



Professor Brian Bell
Migration Advisory Committee
2nd Floor Peel Building
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11 March 2024

Dear Professor Bell,

Further to my statement in Parliament on 4 December 2023, I am writing to commission the Migration Advisory Committee (MAC) to carry out a rapid review of the Graduate route.

The Graduate route launched in July 2021. It is an unsponsored route which allows students to stay for 2 years (or 3 years for PhD students) after graduation. To be eligible, a student must hold valid leave under the Student route and have successfully completed an undergraduate, postgraduate or doctoral degree with a Higher Education Provider with a track record of compliance. Family members must have held permission as a dependant whilst the student had permission under the Student route, and cannot apply to join a Graduate where they did not previously have permission as a dependant. Applicants to the Graduate route do not need to provide evidence of their financial ability to support themselves in the UK, have a job offer or be earning a particular salary.

The immigration rules state that “This route is for a Student in the UK who wants to work, or look for work, following the successful completion of an eligible course”. When the route was launched, Government said that it wanted to attract and retain bright international students to contribute to society and the economy post-study and help businesses recruit highly qualified talent from across the globe to drive the economy forwards.

Case for review

The Government recognises that the reputation of our world-class higher education sector rests on its commitment to excellence, in both research and education. We are proud that students from around the world want to study in the UK and recognise the value that international students contribute to the UK economy, domestic teaching and to Research and Development. But we also recognise that UK universities’ reputation for quality could easily be put at risk if evidence emerges of immigration abuse or visa exploitation which are not tackled.

The Graduate route has helped to attract bright international students to the UK and to work in our economy post-study. As a flexible and unsponsored offer, the Graduate route is similar to offers made by some other countries to graduates and was originally set up with the objective of helping the UK attract the brightest and best by giving them time to find high-skilled employment following their degree. It has supported the British higher education sector’s earnings, with income from international students supporting our investment in R&D and in the teaching of domestic students.

Whilst the Graduate route has supported the UK to achieve its International Education Strategy ambition of hosting 600,000 students a year and progress towards our education exports target,

we want to understand whether it is meeting its wider objectives, including those of attracting and retaining the best and brightest students to the UK and supporting excellence in UK higher education. Since the Graduate route was established, a total of 175,872 visas have been granted. In 2018, the MAC said that granting an unrestricted right to work in the UK for international students could create additional demand for degrees, particularly short Master's degrees, driven by the opportunity to obtain a job and remain in the UK, rather than for the value of the qualification. In your annual report for 2023, you commented on the Graduate route and noted the same point, while pointing out that its success in enhancing the offer to international students who choose to study in the UK and that it remains to be seen whether changes to dependant rules from January 2024 impact the take-up of the Graduate route visa.

The Prime Minister, Education Secretary, Secretary of State for Science, Innovation and Technology and I remain committed to attracting talented students from around the world to study in the UK and to championing the UK's world leading higher education sector, but we want to ensure the Graduate route is not being abused. In particular, that some of the demand for study visas is not being driven more by a desire for immigration rather than education. Initial data from the MAC annual report shows that the proportion of international students studying at lower tariff institutions has risen to 32% in 2021/22, while the number of [international] postgraduate students attending institutions with the lowest UCAS tariff quartiles has increased by over 250% between 2018 and 2022.

We are keen to understand the drivers behind this, including whether it is because people are using these courses as a long-term route to work in the UK. An international student can spend relatively little on fees for a one-year course and gain access to two years with no job requirement on the Graduate route, followed by four years access to a discounted salary threshold on the Skilled Worker route. This means international graduates are able to access the UK labour market with salaries significantly below the requirement imposed on the majority of migrant skilled workers. The Government is already taking steps to change the general salary threshold for the Skilled Worker Visa from £26,200 to £38,700, which will increase the requisite salary in order to switch routes, including with the applied discount.

Early data suggests that only 23% of students switching from the Graduate route to the Skilled Worker route in 2023 went into graduate level jobs. In 2023, 32% of international graduates switching into work routes earned a salary above the general threshold at the time (£26,200), with just 16% earning over £30,000 – meaning that the vast majority of those completing the Graduate route go into work earning less than the median wage of other graduates. Initial data shows that the majority of international students switching from the Graduate route into the Skilled Worker route go into care work. This is clearly not what the Government intended in the 2019 Manifesto when it pledged to establish the Graduate route to attract the best and brightest students to study in the UK.

The Government is already taking significant action to reduce the potential for abuse of the student migration routes. First, we announced in May 2023 that we would be restricting the ability of postgraduate taught masters students to bring dependants, which reduces the economic incentive to study in the UK for applicants focused solely on accessing the UK labour market. Second, in December 2023, the Government announced that the general salary threshold for the Skilled Worker route will increase to £38,700 from April 2024. International students will continue to be eligible for the new entrant discount to secure a Skilled Worker visa to remain in the UK beyond their two years on the Graduate route, although this will significantly increase from the current threshold.

In the context of the above, I am asking the MAC to provide further evidence to support the Government's understanding of how the Graduate route is operating in practice and to what extent it is supporting the original objectives, as set out above. The review should be carried out with the support of Sir Steve Smith, the Government's International Education Champion. Sir Steve should be invited to provide expert advice and evidence on international education, on the Government's policies and strategies in relation to international students, and on the views and insights of the British higher education sector that assist this commission.

This review may include:

1. Any evidence of abuse of the route including the route not being fit for purpose.
2. Who is using the route and from what universities they graduated.
3. Demographics and trends for students accessing a study visa and subsequently accessing the UK labour market by means of the Graduate route.
4. What individuals do during and after their time on the graduate route and whether students who progress to the Graduate route are contributing to the economy.
5. Analysis of whether the Graduate route is undermining the integrity and quality of the UK higher education system, including understanding how the Graduate route is or is not, effectively controlling for the quality of international students, such that it is genuinely supporting the UK to attract and retain the brightest and the best, contributing to economic growth and benefitting British higher education and soft power – in the context of the Government's wider International Education Strategy.

Timing

I would be grateful if the MAC would report by 14th May. The Government will consider the MAC's analysis with a view to implementing any changes in due course.

With my very best wishes.

Yours sincerely,



Rt. Hon. James Cleverly MP