

## **Russell Group immigration event: note of discussion** **10 March 2015**

On Tuesday, 10 March, the Russell Group held a lunch discussion on the issue of international students and staff, and the impact of recent changes to immigration policy on our universities and the UK as a whole.

The event included a panel discussion with: The Lord Bilimoria, Chancellor, University of Birmingham; Professor Sir David Eastwood, Vice-Chancellor, University of Birmingham; and Professor Michael Keith, Director, Centre on Migration, Policy and Society, University of Oxford. The discussion was chaired by Lord Hannay of Chiswick.

The following key points arose from the discussions (see **Annex A** for a full note of the meeting):

- International students and staff make **a significant economic, social and cultural contribution to the UK**. Internationalisation brings a range of academic and other benefits to our universities.
- **The UK risks losing our competitive advantage** in attracting international students as a result of recent changes to immigration policy, and there is evidence that our competitors overseas are already using this to their advantage. A **more risk-based approach to regulation and compliance** should be introduced.
- The Government should have an **ambitious target to increase both the number of international students coming to the UK and the UK's share of the international higher education market**, developing and implementing a coherent policy that would ensure this can be achieved. Growing our market share represents a significant opportunity to grow export earnings.
- A number of policy changes were recommended by panellists and others to enable the UK's leading universities to continue to attract the best international students and staff. These include:
  - **International students should be removed from the net migration target**
  - The UK should introduce a **more attractive post-study work offer**, starting with improvements for Masters students
  - In order to enable talented international graduates to enter the UK labour market and fill skills gaps, there is a need to consider **how Tier 2 could be made more user-friendly**, and how to **improve additional routes such as the Doctorate Extension Scheme and the Tier 1 Graduate Entrepreneur route**

- In order to facilitate the recruitment of world-leading international researchers and academics into our universities, **the Tier 1 Exceptional Talent route should be amended** to make it easier to use and more attractive, for example **so universities can endorse individuals directly**
- There is a need for more reliable data on migrants entering and leaving the UK in order to inform debates on immigration.
- The issue of immigration and international students is a matter of great public interest, particularly in the run-up to the General Election. Our universities are engaging in debate and discussions with local MPs and others on the topic, and it is important to ensure the voices of universities are heard.

March 2015

## Annex A - Full note of meeting

### Opening remarks

**Lord Bilimoria** opened the event by explaining his **personal connection** with the topic, as a former international student himself from India. He quoted a headline in the Indian Economic Times yesterday (9 March 2015) on Indian students being deterred from studying in the UK and referenced a letter published in the FT signed by him and other peers and CEOs on the importance of international students to the UK's economy.

**Dr Wendy Piatt** emphasised the hugely **important contribution** international students at Russell Group universities make not just to the UK **economy** (£4bn per year) but also to **society**. Dr Piatt stressed the importance of attracting the very best staff and students to UK universities. At Russell Group universities, over 30% of staff were from outside the UK.

**Lord Hannay** noted that the timing of this discussion was good and necessary as immigration will be a **hot topic in the run up to the election**. He explained that the way in which immigration affects HE has come into sharper focus in the last few years. However, he criticised how many political parties have **allowed the issue of international students to be mixed up with the wider immigration policy debate** in a very damaging way.

He stressed that it was not just a question of migration statistics, but the application of immigration policy to students that is important. He did not consider international students to be economic migrants, but noted that they come to the UK with money to spend here.

Lord Hannay referenced the latest HESA stats on international student numbers, comparing the Russell Group to other UK universities. Although there has been small growth in numbers at Russell Group universities (more so than at other institutions), these increases are still less than those seen in Australia, Canada and the US so **the overseas market is growing faster than in the UK and we are losing market share** in a very buoyant market. He referenced in particular the decline in Indian and Pakistani students coming to the UK and said that **UK universities' increasing dependence on China was precarious**.

Finally, Lord Hannay concluded by saying that there are not many sectors where the **UK is a world leader**. However, we are **second only to the US** in providing HE to overseas students. He saw the issue as a **matter of great public interest** and said he hoped the voices of universities would be heard in the coming weeks in order to achieve a policy regarding international students that would be much less damaging than the current position.

**Professor Sir David Eastwood** referenced an Ipsos MORI poll in 2012 in which HE was identified as one of the most successful UK export industries. This shows **the public understands that HE is critically important** both culturally and economically and that international HE needs to be separated from the wider immigration debate.

Drawing on a recent visit to Delhi, Sir David highlighted three impressions he took away from the visit:

1. That goodwill and affection for the UK still persists
2. There is puzzlement about UK immigration policy and the way it is landing in India
3. There is difficulty in moving the debate on.

He explained that **Birmingham admits ten times the number of Chinese students than Indian students** and suggested that this imbalance is not right. He recognised the size of the task ahead, especially when others such as Australia are able to benefit (and indeed do benefit) from the perception that the UK is closed.

Going into the next Election with a policy which would **increase export earnings by £5bn** should be a winner and, with the right supporting environment, he thought that UK

universities could increase export earnings from £10.7bn to £15bn by 2020. However, Sir David thought it **perverse that such a high performance sector is constrained** to such an extent by current legislation.

Sir David explained **universities are intrinsically international** and that the global environment is reflected on campus – at Birmingham, 20% of the student body is international and this is enriching for UK students. There is also a high proportion of the academic faculty from overseas and Sir David noted there is an international pool for the best talent that is highly competitive. He also noted that the international environment is highly sensitive: it is **not just the reality that matters but the perception that the system is unstable and subject to increasing constraints**.

Sir David outlined four key asks:

1. Increase the **post study work** period to at **least 9 months**
2. Broaden the **Doctorate Extension Scheme** to include **Masters** students
3. Remove international students from the **net migration targets**
4. **Amend the Tier 1 Exceptional Talent route** so that it is easier to use and more attractive for universities

He stressed that any new system must be **risk based**.

**Professor Michael Keith** highlighted the fact that migration is one of the top public concerns and will therefore remain high on the political agenda. He referenced a paper written by the Migration Observatory in Oxford several years ago in which it was suggested that the only way the Government's target to reduce net migration to the tens of thousands could be realised would be an unintended crackdown on student numbers, and in effect, this had been the outcome.<sup>1</sup>

He questioned the **extent to which public policy should be focused on creating an 'optimal' population level** – the number of children we have and the number of people leaving the UK are beyond the realms of public policy. He cited some figures on the number of international students granted visas in recent years; however, he noted that the inability to count who comes into the country and who leaves is deeply problematic.

Professor Keith noted that **836 colleges have lost their licences to sponsor international students** in the last few years.

Building on his earlier remark about migration being a top public concern, he explained that the public perception of what a migrant is differs and in many cases people do not include students or highly skilled workers in the definition of migrants. Nevertheless, there is **strong public opposition to the scale of migration in the UK** regardless of the category of migrant. This public context must be considered.

He said the economic benefits of international students and the scale of the potential they have is very important. But **we cannot assume the UK's comparative advantage will be sustained in the future**.

Professor Keith noted the downturn in international student numbers related to reducing post-study work options and said that there is a challenge for us to think about what happens to students after studying and paying for a university education in the UK.

He **distinguished between the need to remove international students from the net migration target and the reclassification of international students as short-term, as**

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<sup>1</sup> [http://www.migrationobservatory.ox.ac.uk/sites/files/migobs/Commentary-off%20target\\_0.pdf](http://www.migrationobservatory.ox.ac.uk/sites/files/migobs/Commentary-off%20target_0.pdf)

**opposed to long-term, migrants.** Caution should be exercised when advocating the removal of students from measures of long-term migration altogether.

**Lord Bilimoria** told of the difficulties his family had in getting the money for him to study in the UK, but said he would not have achieved what he has done in his career without a British education. He cited figures that show the UK spends less than half the proportion of our GDP on HE than the US does. He also highlighted the number of **Nobel prize winners** at UK universities (especially Cambridge), noting that **more than 20% of them were born overseas**. Of all patents at the top ten patent-registering universities in the US, 76% were taken out by immigrants.

Lord Bilimoria criticised the policy decisions which the Home Office has made as damaging to UK higher education exports. Although the Prime Minister has said that the UK is in a global race, it is France that wants to double the number of Indian students in its institutions and Australia that has benefited by a UK policy that has driven Indian students there. **He suggested that the UK should set ambitious targets to increase international student numbers.**

He talked about the 'hoops' that international students are made to jump through to stay on after their courses and referred to failed Home Office policies and proposals, such as the £3,000 bond and billboards telling illegal immigrants to go home, both of which had been abandoned. He said that as a result of policies such as these **51% of international students feel the UK is unwelcoming**. Although George Osborne countered Theresa May's proposal to send students home immediately after completing their studies, the story still made headlines in India.

According to UUK research, 75% of the public thinks that international students should be allowed to stay in the UK. Lord Bilimoria called for the **introduction of exit checks** to track who is staying in the country and who is leaving and **the removal of international students from the net migration target**. Soon there will be a million Chinese students who had been educated in the UK, which Lord Bilimoria described as 'wonderful'. He concluded that **UK universities are the jewel in the crown of UK soft power**.

### Q&A session

**Baroness Blackstone** said she agreed we need new targets to maintain our share of the international high education market rather than simply maintain the number of international students coming to the UK. She suggested introducing a **Prime Minister's Initiative for International Education Mark III (PMI3) in order to maintain our market share** and warned against complacency.

Baroness Blackstone welcomed the Russell Group initiative in organising this event, but thought UUK should do more. Most other universities also comply with the rules and the problems really lie with small for-profit colleges that are not regulated.

In light of what other countries are doing, Baroness Blackstone thought the **Government needs reminding that the UK is out of kilter on this issue**.

**Paul Blomfield MP** reminded the panel and audience that both **Labour** and the **Liberal Democrats** are **committed to removing international students from the net migration target** and that this was supported by an increasing number of Conservative backbenchers as well.

He stressed the need to talk about the policy initiatives that should follow on from removing international students from the net migration target and referred to four recommendations set out in the APPG on Migration's recent [report](#):

1. Re-open a new immigration route to **allow students to stay for 12 months** (giving opportunities to move to Tier 1 and Tier 2 visas)

2. Regarding **Tier 2** visas: listen to employers on the **complexity of licences**, especially for SMEs. There are also **regional and sectoral differences** that are not taken into account in a one-size-fits-all cap (e.g. the level of graduate starting salaries varies significantly across the UK)
3. Consideration should be given to improving additional routes for post study work in the UK, reviewing three visa types in particular: the Tier 1 Graduate Entrepreneur route; the Doctorate Extension Scheme; and Tier 5 (Government Authorised Exchange)
4. The Government should do an **in-depth independent review** on this issue, focusing in particular on the impact on the UK's market share.

**Lord Giddens** emphasised the real **difficulty in repairing reputational damage** [resulting from our immigration policies]. He said we need to have much more **proactive, coordinated and powerful means to rebuild the reputation of the UK abroad**. He hoped universities would come forward with positive new proposals. There was now an opportunity **for universities to put forward their case**.

He urged universities to think about all possible political outcomes, in particular the possibility that there may not be a migration target after the General Election. He stressed the need to be **proactive**.

Lord Giddens described **migration as a two-way street** and said we can't afford to lose talented UK students as well, especially now that UK fees policy has increased competition with international universities, especially the US.

**Professor Sir David Eastwood** agreed with Baroness Blackstone's suggestions that a **PMI3 would be very helpful** and said we need a coherent, consistent and positive statement to increase international student numbers. He recognised the **challenge for universities in the post-General Election environment** and noted that nobody wants the debate to continue in the same way as it is now after May.

**Lord Bilimoria** identified four key actions he thought should be implemented:

1. **Take international students out of the net migration target**
2. Bring back **the 2 year post-study work visa**
3. Introduce a **target to increase international student numbers**
4. **Encourage foreign graduate entrepreneurs** (he cited a stat which showed that 50% of international students want to set up a business, but only 14% want to do so in the UK)

He described how there is an attitude that the UK is a 'has-been' and questioned how we could compete with the US when places like Harvard receive \$35bn endowments. Given that we do so well 'with our hands tied behind our backs' he said there is so much more we could achieve.

**Professor Michael Keith** said **students are just one piece of a bigger picture** so it was not possible to take students out of long-term migration figures, although they can be removed from net migration targets.

**Lord Hannay** clarified that the **US does not treat international students as economic migrants in public policy terms**, which **Michael Keith** agreed with. It was also noted that migration was a two-way process: a few years ago the brain drain from the UK was a real problem and it could become an issue again.

**David Hanson MP, Shadow Immigration Minister**, reiterated **Labour's commitment to remove international students from the net migration target**. He suggested we need **more proactive targets** for particular skills and **supported entry and exit checks**.

He said that **BIS and the Home Office operate in silos** with different objectives and limited communication between them. He said he had been working with Liam Byrne to think about how to address this: there was a need for a forward-looking strategy that deals with all the issues as a Government (i.e. not as individual departments).

Mr Hanson urged **universities to make representation locally to MPs on the issues that affect them**, recognising that the election is fought on a constituency by constituency basis.

**Baroness Afshar** described some of the problems she had encountered as a foreign academic in the UK, compared to family members in the US and France. She said that certain countries in the UK are 'demonised' (e.g. Iran) and there was a danger that students from these countries would stop coming to the UK and go elsewhere.

**Charlie Jeffery, Senior Vice-Principal, University of Edinburgh** questioned why the debate has not yet been won. He thought universities should not act as 'special pleaders' but talk like global leaders, addressing issues such as red tape and entrepreneurship.

**Peter Lilley MP** questioned the assumption that **UK universities need to supplement their offer to international students with the right to access the UK labour market as the UK's education offer was very valuable in itself**. He said that there were not many opportunities in UK firms for people only staying for one or two years before going home and thought businesses would prefer to hire someone who might stay for 5-10 years or longer.

**Lord Lipsey**, who is Chairman of the Board of Governors, Trinity Laban Conservatoire of Music and Dance, explained that he did not think the Conservatoire would have such a high quality piano department without the contribution of international students. He stressed the need to **combat the negative case** against international students and **tackle the points head-on with factual briefings** explaining the problems (housing, jobs etc.) and what is being done to solve these.

**Professor Alice Gast** highlighted the preponderance of international students registering patents and involved in start-ups. In Silicon Valley, **international students are responsible for significant job creation**. Although the debate often focuses on numbers and money, we should also address the qualities international students have. Such students have competed fiercely to get to where they are and they are inherent risk takers, immersing themselves in a different world and culture in order to achieve a top education. It's therefore not surprising that so many make patent applications.

**Baroness Williams of Crosby** echoed David Hanson's point, saying that the universities should focus on influencing at the constituency level on this issue. She said a letter to the PM is much less effective than approaching the local MP in person and raising concerns.

### **In making closing remarks...**

**Lord Hannay** noted that universities are often the biggest local employers and their voices should be heard.

**Professor Sir David Eastwood** agreed with David Hanson that it would be very helpful to have a coherent Government policy. He recognised the importance of local constituencies and said that the message had been heard on the need for local engagement. Birmingham is hosting hustings on campus and raising issues with MPs and Parliamentary candidates as well.

He thought **universities could be better at speaking in a more popular tone**, not just using 'university language'.

In response to Peter Lilley's comments, he said universities are promoting high quality HE to attract students, but the **UK's competitors are offering the right to stay and work, and if we can't offer that too then we are 'trading asymmetrically'**. Sir David hoped that international engineering students in particular would stay in the UK to fill the demand for skilled graduates in the manufacturing sector.

**Professor Michael Keith** agreed that the issue of reputational damage raised by Lord Giddens is very serious. He cautioned around the **unintended consequences** of any policies introduced.

**Lord Bilimoria** identified the following key points as his takeaways from the discussion:

1. **Engagement by universities at the constituency level** is important
2. There is a need for better **exit checks**
3. There is **more work to do to win the debate** because although when the issue is discussed in Parliament there is almost unanimous support for removing students from the net migration target, this has still not happened
4. The primary reason why international students come to UK universities is to study, but they **need to be able to work for a year or two** afterwards if they want to in order to help cover the cost of some of their fees. This also helps the UK as they are contributing to the economy
5. **International students enrich the economy and our culture**. It is a global race and we want to win it

**Lord Hannay** closed the discussion by emphasising the importance of the issue on a cross-party level and stressing the need to **engage with both sides of the debate**.

**Dr Wendy Piatt** thanked the panel and attendees and highlighted the Russell Group briefing note that had been produced for the meeting as this contained a good summary of our key messages and key data.