international student recruitment, including the imposition in future of fees for EU students studying in Scotland. However, the attractiveness of Scotland as a place to study will not be impacted by fees alone. The introduction of more restrictive immigration policies, including changes to student visas, have already adversely impacted international student mobility to the UK. Changes to the perception that potential students have of the UK post-Brexit, particularly the extent to which the UK is viewed as outward looking, open and welcoming, will also be a factor when prospective students decide whether to study here. We have already seen a reduction in the number of applications to UK universities from EU students of 7% since the EU Referendum.[514] This is likely to reduce further while the future migration status of students from the EU remains uncertain. The ability for international students to start a career in the UK following their studies is also a major deciding factor for them, especially for EU students.[515]

At the same time, it is important to recognise that international student recruitment is a competitive market place. While UK HEIs have been very successful at attracting students from abroad, our earlier comments make clear the uncertainty and unprecedented challenges facing HEIs in the future. Looking at fees, given that international students are paying above cost price to study in the UK, more affordable HE provision will be available elsewhere. The opportunity to study at world class institutions is the most influential factor for international students choosing to study in the UK.[516] However, if the consequences of Brexit result in the UK being regarded as a less desirable destination for work and study, then the competitive position of UK HEIs will be adversely affected, including their ability to recruit fee paying international students. It also needs to be recognised that HEIs in other

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[514] UCAS Deadline Applicant Statistics; January (2017 cycle) https://www.ucas.com/corporate/data-and-analysis/ucas-undergraduate-releases/2017-cycle-applicant-figures-%E2%80%93-january-deadline

[515] Prazeres, L., and Findlay, A.; An audit of international student mobility to the UK; ESRC Centre for Population Change; Working Paper 82; February 2017 http://www.cpc.ac.uk/docs/2017_WP82_An_audit_of_international_student_mobility_to_the_UK3.pdf

[516] *ibid.* 16

countries will view the potential consequences of Brexit for the UK HEIs as an opportunity for them to increase their market share of international students. We have already seen a growth in HEIs in EU countries delivering courses in English, and this is likely to continue. As it stands, while the recruitment of overseas students to the UK has been stagnating, the market share of competitor countries, including Australia, Canada and Germany, have been growing at around 8% per year.[517]

With regard to these points, it is also worth highlighting the role that the UK's higher education institutions are expected to play in underpinning the delivery of the UK Government's Industrial Strategy. This will require them to be able to maintain their competitiveness in attracting to and retaining in the UK talented individuals, wherever they may be located.

Question 2: What are the fiscal impacts of migrant students, including student loan arrangements?

Our response to question four is relevant here.

In contrast to UK and EU-domiciled students, non-EU-domiciled students do not receive publicly-funded support for their studies in the UK. As set out above, EU students in Scotland are entitled to tuition fee support for the duration of their undergraduate studies. The number of EU students supported by SAAS has grown by more than 70% since tuition fees were abolished in Scotland in 2007/8.[518] The SAAS has reported that in 2016-17, 14,785 EU students received support, with 91% of these students studying at first degree level. While EU students comprised 10.3% of the total number of students supported by SAAS in 2016/17, they received 3.4% (£28.1m) of the total support paid or authorised by SAAS. This differential is largely explained by the fact that EU domiciled students would typically be eligible for fees-only support, and are not normally entitled to the living cost loans and bursaries that

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[517] House of Commons Education Committee; Exiting the EU: challenges and opportunities for higher education; April 2017 https://publications.parliament.uk/pa/cm201617/cmselect/cmeduc/683/683.pdf

[518] Higher Education Student Support in Scotland 2016-17; Student Awards Agency for Scotland; October 2017

http://www.saas.gov.uk/_forms/statistics_1617.pdf

Scottish domiciled students can apply for. SAAS support is on average £1,900 per EU student per year. In a recent report, HEPI indicates that Scottish HEIs receive teaching grant funding of approximately £10,000 per EU student undertaking a full-time undergraduate degree, over the course of their studies, from the Scottish Funding Council. In comparison, the figure for England is £2,000, with the variation accounted for by the different funding approaches in England and Scotland.[519] While EU students are eligible for tuition fee loans in England, as we mention above, this is not the case in Scotland.

Of course, the fiscal impact of migrant students will depend on how long they stay in the UK. For some, it will be for the duration of their studies only, while for others it could be their entire working lives. Migrant students will pay VAT and depending on their circumstances may pay council tax. Those working during their studies will be liable for national insurance and income tax. There is, however, a lack of data on the tax and national insurance contributions paid by international students while working in the UK during their studies and subsequently.

While the availability of robust quantitative evidence is limited, studies have estimated that due to their demographic characteristics, international students make less use of health care and social services compared to the average UK resident.[520] Neither non-EU students studying in the UK, nor their dependants, are eligible for any UK social security benefits. While EU-domiciled students are eligible to receive the same social security benefits as UK-domiciled students, full-time students are not entitled to income support (e.g. unemployment benefit). EU students and their dependants are generally entitled to receive public healthcare while in the UK. Non-EU students and their dependants are entitled to receive UK public healthcare but they must pay a compulsory annual NHS levy of £150 towards their healthcare costs. In its recent report, HEPI and Kaplan International Pathways estimate the net public annual healthcare associated costs for international students at £729 per EU student or EU dependent, and £579 for a non-EU student or dependent (the

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[519] *The costs and benefits of international students by parliamentary constituency*; Higher Education Policy Institute and Kaplan International Pathways; January 2018

http://www.hepi.ac.uk/wp-content/uploads/2018/01/Economic-benefits-of-international-students-by-constituency-Final-11-01-2018.pdf

[520] Migration Observatory Briefing; October 2017 http://www.migrationobservatory.ox.ac.uk/resources/briefings/non-eu-higher-education-students-impact-uk-economy/

differential is due to the £150 annual levy paid by non-EU students and their dependents).[521]

Question 3: Do migrant students help support employment in educational institutions?

Universities are significant employers. In 2014/15 universities employed 403,800 people across the UK, with 11% (42,900) of this total employed in Scottish higher education institutions. 1.6% of all jobs in Scotland are in the university sector. Universities have an employment multiplier of 2.07; so for every 100 on-campus jobs, universities support a further 107 off-campus jobs.[522]

Given what we have said in the opening sections in relation to the role that the surplus generated from fees from international students play in helping cross-subsidise universities' teaching and research activities, it is clear that migrant students support employment at all levels of the UK's higher education institutions, and within their supply chains.

Similarly, in our responses to questions 5 and 6, we comment on the demand from international students which helps ensure the viability of many courses, especially those at postgraduate level. In turn, this secures the employment of university staff who support the delivery of these courses.

It is worth noting that with nearly 30% of academic staff in the UK comprising foreign nationals, international students are a source of future university staff for both research and teaching. Building on this, it is important to recognise that for some disciplines the UK's academic and research base is especially reliant on international staff, and on staff with significant experience of working with international student cohorts, especially at postgraduate level. For example, foreign nationals in

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[521] *ibid*. 20

[522] The economic impact of universities in 2014/15; Universities UK; October 2017 http://www.universitiesuk.ac.uk/policy-and-analysis/reports/Documents/2017/the-economic-impact-of-universities.pdf

engineering and technology account for 46% of academic staff in Scotland and 42% in the UK as a whole.

Question 4: How much money do migrant students spend in the national, regional and local economy and what is the impact of this?

The recent report by HEPI and Kaplan International Pathways has comprehensively studied the national and regional impact of migrant students in the UK.[523] This report, as illustrated by table 2, clearly demonstrates the net economic benefits of international students to regions throughout the UK.

Table 2: Estimated economic benefit and cost of EU and non-EU students in the UK over the duration of their studies	Per EU student	Per Non-EU student
Benefit (including the direct and indirect impact of tuition fee expenditure, non-tuition fee expenditure (e.g. accommodation and living costs), and visitor spend.	£87,000	£102,000

[523] *ibid*. 20

Cost (including those relating to tuition fee loans and grants, and the provision of public services)	£19,000	£7,000
Net benefit per typical student	£68,000	£95,000
Benefit-to-cost ratio	4.6	14.8

Aggregating these figures, HEPI estimate that the *total net economic impact to the UK* of the 2015/16 cohort of first-year international students over the duration of their courses to be approximately £20.3 bn, of which £4 bn is generated from EU-domiciled students and £16.3 bn from non-EU-domiciled students. It is estimated that the net economic contribution to Scotland of these international students is more than £1.9 bn. On average, international students make a net economic contribution to the UK economy per parliamentary constituency of £31 m, with the average being higher across Scottish constituencies at almost £33 m.

It is notable that these figures on the net economic impact of international students are an underestimate due to the lack of data on income tax and national insurance contributions paid by these students.

Question 5: How do migrant students affect the educational opportunities available to UK students?

Our response to question 6 is also applicable here.

We have already commented on the important financial contribution that fees from international students make to cross-subsidising research and teaching activity in UK universities. However, the value of international students extends far beyond the financial contribution they make. The Quality Assurance Agency for Higher Education (QAA) identified "global citizenship" as a key feature of 21st Century higher education under its enhancement theme, Graduates for the 21st Century'. "Global Citizenship" is described as *'encouraging a capacity to thrive in a globalised society and economy, and an awareness of cultures beyond and different to one's own'*. The attraction and retention of international students enriches and diversifies the learning and intercultural experiences at Scotland's universities, and have the potential to make graduates more globally and culturally aware, and therefore more employable. Notably, 79% of business leaders have said that knowledge of the wider world is important when recruiting, and 85% stated that they value employees who can work with colleagues and partners from a variety of cultures and countries.[524]

With the increased focus on widening participation at Scottish HEIs, there are more students coming to university for whom extensive travel or study abroad may not be financially viable. For these students, the internationalisation of home university campuses provides the opportunity for gaining a global perspective and an insight into different cultures without the prohibitive costs of travel.

In addition, migrant students enable HEIs to support courses, particularly at postgraduate level, which otherwise would not be viable. In 2016/17, 53% of all full-time postgraduate students were foreign nationals (11% other EU and 42% non-EU). Without their enrolment, many postgraduate courses would become unviable, which would adversely impact education provision for UK-domiciled students as well as the HEI employment associated with these courses. This is particularly the case with courses in the sciences, engineering and technology. For example, we note that 68% of engineering and technology students at postgraduate level come from outwith the UK, and the proportion of international students can be more than 80% in some sub-disciplines e.g. electrical and electronic engineering. [525] It is also worth noting that any potential reduction in postgraduate provision due to a decline in demand from international students would have implications for the availability of lifelong learning opportunities in the UK, including those related to developing higher-level skills.

Additionally, the UK Industrial Strategy is seeking to address the shortage of STEM skills through additional investment. This will need the support of a proportionate and flexible immigration system that enables those with these skills to come to the UK, as

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[524] Global Skills Gap: Preparing young people for the new global economy; Think Global and British Council; December 2011 https://think-global.org.uk/wp-content/uploads/dea/documents/BusinessPoll_online_TG.pdf

[525] Engineering a Future Outside the EU-securing the best outcome for the UK; The Royal Academy of Engineering; October 2016

https://www.raeng.org.uk/publications/reports/engineering-a-future-outside-the-eu well as providing education and training opportunities in STEM areas for UK and international-domiciled students.

In terms of ensuring the supply pipeline for university staff, international students are also a source of future staff for both research and teaching, with nearly 30% of academic staff in the UK comprising foreign nationals.

Question 6: To what extent does the demand from migrant students for UK education dictate the supply of that education provision and the impact of this on UK students?

Our response to question 5 is also relevant here.

Scotland's universities are international institutions, delivering higher education in other countries, including the establishment of overseas campuses, partnerships with education providers abroad and through distance learning.[526] Universities Scotland has estimated that the international activity from Scottish universities delivers £1.5 bn a year to Scotland, including from job creation and inward investment.[527] It remains to be seen whether the consequences of Brexit will lead to UK universities increasing their international footprint as a way of compensating for any potential reduction in international students at UK campuses.

The opportunity costs associated with HEIs investing significant resources into international campuses, activities and students need to be considered in terms of the impact on the education provision to Scottish-domiciled students. While the intake of non-EU students does not currently impact on the number of funded places available for Scottish-domiciled students, accommodating an increasing level of international activity does have resourcing and capacity implications for HEIs. Our earlier comments have demonstrated the ways in which international students add value to

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[526] See Audit Scotland supplement on Scottish universities' international presence (July 2016) http://www.audit-scotland.gov.uk/uploads/docs/report/2016/nr_160707_higher_education_supp2.pdf

[527] See Universities Scotland response to MAC review of Tier 2; September 2015 https://www.universities-scotland.ac.uk/wp-content/uploads/2015/12/Universities-Scotland-submission-to-the-MAC-Tier-2-Review-Sept2015.pdf

HEI provision, particularly in relation to cross-subsiding research and teaching activity, as well as helping sustain courses, particularly at postgraduate level, that would otherwise be unviable without the demand and fee income from international students. The evolving position needs to be kept under review to ensure that the approaches taken by institutions post-Brexit are sustainable and are of benefit to Scotland as a whole as well as to the HEIs themselves. For example, attracting greater numbers of international students is not, of itself, the answer to filling places on postgraduate courses in the UK. This needs to be coupled with approaches that increase the demand for postgraduate level education among UK-domiciled students, including enhancing access to funding and student support for postgraduate students.

Question 7: What is the impact of migrant students on the demand for housing provision, on transport (particularly local transport) and on health provision?

Please see our responses to questions two and four.

Student demand for accommodation can inflate rents and house prices in those areas serving large student populations. This can adversely affect other tenants and those seeking to get on to the property ladder. Universities UK has reported that the real estate sector has benefitted the most from international students' expenditure.[528]

In responding to demand, universities increase their provision of accommodation by building new residences to house some of the growing student population, which represents investment in construction and related infrastructure development.

It is, however, difficult to ascertain the specific impact of migrant students compared to the student population more generally.

[528] *ibid.* 23

In terms of transportation, spend from international students has supported an additional 12,000 jobs in this sector.[529]

Question 8: What impacts have migrant students had on changes to tourism and numbers of visitors to the UK?

Migrant students will use opportunities for exploration of the UK when studying or on vacation so this will have an impact. International student programmes will focus on ensuring this is part of the holistic student experience.

Alongside the tourism related impacts of the migrant students themselves, they also attract friends and family as visitors to the UK. While it is not known how many visitors from home each international student receives, HEPI has estimated that in 2015/16 there were approximately 330,000 student-related international visitors to the UK. While EU-domiciled students in the UK typically receive three-times as many visitors as non-EU students (due to geographic proximity), non-EU domiciled visitors spend on average on each visit £822 compared to £296 for EU visitors. HEPI estimates that the total expenditure associated with international visits to the 2015/16 cohort of first year international students over the duration of their courses amounts to £600m (£200 m for EU-domiciled-related visits and £400 m for non-EU)[530].

It is also worth noting that universities' halls of residence can be used to support tourism and provide additional income to institutions when not being occupied by students, particularly over the summer months.

Question 9: What role do migrant students play in extending UK soft power and influence abroad?

In global rankings of soft power, the UK is regularly in the top three countries. Notably, 1 in 7 world leaders have studied in the UK.[531] Given the large numbers of

[529] *ibid.* 23

[530] *ibid.* 20

[531] Contribution to Soft Power; British Council

international students who are attracted to study in the UK, our higher education institutions are very well placed to support the UK's international relations and influence.

A report from the Department for Business, Innovation and Skills[532] highlights the tangible benefits of international students to the UK. This includes them acting as ambassadors for UK HE and the UK more widely, thereby generating additional international trade; supporting cultural and political ties; and supporting international collaborative research, among others.

International alumni act as ambassadors for Scottish Universities and Scottish values after they complete their studies. Many such alumni feel strong links to the countries in which they studied. Encouraging international students to come to Scotland therefore contributes to Scotland's 'public diplomacy' and generates positive international perceptions of Scotland as a nation. Overly restrictive immigration policies could harm the UK's reputation and its relations with other countries and cultures. The British Council is well placed to advise on these matters.

Additionally, consideration should be given to whether universities' international alumni could be better harnessed to the benefit of Scotland more widely, for example, in supporting the delivery of Scotland's economic strategy, including increasing the internationalisation of Scottish businesses.

Question 10: If migrant students take paid employment while they are studying, what types of work do they do?

As is the case with UK-domiciled students, migrant students are likely to be employed in a wide range of mainly part-time and temporary work. Key sectors

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https://www.britishcouncil.org/organisation/facts/what-the-british-council-does/contribution-uk-soft-power

[532] The Wider Benefits of International Higher Education in the UK; BIS Research Paper; September 2013 https://www.gov.uk/government/publications/international-higher-education-in-the-uk-wider-benefits

include retail, hospitality and tourism. Migrant students may also undertake work utilising their multilinguistic skills, including teaching and translation work. It is also worth noting that as well as supporting research activities, postgraduate research students undertake other important roles, including practical demonstrations, assessment of practical classes and leading tutorials. It is, however, difficult to quantify the impact of international students in the labour market due to the lack of evidence.

Question 11: What are the broader labour market impacts of students transferring from Tier 4 to Tier 2 including on net migration and on shortage occupations?

Please refer to the comments we make in paragraphs 9, 10 and 22 on the reintroduction of the post-study work visa, and the removal of international students from the net migration figures.

It is important that UK immigration policy be sufficiently proportionate and flexible to enable the UK to retain international talent upon completion of their studies and into employment. The risk is that adding EU citizens to the existing immigration system post-Brexit would erode the flexibility that currently exists for those from the EU, and would have considerable consequences for Scotland and its economy, given the demographic trends we have set out at the start of this response.

We are concerned about the rigidity within the current Tier 2 provisions of the UK immigration system, particularly of its effects on skills and salary thresholds and the inability to take account of distinctive circumstances pertaining to different employment sectors and geographic areas. There is a need to provide greater responsiveness and flexibility.

In Scotland's case, consideration could be given to expanding the Scotland Shortage Occupational List, which sets out the occupations facing acute shortages in Scotland, and for which employers may recruit non-EEA nationals without conducting a 'resident labour market test'. The RSE believes consideration should be given to the possibility of loosening the criteria for defining shortages, for example through relaxing the skills or salary threshold. Similarly, it would be possible to lower the skills or salary thresholds for the employer-led entry route under Tier 2. Under this route, employers may recruit non-EEA nationals where they can demonstrate that no UK residents are available for the post, and where the job meets a salary and skills threshold. These criteria could be partially relaxed for Scottish employers. These suggested modifications to Tier 2 would represent reasonably modest adjustment of existing arrangements, thereby potentially making them more politically feasible.

It would, however, be necessary to consider the consequences for employers of an expansion of Tier 2 visas, including the associated administrative burdens and financial costs (visa application fees, sponsorship licence, certificates of sponsorship, as well as the new Immigration Skills Charge introduced in April 2017).

Question 12: Whether, and to what extent, migrant students enter the labour market, when they graduate and what types of post-study work do they do?

It is difficult to quantify the impact of non-EU students in the UK labour market due to the lack of evidence. However, the MAC might find it useful to consider HESA longitudinal survey data on the destinations of graduates three and a half years after they completed their studies.[533] This focuses on the destinations of UK and EU-domiciled students, so does not include non-EU students. It shows that 72% of non-UK EU students who graduated in 2012/13 are now in full-time paid work, and almost 12% are undertaking further study. A distinction can be made between UK-domiciled and EU-domiciled first-degree leavers, with the former much less likely to be engaged in further study.

Studies[534] indicate that UK employers, particularly those in finance and technology sectors, rely on foreign-born graduates to fill shortages of graduates with STEM skills. The current supply of postgraduate-level skills in engineering and computing is highly dependent on international graduates studying in the UK – more so than any

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[533] HESA Longitudinal Survey of HE Leaver Destinations
https://www.hesa.ac.uk/data-and-analysis/publications/long-destinations-2012-13

[534] See, for example, Lutha, R. and Morando, G.; The Best and the Brightest; EU students at UK universities and as highly skilled graduate workers in the UK; Institute for Social and Economic Research; 20 May 2016
https://www.iser.essex.ac.uk//files/news/2016/brexit/brightest-best-graduates-eu.pdf

other major higher education discipline. As well as being more likely to undertake further study, once graduated, EU students are more likely than their UK counterparts to get a job commensurate with their level of education and training. Compared with their UK peers, on average EU-domiciled graduates employed in the UK also earn higher salaries. EU graduates therefore make important contribution to the UK's skilled workforce.

Additional Information

This Advice Paper has been signed off by the General Secretary of the RSE.

The following RSE advice papers are relevant to the present inquiry:

RSE response to the MAC inquiry on EEA Workers in the UK Labour Market (October 2017) https://www.rse.org.uk/wp-content/uploads/2017/11/Migration-Advisory-Committee-Inquiry.pdf

RSE response to the Scottish Parliament Culture, Tourism, Europe and External Relations Committee's Inquiry on Immigration (August 2017)

https://www.rse.org.uk/wp-content/uploads/2017/09/AP17-20.pdf

RSE advice paper on migration and diversity in the context of Brexit (July 2017) https://www.rse.org.uk/wp-content/uploads/2017/07/17-13_Final_EUseries-Migration_Diversity_Rights_Social_Protection.pdf

Universities UK

Universities UK (UUK) is the representative organisation for the UK's universities. Founded in 1918, its mission is to be the voice for universities in the UK, providing high quality leadership and support to its members to promote a successful and diverse higher education sector. With 136 members and offices in London, Cardiff (Universities Wales) and Edinburgh (Universities Scotland), it promotes the strength and success of UK universities nationally and internationally. UUK's current President is Professor Dame Janet Beer (Vice-Chancellor, University of Liverpool) and UUK's Chief Executive is Alistair Jarvis.

This submission has been informed by significant written input from UUK's membership in England, Scotland, Wales and Northern Ireland. It reflects the diversity of the higher education sector including small and specialist institutions, research-intensive universities and pre-and post-1992 universities. Universities have also contributed to this submission via a range of regional events in London, Cardiff and Northumbria.

Wherever possible, the data presented covers the latest statistics on non-EU and EU student trends. However, the Higher Education Statistics Agency (HESA) is due to publish further data on the 2016–17 cohort of students. This will be analysed by UUK and further evidence will be submitted to the MAC in February 2018.

Contents

1. Executive summary

The UK has a long and successful history of attracting students from overseas. Currently, **it is the second most popular destination for international students,** but its world-leading position is under serious threat, from both English-speaking countries and other, new competitors.

The UK is host to 442,375 non-UK students (307,540 from outside the EU and 134,835 from Europe). These students come from more than 180 countries and study a wide range of courses at both undergraduate and postgraduate levels.

Despite its historical success, the UK's position in a growing market has stagnated in recent years. This is concerning, particularly as many major competitors are adopting ambitious growth strategies and are currently outperforming the UK. Many European universities are also expanding the number of higher education courses taught in English. Evidence suggests that although UK universities retain high satisfaction rates amongst international students, perceptions of the UK as an attractive study destination have declined.

International students bring a wide range of short and longer-term benefits to the UK higher education system and to home students, as well as to local communities, regions and the national economy. These include:

- Generating education exports of more than £10bn per annum which benefit every region from Hertfordshire to the Highlands and Islands
- Supporting more than 206,000 jobs nationwide
- Enhancing the UK’s soft power from Afghanistan to Zimbabwe
- Enriching the opportunities available to UK students by providing a global university experience, sustaining vital courses and enabling universities to invest in developments which benefit the entire student body
- Contributing positively to the UK labour market during and after their studies
- Enlivening the cultural diversity of local regions and making a strong civic contribution to the towns and cities in which they study

International students in the UK's universities are worth £10.8bn in export value (on and off-campus expenditure), generate gross output of almost £26bn and support 206,600 jobs in towns and cities across the UK. These economic benefits extend well beyond individual universities to local shops, tourist attractions, transport providers, restaurants and other sport and leisure facilities.

As well as being a successful major export, a recent study shows that a single cohort of international students had a net economic impact on the UK of £20.3bn across the

lifetime of their courses. Regional studies in Sheffield (2013) and London (2015) show similarly positive net results.

The benefits of international students are shared across all regions of the UK, including those which have seen lower levels of economic prosperity in recent decades. Numerous examples show how the presence of international students has contributed to regeneration efforts in UK towns and cities from London's Stratford to Tyne and Wear’s Gateshead and Glasgow's West End.

The UK's ability to extend its soft power and negotiate long-term and meaningful trade links with other nations, which will be vital to making a success of Brexit, is aided by the presence of international students. There are countless examples of non-UK students who have become influential business and political leaders back in their home countries including 55 current world leaders, individuals who have fostered business and trade links to the UK as well as those who have pursued successful careers in other sectors including health, academia, the arts and science. More generally, hosting students in the UK promotes British culture, brands and boosts tourism.

As well as the clear quantifiable impacts of non-UK students, they bring many other positive benefits to their universities, to domestic students and to local regions.

In an increasingly globalised and interconnected economy, international students provide home students with an invaluable multi-cultural university experience. Home students recognise these benefits, with the clear majority reporting that the presence of non-UK students helps prepare them for working in an international workforce post-graduation. International students also contribute to the diversity of university campuses, provide UK students with the opportunity to make friends with students from all over the world and bring new perspectives to academic activities.

International students have a positive impact on the UK labour market supporting 206,600 jobs across every region of the UK boosting local businesses and driving economic prosperity.

Some international students also impact the labour market by working part-time during their studies. There is limited data available on how many students work during their studies and the type of roles they are employed in. Qualitative evidence suggests that students who secure employment on-campus are employed in a variety of roles including student ambassadors, retail assistants, librarians and conference assistants.

Non-UK students contribute to the UK labour market by staying and working on completion of their studies. There is no comprehensive national data available on the jobs non-UK graduates secure in the UK. However, data from the Destination of Leavers in

Higher Education (DLHE) survey suggests that non-UK students who remain in the UK to work post-graduation find employment in a wide range of occupations and industries. This analysis also shows that those who secure a job in the UK post-study often stay in the region in which they studied, using their skills to the benefit of the local community and economy. However, the numbers able to stay and work in their region of study could be improved by reducing barriers to post-study work opportunities such as minimum salary thresholds.

Non-UK students also impact the UK labour market positively by establishing small start-up companies on completion of their studies. These often result in further job creation as businesses grow.

International students also form an important pipeline into academia and research. Many researchers and academics currently employed in the UK's universities are former students who came to the UK from their home country to study. This pipeline is particularly important to courses in strategic subject fields such as science, technology, engineering and maths, where there are long-standing shortfalls in domestic students choosing these courses. Without this non-UK pipeline, the UK's R&D capacity would be diminished. Postgraduate research students from outside the UK also make an invaluable contribution to research teams.

International students ensure the viability of many strategically important courses. International students make up 60% of all postgraduate taught engineering students. Within specific disciplines this rises to 80% of postgraduate naval architecture and maritime engineering students, 76% of postgraduate electronic engineering students, and 73% of postgraduate product engineering students. Without international students, it is very unlikely that UK universities would be able to run courses in these disciplines.

Income from international student fees provides a vital cross-subsidy for the UK's world-leading research base enabling universities to cover the full economic costs of conducting research.

The presence of international students has also enabled universities to invest in capital developments which bring benefits to all students and the wider community. This includes investment in new teaching and research facilities, student accommodation and leisure facilities. Such capital developments have knock-on impacts on local trades and have helped to regenerate deprived areas in many UK towns and cities.
International students also make a positive social and cultural contribution to the towns and cities in which they live. Many volunteer locally, in initiatives including translation services, conservation efforts and out-reach programmes in local schools, as well as supporting social enterprises designed to tackle some of the main societal issues faced by the UK. The presence of international students also brings cultural diversity impacting local festivals, the arts and cuisine.

There are costs associated with international students and their dependents including the use of public services, but these are overwhelmingly outweighed by the benefits they bring. EU students are less likely than UK students to access the student loan system and non-UK students, as a predominantly young group of people are less likely to make use of the NHS. Economic impact analysis suggests that the tax revenue generated by international students' subsistence spending and the employment sustained by it would be sufficient to pay the salaries of 31,700 full-time nurses or 25,000 full-time police officers.

Although the UK remains the second-most popular destination for international students, it is underperforming in a growing market. Recent policy decisions have hampered the UK's ability to grow international student numbers at a time when competitors are progressing ambitious growth strategies and achieving strong growth.

Recent Home Office data shows that students requiring visas are compliant and either remain in the UK legitimately after finishing their course or depart the country.

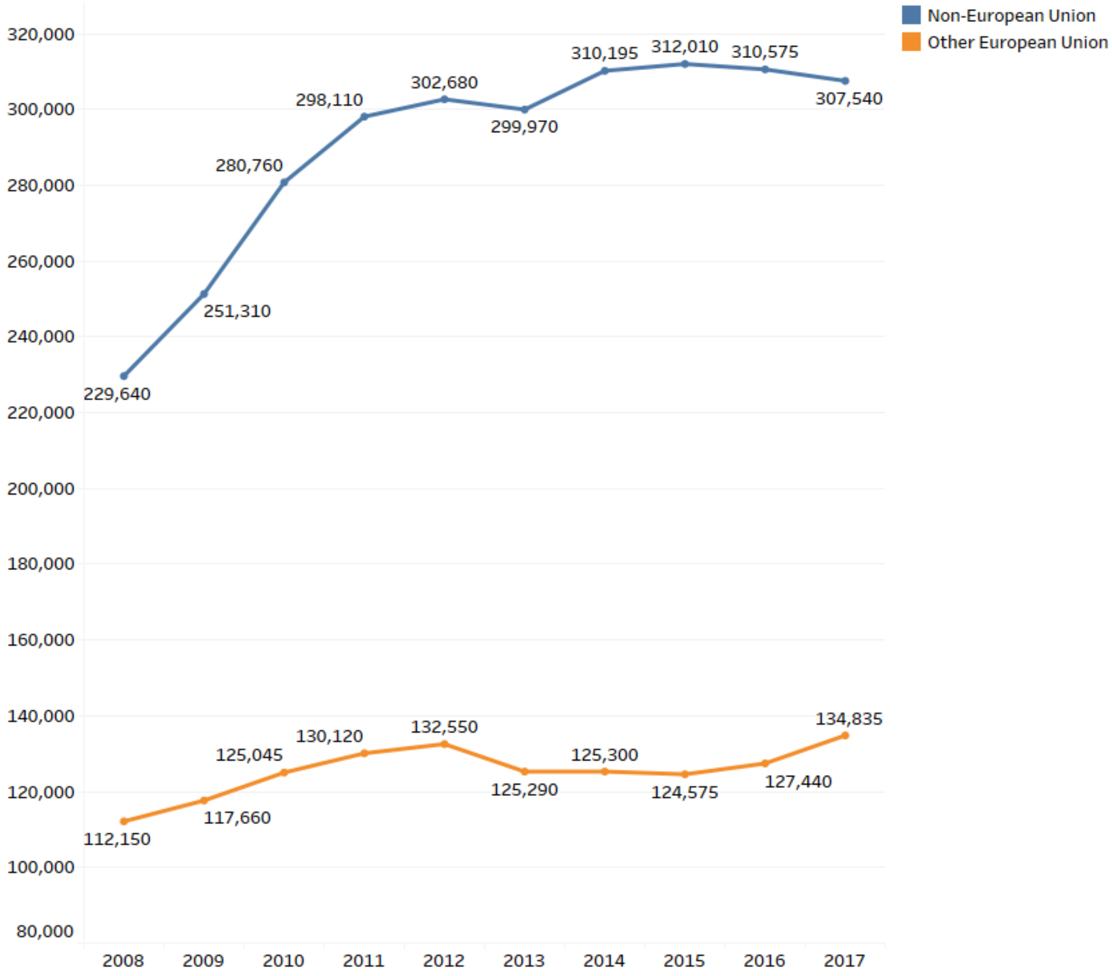
Public opinion remains extremely supportive of international students and the contribution they make to different towns and cities across the UK - 75% do not see international students as immigrants. **The government should therefore take positive policy decisions to support universities to grow their international student numbers**, as follows:

- Remove students from the net migration target
- Launch an ambitious, cross-Government strategy to increase international student numbers
- Enhance post-study work opportunities to support skilled international students to live and work in the UK for a defined period following graduation and make the UK more competitive in the international student market. This could be achieved by removing or altering the current barriers that restrict students from accessing post-study work such as minimum salary thresholds and the short timeframe students currently have to secure a job.
- Execute a significant and sustained international campaign to encourage international students to choose the UK as their preferred study destination for high quality higher education, counteracting the less than welcoming impression of recent years
- Improve the compliance regime for sponsors of international students
- Ensure there is a level and transparent playing field for international student recruitment across the UK's universities

2. Introduction to international students

In 2016–17, the latest year for which we have data, there were 442,375 international students studying at UK universities: 307,540 from outside the EU and 134,835 from other EU countries. Figures by country have not yet been released for 2016–17, but in 2015–16, there were students from 187 countries across six continents studying at UK universities. At an institutional level, in 2016–17 international students ranged from 15 at Bishop Grosseteste university to nearly 16,000 at University College London.

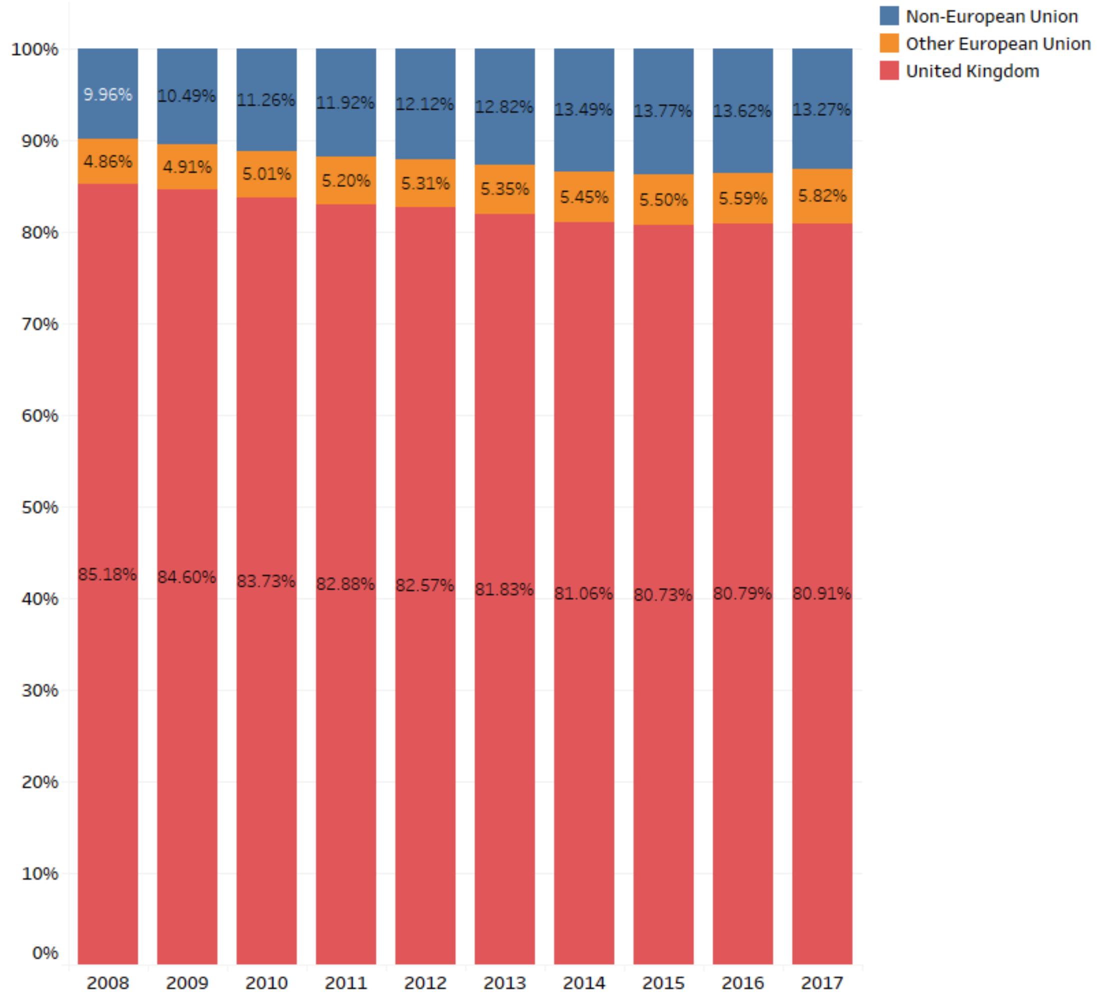
Figure 1: International students by domicile, 2007–08 to 2016–17



Source: HESA (multiple years), Student Record

In 2016–17, international students made up 19.1% of all students (13.3% from outside the EU and 5.8% from the EU), up from 14.8% in 2007–08. This varied by institution from 72.6% of the student body at London Business School to 0.2% at the Open University.

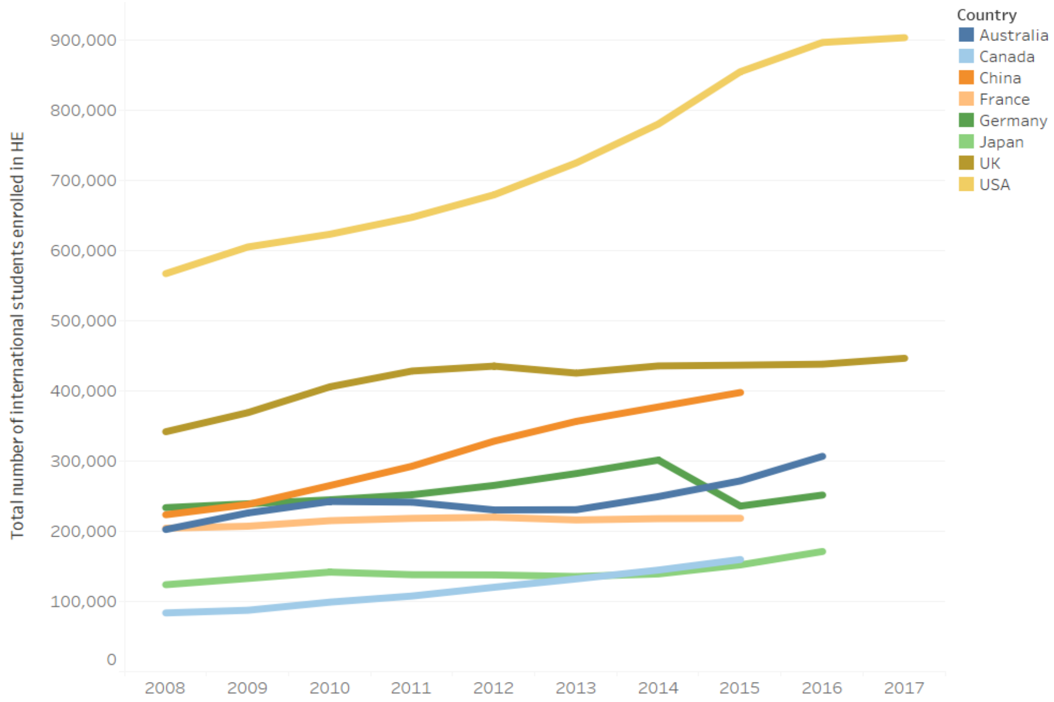
Figure 2: Proportion of the student body by domicile, 2007–08 to 2016–17



Source: HESA (multiple years), Student Record

Despite increases in the proportions international students make up of UK university students, the UK's performance in attracting international students between 2007–08 must be seen in the context of a growing global market for students studying internationally. As the chart overleaf shows, while the numbers of international students studying in competitor countries has grown, numbers studying in the UK have stagnated since 2012.

<u>Figure 3: International students enrolled in higher education in the UK and competitor countries</u>



Sources: HESA (multiple years) Student Record, IIE Open Doors and Project Atlas, Statistics Canada, Australian Government Department of Education and Training, and French Ministry of Higher Education, Research & Innovation

Trends between 2007–08 and 2016–17

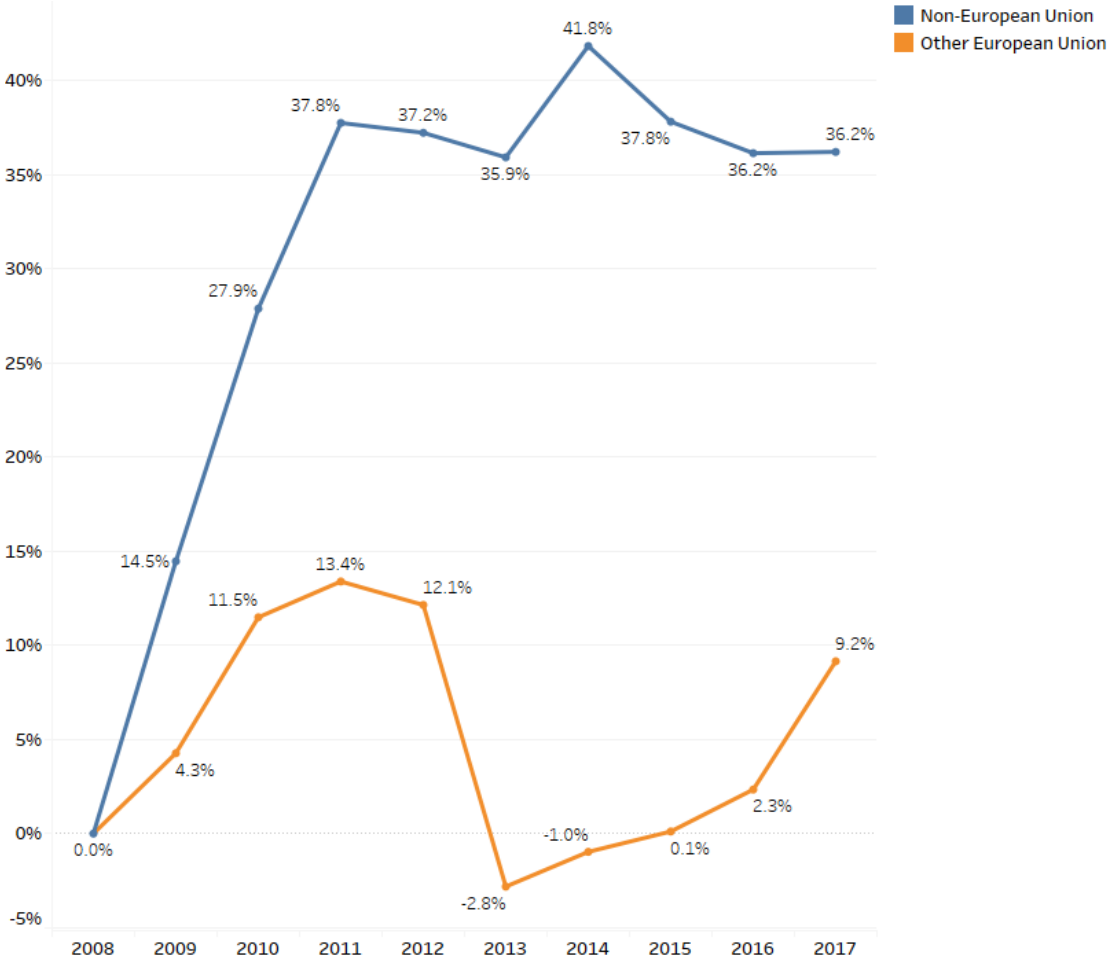
Numbers of students from both within and outside of the EU have grown substantially since 2007–08, the earliest year for which HESA has comparable data.[535] The number of non-EU students has grown by 34% over the period and the number of EU students has grown by 20%. However, although there was substantial and consistent growth for both groups of students in the early period, that growth has been more difficult in recent years and the total number of non-EU students has been broadly static for the past three years. More concerningly, numbers of new non-EU students have fallen for the past three years, and are now 4% lower than in 2013–14.

Growth in EU students has also been complicated, and after falls in the numbers of new EU students enrolling in UK universities in 2011–12 and 2012–13, it took until 2015–16 for numbers of new EU students to exceed the levels recruited in 2007–08. It remains to be seen what impact the decision to leave the EU will have on EU student numbers. The latest data from UCAS shows a small fall in total new EU undergraduates, but a rise in undergraduates accepted from medium income EU countries.[536]

[535] Because of changes in the way certain student groups are classified, 2007–08 is the earliest year for which HESA have comparable data.

[536] UCAS (2017), *End of Cycle report 2017: Patterns by geography*

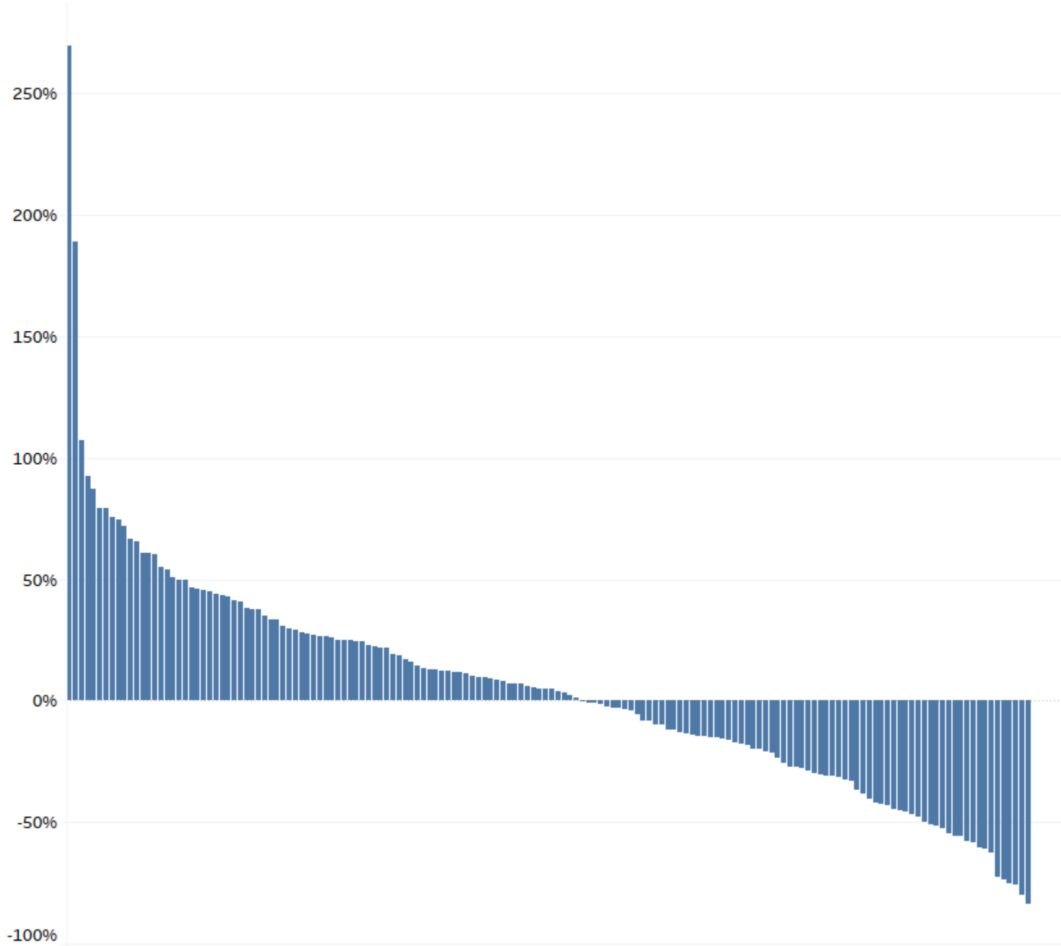
Figure 4: Cumulative percentage change in new international student enrolments by domicile, 2007–08 to 2016–17



Source: HESA (multiple years), Student Record

The inconsistencies in national-level growth in international students shown from 2010–11 onwards in the chart above are magnified at an institutional level. Changes in international student numbers varied considerably by institution between 2010–11 and 2015–16. Just over half (85) of the 158 higher education institutions reporting to HESA in both years had growth in their international student numbers. The highest growth, 270%, was a Bath Spa University (though overall numbers remained low, at 215), and average growth was 37%. But 71 institutions (44% of the total) had reductions in their international student numbers over the period, with a reduction of 83% at one institution (from 30 to 5), and an average fall of 32%.

Figure 5: Percentage change in total international students by institution, 2010–11 to 2015–16

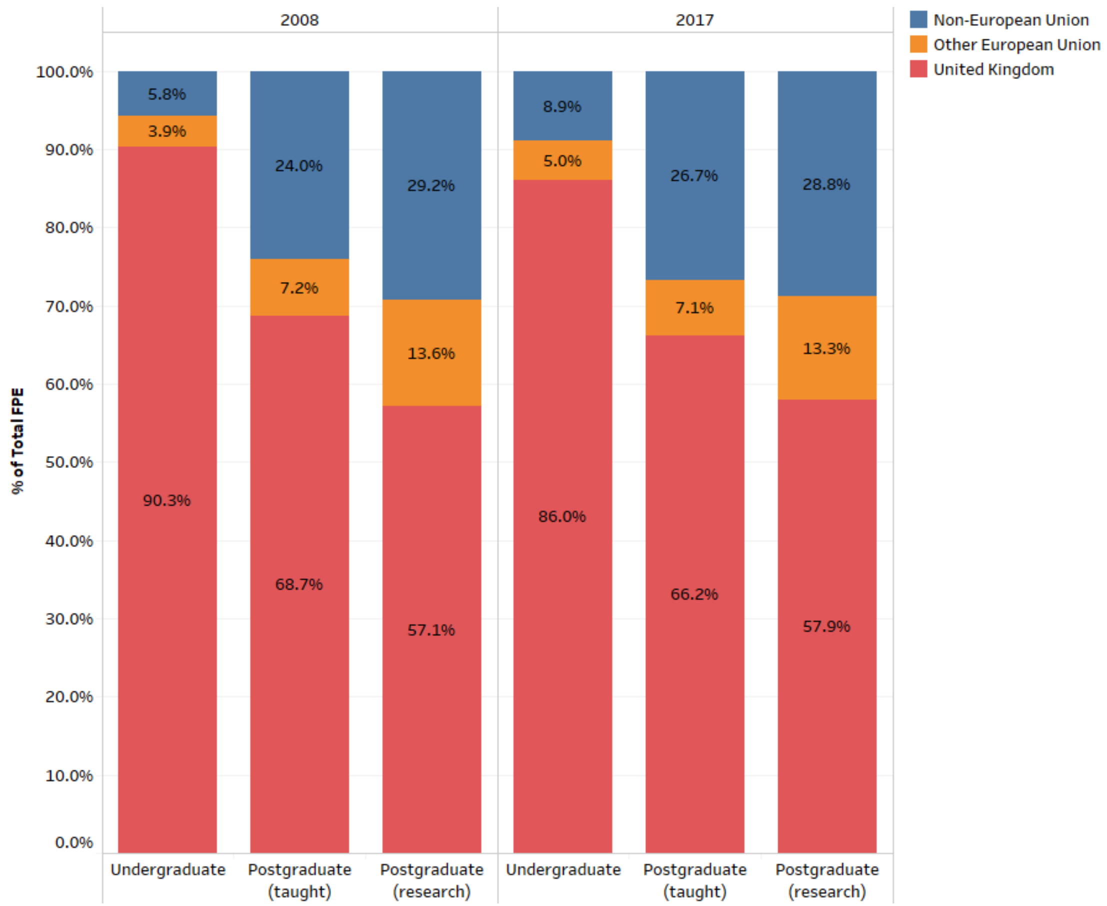


Source: HESA (multiple years), Student Record

Subjects and level of study

International students are much more numerous at postgraduate level. They make up 14.0% of the undergraduate student body but 33.8% of the postgraduate taught student body and 42.1% of the postgraduate research student body. At undergraduate and postgraduate taught level, this is an increase on the proportions in 2007–08.

Figure 6: Students by domicile and level of study, 2007–08 and 2016–17



Source: HESA (multiple years), Student Record

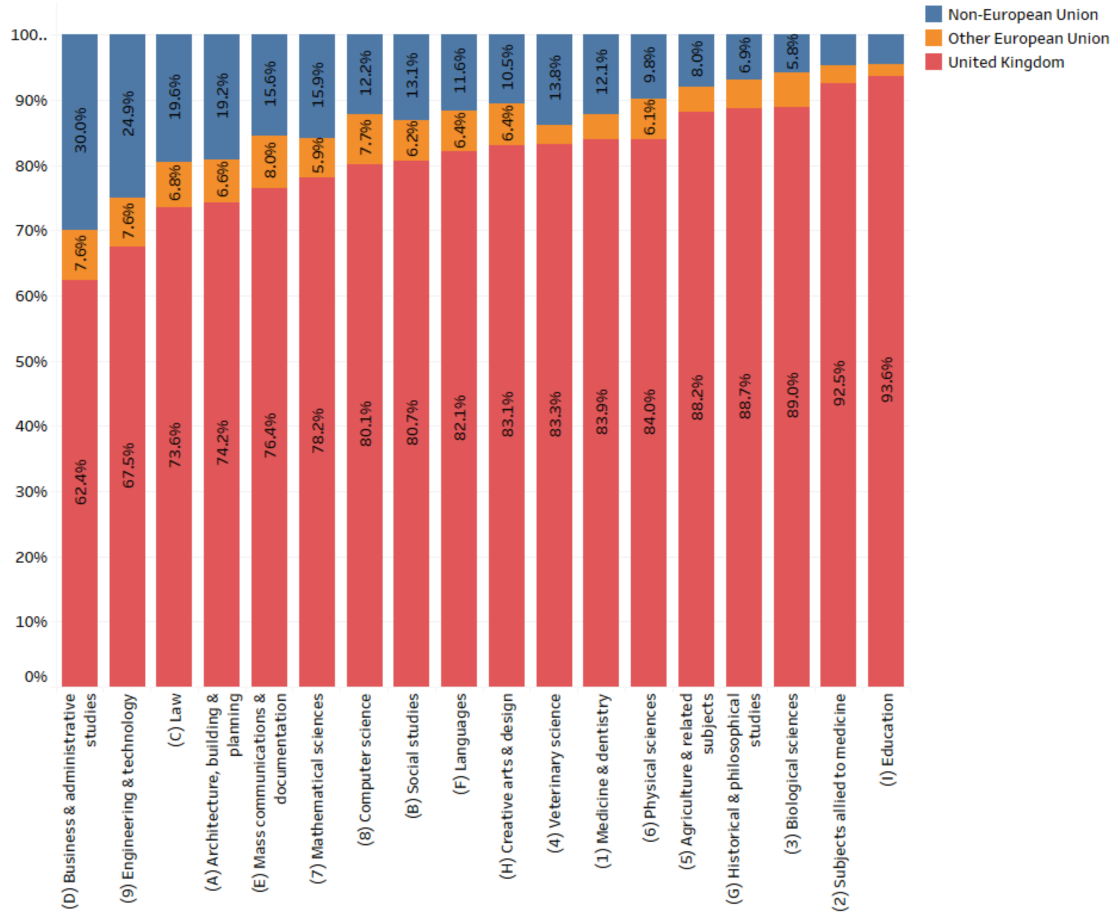
International students are also concentrated in particular subject areas. In 2015–16 (data at subject level is not yet available for 2016–17), the highest proportions of international students were in the following subject areas:

- business (38%)
- engineering (33%)
- law (26%)
- architecture and building (26%)
- mass communications (24%)

The highest numbers of international students were in:

- business (122,570)
- engineering (53,095)
- social studies (41,245)
- creative arts and design (28,660)
- biological sciences (23,965)

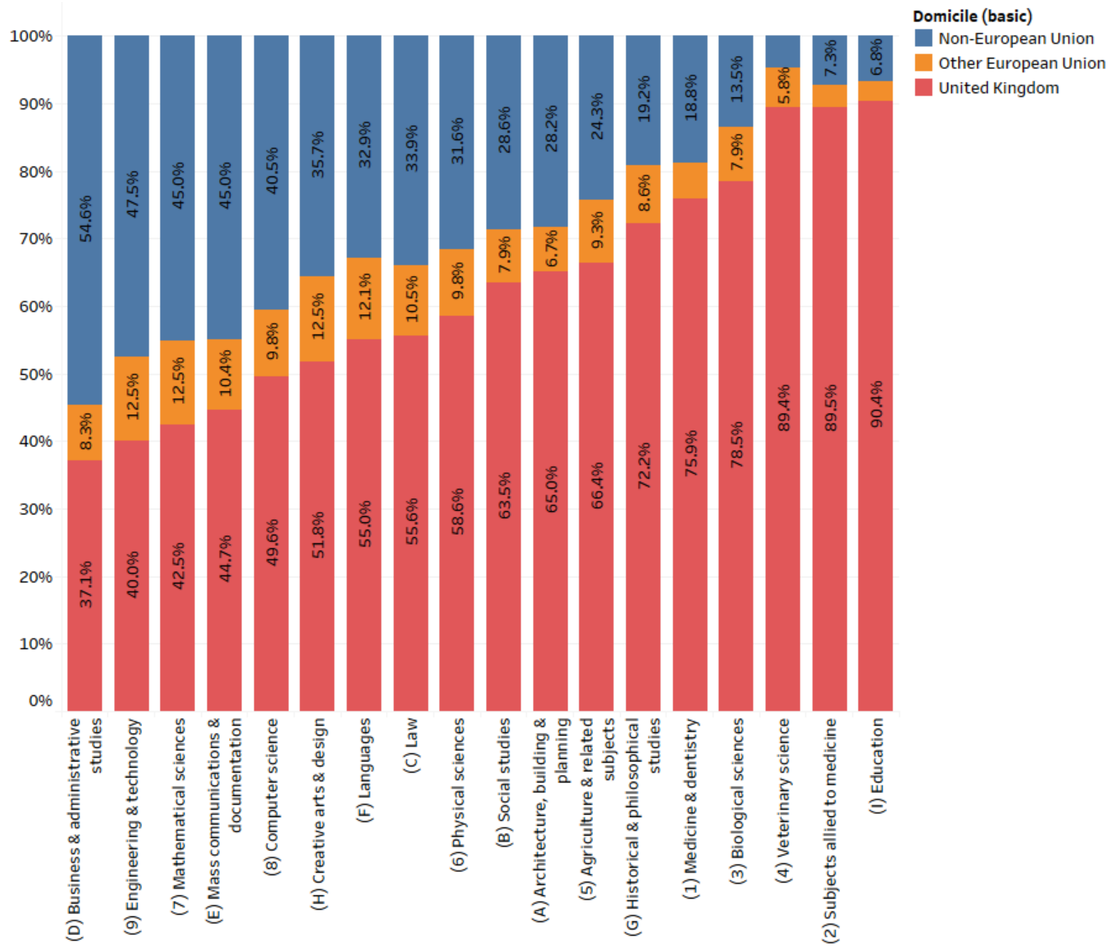
Figure 7: Students by domicile and subject of study, 2015–16



Source: HESA (multiple years), Student Record

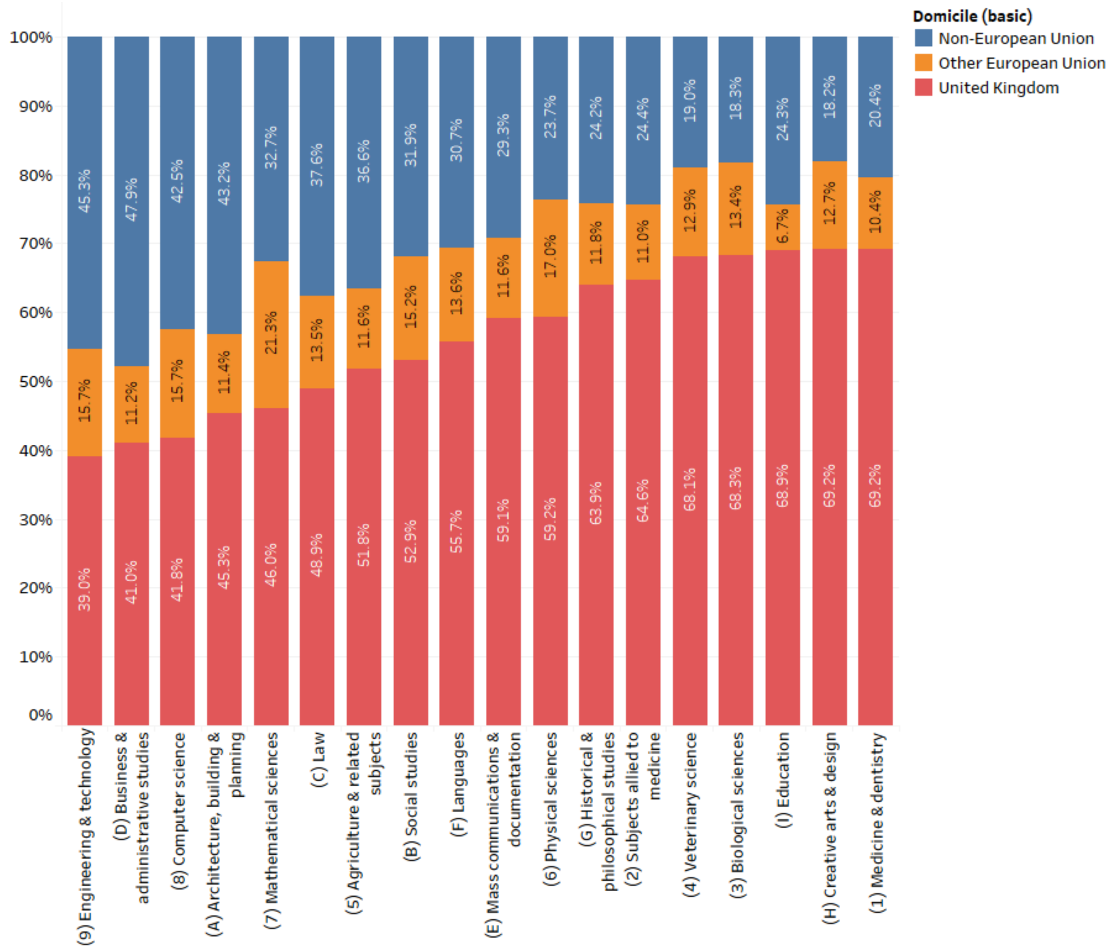
These proportions differ by level of study, with much higher proportions of international students in all subjects at postgraduate level. At postgraduate taught level, international students made up 63% of business students, 60% of engineering students, 58% of maths students, 55% of mass communications students and 48% of creative arts and design students.

Figure 8: Postgraduate taught students by domicile and subject of study, 2015–16



At postgraduate research level, even in the subject areas with the lowest proportions of international students (medicine and dentistry and creative arts and design) they made up 31%. In engineering – the subject with the highest proportion of international students – they made up 61%, and in business they made up 59%.

Figure 9: Postgraduate research students by domicile and subject of study, 2015–16



Source: HESA (multiple years), Student Record

International students by region

International students are present across all regions of the UK. The highest numbers are in London, reflecting the higher number of universities and campuses in London and the allure of London as a global city. Recent analysis for HEFCE found that when they controlled for the impact of university reputation[537], inner London universities enrol between 26% and 41% (depending on the model used) more international students than the national average.[538] In 2015–16 (we do not yet have data by region for 2016–17), there were 104,260 international students studying at London's 39 universities. The total number of London-based international students is likely to be even higher than this figure due to the presence of international students at the London campuses of universities based elsewhere.[539] However, there are substantial numbers of international students studying across the UK, with

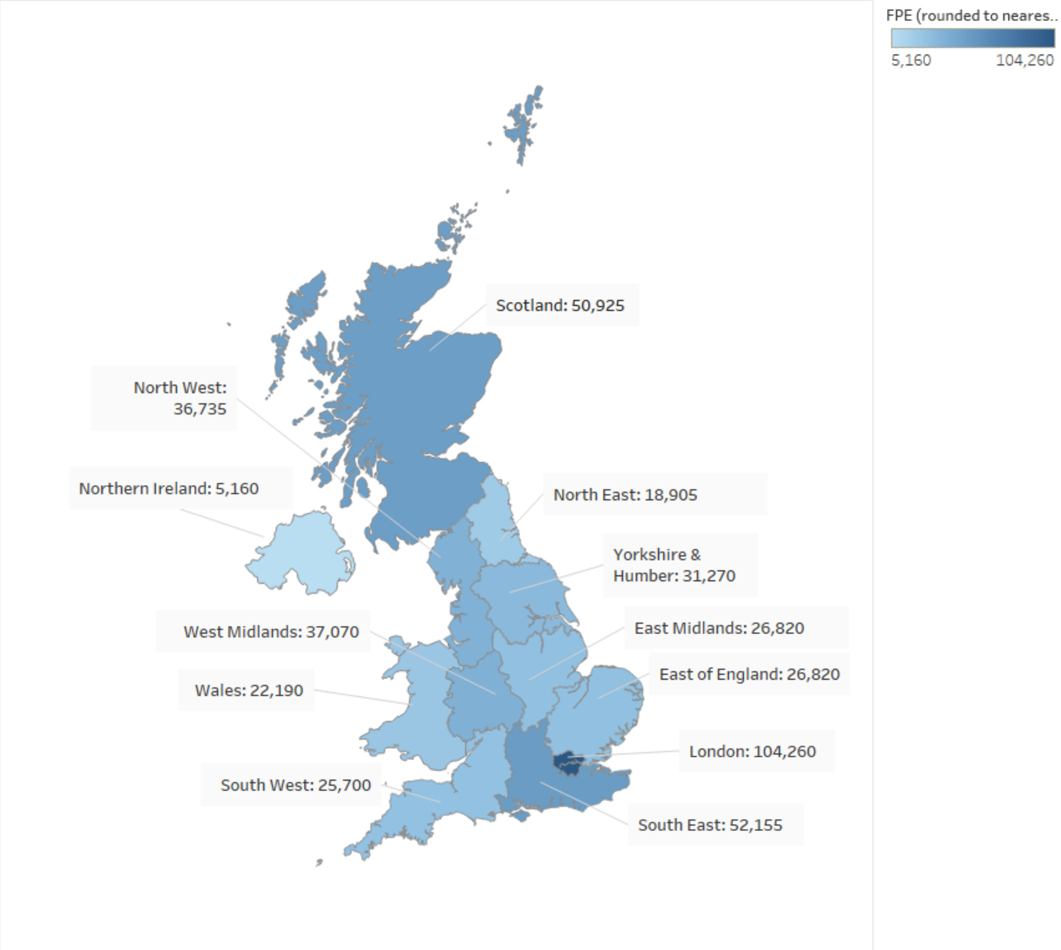
[537] The following control variables for reputation were included in the econometric model used to calculate regional differences: research excellence (percentage of 4* outputs in REF2014), teaching quality (using z score for NSS student satisfaction with teaching), time spent on research (TRAC report of percentage of time allocated to research), age (percentage of FTE staff under 40), gender (percentage of FTE female academic staff), professors (percentage of FTE academic staff who are professors), specialist status (using group F from the TRAC peer group), cost centre

[538] HEFCE/Deloitte (2017), *Regional variation in costs and benefits for higher education providers in England*

[539] Examples include University of Liverpool in London and Coventry University London Campus.

numbers ranging from the 5,170 registered at Northern Irish universities to the 52,155 studying in the South East and the 50,925 studying in Scotland.

Figure 10: International students by UK region, 2015–16



Source: HESA (multiple years), Student Record

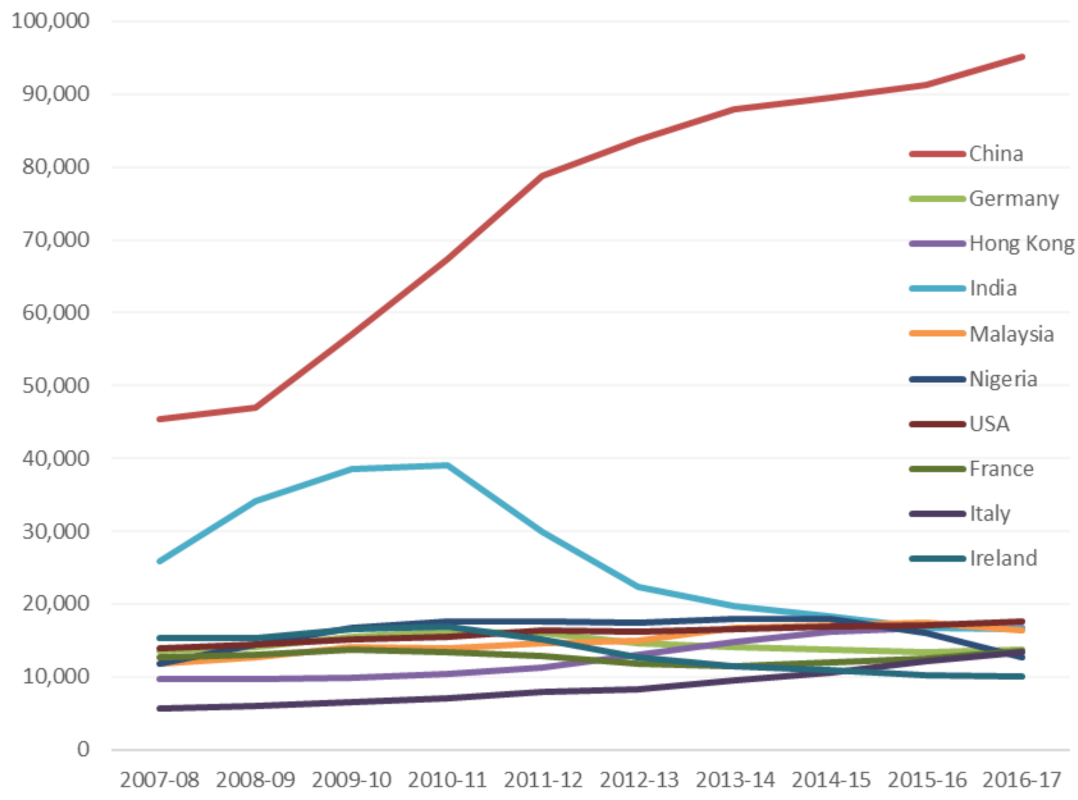
Countries of origin

The top ten countries of origin for international students studying at UK universities include four countries in Asia, one in North America, one in Africa and four in Europe.

China has consistently been the top provider of international students to UK universities and has had considerable growth over the period from 2007–08 to 2016–17 (110%). In 2016–17, students from China made up 21% of all international students in the UK, up from 13% in 2007–08. Other countries with strong growth over the period include Italy (+140%) and Hong Kong (+72%).

There were declines in the number of students coming to UK universities from India and Ireland. Numbers of students coming from India fell by 36% between 2007–08 and 2016–17. Most of that fall occurred between 2010–11 and 2016–17: in 2016–17 the number of students from India enrolled at UK universities was 58% lower than it was in 2010–11.[540] The fall in the number of students coming from Ireland between 2007–08 and 2016–17 was similar, at 34%.

Figure 11: International student enrolments at UK higher education institutions by country (top 10 countries of origin), 2007–08 to 2016–17



Source: HESA (multiple years), Student Record

Erasmus students and other inward mobility schemes

In addition to students registered for full courses in the UK, thousands of students come to the UK as part of the EU's Erasmus+ programme. This programme allows students studying within the EU to study, work or volunteer abroad for between two and twelve months as part of their degree. In 2015–16, over 30,000 students came to the UK from across the EU through Erasmus+.[541]

Other international students will come to the UK on study abroad programmes which have been agreed by their institution and the UK host institution. These partnerships will generally be agreed on a reciprocal basis, with a set number of students from each institution doing an exchange each year. Without the ability to host these students, UK students would miss out

[540] This is discussed below in section 11, on the impact of existing policy changes.

[541] Universities UK International (2017), *International facts and figures*

on outward mobility experiences. Evidence has shown that these experiences boost UK student employability, among other positive benefits.[542]

A note on data

The analysis in this section has used data from the HESA Student Record on students at all UK higher education institutions. These are the 162 higher education providers in receipt of public funding via one of the UK funding councils, plus the University of Buckingham, which also reports to HESA.

The majority of the data is for the academic years 2007–08 to 2016–17. 2007–08 marks the earliest comparable data on students released by HESA, and 2016–17 is the latest data release. However, only an initial release of 2016–17 data is currently available, which does not include all the data we have referenced in this submission. We therefore also make use of the 2015–16 data in some areas of our submission.

This analysis has covered international students by domicile – that is, the country where they are ordinarily resident before starting their studies – rather than by their legal nationality. This is how universities record their students and how they classify which fees students should pay. It forms the basis of most analyses of international students.

However, nationality and domicile are not necessarily the same, and some students listed as EU- or non-EU domiciled will have British nationality, and vice versa. There are significant numbers of both non-EU and other EU nationals registered as UK-domiciled, as shown in the table below. There are also small numbers of UK nationals identified as having either EU or non-EU domiciles. As it is nationality which will affect immigration status, this should be borne in mind.

Table 1: Students at UK universities by domicile and nationality, 2015–16

Nationality	**Domicile**		
	UK	**EU**	**Non-EU**
UK	1,619,055	7,065	9,705
EU	79,570	112,260	4,910
Non-EU	75,270	2,300	294,235

[542] Universities UK International (2017), *Gone International: mobility works*

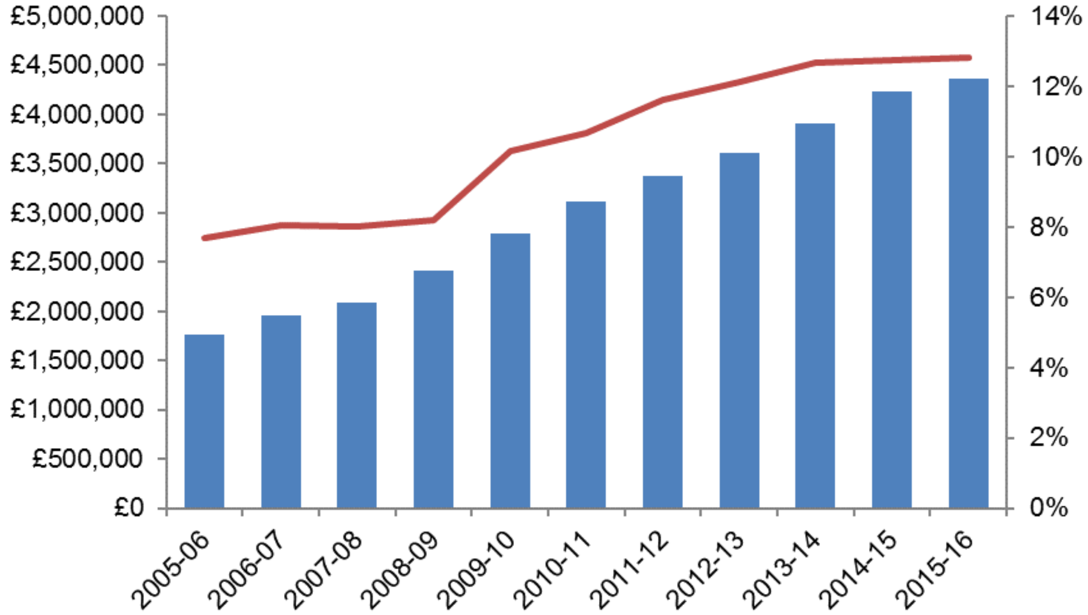
3. Economic impact of international students on the higher education sector

International students play an important role in funding the UK's higher education institutions. Income from international student fees provide a vital cross-subsidy for the UK's world-leading research base. International student fees also support universities' capital spending, support jobs within institutions, and ensure that strategically important postgraduate courses – including in engineering and computer science – are sustainable. At a time of increasing financial uncertainty, the surplus generated by international student fees are crucial for the continuing success of the UK higher education sector.

Non-EU students' tuition fee income

In 2015–16, the sector as a whole received £4.5 billion in fees from non-EU students, 23% of all teaching income and 13% of overall income.[543] International student tuition fees have consistently made up a considerable proportion of university income, as shown in Figure 12.

Figure 12: Non-EU fee income in real terms (2016 prices) as a percentage of total income, 2007–08 to 2015–16



Source: HESA Finance Record (multiple years); bars represent non-EU tuition fee income against left-hand axis, line represents the proportion this makes up of total income against right-hand axis

Unlike the fees for UK and EU undergraduates, which are capped at £9,250 per year in England and £9,000 in Wales,[544] there are no restrictions on the fees which universities charge to non-EU students, and these tend therefore to be considerably higher. This is

[543] UUK analysis of HESA Finance Record (2017)

[544] Fees at universities in Northern Ireland and Scotland are lower for Northern Irish and Scottish students respectively and for students from the rest of the EU; however, fees for students from the rest of the UK tend to be either £9,000 or £9,250.

because there is no government funding provided for these students, so there is no public subsidy supporting the cost of their teaching. The higher fees also reflect the global market for tuition fees; the fees charged reflect similar levels for international students in other countries. Using the Reddin Survey of Tuition Fees, we found that the average fees for non-EU students were as follows:[545]

Table 2: Non-EU tuition fees at UK universities, 2017−18

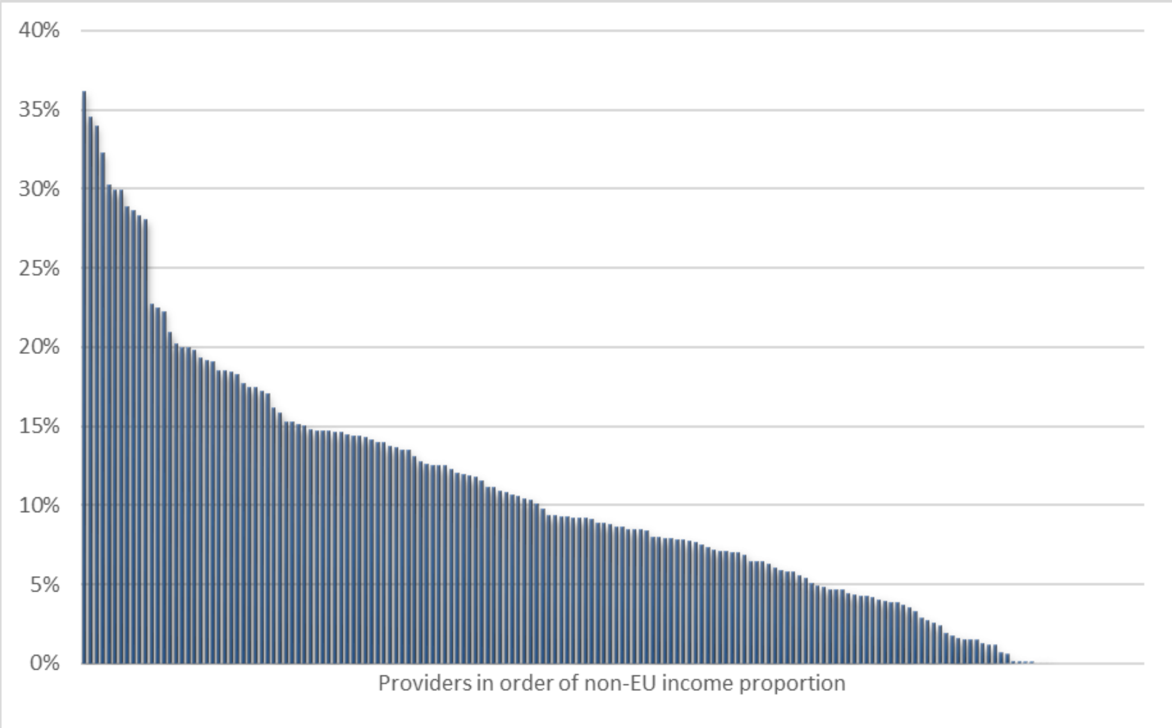
	Maximum	**Minimum**	**Average**
Undergraduate			
Classroom teaching	£25,000	£9,250	£13,750
Mixed subjects	£30,000	£9,250	£13,891
Laboratory	£34,000	£9,250	£15,807
Clinical	£35,510	£28,000	£31,755
Postgraduate taught			
Classroom teaching	£25,200	£9,190	£14,096
Mixed subjects	£21,000	£10,000	£14,047
Laboratory	£27,200	£10,950	£16,222
Clinical	£43,250	£10,950	£21,767

Source: UUK analysis of Reddin survey of tuition fees

The proportion which non-EU student fees make up of total income varies by institution, because of the different levels of fees charged and different numbers of non-EU students. Figure 13 shows the diversity in the proportions non-EU student fees make up of total income at UK universities.

Figure 13: Course fees from non-EU domiciled students as a percentage of total income by higher education provider, 2015–16

[545] The Complete University Guide. (2017), *Reddin Survey of Tuition Fees 2017−18*, Available at: https://www.thecompleteuniversityguide.co.uk/university-tuition-fees/reddin-survey-of-university-tuition-fees/



Source: HESA Finance Record (2017)

Although the latest financial results for the higher education sector in England suggest a strong financial position overall, there are significant variations between institutions with results ranging from a 7.2% deficit at the worst performing institution to a surplus of 32.1% at the best performing institution.[546] These results are likely to have been flattered by transitional changes resulting from the introduction of a new financial reporting framework for universities,[547] and if these transitional changes were excluded, the underlying surpluses would be significantly lower across the sector. As HEFCE outline, there are significant challenges in the future, including uncertainties around UK student recruitment, increasing inflationary pressures, increasing pension liabilities, and the unknown impact of Brexit.

The additional fee income which universities get from non-EU students is vital for their financial sustainability in such an uncertain environment, and supports activity where costs exceed income – for example, research – as well as capital investment programmes. International students and the fees they pay are also vital for the continuation of a number of courses where they make up the majority of all students. One world-leading specialist institution informed us that it would not be financially sustainable without international students.

Case study

[546] See HEFCE (2017), *Financial health of the higher education sector: 2015–16 financial results*

[547] The Financial Reporting Standard, the new financial reporting framework for higher education providers, came into effect from 1 January 2015.

> Income generated by international students helps support teaching, research and capital investment across the UK, but it is particularly vital for some institutions. One university received more than £18 million in fee income from non-EU students in 2015–16, generating a surplus of £5.1 million after teaching costs. Even with this contribution, the university as a whole reported a £2.5 million deficit in 2015–16.
>
> Since 2015–16 the university has made substantial progress towards reaching a better financial equilibrium, where it is financially sustainable looking out to the medium and long-term. Any reduction in international student income, however, would significantly impede the achievement of this objective, to the detriment of the university's range of stakeholders and activities.

Cross-subsidies to research

Every year universities in England, Scotland and Wales submit information to HEFCE as part of the Transparent Approach to Costing (TRAC). TRAC is designed to allow universities to understand the full economic cost (that is both direct and indirect costs) of all of their activity. TRAC uses expenditure information from published financial statements and cost adjustments to reflect the full, sustainable cost of teaching and research. For further information on TRAC, please see HEFCE's frequently asked questions.

HEFCE's analysis of TRAC data shows that non-publicly-funded teaching – which is primarily teaching of non-EU students – generates a significant surplus for the UK higher education sector each year.[548] In 2015–16, data submitted to TRAC suggests that this surplus amounted to £1,466 million across all UK higher education institutions.

Research activity, on the other hand, runs with a substantial deficit, estimated in TRAC at £3,125 million or £3,227 million excluding the one-off benefit of Research and Development expenditure credits (RDEC).[549] This meant universities were only able to recover 75.5% of the costs of their research, or 74.6% excluding RDEC. However, to be sustainable in the long term, universities need to cover the 'full economic costs' of conducting research. This includes academic staff, training of postgraduate research students, fieldwork, and laboratory and studio work. It also includes maintaining and replacing infrastructure, and investing in innovation.

The income UK universities received (from government and all other sources) in 2015–16 to support research was not therefore enough to be sustainable. The UK currently has a world-leading research base, but in order to maintain it research income must continue to be supported by the surplus generated by non-publicly-funded teaching, and in particular by

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[548] HEFCE (2017), *Annual TRAC 2015–16: sector analysis*

[549] Universities were eligible for the RDEC from its introduction in 2013 until 1 August 2015.

international student fees. The latest report on the international comparative performance of the UK research base suggests that while the UK does continue to lead the world in research productivity and impact, its global share in key research indicators is being eroded.[550] As the report comments, 'Although there is no doubt that the UK is well-positioned to remain a leader on the global research stage, this can only be sustained by continued investment in its national research base.'

Cross-subsidies to capital investment

The support non-EU student fees provide for capital investment is also increasingly important as a source of funding for investment by universities in their estates. Following long-term underinvestment in estates and falling public capital grant funding, universities are facing increasing capital costs. The latest data suggests that as of 31 July 2015 the English higher education sector needed to invest £3.6 billion just to bring its non-residential estate up to a sound and operationally safe condition.[551]

Given the increasingly competitive market for recruiting students from the UK and overseas, universities will need to invest more than this in order to continue to attract students. In 2015–16, capital investment in the English higher education sector was 13% of total income, but ranged at institutional level from 0% to 70% of total income.

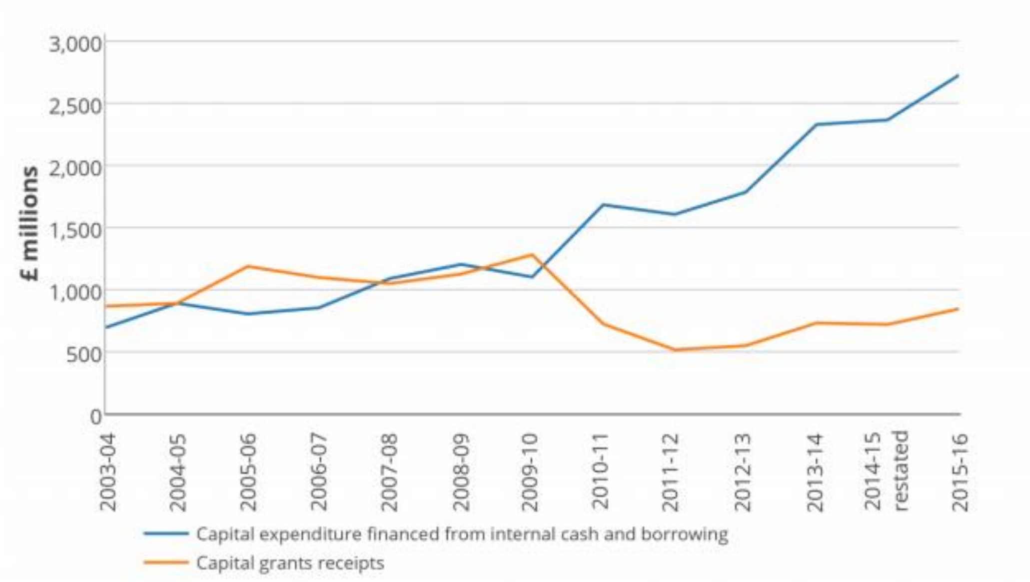
However, the level of public grant funding for capital investment has been reduced by funding bodies since 2010–11, and universities are transitioning to covering the majority of capital expenditure from their own funds.[552] HEFCE has noted that universities in England expect to finance 75% of their capital expenditure from their own cash in 2017–18, compared to 31% in 2014–15.

Figure 14: Real-terms capital expenditure funding (from base year 2003–4 to 2015–16)

[550] The Department for Business, Energy and Industrial Strategy and Elsevier (2017), *International comparative performance of the UK research base 2016*

[551] HEFCE (2017), *Financial health of the higher education sector: 2015–16 financial results*

[552] For further information, see HEFCE (2016), *Mind the Gap – Understanding the financial sustainability challenge: A brief guide for senior managers and Governing Body members*



Source: HEFCE (2017), *Financial health of the higher education sector: 2015–16 financial results*

Income from international students' tuition fees has a three-fold function here. In the first instance, the surplus from fee income from current and past international students is used to fund new capital projects. These capital projects include new accommodation halls, libraries, research laboratories, and student centres, which benefit the entire student population. The second way in which international student fee income is used to fund capital projects is to leverage further private funds. External borrowing made up 31% of English universities' income in 2015–16,[553] and is predicted to be the second biggest source of capital investment in future. Many universities which do borrow do so on the basis of projected income from international student fees.

The third way in which international student fee income supports capital projects is by providing the justification for the expenditure. In an increasingly competitive student recruitment market, new buildings help universities to stand out and attract new students. Many of our members have reported that their new capital projects have only been viable because they will attract increasing numbers of international students paying higher fees. In these instances, international student fee income is not only helping to finance the capital expenditure, it is also helping to ensure that the project is future-proof. By completing the project, the university is able to increase its total income in future, and therefore offset any increased borrowing cost as well as supporting future investment.

Case study: capital investment at the University of Sussex

A decade ago the University of Sussex began an ambitious programme to improve its offering in business and management courses. The new School of Business, Management & Economics was envisioned as a leading research and teaching

[553] HEFCE (2017), *Financial health of the higher education sector: 2015–16 financial results*

department, which would help finance the university's plans for expansion by attracting international students.

The number of management students at Sussex has since grown from 100 to over 3,000, more than half of whom are non-EU international students. The new school generated more than £20 million in international fees in 2015–16, enabling the university to pursue a £30 million investment in the new Jubilee Building which co-locates academics in business, management, economics and science. This significant capital investment has helped create a unique academic environment which encourages effective cross-disciplinary work, benefiting UK students and supporting the country through research and advice supporting the government's new, post-Brexit approach to international trade.

Job creation

International students, particularly those from outside the EU, also support a number of jobs within higher education institutions, ranging from recruitment to visa support to student welfare support. The cost of these staff will be met in most cases by non-EU tuition fee income and many of these staff will be working primarily – though not exclusively – with prospective and current international students. More analysis of the impact of non-UK students on the labour market can be found in section 9.

Supporting strategically important courses

International students (both EU and non-EU domiciled) also provide vital support for strategically important courses in the UK, ensuring that universities can continue to offer postgraduate courses in business, engineering, maths, computer sciences and other subject areas. International students make up over half of postgraduate taught students at UK universities in the following subject areas:

- Business (63%)
- Engineering (60%)
- Mathematics (58%)
- Mass communications (55%)
- Computer science (50%)

International students also make up very significant proportions of students on creative arts and design courses (48%), language courses (45%), law courses (44%) and physics courses (41%).

In many cases, universities are reliant on international students for courses in these subject areas to continue to operate, because there are insufficient numbers of UK students for courses to be sustainable if recruitment were restricted to UK students. Many universities supplied us with lists of courses which would be unviable without international students. These ranged from four at one locally-focused institution, to 67 at another specialist London-based institution, and nearly a third of courses at an institution with one of the highest levels of international students.

Case study: the viability of maritime education

Shipping and the maritime industry are areas of great strategic importance to the UK. 95% of the country's international trade is moved by shipping, and 250,000 people are directly employed in the industry. Their importance will only increase as the UK leaves the European Union and looks to expand its trading horizons.

International students make up 40% of students on maritime law, science and engineering courses in the UK, and more than half at some institutions such as Southampton Solent University. They pay £7 million in fees each year, keeping these courses viable for British students. Furthermore, the global nature of the seafaring profession means that the UK shipping industry can only remain competitive if it retains strong links to global professional networks and employers can make early-career contact with students from across the world.

International students are therefore vital to both the financial sustainability and the ongoing competitiveness of maritime education in the UK, supporting an important area of strategic interest.

Philanthropic donations

International students may also have an economic impact on their institution via philanthropic donations they make as alumni. A 2017 survey by Ross-CASE Europe estimated that almost £323m was donated to UK universities by alumni in 2015–16.[554] This figure was not disaggregated by UK and non-UK alumni but it is a reasonable assumption that at least some of this significant figure was sourced from non-UK graduates.

EU students' tuition fee income

Universities also received £10.5 billion in fees from UK and EU students in 2015–16: £9.3 billion for undergraduate courses and £1.2 billion for postgraduate courses.

Disaggregated detail is not available on what proportion of fees came from UK students and what proportion came from EU students. If we were to assume that EU students are present on the same courses as UK students and so paying the same fees, then EU students would

[554] Ross-CASE Report (2017), *Giving to Excellence: Generating Philanthropic Support for UK Higher Education*

be responsible for £0.6 billion of this income. This assumes that as EU students make up 5.2% of UK/EU undergraduates, they will be responsible for 5.2% of UK/EU undergraduate fee income; and that as EU students make up 12.0% of UK/EU postgraduates, they will be responsible for 12.0% of UK/EU postgraduate fee income. However, we know from Student Loans Company (SLC) data that the average tuition fee loan the SLC paid universities for undergraduate students for EU students in 2016–17 was slightly higher than the amount the SLC paid for students domiciled in England (£8,380 in comparison to £8,240) and has consistently been so since 2012–13 (the earliest date which this data is available for).[555] It is likely, therefore, that £0.6 billion slightly understates the contribution of EU students.

EU student public funding

As outlined in section 5, English universities also receive teaching funding for EU students, topping up their tuition fees in subject areas which are more expensive for universities to teach. For the 2015–16 cohort of EU students, this is likely to be around £0.13 billion. This additional funding will be used to support teaching subjects where the cost of teaching exceeds tuition fee income, e.g. clinical courses, courses which require laboratory space, courses in the creative arts requiring studio space and technician support, and courses with fieldwork elements.

Costs of international students to higher education institutions

Although non-UK students bring significant income to UK universities in tuition fees and on-campus expenditure, they also incur some costs to the university particularly in relation to immigration compliance for those requiring student visas. The most recent data available is a 2013 report published by the (now defunct) Higher Education Better Regulation Group which estimated that the total cost of Tier 4 compliance to the higher education sector in 2012–13 was almost £67 million.[556]

The study identified costs across a range of areas including:

- application checks and storage of relevant paperwork
- issuance of Confirmation of Acceptance for Studies (CAS)
- pre-arrival support
- monitoring attendance and student engagement

All universities will also provide welfare and academic support for their students to help them with the transition onto their course and to ensure they are able to perform at the requisite level. As their transition is likely to be greater, having moved to a new country and with many

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[555] Student Loans Company (2017), *Statistical First Release: Student support for higher education in England 2017*

[556] The report is available online at www.universitiesuk.ac.uk/policy-and-analysis/reports/pages/cost-and-benefit-analysis-project-on-immigration-regulation.aspx.

having previously studied in different academic systems, international students may require more of this support. They may therefore represent a higher cost to the institution.

Transnational education

At recent sector events, members of the Migration Advisory Committee secretariat have expressed an interest in exploring whether institutions could develop branch campuses overseas to teach international students instead of focusing on inward recruitment. Some explanatory notes on the benefits of transnational education compared to inward recruitment can be found in Annex A.

Conclusion

International students provide significant financial support to the UK's higher education sector, supporting the UK's world-leading research, underpinning investment in capital projects, supporting teaching and making strategically important courses sustainable. This support is particularly important when the financial environment for UK universities is increasingly uncertain.

4. Impact of international students on economic output

International students make a significant contribution to the UK's economic growth, providing jobs and supporting economic output across all of the UK's regions. There are two principal reports covering the national economic impact of international students: analysis by Oxford Economics for Universities UK,[557] and London Economics' analysis for HEPI and Kaplan.[558] This section will consider those two reports in turn.

The economic impact of international students in 2014–15 (Universities UK)

In October 2017, Universities UK published independent analysis by Oxford Economics which analysed the economic impact of international students (EU and non-EU domiciled) in the 2014–15 academic year as part of a wider analysis.[559] They found that over that period:

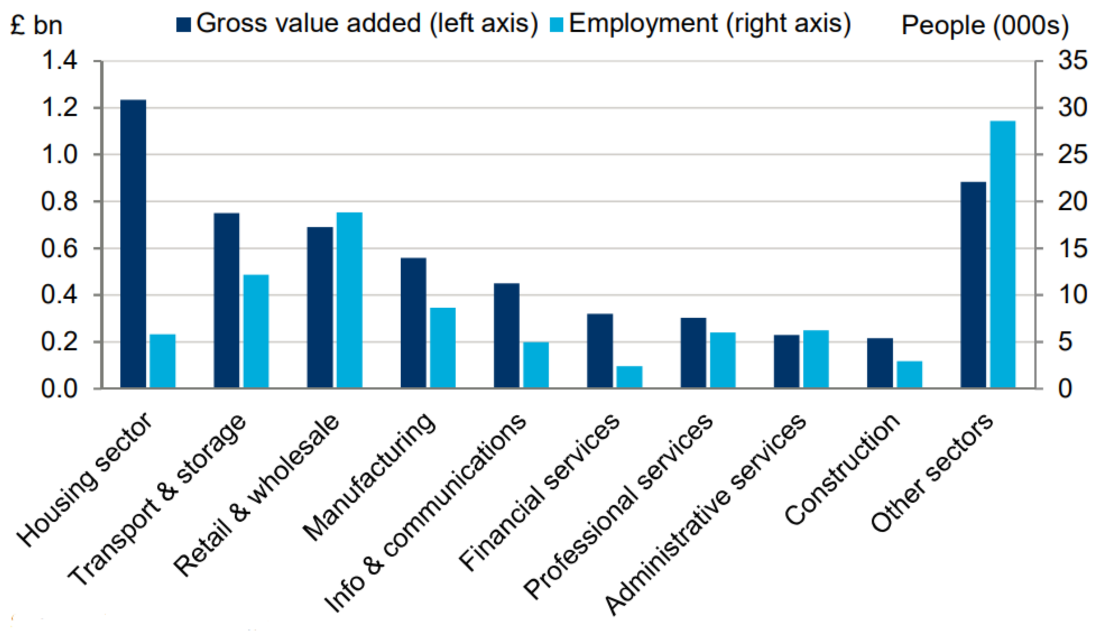
- On- and off-campus spending by international students and their visitors generated £25.8 billion in gross output for the UK economy, and that this spending:
    - contributed £13.8 billion gross value added to UK GDP
    - supported over 206,000 FTE jobs
    - generated £3.3 billion in tax revenues

[557] Oxford Economics (2017), *The economic impact of universities in 2014–15: Report for Universities UK*
[558] HEPI, London Economics and Kaplan (2018), *The costs and benefits of international students by parliamentary constituency*
[559] Oxford Economics (2017), *Op. cit.*

- International students and their visitors generated £10.8 billion in UK export earnings
- This spending contributes to regions across the UK, including the most deprived regions. In the North East, international students' off-campus spending:
    - generated £271 million in gross output
    - contributed £139 million gross value added
    - supported 2,032 FTE jobs

Oxford Economics' analysis for UUK used survey evidence on the expenditure of students attending English, Welsh and Scottish universities, multiplied by the number of international students. They found that in 2014–15 international students spent £5.4 billion off-campus and £0.7 billion on-campus on subsistence – a total subsistence spend of £6.1 billion. This spend supported all sectors of the UK economy (see Figure 15), and significantly supported the transport and retail industries, providing a £750 million boost to transport and a £690 million boost to retail.

Figure 15: The impact of international students' off-campus subsistence spending, 2014–15



Source: Oxford Economics

In addition to their subsistence spend, Oxford Economics estimated that international students paid an estimated £4.8 billion in tuition fees to UK universities in 2014–15. This accounted for 14% of universities' total income, with the vast majority (£4.2 billion, or 88%) coming from non-EU domiciled students.

International students also provided an economic boost to the UK through the spending of visitors who came to see them. While it is not known how many visitors from home each international student receives, Oxford Economics used data on students' nationality, the nationality of the wider UK population and data taken from the International Passenger

Survey on the origin of visitors to friends and relatives in the UK to estimate the number of visitors each student received and how much they spent. Through this methodology, they were able to estimate that visitors to international students in the UK spent an estimated £520 million in 2014–15, generating an estimated £1 billion in gross output. Altogether, the spending of visitors to international students was estimated to contribute £480 million in gross value added to UK GDP in 2014–15. This estimated figure does not include income generated by prospective students and their families coming to the UK to attend university open days.

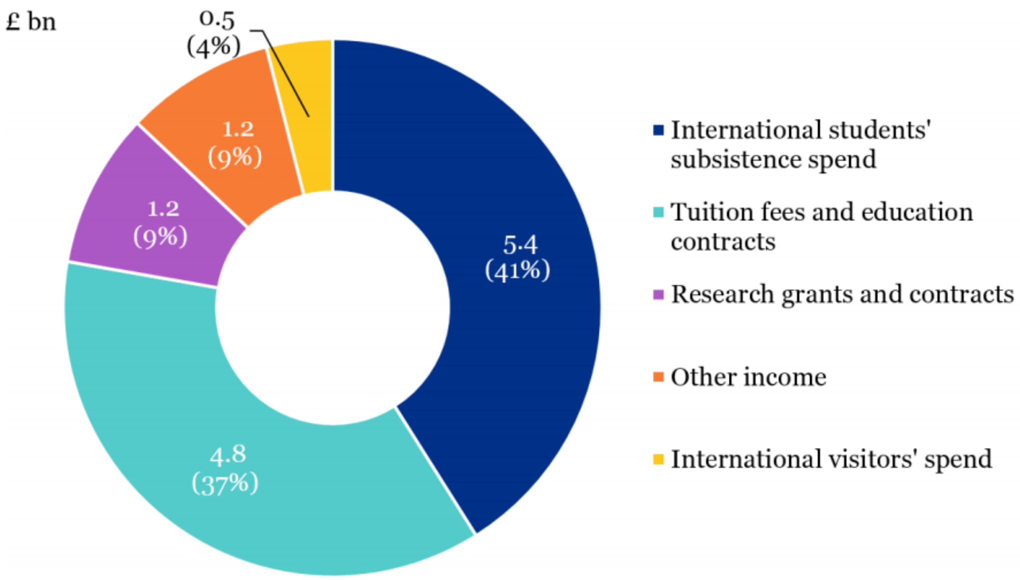
When international student spending, their payments to UK universities and the spending of visitors coming to see them are all taken together, Oxford Economics estimated that it generated £25.8 billion in gross output in the UK in 2014–15. This contributed £13.8 billion in gross value added to UK GDP, and supported 206,600 FTE jobs.

In total, Oxford Economics found that the economic activity and employment sustained by international students' and their visitors' on- and off-campus spending generated £3.3 billion in tax revenues for the UK Exchequer in 2014–15. This figure includes corporation tax, labour taxes (including income tax and national insurance contributions), consumption taxes and other business taxes.

International students and UK universities' export earnings

Oxford Economics also found that international students' payments to universities and their and their visitors' subsistence spending generated £10.8 billion in export receipts. When considered with the £2.4 billion additional export earnings which universities generated, this meant that universities earned £13.1 billion in export receipts in 2014–15, more than a third of the value of all business and professional services exports in 2014–15.

Figure 16: Total exports generated by UK universities, their international students' subsistence spend and their visitors' expenditure, 2014–15



Source: HESA, IPS, Oxford Economics

The government has a target to achieve £30 billion in education export earnings by 2020. This target was recently restated in Parliament[560] and a ministerial-led group has been convened[561] to support work towards reaching the target. A recent assessment by the Department for Education[562] has estimated higher education exports at £12.43 billion in 2014, or £12.98 billion if transnational education (TNE) is included. This figure breaks down as:

- £8.51 billion from non-EU students' fee income and living expenditure, once scholarships (e.g. Chevening Scholarships) are removed;
- £2.56 billion from EU students' (including incoming Erasmus students) fee income and living expenses, once the cost to government of tuition fee loans is removed;
- £0.55 billion from TNE activity; and
- £1.36 billion from other areas, e.g. research contracts and intellectual property income

This is an increase of 30% on the estimated figures for 2010. Most of the increase comes from the increase in non-EU student income, which rose from £6.56 billion in 2010 to £8.55 billion in 2014.

Regional economic impact of international students

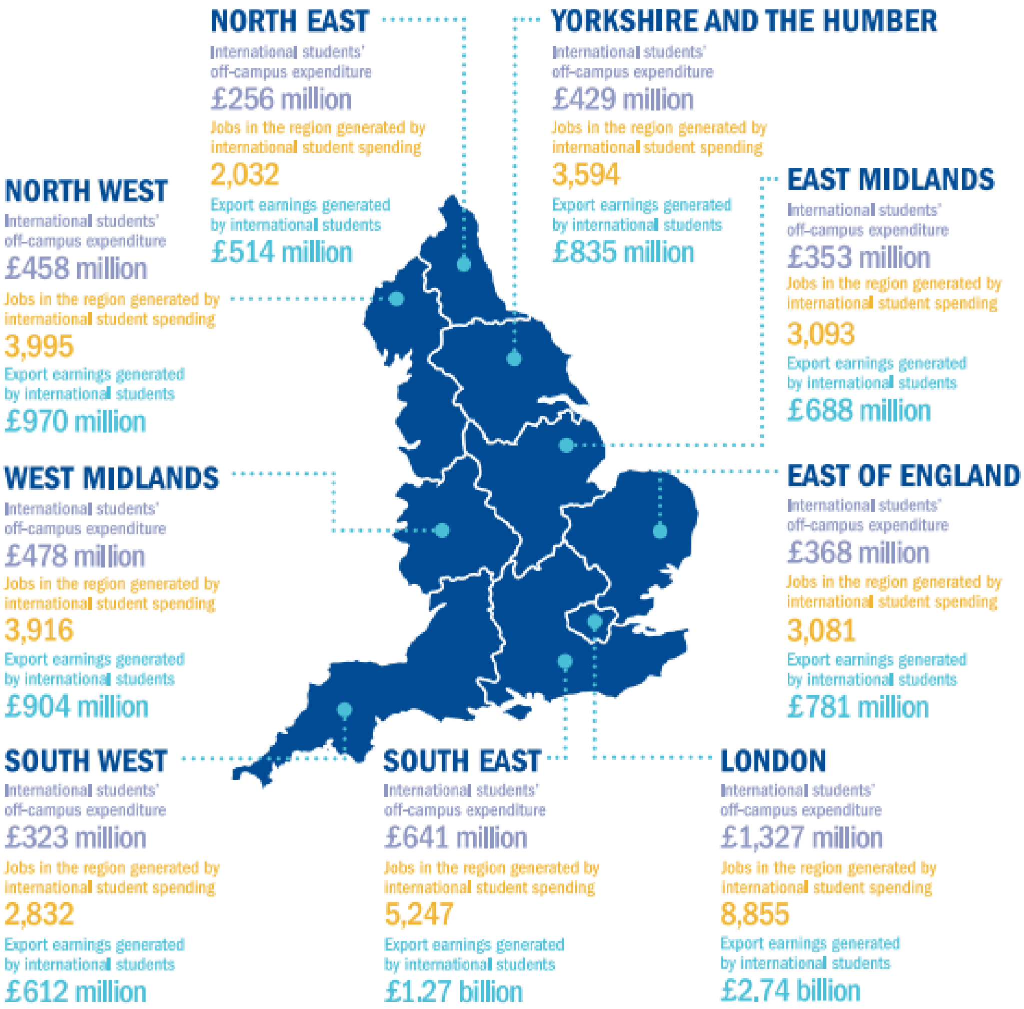
[560] See http://www.parliament.uk/business/publications/written-questions-answers-statements/written-question/Commons/2017-10-11/107165

[561] See https://www.gov.uk/government/news/department-for-international-trade-announces-new-initiatives-to-support-uk-education-exports

[562] Department for Education (2017), *UK revenue from education related exports and transnational education activity 2010-2014*

The economic impact of international students extends across the country and is key to regional economies. This impact is particularly significant in the context of the government's Industrial Strategy and objectives to sustain and grow regional economies. The following figures for English regions are from Oxford Economics' analysis, and the figures for Scotland and Wales are from separate analysis done for Universities Scotland and Universities Wales.

Figure 17: The economic impact of international students on the English regions:



Source: Oxford Economics (2017), *The economic impact of universities in 2014–15: Report for Universities UK*

East Midlands

- The region's universities attracted 27,010 students from outside of the UK in 2014–15.
- International revenue in the East Midlands amounted to £394 million which, together with the estimated off-campus expenditure of international students and their visitors, represented a total of £779 million of export earnings. Overall, international student spending on and off campus was responsible for £688 million of this total.
- International students' off-campus expenditure (£353 million) in the East Midlands generated £393 million of gross output, a £207 million GVA contribution to GDP, and 3,093 full-time equivalent jobs in the region alone.

East of England

- The region's universities attracted 27,980 students from outside of the UK in 2014–15.
- International revenue in the East of England amounted to £586 million which, together with the estimated off-campus expenditure of international students and

their visitors, represented a total of £988 million of export earnings. Overall, international student spending on and off campus was responsible for £781 million of this total.
- International students’ off-campus expenditure (£368 million) in the East of England generated £419 million of gross output, a £215 million GVA contribution to GDP, and 3,081 full-time equivalent jobs in the region alone.

London

- The region's universities attracted 101,465 students from outside of the UK in 2014–15.
- International revenue in London amounted to £1,884 million which, together with the estimated off-campus expenditure of international students and their visitors, represented a total of £3,333 million of export earnings. Overall, international student spending on and off campus was responsible for £2,739 million of this total.
- International students’ off-campus expenditure (£1,327 million) in London generated £1,534 million of gross output, a £750 million GVA contribution to GDP, and 8,855 full-time equivalent jobs in the region alone.

North East

- The region's universities attracted 19,820 students from outside of the UK in 2014–15.
- International revenue in the North East amounted to £315 million which, together with the estimated off-campus expenditure of international students and their visitors, represented a total of £594 million of export earnings. Overall, international student spending on and off campus was responsible for £514 million of this total.
- International students’ off-campus expenditure (£256 million) in the North East generated £271 million of gross output, a £139 million GVA contribution to GDP, and 2,032 full-time equivalent jobs in the region alone.

North West

- The region's universities attracted 35,850 students from outside of the UK in 2014–15.
- International revenue in the North West amounted to £636 million which, together with the estimated off-campus expenditure of international students and their visitors, represented a total of £1,136 million of export earnings. Overall, international student spending on and off campus was responsible for £970 million of this total.
- International students’ off-campus expenditure (£458 million) in the North West generated £538 million of gross output, a £281 million contribution to GDP, and 3,995 full-time equivalent jobs in the region alone.

South East

- The region's universities attracted 49,995 students from outside of the UK in 2014–15.
- International revenue in the South East amounted to £941 million which, together with the estimated off-campus expenditure of international students and their visitors, represented a total of £1,642 million of export earnings. Overall, international student spending on and off campus was responsible for £1,271 million of this total.
- International students' off-campus expenditure (£641 million) in the South East generated £780 million of gross output, a £394 million GVA contribution to GDP, and 5,247 full-time equivalent jobs in the region alone.

South West

- The region's universities attracted 25,275 students from outside of the UK in 2014–15.
- International revenue in the South West amounted to £372 million which, together with the estimated off-campus expenditure of international students and their visitors, represented a total of £725 million of export earnings. Overall, international student spending on and off campus was responsible for £612 million of this total.
- International students' off-campus expenditure (£323 million) in the South West generated £369 million of gross output, a £191 million GVA contribution to GDP, and 2,832 full-time equivalent jobs in the region alone.

West Midlands

- The region's universities attracted 36,600 students from outside of the UK in 2014–15.
- International revenue in the West Midlands amounted to £537 million which, together with the estimated off-campus expenditure of international students and their visitors, represented a total of £1,058 million of export earnings. Overall, international student spending on and off campus was responsible for £904 million of this total.
- International students' off-campus expenditure (£478 million) in the West Midlands generated £544 million of gross output, a £268 million GVA contribution to GDP, and 3,916 full-time equivalent jobs in the region alone.

Yorkshire and the Humber

- The region's universities attracted 32,760 students from outside of the UK in 2014–15.
- International revenue in Yorkshire and the Humber amounted to £506 million which, together with the estimated off-campus expenditure of international students and their visitors, represented a total of £973 million of export earnings. Overall,

international student spending on and off campus was responsible for £835 million of this total.
- International students' off-campus expenditure (£429 million) in Yorkshire and the Humber generated £483 million of gross output, a £242 million GVA contribution to GDP, and 3,594 full-time equivalent jobs in the region alone.

Wales

Analysis by Viewforth Consulting for Universities Wales found that the economic impact of international students and their visitors affected all regions of Wales, even those without universities.[563] They found that in 2015–16, the £487 million spent by international students and their visitors:

- Was equivalent to 3.7% of all Welsh exports;
- Generated £716 million of output and £372 million of GVA;
- Generated over 6,850 full-time equivalent jobs in Wales

Scotland

Using the methodology outlined by Biggar Economics in their 2010 report on the economic impact of Scottish universities, Universities Scotland have estimated that in 2015-16, international students:

- Spent £517.5 million on living costs, entertainment and consumer products
- Supported £25.7 million in tourism spend from visiting friends and relatives.[564]

The net economic impact of international students (HEPI study 2018)

In January 2018, the Higher Education Policy Institute with Kaplan published independent analysis by London Economics of the net economic impact of the cohort of new international students entering UK universities in 2015–16 for the whole period of their studies.[565] They found that:

- The gross benefit of international students was £22.6 billion – on average £87,000 per EU student and £102,000 per non-EU student
- The gross cost of hosting international students was £2.3 billion – on average £19,000 per EU student and £7,000 per non-EU student
- The net impact of international students was £20.3 billion – on average £68,000 per EU student and £95,000 per non-EU student
- The net impact of international students is spread across the whole UK, with students in every parliamentary constituency generating a net economic benefit

[563] Viewforth Consulting Ltd (2017), *The Economic Impact of International Students in Wales*

[564] Biggaar Economics (2010), *The Contribution of Scottish Universities: A report to Universities Scotland*

[565] HEPI, London Economics and Kaplan (2017), *The costs and benefits of international students by parliamentary constituency*

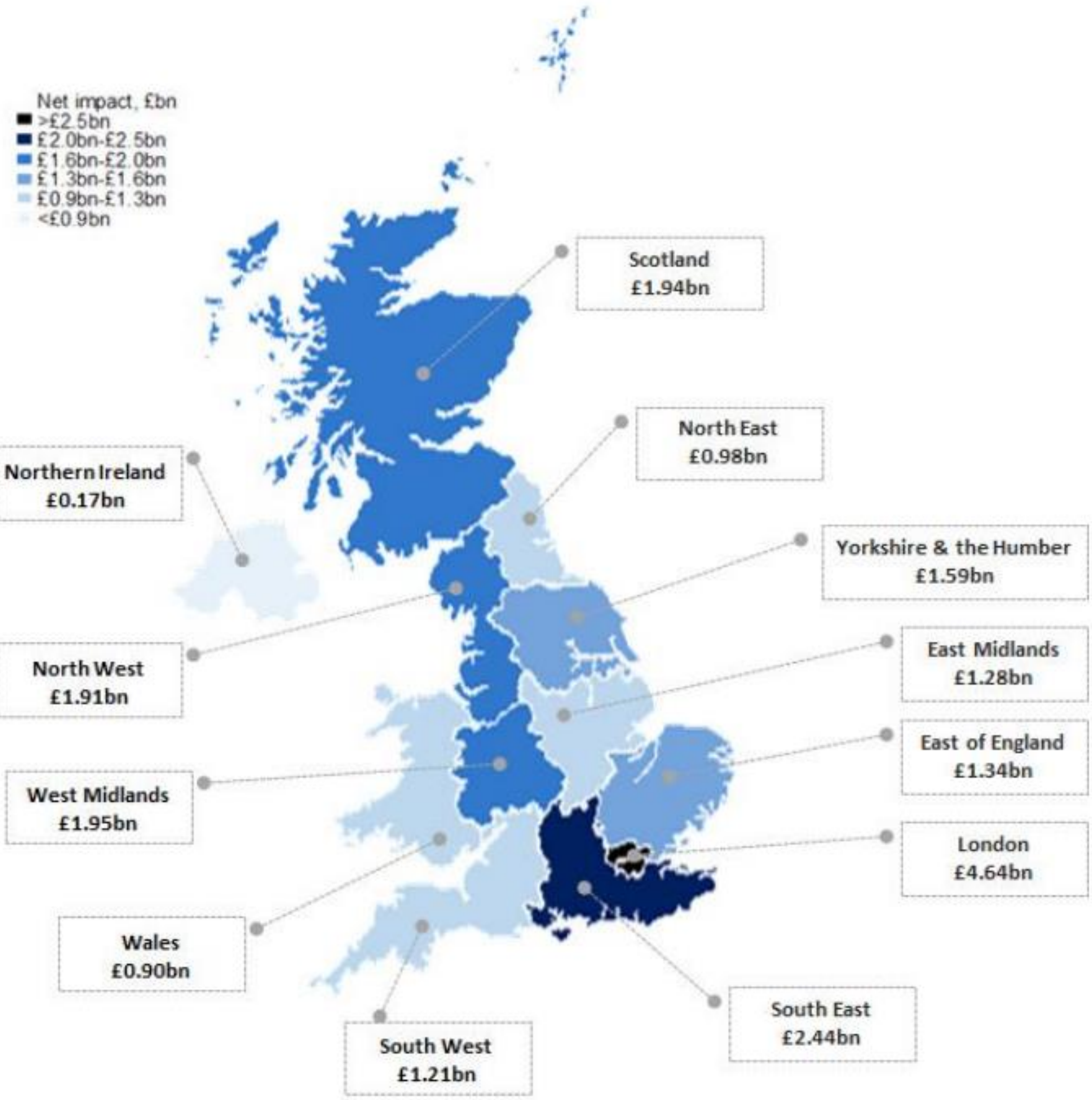
This is the first comprehensive analysis of the economic benefits and costs of international students across the UK. There is more discussion of their analysis of costs in section 5.

London Economics' analysis used data from HESA on new international students starting formally recognised qualifications or credit-bearing courses at UK universities in 2015–16 and on degree non-completion rates to model the length of time new international entrants would be studying in the UK. They then used similar methods to Oxford Economics to produce totals for the economic benefits of the spending of international students and their visitors, split out for EU and non-EU students. Because the analysis covers a different academic year, 2015–16, and covers that year's cohort of new students across the whole duration of their degree rather than for one academic year, the figures for gross economic benefit differ from those produced by Oxford Economics.

London Economics found that international students' tuition fee spend had a total (indirect and direct) impact of £10.74 billion on the UK economy, £9 billion of which came from non-EU students. They also found that international students' non-tuition fee spend had a total impact of £11.33 billion, and their visitors' spending had an impact of £0.57 billion. Altogether, London Economics found that international students had an economic impact of £22.6 billion, £5.1 billion from EU students and £17.5 billion from non-EU students.

When London Economics added the economic cost of hosting international students to their benefit figures, they found that international students in all regions of the UK made a net economic contribution (see Figure 18 overleaf).

Figure 18: Net economic impact associated with the 2015–16 international student cohort by region of higher education institution



Note: Values are presented to the nearest £0.01 billion, in 2015–16 prices.
Source: HEPI, London Economics and Kaplan (2018), The costs and benefits of international students by parliamentary constituency.

This was also true of international students in all parliamentary constituencies of the UK. The strongest benefits came from Sheffield Central, where international students were responsible for:

- £246.3 million in gross economic impact
- £226.0 million in net economic impact
- £1,960 net impact per resident

Further information on London Economics' analysis of the costs of hosting international students is outlined in section 5.

In addition to London Economics' analysis, earlier analyses by PwC and Oxford Economics, for London First[566] and the University of Sheffield[567] respectively, also found strong net economic benefits from international students in their local regions (£120m net impact in Sheffield and £2.3bn net impact in London).

[566] London First and PwC (2015), *London Calling: International students' contribution to Britain's economic growth*

[567] Oxford Economics (2013), *The Economic Costs and Benefits of International Students*

5. Fiscal impact of international students

Previous sections have outlined the economic impact that international students have on UK's higher education sector, on the UK more generally, and on each of the UK's regions. The following section examines the costs of hosting international students in the UK and the fiscal impact which they have on the UK.

There are three main ways in which international students have a fiscal impact on the UK:

- use of public services
- contributing via tax payments
- for EU students only, through public funding for universities, via Student Loan Company tuition fee loans, teaching funding from the Higher Education Funding Council and funding for research students from research councils

Use of public services

We have very little data about the impact of international students on public services, but this is likely to be relatively low because of their age and the limits placed on their access to public funds.

This does not mean that international students will make no use of public services, however, either themselves or through their dependents. They will be reliant on the policing, fire safety, public health, environmental protection and other services provided by the state and local authorities in the same way that all citizens are.

In January 2018, HEPI released analysis by London Economics of the cost of public service provision to international students and their dependents.[568] They estimated a total cost of £2.05 billion for the provision of public services not directly related to attending higher education (for analysis of the costs directly related to higher education, please see below). This broke down to £1.18 billion for non-EU students (£7,000 per student) and £0.86 billion for EU students (£15,000 per student). To reach their figures, they estimated the number of dependents for both EU and non-EU students and used survey data and the Treasury's Public Expenditure Statistical Analysis (PESA) to analyse the cost to the public purse.

To estimate dependent numbers, London Economics used data from the Home Office on the number of adult and child dependents that non-EU students brought with them when they entered the UK. This led to assumptions of approximately 15 dependents per 100 non-EU postgraduate students, or approximately 8 adult or child dependents per 100 non-EU students (undergraduate and postgraduate). To estimate the number of dependents for EU students, London Economics used survey data on student household composition. This led to assumptions as per the below table:

[568] HEPI, London Economics and Kaplan (2018), *The costs and benefits of international students by parliamentary constituency*

Figure 19: Estimated number of adult and child dependents per 100 EU-domiciled students, by study mode and location of study

Type of dependant	England		Wales		Scotland		Northern Ireland	
	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
Adult dependants	7	59	14	55	14	55	14	55
Child dependants	13	81	18	80	18	80	18	80

Note: Household composition of EU students in Scotland and Northern Ireland is assumed to be the same as of EU students in Wales. Household composition for undergraduate and postgraduate students is assumed to be the same.
Source: HEPI, London Economics and Kaplan (2018), *The costs and benefits of international students by parliamentary constituency*

To estimate costs for NHS usage London Economics used recent analysis produced for the Department of Health on migrant use of the NHS and uprated it for 2015–16 prices.[569] London Economics assumed the same cost for EU students, non-EU students and their dependents. The figure for non-EU students and their dependents was then downrated by the yearly £150 NHS surcharge paid by each Tier 4 visa holders and each dependent. This led to an annual total figure of £729 per person for EU students and their dependents, and £579 per person for non-EU students and each of their dependents.

When estimating costs for social security provision, London Economics point out that non-EU students and their dependents have no recourse to public funds so are ineligible for social security benefits provided by the public purse (they do note that non-EU students or their dependents may be eligible for some benefits if making National Insurance contributions). To estimate costs of social security provision for EU students they use survey data on the average income from social security benefits per full- and part-time UK and EU student, taking the average figure for both EU students and their adult dependents.

London Economics combine these figures with the figures given by the Treasury for other public service provision in the PESA, to reach the £2.05 billion figure given above. This figure cannot be taken as precise, relying as it does on several assumptions – including that postgraduate international students remain in the UK across the whole year, rather than going home for holidays. However, it provides some basis for understanding the costs of international students.

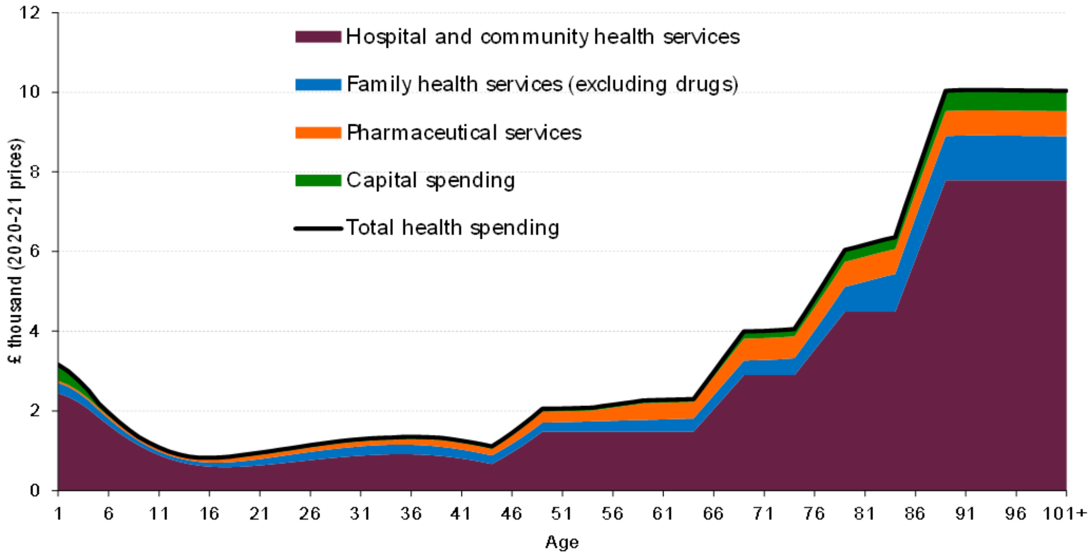
Focus on NHS expenditure on international students

The estimate of NHS spending on international students used by London Economics is significantly lower than the average NHS spend per head across the UK population. This is because of the age profile of international students.

[569] Prederi (2013), *Quantitative Assessment of Visitor and Migrant Use of the NHS in England*

The bulk of NHS spending is on the old (adults over 60) and the very young (children under the age of four). The Office for Budgetary Responsibility has produced a 'representative profile for health spending' which models healthcare expenditure on people of different ages.

Figure 20: NHS spending per head, by age and type



Source: Office for Budgetary Responsibility

A 2002 article in the British Medical Journal provides a very similar breakdown of the age structure of NHS spending, suggesting that per capita spending on people aged 16-44 is around 20% of spending on over-75s. HESA data indicates that, in 2015–16, over 85% of international students were aged between 18 and 29, ages at which average NHS expenditure is near its lowest.[570]

There is also independent evidence that international students are very infrequent users of the NHS.

The Survey of Graduating International Students (SoGIS), conducted by the Office for National Statistics and the Centre for Population Change at the University of Southampton, received over 3,500 responses from international students in their final year of study in 2016–17.[571] SoGIS data suggests that, in the 12 months prior to taking the survey:

- Only 42.9% of international students saw an NHS GP
- 8.1% attended an NHS A&E department
- 11.2% used NHS contraception or sexual health services
- 7.2% used NHS dental services

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570 HESA (2017), *Student Record*

571 Jane Falkingham, Corrado Giulietti, Jackline Wahba, Chuhong Wang (2017), *CPC-ONS-UUK Survey of Graduating International Students 2017: Technical Report*

SoGIS data suggests that the average number of GP visits for an international student in 2016–17 was 1.14. This is significantly less than the average number of visits even by young UK residents, which in 2008 was estimated at 2.25 for males aged 20-29 and 5.8 for females.[572] This supports the conclusion that international students place very little demand on NHS services – perhaps even less than their age profile suggests. Part of the reason for this may be that 13.4% of international students surveyed reported having private health insurance.

International student tax contribution

In March 2017, Oxford Economics analysed the economic impact of the 437,000 international (EU and non-EU-domiciled) students studying at UK universities in 2014–15, including the amount that this generated in tax revenue.[573] They found that international students' subsistence spending and the employment sustained by it generated £1 billion in tax revenue for the Exchequer in 2014–15. This figure includes corporation tax, labour taxes (including income tax and National Insurance contributions), consumption tax and other business tax. Under their analysis, this figure would be sufficient to pay the salaries of 31,700 full-time nurses or 25,000 full-time police officers.

When the full economic impact of international students and their visitors in the UK is considered (including their tuition fee payments and the induced impact from these), Oxford Economics found that international students generated £3.3 billion in UK tax revenue. Within this, £2.7 billion was attributable to the impact of non-EU students and their visitors and the remaining £0.6 billion was attributable to the economic impact of EU students and their visitors.

Some international students will also contribute to the UK Exchequer as workers in the UK. Oxford Economics estimates that £140 million of international student expenditure will be funded by UK earnings.[574] Only 28% of SoGIS respondents were working, the majority in either part-time (11.9% overall) or casual work (7.4% overall).[575] The average number of hours worked a week was 19, and if we assume that these students are paid the National Living Wage and work during the standard 30 weeks of university term-time, they are unlikely to be paying either National Insurance contributions or Income Tax. But the survey was done during term-time and only covers graduating students, who may be less likely to

[572] NHS Information Centre (2009), *Trends in Consultation Rates in General Practice – 1995-2009*. Available online at http://digital.nhs.uk/catalogue/PUB01077.

[573] Oxford Economics (2017), *The economic impact of universities in 2014–15: report for Universities UK*

[574] *Ibid*

[575] Jane Falkingham, Corrado Giulietti, Jackline Wahba, Chuhong Wang (2017), *CPC-ONS-UUK Survey of Graduating International Students 2017: Technical Report*

work during term-time. International students may be working longer hours in holidays and at earlier points in their degree, and so may contribute to the tax base at these points.

Higher education-specific costs to hosting international students

There are also public costs for hosting students from the EU which relate directly to higher education provision. These are direct support for their tuition fees and support from funding and research councils to the universities which host them. The latter point is slightly more complicated, as in addition to being a cost to the public purse, the support research and funding councils provide for EU students also benefits the UK's public universities; this point is outlined in more detail in section 3.

EU tuition fee loans

Like their English-domiciled counterparts, students who are domiciled in the EU are eligible to receive loans from the publicly-funded Student Loans Company (SLC) for their undergraduate tuition fees at English higher education providers; since 2016–17, they have also been eligible to receive loans of up to £10,000 for taught postgraduate study. Unlike their English-domiciled counterparts, EU-domiciled students are not eligible for maintenance loans.

Recent SLC data shows that in the financial year 2016–17, EU-domiciled students borrowed £402.5 million in full-time undergraduate tuition fee loans and £7.5 million in postgraduate and part-time undergraduate tuition fee loans.[576] This is in comparison to payments of £7.98 billion in undergraduate tuition fee loans, £4.78 billion in maintenance loans, and £222.4 million in postgraduate and part-time undergraduate tuition fee loans to English-domiciled students.

Table 3: Student Loans Company borrowing by student domicile, 2016–17

Loan element	**EU-domiciled student borrowing**	**England-domiciled student borrowing**
Full-time undergraduate tuition fee loans	£402.5 million	£7.98 billion

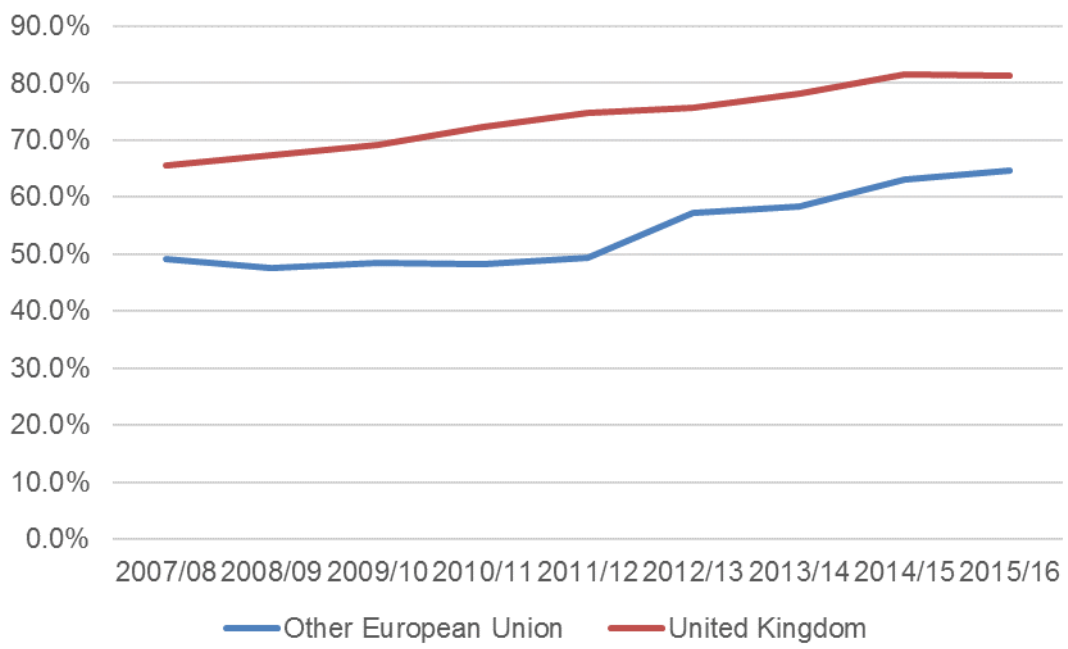
[576] Student Loans Company (2017), *Statistical First Release: Student support for higher education in England 2017*

Postgraduate and part-time tuition fee loans	£7.5 million	£222.4 million
Maintenance loans	£0	£4.78 billion
TOTAL	£410 million	£12.98 billion

Although they have the same eligibility for tuition fee loans, EU-domiciled students studying in England are less likely to take one out than UK students. Just 72.5% of EU-domiciled undergraduates studying in England (48,360 students) borrowed money from the SLC in 2016–17, compared to 93.8% of English-domiciled students (981,675 students).

The same pattern is seen in student data collected by HESA where the proportion of full-time undergraduate entrants using SLC loans as their main source of funding is lower for EU students (63.1% in 2014–15 compared to 81.5% for UK students).

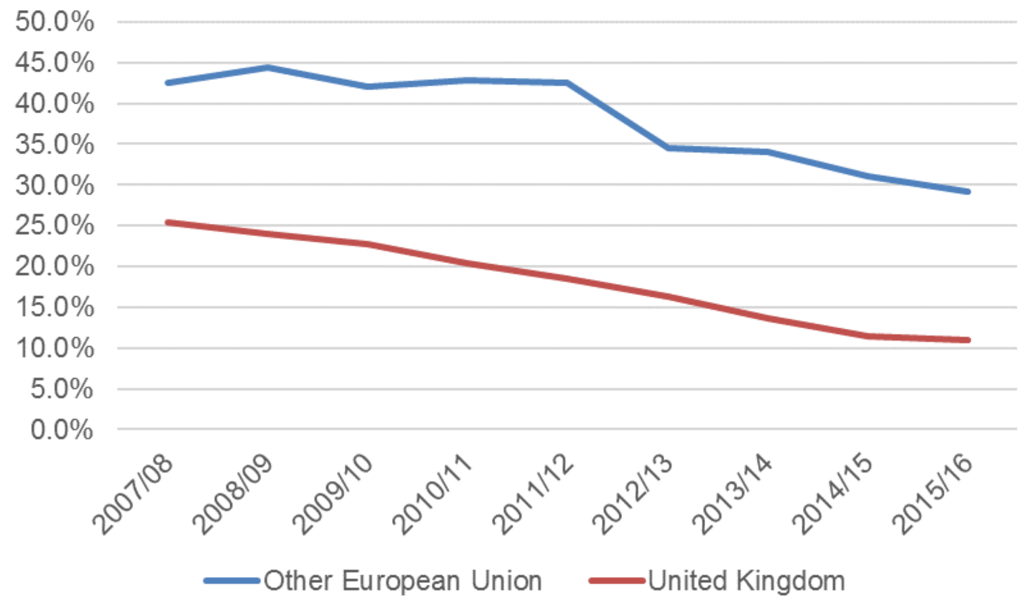
Figure 21: Proportion of full-time undergraduate entrants using SLC loans to fund tuition



Source: HESA student record (multiple years)

The proportion of students funding full-time undergraduate study themselves is also higher for EU students, although this has been decreasing in recent years following the introduction of higher fees in 2012–13.

Figure 22: Proportion of full-time undergraduate entrants funding tuition costs themselves



Source: HESA student record (multiple years)

It is interesting to note that this pattern varies significantly according to country of domicile within the EU with entrants from Luxembourg, Netherlands and Belgium more likely to fund their study themselves.

EU student tuition fee loan repayments

To understand the cost of the take-up of SLC loans by EU students in context, it is also necessary to consider their repayments.

In financial year 2016–17 SLC data[577] shows that the total student loan book for England stood at £89.3 billion, with 4.4 million borrowers who were liable to repay[578], 3.6 million of whom still had outstanding loans.[579] Students who were domiciled in the EU when they took out their loan are responsible for £1.7 billion of the outstanding debt, just 1.9% of the outstanding figure. Borrowers from England are responsible for £87.6bn (98.1%) of the outstanding debt.

Table 4: Student Loans Company loan book data, 2016–17

	EU-domiciled borrowing	**England-domiciled borrowing**	**Total**
Student loan book	£1.7bn	£87.6bn	£89.3 million

[577] SLC data covers EU students studying in England and students from England studying across the UK. While students domiciled in England have been eligible for loans since 1999, students from the EU have only been eligible for loans since 2006.

[578] Borrowers studying for full-time courses are only liable to repay from 1 April in the year after their graduation.

[579] SLC (2017), *Statistical First Release: Student loans in England*

Borrowers liable to repay	88,286	4.3 million	4.4 million
Borrowers who have fully repaid	10,193	766,635	776,828
Borrowers liable to repay and with outstanding loans	77,893	3.5 million	3.6 million

Source: SLC (2017), Statistical First Release: Student loans in England

Of the borrowers who are liable for repayment, just over 10,000 (11.5%) of EU borrowers who studied in England have repaid their loans in full. A further 31,600 are in the UK tax system, with over 11,000 making payments, 10,900 with salaries below the repayment threshold or economically inactive, and the SLC awaiting a first tax return to determine the salaries for a further 9,600. EU borrowers in the UK tax system made repayments of £11.6 million in 2015–16, an average repayment of £820.

In addition, there were 30,600 (35%) EU borrowers residing overseas. Of these 4,100 are currently repaying, 16,150 are below repayment thresholds, and 10,400 are in arrears. These borrowers make payments directly to the SLC, and in 2015–16 they made repayments of £25 million, an average repayment of £2,500. This is in comparison to 97,200 English borrowers living overseas, of whom 35,200 were making repayments, 37,500 were below repayment thresholds and 24,500 were in arrears in 2015–16. Figures are not given for the amount UK borrowers living overseas have made in repayments.

Students from the EU are more likely than UK students to move abroad after their studies, but the absolute number of UK students moving abroad is much greater. Unlike loan-holders living in the UK, whose payments are taken directly by HMRC, loan-holders living overseas have to contact and pay SLC directly, making repayments more difficult. SLC data suggests that EU students are more likely than UK students to make repayments if they do move abroad, and that EU students living abroad make higher repayments annually.

In total EU borrowers made repayments of £36.6 million in 2015–16.

Table 5: Student Loans Company loan repayments by student domicile, 2016–17

	EU-domiciled students	**English-domiciled students**
Borrowers in the UK tax system making payments	11,114	1.6 million

Borrowers in UK tax system below the repayment threshold	10,880	896,186
Repayments by borrowers in UK tax system	£11.6 million	£1.7 billion
Average repayment by borrowers in the UK tax system	£820	*unavailable*
Borrowers residing overseas	30,600	97,200
Repayments by borrowers residing overseas	£25 million	*unavailable*
Average repayment by borrowers residing overseas	£2,500	*unavailable*

Source: SLC (2017), Statistical First Release: Student loans in England

In their calculation of the costs of tuition fee support for EU students, London Economics used the cost to the Exchequer rather than SLC figures.[580] To do this, they calculated a Resource Accounting and Budget Charge (RAB charge) – which captures the cost to government of interest subsidy for loans and loans that are written off – for EU students. Under this they estimated an average cost to the Exchequer of £2,000 per EU student, and a total cost of £0.12 billion for the 2015–16 student cohort.

Funding council funding for international students

In addition to the publicly backed funding EU-domiciled students receive through tuition fee loans, UK universities are also eligible to receive funding for EU undergraduate and taught postgraduate students as part of the teaching funding they receive from the different national funding councils. This is not a pure cost, as the money provided goes to public universities which use it to subsidise teaching in areas where tuition fees do not cover the full cost of provision. Further information is given on this in section 3 on the economic impact of international students on the higher education sector.

London Economics' analysis of the economic cost of hosting international students also estimated the cost of this teaching funding for EU students.581 To do this, they divided the total teaching grants paid to UK universities in 2015–16 by the total number of UK and EU

[580] HEPI, London Economics and Kaplan (2018), *The costs and benefits of international students by parliamentary constituency*
[581] HEPI, London Economics and Kaplan (2018), *The costs and benefits of international students by parliamentary constituency*

undergraduate and taught postgraduate students in that year to calculate an average teaching grant for both full- and part-time students (the rate for part-time students was adjusted to reflect average study intensity). London Economics then adjusted this for completion rates and projected it forward to calculate a total teaching grant cost over the duration of the 2015–16 cohort of EU students period of study, arriving at £0.13 billion. This figure is an estimate, and assumes that EU and UK students undertake the same courses of study at the same institutions and have the same distribution across the UK nations. It is therefore likely to slightly misrepresent the total cost.

Universities also receive funding from the UK's research councils for postgraduate students from both the EU and non-EU who have been able to meet their residency requirements.[582] In 2015–16, there were 3,235 international postgraduate students at UK universities whose fees were paid by the UK research councils and the British Academy. International students made up 19% of all postgraduate students receiving research council funding in 2015–16.

[582] Students from the EU are eligible automatically for fee-only awards. Students from the EU and elsewhere in the world are eligible for full awards, including maintenance stipends, if they have been ordinarily resident in the UK for at least three years prior to the start of the studentship, with some further constraint regarding residence for education.

6. International students' impact on local communities

International students are a significant presence in many university towns and cities. This section analyses the impact that international students have on their local communities in relation to:

- Transport and congestion
- Local housing
- Community activities and volunteering
- Regeneration of local areas

The impact of international students on the NHS is covered in section 5 on the fiscal impact of international students.

Transport & congestion

There is very little data available about international students' use of roads and public transport. Some insight, however, can be gained from examining the transport use of young people and students in general, since the same broad patterns of travel are likely to be relevant to international students too.

The government's National Travel Survey presents data for England on an annual basis, breaking down trips by purpose and mode of transport.[583] The 2016 figures indicate that people aged 17-29 make fewer trips, and travel fewer miles in total, than people in older age groups. Examining trips made by all modes of transport for the purpose of education, the average number of trips is less than half and the average number of miles less than one-sixth of commuting. Focusing on public transport (trains, buses and the London Underground) the number of trips for education is less than half the number for commuting, and the average number of miles under a quarter. The disparity in driving is even greater: the average number of miles driven for commuting is more than eight times higher than the average for education, and since this education figure includes parents driving their children to school it overstates the impact of students in higher education.

Further data is available in Transport for London's annual London Travel Demand Survey (LTDS).[584] The 2015–16 release shows that 10.5% of all weekday trips are for education, compared to 30.1% for work, and that the share of trips for education has declined since 2005–6.

[583] See https://www.gov.uk/government/statistics/national-travel-survey-2016

[584] See https://tfl.gov.uk/corporate/publications-and-reports/london-travel-demand-survey

These figures suggest that travel for university is not a major source of strain on either the road network or public transport services. The contribution of international students, just under one-fifth of the total student population, is even smaller. Other factors point to the same conclusion. International students live in university halls or private rented accommodation at significantly higher rates than UK students (see below), which means that they likely make fewer and shorter trips to their universities. Students in halls of residence are also not included in the National Travel Survey, which as a result may overstate the average length of trips for education by excluding students who live close to their place of study.

A 2015 report by PwC on the impacts of international students in London concluded, based on TfL figures and a survey of students, that their impact on public transport was negligible.[585] A study by Oxford Economics of international students in the Sheffield region estimated an average cost of around £170 per student.[586] This estimate was based on an assumed average trip length of 14 kilometres, almost three times higher than the 5.1km average trip for education reported in the 2016 National Travel Survey. These studies further support the conclusion that the costs attributable to international students' use of roads and public transport are very small.

Local housing

There are various data sources available to examine the impact of non-UK students on housing.

HESA data shows that international students are more likely than those from the UK to live in university-provided and private sector halls than UK students, with 51% of EU and non-EU first year students living in all types of halls, compared to 42% of UK students. The gap widens for students in subsequent years of their degrees, with 26% of non-EU students and 20% of EU students living in halls after their first year, compared to 12% of British students.

[585] See http://londonfirst.co.uk/wp-content/uploads/2015/05/London-Calling-report.pdf.

[586] See https://www.sheffield.ac.uk/polopoly_fs/1.259052!/file/sheffield-international-students-report.pdf.

Figure 23: Term-time accommodation by domicile and first year status, 2015–16

Student domicile	Term time accommodation (FT students only)	First year students	Non-first year students
Non-European Union	Other rented accommodation	28.5%	48.4%
	Own/parental home	10.1%	16.0%
	Private-sector halls	15.7%	10.8%
	University-owned halls	35.4%	15.3%
	Unknown and other	10.3%	9.5%
Other European Union	Other rented accommodation	27.6%	53.0%
	Own/parental home	11.5%	16.2%
	Private-sector halls	12.8%	7.6%
	University-owned halls	38.0%	12.7%
	Unknown and other	10.1%	10.6%
United Kingdom	Other rented accommodation	9.5%	41.3%
	Own/parental home	42.3%	40.7%
	Private-sector halls	9.5%	4.2%
	University-owned halls	32.8%	7.7%
	Unknown and other	5.9%	6.1%

Source: HESA (2017), Student Record

There are differences by level of study, with international students considerably more likely to live in university-owned or private-sector halls at postgraduate taught level than UK students are: 44% of non-EU students and 35% of EU students do so, compared to 8% of UK students. However, international students remain much more likely than UK students to live in halls at all levels of study. There are gaps of 15 percentage points between the proportions of non-EU and UK students at both undergraduate and postgraduate research level living in halls. The gaps between EU and UK students living in halls at undergraduate and postgraduate research level are 12 and 11 percentage points respectively.

Non-EU students are most likely to live in halls as postgraduate taught students, rather than undergraduates or postgraduate researchers; UK and EU students, by contrast, are much more likely to live in halls as undergraduate students. This is because a higher proportion of non-EU undergraduates move out of halls into private rented accommodation after their first year, bringing down the total proportion of non-EU undergraduates living in halls.

Figure 24: Student term-time accommodation by domicile and level, 2015–16

Student domicile	Term time accommodation (FT students only)	Postgraduate (research)	Postgraduate (taught)	Undergraduate
Non-European Union	Other rented accommodation	48%	34%	38%
	Own/parental home	15%	11%	14%
	Private-sector halls	6%	14%	15%
	University-owned halls	18%	30%	26%
	Unknown and other	13%	12%	8%
Other European Union	Other rented accommodation	49%	38%	41%
	Own/parental home	16%	14%	14%
	Private-sector halls	5%	12%	10%
	University-owned halls	16%	23%	27%
	Unknown and other	14%	14%	9%
United Kingdom	Other rented accommodation	33%	20%	29%
	Own/parental home	49%	64%	39%
	Private-sector halls	2%	3%	7%
	University-owned halls	8%	5%	19%
	Unknown and other	9%	9%	6%

Source: HESA (2017), Student Record

Despite being more likely than UK students to live in both university-owned and private-sector halls, international students are also more likely than UK students to live in private rented accommodation. This seems largely to be because they are far less likely than UK students – and understandably so – to live in their own or their parents' home. This trend seems to be consistent across both EU and non-EU students and broadly consistent across all three levels of study, with between 11% and 16% of international students living in their own/parental residence, compared to between 39% and 64% of UK students (depending on the level of study).

Since most institutions have far more domestic than international students, international students' overall impact on local rental markets is not as significant as home students. Relative to their proportion of the student body, international students may have more of an impact, since they are more likely than UK students to live in privately rented accommodation. This appears to vary quite considerably between different regions of the UK. Nearly half of all international students in the East Midlands, Wales and the North-East rent privately, but only 22% do in the East of England. The regions where there are lower proportions of international students privately renting appear to have higher proportions of international students living in their own or family accommodation as well as higher proportions of students living in halls.

Some of this data is skewed by the fact that universities seem to have less information about international students' accommodation than they do for UK students. This seems to be particularly true in Northern Ireland, Yorkshire and the Humber and Scotland, which have roughly equal proportions of international students living in halls and privately rented accommodation.

Figure 25: International student term-time accommodation by region, 2015–16

Provider region	Other rented accommodation	Own/parental home	Private-sector halls	University-owned halls	Unknown and other
East Midlands	49%	7%	20%	17%	6%
Wales	49%	9%	10%	20%	12%
North East	48%	8%	11%	32%	1%
South West	43%	12%	19%	22%	5%
South East	41%	9%	5%	39%	6%
London	39%	18%	15%	18%	9%
West Midlands	38%	11%	8%	30%	13%
Scotland	37%	10%	7%	30%	16%
Yorkshire and The Humber	36%	9%	21%	19%	16%
Northern Ireland	28%	13%		27%	32%
North West	26%	19%	23%	21%	12%
East of England	22%	19%	3%	49%	7%

Source: HESA (2017), Student Record

Community & outreach

International students contribute to the local communities they live in by engaging in volunteering and community outreach programmes through their universities. At many universities, international students participate in volunteering activities at a very high rate: 53% of volunteers at the University of Warwick and 56% at the University of Manchester in 2016–17, for example, were international students, far above their proportion of the overall student body. One institution in London told Universities UK that around 90% of the students who volunteer for UK-focused work on widening access are international students.

As well as helping the community simply through high levels of volunteering, international students are often able to deliver unique benefits thanks to their cultural background and experiences. International student volunteers can support language tuition in schools, assist with translation of health and other educational materials, and share their national traditions and celebrations with the community and in schools and care homes.

The University of Manchester has run a special outreach project in schools sharing diverse cultural activities and experiences with local students. London Metropolitan University has found that its diverse student body and having international students as ambassadors make local schools more likely to work with them on outreach issues. Similarly, access-widening efforts at the University of St Andrews have been more successful when international students are involved:

> "Feedback from pupils has been extremely positive, with many reporting that this is the first time they have had the opportunity to interact with overseas students and that the experience has increased their understanding of different cultures and the likelihood of attendance at University in the future."

Several more examples of the social and cultural benefits that international students bring to local communities are detailed in the case studies below.

> *Case study: Nottingham Trent University contributing to the cultural life of the city*
> In 2017, students from Nottingham Trent University's (NTU) Chinese Student and Scholars Association (CSSA) took part in Nottingham City Council's first-ever Chinese New Year 'extravaganza' fair in the city centre. NTU students contributed to it by running stalls, performances and a number of games and activities to share Chinese culture with the Nottingham community. Games and activities included calligraphy, a Chinese traditional tea show, lantern riddles, kicking shuttlecock competition and picking up balls with chopsticks. Students wore traditional Chinese costumes, and also ran a photo booth for the public. This event was free and open to the public enabling the university's Chinese students to help promote cultural understanding in the community through the sharing of their culture.

Non-UK students also play an important role in tackling some of the key issues of our time from homelessness to the integration of refugees and asylum seekers. As highlighted earlier, qualitative evidence from many universities suggests that non-UK students are more likely to engage in volunteering activities in their local communities. This includes supporting the elderly, providing translation services and contributing to the up-keep of the local area via litter-picks and conservation work.

There were also excellent examples on non-UK students tackling social issues as demonstrated in the powerful case studies below.

> *Case study: 'RocketWorld' outreach at the University of Manchester*
> RocketWorld is an intercultural education programme run by the International Society, a not-for-profit organisation in Greater Manchester. Teams of volunteers, mostly international students from Manchester universities, visit primary schools and lead students on a world tour through immersive cultural activities from their home countries.
>
> According to the International Society, RocketWorld gives children positive experiences of people from other backgrounds, helping to tackle prejudice through a day of engaging international exploration. The unique nature and success of the programme, reflected in glowing feedback from teachers and pupils, are only possible because of the contributions of international students in Greater Manchester.

> *Case study: 'Fresh Start' social enterprise at London Metropolitan University*
> Fresh Start is a social enterprise to tackle homelessness in London, founded by three international students at London Metropolitan University (LMU). The enterprise will offer a mobile homelessness support service in a converted double-decker bus,

providing the capital's homeless community with facilities to shower, clean clothes and be connected to other support such as shelters and job-training programme. Launched by Valeria Kormysh, Oriol Iglesias and Jesus Diaz, Fresh Start won LMU's Big Idea Challenge in 2017, with the award received at St. James' Palace from the Duke of York. The enterprise is now in development at Accelerator, a startup and tech hub based in Shoreditch.

Case study: international volunteering at Royal Holloway, University of London
Students at Royal Holloway recorded almost 4,000 hours of volunteering in 2016–17. More than half of this time was contributed by international students, representing a significant contribution to the local community. Several of Royal Holloway's volunteering programmes draw on the unique background and experiences of international students. The 'International Kitchen' project is an outreach programme in schools and community centres, which exposes young people in deprived areas to cultures and nationalities they may be unfamiliar with, helping support social cohesion in the UK.

International students are also vital to Royal Holloway Volunteering's English For Speakers of Other Languages project teaching English to young refugees. Local schools also often request help from international students in supporting specific pupils with language development and integration into the schooling system.

Regeneration of university towns and cities

As demonstrated in section 3, international students help universities to invest in new facilities which are available to all students.

Many of these capital investment programmes help to regenerate deprived areas of university towns and cities and provide facilities that are open to the wider community.

Case study: University of the Arts London – Stratford development
By 2022, University of the Arts London (UAL) will have invested over £440m in three major projects for new academic buildings in regeneration priority areas of London. These projects will have a positive long-term educational and economic impact in each area, and in the near-term support over 1,000 FTE construction jobs per year. UAL finances this capital investment programme on the basis of an annual surplus of £25m. Without its £100m income from international students, UAL would have a much smaller operating model, and would be very unlikely to achieve a surplus of this size. Hence, the capital programme would be significantly reduced.

One of the capital projects is a new campus for London College of Fashion on Queen Elizabeth Olympic Park in Stratford. This will bring 5,500 students into one site, as part of the Mayor's vision of a world-class education and cultural district which will also include major new spaces for the Victoria and Albert Museum and Sadler's Wells. The new campus will form the heart of the East London Fashion Cluster, which aims to increase the UK's global competitive advantage in fashion manufacturing and technology. It will include major research centres focusing on sustainability and innovation in the fashion industry. It will provide widespread access to advanced fashion technology, business incubators, and a changing programme of public exhibitions.[587]

Case study: De Montfort University – Leicester Castle Business School

De Montfort University (DMU) has recently launched the Leicester Castle Business School, which involved the £4m restoration of the Great Hall of the Leicester Castle – a medieval castle with significant local and national heritage value including links to King Richard III and other notable royals. The castle was in the hands of the local authority and not accessible to the public because it was in need of significant restoration.

Funded in part by international student fees, DMU reached an agreement with the local authority to lease the building, undertake the required £4m repairs and open the space as a business school. The project also resulted in DMU opening the building up for the public's benefit at set times during the year. Without income from international fees the business case for the investment would have been unfavourable and the project would not have gone ahead.

The Leicester Castle Business School is now a successful international business school which offers places to high quality domestic and overseas students. The project has undoubtedly improved the student experience, with students now enjoying top quality teaching in a heritage venue which is steeped in English medieval history. One of the courtrooms in the castle has become a state-of-the-art teaching facility, perfectly blending the old with the new. The restoration has also enabled the venue to be opened up to public visits.

Case study: Northumbria University - regeneration in Gateshead

Northumbria University has undergone substantial growth in student numbers since 2000, including a huge growth in the international student population. The University currently has around 2,500 students from outside the UK on campus, and the number has grown since 2005. The growth in numbers brought increased demand for high-

[587] See http://newsevents.arts.ac.uk/46640/uals-stratford-development-moves-into-next-major-phase/ and http://www.queenelizabetholympicpark.co.uk/the-park/attractions/cultural-and-education-district

quality student accommodation. A number of new developments on and near campus were completed during the 2000s, but demand has continued to grow.

As part of its ongoing collaboration with Gateshead Council, Northumbria University agreed to create 1,000 new student beds as part of a redevelopment of the moribund town centre of Gateshead at Trinity Square. This was designed to drive growth and investment in the town centre, by bringing the spending power of 1,000 students and the associated retail demand they carry. The site chosen was the location of the iconic multi-storey car park made famous in the Michael Caine film "Get Carter". The accommodation at Trinity Square was opened in 2014, and the town centre now features a much wider range of shopping, dining and recreational facilities including a multi-screen cinema. This development would not have happened without the drive of the increase of international student numbers from the University.

The example illustrates how the North-East benefits from the 19,820 non-UK students studying in the region (in 2014–15) with estimates suggesting that they are worth £594m in export earnings to the regional economy and support 2,032 jobs.

Case study: University of Glasgow - west end development
The University of Glasgow has recently confirmed plans to spend £1bn developing its main campus, in what will be one of the biggest educational infrastructure projects ever undertaken in Scotland. As well as allowing the university to provide innovative and world-leading facilities, the campus development aims to revive and regenerate the west end of Glasgow, which has suffered from the loss of two major employers, the BBC and a large hospital, in recent years.

The university expects that its new buildings and facilities will be used by the local community and the wider city. The development will open up the west end, allowing free access for all through a cultural corridor that will link the west end through the university on to art galleries, museums and performance venues.

The more than 7,000 international students at the University of Glasgow are crucial to this programme of investment. A fifth of university revenue comes from international sources, and any fall in international student numbers would require significant curtailment of the university's campus development plans.

The examples above help to explain positive public attitudes towards international students. A recent report by British Future for the House of Commons Home Affairs Select Committee found that 85% of workshop participants would prefer the number of international students to rise or stay the same, rather than fall. People did not tend to think of international students as migrants, and generally viewed them as contributors to both universities and their local areas.[588]

These findings are consistent with a study conducted by British Future and Universities UK in 2014. National polling found that 59% of people believe the government should not reduce international student numbers and 61% feel that international students are important to sustaining universities' contribution to the UK's cultural life. Participants in the 2014 research groups highlighted increases in the diversity and vibrancy of their local community as particular benefits of international students.[589] Further polling by ComRes on behalf of Universities UK in 2016 also found similarly positive public attitudes towards international students[590].

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[588] British Future & Hope Not Hate (2018), *National Conversation on Immigration: An interim report to the Home Affairs Committee*. Available online at http://www.britishfuture.org/wp-content/uploads/2018/01/national-conversation-interim-report.pdf.

[589] British Future & Universities UK (2014), *International students and the immigration debate*. Available online at http://www.universitiesuk.ac.uk/policy-and-analysis/reports/Documents/2014/international-students-immigration-debate.pdf.

[590] See http://www.universitiesuk.ac.uk/news/Pages/New-poll-%E2%80%93-cutting-international-student-numbers-will-not-address-public-immigration-concerns.aspx

7. Impact of international students on home students

Summary

International students provide a wide range of benefits to the UK students who study alongside them. They contribute to the diversity of university campuses, help prepare students for the global working environment, and support the development of more and improved facilities. International students also contribute to the sustainability of many courses, particularly at postgraduate taught level, ensuring that these are kept open for UK students. One study has found that for every new international student at postgraduate level, UK universities are able to open a place for a new UK postgraduate.

International students also contribute to the teaching of UK students, both as graduate teaching assistants when PhD students and, once they graduate, as new academic staff.

International students do not affect the places available for UK students at undergraduate level, and at postgraduate level they appear to increase places available for UK students.

Impact on UK student experience

International students contribute to the diversity of UK university campuses and enhance the learning experience of UK students, and multiple surveys have shown that UK students appreciate studying alongside international students.

In 2015, the Higher Education Policy Institute (HEPI) surveyed UK students to see what they thought about studying alongside international students.[591] They found that 76% of UK students thought that studying alongside international students was a useful preparation for working in a global environment. When HEPI asked current students what they thought about studying alongside international students in 2017, the most popular response (36%) was that they found it was beneficial.[592] The remainder was split equally between those who were neutral and those who did not find studying alongside international students beneficial (which is not the same as seeing it as a disadvantage).

The International Student Barometer, run by iGraduate, surveys students at universities in the UK and overseas on their experience at university. In 2016, 33,500 UK-domiciled students responded to the survey, with 91% of them satisfied or very satisfied with their multicultural learning environment. At postgraduate level, where there is a higher concentration of international students, this increased to 95%. Responses to this question were positively correlated with whether students would recommend their university,

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591 HEPI (2015), 'What do home students think of studying with international students?'

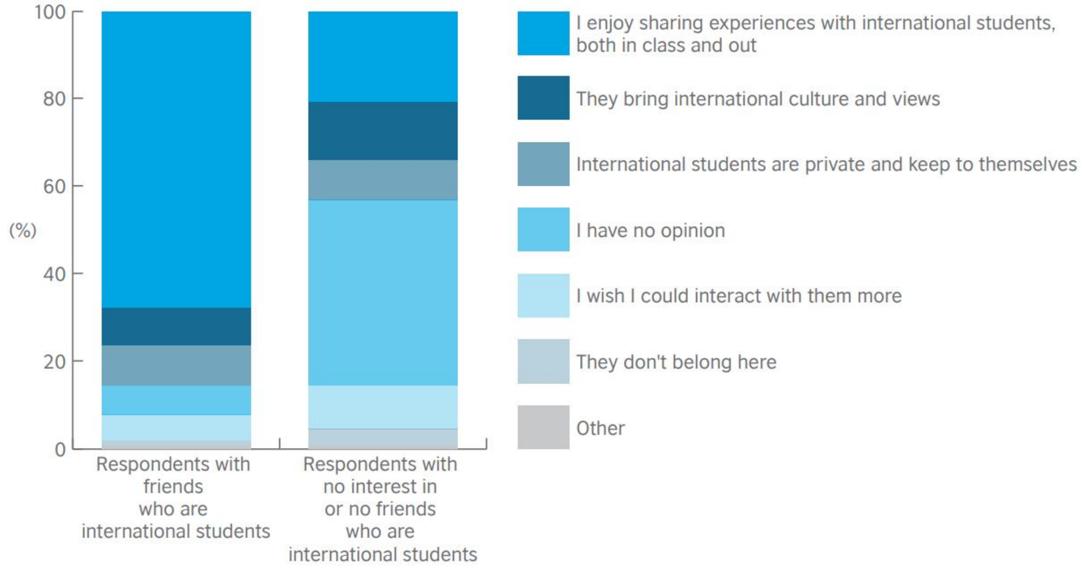
592 HEPI (2017), *Student Academic Experience Survey*

suggesting that this is a prominent factor in their enjoyment of their university experience. In response to another question, 88% of UK respondents were satisfied or very satisfied with their opportunities to make friends from other countries.

In 2014, the British Council surveyed UK-domiciled students.[593] They found that 74% of respondents believed that international students were welcomed by students in the UK, and 44% had friends who were international students. Nearly half of respondents enjoyed sharing experiences with international students in and out of class, a further 10% appreciated that international students brought international culture and views, and an additional 8% wished that they could interact with international students more.

Even those respondents to the British Council who either had no interest in international students or no friends who were international students were on the whole positive about international students. Around 45% responded either that they enjoyed sharing experiences with international students, that international students brought international culture and views, or that they wished they could interact with international students more.

Figure 26: Survey responses when asked, 'How do you feel about international students on campus?'



Source: British Council Education Intelligence 2014

A survey of UK-domiciled students by the National Union of Students in 2017 found similar sentiments.[594] Over 60% of students felt that they would have less diverse cultural experiences as a student if the number of international students was reduced. More than 20% – and almost 40% of postgraduate students – said that a significant drop in international student numbers would diminish the value of their course.

[593] For full results see British Council (2014), *Integration of international students: A UK perspective*

[594] See https://www.nusconnect.org.uk/resources/Student-perspectives-on-international-students.

Studying alongside international students from diverse backgrounds and with diverse experiences provides UK students with the opportunity for enhanced peer learning and networking. This is incredibly important in an environment where 39% of recruiters are dissatisfied with graduates' international cultural awareness.[595] In response to this dissatisfaction from employers, many universities' employability strategies include ensuring that their graduates are prepared for an international workplace and have a global outlook, and studying alongside international students helps to support this enhancement.

The enhanced international cultural awareness which comes from studying alongside international students is particularly important for students from widening participation backgrounds, who might otherwise have less exposure to global experiences which will stand them in good stead in the workplace. This has helped students like Charlie Hughes, who went from working in a supermarket to studying for a Business Studies BA at the University of Bedfordshire.[596] Charlie has said:

> *"My course involved a lot of group work and because of the number of international students at Bedfordshire, I found myself working with students from China, India and Nigeria. Being able to study with students from different backgrounds really opened my eyes."*

The intercultural exchange which comes from studying alongside international students is also particularly important for MBA students, who will necessarily be working in a global environment. MBA courses in the UK attract especially high numbers of international students, with diverse intakes, and this enables UK students on these courses to develop international co-working skills. This is beneficial for UK students, who are then able to demonstrate the global mindset which employers are seeking. It is also beneficial for MBA students who go on to set up businesses trading internationally. In both cases, a global mindset and understanding of different international environments will help Britain after the UK leaves the EU.

Case study: Aston Business School – Professional Development Programme

The Professional Development Programme (PDP) is an integral part of all the MSc taught courses offered by Aston Business School. The PDP has been designed to enhance the employability of students by supporting the acquisition of transferable skills identified as top priorities by employers. These include communication skills, teamwork and interpersonal effectiveness, and problem solving.

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[595] CBI (2017), *Helping the UK thrive: CBI/Pearson Education and Skills Survey 2017*

[596] See https://www.beds.ac.uk/news/case-studies/charlie-hughes

These skills can be brought to the fore and developed most effectively in a multicultural environment, where difference in national identities and culture are added to the mix of personality and socio-economic background. The PDP capitalises on the incredible cultural diversity of its student population to maximise the learning experience and the development of soft skills needed for a global job market. Honing leadership, negotiation and problem-solving skills in a way that promotes intercultural competency is one of the most important benefits of the PDP at Aston Business School.

Case study: Experimental particle physics at the University of Sussex

The University of Sussex's Experimental Particle Physics programme involves researchers at faculty, post-doctoral and PhD levels. Just over half of these researchers are non-UK nationals, creating a highly international environment for domestic students and researchers to flourish in. Cross-fertilising with this much broader pool of excellence enables UK students to grow at a faster pace and develop the frame of mind necessary for successful careers in the UK economy.

The international environment that students encounter at Sussex mirrors the makeup and functioning of high-impact research organisations such as CERN in Switzerland. The presence of international students means that UK PhD students finish their studies prepared to work effectively in a global environment, improving their employability in a highly competitive job market. The Experimental Particle Physics programme is therefore an excellent example of how internationalised education creates benefits for domestic students as well as overseas visitors.

Case study: alumni engagement (Northumbria University)

Wee Teng Woon is a Singaporean who studied Law at Newcastle Polytechnic (now Northumbria University) in the 1970s. The university has maintained links with Mr Woon, who now makes a substantial contribution to university life. He funds student prizes for top law students, as well as a travel scholarship to fund students to undertake an internship within a law firm in Singapore.

He also funds the Woon Prize, a high-profile art fellowship. The remarkable first prize is a £20,000 fellowship with a 12-month studio space in the Woon Tai Jee studio at BALTIC 39 in Newcastle's city centre. The year-long fellowship includes mentoring from staff at both institutions and a final exhibition with catalogue at the end of the Fellowship. There are also two generous runner-up prizes of £9,000 and £6,000. The Woon Prize has been running since 2013 and has cemented the relationship between Northumbria University and the Baltic Art Gallery, including the fact that there is a Baltic Professor, funded by Northumbria University and hosted at the Baltic.

The latest stage in the continuing links between Wee Teng Woon and Northumbria University is the development of a funded museum of East Asian art. This has the potential to be a substantial addition to the cultural framework within Newcastle and the region, and is a testament to the long-standing relationship with an alumnus who has contributed a substantial amount to the development of the University, as well as to the cultural infrastructure of the North East.

Case study: Dr. Winston Wong, Imperial College London
Dr. Winston Wong is a Taiwanese entrepreneur, scientist and philanthropist who was educated at Imperial College London, completing a PhD in physics in 1975. Dr. Wong has retained links with Imperial and the UK, sponsoring a Chair in biomedical circuits and holding a position as Visiting Professor at Imperial, and supporting Taiwan's participation in the global Chevening Scholarship programme.

Following his UK education, Dr. Wong has worked at a number of electronics companies and founded the Grace Semiconductor Manfuacturing Corp. in Shanghai. His business career has supported the extensive philanthropy that Dr. Wong has directed to UK research and academia, including sponsoring an Antarctic expedition by scientists at Imperial and the creation of a new research centre in Imperial's Institute of Biomedical Engineering. He is testament to the way that international education provides lasting connections and benefits to Britain's business and research communities.[597]

Impact on facilities

As outlined in section 3, international students also support capital investment by universities. This investment will generally be in buildings to support the student experience – either by expanding the number of students the university is able to offer places to (e.g. increasing laboratory space) or by improving facilities which already exist for students. While the projects may be funded by international student fee income, and are often presaged on increasing this income, the resulting buildings improve the experience for all students. Examples of this kind of capital expenditure project submitted to UUK included new laboratories and improved social space for students and those featured in section 3.

Case study: University of Leicester students' union expansion
The University of Leicester is in planning for the final stage of redevelopment of the Percy Gee Building, home to the Leicester Students' Union. The project will increase the amount of social learning space available to all students, improve access to event space, and offer an expanded food court. The redevelopment is substantially supported by international student fee income, and part of the project's goal is to

[597] More information is available at http://www.winston-wong.com/en/biography.

provide a wider range of options in the building's food court to help accommodate international students. Domestic and international students will both benefit from this significant capital investment.

Case study: Chesterfield campus, University of Derby
International students at the University of Derby contribute more than £10 million each year in fees income, in addition to the money the university receives for accommodation. This income is vital to the university's ongoing programme of investment in facilities that benefit students, the local area and the UK as a whole.

The £6.9 million new Chesterfield Campus, for example, opened in October 2016 as a home for Derby's range of health and social care degree courses. It is intended to boost the university's relationship with Chesterfield Royal Hospital and local NHS commissioning groups, and hosts an Innovation Centre that facilitates industry collaboration to promote healthcare excellence.

Impact on recruitment of UK undergraduate students

Numbers of young, full-time students on bachelor's programmes from the UK and overseas have increased considerably in recent years. However, numbers of students from the UK studying part-time and for 'other undergraduate'[598] programmes from the UK have fallen recently, for several complex reasons.[599] These include:

- the removal of funding for students taking qualifications equivalent to or lower than ones they have
- the recession and falling real incomes post the financial crisis, which reduced the number of students who could fund themselves and reduced the number of employers willing to fund their staff taking higher education courses
- the changes to undergraduate funding in England, which as well as increasing fees, initially left part-time students without access to maintenance funding
- changes to entry qualifications for nursing, so all new nurses have had to have bachelor's degrees from 2013

Because at some universities this has meant that **total** numbers (full- and part-time on first degree and other undergraduate programmes) of non-EU and EU-domiciled undergraduate

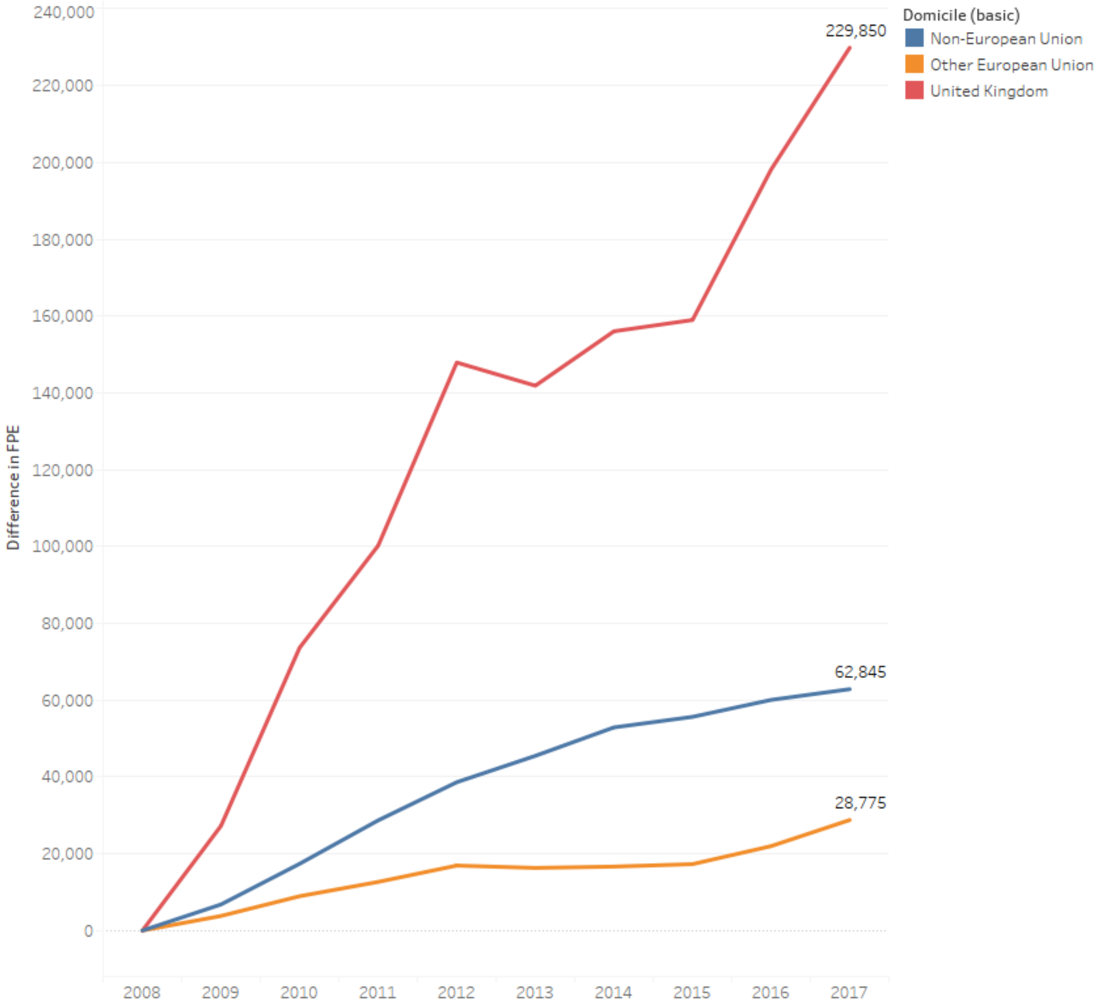
[598] Other undergraduate programmes are pre-bachelor's degree level programmes like foundation degrees and higher national certificates or diplomas.

[599] For further information on the reasons behind falling numbers of mature and part-time students, please see Student Funding Panel (2015), *An analysis of the design, impact and options for reform of the student fees and loans system in England*.

students increased ahead of numbers of UK students, this has led to charges that universities are taking international students ahead of British students.[600]

Analysis of the HESA student record shows that this is mistaken. Numbers of full-time first (bachelor's) degree students from the UK increased by nearly 230,000 between 2007–08 and 2016–17, compared to an increase of 62,845 in non-EU students and 28,775 EU students.

Figure 27: Change in full-time first-degree students by domicile, 2007–08 to 2016–17



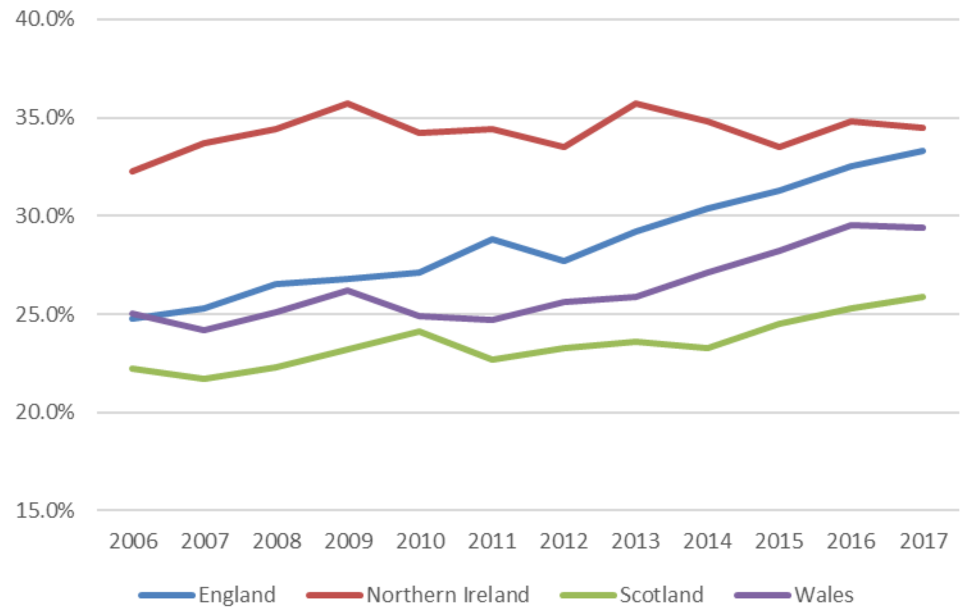
Source: HESA Student Record.

[600] The Sunday Times, 6 August 2017, 'Universities take foreign students ahead of British'.

Because numbers of EU and non-EU students on these courses are lower than numbers of UK students, the proportional increases from these groups are higher than they were for UK students. The increases are also not surprising, given the global increase in the number of students looking to study internationally. Even still, full-time first-degree students from the UK still increased by 24% across the period. EU students increased by 53% and non-EU students increased by 78% over the period.

Looking at the proportions of 18-year-olds from across the UK entering higher education each year would have shown that it was very unlikely that UK students were being rejected in favour of international students. The proportion of 18-year-olds entering full-time higher education via UCAS (the 18-year-old entry rate) increased in all four UK countries between 2007 and 2017. In England, the entry rate has increased by 32% and in 2017 was at its highest ever level, with a third (33.3%) of all 18-year-olds entering undergraduate study.

Figure 28: 18-year-old entry rate by UK country



Source: UCAS (2017), End of cycle report 2017: Patterns by age

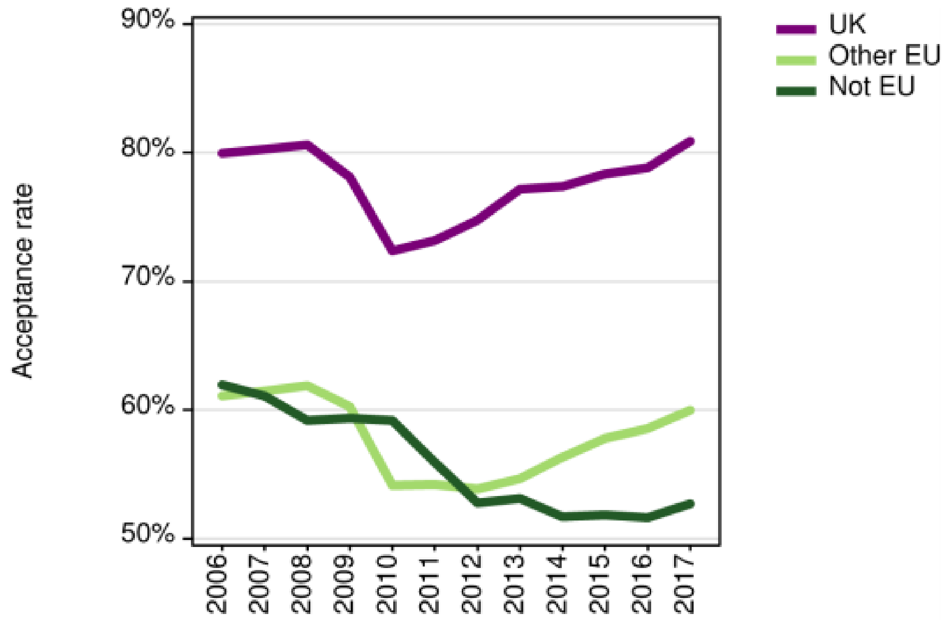
Perhaps the most important aspect here is the removal of student number controls. From 2010–11 the government introduced a fixed cap on the number of new UK and EU undergraduate student for English universities. The cap was based on 2008–09 numbers, and recruitment above the cap resulted in adjustments to teaching grant allocations to recoup the cost to government of any additional students. This meant that many universities could not increase the numbers of new undergraduates they enrolled from the UK or EU, so growth in home student numbers was restricted at many universities.

This system remained in place until academic year 2012–13, when controls on student numbers were relaxed. Number controls were initially removed for students with grades equivalent to AAB at A-level or above in 2012, with further liberalisation for students with grades equivalent to ABB at A-level or above in 2013 and 2014. In 2015, number controls were removed for UK and EU students *except* on courses which are not directly funded by government such as certain medical degrees and initial teacher training courses.

This has meant that most universities in England are able to recruit as many UK undergraduate students as they wish. Not all have chosen to expand, but the majority have: of the 122 English universities reported on by HESA between 2007–08 and 2015–16, only 13 had decreases in the number of full-time first-degree students they recruited from the UK. The average increase was 33%, and one institution increased its number of full-time UK-domiciled first-degree students by 250%.

Competition between universities for UK students has increased over the period as a result of the removal of student number controls. Data from the 2017 admissions cycle shows that universities in England are more likely than ever to make an offer to 18-year-olds who apply to them from England;[601] more universities are making use of unconditional offers to attract UK students before they have received their results. UCAS data also shows that the proportion of applicants from outside the UK who receive an offer from UK universities is much lower than the proportion of UK applicants who do.[602] The below chart shows the proportion of applicants who were accepted by UK universities by applicant domicile, and shows that while 81% of UK applicants were accepted in 2017, just 60% of applicants from the EU were accepted and only 53% of applicants from outside the EU were.

Figure 29: UCAS undergraduate acceptance rates by applicant domicile group



[601] UCAS (2017), *End of cycle report 2017: Offer making*

[602] UCAS (2017), *End of cycle report 2017: Summary of applicants and acceptances*

Source: UCAS (2017), *End of cycle report 2017: Summary of applicants and acceptances*

Student number controls do remain in place in Scotland for Scottish and EU students, but numbers of full-time first-degree students at Scottish universities still increased by 15% between 2007–08 and 2015–16. UCAS data suggests a further increase for the 2017–18 academic year.[603] There are no controls in place in Wales or in Northern Ireland (though restricted funding does mean taking on more students has a financial implication in Northern Ireland.

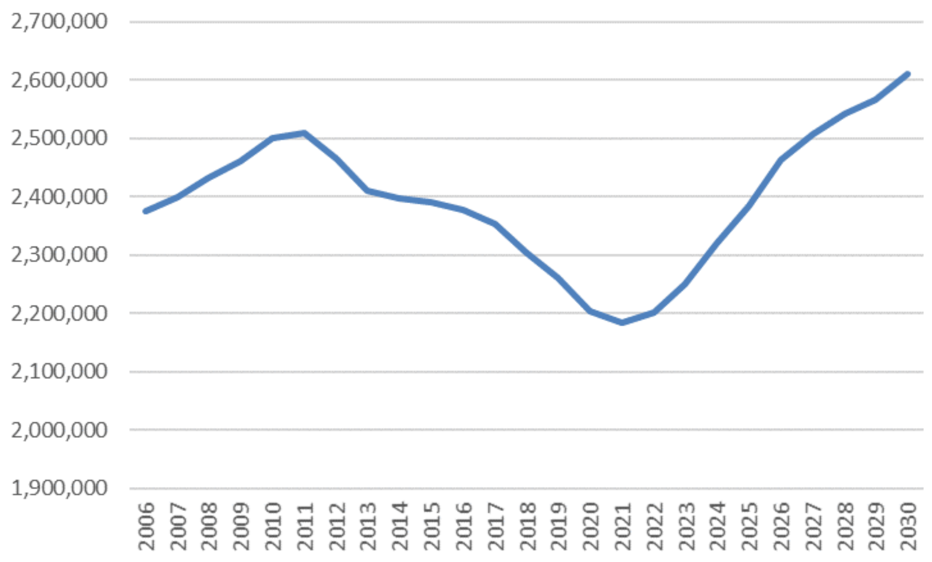
Another factor here is the demographic change in the UK population. Between 2011 and 2015 the number of 18-20-year olds in the UK population fell by 118,200 (-4.7%). Projections suggest that the UK young population will continue to decrease to 2021 (by 9%, or 215,000, between 2014 and 2021). So far, the entry rate for UK 18 year olds has increased, as outlined above, and the same or growing numbers of UK-domiciled 18 year olds have applied for UK universities through UCAS each year. However, as the demographic decline increases, it will require greater and greater increases in the entry rate to ensure that this remains true.

The number of UK 18-20-year olds is projected by ONS to return to growth from 2021 onwards, increasing by 20% between 2021 and 2031 and returning to 2014 levels (2.4 million) by 2026. It is difficult to predict what this will mean for university application and entry rates for UK 18-year olds, as a number of different options have opened up for tertiary-level study (including higher-level and degree apprenticeships) and as the government continues to focus on gaining parity of esteem for technical education routes.

It is very unlikely, however, that international students will displace UK students, even in a growing population, for the reasons outlined above: there are no caps on student numbers and offer and acceptance rates for UK applicants are considerably higher than those for international applicants. Indeed, if universities are able to increase their numbers of international students during the period in which numbers of young UK students are likely to fall, this will help them to maintain their capacity while numbers of young UK students are falling. By doing this, universities will be more likely to have sufficient capacity to cope with peak demand in the late 2020s as the bulge of the early 2000s baby-boom enters higher education.

Figure 30: UK 18–20-year-old population, 2006–2030

[603] UCAS (2017), *End of cycle report 2017: Patterns by geography*



Source: ONS 2014-based National Population Projections and 2016 mid-year population estimates

Impact on recruitment of UK postgraduate students

As outlined in section 2, the proportion of postgraduate students from outside the UK has increased since 2007–08, particularly at postgraduate taught level. International students have gone from making up 31% of postgraduate taught students in 2007–08 to making up 34% in 2016–17.

Although this might be supposed to be an indication that international students have reduced opportunities for UK students, in fact the opposite is true. Research by the LSE has found that at postgraduate level, every additional international student was associated with recruitment of approximately one additional UK student.[604] The researchers looked at the correlations between the changes in the numbers of UK students and the numbers of international students at different universities over time. They found that while there was no correlation between the numbers of domestic and international undergraduates, there was a positive correlation for both postgraduate taught and postgraduate research students.

This relates to the positive impacts of international students outlined in section 3. International students help to support UK universities to recruit UK postgraduate students by ensuring that postgraduate courses in a number of areas continue to be sustainable. In those subject areas with high proportions of international students (e.g. business, where 63% of postgraduate taught students are from overseas, or engineering, where 60% of postgraduate taught students are), many courses would simply not be sustainable to run

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[604] Stephen Machin and Richard Murphy (2014), 'Paying out and crowding out? The globalisation of higher education', CEP Discussion Papers, CEPDP1299

with just domestic students. Without international students enrolled on these courses, therefore, they would not be available at all for UK students.

This course sustainability point was particularly true between 2010–11 and 2015–16, when numbers of postgraduate taught students from the UK were decreasing at a sector-wide level (many individual institutions will have been able to increase their postgraduate research, hence the LSE's findings). The recent increase in UK-domiciled postgraduate taught students may change this slightly, but it is too early to know what subjects these students will be concentrated in.[605]

International students also help to support universities' recruitment of UK postgraduate students through their support for capital investment projects. Use of international student fee income to fund investment and leverage private building, as discussed in section 3, helps provide new facilities which enable universities to support more students.

Impact on teaching of UK students

International students also support UK students by providing some of their teaching and supporting the UK academic pipeline. As outlined in section 2, international students make up 43% of postgraduate research students. Undergraduate teaching forms a key part of postgraduate research student training, and many postgraduate research students will work as Graduate Teaching Assistants, doing small amounts of part-time undergraduate teaching. In some cases, PhD students will take the majority of seminar/class teaching (though not generally lectures) for first year students.

International PhD students often go on to become academics in the UK as well, supporting the UK academic pipeline. The most recent occupation of 16% of international academic staff who started working at their university in either 2015 or 2016, was studying at a UK university. That rises to 19% of non-EEA staff. There are particular concentrations in some subjects: for international staff starting in 2015 and 2016, 29% in area studies, 28% in economics and 27% in mechanical engineering had most recently been students in the UK.

Without international PhD students, universities would find it much harder to resource their undergraduate teaching or to find the academics of the future.

[605] See HESA (2017), 'Higher Education Student Statistics: UK2016/17'

8. Impact of international students on soft power and global competitiveness

International students make an important contribution to the UK's position in the world, boosting the country's diplomatic soft power and adding to our competitiveness in world markets. Education is widely viewed as a major component of a country's soft power. The Portland/USC 'Soft Power 30' states that

> *"the ability of a country to attract foreign students, or facilitate exchanges, is a powerful tool of public diplomacy and has been shown to have powerful ripple effects when returning students advocate on behalf of their host country of study".*[606]

Similarly, other soft power indices produced by the Institute for Government (IfG), Monocle, and the Elcano Royal Institute incorporate the number of international students and the internationalisation of higher education into their soft power calculations.[607]

The Portland and IfG indexes also include global university league tables, such as the Times Higher Education World University Rankings, which themselves give positive weight to higher numbers of international students (see below). The presence of international students is therefore a direct contributor to soft power, according to the best existing work on quantifying this kind of influence.

In 2014, the Lords Select Committee on Soft Power and the UK's Influence described education as "a major contributor to the UK's soft power" and highlighted that bringing learners and educators to the UK from abroad, "helps to build social and cultural links and strengthen business and research ties".[608]

There is also a wider soft power impact of international students on the UK's nation brand. Globally, the biggest influence on tourists' choice of a destination is word of mouth, with talking to friends and family key for 40% of visitors and considerers.[609] In this sense international students, as well as other visitors, are ambassadors for the UK, talking about their positive experiences of the UK. A Visit Britain survey found that recommendations from friends and family online are important in the decision-making process for 26% of visitors. International students sharing videos, pictures and experiences online are helping to promote the UK overseas.

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[606] Portland (2017), 'The Soft Power 30: A Global Ranking of Soft Power', p31.

[607] Institute for Government (2010), 'The New Persuaders: An international ranking of soft power'.
Monocle (2016), 'Soft Power Survey 2016/17'.
Elcano Royal Institute (2017), 'Elcano Global Presence Report 2017'.

[608] House of Lords Select Committee on Soft Power and the UK's Influence (2014), 'First Report – Persuasion and Power in the Modern World', paragraphs 200-206.

[609] Visit Britain (2017) Researching and Planning , Foresight Issue 150 available at https://www.visitbritain.org/sites/default/files/vb-corporate/Documents-Library/documents/foresight_150_-_researching_and_planning_v2.pdf

Various academic studies have also highlighted the soft power impacts of education. Olberding & Olberding found that studying in another country promoted better intercultural relations and enhanced levels of trust, not only among students themselves but also for indirect participants such as supervisors, staff and local families.[610] Atkinson found that participating in educational exchange is “associated with increased propensity to respect human rights” and promote those values on returning to their home country.[611]

Higher education has already been recognised by the government as an important tool for achieving foreign policy goals, particularly with respect to official development assistance (ODA). The transition from the United Nations’ Millennium Development Goals to the new Sustainable Development Goals has incorporated a broader, more comprehensive view of education that has emerged from the ODA community: one that views higher education as central to global development needs. DFID’s own Higher Education Taskforce, set up in September 2013, found that HE can contribute to greater economic development and growth, improved public services and government effectiveness, and greater equity. Since 2015, the UK Government ODA strategy has been guided by four mutually reinforcing strategic objectives, with HE significantly contributing to each. For example, HE develops critical thinking in citizens and future leaders crucial for driving peace, security and good governance, and the ability to address the causes of instability, insecurity, conflict and corruption.

Accruing trust and positive perception also have downstream economic impacts. Marina Murat found that international students have similar effects to foreign aid in promoting investment flows between host and origin countries, and also noted that the UK has historically done better than the United States at converting flows of international students into investment.[612] Andrew K. Rose of UC Berkeley has found that public perception of a country as a positive influence in the world, like that promoted by international education, leads to larger trade flows.[613] According to this research, a 1% increase in perceived positive influence leads to exports around 0.8% higher. Maximising these kinds of opportunities to increase the UK’s global trade will be crucial to making a success of Brexit.

Business and trade links

Recent studies by the former Department for Business, Innovation and Skills (BIS) show that international students offer the UK excellent potential business and trade links for the future. According to the 2012 Tracking International Graduate Outcomes study, 86% of 2010

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[610] Olberding, J.C. & Olberding, D.J. (2010), ‘“Ripple Effects” in Youth Peacebuilding and Exchange Programs: Measuring Impacts Beyond Direct Participants’, *International Studies Perspectives* 11, pp75-91.

[611] Atkinson, C. (2010), ‘Does Soft Power Matter? A Comparative Analysis of Student Exchange Programs 1980-2006’, *Foreign Policy Analysis* 6, pp1-22.

[612] Murat, M. (2014), ‘Soft, hard or smart power? International students and investments abroad’, RECent Working Paper 107.

[613] Rose, Andrew K. (2015), ‘Like Me, Buy Me: The Effect of Soft Power on Exports’, NBER Working Paper 21537.

graduates said they felt welcome in the UK, and 78% planned to maintain professional links with UK organisations.[614]

In more detailed interviews, a "vast majority" said they felt a strong emotional attachment to the UK. Around 90% said that their study experience had improved their perceptions of the UK, and students frequently came away with the feeling that the UK was a trustworthy country to do business with. The importance of cultivating these kinds of sentimental and professional links with students from all parts of the world is highlighted by case studies such as the following, identified by the BIS:

> *"Laying down such footprints as a nation develops could deliver substantial benefits in the long term as the nation grows socially and economically. A practical example can be seen through the adoption of UK electrical standards by most Commonwealth countries … this has now resulted in substantial export and licensing trade with the UK in the electrical field from these countries[.]"*[615]

These connections enable the UK and its businesses to engage successfully with the leaders of the future.[616] Many alumni case studies offer compelling proof of the impact of such links.

> *Case study: British South India Council of Commerce (alumnus - London Metropolitan University)*
> Sujit Nair is an Indian national who studied for his MBA at London Metropolitan University. After graduating, he set up the British South India Council of Commerce, a business organisation which promotes trade and investment between south India and the UK. The Council has run 18 business summits at Westminster for more than 2,600 delegates, and Sujit Nair was named one of Diplomatic Courier's top 99 foreign policy professionals under 33 in 2013. He is an excellent example of how international students in the UK contribute to Britain's trade and investment links with the world.
>
> *Case study: Dr. Talal al-Maghrabi, Brunel University London*
> Dr. Talal al-Maghrabi is chair of the Saudi-British Marketing and Management Association, a marketer and entrepreneur whose career has been focused on facilitating business cooperation between Saudi Arabia and the UK.
> Dr. al-Maghrabi has run training summits for business representatives from the Gulf Cooperation Council to learn about and value British knowledge and business

[614] Department for Business, Innovation & Skills (2012), 'Tracking International Graduate Outcomes 2011'. Accessible online at https://www.gov.uk/government/publications/tracking-international-graduate-outcomes-2011.

[615] Department for Business, Innovation & Skills (2013), 'The Wider Benefits of International Higher Education in the UK', p46. Accessible online at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/240407/bis-13-1172-the-wider-benefits-of-international-higher-education-in-the-uk.pdf.

[616] House of Lords Select Committee on Soft Power and the UK's Influence (2014), paragraphs 209-211.

opportunities, and spoken at a range of conferences and events. He is chair of the Saudi-British Marketing and Management Association (SBMMA), founder of the UK Marketing and Communication Academy (MarCom Academy) and director of the International Training and Development Academy (ITDA). Dr. al-Maghrabi has also worked with the Saudi Embassy to develop a forum to help new arrivals in the UK from Saudi Arabia understand and adapt to life in Britain.

Case study: the International Talent Programme at the University of the West of England

UWE's International Talent Programme is a work experience scheme which places international in local businesses, particularly those looking to expand their export and overseas operations. The knowledge, skills and language that international students offer are immensely valuable to employers, who pay students to assist with research on new international markets, liaise with overseas suppliers and customers, translate and provide cultural advice.

UWE reports that employers are surprised at the high-quality pool of labour international students offer. They frequently deliver glowing recommendations, such as the following from a leading manufacturer.

> *"[A Colombian student] took the role of launching our company into the Spanish and South American markets. Her native Spanish language was invaluable in building relationships with key buyers in PLC corporations and understanding the market in depth."*

The International Talent Programme placed 78 non-EU students in 2016–17, and is expanding in 2017-18. It provides an excellent example of how international students contribute concretely to the UK's trade and economic growth. 100% of the employers and students who engaged with the International Talen internships scheme rated the internship as 'excellent' in terms of overall value to their business or career development.

Case study: Justin Kim (Central Saint Martins and Goldsmiths, University of London) - expanding into the Korean market

Justin Kim is a Korean national who studied for a BA in Product Design at Central Saint Martins, and after several years working as a product designer returned for an MA in Design Critical Practice at Goldsmiths, University of London. He joined Engine Group, a service design agency based in London, after graduating in 2012.

Engine works with major brands including Mercedez Benz, Microsoft and Sainsbury's. Since Justin joined, he has helped the company secure new clients in Korea, including Samsung Electronics and Hyundai. Justin said, "There are many subtle cultural nuances that have a huge impact. This can be something very obvious such as overcoming the language barrier, or something more sophisticated, such as navigating the internal politics in order to deliver the work more efficiently." This cultural competency has enhanced Engine's competitiveness against US agencies, as Korean companies now regard the firm as a trustworthy British agency who are easy to communicate and work with.

Case study: boosting trade links with India, Regent's University alumni
Regent's University London's business and marketing programmes and its body of international students together help improve the UK's trade connections with countries across the world. One Indian national, who graduated in 2015, launched a trade consultancy which assists UK companies to enter the Indian market. The business was built on the conviction that British firms are well placed to take advantage of new opportunities in the large Indian market; it partners with companies in a range of sectors including food and beverages, education, and professional training.

The BIS research also identified a further range of trade benefits gained from hosting international students, including familiarity with British brands leading to greater consumption of UK products.

Diplomatic links

As well as their trade impact, international students enhance the diplomatic strength of the UK by enabling it to foster long-term and meaningful links with individuals who progress to positions of political power.

The Association of Commonwealth Universities gave evidence to the House of Lords in 2014 highlighting that 25% of Commonwealth Scholarship alumni have gone on to hold public office in their home country, and 45% had influenced government policy-making.[617] This is indicative of how international students contribute to the UK's soft power and advancement of the national interest, both indirectly through improving perceptions of the UK in the world at large and directly through the influential positions held by many international alumni.

Case study: former South African President Thabo Mbeki (University of Sussex)
Thabo Mbeki was the second President of post-Apartheid South Africa, from 1999 to 2008. He studied at the University of Sussex from 1962, after the banning of the African National Congress, obtaining a BA in Economics and an MA in Economics and Development. Mbeki was an active member of the student union at Sussex, before returning to the ANC's campaign to end apartheid. He became Deputy President of South Africa after the first free elections in 1994, and was elected President in 1999.

[617] Association of Commonwealth Universities (2013), 'Universities, scholarships and soft power: Written submission to the House of Lords Select Committee on Soft Power and the UK's Influence'. Available online at https://www.acu.ac.uk/publication/download?id=516.

Desk research by HEPI in 2017 showed that more current world leaders were educated in the UK than anywhere else.[618] The list included the Australian Prime Minister Malcolm Turnbull and the President of Gambia Adama Barrow. A full table of world leaders educated in the UK is included at Annex B. Important soft power benefits also accrue, however, from students who do not become leading politicians but do go into influential roles in government, diplomatic services and international organisations. These benefits are illustrated in the case studies below.

Case study: London Metropolitan University alumni

The soft power benefits of international students come only not from the 'superstars' who become leading politicians, but also from the large number of alumni who go into public-facing roles and spread positive perceptions of the UK in their home countries.

London Metropolitan University, where non-British students make up 38% of a diverse student body, is a case in point. LMU provided Universities UK with a list of more than 80 alumni in a wide range of positions – as policy journalists, consultants at UN organisations, diplomatic staff in embassies, senior police force figures, and economic regulators – in countries from Germany to Somalia to Brazil.

These alumni's familiarity with the UK brings immense benefits to our international cooperation on issues affecting the economy, trade and national security. LMU shows how the striking statistic that the UK has educated more world leaders than any other country only scratches the surface of the soft power international students generate.

Case study: diplomatic alumni of the University of Kent

After commencing her career in China, Madame Fu Ying came to the University of Kent in 1985-6 to study for an MA in International Relations. After graduating, Madame Fu returned to the Chinese Ministry for Foreign Affairs and served as a translator to Deng Xiaoping. She was the Chinese ambassador to Australia from 2003 to 2007, and ambassador to the UK from 2007 to 2010, before becoming a Vice Minister of Foreign Affairs. She is currently chair of the Foreign Affairs Committee in the Chinese legislature.

Ivo Daalder completed a BA in Politics and Government at Kent starting in 1978, and a master's degree at the University of Oxford. Daalder has been a highly influential figure in US foreign policy: he currently leads the Chicago Council on Global Affairs, has held posts at the Brookings Institution and the Council on Foreign Relations, and served on President Bill Clinton's National Security Council and as US Permanent Representative to NATO under President Barack Obama.

[618] See http://www.hepi.ac.uk/2017/08/05/uk-just-number-1-educating-worlds-leaders/

Having UK-educated graduates in positions of influence like this is an important element of British soft power, facilitating diplomatic relations and helping improve representation of the UK’s interests and values in other nations’ foreign policy making.

Case study: the Spirit of Youth Award, Teesside University
Zhao Jing, an international alumna of Teesside University from China, was awarded the Spirit of Youth Award in the Study UK Alumni Awards in November 2017. The Spirit of Youth award aims to inspire collaboration and exchange between future leaders in the UK and China.

Zhao Jing studied television and film production, graduating in 2015, and now works as a TV documentary producer in China. Her focus is on international co-productions, and she has co-produced more than 20 programmes screened in over 150 countries, including the UK. She credits her time as a student in the UK not only with teaching strong technical skills, but with expanding her international network and helping her bring stories and insights about China to a global audience.

Case study: Sheila Keetharuth, human rights campaigner, University of Leicester
Sheila Keetharuth is a Mauritian human rights lawyer who has worked across Africa for more than two decades. Keetharuth completed her LLM at the University of Leicester, and says she was drawn to the UK and Leicester in particular because of the course’s specialised focus on civil liberties and human rights.

Keetharuth has worked with NGOs and international organisations in Kenya, Uganda, the Gambia and Rwanda, and was appointed the UN’s first special rapporteur on human rights in Eritrea in 2012. Her career is testament to the way the UK, by welcoming international students, can help spread important values and promote the protection of human rights.

Case study: Dr. Ruth Banomyong, Cardiff University
Dr. Ruth Banomyong is a leading expert on logistics development in South East Asia. The dissertation which he wrote for his PhD in international logistics at Cardiff University provided a model for assessing economic corridor performance, which is currently used as a reference by the UN Economic and Social Commission for Asia and the Pacific, the UN Conference on Trade and Development, the Asian Development Bank and the World Bank. Dr. Banomyong has also worked with ASEAN on plans for integration of logistics in South East Asia, and is currently a lecturer at Thammasat University.

Case study: Dr. Yousef Alshammari, Imperial College London
Dr. Yousef Alshammari is a global expert on energy studies, and recently won the World Energy Congress Award. He currently works at the Organization of Petroleum

Exporting Countries (OPEC) as a research fellow. His research advises policymakers on how best to achieve climate targets under the Paris Agreement. He was trained for this work at Imperial College London, where he completed his PhD on clean energy in 2014.

Dr. Alshammari has plans to establish an international research centre for energy analysis that will tackle challenges in energy transition, while charting roadmaps for countries to meet climate change targets while maximising economic efficiencies. His developing career trajectory shows how the UK can effectively spread knowledge and promote action on major international challenges such as climate change by welcoming international students.

Case study: Ugandan students of public health, Teesside University

Dorothy Irene Nalweyiso is a Ugandan student on the Doctor of Public Health programme at Teesside University, where she previously completed a Master of Public Health. Dorothy had graduated from a university in Uganda with a degree in radiology, and came to the UK to obtain further qualification in health sciences, choosing Teesside for the quality of its facilities and commitment of teaching staff.

Dorothy decided to continue studying for a doctorate because she had observed a gap in Ugandan expertise in radiography, which she plans to help fill with the skills and knowledge she is acquiring in the UK. Welcoming Dorothy as an international student will help to improve living conditions in her home country, complementing the work of the Department for International Development, which spends almost £100 million each year on projects in Uganda.

Case study: Abeer Shakweer, University of Nottingham

Abeer Shakweer completed an MSc in Computer Science and a PhD in Environmental Engineering at the University of Nottingham, before returning to work in the Egyptian government. She is currently the Egyptian ICT Minister's advisor for social services, and has been instrumental in using information technology to change the lives of people from marginalised and vulnerable groups.

Studying at the University of Nottingham enabled Abeer to acquire the skills and knowledge crucial to applying technology to achieve sustainable development. Her time as an international student has directly contributed to her work in support of the Sustainable Development Goals, aligning with one of the UK's important soft power objectives.

Case study: Atiur Rahman, SOAS

Atiur Rahman is a Bangladeshi economist who attended SOAS, University of London on a Commonwealth Scholarship, completing his PhD in 1977. His thesis laid the groundwork for his career in development economics, focused on poverty alleviation, culminating in his time as head of Bangladesh's central bank from 2009 to 2016.

Rahman's work at Bangladesh Bank and throughout his career has helped boost the country's development by making economic resources more accessible to women and the rural poor. Rahman has also been a leader in the modernisation of Bangladesh's banking sector and the promotion of environmentally sustainable finance.

Case study: Simeon Obidairo, SOAS

Simeon Obidairo is a Nigerian lawyer who completed his LLB and PhD at SOAS in London. He is currently a partner in a Lagos law firm, and has previously worked at the World Health Organization, the World Bank and the African Development Bank.

Obidairo, who specialises in anti-corruption law, worked as a senior counsel investigating fraud in the UN Oil for Food Programme and has participated in groundbreaking anti-corruption work in Nigeria, as a special assistant to the finance minister. His education at SOAS has helped make foreign aid and economic development more effective and corruption-free, contributing to important UK foreign policy objectives.

Nobel laureates

A 2015 British Council study showed that the UK is the top destination for Nobel Prize winners who have studied abroad.[619] The study found that 38% of Nobel Laureates who have studied at universities abroad, studied in the UK. This list includes:

- Randy Schekman, an American cell biologist and alumnus of the University of Edinburgh (won the Nobel Prize in 2013)
- Abdus Salam, a Pakistani theoretical physicist and alumnus of the University of Cambridge (won the Nobel Prize in 1979)
- Barry Blumberg, an American physician and alumnus of the University of Oxford (won the Nobel Prize in 1976)
- Jaroslav Heyrovský, a Czech chemist and inventor, alumnus of University College London (won the Nobel Prize in 1959)
- John Polanyi, a Hungarian-Canadian chemist and alumnus of the University of Manchester (won the Nobel Prize in 1986)

Notable alumni in the arts, healthcare and academia

[619] See https://www.britishcouncil.org/organisation/press/uk-universities-top-destination-nobel-winners-0.

As well as notable alumni in business and politics, international students go on to occupy influential and prominent positions in many other sectors including the arts, healthcare and academia. The examples below demonstrate this widespread impact.

Case study: glass engraving

A graduate of the Edinburgh College of Art, completing a Master of Fine Arts in 2013, has been awarded a Tier 1 Exceptional Talent visa to remain in the UK. Her degree exhibition won several Scotland- and UK-wide prizes, and she has won a contract with a leading international art dealer and been recognised with grants and prizes from a number of Scottish and UK-wide private- and public-sector sponsors. Still based in Edinburgh, this graduate illustrates how international students can contribute extensively to the country's cultural landscape.

Case study: museum studies at the University of Leicester

The University of Leicester offers an MA in Art, Museum and Gallery Studies which would likely not be viable without the international students who study for this degree. The majority of Leicester's international graduates move back into the cultural sector in their home country, generally in management level posts. This same pattern holds for art and museum studies graduates from universities across the UK, with the result that a significant proportion of senior posts in cultural institutions across the world are held by graduates of UK universities.

UK alumni in cultural institutions help increase the reach of Britain's cultural influence and expand the professional networks of the domestic students who study alongside them. They also influence subsequent generations of students to pursue similar higher education opportunities in the future. A list of Leicester's international graduates includes alumni working in museums in Germany, Italy, Japan, Taiwan and the United States, as well as the UK.

Case study: Ji Jiafu, Cardiff University

Professor Ji Jiafu is President of the Peking University Cancer Council and the first Chinese doctor to serve as president of the International Gastric Cancer Association. He is playing a leading role in training and standardisation for the treatment of gastric cancer in China.

Professor Ji completed his PhD at Cardiff University. His experience in the UK influenced his own teaching style, and the connections he made whilst studying led him to establish the Cardiff-China Medical Research Collaborative, one of the leading centres for cancer research in the UK.

League table impact

The internationalised nature of UK universities contributes to the global competitiveness of the UK's higher education sector. It is widely accepted that an internationalised staff and student body is the marker of a world leading university. Both main world ranking systems include metrics related to international student numbers.

In the Times Higher Education rankings, weightings are given to the following factors which are affected by international student numbers:

- Institutional income (2.25%): as international students are a major source of university income, they help boost institutions' performance on this metric
- Reputation survey (33%): greater internationalisation and a wider spread of alumni helps universities perform better on the annual survey of their teaching and research reputations
- International student and staff ratio (5%): international student numbers are directly incorporated in the ranking, and also affect the number of international faculty
- International collaboration (2.5%): universities which have given their students opportunities to study with an international cohort are likely to have more research publications with international co-authors

The QS World University Rankings similarly give the international student ratio a direct, 5% weight in calculating university scores, in addition to metrics on international faculty and global reputation with academics and employers which are boosted by higher numbers of international students.

<u>Study recommendations</u>

As outlined further in section 10, the UK retains a significant competitive advantage over other countries in terms of student satisfaction and recommendation levels.

International students act as ambassadors for UK universities enabling the UK's world-leading university sector to build upon its historical success.

<u>Return tourism</u>

International students also bolster UK tourism by returning to the country in the years after they have completed their studies. This is in addition to the tourism they attract via family members and friends who come to visit them during their studies and to attend their graduation.

9. Impact of international students on the UK labour market

International students have a range of impacts on the UK labour market including supporting more than 200,000 jobs, taking up part-time employment during their studies, remaining in the UK to work post-graduation or establishing their own job-creating businesses. This section summarises the evidence available on each of these themes.

Job creation through on and off-campus expenditure

A recent economic impact study found that during their studies, international students support 206,600 jobs across all regions of the UK both on and off-campus.[620]

Some of these jobs are based within universities and include:

- International student officers/ advisers
- Compliance personnel
- In-sessional English language support
- Admissions staff

Non-UK students generate £10.8bn per annum in export earnings and £25.8bn in gross output for the UK economy. £5.4bn of these export earnings relates to off-campus expenditure including shopping, taxis, visiting tourist attractions and social activities. In this way, international students support jobs in every region of the UK.

Students working

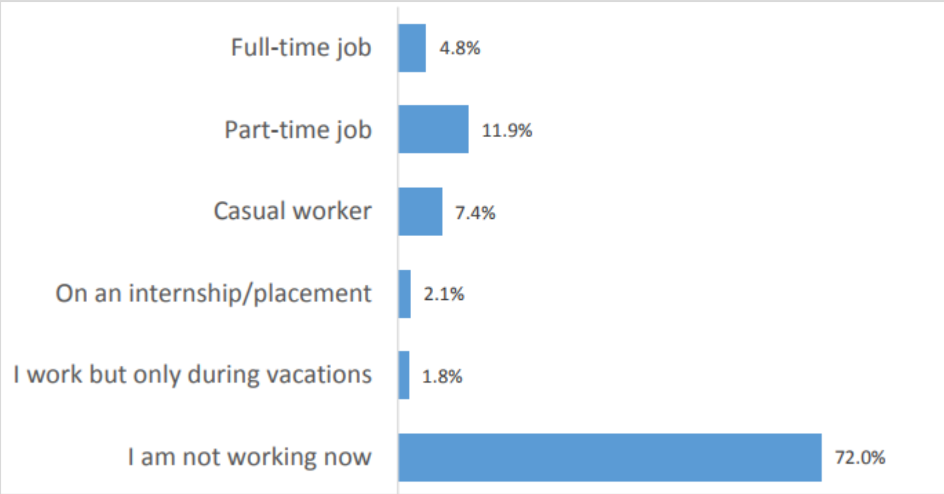
International students studying degree level courses on a Tier 4 visa are permitted to work for up to 20 hours per week and full-time during university holidays. EU students and non-UK students who do not require a visa have no limit on term-time working hours.

There is no national level data which captures how many students choose to work during their studies although the recent Survey of Graduating International Students found that 28% of non-UK students in their final year of study were working, with the majority employed in part-time or casual work– see Figure 31.[621]

Figure 31: Proportion of non-UK students working alongside their studies

[620] Oxford Economics (2017), *The economic impact of universities in 2014–15: Report for Universities UK*

[621] CPC-ONS-UUK (2017) *Survey of Graduating International Students 2017* available at http://www.cpc.ac.uk/docs/2017_SoGIS_Technical_Report.pdf



Source: Survey of Graduating International Students (2017)

There is no national level data on the roles that non-UK students are employed in during their studies either on or off-campus. However, qualitative evidence received from UUK members suggests that students find paid employment in a wide range of on-campus roles including the following:

- Student ambassadors
- Catering/ bar staff
- Language assistants
- Library assistants
- Conference/ event assistants
- Technicians
- Student fundraisers
- Gallery/ museum assistants
- Telephone survey team members
- Retail assistants
- Summer schools staff (summer schools for local and foreign students)
- Sports centre staff

Post-study work

Some international students remain in the UK to work post-study. This number has fallen significantly since the closure of Tier 1 Post-Study Work – in 2016 there were 6,037 switchers from a Tier 4 visa into a work-related visa, compared to 46,875 in 2011, a fall of 87%.

There is no national level data capturing the exact roles that those switching from a study visa to a work visa undertake although the Home Office may hold some data on the sectors employing individuals who switch from Tier 4 into Tier 2 as new entrants. Data on the jobs taken by EU students post-graduation is also limited.

Although there is no detailed national data which captures what jobs international students are employed in post-study, universities hold their own alumni data.

Some useful information is also captured in the annual Destination of Leavers from Higher Education (DLHE) survey.

DLHE is produced by the Higher Education Statistics Agency (HESA), and focuses on what students are doing six months after graduating. HESA's survey captures, amongst other items of data, whether graduates have progressed to further study, work or are unemployed and if they have stayed in the UK or gone elsewhere.

The Higher Education Career Services Unit (HECSU) has analysed the 2015–16 DLHE for Universities UK, and this analysis reveals several interesting trends amongst non-UK students.

The DLHE data analysed by HECSU is not collected compulsorily, the response rates are not high (between 50% and 55% for EU graduates and between 30% and 40% for non-EU) and response rates are not uniform across institutions.

In particular, the DLHE data on international students is subject to biases as a consequence of differential response rates between institutions and different graduating groups. These biases have not been comprehensively explored and so we cannot be clear exactly where they lie and how they affect the data. As a consequence this data is not weighted and cannot be considered a fully representative view of the outcomes of international students. We cannot form a view on the outcomes of graduates who do not respond to the survey.

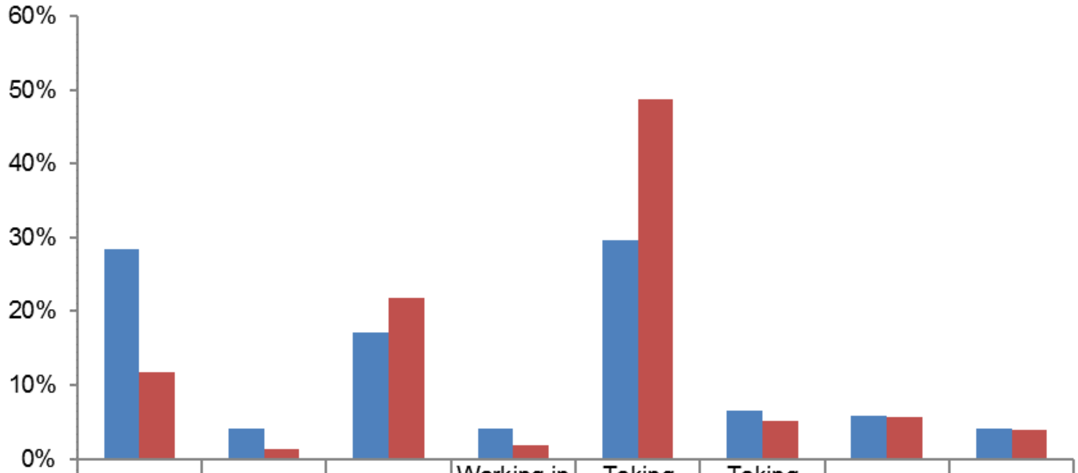
This data should therefore be considered as illustrative data rather than a definitive record. It is also worth noting that graduates who have remained in the UK are easier to contact for the survey and so the data is unlikely to underrepresent graduates who are still in the UK after six months. This applies both for graduates who are employed, and for graduates who have taken further study at UK institutions after graduation.

Despite these limitations, HECSU's analysis gives some useful indications of what international graduates are doing post-study. It reveals the following headline findings:

- Most overseas graduates surveyed do not work in the UK after six months.
- For surveyed first degree graduates, the most common outcome for overseas graduates is to take a further degree at a UK institution (49% of surveyed non-EU graduates did this).
- For surveyed Master's graduates, the most common outcome is to leave the UK to work. Most overseas Master's graduates leave the UK on graduation.

- The most common outcome for surveyed EU doctoral graduates is to start work in the UK on graduation (in the main, as academics and researchers). The most common outcome for surveyed non-EU doctoral graduates is to leave the UK to work.
- In total, 66% of surveyed EU first degree graduates and 63% of surveyed non-EU first degree graduates remain in the UK after six months, either to work or to undertake further study.
- In total, 43% of surveyed EU Master's graduates and 22% of surveyed non-EU Master's graduates remain in the UK after six months, either to work or to undertake further study.
- In total, 52% of surveyed EU doctoral graduates and 43% of surveyed non-EU doctoral graduates remain in the UK after six months, either to work or to undertake further study.

Figure 32: Outcomes of surveyed overseas first-degree graduates from 2015–16 six months after graduation[622]

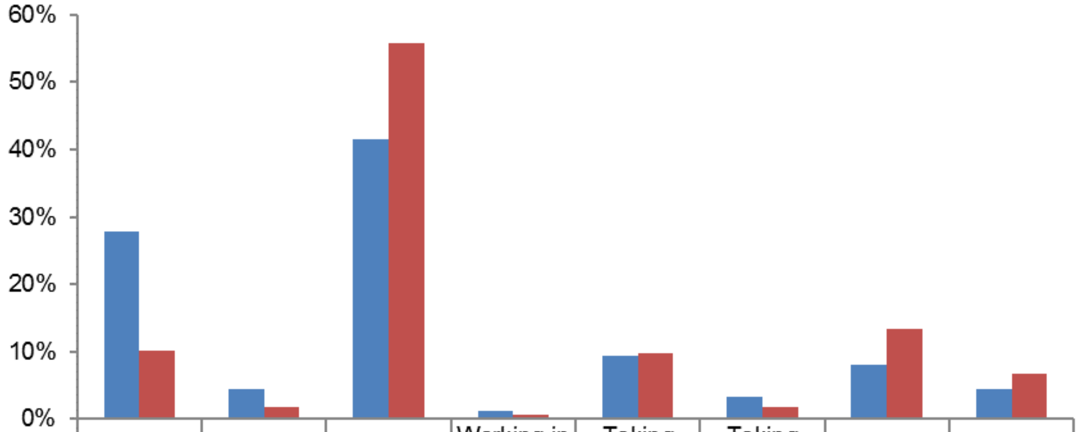


	Working full time in the UK	Working part time in the UK	Working overseas	Working in the UK and also studying	Taking further study in the UK	Taking further study overseas	Unemployed	Other
Other EU	28%	4%	17%	4%	30%	7%	6%	4%
Non-EU	12%	1%	22%	2%	49%	5%	6%	4%

Source: HECSU analysis of HESA Destination of Leavers of Higher Education (DLHE) 2015/16

Figure 33: Outcomes of surveyed overseas Master's degree graduates from 2015–16 six months after graduation

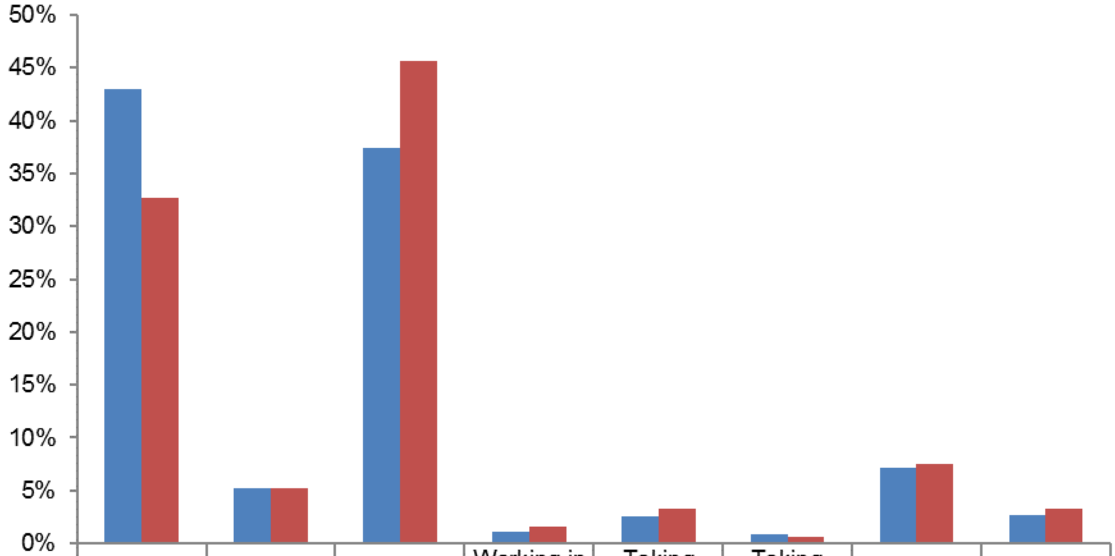
622 It was not possible to tell whether those non-UK graduates classified as unemployed were in the UK or elsewhere. This applies to all tables in this section with a column for unemployed.



	Working full time in the UK	Working part time in the UK	Working overseas	Working in the UK and also studying	Taking further study in the UK	Taking further study overseas	Unemployed	Other
Other EU	28%	4%	41%	1%	9%	3%	8%	4%
Non-EU	10%	2%	56%	1%	10%	2%	13%	7%

Source: HECSU analysis of HESA Destination of Leavers of Higher Education (DLHE) 2015/16

Figure 34: Outcomes of surveyed overseas doctoral degree graduates from 2015–16, six months after graduation



	Working full time in the UK	Working part time in the UK	Working overseas	Working in the UK and also studying	Taking further study in the UK	Taking further study overseas	Unemployed	Other
Other EU	43%	5%	37%	1%	3%	1%	7%	3%
Non-EU	33%	5%	46%	2%	3%	1%	8%	3%

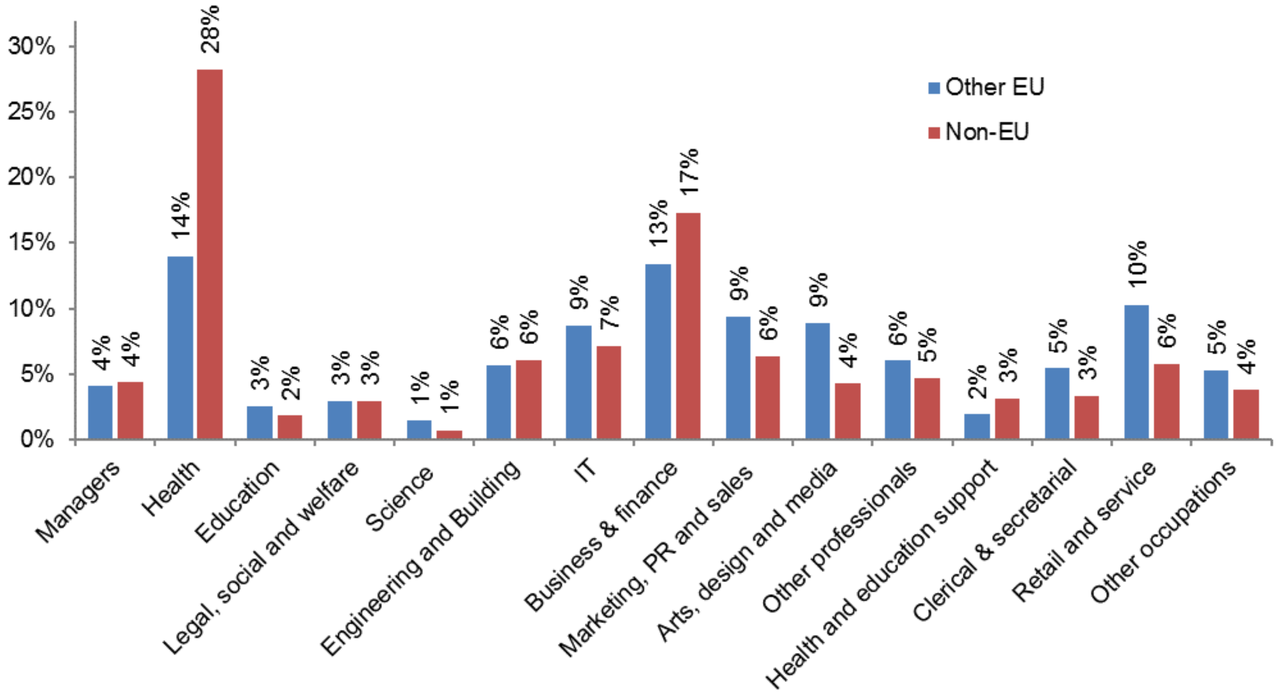
Source: HECSU analysis of HESA Destination of Leavers of Higher Education (DLHE) 2015/16

Employment of surveyed non-UK graduates by occupational group

Graduates from outside the UK who remain in the country to work are employed in a range of occupations according to HECSU's analysis of the DLHE data.

In total, 3,795 EU first-degree graduates and 4,105 non-EU first-degree graduates from 2015/16 are known to have been working in the UK six months after graduation. 77% of EU first degree graduates and 84% of non-EU first degree graduates working in the UK were in professional level employment six months after graduation. Non-EU graduates were particularly likely to enter jobs as medical practitioners and 400 new medical practitioners from 2015/16 were non-EU graduates.

Figure 35: Occupational groups of surveyed overseas first-degree graduates from 2015–16 six months after graduation

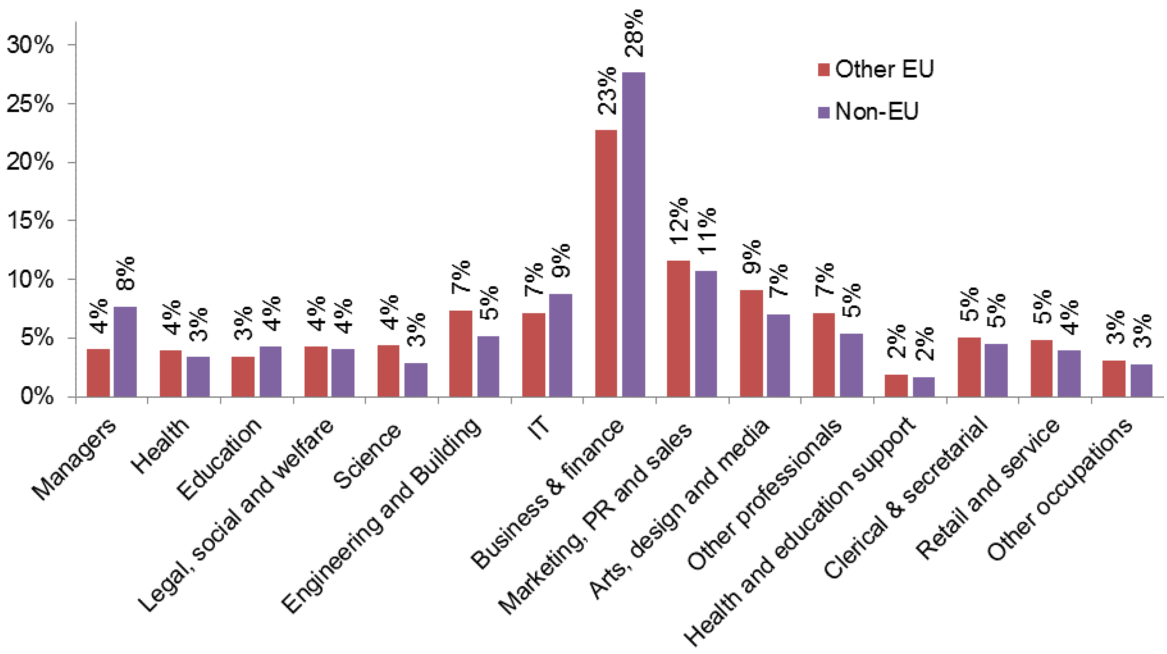


Source: HECSU analysis of HESA Destination of Leavers of Higher Education (DLHE) 2015/16

In total, 3,590 EU Master's graduates and 3,165 non-EU Master's graduates from 2015–16 are known to have been working in the UK six months after graduation. 85% of EU graduates and 87% of non-EU graduates working in the UK were in professional level employment six months after graduation.

Overseas Master's graduates were particularly likely to enter roles in software development; management and financial consultancy; financial analysis and marketing as shown by Figure 36 overleaf.

Figure 36: Occupational groups of surveyed overseas Master's graduates from 2015–16 six months after graduation

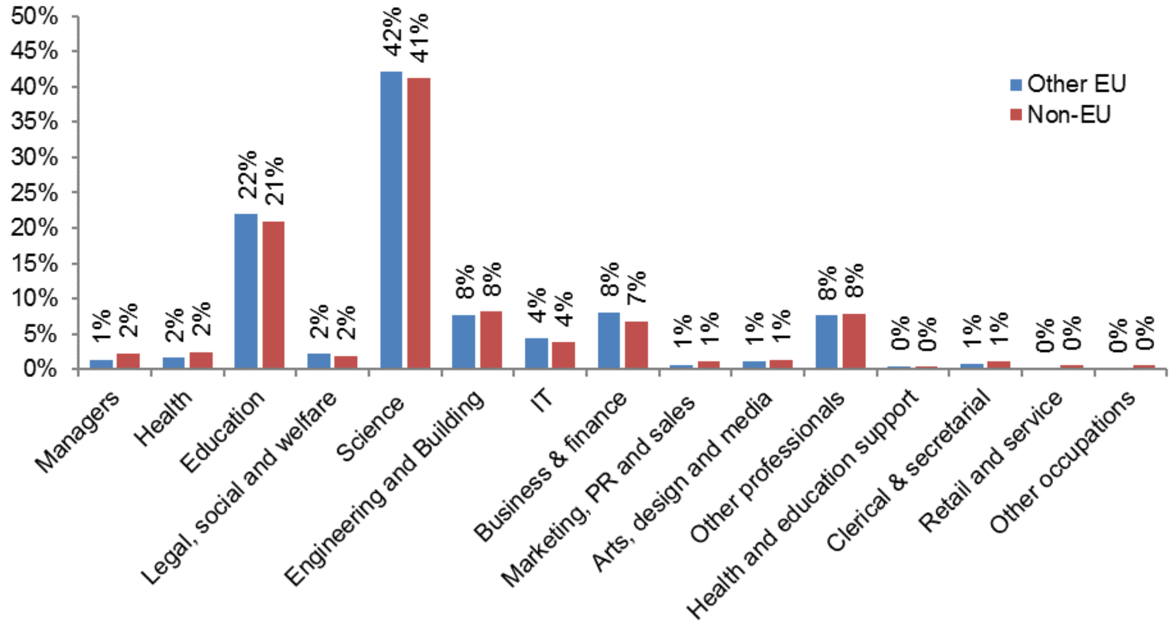


Source: HECSU analysis of HESA Destination of Leavers of Higher Education (DLHE) 2015/16

In total, 830 EU doctoral graduates and 1,035 non-EU doctoral graduates from 2015–16 are known to have been working in the UK six months after graduation. 99% of EU graduates and 98% of non-EU graduates working in the UK were in professional level employment six months after graduation.

Unsurprisingly, academia is a particularly important destination for overseas doctoral graduates as shown in Figure 37.

Figure 37: Occupational groups of surveyed overseas doctoral graduates from 2015–16 six months after graduation



Source: HECSU analysis of HESA Destination of Leavers of Higher Education (DLHE) 2015/16

In total, according to the DLHE data, 7.2% of new graduates at all levels from 2015–16 who are known to have entered professional level employment in the UK six months after graduation were from outside the UK.

Occupations where a particularly large proportion of new entrants are known to have been from outside the UK are shown in Table 6 overleaf.

Table 6: Proportion of new 2015/16 entrants, at all levels, to professions in the UK who were not originally UK-domiciled (all professions had at least 500 entrants)

Occupation (based on SOC)	Proportion of new HE leaver entrants to UK labour market in 2015–16 who were not originally UK domiciled
University researchers, unspecified discipline	29%
Management consultants and business analysts	21%
Social and humanities scientists	19%
Finance and investment analysts and advisers	17%
Higher education teaching professionals	16%
Researchers not elsewhere classified	15%
Legal professionals not elsewhere classified	15%
Architectural and town planning technicians	15%
Electronics engineers	15%
Architects	14%
Programmers and software development professionals	13%
IT business analysts, architects and systems designers	12%
Biochemists, medical scientists	12%
Business, research and administrative professionals n.e.c.	12%
IT and telecommunications professionals n.e.c.	11%
Civil engineers	11%
Engineering professionals n.e.c.	10%
Business and financial project management professionals	10%
Mechanical engineers	10%
Business and related associate professionals n.e.c.	10%
Design and development engineers	10%
Musicians	9%
Web design and development professionals	9%

Source: HECSU analysis of HESA Destination of Leavers of Higher Education (DLHE) 2015/16

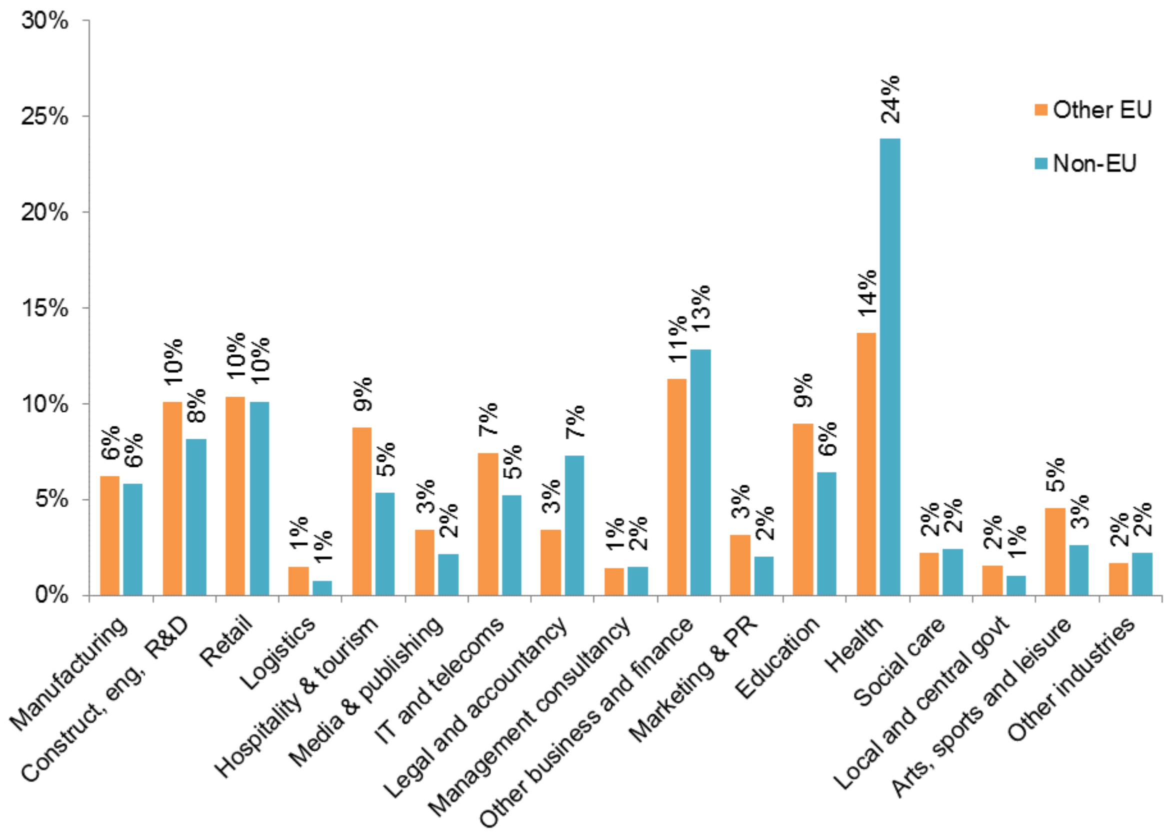
As always with this data, response rates for overseas graduates means that this is an incomplete picture; this data should be read as a selection of occupations where new graduate entrants from outside the UK form a significant part of the new entrant workforce.

Many occupations with shortages had a significant proportion of overseas entrants, including architectural and town planning technicians; electronic engineers; programmers and software developers; IT business analysts, architects and systems designers; biochemists and medical scientists; civil engineers; mechanical engineers; design and development engineers; and web design and development professionals.

Employment of non-UK graduates by industry

As well as analysing the occupational groups of non-UK graduates using DLHE returns for 2015–16 graduates, HECSU also examined which industries they were working in. This analysis revealed some useful indicative trends on the impact of non-UK students on the UK labour market post-graduation.

Figure 38: Industry of employment of surveyed overseas first degree graduates from 2015–16 working in the UK six months after graduation

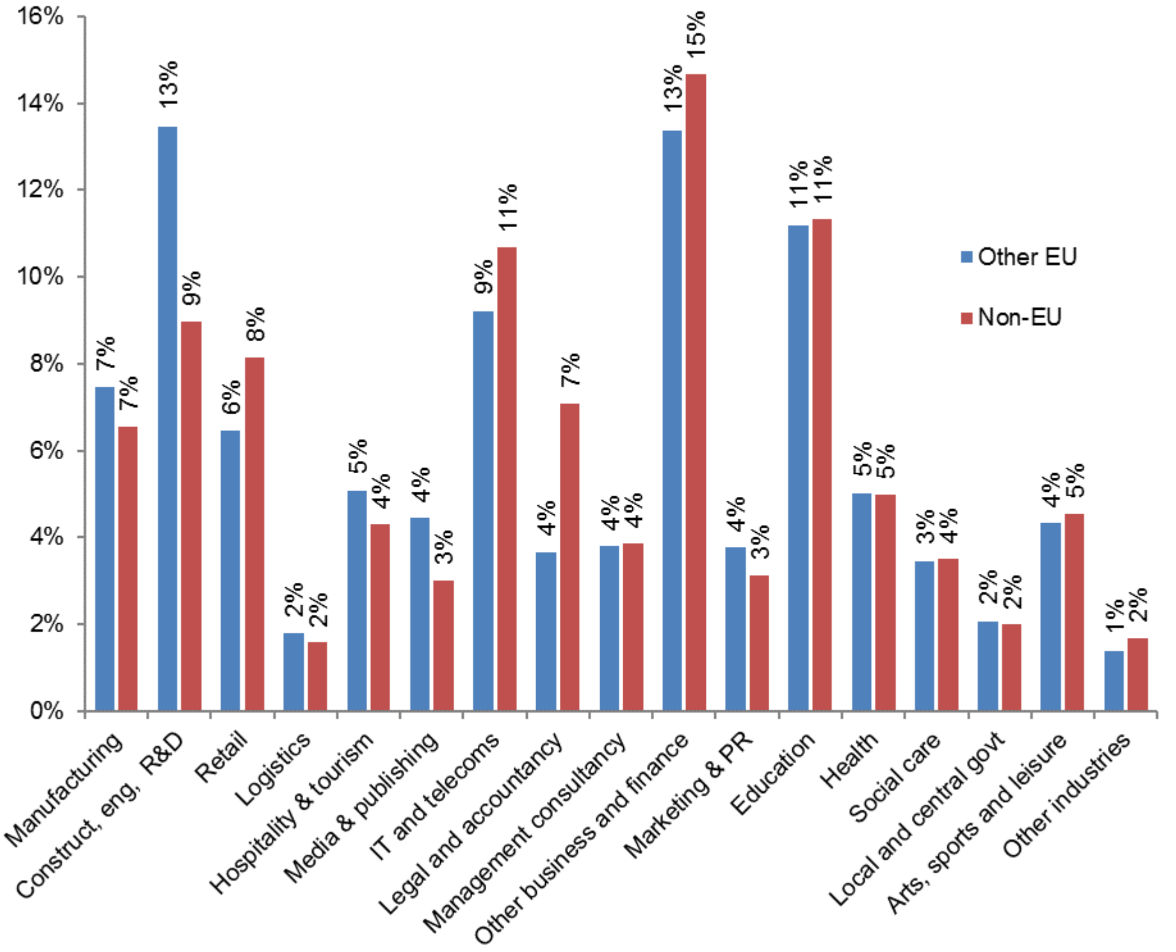


Source: HECSU analysis of HESA Destination of Leavers of Higher Education (DLHE) 2015/16

Medicine is an important profession for non-EU first degree graduates and as shown in Figure 38 above nearly a quarter of those known to be working in the UK six months after graduating are employed in the health sector. UK industries employing more than 100 new overseas first-degree graduates last year included hospitals; universities; accounting, audit and tax; banking; software development; architecture; trusts and financial funds; fashion; pharmacy; engineering and related technical consultancy; and advertising.

As shown in Figure 39 overleaf, overseas Master's graduates are spread across the economy. UK industries employing more than 100 new overseas Master's graduates last year included universities; banking; accountancy, tax and audit; management consultancy; hospitals; software development; engineering and technical consultancy; advertising; social work; investment and funds; IT consultancy and law.

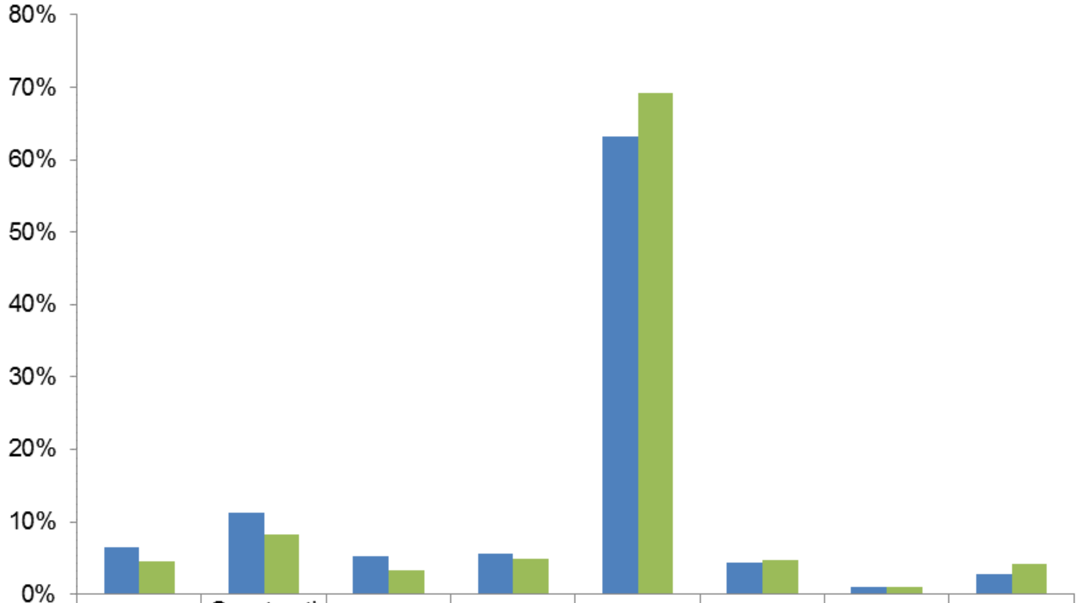
Figure 39: Industry of employment of surveyed overseas Master's graduates from 2015–16 working in the UK six months after graduation



Source: HECSU analysis of HESA Destination of Leavers of Higher Education (DLHE) 2015/16

HECSU's DLHE analysis found that the industries employing PhD graduates were markedly different to those employing non-UK first-degree graduates and Master's graduates. In the 2015–16 DLHE cohort, 61% of EU PhD graduates remaining in the UK to work and two thirds of employed non-EU PhD graduates were working in higher education, by far the most important industry. Most of the rest were working either in hospitals or in private sector R&D, particularly in biotech; engineering and IT (see Figure 40 overleaf).

Figure 40: Industry of employment of surveyed overseas doctoral graduates from 2015–16 working in the UK six months after graduation



	Manufacturing	Construction, engineering, R&D	IT and telecoms	Business and finance	Education	Health and social care	Arts and leisure	Other industries
Other EU	6%	11%	5%	6%	63%	4%	1%	3%
Non-EU	4%	8%	3%	5%	69%	5%	1%	4%

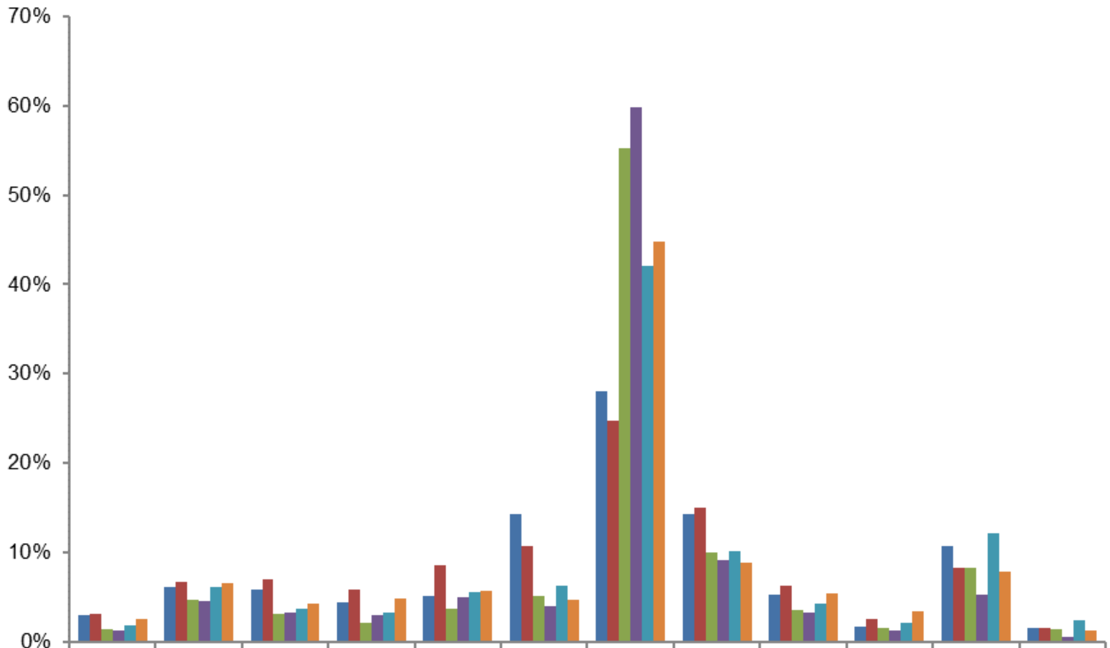
Source: HECSU analysis of HESA Destination of Leavers of Higher Education (DLHE) 2015/16

Employment of non-UK graduates by region

HECSU's analysis of the DLHE data also offers helpful insights on which regions of the UK most benefit from the skills of non-UK graduates who remain in the country on completion of their studies.

HECSU's analysis found that London dominates to a greater extent than it does for home students, as Figure 41 overleaf demonstrates.

Figure 41: Region of employment of surveyed overseas graduates from 2015–16 working in the UK six months after graduation



	NE	NW	Yorks & Humb.	E Mids	W Mids	East	London	SE	SW	Wales	Scotland	N Ireland
Other EU PhD	3%	6%	6%	4%	5%	14%	28%	14%	5%	2%	11%	1%
Non-EU PhD	3%	7%	7%	6%	9%	11%	25%	15%	6%	3%	8%	1%
Other EU Masters	1%	5%	3%	2%	4%	5%	55%	10%	4%	2%	8%	1%
Non-EU Masters	1%	5%	3%	3%	5%	4%	60%	9%	3%	1%	5%	0%
Other EU first degree	2%	6%	4%	3%	6%	6%	42%	10%	4%	2%	12%	2%
Non-EU first degree	3%	6%	4%	5%	6%	5%	45%	9%	5%	3%	8%	1%

Source: HECSU analysis of HESA Destination of Leavers of Higher Education (DLHE) 2015/16

London dominates this picture as overseas graduates cluster in the high skills, business services hotspots of Westminster, the City of London and Canary Wharf. However, not all labour markets that have this shape are in London and so Edinburgh, Glasgow, Birmingham and Manchester are also important locations of employment for overseas first degrees and Master's graduates. Despite the downturn in the oil and gas industry, Aberdeen also remains an important employment hub for non-UK graduates and an upswing in the industry is likely to strengthen demand[623]. At PhD-level the demand is driven by research intensive universities and so unsurprisingly, Cambridge and Oxford (in that order) have the highest intake of overseas doctorates.

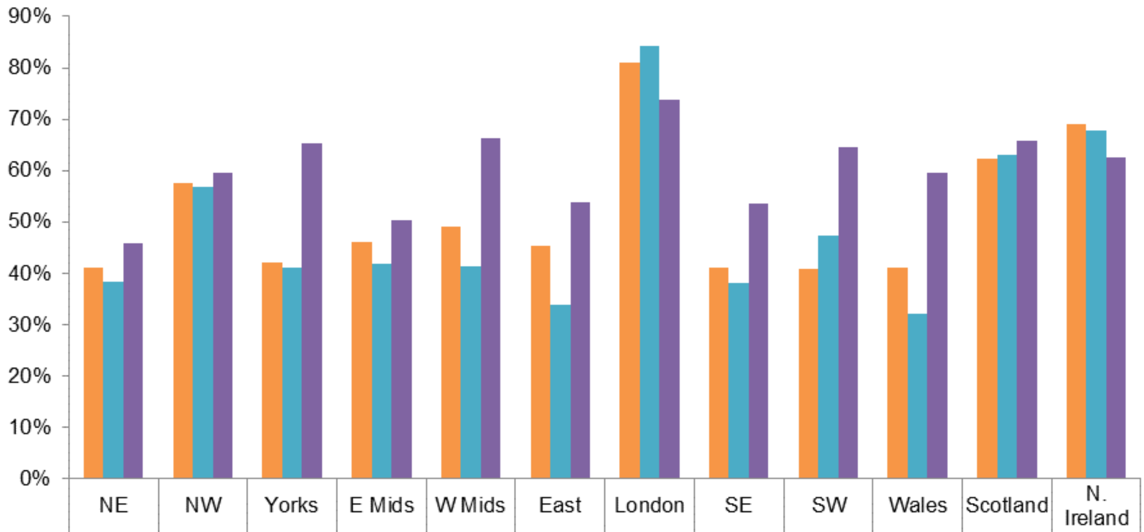
However, the data shows that many graduates find employment in the region where they studied as opposed to gravitating towards London. The apparent dominance of London's labour market is partly a reflection of London's sizeable overseas student cohort in the first place, and the finding that non-EU graduates who went to a London institution are

[623] 11% of new graduate entrants at all levels to the oil and gas industry in the UK in 2015/16 were overseas graduates.

significantly more likely to remain in the UK to work than students studying in most other regions of the UK.

Further examination of the data reveals that with a handful of exceptions, overseas students who work in the UK most commonly remain in the region where they studied their UK qualification. The three exceptions – Master's graduates who went to universities in the East, South East and Wales – were slightly more likely to go to London than stay near their university. The North West, with a very strong labour market in Manchester, retains most of its overseas graduates who remain in the UK, as do Scotland and Northern Ireland, and most regions keep the majority of their UK-employed PhDs, and all retain at least 40% of their overseas first-degree graduates (see Figure 42).

Figure 42: Regional retention of overseas graduates who worked in the UK, by region of institution



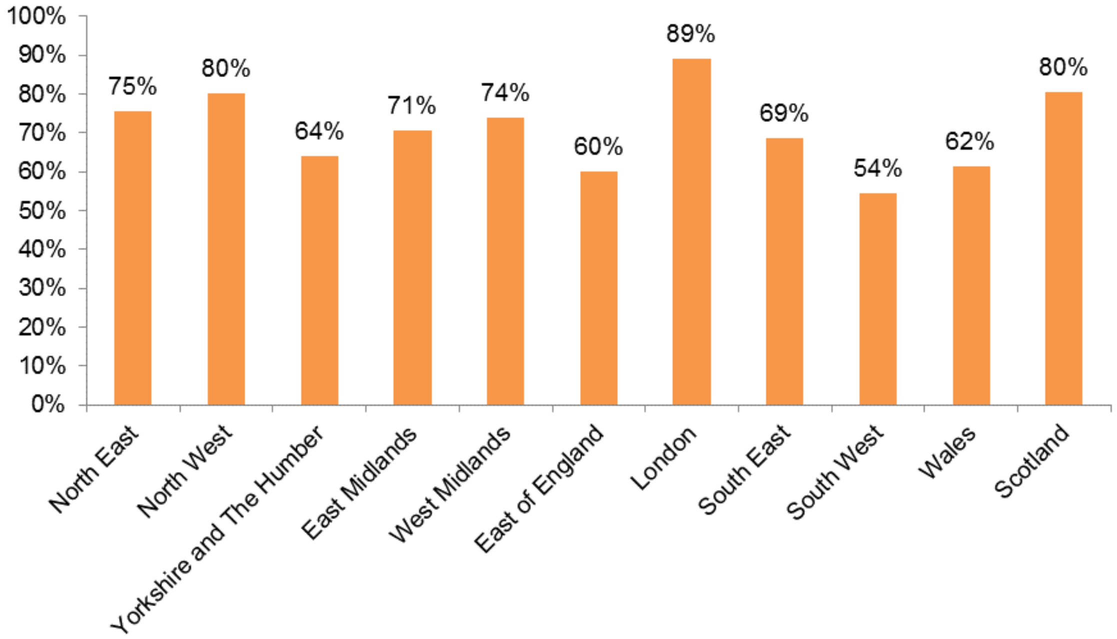
	NE	NW	Yorks	E Mids	W Mids	East	London	SE	SW	Wales	Scotland	N. Ireland
First degree	41%	57%	42%	46%	49%	45%	81%	41%	41%	41%	62%	69%
Masters	38%	57%	41%	42%	41%	34%	84%	38%	47%	32%	63%	68%
PhD	46%	60%	65%	50%	66%	54%	74%	54%	65%	59%	66%	63%

Source: HECSU analysis of HESA Destination of Leavers of Higher Education (DLHE) 2015/16

Although HECSU's analysis reveals that some graduates find employment in the regions in which they studied, the extent to which this is possible is hampered by the structure of the current post-study work system. Graduating Tier 4 students applying for a Tier 2 visa are required to meet minimum salary requirements which are prohibitive in many regions outside the South East. This hampers the ability of employers to recruit global talent and is a likely factor in the significant drop in students finding employment post-study since the closure of Tier 1 Post Study Work in 2012.

HECSU's analysis also shows that most regions retain the majority of overseas graduates who opt for further study in the UK on graduation (see Figure 43 overleaf – Northern Ireland is excluded due to a small sample size).

Figure 43: Regional retention of surveyed overseas graduates who went on to further study in the UK by region of institution



Source: HECSU analysis of HESA Destination of Leavers of Higher Education (DLHE) 2015/16

The data suggest that although London is a great draw, especially at Master's level (and it should be noted that a third of UK Master's graduates work in the capital after graduation as opposed to 21% of first degree graduates), overseas students, like their home counterparts, tend to opt to stay close to their graduating institution if they remain in the UK on graduation. It is clear therefore that to enable the regions to benefit as much as London from the ability to retain overseas talent, address skills shortages and overcome recruitment issues, they must remain able to attract these students. Removing or reducing minimum salary thresholds would enable regions to retain more graduate talent.

As demonstrated above, non-UK graduates work in a range of important occupational groups and industries post-graduation.

In recent years, it has been consistently claimed that many international students were employed in unskilled roles under the old, more generous system of Tier 1 Post Study Work. This claim is based on a 2010 study[624] which was limited in scope and flawed. Firstly, it was not based on a representative sample but instead focused only on individuals who had applied to bring their dependents to the UK. Further, the sample size for the study was small (253 individuals) and in almost one-third of cases, it could not be determined whether individuals were employed in skilled or unskilled roles. Critically, the threshold for determining if a job was skilled was by salary level – anyone earning more than £25,000 was

[624] Home Office (2010) *Points Based System Tier 1: An Operational Assessment*. Occasional Paper 91. Available at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/115913/occ91.pdf

classified as skilled. Eight years on from this study, the average graduate salary remains well below £25,000[625] which indicates that the study may have set an artificially high threshold for identifying skilled employment and may not have accurately assessed how many Tier 1 PSW visa-holders were employed in unskilled roles.

Entrepreneurism and job creation

A recent economic impact analysis by Oxford Economics for Universities UK estimated that non-UK students support 206,600 jobs across the UK. After completing their studies, non-UK students also act as job creators through entrepreneurism and business start-ups.

A 2014 report published by the Centre for Entrepreneurs analysed the significant contribution of migrant entrepreneurs.[626] The report found that nearly half a million people from 155 countries have settled in Britain and launched businesses. This entrepreneurial spirit is visible in the activities of non-UK alumni who remain in the UK to start-up their own business.

Although the Tier 1 Graduate Entrepreneur route is small in scale, it has provided a clear pathway for international students to stay in the UK and set up a business. There are numerous excellent examples of international graduates who have done so (see below).

> *Case study: RAB-Microfluidics, Aberdeen*
> RAB-Microfluidics was formed by a Nigerian PhD graduate from the university's School of Geosciences, and is a research and development company developing cutting-edge microfluidic technology to solve oil analysis problems.
>
> The start-up company developed out of his PhD thesis, *The development of microfluidic and surface enhanced Raman methods for petroleum analysis: asphaltene and naphthenic acids.*
>
> In addition to a PhD from the University of Aberdeen, the entrepreneur also holds an MSc from the University of Coventry, and an undergraduate degree from Igbinedion University, Okada.
>
> RAB Microfluidics has recently been awarded a grant of £96K to help develop technology that aims to dramatically reduce maintenance and repair costs for heavy equipment, and as such aims to have a positive impact on the energy

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[625] The HESA Destination of Leavers from Higher Education Survey shows that in 2015/16 the mean salary for female leavers was £21,500 and for male leavers £24,000. See https://www.hesa.ac.uk/news/29-06-2017/sfr245-destinations-of-leavers

[626] Centre for Entrepreneurs (2014) *Migrant Entrepreneurs: Building our businesses. Creating our jobs.* Available at https://centreforentrepreneurs.org/wp-content/uploads/2015/11/MigrantEntrepreneursWEB.pdf

industry. The project – 'developing microfluidic lab-on-a-chip demonstrator for onsite lubricating oil analysis' – is a collaborative project between RAB-Microfluidics and its new product development partner, Wideblue Limited.[627]

Case study: Chitresh Sharma and Louis Schena, University of Strathclyde
After completing their studies at the University of Strathclyde, entrepreneurs Chitresh Sharma and Louis Schena co-founded Swipii, a market-leading loyalty program platform fuelled by marketing activities. The Swipii app and keychain cards can be used in more than 2,500 locations spread across the whole of the UK.

From a team of six in 2016, the company has grown to house 37 employees with plans to double in size by the end of the 2017. In January 2017, Chitresh and Louis were included on Forbes' 30 Under 30 list for Europe.[628] The business has won a host of awards including Best New Venture - Scottish Institute for Enterprise (2014)[629], Best Microbusiness Employer of the Year - Jobs and Business Glasgow and the Best Customer Loyalty, CRM and Personalisation Award at the 2016 UK Digital Experience Awards.

Case study: virtual reality innovation
Abesh Thakur and Varun Nair, two international students at the Edinburgh College of Art, launched their start-up Two Big Ears after they were granted Tier 1 Graduate Entrepreneur visas on the strength of their business plan. Two Big Ears specialises in virtual reality, focusing on immersive and interactive audio applications in a rapidly expanding marketplace.

Abesh and Varun grew their company, pitching at Engage Invest Exploit, Scotland's leading event for high-talent, high-growth companies, with support from the University of Edinburgh. Two Big Ears employed other graduates from the Edinburgh College of Art as it grew, and in 2016 the firm was acquired by Facebook. Two Big Ears illustrates how international students help generate employment and investment in the UK, keeping the country at the cutting-edge of new innovation.[630]

Case study: medical device innovation
An alumna of the School of Engineering at the University of Edinburgh, who graduated with a Master's in Biomechanical Engineering, has been granted a Tier 1 Exceptional Talent visa to remain in the UK. She has developed a new medical device which prevents a common source of infections, and subsequently founded a medical device

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[627] http://rab-microfluidics.co.uk/

[628] https://www.forbes.com/30-under-30-europe-2017/#2aa08c703668

[629] See http://www.sie.ac.uk/wp-content/uploads/2016/05/case-study-swipii.pdf for a case study on Swipii

[630] See https://www.ed.ac.uk/alumni/services/news/news/abesh-thakur and http://launch.ed.ac.uk/5954-2/ for more information on Two Big Ears.

company which specialises in innovations that ease patient pain and reduce burdens on healthcare staff. The firm is based in Edinburgh, and has been recognised with a grant from Scottish Enterprise.

Case study: the Healthy Back Programme, Bangor University
Ned Hartfiel is a US citizen who completed an MSc in Public Health and Health Promotion, and then a PhD, at Bangor University. His research focused on the effectiveness of programmes to reduce stress, back pain and sickness absence in the workplace. After his research was published in peer-reviewed journals and supported by the Welsh government, Ned launched the Healthy Back Programme company in Bethesda with the support of the B-Enterprising Project at Bangor.

Since completing his PhD in 2016, Ned has been awarded a Tier 1 Graduate Entrepreneur visa to continue delivering healthy back programmes to employees in a range of organisations, including the NHS, Siemens and multiple local governments. His ambition is to extend the programme into every NHS organisation and local authority in the UK. Ned also continues to support Bangor's medical research as a research officer at the Centre for Health Economics and Medicine Evaluation.[631]

This entrepreneurism is not just evident in recent graduates, but amongst alumni who finished their studies in the UK many years ago and have since created thriving businesses with long-term and substantial impacts. One example featured in the Centre for Entrepreneurs report referenced earlier is Dr Gerry Ford, Founder and Group Chief Executive of Caffe Nero who came to the UK from Canada as a PhD student.[632] Caffe Nero now employs thousands of staff and operates hundreds of branches globally.

There are many examples of international alumni who have remained in the UK and created jobs not through establishing their own businesses but through contributing to the success and expansion of their employers as demonstrated in the case studies below.

Case study – Tina Qianwen Liu, University College London
Tina Liu is a PhD graduate from University College London who after graduating worked for Drewry Ltd, an independent maritime sector advisory and analytical research organisation. At Drewry, Tina was responsible for opening their first office in Shanghai, and during her time in the UK also helped launch the first China-UK Entrepreneurship Challenge for UCL.

Case study: Li Ruijiao, University of Liverpool & University of Essex

[631] More information on the Healthy Back Programme is available at www.healthybackprogramme.co.uk.
[632] Ibid.

Li Ruijiao is the co-founder, product director and roboticist of AMY Robotics, an innovative technology company focusing on the research and development of service robots that enhance quality of life through robotic technology, products and services. It is currently in the process of establishing a research and development centre in the UK.

Mr Li graduated with a BSc in Artificial Intelligence from the University of Liverpool, and went on to complete an MRes Computer Science in Robotics at the University of Essex. He believes that the excellent research environment and cutting-edge technology he had access to in the UK continue to influence him to the present day.

International students moving into academia and research

International students form a significant part of the pipeline into academia and research, particularly in subjects where there are deficiencies in the domestic pipeline such as many STEM subjects.

HESA data shows that many non-UK workers entering the academic workforce have studied in the UK previously demonstrating that non-UK students go on to play a significant role in educating the future workforce.

As highlighted in UUK's submission to the 2017 MAC inquiry examining EEA workers in the UK labour market, a significant number (17.2%) of new academic staff recruited in academic year 2015–16 were previously students in the UK.[633] This shows the importance of allowing non-UK students the opportunity to stay and work post-study.

Given the high proportion international students make up of PhD students, particularly in the sciences, international students also form a significant part of the current research base. Within the sciences, PhD students are an important part of research teams and, as such, will contribute to research outputs, including publications and research trials. They will also be part of research team funding applications, helping to bring wider (including international) research funding into UK universities. Where PhD students are recruited as part of a funded arts, humanities or social sciences project, they will often play a similar role, with their research contributing to the wider research project.

International PhD students also contribute to the general research environment, which is a significant determiner for quality-related research funding from the UK funding councils.

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[633] See UUK's submission to the Migration Advisory Committee inquiry into EEA workers in the UK labour market (2017) submitted on 27 October 2017.

Case study: Dr Vivian (Zhou) Wang, Aston School of Life and Health Sciences
Dr. Wang completed her medical training at undergraduate (Clinical Medicine, Tianjin Medical University) and master's level (Clinical Immunology, Tianjin Medical University) in China. In 2006, she embarked on her PhD research at Aston University. Subsequently, she undertook the role as Postdoctoral Research Fellow at Aston University investigating the physiological and pathological roles of Tissue Transglutaminase (TG2) in various biological systems.

Her research covers important subject areas, including cancer stem cells (in particular colon and breast cancer), angiogenesis and fibrotic diseases (for example kidney, cardiac, lung fibrosis and cystic fibrosis). She has also been actively involved in research in biomaterials - working to identify novel biomaterials based on collagen for bone regeneration. Dr. Wang is now a Lecturer in Biology and Biomedical Science, School of Life & Health Sciences, Aston University.

International students and skills gaps

As shown in the early part of this section, non-UK students who remain in the UK to work after their studies are employed in a range of different occupations and sectors. A number work in strategically important areas including engineering.

10. UK higher education's current global position

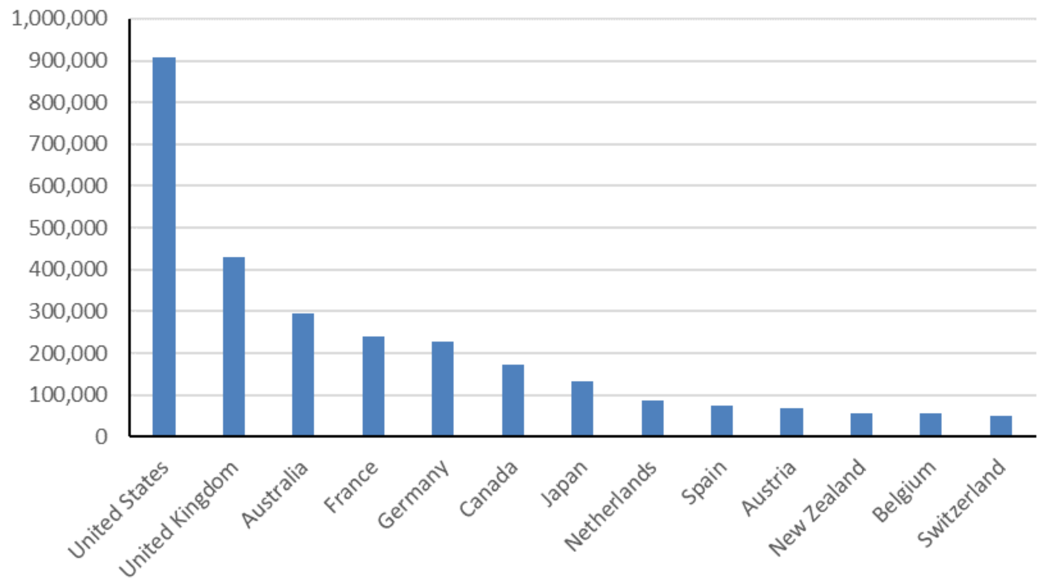
The United Kingdom is currently the second-most popular destination for international students, but this long-standing position is under threat. This section summarises the UK's current situation and the growing competition to attract international students.

Although the market for international students is increasingly competitive, it is also growing rapidly: the OECD has predicted that the number of globally mobile higher education students will reach eight million per year by 2025.[634] As this section will explain, the UK is in a strong position to capitalise on this growing market if the policy environment allows it to do so.

Historical strength of the UK

The UK is the second-most popular destination for international students globally, after the United States. In 2015, the most recent year for which OECD-wide data is available, the UK's 430,000 international students put it well clear of countries like Australia (294,000) and Germany (229,000). The UK also has one of the most internationalised higher education sectors, with international students making up 18.5% of all tertiary enrolments.

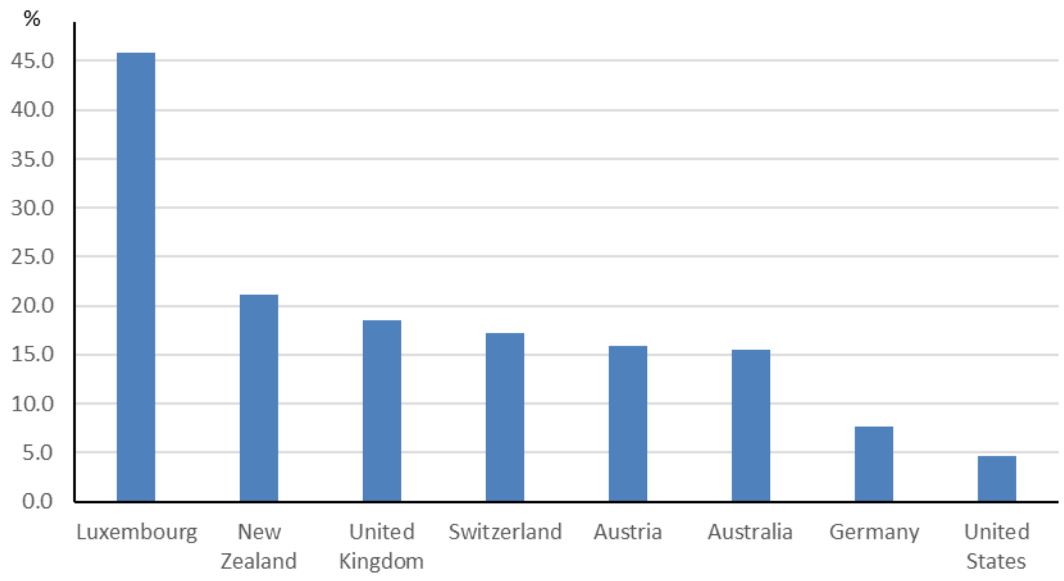
Figure 44: International student numbers in OECD countries, 2015



Source: OECD Education at a Glance 2017. http://www.oecd-ilibrary.org/education/education-at-a-glance-2017/indicator-c4-what-is-the-profile-of-internationally-mobile-students_eag-2017-26-en

Figure 45: International student proportions in OECD countries, 2015

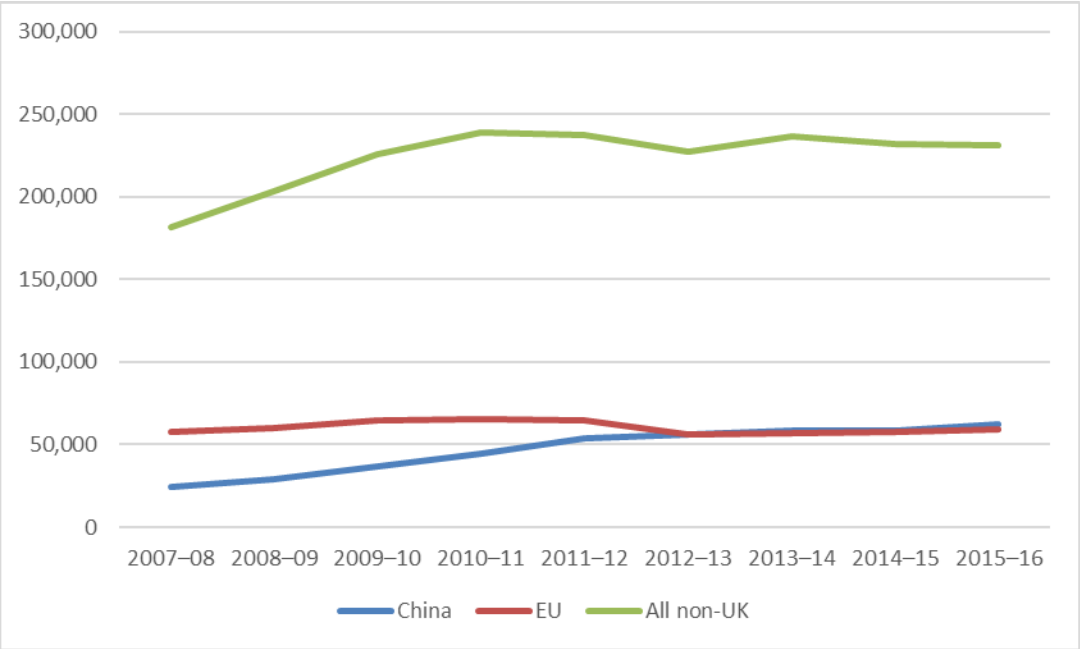
[634] http://monitor.icef.com/2015/09/four-trends-that-are-shaping-the-future-of-global-student-mobility/



Source: OECD Education at a Glance 2017. http://www.oecd-ilibrary.org/education/education-at-a-glance-2017/indicator-c4-what-is-the-profile-of-internationally-mobile-students_eag-2017-26-en

These figures are consistent with the UK's historical position as a major destination country for international students. Numbers have grown over the last decade, especially before 2012; most of the increase has come from increases in non-EU enrolments, particularly from China.

Figure 46: New enrolments of international students



Source: Higher Education Statistics Authority

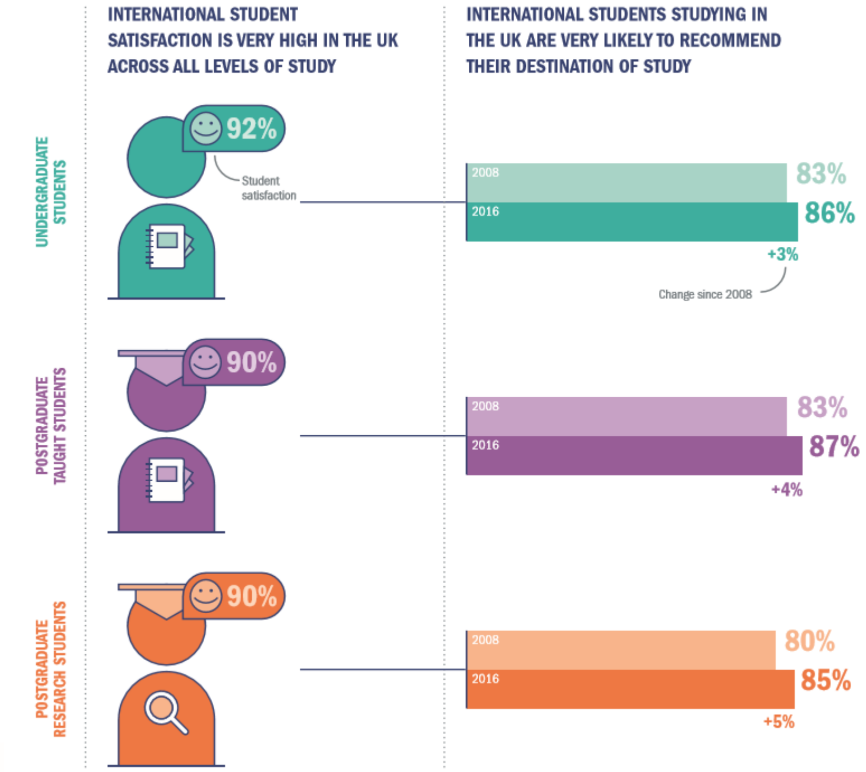
The UK's competitive advantage

Universities in the UK are very well-regarded by international students who attend them, and the sector enjoys a strong competitive advantage globally thanks to the quality of teaching and research at UK institutions.

UUK International (UUKi) has produced a series of competitive advantage reports drawing on the i-graduate International Student Barometer, an independent survey of over 500,000 international students in 800 institutions across the world. The survey results show that international students in the UK are very satisfied with their choice of destination and are very likely to recommend the UK as a study destination.

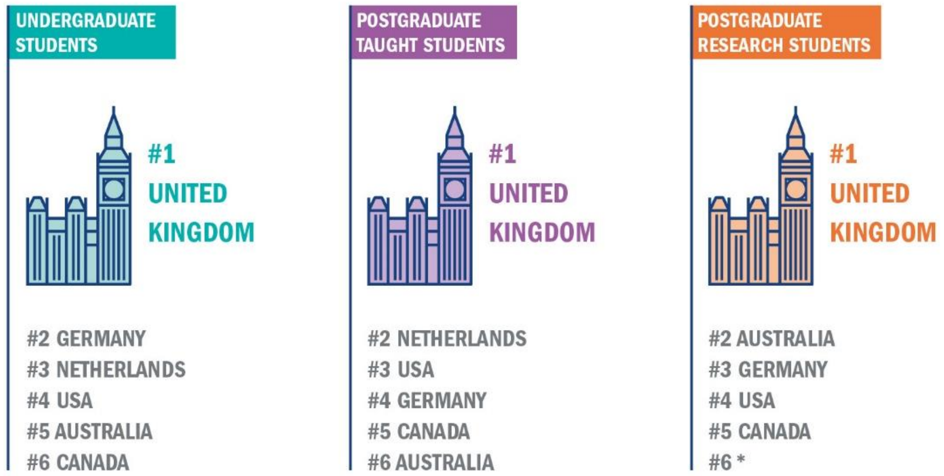
The 2015–16 competitive advantage reports found that 91% of undergraduates, 90% of taught postgraduates and 89% of postgraduate researchers reported satisfaction with their UK education. Around 85% of all international students said they would recommend their UK study experience, a higher proportion than in other English-speaking destination countries (the US, Australia, Canada and New Zealand). A 2017 update to UUKi's competitive advantage reports, drawing on the most recent round of International Student Barometer responses, found that the UK is still ranked first by international students for overall satisfaction and for recommendation.

Figure 47: The UK's competitive advantage: key findings



Source: The UK's Competitive Advantage (2017 Update). UUKi

Figure 48: The UK is number 1 for recommendation by international students



*The Netherlands is not included in rankings or comparisons at the PGR level as the sample size was deemed too low for inclusion.

Source: The UK's Competitive Advantage (2017 Update). UUKi

The major reasons international students identified for choosing the UK as their destination were the reputation of individual universities and the entire sector, the quality of research and teaching and the availability of specific courses. When asked to name the major factors influencing their choice of destination, 32% of international students in the UK mentioned university rankings or league tables – twice as many as most competitor countries. These results highlight the significant competitive advantage UK universities gain from their academic quality.

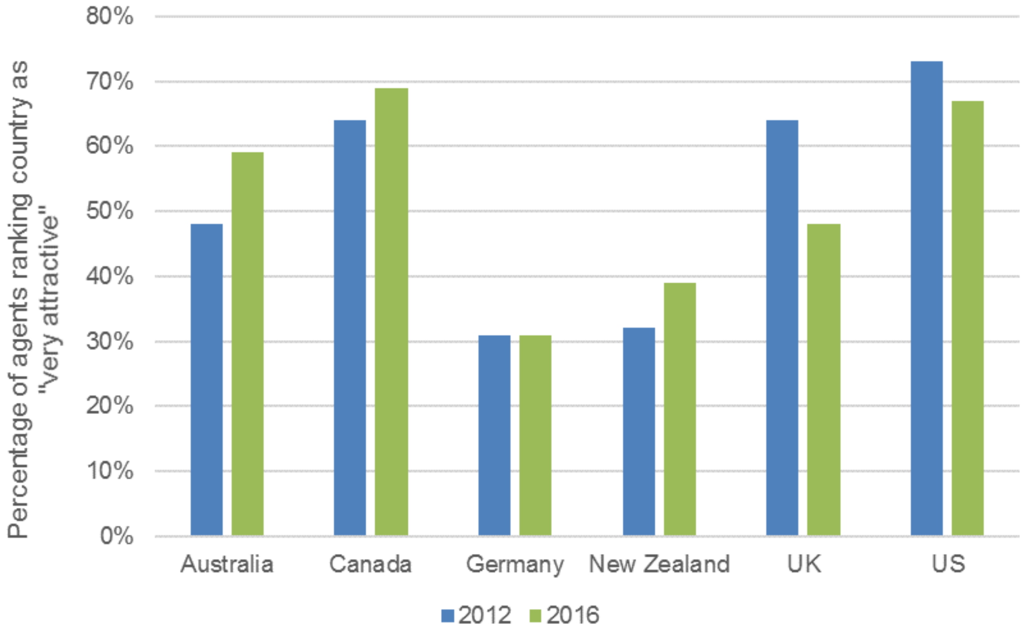
The reputational advantage the UK higher education sector enjoys, which has helped establish the country as an attractive destination for international students, is captured in global university rankings. The UK has 12 of the top 100 universities in the 2018 Times Higher Education World University Rankings, and 16 of the top 100 in the QS World University Rankings. It is important to note that, because these rankings give weight to universities' internationalisation, the UK's ongoing success is partly dependent on the continued presence of international students (and staff). The university rankings are discussed further in section 8 on the soft power benefits of international students.

Risks of stagnation and decline

Despite the strong positive sentiment of international students who come to the UK, the higher education sector is at risk of losing ground in a growing and increasingly competitive global market for overseas study.

Data from the ICEF Agent Barometer indicates a dramatic fall in perceptions of the UK as a destination country.[635] In 2016, the proportion of agents regarding the UK as a 'very attractive' study destination fell sharply to 48%, from around 64% in each of the preceding four years.

Figure 49: Perceptions of countries as a "very attractive" study destination



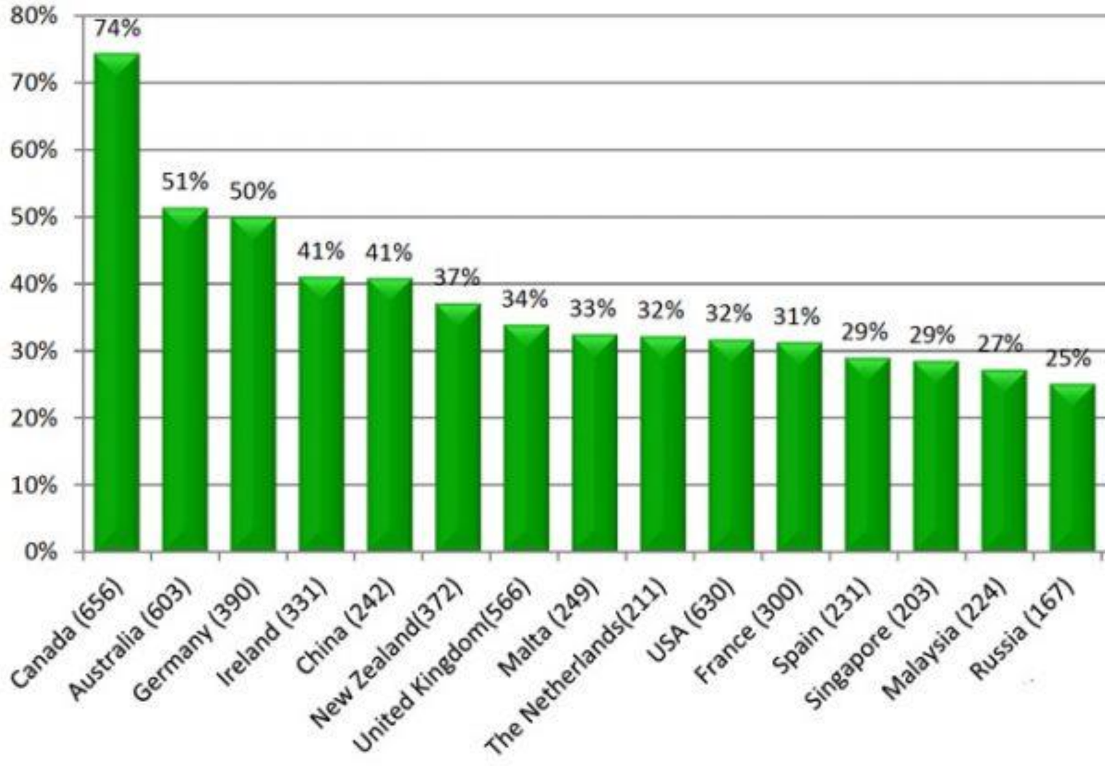
Source: ICEF Agent Barometer 2012, 2016

In the 2017 Agent Barometer, only one third of agents reported increasing student interest in studying in the UK, comparing unfavourably to Canada (74% reporting higher interest), Australia (51%) and Germany (50%).[636]

[635] The ICEF Agent Barometer is an international survey of education agents, professionals who assist students with selecting and applying to overseas educational institutions. The use of education agents is particularly widespread among Indian and Chinese students (UUKi Competitive Advantage Update 2017).

[636] See http://monitor.icef.com/2017/11/2017-agent-barometer-survey-links-student-agent-perceptions-destination-attractiveness/

Figure 50: Proportion of agents reporting increasing student interest by country



Source: ICEF Agent Barometer 2017.

Similar conclusions can be drawn from other surveys. An HSBC survey on international higher education saw the UK slip from 2nd in 2016 to 3rd in 2017 in a ranking of parents' favoured destinations for their children's study, falling behind Australia.[637]

These changes in perception and attractiveness threaten to compound the UK's stagnation over the past several years in what is still a growing global market. Despite growing numbers, the UK's market share has been flat over the last decade while competitors – notably Canada and the US – have enlarged their shares. The number of students coming to the UK from India has fallen by more than a third since 2007–08, while the US has almost doubled the number of Indian students it hosts over the same period.[638] The International Student Barometer, despite high overall satisfaction, has found sharply declining satisfaction with the UK's visa requirements and employment opportunities.

These factors point to an environment in which the UK's relative ability to attract international students is, if not already declining, at serious risk of doing so. The number of new international student enrolments has fallen since 2010–11. Only comparatively strong growth in enrolments of Chinese students has propped up the UK's performance: nearly half of the

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[637] See http://www.hsbc.com/news-and-insight/media-resources/media-releases/2017/the-global-outlook-for-international-higher-education-strengthens.

[638] Institute of International Education (2017), *Open Doors Report*.

increase in international students since 2007–08 has been driven by rising numbers of Chinese students. Rapid growth from China has concealed a declining UK position, and even this has been relatively lacklustre in the context of massive increases in the number of international students from China going to *all* destinations. While the UK expanded its numbers of Chinese students by 110% from 2007–08 to 2016–17,[639] the number of Chinese students in the US grew 332% in the same period.[640]

Competitor countries and their international education strategies

The UK sector's relative decline, coming despite the high satisfaction of international students, is partly explained by other countries' more ambitious recent policy efforts to attract more international students. Some of these are summarised in Figure 51, and described in more detail below.

Figure 51: Competitors' ambitions to increase international student numbers

Source: Universities UK.

In Australia, a series of inquiries have investigated the policy steps necessary to attract more international students. The 2011 Knight Review recommendations for streamlined visa processing and new post-study work rights have been adopted by the government. The 2013 Chaney Report made several broader recommendations aimed at improving student experience and maintaining the quality of the Australian tertiary sector. In 2016, the government published the *National Strategy for International Education 2025*, with a focus on improving the regulatory environment for universities, strengthening international partnerships and doing more to promote Australia's offering to international students. The Australian strategy also explicitly highlights the soft power benefits of international education,

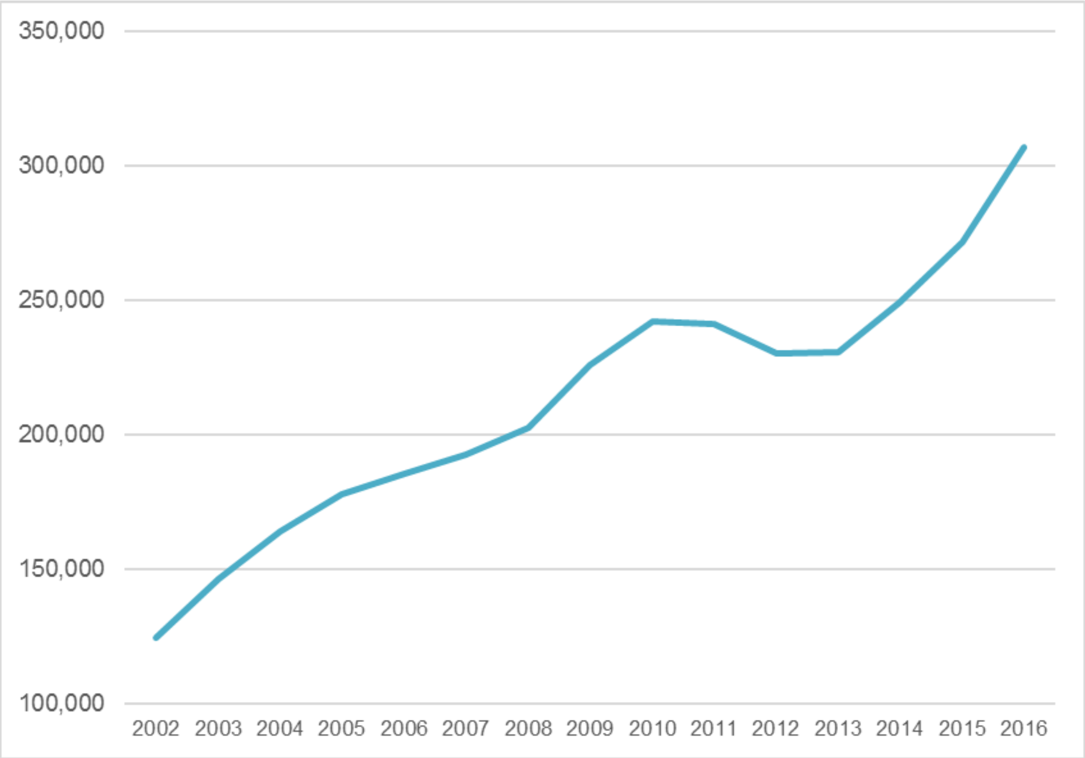
[639] HESA Student Record.

[640] Institute of International Education (2017), *Open Doors Report*.

discussed above in section 8.[641] Australian policymakers have deliberately refined their approach to international education to maximise these benefits by designing programmes to demonstrate an interest in cultural engagement.[642]

The recent changes have led to a significant rebound in international student numbers after a fall between 2009 and 2012.

Figure 52: International enrolments in Australia HE, 2002-2016



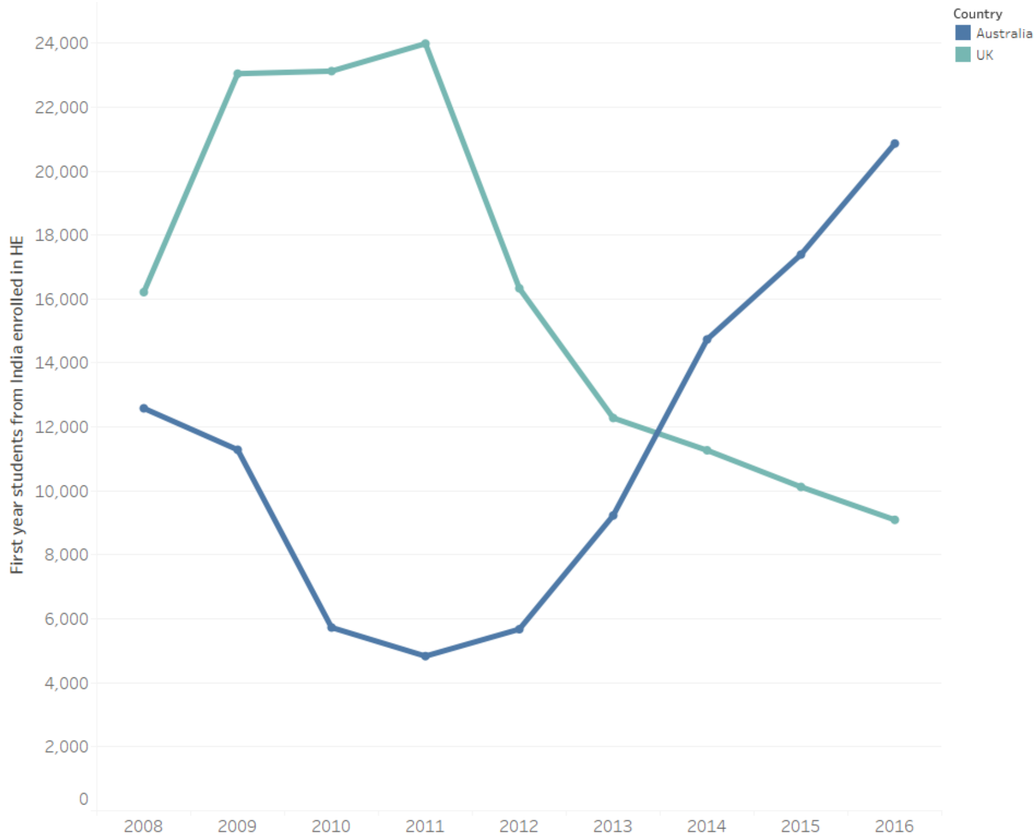
Source: Australian Government: Department of Education and Training, International Student Enrolments

The number of new students recruited from India to Australian universities had a particular boost following 2012, when numbers of Indian students were falling in the UK (see Figure 53 overleaf). This suggests that Australia's growth strategy has successfully recruited students who might otherwise have gone to the UK.

Figure 53: New student enrolments from India in higher education in the UK and Australia

[641] Australian Department of Education & Training 2016, *National Strategy for International Education* 2025, p7. Accessible online at https://nsie.education.gov.au/sites/nsie/files/docs/national_strategy_for_international_education_2025.pdf.

[642] Laifer & Kitchen, 2017.



Source: HESA (multiple years) Student Record and Australian Government Department of Education and Training

Canada launched its ambitious *International Education Strategy* in 2014 with a target of doubling the number of international students and researchers, to 450,000, by 2022. International education is also identified as a priority sector in the government's broader *Global Markets Action Plan*. The strategy commits to maintaining and increasing funding to ensure rapid visa processing, as well as expanding students' right to work during their studies and establishing a new post-study work permit. The government predicted that its measures would give the Canadian economy a CA$10 billion ($5.8 billion) annual boost. It similarly highlighted the potential soft power to be gained for Canada by hosting international students.[643]

The German Academic Exchange Service, DAAD, published its *Strategy 2020* in February 2013, with a headline target of enrolling 350,000 international students (a 25% increase) by 2020. Key points of the strategy were incorporated into the coalition agreement of the new government in December 2013. This strong commitment to increasing internationalisation in the German higher education sector led to the strategic enrolment target being achieved three years early, in late 2017.[644]
Changes in the UK's higher education enrolments do not compare favourably with other countries, as shown in Figures 54 and 55.

[643] Foreign Affairs, Trade and Development Canada 2014, *Canada's International Education Strategy*, p12. Accessible online at http://international.gc.ca/global-markets-marches-mondiaux/assets/pdfs/overview-apercu-eng.pdf.

[644] https://thepienews.com/news/germany-surpasses-international-student-target-three-years-early/

Figure 54: Percentage change in international student enrolments

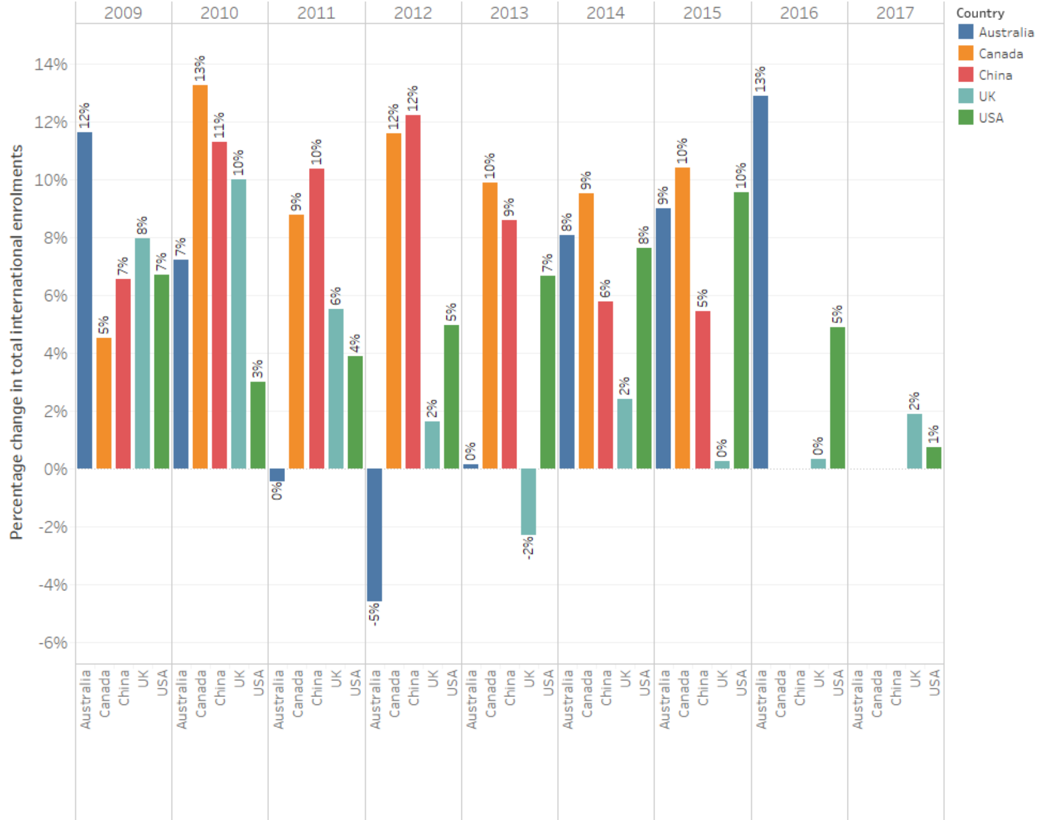
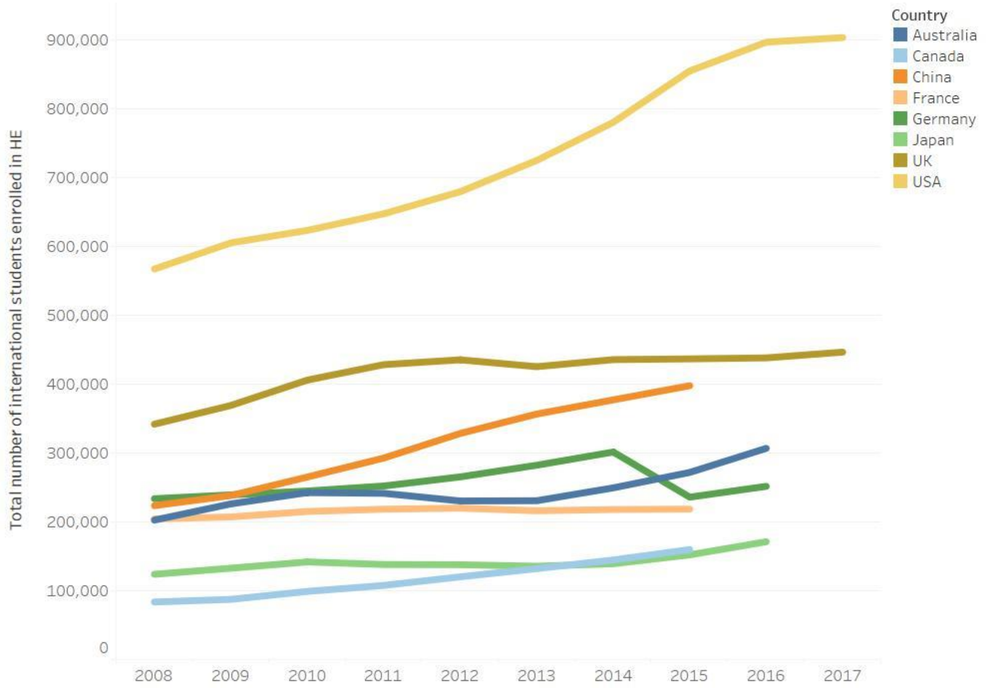


Figure 55: Changes in international student enrolments in the UK and competitors



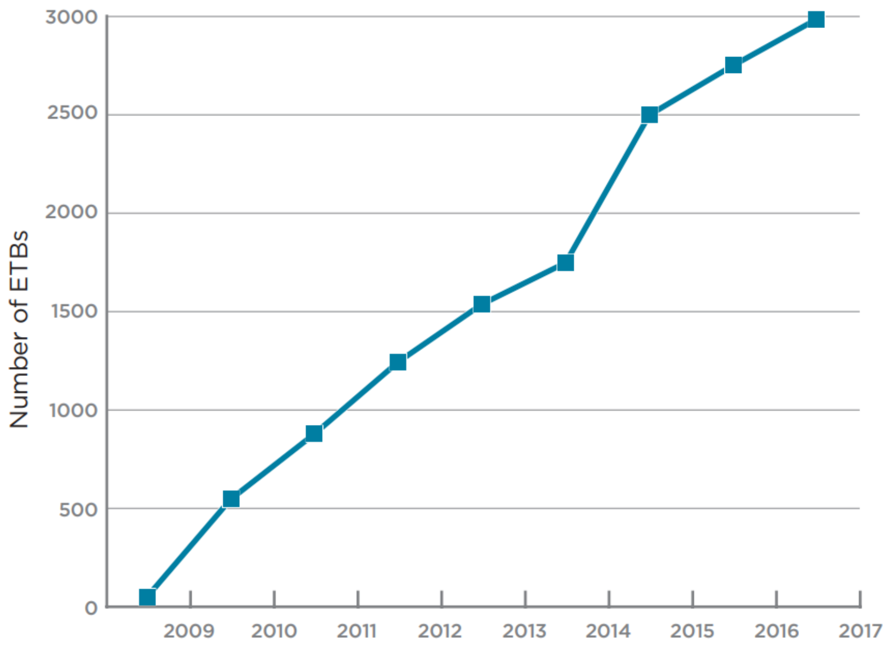
Notes: UK figures include EU students. Figures for the US and China may include students on exchange and study abroad programmes. Data for Australia is not yet available for 2017; data for Canada and China is not yet available for 2016 or 2017. Sources: HESA; Institute of International Education; Australian Government Department of Education & Training; China Scholarships Council; Statistics Canada; French Ministry of Higher Education, Research & Innovation.

New competitors in the international education sector

As well as the ambitious student growth strategies of traditional Anglophone competitor countries, the UK also faces increasing competition from new developments in the international education sector.

One significant change is non-English-speaking countries' expanding provision of university courses taught in English. This has been particularly important in continental Europe. Research published in 2017 by the European Association for International Education (EAIE) and international study platform StudyPortals found that there are 2,900 English-taught Bachelor's (ETBs) courses being offered at universities in continental Europe, up from just 55 in 2009 (a *fifty-fold* increase in eight years)[645].

Figure 56: Growth of ETBs in Europe 2009-2017



Source: European Association of International Education and StudyPortals

The countries with the highest amount of institutions offering ETBs are Germany (69 HEIs offering ETBs), the Netherlands (42), France (41) and Poland (40). Respondents interviewed during the EAIE research suggested that the main reasons for offering ETBs were to internationalise the institution, become more competitive, attract talent, prepare students for a global world and respond to a demographic shift.

[645] European Association of international Education and Study Portals (2017) *English-taught bachelor's programmes* available at https://www.studyportals.com/wp-content/uploads/2017/09/EAIE-StudyPortals-English-taught-bachelor-programmes-Europe.pdf

Separate research shows a stark increase in English-taught Master's from 725 in 2001[646] to 2,389 in 2007 and 8,089 in 2014.[647]

Another important trend is towards regionalisation in international education, with students becoming more likely to study in regional hub countries. In this context, the rapid growth of China as a host country is particularly important, as it has the potential to undercut the UK's ability to enrol students from Asia. International education has been a major part of Chinese diplomacy in the last decade; the number of Chinese students studying abroad has risen substantially and the government sponsors over 10,000 scholarships each year for foreign students to attend universities in China.

How other countries view international students

Part of the background to other countries' ambitious strategies to grow international student numbers is that they view international students differently in relation to immigration policy.

In many competitor countries, international students are classified as temporary or non-permanent residents, making it clear to the general public that during the course of their studies such individuals are not a long-term addition to the population. It is only upon switching to a work-based category offering a route to settlement that such countries begin to refer to them as permanent residents.

Examples of countries that take this approach include:

- Australia, which classifies international students as temporary entrants alongside business visitors, tourists and workers who have been granted a time-limited visa for work purposes[648]
- Canada, which categorises international students on a study permit as temporary residents
- The United States, which classifies international students as non-immigrant admissions alongside business and exchange visitors and others[649]

In all three countries, international students are clearly presented as temporary additions to the population until they switch into an immigration category that enables them to remain in the longer-term.

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[646] See Maiworm, F. & Wächter, B. (eds). (2002). *English-Language-Taught Degree Programmes in European Higher Education: Trends and Success Factors.* ACA Papers on International Cooperation in Education. Bonn: Lemmens

[647] See Maiworm, F. & Wächter, B. (eds). (2014). *English-Taught Programmes in European Higher Education: The State of Play in 2014*. ACA papers on international cooperation in education. Bonn: Lemmens

[648] For an example of how statistics on temporary entrants to Australia are presented, see https://www.homeaffairs.gov.au/ReportsandPublications/Documents/statistics/temp-entrants-aus-31-dec-2016.pdf.

[649] See Department of Homeland Security classifications of non-immigrants, available at https://www.dhs.gov/immigration-statistics/nonimmigrant/NonimmigrantCOA

This is in stark contrast to the UK, where students are categorised alongside individuals who have a route to permanent settlement. This does nothing to aid public understanding of migration trends and the contribution different types of individuals make.

The UK's competitiveness is also impacted by its visa offer and the attractiveness of post-study work opportunities. These are considered in turn below.

Visa offer

Since the review of Tier 4 in 2010/11, the UK's visa system has become increasingly onerous and complex. As the comparative table in Annex C shows, the visa requirements in the UK are more stringent compared to some key competitors. Notable differences include the limits on study time, restrictions on dependents, credibility interviews for most applicants and academic progression requirements. Although some components of the UK system are replicated in competitor systems, no other country requires applicants to meet the extensive range of requirements seen in the UK. For example, although Australia has strict English language requirements like the UK, it does not have limits on the maximum length of study (whereas the UK does).

Post-study work opportunities

The closure of Tier 1 Post Study Work (PSW) in 2012 was a significant development. This route was relatively open and in its final year of operation (2012), 38,505 graduating students took up the opportunity to work in the UK for up to two years.
The current post-study work opportunities are far more limited. Graduates now have four months[650] to secure a graduate-level job with a Tier 2 sponsor[651] and must meet minimum salary thresholds.[652] The number of individuals switching into a post-study work route has fallen dramatically since the closure of Tier 1 PSW and now stands at 6,037 (2016 figures).

As shown in the table in Annex D, the UK's post-study work offer is less generous than that of major competitors. Many competitors have also improved post-study work opportunities in their strategies to grow international student numbers.

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[650] The timeframe is six months for postgraduate students at the 27 institutions participating in the Tier 4 pilot.

[651] Many companies are not registered Tier 2 sponsors which further limits the employment opportunities available to graduating Tier 4 students

[652] The minimum salary required is £20,800 or the going rate for the job whichever is higher. For example, a graduating student securing employment as an entry level civil engineer would need to be offered a role paying £25,700 per annum.

11. Impact of policy changes

Since 2011, the government has introduced changes to the immigration system which have made it more difficult:

- For organisations to sponsor international students through the visa system,
- For international students to get visas to enable them to come to the UK to study
- For graduating international students to stay in the UK after they had finished studying

These changes have had significant impacts on the numbers and types of international students coming to the UK.

This section focuses on the changes for non-EU students as they are subject to the visa regime and have therefore been most affected by changes in immigration policy. The impact of policy changes on EU students are discussed at the end.

Stagnation in the numbers of non-EU students coming to the UK

In recent years, the number of non-EU students entering universities has stagnated. As can be seen in Figure 57 overleaf, numbers of new non-EU students have been falling since academic year 2013–14, the year following the removal of the Tier 1 (Post-Study Work) visa, and total numbers of non-EU students have been broadly static since the same year.

As outlined in section 10 on the UK's global position, this stagnation is happening in the context of growing numbers of tertiary education students looking to study internationally. UNESCO reports that 4.1 million people studied internationally in 2016, up from 3.5 million in 2011.[653] And the stagnation has happened following a number of changes to the UK's Tier 4 immigration system.

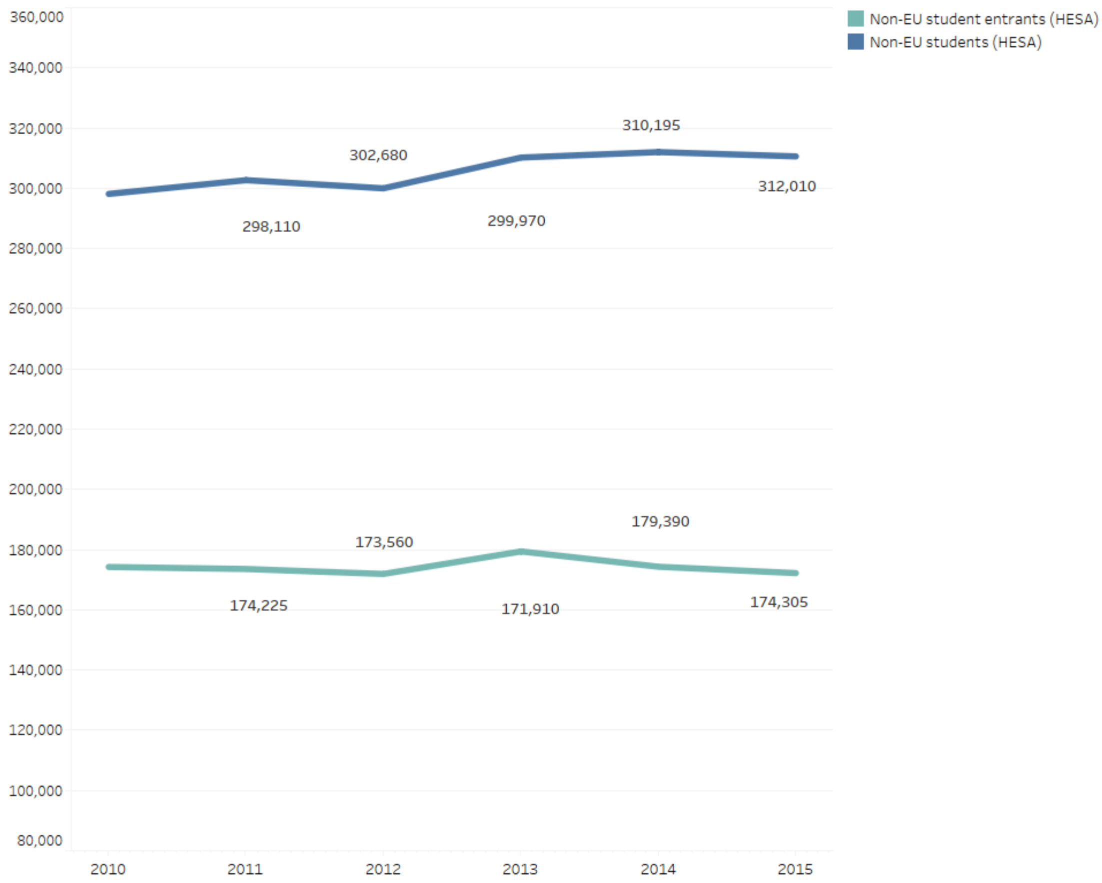
In 2011 the government introduced:

- new English language requirements for prospective students;
- new limits on which students can bring dependents to the UK;
- new maximum limits on how long international students can study in the UK for
- new requirements that students can only study for courses which 'represent academic progression' from any course previously studied in the UK

Following these changes, in 2012, the government removed the Tier 1 (Post-Study Work) visa. This had allowed students to stay in the UK for two years after graduation to job search and work and had been very popular with international students (see below).

[653] UNESCO (2017), Education indicators: outbound internationally mobile students by host region

Figure 57: New enrolments and total enrolments of non-EU students, 2011-2017



Source: HESA Student Record (multiple years).

Government also piloted credibility interviews in 2012, before introducing them across the higher education sector in 2013. Under this policy Home Office Entry Clearance Officers are allowed to interview those Tier 4 student applicants who are not from 'low-risk' countries, to ensure that they are 'credible' applicants, with performance in these interviews used to refuse some applicants. There are substantial concerns within the sector about the subjectivity of these interviews,[654] with particular concerns about how they are applied in, and to applicants from, certain countries.

In 2014, a new Immigration Act became law, further changing the immigration environment for international students. The Act introduced the NHS surcharge for Tier 4-sponsored students (see section 5 on the fiscal impact of international students for details), as well as requiring landlords to check their tenants' immigration status.

These changes have made the environment for non-EU students more hostile, making it more difficult for them to apply for a visa or to extend it for further study or work. The system is more complex and bureaucratic than in the past, and it is also more subjective. The use of credibility interviews relies on subjective decision-making by in-country Clearance Officers,

[654] See, for example, UKCISA (2013), *Tier 4 Credibility Interviews: UKCISA survey report*

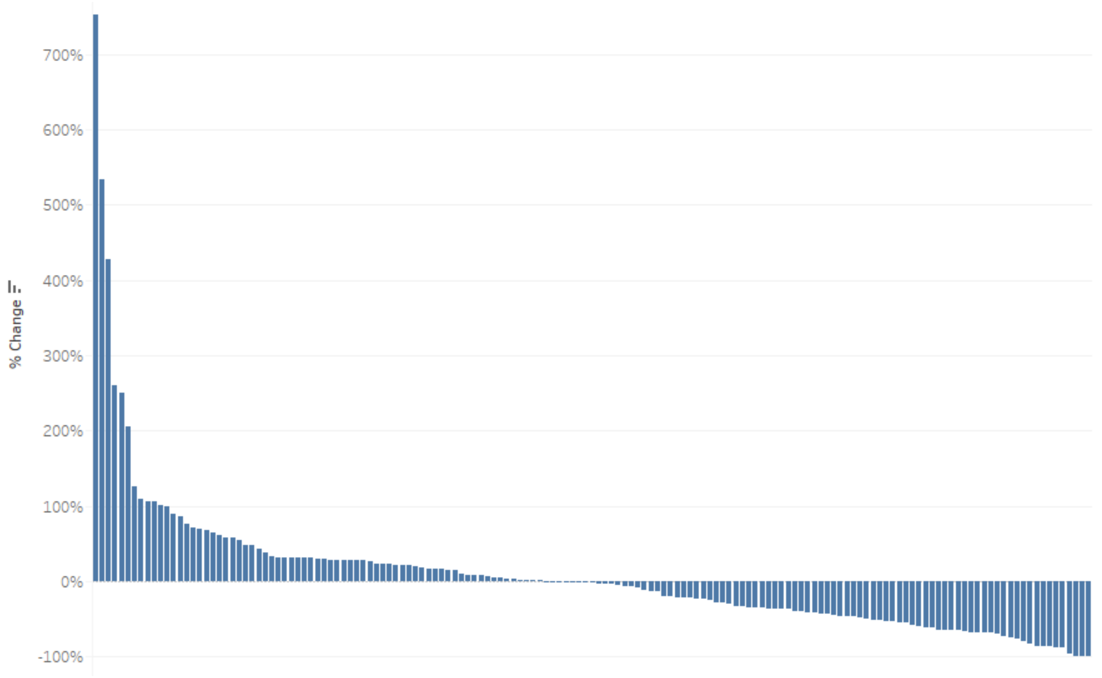
and the decision about which applicants are required to have an interview appears to be made on a subjective basis – often as a result of the country an applicant comes from or the institution an applicant is applying to study in. Applicants from some 'low risk' countries are also not required to submit the same level of evidence in support of their initial application.

The changes to the visa system have impacted on the number of students coming to the UK. In 2015 Hobsons surveyed 17,336 people who had looked into studying in the UK.[655] Nearly a third of those students decided against studying in the UK and six of the top seven reasons for deciding against the UK were related to the visa regime.

This impact on international student decision-making has affected all types of universities, including the most selective. As outlined in section 2, the introduction to international students, around half of UK universities saw a decrease in the number of international students registered across all courses between 2010–11 and 2015–16. These figures are even starker at postgraduate taught level. Despite some very strong increases, more than half of UK universities (81 out of the 155 offering PGT study and reporting to HESA for both years) had falls in the number of students enrolled, as shown in Figure 58 overleaf. Two of the institutions with the strongest increases are excluded from this chart as outliers; although their proportional increases were high, in absolute terms they amounted to just an additional 44 non-EU students in the sector (indeed the total number of students added by the nine institutions with the highest increases was just 735).

Figure 58: Proportional change in non-EU postgraduate taught students by institution, 2010–11 to 2015–16

[655] Hobsons (2015), *International Student Survey 2015: Value and the Modern International Student*



Source: HESA (multiple years), Student Record

The decrease in non-EU students also affected half of subject areas, with strong decreases in strategically important subjects. Non-EU students studying computer sciences at postgraduate taught level fell by 54% between 2010–11 and 2015–16, and those studying engineering fell by 26%. Other subjects to see falls were subjects allied to medicine (-22%), physics (-15%), medicine and dentistry (-10%), languages (-9%), law (-3%) and history and philosophy (-1%).

<u>The impact of changes to post-study work</u>

We know that the ability to work in their host country following graduation forms part of prospective international students' decision-making about where to study.[656] The changes to post-study work are therefore likely to be a factor in the stagnation of international student numbers in the UK. They have certainly changed the number of students on Tier 4 visas switching onto work-based visas, with a fall of 87% between 2011 and 2016.

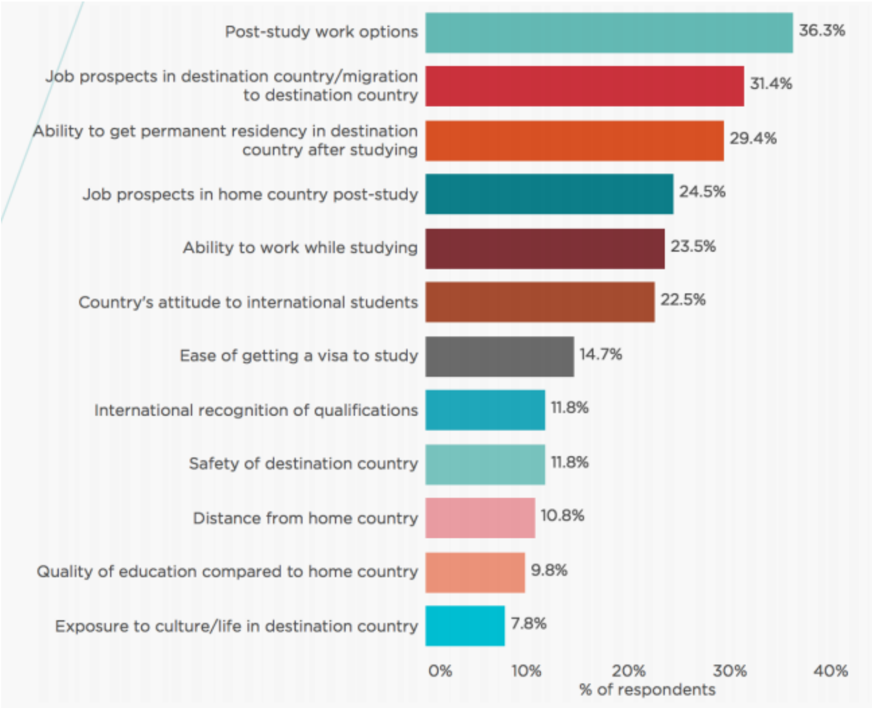
In 2015, Hobsons found that 36% of prospective students who chose not to study in the UK cited post-study work options as a reason for their decision.[657] This was the principal factor cited as a reason for not studying in the UK, followed by two very similar concerns about job prospects in the UK and ability to stay in the UK. Other surveys offer similar findings.[658]

[656] See, for example, Hobsons (2017), *International Student Survey 2017: Welcoming the World – Maintaining the UK's status as a top global study destination*.

[657] Hobsons (2015), *International Student Survey 2015: Value and the Modern International Student*

[658] See, for example, IDP's surveys on the perceptions of international students in 2013, 2014, and 2015, and Hobson's (2016), *Building a Sustainable International Strategy Using Student Intelligence Data: International Student Survey 2016*

Figure 59: Reasons for not studying in the UK



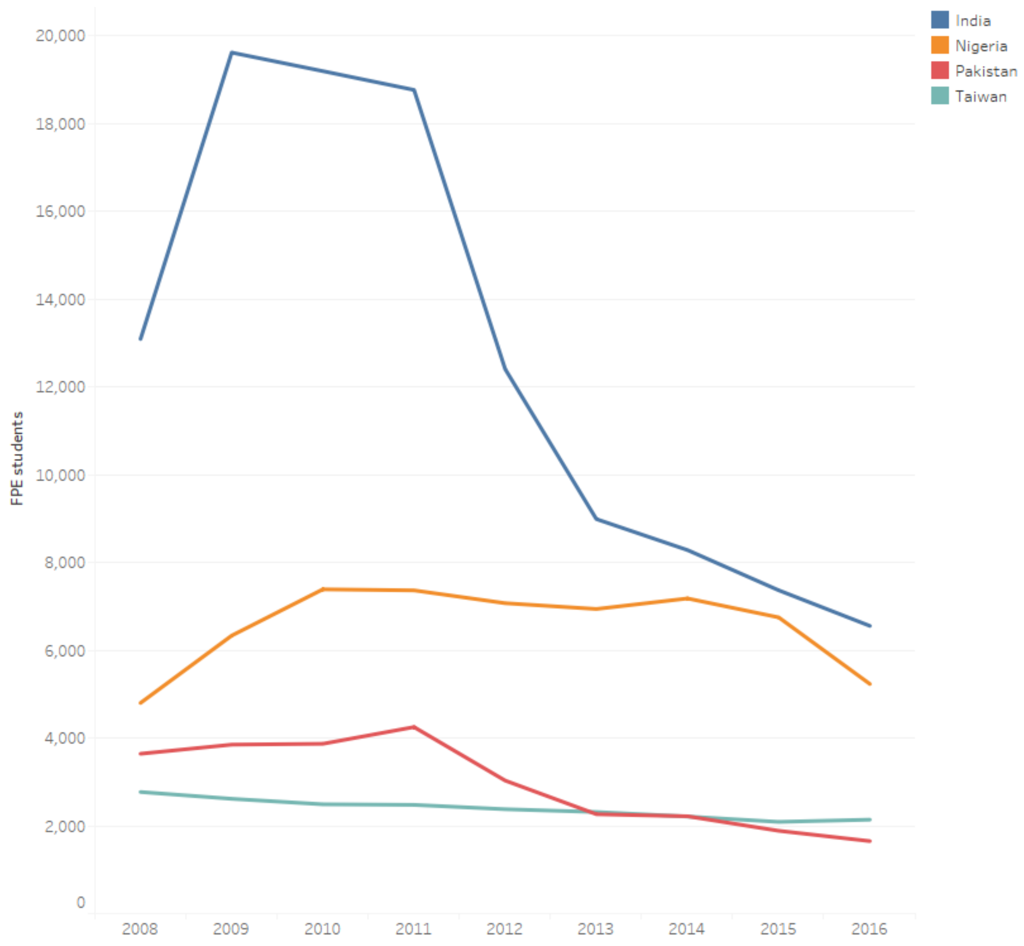
Source: Hobsons (2015), *International Student Survey 2015: Value and the Modern International Student*

Changes to post-study work policy are particularly likely to have affected the number of students coming from Nigeria, India, Taiwan and Pakistan. An i-Graduate survey for the former Department for Business, Innovation and Skills of non-EU students who had graduated from UK universities in 2010 found that 63% of graduates from Pakistan, 56% of graduates from Taiwan, 55% of graduates from India and 54% of graduates from Nigeria wanted to seek long-term employment in the UK in the next five years.[659] Nearly half (48%) of the Indian graduates surveyed had already applied for a work visa, and 42% of Nigerian graduates had done the same.

These graduates are from the cohort before the visa changes were introduced, but it is likely that students from these countries continue to have similar motivations and plans. In all cases, numbers of first year students from these countries have fallen since 2010–11, with particular falls in the numbers of new postgraduate students. The chart below shows new postgraduate students from India, Nigeria, Pakistan and Taiwan between 2007–08 to 2015–16, with clear falls visible in all four countries from 2010–11 onwards.

Figure 60: First year postgraduate students from India, Nigeria, Pakistan and Taiwan, 2007–08 to 2015–16

[659] BIS (2012), *Tracking International Graduate Outcomes 2011*



Source: HESA (multiple years), *Student Record*

One reason that postgraduate taught students are particularly affected by the changes to post-study work entitlement is the timing of the graduate recruitment cycle. The majority of graduate schemes recruit in January and start in September. Postgraduate taught students are generally on intensive one-year courses, and will not be able to look for work in January (when they will be busy completing essays or exams) or to start work in September (when they will be completing their dissertation). They will therefore find it difficult to find and start graduate-level employment in the four months they are allocated post-graduation.

The changes to the post-study work system have also had a significant impact on the numbers of students switching into a post-study work visa with the numbers falling by 87% between 2011 and 2016.

Increasing complexity

As described earlier, the UK's student visa system has experienced a series of significant changes since a review of the route in 2010–11. These changes include limits on study time, restrictions on dependents, credibility interviews, an increase in English language requirements and the introduction of academic progression requirements.

This has left a complex Tier 4 system in which students must navigate a series of stringent requirements to secure a visa. As the comparative table in Annex C shows, the visa requirements in the UK are onerous compared to some key competitors.

Further, in recent years the system has introduced subjective decision-making with the roll-out of credibility interviews. The current system is significantly removed from the original concept of Tier 4 which was intended to promote simplicity, transparency, objectivity, robustness and flexibility.[660] The introduction of subjectivity has had a differential impact on institutions with some institutions reporting visa refusal decisions based on judgements relating to an applicant's choice of university and their family background.

Further differentiation in the system has also resulted from the Tier 4 pilot which affords certain benefits to a sub-set of institutions (originally four, but recently expanded to 27 in total). This has resulted in some institutions being able to offer an enhanced post-study work option to students as well as an enhanced process for securing a visa. It is positive that the government is considering improvements to the UK's but the methodology for selecting participants (via visa refusal rates) places some institutions at a clear advantage. As visa compliance is high across the sector (as evidenced in the next section) there is scope for introducing a level playing field.

The student visa system has also become costlier for applicants with the introduction of the NHS surcharge. This requires students to pay £150 for each year of their grant of leave (and the same amount for each dependent). This can significantly increase the up-front costs of securing a visa (a student with one dependent who has applied for a three-year visa would be required to pay £900).

The tightening of Tier 4 has coincided with other countries seeking to streamline their visa processing system for foreign students. One such example is Australia which introduced its Simplified Student Visa Framework in 2016.[661]

Changes in the numbers of students staying in the UK

The changes in policy have also affected the number of students staying on after they have finished their degrees, and the proportions transferring to other forms of visa.

In February 2017, the Home Office published data showing that the proportion of people on Tier 4 study visas who had leave to remain in the UK after five years had decreased in each cohort from 2004 to 2010, from 31% for those who arrived in 2004 to 19% for those who

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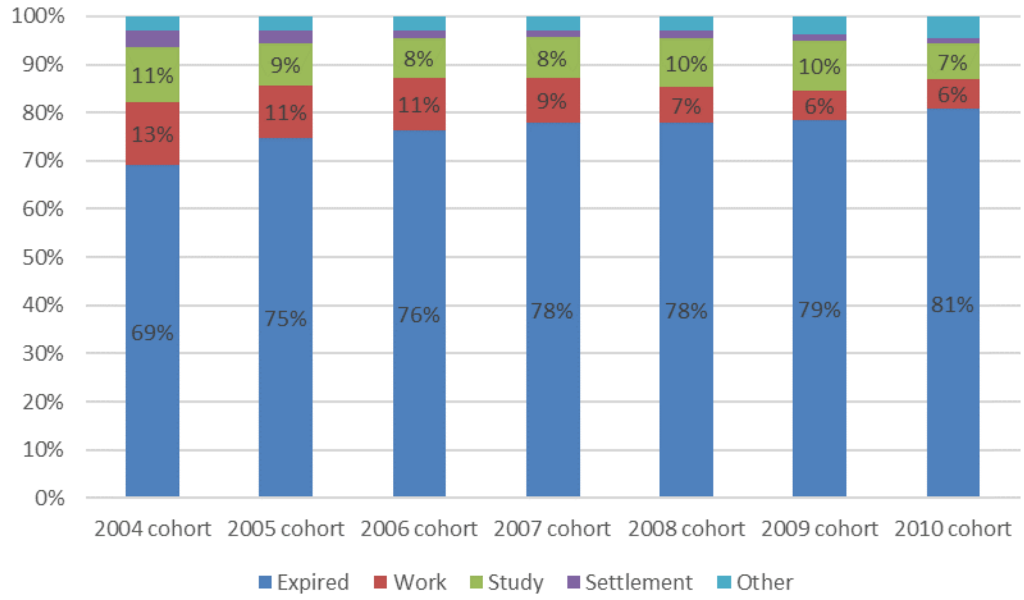
[660] House of Commons Library (2016) *Briefing Paper 7662: The UK's points-based system for immigration*.
[661] See https://www.studyinaustralia.gov.au/news/simplified-student-visa-changes-from-july-1

arrived in 2010.[662] Nearly half of those granted study visas in 2010 no longer had leave to remain after just two years, rising to 61% after three years and 74% after four years. The proportion of former students who gained settlement also fell, from 4% for the 2004 cohort to just 1% for the 2010 cohort.

Figure 61: Status after five years by cohort for migrants entering via study route

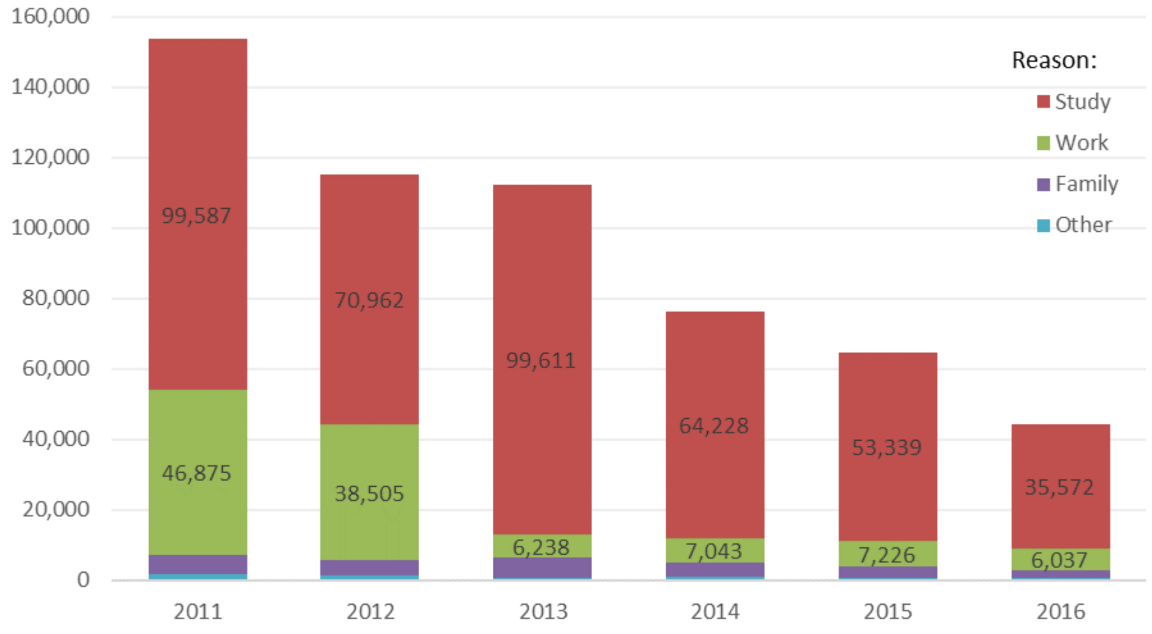


Source: Home Office (2017), Statistics on changes in migrants' visa and leave status: 2015

More immediately, the changes have had a dramatic impact on the number of Tier 4 students extending their visas or transferring to another form of visa. Numbers of Tier 4 visa holders who extend their visa have fallen from 153,632 in 2011 to just 44,398 in 2016. The biggest fall has been in the number of students extending their visa to enter work, which fell by 87% between 2011 and 2016, from 46,875 to 6,037. This is followed by the number of students extending their visa for further study, down from 99,587 in 2011 to 35,572 – a fall of 64% (see Figure 62).

Figure 62: Tier 4 visa extensions by reason

[662] Home Office (2017), Statistics on changes in migrants' visa and leave status: 2015



Source: Home Office (2017), Immigration statistics: Extensions of stay

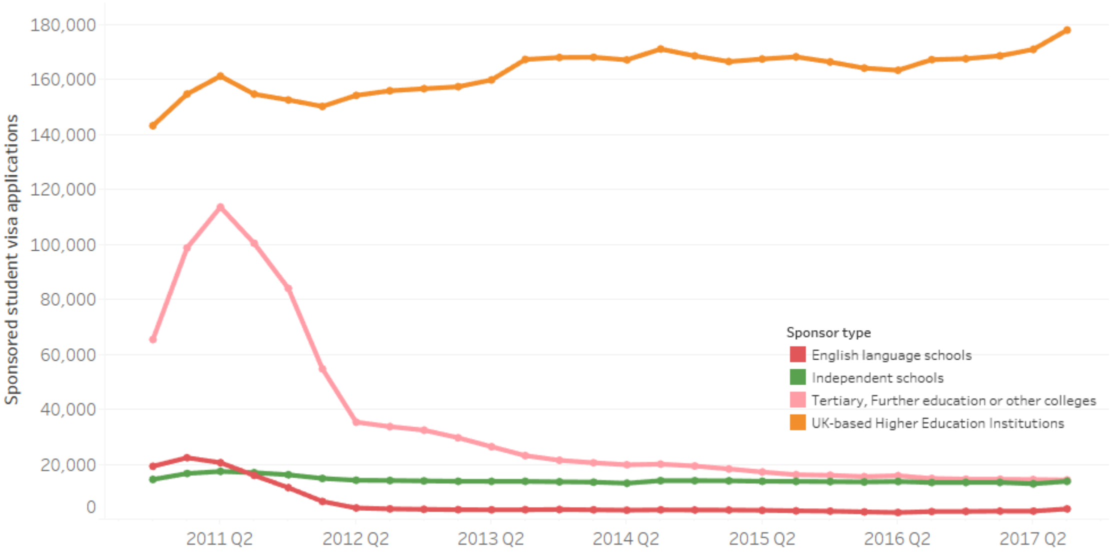
Changes in Tier 4 visa sponsorship

A further impact of the changes has been in the proportion of Tier 4 students sponsored by universities, rather than by further education colleges, English language schools or independent schools.[663] In the year to June 2011, universities sponsored 50% of all Tier 4 visa applicants. In the year to September 2017, the latest data we have from the Home Office, universities sponsored 84% of all Tier 4 visa applicants.

These changes have implications for pathways into higher education. A decline in students entering the UK at pre-degree level may result in a reduction in the number of international students progressing to higher education.

[663] All statistics in this paragraph taken from UUK analysis of Home Office Immigration Statistics: Sponsorship tables, table cs_09_q

Figure 63: Tier 4 visa applications by type of sponsor, 2011 to 2017

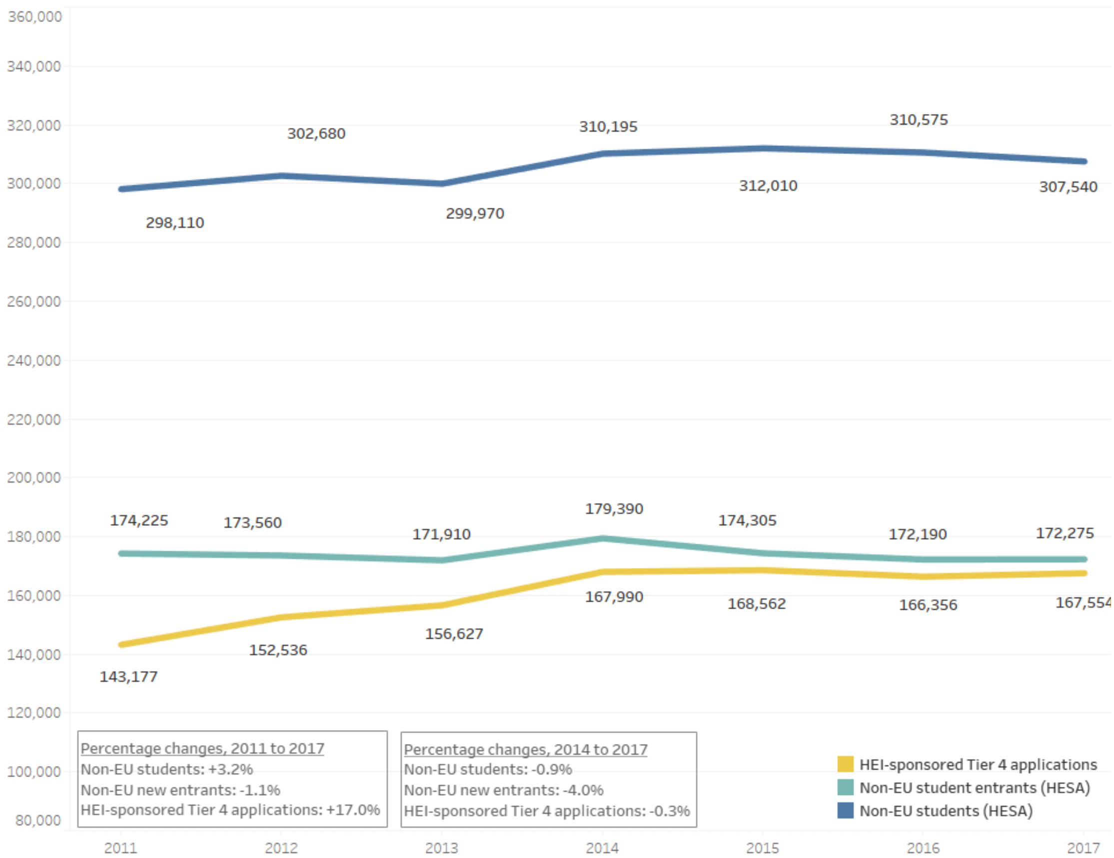


Source: UUK analysis of Home Office Immigration Statistics: sponsorship table cs_09_q

The biggest falls have been in visa applicants sponsored by further education colleges. These have fallen from 113,563 (or 35% of the total) in the year to June 2011, to 14,278 (or 7% of the total) in the year to September 2017. This reflects the difficulties of fulfilling the terms of the new compliance regime, with a number of further education colleges and alternative providers of higher education deciding against renewing their Tier 4 licenses.

The policy changes since 2010 have also seen an increase in the number of visa applications made by Tier 4 applicants who are sponsored by a higher education institution. Numbers of Higher Education Institution-sponsored Tier 4 visa applicants have increased by 17% between 2010 and 2016, but as discussed above and illustrated in Figure 64, this has not resulted in commensurate increases in the numbers of non-EU students entering UK universities.

Figure 64: Non-EU students and HEI-sponsored Tier 4 visa applicants, 2011-2017



Source: HESA (multiple years), Student Record and Home Office (2017), visa sponsorship tables

As shown in the figure above, HEI-sponsored Tier 4 applications increased by 17% between 2011 and 2017, while non-EU student enrolments only increased 3.2%. New entrants fell by 1.1% over the same timeframe. It is difficult to explain fully why these trends occur but one reason may be that immigration policy changes in recent years have resulted in individual students having to make multiple visa applications. For example, under the previous system, many students doing pre-sessional courses at a university before taking up a place on a degree course could apply for a single visa to cover both courses. Following the changes, most of these students must now make separate applications to cover each course. As a result, some of the increase in visa applications may be the result of the same students making multiple applications rather than an actual increase in individuals applying.

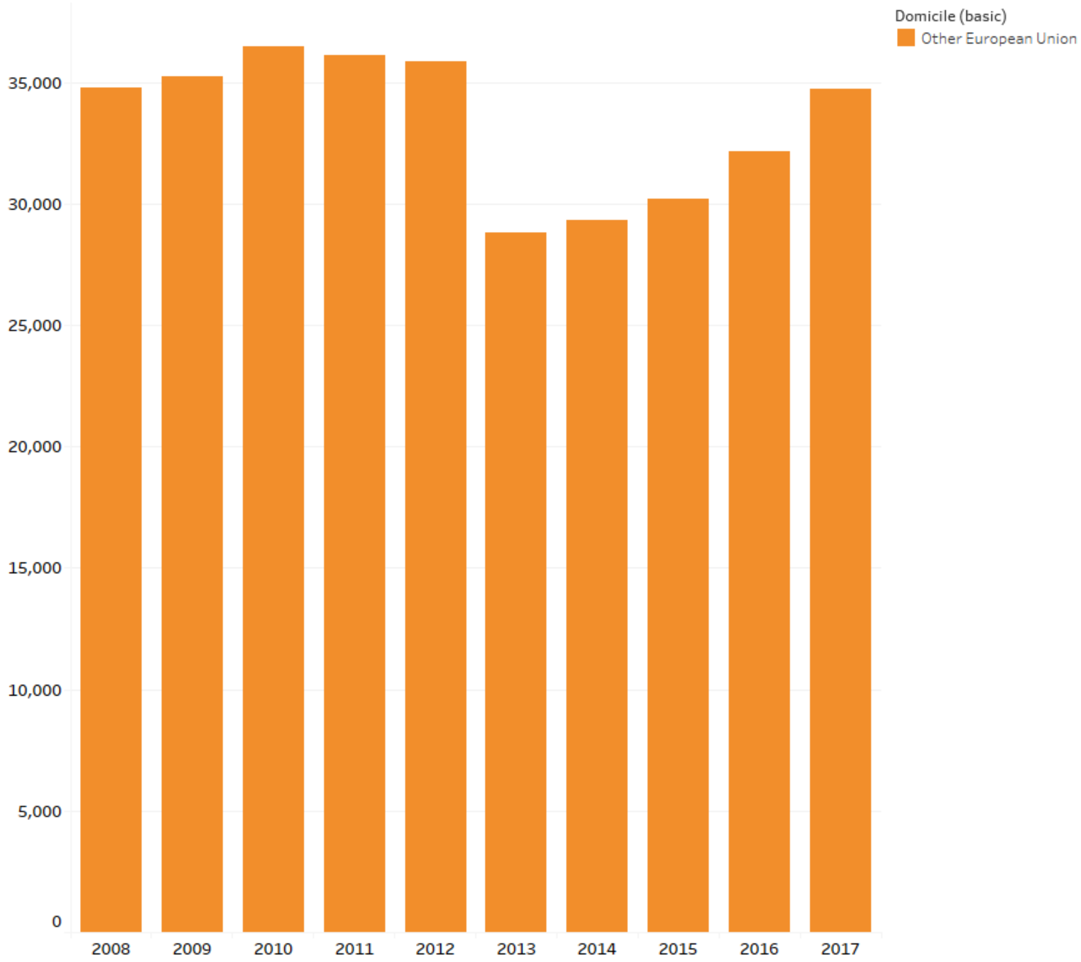
The gap between applications and enrolments may also be partly attributable to students who have successfully applied for a visa deciding against coming to the UK. This is unlikely to be a huge figure as universities are assessed on their enrolment rates and risk losing their licence to sponsor non-EU students if too many fail to enrol.

Another possible explanation for different trends in visa applications and total enrolments could also be changes to the student demographic. As highlighted earlier, Chinese student numbers have increased in recent years and Indian numbers have fallen dramatically. Chinese students are more likely to enter at undergraduate level and progress to a master's, a process that would require them making several visa applications for initial leave and then an extension. Indian students are more likely to come for a postgraduate course which would require one visa. The rise in students who are likely to make more than one visa application may explain why visa applications have risen but actual student numbers have not increased at the same rate.

Impact of policy changes on EU students

There have been two principal policy changes which have affected EU students. The first was the increase in undergraduate Home/EU tuition fees in England in 2012. Following this the number of new EU undergraduate students fell sharply, from 35,835 in 2011–12 to 28,800 in 2012–13 (-20%). As with new UK undergraduates, numbers have been rising since that point, and 2016 saw record levels of EU students apply for and accept a full-time undergraduate place at UK universities through UCAS. The numbers of new EU entrants in 2016–17 were 8% higher than in 2015–16, though they have not yet reached the levels seen before the introduction of higher level fees in England and Wales.

Figure 65: New EU undergraduate entrants, 2007–08 to 2015–16



Source: HESA (multiple years), *Student Record*

The second policy change to affect EU students is the decision to withdraw the UK from the EU. It is not yet clear what the impact of this decision will be. The government has already confirmed that all students entering UK universities in academic years 2016–17, 2017–18 and 2018–19 will have their fee and loan status maintained throughout their degree; that is they will qualify for tuition fee loans and will have the same fee status as UK students. However, the 2017 UCAS cycle has shown that numbers of EU applicants have fallen by 4% and, despite an increase in the acceptance rate for EU applicants, the number of students accepted from the EU has fallen by 2%.[664]

12. The future student migration system

The substantive evidence presented in this submission demonstrates that international students bring substantial benefits to the UK. These benefits are not limited to the universities in which non-UK students study but extend to the wider community, the national economy and the UK's global standing.

[664] UCAS (2017), *End of cycle report 2017: Patterns by geography*

Despite these clear benefits, recent UK policy initiatives have hampered growth in non-UK student numbers at a time when more students than ever before are seeking a higher education experience outside of their home country.

A change in policy is needed.

This section offers recommendations on what is required for the UK to capitalise on its position as the world's second most popular destination for international students.

Public opinion

Public opinion polling consistently indicates that the UK public view international students positively and do not view them as immigrants.

2016 polling conducted by ComRes for Universities UK, revealed that only a quarter (24%) of British adults think of international students as immigrants. Of those that expressed a view, 75% say they would like to see the same number, or more, international students in the UK, a figure which jumped to 87% once information on the economic benefits of international students was provided.[665]

The poll also revealed that most of the British public (91%) think that international students should be able to stay and work in the UK for a period of time after they have completed their study.

The poll, based on the views of over 2,000 British adults, found that:

- Of those that expressed a view, 75% say they would like to see the same number, or more, international students in the UK
- Of those who expressed a view, 71% say they would support a policy to help boost growth by increasing overseas students, with only 7% saying they would strongly oppose such a policy. 25% of British adults did not express an opinion on this issue
- 91% think that international students should be able to stay and work in the UK for a period of time after they have completed their study
- Just 25% of Leave and 23% of Remain voters said that they think of international students as immigrants
- Of those that expressed a view, 81% agree that international students have a positive impact on local economies and towns in which they study

[665] See http://www.universitiesuk.ac.uk/news/Pages/New-poll-%E2%80%93-cutting-international-student-numbers-will-not-address-public-immigration-concerns.aspx and http://www.comresglobal.com/polls/universities-uk-international-students-poll/ for full data tables

A 2014 report published by Universities UK and British Future highlighted the results of earlier opinion polling which were similarly positive.[666]

Most recently, further work by British Future and Hope Not Hate has shown that international students are generally viewed as contributors and are perceived to be an asset. Their higher fees are seen as cross-subsidising the education of UK students, as well contributing to the local economy.[667]

The quality of UK higher education

The evidence presented in this submission demonstrates that the UK provides its non-UK students with a valuable experience that the clear majority would recommend to their peers. The UK's higher education system is renowned for the quality of its provision across all levels of study, a fact which is instrumental in attracting students from abroad to study here as shown by the competitive advantage reports referenced earlier in this submission.

As well as providing a quality offer, universities recruiting non-EU students must meet a comprehensive range of requirements to do so. These include meeting minimum thresholds for visa refusals, student enrolments and course completions. In addition, sponsors must monitor student attendance and formally notify UK Visas and Immigration in a range of situations such as when a student completes their course early. These are responsibilities that higher education institutions take extremely seriously and as indicated in the section below, compliance is high.

Student overstaying

In recent years, it has often been claimed that significant numbers of non-EU students overstay their visas. Recent data from the ONS show that this is not the case and at least 97% of individuals who came to the UK as students either depart once their leave to remain expires or stay on legitimately (by extending their study visa or switching to a different visa category)[668].

This new data indicates that the public can have confidence that UK universities are recruiting genuine students who wish to experience and benefit from the UK's world-leading higher education system.

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[666] British Future and Universities UK (2014) *International students and the UK immigration debate* available at http://www.universitiesuk.ac.uk/policy-and-analysis/reports/Documents/2014/international-students-immigration-debate.pdf

[667] British Future and Hope Not Hate (2018) *National Conversation on Immigration. An interim report to the Home Affairs Committee*. Available at http://nationalconversation.uk/wp-content/uploads/2018/01/national-conversation-interim-report-2018-01-v4.pdf

[668] Office for National Statistics (2017) *What's happening with international student migration?* available at https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/internationalmigration/articles/whatshappeningwithinternationalstudentmigration/2017-08-24

In her commissioning letter to the Chair of the MAC, the Home Secretary Amber Rudd MP confirmed these high levels of compliance stating "*it is clear that students are indeed now very largely compliant with immigration rules*"[669].

The future system

The quality of the UK's higher education system, the low levels of student overstaying and the results of numerous national opinion polls suggest there would be strong public support for more progressive and ambitious policies to attract non-UK students to the UK. **The UK government should therefore take positive policy decisions to support universities to grow their international student numbers**, as follows:

- Remove students from the net migration target
- Launch an ambitious, cross-Government strategy to increase international student numbers
- Enhance post-study work opportunities to support skilled international students to live and work in the UK for a defined period following graduation and make the UK more competitive in the international student market. This could be achieved by removing or altering the current barriers that restrict students from accessing post-study work such as minimum salary thresholds and the short timeframe students currently have to secure a job.
- Execute a significant and sustained international campaign to encourage international students to choose the UK as their preferred study destination for high quality higher education, counteracting the less than welcoming impression of recent years
- Improve the compliance regime for sponsors of international students
- Ensure there is a level and transparent playing field for international student recruitment across the UK's universities

[669] See letter to Professor Alan Manning (24 August 2017) available at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/639814/HS_to_MAC_-_students.pdf

Annex A: The impact of transnational education compared to inward recruitment

It is sometimes suggested that UK universities do not need to recruit international students into the country as they can educate them via transnational education (TNE) activities. This annex will explain why this is not a feasible option and why TNE, whilst a valuable and growing option for internationalising, should be used a supplement to inward recruitment, not a replacement for it.

TNE is the delivery of awards in a country other than where the awarding body is based. The UK is a world-leading TNE provider; delivering higher education to over 200 countries and territories, and over 700,000 students.

The UK's higher education TNE is delivered in many ways, including through online/distance learning (either with or without local support), through local delivery partnerships (e.g. franchised delivery, joint and dual degrees, twinning arrangements, validation and quality arrangements) or through a UK institution's physical presence in another country (e.g. branch campus, study centre or through fly-in faculty).

It is delivered across almost all academic areas at all levels of study (undergraduate, postgraduate taught and postgraduate research), often with the option to study part time or full-time. TNE can assist with capacity building elsewhere by enabling students who might not otherwise access UK programmes to do so by studying at or near their home country.

TNE is a growing phenomenon in the UK particularly as universities seek to diversify their international strategies – between 2012–13 and 2015–16 it grew by 17%. That rate slowed to 1% in the last year, but nonetheless remains significant. The value of transnational education offered by UK higher education institutions grew by 56% between 2010 and 2014 from £350m to £550m. Significant programmes of activity are being implemented to support UK universities to expand their TNE activities successfully[670] and TNE programmes can act as an effective pipeline for onshore recruitment particularly via articulation arrangements.

Although TNE has clear economic and wider benefits, it should be viewed as an addition to inward recruitment of students and not a direct replacement for it. The export earnings associated with TNE are very modest in comparison with onshore recruitment (£550m compared to £10.8bn). Furthermore, the legal and procurement frameworks which exist in some countries can prevent money from TNE activities being diverted back to the UK. The potential failure of TNE can also be high-cost, and universities take into account these concerns in terms of reputation and global footprint, rather than cashflow alone. TNE can be risky, extremely expensive and take a significant period to develop and establish.

[670] Examples include seedcorn funding through the British Council, and designed in partnership with Universities UK International; the recent secondment of a university international director to the Department for International Trade to ensure that education is accurately represented in their export focused delegations and strategies

Restrictive legal and procurement frameworks can restrict the extent to which TNE activities ultimately benefit UK students, a significant contrast to the widespread impact of inward recruitment on the domestic student experience and capital investment programmes and the significant economic benefits to universities and local regions of non-UK students and their on-campus and off-campus expenditure. As higher education TNE students are based overseas for most of their degree, TNE activities cannot replicate these same direct benefits to regional economies within the UK. Nonetheless, TNE still has an important role to play as a route to the UK for students articulating in later years of their programme, especially from China and Malaysia. These students tend to spend money in the UK for no more than one year, rather than the three years or more that international undergraduate students studying in the UK will contribute.

Evidence published by the Department for Education noted that the potential soft power impact of TNE appears to be markedly lower than may be achieved from international alumni who have studied in the UK.[671] The report also asserted that physical mobility to the UK appears to be a strong driver of development of students into informal UK ambassadors as alumni.[672]

TNE is a significant part of many universities' internationalisation strategies, and works alongside other activities, including student recruitment. It is not a replacement for attracting non-UK students to come to the UK to study.

Annex B: World leaders educated at UK higher education institutions

Source: Higher Education Policy Institute (accurate as at August 2017

Country	**Leader**	**Institution(s)**
Antigua and Barbuda	Gaston Browne	University of Manchester; City Banking College
Australia	Malcolm Turnbull	University of Oxford
Bahrain	Prince Khalifa bin Salman Al Khalifa	(unknown)
Belgium	Philippe	University of Oxford
Bhutan	Jigme Khesar Namgyel Wangchuck	University of Oxford
Bosnia and Herzegovina	Mladen Ivanić	University of Glasgow
Burma	Htin Kyaw	Institute of Computer Science, University of Londo
Burma	Aung San Suu Kyi	University of Oxford
Colombia	Juan Manuel Santos	London School of Economics
Cyprus	Nicos Anastasiades	University College London
Denmark	Margrethe II	University of Cambridge

[671] Department for Education (2017) *The wider benefits of transnational education to the UK* available at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/624364/CRAC_TNE_report_final.pdf

[672] Ibid.

Dominica	Charles Savarin	Ruskin College
The Gambia	Adama Barrow	(unknown)
Ghana	Nana Akufo-Addo	University of Oxford
Hungary	Viktor Orbán	University of Oxford
Iceland	Guðni Th. Jóhannesson	University of Warwick; University of Oxford; Queen London
Iran	Hassan Rouhani	Glasgow Caledonian University
Iraq	Haider Jawad Kadhim Al-Abadi	University of Manchester
Ireland	Michael D Higgins	University of Manchester
Jordan	Abdullah II	University of Oxford
Lesotho	Letsie III	University of Bristol; University of Cambridge; Wye
Malawi	Peter Mutharika	University of London
Malaysia	Muhammad V	University of Oxford; European Business School, L
Malaysia	Najib Razak	University of Nottingham
Malta	Joseph Muscat	University of Bristol
Mauritius	Ameenah Gurib	University of Surrey; University of Exeter
Mauritius	Pravind Jugnauth	University of Buckingham
Monaco	Albert II	University of Bristol
Mozambique	Filipe Nyusi	University of Manchester
Mozambique	Carlos Agostinho do Rosário	Wye College, London
Namibia	Hage Geingob	University of Leeds
Nepal	Sher Bahadur Deuba	London School of Economics
Nigeria	Yemi Osinbajo	London School of Economics
Norway	Harald V	University of Oxford
Palestine	Rami Hadallah	University of Manchester; Lancaster University
Peru	Pedro Pablo Kuczynski	University of Oxford
Peru	Fernando Zavala	University of Birmingham
Saint Vincent and the Grenadines	Ralph Gonsalves	University of Manchester
Serbia	Ana Brnabić	University of Hull
Singapore	Lee Hsien Loong	University of Cambridge
Somalia	Hassan Ali Khayre	Edinburgh Business School, Heriot-Watt University
Tonga	Tupou VI	University of East Anglia
Tuvalu	Enele Sopoaga	University of Oxford; University of Sussex
Yemen	Abd Rabbuh Mansur Hadi	(unknown)
Taiwan	Tsai Ing-wen	London School of Economics
Somaliland	Ahmed Mohamed Mohamoud	University of Manchester

Annex C: The UK student visa system compared to key competitors

	UK (Tier 4 visa)	Australia (Student visa – subclass 500)	Canada (Study Permit)	New Zealand (Student Visa)	USA (F1 visa)
English language requirement to secure a visa for degree level study	A B2 level of English in all four components of language (IELTS 5.5) is required to obtain a visa	Many applicants are exempted from providing proof of English language proficiency. An IELTS score of 5.5 is required, or less if the applicant will be undertaking intensive English study. A range of other tests are also accepted.	No proof of English language required to obtain a visa.	The education provider must declare they are satisfied with the applicant's English language ability, but applicants do not need to provide proof to the immigration authorities.	Applicants must be prepared to provide test scores from English language tests, as well as other standardised tests.
Sponsor	Applicants must be issued with a Confirmation of Acceptance of Studies (CAS) from a registered Tier 4 sponsor to be able to make a visa application.	Applicants must have been accepted for full-time study in a registered course to be eligible – proof of this is via an electronic Confirmation of Enrolment.	Individuals applying for a student visa must obtain a letter of acceptance from the institution at which they wish to study.	Applicants must have an offer of a place on a course at an approved education provider.	All student visa applicants must have a SEVIS (Student and Exchange Visitor Information System) generated I-20 issued by an educational institution approved by Department of Homeland Security, which they submit when they are applying for their student visa.
Interview	All applicants aside from those from low risk countries and those participating in the Tier 4 pilot must have an initial Skype interview. Some may then be required to attend an in-person interview.	Applicants may be asked to attend an interview if deemed necessary.	Applicants may be asked to attend an interview if the visa office where they have applied deems it is necessary	Interviews do not form part of the visa assessment process.	As part of the visa application process, an interview at the embassy consular section is required for visa applicants from age 14 to 79, with few exceptions.
	UK (Tier 4 visa)	**Australia (Student visa subclass 500)**	**Canada (Study Permit)**	**New Zealand (Student Visa)**	**USA (F1 visa)**

Genuine intent?	No assessment of genuine intent (aside from credibility interview questions)	Applicants must demonstrate that they genuinely intend to stay in Australia temporarily (Genuine Temporary Entrant [GTE] requirement) The factors considered during assessment of the GTE requirement include: personal circumstances in their home country, their potential circumstances in Australia, the value of the course to the applicant's future, the applicant's immigration history, and any other matter that is relevant to their intention to remain in Australia temporarily. The GTE is not designed to exclude students who, after studying in Australia, develop the skills required by the Australian labour market and apply to become permanent residents.	Applicants must satisfy an immigration officer that they will leave Canada at the end of their authorised stay.	Applicants must demonstrate that they genuinely intend to comply with the conditions of their visa. They must have a ticket to leave New Zealand, or proof of adequate funds to purchase a ticket to leave, in addition to funds for living on.	Applicants must demonstrate that they have a residence in a country other than the US and strong ties to their home country which will induce them to return on completing their studies.

	UK (Tier 4 visa)	Australia (Student visa subclass 500)	Canada (Study Permit)	New Zealand (Student Visa)	USA (F1 visa)
Maintenance funds	Yes	Yes - applicants must have enough money to pay for travel, tuition and living expenses for themselves and accompanying family members for the duration of their stay in Australia. The requirement can be met in various ways, and not all applicants are required to provide documentary evidence.	Yes - applicants must prove they have sufficient funds to support themselves and any family members who come with them.	Yes - applicants must show they are able to meet their living costs during their stay.	Yes – applicants must show how they will cover tuition fees and living costs.
Academic progression	Yes	Yes – students can apply to undertake two or more courses on their visa where there is clear progression from one course to another.	No	A separate visa category, the Pathway Student Visa, allows applicants to study up to 3 consecutive courses over up to 5 years.	No
Dependants (can they come and can they work whilst here?)	Those studying postgraduate courses of more than 12 months only	Students can bring eligible family members to Australia on the same visa. Family members can work with the same limitations as students, unless the student is enrolled in a masters or doctoral degree, in which case family members have unrestricted work rights.	Students may bring dependent children to Canada. Spouses and common law partners are eligible for a separate permit, which gives unrestricted work rights and is valid for the duration of the primary study permit.	Partners and dependent children of student visa holders can apply for a work visa, if the student is studying a postgraduate qualification or qualification in a specified skills shortage area. These visas give full work rights.	Spouses and children of F-1 visa holders may apply for an F-2 visa. They are not permitted to work.

	UK (Tier 4 visa)	Australia (Student visa subclass 500)	Canada (Study Permit)	New Zealand (Student Visa)	USA (F1 visa)
Work rights	20 hours/ week	Students may work 40 hours per fortnight when their course is in session, and unlimited hours when it is not. Voluntary work of benefit to the community is not included in the 40-hour limit. Postgraduate research students have no limit on the number of hours they may work.	Yes. Students can work on campus without restriction, or off campus up to 20 hours per week and without restriction during university breaks.	Yes. Students may work up to 20 hours per week, and full-time during holiday periods. Postgraduate research students have no limit on the number of hours they may work.	Yes, restricted to on-campus employment. Authorisation for off-campus employment directly related to the area of study can be sought after the first academic year.
Police registration/ certificate	Students of certain nationalities are required to register with the police on entering the UK	Applicants must be of good character, and may have to provide a police certificate as evidence of this.	Applicants must be law-abiding with no criminal record. They may have to provide a police certificate.	Students are required to provide a police certificate only if they intend to stay in New Zealand for more than 24 months.	Applicants for a student visa do not need to provide a police certificate.
Health	Health surcharge - £150 per year of visa granted from April 2015 (if course of more than six months) Residents of certain countries are required to be screened for TB prior to applying for a visa if they wish to come to the UK for longer than six months.	Applicants must meet certain health requirements and may need to undergo a health examination. Applicants must have Overseas Student Health Cover from a private insurer whilst in Australia.	Applicants from some countries must have a medical check conducted by an approved physician.	Students need to have a chest x-ray if they will stay in New Zealand for more than 6 months and are not from a country with a low incidence of tuberculosis. Some students may be asked to provide a full medical certificate. Students must hold full medical and travel insurance whilst studying in New Zealand. PhD students are exempt.	Universities may require students to have health insurance and proof of certain vaccinations.

	UK (Tier 4 visa)	Australia (Student visa subclass 500)	Canada (Study Permit)	New Zealand (Student Visa)	USA (F1 visa)
Maximum length of study	Five years although some exemptions	No	No	Four years	No
Other requirements	Must return home to apply for further leave if extending original leave granted for the same course (or switching from MEng to BEng)	Applicants must have no outstanding debts to the Australian government of must have arranged to repay any outstanding debts. Applicants must declare on their application that they will respect Australian values and obey the laws of Australia.			

Annex D: Post study work options; the UK compared to other countries

	UK	Canada	USA	Australia	New Zealand
Main route available	Tier 2 General Visa	Post-Graduation Work Permit Program (PGWPP)	F-1 Optional Practical Training (OPT)	Temporary Graduate Visa (485): Post-Study Work	Post Study Work Visa (open)
Job offer/ sponsor required?	Yes - students have 4 months at the end of their student visa to find a job with a Tier 2 sponsor	No – graduate can job search whilst on this visa	No – graduate can job search whilst on this visa but only 90 days' unemployment allowed	No – graduate can travel, work or study	No - graduate can job search whilst on this visa
Min salary	£20,800 or going rate for the job whichever is higher.	n/a	n/a	n/a	n/a
Length of visa	3 years	If studies are between 8 months and 2 years, the length is no longer than length of studies. If studies are two years or more work permit may be issued for three years.	12 months (with any time spent working during degree reduced from post-study work total)	2-4 years depending on the highest qualification used to apply for this visa.	12 months
Extension options	3 years	Skilled work experience through PGWPP helps qualify for permanent residence criteria. Graduates are encouraged to consider applying for permanent residency	24-month extension available for graduates of certified STEM programs	None, but viewed favourably for residency through additional GSM points	A further 2 years with a specific employer through the Post Study Work Visa (employer assisted)

Eligibility	UK bachelor's degree / UK master's degree / PGCE / PGDE / minimum 12 months PhD study English language ability Sufficient funds available	Full time study for minimum 8 months at authorised institution Apply within 90 days of written confirmation of completion with valid study permit at time of application Have completed a full-time program that lasted 900 hrs or more	Must have F-1 visa and designated school official must nominate applicant Min 20 hours/week Apply within 60 days of graduation Work must relate to field of study Maximum 90 days' unemployment permitted (up to 150 days for STEM extension)	Younger than 50, are in Australia, hold an eligible visa, meet Australian study requirement in last 6 months, meet English language requirement, recently graduated with an eligible qualification, applied for (and granted) 1st student visa to Australia on or after 5/11/2011, health and character requirements, health insurance.	Sufficient funds available Health, identity, and character requirements.
	UK	**Canada**	**USA**	**Australia**	**New Zealand**
Other options	Doctorate extension scheme (PhD students only) Tier 1 Graduate Entrepreneur / Entrepreneur Tier 5	Federal Skilled Worker Program (has provision for international graduate applications)	H1B visa (temporary worker status)	Graduate Work Stream, employer sponsored visas, recognised Graduate 476 for engineering graduates.	Post Study Work Visa (employer assisted)

Research Councils UK

1. **Research Councils UK (RCUK[673])** is a strategic partnership of the UK's seven Research Councils.[674] Our collective ambition is to ensure the UK remains the best place in the world to do research, innovate and grow business for the benefit of societies and economies. Together we invest more than £3 billion in research each year, covering all disciplines and sectors. The Research Councils are partner organisations of the Department for Business, Energy and Industrial Strategy (BEIS).

2. This response is made on behalf of the seven Research Councils and represents their independent views. It represents them both as employers, and as the UK's statutory bodies with responsibility for funding research.[3]

3. The Migration Advisory Committee commission comes in a context of not only Brexit, but also a major government investment in a new industrial strategy which places research and development (R&D) at its heart. Our work is an essential part of delivering and commercialising research in the UK. R&D and human capital are drivers of productivity. A wide range of industries, from manufacturing and agriculture to digital technology rely on research to innovate, grow, and create high-value jobs. Nurturing a strong research base is also vital for preparing the nation for future challenges from climate change, food security and future cities, to antimicrobial resistance, national security and meeting the needs of an ageing population.

4. RCUK invests in attracting, training and managing the next generation of world-class researchers who will make a major contribution to research and to economic and social wellbeing in the UK. This is delivered through:

- Ensuring that the best potential researchers from a diverse population are attracted into research careers;
- Enhancing the quality of research training and the employability of early stage researchers;
- Enhancing the impact of UK researchers by promoting improved career development and management of research staff by research organisations.

5. Excellent research has an international dimension. The Research Councils fund many of the best UK research teams and individuals for whom research is an international endeavor. World-class institutions attract, train and develop the very best students from the UK and around the world. International students contribute significantly to the output and reputation of these institutions.
PhD graduates who enter employment in the UK after their studentship can make a direct contribution to the UK economy. Those who leave the UK may act as catalysts forging longterm international links with the UK.

[673] www.rcuk.ac.uk

[674] www.ahrc.ac.uk; www.bbsrc.ac.uk; www.epsrc.ac.uk; www.esrc.ac.uk; www.mrc.ac.uk; www.nerc.ac.uk; www.stfc.ac.uk [3] From April 2018, the seven research councils, together with Innovate UK and Research England, will form a new body called UK Research and Innovation (UKRI).

RCUK has adopted the following principles in relation to recruitment of non-UK domiciled candidates to Research Council funded PhD studentships[675]:

- **Research Councils recognise the desirability of opening recruitment to attract the best international talent into UK research and training environments – particularly in areas of skills shortage.** A number of crucial research skills that are in short supply nationally have been identified by government, industry, the Research Councils and HEI community. Widening access to international candidates increases the opportunities for studentships to be recruited in areas where the UK has a shortage of strategic skills.

- **The benefit to the UK of providing public funding to international students must be balanced against the availability of opportunities for UK-based graduates.** The UK is extremely successful in attracting talented non-EU students. These students fund themselves, or are funded by their home nations or educational foundations and, in general, it is not in the UK national interest that this inward investment be displaced by public funding, potentially reducing funding opportunities for UK-based candidates.

6. Presently, RCUK support approximately 21,000 PhD students.[5] Approximately 29% of these students are non-UK nationals (23% EU, 6% non-EU))[676]. Of these, where undergraduate information is available[677], approximately 43% (44% of EU nationals and 40% of non-EU nationals) completed an undergraduate degree in the UK before starting an RCUK PhD.[678] Should it become more difficult for individuals to enter the UK to undertake undergraduate degrees, this may therefore affect the pool of talented individuals who can be recruited to UK based PhDs, particularly in areas of national shortage in strategic skills areas.

7. Although RCUK funds significant numbers of PhD students many more receive PhD studentships from other funders whose talent pool is not restricted by criteria based on domicile. The MAC could seek to apply the above methodology to a wider range of students to give a more accurate overview of the progression of non-UK nationals from undergraduate to doctoral training.

8. PhD students funded by RCUK are in a strong position to continue to contribute to novel research and development worldwide. Generally, universities are

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[675] http://www.rcuk.ac.uk/skills/frameworks/international-recruitment-to-research-council-studentships/

[5] Universities and Independent Research Organisations enter their PhD student data to the RCUK Joint Electronic Submission database. This is a manual process and subject to human error.

[676] Nationality is available in ~95% of current student records. Percentages of EU and non-EU students vary between research councils from 14-24% for EU students and 0.7-8% for non-EU students due to differences in the need to widen access to international studentships due to a shortage of UK strategic skills. It should be noted that students from EU countries other than the UK are generally eligible for a Research Council fees-only award and may qualify for a full award if they have established a relevant connection to the UK. A relevant connection may be established for an EU student if the student has been ordinarily resident in the UK throughout the three-year period preceding the start of the studentship (including for full-time education). Full details are detailed in the Research Council UK (RCUK) conditions of research council training grants.

[677] Undergraduate degree location information is available on ~75% of current student records

[678] Where multiple undergraduate degrees are reported, the UK degree was selected as it indicates the individual spent a period of time in the UK. However, it is not known whether the undergraduate was completed immediately prior to the PhD or when the individual entered the UK.

best positioned to comment on the ‘next destination’ of PhD graduates. RCUK has started to request this information as part of its Research Outcomes policy[679] but this is a relatively recent initiative and submission is voluntary. However, the UK has put increased emphasis on the internationalisation of its research and higher education systems, striving for ever higher levels of excellence. The ability for PhD graduates to switch from Tier 4 to Tier 2 into an appropriate post-doctoral role is likely to be of benefit to the UK. PhD students applying for acceptance at a UK university will find this an attractive feature of the UK university environment and may prefer the UK over competitor nations. Employers report that the UK is a location of choice because of the access to a highly educated and skilled pool of prospective labour.[680] Limiting the ability of PhD graduates to enter UK employment is therefore unwelcome.

9. RCUK PhD studentships are fully funded and allow a student dedicated time for research. An RCUK PhD studentship is unlikely to provide much opportunity for additional employment whilst undertaking the PhD. Students may undertake teaching or demonstrating work when this is compatible with their training and provided their supervisors approve. The total time spent should not interfere with the progress of the PhD. The amount of time is at the research organisation and supervisor’s discretion but it is recommended that this is no more than six hours in any week. It must not be compulsory, must be paid for at the research organisation’s usual rate, and be supported by appropriate training. Students may also undertake a small amount of other paid work, provided the supervisor gives consent and it does not delay or interfere with the research training.[681]

Research Councils UK February 2018

[i] Details are in the *Commonwealth Universities Yearbook* from 1921 to the late 1980s; UGC *Quinquennial reports*; British Council *Overseas students in Britain*, and publications of HEFCE, UGC, HESA. There are usually minor discrepancies between figures from the different sources. International comparative figures are in UNESCO *Statistical Yearbook* (1963-99) and then from the UNESCO Institute of Statistics

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Appendix A

Corporate Residential Management- International Students by Nationality Breakdown, 2016-2018

1. Corporate Residential Management, the UK's leading independent student accommodation management brand, operating over 50 student schemes and totaling over 23,000 bed spaces across the UK, have provided a 2016-2018 breakdown of International Students by nationality living in bed spaces that they manage:

Row Labels	1617	1718	1819	Grand Total
Afghanistan	**14**	**14**	**1**	**29**

Other	1			1
Postgraduate	3	2		5
Undergraduate 1st year	6	7		13
Undergraduate 2nd year	1	1	1	3
Undergraduate 3rd year	3	3		6
Undergraduate 4th year		1		1
Albania	**22**	**20**		**42**
Other	3	6		9
Postgraduate	5	2		7
Undergraduate 1st year	11	5		16
Undergraduate 2nd year	1	6		7
Undergraduate 4th year	2	1		3
Algeria	**12**	**9**	**2**	**23**
Language school	6	1		7
Other	1			1
Postgraduate	2	4	2	8
Undergraduate 1st year	1	4		5
Undergraduate 3rd year	2			2
American Samoa		**2**		**2**
Placement		1		1
Undergraduate 2nd year		1		1
Andorra	**1**			**1**
Undergraduate 1st year	1			1
Angola	**52**	**22**	**1**	**75**
Other	2	1		3
Postgraduate	9	5		14
Undergraduate 1st year	19	6	1	26
Undergraduate 2nd year	15	6		21
Undergraduate 3rd year	6	4		10
Undergraduate 4th year	1			1
Anguilla	**2**	**3**		**5**
Postgraduate	2	1		3
Undergraduate 2nd year		2		2
Antigua and Barbuda	**2**	**2**		**4**
Other	2	1		3
Undergraduate 2nd year		1		1
Argentina	**6**	**10**		**16**
Language school	2			2
Postgraduate		6		6
Undergraduate 1st year	1	2		3
Undergraduate 3rd year	1	2		3
Undergraduate 4th year	2			2

Armenia	**4**	**2**		**6**
Postgraduate	2			2
Undergraduate 1st year	1	1		2
Undergraduate 2nd year	1	1		2
Aruba	**1**	**1**		**2**
Language school	1			1
Undergraduate 1st year		1		1
Australia	**34**	**34**	**2**	**70**
Other	4			4
Postgraduate	14	18		32
Undergraduate 1st year	2	7		9
Undergraduate 2nd year	6	4		10
Undergraduate 3rd year	8	2	1	11
Undergraduate 4th year		3	1	4
Austria	**52**	**52**	**2**	**106**
Language school	1			1
Other	5	3	1	9
Postgraduate	27	28		55
Undergraduate 1st year	4	7		11
Undergraduate 2nd year	9	3	1	13
Undergraduate 3rd year	5	8		13
Undergraduate 4th year	1	3		4
Azerbaijan	**35**	**14**		**49**
Other		1		1
Postgraduate	6	1		7
Undergraduate 1st year	11	3		14
Undergraduate 2nd year	9	4		13
Undergraduate 3rd year	8	5		13
Undergraduate 4th year	1			1
Bahamas	**4**	**7**		**11**
Postgraduate	3	3		6
Undergraduate 1st year	1	1		2
Undergraduate 2nd year		2		2
Undergraduate 3rd year		1		1
Bahrain	**42**	**34**	**5**	**81**
Language school	1			1
Other	5	4	1	10
Placement	1			1
Postgraduate	8	6		14
Undergraduate 1st year	9	10	3	22
Undergraduate 2nd year	3	6	1	10
Undergraduate 3rd year	13	6		19

Undergraduate 4th year	2	2		4
Bangladesh	**41**	**30**	**2**	**73**
Language school		2		2
Other	2	1		3
Placement		1		1
Postgraduate	10	9		19
Undergraduate 1st year	13	6	1	20
Undergraduate 2nd year	7	6		13
Undergraduate 3rd year	7	4	1	12
Undergraduate 4th year	2	1		3
Barbados	**6**	**9**		**15**
Placement		1		1
Postgraduate		2		2
Undergraduate 1st year	1	2		3
Undergraduate 2nd year	3	1		4
Undergraduate 3rd year	2	1		3
Undergraduate 4th year		2		2
Belarus	**7**	**15**		**22**
Other		3		3
Placement	1			1
Postgraduate	1	4		5
Undergraduate 1st year	2	4		6
Undergraduate 3rd year	3	2		5
Undergraduate 4th year		2		2
Belgium	**59**	**43**		**102**
Language school	1	1		2
Other	8	2		10
Placement	2	1		3
Postgraduate	22	16		38
Undergraduate 1st year	7	6		13
Undergraduate 2nd year	5	9		14
Undergraduate 3rd year	8	6		14
Undergraduate 4th year	6	2		8
Belize	**3**			**3**
Postgraduate	3			3
Benin	**1**	**2**		**3**
Undergraduate 1st year	1			1
Undergraduate 3rd year		2		2
Bermuda	**19**	**21**	**2**	**42**
Language school	2			2
Placement	1			1
Postgraduate	5	3		8

Undergraduate 1st year	4	6		10
Undergraduate 2nd year	5	10	1	16
Undergraduate 3rd year	2	2	1	5
Bhutan		**1**		**1**
Undergraduate 2nd year		1		1
Bolivia	**2**			**2**
Undergraduate 1st year	1			1
Undergraduate 3rd year	1			1
Bosnia and Herzegovina	**3**	**2**		**5**
Postgraduate	1	1		2
Undergraduate 2nd year	2			2
Undergraduate 3rd year		1		1
Botswana	**5**	**10**		**15**
Postgraduate	2	2		4
Undergraduate 1st year	2	5		7
Undergraduate 2nd year	1	1		2
Undergraduate 3rd year		2		2
Bouvet Island	**1**			**1**
Undergraduate 2nd year	1			1
Brazil	**60**	**40**		**100**
Language school	3			3
Other	9	2		11
Placement	1	2		3
Postgraduate	30	24		54
Undergraduate 1st year	10	5		15
Undergraduate 2nd year	5	2		7
Undergraduate 3rd year	1	4		5
Undergraduate 4th year	1	1		2
British Indian Ocean Territory	**1**	**1**		**2**
Undergraduate 1st year	1			1
Undergraduate 2nd year		1		1
Brunei Darussalam	**7**	**11**		**18**
Postgraduate	2	3		5
Undergraduate 1st year	1	5		6
Undergraduate 2nd year		3		3
Undergraduate 3rd year	3			3
Undergraduate 4th year	1			1
Bulgaria	**92**	**58**	**5**	**155**
Other	1	2		3
Placement	3	1		4
Postgraduate	20	10		30
Undergraduate 1st year	28	19		47

Undergraduate 2nd year	24	16	4	44
Undergraduate 3rd year	13	8	1	22
Undergraduate 4th year	3	2		5
Burkina Faso		**1**		**1**
Undergraduate 1st year		1		1
Burundi	**1**	**2**		**3**
Other	1	1		2
Undergraduate 2nd year		1		1
Cambodia	**6**	**10**		**16**
Postgraduate	3	5		8
Undergraduate 1st year	2	2		4
Undergraduate 2nd year	1	1		2
Undergraduate 3rd year		2		2
Cameroon	**11**	**8**	**2**	**21**
Postgraduate	9	3		12
Undergraduate 1st year	2	2	1	5
Undergraduate 2nd year		1	1	2
Undergraduate 3rd year		2		2
Canada	**178**	**124**	**11**	**313**
Other	14	3	1	18
Placement		1		1
Postgraduate	83	60	2	145
Undergraduate 1st year	26	22	5	53
Undergraduate 2nd year	24	17	2	43
Undergraduate 3rd year	28	17	1	46
Undergraduate 4th year	3	4		7
Cayman Islands		**5**		**5**
Postgraduate		2		2
Undergraduate 2nd year		3		3
Chad	**1**			**1**
Undergraduate 2nd year	1			1
Channel Islands	**1**			**1**
Undergraduate 1st year	1			1
Chile	**10**	**4**		**14**
Other	2			2
Postgraduate	5	2		7
Undergraduate 2nd year	1	1		2
Undergraduate 3rd year	1	1		2
Undergraduate 4th year	1			1
China	**3224**	**3813**	**207**	**7244**
Language school	43	29		72
Other	164	130	1	295

Placement	13	2		15
Postgraduate	2066	2389	16	4471
Undergraduate 1st year	410	424	25	859
Undergraduate 2nd year	234	377	78	689
Undergraduate 3rd year	228	391	72	691
Undergraduate 4th year	66	71	15	152
Colombia	**54**	**24**		**78**
Language school	3	1		4
Other	1	1		2
Placement	2			2
Postgraduate	31	12		43
Undergraduate 1st year	7	4		11
Undergraduate 2nd year	4	4		8
Undergraduate 3rd year	2	2		4
Undergraduate 4th year	4			4
Congo, Democratic People's Republic	**2**	**19**	**1**	**22**
Postgraduate		2		2
Undergraduate 1st year	1	8		9
Undergraduate 2nd year	1	7	1	9
Undergraduate 3rd year		2		2
Congo, Republic of	**2**	**4**		**6**
Postgraduate	1			1
Undergraduate 1st year	1	3		4
Undergraduate 3rd year		1		1
Costa Rica	**1**	**1**		**2**
Postgraduate		1		1
Undergraduate 1st year	1			1
Cote d'Ivoire		**3**	**1**	**4**
Postgraduate		1	1	2
Undergraduate 2nd year		2		2
Croatia/Hrvatska	**29**	**18**	**1**	**48**
Other	3	1		4
Postgraduate	6	6		12
Undergraduate 1st year	9	5		14
Undergraduate 2nd year	8	5	1	14
Undergraduate 3rd year	2	1		3
Undergraduate 4th year	1			1
Cuba	**1**			**1**
Postgraduate	1			1
Cyprus	**193**	**234**	**22**	**449**
Language school		1		1
Other	5	4		9

Placement	1	1	1	3
Postgraduate	97	82	2	181
Undergraduate 1st year	37	47	2	86
Undergraduate 2nd year	20	56	9	85
Undergraduate 3rd year	26	34	8	68
Undergraduate 4th year	7	9		16
Czech Republic	**25**	**23**	**3**	**51**
Other	2	2	1	5
Postgraduate	10	6	1	17
Undergraduate 1st year	8	6		14
Undergraduate 2nd year	2	3	1	6
Undergraduate 3rd year	2	2		4
Undergraduate 4th year	1	4		5
Denmark	**30**	**22**	**1**	**53**
Other	1	1		2
Placement	1			1
Postgraduate	9	9		18
Undergraduate 1st year	10	6		16
Undergraduate 2nd year	5	2		7
Undergraduate 3rd year	3	2	1	6
Undergraduate 4th year	1	2		3
Djibouti	**1**	**1**		**2**
Undergraduate 1st year		1		1
Undergraduate 3rd year	1			1
Dominica	**1**	**1**		**2**
Undergraduate 1st year	1	1		2
Dominican Republic	**3**	**2**		**5**
Other	1			1
Postgraduate	2	2		4
Ecuador	**20**	**20**		**40**
Other	1			1
Postgraduate	4	3		7
Undergraduate 1st year	9	4		13
Undergraduate 2nd year	5	3		8
Undergraduate 3rd year	1	8		9
Undergraduate 4th year		2		2
Egypt	**93**	**60**	**3**	**156**
Other	7	3		10
Postgraduate	37	12	1	50
Undergraduate 1st year	25	12	2	39
Undergraduate 2nd year	18	12		30
Undergraduate 3rd year	3	20		23

Undergraduate 4th year	3	1		4
El Salvador		**1**		**1**
Undergraduate 1st year		1		1
Equatorial Guinea		**1**		**1**
Undergraduate 2nd year		1		1
Eritrea	**4**	**7**	**2**	**13**
Undergraduate 1st year	2	6	1	9
Undergraduate 2nd year	2		1	3
Undergraduate 3rd year		1		1
Estonia	**6**	**3**		**9**
Placement	1			1
Undergraduate 1st year	3	2		5
Undergraduate 2nd year	2	1		3
Ethiopia	**3**	**4**	**1**	**8**
Postgraduate	1	1		2
Undergraduate 1st year		2	1	3
Undergraduate 2nd year		1		1
Undergraduate 3rd year	2			2
Falkland Islands (Malvina)	**1**			**1**
Undergraduate 2nd year	1			1
Fiji	**1**	**1**		**2**
Undergraduate 2nd year	1			1
Undergraduate 3rd year		1		1
Finland	**60**	**35**	**1**	**96**
Other	6	2		8
Postgraduate	15	9		24
Undergraduate 1st year	17	7		24
Undergraduate 2nd year	8	8	1	17
Undergraduate 3rd year	11	5		16
Undergraduate 4th year	3	4		7
France	**381**	**262**	**11**	**654**
Language school	9	5		14
Other	34	11		45
Placement	19			19
Postgraduate	141	102	1	244
Undergraduate 1st year	62	59	1	122
Undergraduate 2nd year	41	31	4	76
Undergraduate 3rd year	50	45	4	99
Undergraduate 4th year	25	9	1	35
French Polynesia	**1**	**3**		**4**
Other		1		1
Postgraduate	1	1		2

Undergraduate 3rd year		1		1
Gambia	**1**			**1**
Undergraduate 2nd year	1			1
Georgia	**7**	**2**		**9**
Other	1			1
Postgraduate	5	1		6
Undergraduate 2nd year	1	1		2
Germany	**347**	**267**	**2**	**616**
Language school	1			1
Other	23	11		34
Placement	8	3		11
Postgraduate	173	142		315
Undergraduate 1st year	44	37	1	82
Undergraduate 2nd year	42	34	1	77
Undergraduate 3rd year	34	29		63
Undergraduate 4th year	22	11		33
Ghana	**25**	**39**	**4**	**68**
Postgraduate	14	13		27
Undergraduate 1st year	5	14	3	22
Undergraduate 2nd year	1	9	1	11
Undergraduate 3rd year	4	3		7
Undergraduate 4th year	1			1
Gibraltar	**8**	**14**	**5**	**27**
Other	1			1
Postgraduate	2	3		5
Undergraduate 1st year	2	4	3	9
Undergraduate 2nd year	2	5		7
Undergraduate 3rd year	1	1	2	4
Undergraduate 4th year		1		1
Greece	**409**	**323**	**8**	**740**
Other	39	5		44
Placement	2	1		3
Postgraduate	277	234	1	512
Undergraduate 1st year	32	47		79
Undergraduate 2nd year	35	18	5	58
Undergraduate 3rd year	18	17	2	37
Undergraduate 4th year	6	1		7
Grenada	**1**	**1**		**2**
Postgraduate		1		1
Undergraduate 3rd year	1			1
Guatemala	**2**			**2**
Postgraduate	2			2

Guernsey			**1**	**1**
Undergraduate 4th year			1	1
Guinea	**1**			**1**
Undergraduate 2nd year	1			1
Guinea-Bissau		**1**		**1**
Undergraduate 2nd year		1		1
Guyana	**1**	**1**		**2**
Undergraduate 2nd year	1			1
Undergraduate 3rd year		1		1
Honduras	**2**			**2**
Postgraduate	1			1
Undergraduate 4th year	1			1
Hong Kong	**441**	**442**	**62**	**945**
Language school	1			1
Other	13	11		24
Placement	6	4		10
Postgraduate	143	117	2	262
Undergraduate 1st year	110	102	6	218
Undergraduate 2nd year	90	113	33	236
Undergraduate 3rd year	61	80	21	162
Undergraduate 4th year	17	15		32
Hungary	**34**	**22**	**1**	**57**
Other	7	2		9
Postgraduate	9	3		12
Undergraduate 1st year	3	5	1	9
Undergraduate 2nd year	3	6		9
Undergraduate 3rd year	9	6		15
Undergraduate 4th year	3			3
Iceland	**8**	**8**		**16**
Other		1		1
Postgraduate	4	5		9
Undergraduate 1st year	3	1		4
Undergraduate 3rd year	1			1
Undergraduate 4th year		1		1
India	**634**	**557**	**21**	**1212**
Language school		1		1
Other	43	8	1	52
Placement	5	2		7
Postgraduate	355	325		680
Undergraduate 1st year	73	73	5	151
Undergraduate 2nd year	92	64	7	163
Undergraduate 3rd year	52	68	8	128

Undergraduate 4th year	14	16		30
Indonesia	**98**	**81**		**179**
Other	3	3		6
Placement		1		1
Postgraduate	50	36		86
Undergraduate 1st year	23	10		33
Undergraduate 2nd year	14	13		27
Undergraduate 3rd year	6	13		19
Undergraduate 4th year	2	5		7
Iran (Islamic Republic of)	**55**	**49**	**2**	**106**
Other	5	3		8
Placement	1			1
Postgraduate	18	17		35
Undergraduate 1st year	13	16	1	30
Undergraduate 2nd year	9	7	1	17
Undergraduate 3rd year	7	5		12
Undergraduate 4th year	2	1		3
Iraq	**22**	**16**		**38**
Other	2	2		4
Postgraduate	6	4		10
Undergraduate 1st year	6	5		11
Undergraduate 2nd year	5	3		8
Undergraduate 3rd year	3	1		4
Undergraduate 4th year		1		1
Ireland	**106**	**72**	**1**	**179**
Other	13	2		15
Placement	1	1		2
Postgraduate	40	39		79
Undergraduate 1st year	24	20		44
Undergraduate 2nd year	11	5	1	17
Undergraduate 3rd year	12	2		14
Undergraduate 4th year	5	3		8
Isle of Man	**4**	**7**		**11**
Postgraduate	1	1		2
Undergraduate 1st year	1	2		3
Undergraduate 2nd year	2	2		4
Undergraduate 3rd year		1		1
Undergraduate 4th year		1		1
Israel	**12**	**2**		**14**
Postgraduate	8	1		9
Undergraduate 1st year	3			3
Undergraduate 2nd year	1	1		2

Italy	**312**	**181**	**15**	**508**
Language school	11			11
Other	39	13	1	53
Placement	11	2	1	14
Postgraduate	112	52	1	165
Undergraduate 1st year	66	40	3	109
Undergraduate 2nd year	30	38	7	75
Undergraduate 3rd year	32	24	2	58
Undergraduate 4th year	11	12		23
Jamaica	**10**	**22**		**32**
Postgraduate	3	2		5
Undergraduate 1st year		7		7
Undergraduate 2nd year	5	8		13
Undergraduate 3rd year	1	5		6
Undergraduate 4th year	1			1
Japan	**91**	**44**	**6**	**141**
Language school	8			8
Other	12	2		14
Placement	2			2
Postgraduate	42	18		60
Undergraduate 1st year	13	10	1	24
Undergraduate 2nd year	10	7	2	19
Undergraduate 3rd year	4	5	2	11
Undergraduate 4th year		2	1	3
Jersey	**9**	**13**	**1**	**23**
Postgraduate	2	7		9
Undergraduate 1st year	5	4		9
Undergraduate 2nd year	1		1	2
Undergraduate 3rd year	1	2		3
Jordan	**55**	**56**	**3**	**114**
Other	2	4		6
Placement	2			2
Postgraduate	35	27		62
Undergraduate 1st year	8	11	2	21
Undergraduate 2nd year	5	4	1	10
Undergraduate 3rd year	3	8		11
Undergraduate 4th year		2		2
Kazakhstan	**73**	**39**	**3**	**115**
Language school	1			1
Other	6	2		8
Placement	1			1
Postgraduate	13	6		19

Undergraduate 1st year	24	8	2	34
Undergraduate 2nd year	18	12		30
Undergraduate 3rd year	7	9	1	17
Undergraduate 4th year	3	2		5
Kenya	**52**	**53**	**4**	**109**
Other	4	4		8
Placement	1			1
Postgraduate	19	8	1	28
Undergraduate 1st year	9	15		24
Undergraduate 2nd year	10	20	2	32
Undergraduate 3rd year	5	5	1	11
Undergraduate 4th year	4	1		5
Korea, Democratic People's Republic	**8**	**2**		**10**
Language school	1			1
Other	3			3
Undergraduate 1st year	1	1		2
Undergraduate 2nd year	2			2
Undergraduate 3rd year	1	1		2
Korea, Republic of	**234**	**205**	**20**	**459**
Language school	8	3		11
Other	23	12		35
Placement	6			6
Postgraduate	75	58		133
Undergraduate 1st year	50	48	6	104
Undergraduate 2nd year	43	48	10	101
Undergraduate 3rd year	23	30	4	57
Undergraduate 4th year	6	6		12
Kuwait	**48**	**53**	**1**	**102**
Language school	5	7		12
Other	9	5		14
Postgraduate	9	8		17
Undergraduate 1st year	23	20		43
Undergraduate 2nd year	2	9	1	12
Undergraduate 3rd year		4		4
Kyrgyzstan	**5**	**1**		**6**
Undergraduate 2nd year	1			1
Undergraduate 3rd year	4	1		5
Lao, People's Democratic Republic	**4**	**1**		**5**
Other	2			2
Postgraduate		1		1
Undergraduate 1st year	1			1
Undergraduate 2nd year	1			1

Latvia	**11**	**11**	**1**	**23**
Other	3	1		4
Postgraduate	3	1		4
Undergraduate 1st year	4	6		10
Undergraduate 2nd year		2	1	3
Undergraduate 3rd year	1	1		2
Lebanon	**40**	**47**	**3**	**90**
Other	5	3		8
Placement	1			1
Postgraduate	26	32		58
Undergraduate 1st year	3	7	1	11
Undergraduate 2nd year	3	3	1	7
Undergraduate 3rd year	2	2	1	5
Liberia		**2**		**2**
Postgraduate		1		1
Undergraduate 1st year		1		1
Libya	**7**	**5**		**12**
Postgraduate	1			1
Undergraduate 1st year	2	1		3
Undergraduate 2nd year	2	1		3
Undergraduate 3rd year	2	2		4
Undergraduate 4th year		1		1
Liechtenstein	**1**	**2**		**3**
Postgraduate	1	2		3
Lithuania	**38**	**36**	**4**	**78**
Other	6	1		7
Postgraduate	1	3		4
Undergraduate 1st year	20	15		35
Undergraduate 2nd year	9	9	2	20
Undergraduate 3rd year	2	7	1	10
Undergraduate 4th year		1	1	2
Luxembourg	**11**	**13**		**24**
Postgraduate	4	5		9
Undergraduate 1st year	2	1		3
Undergraduate 2nd year	2	4		6
Undergraduate 3rd year	1	2		3
Undergraduate 4th year	2	1		3
Macau	**27**	**24**	**2**	**53**
Language school	1			1
Other	2			2
Postgraduate	7	5		12
Undergraduate 1st year	10	8	1	19

Undergraduate 2nd year	4	7	1	12
Undergraduate 3rd year	3	4		7
Macedonia, Former Yugoslav Republic	**1**	**1**		**2**
Postgraduate	1	1		2
Madagascar	**4**	**3**		**7**
Language school	1			1
Postgraduate		2		2
Undergraduate 1st year	2			2
Undergraduate 2nd year	1			1
Undergraduate 3rd year		1		1
Malawi	**15**	**3**		**18**
Postgraduate	5			5
Undergraduate 1st year	7	1		8
Undergraduate 2nd year	1	1		2
Undergraduate 3rd year	2	1		3
Malaysia	**268**	**260**	**13**	**541**
Other	16	7		23
Placement	4			4
Postgraduate	94	83		177
Undergraduate 1st year	72	49	1	122
Undergraduate 2nd year	28	51	7	86
Undergraduate 3rd year	46	57	5	108
Undergraduate 4th year	8	13		21
Maldives	**8**	**4**		**12**
Postgraduate		2		2
Undergraduate 1st year	4			4
Undergraduate 2nd year	1	1		2
Undergraduate 3rd year	3			3
Undergraduate 4th year		1		1
Mali	**1**			**1**
Undergraduate 3rd year	1			1
Malta	**14**	**18**	**1**	**33**
Other	1	5		6
Postgraduate	8	9	1	18
Undergraduate 1st year	2	1		3
Undergraduate 2nd year	1	3		4
Undergraduate 4th year	2			2
Martinique	**1**	**1**		**2**
Undergraduate 2nd year	1			1
Undergraduate 3rd year		1		1
Mauritania	**2**	**1**		**3**
Postgraduate		1		1

Undergraduate 1st year	2			2
Mauritius	**41**	**39**	**2**	**82**
Other	2	1		3
Placement	1	1		2
Postgraduate	15	19		34
Undergraduate 1st year	8	3		11
Undergraduate 2nd year	5	9	1	15
Undergraduate 3rd year	7	5	1	13
Undergraduate 4th year	3	1		4
Mexico	**33**	**16**		**49**
Other	7	1		8
Placement	1			1
Postgraduate	19	10		29
Undergraduate 1st year	4	2		6
Undergraduate 2nd year	1	1		2
Undergraduate 3rd year	1	2		3
Moldova, Republic of	**2**	**2**		**4**
Postgraduate	1	1		2
Undergraduate 1st year	1			1
Undergraduate 3rd year		1		1
Monaco	**1**	**2**		**3**
Undergraduate 1st year	1	1		2
Undergraduate 2nd year		1		1
Mongolia	**5**	**3**		**8**
Other	3			3
Undergraduate 1st year	1	1		2
Undergraduate 2nd year		1		1
Undergraduate 3rd year	1	1		2
Morocco	**39**	**21**		**60**
Language school		2		2
Other	20	1		21
Postgraduate	3	6		9
Undergraduate 1st year	12	5		17
Undergraduate 2nd year	3	4		7
Undergraduate 3rd year	1	3		4
Mozambique	**4**	**5**	**1**	**10**
Postgraduate	1	4		5
Undergraduate 1st year			1	1
Undergraduate 2nd year	1			1
Undergraduate 3rd year	2	1		3
Myanmar	**15**	**17**		**32**
Other	1			1

Postgraduate	3	2		5
Undergraduate 1st year	5	5		10
Undergraduate 2nd year	2	8		10
Undergraduate 3rd year	3	2		5
Undergraduate 4th year	1			1
Namibia	**1**			**1**
Postgraduate	1			1
Nepal	**8**	**13**	**1**	**22**
Other		1		1
Postgraduate	2	4		6
Undergraduate 1st year	4	5		9
Undergraduate 2nd year	2	1	1	4
Undergraduate 3rd year		2		2
Netherlands	**108**	**67**	**5**	**180**
Other	15	5		20
Placement	7			7
Postgraduate	37	21		58
Undergraduate 1st year	19	22	3	44
Undergraduate 2nd year	10	8	2	20
Undergraduate 3rd year	15	6		21
Undergraduate 4th year	5	5		10
Netherlands Antilles	**2**	**2**		**4**
Other		1		1
Postgraduate	2			2
Undergraduate 1st year		1		1
New Zealand	**7**	**5**		**12**
Postgraduate	3	3		6
Undergraduate 1st year	2			2
Undergraduate 2nd year	1	2		3
Undergraduate 3rd year	1			1
Nigeria	**180**	**204**	**15**	**399**
Language school	2			2
Other	6	3		9
Placement	2	3		5
Postgraduate	61	56	2	119
Undergraduate 1st year	46	56	4	106
Undergraduate 2nd year	34	45	8	87
Undergraduate 3rd year	24	39	1	64
Undergraduate 4th year	5	2		7
Northern Ireland	**39**	**27**		**66**
Placement		1		1
Postgraduate	5	2		7

Undergraduate 1st year	23	12		35
Undergraduate 2nd year	10	7		17
Undergraduate 3rd year		4		4
Undergraduate 4th year	1	1		2
Norway	**72**	**74**	**7**	**153**
Other	3			3
Postgraduate	24	30		54
Undergraduate 1st year	14	23	1	38
Undergraduate 2nd year	18	9	4	31
Undergraduate 3rd year	12	10	2	24
Undergraduate 4th year	1	2		3
Oman	**78**	**92**		**170**
Language school	1			1
Other	8	11		19
Placement	1	1		2
Postgraduate	21	14		35
Undergraduate 1st year	30	28		58
Undergraduate 2nd year	10	24		34
Undergraduate 3rd year	6	10		16
Undergraduate 4th year	1	4		5
Other	**5**			**5**
Other	1			1
Postgraduate	3			3
Undergraduate 1st year	1			1
Pakistan	**198**	**126**	**8**	**332**
Language school	1			1
Other	11	3		14
Placement	1			1
Postgraduate	57	32		89
Undergraduate 1st year	41	36	1	78
Undergraduate 2nd year	49	34	5	88
Undergraduate 3rd year	33	20	2	55
Undergraduate 4th year	5	1		6
Palestine	**6**	**2**	**1**	**9**
Postgraduate	5	2		7
Undergraduate 1st year	1			1
Undergraduate 2nd year			1	1
Panama	**3**	**1**		**4**
Postgraduate	3			3
Undergraduate 2nd year		1		1
Paraguay	**2**			**2**
Postgraduate	1			1

Undergraduate 1st year	1			1
Peru	**7**	**4**		**11**
Other	1			1
Postgraduate	2	1		3
Undergraduate 1st year		1		1
Undergraduate 2nd year		1		1
Undergraduate 3rd year	4			4
Undergraduate 4th year		1		1
Philippines	**37**	**33**	**4**	**74**
Other	1			1
Postgraduate	10	5		15
Undergraduate 1st year	11	12	1	24
Undergraduate 2nd year	9	8	2	19
Undergraduate 3rd year	5	8	1	14
Undergraduate 4th year	1			1
Poland	**121**	**107**	**2**	**230**
Language school		1		1
Other	19	5		24
Placement	2			2
Postgraduate	19	28		47
Undergraduate 1st year	37	32	1	70
Undergraduate 2nd year	22	26	1	49
Undergraduate 3rd year	20	13		33
Undergraduate 4th year	2	2		4
Portugal	**88**	**102**	**5**	**195**
Language school	1			1
Other	18	11		29
Placement	2	2		4
Postgraduate	31	23		54
Undergraduate 1st year	16	41	1	58
Undergraduate 2nd year	12	15	3	30
Undergraduate 3rd year	7	9	1	17
Undergraduate 4th year	1	1		2
Puerto Rico		**2**		**2**
Undergraduate 2nd year		1		1
Undergraduate 3rd year		1		1
Qatar	**23**	**10**		**33**
Other	5	3		8
Postgraduate	2	1		3
Undergraduate 1st year	13	1		14
Undergraduate 2nd year		4		4
Undergraduate 3rd year	2	1		3

Undergraduate 4th year	1			1
Reunion Island		**1**		**1**
Undergraduate 4th year		1		1
Romania	**137**	**88**	**5**	**230**
Other	25	4		29
Placement	5			5
Postgraduate	21	14		35
Undergraduate 1st year	27	27		54
Undergraduate 2nd year	33	32	2	67
Undergraduate 3rd year	17	9	3	29
Undergraduate 4th year	9	2		11
Russian Federation	**166**	**123**	**4**	**293**
Language school	2			2
Other	13	6		19
Placement		2		2
Postgraduate	43	30		73
Undergraduate 1st year	49	25	1	75
Undergraduate 2nd year	34	34	1	69
Undergraduate 3rd year	24	22	2	48
Undergraduate 4th year	1	4		5
Rwanda	**6**	**2**		**8**
Postgraduate	2			2
Undergraduate 1st year	2	1		3
Undergraduate 2nd year		1		1
Undergraduate 3rd year	2			2
Saint Kitts and Nevis	**3**	**1**		**4**
Postgraduate	2			2
Undergraduate 1st year	1			1
Undergraduate 2nd year		1		1
Saint Lucia	**1**	**4**	**1**	**6**
Postgraduate		1		1
Undergraduate 1st year		3		3
Undergraduate 2nd year	1		1	2
Saint Vincent and the Grenadines	**2**	**2**		**4**
Postgraduate	1			1
Undergraduate 1st year	1	2		3
Saudi Arabia	**129**	**84**	**3**	**216**
Language school	19	3		22
Other	21	2		23
Placement	2			2
Postgraduate	47	46	1	94
Undergraduate 1st year	28	17	1	46

Undergraduate 2nd year	8	10		18
Undergraduate 3rd year	3	5	1	9
Undergraduate 4th year	1	1		2
Senegal		**1**		**1**
Language school		1		1
Seychelles	**7**	**9**		**16**
Other		1		1
Postgraduate	3	5		8
Undergraduate 1st year	1	1		2
Undergraduate 2nd year	3			3
Undergraduate 3rd year		2		2
Sierra Leone	**2**	**5**		**7**
Postgraduate		2		2
Undergraduate 1st year	2			2
Undergraduate 2nd year		1		1
Undergraduate 3rd year		2		2
Singapore	**149**	**89**	**8**	**246**
Language school	2			2
Other	13	4		17
Postgraduate	71	35	1	107
Undergraduate 1st year	24	13		37
Undergraduate 2nd year	23	28	4	55
Undergraduate 3rd year	13	9	3	25
Undergraduate 4th year	3			3
Slovak Republic	**29**	**28**	**1**	**58**
Other	6	3		9
Postgraduate	6	3		9
Undergraduate 1st year	5	8		13
Undergraduate 2nd year	7	6		13
Undergraduate 3rd year	5	7	1	13
Undergraduate 4th year		1		1
Slovenia	**9**	**8**		**17**
Postgraduate	2	1		3
Undergraduate 1st year	4			4
Undergraduate 2nd year	1	1		2
Undergraduate 3rd year		5		5
Undergraduate 4th year	2	1		3
Somalia	**3**	**9**		**12**
Other		1		1
Postgraduate		2		2
Undergraduate 1st year	1	3		4
Undergraduate 2nd year	1	2		3

Undergraduate 3rd year	1	1		2
South Africa	**31**	**35**	**1**	**67**
Other	1	2		3
Placement	3	2		5
Postgraduate	16	13		29
Undergraduate 1st year	10	8		18
Undergraduate 2nd year		6	1	7
Undergraduate 3rd year	1	4		5
Spain	**304**	**211**	**8**	**523**
Language school	19	3		22
Other	53	14	1	68
Placement	12	4		16
Postgraduate	101	60	1	162
Undergraduate 1st year	36	32	1	69
Undergraduate 2nd year	27	29	3	59
Undergraduate 3rd year	28	53	2	83
Undergraduate 4th year	28	16		44
Sri Lanka	**20**	**30**	**1**	**51**
Other	1			1
Postgraduate	9	9		18
Undergraduate 1st year	3	9		12
Undergraduate 2nd year	6	6	1	13
Undergraduate 3rd year	1	6		7
Sudan	**18**	**11**	**1**	**30**
Postgraduate	5	4		9
Undergraduate 1st year	5	3	1	9
Undergraduate 2nd year	5	2		7
Undergraduate 3rd year	1	1		2
Undergraduate 4th year	2	1		3
Swaziland		**3**		**3**
Postgraduate		2		2
Undergraduate 2nd year		1		1
Sweden	**58**	**30**	**3**	**91**
Other	4			4
Placement	1			1
Postgraduate	10	5	1	16
Undergraduate 1st year	16	10		26
Undergraduate 2nd year	13	8	2	23
Undergraduate 3rd year	11	7		18
Undergraduate 4th year	3			3
Switzerland	**101**	**57**		**158**
Language school	2	2		4

Other	13	3		16
Placement	6			6
Postgraduate	39	23		62
Undergraduate 1st year	21	13		34
Undergraduate 2nd year	9	7		16
Undergraduate 3rd year	9	8		17
Undergraduate 4th year	2	1		3
Syrian Arab Republic	**15**	**8**		**23**
Postgraduate	8	2		10
Undergraduate 1st year	2	3		5
Undergraduate 2nd year	4	1		5
Undergraduate 3rd year	1	2		3
Taiwan	**186**	**146**	**3**	**335**
Language school	2	1		3
Other	17	6		23
Placement	2			2
Postgraduate	101	102		203
Undergraduate 1st year	33	15	1	49
Undergraduate 2nd year	19	8		27
Undergraduate 3rd year	8	10	2	20
Undergraduate 4th year	4	4		8
Tanzania	**13**	**16**	**1**	**30**
Other	1	1		2
Postgraduate	6			6
Undergraduate 1st year	2	7		9
Undergraduate 2nd year	2	3	1	6
Undergraduate 3rd year	2	4		6
Undergraduate 4th year		1		1
Thailand	**408**	**309**	**11**	**728**
Language school	9	2		11
Other	19	5		24
Placement	1			1
Postgraduate	309	241	6	556
Undergraduate 1st year	37	31		68
Undergraduate 2nd year	12	18	3	33
Undergraduate 3rd year	18	12	2	32
Undergraduate 4th year	3			3
Togo		**1**		**1**
Undergraduate 1st year		1		1
Trinidad and Tobago	**21**	**16**	**2**	**39**
Other	1	2		3
Postgraduate	12	8		20

Undergraduate 1st year	3		1	4
Undergraduate 2nd year	4	4	1	9
Undergraduate 3rd year	1	2		3
Tunisia	**5**	**4**		**9**
Other	1	1		2
Postgraduate	1	1		2
Undergraduate 1st year		1		1
Undergraduate 3rd year	3	1		4
Turkey	**108**	**79**	**3**	**190**
Language school	5	3		8
Other	4	2		6
Placement	1			1
Postgraduate	66	42		108
Undergraduate 1st year	17	19		36
Undergraduate 2nd year	5	8	1	14
Undergraduate 3rd year	8	4	2	14
Undergraduate 4th year	2	1		3
Turkmenistan	**1**	**2**		**3**
Undergraduate 1st year	1	1		2
Undergraduate 2nd year		1		1
Turks and Ciacos Islands	**1**	**2**	**1**	**4**
Postgraduate	1			1
Undergraduate 1st year		1		1
Undergraduate 2nd year		1	1	2
Uganda	**9**	**9**		**18**
Postgraduate	3	3		6
Undergraduate 1st year	1	1		2
Undergraduate 2nd year	4	4		8
Undergraduate 3rd year	1	1		2
Ukraine	**55**	**34**	**3**	**92**
Other	2	1		3
Placement	1			1
Postgraduate	13	8		21
Undergraduate 1st year	22	10	1	33
Undergraduate 2nd year	14	6	1	21
Undergraduate 3rd year	3	7	1	11
Undergraduate 4th year		2		2
United Arab Emirates	**32**	**30**	**2**	**64**
Other	2	1		3
Postgraduate	12	9		21
Undergraduate 1st year	9	8	1	18
Undergraduate 2nd year	5	7	1	13

Undergraduate 3rd year	2	5		7
Undergraduate 4th year	2			2
United Kingdom	**9803**	**7793**	**862**	**18458**
Language school	174	7		181
Other	2213	357	7	2577
Placement	137	58	2	197
Postgraduate	1118	881	20	2019
Undergraduate 1st year	3187	3391	150	6728
Undergraduate 2nd year	1676	1831	451	3958
Undergraduate 3rd year	1001	1026	196	2223
Undergraduate 4th year	297	242	36	575
United States	**308**	**269**	**6**	**583**
Other	28	1		29
Placement	1	1		2
Postgraduate	178	161	3	342
Undergraduate 1st year	39	32		71
Undergraduate 2nd year	32	39	1	72
Undergraduate 3rd year	22	27	2	51
Undergraduate 4th year	8	8		16
Uruguay		**2**		**2**
Postgraduate		2		2
Uzbekistan	**5**	**3**		**8**
Undergraduate 1st year	2	2		4
Undergraduate 2nd year	1	1		2
Undergraduate 3rd year	2			2
Vanuatu	**1**			**1**
Postgraduate	1			1
Venezuela	**7**	**9**	**1**	**17**
Language school	1			1
Other	1	3	1	5
Postgraduate		3		3
Undergraduate 1st year	3	1		4
Undergraduate 3rd year	2			2
Undergraduate 4th year		2		2
Vietnam	**36**	**21**	**1**	**58**
Other	1			1
Postgraduate	17	8		25
Undergraduate 1st year	9	3		12
Undergraduate 2nd year	7	4		11
Undergraduate 3rd year	2	6	1	9
Virgin Islands (British)	**2**	**1**	**1**	**4**
Postgraduate	1			1

Undergraduate 1st year		1	1	2
Undergraduate 3rd year	1			1
Virgin Islands (USA)		**1**		**1**
Postgraduate		1		1
Wallis and Futuna Islands		**1**		**1**
Undergraduate 2nd year		1		1
Yemen	**4**	**3**	**1**	**8**
Postgraduate		1		1
Undergraduate 1st year	2	2		4
Undergraduate 2nd year	1		1	2
Undergraduate 3rd year	1			1
Yugoslavia	**11**	**12**		**23**
Postgraduate	4	5		9
Undergraduate 1st year	2			2
Undergraduate 2nd year	4	2		6
Undergraduate 3rd year	1	4		5
Undergraduate 4th year		1		1
Zambia	**17**	**14**	**3**	**34**
Postgraduate	9	4		13
Undergraduate 1st year	3	2		5
Undergraduate 2nd year	4	4	1	9
Undergraduate 3rd year		4	2	6
Undergraduate 4th year	1			1
Zimbabwe	**43**	**61**	**7**	**111**
Other	1	3		4
Postgraduate	2	3		5
Undergraduate 1st year	14	20	1	35
Undergraduate 2nd year	19	22	5	46
Undergraduate 3rd year	5	12	1	18
Undergraduate 4th year	2	1		3
Grand Total	**21893**	**18843**	**1468**	**42204**