Study Group response to the APPG for International Students call for evidence on the impact of international students in the UK

Study Group is a global education provider, incorporated in the UK that provides educational services to the Higher Education (HE) sector through delivery of pathway courses to international students whom we recruit and prepare on behalf of UK universities, on the campuses of those universities and with whom we have exclusive partnerships. Those contractual partnerships include relationships with Durham University, University of Sussex, University of Sheffield, Lancaster University, University of Surrey, University of Leeds and many others. Where possible we are recognised by the Home Office as being an embedded college of our university partners. Study Group currently holds 14 Tier 4 Licences. All our higher education operations have educational oversight from the QAA under their HER(EC) - Higher Education Review (Embedded College) - scheme. We employ 1,469 staff in the UK and globally recruit over 60,000 International and EU students from 145 countries via our extensive sales and marketing operations around the world, every year. Our longest standing partnership, with the University of Sussex, is now in its 11th year, and every customised partnership with an HEI, providing for contractual articulation for students, supports that institution's internationalisation and widening participation agendas.

We also provide similar services for other universities around the world, in Australia, New Zealand, Ireland, Netherlands, Canada and US and we work with over 3000 recruitment agents in markets all over the world, which gives us unique insight into the relative attractiveness of destination countries for international students, seeking education outside of their own country. As we have been operating in the HE pathway sector for many years eg in Australia for over 20 years and in the UK for over 10 years, we also have a longitudinal perspective on the relative competitiveness of different destination countries and their HE offerings and how this has fluctuated over time.

In 2017 Study Group spent £1.8M with homestay providers, utilising underutilised capacity in family homes in the vicinity of our teaching locations and providing income to those families. Study Group also spent £3.8M with local accommodation providers (not university accommodation) and we estimate that the international students that we teach expended c. £70M in off-campus expenditure.

Study Group welcomes the opportunity to provide evidence to the APPG. As a pathway provider to the HE sector, we help international students to develop the study and language skills they need to succeed at degree level which they have not had the opportunity to attain in their local education systems, due to different languages of instruction, academic content, educational pedagogy etc. In this respect the pathway sector is engaged in widening participation and access, but for international students.

Clarifications- in this response 'International Students' are defined as non-EU and 'EU students' do not include UK domestic students.

Summary

International students make an overwhelmingly positive contribution to the UK in so many ways. They make a huge net contribution to the UK economy, create and sustain jobs across all the regions, are the single most important source of the UK's soft power and make contributions that do not just benefit the UK's education sector but the domestic students that it supports.

Unnecessary barriers to international students, making the UK offering uncompetitive in the global marketplace, only puts the long term benefits of international students at risk.

In order to grow the UK's Higher Education export as a sector, the government should:

Request the ONS to track and report on total education exports, accurately, on a monthly basis, recognising its status as the 7th biggest export sector and second biggest net contributor to the net balance of payments after financial services (Home Affairs Committee report on Student Visas, March 2011, p. 8). The UK should celebrate what is a huge success and a sector which could be an even greater one, with appropriate encouragement.

As it clearly makes no sense to have numbers that the government purports to want to grow (international students), within numbers that the government wants to reduce (net migration target), materially and rapidly, then international students should be withdrawn from that target and counted separately, as does every other major competitor country. This would remove international students from the exclusive remit of the Home Office and would result in a more holistic strategic approach to one of the UK's biggest export opportunities after Brexit.

Regularly benchmark the UK's offering against competitor countries in all dimensions that influence the attractiveness of the destination country to international students, and report this publically every year.

Establish a joint cross sector and governmental body that can monitor and respond to changes in the global marketplace and whose remit is squarely to optimise the benefits to UK plc of the international export opportunity (consistent with appropriate compliance and regulatory risks). The government should set a target for growth in this export sector, recognising the growth in global demand and the growth rates that our competitors are achieving eg Australia growing international students numbers by 15 % year on year to April 2017 (Australian Government, April 2017, International student data monthly summary)

Post study work opportunities should be reviewed to make them competitive with other countries. Special treatment should be given to graduates in STEM subjects or other shortage areas, with a longer period to find employment from within the UK.

Equality should be given to Tier 4 licence holders with equivalent compliance records and the current discrimination ended.

Key Points

UK soft power and influence abroad

HEPI's 2017 report showed that among 377 serving heads of government and heads of state, 58 of them had attended university or college in the UK (HEPI, August 2017, UK is number 1 for educating the world's leaders, August 2017). Not only do alumni from the UK speak English, but they carry with them an appreciation of our culture, institutions, values and are generally more well-disposed to the UK than to other countries, because of their education and time in the UK. It is generally accepted that those students who chose to study abroad, away from their country, family, comfort etc. are generally more likely to be high achievers in their careers and this self-selects for people who are likely to be influencers in their careers and therefore particularly valuable to the UK. It can be anticipated that below the level of head of government of state, there are UK educated alumni in senior positions in commerce, industry, diplomacy, politics, culture etc., all having a positive pre-disposition to engage with the UK, the place of, at least part, of their education. It is also noticeable that all countries with a Higher Education sector recognise the benefits of international students, not least for the projection of soft power plus all the other benefits that they bring to the HE sector and the economy and all have a proactive, government supported strategy to grow the numbers of international students coming to study in their country. UK is currently an exception to this.

Indirect impact on tourism and visitors to UK

The HEPI 2018 report (London Economics, 2018, The costs and benefits of international students by parliamentary constituency, Report for the Higher Education Policy Institute), showed that every first year international student generated c. 1.4 international visitors and this equates to an incremental 330,000 visitors in 2015/16. These are friends and family of the students and because international students are spread in UK universities all across the country, one could postulate that many of these visitors are to non-traditional tourist locations, helping to spread the economic benefits of these tourists to regions all over the country. Research in Australia demonstrated that as much as 10% of Australia's tourism industry was directly dependent on international students with every 10 international students generating visits by 5 friends or family every year (ExEdUK, June 2016, Supporting International Education in the UK).

Impact on the local community

International students accommodated with host families, engage with local communities by living within them, distributing economic benefits through households, not necessarily connected with education in any other way. International students spend in the local community in retail and leisure establishments as well as on campus and of course services provided on campus will have indirect benefit locally as many will have been sourced or value added in the local hinterland of the HEI. Many international students engage in local charity work or gain work experience (almost always unpaid) in order to gain experience and to contribute to personal statements necessary for access to many HEIs. International students at Bellerbys Colleges participate in Duke of Edinburgh awards, work in local charities, raise funds for the Study Group charity – Building Futures. They participate in competitive sports with local educational establishments and debating and other engagements with domestic students. On campus they can be found offering foreign language tuition to domestic students as well as adding value in innumerable ways to a richer learning environment both in class and outside. It is difficult to imagine a class on international business, international marketing, international development etc not benefiting from the input from an international mix of participative international student classmates, who can bring context and experience to add value to the whole group. Post graduation, anecdotal evidence would suggest that students try to find employment in local firms and where they have had work experience maybe as a part of the course, with that employer. Any business, large or small, who wishes to export, will appreciate the value that international graduates can bring to that endeavour. In the context of skill shortages, it is extraordinary that the UK seems keen to make it difficult for international students to contribute their skills and experience to local companies and therefore enhance the economic value of the area and indeed its productivity (which research shows correlates to the % of graduates in the workforce).

Impact on demand for housing provision, on transport and on health provision

There has long been a government assertion that international students use public services and that the costs of these outweighs the benefit of international students. The HEPI 2018 report (London Economics, 2018, The costs and benefits of international students by parliamentary constituency, Report for the Higher Education Policy Institute) assesses all the costs and calculates the benefit, **net** of all costs (direct and apportioned), to be over £20 Billion a year (2015/16) across both EU and international students. Student housing and the provision of Purpose Built Student Accommodation (PBSA) has expanded rapidly in the last ten years- 230,000 new students beds between 2010 and 2015 (http://www.savills.co.uk/research_articles/141558/188890-0). In the case of pathway providers who have made investments in PBSA, such as Kaplan, this has been on the basis exclusively of international students demand. It has been asserted (Savills http://pdf.euro.savills.co.uk/residential---other/spotlight--uk-student-housing-2015.pdf) that the rapid expansion of PBSA has freed up housing stock that is now available to local families and that previously had been used for student accommodation. Over 30% of investment in student accommodation has been from overseas and it is likely that a good proportion of this is as a result of international students, both directly and indirectly.

Regional Impacts

Due to the presence of HEIs in regions all across the country the potential for the economic and other benefits to be spread across the UK, being associated with international students studying at those HEIs is very significant. Unfortunately government policy has had the absolutely opposite impact with HESA data showing that in total, between 2010 and 2015, 72 British universities have lost over 43,000 international students over those five years (during which period the global market demand grew some 30%). See- https://www.timeshighereducation.com/news/uks-lower-ranked-universities-take-non-eu-students-hit. Those students would have supported around 24,000 jobs and brought £920m positive economic impact to these universities and their local economies: 50% of the jobs would have been in the local economies and 50% in the universities (evidence for this split can be found in the UCU publication- Universities at Risk, December 2010 by Ursula Kelly, University of Strathclyde). The vast majority of those HEIs were in regions of the UK outside of London and the South East. We would argue that the HEI capacity, the international student demand (even though the marketplace is more competitive) and the local appetite to regrow the numbers of international students studying at those HEIs is still strong. The question is why those 72 HEIs lost so many international students, and universities in London and the South East (generally higher ranked universities) gained many of them. Most people would argue that that successive visa regulatory initiatives ended up stratifying the HE market with the lower ranked universities disadvantaged to the greatest extent. A shift in government policy as suggested in this paper has the potential to reverse the trend and grow student numbers again at those HEIS who lost out so badly.

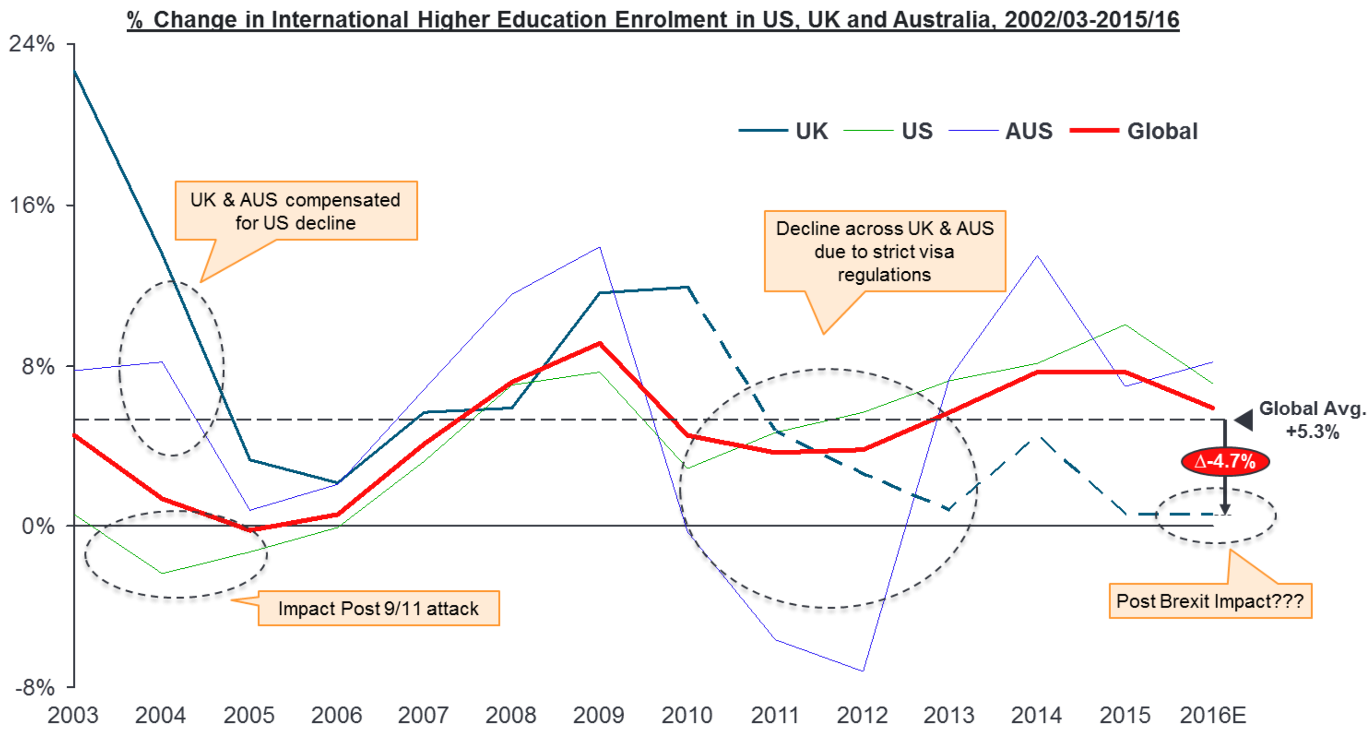
How do international students affect the educational opportunities available to UK students?

The concentration of international students in post graduate and STEM courses, supports the continued availability of these courses to UK domestic students. Any reduction in international and EU students coming to the UK will disproportionately impact the continued viability of many of these courses, leading to concentration of remaining courses in higher ranked and centrally located universities, therefore reducing the availability and accessibility of those courses for UK domestic students. As Study Group exclusively teaches international students from over 145 countries, we can demonstrate the value of a multi-cultural learning environment, whereby students bring different perspectives and approaches to the learning environment, to the benefit of all participants. This value must also apply to UK domestic students gaining benefit from contributions of international students (as long as the mix is appropriate) to their own learning environment. A multi-cultural learning environment also better prepares UK domestic students for a global career, appreciation of cultural differences and offers a career network and richness of experience that can only be beneficial vs a monocultural one.

The HEPI report (HEPI, November 2017, How much is too much? Cross subsidies from teaching to research in universities) showed that UK HE research benefited to an average level of £8,000 per international student over the course of their degree. Self-evidently a reduction in international student numbers would have a detrimental impact, in extremis resulting in the loss of £1.2Billion of income to UK universities each year. This would have a significant negative impact on the HE institutions and therefore the quality of the education that they could provide to UK domestic students. Put another way, if international students were not providing this income, in order to maintain the same level of research funding, all other things being equal, UK and EU domestic fees would have to be raised to £9844. **One could therefore argue that international students currently subsidise UK domestic student fees by £594 per student, per year.**

Unfortunately the relative demand for UK education is dropping and we are losing market share to competitor countries and this is why it is critical to put the UK education export sector in a global context. It is generally accepted, based on UNESCO and OECD projections that global demand for education outside of the home country has been growing at an average 6-7% per annum over the last 7 years. This implies that since 2010 global demand has grown 50% and this fact makes it all the more worrying that the number of international students coming to the UK has declined by -40% in that same period.

The graphic below shows the relative rates of growth across UK, US, Australia and global market over the period 2002/03 to 2015/16 and is derived from Study Group research.



A stark illustration of the poor relative performance of the UK over the last 7 years is the fact that evidence shows that in 2017 **Australia overtook the UK as a destination of international students in Higher Education** (in November 2017 Australia had 350,390 international students in Higher Education - https://internationaleducation.gov.au/research/International-Student-Data/PublishingImages/IST_2017/2017Graph_Table3.png and in 2016/17 the UK had 307,540 – HESA data: https://www.hesa.ac.uk/news/11-01-2018/sfr247-higher-education-student-statistics/location). This point has been recently backed up by research from UCL- http://www.ucl.ac.uk/ioe/news-events/news-pub/july-2018/uk-third-place-international-education. As a comparison of scale, Australia has around 40 universities and the UK has around 130 universities. The difference that we see, and we have international education businesses in both the UK and in Australia, is the welcoming visa environment in Australia where everything is made as easy as possible for international students, consistent with a robust immigration system, recognising international education as a strategic growth export sector, contrasting with the UK, where over the last 8 years there have been 7 immigration bills and in the last 5 years, 45,000 immigration regulation changes (http://www.bbc.co.uk/news/uk-politics-34508958), a very large proportion of which, we believe, were designed to make the UK a less attractive destination for international students.   As the Hindustan Times aptly puts it: ' …The British may have the top universities, but they also offer the most student-hostile government in the world' (http://www.hindustantimes.com/columns/planning-to-study-in-the-uk-think-twice/story-jNrz5F3oClTaWNtXvuzUMI.html)

Recent research by ICEF i-graduate Agent Barometer which researches international student attitudes (http://monitor.icef.com/2017/11/2017-agent-barometer-survey-links-student-agent-perceptions-destination-attractiveness/) via agents shows that US and UK are becoming steadily less attractive to international students (consecutive declines for 3 years) and in the case of the UK the biggest single component of concern was 'visas'.

The single most damaging government policy change of the last 8 years was probably the 2012 removal of the Post Study Work Route, not unsurprisingly this resulted in the loss of over 40% of all Indian students from HE in the subsequent 12 months. The rationale for this change has never been clear, because there has never been any evidence, that we are aware of, to suggest that international students were damaging domestic graduate job prospects and furthermore the national consultation of 2010- Student Immigration System a Consultation, had over 30,000 responses, the results of which were published in March 2011 (https://www.gov.uk/government/consultations/the-student-immigration-system-consultation). Interestingly only 6% of respondents agreed that the Post Study Work route should be closed, but it was, in April 2012. There are also other examples of proposals made in that consultation that were implemented despite the strong view from the consultation of the reverse. Perhaps even more interesting is the research carried out in 2017 by the NUS among domestic students, whom you might expect to be the most vociferous about competition for jobs by international student graduates, (https://www.nusconnect.org.uk/resources/student-perspectives-on-international-students) which asked how UK students felt about sharing the graduate job market with their fellow students from outside the EU. The answer was resounding: **75% of students either agree or strongly agree that international students should have the right to work in the UK after graduation.** There have been a variety of policy changes over the past 8 years which were not supported by any evidence, that were implemented with the sole purpose to make the UK less attractive to international students

Unfortunately there is anecdotal evidence that there is both a multiplier and momentum effect in international education with parents educated abroad more likely to send their own (multiple children, except in the case of China) children to the same country for their education. The UK's loss of international students over the last 7 years and current perceptions of the UK as a destination, is likely to negatively impact the UK's soft power in the next 10-20 years. **However this is all reversible, if the government takes action now.**

August 2018