

The Student Immigration System – briefing for MPs

Background

1. The UK Government published a public consultation on reform of the student immigration system on Tuesday 7 December. The consultation is of interest to universities as major recruiters of international students who provide significant academic, cultural and financial benefits to institutions and to the wider UK.
2. The consultation closed on Monday 31st January.
3. Universities UK and a number of individual universities submitted comprehensive responses to the consultation.
4. Universities UK has substantial concerns in relation to the Government's proposed reforms. The purpose of this briefing is to summarise these concerns.
5. An adjournment debate on the proposals is due to take place on Tuesday 8th February. This briefing may be useful should you wish to contribute to the debate.

The Government's proposals

The proposals outlined in the consultation document 'The Student Immigration System' are as follows:

- Raising the level of courses students can study by restricting Tier 4 (student) visas largely to degree-level courses and child students. Only Highly Trusted Sponsors (HTS) will be permitted to offer courses below degree level to adults (i.e. NQF 3, 4 and 5 / SCQF 6, 7 and 8). Lower level courses of under six months' duration will continue to be offered outside the Points Based System for immigration, through the student visitor route.
- Raise the Tier 4 language bar as a key indicator of fitness to complete a higher level course. All Tier 4 (General) applicants including degree level and English language students will be subject to a secure English language test showing competence at level B2.
- Students wanting to remain in the UK after their initial course to extend their studies will have to show clear evidence of academic progression to a higher level. We are also considering whether such students should be required to leave the UK and re-apply from overseas.
- Close the Tier 1 Post Study Work route (this route currently offers graduates of UK institutions the opportunity to stay in the UK and work for two years).
- Students should only be allowed to work on campus during the week and for any external employer at weekends and during vacation periods.

- Where a course includes a work placement, raise the minimum ratio of study to work placement from 50:50 to 66:33 so that these types of courses become less attractive to people using them as a way to gain access to the UK employment market.
- Remove permission to work for all dependants of Tier 4 students, except where they qualify in their own right under Tier 1 or Tier 2 of the PBS.
- Only those Tier 4 students studying for more than 12 months will be allowed to bring their dependants to the UK.
- Impose different requirements as regards evidence of maintenance and previous qualifications in order to lighten the burden on lower risk students.
- Tighten the accreditation regime, working with departments responsible for education across the UK to ensure the quality of education provision within private institutions of further and higher education for Tier 4 purposes.

Key concerns of the university sector

A number of the proposals in the consultation document are of significant concern to universities and, if implemented, will require changes in the way universities recruit and advise international students. This will obviously have a wider impact on the way in which UK universities can position themselves internationally and market themselves compared to other countries.

Every year around 150,000 international students enter the UK's universities. They come from over 190 countries, bringing with them global intellectual capital, spending power, and economic and cultural benefits. When they leave the UK, they become global ambassadors for the UK's culture and values, creating an international network of UK alumni which is a powerful tool in extending our reach and influence abroad

A barrier to economic growth

Facilitating the free flow of international staff and students to the UK is critical to supporting the UK's economic growth in the future. The global market in international students is set to increase significantly over the next decade. If the UK retains its current market share, this will translate into substantial increased export revenue, and tens of thousands of jobs being created in both the public and the private sectors.

The international activities of universities contribute around £5.3BN to the UK economy. This includes the fees that are paid directly to universities from international students, as well as the additional spending from students and families which benefits the economy. In addition, it is estimated that international students generate around £3.26 billion knock-on output for the UK economy.¹ The potential exists to double the income from this source over the next 5-10 years, significantly improving the UK's overall balance of trade.

Universities have made plans to increase their numbers of international students over the five-year period from 2008-09 to 2012-13 (the latest years for which plans are available).

¹ *The impact of universities on the UK economy*, Universities UK, November 2009

These plans indicate a projected increase in full-time international students of around 38,000, or 23% over this period. Income from international students is projected to increase by £661M over this period, an increase of around 37 percent. These projections are likely to have been altered in the most recent forecasts, in the light of the increasing importance of international activities, and the changes to funding for UK and EU students.

The global growth opportunity in relation to international students is significant. If the UK holds existing market share in a global market growing at 7 percent per year, by 2030 this could be worth around £5 billion to the UK with potentially 80,000 additional academic and support staff jobs.

International students make a significant contribution to their local economies across the UK. For example in the North East the total revenue of higher education was £967 million in 2007/08². International revenue amounted to nearly £123 million which, together with the estimated off campus expenditure of international students (£111 million), represented a total of £234 million of export earnings. Universities in the region provided 13,715 full-time equivalent jobs across a range of occupations.

There will be potentially a substantial loss of income to individual universities. These reforms are coming at a time when there is great turbulence in the education system with the wider funding reforms in the Browne Review. University income streams are already very uncertain and cutting international student numbers will only add to the problem.

Little consideration seems to have been given to the economic impact of the proposals.

Restricting the pathways into UK universities

Proposed changes to **English language testing** are likely to cut across institutions' own language testing approaches by prescribing 'secure English language testing' for all Tier 4 students and could be seen as interference by UKBA in academic matters. It is also likely to undermine the UK's success as a destination for English language study and the English language sector. In its submission, Universities UK stated it believed that HTS institutions should be able to determine their own language requirements, since that is a matter of academic judgement. Between 30 and 50 per cent of international students joining university programmes prepare for study by taking a range of preparatory programmes in the UK, run by universities or in partnership with other providers in the UK.

Partnerships developed between higher education institutions and other education providers in the UK will be undermined by restrictions on visas for students undertaking **sub-degree programmes**. There is a strong policy drive outlined in the consultation to restrict access for international students at institutions offering provision below university level.

However, this policy direction ignores the complex partnership arrangements which universities have with a wide range of pathway providers that enable international students to prepare for their university studies in the UK. It is extremely important to differentiate between those students attending partner colleges who intend to progress to a UK university, and those who have no such intention.

² *Making an economic impact. Higher education and the English regions*. Universities UK, 2010.

Data limitations

The current proposals have been formulated based on data which is flawed. The International Passenger Survey (IPS) is widely cited by the UKBA in its proposals to demonstrate net migration levels. Yet the IPS was never meant to measure international migration and has been declared not fit for this purpose by the Treasury Select Committee³. It is also widely believed to underestimate the outflow of emigrants.

The Tier 1 research study upon which the proposal to close the Post Study Work route has been based was based on a very limited cohort. The data only related to Tier 1 visa holders applying to bring dependants to the UK and there was no disaggregation of the data to indicate what institutes post study workers had graduated from and the courses that they had undertaken.

Data provision must improve quickly to ensure that policy making is based on more reliable sources.

Minimising abuse

One of the main thrusts of the consultation and associated Government policy direction is a focus on reducing abuse of the system. Universities share the commitment to minimise abuse but many of the consultation proposals are not focused on minimising abuse but instead applying blanket restrictions to all types of education provider regardless of status and track record. It must be recognised that UKBA's own research demonstrates that there are very low levels of visa abuse in the university sector (estimated non-compliance in the university sector is around 2 per cent of students). The impact of the measures designed to target abuse will have a disproportionate impact on universities who are compliant with the current system.

What contribution do students really make to long-term net migration?

International students are not permanent migrants to the UK; they enable many of our strategic subject areas to continue to be viable, they support our research base, they enrich the student and local communities in which they study and live and they provide critical income for institutions. A reduction in international student numbers in universities will create further instability that will damage the global standing of the sector and the educational experience available to UK and EU students. In addition, departments in strategic subject areas will close with consequences for regional and national expertise as well as direct and indirect employment associated with international students.

A UKBA report *The Migrant Journey* found that of students who entered the UK in 2004 79 per cent had left the UK five years later. A further six per cent were still studying.

Tier 1 Post Study Work

The proposed changes to **work opportunities** both during study and post study are likely to be perceived negatively by current and prospective international students. The Post Study

³ *Counting the population, eleventh report of session 2007-08*. House of Commons Treasury Committee, 2008

Work Route needs further analysis, as opposed to outright closure at this stage, as it is a valuable route for international graduates to build on their academic experience with a period of work. Offering post study work options to international students is part of the overall package which attracts international students to the UK and gives UK universities a competitive advantage. The current Post Study Work route is open to any individual who has graduated from one of more than 700 institutions. There is scope to reduce the availability of post-study work options without harming UK universities. This option needs to be explored instead of closing the route outright to everyone.

Implementation issues

The current proposals seek to place inappropriate, unworkable and unjustified restrictions on legitimate and well-qualified international students wishing to study in the UK and the universities seeking to educate them. The proposals would make the UK a less welcoming destination for international students with a likely consequent decline in numbers.

Reputational damage

The proposals are also likely to have an impact on the **reputation of the UK** as a welcoming destination for international students and potentially undermine the extensive work undertaken by institutions and the UK Government to promote UK education globally. When other countries have tightened their immigration systems, America and Australia being notable examples, it has required significant effort to overcome the resulting negative perceptions and to reverse the wide-ranging impact that reductions in international student numbers have on academic, cultural and economic activities. Both America and Australia have loosened their student visa systems once again.

Should students be required to return home between courses?

Requiring students to **return home** between programmes will be problematic for progression through higher education and could be particularly difficult for students moving between Masters' programmes and research programmes. Restrictions on dependants and their entitlements in the UK could particularly affect research students.

Further information

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