

# Parliamentary briefing

Oral Question: Benefits to the UK of ceasing to classify foreign university students as economic migrants (Lord Hannay of Chiswick)

3 July 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.

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 statistics for the purposes of immigration policy making.

## Inclusion of international students in net migration calculations

1. 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 252,000 (12 months to September 2011). In the short term, the government's objective cannot be achieved without considerable cuts to the numbers of international students coming to the UK.
2. 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.



3. 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. The government has argued that it cannot do this because it is bound by the UN definition of net migration:
  - All countries have to report net migration statistics to the UN using the same classification of a migrant<sup>1</sup>. We are NOT asking government to change the definition.
  - However, many countries (e.g. Australia and the US) do not view students as being migrants on the basis that they come for the purpose of temporary study. They are only viewed as more long-term additions to the population if they switch immigration categories to a route that allows them to stay in the longer-term e.g. a work based immigration category.
  - Universities UK is calling on the UK government to follow the example of Australia and the US and remove international students from the calculation of net migration for policy purposes, and to remove them from the target to reduce net migration.
  - We believe that if a student subsequently switches into an immigration category that affords them a route to settlement, then it is at this point that they should be considered as a migrant.
  - **Details of how the US, Australia and Canada present migration statistics can be found at Annex A.**

### Students as temporary migrants

4. 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.
5. 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

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• <sup>1</sup> A long-term migrant is deemed by the UN to be a person who moves to a country other than that of his or her usual residence for a period of at least a year (12 months), so that the country of destination effectively becomes his or her new country of usual residence.



- 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'**

6. 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.
7. 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'.
8. 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."*

### **International students: economic contribution**

9. 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.

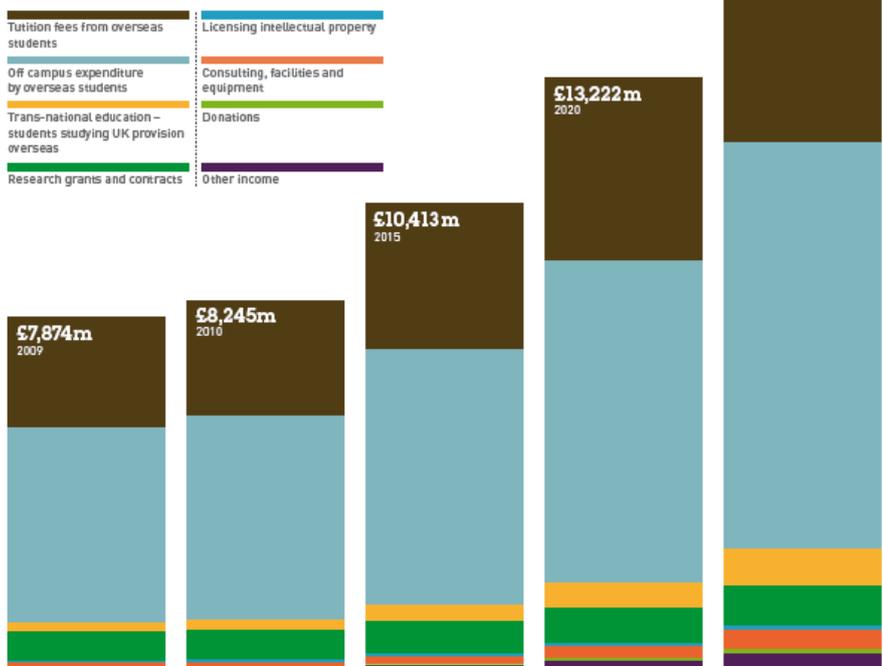
10. The same report estimated that higher education exports could be worth £16.9 billion to the UK by 2025.

**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



11. 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.

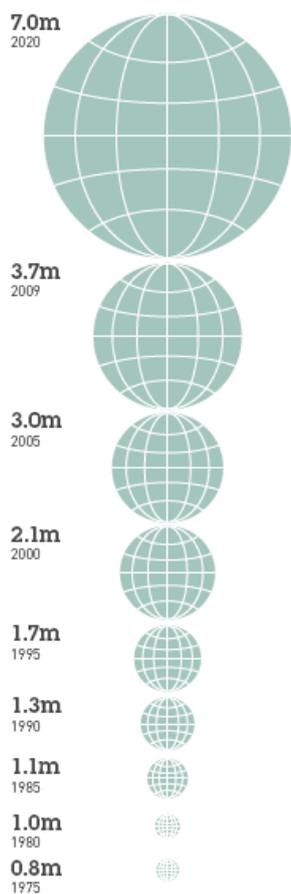
12. In separate calculations, the IPPR has estimated that keeping student inflows at current levels would save the UK from losing around £2-3 billion per year in economic contribution. This is compared to their own analysis suggesting that a reduction of 50,000 students immigrating to the UK could result from the government continuing to ‘bear down’ on numbers.

13. 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.

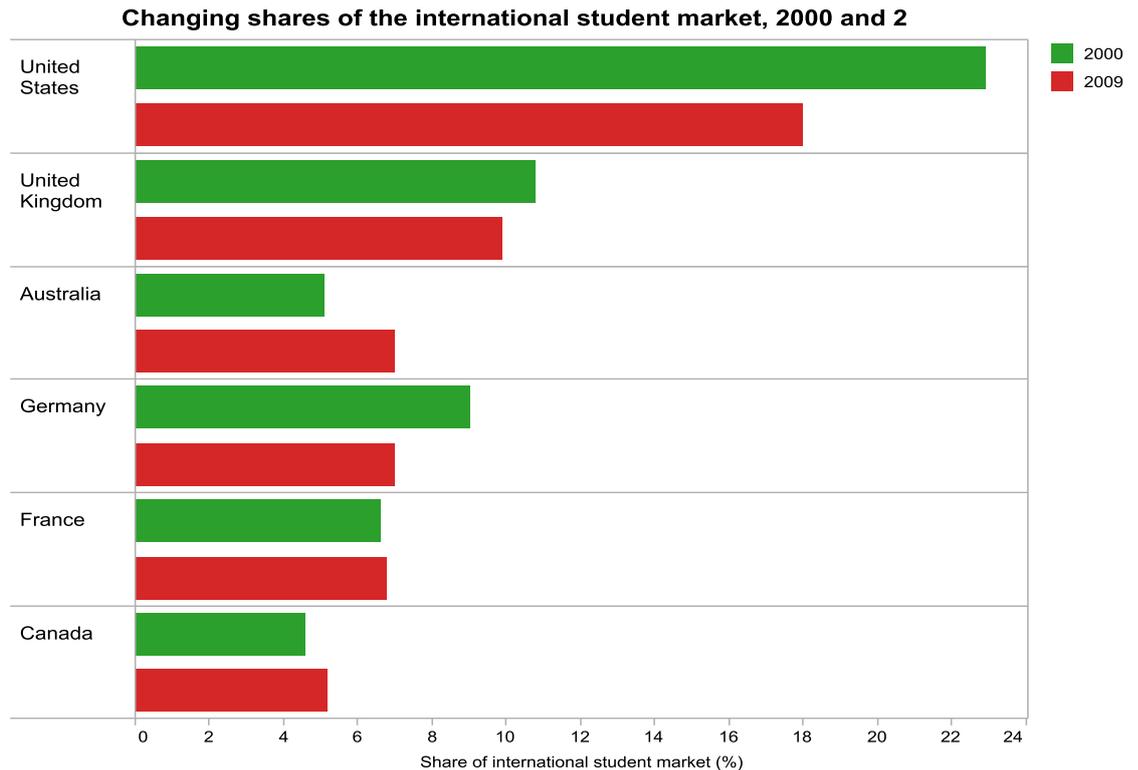
*Opportunities for growth*

14. There is a growing market for legitimate international higher education. Between 2000 and 2009 the total number of international enrolments increased from 2.1 million to 3.7 million.

Growth in the number of internationally mobile students



15. According to the OECD the UK is the second most popular destination for international students, after the US. However, our share of this growing market has fallen from 10.8% in 2000 to 9.9% in 2009.



### Growing support

16. There is growing support for removing students as migrants for the purposes of policy making. Last month 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 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...."



Universities UK

*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>