

# Parliamentary briefing

Oral Question: Impact of current immigration policy on the attractiveness of United Kingdom universities to overseas students (Lord Giddens)

30<sup>th</sup> October 2012

## Summary

The government's objective to reduce net migration to below 100,000 per annum (from current levels of 250,000 per annum) by 2015 has focused attention on the contribution of international students to net migration.

There is some evidence that the number of international students choosing to study in the UK has levelled off. There have been marked declines in applications from some countries (eg India).

International students form the most significant proportion of non-EU immigrants but a growing number of organisations are calling for international students to be removed from the UK's net migration target.

## International students: economic contribution

1. According to calculations by the Department for Business, Innovation and Skills, higher education exports contributed £8bn to the UK economy in 2009. The large majority of these earnings are derived from tuition fee contributions for international students, and off-campus expenditure.
2. The same report estimated that higher education exports could be worth £16.9 billion to the UK by 2025. This figure includes EU and non-EU students.

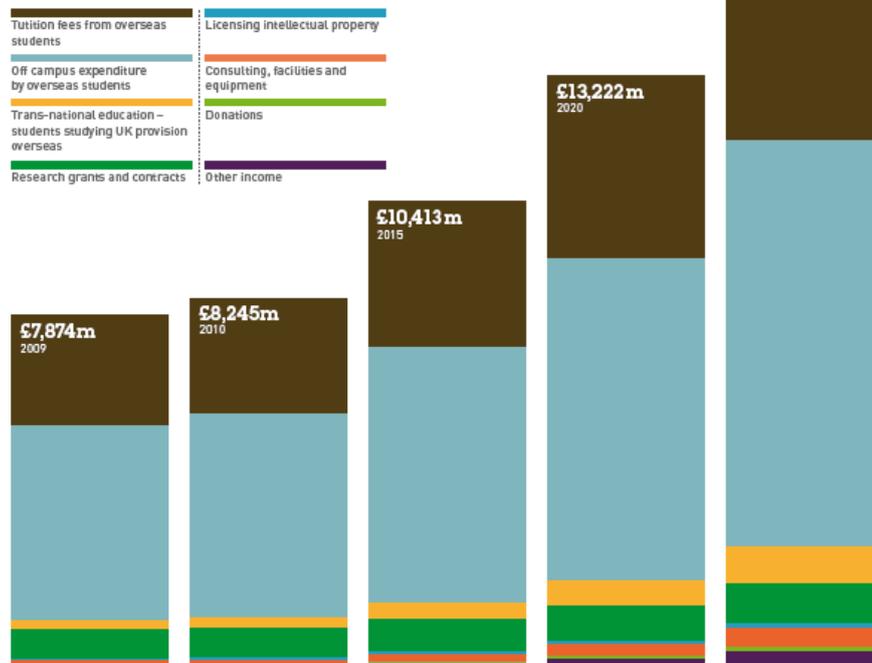


### Contributing to an export-led recovery

Higher education is also important to the UK as an export industry, contributing £7.9 billion in 2009 and projected to contribute £16.9 billion by 2025.

FIG 3.15

Export earnings for the UK economy, 2008/09 prices



- International students contribute significantly to UK campuses and to the towns and cities in which they are studying. A recent report by Oxford Economics, which looked at the economic impact of international students at the University of Exeter, estimated that GDP generated by international students at the university directly supported 2,480 jobs in the city.
- International students bring other benefits to the UK, helping to create an international learning environment in UK universities, and contributing to the UK's 'soft power' by generating future research, diplomatic and business opportunities.

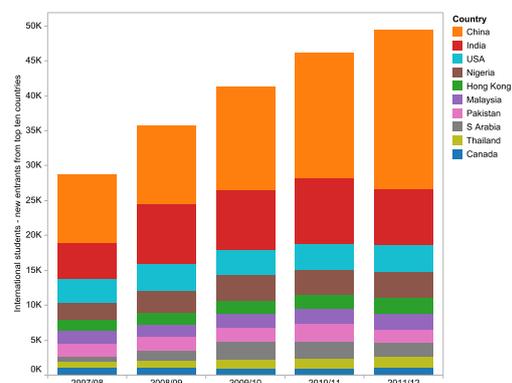
### Attractiveness of UK universities to international students

- There is a growing market for legitimate international higher education. Globally, between 2000 and 2010, the total number of students enrolled on a tertiary-level course outside their country of citizenship increased from 2.1 million to 4.1 million. Projections suggest this figure could rise to 7 million by 2020.
- The UK is currently the second most popular destination for international students, behind the USA, with 13% of all international students in 2010 coming to the UK. We are exceptionally well placed to capitalise on the growing market for international education.

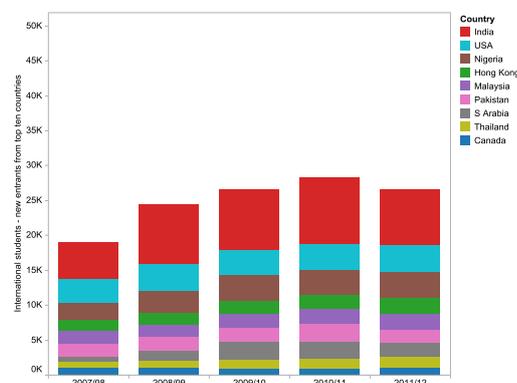
7. However, evidence gathered by Universities UK through a survey of member institutions suggests that the trend seen in recent years of increasing numbers of non-EU students coming here to study has levelled off, and, in some individual institutions, that the number has declined. Many universities report sharp decreases from some countries (notably India), and for Post Graduate Taught courses.
  
8. Excluding the vastly expanding market for students from China, the numbers of non-EU domiciled students in UK universities decreased in 2011-12 compared to the previous year, among those institutions that responded to a recent UUK survey.

*New entrants at responding institutions in 2011-12 compared to previous years, by country of domicile:<sup>1</sup>*

*Including students from China:*



*Excluding students from China:*



9. This decline is driven to some extent by a marked drop in enrolments of students from India, Pakistan and Saudi Arabia. In 2011-12, the number of new entrants from those countries studying for a taught postgraduate qualification at institutions responding to UUK's survey declined by 20%, 21% and 36% respectively.
  
10. The Indian press in particular have published a number of articles relating to UK student visa policy. There has been significant focus in the Indian press on the suspension of London Metropolitan University's Tier 4 licence, as well as coverage on the perceived lack of post-study work options available in the UK for international students, and on opinion polls apparently suggesting that the UK public is 'concerned' about student migrants and would like to see a cap imposed on their numbers.

<sup>1</sup> Data up to 2010-11 are taken from HESA's annual student records. For 2011-12, data is taken directly from UUK's survey, in which institutions were asked how the numbers of new entrants in 2011-12 had changed compared to the previous year, by country of domicile.



### **Inclusion of international students in the net migration target**

11. The Coalition government has set a target of reducing net migration to the 'tens of thousands' per annum by 2015. Current net migration stands at 216,000 (12 months to December 2012). In the short term, the government's objective cannot be achieved without considerable cuts to the numbers of international students coming to the UK.
12. The Migration Advisory Committee's report *Limits on Migration* states that a reduction in non-EU student numbers of 87,600 over three years (2012-2015) would be required to meet the government's net migration target. A large proportion of non-EU students study in UK universities.
13. 50,000 fewer non-EU students (IPPR calculations to achieve the government target) would translate into a loss to the UK of £2-3 billion per annum.
14. Universities UK has called on the government to remove international students from net migration targets, recognising that in the large majority of cases they are temporary rather than permanent migrants.
15. The Government has recently announced its intention to publish disaggregated figures for net migration, reporting on international students as a separate category within the total. Universities UK welcomes this important step towards greater clarity in this debate, but wants government to go further and commit to excluding students from the net migration target itself.

### **Students as temporary migrants**

16. A 2010 Home Office study *The Migrant Journey* showed that 21% of individuals who entered as students in 2004 remained in the UK five years later.

Of those still in the UK:

- Six per cent of the original cohort were still studying in 2009 (many undergraduate and postgraduate study combinations are five years long)
- Seven per cent of the original cohort had switched into a work based immigration category
- Only three per cent of the original cohort of students had settled permanently by 2009



- Recent changes to the student visa system are likely to reduce the number staying for longer than five years even further.
- New measures such as the limits on the amount of time a migrant can remain in the UK on a student visa studying at degree level or above (five years in the majority of cases), the requirement for academic progression to be confirmed when moving from one course of study to another and the reduction in post-study work opportunities available to international students will all impact on the numbers staying in the UK

### Net migration 'bounce'

17. Because the majority of students leave the UK within five years, reducing the numbers of incoming international students will have a limited impact on net migration in the long term.
18. However, a reduction in numbers of students arriving would create a short term reduction in net migration figures because of the lag effect, with a previously larger number of international students leaving the UK, compared to the numbers coming in. The Migration Observatory at the University of Oxford has called this phenomenon the 'net migration bounce'.
19. The Institute for Public Policy Research, in their recent publication *International Students and Net Migration in the UK* said:

*"The difference between the two scenarios A and B [cutting vs maintaining student numbers] in terms of the longer term contribution of international students to net migration is only 7,500: this is clear from looking at the 'steady state' figures from 2019 onwards. However, the difference in net migration figures in the early years is large: in 2013 the difference is 44,000. The official figures for 2013 are published in November 2014, so are likely to be the last official figures before the next election and as such will be seen as the test of whether the government has hit its target of reducing net migration to the tens of thousands."*

### Support for removal of students from net migration figures

20. There is growing support for removing students as migrants for the purposes of policy making. In June 2012, 68 University Chancellors and Chairs of Council wrote to the Prime Minister asking him to support universities' international activities, and their contribution to economic growth, by removing students from the net migration target. Since then, a further 9 signatories have added their support, taking the current number to 77.

*Simon Walker, Director General of the Institute of Directors*

*"Our universities are a massive export success story. The reputation and quality of our institutions draw the brightest students from all over the world.....International students should not be treated as migrants for the purposes of the government's net migration figures,"*

*House of Commons Business, Innovation and Skills Committee*

*" The Government's commitment to its measurement of net migration is putting at risk the United Kingdom's ability to expand its share of the overseas student market. While we accept that the Government has made a clear political commitment to reduce net migration, the inclusion of overseas students at accredited institutions in the overall total is misleading. Furthermore, it runs the risk of undermining a world class export market. Given the existing number of overseas students studying in the United Kingdom, the Government's ambition to limit net migration to the "tens of thousands" is clearly in conflict with the ambition to expand the United Kingdom's share of the overseas student market.*

*Whilst we understand that the UN definition of migration includes overseas students the Government is under no obligation to use that definition for the development of domestic policy. Removing overseas students from the Government's migration targets would allow universities to compete on a level playing field with their international competitors. It would also allow the Home Office to concentrate on economic migrants and their value to the United Kingdom. "*

*Lords' Science and Technology Committee*

*"We are concerned that changes to the immigration rules may reduce the number of overseas students coming to study to the UK and, therefore, the income that HEIs derive from these students to support other activities. This may result in a general reduction of provision of STEM courses that rely on this income to make them viable."*

*...*

*"Given the significant contribution that overseas students make to the economy and that the majority leave the UK following their studies and do not therefore contribute significantly to net migration, we recommend that the Government make a distinction in the immigration statistics between HE students and other immigrants and uses only the latter category to calculate net migration for policy-making purposes."*



Universities UK

*House of Commons Home Affairs Committee*

*“Although the UN requires students to be included in migration figures, we are not persuaded that students are in fact migrants. Only if a student or former student seeks settlement - or the length of time they have spent in the country is excessive - should their status in the UK be regarded as that of a migrant rather than a student visitor. This is not to soften the approach to reducing immigration numbers but to recognise that not all students remain permanently....”*

*Institute for Public Policy Research*

*“government needs to take international students out of the immigration ‘numbers game’, which is damaging our universities and colleges, our economy and our international standing. This would enable the government to move back to a policy that supports rather than penalises one of our most important industries and sources of future growth and global influence – without in any way hampering its stated objective of controlling long-term net migration.”*

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## Migration statistics: the US, Australia and Canada

A fundamental difference between the UK approach and that of Australia, Canada and the United States is the manner in which the UK groups together all types of immigrant with no disaggregation between those who are predominantly temporary in nature and those who have a route to longer-term residence.

### United States

- There are two migration data sets of relevance in the United States. Estimates of net international migration (NIM) are produced by the United States Census Bureau. Calculations of NIM are based on immigration of the foreign born, emigration of the foreign born, net migration between the United States and Puerto Rico, net migration of natives to and from the United States, and net movement of the Armed Forces population to and from the United States<sup>2</sup>.
- However, while international students are captured in the NIM figures (under the 'immigration/ emigration of the foreign born' categorisations), they are not included in the permanent immigration statistics produced by the Department of Homeland Security. Instead, international students are classified as 'non-immigrant admissions' alongside tourists, business travellers and those involved with cultural exchange programmes.
- The Department of Homeland Security uses a separate categorisation of 'legal permanent residents' - persons who have been granted lawful permanent residence in the United States (also known as "green card" recipients). Refugees and asylees and naturalisations are also categorised separately.
- Thus, in the United States, the UN definition of a migrant has no influence on either the United States Census Bureau statistics (which report on the basis of whether someone is foreign born or not) or the Department for Homeland Security statistics (which categorise individuals as permanent residents or temporary on the basis of whether their immigration category affords them access to longer-term residence in the US).

### Australia

- Australia records the numbers of international students coming into Australia in its estimates of total net overseas migration (NOM) but they are included in

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<sup>2</sup> See United States Census Bureau <http://www.census.gov/population/intmigration/methodology/>



the 'net temporary arrivals' section alongside temporary skilled workers, tourists, visitors and working holiday makers.

- The other categories reported on are 'net permanent arrivals' (arrivals under the Permanent Migration Program such as employer-sponsored workers, and arrivals under the Humanitarian Programs) and 'net other arrivals' (Returning Australian citizens and permanent residents, New Zealand citizens settling).
- The presentation of net overseas migration in Australia is not based on the UN definition of a migrant but instead categorises individuals on the basis of whether they are permanent or temporary arrivals<sup>3</sup>. Permanent residents are those with a route to settlement.

### Canada

- Immigration statistics are published by Citizenship and Immigration Canada<sup>4</sup>. Annual statistics are published, disaggregated by different categories of permanent and temporary residents. International students are reported within the temporary resident category.
- Separately, Statistics Canada presents data on net international migration as follows:
  - *net international migration = immigrants – (emigrants + net temporary emigrants) + net non-permanent residents + returning emigrants*
- Whilst, international students are included in the overall net migration calculations, they are categorised within the net 'non-permanent residents' category along with foreign workers, the humanitarian population and other temporary residents<sup>5</sup>. The effect of this is that international students are not presented as long-term immigrants in Canada's migration statistics; a distinct contrast to the UK's reporting which groups international students together with highly skilled workers, family migration, European migration and refugees.
- The UN definition of a migrant does not have any obvious influence on the presentation of immigration statistics in Canada. Immigrants are defined as those persons residing in Canada who were born outside of Canada, excluding temporary foreign workers, Canadian citizens born outside Canada

<sup>3</sup> See Department of Immigration and Citizenship for examples of how immigration statistics are presented <http://www.immi.gov.au/media/publications/statistics/immigration-update/update-july-dec11.pdf>

<sup>4</sup> <http://www.cic.gc.ca/english/resources/statistics/menu-fact.asp>

<sup>5</sup> See Statistics Canada - <http://www.statcan.gc.ca/pub/11-402-x/2011000/pdf/population-eng.pdf>

and those with student or working visas<sup>6</sup>. Non-permanent residents are persons holding a work or study permit or refugee claimants. The UN definition is not used in the presentation of statistics.

### New Zealand

- New Zealand reports its migration statistics in a very similar way to the UK reporting numbers of permanent and long-term arrivals – defined as people from overseas arriving to live in New Zealand for 12 months or more (including permanently), and New Zealanders returning after an absence of 12 months or more overseas<sup>7</sup>. However, the purposes of policy making the New Zealand Government is seeking to expand the numbers of international students in the country, seeing this as a means to reverse the net emigration trend<sup>8</sup>.

### OECD

- OECD estimates of permanent migration attempt to capture individuals who have travelled to a destination country with the intention of being there for an extended period of time (those on a 'migration track' which normally leads to permanent residence in the host country)<sup>9</sup>.
- The OECD's definition of a permanent migrant specifically excludes international students, even if they stay for more than a year in the host country<sup>10</sup>. Students will only be counted as permanent-type migrants by the OECD if they switch into an immigration category which places them on a migration track leading to permanent residence.

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<sup>6</sup> See Statistics Canada - <http://www.statcan.gc.ca/pub/81-004-x/2010004/def/immigrant-eng.htm>

<sup>7</sup> See Statistics NZ -

[http://www.stats.govt.nz/browse\\_for\\_stats/population/Migration/IntTravelAndMigration\\_HOTP\\_Mar12/Definitions.aspx](http://www.stats.govt.nz/browse_for_stats/population/Migration/IntTravelAndMigration_HOTP_Mar12/Definitions.aspx)

<sup>8</sup> See New Zealand Government's Leadership Statement for International Education -

<http://www.minedu.govt.nz/~media/MinEdu/Files/EducationSectors/InternationalEducation/PolicyStrategy/LeadershipStatement2011.pdf>

<sup>9</sup> Fron. P, Lemaitre. G, Liebig. T & Thoreau. C, *Standardised statistics on immigrant inflows results, sources and methods* (2008) OECD available at <http://www.oecd.org/dataoecd/22/28/41281008.pdf>

<sup>10</sup> See Migration Observatory briefing *International Migration: The UK compared to other OECD countries* (2011)

<http://migrobs.vm.bytemark.co.uk/sites/files/migrobs/Briefing%20-%20UK%20Compared%20with%20OECD%20Countries2.pdf>