

REPORT

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A black and white photograph of a hand pointing directly at the viewer, emerging from a jagged hole in a white surface, possibly paper or a wall. The background behind the hand is black.

WHY THE UK SHOULD  
COMMIT TO INCREASING  
INTERNATIONAL STUDENT NUMBERS

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## ABOUT IPPR

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The purpose of our work is to assist all those who want to create a society where every citizen lives a decent and fulfilled life, in reciprocal relationships with the people they care about. We believe that a society of this sort cannot be legislated for or guaranteed by the state. And it certainly won't be achieved by markets alone. It requires people to act together and take responsibility for themselves and each other.

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# EXECUTIVE SUMMARY

Widespread public anxiety about migration presents a serious challenge to the government. In response, the Home Office has set a target of cutting net migration from the hundreds of thousands to the tens of thousands. International students remaining in the UK for longer than 12 months are officially counted as migrants in government statistics, and as a result, international students have become a prime target for efforts to reduce overall migrant numbers. Concerns about migrants abusing the student visa route in order to work or stay in the UK without permission are also creating additional pressure for reductions in international student numbers.

By contrast, the Department for Business, Innovation and Skills (BIS) is promoting growth in the international education sector. The UK's education exports industry is estimated to be worth £17.5 billion to the UK economy,<sup>1</sup> and BIS 'believe it is realistic' for numbers of international students in higher education to grow by 15–20 per cent over the next five years.

## A principled approach

In the past there has been sustained abuse of the student visa regime in the UK. In particular, a proliferation of so-called 'bogus' colleges provided an irregular entry route into the country. The previous Labour government took steps to prevent abuse by introducing a new points-based system, as well as a 'highly trusted sponsor' scheme for education institutions sponsoring Tier 4 students.<sup>2</sup> The Coalition government has also responded with a raft of new policies which aim to tighten the visa regime, place restrictions on education institutions, and reduce the entitlements of international students.

The UK needs a student visa regime that clamps down on abuse – but it also needs to be open and flexible enough to attract foreign students in a competitive global market. Below are some key principles for charting a course towards these goals:

- **The government needs to commit to increasing the number of international students studying at British education institutions.** The government faces the difficult task of steering a course between promoting economic growth on the one hand and responding to public concern about immigration and controlling irregular migration on the other. But the policies that the Coalition is pursuing are confusing and incompatible: it is not possible to bring down net migration and simultaneously grow the international education sector. The government needs to commit unequivocally to increasing the number of international students studying at British education institutions.
- **It is right to stop abuse of the student visa regime, but such efforts should not be used to deter potential legitimate foreign students from coming to the UK.** The Home Office has a duty to crack down on abuse of the student visa regime. Abuse of the student visa route was undoubtedly a problem in the past, and ongoing vigilance is required to prevent it from escalating again in the future. However, a zero-tolerance approach to organised abuse should not preclude efforts to grow the international education sector. Focusing on reducing overall net migration can produce an incentive to cut foreign student numbers above and beyond those cases in which the system has been abused. This is damaging to the education sector because it sends out mixed messages to potential legitimate students who may be deterred from coming to the UK.

1 BIS estimate that in 2011 'over 75 per cent of export earnings came from students studying in the UK' (BIS 2013a).

2 'Tier 4' is the UK Border Agency's category for foreign nationals who wish to travel to or remain in the UK for their post-16 education. <http://www.ukba.homeoffice.gov.uk/visas-immigration/studying/adult-students/>

- **International education must be acknowledged as a reciprocal arrangement between students and their education providers, as well as between students and the UK as a host country, which carries responsibilities for all involved.**
  - International students do ‘take’ from UK society – they use public services (albeit minimally) and live in our communities – but they also make huge contributions and deserve something back in return. It is reasonable to expect international students to pay for what they use, but in return they should feel entitled to a welcoming and rewarding experience while living in the UK.
  - In a global market, competing with other countries needs to be about more than just recruiting ‘the brightest and the best’ – the UK also needs to present an attractive, competitive offer to students both during and after their study. Many other countries are increasing their offer to international students, usually including opportunities to work both during and after their studies.
  - Education providers receive valuable income, as well as other benefits such as greater creativity and innovation, from international students. Conversely, they have a duty to comply with rules and regulations, and a responsibility to support their students to integrate and contribute to their local communities during their stay in the UK.
  - The government has an important role to play in ensuring that a degree of consistency and stability is maintained across the sector: repeated changes to the visa regime and increasing restrictions to entitlements are unsettling for international students who have chosen the UK as their study destination.
  - In the past, governments have prized international students in the higher education sector over those in other sectors. Privileging their status fails to recognise the enormously valuable contribution that the vast majority of students in further education colleges and English language schools (both public and private, and either based in the UK or in British schools and colleges overseas) bring to the UK – both in their own right, and as crucial feeders into higher education.
- **The education sector and the Home Office need to work together to effectively identify and respond to risk.** The government must clamp down on poorly performing institutions by ensuring that procedures and practices in education institutions are robust and effective. However, this needs to be balanced with allowing the sector some freedom and the ability to flourish in the global market. The Home Office and the education sector need to be able to work together to achieve this balance. The emphasis needs to be on appropriate and proportionate responses to risk with robust regulation and control.

### Key findings

The UK has long been able to rely on its reputation as a world-leading education provider to attract international students from all over the world. However, the global market in education has become increasingly competitive: the UK needs to compete with an increasing number of other countries, many of which are improving their offer to international students.

Our research has uncovered a number of trends affecting the international education sector:

- In recent years, the UK’s education sector has been a growth sector, delivering annual increases in exports. However, data now indicates that international student entrants to higher education for the 2012/13 academic year were broadly flat. This

represents a significant slow-down from previous trends – from 2007/08 to 2011/12 the average annual growth rate was 6.3 per cent.

- The number of visas issued to foreign students to attend courses in the further education sector fell by 46 per cent in the year to December 2012, and the income that further education colleges received from Tier 4 students' tuition fees is estimated to have decreased by £11 million between 2010/11 and 2011/12, from £52,699,986 to £41,632,989. The number of Tier 4 visas issued has declined since 2011, but conversely the number of student visitor visas issued has almost doubled, from 38,756 in March 2010 to 69,542 in March 2013.
- Most of the decline in the number of student visas issued to non-EU nationals (excluding student visitors) can be explained by falls of 62 per cent, 38 per cent and 30 per cent in the numbers of students arriving from Pakistan, India and Bangladesh respectively between 2011 and 2012. The number of Chinese students coming to the UK increased slightly, by 3 per cent, between 2010 and 2012
- In 2011, 40 per cent of all international students in higher education came into university through pathway programmes with other providers. A decline in the numbers of international students attending English language schools and further education colleges is likely to have a severe knock-on effect on the higher education sector further down the line. It is vitally important to increase the number of international students in pathway programs (in further education or receiving English language tuition, and in both public and private education settings), rather than focusing purely on increasing the number of students in higher education.
- The UK's post-study work offer is weaker than many of its major competitor countries. A survey carried out by Ipsos MORI for this report, of Indian nationals considering study abroad, found that 91 per cent of respondents thought that the UK's restrictions on the ability to work post-study would put off either 'some' or 'most' students. These results suggest that the UK cannot continue to rely on its positive reputation alone if it wants to attract the brightest and best students to the UK's education institutions.

## Key recommendations

### Government migration policy

- The government should abandon the net migration target. IPPR has long argued that this target is a bad measure for policy: it creates a perverse incentive for cutting international student numbers, and is incompatible with the growth of one of the UK's crucial export industries.
- The government needs to invest in gathering improved longitudinal data about students' pathways through the immigration system in order to provide better data about compliance and transitions to other visa categories.
- Migration is a policy area in which enforcement needs to be taken seriously, but must be balanced with commercial awareness. BIS's role in promoting the UK education sector needs to be matched by commercial awareness in the Home Office. In the immediate term, this means more BIS representatives sitting on Home Office committees and teams which make decisions about international students. In the longer term, it might mean shared responsibility for migration policy across a number of government departments, specifically the Home Office, BIS and the Department for Communities and Local Government.

### Reforms to the UK student visa rules

- The government has recently devoted considerable resources to introducing credibility interviews for the majority of Tier 4 applicants. Preventing abuse of the visa regime is important, and warrants a continued firm approach. However, interviewing the majority of applicants is not a good use of scarce public resources: the government should be more selective in its approach to interviewing prospective students by responding specifically to suspicious spikes in applications that appear questionable relative to previous trends. This approach needs to sit alongside quality-checking the work of institutions and following up on any concerns about abuse that they raise.
- International students as a group do not place a disproportionate burden on the National Health Service (NHS) in the UK – yet in many other countries, international students are expected to take out medical insurance. We agree with the government’s proposal to introduce a small levy on international students at the point of entry (combined within the visa fee), calculated to be equivalent to the cost of private medical insurance for a ‘typical’ student for the duration of their visa. A levy of around £100–£200 per year, to be paid at the point of entry, would reassure students that they are entitled to access the NHS during their time in the UK; however, it is important that this is offset by corresponding advantages, including increased working rights during and after study.
- We propose simplifying the rules about international students working while they are in the UK. The entitlement should be the same regardless of whether the student’s education institution is public or private, or provides further or higher education (rather than an allocation of 20 hours every week for students in a public higher education institution, as the rules currently state). Our recommendation is that the UK permits all students with a Tier 4 visa to work up to 40 hours every fortnight. This is a similar approach to that recently adopted in Australia, and would allow for greater flexibility and consistency across the sector.
- There is ambiguity about whether international students are entitled to carry out unpaid work (including voluntary work and unpaid work experience placements). The Home Office should clarify its position on this issue, and we recommend that it reassures international students that they are encouraged to become active members of their local host communities, and that there is no bar on volunteering or unpaid work placements during their time in the UK.
- Student visitor visas provide an opportunity for international students to enter the UK for a short course of less than 12 months’ duration. These students are not counted within the official migration statistics, and do not count towards the government’s net migration target. There is no limit to the number of students with visitor visas that any one college may accept. Given the recent sharp rises in the number of student visitor visas, we recommend that an intelligence-led independent review of the student visa route is carried out in order to monitor any unusual activity, and any spikes in applications from any one nationality.

### Post-study entitlements

- The current rules allowing students to switch into Tier 2 are welcome. However, we would also recommend further measures to provide an attractive, competitive offer to international students after they have completed their studies. We recommend:
  - A scheme whereby all highly trusted sponsors could vouch for students (such as those with high attendance rates during their courses), which would then allow them to stay in the UK under a Tier 4 post-study work visa for a period

of six months. After this period, the student would be required to either switch into Tier 2 or leave the UK.

- The salary threshold for students switching to Tier 2 to be reduced to £18,000 (from £20,000).
- Tier 2 licence costs should be reduced for small and medium-sized enterprises and charities.
- We recommend increased post-study working rights for students completing MBAs and PhDs, in addition to undergraduate and postgraduate students who have studied STEM (science, technology, engineering and maths) subjects. They could be offered the opportunity to work in the UK for up to two years post-study under a Tier 4 post-study work visa, provided that they can be vouched for by their institution, as described above.
- We also recommend that the Home Office improves its processes for notifying students who are nearing the end of their visa by sending out an email or SMS. This could take the form of a ‘traffic-light’ system, whereby an initial ‘green’ notification is sent to students outlining their options as they approach the end of their visa, followed by an ‘amber’ warning reiterating that timeframe, and then a final ‘red’ notification explaining that their right to post-study work will be revoked if they do not comply with current visa rules.

### **Regulation of the sector**

Stricter regulation of the education sector has been a consistent feature of government policy in recent years – all education institutions must now meet a strict set of quality assurance requirements. This is important to prevent abuse, but it must not stifle growth in the international education sector.

- The current structure does not allow for a gradation of sanctions against education institutions. A stage prior to suspension or revocation of an institution’s licence should be introduced whereby an institution that needs to make modifications or improve certain processes is placed under review, and can receive support and guidance from the Home Office during that time.
- There is reason to believe that the current system of ensuring that all education institutions accepting Tier 4 students become a highly trusted sponsor is working. However, there is scope for reducing the frequency of audits from once every year to every 2–3 years if an institution is consistently performing well (if it has had satisfactory audits for the previous two years, for example).



# INTRODUCTION

This report reviews the policies of the UK Coalition government that affect the international student visa regime. It presents a detailed picture of the impact that policy changes have had across the UK's entire education sector, combining new and existing research into a policy-relevant format.

Our intention is to set out the best available data and evidence on student migration to the UK, although it should be noted that the official migration data available is less accurate and comprehensive than is desirable for data that forms the basis for major policy decisions. Nevertheless, we illustrate current trends and explore how the impact of policy in this area is likely to affect the education sector in the future.

The report is set out in four chapters.

- Chapter 1 outlines the policy context of the Coalition government's approach to policy on international students, followed by an overview of the current data and how the trends have developed in recent years.
- Chapter 2 draws together research that illustrates the impact of international students on the national economy, local areas, and institutions in different parts of the education sector, and discusses the corresponding impact of the government's policy decisions in each of these areas. Finally, it explores the extent to which government policy has affected the level of abuse within the student visa regime.
- Chapter 3 sets out our view of the future prospects of the sector, based on trends in current numbers, the perceptions of international students and examples from other countries. We also include a more detailed case study of the perceptions of Indian nationals who are considering studying overseas.
- Chapter 4 presents our policy analysis drawing from the above sections, and sets out our conclusions and recommendations for reform in this area.

Data and evidence used in this report is drawn from primary sources such as the Office for National Statistics (ONS) and the Higher Education Statistics Authority (HESA), as well as a range of secondary data sources including reports and articles on this subject. In addition, a series of case studies are included within the report. In order to produce detailed, up-to-date data on the perceptions of students considering study overseas, IPPR commissioned a new survey of Indian students, the results of which are set out in chapter 3.

# 1. POLICY CONTEXT

## 1.1 Policy background

In August 2013 the *Economist/Ipsos MORI Issues Index* was published, setting out which issues the public is most concerned about in Britain today. While the economy topped the list, as it has done consistently in recent years, concern about ‘race relations/immigration’ came in second, having been mentioned by 38 per cent of respondents. This represented an increase of 4 percentage points since the previous year’s Issues Index, and the highest level of concern about ‘race relations/immigration’ since May 2010, the month in which the Coalition government came to power (Ipsos MORI 2013).

The Coalition is struggling to balance its policy responses to the electorate’s twin concerns of the economy and immigration. The government wants to address widespread public anxiety about immigration, and has chosen to do so by setting a target to reduce overall net migration to the UK. Conversely, a concerted effort has been made to generate economic growth. The UK’s education exports industry is believed to be worth £17.5 billion to the economy, and is a prime target for expansion (BIS 2013a). Yet because international students make up a large proportion of migrants to the UK – accounting for around half of all immigration to the country – they are caught in the middle of these two big and competing government priorities.

The Coalition’s net migration target aims to reduce total net migration from the hundreds ‘to the tens of thousands’, a commitment that requires drastic cuts in non-EU immigration. International students are included in that target, and the scale of migration for study means that the net migration target can only be met by significantly reducing the numbers of international students coming to the UK, and by encouraging more students to leave at the end of their courses. The home secretary, Theresa May, stated in 2010 that looking at the number of students ‘was an “important part of the overall picture” of bringing immigration to Britain under control’ (Travis 2010). IPPR’s previous research has shown that cuts to student migration are a way for the government to make rapid progress in reducing net migration in the short term, despite the fact that reduced student migration has only limited impacts on net migration in the medium and long terms, since most students remain in the UK for only a short time (Cavanagh and Glennie 2012).

In its July 2013 international export strategy, the Department for Business, Innovation and Skills (BIS) announced that it aims to secure an extra £3 billion worth of contracts for the UK’s education providers overseas, and envisages attracting almost 90,000 extra overseas university students by 2018 (an increase of around 20 per cent) (BIS 2013a). In January 2013 a new Education UK Unit was set up within the UK Trade and Investment department to help UK business take advantage of high value opportunities overseas, with the aim of securing contracts worth £3 billion by 2020.<sup>3</sup>

Concern has been voiced by the education sector, and within government, warning that the net migration target is causing a fall in the number of international students, which in turn is having a serious impact on the UK economy. In January 2013 the chairs of five parliamentary committees<sup>4</sup> wrote to the prime minister, David Cameron, to recommend that the government remove international students from the net migration target. The degree of consensus between committees of both houses was

<sup>3</sup> <https://www.gov.uk/government/news/new-push-to-grow-uks-175-billion-education-exports-industry>.

<sup>4</sup> The House of Commons Select Committee on Business, Innovation and Skills; The House of Lords European Union Sub-Committee F: Home Affairs, Health and Education; The House of Commons Select Committee on Public Accounts; The House of Lords Science and Technology Committee; and the House of Commons Select Committee on Home Affairs.

described as ‘unprecedented’.<sup>5</sup> David Cameron responded by saying that ‘changing the way we measure migration would not make any difference to our student migration policy. We have introduced some basic minimum standards for colleges and students to tackle abuse, while ensuring the UK remains a great place to study.’<sup>6</sup>

Theresa May has stressed that there is ‘no cap on the number of students able to come here – and there are no current plans to introduce a cap’.<sup>7</sup> Nevertheless, a series of policy changes have been made by the Coalition government over the last few years (many in line with the aim of introducing ‘basic minimum standards for colleges and students to tackle abuse’) which have had a significant impact on the international student visa regime.

#### **Changes to the visa application process:**

- Since July 2011, all applicants have had to declare on the visa application form that they genuinely have maintenance funds available to them.
- From April 2013 the Home Office expanded its programme of interviews for prospective students to ‘considerably more than 100,000’ per year, with the intention of interviewing Tier 4 applicants from most countries by the end of 2013. Applicants will not be asked to attend an interview if they are a national or passport holder of a ‘low risk’ country.<sup>8</sup>
- Since April 2011, students studying at undergraduate level must have English language skills at level B2 or above of the Common European Framework of Reference for Languages (CEFR).

#### **Reducing in-country working rights for students:**

- Since April 2012 a limit has been placed on the length of time that students studying below university degree level can spend on a placement as part of their course – 33 per cent is now the maximum.
- From April 2012 the conditions of the confirmation of acceptance for studies (CAS) changed, and applicants are no longer allowed to study at a lower level than that stated on their CAS.
- In July 2011, work entitlements were capped for students studying at higher educational institutions (at up to 20 hours per week) and publicly funded further education colleges (at up to 10 hours a week). International students at private colleges with a Tier 4 visa are not permitted to work at all during their stay in the UK.
- From July 2011 the sponsorship of dependants was restricted to those studying at postgraduate level at higher education institutions on courses lasting at least 12 months, and government-sponsored students on courses lasting at least 6 months.

#### **Curtailing post-study work rights for students:**

- In 2012, the post-study work visa – which had earlier allowed students to stay on for a further two years to find work, having switched to Tier 1 status – was scrapped. Now, non-EEA students who wish to stay in the UK can switch to Tier 2 immigration

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5 [http://www.parliament.uk/documents/commons-committees/business-innovation-and-skills/Letter\\_per\\_cent20to\\_per\\_cent20the\\_per\\_cent20PM\\_per\\_cent2020130130.pdf](http://www.parliament.uk/documents/commons-committees/business-innovation-and-skills/Letter_per_cent20to_per_cent20the_per_cent20PM_per_cent2020130130.pdf)

6 [http://www.parliament.uk/documents/commons-committees/business-innovation-and-skills/Reply\\_per\\_cent20from\\_per\\_cent20the\\_per\\_cent20PM\\_per\\_cent2020130308.pdf](http://www.parliament.uk/documents/commons-committees/business-innovation-and-skills/Reply_per_cent20from_per_cent20the_per_cent20PM_per_cent2020130308.pdf)

7 Comment made by the home secretary in the speech ‘An Immigration system that works in the national interest’, delivered on 12 December 2012. <https://www.gov.uk/government/speeches/home-secretary-speech-on-an-immigration-system-that-works-in-the-national-interest>

8 That is, one of the countries listed in Appendix H of the UK Border Agency’s immigration rules. <http://www.ukba.homeoffice.gov.uk/policyandlaw/immigrationlaw/immigrationrules/appendixh/>

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status, which means that they have to qualify for employment under the points system and find a job which pays a minimum of £20,000.

- A separate visa for entrepreneurs can be applied for (which transfers successful applicants to Tier 1), but only about 1,000 such visas are issued each year.
- Non-EU students who complete PhDs in the UK can apply to be sponsored (by their Tier 4 sponsor) for the Doctorate Extension Scheme under a new visa application which, if granted, will allow them to stay in the UK for one year in order to find a job or start a business.

#### **Stricter criteria for providers:**

- Since April 2012, any institution that wants to sponsor Tier 4 students has needed a licence from the Home Office allowing it to issue a CAS. Each institution granted a Tier 4 sponsor licence now needs to become a highly trusted sponsor (the separate 'A' and 'B' ratings no longer apply). Each highly trusted sponsor needs to fulfil a set of mandatory criteria (such as a refusal rate of less than 20 per cent, and a course completion rate of more than 85 per cent) and be inspected, audited or approved by one of the educational oversight bodies specified by the Home Office.
- Since 21 April 2011, Tier 4 sponsors with B-rated licences cannot sponsor new students. They can only sponsor existing students who need to apply for leave to remain in order to complete their course.
- In July 2011 new rules were introduced requiring education providers to vouch that each new course that a student signs up to represents genuine academic progression.
- In 2011 the UK Border Agency (UKBA) committed to publishing a list of financial institutions that do not verify financial statements to their satisfaction in more than 50 per cent of a sample of cases.
- In 2011 UKBA also pledged to introduce a streamlined application process for low-risk nationals applying to attend courses with highly trusted sponsors.

#### **Proposed future changes:**

The Immigration Bill was published on 10 October 2013, and the government is aiming for it to become law by April 2014. Some specific sections of the bill that will affect international students are:

- Removal of the right of appeal from extension applications made in the UK. It will be replaced by administrative review which will have a fee attached – this means that decisions will be reconsidered by Home Office caseworkers rather than by an independent tribunal.
- Removal of non-EU visa holders' entitlement to free NHS treatment, and the introduction of a health charge every time an immigration application is made. There are no details in the bill about the level of this charge, but the government's response to the previous consultation suggests that it will be around £150 a year for students.
- The introduction of a requirement for landlords to check the immigration status of all tenants and lodgers, with fines of up to £3,000 for anyone found not to have permission to be in the UK. There will be an exemption for student halls of residence, but not for homestay providers. This will affect students who need to enter into accommodation contracts before they arrive in the UK.<sup>9</sup>

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9 For a more detailed summary, see <http://www.ukcisa.org.uk/Info-for-universities-colleges-schools/Policy-research-statistics/Policy-and-lobbying/Immigration-Bill/>.

The government has repeatedly stated that it wants to stamp out what it believes to be extensive abuse and 'non-compliance' in the international student visa system, and presents this as an explanation for reductions in the number of international students coming to the UK (Migration Observatory 2011a). By changing visa requirements, tightening licensing rules and restricting the right to work for international students, the government is attempting to eliminate so-called 'bogus' international students and the education providers that take them in, and focus purely on attracting 'the brightest and the best' students to study in the UK.

The proposal to introduce a system of bonds, under which visitors from 'high risk countries' would be required to pay a £3,000 bond on entering the country to ensure that they do not overstay, was widely criticised and has now been dropped by the government. The business secretary, Vince Cable, described the response in India as one of 'outrage',<sup>10</sup> and universities accused the government of reneging on a promise to deliver a period of 'policy stability' on student visas.<sup>11</sup>

The government's objective of reducing abuse and non-compliance in the student visa regime is itself legitimate and laudable, provided that it remains proportionate to the scale of the problem. The public rightly want to see that the system is robust. Nevertheless, Vince Cable has stressed that worries about immigration and the economic need for open markets were two forces 'pulling in opposite directions'. He described how the debate about overseas students is 'caught up in this torrid and emotional argument about immigration', and that even though there are no set limits on overseas student numbers, the drive to prevent the misuse of student visas had created a perception that the UK did not welcome international students.<sup>12</sup>

### **1.1.2 Public attitudes to international student migration**

There is extensive polling data, and an expanding literature, on UK public attitudes to immigration. We know that public concern about immigration remains high, and that politicians will endeavour to show that they are in tune with the public mood in this respect. But there are nuances in public attitudes that have implications for both policy and politics.

Polling by Ipsos MORI for the Migration Observatory has found that public preferences about reducing immigration are not focused on the numerically largest groups. When asked about their understanding of why people migrate, respondents were most likely to think of people claiming asylum (62 per cent) and least likely to think of international students (29 per cent). At that time, official Office for National Statistics (ONS) data showed that students formed the largest group of immigrants to the UK (37 per cent of all immigrant arrivals in 2009), while asylum seekers were the smallest group (4 per cent of immigrant arrivals in 2009). The same polling also found that among respondents who want immigration reduced overall, 54 per cent said that they would like reductions either 'only' (28 per cent) or 'mostly' (26 per cent) among illegal immigrants, while just over a third (35 per cent) supported reductions to the numbers of both legal and illegal immigrants (Migration Observatory 2011b).

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10 [http://www.huffingtonpost.co.uk/jon-ashworth/theresa-may-immigration\\_b\\_3906676.html](http://www.huffingtonpost.co.uk/jon-ashworth/theresa-may-immigration_b_3906676.html)

11 <http://www.timeshighereducation.co.uk/news/on-visas-coalitions-word-is-bond-literally/2005136.article>

12 <http://www.bbc.co.uk/news/education-22705868>

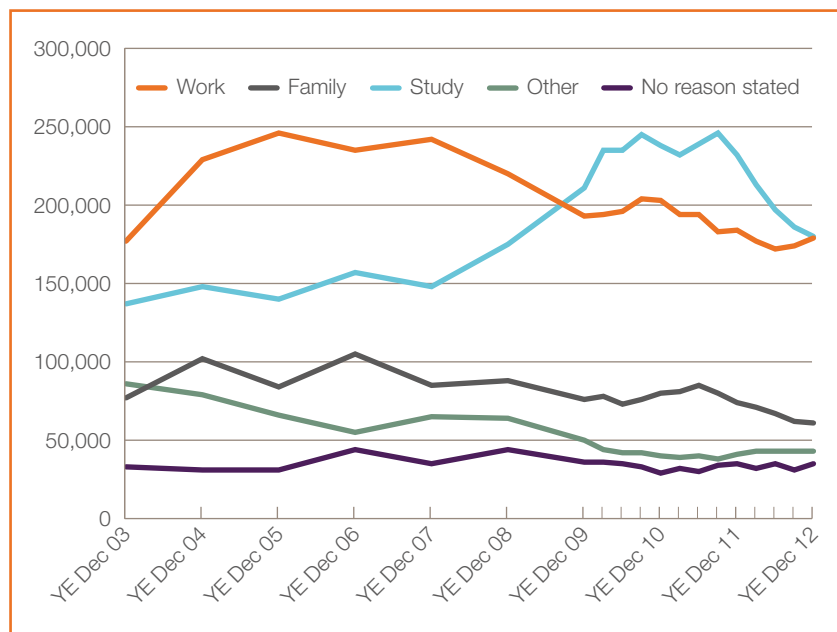
## 1.2 Data overview

### 1.2.1 International student migration to the UK

Official data on migration is poor and incomplete (see the two boxed-out sections later in this chapter), but the best available estimates suggest that there are currently around half a million international students in higher education, further education and private schools in the UK (UKCISA 2013). In addition, the UK receives many short-term students studying on short courses or attending English language colleges: globally, almost half of all students who study English outside of their home country do so in the UK. In 2011, the UK received 743,170 foreign students, who stayed for an average of 4.9 weeks (BIS 2013b).

Students comprise a significant part of overall immigration flows to the UK. The government's chosen measure of immigration flows is the ONS's Long-Term International Migration (LTIM) estimates, based on the International Passenger Survey (IPS). By this measure, it is estimated that 180,000 people entered the UK for the purpose of formal study in 2012.<sup>13</sup> More people came to the UK to study (39 per cent of all inflows) in 2012 than came to work or to be with family members. IPS data suggests that while immigration for family reasons or for work has fallen since 2006, student immigration has been increasing steadily since the mid-1990s, from 30,000 in 1994 to 255,000 in 2010. Since 2010, the number of people coming to study in the UK has significantly decreased.

**Figure 1.1**  
Reason given for migration by entrants to the UK, YE Dec 2003–YE Dec 2012



Source: ONS 2013

Migration is measured using a range of survey and management data. The data available to policymakers and practitioners has significantly improved over the last decade (Portes 2013), but there are limits to the conclusions that can be drawn from it (see boxed text). In July 2013 the House of Commons Public Administration Select Committee (HC-PASC) described the available migration statistics as 'blunt instruments for measuring, managing,

<sup>13</sup> The IPS (without adjustments made to calculate LTIM) estimates that 175,000 migrants came to the UK to study in 2012, 139,000 of whom came from countries outside of the EU, and a further 46,000 of whom from within the EU (including 8,000 British people living abroad but returning to study).

and understanding migration to and from the UK', and stated that 'a full and accurate account of migration to and from UK requires new sources of statistics' (PASC 2013).

In order to develop a picture of student migration within these constraints, we have drawn on the available statistics and supplemented them with Higher Education Statistics Agency (HESA) data, survey data from the Independent Schools Council (ISC's) annual census, and UK census results.

#### **Limitations to migration data**

The current data on migration to and from the UK is unreliable in many respects. While the statistics are sufficient for estimating trends over time, it is difficult to produce reliable estimates of overall numbers or specific patterns of migration. Problems can arise when these numbers are relied upon to formulate policy or demonstrate impact.

The Home Office's chosen measure, and the source used for calculating net migration, is based on the International Passenger Survey (IPS). This is a survey carried out by the ONS at ports and airports that collects information on a sample of people entering and leaving the UK for more than one year. The overall sample size is very small (around 5,000, or 1 per cent of total migration flows), and the samples of specific categories of migrants (such as students) are even smaller. This sample-based methodology means that IPS data has significant margins of error – it provides estimates rather than any measurements of actual journeys.

A further data source is Home Office management data. This captures the numbers of visas issued to foreign nationals for the purpose of study and the number of people given leave to enter. This first category captures the number of visas issued rather than actual number of people who choose to accept the offer of a course – students' plans may change and, though they have a visa for the UK, they may never arrive to take up their planned studies. Similarly, visa holders may be recorded entering the UK but, as their planned length of stay is less than one year, they will not be recorded as 'migrants' by the IPS.

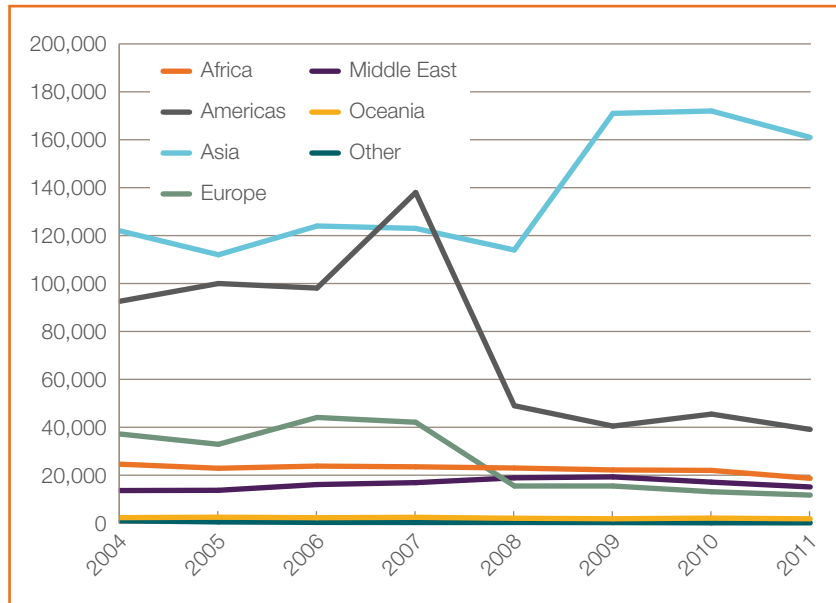
## **1.3 Trends in international student migration to the UK**

### **1.3.1 International students by country**

The countries of origin of international students have varied significantly over time. In 2011, 80 per cent of international students were from outside the EU, and 20 per cent from within the EU. Home Office management data shows significant growth in the number of Asian students arriving since 2008, alongside a sizeable reduction in student numbers from the Americas and a small drop in students from elsewhere in Europe.

The overall reduction in international student numbers since 2010 has been concentrated among particular nationalities. Most of the decline in the number of student visas issued to non-EU nationals between 2011 and 2012 can be explained by falls of 62 per cent, 38 per cent and 30 per cent in the numbers of students from Pakistan, India and Bangladesh respectively in that period. Conversely, the number of Chinese students coming to the UK increased slightly, by 3 per cent, between 2010 and 2012 (Home Office 2013a).

**Figure 1.2**  
Number of international students in the UK by world region of origin, 2004–2011

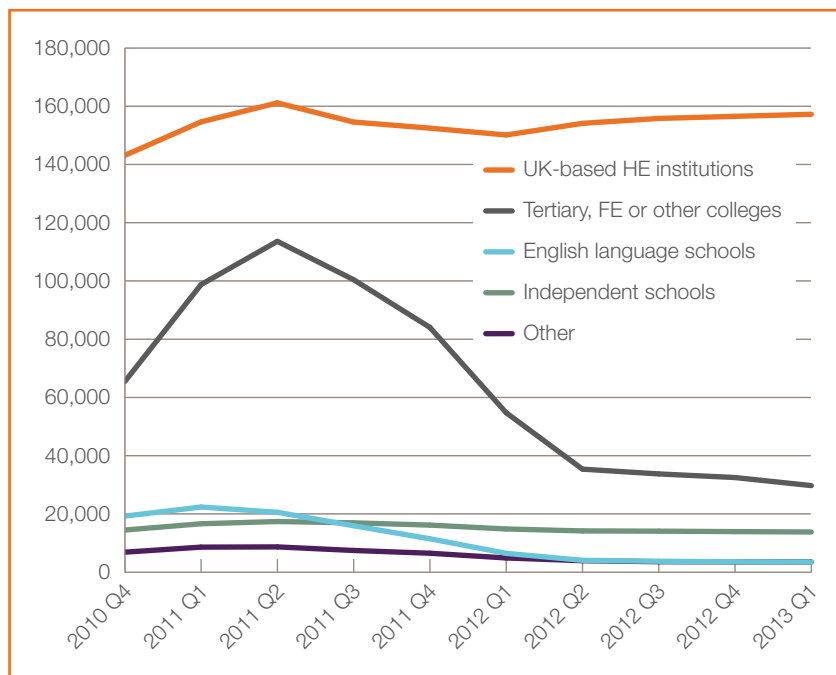


Source: <https://www.gov.uk/government/publications/immigration-statistics-april-to-june-2013/immigration-statistics-april-to-june-2013#study-1>

### 1.3.2 International students by level of study

The decline in student numbers has been concentrated in certain sectors more than others, as shown in figure 1.3 below.

**Figure 1.3**  
Number of CASs issued by sector, Q4 2010–Q1 2013



Source: Home Office 2013a



### *International students in higher education<sup>14</sup>*

Most international students in the UK are in higher education. The number of international students in UK universities and other higher education institutions has grown significantly in recent decades. Fifty years ago the number of international students in UK universities was just over 20,000,<sup>15</sup> but by the academic year 2011/12 there were 435,235 (HESA 2013). The number of international students in higher education has continued to grow since 2010, albeit more slowly than before. The latest Home Office statistics (2013a) show that the number of Tier 4 student visas issued for individuals entering higher education was 3 per cent higher in the year to June 2013 than in the year to June 2012. Similarly, HESA data shows that the number of international students in higher education in 2011/12 was 2 per cent higher than in 2010/11. However, this represents a significant slow-down compared to recent trends: from 2007/08 to 2011/12 the average annual growth rate was 6.3 per cent.<sup>16</sup>

International students are concentrated in postgraduate-level courses. Non-UK students account for 13 per cent of first-degree undergraduates, 46 per cent of all taught postgraduates and 41 per cent of all research postgraduates. International students are also concentrated in particular subjects – especially business or science, technology, engineering and maths (STEM) – and often comprise a high proportion of students in those subjects. For example, non-UK students made up 84 per cent of new entrants in electronic and electrical engineering postgraduate courses in 2011/12 (HESA 2013).

### *International students in school-age or further education<sup>17</sup>*

The number of international students in private schools rose by around 5 per cent per year between 2007/08 and 2012/13, from 20,500 to nearly 26,000. International students study at over 1,200 independent schools in the UK (ISC 2013). However, the number of students issued a visa to study at an independent school has decreased by 7 per cent (BIS 2013b) – suggesting that recent increases in student numbers will soon be reversed.

The numbers of international students in further education are less well documented than those in higher education. There is no survey of further education providers equivalent to that conducted by HESA (BIS 2013c). However, one survey of 155 colleges carried out in 2012 showed that non-EU students are found in many further education colleges: two-thirds (66 per cent) of the colleges surveyed had students on a Tier 4 (student) visa (BIS 2013c).

Home Office visa data indicates that, in 2012, 31,500 visas were approved for students studying in further education – a significant 46 per cent drop from the 83,000 approved in 2011 (Home Office 2013a).

### *International students in English language colleges*

The number of students travelling to study English on Tier 4 visas fell by 46 per cent between 2011 and 2012. However, evidence suggests that this reduction is being offset by a change in student visitor visa rules (which means that students can apply for a student visitor visa rather than a Tier 4 visa) and by the fact that nearly two-thirds of

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14 'Higher education' refers to education at universities or similar educational establishments (either public or private), especially to degree level.

15 According to the 1963 Robbins report, in BIS 2013b.

16 *HESA Student Record*, in BIS 2013b/

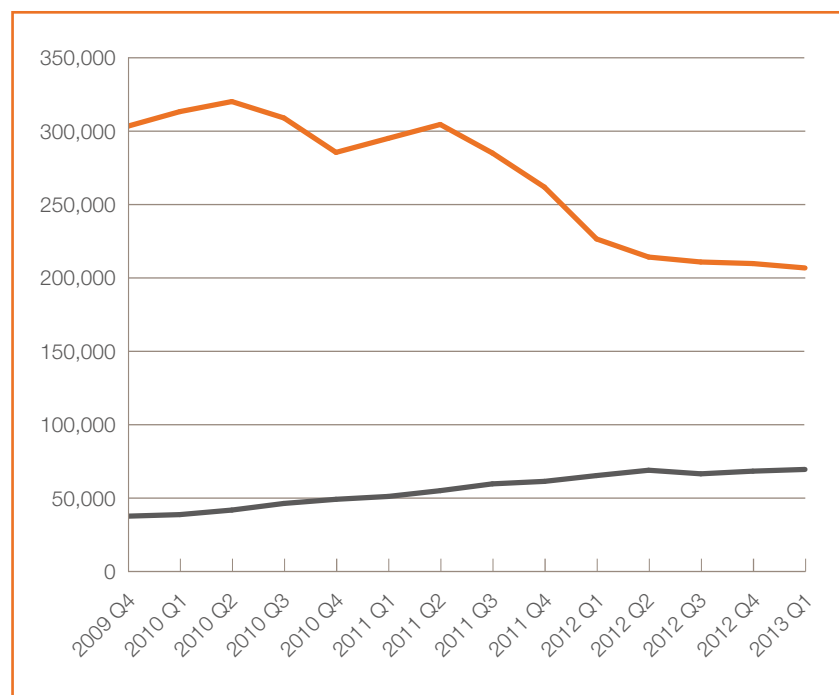
17 'Further education' refers to post-compulsory education (in addition to that received at secondary school) that is distinct from the education offered in universities (higher education). It may be at any level above compulsory secondary education, from basic skills training to higher vocational education such as City and Guilds, Higher National Diploma or Foundation Degree.

students studying English in the UK are from EU countries, and therefore do not require a visa. The number of international students studying at English language courses in 2011 (743,170) was 13 per cent higher than in 2010 (BIS 2013b).

### 1.3.3 Visa categories

While the number of Tier 4 visas has declined sharply since 2011, the number of student visitor visas issued almost doubled, from 38,756 to 69,542, between March 2010 and March 2013 (ONS 2013). Student visitors are only allowed to stay for up to six months (11 months for English language schools), and cannot extend their stay (much like a tourist or business visitor visa). Because these students reside in the UK for less than one year, they are not counted within the net migration figures – so the number of students coming to the UK on student visitor visas, whether high or low, does not affect the government’s progress towards their net migration target.

**Figure 1.4**  
Total number of international students (excluding student visitors) and number of students on student visitor visas in the UK, Q4 2005–Q4 2012



Source: ONS 2013

## 1.4 International students and the net migration target

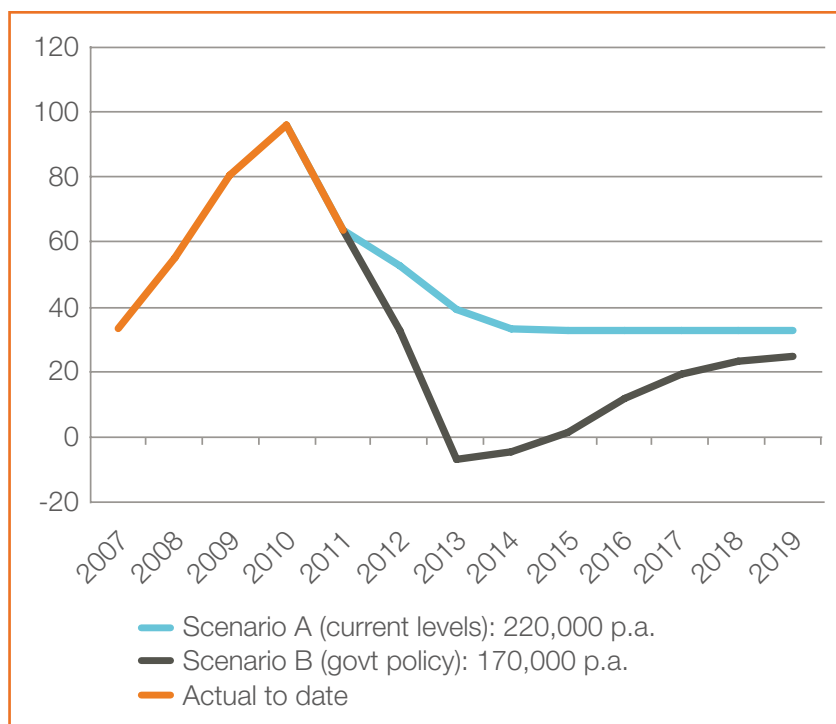
International students comprise the largest proportion of immigrants to the UK, and so student immigration flows have been profoundly affected by the Coalition government’s efforts to bring net migration down from the ‘hundreds of thousands to the tens of thousands’. Net migration to the UK has fallen markedly since its peak in September 2010, when it reached 255,000, to 176,000 in the year to December 2012. A reduction in student immigration accounts for a substantial part of this reduction in overall net migration. ONS long-term international migration estimates predicted that 245,000 people came to the UK to study in the year to September 2010, but that only 180,000 came in the year to December 2012 (ONS 2013).

In order to meet the government’s target, overall net migration needs to be reduced by 142,000 per year from September 2010 figures. The Migration Advisory Committee

(MAC) has calculated that if each of the work, study and family inflow routes for non-EU nationals were to take a proportionate share in the overall cut in numbers being sought, the number of international students from outside of the EU would need to be reduced by 88,000 a year (MAC 2010b).

However, this may not generate the reductions in net migration that the government is seeking. Non-EU students do not have the right to settle in the UK and, in the majority of cases, cannot extend their studies for longer than five years. Student migrants therefore make only a small impact on net migration figures over the medium term, which means that even drastic reductions in student immigration would deliver only modest reductions in net migration beyond the short term (see the boxed text below). In fact, as the number of students immigrating to the UK reduces, so will the number of students emigrating. As figure 1.5 below demonstrates, the falls in net migration we are currently seeing could even be partially reversed by 2015.

**Figure 1.5**  
Contribution of student flows to net migration figures (000s) under two scenarios modelled by IPPR



Source: Cavanagh and Glennie 2012

Although the IPS survey covers both immigration and emigration, it does not provide reliable data on the impact that student immigration has on net migration. From 2012 onwards, the IPS has asked a new question to establish why an emigrant originally came to the UK. This data will help to capture trends in the immigration and emigration of international students, but at this early stage very little can be concluded from it.

There are suggestions that the IPS may be providing particularly poor estimates about the emigration of those who originally come to the UK as students. The MAC considered these issues in detail in their recent report, *Limits on Migration* (MAC 2010a), and concluded that

the IPS significantly underestimates these outflows.<sup>18</sup> This could be due to sampling errors, or could be because many international students exit the UK with the intention of leaving only temporarily – and thus are not recorded as emigrants by the IPS survey (ibid).

### **Students and net migration**

International student migration is a significant part of migration flows to the UK, and accounted for 39 per cent of all immigration in 2012 (ONS 2013). However, the evidence suggests that the proportion of international students who remain in the UK in the long-term is much smaller than those who come to the UK to work or join family (Home Office 2010a). This means that, over the medium term, student migration will contribute significantly less to net migration than it does to immigration.

Data sources on the emigration of international students from the UK are poor. However, Home Office research published in 2010 found that of those who came to the UK on student visas in 2004, 59 per cent had returned home by 2006 (two years on) and 80 per cent had returned home by 2009 (five years on). Five years after they had first arrived, only around 20 per cent of this 2004 cohort had either gained visa extensions to finish their studies or switched into other routes (mainly employment or marriage) – and only around 10 per cent were in immigration categories that provided even the possibility of settlement (Home Office 2010a), and not all of them will stay permanently. These results were replicated in cohorts that arrived in 2005 and 2006 (Home Office 2011 and 2013b), and research by the OECD in 2011 identified similar trends.<sup>19</sup>

If we assume that 20 per cent of non-EEA students remain in the UK permanently and legally, and that an additional 10 per cent remain in the UK permanently without a visa (IPPR's previous research on international students found that non-compliance in the visa system is relatively low: probably no more than around 10 per cent on average, and possibly substantially less [Mulley and Sachrajda 2011]), this means that 70 per cent of non-EEA students return home or move elsewhere within five years. A 30 per cent reduction of non-EEA student immigration would, therefore, reduce net migration by only 10 per cent. This means that even drastic reductions in student immigration would deliver only small reductions in net migration in the medium term.

<sup>18</sup> The MAC modelled outflows of those who originally came to the UK as students, based on UKBA management information about when their leave to remain would expire.

<sup>19</sup> <http://dx.doi.org/10.1787/888932559980>

## 2. IMPACTS OF INTERNATIONAL STUDENT MIGRATION

International student migration has significant benefits for education institutions and the wider economy. This section reviews these benefits, and reflects on how government policy has affected them. It also engages with the complex question of abuse and non-compliance within the student visa regime, exploring the extent to which abuse still exists based on the available evidence, and considers the extent to which the government response is proportionate to the scale of the problem.

### 2.1 The impact of international students on the national economy

International students are a considerable financial asset to the UK. Typically they are young, healthy, highly skilled and have no dependents – and given these characteristics, their net fiscal impact is likely to be positive (Poppleton et al 2013). Total UK education exports (which encompasses revenue from international students, and other streams including research collaboration, curriculum materials and examinations)<sup>20</sup> was estimated at £17.5 billion in 2011 (BIS 2013a). This makes education the fifth largest services export sector in the UK, ahead of both insurance services and computer and information services. Higher education in particular is a hugely significant industry, comparable in size to printing and publishing, larger than advertising and much bigger than pharmaceuticals (Economist 2010). BIS estimates that over 75 per cent of education export earnings in 2011, or £13.1 billion, came from students studying in the UK (BIS 2013a).

Non-EU higher education students generated over 69,540 jobs in the UK – some 25,000 of which were in universities themselves, with the remainder in the wider economy. This is equivalent to three full-time equivalent jobs being generated for every 10 non-EU students.<sup>21</sup> International students also contribute a great deal to the tourism industry, and the visits that students receive from family and friends also add significant value to the UK.

Besides such direct benefits, student migration also leads to indirect benefits to the UK's national economy. When young people from other countries build positive relationships with the UK this can lead to:

**‘[a] boost to external demand as a consequence of increased familiarity with locally-produced goods; the potential for the UK’s international relations to be boosted by international students attaining positions of influence abroad; and increased tourism revenues if international students return to visit the region.’**

Oxford Economics 2013

A recent study by the British Council found a strong correlation between student and trade flows: in some countries, such as Canada, Japan, China, South Korea and India, the correlation is above 70 per cent (British Council 2012a). Further British Council research found that young people in emerging economies who have learned English or have studied for UK qualifications are more likely to be interested in doing business with, the UK than those who have not (British Council 2013). International students who have studied in UK universities are also more likely to have a higher level of trust in British people (British Council 2012b).

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20 The headline figures produced by BIS indicate a number of means by which the UK can ‘export’ education. These include immigration to the UK by recruiting overseas students to study at UK higher education institutions, as well as other services.

21 [http://www.compas.ox.ac.uk/fileadmin/files/Events/Breakfast\\_briefings/COMPAS%20Breakfast%20Briefing%20Summary%20October%208%20Ursula%20Kelly.pdf](http://www.compas.ox.ac.uk/fileadmin/files/Events/Breakfast_briefings/COMPAS%20Breakfast%20Briefing%20Summary%20October%208%20Ursula%20Kelly.pdf)

Although it is difficult to measure the impact that migrant groups have on public services, research by the Home Office has found that the impact of international students is very low. The report's authors state that 'the composition effect of legitimate international students is regarded as low (that is, they do not individually impose a significant burden on public services compared with other members of the population)' (Poppleton et al 2013). They also found 'consensus in the academic literature that migrants are unlikely to place much demand on the health service when they are young and in good health, as the majority of migrants tend to be, sometimes referred to as the "healthy migrant effect"' (ibid; see George et al 2011).

## 2.2 The impact of international students on regional and local economies

A study by Oxford Economics found that international students at the University of Exeter contributed over £88 million a year to Exeter's GDP, and supported 2,880 jobs. Looking at the South West's economy at large, those totals rise to over £104 million per year and 3,280 jobs.<sup>22</sup>

A similar study on the impact of overseas university students on Sheffield and the wider area found that they brought significant net benefits. It predicted that international students would make a net contribution of £120.3 million to Sheffield's GDP, and £136.8 million to the GDP of Yorkshire as a whole, in the academic year 2012/13. The vast majority of students were found to have no dependents (94 per cent) and be under the age of 30 (88 per cent). Each non-EU student was estimated to make a contribution to UK GDP of over £15,000 (Oxford Economics 2013).

Further education colleges interviewed by BIS estimated that Tier 4 students will spend approximately twice the value of their tuition fees on subsistence in their local area. This may include spending on college-owned accommodation, rent to local host families, and spending at local shops (BIS 2013c).

Education institutions play a particularly valuable role in injecting cash into otherwise deprived regions where few other export industries operate. For example, research by Universities UK (Kelly et al 2010) found that in the north east of England the total revenue from higher education was £967 million in 2007/08. International revenue amounted to nearly £123 million which, combined with the estimated off-campus expenditure of international students (£111 million), represented a total of £234 million in export earnings. Universities in the region provided 13,715 full-time equivalent jobs across a range of occupations.

## 2.3 The impacts of international students on the higher education sector

The income from international students is extremely valuable to the UK's education sector. In 2011, higher education students are estimated to have paid £3.9 billion in tuition fees (net of scholarships), and £6.3 billion in living expenses (BIS 2013b). Fee income from non-EU students studying in the UK makes up a significant proportion of the total income of many higher education institutions. In 2011/12, fee income from non-EU students accounted for more than 20 per cent of total income at 13 higher education institutions, and between 10 and 20 per cent for a further 68 institutions. Altogether, this means that half of all publicly-funded HE institutions in the UK earn more than 10 per cent of their income from non-EU students.<sup>23</sup>

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22 <http://www.parliament.uk/business/news/2013/january/lords-debates-student-visas/>

23 Based on HESA finance record data, available at: [http://www.hesa.ac.uk/index.php?option=com\\_collns&task=show\\_collns&targetYear=any&targetStream=5&Itemid=231](http://www.hesa.ac.uk/index.php?option=com_collns&task=show_collns&targetYear=any&targetStream=5&Itemid=231)

The tuition fees and subsistence costs paid by international students also bring many benefits for British students. These revenue streams are used to fund projects, such as new buildings and facilities, that benefit colleges and local communities (BIS 2013b). International students also stimulate demand for courses, including those for which there is insufficient domestic demand to sustain them. This ensures that a wider range of courses are available for all students, and that some strategically important courses – particularly STEM courses – remain viable. Industry experts have raised concerns about the viability of some courses of study without international students. For example, in a statement to the Home Affairs Select Committee in 2011, Professor Dave Wark of Imperial College London warned that if the number of international students were limited it would lead to a reduction in the quality of the courses offered in the UK.<sup>24</sup> Internationalising the reputation and brand recognition of UK institutions also raises their profile, enhancing the value of awards from UK institutions for British and international students alike.

International students often study courses in subject areas in which the UK has recognised skills gaps. For example, almost half (46 per cent) of international students at the University of Sheffield were studying STEM degrees during the 2012/13 academic year (Oxford Economics 2013).

The benefits that international students bring to higher education institutions are affected by government policy in this area. The number of overseas students in higher education in the UK continued to grow in the year to 2011/12 (by 2 per cent), but this contrasts with a compound annual growth rate of 6.3 per cent over the five years from 2007/08.<sup>25</sup> Available data indicates that the number of international student entrants for the 2012/13 academic year has remained broadly flat.<sup>26</sup> The latest Home Office visa statistics<sup>27</sup> show that the number of Tier 4 student visas issued for individuals entering the higher education sector was 3 per cent higher in the year to June 2013 compared with the year to June 2012, which suggests that there may be slight growth to come. Although recent UCAS data shows an increase in the number of applications from non-EU students,<sup>28</sup> typically only around 20 per cent of international students apply via UCAS.<sup>29</sup> Overall, there has been a slowdown in the rate of growth in the sector, and a decline against global trends.

A survey of higher education providers found that the median annual cost of Tier 4 compliance was £312,366 per institution, and the mean was £357,948. The annual cost per Tier 4 student varied widely – between £46 and £2,392 – across the responding higher education providers. Extrapolating the overall annual costs for the whole higher education sector, the cost of Tier 4 compliance in the academic year 2012/13 is projected to be in the region of £66,800,910. Many higher education providers reported that they had to develop reactive policies and procedures in a haphazard, incremental way due to frequent policy changes, rather than being able to proactively plan more efficient procedures (HEBRG 2013).

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24 Recording available at <http://www.parliamentlive.tv/Main/Player.aspx?meetingId=7577&st=12:07:54>

25 Based on HESA Student Record data in BIS 2013b.

26 <http://www.hefce.ac.uk/whatwedo/invest/institns/annalocns/201213/> – see ‘March 2013 announcement’ under the ‘for institutions’ tab.

27 <https://www.gov.uk/government/publications/immigration-statistics-january-to-march-2013/immigration-statistics-january-to-march-2013>

28 <http://www.ucas.com/news-events/news/2013/2013-cycle-applicant-figures-%E2%80%93-june-deadline>

29 Data from UCAS suggests that only about 40 per cent of non-EU undergraduate applications are processed by UCAS, with undergraduates forming about half of the total international student population.

### 2.3.1 Displacement of British students

The displacement effects of international students (even EU students) are likely to be very small if not non-existent. The high tuition fees in the UK relative to continental Europe, and restricted access to student loan finance for people not resident in the UK, ensure that these effects are minimal. The number of places that universities can offer to UK students is capped by the government, but recruitment of non-EU students operates outside these limits. Non-EU students do not receive state subsidies, so there is no incentive for publicly funded universities to accept an international student instead of a home student.<sup>30</sup>

### 2.4 Further education

BIS estimate that further education colleges in England received an income of £52,699,986 in 2010/11 from the tuition fees of Tier 4 students alone (BIS 2013c). The recruitment of Tier 4 students, and the income that this generates, has become a vital part of their response to changes in the way that further education is funded by government. The presence of international students also bring wider social benefits (BIS 2013b).

International students also affect the learning experience of students in this sector. Over half of further education colleges interviewed by BIS stated that hosting Tier 4 students had enabled them to offer courses that they otherwise would not have been able to offer (BIS 2013b). A reduction in international student numbers may therefore result in colleges reducing the variety of courses that they offer.

Further education colleges have reported that the presence of Tier 4 students on courses was important in terms of 'enriching' the overall learning experience for both staff and students, by allowing people with different perspectives and cultures to exchange ideas in a learning context. This was seen to be particularly important in areas of the country that do not have a high level of diversity, in part because increasing UK learners' awareness of other cultures was thought to be particularly beneficial to their future employment (BIS 2013b).

The recent decrease in numbers of international students is having a particularly severe effect on further education institutions. In 2012, the number of visas issued to students taking up courses in the further education sector fell by 46 per cent. The income that further education colleges received from Tier 4 students' tuition fees is estimated to have decreased by £11 million between 2010/11 and 2011/12 (from £52,699,986 to £41,632,989). While an increase in fees for Tier 4 students has offset the impact of further reductions in their numbers in 2012/13, it unlikely that this will be repeated in 2013/14. This fall in foreign student numbers in the further education sector is thought to be caused in part by increased competition from universities, which the government and Home Office consider more trustworthy providers (BIS 2013b).

Many international students move between sectors as they advance their education. English language schools and further education colleges, both in the UK and overseas (British 'feeder' schools and institutions abroad play an important role in this respect), provide a 'pipeline' of prospective students for higher education.

Research carried out by Universities UK in 2011 suggested that around 40 per cent of all international students came into university through pathway programmes run by a range of providers (through further education colleges, for example).<sup>31</sup> This data does not tell us what kind of institutions these students attended before progressing to university (such

30 [http://www.universitiesuk.ac.uk/highereducation/Pages/TelegraphInternationalStudents.aspx#\\_UoO\\_eCdup8F](http://www.universitiesuk.ac.uk/highereducation/Pages/TelegraphInternationalStudents.aspx#_UoO_eCdup8F).

31 Based on Universities UK's unpublished analysis of HESA data from 2011; this is an indicative figure based on a wide range of feedback from institutions.



as a school or further education college, including a private-sector provider) but it does demonstrate that a substantial number of students follow a pathway into higher education from a sub-degree-level course. University UK analysis of HESA data for 2007/08 indicates that 46 per cent of first-year non-EU domiciled undergraduates were recorded as having progressed from another UK education institution.<sup>32</sup> Similarly, a survey by the ISC showed that 77 per cent of international pupils at independent schools go on to universities in the UK (BIS 2013b).

These figures, and the case studies below, highlight the crucial importance of increasing the number of international students in pathway programs (in further education or receiving English language tuition in both public and private education settings), rather than focusing purely on increasing numbers in higher education. It is likely that a decrease in the number of international students attending pathway courses in the UK will have a knock-on effect on British universities further down the line. If international students choose to study on a pathway program in a country other than the UK, they will be more likely to go on to higher education in that country rather than transfer to the UK. This illustrates the crucial importance to the UK of nurturing the whole of the international education sector, rather than concentrating efforts on attracting the so-called 'brightest and best' international students into higher education.

### **Case Study 1**

#### **Abbey College, a further education college in Cambridge**

##### *Background*

Abbey College is a leading independent sixth-form college, based in Cambridge, which currently teaches 260 students, all of whom are from a range of overseas countries. The majority of the school's students (200) are preparing for A-levels, although the college also takes students who are taking GCSEs (25 students), foundation courses (30 students) and shorter English language courses (5 students). The college's A-level results from 2012 were its best ever, with 40 per cent of students receiving an A\*, 72 per cent A\*-A and 89 per cent A\*-B.

The college employs 49 permanent members of staff, as well as 15 members of staff on short-term contracts.

##### *Trends in student numbers*

- The school's student numbers have steadily increased over the last 10 years, although the school experienced a drop in numbers in 2012, when it reached only 90 per cent of its full capacity.
- Over 95 per cent of students at Abbey College go on to higher education institutions within the UK.

##### *The impact of students on the local economy*

- Each student pays between £140 and £210 per week for accommodation in the Cambridge area, either lodging with local families or staying in halls of residence.
- Many students at the college make frequent use of local transport, particularly taxis.

32 Based on Universities UK's unpublished analysis of HESA data from 2007/8.

*The impact of policy changes*

Drops in student numbers have a knock-on impact on staff numbers and the stability of their contracts:

**‘It’s a disgrace – it’s as though the government don’t want us to employ people.’**

The administrative failings of the Home Office are likely to have an ongoing negative impact on recruitment:

**‘The uncertainty, cost and delays to the visa application process is a debacle – it’s very bad for the school.’**

It is proving increasingly challenging to compete in a global market, given that other countries are making their education systems more welcoming to overseas students:

**‘The kinds of people who send their children to our school are business-savvy people who are aware of where the best opportunities for their children are. They are not going to keep sending their children here if there are better opportunities elsewhere.’**

**‘Students and their families are nervous about the market in the UK and are starting to choose other locations where they feel welcome and the process is easier, such as Australia and the USA.’**

Source: interview with principal of Abbey College, Cambridge

## 2.5 English language colleges

Students attending English language colleges make up a small proportion of applicants for a Tier 4 visa – less than 2 per cent in the year to June 2013 (Home Office 2013a). However, the extension of student visitor visas to all applicants applying to English language schools for courses of less than 11 months’ duration has resulted in a drop in the number of applications that require a Tier 4 visa. Furthermore, nearly two-thirds of English language students studying in the UK are from Europe (and therefore do not require a visa to come to the UK).

The number of international students taking English language courses in the UK was 743,170 in 2011. This was 13 per cent higher than in 2010, and outpaced the overall global increase in English language student numbers, which grew by 7 per cent (from 1.4 million to 1.5 million) over the same period. However, the growth in the number of students travelling to the UK was largely offset by a fall in the amount of time they stayed for. The amount of time spent by each English language student in the UK fell from an average of 5.7 weeks in 2010 to 4.9 weeks in 2011. Combined with a slight decrease in students’ average spend per week (from £701 in 2010 to £683 in 2011), the annual revenue from the English language sector in the UK fell by 5 per cent in 2011.<sup>33</sup>

33 <http://www.hothousemedia.com/itm/ltmbackissues/dec12web/dec12specreport.html>

## **Case Study 2 Sidmouth International School**

### *Background*

Sidmouth International School in Devon was established in 1976, and is the only English language school for international students in the local area. On average, the school's student body represents 30–40 different nationalities in any one year. The majority of students are accommodated through 'homestays' with local families: this provides valuable income to Sidmouth residents, as well as helping students to integrate into the UK during their stay. The school employs around 60 members of staff during the summer months, and around 15 at other times of the year; the majority of them live locally. Students stay for the duration of their course and then return to their country of origin, usually with pre-arranged transport from the school.

### *Trends in student numbers*

- The school's student numbers dropped in 2013 relative to 2012.
- The majority of the school's students are from the EU, although it also recruits a significant number of students from Russia, Malaysia and Argentina.
- The school used to have a bigger market in the Far East, but numbers from this region have gone down in recent years.

### *The impact of students on the local economy*

The school contributes £1.3 million to the local economy in and around Sidmouth every year. This includes fees paid by international students to host families in the area (the school has a pool of around 150 host families, many of whom qualify for tax relief on this income); payroll to staff, all of whom live locally; the students' spending in the local area; rent for halls and classrooms; travel and transport costs using local taxi and coach firms; spending on excursions and activities in nearby locations; fees for property maintenance and repairs paid to local businesses; the production of stationery and marketing by printers based in Sidmouth; and the cost of legal and professional services from nearby firms.

### *The impact of policy changes*

Perceptions of the UK as being 'closed for business' has had an impact on overall recruitment:

**'The publicity about cracking down on immigration and the London Met case has resulted in a massive round-the-world knockback. Even the agents have reported this at the grassroots level – if there's a better alternative offer they [the students] will go elsewhere.'**

Providers' attempts to open up to new markets are becoming more challenging:

**'South American students will say to us, "Why should we bother to fight to come to the UK when just up the road America welcomes us with open arms?"'**

BOXED TEXT CONTINUED

Global competition for international students is fierce, and if the offer is better elsewhere then students will choose that alternative location:

**‘We used to have a bigger market in students from Korea and Japan, but now the big draw for them is Australia.’**

The expense and complexity of student visitor visas are noted as key factors that will affect the industry in the future:

**‘Anything that makes short-term visitor visas more difficult for students, such as complexity and cost, is going to affect the market.’**

Source: interview with principal of Sidmouth International School

## 2.6 The impact of policy on levels of abuse

In the past, before stricter educational oversight was introduced, the student route was abused to a serious degree. Reducing abuse in the student visa regime has therefore quite rightly become a prime focus for policymakers.

Perhaps the most pernicious abuses of the system were the ‘bogus colleges’ set up with the express purpose of allowing migrants to defraud the immigration system. In 2007 the Home Affairs Select Committee heard that 25 per cent of the 1,200 colleges then registered were not ‘genuine’ (HAC 2009).<sup>34</sup>

Abuse occurs when people use the student visa route but have no (or little) intention of studying. So-called ‘bogus’ colleges played a key role in facilitating this route as an irregular path into the UK’s labour market. However, abuse can also refer to people flouting visa rules in other ways, ranging from fraudulent applications to working more than their official allocation of working hours while in the UK, and to students overstaying their visas and remaining in the UK as irregular migrants.

Our analysis in this section focuses on what we know about abuse of the student visa regime.<sup>35</sup> We explore the extent to which it is a problem, what is being done to prevent it, and how best to control it in the future.<sup>36</sup>

### 2.6.1 Evidence of ‘bogus colleges’ and international students using the student visa route to work rather than study

In 2009 the Labour government introduced a points-based system which, according to the Home Affairs Select Committee, introduced ‘a more rigorous regulation of educational establishments sponsoring student visas’ (HAC 2009). Under this system, all education institutions are now required to register with the Home Office as a highly trusted sponsors and to be vetted by an independent body. The introduction of the CAS system also

<sup>34</sup> No definition of ‘genuine’ was provided by the report (HAC 2009).

<sup>35</sup> This section draws on a number of sources of information: the Chief Inspector of Borders and Immigration, the National Audit Office and the Home Affairs Select Committee have all reviewed the operation of the Tier 4 student route, and our analysis draws from their conclusions.

<sup>36</sup> IPPR submitted two requests to the Home Office, under the Freedom of Information (FOI) Act 2000, for specific data on abuse in the student visa system. In response, we were informed that ‘data relating to the immigration history or previous leave status of individuals found to be unlawfully resident (unlawfully working or facing removal) in the United Kingdom is not held in a reportable format’.

ensured that colleges were not able to sponsor more students than they could physically accommodate. These moves have substantially tightened oversight, making the abuse of Tier 4 visas as a route into work considerably less likely.

Comparing data on the number of colleges registered as Tier 4 sponsors in 2010 (2,292) (Home Office 2010b) and in September 2013 (1,708)<sup>37</sup> shows that there are now 584 fewer colleges that are able to sponsor foreign students. Some of those colleges that dropped off the register of sponsors will have been ‘bogus’ institutions.<sup>38</sup> However, a number of institutions that left the register cited commercial pressures as a reason for not re-registering. Acquiring the ‘educational oversight’ required for Tier 4 sponsorship is expensive: a medium-sized college can expect to pay almost £20,000 for an initial inspection, plus, in the case of those regulated by the Quality Assurance Agency for Higher Education, an annual ‘maintenance’ fee of £4,000.

### **2.6.2 Evidence of students flouting visa rules**

Evidence of students’ non-compliance with visa regulations (for example, working more hours than allowed) is hard to capture. This has been an issue in the past – for example, due to a lack of oversight and effective transitional controls during the implementation of the points-based system in 2009, the National Audit Office estimated that between 40,000 and 50,000 individuals entered on Tier 4 visas in order to work rather than study during the new system’s first year in operation (NAO 2012). However, John Vine, the independent chief inspector of borders and immigration, reported that the imposition of new controls had substantially addressed this concern (Vine 2012).

Some examples of abuse can be ascribed to a lack of oversight by sponsoring institutions before the introduction of the points-based system, and a poor transition process into the new system. UKBA did not implement its sponsor management system until February 2010, for instance, and the National Audit Office has noted that ‘the problems at the inception of Tier 4 of the points-based system could have avoided if UKBA had introduced key controls at the same time’.

In the pilot stage of credibility interviewing,<sup>39</sup> the majority of ‘rejected’ applicants were rejected because their ‘intention to study’ was called into question (Home Office 2012). Analysis by the Home Office found that almost half (46 per cent) of all rejected applicants for student visitor visas were rejected because they were not deemed to be genuinely committed to study, or it was suspected that they were coming to work rather than study (McKinlay and Pendry 2013). In both cases, rejected applicants comprised a small proportion of all applicants.

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37 As of 27 September 2013. <http://www.ukba.homeoffice.gov.uk/sitecontent/documents/employersandsponsors/pointsbasedsystem/registerofsponsorseducation>

38 IPPR submitted a request to the Home Office under the FOI Act requesting data on the number of education institutions whose licences for sponsoring students have been revoked for failing to carry out sponsor duties adequately. We had received no response at the time of publication.

39 Before introducing credibility interviews for Tier 4 applicants, the UK piloted the system in 14 visa posts worldwide. Applicants were assessed on four factors: their intention to study the proposed course, ability to study the proposed course, intention to leave the UK at the end of their course, and ability to accommodate and maintain themselves and any dependants. During this pilot period, immigration officers did not have the right to reject an applicant on the basis of credibility. However, for the purposes of monitoring and evaluation, after each interview immigration officers noted whether they would have rejected the applicant if they had these rights.

### 2.6.3 Fraudulent applications

Home Office (2012) analysis of Tier 4 visa refusals identified some issues with applications. The research found that refusals on maintenance grounds were ‘generally technical’ – the applicants had been unable to satisfactorily prove that they had adequate funds or that they had been in possession of them for the correct amount of time. However, a small number were because applicants had submitted incorrect or fraudulent documentation. Visa officers interviewed as part of this research expressed a particular concern that, under the current requirements, they were unable to check whether the funds were provided by an agent or a third party, or whether they would be available to the student to meet their maintenance costs once they arrived in the UK.

### 2.6.4 Evidence of students overstaying their visas

Policymakers are unsure of how many people overstay their visas, due to a lack of exit checks and research into what happens to visa holders when their visas expire.

The Home Office keeps a record of the number of students who leave an institution before the end of their course. Education institutions are required to notify the Home Office if a student loses contact with the institution. Between February 2010 and October 2011, 39,000 notifications were sent to inform UKBA that a student had missed a number of contacts with the university and were therefore considered to be no longer attending college (NAO 2012). These notifications do not in themselves constitute evidence of non-compliance: it is likely that many of these students have left or will go on to leave the UK before their leave to remain is withdrawn.

The ONS inserted an extra question into the International Passenger Survey in 2012 which asks people who are leaving the UK why they originally came to the country. This gives new data on how many people are leaving the UK who originally came to the UK to study (ONS 2013). Currently, data is only available for 2012, which precludes researchers from drawing conclusions on the emigration patterns of international students and whether or not there is abuse in the system. However, as more data becomes available it will be possible to investigate this further. This must be done with the caveat that IPS data does not measure international student emigration well (MAC 2010a).

Former students appear to form only a small part of the known irregular migrant population in the UK. Few students are identified and removed in enforcement actions against irregular migrants: only 2,700 students and student over-stayers were removed from the UK in the two years from April 2009 (Vine 2012). Data on the intentions of prospective students also suggests that long-term overstaying is unlikely – a survey for *Times Higher Education* found that only ‘one in 17 prospective international students sees settling permanently in the UK as the main aim of a university education in the country’.<sup>40</sup>

The Home Office needs to ensure that there is no overstaying, and systems need to be robust in order to achieve this. However, there can be problems with over-zealous implementation. Case study 3 below provides an example of how this affected a genuine student who was detained by immigration officials on her way back into the UK.

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40 <http://www.timeshighereducation.co.uk/news/foreign-applicants-arent-stopping/2003585.article>

### **Case Study 3**

#### **Detention of a South Korean student studying at LSE**

##### *The rules*

All students with exam resits, or who have deferred their exams, have to leave the UK when they are not studying – otherwise, the London School of Economics and Political Science (LSE) reports them to the Home Office and their visa is curtailed. Students are advised to obtain fresh Tier 4 leave, or apply as a student visitor, when returning to the UK for exams. The student visitor route allows study of less than six months' duration. Non-visa nationals can seek entry to the UK as a visitor when they arrive at the airport.

The student in question was seeking entry as a student visitor at Heathrow airport as a non-visa national, but was refused for not holding entry clearance as a Tier 4 student.

##### *The student's entry to the UK and detention*

The student arrived at Heathrow terminal 5 at around 3.45pm on 30 April 2013. On entry, she was asked questions about her previous immigration history (she had received previous refusals, which had been resolved) and her reason for coming to the UK. She presented a letter from LSE confirming she was returning to take exams and seeking entry for less than six months. She also presented a return ticket to her home country for June 2013. At no point did immigration officers contact LSE. The student was held in a waiting room at Heathrow terminal 5 until she was taken to nearby Colnbrook immigration removal centre eight hours later, arriving at the centre at 5am. She was then able to contact her family and LSE via email. At 7.30pm on Tuesday 1 May, the student was granted entry to the UK as a student visitor. She was given no explanation for the change in the decision, nor was she given an apology.

##### *Meeting with student, 2 May 2013*

The student said she felt that the immigration officer was not listening to her, and had already made up his mind to refuse her. She said: 'The detention staff were very nice, it was just the immigration officers that were not nice. But it was like staying in jail.'

##### *Meeting with UK Border Agency staff, 13 May 2013*

Senior UKBA staff confirmed that the decision to refuse this student was incorrect, and that it was an error not to contact LSE before making the decision. They stated that the student was refused because the immigration officer did not believe she intended to leave the UK within six months (although this was not stated on the refusal notice). UKBA advised on a few minor amendments that could usefully be made to letters issued to students seeking entry as student visitors, but confirmed that this route is an appropriate one for students returning only to sit exams.

In the pilot phase of credibility interviewing, suspicion that applicants would not leave the UK at the end of their course was a very common reason given by immigration officers for ‘rejecting’ an application – 85 per cent of refusals on credibility grounds made reference to the applicant’s intention (or apparent lack of intention) to leave the UK at the end of their course (Home Office 2012).<sup>41</sup> International students are likely to be highly mobile individuals, and may struggle to demonstrate strong ties to their country of origin. These credibility tests did not differentiate between whether a student would stay in the UK without a visa (abuse) or would choose to find legitimate work in the UK, as they were entitled to as a highly skilled migrant.

### **2.6.5 Abuse of the student visitor visa route**

Student visitors have permission to remain in the UK for under 12 months, and so are not included in the government’s net migration target. This means that student visitors are not being directly targeted by the government for reduction, as bringing down numbers will have no bearing on the net migration target (unlike students in the UK on a Tier 4 visa, all of whom contribute to net migration). This is positive for those seeking to grow the sector, but also means that the checks in place to monitor student visitors are not as rigorous as they are for Tier 4 arrivals (which have been significantly strengthened against abuse).

Immigration officers are able to refuse entry to student visitors, but the interaction at the border is very brief, and is facing increasing pressure to become even shorter due to funding cuts and pressure to meet targets. Once in the UK, around 10 per cent of visa nationals (approximately 7,000 students) study at colleges which are not registered as highly trusted sponsors (Home Office 2012).

The latest trends show an increase in the number of people coming to the UK under student visitor visas. There have been significant increases in the numbers of students from some countries coming to the UK through the student visitor visa route since the Tier 4 option was tightened. This may indicate some movement from Tier 4 to the student visitor visa route. For example, 3,580 students from India were issued a student visitor visa in 2011 (McKinlay and Pendry 2013), a rise of 4 per cent on the previous year. However, there have also been some very striking increases, such as the number of Brazilian students entering the UK on a student visitor visa, which increased by 84 per cent, from 10,500 to 19,300 (ibid). These sorts of increases need to be monitored and observed closely by the government, given that the colleges accepting student visitors do not need to have highly trusted sponsor status.

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41 The pilot suggests that these figures should be treated as upper estimates. In reality we would expect smaller numbers of potential refusals on credibility grounds than those captured as part of the pilot. The Home Office have made changes to the criteria used in credibility testing since the pilot.



### 3. PROSPECTS FOR THE FUTURE

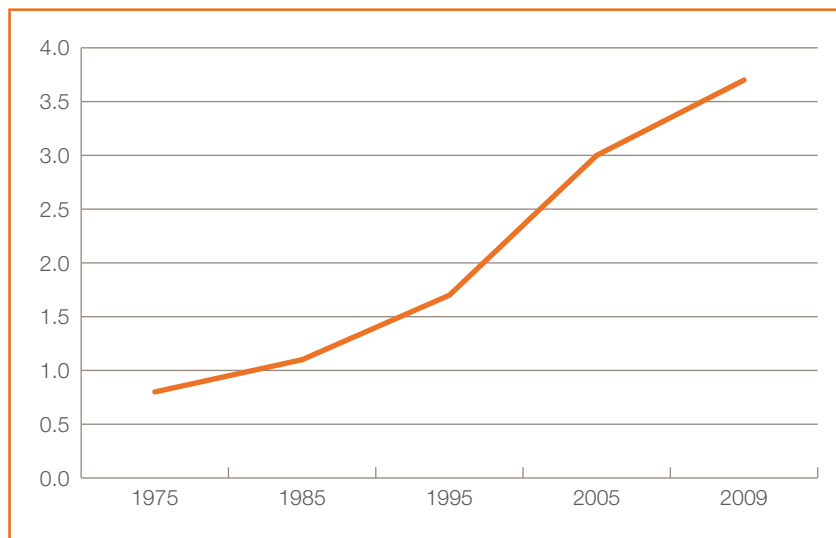
This chapter explores how recent policy changes could affect the UK education sector in the near future, exploring some specific trends in both the global and UK markets. We will also draw comparisons with other countries that are seeking to attract international students, in order to illustrate what the UK could do differently to better compete in the global education market.

We outline specific trends regarding Indian students, whose numbers have dropped considerably in the last few years, and include the findings of an IPPR survey undertaken by Ipsos MORI in India to explore the perceptions of young Indians considering the option of overseas study.

#### 3.1 Global education trends

There is a significant global trend of rising international student migration. Almost 3.7 million post-secondary students were enrolled outside their country of citizenship in 2009, representing an increase of more than 6 per cent on the previous year and continuing a trend of sharp increases evident from the 1970s onwards (OECD 2011).

**Figure 3.1**  
Global number (millions)  
of post-secondary  
students enrolled  
outside their country of  
citizenship, 1975–2009

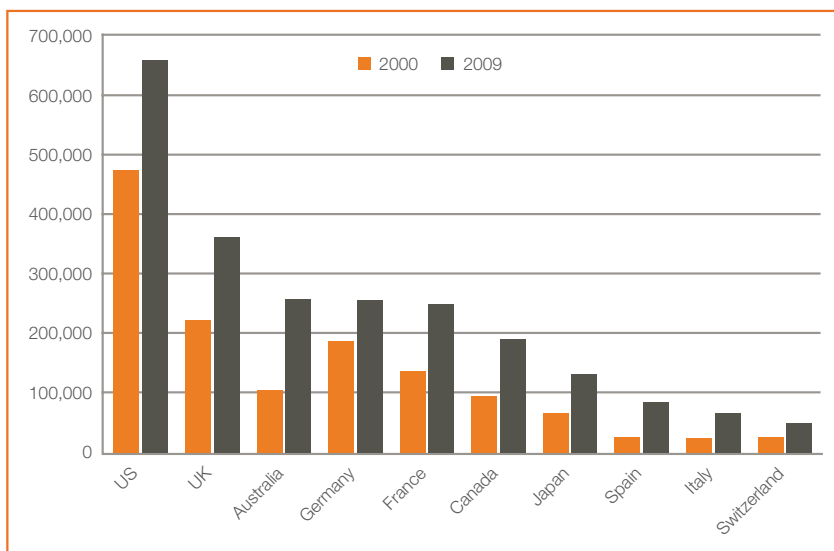


Source: Institute for International Education 2011

The growth of emerging economies such as China and India has fuelled demand for foreign education. China now sends out more students to study abroad than any other country, followed by India, Korea and Malaysia (Able and White 2012). The Chinese government is investing heavily in education and employability, the number of Chinese parents who can afford an international education for their children is increasing, and there is growing demand for study abroad at university level. A survey of parents in major Chinese cities in 2012 found that only 15.3 per cent of parents and 11.7 per cent of students surveyed had never considered studying abroad (ibid).

Globally, the majority of internationally mobile students are in tertiary (post-secondary) education – there were 4.3 million of them in 2011 (OECD 2011: box C4.1). The UK is the second most popular destination for these students, and captured a market share of 13 per cent in 2011 (OECD 2011). Figure 3.2 below shows how other top 10 destination countries have experienced similar increases over the last decade.

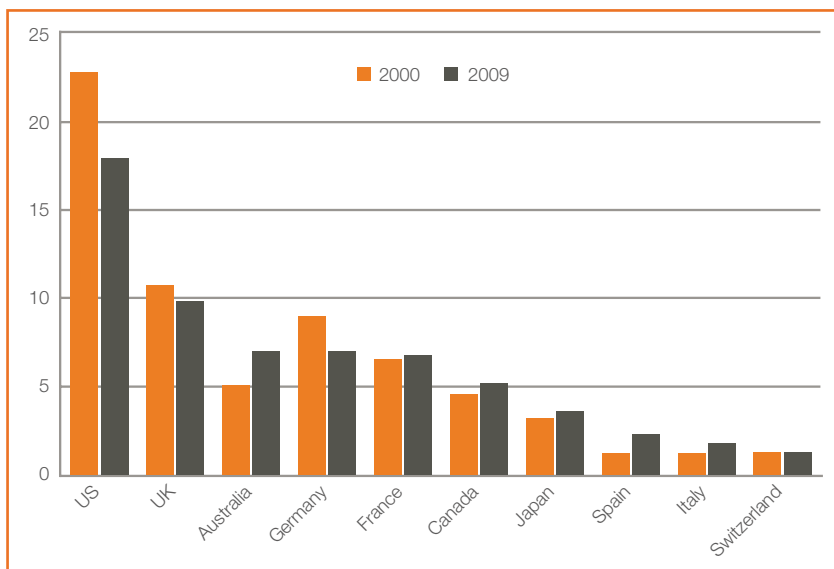
**Figure 3.2**  
Global number of foreign students (000s) in tertiary education, by country of destination, 2000 and 2009



Source: Cavanagh and Glennie 2012

The market for international students is growing and becoming more competitive, with new students being attracted by a range of destinations. International education is a lucrative export industry, and an increasing number of countries are seeking to expand their share. Despite the UK experiencing an increase in international student numbers across this period, the UK's overall market share in international student education declined slightly over the same period, falling by nearly 1 per cent between 2000 and 2009. Each of the other top eight destination countries have either increased or retained their share (Able and White 2012).

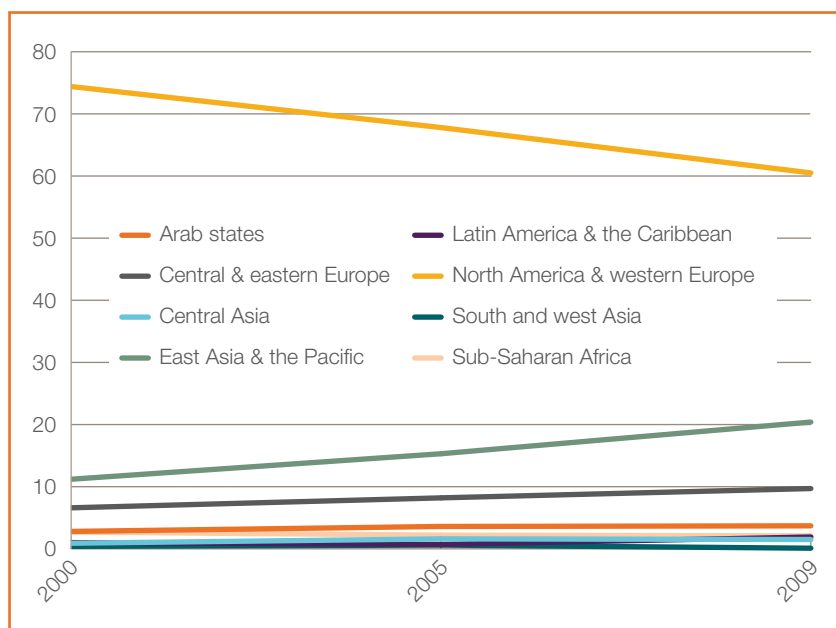
**Figure 3.3**  
Market shares in international education (%) by country of destination, 2000 and 2009



Source: Cavanagh and Glennie 2012

Areas outside of Western Europe and North America are also expanding their market share. While North America and Western Europe continue to attract the largest number of international students – accounting for 60.5 per cent of all internationally mobile students in 2009 – the share of international students studying in East Asia and the Pacific has risen from 11.2 per cent in 2000 to 20.4 per cent in 2009.

**Figure 3.4**  
Distribution of international students by world region (%), 2000, 2005 and 2009



Source: Based on statistics from the UNESCO database on international students at tertiary level (ISCED 5 and 6). <http://stats.uis.unesco.org/unesco/ReportFolders/ReportFolders.aspx>

The global reputation of its schools and universities mean that the UK is well-placed to benefit from this demand. However, the decline in the UK's market share over this period demonstrates just how competitive the global market is.

### 3.2 Views and intentions of international students

The UK is an extremely popular study destination, so some students will not be deterred from coming to study in the UK by the policy changes introduced by the Coalition government. That said, the global competition is increasingly fierce, and other countries are actively working to increase their offer to international students. France, for example, has introduced more flexible post-study work options (see country case study 1, below).

#### Country case study 1: France

France has announced a series of measures to attract foreign students to its higher education institutions. In May 2013, claiming the country's position as a study destination was 'fragile', higher education minister Geneviève Fioraso vowed to improve visa conditions, as well as to overhaul Campus France (the government's higher education promotion arm), build more student housing, provide foreign students with free French language lessons and increase the country's English-medium education offering.

One of these measures is that higher education students are now allowed to look for work for up to one year after they graduate – up from six months – in a field related to their studies. The policy is no longer linked to labour market conditions such as the unemployment rate or skills shortages, and makes obtaining a work permit easier (although the amount of personal savings required of students will not be lowered). It will allow a greater number of foreign students graduating from French business and engineering schools to stay on for work experience in France.<sup>42</sup>

François Richier, France’s ambassador to India, announced in New Delhi that applications by Indian academics and officials would be considered as a matter of priority. He stated: ‘It is about opening our arms and hearts for Indian students by facilitating their stay, not only in the visa area but other things like training, and taking care of jobs when they are back in India.’<sup>43</sup>

A more restrictive approach to international students in the UK has led to negative messaging about how welcoming the UK is as a study destination. Headlines such as “‘We don’t feel welcome” – why aspiring students are thinking twice about the UK’ (Vaidyanathan 2013) and ‘UUK shows Britain losing ground in foreign enrolments’ (Dandridge 2013) are illustrative of a climate in which an increasing number of international students feel that the UK is ‘closed for business’. The business secretary, Vince Cable, recently described how, ‘There are lots of perception issues particularly in India where the message has got back that the British do not what [sic] overseas students. Numbers have fallen sharply and students have gone off to the States and Australia’.<sup>44</sup>

Australia’s experience provides as an interesting example for the UK. International education is one of Australia’s largest export sectors, generating income of 16.4 billion Australian dollars in 2010–11.<sup>45</sup> After introducing a restrictive visa regime for international students, Australia experienced a sharp drop in student numbers. The *Australian* newspaper stated in 2011 that ‘student visa arrangements, along with the strong Australian dollar and tighter skilled migration rules, are seen as a key factor behind a dramatic plunge in overseas student numbers’.<sup>46</sup> Since then, the government has introduced a series of measures to enhance the competitiveness of Australia’s international education sector and improve the integrity of the student visa program (see country case study 2, below).

International education was Australia’s fourth-largest export last year, and a 30 per cent increase in international student enrolments is planned by 2020. Chinese students will play a key part in this growth – they currently make up 40 per cent of international enrolments, and their numbers are continuing to grow.<sup>47</sup> Phil Honeywood, a former education minister for the state of Victoria in Australia, stated that he was grateful to the

42 <http://thepienews.com/news/france-eases-visa-restrictions-for-non-eu-students/>

43 <http://www.universityworldnews.com/article.php?story=20130705200907773>

44 <http://www.theguardian.com/higher-education-network/2013/sep/17/vince-cable-international-students-not-welcome>

45 <http://www.immi.gov.au/students/knight/fact-sheet-2011-government-response.htm>

46 <http://www.theaustralian.com.au/higher-education/knight-review-lifts-visa-requirements-for-overseas-students/story-e6frgcjx-1226143512114#sthash.ual4T3zZ.dpuf>

47 <http://www.studygroup.com/news-and-events/news-archive/number-of-chinese-students-studying-in-australia-goes-from-strength-to-strength>

UK for its immigration policy, which has apparently ‘done no end of good to Australia’s drive to recruit more international students’ (Dandridge 2013).

### Country case study 2: Australia

On 22 September 2011, the Australian government announced its response to the Strategic Review of the Student Visa Program 2011, conducted by Michael Knight. It announced its support for all 41 of Mr Knight’s recommendations, with some small modifications. Three key measures introduced by the Australian government in response to this review are set out below.<sup>48</sup>

- **Streamlined visa processing:** Student visa applicants who lodge their applications with a confirmation of enrolment from a participating university in Australia at bachelor, masters or doctoral degree level will now be assessed as though they are a lower migration risk, regardless of their country of origin. This means that these applicants will generally have reduced evidentiary requirements when applying for a student visa.
- **Improved work conditions:** Student visa holders are now able to take advantage of more flexible work conditions. The previous work condition of 20 hours per week during any week while the course is in session has been changed to 40 hours per fortnight during any fortnight while the course is in session. This provides more flexibility for student visa holders and their employers. In addition ‘higher degree by research’ student visa holders are no longer limited in the number of hours that they can work once their course has commenced.
- **Post study work arrangements:** On 23 March 2013, new post-study work arrangements were introduced for graduates who have completed an Australian bachelor, masters, or doctoral degree, provided they meet other eligibility requirements, which allow them to stay on in Australia for two, three and four years respectively.

### 3.3 Country case study: India

Indians are the second most mobile students in the world, second only to Chinese students. A 2012 report from the Indian Institute of Management in Bangalore suggested that the number of Indian students choosing to go abroad rose by 256 per cent between 2000 and 2009, from 53,266 to 189,629 (Mukherjee and Chanda 2012).

The proportion of Indians as a share of the total number of students studying outside their country of origin has doubled from 3 per cent in 2000 to over 6 per cent in 2009 (ibid), and a range of factors make continued growth likely. The Indian government aims to increase the country’s gross enrolment ratio to 30 per cent in 2020 (up from 12 per cent in 2007). At the same time, there are few institutions in India that are highly ranked internationally, and rising prosperity means that an increasing number of Indian parents are becoming able to support children studying overseas.

Despite these developments, there has been a significant slow-down in Indian student numbers in the UK. HESA figures from January 2013 show that the number of Indians studying in the UK fell significantly on the previous academic year, down by 24 per cent.

48 Adapted from <http://www.immi.gov.au/students/knight/fact-sheet-stage-two-knight-review-changes.htm>

The number of Indian students studying at UK universities fell by nearly a quarter in 2012, and fewer than 30,000 students from India were studying at UK higher education institutions in 2011/12 compared with almost 40,000 in 2010/11.<sup>49</sup>

There has been widespread discussion about the ‘mixed messaging’ projected by the UK government towards international students from India. On the one hand, David Cameron has insisted that there is ‘no limit’ on the number of Indian students who are able to come and study in the UK. Ahead of a visit to New Delhi and Mumbai in summer 2013, the prime minister told the Indian media that there were already 40,000 Indian students in the UK, and that he hoped numbers would increase in the future.<sup>50</sup> Yet the government then proposed a ‘visa bonds’ scheme (under which all migrants, as well as international students, would be required to pay a £3,000 bond) which would focus on high-risk countries, including India. This move resulted in a great deal of anger and disbelief from the very people David Cameron was trying to attract.<sup>51</sup>

Recent policy changes have significantly restricted the ability of some students to come to the UK and remain there after they complete their studies, and the government has widely publicised its ‘success’ in reducing net migration. This led the mayor of London, Boris Johnson, to urge the government to reconsider its approach, suggesting that the policy sent the ‘wrong signal’ and could damage the UK’s reputation as one of most open and dynamic higher education markets in the world.<sup>52</sup>

Indian students have historically favoured the UK as a study destination. The illustrious list of Indian alumni of UK education institutions is lengthy (see boxed text below). Indian entrepreneurs who study in the UK are, perhaps, more likely to remain and set up businesses. One such example is Tom Singh, who was a graduate of the University of Wales and went on to found the New Look chain of high street fashion stores in the UK.

#### **Indian academics and alumni of the University of Oxford**

Indian students are the second fastest-growing nationality group at Oxford. The majority of Oxford’s Indian students are graduate students, and they are particularly concentrated in the social sciences. Top subjects studied by Indians at Oxford include business administration, civil law, biochemistry and engineering. Indian students contribute to student life through many societies, including the Oxford Indian Society and the Oxford University Hindu Society.

There are also more than 80 academics from India working at Oxford. They include lecturers, professors, and full-time researchers across all disciplines.

Many distinguished Indians have held academic posts at Oxford over the years, including Amartya Sen, recipient of the 1998 Nobel prize in economics, Sarvepalli Radhakrishnan, President of India 1962–1967, and C. N. R. Rao, head of the Science Advisory Council to the Prime Minister of India (2009–present).

49 <http://www.telegraph.co.uk/education/educationnews/9795979/Number-of-Indian-students-in-UK-falls-by-a-quarter.html>

50 <http://www.bbc.co.uk/news/uk-politics-21456363>. Plans to introduce a visa bond scheme have now been dropped.

51 <http://www.independent.co.uk/voices/comment/visa-bonds-a-blow-to-special-relationship-with-india-8680319.html>

52 <http://www.bbc.co.uk/news/uk-politics-21456363>

The University of Oxford has over 1,300 alumni in India, and there are a number of active local alumni groups across India. The Oxford University Society has branches in New Delhi and Mumbai, and there are joint Oxford and Cambridge Society groups in Bangalore, Kolkata and Pune to keep former students in touch with each other and the university.

Oxford has an illustrious history of educating some of the most prominent Indian public figures, including politicians, businessmen, actors and novelists:

- Manmohan Singh, the present prime minister of India
- Indira Gandhi, India's first woman prime minister
- Cornelia Sorabji, India's first female lawyer
- Mansur Ali Khan Pataudi, former captain of the Indian cricket team
- Soha Ali Khan, actress
- Amitav Ghosh, award-winning novelist
- Montek Singh Ahluwalia, deputy chairman of the Planning Commission
- Deepak Nayyar, member of the National Knowledge Commission
- Mukund Rajan, vice-president of Tata Sons Ltd
- Vikram Seth, award-winning author.<sup>53</sup>

Indian students are very responsive to changes in labour markets, immigration and student visa policies (Rafi and Lewis 2012). Australia and France, in particular, have recognised this and changed their policies to ensure effective and sustainable marketing of higher education to Indian students (see country case studies 1 and 2 above).

The UK's policy changes may well have a serious impact on the UK's education sector and economy, as well as on the UK's long-term relationships with India. Given both the impact of recent policy changes on Indian students coming to the UK, and the strategic importance of the UK's relationship with India, we have supplemented this research with a survey exploring the intentions of prospective Indian students. Here we outline these trends and set out the findings of this survey to explore the perceptions of young Indians who are considering study abroad.

### 3.3.1 Perceptions of Indians considering overseas study

IPPR commissioned the polling company Ipsos MORI to survey 500 young people (aged between 16 and 30) in seven large cities in India (Delhi, Mumbai, Bengaluru [Bangalore], Kolkata [Calcutta], Ahmedabad, Hyderabad and Chennai) who were interested in studying abroad. The survey questioned prospective students on what they looked for in a study destination, their attitudes towards studying in the UK and elsewhere, and their experiences of applying for a visa. Fieldwork took place in September 2013.<sup>54</sup>

<sup>53</sup> [http://www.ox.ac.uk/international/oxford\\_around\\_the\\_globe/asia\\_south\\_and\\_central/india\\_people.html](http://www.ox.ac.uk/international/oxford_around_the_globe/asia_south_and_central/india_people.html)

<sup>54</sup> Methodological note: the survey was completed online with Ipsos MORI panel members and members of other online panel providers. To take part in the survey, respondents had to be of Indian nationality, living in India, aged between 16 and 30 and considering study abroad. Five-hundred respondents completed the survey between 5 and 12 September 2013.

Despite the UK maintaining its standing as a popular destination for study (80 per cent of prospective students saw the UK as a favourable destination, and 70 per cent were considering the UK as a destination) its international competitors were regarded equally and sometimes more highly. The survey results suggest that the UK cannot continue to rely heavily on its positive reputation alone if it wants to attract the brightest and best students to UK institutions.

The majority of respondents (54 per cent) rated the opportunity to stay in the country to work after they had finished their studies as an extremely important factor in deciding where to study. However, the UK's post-study work offer is significantly worse than many of its major competitor countries. When told that the UK government has restricted the right of students to work in the UK after completing their studies, 91 per cent thought that this would put off either 'most' or 'some' students.

The respondents' experience of applying for a visa to study in the UK contrasts with their experience of applying to one of the UK's closest competitor countries: almost a third of students who had applied for a visa to study in the UK found the application process difficult, compared to just one in eight who had applied to Australia.

### 3.3.2 What was the profile of respondents?

Survey participants were selected if they expressed an interest in studying abroad. On the whole they were well-educated: 92 per cent had completed either undergraduate (47 per cent) or postgraduate (45 per cent) study at the time of the survey. Many had high aspirations: 42 per cent wanted to study for a postgraduate course, while 39 per cent wanted to study for an MBA.

As a group, the respondents were in a comfortable financial position. Almost a third (29 per cent) of those surveyed had an annual household income of over 5,000,000 rupees (£50,000).

#### What do prospective Indian students look for in a study destination?

Important factors influencing respondents' decisions regarding where to study abroad included the reputation of the institutions, the related costs, and the opportunities to work after studying:

- 66 per cent of respondents rated the **reputation of the education system**, and 62 per cent the **quality of learning facilities available**, as 'extremely important'.
- 62 per cent of respondents rated the **cost of studying**, and 60 per cent rated the **cost of living**, as 'extremely important'.
- **Being able to work after study** was rated as 'extremely important' by over half (54 per cent) of the respondents.

#### What are Indian students' views on the quality of the UK education system?

The UK education system was highly regarded by respondents, but it faces tough competition from other developed English-speaking countries – the US and Australia are currently viewed more favourably than the UK.



- **Respondents had a favourable view of the UK education system:** one in five respondents (19 per cent) rated the UK as having the best reputation globally.
- **The UK has stiff competition from its main rivals:** one in three respondents (35 per cent) rated the US as having the best reputation, while one in four (27 per cent) said the same of Australia.

#### **What are Indian students' views of the UK as a place to study?**

Taking into account a range of factors that respondents rated as important to them, the UK is still seen as a favourable destination by a majority of prospective students.

- 80 per cent of respondents saw the UK as an attractive place to study, and over half (52 per cent) viewed it as 'very favourable'.
- This is very similar to the UK's main competitors: 78 per cent of respondents viewed Australia as favourable, and 83 per cent saw the US as favourable.
- 72 per cent of respondents were considering applying to Australia, 71 per cent to the US and 70 per cent to the UK.

The features of studying in the UK that most appealed to respondents was the reputation of the UK's education institutions (40 per cent chose this as a factor) and the quality of their facilities (38 per cent chose this as a factor).

#### **Why would Indian students not choose the UK as a study destination?**

The cost of living and studying was the most important factor for respondents who chose not to study in the UK. However, the inability to work post-study was also very important:

- Of respondents deciding not to study in the UK, 47 per cent cited the high cost of living, and 53 per cent cited the high cost of tuition fees.
- Of respondents deciding not to study in the UK, 38 per cent were put off because they think it is unlikely they would be able to work in the UK after their studies.
- When told that the UK government has restricted the right of students to work in the UK after completing their studies, the majority of respondents (51 per cent) thought that restrictions on post-study work would put off most Indian students from coming to the UK. Almost all students surveyed agreed that it would put off at least some students (91 per cent).

#### **The experience of applying for a visa**

The experience of prospective students who had applied for a visa illustrates differences in the ease of acquiring a visa between the UK and one of its major competitors. Almost one in three people who had applied for a visa to the UK had found the process difficult, compared to only one in eight of those who had applied for a visa to Australia.

- Of those surveyed who had applied for visa to Australia (141 people), 13 per cent found the process difficult.
- Of those surveyed who had applied for visa to the UK (150 people), 31 per cent found the process difficult.

## 4. POLICY ANALYSIS AND RECOMMENDATIONS

Policymakers are faced with complex challenges and trade-offs when formulating immigration policy. Policies on international student migration are a prime example of politicians having to steer a course between promoting economic growth and responding to widespread public concern about immigration.

### 4.1 A principled approach

Our conclusions begin with four central principles that we believe should underpin policy on international student migration.

#### 4.1.1 The government needs to commit to increasing the number of international students studying at British education institutions.

The government faces a difficult problem in balancing the promotion of economic growth with responding to public concern about immigration and controlling irregular migration. However, the policies the Coalition is pursuing are confusing and incompatible: it is not possible to bring down net migration and simultaneously grow the education sector. The government needs to commit unequivocally to increasing the number of international students studying at British education institutions.

The survey of Indian nationals considering study abroad that was carried out for this report found that, when told that the government had restricted the right of students to work in the UK after completing their studies, 91 per cent of respondents thought that these restrictions would put off either 'some' or 'most' students. This suggests that the UK cannot continue to heavily rely on its positive reputation alone if it wants to attract the brightest and best students to the UK's education institutions.

#### 4.1.2 It is right to stop abuse of the student visa regime, but this should not be used as a deterrent in order to drive down international student numbers.

The Home Office has a duty to identify and respond to abuse within the student visa regime and, where it is prevalent, to crack down on it. Abuse of the visa route was undoubtedly a problem before the points-based system was introduced, and it requires ongoing vigilance to prevent it escalating again in the future. The government needs to continue to take a zero-tolerance approach to organised abuse.

Abuse is always difficult to capture, but given the increased regulation and strict oversight, abuse under the Tier 4 category appears to be minimal. The CAS system means that sponsors are only able to recruit as many students as they are able to teach. The requirement of highly trusted sponsor status means that those institutions able to sponsor Tier 4 students have well-developed systems and oversight in place.

The response to abuse needs to be firm and preventative, without stifling the sector in pursuit of a solution to a perceived, rather than real, problem. The impact of conflating the imperative to cut down on abuse within the student visa regime with the need to cut net migration is misleading. The government has reduced international student numbers in pursuit of the net migration target, and so the merit of this target as a metric for policy needs to be reassessed.

#### 4.1.3 International education must be acknowledged as a reciprocal arrangement between students and their education providers, as well as between students and the UK as a host country, which carries responsibilities for all involved.

The vast majority of international students make a contribution to society once they have chosen the UK as their study destination, and this is true across the whole of the education sector: an English language student, for example, makes a contribution

just as a PhD student does. Greater recognition of the contributions made by all international students is important. With respect to all parties, a degree of ‘give and take’, and an acknowledgment that international education is a reciprocal arrangement, is necessary.

- International students take out – they use public services (albeit minimally) and live in our communities – but they also make huge contributions (financially, culturally and through ongoing connections) and deserve something back in return. It is reasonable to expect international students to pay for what they use, but in return they should receive a rewarding and welcoming experience while living in the UK.
- In a global market, competing with other countries needs to be about more than just recruiting ‘the brightest and the best’: an attractive, competitive offer needs to be presented to international students both during and after their study. Many of the UK’s competitors are increasing their offer to international students, usually with opportunities to work both during and after their studies.
- Education providers receive valuable income, as well as benefits such as creativity and innovation, from international students. Conversely, they have a duty to comply with rules and regulations, as well as a responsibility to support their students to integrate and contribute to their local communities during their stay in the UK.
- The government has an important role to play in ensuring that a degree of consistency and stability is maintained across the sector. Repeated changes to the visa regime and increasing restrictions to entitlements are unsettling for international students who have chosen the UK as their study destination.
- The government often prizes international students in the higher education sector over other sectors. However, privileging their status fails to recognise the enormously valuable contribution that the vast majority of further education and English language students make when they come to the UK, both in their own right and as crucial feeders into higher education. The government needs to increase the number of international students in pathway programs (in both further and English language education, and in both public and private education settings), rather than purely focusing on increasing the number of students in higher education.

#### **4.1.4 The education sector and the Home Office need to work together to effectively identify and respond to risk.**

The government must clamp down on poorly performing institutions by ensuring that procedures and practices in education institutions are robust and effective. However, this needs to be balanced with allowing the sector some freedom and ability to flourish in the global market.

The Home Office and the education sector need to be able to work together to achieve this balance. The focus needs to be on appropriate and proportionate responses to risk, with regulation in low-risk sectors delegated to institutions themselves.

## **4.2 Key recommendations**

### **4.2.1 Overall government approach to student migration policy**

International students make up around half of all migration to the UK, and so the government’s overall approach to migration policy needs to consider its impact on international students.

IPPR has repeatedly stressed that the net migration target is a poor metric for policy and is harmful to the economy. The inclusion of such a large group of temporary migrants in the net migration target distorts the data, which in turn creates a perverse incentive to reduce student numbers in order to achieve an overall reduction in net migration. As the majority of students return to their home countries after completing their studies, the cuts required in order to reduce net migration are substantial. This is proving extremely damaging to the education sector and to the national economy overall. **As a result, we strongly recommend that the government abandons its net migration target.**

In many respects the net migration target does not speak to the British public's concern about migration. We know that very few people are worried about the numbers of international students. Many people are, however, concerned about whether migrants are contributing while in the UK, or about changes in their neighbourhood, without expressing a desire to reduce net migration (which is, after all, a rather esoteric and abstract figure) to a particular number. The government would do better to focus on these concerns, and support the public to respond and adapt to change at the community level, rather than continue its efforts to maintain net migration below a fixed level.

An alternative approach would be to remove international students from the net migration target, allowing the government to focus on other migrant flows. Indeed, some would say that international students are not migrants at all, and should be referred to instead as 'education tourists'. IPPR would encourage efforts to disaggregate data in order to remove international students from net migration figures. Yet, unless entry and exit data is vastly improved, removing international students from a net migration target would be very difficult to achieve in practice. The reasons for this are set out below.

First, the data that the government uses to measure net migration is extremely poor. This prevents policymakers from being able to build up a robust picture of international students' journeys through the visa regime. The International Passenger Survey (IPS) only captures data for about 1 per cent of all migrants entering and leaving the country, so the number of students captured is very small. As discussed above, exit data is hard to capture on students (despite the newly introduced IPS questions), and so net student migration data is poor and, in many respects, unreliable.

Second, arguing for students to be taken out of the net migration target (even despite the data limitations noted above) is not a politically viable suggestion in the current climate. The government has succeeded in reducing net migration, in large part because international students are included in the target. Without international students, the options for reducing net migration would involve either withdrawing from major UN human rights treaties (in order to prevent asylum-seekers from seeking protection in the UK) or leaving the EU (which makes up a large proportion of the number of migrants coming to the UK). The government has already capped visas for highly skilled workers, and the low-skilled route from outside the EU has already been closed for many years.

The long awaited 'e-borders' programme will help to capture better data in this area, but it has been beset by delays and administrative problems. **Ultimately, the government needs to invest in better longitudinal data about students' pathways through the immigration system in order to provide better data about compliance and transitions to other visa categories.** Until robust data is in place, taking students out of the net migration target is an unrealistic aim – instead, the overall net migration target should be abandoned.

Migration is a policy area that needs to go beyond enforcement. Theresa May recently disbanded the UK Border Agency (UKBA), returning its duties to Home Office oversight. The result is a body largely focused on enforcement (the Home Office, after all, has policing, terrorism, drugs and crime as its main set of responsibilities). BIS plays a key role in selling the UK's education sector, but this needs to be matched by more commercial awareness in the Home Office.

**In the immediate term this means more BIS representatives sitting on the Home Office committees and teams that make decisions about international students. In the longer term, it might mean shared responsibility for migration policy across a number of government departments, specifically the Home Office, BIS and the Department for Communities and Local Government.**

#### 4.2.2 Reform to the UK student visa rules

These recommendations explore possible reforms to the UK's student visa rules, the visa application process, the restrictions that apply while international students are in the UK, and students' post-study working rights. What is needed is a reciprocal arrangement between all parties in which international students' contribution is recognised and rewarded, and in which they are given the opportunity to give something back in return. To this end, we make the following recommendations:

- The government has recently devoted considerable resources to introducing credibility interviews for the majority of Tier 4 applicants. **We believe that the importance of preventing abuse of the visa regime warrants a continued firm approach, but that the Home Office should be more selective in its approach to interviewing prospective students.** Interviewing the majority of applicants is not a good use of scarce public resources. The government should become more selective in its approach to interviewing prospective students by responding specifically to suspicious spikes in applications that appear questionable relative to previous trends. This needs to sit alongside quality-checking the work of institutions and following up on any concerns about abuse that they raise.
- International students as a group do not place a disproportionate burden on the National Health Service. Yet in many other countries international students are expected to take out medical insurance. **We propose a small levy on international students at the point of entry (combined within the visa fee) calculated to be equivalent to the cost of private medical insurance for a 'typical' student for the duration of their visa.** This would be a fair and reasonable approach, comparable with those of the UK's competitors. A visa levy of around £100–£200 would provide reassurance to international students that they are entitled to access the NHS. This would need to be offset with corresponding advantages, including increased working rights during and after study.
- **We propose simplifying the rules about international students working while they are in the UK,** and recommend that the UK permits all students with a Tier 4 visa to work up to 40 hours every fortnight (rather than 20 hours every week for students in higher education as the rules currently state). This is a similar approach to that recently adopted in Australia. This entitlement should be the same regardless of whether the student's education institution is public or private, further or higher education, which would allow for greater flexibility and consistency across the sector.
- There is confusion within the education sector about whether international students are entitled to carry out unpaid work (including voluntary work and unpaid work experience placements). We urge the Home Office to clarify its position, which is ambiguous

at present. **We recommend that the Home Office reassures international students that they are encouraged to become active members of their local host communities, and that there is no bar on volunteering and unpaid work placements during their time in the UK.** These provide valuable opportunities for international students to contribute to the society they live in, and employers and international students would welcome clarity on this issue.

- Student visitor visas provide an opportunity for international students to enter the UK for a short course of less than 12 months' duration. These students are not counted within the official migration statistics, and do not count towards the government's net migration target. There is no limit to the number of student visitor visas any one college may sponsor. **We recommend that an intelligence-led independent review of the student visa route is carried out in order to monitor any unusual activity and any spikes in applications from any one nationality.**

#### 4.2.3 Post-study entitlements

Post-study work rights are a major attraction for many international students, but they are a hard sell politically at a time of high unemployment in the UK. The current rules allowing students to switch into Tier 2 are welcome. However, we would also recommend:

- **A scheme whereby all highly trusted sponsors could vouch for students (such as those with a high attendance rate during their course), which would then allow them to stay in the UK under a Tier 4 post-study work visa for a period of six months, after which the student would be required to either switch into Tier 2 or leave the UK.**
- **That the salary threshold for students switching to Tier 2 be reduced to £18,000 (from its current level of £20,000).**
- **Reducing Tier 2 licence costs for small and medium-sized enterprises (SMEs) and charities.** This would encourage more organisations to obtain a Tier 2 licence, opening up further opportunities for international students.
- **We recommend increased post-study working rights for students completing MBAs, PhDs and STEM subjects (such as an opportunity to work in the UK for up to two years post-study under a Tier 4 post-study work visa, if they can be vouched for by their institution, as above).**
- **We recommend that the Home Office improves its processes for notifying students who are nearing the end of their visa by sending an email or SMS.** This could take the form of a 'traffic-light' system, whereby an initial 'green' notification is sent to students outlining their options as they approach the end of their visa, followed by an 'amber' warning reiterating that timeframe, and then a final 'red' notification (perhaps explaining that their right to post-study work will be revoked if they do not comply with current visa rules).

#### 4.2.4 Regulation of the sector

Stricter regulation of the education sector has been a consistent feature of policy in recent years. This is important to prevent abuse, but it must not stifle growth in the international education sector. The focus needs to be on appropriate and proportionate responses to risk, with regulatory efforts focused on high-risk sectors and institutions.

IPPR proposes a simplification of the processes and regulations that have, in recent years, become considerably more complex for international students and education institutions to navigate.

- The current structure does not allow for the resolution of issues within, or a gradation in sanctions against, education institutions. **A stage prior to the suspension or revocation of a licence should be introduced, in which an institution that needs to make modifications or improve certain processes is placed under review, and can receive support and guidance from the Home Office during that time.**
- There is reason to believe that the current system of ensuring that all education institutions accepting Tier 4 students become a highly trusted sponsor is working. **However, there is scope for reducing audits from every year to every 2–3 years if an institution is consistently performing well (satisfactory audits for the previous two years, for example).**

The student visa route was open to wide-scale abuse in the years leading up to the introduction of Tier 4 of the points-based system. Since then the regulation and measures introduced by successive governments have tightened up the route. The current government needs to continue to take a zero-tolerance approach to organised abuse – it was a serious problem in the past, so it is important to maintain ongoing control in the future. This very tight regulation must be maintained, but a firm response to abuse should not preclude efforts to grow the international education sector.

BIS has made predictions about the extent to which the sector could grow in the coming years, but the government's own net migration target is preventing it from allowing the sector to grow. This is causing damage to the UK's education sector and the national economy. The government and education institutions need to come together to form a new consensus to plan for growth in the international education sector.

Given that current policies in this area appear to have reached an impasse, and public anxiety about immigration is showing no sign of abating, it is essential that the government introduces rational, workable solutions. These measures should not penalise genuine institutions and genuine students, as this has a negative impact on the UK both in terms of earnings and reputation. Above all, the government now needs to commit unequivocally to increasing the number of international students studying in British education institutions.

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