DESTINATION EDUCATION

Reforming migration policy on international students to grow the UK's vital education exports

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60-SECOND SUMMARY

The government's policy on international students has, for the past six years, been driven in large part by its objective of reducing net migration to the tens of thousands. The government has argued that a large number of non-EU international students – around 90,000 – do not leave the UK at the end of their studies, a claim made on the basis of data from the International Passenger Survey. Its policy towards international students is designed to reduce this number, in order to progress towards achieving its net migration target.

However, this approach is based on dubious evidence. Other data sources suggest that the government could be relying on an overestimate of the number of students who stay on in the UK after completing their studies – one that overshoots by many tens of thousands. This means that government policy could be focused on driving out tens of thousands of people who may no longer be in the UK. The estimate the government uses is not reliable enough to guide policy.

This is deeply worrying. The international education sector is one of the UK's biggest services exports, and one that has significant growth potential. It is also well-placed to help our universities weather the implications of Brexit. Yet ministers have used the 90,000 figure to justify a series of restrictive policies on international students. This is harming the sector and forcing well-integrated migrants whose skills our economy needs to leave the UK after completing their studies.

Moreover, the evidence suggests that few members of the public consider international students to be immigrants, so a more restrictive policy is unlikely to assuage public concerns on migration. With a weak evidence base and little political value, it is time for the government to re-evaluate its approach to international students.

KEY FINDINGS

- The government's commitment to bringing down net migration to the tens of thousands per year has led it to focus on trying to reduce the apparent gap between the number of new students immigrating and the number of former students emigrating. It has done so because student flows are relatively easy to control compared to other types of migration, and because – according to the International Passenger Survey (IPS), the data source used to calculate the net migration figures – students appear to make up a large proportion of total net migration to the UK. Government ministers have claimed on the basis of this data that many non-EU international students (around 90,000) are not leaving the UK after completing their studies.
- However, this claim is not supported by other evidence. Our new analysis of other data sources suggests that the IPS could be overestimating the number of students who stay on in the UK after completing their studies by many tens of thousands. The Home Office's visa data suggests that only around 40,000 non-EU individuals who came to the UK on student visas still have valid leave to remain or settlement five years later. The Annual Population Survey suggests that only around 30,000–40,000 non-EU migrants who previously came as students are still in the UK after five years. The Higher Education Statistics Agency (HESA's) Destination of Leavers Survey suggests that three-quarters of non-EU higher education students who are working six months after completing their studies are employed outside of the UK.
- While each of these data sources measures slightly different things and has its own methodological limitations, the large discrepancy between the other sources' figures and that of the IPS suggests that the latter's 90,000 figure is not reliable enough to be used as a guide for policy.
- Motivated in large part by the belief that considerable numbers are not leaving the UK, the government has implemented a range of restrictive policies towards international students, including scrapping the post-study work visa, imposing limits on working while studying, and creating new rules for education institutions in order to monitor compliance.

While it is certainly right to root out abuse and tackle bogus colleges where there is robust evidence of wrongdoing, these rules have adversely affected genuine students and institutions, and have undermined the UK's reputation as a desirable destination for international students.

- The total number of international students coming to the UK has fallen over the past six years, and the number of them enrolling in UK higher education has stagnated. This is worrying, as international students bring major economic, social and intellectual benefits to the UK. In total, UK education exports are estimated to be worth approximately £17.5 billion to the UK economy, with the fees and expenses of international students comprising three-quarters of earnings within the education sector. Moreover, the effects multiply: an international student who studies in Britain is an investment. They retain a knowledge of and links to Britain when they depart, making them useful ambassadors and multipliers for British firms who later seek to build trade relationships with those former students' countries.
- While immigration is a key public concern, a large majority of the public is positive about the contributions that international students make to the UK. Only 22 per cent of the public see international students as immigrants, and while nearly 70 per cent of the public want to reduce migration flows, just 31 per cent want to do so by reducing university student numbers.
- Other countries are outpacing the UK in the international education sector. Our main competitor countries – Australia, Canada and the US – do count international students within their net migration figures, but do not include them within their numerical targets for permanent migration.
- The three countries have each made efforts to attract international students through a range of different measures. Australia has announced a new national strategy for expanding its international education sector, and has streamlined its visa processes. Canada has expanded opportunities for international students to access post-study work and permanent residency. The US has extended the optional practical training programme for STEM students, which permits off-campus work both during and after study.

KEY RECOMMENDATIONS

- Students should be excluded from the drive to reduce net migration to the tens of thousands. The government should split up the net migration target into its individual components – workers, family migrants, asylum seekers and so on – and set migration targets for each of these flows. As with our main competitors in international education – Canada, Australia and the US – students should be classed as temporary rather than permanent migrants, and should not be subject to a target.
- The UK should take a leaf from Australia's book and set out a 10-year plan for expanding its international education sector, as part of the government's new industrial strategy. It should create a new role – a minister for international education – to develop and take forward this plan.
- As part of the 10-year plan, the government should reintroduce the post-study work visa for STEM and nursing graduates, allowing visa-holders to apply for any graduate job, with no salary threshold, for 12 months after graduation.
- More generally, international students should be exempted from the cap on Tier 2 visas and the resident labour market test for one year after they graduate, rather than for four months as at present. For the first 12 months, they should also be exempt from the 'immigration skills charge', which is to be introduced in April 2017.
- The Office for National Statistics should seek to improve its data collection methods to enable more robust assessment of the migration patterns of international students. We recommend that the government prioritise student visas in its roll-out of the exit check scheme, which should provide a more accurate picture of emigration flows and allow for exit data to be cross-checked with visa records.
- The government and the higher education sector should also jointly take proactive steps to measure the extent to which international students return home by boosting the response rate of the HESA Destination of Leavers survey.

For the full report, including all references, data sources and notes on methodology, see:
www.ippr.org/publications/destination-education

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