

## **Government – Written evidence**

*This memorandum has been prepared by:  
Home Office; and  
Department for Business, Innovation and Skills (BIS).*

### **Introduction**

1. The Government welcomes the opportunity to provide evidence into the Committee's inquiry into International Science, Technology, Engineering and Mathematics students following the report of July 2012 into Higher Education in STEM subjects.
2. As part of this, it is helpful to provide the context over why it was originally necessary to make changes to the immigration policy on international students. Under the system this Government inherited there was evidence of that system being abused. An example of the scale of the problem is the findings of the National Audit Office who reported that up to 50,000 international students (for the purposes of this submission when we refer to international students, we mean non-EU students) may have come to work, not study, in 2009/10. To put this into context, this is nearly a quarter of the students who came to the UK in 2009/10.
3. Home Office research from 2010 found that 26% of international students at private colleges were potentially non-compliant with immigration control, compared with up to 2% of those at universities.
4. That is why the system needed reform and we believe that the Government has struck the balance between having a visa regime that is effective in eliminating abuse and one that works for legitimate students. Striking that balance does, however, mean some necessary tightening up on some areas of the system and this is what we have done since the new system was introduced in 2010.
5. Through a number of reforms to our student visa system, we have cut abuse whilst ensuring that we continue to attract talented international students. These changes to the system were entirely necessary to eliminate non-genuine students coming here and to remove those providers who were not offering genuine and high quality education. We believe that these changes have also helped protect the reputation of the UK's education sector by removing non-genuine providers from the system.
6. However these changes were explicitly designed to protect the attractiveness of our world-class universities to international students, including benefiting students and researchers in STEM subjects. We believe the current student visa offer is a good one. Those with the right qualifications, sufficient funds to cover their fees and maintenance costs and a good level of English are welcomed to the UK to study.
7. As we set out in the coalition mid-term report, there is no limit on the number of genuine students who can come and study in the UK and we have no intention to introduce one.

8. On top of this, we deliberately ensured that the system awards universities a number of privileges. They have flexibility on language testing, and their students are able to work part time during term-time, and full time in the holidays. We allow post-graduates on longer courses to bring dependants, and PhD students and those studying the following STEM subjects: architecture; medicine; dentistry; veterinary medicine and science are exempted from the time limit on study.
9. However, we recognise that we must keep our system under review in order to make sure that our offer to international students stacks up against the offer that our competitors are making to potential students,

**How have the numbers and demographics of international STEM students in the UK changed since the introduction of policy reforms on immigration in this Parliament?**

10. BIS officials provided the committee with a number of tables during the oral evidence session on Tuesday 4<sup>th</sup> February which set out the percentage changes in numbers of students by subject over the last few years. BIS analysts also committed to providing additional tables broken down by country, which have been sent separately to the Committee.
11. The international student market is highly competitive, with increasing numbers of countries involved. A number of misleading claims have been made and publicised about UK policy changes, not least by our competitors. However, the evidence over the last two years of the overall increase in applications to universities from international students demonstrates that the UK remains attractive to international students, including STEM students.
12. Nevertheless, while the Higher Education Statistics Agency (HESA) statistics for 2011/12 showed there was an increase of 3% in the number of international student entrants studying a non-STEM subject, it did also show a fall of 8% in the total number of international student entrants studying a STEM subject.
13. Most recently, the latest Higher Education Statistics Agency (HESA) statistics for the academic year 2012/13, published on 16 January 2014, shows there was a further slight fall (-2%) in the total number of international student entrants studying a STEM subject.
14. Nevertheless, we believe that the overall increase in international students suggests this is not intrinsically linked to changes in immigration policy, but one of the changing profile of students coming to the UK. Over the last two years there has been a fall in Indian students, who historically are more likely to study STEM subjects, coming to the UK.
15. Most recently, the figures show that the number of first year Indian STEM students has fallen 28%, but we believe that this should be considered in the context of the dramatic increases we previously experienced. There are also other factors to be considered outside of immigration policy, such as the decline in the strength of the rupee. The

Indian student market has been quite volatile for a number of years, for example, in one year between 2008 and 2009 the number of Indian students admitted to the UK doubled from 30,800 to 61,200. There were also decreases in numbers of Indian students going to the USA and Australia (2010/11 to 2012/13).

16. By contrast the UK has seen strong growth from students from other countries studying STEM subjects, with China rising from 11,655 to 12,430 (+7%), Malaysia from 3,625 to 3,650 (+1%) and Hong Kong from 1,740 to 2,095 (+20%). Alongside this a more detailed breakdown of the 2012/13 figures shows that there is a more complicated picture on figures, undergraduate entrants fell by 4%, taught postgraduate entrants fell by 3% but the number of research postgraduate entrants increased by 6%.
17. All this would suggest that the fall in international STEM students is not driven simply by changes in the immigration policy. The government considers that any impact of the visa regime on the UK's attractiveness to international students has been marginal, and overall nothing like as significant as some of the more alarmist predictions had feared.
18. We do accept that there is more still to be done, particularly in countries such as India, to tackle misperceptions that the UK is unwelcoming of international students, and to reinforce the message that the UK remains open and welcoming to those who want to come here to study and who meet the rules. As set out below, work is under way to address this.

**What is the evidence currently available of an adverse effect of the changes to immigration rules on prospective international STEM students choosing to study in the UK?**

**Which UK immigration policies are affecting international STEM students and what issues are they causing?**

19. We do not believe that the evidence shows an adverse impact from changes to the immigration rules. However we do believe that the largest impact on international students, STEM or otherwise, has come not from any actual policies, but from the way these policies have been misrepresented. Policies intended to reduce fraud and illegal migration, which are aims that we believe have wide support nationally and internationally, have been described in terms that suggest the UK no longer welcomes legitimate international students, and wants to limit their numbers.
20. Despite this there is evidence that the brightest and best students are still applying in numbers. The most recent Home Office statistics, published on 27 February, show that UK universities remain extremely attractive to international students with the number of visa applications from students sponsored by universities rising by 7% in 2013 and for students sponsored by the Russell Group of universities this rose by 11%.
21. In addition the latest HESA statistics show that in 2012/13 the number of international students at our universities has remained steady, with a slight overall drop of 1%, but

which again should be considered in light of factors outside immigration policy – for example the number of EU students has also fallen by 5%.

22. These figures show that there is nothing intrinsic in the immigration policy that is putting off high quality international STEM students choosing to study in the UK. The UK remains extremely attractive to international students, matching or outperforming all our major competitors aside from the US, but we are not complacent. We are determined to tackle any misunderstanding or misrepresentations of our immigration policy, and have a programme of work under way which is covered in more detail below.

**What impact might the provisions in the Immigration Bill currently before Parliament have on international STEM students?**

23. The Bill contains measures to reform the removals and appeals system, making it easier and quicker to remove those with no right to be here; end the abuse of Article 8 – the right to respect for private and family life; and prevent illegal immigrants accessing public services or renting property. This will make the UK's removals and appeals processes simpler and more effective.
24. We have been careful to ensure that measures in the Bill regulating migrants' access to services do not disproportionately affect students. The Bill, as drafted, excludes student halls of residence from the requirement for private landlords to check their tenants' immigration status. We will use secondary legislation to set a lower rate for student temporary migrants of £150 per year for the new immigration health surcharge and will also apply this lower rate to their dependants.
25. We believe this is extremely competitive compared to what students have to pay for private medical insurance in competitor nations, such as the USA and Australia. We do not believe these measures will have any adverse impact on genuine international students studying STEM subjects at our universities.

**How are the impacts of immigration policies on STEM students monitored, both by organisations and nationally? Is there sufficient collection and analysis of data to enable links between cause and effect to be understood?**

26. We regularly review the impact of our policies through monitoring the available data and frequent meetings with key stakeholders and partners.
27. The Home Office publishes quarterly data on visa statistics which includes student visas. This covers the whole of Tier 4 and has been improved to now give information on university sponsored applications which increased by 7% in 2013. The statistical agency HESA collects and publishes data on the Higher Education Sector to meet the needs of policy makers and the sector, including data about the number of non-EEA students at UK Higher Education Institutions (HEIs), by level of course, subject matter and by institution.

28. Alongside officials meet with representatives of the university sector on a regular basis and there are a number of fora established for government and the international education sector to work together on issues. This includes the Joint Education Taskforce, and regular meetings with the HE sector and others on a new 'co-regulation' approach. We do not believe that our necessary immigration reforms, when properly understood and communicated, are damaging to the attractiveness of our world class universities to legitimate international students or international STEM students in particular.

**Do reforms to immigration policy since 2010 limit the competitiveness of UK higher education institutions in attracting international STEM students?**

29. The UK remains extremely attractive to international students and international STEM students. A comparison of higher education statistics with those of other countries shows that the UK continues to attract a good share of the international market. It remains, by some way ahead of other countries, the second most popular destination in the world for university study, behind the USA.

30. The UK also remains extremely attractive to key markets. For example, between 2010/11 and 2012/13 the number of Chinese students at UK higher education institutions increased by 24.5%, compared to a 1% increase in Australia. Whilst the number of Indian students at UK higher education institutions fell by 43%, Australia also experienced a similar decrease (42%).

31. It is true there was a slight drop in international students coming to the UK from 2010/11 to 2012/13, though student numbers in Australia and France have also fallen at a similar rate over the same period. Canada has recently experienced relatively strong growth, but this must be placed in the context that it attracted only a third of the number of international students who came to the UK in 2012/13.

32. It has been reported that in December, the British Council published a survey of more than 10,000 young people across India. This can be found at <http://www.britishcouncil.org/organisation/press/young-indians-continue-favour-uk-universities>. For most Indians, high quality courses and institutions remained by far the greatest pull factor for the students when choosing whether to study at home or abroad. The UK was the most favoured destination, chosen by 21% of respondents. Young Indians put British universities first for taught postgraduate courses. The UK was also top, with the United States, as a quality destination for research doctorates and undergraduate degrees.

**Do higher education institutions and the Government have effective mechanisms in place for communicating the rules arising from immigration policy to prospective international students?**

33. The Government has taken every opportunity to communicate the message that the UK is open for genuine international students and there is no cap. The Prime Minister has promoted this message during a number of overseas visits. However, we would agree

that more work needs to be done on this, given that the offer has been misrepresented, and therefore misunderstood, not least by competitors who wish to attract students away from the UK.

34. The British Council is a key partner in delivery of the UK's International Education Strategy and their global network and online resources are some of the main ways the UK provides information about all aspects of study in the UK, including the rules arising from immigration policy. Through their global network, the British Council runs education exhibitions to help recruit international students to the UK and raise brand awareness. The exhibitions use the 'Education is GREAT' campaign material to highlight the breadth of the UK's offer. The British Council works with the majority of UK universities and a growing number of further education colleges and schools to run over 120 education exhibitions, in more than 50 countries annually, attracting over 250,000 visitors a year. As part of the education exhibitions, the UKVI run visa seminars to help prospective students through the visa application process.
35. The Education is GREAT campaign is used to promote the UK's offer. Under the Education is GREAT campaign, the British Council has run seminars for education agents and outreach events in tier 2 cities across India, where the UK's visa application process is explained. The outreach events include seminars at higher education institutions (HEIs) and colleges for prospective students and networking events for teachers, officials and education agents, to promote the UK as a destination for study.
36. As highlighted in our International Education Strategy, the Education UK website has been refreshed. It will be easier for students to search for courses, institutions and scholarships and to find reputable agents in their own country. This online resource, managed by the British Council, receives over 2.2 million visitors each year and provides practical advice to prospective students, covering issues such as pre-departure briefings, visas, scholarships, accommodation, travel and other areas of concerns. The British Council manage the EuraxessUK website, on behalf of BIS, which provides information to international researchers wanting to come to the UK, including funding and visas ([www.euraxess.org.uk](http://www.euraxess.org.uk)).
37. UK universities make information on immigration available on their websites, through emailing prospective students and via social media. The majority of HEIs have specialist advisory services aimed at international students to provide support and guidance before and after students arrive to study in the UK. In 2012, the Quality Assurance Agency published guidance on international students studying in the UK (<http://www.qaa.ac.uk/publications/informationandguidance/documents/international-students.pdf>). This guidance, which is accepted as good practice, assists UK higher education providers in managing international students' experiences.
38. As autonomous bodies, UK HEIs will have their own mechanisms in place to promote and communicate the UK's offer, including the visa application process. For example, Sheffield University created the film 'Applying to Study in the UK, Two Real Stories', with input from the Home Office, which portrays positive experiences of the visa application process to encourage Indian students to study in the UK,

(<http://www.weareinternational.org.uk>). This video appears on the Home Office website and the British Council regularly use the film at their education exhibitions and is making the film available to education agents in India. It was shown at the British Council's November 2013 education exhibitions (in Mumbai, Bengaluru, Kolkata and New Delhi) and the February 2014 exhibitions (in Chennai, Hyderabad, Pune and New Delhi).

39. Universities UK (UUK) works on behalf of higher education providers and has been trying to overcome negative messages via a series of press conferences to the foreign media. Over the past two and a half years, there have been five such conferences and UUK has invited London-based correspondents from a wide range of media outlets and countries via the Foreign Press Association and Press Trust of India. UUK has used these press briefings to communicate that the UK remains open for business, that there are still post-study work opportunities and that the UK higher education system remains one of the best in the world.
40. Alongside this we have sought to improve the customer experience. In 2013 UK Visas and Immigration (UKVI) was established with the rationale to create an organisation with a culture of customer service and since then has looked at the messaging and the information provided to potential students. UKVI are working closely with the education sector to encourage genuine international students to study in the UK by communicating more effectively, sharing messaging with partners, contributing to their partners' newsletters and agreeing the accuracy of their materials. UKVI are also actively looking at and responding to customer feedback to improve the service provided, for example, launching new customer service standards for in country applications.
41. UK VI has also worked closely with the Foreign and Commonwealth Office, the Department for Business Innovation and Skills, UK Trade and Industry, the British Council, universities and sector organisations to promote the UK as an attractive destination for prospective international students, for example improving online applications through gov.uk and working with the University of Sheffield to produce a series of video clips in China and India to show the visa application process.
42. UKVI works closely with the Joint Education Taskforce to communicate upcoming changes to the Immigration Rules that can be communicated to their members. Information is also provided to the sector through targeted partner mailings and UKVI will ensure that the information for students on the website is up to date and transparent.
43. Despite all these steps we will keep this issue under review to consider if there is more we can do to communicate to prospective international students about the attractiveness of the UK as a place to study, including challenging myths about our immigration policy.

**Are international STEM graduates finding it difficult to pursue employment in the UK after completing their studies at higher education institutions?**

44. Despite some of the myths, the UK remains open to international STEM graduates who wish to stay and work in the UK. Any graduate who obtains a graduate level job with a sponsor company who has a Tier 2 licence and who secures a job paying £20,300 per year or more can stay by transferring to a Tier 2 work visa. There is no limit on the number of these places, and they are exempt from the cap on economic migrants. It is also easy for businesses to become a Tier 2 sponsor if they are not already – they can apply online in 30 minutes. We do recognise, however, the importance of highly skilled, highly trained international graduates to STEM employers and we are in conversation with businesses from those sectors on how we might improve the system further.
45. In April 2012 we also introduced the Graduate Entrepreneur scheme, the first in the world of its kind, so that graduates who wish to stay to develop a business idea can do so. In April 2013 we provided further flexibility for talented graduates to stay and work, introducing the Doctorate Extension Scheme to allow completing PhD students to stay in the UK for an additional year to work, gain experience in their chosen field or set up as an entrepreneur, again with no limit on numbers. There is also provision for graduates who wish to undertake a period of professional training relating to their degree, before pursuing a career overseas, to do this by switching into an appropriate Tier 5 scheme, where there is no salary requirement (other than the national minimum wage).
46. In addition to enabling international students to remain in the UK after their studies the immigration reforms have explicitly taken account of the needs of scientists and researchers. The Exceptional Talent route introduced in 2011 caters for world leaders, and those with exceptional promise, in science, engineering, humanities and the arts. Exceptional scientists wishing to come to the UK need to obtain an endorsement from one of the Competent Bodies, which include the Royal Society and the Royal Academy of Engineering. Once here, the terms of the visa are generous: holders are not tied to a specific employer, have no specific salary requirements and they can qualify for settlement after five years. From April, the route will be expanded to include technology experts, with the Tech City UK coming on board as a new Competent Body.

**Are immigration policies and rules jeopardising the provision of particular STEM Taught masters or other postgraduate courses at your institution?**

**Do you consider the sustainability of the current business model at your, or all, UK higher education institutions at risk from falling international student numbers?**

The two questions above do not require a Government response.

*11 March 2014*