

House of Lords Select Committee on Science and Technology Inquiry into international STEM students

Introduction

1. million+ is a university think-tank which provides evidence and analysis on policy and funding regimes that impact on universities, students and the services that universities provide for business, the NHS, education and the not-for-profit sectors.
2. In 2011 million+ published *International Higher Education: missing an opportunity?*¹. We welcome the opportunity provided by the Committee's Inquiry to examine the Government's approach to international STEM students, bearing in mind the apparent reluctance of Ministers to take account of the views of five Select Committees that international student numbers should be removed from the migration numbers.

International students and STEM disciplines

3. Both HMT and BIS have emphasised the importance of STEM disciplines to the government's growth agenda and to the role of higher education as a key export industry. However, international demand for non-STEM subjects and professionally focused courses linked with the humanities, social sciences (which include economists who are classified as non-STEM) and the creative industries is increasing. The evidence suggests that the Government's visa policies, amendments to Post Work Study routes and the rapid expansion of out-of-country interviews since 2011 are impacting on students across all disciplines including STEM.

The numbers

4. The Government asserts and the Committee has heard evidence that there is no cap on student numbers. Ministers have also stated that counting international students in the migration figures complies with UN guidelines².
5. These arguments fail to address the following points:
 - **There has never been a cap on the number of international students who can enter the UK or be accepted by UK universities: neither the fees nor the numbers of these students are regulated.**
 - **Competitor countries regard international HE as part of their exports strategy and adopt visa policies which do not have the effect on constraining or limiting the market.**
 - **In Australia and the US international students are not included in net migration figures.**
 - **Between 2011-12 and 2012-13, international full-time *taught* postgraduate students declined by 5%.**
 - **Overall the UK is now losing market share.**
6. The decline in the number of accepted applicants and the number of enrolled students from overseas countries is illustrated in the UCAS table of accepted applicants and the HESA figures for

¹ million+ http://www.millionplus.ac.uk/documents/reports/INT_REPORT_Missing_an_Opportunity_FINAL.pdf

² In a written Parliamentary Answer on 20 May 2013 the then Immigration Minister Mark Harper said 'Students will continue to count in the Office for National Statistics (ONS) net migration figures because students who stay for more than 12 months are long-term migrants, according to the UN definition. The ONS has recently changed its methodology so that in future it will be possible to identify students in emigration as well as immigration flows. This will begin to provide a more accurate measure of the contribution of students to overall net migration from August 2013'.

enrolled students between 2008 and 2013 which appears at Annex 1. These confirm a sharp decline in numbers arriving from some key countries over the period.

Impact on the viability of courses

7. In 2012-13 international students made up
 - 10% of full-time first degree students and 9% of all first degree students,
 - 59% of full-time taught postgraduates and 38% of all taught postgraduates,
 - 35% of full-time research degree students and 29% of all research postgraduates.
8. International students help sustain the UK's **research base** especially in science, technology, engineering and mathematics: they account for over 40% of UK postgraduate students and 50% of those doing full-time research degrees. Policies that undermine the vitality of the UK's international higher education market have a direct impact on the viability of courses offered to UK home students.

The value of the UK's international Higher Education market

9. A research paper from the Department for Business Innovation and Skills [Estimating the value to the UK of Education Exports](#) (June 2011) estimates that in 2008-09 tuition fee income to the UK was worth over £4 billion - £2.4 billion for HE, £139 million for FE and £880 million for English language. The same [BIS research paper](#) estimates the total value of UK education and training exports to the UK economy at £14 billion, with a projection that this could rise as high as £26 billion by 2025. The policies of the Government and the Home Office are undermining a major UK export success story.
10. The UK also benefits from the global connections which international students, including STEM students, generate. Many of the main 'source' countries are also key strategic partners for the UK.
11. Other positive impacts of international students on the UK are well-recorded:
 - International fee income enables colleges and universities to invest in additional, enhanced or expanded facilities, and to offer specialist courses, including in STEM, which would not be viable based on the UK student market alone.
 - Local economies are net beneficiaries from the presence of international students even taking into account the costs of any services which these students may use.
 - The money that international students spend sustains thousands of jobs across the UK economy, both in colleges and universities, and in local economies.
 - Businesses have benefitted directly from the talents and experience of international students and in particular from postgraduates and graduates who engaged in Post Work Study.

Post Study Work (PWS)

12. The many amendments to the rules and regulations for overseas students introduced since 2010 have created a situation of uncertainty for students and institutions but also for employers. The closure of the Tier 1 (post-study work) visa - which allowed students to remain and work for two years – has deterred students from some countries and in particular India.
13. The requirement that these PWS graduates earn £20,000 per annum sets a higher earnings threshold than the average £19000 salary which domestic graduates can expect to achieve after they have completed their studies. This average salary is lower in regions outside of London and the South-East, further disadvantaging companies such as Nissan which is based in the North East.

14. Multinational companies were known to use the PWS route to hire international students who had graduated in the UK prior to transferring them to their “home” country after their two years of post-study work. This practice, which was also one of the attractions of study in the UK, has been undermined.
15. In comparison to the UK, both Australia and Canada have improved their Post-Work Study ‘offer’.

The government should be urged to ease the conditions currently applied to the Post Work Study route to avoid the UK losing further market share, including in relation to STEM.

Credibility interviews

16. UKBA conducted pilot interviews between December 2011 and February 2012 prior to the Home Office announcement that a new target of conducting 100,000 out-of-country 'credibility' interviews per annum would be introduced. According to the Home Office the pilot found that almost a third of students could be judged as ‘not genuine’, although the proportion was 14 per cent for university applicants. To gauge the potential impact of this first wave of interviews, the UK Council for International Student Affairs (UKCISA) gathered responses from 83 institutions, including 57 in higher education. The findings were published in March 2013 in *Tier 4 Credibility Interviews: UKCISA Survey Report*³. This concluded that interviews resulted in “unpredictable and subjective” decisions. Examples reported included the following:
 - One student was allegedly refused a visa because border staff thought that study in the UK was a bad use of her deceased father’s money, although this decision was eventually overturned.
 - One student was rejected because they had not previously travelled outside Pakistan and so could “not demonstrate any previous compliance with the immigration rules of another country”.
 - Officers were “sceptical” about the intentions of any student not going to study at a Russell Group university.
 - Several students were refused visas because they could not give “specific module content” about an undergraduate foundation course.
 - Visas to international students were refused on “arbitrary” grounds after the introduction of interviews to test applicants’ English skills and genuineness. (Universities have to demonstrate that students have met comprehensive English tests but UKBA is using short interviews to make its own assessment of candidates’ English).
 - It was unclear what training or qualifications the [officers] had to make them able to decide who was a ‘genuine’ student and who could speak an appropriate level of English.
17. The massive extension of credibility interviews has undermined the points-based system which was introduced to reduce the arbitrary decision-making which had undermined the probity of the student visa applications process previously.
18. Neither universities nor students are afforded any right of appeal against the decisions of Entry Clearance Officers following an out-of-country interview. However, an institution’s Highly Trusted Status can be reviewed if UKBA considers that the number of visa refusals of students issued with a Conditional Acceptance of Study by a university is considered excessive. For their part,

³ http://www.ukcisa.org.uk/files/pdf/about/material_media/credibility-interviews-report.pdf

universities have little option but to adopt risk adverse behavior and there are examples of universities suspending recruitment from particular regions because of a rising number of visa refusals over which they have no control.

We invite the Committee to highlight the extent to which out-of-country interviews are being used to undermine the points-based entry system and reduce the number of international students entering the UK to study.

Perceptions of the UK and the Immigration Bill

19. While universities acknowledge their responsibilities in relation to monitoring international students there is little doubt that these responsibilities have been extended and that universities are effectively being required to operate as extensions of the Border agencies. A study by the National Union of Students has also found that half of the non-EU students surveyed thought that the UK Government was either 'not welcoming' or 'not at all welcoming' towards international students.⁴
20. It is difficult to see how these perceptions will be improved by the passage of the Immigration Bill which extends the obligations of landlords. The latter will be required to monitor the immigration status of tenants with potential prosecution in the event that tenants' visas are found to have expired or been withdrawn for other reasons. It would be surprising if some elements of the rental sector did not move towards a more risk adverse position in respect of renting to international students (along with other 'foreigners'). This has the potential to further undermine the UK's reputation and the international student experience.
21. Similar issues arise in respect of the inclusion of provisions in the Immigration Bill which enable the Home Secretary to introduce charges for international students to access NHS services. Notwithstanding the principle, it remains unclear whether the Home Secretary intends to levy a charge as part of the visa application process or when a visa has been issued; nor is it clear whether students would be charged every time they apply for a visa to be renewed or to be extended.
22. These charges are being introduced in spite of the fact that there is no evidence that international students abuse or are excessive users of the NHS, and with no account taken of the net benefits in both monetary and non-monetary terms of their study in the UK.

Conclusions

23. The Home Office has targeted a number of groups to achieve a fall in migration numbers between now and the end of the Parliament. These are dependants and family reunion, skilled workers and international students
24. Families outside of the EU constitute only 20% of the migration figures and out-of-country student interviews are now the primary measure being used to reduce migration with the result that there are real falls in the number of visas being issued to international students.
25. The decline in enrolments and the difficulties in obtaining visas for international students and staff risks undermine the viability of UK courses, collaborations and transnational partnerships and the reputation of the UK in the international higher education market. In contrast countries such as

⁴ NUS <http://www.nus.org.uk/Global/NUS%20-%20Immigration%20Bill%20briefing%20-%20Survey%20Report.pdf>

Germany now consider international higher education as a major export market and are investing in international higher education.

26. To arrest the decline and increase the UK's market share in both STEM and non-STEM areas

- i. The Post-Work Study rules should be eased,
- ii. The impact of the extension of out-of-country interviews on the international student market and enrolments across all subjects should be highlighted,
- iii. Treasury should provide investment on the lines of the previous government's Prime Ministers' Initiatives and provide a new stream of time-limited funding to promote transnational partnerships,
- iv. If there is no change to government policy, the merits of including international students in the migration numbers should be subject to an early review following the 2015 general election.

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Accepted applicants

Overseas country	2008	2009	2010	2011	2012	2013	Change 2010-2013
China	6,120	6,509	8,321	7,568	7,273	7,320	-14%
Hong Kong	2,615	2,575	2,928	3,242	3,916	4,150	29%
France	2,703	3,194	2,696	2,576	2,286	2,270	-19%
Ireland	2,609	2,823	2,992	2,336	2,008	2,120	-41%
Malaysia	2,016	2,390	2,296	2,601	2,556	3,175	28%
Germany	2,276	2,415	2,402	2,330	1,851	1,695	-42%
Cyprus	2,305	2,610	2,554	2,888	2,350	2,465	-4%
India	1,674	1,843	1,802	1,601	1,447	1,595	-13%
Greece	1,652	1,527	1,608	1,818	1,562	1,625	1%
Nigeria	1,681	1,592	1,638	1,473	1,273	1,425	-15%
Total	456,627	481,854	487,329	492,030	464,910	495,595	2%

UCAS data tables for 2013 cycle

Enrolments from overseas students

All UK HEIs	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	Change 2010/11- 2012/13
China	47035	56990	67325	78715	83790	20%
India	34065	38500	39090	29900	22385	-75%
Nigeria	14380	16680	17585	17620	17395	-1%
United States	14345	15060	15555	16335	16235	4%
Malaysia	12695	14060	13900	14545	15015	7%
Hong Kong	9600	9945	10440	11335	13065	20%
Saudi Arabia	5205	8340	10270	9860	9440	-9%
Pakistan	9610	9815	10185	8820	7185	-42%
Canada	5350	5575	5905	6115	6190	5%
Thailand	4675	5505	5945	6235	6180	4%
All other	94355	100290	101915	103205	103100	1%
Total all UK HEIs	251310	280760	298110	302680	299970	1%

HESA SFR 197 (2014) Table 6 - Top ten non-EU countries of domicile in 2012/13 for student enrolments on HIM courses by location of HE institution and country of domicile 2008/09 to 2012/13