



THE GOVERNMENT RESPONSE TO THE
FOURTH REPORT FROM THE
BUSINESS, INNOVATION AND SKILLS COMMITTEE
SESSION 2012-13 HC 425

Overseas Students and Net Migration

**Presented to Parliament
by the Secretary of State for the Home Department
by Command of Her Majesty**

February 2013

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**THE GOVERNMENT RESPONSE TO THE FOURTH REPORT FROM THE
BUSINESS, INNOVATION AND SKILLS COMMITTEE
SESSION 2012-13 HC 425: OVERSEAS STUDENTS AND NET MIGRATION**

The Home Office and Department for Business, Innovation and Skills have carefully considered the recommendations of the report and the Government response is below.

- 1. The Department for Business, Innovation and Skills has a responsibility to support UK universities, and to promote export success. As a matter of urgency it needs to demonstrate that it has an active strategy to support the expansion of this important and lucrative market.
(Paragraph 15)**

Education exports (encompassing higher and further education, schools, English Language Teaching and educational products and services) contribute more than £14bn to the UK economy each year. This figure does not include the additional contribution international education makes through giving international students a positive impression of the UK and facilitating the creation of partnerships between UK citizens and citizens of other countries. Worldwide demand for education is increasing and the UK is well-placed to capitalise on this. The Government's efforts to promote the HE sector internationally are made on behalf of universities across the whole of the UK.

In September 2012, Vince Cable announced that the Government will develop strategies for a number of sectors in which the UK has a competitive advantage and where government action could support their growth, including education. Work has already commenced on this strategy, and its overarching objective is "to exploit the excellence of the UK education sector to increase export earnings and the UK's international influence". The strategy will be co-created with industry and other sectoral organisations, and will be published between now and next summer. The strategy will describe the current state of the education sector and the opportunities it presents for the UK. It will include a vision of where the sector would like to be, and an action plan for making that vision a reality. The action plan will be collaborative, and jointly owned and taken forward by the key organisations in the sector.

The Government has recently reaffirmed that we will place no cap on the number of genuine students coming from across the world to study in this country, but will extend overseas interviews rapidly to crack down on bogus students. We will further extend the opportunities for the top students to stay in the UK at the end of their studies and contribute to economic growth. From April, all completing PhD students will be allowed to stay for up to 12 months to find skilled work or set up as an entrepreneur. We will also add 1000 places to the existing Graduate Entrepreneur scheme to allow more talented MBA graduates from top schools to build a business in Britain. The Government has signalled that in future, the Home Office, BIS and the UK Border Agency will work together with the HE

sector and others on a new 'co-regulation' approach to enforce student sponsorship obligations.

- 2. We accept the need for an agreed definition for the international reporting of migrants and we agree that the UN definition is a useful tool in that respect. However, we also note that the UN measure, unlike the OECD definition, counts students in the record as permanent migrants after one year. While this may be helpful in terms of national reporting of migration trends, it is a less helpful measure in respect of domestic immigration policy, as it has the potential to distort the true picture of net migration in the United Kingdom. (Paragraph 24)**

Transparency in the immigration statistics is vital. The independent Office for National Statistics (ONS) is responsible for producing net migration statistics, based on the International Passenger Survey (IPS) which it runs. The ONS uses the agreed international definition of a migrant, which is someone changing his or her normal place of residence for 12 months or more.

The OECD does not have a separate definition of net migration and supports use of the UN's definition. However, since some countries do not collect this data, for example because they do not have registration systems or measure outflows, it has produced a 'harmonised' set of data to compare immigration across different countries.

The UK publishes comprehensive data relating to immigration – both through its official visa statistics which record non-settlement visas in the work, study, visitor and other routes, and settlement visas, and through ONS's inflow breakdowns. It already uses this data, in addition to the ONS's net migration statistics, to inform immigration policy. The net migration measure is important because it measures outflows as well as inflows. A Home Office study from 2010 showed around one in five international students who came to the UK in 2004 were still in the immigration system five years later. The Government welcomes the improvements ONS has made to its methodology so that in future it will be possible to better identify students in the emigration flows to give a more accurate measure of the contribution of students to overall net migration.

- 3. The Government's commitment to its measurement of net migration is putting at risk the United Kingdom's ability to expand its share of the overseas student market. While we accept that the Government has made a clear political commitment to reduce net migration, the inclusion of overseas students at accredited institutions in the overall total is misleading. Furthermore, it runs the risk of undermining a world class export market. Given the existing number of overseas students studying in the United Kingdom, the Government's ambition to limit net migration to the "tens of thousands" is clearly in conflict with the ambition to expand the United Kingdom's share of the overseas student market. (Paragraph 37)**

Our education system boasts many of the leading academic institutions in the world. Every year, countries around the world send their best and brightest here to learn. The Government has always been very clear that it recognises the important contribution that international students make to the UK economy, and there is no visa limit on the number of overseas students who are eligible to attend institutions in the UK. It is committed to the sustainable growth of a sector in which the UK excels. This is why it has been identified as a key sector in the Government's Industrial Strategy. To support this, we welcome all genuine students, coming to attend any university or college that meets our requirements.

The Government is also committed to reducing net migration. Eliminating the abuse of the student migration route which has occurred in recent years, primarily in the private college sector, is a key part of that programme. We have therefore put systems in place to tackle immigration abuse. For example, by requiring all institutions to become 'Highly Trusted Sponsors' and meeting the standards demanded by Educational Oversight before they can accept students from abroad, we are allowing no opportunity for bogus colleges to operate in the UK.

These reforms have protected our world-class universities. International student recruitment to universities is continuing to grow at a time when student visas issued have been declining in those parts of the education sector where abuse has been prevalent. The Government notes that Universities UK, who welcomed the Government's student migration reforms as "tak[ing] into account many of the concerns expressed by Universities UK...and allow[ing] British universities to remain at the forefront of international student recruitment", reported to the committee that universities continued to project an increase in applications from students outside the EU. Higher Education Statistics Agency figures for the 2011/12 academic year show that the numbers of students from outside the EU increased.

New data relating to visa applications by education sector was published as part of the quarterly immigration statistics for the first time on 29 November. This information is an important ongoing contribution to the available data on student migration. Statistics for July to September 2012 showed that the university sector accounted for 74% of visa applications, up from 52% in the same period the previous year, reflecting falls in other sectors while the university sector held steady. The Government's success in reducing abuse of student visas, while the number of successful applicants to study at British universities is up, means that we can now look forward to a period of policy stability on student migration policy.

- 4. Whilst we understand that the UN definition of migration includes overseas students the Government is under no obligation to use that definition for the development of domestic policy. Removing overseas students from the Government's migration targets would allow universities to compete on a level playing field with their international competitors. It would also allow the Home Office to concentrate on economic migrants and their value to the United Kingdom. (Paragraph 38)**

All the UK's major competitors include students in their figures for net migration. These countries also distinguish between different categories of migrant in their immigration statistics, but information on emigrants can be much more limited.

A proportion of migrants, including short term students, are already excluded from net migration figures. Countries aim to do this on the basis of whether a migrant intends to remain in a country for 12 months or more, according to the UN definition of a long term migrant this is not always possible due to limitations in their systems for recording migrants.

Some other countries use subgroups, including the designation of some visas as for 'temporary residence', in the reporting of immigration. However, students are included in net migration (however visas are described) on the same basis as other migrants.

The UK will continue to comply with the international definition of net migration.

- 5. We recommend that, for domestic policy purposes, overseas students should be recorded under a separate classification and not be counted against the overall limit on net migration. That does not mean that we wish to hide the level of overseas students studying in the UK. The Government could make clear the distinction by publishing, alongside its net migration data, detailed information on the number of overseas students studying in the UK, their country of origin, the number who remain here after they have completed their studies and the number who remain in higher education. Such an approach would make clear the difference between permanent immigration and study and crucially it would demonstrate clearly that the United Kingdom welcomes overseas students and values the contribution they make to our economy. (Paragraph 39)**

Net migration statistics are produced by the independent ONS. Student immigration is already disaggregated in the ONS data so it is currently possible to see students' contribution to immigration, compared with the work and family routes, among those intending to stay for a year or more. However, it is not currently possible to accurately identify in the IPS those students who then depart. The ONS is planning improvements in its methodology so that in future it will be possible to better identify students in the emigration flows. The Government welcomes these changes, which in due course will allow the contribution of students to overall net migration to be identified more accurately in the ONS statistics and contribute to policy development.

The Government is committed to continuing to publish a range of data on international students, including through its visa statistics on entry clearance and in-country visa extensions, Higher Education Statistics Agency statistics, and periodic cohort studies that quantify the proportion of students remaining in the immigration system and gaining settlement a number of years after entry to the UK.



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