



## International Students: Key Issues Explained - June 2014

### 1. Are international students of value to Britain?

Yes, provided that the majority return at the end of their studies. Students pay fees and contribute to local economies through their living expenses. They also take their expertise when they leave which benefits their home country. Once home, they are more likely to do business with Britain. In addition employers are able to recruit graduates with key skills into graduate level jobs. However, if students stay on in large numbers they add to our population growth and the pressure on our public services.

### 2. Have student numbers fallen?

It depends what type of students you are looking at. Applications for study at Universities are up 17% since 2010 but applications for study at Further Education schools and colleges have fallen. This is to be expected since the government has cracked down on abuse, which was mainly concentrated in the below-degree level sector; indeed 750 bogus colleges have been closed down since 2010. EU students have also fallen however, not because of changes to the student system as they are not subject to immigration control. EU students have fallen because of the rise in the maximum amount that Universities can charge in tuition fees which is now £9,000 per year.

### 3. Do foreign students go home?

There is evidence to suggest that students are staying on in significant numbers. In 2013 only 50,000 non-EU students are estimated to have left the country, which is just one third of the average inflow in each of the previous five years.<sup>1</sup> This suggests that large numbers of students are staying on either legally for work or marriage or illegally.

There is also clear evidence that the student route has been abused by people whose real intention was to come to the UK to stay on and work illegally. A study by the National Audit Office estimated that, in the first year of the Points Based System, 40,000-50,000 individuals may have entered the UK on a student visa to work rather than study.<sup>2</sup>

A recent Home Office pilot study found that in India, Nigeria, the Philippines, Bangladesh and Burma, over 50% of applicants who were interviewed to assess their credibility would have failed – many on the grounds that the Entry Control Officer (ECO) was not convinced that they were genuine students and that they planned to remain in the UK only on a temporary basis.<sup>3</sup>

1 The average inflow of non-EU students between 2008 and 2012 is 156,000.

2 National Audit Office, Immigration: The Points Based System – Student Route, March 2012, URL: <http://www.nao.org.uk/idoc.ashx?docId=0f549a94-58b6-4080-8a93-fb6aa9bb4b5e&version=-1>

3 Home Office, Tier 4 Student Credibility Pilot, Analysis of Quantitative and Qualitative Data, July 2012, URL: <http://www.homeoffice.gov.uk/publications/science-research-statistics/research-statistics/immigration-asylum-research/occ104>

The Home Office has rolled out a substantial programme of interviews in high risk countries to deter abuse of the route.

#### **4. Why include students in net migration?**

Students comprise 60% of non-EU immigration as recorded in the International Passenger Survey (IPS). This is the basis of net migration figures so to remove students would severely undermine their credibility. Furthermore, students are by no means all temporary since they are able to stay on legally to marry and, if they are graduates and can earn £20,000 a year, to work. They are thus a contribution to population growth.

#### **5. Do our competitors exclude them from net migration?**

The UK's main competitor countries do **not** exclude students from their net migration calculations. Both the US and Australia include students while categorising students as non-immigrant arrivals in their visa data.<sup>4</sup>

#### **6. Do our competitors have a separate administrative category?**

Yes and so do we. Where our competitor countries talk of students as belonging to a non-immigrant category, this refers to visa data. British statistics also show student visas as a separate category. The US and Australian net migration calculation includes everyone who enters for more than a year regardless of their visa category – just like the UK system.

#### **7. What is the economic benefit?**

International students bring with them significant benefits to the UK, both nationally and locally. In 2008/09 it was estimated that international students were worth £4.3 billion to the wider economy.<sup>5</sup> In 2012/13 tuition fee income from non-EU students was £3.5 billion and the Department for Business Innovation and Skills estimated that non-EU students spent an additional £4.3 billion on living expenses while in the UK, some of which will have been earned in the UK.<sup>6</sup> For local communities this translates into much needed spending in shops and restaurants. For the colleges and universities the benefit comes from the much higher fees paid by international students which indirectly benefit domestic students. For some universities, the presence of international students keeps some STEM departments from closing due to a lack of domestic demand. This does not however account for the cost of providing facilities for these extra students part of which could well fall on public funds.

#### **8. Are measures to reduce net migration damaging our Universities?**

No. The number of applications to Universities has increased by 17 percent since 2010. The government has closed down 750 bogus colleges<sup>7</sup> and has tightened up the language requirements for students as well as requiring that students wishing to extend their visa show academic progression. The reduction in student numbers has occurred in the further education sector where abuse was rife.<sup>8</sup>

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4 DIAC, URL: <http://www.immi.gov.au/media/publications/statistics/immigration-update/nom-mar12.pdf>, US Census, URL: <http://www.census.gov/population/www/documentation/twps0051/twps0051.html#nettemp>

5 Migration Watch UK, 'The Economic Value of International Students, August 2012, URL: <http://www.migrationwatchuk.org/briefing-paper/2.20>

6 Parliamentary Question 196535, 6<sup>th</sup> May 2014, Hansard Column 95W, URL: <http://www.publications.parliament.uk/pa/cm201314/cmhansrd/cm140506/text/140506w0003.htm>

7 James Brokenshire, Oral Statement to Parliament on Abuse of Student Visas, 24 June 2014, URL: <https://www.gov.uk/government/speeches/statement-on-abuse-of-student-visas--2>

8 UKBA, Overseas Students in the Immigration System: Types of Institution and Levels of Study, December 2010, URL: <http://www.ukba.homeoffice.gov.uk/sitecontent/documents/aboutus/reports/pbs-tier-4/overseas-students-report.pdf?view=Binary>

## 9. Are some students still abusing the system?

Unfortunately yes. A BBC Panorama programme aired in February 2014 found that for a fee criminal immigration agents were helping students evade English language requirements. Footage showed students at approved test centres having the answers read to them and having exams sat for them by native speakers. Subsequent analysis of the test results carried out by this particular company identified 48,000 potential invalid results meaning that tens of thousands of students have secured an extension to their student visa fraudulently. A criminal investigation followed and the government announced that it had revoked the licences of 57 private further education establishments and one Welsh University. Two further Universities are under investigation.<sup>9</sup>

## 10. Will University students be worth £26.5 billion to the economy in 2025?

No they will not. First, this figure is the value of the education sector as a whole so it includes earnings from sources unrelated to the migration of international students such as publishing materials etc. Only £16.8 billion is the value of higher education, which of course also includes EU students. Importantly however, this figure is based on an increase in the stock of international students from 428,230 in the academic year 2010/11<sup>10</sup> to 642,000 by 2025<sup>11</sup> – an increase of 50%.

## 11. Are the Australians loosening their controls?

Any such claim is misleading. Following a review of the student visa route the Australians opened up a post study work route to all international graduates of their universities. They also reduced the financial requirements for students<sup>12</sup> but they remain roughly equal to those required by the UK. At the same time they tightened up in many areas. Indeed the total number of foreign students going to Australia has fallen in recent years because they have tightened up on bogus students in the Vocational Education and Training sector.<sup>13</sup> Large numbers of international students were going to study vocational courses such as cookery and hairdressing mainly because they led to settlement. This route has largely been closed. The Australian authorities also introduced a 'Genuine Temporary Entrant' requirement for all student applicants; those who are considered at interview to have no intention of returning after their studies are now denied visas.

## 12. Are the Americans loosening their controls?

This is also misleading. They clamped down heavily on foreign students after 9/11, partly for security reasons and partly because they found that 50% of the educational institutions were bogus.<sup>14</sup> In 2005 a series of changes were made to the student visa system which streamlined the service for students. The application process was modified so that all applicants were to be interviewed and hundreds more consular staff were deployed to speed up processing times. Various changes were also made to the type of visa certain students could obtain. For example, Chinese student visas were extended from three months to one year and Iranians from six months to two years.

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9 James Brokenshire, Oral statement to Parliament on Student Visas, 24 June 2014, URL: <https://www.gov.uk/government/speeches/statement-on-abuse-of-student-visas--2>

10 HESA, Students in Higher Education Institutions, Table 1, URL: <http://www.hesa.ac.uk/dox/dataTables/studentsAndQualifiers/download/institution1011.xls>

11 Demand for student places in 2025 calculated using annual growth rates of 4.7% globally using 2020 of 511,000 as starting point. See British Council, Vision 2020, Forecasting International Student Mobility, A UK Perspective, URL: [http://www.britishcouncil.org/eumd\\_-\\_vision\\_2020.pdf](http://www.britishcouncil.org/eumd_-_vision_2020.pdf) p. 35.

12 DIAC, <http://www.immi.gov.au/students/student-visa-living-costs.htm>

13 Australian Government Department of Immigration and Border Protection, Student Visa Programme Quarterly Report, 31 March 2014, URL: [https://www.immi.gov.au/media/statistics/study/\\_pdf/student-visa-program-report-2014-03-31.pdf](https://www.immi.gov.au/media/statistics/study/_pdf/student-visa-program-report-2014-03-31.pdf), page. 32.

14 British Council, Impact of Visa Changes on Student Mobility and Outlook for the UK, 2011. (Only available by subscription)

The Americans have always had a post-study work scheme whereby students are able to stay in the US for 12 months in order to obtain experience in a job directly related to their discipline. For students of STEM (scientific) subjects this was increased to 29 months.

**13. Is it sensible to compare the UK with the US and Australia?**

No. They are both continents while we are a small island. We now have a policy for net migration which they do not have. They do, however, have exit controls so that they know who has overstayed. We are still some years away from that.

25<sup>th</sup> June 2014