



# HOUSE OF LORDS

Revised transcript of evidence taken before  
**The Select Committee on Science and Technology**

Inquiry on

## **INTERNATIONAL STEM STUDENTS**

*Evidence Session No. 7*

*Heard in Public*

*Questions 82 - 94*

TUESDAY 18 MARCH 2014

11.45 am

Witnesses: Rt Hon Mr David Willetts MP and James Brokenshire MP

### USE OF THE TRANSCRIPT

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### Members present

Lord Willis of Knaresborough (Chairman)  
Lord Dixon-Smith  
Baroness Hilton of Eggardon  
Baroness Manningham-Buller  
Lord O'Neill of Clackmannan  
Lord Patel  
Baroness Perry of Southwark  
Lord Peston  
Lord Rees of Ludlow  
Earl of Selborne  
Baroness Sharp of Guildford  
Lord Wade of Chorlton

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### Examination of Witnesses

**Rt Hon David Willetts MP**, Minister of State for Universities and Science, Department for Business, Innovation and Skills (BIS), and **James Brokenshire MP**, Minister of State for Immigration and Security, Home Office

**Q82 The Chairman:** Good morning. I welcome our two Ministers to our final session of this inquiry into international STEM students. I apologise for the fact that our Chairman is in Australia at the moment drumming up business. I am standing in his stead as I chaired the earlier inquiry into this issue. I ask for the record that our two witnesses say who they are and what their responsibilities are, and then we will get straight down to business, if that is okay. If you want to make a statement, that is fine by the Committee, provided it is brief.

**Mr David Willetts:** I am David Willetts, Minister for Universities and Science, and I very much look forward to answering the Committee's questions.

**James Brokenshire:** I am James Brokenshire. I am the Minister for Immigration and Security, and I, too, look forward to the Committee's questions.

**The Chairman:** Thank you very much indeed. Could I start by asking a very basic question about how important you feel international STEM students are to UK universities, UK business and UK plc, and whether the Government send out to prospective international students the right messages about coming to the UK.

**Mr David Willetts:** Our STEM students from overseas are very important for our universities in several ways, partly because they are a source of revenue, and we should remember that to some extent what we are doing here is selling a service. I hope it is a high-quality service, but we are selling a service. In addition, having a mix of students at a university is one of the things that make it a stimulating and creative environment. There may be some disciplines at some points in time in which it is the overseas students who have kept the size up to ensure that a department is viable. There are lots of good things that overseas students, especially STEM students, bring to our universities. That is why, of course, they are very warmly

welcome here, provided that they are properly qualified to benefit from British higher education.

**James Brokenshire:** I agree with what David has said. Certainly we regard STEM students as improving the research capacity of our universities, adding to their intellectual and cultural vitality and providing the opportunity to establish long-term productive relationships. I am certainly clear on the need for us to continue to attract international STEM students to this country. They are welcome to come to the UK to study and to ensure that we have that enrichment within our academic institutions. I believe that our processes and procedures are focused on ensuring that that is achieved.

**The Chairman:** But Minister, if I may say so, there seems to be a contradiction between the position of the Home Office and the position of BIS. BIS seems to spend a lot of its time sending out a very welcome “Britain is open for business” message, while the hard line that is coming from the Home Office is about radically reducing the number of immigrants coming into the country, and tying students into that total argument seems to send out a very hostile message. How would you respond to that?

**James Brokenshire:** That is certainly not the approach that we take at the Home Office. You are right that our focus is on reducing net migration from unsustainable to sustainable levels, but it is important to note that there is no cap on student numbers. We have put caps in place in other categories, but we have not done that for students, and I have been underlining that message very clearly. And while students are captured within the UN definition of net migration, and it is the NAO that produces those numbers, a number of our competitor countries take that self-same approach. But I am mindful of underlining that clear message about wanting to attract legitimate students to study in this country. Yes of course we have had challenges in the form of bogus students and some of the abuses that we have seen, but when you look at the number of visa applications that we are now starting to see, you can see that the number to universities has gone up by around 7%. I think there is a challenge in getting that message out, and I am keen, side by side with BIS, to underline some of these core messages.

**The Chairman:** Let me just follow that up with you, David Willetts. Is the issue not simply about getting more students to come and maintaining numbers but about the quality of them? You have consistently argued that it is the quality of the students coming here that adds to our academic mix, rather than just the numbers. How are we getting that quality?

**Mr David Willetts:** In terms of the communication effort—and I completely agree with what James said about that—one of the messages that I give abroad is that our higher education is a high-quality brand and experience. Finding yourself in a seminar with students from overseas who do not have English at the standard necessary properly to participate in the discussion or to understand what is being said is unfair on the rest of the students, so we have a properly rigorous requirement for the level of English before they get on to the courses. The quality message can work to our advantage in the wider communication effort that James has rightly talked about.

**Q83 Earl of Selborne:** I would like to follow up the observation from Mr Brokenshire that there is a challenge in getting the message out. Clearly something has happened, because we have a Minister who has been flying the flag on behalf of universities, I think very convincingly. A lot of people recognise the brand that we have in the university sector in this

country, yet there are perceptions, particularly in Pakistan and India—we have heard this time and time again—that we are not welcoming, and that the hassle of getting a visa to this country, even though there is no cap, compares unfavourably with some of our competitors, the United States for example, which presumably face exactly the same issues as we do. Would you like to comment on this perception, and why you think it is difficult to get the message out?

**James Brokenshire:** It is important to state the performance standards that UK Visas and Immigration now sets out for how it processes visas. That was one reason why we split the old UK Border Agency into three component parts: so there could be that greater emphasis and focus on delivery. It is also interesting to note that, yes, we have seen a fall-off in the number of students coming from India to this country, but when we look at China we see an increase. When you examine the studies on what attracts and motivates Indian students, Britain certainly features very, very highly in that regard.

In my new role as Immigration Minister, I am very keen to look at new ways in which we can work collaboratively with BIS and indeed with the sector itself. Tomorrow I am attending an event here in Parliament, organised through the University of Sheffield. UK Visas and Immigration has been working with the university to produce videos to explain the process to attract Chinese students in this case, but I am quite sure that we can apply that to other countries as well, and I am very keen to look at ways in which we can support that proactively.

**Earl of Selborne:** Have you done an analysis as to why these perceptions have changed? What are the logistical issues that are apparently deterring a number of applications from certain areas, although not all? Do you think it would be worth while doing this analysis? Do you think that the Home Office has a responsibility to try to change these perceptions?

**James Brokenshire:** I do take this issue on board, and I take quite seriously the need to address the perceptions that I think are out there that are not reflective of the way in which our immigration system operates, and to make sure that we welcome legitimate students and recognise the benefits that accrue to our economy as a consequence of that.

In terms of the analysis that could be undertaken, I am very happy to work with the universities and the sector more generally to understand the feedback. I know from visits that David himself has undertaken that work is being done, and I am sure he would wish to comment on this point about the feedback and the role perhaps of agents and the press in certain countries in delivering a message that does not reflect our ambitions and our approach. There are number of different ways in which you can approach this: through students, institutions, and in country in relation to agents and the press that may be operating there. We have been successful in countries such as China in getting that message out. In a country like India, it has been more challenging in recent times.

**Mr David Willetts:** I would just add that I have been to India twice with the Prime Minister and in other ways. The Prime Minister took a group of vice-chancellors on his visit last year, and one of the main things that we tried to get across in media interviews that he, I and the vice-chancellors did was absolutely that Britain welcomes legitimate students. But I completely agree that in the Indian subcontinent especially more communication effort is clearly required on that.

**Earl of Selborne:** Just one last point. One of the points that have been made to us not just this morning but at other sessions is that we really need a slightly different mindset. At the moment the first impressions from the moment you google “visas UK” onwards seem to be less than user friendly. It is quite clear what the objectives of the immigration policy are, and they might be perfectly acceptable, but you have to put yourself into the mindset of a student who does not understand some of the intricacies of our regulations at the moment. They are simply not user friendly, from the point about where you collect your visa from to the point about how you fill in the forms and the number of times the forms are returned because they are incomplete. These are the sorts of issues—logistical and unnecessary—that we are told, rightly or wrongly, are some of the reasons why we are having difficulties.

**James Brokenshire:** That is why I support the initiative, which I have highlighted, between UK Visas and the University of Sheffield to produce a clear video on the process for applying for a visa to study in this country, and why I am sure there are broader applications of that type of simple information to make it clear to students what those processes are and how to apply through them, and that is something that I am keen to support.

**Q84 Baroness Perry of Southwark:** I want to come back to the numbers, Mr Brokenshire, because I think you have an inherent contradiction in what is happening with the numbers and what the aspirations are. On the one hand, there is a clear aspiration on the part of the Home Office to cut the overall numbers, in which overseas students are included. At the same time you have vice-chancellors, BIS and in some instances the Prime Minister himself, working their socks off around the world. Mr Willetts himself has taken tremendous steps on missions around the world to recruit more overseas students. Yes, we want high-quality ones, we want good ones, we want ones who can speak good English, although some of the ones who do not speak good English when they first arrive are nevertheless brilliant students who other countries are competing for. It is a highly competitive game. We have all agreed, and you yourself have agreed, that overseas students are good for the economy of the universities and good for the economy of the country, but they are also good for our diplomatic relations. When you have foreign students studying for three, four, five years in this country, they go back with very warm and good feelings towards this country for the rest of their lives. If we are really working hard to try to increase number of these overseas students, for all sorts of good reasons, how can you at the same time include them in the immigration figures which you are trying to cut? Are you getting to the point where you are going to have nothing but foreign students in your immigration figures, which would be pretty tough on the rest of the British economy? I do think there is a huge anomaly in the way in which the Home Office is talking about reducing the overall levels of immigration. In my view, overseas students are not immigrants; they are contributions to the British economy. If you are bound and determined, as you have to be, I think, because of the NAO collection of statistics and the inclusion of them in those statistics, could you not, at least in the way in which you describe your policies and ambitions, separate them out and say, “Yes, we want to increase the number of overseas students, but at the same time we are trying to control the number of non-students coming into the country.”? I do not know, but I would guess, that of the 212,000 net immigration figure last year, 60% were students, so you might have succeeded in cutting immigration that is non-student immigration while the rest, we hope, is increasing. Sorry, that is a long question, but I feel very strongly about it.

**The Chairman:** Could we have a brief answer?

**Baroness Perry of Southwark:** Not a brief answer, a proper answer.

**James Brokenshire:** I will do my best. It is important to recognise, regarding the controls that we have put in place on that migration, that there was significant abuse in the student sector. It needs to be recognised and understood—

**Baroness Perry of Southwark:** But you have dealt with that through the highly trusted sponsor status.

**James Brokenshire:** We have taken a number of steps to put in place the highly trusted sponsors, to tighten up the system, to put the language checks in place and to do some of the interviewing that we do. That is recognised and it is comparable with other international countries. In the way that I have described and will continue to describe, and I know that my predecessors did too, we talk about controlling migration to sustainable levels, but we are also very clear in underlining our continued focus on attracting the skilled, the talented, the brightest and the best. It is those two sides of the overall policy that we bring together. If you look at some of the continuing challenges in the student sector, it has been in further education—the private colleges rather than the university sector—where we have reduced the number by around 700 sponsors as a consequence of the changes that we have made. As you will have seen from the recent “Panorama” investigation, though, there are still abuses there, in English language and in other ways. We have changed the system but there is still organised crime and other abuses. We therefore still need to focus on the student sector.

I welcome the increase that we have seen in visa applications to universities. I am not making any judgment between different sectors in that broad sense, but that 7% increase at universities is positive. It is investment in our universities. I do not see the contradiction in saying, “Yes, we have controls on migration but we should also be able to attract skilled students who want to come here to study and benefit from the fantastic education that we’re able to offer”.

**Baroness Perry of Southwark:** Even when they boost the immigration numbers?

**James Brokenshire:** No, well, it is about controlling that migration to those sustainable levels, from the hundreds of thousands to the tens of thousands, and the sorts of long-term pressures that that brings with it. If students stay for a number of years, that in itself puts pressure on things like public services in the same way in which all of us would use those as well. That is why it is right to recognise this within the overall statistics, and we will continue to look at the ways in which we can bring net migration down to sustainable levels, given that historically before 1998 net migration had been at around 80,000 per year but since 1998 has been no fewer than 140,000. There is a real challenge that we have to meet here.

**The Chairman:** Every member of the Committee’s buzzer has lit up. You cannot see or hear them, but I can.

**Q85 Lord O'Neill of Clackmannan:** Mr Brokenshire, you have referred to abuse and used the expression “legitimate students”. Do you have any evidence that in the STEM sector there has been significant abuse and that there are significant numbers of illegitimate students? We are finding that the drop in numbers, certainly in some of the postgraduate courses, and particularly the drop in Indo-Pakistani numbers, means that courses could be put in jeopardy, as could the long-term financial stability of departments. Are you aware of that? Do you have evidence that would justify it in respect of abuse and the legitimacy of the

students who have come to this country over the past 10 years doing STEM subjects? Unless you do, frankly, your attempts to curb immigration numbers are having a deleterious effect on higher education.

**James Brokenshire:** I would point to the NAO report from 2009-10 that highlighted that up to 50,000 students may have come to work, not study—

**Lord O'Neill of Clackmannan:** Sorry, I am asking you specifically about STEM. That is what this inquiry is about. It is not about the great unwashed; it is about a particular group of very capable people who could be to the advantage of both the British economy and our higher education system. Do you have figures on STEM students?

**The Chairman:** That are current.

**James Brokenshire:** I do not have specific figures on STEM students, Lord O'Neill, but I would say that we have had to make the changes that we have to the student route. Again, I make the point about welcoming students to this country and to our universities. The steps that have been taken through our highly trusted sponsor status have significantly changed the whole picture, to the benefit of the education sector more broadly. That is why I support the changes that have been made, but equally I recognise the challenge that this Committee and others pose in ensuring that we telegraph a clear message externally, with BIS and others, on welcoming students to come and study STEM and other academic subjects at university.

**Lord O'Neill of Clackmannan:** Would you recognise that part of the problem with the Indian subcontinent is that English is the common language and that the press in both India and Pakistan takes a very close look at what is in the British press? If there are hysterical outbursts from the *Daily Mail*, the *Express* and other papers about problems regarding immigration, they are telegraphed across the whole of India and Pakistan. Alongside the difficulties of these applications and the like, that creates an image of the United Kingdom that is not conveyed by the British press in China or probably, for that matter, in Nigeria. We therefore need to be very careful about the loose language that is used and the manner in which this whole debate is conducted.

**James Brokenshire:** In our policies, we have given greater flexibility to universities, for example in relation to the secure English-language test. Universities have greater flexibility in satisfying the requirements, rather than the production of a specific certificate. We have therefore sought to differentiate between different sectors within the education sector. Our support for universities, giving them that greater flexibility, meets the points that you make. Yes, it is a challenge that we have in communicating that message clearly and effectively and getting across the underlying message of how we want to attract university students.

**Baroness Sharp of Guildford:** One of the items of evidence that we received indicated that both the number of changes and the uncertainty about what was happening have affected the perception abroad that it is difficult to get to the UK. Universities accept that there was abuse and that the highly trusted status and the language qualifications have cleaned, if you like, the situation. What we do not fully understand is why you have to keep turning the screw and making it tighter and tighter.

**James Brokenshire:** I suppose it comes to the point that I have already highlighted in this session. When we make changes to the system, others will seek to find other loopholes or look for other ways of exploiting the system that we have. The student route has historically—I am saying this in general terms rather than with reference to STEM—been

abused, and we know that there are those out there who will continue to look at new ways to take advantage. That is why, fairly, in my role I have to examine appropriately, with evidence, the question of whether further changes may be appropriate if agreed across government. Equally, I have a responsibility in ensuring that that is communicated effectively, and that we work with the universities and the sector more broadly to make our offer externally as strong as we can. That is why there is scope for us to join up and work together to be able to project that in that way.

**Q86 Baroness Hilton of Eggardon:** Can I pick up your point about abuses, most of which are related to dodgy colleges? They did not apply to respectable institutions or universities, so using that as an excuse is not valid. The point that I particularly wanted to make related to subjects. We are looking at STEM subjects. We are told that the shortfall from India and Pakistan has been particularly in engineering, and this country desperately needs engineers, but that the shortfall has been made up by students from China studying management studies, which is of no use to us whatever. That is an important change in the balance of the sorts of students that we are attracting, and it seems to be directly responsible for the discouraging media publicity that has been directed at the English-speaking countries like India and Pakistan. That seems to be one of the most serious effects of your immigration policies.

**James Brokenshire:** I wonder if I might challenge that thinking, on the basis that we have seen other countries around the globe experience reductions in the number of Indian students more generally. I have not seen the specifics on how that breaks down into engineering or the specific STEM subjects themselves. Arguments have been put forward about the strength of currencies and whether that has been a factor as well. There is work that we can and should do, and we will continue to do it, on the Indian subcontinent in challenging some of the myths that have been put about and some of the misrepresentations of what our immigration system does and does not do. I am very keen to ensure that we are playing our role in making that case very firmly and strongly.

**Q87 Baroness Manningham-Buller:** Mr Brokenshire, you mentioned a continuing look at immigration policy and said that you see it as part of your role to recommend changes where they are necessary. What systems does the Home Office have for monitoring the effect of changes that have happened, thus learning for the future not to make similar changes that are going to be potentially counterproductive, which is our concern? What evidence is routinely collected on the effect of immigration changes after they have occurred?

**James Brokenshire:** We continue to work with the education sector, through the Joint Education Taskforce, to share information and feedback on the impact of our policies. We will monitor, for example, the number of visa refusals—

**Baroness Manningham-Buller:** Sorry to interrupt but, just while you are on that point, could you give us an indication of what percentage of visas are refused? I am sorry; I know I am interrupting your answer to my wider question.

**James Brokenshire:** We do monitor this. For example, for the highly trusted status of a sponsor, that sponsor should have refusals at fewer than 20% to maintain that status.

**Baroness Manningham-Buller:** Roughly what percentage of refusals is the Home Office seeing at the moment?

**James Brokenshire:** I am not sure that I have those numbers specifically to hand.

**Baroness Manningham-Buller:** Could you let us have them?

**James Brokenshire:** I would be very happy to provide those data.

**Baroness Manningham-Buller:** Thank you. Sorry. I will let you go back to your answer.

**James Brokenshire:** I was trying to show what we do in monitoring that and why, for the assessment of sponsors, visa refusals are something that we analyse in order to ensure that the sponsors are doing their duties, and to see what more we may be able to do for institutions that are doing their job exceptionally well. That is something that we should continue to reflect on, along with whether the oversight regime remains appropriate in incentivising the positive steps that so many institutions have taken and the responsibility that they feel. It is that monitoring of refusals that we see. Obviously, the feedback that we get from the institutions themselves on their take-up rate is also part of the assessment that we continue to monitor on sponsors. The continuance in-course is another facet of the work on the sponsor regime. Constant assessments are being made, but it is not only about picking up on the specific data; what I am hearing from this Committee and from the sector more generally are some of the perception issues that are not necessarily grounded in hard data. That is why in working through the Joint Education Taskforce we have that as an important means of having that dialogue and feedback to inform our policy and that sense of co-regulation to meet the sector to understand the impact clearly.

**Baroness Manningham-Buller:** Obviously, the Committee is trying to differentiate between perception and reality. We have heard quite a lot of evidence that the practical reality for incoming students is in many cases pretty tricky.

**Mr David Willetts:** On this point, it might be helpful if I share some of the statistics with you. It is the case that in India we have had a significant decline in some STEM subjects. For 2008-09, computer science was down from 4,000 to 1,000 while engineering and technology was down from 4,000 to about 2,000. However, one of your Lordships said that on the Chinese side everyone was going into business administration. It is true that among Chinese students there has been a surge doing business studies, from 14,000 to 29,000. However, the number doing physical sciences is up: between 2008-09 and 2012-13 it went from 335 to 750. The number of Chinese students doing engineering and technology is up from 3,100 to 5,800, while computer science is up a bit, from 1,200 to 1,500. So the Chinese increase has not simply been in business studies; it has also been in some of the other areas that this Committee is focusing on.

**The Chairman:** This, to be fair, was a specific piece of evidence that we had from a university that said that it had had a drop in medical sciences, and in fact had filled places with business students. It was a specific example.

**Mr David Willetts:** Through your formidable experts you probably already have access to these statistics, but I am very happy to send a note clarifying them for the Committee if that would help.

**James Brokenshire:** On the refusal point, the overall number is 8.9% in aggregate. That covers all institutions, but I will see what further breakdown we can provide to inform the Committee.

**The Chairman:** It would help if we could have that by country of origin as well. That would be useful.

**James Brokenshire:** I will find out what we can provide to inform your considerations.

**Q88 Lord Patel:** My question has partly been answered because Mr Willetts jumped in there and gave us some figures. Otherwise I was going to ask if he, representing the government department responsible for universities, had any comment on the discussion earlier about Immigration Rule changes and so on.

**Mr David Willetts:** As I said earlier, first, we are talking about government policy, where there is a shared responsibility across Whitehall; “seamless” is exactly the right word for it. I fully understand that the Home Office has operational responsibility for enforcing the policies on visas and such like. Equally, though, you have heard from the Home Office, and we completely agree, that we want to send out the message that Britain welcomes suitably qualified students. We need to get that across vigorously and at every opportunity. The difference between what is happening in China and what is happening in India is a great source of frustration for us. We clearly need to get the message across in India. As James said correctly, I think there were issues like the value of the rupee relative to the pound. If you look at several overseas markets, there was some fall in the number of Indian students, so it did not just affect the UK, but we need to work wholeheartedly to welcome back some of those Indian students, especially in some of those STEM subjects where there has been a decline.

**The Chairman:** Lord Patel, are you happy with that?

**Lord Patel:** Well, I get the message. I do not think I will get any further.

**Q89 Lord Peston:** I want to make sure that I did not mishear what Mr Brokenshire said. Did you say right at the beginning that you are convinced it is right to include students in the immigration figures? You did say that in terms, did you not?

**James Brokenshire:** The National Audit Office uses the UN definition and it includes students within that. That is the measurement that we use for net migration.

**Lord Peston:** So I heard you right. If you look in your dictionary for the definition of “immigrants”, students would not fit into it, but I am not suggesting that you have to base policy on what is in the dictionary.

**James Brokenshire:** It is independent of the Home Office. The NAO produces—

**Lord Peston:** I just wanted to make sure that I had understood what you had said. Baroness Perry asked you about how the system works numerically. I would like to conduct a thought experiment. I found the decline in the numbers from the Indian subcontinent particularly disturbing, but let us assume that by some miracle those numbers went back up again. Would it not then follow that either numbers of other students would have to be cut down or numbers of non-students would have to be cut down? That is a matter of arithmetic. Does that not follow inevitably? You cannot wriggle out of it, as it were. You have a given number. If one part of it goes up, the rest has to go down, and the rest are either other students or non-students. With the Government be quite content with that?

**James Brokenshire:** As a consequence of the reform, we have seen overall student numbers—I am talking about everything here: universities, higher education and private

colleges—fall by around 34%. I suppose what I am saying is that we can look at the different parts of the education sector. Clearly our universities play a huge and important role. That is why I have made the statements that I have today: in order to underline our desire and focus to support students coming to study here at our universities. Of course there are different routes that you can take to come to this country, whether that is studying, through business or through family settlement, and indeed there is a differentiation between EU and non-EU migration, with the different challenges and levers that are available in respect of each of those routes. We seek to bring net migration down from unsustainable levels, as we would characterise it, to more sustainable levels so that is in the tens of thousands each year. I believe that you can establish the policy of reducing net migration to those levels while at the same time attracting the brightest and the talented through the university sector. I think that our policies are calibrated in the right way to achieve that, and I will continue to support activities in countries like India to see that we have legitimate students coming here to study at our universities.

**Lord Peston:** But I am still trying to clarify government policy. We are not discussing EU students at all, are we? We are discussing non-EU students.

**James Brokenshire:** I was merely characterising the overall approach in relation to the reduction in net migration.

**Lord Peston:** I understand that. All that I am trying to clarify—as I say, this is only a thought experiment, and I have no idea whether the situation will switch around and more Indians from the subcontinent will want to come here—is whether the Government would be perfectly happy, if more of them came in, for fewer of the others to be able to come in. That is the inevitable result of government policy. I am not arguing the merits here but trying to discover what it is.

**James Brokenshire:** That would be the overall balance in terms of how you would achieve the overall net migration number.

**Lord Peston:** The overall target, that is right. And you are happy to live with that?

**James Brokenshire:** Yes. As I said, I am happy to attract students to the universities sector as part of our focus on growth in the economy and our support to that.

**Lord Peston:** But they can come only if other students or non-students do not come.

**James Brokenshire:** I suppose there is equally the fact that as students leave as well, that would reduce our net migration in that way. It evens itself out over the cycle.

**Lord Peston:** They are going to leave anyway, but they do not leave the figures. Most of those students are not immigrants in the sense of coming here to stay; they are here to study.

**James Brokenshire:** If they come here to study—there is a separate debate on post-study, which I am sure we can come on to—and if at the end of their studies they leave, they net off and that reduces net migration. It is that overall cycle as well that can be factored into how the policy works—therefore, students coming to study but equally students having completed their studies at the end of that time.

**The Chairman:** I think that you have made the point and it has been responded to.

**Q90 Lord Rees of Ludlow:** Perhaps we have already moved towards the question of post-study. We have heard about the importance of overseas students for universities and what they can do for them and the good will that that generates for the country, but the fact is that we want some of them to stay on. We need to make easy for them to do so. We had evidence from Sir Andrew Witty, for instance, who was very concerned not only about the perception of the UK abroad as being unwelcoming but about the four-month limit on how long students can stay after master's degrees as a big impediment to recruiting and maintaining in the UK potentially outstanding students who he would want to stay. Is the Home Office aware of these concerns?

**James Brokenshire:** We have certainly seen the statements that have been made to this Committee about the four-month period. We continue to believe that four months is a reasonable period for someone to secure a postgraduate job. Indeed, most employers would be seeking to recruit someone during their study period. It is therefore a question of appropriate time periods to use. In establishing the policy we set upon four months, and that is the current policy approach. We continue to review and look at the feedback, but it is still perhaps looking in that granular way upon the evidence rather than on the assertion that four months is insufficient.

**Lord Rees of Ludlow:** Are you influenced by the general opinion that it seems to be insufficient and that people like Sir Andrew Witty feel that we are losing out through this restriction? It is not just about what happens, of course; again, it is about perception.

**James Brokenshire:** We still have yet to see the evidence for the assertion. We would need to understand clearly that there were job offers that were not being taken up, or indeed if there were other factors on pay rates or whatever the case may be. I would just say that I am not sure the question is quite as binary in that sense regarding the time period, and there will be other elements or factors in play here.

**Q91 Baroness Manningham-Buller:** My question relates to Lord Rees's, but, really, I am asking it the other way around. Have you seen evidence that four months is fine, and perfectly good enough for us to be able to attract into employment the best STEM students in the UK?

**James Brokenshire:** I have certainly not seen firm evidence that it is either harmful or making a contribution. I am trying to say that we have the tier 2 route that allows for this four-month period on graduate-level entry at a particular salary level. That is the system that is in place. I should just make this point clear: there is no cap at all on that entry route. Whereas in the tier 2 route there is a cap, there is no cap on this route into graduate-level employment. If I look at what the obstacles may be in preventing people from taking up that work, and whether it could be the four-month period, while I have heard some of the assertions, I have seen no evidence to suggest that that is borne out as a problem. If I look at the sponsorship side, because it is a question of getting a job with a tier 2 sponsor, I know that some people ask whether it is too difficult to become a sponsor and if that is an impediment. Again, when I look at the system that we have in operation, it costs around £500 to be a tier 2 sponsor, the application lasts for four years and filling in a form takes about 30 minutes. When I try to look objectively at the impediments or restrictions, given the settled policy, I am still not seeing the hard evidence to suggest that that is problematic in the way some are suggesting it might be. However, I remain open-minded to the evidence that may be presented.

**Baroness Manningham-Buller:** I am delighted to hear that you remain open-minded, as one of the Committee's concerns is what our competitors are doing. We are not the only country seeking high-class STEM students; many other countries are as well. If some of our main competitors give people a much longer period in which to find work, that alters the attraction, I suggest.

**James Brokenshire:** I suppose the challenge the other way that we were confronting when we came in was that we had extended periods of time when it was suggested that it would be that time period that would allow people to go into the graduate-level jobs. Actually, we saw students staying on for extended periods of time in low-skilled work, which, again, I do not think would meet your policy objectives in this Committee either. It was therefore for those reasons that we put restrictions in place around graduate-level entry. As I say, we will continue to reflect on the evidence that may be presented.

**The Chairman:** Could you look specifically at India? The evidence that we got was that not only were Indian students in particular self-funding in the traditional sense but that their parents and families were mortgaging themselves in order to send their young people to the UK. Without a real opportunity to work when they have graduated to be able to pay some of that back, they clearly will go elsewhere. Not all countries are the same in terms of the students who are coming; you mentioned the Chinese, who have quite a different culture in the way in which they support their students. I do not want an answer from you now, but would you look at that as part of this question?

**James Brokenshire:** If I might respond quickly to that, there is the issue of this being a student visa. Therefore, coming to study is the basis upon which the visa is granted. It is then at that second stage, on routes into employment, that it is right for us to look at the skilled and the talented and ensure that we are filling the skills gaps that are there. That is why the system is calibrated in that way. However, I recognise different countries and different routes to attract people to come to this country in the first place. There are differences in different countries. I hear the point that you make.

**Q92 Lord Patel:** I have a question about the international comparison that Baroness Manningham-Buller referred to. We have evidence that suggests that the United States, for instance, will give you a straight five-year visa. Australia has changed its regulations, so now you get another four-year visa. If we are going to compete for international students, particularly those who are keen to do post-study work after their courses, we are competing with these countries. What is the purpose in changing the regulation so that the period is four months, which seems a pretty short amount of time?

**James Brokenshire:** When we look at the figures going back to 2009 on the post-study work visa, we see around 38,000 students being given post-study work. Access to the labour market was given unconditionally at a time when we were obviously in a position of high unemployment and pressures on our domestic job market, so there is a balance between on the one side seeing students being able to continue into work through a post-study work route and at the same time ensuring that there is a proper focus on the skills and the higher-level entrant who we want to attract into this country, rather than seeing lower-skill jobs being filled by graduate students when that could be done by our own domestic market. Therefore, I think there are other broader policy issues at play. It is important that we have the routes through post-study, which is why we made the changes that we made, which give people that chance through the PhD route and through professional training and internships

following university. There is that mechanism as well. Therefore, those opportunities remain.

**The Chairman:** Mr Willetts, I am very conscious that apart from drinking lots of water—

**Mr David Willetts:** It is a very thirsty business sitting here.

**The Chairman:** If you do wish to make a comment, please feel free.

**Mr David Willetts:** I would emphasise that on the post-study work course, if they find a graduate-level job they are welcome to stay on, but these are all the points that we need to communicate.

**Lord Dixon-Smith:** Can I just ask a very simple question? We keep hearing about four months, and I am not quite sure what four months we are talking about. Does the four months commence when you might say that formal study and exams have ceased, or does it actually commence when the man receives his qualification—or not, as the case may be? From the point of view of an employer there is a fundamental difference, because employers will not start to consider people until they are certain that they are qualified? If the four months begins at the end of the course and it takes three months to get the results, it is actually very, very difficult for everybody.

**The Chairman:** David Willetts, that question is made for you.

**Mr David Willetts:** I would have to say that I think it starts at the end of the course, and that is to enable them to have time to take their degree and all that. It does start at the end of the course.

**Lord Dixon-Smith:** In that case, Lord Chairman, I can see why some of the employers we have listened to have a problem.

**The Chairman:** Lord O'Neill, is your question on a similar theme, before I come to Baroness Sharp?

**Q93 Lord O'Neill of Clackmannan:** Yes, it is, to an extent. Mr Brokenshire, you have continually referred to the fact that you have heard that these are assertions, and that you do not have evidence for them. This is our seventh session, and I think it is fair to say that in all preceding six sessions we have been inundated by assertions on this issue. Therefore when we come to make our report, are we going to be giving you an amalgamation of a series of assertions, or are we giving you a body of evidence that you might be able take seriously? If you and your office have read the material that we have received, on a cumulative basis I am not quite sure what more assertions you need for it to become evidence. Maybe it is just your use of the word “legitimate” and the fact that you put a pejorative tinge on it when it suits your purpose.

**James Brokenshire:** I will look fairly at the evidence that is produced by this Committee, and indeed at the recommendations, as you would rightly expect me to do for any Select Committee of this House. Obviously I have noted the comments made by a number of people who have given evidence to this Committee. I know that at least one person has suggested that it is not the Immigration Rules themselves that are the problem but the perception of them. I suppose one of the inherent challenges that perhaps all of us are grappling with here is the distinction between perception and reality, and if you made a change to the rules, would that still impact on the impression that may be there?

My immediate focus, as the new Minister in this role, is on going out and challenging those perceptions and to look at ways in which we can set the record straight and to explain precisely what our rules do and do not do. While obviously I will reflect on the evidence and the submissions that you have received and the report that you will no doubt make and the recommendations that you give. Certainly at this stage that is where I want to test and maintain my focus to see how we can puncture some of the bubbles that have been created around the system.

**Baroness Sharp of Guildford:** Can I suggest that one way in which you could puncture the bubble fairly effectively when you publish the statistics would be to publish separately the different streams that you have been talking about, so that instead of getting just the figure for net migration we know the numbers of students who are coming in relation to the total net migration figure? Similarly, as Lord Peston said, insofar as there is a secular growth in student numbers, we are going to see the net numbers of students within those figures increasing over time, and that would be a mark of success for our higher education sector.

**James Brokenshire:** I think I misspoke earlier on by referring to the NAO. It should be the ONS, the Office for National Statistics. The ONS data are quite comprehensive, and we are seeking to provide further detail on the different tiers of visa applications and how the contributions to net migration break down into different elements and what they actually look like, and I hope that that will assist and inform the debates and consideration of these elements.

**Mr David Willetts:** In terms of where the Government are on this and the Committee's concern, I think we can assure the Committee, first, that the Government are not going to bring in a cap on international students. Some of the argument for taking them out of the definition was that higher education institutions were worried that if the numbers of overseas students grew, a cap would be imposed on them. In the Government's document on international education, we say explicitly two very important things. First, we say that, "there is no cap on the number of students who can come to study in the UK and no intention to introduce one", and we explicitly recognise, as James was saying earlier, that as this is a growing market, even if we simply maintain market share there are going to be more international students. In fact, we say, "We believe it is realistic for numbers of international students in higher education to grow by 15-20% over the next five years". So we envisage a growth in the number of international students coming to Britain, and we are not going to impose any cap on that number as a result of the growth.

**Q94 The Chairman:** Before I leave this, can I just ask one thing? One reason why the Committee began this inquiry was because we recognised the huge importance of having more STEM graduates in our workforce, particularly in engineering and the physical sciences. Is there a case to be made, given the fact that we have seen at least flatlining and in some cases drops in some of the most strategic STEM subjects, for treating STEM as a separate group in your immigration policy, so that just as we do with our universities for strategic and vulnerable subjects we have separate categories for STEM subjects to encourage the brightest and the best to come here and to stay?

**James Brokenshire:** The Home Secretary has been very clear on seeking to simplify the immigration process rather than adding different layers of complexity to it, so I suppose innately starting from that policy standpoint and then segmenting it out would not fit the general approach that has been taken. Obviously extensions such as post-graduate

extensions for PhD students through the doctorate extension scheme have more relevance perhaps to some of the focus on STEM than they may do to other routes of work, so it is possible that there may be greater emphasis on our extension scheme that offers there.

I will continue to reflect on these issues carefully, given the importance of STEM, which I recognise, to our economy, but perhaps complicating the system may then get back into some of the perception issues, challenge issues and clear communication issues that I want to confront. Certainly I remain open and I will reflect carefully on this general issue of STEM and the importance to our economy.

**Mr David Willetts:** I will make two quick points. First, of course, at the moment the latest reliable figures that we have are for 2012-13, which for UK students was a peculiar year because we had a forestalling. We had an artificial surge in 2011-12 and an artificial dip in the number of students in 2012-13. This affected STEM like other disciplines, but it actually affected STEM rather less than other disciplines. The 2013-14 figures are unusually low, and I am going to live dangerously and say that if this Committee summons me when we have reliable figures for 2013-14, I would expect them to show the number of UK-domiciled STEM students going back up. That is the first point.

Secondly, of course we should be able to recruit people with engineering degrees into graduate employment, but there is another challenge for us in the UK to do better on. I cannot remember whether this is relevant to this Committee or other Committees, but when currently only 6% of your chartered engineers are female, there are also challenges for us domestically in doing better and meeting the needs for more STEM students.

**The Chairman:** That is a point that Baroness Perry raised with our academics earlier. Baroness Perry, will you forgive me if I do not come back to you on that point?

**Baroness Perry of Southwark:** I think we have covered that question.

**The Chairman:** On that note, could I thank both our Ministers very much indeed for giving us your evidence this morning and entering into a really good dialogue with the Committee? Thank you both very much indeed.