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Business, Innovation and Skills
Committee

Overseas Students and Net Migration

Fourth Report of Session 2012–13

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Business, Innovation and Skills Committee

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1 Overseas students and their value to the UK

“International students are academic, cultural and economic assets to the UK. They make a vital contribution to our country while they study here and this contribution continues once they graduate as ‘friends of the UK’, able to support our trade, diplomatic and cultural efforts.” [Universities UK]¹

Introduction

1. As world leaders in higher education, UK universities are a premier destination for overseas students. The global market in higher education is expanding, and figures published by the OECD² clearly demonstrate that the market will continue to grow:

| Year | Internationally mobile students |
|------|---------------------------------|
| 1975 | 800,000 |
| 1980 | 1,000,000 |
| 1985 | 1,100,000 |
| 1990 | 1,300,000 |
| 1995 | 1,700,000 |
| 2000 | 2,100,000 |
| 2005 | 3,000,000 |
| 2009 | 3,700,000 |
| 2020 | 7,000,000 |

The Government is fully aware of the contribution overseas students make to the UK economy. This was highlighted by the Department for Business, Innovation and Skills in its June 2011 research paper, *Estimating the Value to the UK of Education Exports*, which estimated that overseas students were worth £5 billion per year to the UK and that this could rise to £16.9 billion by 2025.³

2. Scrutiny of government policy in relation to Higher Education is central to our work and the overseas student market formed an important part of our discussions during our inquiry into trade and investment with China.⁴ In March 2011, we visited Beijing and Shanghai and we were concerned to hear that the Government’s visa regime was having a negative impact on UK universities’ ability to attract Chinese students.⁵ Our Report concluded:

An efficient and accessible visa regime is vital if the Government is to demonstrate that the UK is open for business. [...] businesses and universities—both British and

¹ *Universities UK response to The student immigration system – a consultation*, Universities UK, 2011, p.8

² www.oecd.org/edu/highereducationandadulthoodlearning/educationataglance2011oecdindicators.htm

³ *Estimating the Value to the UK of Education Exports*, BIS Research Paper No.46, June 2011

⁴ Business, Innovation and Skills Committee, Eighth Report of Session 2010-12, *Trade and Investment: China*, HC 1421

⁵ *Ibid.*

Chinese—faced severe difficulties in obtaining UK visas for their employees and students. Ministers appear to be unaware of the seriousness of the situation and their account and their characterisation of our experience as a "temporary phenomenon" smacks of complacency. [...] We caution the Government that monitoring of the system will not be enough, it needs firm action now.⁶

In its Response, the Department defended the visa regime and argued that “the UK continues to attract the brightest and best students from China”.⁷

3. When we visited Brazil in May 2012, we were given similar messages about the restrictive nature of the UK visa regime. In particular, we were told that it was hindering the ability of UK universities to attract Brazilian students and that it put our universities at a competitive disadvantage in respect of their international counterparts. This was causing particular concern to those seeking to take advantage of the opportunities presented by the ‘Science Without Borders’ programme, under which the Brazilian Government will be funding 100,000 of their students to study abroad, and who wish to promote UK higher education in a growing market in which it is currently under-represented.

4. The Times Higher Education asserted recently that more than 100 students who had planned to come to the United Kingdom under the ‘Science Without Borders’ programme were now planning to study in the United States. According to the TES, Helena Gasparian, head of the Cultural and Academic Section at the Brazilian Embassy in London said that these students chose to take up places in the US rather than retake the language exams, which could have delayed their studies. The article went on to cite Juliana Bertazzo, responsible for education cooperation at the Embassy who argued that confusion over the UK visa process had also contributed to a lower than expected overall demand for places in UK institutions.⁸

5. Visa policy is the responsibility of the Home Office and the Home Affairs Committee has already scrutinised the detail of that policy in respect of overseas students.⁹ We do not replicate that Committee’s work in this report. Instead, we concentrate on the impact of the visa regime on universities and in particular the effect of classifying overseas students as permanent migrants in the Government’s policies on migration.

Bogus students and colleges

6. The terms “international student” and “overseas student” are often used to describe all foreign nationals studying in the United Kingdom. They were also used by our witnesses in this inquiry. It is important to make clear that we consider these terms to describe only genuine students from overseas who wish to study at accredited institutions¹⁰ in the United

6 HC (2010–12) 1421, para 71

7 Business, Innovation and Skills Committee, Fourth Special Report of Session 2010–12, *Trade and Investment: China, Government Response to the Committee’s Eighth Report of Session 2010–12*, HC 1568, para 44

8 Times Higher Education, 2 August 2012

9 Home Affairs Committee, Seventh Report of Session 2010–12, *Student Visas*, HC 773 and Eleventh Report, together with Government Response to the Committee’s Seventh Report of Session 2010–12, *Student Visas: Follow-up*, HC 1445

10 For a list of accredited institutions see www.ukba.homeoffice.gov.uk

Kingdom. They do not describe those foreign nationals who use student visas as a fraudulent means of gaining entry into the United Kingdom.

7. The existence of bogus colleges, which supported such entry, seriously undermined the reputation of genuine students and genuine colleges. Whilst we support the policy to remove bogus students and colleges from the system, its communication to the wider world needs to be handled carefully to ensure that it does not give the impression that the United Kingdom no longer welcomes genuine students. Ending this abuse was a priority for the Government and the Minister told us of its success in this area. He explained that as a result of changes to the accreditation regime, there were now 500 fewer institutions taking foreign students. While he acknowledged that it would be hard to drive out such criminality in its entirety, he reassured the Committee that the new accreditation had “driven out wholesale large amounts of abuse” and that this was a good, reassuring message to send round the world”.¹¹

8. Both Universities UK and the Institute of Directors welcomed the progress the Government had made in this area. Simon Walker, representing the Institute of Directors believed such colleges “were quite rightly closed down because they were working outside the system. Essentially they were fraudulent”.¹² Nicola Dandridge agreed, stating that UUK was “absolutely 100% behind the Government” on this issue.¹³

11 Q 76

12 Q 29

13 Q 29

2 The overseas student market

9. The Higher Education Funding Council for England (HEFCE) reported that UK universities' total income in 2009–10 was £22.2 billion, of which just under 10 per cent came from overseas fees.¹⁴ Nicola Dandridge, Chief Executive of Universities UK, set out clearly the direct and indirect impact on the UK's higher education sector and the wider economy:

The international student market brings tremendous benefits to the UK, most obviously in terms of economic benefits. In June 2011, BIS estimated that it brings about £8 billion to our economy in direct and indirect cost. They estimated that it has the potential to increase to about £17 billion by 2025, all things being equal. Of course, it is not just economic benefits that international students bring, but tremendous cultural richness to our campuses, and also links that extend far beyond the international students' experiences in the UK. They go back as ambassadors for the country and the impact that that has is immeasurable and invaluable.¹⁵

10. This point was echoed by Simon Walker, Director General of the Institute of Directors. He argued that UK universities were a “key export success story” and that the visa regime was having a “direct impact” on that success.¹⁶ He also argued that for many businesses overseas, and many Governments:

Connections with UK universities are in many ways among their strongest and happiest links with this country. We are very concerned about the longer-term impact on Britain's international reputation as a global centre and as somewhere that is open for business, and those linkages.¹⁷

The UK's share of the overseas student market

11. UCAS is the body responsible for collating statistics on university applications. UCAS publish monthly data on overseas students in a report on applicant figures for the current entry cycle, which includes a comparison with the previous cycle.¹⁸ The latest statistics show a worrying slowdown in the rate of growth of overseas students coming to the United Kingdom, which correlates with the anecdotal evidence we heard in China and Brazil. In January 2012, the numbers of applications from overseas students to attend university courses in the UK had increased by 13% compared to the previous year. However, the

14 *Our universities fall for the glitter of foreign gold*, Daily Telegraph, 29 June 2012

15 Q 2

16 Q 4

17 Q 4

18 For a listing of the different types of reports and their timings please see the UCAS statistical reports calendar: www.ucas.ac.uk/about_us/stat_services/datacalendar/

equivalent figure in May 2012 was 10%, while the figures for June have fallen still further to 8.5% (see tables below).¹⁹

| May 2012 total applicants by domicile (UK, other EU, non-EU) | | | | |
|--|----------------|----------------|----------------|--------------|
| By domicile | 2011 | 2012 | Diff (+/-) | Diff (%) |
| UK | 550,147 | 501,267 | -48,880 | -8.9% |
| Other EU | 45,727 | 39,966 | -5,761 | -12.6% |
| Non EU | 51,134 | 56,240 | 5,106 | 10.0% |
| Total | 647,008 | 597,473 | -49,535 | -7.7% |

| June 2012 total applicants by domicile (UK, other EU, non-EU) | | | | |
|---|----------------|----------------|----------------|--------------|
| By domicile | 2011 | 2012 | Diff (+/-) | Diff (%) |
| UK | 566,002 | 515,663 | -50,339 | -8.9% |
| Other EU | 47,675 | 41,543 | -6,132 | -12.9% |
| Non EU | 56,279 | 61,041 | 4,762 | 8.5% |
| Total | 669,956 | 618,247 | -51,709 | -7.7% |

12. Nicola Dandridge attributed this to the tightening of the student visa rules:

We are also seeing the impact of the tightening up of visa rules, which is affecting universities now. We hear—albeit, somewhat anecdotally—from recruitment fairs overseas that the reputation that we are getting is that Britain is not welcoming to international students. It is difficult to quantify, not least because we do not have the data now for what is happening in 2011–2012. We will know the figures for this academic year, 2011–2012, in early 2013. So we are to some extent forced to rely on anecdote. Nonetheless, [Universities UK] has done a survey of its members to try to anticipate their assessment of the situation in terms of international students, and our survey from earlier this year concluded that universities are reducing their projections of increases. Where they had projected an increase in international students, they are now modifying their position and reducing that in response to the Government's policies.²⁰

She went on to state that while the 10% increase was welcome it had to be seen in the context that the UK had “a very dominant and wonderfully successful market position and we are slipping”.²¹

13. The Minister for Immigration, Damian Green MP, sounded a more cautious note in relation to the value of overseas students. He argued that, in relation to general migration, some immigrants were “economically and culturally hugely beneficial” while others were

19 UCAS media releases - Data reported for applications considered on time for 31 May and 30 June deadlines: http://www.ucas.ac.uk/about_us/media_enquiries/media_releases/2012/20120709

20 Q 3

21 Q 20

“neither” and some were “actively negative”. He went on to assert that this picture was also true of the overseas student market:

Some will end up starting businesses that employ thousands of people. Some will live off benefits and be a drain on the Exchequer.²²

He added that “to try to generalise to say every student is equally economically beneficial seems to me not a very sensible way of proceeding”.²³

14. When pressed on the declining market share the Minister asserted that it was “for the universities to market themselves”²⁴ and asserted that while market share was “one relevant measure” other measures of activity, for example “quality” were also relevant.²⁵

15. UK universities are rightly considered to be world leaders in higher education and they have an enviable track record of attracting bright overseas students to come and study in the UK. While recent figures have shown that those numbers are increasing in absolute terms, the rate of growth is now in decline. These figures need to be read in the context of the grave economic difficulties facing the world economy. However, it is clear that the Government’s policies in respect of student immigration have played a significant part in this decline. UK universities are an export success story and the fact that they are taking an increasingly pessimistic view of future projections should be of deep concern to the Government. The Department for Business, Innovation and Skills has a responsibility to support UK universities, and to promote export success. As a matter of urgency it needs to demonstrate that it has an active strategy to support the expansion of this important and lucrative market.

22 Q 108

23 Q 108

24 Q 53

25 Q 83

3 Immigration policy

UK immigration policy

16. The Government's immigration policy is set out in the Coalition Agreement and states that it will "introduce an annual limit on the number of non-EU economic migrants admitted into the UK to live and work".²⁶ The Minister told us that the target was to reduce net migration from its current level of about 250,000 a year to "tens of thousands" by 2015.²⁷

17. The fact that the Government includes overseas students in that policy has been raised as a major concern by the Higher Education sector. Whilst it is understandable that the Government wants to exclude bogus colleges, Universities UK argued that it would have a significant impact on the Higher Education Sector:

If that were implemented, it would lead to a very significant reduction in international students coming to universities. There have been various estimates of what it might lead to, but the Migration Advisory Committee report of November 2010 estimated that the reduction in non-EU students coming to universities would be in the region of about 87,600 over the next three years. The IPPR has done a very recent report, in which they estimated a much higher figure of 50,000 per annum reduction in students. Whatever the exact figure, we are talking a very significant reduction [...]²⁸

18. Simon Walker, from the Institute of Directors, also believed that a reduction in the number of overseas students would be detrimental to the wider economy. He gave the following description of the benefits of overseas students studying in the UK:

One in six of our members said that they employed graduates from outside the EU, who have graduated from a British university in the last five years, basically to help with exports. It ranges from Brazil to Belarus—all over the place. The same proportion was worried that policy changes at the moment were going to cause a problem for their organisation.

19. Mr Walker went on to highlight the view of one of his members who stated "I work almost all the time with middle and senior managers in the wider Middle East. They have a strong affinity to the university town they attended to study".²⁹ As a result, that IoD member argued that it was "not difficult [...] to draw a positive conclusion about the need to keep the flow of foreign graduates moving".³⁰

²⁶ *The Coalition: our programme for government*, page 21

²⁷ Q 101

²⁸ Q 3

²⁹ Q 24

³⁰ Q 24

The UN definition for reporting net migration

20. According to both Universities UK and the Institute of Directors, a key factor in the decline in projections for future market share is the way in which overseas students are considered within the Government's visa regime.

21. The United Nations defines a migrant as a person who moves to a country other than that of his or her usual residence for a period of at least a year, so that the country of destination effectively becomes his or her new country of usual residence. The definition was introduced to harmonise the reporting of migration trends and all countries adhere to this definition when declaring migration figures.³¹ Under this definition students are classified as migrants if they study overseas for more than one year.

22. However, this is not the only international definition of migration. Our witnesses highlighted the fact that the OECD does not include overseas students in net migration figures until they have exceeded 36 months in a country—which represents a standard 3-year degree course.³² Both Universities UK and the Institute of Directors argued that, while they did not dispute the need for the UN definition, it was not necessary to use that definition for purposes of domestic policy. In particular, Nicola Dandridge, Chief Executive of Universities UK, argued that:

We should make sure that our policy is determined by policy-based reasons and not a very artificial and somewhat limited definition.³³

23. Simon Walker, Director General of the Institute of Directors, also asserted that a wider review of the definition of migration would be helpful:

The political problems in a sense are only going to get worse. If there is to be a review of this definition, it would seem to me that this would be a sensible time to do it rather than in a year or two years' time, on the assumption that this issue continues to be inflammatory and that this gets confused in a wider debate.³⁴

24. We accept the need for an agreed definition for the international reporting of migrants and we agree that the UN definition is a useful tool in that respect. However, we also note that the UN measure, unlike the OECD definition, counts students in the record as permanent migrants after one year. While this may be helpful in terms of national reporting of migration trends, it is a less helpful measure in respect of domestic immigration policy, as it has the potential to distort the true picture of net migration in the United Kingdom.

Exempting students from the net migration figures

25. On 30 May 2012, a letter was sent to the Prime Minister signed by 68 universities urging the Government to stop counting foreign students as immigrants:

31 Ev24

32 Q 16

33 Q 18

34 Q 16

Global competition for international students is intense and a number of other countries are increasing their efforts in this area.

We therefore ask you to consider how your government can do more to support our universities in their international activities. In particular we request that international university students be removed from the net migration statistics for policy purposes, bringing us into line with our major competitors.

We believe this would help government by creating a clear differentiation between temporary and permanent migration, help universities whose international character is essential to their future success, and help the UK by contributing to economic growth.³⁵

26. The reclassification of students for domestic policy purposes was also put forward by the think-tank, the IPPR. The IPPR recommended that the Government switch to a more “rational” method of measuring student migration flows and only count students who stay on permanently in the UK. Sarah Mulley, IPPR Associate Director, commented:

The Government need 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 Ministers to move back to a policy that supports rather than penalises one of the UK’s most important industries and sources of both future growth and global influence, without in any way hampering its stated objectives of controlling long-term net migration and continuing to target abuse of the student visa system.³⁶

27. Nicola Dandridge, Chief Executive of Universities UK, asked:

For the purpose of policy development, can we treat international students as temporary migrants, not permanent migrants? That is what all our competitors do, the US, Canada and Australia. They operate by the UN definition in terms of UN data returns, but for the purposes of policy development, to a quite stark degree they distinguish between permanent and temporary migration, and international students are always regarded as temporary migrants.³⁷

28. Jo Attwooll, Policy Adviser, Universities UK, argued that if a student subsequently switched into a work based category at the end of their studies, then at that point they should be viewed as “more permanent additions to the population”.³⁸

29. When we put these arguments to the Minister, he did not accept that this was a viable alternative:

An immigrant is somebody who arrives in a country and stays for more than a year. It is a straightforward definition; it has been used for decades. [...] I think trying to

35 *Immigration policies will damage higher education, say education experts*, The Guardian, 20 May 2012 and *Immigration crackdown will damage universities, PM told*, The Daily Telegraph, 30 May 2012

36 *Govt “gaming” net migration figs by counting students*, IPPR Press Release, 14 May 2012

37 Q 8

38 Q 8

redefine our way out of the problem is absurd. It would not be credible to the public and we should not do it. Government should not try to fiddle the figures to get their way out of a problem.

But I think there is a wider point, which is that to say somebody who comes here for three years as a student is not here, so doesn't count, is just absurd. Nobody is arguing that somebody who comes here to work for two years or for 18 months is not an immigrant; of course they are an immigrant.³⁹

He added:

The idea that somebody can be here for three, four, five years or longer but in some way do not have an impact. They are living somewhere, so they are having an impact on housing. They will be taking public transport. If they are here for three years, it is quite likely they use the health service. All the immigration pressures on the public services, which we all know about, are as affected by an individual student as they are by an individual on a work permit [...]⁴⁰

International comparisons

30. The Minister told us that "Australia and the US both include students in their net migration statistics as we do".⁴¹ However, we were told by other witnesses that Australia, Canada, the United States and New Zealand have each reviewed their respective visa regimes for students in recent years to make their countries a more attractive study destination for the international student market.⁴² In the US, for example, while the US Census Bureau include students in their overall figures, the Department of Homeland Security excludes them for migration policy purposes, treating them like business visitors and tourists as 'non-immigrant admissions'.

31. Nicola Dandridge, Chief Executive of Universities UK, gave us a useful flavour of the policy priorities in the United States and Australia:

President Obama says, "Today we provide students from around the world with visas to get engineering and computer science degrees at our top universities, but our laws discourage them from using those skills to start a business or power a new industry right here in the United States. So instead of training entrepreneurs to create jobs in America, we train them to create jobs for our competition. That makes no sense at all. Look at Intel and Google and Yahoo! and eBay. These are great American companies that have created countless jobs; they were founded by immigrants. We don't want the next Intel to be created in China or India. We want those companies and jobs to take root in America"; so, a real political drive to keep these international students.

39 Q 46

40 Q 46

41 Q 48

42 Qq 8, 13 and 21

In Australia, they have changed their policy on visas as part of the Government's commitment, "To position Australia as a preferred study destination for international students". They say, "International education plays a vital role in a growing economy. It is important we give it the best possible support", and they have set up the International Education Advisory Council—this is the Knight review—that will be charged with helping "inform the Government's development of a five-year national strategy to support the sustainability and quality of the international education sector".⁴³

32. The Minister, however, contrasted that experience with that of the United Kingdom. He argued that "neither Australia nor America has a policy of driving down net migration, whereas we do", which he described as "just a policy difference". Furthermore, he rejected the claim that "we are in some way doing something different with our immigration numbers from everyone else".⁴⁴

33. Commenting on the wider debate, Simon Walker, Director General of the Institute of Directors, believed that the problem lay with the fact that "all the running on this issue has been by people who want to clamp down on immigration at all costs" and that as a result there was a danger of "throwing a particularly important baby out with the bathwater".⁴⁵ He went on to argue that while there was a "reasonable political debate" to be had on levels of immigration, the current measurement tools were far too crude and added that there "is not public hostility to overseas students by and large. There is quite strong support".⁴⁶

Disjointed Government?

34. Despite the view of the Home Office, the Department for Business, Innovation and Skills appears to be sympathetic to removing overseas students from the Government's migration figures. Speaking on 29 May at the Gulf Education Conference in London, Rt Hon. David Willetts MP, the Minister for Higher Education, said that higher education, which was already a "great British export industry", could be "far bigger". He went on to say that he wanted to see an expansion in the numbers of overseas students because "growth is the government's agenda, and we want to see it grow".⁴⁷ He also told the House in the previous week that there was "no limit" on the number of genuine students who can come to the UK to study. However, he appeared to acknowledge that the visa regime had an impact on overseas student stating that:

Of course we are in close contact with the Home Office on the implementation of these rules, but the key point is that there is no cap on the number of overseas students who can come to Britain.⁴⁸

43 Q 21

44 Q 49

45 Q 6

46 Q 8

47 *Willetts wants more overseas students*, Times Higher Education, 2 June 2012

48 HC Deb, 24 May 2012, Cols 1275-6

35. The Secretary of State for Business, Innovation and Skills, Rt Hon Vince Cable MP, has also recently entered the debate. He argued that the Coalition's immigration policy may be "damaging to the perception of how we welcome talent from overseas", and that tough new entry requirements for students may be "damaging" Britain's reputation as a good place to study.⁴⁹ In recent weeks there have been suggestions that the Prime Minister may respond to concerns from universities, business leaders and also from Ministers within the Government to exempt students from the net migration figures.⁵⁰

36. We are not the only parliamentary committee to highlight concerns over the way overseas students are counted in the Government's net migration figures. In July 2012, the Home Affairs Committee recommended that the Government "should exclude students from their net migration target"⁵¹ while the House of Lords Science and Technology Committee recommended 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 policymaking purposes.⁵²

37. 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.

38. 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.

39. We recommend that, for domestic policy purposes, overseas students should be recorded under a separate classification and not be counted against the overall limit on net migration. That does not mean that we wish to hide the level of overseas students studying in the UK. The Government could make clear the distinction by publishing, alongside its net migration data, detailed information on the number of overseas students studying in the UK, their country of origin, the number who remain here after

49 Vince Cable: efforts to cut student immigration 'damaging' to UK science, Daily Telegraph, 12 July 2012

50 Students could be exempted from immigration figures to help hit Coalition target, Daily Telegraph, 8 July 2012

51 Home Affairs Committee, Fifth Report of Session 2012–13, *The work of the UK Border Agency (December 2011–March 2012)*, HC 71, para 46

52 House of Lords Select Committee on Science and Technology, Second Report of Session 2012–13, *Higher Education in Science, Technology, Engineering and Mathematics (STEM) subjects*, HL Paper 37, para 239

they have completed their studies and the number who remain in higher education. Such an approach would make clear the difference between permanent immigration and study and crucially it would demonstrate clearly that the United Kingdom welcomes overseas students and values the contribution they make to our economy.

Conclusions and recommendations

1. UK universities are rightly considered to be world leaders in higher education and they have an enviable track record of attracting bright overseas students to come and study in the UK. While recent figures have shown that those numbers are increasing in absolute terms, the rate of growth is now in decline. These figures need to be read in the context of the grave economic difficulties facing the world economy. However, it is clear that the Government's policies in respect of student immigration have played a significant part in this decline. UK universities are an export success story and the fact that they are taking an increasingly pessimistic view of future projections should be of deep concern to the Government. The Department for Business, Innovation and Skills has a responsibility to support UK universities, and to promote export success. As a matter of urgency it needs to demonstrate that it has an active strategy to support the expansion of this important and lucrative market. (Paragraph 15)
2. We accept the need for an agreed definition for the international reporting of migrants and we agree that the UN definition is a useful tool in that respect. However, we also note that the UN measure, unlike the OECD definition, counts students in the record as permanent migrants after one year. While this may be helpful in terms of national reporting of migration trends, it is a less helpful measure in respect of domestic immigration policy, as it has the potential to distort the true picture of net migration in the United Kingdom. (Paragraph 24)
3. 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. (Paragraph 37)
4. 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. (Paragraph 38)
5. We recommend that, for domestic policy purposes, overseas students should be recorded under a separate classification and not be counted against the overall limit on net migration. That does not mean that we wish to hide the level of overseas students studying in the UK. The Government could make clear the distinction by publishing, alongside its net migration data, detailed information on the number of overseas students studying in the UK, their country of origin, the number who remain here after they have completed their studies and the number who remain in

higher education. Such an approach would make clear the difference between permanent immigration and study and crucially it would demonstrate clearly that the United Kingdom welcomes overseas students and values the contribution they make to our economy. (Paragraph 39)

Formal Minutes

Tuesday 4 September 2012

Members present:

Mr Adrian Bailey, in the Chair

| | |
|-----------------|----------------|
| Mr Brian Binley | Rebecca Harris |
| Paul Blomfield | Margot James |
| Katy Clark | Ann McKechin |
| Mike Crockart | Nadhim Zahawi |
| Julie Elliott | |

Draft Report (*Overseas Students and Net Migration*), proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 39 read and agreed to.

Resolved, That the Report be the Fourth Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Written evidence was ordered to be reported to the House for printing with the Report.

[Adjourned till Tuesday 11 September at 10.00 am.]

Witnesses

Tuesday 26 June 2012

Page

Simon Walker, Director General, Institute of Directors, **Nicola Dandridge**,
Chief Executive and **Jo Attwooll**, Policy Adviser, Universities UK

Ev 1

Damian Green MP, Minister of State for Immigration and **Carolyn Bartlett**,
Head of Student Migration Policy, Home Office

Ev 12

List of printed written evidence

Universities UK

Ev 23; Ev 24; Ev 27; Ev 33

List of Reports from the Committee during the current Parliament

The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

Session 2012–13

| | | |
|----------------------------------|--|-------------|
| First Report | The Hargreaves Review of Intellectual Property: Where Next? | HC 367-I/II |
| Second Report/First Joint Report | Scrutiny of Arms Export Controls (2012): UK Strategic Export Controls Annual Report 2010, Quarterly Reports for 2010 and January to September 2011, the Government's review of arms exports to the Middle East and North Africa, and wider arms control issues | HC 419 |
| Third Report | Post Office Network Transformation | HC 84 |

Session 2010–12

| | | |
|------------------------------------|---|--------------------------|
| First Report | The New Local Enterprise Partnerships: An Initial Assessment | HC 434 (HC 809) |
| Second Report | Sheffield Forgemasters | HC 484 (HC 843) |
| Third Report | Government Assistance to Industry | HC 561 |
| Fourth Report / First Joint Report | Scrutiny of Arms Export Controls (2011): UK Strategic Export Controls Annual Report 2009, Quarterly Reports for 2010, licensing policy and review of export control legislation | HC 686 |
| Fifth Report | Government Assistance to Industry: Government Response to the Committee's Third Report of Session 2010–11 | HC 1038 |
| Sixth Report | Is Kraft working for Cadbury? | HC 871 |
| Seventh Report | Rebalancing the Economy: Trade and Investment | HC 735 (HC 1545) |
| Eighth Report | Trade and Investment: China | HC 1421 (HC 1568) |
| Ninth Report | Time to bring on the referee? The Government's proposed Adjudicator for the Groceries Code | HC 1224-I |
| Tenth Report | Pub Companies | HC 1369-I/II (Cm 8222) |
| Eleventh Report | Time to bring on the referee? The Government's proposed Adjudicator for the Groceries Code: Government Response to the Committee's Ninth Report of Session 2011–12 | HC 1546 |
| Twelfth Report | Government reform of Higher Education | HC 885-I/II/III (HC 286) |
| Thirteenth Report | Pre-Appointment Hearing: Appointment of Director of the Office for Fair Access | HC 1811 |
| Fourteenth Report | Debt Management | HC 1649 (HC 301) |
| Fifteenth Report | Stamp Prices | HC 1841-I/II |

Oral evidence

Taken before the Business, Innovation and Skills Committee on Tuesday 26 June 2012

Members present:

Mr Adrian Bailey (Chair)

Paul Blomfield
Julie Elliott
Rebecca Harris
Margot James

Ann McKechin
Mr David Ward
Nadhim Zahawi

Examination of Witnesses

Witnesses: **Simon Walker**, Director General, Institute of Directors, **Nicola Dandridge**, Chief Executive, Universities UK, and **Jo Attwooll**, Policy Adviser, Universities UK, gave evidence.

Q1 Chair: Good morning. Thank you for agreeing to speak to the Committee. Before we start, can I ask you to introduce yourselves for voice transcription purposes?

Simon Walker: I am Simon Walker, Director General of the Institute of Directors.

Nicola Dandridge: I am Nicola Dandridge, Chief Executive of Universities UK.

Jo Attwooll: Jo Attwooll, Policy Adviser, Universities UK.

Q2 Chair: Thank you very much. Obviously, we have a lot of questions and limited time. If somebody leads on a question and the rest of the panel have really nothing more to add to what has been said, do not feel that you have to answer every question. Brevity is the key to this. Equally, of course, if you have something to add or subtract, do not feel inhibited in saying so.

First, could you summarise, fairly briefly, what opportunities you think the overseas student market offers UK universities? Has that market changed over the last five years?

Nicola Dandridge: The international student market brings tremendous benefits to the UK, most obviously in terms of economic benefits. In June 2011, BIS estimated that it brings about £8 billion to our economy in direct and indirect cost. They estimated that it has the potential to increase to about £17 billion by 2025, all things being equal. Of course, it is not just economic benefits that international students bring, but tremendous cultural richness to our campuses, and also links that extend far beyond the international students' experiences in the UK. They go back as ambassadors for the country and the impact that that has is immeasurable and invaluable.

In terms of the changes in the market over the last five years, we have been in a very strong position in the UK, second only to the US in the numbers of international students coming to the UK. However, over the last few years our market share has been slipping. It was 10.8% of the international student market in 2000. That has gone down to 9.9%, which I think is in part a reflection of the increased global competition for international students that we are witnessing across the piece. But our concern at the

moment is the impact of the Government's policy—both in the future and indeed now—which is leading to a reduction in projected increases that are already being observed in—

Q3 Chair: You anticipated my next question, but feel free to develop it. Go on.

Nicola Dandridge: Our concern primarily relates to the Government's commitment to reduce net migration from the hundreds of thousands to the tens of thousands. If that were implemented, it would lead to a very significant reduction in international students coming to universities. There have been various estimates of what it might lead to, but the Migration Advisory Committee report of November 2010 estimated that the reduction in non-EU students would be in the region of about 87,600 over the next three years. The IPPR has done a very recent report, in which they estimated a much higher figure of 50,000 per annum reduction in students. Whatever the exact figure, we are talking a very significant reduction, and the conclusion of both those reports is that this is an inevitable consequence of a full implementation of the Government's policy.

To some extent, that is looking to the future and it is a question of whether the Government implements it. They do say that they want to and that message is coming out very loudly and clearly internationally. Leaving that aside, we are also seeing the impact of the tightening up of visa rules, which is affecting universities now. We hear—albeit, somewhat anecdotally—from recruitment fairs overseas that the reputation that we are getting is that Britain is not welcoming to international students. It is difficult to quantify, not least because we do not have the data now for what is happening in 2011–2012. We will know the figures for this academic year, 2011–2012, in early 2013. So we are to some extent forced to rely on anecdote. Nonetheless, the UUK has done a survey of its members to try to anticipate their assessment of the situation in terms of international students, and our survey from earlier this year concluded that universities are reducing their projections of increases. Where they had projected an increase in international students, they are now modifying their position and

reducing that in response to the Government's policies.

We are also seeing an actual reduction in student intake from some countries, particularly from India, particularly in the postgraduate market, and for some universities that is quite marked. They are concerned about it, and particularly concerned about the impact on specific subject areas, especially STEM, where, although they are manageable this year, the reductions may affect—may affect—the viability of some subjects in the future.

Q4 Chair: Could I bring in Simon Walker at this point, because obviously we have heard a specifically university perspective of that? Could you tell me whether the business community would subscribe to that particular view?

Simon Walker: I think we very much would. We have several concerns. One is, of course, we see universities in this country as a key export success story, so many of them are members, and we are concerned about the direct impact on universities. But the indirect impact is also important. For many businesses overseas, and many Governments, connections with UK universities are in many ways among their strongest and happiest links with this country. We are very concerned about the longer-term impact on Britain's international reputation as a global centre and as somewhere that is open for business, and those linkages.

If I could just mention a conversation two or three years ago I had with the current Malaysian Prime Minister when he was Deputy Prime Minister. He reflected on how his father had gone to university in the UK with people like Lee Kuan Yew. He talked about how he had gone to the University of Nottingham and the feeling it gave him of connection with this country, but he saw his children's generation not going to British universities and going to Canada, New Zealand, Australia, the United States. He felt that was damaging in a very broad context to that familiarity, that sort of ease of connection and the many personal contacts that people and businesses would have. We surveyed our members and found that that is a view that is very much echoed within our membership as a whole, both from small- and medium-sized businesses to much larger ones.

Q5 Chair: Forgive me, but I do feel sometimes the business community do not speak out loudly enough on that.

Simon Walker: I think you are right about that. The business community has failed to speak out loudly enough. I was quite surprised, when we surveyed our members in advance of this meeting their view was so overwhelming—80% of them felt that this was a matter of importance to them as businesses, this access to that foreign connection. So I completely agree, I think the business community should speak up more loudly. I know other business organisations share this view to a large extent. I have not come across any of them that take the opposite view and that feel we ought to clamp down in this area. The other point I would make, which is more a psychological one, is that remarks that are made in

Westminster or around the country that go down quite well locally are often on the front pages of *The Times of India*, or the *New Straits Times* the next day because of the internet. The impact of this on perceptions of Britain is quite strong, and that has been reflected to us as well.

Q6 Chair: Yes. Having a large Indian community in my constituency I am very much aware of that. But at the end of the day politicians respond to, in effect, public opinion pressure, and indeed that is part of democracy. Do you not feel that the business community should have played a stronger part, and could still play a stronger part, in reshaping that public opinion?

Simon Walker: Yes, I think you are completely right. All the running on this issue has been by people who want to clamp down on immigration at all costs, and in this case are in danger of throwing a particularly important baby out with the bathwater. I take your point and I feel that the business community ought to be much more active in shaping this debate. It is an area where we have not played the role that we should, and I intend to within the IOD.

Q7 Chair: Good. That is what I want to hear. You mentioned a survey. Could we have the results of the survey? If you could send it to us, that would be very helpful.

Simon Walker: Yes, I would be very happy to do that, and I was going to quote once or twice from it today, if I may?

Q8 Chair: Yes. I think I know the answer to this, but it would be useful to have it on the record. Would removing students from classification as economic migrants make any real difference in the system? Nicola probably is best placed to answer.

Nicola Dandridge: It would make an impact in two primary respects. Removing them from the definition of net migration, which is the UN definition that we are particularly concerned about, would mean that we were not caught up in the Government's commitment to reduce net migration. I should say here that we are not seeking to take students out of the system completely or to take them out of the UN definition, which we can't do. What we are saying is, for the purpose of policy development, can we treat international students as temporary migrants, not permanent migrants? That is what all our competitors do, the US, Canada and Australia. They operate by the UN definition in terms of UN data returns, but for the purposes of policy development, to a quite stark degree they distinguish between permanent and temporary migration, and international students are always regarded as temporary migrants. Perhaps more significantly on that point, so do the OECD where very specifically—and this is the Bible for international data, as far as education is concerned—students are not included as permanent migrants. It would immediately have an impact in that respect. I also think it would re-categorise students in a slightly different way politically and socially, in terms of our external communications, and I think for the very

reasons Simon has just outlined that it is equally important.

Jo Attwooll: Obviously for the purposes of policy-making, we are saying to treat international students as temporary migrants, but we also have the view that if they were subsequently to switch into a work based category at the end of their studies, that is when they should be viewed as being more permanent additions to the population.

Chair: Interesting.

Simon Walker: Obviously there is a reasonable political debate, and it is good that there is a debate about immigration, but my worry is this is the only lever that is readily available to have an impact on the ultimate figure because of the way that figure is calculated. Therefore, it is the one that is available and tends to be the one that can be seen to be used. I think that is a mistake because we know that the vast bulk of overseas students go back eventually. We also know that there is not public hostility to overseas students by and large. There is quite strong support.

Q9 Chair: Can I just clarify? When you were talking about “lever”, you are talking about the redefinition?

Simon Walker: As a policy lever for Governments of any party. It is one of the few levers that is readily available that can show results. But it is a misleading result because it is not in the area that people who are worried about immigration are fundamentally concerned about. I would have thought it would be a sensible thing to take away that lever by moving to the OECD definition and focusing on issues that people are concerned about, rather than damaging applications, as students to this country are not what people are fundamentally concerned about.

Q10 Paul Blomfield: On that point, do you think it—the inclusion of students in migration figures—has the impact of perhaps unintentionally distorting policy? I mean in the sense that, if the Government’s objective is the reduction of real net migration but student figures are in there, there is a kind of perverse incentive to encourage quick outflow, for example, by reducing post-study work routes and discouraging inflow. You hit your migration objectives more quickly than you would otherwise have done but do not make any real difference to what we like to talk about as real immigration.

Nicola Dandridge: Yes, you have put the case extremely well, and that case has been advanced by IPPR and others. That is exactly the point, that to some extent the inclusion distorts the picture and does not allow a focused analysis of where people’s concerns really are, which is about permanent migrants, and also perhaps people who are abusing the system. There has been an excellent piece of work by the Migration Observatory, which is an Oxford based group that has looked at public concerns about immigration and—to pick up on the point that has just been made—the concern is very much about illegal immigrants and people who stay, particularly in unskilled jobs. If that is the public’s concern, then that is what we need to address, and the inclusion of international students does indeed distort that analysis, precisely for the reason you identified that

international students come and then they go, so in steady state they should not really impact on the net migration figures.

Q11 Nadhim Zahawi: Can I just get something clear in my head, because we have the Minister coming after you? On the UN definition—this point is very important because you can see what will happen, the moment we try to move the definition, and I know our colleagues on this Committee are, quite rightly, looking at this in a constructive way, but you can see what the Opposition would do in the court of public opinion, that is, say, “They are just moving the definition around to suit their policy.” So the UN definition includes international students, but you are saying some countries then nuance that by having temporary and permanent—is that correct? Which countries are those? Could you just repeat that for this Committee?

Nicola Dandridge: Yes. The UN definition defines a migrant as anyone staying in the country for over 12 months, which—

Q12 Nadhim Zahawi: Which we have to abide by.

Nicola Dandridge: We do indeed, and there is no dispute about that. But by including students in that definition—sorry, this is just an aside and I will come back to your point—there is a distortion inherent already, in the sense that you have this artificial cut-off point at 12 months. As an illustration of how difficult this is, we are doing an international student exchange scheme with Brazil at the moment called Science Without Borders. It is very high-profile. It is supported by Government. It is 10,000 students coming in from Brazil.

Chair: We have just come back from Brazil.

Nicola Dandridge: Well, you know all about it in that case, and we are very proud to be doing this and it feels a wholly good thing to do. Those students originally were planned to come in to the country for 12 months, and we were all mightily relieved because it meant that they would not be included in the definition of net migration, and so everyone was very happy. However, what has emerged is that their English is not particularly good, so they have to come for an additional three months now, paid for by the Brazilian Government, and so they stay for 15 months. This has caused such concern in Brazil because the immediate response from the British ambassador and others is, “They are not going to be able to come to the UK.” Of course, we have reassured them and explained that is not the case. But I think it is illustrative of the artificiality of the definition that we are already worried that these wonderful students are going to fall within the definition of “net migration” because of the UN definition and the way the Government has interpreted it. Sorry, that is a bit of an aside, but I think it is a good illustration of how this works in practice.

Q13 Chair: It is what actually triggered this particular session.

Nicola Dandridge: Oh, really? Anyway, to return to your question about who uses this and who does not. It might be useful if we provide you with details of

this but, in short, Australia, Canada and the US do not. For policy purposes, they all distinguish between temporary and net migration and international students are firmly in the temporary category for the purposes of their policy development. These are our competitors. Interestingly, the only country among our competitors who does equate the UN definition with international students is New Zealand. But they have a very different approach to the issue, because they are actively seeking to encourage net migration, as a matter of policy, and so they see international students as one of the mechanisms of securing an increase in net migration. So although they do it, interestingly, they do it for policy purposes. But I think the ones we need to look at in particular are the States, Australia and Canada, and they very clearly—

Q14 Nadhim Zahawi: Australia and Canada—

Nicola Dandridge: They do not.

Nadhim Zahawi: They do not for exactly the same category of student? There is not a different arbitrary timescale that triggers the definition?

Nicola Dandridge: No.

Q15 Nadhim Zahawi: Once they have permanent work, then they are considered in the net migration?

Nicola Dandridge: Absolutely. When they shift their status within the country, they fall into a different category, but when they are in the country as international students they—

Q16 Nadhim Zahawi: So a three- or four-year course, whatever the course is, they—

Nicola Dandridge: Absolutely right. I think this is quite important, and also the OECD definition, which does not either. Perhaps, if we may, we can let you have a more detailed analysis of what other countries do because I think it is very revealing in this respect?

Nadhim Zahawi: It is incredibly important. If we can have that, that would be very helpful.

Simon Walker: I had thought—and Nicola knows more than I do—that the OECD definition said that, if you were there up to 36 months in a student capacity, you were not counted at part of net migration.

Nadhim Zahawi: That was my next point.

Simon Walker: If that is the case, in a sense, it provides a reasonable way out because, as I understand it, Australia had exactly the same political pressures that this country has on immigration issues more broadly. The political problems in a sense are only going to get worse. If there is to be a review of this definition, it would seem to me that this would be a sensible time to do it rather than in a year or two years' time, on the assumption that this issue continues to be inflammatory and that this gets confused in a wider debate.

Q17 Margot James: My question is for clarification. Does not the effect of the way our rules operate put us in the same category as the US, Canada and Australia? Because any student who has been here for at least a year will be counted net. They would be cancelled out in the figures over a period of time, would they not? They would be counted in as an immigrant and then,

when they left, they would be counted out, so the net effect is surely the same as what operates in Australia, Canada and the US. Is that not the case?

Nicola Dandridge: Yes, you are right but there is a lag. There is this net migration bounce, which is referred to, because there are lags between them coming into the country and leaving the country. Because the inflow of international students is rising—albeit not as much as we would want—the impact is that the exit data significantly post-date their entrance data. I think that point was being made earlier—that this is in fact distorting our analysis of the figures, because that time lag does not properly account for inflow and outflow.

Q18 Chair: We have actually strayed into somebody else's question, but it does not really matter insofar as we have the evidence that we want. Could I just finish off my section of questions? To a certain extent you have anticipated what I was going to ask, and that is, basically, would a more flexible visa system be more helpful to universities and is there anything in the UN definition that would prohibit this?

Nicola Dandridge: We are certainly not suggesting that we can start changing the UN definition. I do not think anyone is suggesting that. It is simply that the UN definition is a definition, and it seems to us that we are letting epistemology determine policy here. It is no more than a definition. What we are saying is that we can be flexible. Other countries are doing it quite comfortably. We should, and we should make sure that our policy is determined by policy-based reasons and not a very artificial and somewhat limited definition.

Chair: Can I bring in David Ward? *[Interruption.]*

Q19 Mr Ward: Announced with a fanfare. Thank you.

Having said all that, if I were Damian Green—under pressure—I looked at the figures of a 13% increase in UCAS applications. Some are going down from some countries. Some are clearly going up from other countries. What is the problem?

Nicola Dandridge: If I can address that point. I believe that the 13% UCAS figure dates from January. It is actually going down. The most recent is 10% I think from May 2012, and that is exactly the—

Q20 Mr Ward: Only 10% higher?

Nicola Dandridge: Yes. It is good but—there are a number of “buts”—there is a decline overall in the projected increases, and a downward trajectory. It is very early in the cycle to be able to predict the impact of these changes because it takes quite a while to work through. We are hearing the feedback from other countries in recruitment fairs now, which will feed in to 2012–2013. What we are seeing in the statistics now is probably a reflection of what was happening 12, 18 months ago. Even now, we are seeing a reduction. Our concern is how this will play out in the future. All the signs are not good. I think relying on the data now is perhaps slightly misleading.

Having said that, there is also an issue about looking beneath the aggregate figure. The 10% increase, whatever it may be, is of course positive and wholly

welcome, but that is against the background of us having had a very dominant and wonderfully successful market position and we are slipping. The international student market is growing and we want to be part of that. As I mentioned before, we are also observing reductions from some countries and in some subject areas. For instance, a lot of the increases are accounted for by Chinese students, which is completely wonderful and long may that continue, but nonetheless it is just one section of the world.

I was having a discussion with a Vice-Chancellor last week, who was expressing concerns that he is a university and he has to offer a diversity of subjects. He can't just offer business and management courses, which is what many students from China wish to do. He is seeing reductions in applicants from India, particularly postgraduate. He is very worried about the impact on STEM, and that distorted effect of the market is of real concern to him because he runs a multi-faculty university. It is that sort of narrative that is causing real concern, so I think just looking at an aggregate 10% increase, although that is to be welcomed and something we want to hold onto, it is not the complete picture.

Q21 Mr Ward: In terms of those countries where there are reductions, Brazil and India, can you isolate the visa changes as being the sole factor or is something else going on?

Nicola Dandridge: No. We can't, and it would be impossible to do that. There are number of factors here. When we asked Vice-Chancellors they said that Government policy was probably the primary factor. That is their view. There are undoubtedly other factors at play, not least the behaviour of our competitors.

We have done a quick analysis of what other countries are saying about international students, and I think this is not insignificant for this debate. Can I just quote you some of those policy announcements from other countries? Perhaps I can send you this; it is only two pages, but it is very interesting to see what they are saying because I think accounts for some of our—

Chair: Do not quote two pages.

Nicola Dandridge: No, I am not going to quote two pages. I am just going to read out certain extracts.

Chair: We would be very pleased to have the two pages.

Nicola Dandridge: I will send it to you. Can I just give you a flavour of it?

Chair: Yes.

Nicola Dandridge: For example, from America, President Obama says, "Today we provide students from around the world with visas to get engineering and computer science degrees at our top universities. But our laws discourage them from using those skills to start a business or power a new industry right here in the United States. So instead of training entrepreneurs to create jobs in America, we train them to create jobs for our competition. That makes no sense ... Look at Intel and Google and Yahoo! and eBay. These are great American companies that have created countless jobs ... every one was founded by an immigrant. We don't want the next Intel or Google to be created in China or India. We want those

companies and jobs to take root in America"; so, a real political drive to keep these international students. In Australia, they have changed their policy on visas as part of the Government's commitment, "To position Australia as a preferred study destination for international students". They say, "International education plays a vital role in a growing economy ... so it's important we give it the best possible support", and they have set up the International Education Advisory Council—this is the Knight review—that will be charged with helping "inform the Government's development of a five-year national strategy to support the sustainability and quality of the international education sector".

We have New Zealand, where their strategy aims to double the economic value of international education to \$5 billion over the next 15 years. They want to achieve annual growth in tertiary enrolment of about 7%.

We have Canada—this is the last one—Canada's national strategy is to reinforce Canada as a country of choice for study and conduct world-class research, and there is a plan in British Columbia to increase the number of international students. Then my final quote is from the Minister for Immigration in Canada, who says, "We've created my favourite immigration class, the Canadian Experience class. This is something that should have been done ages ago. We used to tell foreign students who came and got Canadian degrees and diplomas, 'Thanks very much, you now have a degree that will be recognised by a Canadian employer, you have perfected your English or French language skills, now please leave the country and if you want to immigrate, get in the back of an eight-year long queue.' Talk about madness". They say, "Now we have the Canadian Experience class", which says basically, "We want to keep you."

The point about all this—and I will send you the details because I think it is illustrative—is this is what our competitors are doing. They are sending out a message that, "We really want these highly skilled, top-end, elite, undergraduate and postgraduate international students to power our economies".

Q22 Chair: I think we have the message, yes.

Nicola Dandridge: Here, the message is very, very different. Going back to your point—and apologies for being rather long-winded about this—we cannot say that it is only due to the Government's policies. The atmospherics, the way this is playing internationally, I think, is what is causing our problems because our international competitors are investing and expanding their markets.

Q23 Mr Ward: If that is the picture at the national level, could you just—and you have already indicated this—give us some feeling for the impact on the institutions, institution to institution, within the university sector?

Nicola Dandridge: Of the changes we have seen?

Mr Ward: Yes.

Nicola Dandridge: I rely on our own survey as perhaps the most up-to-date evidence here because it is real time, and what they are saying is that their projections are now being reduced by about 30% on

what they would have hoped to have been recruiting in terms of the international student market, and so projections are going down. They are still projecting an increase but they are not as large as they would have hoped, and they are citing the Government's policies as the primary reason. As I say, undoubtedly what is happening internationally is a factor in all that, that the market is becoming much more globally competitive, and also the various political events. I think some of them have cited the Arab spring in terms of impact of recruitment in the Middle East, so there are other factors at play here.

Q24 Ann McKechin: Simon, I wonder if I could focus on the issue about this country's business relationship, particularly with BRIC nations where the Government has a declared aim of rapidly increasing our trade and business with these countries as part of generating new jobs. Both you and Nicola have commented on the current impression because we do not have hard facts and figures yet, but on the impression that is being given abroad, to what extent do you think this is actually having a damaging impact on our business relationships with these countries in particular?

Simon Walker: I think it is damaging our business relationships. It combines with other factors in terms of getting here, and a sort of sense that Britain is not as open as it ought to be. So I think it is one of the factors, but a leading one. A lot of the atmospheric side of it is important.

If I could cite our survey though: one in six of our members said that they employed graduates from outside the EU, who have graduated from a British university in the last five years, basically to help with exports. It ranges from Brazil to Belarus—all over the place. The same proportion was worried that policy changes at the moment were going to cause a problem for their organisation. Remarks like this were made: "An employee who was Belarusian was very helpful in translating our literature for a campaign to market our company in that country, helping secure important meetings with the client"; "I have worked with Chinese and Indian graduates who have assisted with taking business to China and India. They are a great asset to a company if you use them correctly"; "I work almost all the time with middle and senior managers in the wider Middle East. They have a strong affinity to the university town they attended to study." "It is not difficult", this member said "to draw a positive conclusion about the need to keep the flow of foreign graduates moving."

Another one, "We have a consultancy contract with a family business in Yangon to help them develop a school. The eldest son who is leading the project did his A-levels in the UK and graduated from Imperial College. His younger sister is about to go to the LSE." There is a lot of, "It enables us to enter the home markets of the graduates with known staff who are home grown in both the country and company sense". I mean, that sums it up.

Q25 Ann McKechin: And presumably language is an issue? It came up in the case of Portuguese when

we visited Brazil. We have relatively few Portuguese speakers. Of course, in China it is the same issue.

Simon Walker: Absolutely. The language issue is hugely important, but so is the cultural issue. The company with the Belarusian said that it was actually culture almost more than language because they could find Russian speakers, but knowledge of that society. These are probably middle-sized businesses. I do not know exactly what each of them is, but they are not huge multinationals with great resource to staff up in specific areas if they make a push into Burma. They are small businesses that need to attract someone who knows that market.

Chair: Thanks. Rebecca, to a certain extent the question you wanted to ask has been covered. Is there anything you want to add to it?

Q26 Rebecca Harris: I might as well see if there is anything to add. You have all been quite vivid about the atmospherics, the messages we are putting out and also the interpretation of the definition of migrant but are there any other important respects in which our visa regime is different from our competitors?

Nicola Dandridge: That is not a very easy question to attempt to answer. There are quite stringent restrictions on international students coming into this country. But it is absolutely not our position that there should be unrestricted access. It is probably a question of scale, in the sense that some of the restrictions are reported to make it quite hard for students to come in and they are tougher than some of the restrictions imposed by our international competitors. I think that is clear.

Perhaps I can focus on one area that has caused real anxiety, and that is changes mid-cycle. In other words, changes that the Government has made that affect students who are already in the country. An illustration of that is, for instance, post-study work, where many of the students already in the country now have changed rules in terms of what post-study work they can do. They came in on one basis and now find themselves in a different situation.

Another is the restrictions on the maximum length of stay. That was introduced mid-cycle, so students came in on one basis and now find themselves subject to another. Looked at in isolation, the changes that the Government has introduced we can live with. It is the aggregate that means we are viewed as being tougher than our international competitors, and we can give you examples of that if that is helpful. Also I think the way that the changes have been announced and implemented, in particular the changes mid-cycle, have actually been quite damaging. We are aware that some of the messaging that is going back home from these students is that life is really quite difficult because of these immigration laws.

Q27 Rebecca Harris: Is it more the perception than the reality that is doing the damage, do you think?

Nicola Dandridge: I think it is both. For example, on post-study work, we now have quite restrictive arrangements in terms of what sort of work you can access in that it has to be over—is it—£20,000 or £25,000?

Jo Attwooll: £20,000.

Nicola Dandridge: You have to earn over £20,000 or the going rate for the job, if higher, which is not a requirement in other countries. For example, if you are an international student coming here to work and to study in the cultural sector, the cultural industries where salaries are very much lower, it is extremely difficult to get a job now and do post-study work here. Although in principle the £20,000 salary threshold is workable, in practice it is causing difficulties for certain groups of students. It is not a requirement imposed by our competitors. The aggregate of all these changes—that is just one example—means that, yes, it is quite hard. I think that we are viewed to be at the more stringent end of the spectrum, and that is a question of substance and also perception.

Simon Walker: Could I add that pharmacy students is another particular case that I had heard about? Britain is something of a Mecca for the brightest pharmacy students internationally. As I understand it, they have to do a year of work following their training in the UK in order to qualify, but that was changed mid-cycle. The pay that they would have received in those roles would have been less than the £20,000 level. That caused huge alarm and has done great damage, both to our ability to attract pharmacy students but also to viable and important businesses. The fact that it happened when people were in the second or third year of their degree was particularly unfortunate, because they did not know what was going to happen afterwards.

Nicola Dandridge: It caused a lot of bitterness, the fact that these changes were being made mid-cycle. In a sense the perception was, “We’ve come to this country on one basis and now it appears that different things are being asked of us, but we’re already in the country”. The fact that some people were no longer able to access post-study work, who thought that they were going to be able to in order to fund some of their studies, particularly caused concern.

I think it would be helpful if we let you have our analysis of the different requirements, because it is quite a complex picture. But you can’t look at an individual aspect, you have to look at the aggregate, and when you look at the aggregate, you realise that actually the bar is set quite high.

Q28 Mr Ward: Particularly more so in China. I think we picked up a feeling that it was not simply the rules, but the message the rules sent out, in terms of the welcoming nature of the country towards overseas students. Have you identified that at all?

Simon Walker: Absolutely. This is no longer a welcoming country in many respects. I don’t mean to stray into other territory, but I think the Ambassador to China’s letter, which was in the newspapers a few weeks ago, pointed out that we have one-tenth the number of Chinese tourists that Paris has. Sorry that is a diversion, but it does say something about attitudes to this country. I could see why Paris might nudge us out, and I recognise there are technical complications as well, but 10 times the ratio is just appalling. We see it in statistics, in terms of the difference in trade between Brazil and the UK and Brazil and France. Again, I think the ratio is something like 10 to one. These things are having

material effects that flow through to the business world. They are not the only reason, but add them all together and this isn’t a great place to do business.

Q29 Mr Ward: We obviously have had colleges closed down, so were we regarded as a soft touch?

Simon Walker: I don’t know, and I would have to defer to Nicola on that. I have heard anecdotally that a lot of the colleges that have been closed down were quite rightly closed down because they were working outside the system. Essentially they were fraudulent. As I understood it, most of that has now been done and it does also seem to be a separate issue from the one that we are talking about.

Nicola Dandridge: Can I just add to that, because I think it is so important that these are dealt with as separate issues? If there is any suggestion of abuse or bogus colleges, we are absolutely 100% behind the Government on that. It just has to be dealt with. As it happens, it is an absolute top priority for UUK to work with the Government on compliance. It seems to me that that is entirely separate from the discussion we are having today. I understand why it is raised but to merge the two seems to me rather dangerous, both in policy terms and also in terms of external messaging.

Jo Attwooll: I think on the perception side of things, there has been an atmosphere over the last 18 months to two years of just a constant feeling of change and bearing down on numbers in the UK. That is still a message that is going out. That has certainly led to a huge amount of very negative press coverage overseas, which I don’t think has helped, and certainly that applies in countries like China and India, because of the nature of the changes and the ongoing changes. There is nothing more planned at the moment, but the language is still very much of bearing down, clamping down on the numbers and restricting people coming here. Some of the changes that have taken place have impacted on international students who are already here, like the closure of post-study work and the imposition of the maximum length of study requirement, which now says you can study at degree level and above for only up to five years. It excludes PhDs, but still impacts on some legitimate combinations of study. That fosters a perception that if you come to the UK, you are not going to be certain that the ground will not shift while you are actually already here. The grounds on which you came here in the first place, and what attracted you, might change midway through your time here because of the retrospective application of some of those changes.

Chair: Can I bring in Paul Blomfield? Again, you have already anticipated some of the questions, but I am sure Paul has some.

Q30 Paul Blomfield: I would like to probe a little bit more on post-study work because while Sheffield industrialists that I talk to probably don’t use the same language, they echo the point that Barack Obama was making in the quote you shared with us, Nicola: the restrictions have impacted on their capacity to grow their business utilising some of the brightest and best that we have brought into our engineering school, for example.

Simon, is that a general experience or are my Sheffield industrialists and Barack Obama out of line?

Simon Walker: No. I think it is a general experience. For many of our members, because they tend to be small- and medium-sized businesses, it is a particular problem because they lack the resource, if they really want someone, to keep them. It is frequently about skill shortages. Again our survey drew examples: a company that had four UK graduates from outside the EU because of cyber security as a particular sort of issue, when there were few, if any, UK graduates who had those relevant skills; an engineering firm in Reading that talks about a recent hiring from Malaysian—a young Mandarin-speaking engineer who has been a “total success”; a software company that has used the freelance services of graduates who have previously gone to the firm on placement as undergraduates. Sometimes this translates to people who will continue to work for firms remotely from overseas. We have an example in Colombia where someone is still working for a company remotely via the internet, so businesses can have that solution too. It also yielded problems. We had a member who said, “We employed an MSc graduate in web design, who was refused a visa to stay in the UK because we were paying £2,000 below the London rate, even though we are based in Coventry.” They lost that person. Another one said, “We had a great candidate from New Zealand on an internship. The visa situation made it impossible to retain her and now she is working in Japan. Maybe that will open up an opportunity for us in the future, as we are on good terms with her, but the reality is the policy has already hurt us.” So the impact is absolutely there and on the backbone of the British economy firms, as well as on the big multinationals.

Jo Attwooll: I just want to add an example to that. The provision for post-study work now sits under the Tier 2 route. As Nicola mentioned earlier, there is a minimum salary that applies to that route, so it is either £20,000 or the going rate for the job, whichever is higher. One example: the UK Border Agency has codes of practice that set out the going rate for individual professions. For a new graduate chemical engineer, the going rate for that job is £25,400, which I can imagine for some small chemical engineering firms is probably quite a prohibitive salary, particularly in certain regions of the UK. Another example perhaps of the perverse nature of that requirement is that the salary listed for a trainee solicitor outside London is actually £16,650, but because it has to be either £20,000 or the going rate for the job, whichever is higher, any trainee solicitor, wherever they are based outside London, would have to earn £20,000, even though the Border Agency has said that the going rate for that job is actually far less, so there is a perverse incentive on two fronts: pushing up salaries that non-EU students would be expected to earn, and also potentially forcing a firm to pay more for a non-EU graduate, substantially more than they would actually for a UK graduate, which would have implications for a lot of firms.

Q31 Paul Blomfield: Thanks very much for that. Again, that has anticipated something I was going to

ask, because when we looked at this issue previously, when the £20,000 threshold was set, the Vice-Chancellor of Sheffield University expressed concern that the average graduate starting salary was £19,500 for Sheffield, so there is a regional dimension, and also raised the particular problems in subject and sector areas. In many cases, where a level of postgraduate study is a requirement for qualification and entry into professions—architecture was mentioned, and Simon has mentioned pharmacy—obviously you concur that that £20,000 threshold is too one-size-fits-all. How would you change it? What sort of flexibility do you think is needed?

Jo Attwooll: The codes of practice that are used to determine what those salaries are, for Tier 2, are currently being reviewed by the Migration Advisory Committee. One potential option is that the salaries listed list entry-level salaries for graduate professions, and also salaries for more established professionals. That perhaps would allow for some variation in particular professions, so that in those professions where the salaries are typically lower than maybe £20,000 there could be a lower salary rate for new entrants into that profession listed in the code of practice, instead of an arbitrary £20,000 limit.

Nicola Dandridge: I think exactly that point—if there could be flexibility in terms of the salaries being responsive to specific industries and sectors. I have been most exposed recently to concerns from the creative and cultural industries, which recruit large numbers of international students, and simply none of them qualify. So, if it could be more sector specific—a bit of a generalisation there, but generally salaries are very low in that area—but to address your point, also regionally specific. That sort of flexibility can be built into the system through the codes of practice, which Jo alluded to, and it would be much more responsive as an arrangement that would not have this perverse impact.

Q32 Paul Blomfield: Thank you very much. Probably a final Sheffield anecdote. Again, the Vice-Chancellor of the University of Sheffield shared with me a case of a postgraduate student who, because of the new restrictions, had decided not to stay, not to seek post-study work in the UK, gone back, and this was a major story in *The Times of India*. Is that a common phenomenon? How far is this closure of the post-study work damaging our reputation and our recruitment?

Simon Walker: I think very significantly, and I think British diplomatic posts are also reporting that. But anecdotally it is quite often drawn to my attention how much damage it does, and there are numerous headlines we could refer to. It is a big problem.

Q33 Paul Blomfield: Explain why you think that post-study work is so important. I ask that because when I questioned the Home Secretary on this issue, at one stage when we were debating it in the Chamber, she said that really international student recruitment, and the individual choices international students make when deciding whether to go to Canada or the UK, should be based solely on the quality of the education,

other things should not count, so why is it so important?

Simon Walker: Our members are approaching it from their own perspective, actually. The ability to access these people is important for their firms, so they are not doing it—those examples I cited—as an act of charity. They are doing it because it is helpful to their businesses, and quite often that will continue for a period with people who wish to stay here. From that perspective, I think they regard it as valuable for them. But there are other reasons why students find it attractive.

Nicola Dandridge: Let me identify three, and I am sure my colleague, Jo, will have more. Whatever the reason, it is viewed as being absolutely essential and we know that in practice it is a driver for international student choice as to where to study. The reality is many of these students don't actually take up the post-study work, but they need to know it is there as an option for them. We know that in practice this is hugely influential in terms of the deciding where they study, which is why—going back to the point made by Rebecca Harris—the fact that we are tougher in our requirements on post-study work is significant in itself.

The second reason is that many of the academic subjects, on which we absolutely excel in this country, are quite vocationally focused; it is the engineering, it is the industry engagement, our universities are very strong on that. We are far more industrially engaged than other countries and, therefore, that is a real attraction. It is no coincidence, as you will know, that the Brazil scheme has a work placement built into the Student Exchange Programme, and we are very good at that. It is integral to the way that international students approach their higher education qualifications. They do it to get a job, to get better qualifications. They are not coming here to learn Latin, necessarily, they are coming here to do engineering and various subjects like that.

The third reason why this matters is that it is an area that our international competitors are really promoting. I will not refer back to those headlines, but an emerging theme through what the country leaders are saying is that we really want to be able to offer post-study work because that is an attraction to international students. Also it is the mechanism that we can use to draw on the brightest and the best of these international students to feed our economy—the point that Simon was making. Those three arguments are powerful and persuasive for international students. Jo, do you want to say anything?

Jo Attwooll: Basically, one of the biggest issues is that there is a massively growing market for international students. When they try to assess which country they are interested in going to, they look at the entire package that is on offer to them and, as Nicola was saying, the option of post-study work is a draw for individuals, even if they never choose to actually take it up.

To give you a different example, it is like choosing which gym to join. You might choose a gym that has a swimming pool over one that doesn't but never actually use the swimming pool. It is the same sort of scenario, basically they will compare what all

different countries offer and make a judgment on that, and, at the moment, the UK is very much going in a different direction from a number of its key competitors.

Q34 Margot James: Are you concerned that the post-study work route changes will affect the postgraduate teaching of STEM subjects?

Nicola Dandridge: Yes. That is a real anxiety, in that many of the subjects—as you say, particularly STEM and engineering—are dependent on international students to make them viable, and those are the ones that I think we really need to watch. The trends are not good—that is why we are seeing dips. We are seeing expansion in business and management, but reductions in students coming in to study the STEM areas, and I think that could start having long-term impacts on the viability of some of these courses for our domestic students as well.

Q35 Margot James: How important is international collaboration and the sharing of research methods for innovation?

Nicola Dandridge: It is completely fundamental. We have not spoken about research, but of course many of these international students come and then do PhDs, then form the backbone of many academic faculties, and then feed and promote international research collaborations. You will well know universities are hugely global now. They just operate in a global sphere, and that is where research is at in large part. Many of the major innovations are a reflection of international research collaboration, so it is incredibly important.

Q36 Mr Ward: The “squeezing out” analysis, one of the reasons—so we are told—that we have such a poor national football team is because we have all these international players coming across here and playing in our Premier League, which makes our Premier League very, very good, but our national team rubbish or poor, poorer than it would have been, reasonable at penalties and so on.

Is there a squeezing out? Is there an argument there in terms of—I can see how these people go into industry and so forth—are we squeezing out what needs to be home grown students who are then available for industry? Is that a fallacy or—

Nicola Dandridge: I was thrown by the football analogy, but I take your point. First, international students and domestic students are [currently] completely separate markets, because all the student number controls that apply to the domestic student market are completely independent of the numbers of international students coming in. Sometimes we see very misleading headlines saying that international students are keeping our domestic students out of university places, and that is simply not true. They are [currently] totally separate markets, and the controls that relate to domestic students have absolutely nothing to do with international students.

On the contrary, it is the international student income that in many ways—directly or indirectly—enables universities to keep various faculties open, but also the numbers point means that many of the subjects are

sustainable. I have made that point before, but it is particularly in STEM areas that the numbers—particularly at postgraduate level—are such that if it were not for the international students, that postgraduate provision would fall away. It is exactly the reverse of the English football team analogy that you have just described.

Simon Walker: Could I make one adjacent point? My daughter is at Keele University at the moment. Like other students there, she benefits enormously from the range of international students who are there. It is a real benefit to British students because this is not necessarily the most internationalised society. Our students don't go abroad as much as they ought to. That also came up in our survey, where member firms felt that it benefited students—it benefited their British recruits—who had been in international environments with international students who had mixed with students from other cultures at their British universities. That benefit should not be underrated—the way that it makes our universities better and full of more potential for UK students.

Q37 Paul Blomfield: I just want to follow up on a point on STEM subjects, and to probe a little bit further, because clearly the teaching of STEM subjects is an important concern to us all, not only in terms of sustainability of postgraduate programmes but in the potential impact on undergraduate programmes. Again, there are Sheffield anecdotes, and I am thinking of the kind of critical mass provided by international students sustaining the viability of some of our undergraduate programmes. Is that a fair assessment, and is it a general experience? If we are on a downward trajectory, are we threatening the opportunities for UK undergraduates to benefit from top quality STEM teaching?

Nicola Dandridge: Yes. I think it is too early to draw apocalyptic conclusions about the closures of departments, but the trends are not good. It is particularly apparent now, because of the reduction of Indian students—students coming from the Indian subcontinent to study STEM subjects—that is where there are already questions being asked about the sustainability of certain subjects.

You are absolutely right, the example that you are citing is what we are hearing from a broad range of Vice-Chancellors. I was speaking to the Vice-Chancellor of the University of Surrey last week, and he reported exactly the same concern about the sustainability of some of his engineering courses. So, yes, this is a theme and a narrative that is emerging, primarily for postgraduates but, yes, also impacting on undergraduates.

Chair: Thanks. Do you want another one, Paul? Okay, we have time.

Q38 Paul Blomfield: Thanks. It is on a different issue. Again, I don't mean to be so locally focused, but I know my Vice-Chancellor would want me to ask the question. There was an article in the *Financial Times* recently quoting an international law firm, to the effect that the UK visa processing system is recognised as the most problematic in the world, so the question is separate from the main trajectory of

our questioning, but it is about your views on the complexity of our visa regime. Do you have any observations on that?

Nicola Dandridge: We have had 13 changes to the visa rules.

Jo Attwooll: No, it is at least 14 since 2009.

Nicola Dandridge: Fourteen changes since 2009 and the impact that the incessant and relentless changes has had, in terms of the universities' capacity to deal with it—although they have—but also on the international messaging about the fact that there is a clamping down that is carrying on and on and on, is quite stark. Certainly, if we send you the chart showing the different visa requirements between the UK and our international competitors, I think that will validate your suggestion that actually we have the toughest visa regime. I don't know about the whole world but certainly, among those players in the international student market, I think the answer is undoubtedly yes.

Q39 Ann McKechnin: I wonder if I could clarify something. Nicola, you mentioned having the toughest regime. The Public Accounts Committee, in their report in March this year, pointed out that, under Tier 4 when it was originally introduced, they probably allowed 40,000 to 50,000 people just to wander in and start working, and they actually never turned up for study. I have spoken to UKBA and they said that that problem affected Russell Group universities right down to further education colleges.

Do you agree that it is not necessarily that the system was not tough enough, but that there is an issue about whether the complexity is required or whether simplification, still with tough enforcement, really should be the aim of UKBA and UK Visas in terms of the system that they affect?

Nicola Dandridge: That report was historical and predated the changes, and so I don't think anyone is suggesting that 40,000 students should be able to walk in now. Certainly, now the system is tough and we, at Universities UK, have been supportive of the points-based system. We think it has introduced an element of transparency into the process and we want to work with it. We want to stop these endless changes and, of course, the threat that is hanging over us, like a Damoclean sword, of reducing net migration is a major change that is still potentially in the future.

We want to work with the Government now, not have any more changes, to remove that threat and have a more intelligent and sophisticated definition of net migration, but also work with them on abuse. I think transparency is part of that. I agree, that is a very fair point, that the complexity has perhaps obscured to some extent how we can engage with any abuse that takes place, though higher education is very compliant on the scale of things.

But most significantly, this blurring of abuse and net migration is perhaps the most unhelpful thing. It is unhelpful in terms of public engagement. It is unhelpful in terms of how we address these issues as a matter of policy. Also, it is unhelpful in terms of the message that goes out to international students. On all counts, I absolutely agree with you: we need transparency, we need to separate out these net

migration issues and we need to just stop having so many changes, which is very damaging.

Q40 Mr Ward: I am not sure what your knowledge would be of the international comparators really, but there seems to be a body of evidence that this is a classic case of right hand and left hand in Government, with part of it clearly seeing the benefits of increased students from overseas, and another part that is resisting that.

You mentioned Obama, so clearly right at the very top in the American system there is a voice saying, "This is something we need to do". Is this peculiar to our country, in terms of the way in which there are different parts of the Government dealing with this issue?

Nicola Dandridge: It is perhaps most stark in the UK at the moment, but we have seen quite dramatic policy changes in other countries. The Knight review in Australia was the response to a previously much more hard-hitting visa regime, which led to a significant reduction in international students going to Australia. We have also seen a very dramatic shift in policy in France.

François Hollande has announced a shift in approach towards international students and a change in their engagement with the international student market. I think what we have observed internationally is changes in policy, but what is apparent in this country is perhaps unease about the public statements of those involved with foreign relations and business, and those concerned with the Home Office. I think that is perhaps a distinctive feature of the UK.

Q41 Mr Ward: I think Adrian was saying he was somewhat disappointed about business not banging the drum loud enough. Is there an argument that businesses and universities are not really working together effectively on this?

Simon Walker: I don't think we have been working together as effectively as we should have been. I think the Chairman's point is absolutely right that business ought to be talking about this far more because it is impacting at all levels. Perhaps because the benefits are so diffused within firms, and within the economy as a whole, business has not historically seen the damage that this is doing overall.

Q42 Mr Ward: There ought to be an Institute of Directors or something that brought these views together. Maybe we ought to think about something like that?

Simon Walker: We are trying. If I could just touch on the last point too, I think there is a degree of tunnel vision from certain parts of Government about this. I was at a conference recently where a Home Office official—and I don't mean to castigate him personally—said to all of the university people who had gathered there, and Nicola was there, "You're in

the migration business. It's the biggest game in the migration world, bigger than work permits, bigger than family reunion, bigger than asylum." That is not the right way of looking at what universities do. I don't think you would say that to a business audience, so I think you are right about right hand-left hand because Britain is clearly not going to be a great defence power, and may not be a great economic power, but it is a great intellectual power. It really is, in terms of the cultural, intellectual and, indeed, business leadership globally that this country provides. That is what I see being threatened.

Nicola Dandridge: Perhaps a point that we have not made sufficiently is just how successful the UK has been, not just in international student recruitment but provision overseas, TNE, which is a slightly different point. But this is a huge success story, and there is a certain irony that when we have a success story, in both political and economic terms, we seem to want to shoot it in the foot, which is very much how it feels at the moment. The fact that, in terms of international student numbers we are second only to the United States, is something we should be shouting about as being a tremendous success and it does inform our economy potentially, and it is a tremendous benefit.

Q43 Chair: I need to bring the proceedings to a close, that point is well taken. You have argued about powerful case there. Have you had meetings with Ministers in BIS and the Home Office to make this case? Do you feel you have an effective dialogue with them and that it is understood?

Simon Walker: Yes, I do. There is a fundamental political problem with a worry by some Ministers that what seems to be the rational response, which is a reclassification process, will be politically taken advantage of and go down very badly with the *Daily Mail*, for example. I see the problem, and I think that something that tries to take the specific part of this issue out of the immediate political cauldron is what is needed to defuse the potential political problem, which I think we all recognise.

Q44 Chair: Nicola, do you have anything?

Nicola Dandridge: I think Simon has expressed it perfectly. That is exactly our perception as well. We are having an informed and positive discussion with both Departments, but I think the perception of "fiddling the figures" of the UN definition seems to have acquired a disproportionate effect that we don't feel is justified.

Chair: Jo, do you wish to add anything?

Jo Attwooll: No, Nicola has put forward Universities UK's view.

Chair: Thank you. That is incredibly helpful. We are interviewing the Minister next, and your comments will feed into the questions that we give him and of course the report that we will produce afterwards. Thank you. That is very helpful indeed.

Examination of Witnesses

Witnesses: **Damian Green MP**, Minister of State for Immigration, Home Office, and **Carolyn Bartlett**, Head of Student Migration Policy, Home Office, gave evidence.

Q45 Chair: Good morning, Minister. First, thank you for agreeing to come before the Committee. Before we start, I realise we don't have a nameplate for your officer. Perhaps, for voice transcription purposes and to help us, you could introduce yourself and your officer?

Damian Green: Thank you, Mr Chairman. I am Damian Green, the Immigration Minister, and this is Carolyn Bartlett, who is Head of Student Migration Policy at the Home Office.

Q46 Chair: Thank you very much. I will open. We have just returned from Brazil, where student immigration—if you wish to call it like that—was an issue. We have been talking to representatives of Universities UK and the Institute of Directors previously, and I think they have argued very persuasively that, first, higher education in this country is a huge earner for the country and needs to be expanded; secondly, that our economic rivals globally have understood this message and are pursuing that, and that we could lose out very considerably in the short, medium and, indeed, very much in the long term, unless we reclassify students as non-migrant workers.

In your recent *Newsnight* interview you seemed to be arguing that the UN definition of immigration was an obstacle to this clarification; could you explain why?

Damian Green: That is the internationally agreed definition. An immigrant is somebody who arrives in a country and stays for more than a year. It is a straightforward definition; it has been used for decades. Everyone—indeed, notably in the last few days the Leader of the Opposition—has recognised that immigration is a difficult issue. It is a problem for this country. I think trying to redefine our way out of the problem is absurd. It would not be credible to the public and we should not do it. Government should not try to fiddle the figures to get their way out of a problem.

But I think there is a wider point, which is that to say somebody who comes here for three years as a student is not here, so doesn't count, is just absurd. Nobody is arguing that somebody who comes here to work for two years or for 18 months is not an immigrant; of course they are an immigrant. To say that people who may come here for longer are not immigrants, because they have a student visa, just seems to me to be frankly silly, and it is the sort of silly argument that is often most passionately put by very clever people, and that is what we are getting in this case. It doesn't fool anyone, the idea that somebody can be here for three, four, five years or longer but in some way do not have an impact. They are living somewhere, so they are having an impact on housing. They will be taking public transport. If they are here for three years, it is quite likely they use the health service. All the immigration pressures on the public services, which we all know about, are as affected by an individual student as they are by an individual on a work permit, so I just think this whole debate is a complete dead

end because it does not accord with any kind of commonsense.

Q47 Chair: You have raised a number of arguments that I think in themselves might be worthy of a debate, but I am not going to follow those particular arguments on this occasion. What I want to come back to is that our international competitors acknowledge the UN definition, but for their own domestic purposes and policy purposes, they have a different one. Indeed, given the fact that most students actually go back, there is a perfectly reasonable argument for saying that they are not migrants or immigrants, insofar as they are not going to stay here.

Damian Green: As I say, plenty of people come here, go back, or plenty of people come here, move somewhere else, and come back here. In an increasingly global world this will happen a lot, so if we arbitrarily say that this group of people who happen to have come on this type of visa do not count as immigrants but everyone else who comes for more than a year does, it just seems to me to be dishonest, frankly. The claim that, "Oh other countries do it differently", bears quite a lot of examination. They all count them as immigrants. Some of them put them in a temporary migrant category, but they still count them as migrants. We put them in a student category and we count them as students and we disaggregate that, so we know perfectly well. But the truth is, they are here. Therefore, as I say, they are using public services. Immigrants, as we all know, do good things and some do bad things and there is a balance to be struck. What seems to me to be absolutely unarguable is that if a human being is here for a period of time, then they are here and therefore they are an immigrant.

Q48 Chair: The arguments that you put are equally relevant to our international competitors, but they have a policy that makes a distinction. This does not, and it seems to me that you are making political arguments.

Damian Green: Australia and the US both include students in their net migration statistics, as we do. They choose to label students as a temporary category in their visa statistics, but they count towards net migration in Australia and America. I think this feeling that Britain is in some way different is just not borne out by the facts.

Q49 Chair: But they do not base their policy on it?

Damian Green: They have a different policy from us. At the moment, neither Australia nor America has a policy of driving down net migration, whereas we do. We have said that we will get net migration down to the tens of thousands by the end of the Parliament, but that is just a policy difference. As you say, the debate is often framed as though we are in some way doing something different with our immigration numbers from everyone else. My contention is that we simply are not.

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Q50 Nadhim Zahawi: Minister, I think you make a powerful point on the technical argument, but I would take you towards the perception gap. We have heard evidence that in places like India and Brazil, there is now a perception that we are not welcoming international students in the same way as America, Canada and Australia. Maybe—just maybe—what they are doing with the definition, i.e. defining students as temporary immigration rather than permanent, is salesmanship. Would you not agree that if our competitors are doing something that allows them to deliver the international perception that they are open for business, we ought at least to just look at what they are doing and see whether we can learn from it and sometimes copy it?

Damian Green: The perception argument is a really interesting one because, again, you have to delve through to the facts of what is happening. Interestingly, at a time when the universities are arguing that we are sending out these wrong signals, the actual applications—the UCAS application figures for this coming September—are 10% up from outside the EEA. Around the world, 10% more students want to come to Britain this year than last year in the full knowledge of all the changes that have come in. Within that, you see differences in different countries. Chinese applications are up, but Indian applications are down. There are clearly different perceptions against an underlying growth, I would point out.

Absolutely, I can say that no Minister—neither a Home Office Minister nor any other Minister—is going round the world saying international students are not welcome. We absolutely welcome the brightest and best. I say this wherever I go abroad. I know David Willetts, my colleague who is the Universities Minister, says the same thing. All Ministers say this. The awful truth is that this wrangle over the definition—as I say, it seems to me the argument is just slightly silly—gets reported in foreign countries. As soon as somebody uses the phrase “not welcoming”, then of course that is a headline in a newspaper or on a website overseas. That is what fuels that particular perception. I do my best to go round the world ending it.

Q51 Chair: Before you go on, my understanding is that applications were down from China. Do you have any figures there?

Carolyn Bartlett: I do not have the figures with me, I am afraid, but we can write to the Committee on that. My recollection is that university applications from China are up around 9,000, but I would have to check that and get back to you.

Q52 Chair: Okay, but they are down from India, I believe?

Damian Green: Yes.

Carolyn Bartlett: Yes.

Q53 Nadhim Zahawi: We heard evidence that that increase of applications to UCAS has fallen back from 13% down to 10% because of a time lag. Are you concerned about that decrease in the increase?

Damian Green: It is for the universities to market themselves. But, very explicitly, how can we

contribute to the market? First, we have not put a cap on university applications from overseas in the way we have on work visas, which I would hope sends a very clear signal that we regard this as a different type of sector. Secondly, we spend a lot of our time trying to make the visa system as smooth as possible, so that people can apply within the terms. In the end we will have to refuse some people because their applications are not good enough. We process about 1,000 student visa applications every working day, so we get through a lot.

You made a comparison, and the Chairman made it as well, with other countries. America, for example, insists on interviewing every student applicant. We do not do that. Australia has just introduced a new credibility test, and a general test about the intention to remain. If they think somebody is planning to remain, they will not let them in. There is a misconception that everyone else in the world is loosening their system and we are tightening ours. Actually, since the Knight report in Australia, they have loosened parts of it but they have tightened other parts of it. As I say, if you want to be a student in America, you have to go through an interview. We do not interview everybody. We do interview some people; we do test their credibility and it is very useful doing so. We did a pilot of it, and I think 17% did not pass a basic English test. They said they were coming here to study at a university, at least—

Carolyn Bartlett: With about 17% of those interviewed from a university, our entry clearance officers had some concerns about their genuineness. A number did not have the language skills that would be expected of those coming to universities.

Q54 Chair: How do you account for the increase in students going to the US and Australia, given the tightening up—in your words—of their visa application regime?

Damian Green: There are more and more international students. It is a pool that is getting bigger every year. As countries, particularly China and India but indeed Brazil, where the Committee has just been, hasn't it? Yes. As these countries become more prosperous, more and more of their young people want to study internationally. All the countries with big education sectors—us, America, Australia, Canada and so on—have a widening pool to fish in. As I say, our numbers are going up. The Americans are going up. The Australians are going up as well. If you look back historically, they go up and down. Australia had a huge problem a few years ago when there were violent riots. I think I am right in saying that an Indian student was actually killed in Sydney. There were real problems there and inevitably applications from India dropped off a cliff after that. They are clawing their way back in that particular market, but it is a big and growing global market.

Q55 Paul Blomfield: Can I ask the Minister to comment specifically on the international comparison in terms of how statistics are presented? Because you said, and rightly said, that in the States the net international migration figures produced include students, but those figures are produced by the Census

Bureau, aren't they? American immigration policy is driven by the figures produced by the Department of Homeland Security and those do not include students, do they?

Damian Green: American immigration policy is different from ours. I think that is just a—

Q56 Paul Blomfield: Yes, but my point is, it is driven by figures that do not include students, isn't it?

Damian Green: Yes, at the moment it is, but I think—

Carolyn Bartlett: Sorry, the visa statistics of the US do include students. They label them as temporary. It is a temporary category, so it is—

Q57 Paul Blomfield: But they are not included in the net migration figures produced by the Department of Homeland Security?

Carolyn Bartlett: The net migration figures following the international definition are produced by their Census Bureau, as in the UK they are produced by the ONS, not by the Home Office.

Q58 Paul Blomfield: But I agree with the point that you are making; the Census Bureau do include students, but my point was that immigration policy in the States is driven by the Department of Homeland Security figures, which do not, as the Minister conceded.

Damian Green: In any country, if you are producing figures from two different sets then you inevitably look at both. We have visa numbers. We have net migration figures. The Home Office produces the visa numbers. The ONS produces the net migration figures. As it happens, our target is for net migration, so on your analogy you would be saying that immigration policy is driven by the ONS. It is not, it is driven by the Home Office because I am the Immigration Minister at the Home Office. I hesitate to follow you down this path of saying that one set of figures drives immigration policy in any country.

Q59 Paul Blomfield: It is an over-simplification to say that the Americans include students. They don't in the critical set of figures that they produce.

Damian Green: They do in one set of figures, but not in another set of figures.

Q60 Chair: The crucial point is that, in this country, we have a policy objective based on one set of figures and, while other countries may have that set of figures, they don't base their policy objectives on it.

Damian Green: They do not have the same policy objective. That is the root of the difference. I think we are devilling the detail there, when the main detail is that it is this Government's policy to reduce net migration. It is not the US Government's policy to reduce net migration. That is at the root of the difference between us and the American policy.

Chair: I am not sure that that is not the US approach. It is just that they accept that students are a different category.

Q61 Julie Elliott: Minister, we accept that there is a 10% increase, but we have had evidence saying it is much less than what the projected expected increase

was. Against that background, and on the language skills, isn't it right that in America at the moment the language skills tests have actually been relaxed where ours has been increased? Also, on the 17% of people being interviewed, anecdotally from my university we have had cases of people being really frightened, not expecting to be interviewed, whose language skills on appeal have been found to be quite advanced. But it is the fact that they have been picked out, removed from their friends and interviewed under quite clinical circumstances when they were not expecting it, arriving in a foreign country that they have never been to. Perhaps that is not the best way to test somebody's language skills. Would you acknowledge there might be a problem around that?

Damian Green: It is a very small problem if it is. If you can speak a language to a level where you can benefit from a course at a university, it is not unreasonable to check whether you can benefit from that university course or not. If you can speak a language to that level, then you should be able to pass a conversational language test. A lot of the interviewing we do is overseas, isn't it, before people arrive?

Carolyn Bartlett: Yes, where we interview and wish to test language skills, we apply a basic test of whether there is basic conversational English. We would not test to B2 level. But we have given flexibility to universities to make their own language assessments. Unlike private sector colleges, where we have insisted on secure English language tests, we have said universities may make their own language assessments. It might be that universities have chosen to do something in a certain way, but we have allowed universities that flexibility.

Q62 Julie Elliott: Is it not that some people are being questioned when they arrive in the country?

Damian Green: It will be the universities. As we say, we actually give a specific privilege to universities that they can assert that somebody has reached the language level, which we do not give to private colleges. The universities are privileged within the system.

Q63 Julie Elliott: But are some people not being questioned at immigration to test their language skills?

Damian Green: They are being tested overseas, yes.

Carolyn Bartlett: Overseas or at the border?

Julie Elliott: At the border.

Carolyn Bartlett: It is possible that some people will be questioned at the border. It is not a routine thing.

Julie Elliott: I am struggling to hear you.

Carolyn Bartlett: I am sorry. Yes, some people are questioned by border control officers at the border.

Q64 Julie Elliott: Is that the best way to test language skills, do you think?

Carolyn Bartlett: I do not think that that is routine.

Damian Green: But it is not a bad way. If somebody says they are coming here to study a course, an academic course at a university, and frankly they can't speak a word of English, then it seems to me not unreasonable for any immigration system to question whether they are actually going to benefit from the

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course. One has to think back to the early days of the points-based system, when it was introduced in 2008 by the previous Government. After six months or so, large chunks of it had to be suspended because of huge abuse. I am not making a partisan point at all; I think the previous Government was quite right to do this. In certain parts of northern India and Nepal and I think one part of China they just suspended all applications, however good the student was, because people were arriving in this country in droves. There was an enormous spike in applications, and many of them clearly did not have the language skills or any other skills to benefit from the courses they were applying for. If you do not do any type of credibility test, you are in danger of opening up to people who are clearly just scamming the system.

Q65 Julie Elliott: I do not think that was actually what my question was about. I have no issue with people having to have a level of language skills. Clearly, people have to have a level of language skills to come here to study in English. That is absolutely obvious. I am talking about people who have already passed language assessments in their own countries and are then being secondarily questioned at immigration, by people here, and sent back in very frightening circumstances. At the university in my constituency, I have certainly had anecdotal experience of that and on appeal people have come through because they can speak English.

Damian Green: It used to be the case, of course, that they would not have passed any language test. We have only recently done a pilot on this kind of credibility testing. For a number of years, people did not need to prove any kind of language skills. Border control officers ask a set of questions at the border and I can imagine that, if it appears that somebody cannot speak any English at all, cannot understand the simple questions they are being asked, and you find they are applying for a university course, all I am saying is it is not an unreasonable question mark to arise.

Q66 Mr Ward: From the answers so far there seems to be a remarkable degree of silo mentality, in that you have a job to do, you have a task, a policy to follow in terms of reducing immigration. Whatever is outside that—the economic benefits, the perceptions of this country as being unwelcoming, the fact that there has been a reduction in the growth in student numbers and that there has been a reduction in our world share of this—seems to be outside your remit. Therefore, a migrant appears to be a migrant appears to be a migrant. Is there no differentiation in terms, or is one migrant, who happens to be contributing to the local economy, exactly the same as another one who may be on the dole queue?

Damian Green: No. We try really hard not to sit in silos. That is why we specifically favour university students. The whole point of this bit of immigration policy is to favour the brightest and best, to favour those students who are likely to prove of long-term benefit to this country. In a whole host of ways, we skew the system in favour of those people. They are allowed to work when they are studying at university.

If they get a graduate level job, they are allowed to stay here after they have been to university. That job does not have to go through the resident labour market test. In terms of selling overseas—because I absolutely agree with the point that perception is all in this—for the first time ever there is now a taskforce that is led by David Willetts, which consists of Universities UK and UKTI and bodies like that, which the Home Office is part of. Your criticism would have been valid in the past when there were silos, but absolutely we try, both in terms of framing the policy and in day-to-day practicalities, to put in force this idea that Britain needs to grow, we want the most talented people from around the world to choose to come to Britain, and we try to do that.

Interestingly, we are in the first year of this and the figures show that is what is happening. There has been a significant fall in the number of student visas issued. The number of student visas issued has gone down 57,000, but the percentage within that overall total that goes to the university students has gone up from 50% to 66%. The policy is achieving precisely what I think this Committee would want it to achieve, which is that the proportion who are coming, who are going to be of most economic value to the country in the future, is rising and is rising quite fast. What is happening is that the long tail of, frankly, dodgy colleges and so on and dodgy courses is disappearing, and it is disappearing quite fast. There are 500 fewer colleges bringing in foreign students now than there were this time last year. We have swept away what we wanted to sweep away and the proportion, therefore, of university students is going up.

Q67 Mr Ward: Universities UK and IOD, are they simply out of touch?

Damian Green: I disagree with their analysis—obviously, from what I am saying. Of course, they are in touch with their own sector and they are lobbying you. Straightforwardly, that is what lobbying does. It is what politicians are for. They are here to be lobbied. They would always want fewer restrictions.

Q68 Chair: Can I just intervene, Minister? This Committee has made two trips, one to China and one to Brazil. On both occasions we had overwhelming evidence of the UK higher education visa policy damaging relations with those countries, from both the business and the academic community.

Damian Green: In what detail? Which bit? Because I am absolutely conscious we can always improve our visa policy, we can always try to do things more quickly and we can always try to help people more in their own language, all that kind of thing. But, as I say, the facts are that we issue 1,000 student visas every working day, so clearly 1,000 people a day get through the system. But I am more than happy—

Chair: This is not just about interested bodies here lobbying this Committee.

Q69 Ann McKechin: Minister, just following on from what the Chair said, Universities UK advised us this morning that there have been 14 different changes in the regulations since 2009. Perhaps that might be one of the reasons why this Committee has formed a

distinct impression from its evidence abroad that we view migration from students as a problem rather than an opportunity. Would you agree?

Damian Green: I would not agree with the last bit. Absolutely there have been lots of changes. A new Government was elected in 2010 with a radically different immigration policy, and we have spent our first two years in office implementing what we said we were going to do, so there have been lots of changes. Over the next two years there will be fewer radical changes. Systems always need tweaking, not least because if people produce credible evidence that the system is obstructing the brightest and the best students from coming here, we will look at ways of reforming that, but the big radical reforms have happened.

Q70 Ann McKechin: If I could just stop you there, one of your changes is about the issue of a migration cap. You made a statement earlier this morning that there was absolutely no cap on student numbers. Is that correct, and will that remain so for the rest of this parliamentary session?

Damian Green: We have no current plans to introduce a cap on student numbers.

Q71 Ann McKechin: In terms of net migration levels, if necessary to achieve the levels that you have indicated as your policy, that would mean there would be a diminution in other visas but not in student visas?

Damian Green: No, that is not the same thing at all as not putting a cap on. As I just explained, the number of student visas issued in the first year of the policy fell by 57,000. The Migration Advisory Committee has come up with a number of figures by which it estimates—it has to be done in slightly broad brush ways—what the fall would need to be for us to meet our target. I think the most recent one was 87,000 or something like that. If you take—I don't know—a 70,000 reduction in student numbers, plus the dependants that come with students, then you would be hitting that sort of number. As I say, in the first year, the fall in student visas has been 57,000, while the percentage going to universities has gone up. That is precisely what I would have hoped to achieve.

Q72 Ann McKechin: Some of the complaints that were discussed earlier this morning when we took evidence were about these changes you mentioned, which actually happened to some students mid course. One example given was pharmacy students who, as part of their qualification under the course that they were completing, required one year of work experience at the end of their degree. But as you have abolished the Tier 1 qualification, this in effect meant that students who had already started their course before you changed the rules were potentially denied the ability to complete their necessary professional qualification. That rule change in an arbitrary manner I hope you would appreciate is not exactly seen as a welcoming gesture.

Damian Green: We have changed the system. We have a specific point about pharmacists because we are aware of that problem, which we have dealt with.

Carolyn Bartlett: Yes, they can come in under Tier 5 of the points-based system, if they are sponsored by their professional body, and the professional body is in talks with the Department of Health in order to do that so they can complete their post-registration training here under Tier 5.

Q73 Ann McKechin: Do you believe that that new solution would cover all the existing students who had entered this country prior to the rule change?

Carolyn Bartlett: Yes.

Q74 Ann McKechin: Thank you. Can I also just ask about another issue that has come to my attention in Glasgow? This is about a state college. It is a public college. It did not meet the criteria that were required, in terms of the stringency of the entrance requirements, and it has acknowledged that there was fault. However, they already have a significant number of bona fide students who have already entered the UK, who are in the middle of a course but now face having to find another college to complete their studies. If we are trying to attract foreign students, these types of stories, such as those we heard today, can very easily be in their own local press within days of it occurring. They are not the people at fault. There is fault by the institution and that is acknowledged. The UKBA is right to say that it wants this system implemented properly, but we have ended up with a system where students have come in perfectly properly, have done everything they have been asked to do, but are actually going to end up potentially not being able to complete their course through no fault of their own. Is that the type of change that is not necessarily helpful?

Damian Green: If a college has broken the rules, as you say, then clearly we need to take action. We do have specific quite lengthy periods where people can find new courses because obviously we anticipated this particular problem. They have 60 days, is it?

Carolyn Bartlett: Sixty days, yes.

Damian Green: We give them a couple of months to find a new course, as I say, precisely to meet that type of problem. There will be entirely innocent, genuine students who have accidentally signed up to an institution that is breaking the rules and, therefore, loses its sponsor licence.

Q75 Ann McKechin: In terms of a two or three year course, it sends out an impression that, "There is a bureaucracy and you don't fit in it." It gives an unfriendly impression.

Damian Green: I have to say if that is the impression given then the fault is the institution's that was breaking the law. If people break the law, law enforcement agencies have to enforce the law. Absolutely, there are innocent victims when people break the law, and that is why we have set aside this 60-day period so that genuine bona fide students can find a new institution.

Q76 Ann McKechin: What lessons have your office and the UK Border Agency learned through the implementation of the various changes? Minister, you have commented on the fact that you would hope that

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there will not be further changes on the scale that we have witnessed in the last two years. What lessons have you learnt and what reassurances can you provide to foreign students who are thinking of coming to the UK?

Damian Green: One of the lessons we have all learnt, frankly, is the extent of the potential abuse that was in the system. If you had told me before we embarked on this that there would be 500 fewer institutions taking foreign students within a year of instituting the reforms out of the 2,500 that used to do so, I would have thought that was an extraordinarily high number, but those are the facts. The reassurance I can increasingly give students from overseas, apart from the fact that genuine students are very welcome at genuine institutions if their main purpose is to study, is that they are much less likely today to be ripped off by a bogus college than they were a couple of years ago because we now have a proper accreditation regime, so that every college gets inspected by a proper inspectorate, which did not happen before. Whereas two years ago you might well have found yourself as a perfectly genuine student at a bogus college, and we have all heard anecdotes about people being given their certificates on the first day and all that kind of thing, I am not saying that is driven out, you never drive out criminality altogether, but you are much less likely as a student to come to Britain and find a really disappointing educational experience than you would have been in the past, because we have driven out wholesale large amounts of abuse. I think that is a good, reassuring message to send round the world.

Q77 Ann McKechin: I would certainly concur with you about the need to be tough, but there is a difference between toughness and complexity. One of the comments made today by the Institute of Directors was about the level of complexity in the visa system, which was adjudged to be one of the most complex in any western nation. To what extent has your office learnt about how we can try to simplify and ease that process?

Damian Green: We are trying much more to provide people with guidance in their own language, which was one of the complaints—"Everything has to be done in English." To some extent one can argue that if you are coming to do a university course you ought to be reasonably proficient in English, nevertheless we provide more guidance in other languages. Also, we are moving steadily towards online applications. We have all filled in forms; it means you do not need to fill in pages 1 to 83 because if pages 2 to 78 do not apply to you then online you can avoid that.

Carolyn Bartlett: We have also instituted a system whereby a set of low-risk nationalities have less of a documentary burden, so they can apply without supplying all the background information. That is based on compliance data about low-risk nationalities. We have made the process a lot easier for them.

Q78 Julie Elliott: How does your Department take into account the benefits of international students to the UK when considering the student visa regime?

Damian Green: All the time. As I say, we know the ones who are likely to be of most long-term economic benefit to the country and we unashamedly skew the system in their favour. Indeed, in the midst of trying to control immigration better than before, we have introduced new routes specifically to encourage these people. We have an investor and entrepreneur route and we are developing specifically a graduate entrepreneur route, so that those who come here and want to set up businesses in this country have a special immigration route for themselves. I think it answers Mr Ward's point about silos. We are deliberately responding to the marketplace, and trying to create immigration routes that will encourage the sort of people we all want to see flourishing in this country.

Q79 Julie Elliott: Thank you. We heard evidence this morning from the Institute of Directors as well as Universities UK. One of the things that the gentleman talked about were the informal networks built up through years studying here that are disappearing, particularly with the lack of students from certain countries where historically they have come from. One of the additional benefits of having international students studying in this country is that direct link with inward investment to an increasingly global economy. Is there not a danger that the student visa restrictions will have a direct impact on good business relations that the UK has established with countries such as China, and their desire to do business in partnership?

Damian Green: We will check the actual numbers but, as I say, it is my belief that the Chinese numbers have gone up hugely and are still going up. Specifically in China I do not think that will apply. We will continue to develop international networks.

Q80 Julie Elliott: What about the Indian subcontinent, where it has almost completely stopped?

Damian Green: As I say, most of the reduction—well, as far as I can see, all the reduction—has come in sub-degree level courses, many of which were of questionable value. The number of applications to UCAS is 10% higher this year than last year, so I think that, on the fear that we have discouraged people—I mean, it is an essential point of this, are we discouraging people?—the facts show that that is not the case. We are in a period of transition so there will be nervousness. But, as I said, the radical period of changes were inevitably in the first couple of years of Government. We can now let the system settle down and see what tweaks are needed.

Q81 Julie Elliott: Let's look at the Indian subcontinent, where we heard evidence this morning that applications have dried up very, very significantly. In the university in my city, they are almost saying there is an element of feeling that we are closed for business. The Institute of Director's gentleman this morning talked about several generations of people coming here to study and suddenly this generation is not coming. He was very concerned from the perspective of the business community, the people they are involved with. Not the universities, but the business community are very concerned about the

ongoing impact that not having those informal networks that are built up while people are studying here will have on businesses. Do you not acknowledge there is a problem there?

Damian Green: There is clearly a worry there, otherwise the IOD would not be saying it. But the sensible thing I can do as a Minister is actually address individual issues. The subcontinent, not just India but Pakistan and Bangladesh as well, did see a huge surge under the early days of the points-based system. It is perfectly clear that some of that surge in numbers was abusive. It was people just exploiting the system. The fact that we have swept away a large part of that abuse will mean that fewer people than before are coming from the subcontinent, but that is just part of proper immigration control. We now need to move on and we do need to do this collectively. That is why we work very closely with UKTI, and with BIS generally, to make sure that the message that, if you are a genuine, good university student, Britain is still welcoming is pushed out more and more. That is what we need to do, to say, "If you wanted to come to do one of these courses that, frankly, were not very valuable and may just have been a bogus college that will be of no value to you, those courses do not exist in Britain anymore, but actually universities are still there and still want your custom. If you are a genuine student who can benefit from it and if you are actually coming to study and not just as a way of getting a work visa, then please come."

Chair: We are, shall we say, getting a little behind, so I will bring in Paul Blomfield now. If you can make your points concise, that would be helpful, and of course the answers.

Q82 Paul Blomfield: Yes, okay, thanks, Chair. Just very briefly on the 10% increase in student numbers, which you rightly celebrate, Minister. That is, of course, in the context of a hugely expanding market, isn't it? Isn't where we stand in relation to market share the critical thing we ought to be looking at? Is it not also true that our market share is falling, particularly, for example, in relation to Australia where, post the Knight review, which you referenced, they have in critical areas a more encouraging visa regime?

Damian Green: As I said, the Knight review is quite interesting because it led to a loosening in some areas and a tightening in others. The Australians have gone through radical changes in their system for a longer period than we have, so the uncertainties there will be greater. It is a competitive worldwide market in a growing pool, so—

Q83 Paul Blomfield: We are talking about market share, are not we?

Damian Green: Our market share is falling?

Paul Blomfield: Yes.

Damian Green: It is for the British Government, the universities and everyone to say what type of students we want and what numbers of students we want. Market share is one relevant measure, but there are clearly other relevant measures, including quality.

Q84 Paul Blomfield: You were focusing on the 10% net increase, but actually that is within a hugely expanding university education marketplace in which our market share is falling, which you have acknowledged. Perhaps I can move on to my second question. You have rightly said that immigration is an issue of concern to us all in politics and is regularly raised on the legendary doorstep with all of us. You have also rightly said that we need to be seen not to be fiddling the figures. Is not the nub of the problem here, in terms of how we treat students as part of the figures, that by including students in the net migration figures we might be seen to be fiddling the figures? Because if you have a policy in relation to students, which discourages inflow and encourages outflow—for example, by a more restrictive post-study work regime—you are going to have a short-term impact on your net migration figures that will look publicly very positive, perhaps in two or three years' time, but actually does not address the real issue that concerns people on the doorstep, which is not about students, is it?

Damian Green: What people object to on the doorstep is a variety of things. I really think we have always defined net migration in the way we do now, and it seems to me to abstract quite significantly the largest single group out of it, and student migration is by far the biggest contributor to gross or net migration. To say suddenly, "Right, for various reasons we're taking this out of the figures", as I say, I think there are more deep-rooted objections to doing that, but one of the objections is certainly that that would be seen as fiddling the figures.

Q85 Paul Blomfield: My point is: isn't including them in the figures shifting our focus away from those areas of migration that are of real concern to our constituents when they raise them with us?

Damian Green: No, I do not think it is, because a lot of the people who came in on student visas were the people working. That was the abuse in the system. That is why people wanted to come in on a student visa because they could work legally or they could work illegally. It is the feeling that the system is out of control that lies at the root of the public anxiety.

Q86 Chair: I think everybody acknowledges that something had to be done about it, but there is the issue of throwing the baby out with the bathwater, which appears to be what the current student visa regime is doing.

Damian Green: As I have said several times—if we are running out of time I will just say it very briefly again—that is absolutely not the intention of the policy. It is why we have not put a cap on. It is why we favour university students. It is why we allow people to carry on working if they have a graduate-level job without going through the various hoops you would have to go through otherwise. We skew the system in favour of bright students. We skew the system in favour of the universities to meet that precise objection.

Chair: I will just bring in Paul before moving on to the subject of post-study work visas, which I do not think accords with what you have just said.

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Q87 Paul Blomfield: Minister, I do not think anybody is suggesting for one moment that that is the intention of your policy, but it could be—and does seem to be from the evidence we have—the net effect of the policy that it is holding us back from exploiting the growing market for international students.

Damian Green: It should not and, as I say, we have gone through radical changes and there are always periods of uncertainty. As people get used to the system, then the universities can go about their business, it seems to me.

Q88 Margot James: We heard earlier from the Institute of Directors and Universities UK that they feel that the ending of the post-work visa in April was a retrograde step. We want to hear your views on that, but if I could illustrate that with a couple of examples they gave us. One was of the potential distortion of subject choice. You have pointed out that the Chinese student numbers are increasing. As we know, Indian student numbers are reducing—LSE by 20%, Aston University by I think it was 30%. We heard that this was endangering the study of STEM subjects because large numbers of Chinese students opted for business and management courses, whereas Indian students tended to opt for STEM subjects. What would your reaction be to the overall position of Universities UK and IOD, and that example in particular?

Damian Green: I will ask Carolyn to talk about STEM because we were looking at that specifically before coming here. The old system allowed students to stay around for two years, even if they did not have a job. We did a study on the 2004 cohort, which showed that, I think, only about a third ended up with graduate-level jobs. Roughly speaking, a third had non-graduate-level jobs and a third were just claiming benefits. At a time when we have regrettably high, though falling, unemployment and something like 300,000 unemployed British graduates, it seemed to us a very peculiar public policy to say, “You have two years to look for a job. We know that two-thirds of you are not finding graduate-level jobs, but nevertheless carry on and compete in our labour market with a very large number of unemployed British graduates”. The system used to be too loose. It used to be exploited for people to do low-skilled work. But absolutely we want valuable graduates; we want international graduates to stay here, so all we ask is that they get a graduate-level job offer. The good ones will and many, many people will. They will be able to stay here. On STEM specifically, Carolyn, you have the figures, haven’t you?

Carolyn Bartlett: On STEM specifically, the UCAS figures showed a rise of around 13% of people applying for STEM subjects. That is obviously an encouraging development. We have also had the Science Without Borders project in Brazil, which brings about 10,000 STEM subject undergraduates to the UK for a year. I think there are positive signs on STEM.

Damian Green: I should emphasise that 13% is 2012 applications.

Carolyn Bartlett: Yes.

Damian Green: Applications under the new system, which people tell me is discouraging STEM in

particular, are actually up 13%. They are up higher than the general level. If anything, we are skewing the system towards the STEM undergraduates whom we all value.

Q89 Rebecca Harris: Given that we were told in the earlier session how our main competitors in this area had relaxed their student visa process, and there is some debate about that, how much do you analyse what our competitors are doing in terms of their student visa regimes to make sure that we are being competitive relatively?

Damian Green: We work very, very closely particularly with America and Australia. There is a thing called the Five Country Conference, which is essentially the Anglophone countries: us, America, Canada, New Zealand and Australia. The five countries work very closely together across the range of immigration issues, so not just in our visa issuing but we look at whether we can share. For instance, in the long run I would love to be able to share visa facilities with them. One of the objections people have is that you have to give biometrics; you have to give your fingerprints. If you are in China or India, it is a big country; you may have to travel a long way to do it. It would clearly be sensible if friendly countries, countries we trust, can work together very closely so that we could exchange basic information like, “This is the fingerprint of that person, and they have applied for an American visa; they may then want to apply for a UK visa”. All that kind of thing is the sort of long-term work we are doing. Obviously, therefore, we regularly talk about policies as well in the way that Governments do, in that we are friends and allies but we are also competitors in terms of trying to get the best students, but regularly is the answer.

Q90 Rebecca Harris: The Institute of Directors made the point, which you have acknowledged, that there is also a perception issue as well as to whether we have actually made life more difficult. We know that the US State Department has added nearly 600 extra staff in their consulates worldwide to interview students and make sure student visa applicants are seen before some business and tourist ones, which clearly makes the point as well that they are open for business for international students. How much work are you doing on trying to deal with the perception, therefore?

Damian Green: A lot and it is slightly swimming against the tide because if the thought is out there that we have changed the system to make it more unfriendly, reversing that perception is difficult but very, very essential. We have changed the system to cut out the abuse. We have changed the system to, as I say, skew it towards the best students, and skew it towards universities. Doing that at the same time as cutting out abuse I appreciate is a nuanced message to send out, but now we have the changes in place I think the sensible thing is to let the system bed down while we relentlessly go round the world saying, “The brightest and best students are as welcome as ever to Britain. Please come, we have some of the world’s best universities. You can come here and you can get yourself an extremely beneficial education”.

Q91 Rebecca Harris: The Committee has clearly found criticisms by China and Brazil, and in both countries found anecdotal evidence that there was a real concern about the visa regime for students. We have also had lots of anecdotal stuff about India. It is incredibly important for our future economy that we have good trading links with them all. Have you had direct representations from those countries about concerns about the regime?

Damian Green: I was in China a month ago so I was talking a lot. To give you some practical example of what we do to try to improve this, China demand is hugely seasonal. This year, we have employed 150 extra people in our visa section in China for the summer. It is relatively simple things like that. What people want when they apply for a visa, whether it is a student visa or anything else, is a degree of certainty because they have to give documents and they want them back and we appreciate all that.

Q92 Chair: Is this student visas?

Damian Green: Not specifically, but obviously it affects the whole area. Part of it specifically for the summer is student visas because, as you will appreciate, the application period will tend to be the summer. They will arrive during September, so as well as a tourist surge that you get in the summer, you also get the student surge. In the important markets, we are getting much better at saying we should not just have a set of visa staff. We know now that in China, and indeed in India and other places, there will be a surge of student demand in these months of the year, so let's have more people there so that we can deal with it faster. It is not rocket science, but it is what we are doing now that we did not used to do.

Q93 Rebecca Harris: Has it been raised with you by any of those countries either at official level or even through our consulate?

Damian Green: As I say, China is a constant one. It has not particularly been raised in the Brazilian context, which is why I am very interested if there are specific examples of things in the visa system that are discouraging Brazilian students from applying. I would genuinely be very interested in knowing about them because they have not been brought to my attention.

Q94 Rebecca Harris: The concern with the Science Without Borders programme was that they would be coming in for a year but it was then found that some of the 10,000 Brazilians would not have sufficient English. They would need to come for an extra three months to improve their English language beforehand, which would take them beyond the 12 months. That was a concern raised to us.

Carolyn Bartlett: If they qualify under our system, they can come for however long they want. If they need to do a short language course, our visa regime allows them to do that.

Q95 Chair: Can I clarify? If a Brazilian student wanted to do a year's course on the Science Without Borders programme but their English was not quite

up to it, they would be granted extra time in England to improve their English prior to doing so?

Carolyn Bartlett: Yes. There is something we have, which is called pre-sessional courses, so a university can sponsor a student to come in and undertake a short English language course to get their language up to B2 level, which we ask for at universities, before taking them on to their main course.

Damian Green: Again, we do that specifically for university. It is another example of our skewing the system in favour of universities. I am sorry to keep banging on about this, but given that I appreciate what the Committee is getting is, "Oh, well, the UKBA does not care about universities", we really do in practical ways like this try to skew the system to help the universities.

Q96 Rebecca Harris: Have you done any work or research on the extent to which people understand the system, whether there are misconceptions about the regime and people coming into it, and how much people understand what the current regime is?

Damian Green: We have not done specific research, but in a sense our daily life is that specific research because we get north of 250,000 student applications a year. Rapidly, if there are specific problems—and they tend to be different problems in different countries—our posts in those countries will get to hear about them and we can address them. We are in constant exchange with the people applying as well as, of course, in many countries people will be applying through agents. They will be using education bodies to apply and I know because I have met them, particularly in India. I had a session with all the education agents there. They are not backward in coming forward and saying, "This is the problem with your system", and so we are very open to that.

Carolyn Bartlett: UKCISA, which is the international council for student affairs, which is part-funded by BIS, also undertakes some of this research sometimes. Their most recent research showed that actually there has been an improvement in perceptions of the visa system for students.

Damian Green: Perhaps we could send that research to the Committee.

Q97 Ann McKechnin: Could you send that research to the Committee?

Carolyn Bartlett: Yes.

Q98 Chair: What discussions have you had with BIS Ministers about the student visa regime?

Damian Green: As you would expect, I am in regular contact with BIS Ministers about the visa regime and other parts of the student experience. I assume officials do it even more often.

Carolyn Bartlett: Yes, we meet BIS officials regularly.

Chair: Sorry, can you speak up?

Carolyn Bartlett: Yes, we meet our colleagues at BIS regularly.

Chair: By regularly, do you mean monthly?

Carolyn Bartlett: About monthly, yes.

Q99 Chair: There does seem to be a public perception that Home Office policy and BIS policy

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are different, and that seems to be substantiated by the business sector public statements. Have you any observations you would wish to make on it?

Damian Green: All our policies are Government policies and are, therefore, agreed by all Ministers by definition.

Q100 Chair: Could I just put it to you that in May 2012, i.e. just over a month ago, figures were published that showed that annual net migration was actually at a record high of 250,000 a year? Could I put it to you that the policy obviously is not working? Would it not be better to accept the logic of the arguments put by the business community and the education community, and actually address this by taking student figures out of the annual net migration figures, at least for policy purposes?

Damian Green: Those figures were not for May. They were announced in May but they were actually the figures to last September, so they are somewhat out-of-date. It is just we get these figures—

Q101 Chair: I had them down for May, but—

Damian Green: No, they were announced in May, but they—

Chair:—even if they were for September, it would have to a pretty dramatic reduction to change them.

Damian Green: That is September 2011. We promised to get net migration down to the tens of thousands over the course of the Parliament. The figures you quote, Mr Chairman, are the figures to September 2011. In the student sphere, the first part of our reforms came in in April 2011. The second part came in in April 2012, so at least half of the student reforms would not have clearly any impact on those figures. The lesson I draw is that, yes, of course, it is hard pounding, immigration—

Q102 Chair: Do you think you can achieve your targets by 2015?

Damian Green: Yes, we think we can. The projections are that we can and will. The lesson to draw is precisely that we need to take action early on to have an influence now, so that we do get the gradual reduction in net migration that people expect of the Government. If I wasn't confident that we were going to do that, then clearly more measures would be required. I just think redefining our way out of this problem is not a way of solving the problem.

Q103 Chair: It could appear on the surface that the student visa policy is not working, in terms of reaching the Government target.

Damian Green: No, that absolutely is not the case. As I say, those were figures for the time to September 2011. I quoted much more recent student visa figures. Those are the figures for March 2012, so they are six months later, and they show a 57,000 reduction in student visas. The most recent figures we get show very precisely that the student visa part of the policy is working.

Q104 Chair: Yes. I am talking about the Government policy on net migration figures overall. Could you give us a figure? You have just said it is working.

Could you give us an estimate of what it will be by, say, the end of 2012?

Damian Green: No, I don't think I should do a running annual commentary. What we have said is that by 2015 it will be down to the tens of thousands. We get these quarterly figures that are always nine months behind, so we will not get the end of 2012 figures until the autumn of 2013. Crystal balls get cloudier the further ahead you look.

Q105 Chair: We will be almost halfway through the Government. It is reasonable to see some progress.

Damian Green: Yes, absolutely.

Q106 Chair: At the moment, all you do is say progress on student visas, which is the one that is most complained about.

Damian Green: No, there is progress in other areas as well. In the last three weeks, we have launched our family policy. There are three big routes of work, students and family, of which students is by far the biggest. The first one we did was work and every month the cap has not been reached, so we have got the work visas down quite considerably. Student visas I just said. The family policy we announced about three weeks ago, so that will have an effect. It comes into effect on 9 July, so it will start having an effect from next month. Obviously, that will take some time to appear in the figures. Absolutely, we are dealing with every possible route and that is the only way to do it. You have to do it across the board to meet the targets we have set.

Chair: We will await the publication with interest. Paul indicated some time ago that he wanted to ask a question. We have reached the end of our time, though, and I am conscious that you have time pressures.

Q107 Paul Blomfield: Very briefly, Chair, following up on your question in relation to the views between BIS and your department, Minister. Are you telling us you are entirely of like mind or have there been any representations of any sort made by BIS to you over the reclassification of students?

Damian Green: Ministers discuss policy all the time, but sensible Ministers do not discuss private policy discussions in public. We all have views on our policies and on other people's policies, but, as I say, sensible Ministers keep those discussions private.

Paul Blomfield: I think we can understand that answer, thank you.

Q108 Mr Ward: Can I just get this very clear? Students are included in the net migration figures, and your target is to reduce net migration to the tens of thousands. All right, get rid of all the bogus college students—we understand that—but if your targets can be achieved by a reduction in the number of students from overseas who are making a positive contribution to this economy, and that can be proved, your targets will have been achieved, but will it not concern you that we have done something that is against our own self-interest in terms of economics?

Damian Green: I think the danger, and it is true in all things, is to regard everyone as being completely the

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same. Just as there are simplistic arguments, “Is immigration good or bad?”—the truth is some immigrants are economically and culturally hugely beneficial, some are neither, and some are actively negative—the same would be true through the spectrum of students. Some will end up starting businesses that employ thousands of people. Some will live off benefits and be a drain on the Exchequer. To try to generalise to say every student is equally economically beneficial seems to me not a very sensible way of proceeding. That is precisely why one of the things we are doing, along with reducing the numbers, is setting up a more selective system so that we try to attract people who are beneficial and stop people who are not beneficial, basically.

Q109 Mr Ward: Every student will bring in income in fees. Every student will contribute to the local economy through spending their own money in that. You could say that every overseas student who comes here makes a positive contribution, whether they stay on after the course and set up a billion pound business, or not.

Damian Green: If they stay on illegally and we have to enforce things against them, then they cost us money. If they—

Q110 Mr Ward: If they leave on the day of graduation?

Damian Green: We know that they do not. We have done a cohort study that shows that 20% stay beyond graduation, and large numbers of them stay and live on benefits. I think the calculation that every student is of economic benefit while they are here—the facts do not bear out that very basic calculation. It is true of most, but it is not true of some.

Q111 Chair: I find that a rather odd way to put it, given the fact that by your definition 80% who come here contributed to the economy and then left. Shall we say it might be quite interesting if a piece of work was actually done on that? I don’t know if any has been, but I would have thought the Government should provide it if they are to continue with this policy.

Damian Green: We have done a study called *The Migrant Journey*, which I am happy to send to the Committee.

Chair: I am sure we would welcome that. We are out of time. Thank you, Minister, for appearing before us. Obviously, we will be preparing a report in the light of the evidence that we have had from you and the representatives for both the universities and the business community.

Supplementary written evidence submitted by Universities UK (SV 01)

Many thanks for the invitation to appear in front of the Committee to give evidence on international students and net migration on 26 June 2012. During the session I undertook to send the Committee the following pieces of information:

- details of how our competitors treat students in their definitions of migrants;
- a comparison of UK visa requirements with those of our competitors; and
- a summary of our competitors' messaging about how much they welcome international students.

I now enclose the above.

I would also like to take this opportunity to add a few comments on points raised by the Committee, and to respond to some of the issues raised by the Minister in his evidence.

UCAS Statistics

In our oral evidence, we stated that UCAS applications from non-EU students were up by 10% (as of May 2012). Since the evidence session UCAS has updated its data which shows the increase has fallen to 8.5% (as of June 2012). However, UCAS data only gives a partial picture of international student recruitment because:

- UCAS statistics relate to undergraduate applications only. 55% of non-EU students were studying at postgraduate level in 2010–11.
- Not all non-EU undergraduates apply via UCAS.

To put this in context, the number of non-EU UCAS acceptances in 2011 was 34,094, whereas the total number of all first-year non-EU students in 2010–11 was 174,225 (undergraduate and postgraduate). UCAS acceptances therefore only amounted to 19.6% of the total number of all first year non-EU students at UK higher education institutions in 2010–11.

In addition, UCAS statistics show applications only and not acceptances or final enrolments. An increase in applications will not necessarily correlate with changes in final enrolment numbers. Rising application numbers may be indicative of a global rise in individuals seeking tertiary education outside of their home country. In 2011 acceptance rates for non-EU students were down with 55.4% of non-EU UCAS applicants accepting a place. This compared with an acceptance rate of 58.7% in 2010 and an average acceptance rate of 58.7% across the preceding three years. A decreasing acceptance rate may be due to fewer offers being made by universities or applicants choosing to turn offers down and selecting an alternative study destination. While the headline figures on UCAS applications are positive, they do not reflect the complete picture.

It is therefore too early to surmise from UCAS data that immigration policy is not having an impact on non-EU student numbers at universities.

International Student Contribution to Net Migration

In his evidence the Minister for Immigration stated that “student migration is by far the biggest contributor to gross or net migration”. Universities UK would question whether this is the case. Study remains the most common reason for individuals migrating to the UK but their real contribution to total net migration is not fully known. This is because the data available currently does not match an emigrant to their original reason for coming to the UK. Hence, many students who have completed their studies and are departing the UK for work reasons have been recorded as workers leaving as opposed to students departing. This may have skewed the data available on what contribution international students actually make to net migration. This issue may be alleviated somewhat with recent changes made to the International Passenger Survey.

Tier 1 Post Study Work

In his oral evidence the Immigration Minister spoke about the proportions of international students remaining in the UK in unskilled employment under the old Tier 1 Post Study work route. He stated that one third had non-graduate level jobs, a third had claimed benefits and that the system was exploited by people to do low-level work.

The Home Office cohort study *Points Based System Tier 1: An Operational Assessment* (October 2010) analysed use of the Tier 1 routes. The study analysed the employment status of 253 individuals with leave to remain under Tier 1 Post Study Work. Of these, 23 were deemed to be in skilled employment, 153 unskilled

and in 77 cases the employment status of the migrant was not known. In drawing conclusions from this study, which has been widely used to justify the closure of the Tier 1 Post Study Work route, some important facts are relevant.

- Individuals were classified as skilled on the basis of being higher-level, professional employees earning a salary of over £25,000 per annum. Unskilled individuals were identified as those who appeared to be employed in unskilled roles and/or were earning less than £25,000. Since significant numbers of new graduates begin their careers on salaries of less than £25,000 we do not believe that this is a robust means of assessing skill levels. We also note that £20,000 or “the going rate for the job” is the minimum salary required for migrants under the other highly skilled route—Tier 2.
- The cohort study did not identify whether individuals were in graduate level jobs which may have been a better indicator than salary of the level of work being undertaken by Tier 1 Post Study Work migrants. Nor did the study identify whether individuals were on benefits. In just under one third of instances it was unclear whether individuals were in skilled or unskilled employment, a factor which may have impacted the accuracy of the final results of the study.
- Individuals on Tier 1 Post Study Work visas have no recourse to public funds. We do not, therefore, understand the basis for the Minister’s assertion that “a third had claimed benefits”.

Numbers Staying on Beyond their Studies

The minister also referred to a cohort study which showed that 20% of international students stay beyond graduation and large numbers stay on and live on benefits. The cohort study in question *The Migrant Journey* in fact demonstrated that five years after entering the country, 21% of students remained in the UK with 6% of the original cohort still engaged in studies. This is unsurprising given the length of time some study combinations at universities take to complete. The report did not show the numbers staying on and claiming state benefits.

Bearing Down on the Numbers

The Minister stated that the proportion of student visas being granted to university students has risen from 51% to 66%. This is a result of a number of educational providers, such as private colleges, ceasing to sponsor international students following the tightening of the Tier 4 regime.

We note that given that universities now sponsor the vast majority of international students entering the UK, it will be increasingly difficult for the Government to protect universities from any future attempts to bear down on the numbers of international students should they arise.

Nicola Dandridge
Chief Executive

10 July 2012

Further supplementary written evidence submitted by Universities UK (SV 01A)

STUDENTS AND NET MIGRATION—UN DEFINITION

Introduction

1. Universities UK wants the Government to remove international students from its target to reduce net migration to the “tens of thousands”. 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 (2012–15) would be required to meet the Government’s net migration target. A large proportion of non-EU students study in UK universities.¹

3. In a recent report *International Students and Net Migration in the UK*, the Institute for Public Policy Research (IPPR) has stated that further attempts by Government to bear down on the numbers of international students, could result in the loss of 50,000 international students per annum.

¹ 66% of Tier 4 Confirmation of Acceptance of Studies (CAS) are now issued by higher education institutions compared to 51% two years ago.

UN Definition

4. The Government has argued that it cannot remove international students from net migration figures because it is bound by the UN definition of net migration. Universities UK's response is as follows:

- Countries report net migration statistics to the UN using its *recommended* definition of a migrant.² We are NOT asking Government to change the definition, or to stop producing these figures for the UN.
- Instead, we are asking Government to stop using this definition as the basis of the policy target of reducing net migration, given that the large majority of students are not permanent migrants. Universities UK has argued that a student should be considered as a permanent migrant if they subsequently switch into an immigration category that affords them a route to settlement.
- This approach would be in line with our major competitors. In a domestic setting, the US, Australia and Canada all view students as being temporary additions to the population. They are only presented as long-term additions to the population if they switch immigration categories to a route that allows them to stay in the longer-term eg a work based immigration category.
- The OECD definition of a permanent migrant also excludes students.

5. The Government has also argued that to take a different approach to presenting migration statistics in the UK and removing students from the target would be fiddling the figures and would undermine the credibility of its immigration policy.

- Universities UK would argue that presenting international students at our universities as being distinct from other types of migrant would in fact be a useful first step in fostering better public understanding of temporary and permanent migration trends.

Migration Statistics: The US, Australia and Canada

6. 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

7. There are two relevant migration data sets 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”.³
- 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 (known as “green card” recipients). Refugees, asylees and naturalisations are categorised separately.

8. However, while international students are captured in the NIM figures (under the “immigration/emigration of the foreign born” categorisations which normally applies to individuals leaving abroad a year previously), 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.

Australia

9. In Australia the Department of Immigration and Citizenship produces statistics on net overseas migration (NOM).

10. NOM is made up of overseas arrivals less overseas departures. Overseas travellers only count in the population as NOM arrivals if they are in Australia for 12 months or more over a 16 month period (a variation of the UN definition).

11. Students are included in the NOM statistics if they are in Australia for 12 months or more over a 16 month period. They are included in the “net temporary residents” component of the NOM alongside temporary skilled workers, tourists, visitors and working holiday makers.

² 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. The definition was introduced to harmonise the reporting of migration trends between countries.

³ See United States Census Bureau <http://www.census.gov/population/intmigration/methodology/>

12. 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).

13. There is a clear distinction in the NOM statistics between those deemed to be temporary and those deemed to be permanent.⁴ Permanent residents are those with a route to settlement. This is different to the UK system which makes no similar distinction between temporary and permanent migrants.

Canada

14. Within Canada there are two sets of published statistics—those produced by Statistics Canada and those produced by Citizenship and Immigration Canada.

15. Statistics Canada presents data on net international migration as follows: *net international migration = immigrants—(emigrants + net temporary emigrants) + net non-permanent residents + returning emigrants*.

16. Whilst, international students are included in the overall net international migration calculations, they are categorised within the net “non-permanent residents” category along with foreign workers, the humanitarian population and other temporary residents.⁵ The effect of this is that international students are not presented as long-term immigrants in Canada’s migration statistics but as temporary additions to the population.

17. Furthermore, Statistics Canada defines immigrants as “those persons residing in Canada who were born outside of Canada, excluding temporary foreign workers, Canadian citizens born outside Canada and those with student or working visas.”⁶ Non-permanent residents are “persons holding a work or study permit or refugee claimants.” The UN definition does not determine the definition of an immigrant.

18. Separately, immigration statistics are published by Citizenship and Immigration Canada.⁷ Annual statistics are published, disaggregated by different categories of permanent and temporary residents. Once again, international students are reported within the temporary resident category.

New Zealand

19. 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.⁸ However, for 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.⁹

OECD

20. 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).¹⁰

21. 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.¹¹ 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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⁴ 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>

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

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

⁷ <http://www.cic.gc.ca/english/resources/statistics/menu-fact.asp>

⁸ See Statistics NZ—http://www.stats.govt.nz/browse_for_stats/population/Migration/IntTravelAndMigration_HOTPMar12/Definitions.aspx

⁹ See New Zealand Government’s Leadership Statement for International Education—<http://www.minedu.govt.nz/~media/MinEdu/Files/EducationSectors/InternationalEducation/PolicyStrategy/LeadershipStatement2011.pdf>

¹⁰ 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>

¹¹ See Migration Observatory briefing *International Migration: The UK compared to other OECD countries* (2011) <http://migr Obs.vm.bytemark.co.uk/sites/files/mig Obs/Briefing%20-%20UK%20Compared%20with%20OECD%20Countries2.pdf>

Further supplementary written evidence submitted by Universities UK (SV 01B)**INTERNATIONAL STUDENTS: A BRIEF COMPARISON OF DIFFERENT COUNTRY APPROACHES:
UK; AUSTRALIA; CANADA; NEW ZEALAND AND THE USA****Summary**

1. Table 1 maps the UK's student visa requirements against those of its key competitors. It shows that there are common features to the student visa systems of the UK and its main English-speaking competitors but there are also a number of key differences. For example:

- Only Australia and the UK require a prescribed level of English language for the purposes of securing a visa. In the US and New Zealand, international students may be asked to provide English language certificates along with other academic proof when making their visa application but there is no minimum level set by the immigration authorities as a requirement to secure a visa.
- The UK is particularly strict in its requirements for sponsoring institutions to confirm academic progression and limit the period of time spent in degree level study. Similar requirements are not apparent in the other four systems. Nonetheless, in assessing applications, previous study will be taken into account in the other four countries in making a decision about whether a student is genuine or not.
- In terms of what rights international students have whilst they are studying, the right to work part-time is common to all countries. Most competitors allow dependants to accompany students although the US will only allow accompanying dependants if the student is studying a course lasting more than 12 months.

2. There are different post-study work opportunities available in the UK's English-speaking competitors. Some key elements of post-study work provision in each country are summarised in paragraph 3 (pages 6–8) and set out in Table 2 (pages 9–10).

Table 1

STUDENT VISA REQUIREMENTS

| | UK (Tier 4 visa) | Australia (Temporary Visa—Sub Class 573) | Canada (Study Permit) | New Zealand (Student Visa) | USA (F1 visa) |
|---|---|---|--|---|---|
| <i>English language requirement to secure a visa for degree level study</i> | A B2 level of English in all four components of language (IELTS 5.5) is required to obtain a visa. | Applicants must meet minimum English language skills requirements. (IELTS 6.0—no requirement to meet minimum scores in each component of language). | No proof of English language required to obtain a visa. | No proof of English language required to obtain a visa. | There is no English language requirement to secure a visa but applicants must be prepared to provide scores from standardised tests required by the educational institution sponsoring them such as the TOEFL, SAT, GRE, GMAT, etc |
| <i>Sponsor</i> | 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. The original acceptance letter must be included with their study permit application. | Applicants must have an offer of a place on a course approved by the New Zealand Qualifications Authority (NZQA). | 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. |
| <i>Interview</i> | Applicants may be asked to attend an interview if the visa office where they have applied deems it is necessary. | Students may have to attend an interview but they are not mandatory. | 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. | An interview at the embassy consular section is required for student visa applicants from age 14 to 79, with few exceptions. |
| <i>Genuine intent?</i> | Until July 2012 no assessment of genuine intent has occurred. The government has now announced that interviews to assess genuine intent will be implemented for some high risk students. They will be selected for interview on the basis of nationality, level of study and other known risk factors. It is predicted that around 5% of Tier 4 applicants will be interviewed. | 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. Yes—applicants must have enough money to pay for travel, tuition and living expenses for themselves, their partner and any dependent children for the duration of their stay in Australia. | Applicants must satisfy an immigration officer that they will leave Canada at the end of their authorised stay. However, the concept of dual intent applies here and a person expressing a desire to apply for permanent residence before or during a period of study in Canada may be judged legitimate. Immigration officers must distinguish between a bona fide applicant and an applicant who has no intention of leaving Canada if the application for permanent residency is refused. | Applicants will need to show evidence of how they will leave New Zealand. For example, they may be asked to show travel tickets out of New Zealand, or evidence of enough money held in New Zealand, additional to the funds they'll need for your living expenses. | Applicants must demonstrate that they properly meet student visa requirements including: Have a residence abroad, with no immediate intention of abandoning that residence; Intend to depart from the United States upon completion of the course of study. |
| <i>Maintenance funds</i> | Yes | Yes—applicants must prove they have sufficient funds to pay for tuition fees, living expenses for themselves and dependants and return transportation for themselves and dependants. | Yes—applicants must prove they are able to meet their living costs during their stay. | Yes—applicants must show they are able to meet their living costs during their stay. | Yes—sufficient funds to cover tuition and living expenses during the period of intended study. |
| <i>Academic progression</i> | Yes | Depends on nationality and level of study. Students in higher education who are nationals of lower risk countries can bring their dependants. Those from higher risk countries can bring their dependants if the higher education course is longer than 12 months or they have been in Australia for 12 months or more. | No | No | No |
| <i>Dependants</i> | Those studying postgraduate courses of more than 12 months only. Dependants of undergraduate students are not permitted to accompany them. | Depends on nationality and level of study. Students in higher education who are nationals of lower risk countries can bring their dependants. Those from higher risk countries can bring their dependants if the higher education course is longer than 12 months or they have been in Australia for 12 months or more. | Yes—partners and dependent children of study permit holders can accompany them to Canada. | Yes—partners and dependent children of student or work visa holders can be granted a visitor visa for the same duration as their partner or parents' stay. | Those studying courses of more than 12 months only (undergraduate and postgraduate). |

| | UK (Tier 4 visa) | Australia (Temporary Visa—Sub Class 573) | Canada (Study Permit) | New Zealand (Student Visa) | USA (F1 visa) |
|---|---|--|---|--|--|
| <i>Work rights</i> | 20 hours/week | Student visa holders can work. Previously they were able to work 20 hours per week but these conditions have recently been made more flexible so they are able to work 40 hours per fortnight during any fortnight while the course is in session. This provides more flexibility for student visa holders and their employers. Higher Degree by Research (HDR) student visa holders are no longer limited in the number of hours that they can work once their course has commenced. | Yes. Students can work on campus on a Study Permit. To work off-campus they must apply for an Off-Campus Work Permit which will permit them to work for 20 hours/week during term time and full-time during scheduled breaks. | Students in tertiary education can work up to 20 hours per week. | Yes—but employment is restricted to work on-campus. Off-campus employment is authorised only in cases of severe economic hardship occurring subsequent to a student's enrolment in an academic program or in emergent circumstances as defined by Department of Homeland Security eg loss of financial aid, large increase in tuition or cost of living, unexpected changes in the student's financial support. |
| <i>Police</i> | Students of certain nationalities are required to register with the police on entering the UK. | Applicants must be of good character. | Applicants must be law-abiding with no criminal record. They may have to provide a police certificate. | Students intending to be in New Zealand for less than 24 months are not required to provide a police certificate. | No police certificate required (only a requirement for those immigrating permanently). |
| <i>Health</i> | 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 health insurance while in Australia. This can be provided by obtaining Overseas Student Health Cover (OSHC) which provides medical and hospital insurance. Proof of insurance must be submitted when lodging a visa application. | Applicants must be in good health and willing to complete a medical examination, if necessary. | Must have appropriate and current medical and travel insurance while studying in New Zealand (a requirement of the Ministry of Education's Code of Practice). If the applying student intends to stay in New Zealand for more than 12 months, they must complete a <i>Medical and Chest X-ray Certificate</i> . | Medical checks are required for permanent immigrants but not non-immigrants like students. |
| <i>Maximum length of study</i> <i>Other requirements</i> | Five years although some exemptions. | No Applicants must have no outstanding debts to the Australian government or must have arranged to repay any outstanding debts. Applicants must declare that they will respect Australian values and obey the laws of Australia. | No | No | No |

Post-study Work Opportunities

3. Listed below are the key requirements for post-study work in the UK and the four main competitor nations referred to in this study. Table 2 sets out these requirements in summary.

United Kingdom

4. International students graduating can switch into Tier 2 (General) from within the UK provided they meet the following conditions:

- They have a confirmed job offer for a graduate level job.
- The job pays a minimum salary of £20,000 or the going rate for the job “whichever is higher”.
- Their Tier 4 visa has not yet expired (students typically receive four months at the end of their course of study before their visa expires).
- They will not need to satisfy the Resident Labour Market Test and will not count towards the annual Tier 2 visa limits (currently set at 20,700 per annum).

Canada

5. Foreign graduates who have studied and graduated on an eligible course in Canada may obtain a Post-Graduation work permit.

- Eligible courses must be for a minimum of eight months and the institution must have been a public post-secondary institution, a private post-secondary institution or a Canadian private institution authorised by provincial statute to confer degrees.
- Post-Graduation work permits are issued for a period up to three years (depending on the length of course studied by the migrant).
- Applicants must apply for a Post-Graduation work permit within 90 days of receiving written confirmation from their institution indicating that they have met the requirements for completing their academic programme.

New Zealand

6. There are two ways in which foreign graduates can stay in New Zealand after successfully completing an undergraduate course or higher.¹²

- (i) Graduate Job Search Visa—12 months of leave granted to enable the graduate to find a graduate job.
- (ii) Graduate Work Experience Visa—24 months of leave granted (or 36 months if the graduate is working towards a professional qualification):
 - Students must apply for a Graduate Work Experience Visa no later than three months after the end date of their student visa for that course or qualification or, if the qualification was a Doctoral Degree, no later than six months after the end date of their student visa.
 - The only restriction on the issuance of the Graduate Work Experience Visa is that the graduate must hold an offer of full-time employment relevant to their course or qualification.
 - A work visa will only be granted where an immigration officer is satisfied that the offer of full-time employment is one which will provide practical experience relevant to the applicant’s course or qualification.

7. Qualifications are deemed to be relevant to employment if:

- the major subject area and level of the principal applicant’s recognised qualification is directly applicable to the employment; and
- the immigration officer is satisfied that the qualification was a key factor in the employer’s decision to employ the principal applicant in that position.

America

8. Foreign graduates completing their studies at a recognised US university may qualify to extend their stay in the USA by applying for permission under the Optional Practical Training (“OPT”) category endorsement on their I20 permission.

- The OPT category allows a foreign graduate to remain in the USA for a period of 12 months beyond their graduation date for the purpose of obtaining working experience.
- The foreign graduate is permitted to work for whomever he or she chooses. However, their work must be in a field related to their studies and they must remain in employment for a minimum of 275 days during the whole period of the OPT permission.

¹² See Immigration New Zealand website for further details—<http://www.immigration.govt.nz/opsmanual/i41525.htm>

- Foreign graduates who have studied STEM courses in the USA can extend their permission to remain under the OPT for an additional 17 months (a total period of 29 months post graduation).

9. In January 2012, the US Department of Homeland Security announced its intention to expand the OPT category, in an attempt to attract highly skilled foreign graduates to work in the US.

10. Under the proposed changes STEM foreign graduates applying for an extension of stay under the OPT can do so if they have graduated within the previous 12 months (the current system requires graduates to apply within 60 days of graduation).¹³

11. Another proposed changes will expand eligibility for extension of OPT to include students with a STEM degree that is not the most recent degree they have studied.

Australia

12. Under the current system students can apply for a Graduate (Temporary) Visa (Subclass 485):

- To be eligible for this visa, migrants must have completed an eligible qualification(s) in the last six months as a result of at least two years study in Australia.
- The migrant must have the skills, attributes and qualifications that meet the Australian standard for an occupation on the Skilled Occupation List (SOL).
- The SOL is a list of skilled occupations of high value to the Australian labour market.

13. However, following the recent Knight Review, from 2013 there will be a new post-study work visa category.¹⁴

- This will be available to all foreign graduates obtaining a Bachelor degree or higher at an Australian university.
- Graduates with Bachelor degrees will be granted two years of post-study work. Those completing Master and Doctorate degrees may be issued with three and four year post-study work visas respectively.
- They will not require a job offer to access the post-study work opportunity and there will be no restrictions on the type of employment they are permitted to undertake.

¹³ See Department of Homeland Security website—<http://www.dhs.gov/ynews/fact-sheets/20120131-dhs-retain-highly-skilled-immigrants.shtm>

¹⁴ See http://www.immi.gov.au/students/_pdf/2011-post-study-work.pdf

Table 2

COMPARISON OF POST-STUDY WORK PROVISION

| | UK | Australia | Canada | New Zealand | United States |
|------------------------------------|---|---|--|--|--|
| <i>Job search visa?</i> | No | No | No | Yes—Graduate Job Search Visa gives individuals 12 months of leave to look for a graduate job in New Zealand. Yes—Graduate Work Experience Visa. | No |
| <i>Post-study work visa?</i> | Yes—Tier 2 route. | Yes—Graduate (Temporary) Visa (Subclass 485). No. If a visa is granted the migrant may choose to travel, work, study to improve English skills or complete a professional year. | Yes—Post-Graduation Work Permit. | | Yes—Optional Practical Training (OPT) category. No—but all OPT employment must be in a job related to the student's degree programme. |
| <i>Job offer required?</i> | Yes—with a registered Tier 2 sponsor. | | No | Yes—offer of full-time employment relevant to applicant's course or qualification (deemed relevant if immigration officer satisfied the qualification was a key factor in the decision to employ the applicant in the role). No | |
| <i>Minimum salary requirement?</i> | Yes—£20,000 per annum or the going rate for the job whichever is higher. Three years initially with the possibility to extend for a further three years. | No | No | No | No |
| <i>Leave granted</i> | | 18 months. | Depends on length of course studied. Visas issued for up to three years. If student has studied for eight months, they get eight months to work, if two year course then two years to work etc. | Graduate Job Search Visa—12 months. Graduate Work Experience Visa—24 months (or 36 months if graduate working towards a professional qualification). | 12 months but foreign graduates of STEM courses can apply to extend for a further 17 months. |
| <i>Eligibility</i> | Applicant must have a UK bachelor or postgraduate degree; or a UK Postgraduate Certificate in Education; or have completed a minimum of 12 months study in the UK towards a UK PhD. Must meet maintenance funds and English language requirements. Must secure a job offer before their student visa expires. | Applicant must have completed an eligible qualification (s) in the last six months as a result of at least two years' study in Australia. | Applicant must have studied a full-time course of at least eight months duration at an institution authorised to confer degrees. | Foreign graduate must have obtained a qualification that would qualify under the Skilled Migrant category eg degree & postgraduate qualifications. | Must have obtained an undergraduate degree or higher. |
| <i>Any other conditions?</i> | | The migrant must have the skills, attributes and qualifications to meet the standard for an occupation on the Skilled Occupation List (SOL). | Must apply within 90 days of receiving written confirmation they have met requirements to complete their academic programme. Must have a valid study permit at the time they apply for a Post Graduation Work Permit. | Must apply within three months after the end of their course (or if completing a Doctorate within six months). | Work must be in a field related to their studies. Applicants must apply for OPT within 60 days of graduation. Migrant cannot be unemployed for more than 90 days of the 12 month period. Designated School Official must recommend post-graduation OPT. Migrant must be working at least 20 hours per week in a qualifying position to be considered employed. In January 2012 the Department of Homeland Security announced its intention to expand its OPT category by allowing all those who have graduated from a STEM course in the previous 12 months to apply for OPT (instead of within 60 days). |
| <i>Forthcoming changes</i> | None planned. | Following the Knight Review, from 2013 there will be a new Post-Study Work visa category available to all foreign graduates obtaining a Bachelor degree or higher at an Australian university. Graduates with Bachelor degrees will be granted two years of post-study work (no job offer required). Those completing Master and Doctorate degrees will be issued with three and four years respectively (no job offer required). | None planned. | None planned. | Also proposed that eligibility for the 17 month extension of OPT will be extended to students with a STEM degree that is not the most recent degree they have studied. |

Further supplementary written evidence submitted by Universities UK

SUMMARY OF STATEMENTS BY COMPETITOR COUNTRIES: WELCOMING INTERNATIONAL STUDENTS

United States

President Obama—Excerpt from State of the Union speech (January 2012)

“Let’s also remember that hundreds of thousands of talented, hardworking students in this country face another challenge: the fact that they aren’t yet American citizens. Many were brought here as small children ... others came more recently, to study business and science and engineering, but as soon as they get their degree, we send them home to invent new products and create new jobs somewhere else.

That doesn’t make sense.

I believe as strongly as ever that we should take on illegal immigration. ... We should be working on comprehensive immigration reform right now.

But if election-year politics keeps Congress from acting on a comprehensive plan, let’s at least agree to stop expelling responsible young people who want to staff our labs, start new businesses, defend this country. Send me a law that gives them the chance to earn their citizenship. I will sign it right away.”

President Obama—Excerpt from immigration speech given in El Paso (May 2011)

“Today, we provide students from around the world with visas to get engineering and computer science degrees at our top universities. But our laws discourage them from using those skills to start a business or power a new industry right here in the United States. So instead of training entrepreneurs to create jobs in America, we train them to create jobs for our competition. That makes no sense. In a global marketplace, we need all the talent we can get—not just to benefit those individuals, but because their contributions will benefit all Americans.

Look at Intel and Google and Yahoo and eBay—these are great American companies that have created countless jobs and helped us lead the world in high-tech industries. Everyone was founded by an immigrant. We don’t want the next Intel or Google to be created in China or India. We want those companies and jobs to take root in America.”

Australia

Minister for Immigration and Citizenship Press release: Changes to boost international education

22 March 2012

“The Minister for Immigration and Citizenship, Chris Bowen MP, today announced key changes to the student visa program recommended by the Knight Review will commence from 24 March, *as part of the Government’s commitment to position Australia as a preferred study destination for international students.*

International education plays a vital role in a growing economy, educational outcomes and Australia’s diplomatic engagement with other countries, so it’s important that we give it the best possible support,” Mr Bowen said.

Speech excerpt: Australian Minister for Tertiary Education, Skill, Jobs and Workplace Relations to the Australian International Education Conference

Senator the Hon. Chris Evans MP

October 2011

“As educators, you are central to achieving our ambitious goal to build a skilled, highly educated workforce that will secure our future in Asia.

To help secure the future of the international education sector now is the time to develop a strategic vision for an industry which has a critical role to play in our nation’s future.

Now is the time to build a sustainable industry which is guided in its growth by solid public policy and sound planning.

An industry which enjoys high level engagement with Government and which is at the front of mind for key decision makers.

The Government wants policy making to be informed by coherent, independent, strategic advice about the future growth of the industry.

To this end, I am pleased today to announce the establishment of the International Education Advisory Council ... The Council will be charged with helping inform the Government’s development of a five year national strategy to support the quality and sustainability of the international education sector ... ”

New Zealand

New Zealand Government Leadership Statement for International Education

“The NZ Government has released a Leadership Statement for International Education (November 2011).

Its strategy aims to double the economic value of international education to \$5 billion over the next 15 years. It is aiming to achieve annual growth in tertiary enrolments of international students of about 7%.

A couple of its goals and supporting objectives are below:

Goal: New Zealand’s education services delivered in New Zealand are highly sought after by international students.

Supporting objective: New Zealand will, over the next 15 years, double the annual economic value of these services to \$5 billion, through increasing international enrolments in our tertiary institutions, private providers, and schools.

Goal: New Zealand makes the best possible use of its international education expertise to build skills in our work force, to grow research capability and to foster wider economic connections between New Zealand and overseas firms.

Supporting objectives: New Zealand will, over the next 15 years:

Double the number of international postgraduate students (particularly in programmes in addition to those at PhD level), from 10,000 to 20,000.

Increase the transition rate from study to residence for international students with bachelor’s level qualifications and above”.

Canada

National strategy

The 2011 federal budget allocated C\$10m (\$10m) over two years to develop a new international education strategy to “reinforce Canada as a country of choice to study and conduct world-class research”. The budget also announced the creation of a high-level advisory panel to undertake consultations and make recommendations on the scope and nature of this strategy. [National recommendations due to be made by this panel imminently.]

British Columbia—through its *Canada Starts Here: The BC Jobs Plan*—has set a goal of increasing the number of international students choosing B.C. as their study destination by 50% over four years. To achieve its target, B.C. will need to welcome an additional 47,000 international students over the next four years.

Excerpt from speech made by The Honourable Jason Kenney, P.C., M.P. Minister of Citizenship, Immigration and Multiculturalism

Canada’s Immigration System and Our Economic Future

Ottawa, 7 March 2012

“... Secondly, we’ve created my favourite immigration, the Canadian Experience Class. This is something that should have been done ages ago. We used to tell foreign students who came and got Canadian degrees and diplomas, thanks very much, you now have a degree that will be recognized by a Canadian employer, you have perfected your English or French language skills, now please leave the country and if you want to immigrate, get in the back of an eight-year long queue and we’ll be back in touch with you.

Talk about madness.

Now, we have the Canadian Experience Class, which says okay, you’ve graduated from a Canadian university or college, and by the way, we’ve given you an open work permit for two years. If you work for an employer for one year following the diploma or the degree, we are going to invite you to stay as a permanent resident, on a fast track basis, because you are set for success. You’re already pre-integrated, you got the degree that will be recognized by a Canadian employer, you’ve already got a job, and your English language skills or French language skills are perfected. And so this program is growing, and I think will represent in many ways, the future of immigration.”

Excerpt from speech made by The Honourable Jason Kenney, P.C., M.P. Minister of Citizenship, Immigration and Multiculturalism

London, Ontario

17 April 2012

“... Finally, let me say that I’m very pleased as part of our reforms that we have created a new pathway to permanent residency ... It will allow foreign students who have obtained a degree or diploma in Canada and have done one year of work in this country through the new open postgraduate work permit that we give them, to become permanent residents quickly from within Canada. In the past, we used to tell them to leave the country and get in the back of a seven-year-long queue, even though they were pre-integrated, had a degree or diploma that would be recognized by Canadian employers, and had perfected their English

or French language skills. Now we'll be inviting those people to stay in Canada, those bright young students who are set for success"

News Release—Canada welcomes highest number of legal immigrants in 50 years while taking action to maintain the integrity of Canada's immigration system

13 February 2011

"Canada continued to welcome a high number of temporary residents, including 182,322 temporary foreign workers and 96,147 foreign students. That is 28,292 more foreign students than in 2005. And with the creation of the Canadian Experience Class in 2008, eligible foreign students can apply for permanent residency from within Canada. According to a study commissioned by the Government of Canada entitled *Economic Impact of International Education in Canada*, foreign students are estimated to contribute more than \$6.5 billion to Canada's economy every year."

"We continued to admit an increasing number of foreign students to Canada last year through joint efforts among the federal government, provincial governments and other partners," said Minister Kenney. "Our government's initiatives such as the Student Partners Program have also helped to attract and admit a high number of foreign students, particularly from China and India."

10 July 2012
