

## DESTINATION FOR EDUCATION RESPONSE TO INQUIRY INTO THE ECONOMICS OF HIGHER EDUCATION

### Introduction

1. Destination for Education welcomes the opportunity to respond to the APPG for International Students inquiry into the opportunities and challenges in building a sustainable future for international students in the UK.
2. This response sets out the vast contributions that international students make in the classroom, the local community, regions across the UK and the national economy.

### About Destination for Education

3. Destination for Education is a coalition of five pathway providers working together to ensure that Britain's Higher Education sector can compete globally. These pathway providers include: Cambridge Education Group, INTO, Kaplan, Navitas and Study Group.
4. Pathway providers prepare international students for study at UK universities. 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. A full list of these institutions can be found in **Appendix A**.

### Our Response:

#### *In the classroom*

5. International students are major contributors to the 'internationalisation' agendas of universities, enabling opportunities for domestic students to develop a 'global outlook' at home, within the classroom and in social settings<sup>1</sup>. We find that a diverse setting in higher education institutions allows students to develop 'soft' skills that are valuable in personal and professional settings.
6. Cross-cultural exposure is an increasingly common expectation of university students, especially as they prepare for careers with an international scope<sup>2</sup>. The benefits of a multi-cultural learning environment are clear upon entering the workplace, as it allows graduates to contribute as global citizens with international networks<sup>3</sup>.
  - I. This statement is supported by the results of a survey commissioned by HEPI/HEA in 2015, which indicates that over three-quarters of respondents

<sup>1</sup> [The Wider Benefits of International Higher Education in the UK, BIS Research Paper no 128, September 2013, Section 2.6.2](#)

<sup>2</sup> [The Shape of Things to Come: Higher Education Global Trends and Emerging Opportunities to 2020, British Council, 2012, Section 1 pg. 10.](#)

<sup>3</sup> [The Wider Benefits of International Higher Education in the UK, BIS Research Paper no 128, September 2013, Section 2.6.2](#)

believe that studying alongside people from other countries is 'useful preparation for working in a global environment'<sup>4</sup>

- II. A Youth Sight survey, commissioned by HEPI and Kaplan, researched Higher Education applicants' views towards international students. The results of this survey can be found in **Appendix B**.
7. When looking specifically at attitudes towards international students amongst domestic students, we have found that British students recognise that international students make an important social and cultural contribution and enhance their learning experiences and add to the vibrancy of higher education institutions.
8. International students who study in Britain also leave with an appreciation of our culture, institutions and language. This cultural exchange is impactful on student perceptions of value for money, as students think beyond their academic experience by evaluating factors that enhance their social life, independence and range of experiences<sup>5</sup>.
9. International students also play a key role in promoting the future sustainability of UK universities and help to pay for higher-cost disciplines such as STEM subjects and university research.
  - I. The fees accumulated from the high proportion of international students helps to sustain courses that would otherwise rely on fluctuating domestic demand. This allows universities to maintain access to these courses for domestic students and thus increasing the potential opportunities available both during and after university.
  - II. The sustainability of STEM courses in particular is important given the strategic value of these degrees for the UK - 51% of students studying Computer Science at Russell Group universities are international<sup>6</sup>.

### *In the Community*

1. The economic, social and cultural contributions that international students make during their time in the UK extends beyond the classroom and into the local communities that they live and work in. To demonstrate the impact that international students can have in their local communities we have included some testimonials from Kaplan host families on their experiences of opening their homes to students from Kaplan English Language Schools (**see Appendix C**). In these testimonials host families emphasise the benefits to their families, especially their children, of the cross-cultural exchange that occurs.

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<sup>4</sup> [Higher Education Policy Institute \(HEPI\) and the Higher Education Academy \(HEA\) survey 2015](#)

<sup>5</sup> [Education, Consumer Rights and Maintaining Trust: What Students Want From Their University, 2017, Universities UK, Section](#)

[2.1](#)

<sup>6</sup> [Russell Group \(2017\), The value of international students at Russell Group universities](#)

2. The impact of international students in their communities is also demonstrated by the North East Solidarity & Teaching programme, which was established in 2016 at Newcastle University by an alumnus of INTO University Partnerships, and offers free English lessons to refugees in the area. This programme has expanded with the participation of local charities and colleges which has enabled sponsorship for volunteers to earn teaching qualifications. More information on this impactful initiative can be found here: <https://n-e-s-t.org/learn-english>
3. At present, international students enter the UK via the Tier 4 migrant visa route. Research conducted by the National Institute for Economic and Social Research on the impact of migrants on public services found that the average costs for Tier 4 migrants are substantially lower for education, personal social services and for health (35 per cent to 51 per cent lower for education; 41 per cent to 48 per cent lower for personal social services and 45 per cent to 48 per cent lower for health)<sup>7</sup>.
4. The report adds that given the fees and maintenance costs that Tier 4 migrants pay, the “relative balance” between the cost of them staying and what they contribute is firmly weighted towards a “very substantial net contribution” for the economy and the public purse<sup>8</sup>.
5. International students have also had a significant impact on the property sector and are the drivers of the growth of a new asset class – purpose-built student accommodation. Adam Cohen, Group Managing Director at Fusion Students commented, “Student Accommodation is now clearly seen as an institutional asset class and a maturing sector based and the funding opportunities are increasing as more lenders look to put their capital into this growing market.”<sup>9</sup>
6. According to research conducted by CBRE, £975m was invested into student accommodation sector in the first quarter of 2018. This total follows the £4.68bn invested in the sector in 2017. This is due to the growth in domestic and international investor appetite over the last few years, with notable growth in investment from Singapore through sovereign wealth-fund GIC, and Mapletree Investments.

#### *For our regions and nations*

7. Higher education is one of the UK's most successful export industries. Latest Higher Education Statistics Authority Data shows that, in total, 72 British universities have lost over 43,000 international students over the past five years. These students would have supported around 24,000 jobs and brought £920m positive economic impact to these

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<sup>7</sup> [National Institute for Economic and Social Research \(2011\), \*Impact of migration on the consumption of education and children's services and the consumption of health services, social care and social services\*, pg. viii](#)

<sup>8</sup> [National Institute for Economic and Social Research \(2011\), \*Impact of migration on the consumption of education and children's services and the consumption of health services, social care and social services\*, pg. ix](#)

<sup>9</sup> [Taylor Wessing \(2017\), \*2017: Trends in the Student Accommodation Sector\*](#)

universities and their local economies: 50% of the jobs would have been in the local economies and 50% in the universities.

8. The UK and USA have long been popular destinations for higher education, bolstered by the strength and historical reputation of their higher education institutions. However, in recent years the perception has been created that the UK is closed to migrants is impacting the ability of UK universities to attract international students to apply to study here.
9. The increasing hostility towards international students has also been recognised by India whose Prime Minister has openly criticised the UK's approach and the treatment of Indian students despite their membership in the Commonwealth<sup>10</sup>. A recent op-ed in The Hindustan<sup>11</sup> warned Indian students to 'think twice' before studying in the UK. The author warned that even though the UK has world-class universities, it offers "the most student-hostile government in the world."
10. Britain now faces unprecedented competition from established markets such as Australia and Canada as well as newer markets in the far East and Europe.
  - I. In August 2018, the New Zealand government announced an expansion of its post-study work right for international students<sup>12</sup>. This is part of its strategy to attract international students to study at higher levels in New Zealand and to preserve a pathway to residence for students that meet the skills needs of the nation. These provisions have made New Zealand the second most generation nation in the world for post-study work options<sup>13</sup>.
  - II. Michael Peak, the head of higher education systems research at the British Council, in a recent op-ed for The Guardian, notes the impact of adopting international student strategies in the following growth markets: Malaysia, China and the UAE<sup>14</sup>. Peak attributes the recent growth of international students in Australia to the adoption of an "ambitious, 10-year national strategy" following a wide consultation process that involved experts from the education sector and several government departments.
11. Catriona Jackson, Chief Executive of Universities Australia, in her op-ed for the Australian Financial Review, highlights the impact of the UK's "careless" migration policy and emphasises the ways in which it benefits the Australian higher education sector. Jackson states that "Britain's loss is our gain"<sup>15</sup>.

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<sup>10</sup> [The Times, April 2018, 'Missed Opportunity'](#)

<sup>11</sup> [Hindustan Times, September 2017, 'Planning to study in the UK? Think twice', Sunny Hundal](#)

<sup>12</sup> [New Zealand Immigration \(2018\), Changes to post-study work rights for international students](#)

<sup>13</sup> [Grace, Anton \(2018\), "NZ: Exploitation at the centre of post-study work changes", PIE News](#)

<sup>14</sup> [Peak, Michael \(August 2018\): "Let's celebrate – not fear – the growing competition for overseas students", The Guardian.](#)

<sup>15</sup> [Jackson, Catriona \(2018\) How international students benefit Australia, Australian Financial Review](#)

12. Therefore, Destination for Education believes it is imperative that the upcoming Immigration Bill sets out provisions for a clear, consistent and transparent international student strategy for growth to ensure that the UK remains open to students from across the globe and continues to benefit from the economic, social and cultural contributions that they bring to the UK.
13. Education exports represents a key part of British export strength but as things stand, fundamentally flawed data continues to inform the public debate. We believe the ONS's reliance on the International Passenger Survey (IPS) has been damaging to the public debate and has supported the incorrect belief that large numbers of international students are overstaying in the UK. The Office for Statistics Regulation has since recognised the flaws in this approach and characterised international student statistics based on the IPS as "experimental". Furthermore, the Home Offices' exit check data also highlights the flaws inherent in the reliance on the IPS.
14. We would like to suggest that a working group is created, bringing together relevant parties who might provide greater insight into how international student numbers can be created. The group could include: representative bodies (such as Universities UK and Destination for Education); selected academic institutions; Government departments and bodies (such as UKVI and UK Border Force); port and airport operators (such as Heathrow Airports Limited); and transport providers (such as British Airways and Eurostar).
15. Destination for Education is also calling for:
  - i. Fair and entirely objective assessments of student visa applications.
  - ii. The UK to have the necessary infrastructure to support a robust and positive student visa process in order to encourage international students to study in the UK
  - iii. The government to recognise the parity of institutions in the visa process
  - iv. The government to acknowledge that academic institutions are best placed to make the final decision on students' English level requirements for entry into the country.
  - v. The sector and the government to agree on an annual growth plan in the sector which will be benchmarked against global competitors and reviewed every year. This will be part of a cross-departmental international student strategy.
  - vi. Robust data on international students. Policy should not be based on experimental data.
  - vii. Effective collaboration and communication across departments and the sector to encourage engagement that will inform policies to ensure robust data and policies.
  - viii. The government to support international students as an export opportunity and not an immigration issue.
  - ix. A globally competitive post study work route offer which supports the UK economy.
  - x. A streamlined process for student visas.

- xi. Adequate and proportionate monitoring of international students – maintaining flexibility depending on the institution.

*For research, trade and soft power*

16. The effect of having international students spend part of their lives in the UK, in which they not only obtain an education, but learn about the UK culture, highlights how the UK's higher education sector is a long-term asset, not just nationally, but internationally. Such mobility promotes a deeper understanding of different cultures and values. Statistics show that those who rate the UK highly for culture, education and tourism are 30% more likely to trade or invest in the UK, whilst those who studied in the UK are 18% more likely to trade with or invest in the country<sup>16</sup>.
17. Soft power, which was first coined by Professor Joseph Nye<sup>17</sup>, is seen as the ability to shape the preferences of others through appeal and attraction. Nye points to three primary sources of soft power<sup>18</sup>: culture, political values, and foreign policy.
18. As of 2017, 58 of the 377 serving heads of state and heads of government attended universities in the UK<sup>19</sup> - an enormous source of soft power for the UK. Notable alumni include, former US president Bill Clinton, former Australian president Tony Abbott and Nobel prize winner Wole Soyinka.
19. A study<sup>20</sup> focused on the intake of international students in Cardiff, Birmingham, Liverpool and Edinburgh revealed that even though international students made up the majority of the temporary ethnic minority population in the named cities, the permanent ethnic minority population still remained low, showing that international students living in these cities do return home upon graduation and become unofficial ambassadors for the UK.
20. However, HEPI data published in August reveals that the UK has now relinquished its leading position as the nation that has educated the most world leaders to the USA. A study conducted by the Graduate Management Admission Council in the US shows that amongst GMAT test-takers from outside the UK, 45% of 1,000 participants indicated that Brexit made it less likely for them to study at U.K. schools, with 58% of Indian participants agreeing with the same statement<sup>21</sup>.
21. A decline in the number of international students studying in the UK over the long term could hamper our ability to maintain vital links with future world leaders and cultivate Britain's soft power<sup>22</sup>.

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<sup>16</sup> [International students, talent circulation, soft power, Rebecca Hughes, 2017](#)

<sup>17</sup> [Nye, JS \(2004\) Soft Power: The Means to Success in World Politics, New York: Public Affairs.](#)

<sup>18</sup> [Ibid.](#)

<sup>19</sup> [HEPI \(2017\), UK is \(just\) number 1 for educating the world's leaders](#)

<sup>20</sup> [Entrepreneurial Learning City Regions: Delivering on the UNESCO 2013, Beijing Declaration on Building Learning Cities, 2018](#)

<sup>21</sup> [BizEd \(2017\), The Influence of Politics on Students Studying Abroad](#)

<sup>22</sup> [HEPI \(2018\), UK slips behind the US, which takes the number one slot, for educating the world's leaders](#)

22. A study from Respublica<sup>23</sup> found that even though the UK is encouraging inward and outward mobility, it does less well on outward mobility and notes that if the UK wishes to use student mobility to develop its 'soft power', it cannot simply focus on bringing Britain to the world, it must also 'demonstrate that it is serious about mutual nature of that exchange', in order to 'avoid charges of arrogance or engagement only on its own terms.'
23. A study by Russell Group<sup>24</sup> stated that overseas researchers and international PhD students play a vital role in continually refreshing the UK's research base, and in developing our position as a world-leading research nation.
24. By introducing international perspectives through collaborating with international students, this can allow the UK's key academics to build its global network, while providing international students with a better understanding of the UK's culture and political and socio-economic views, which they can then take back to their home country and influence home institutions.
25. A study based on the experience of fellows and grant recipients from the National Academies (Royal Society, British Academy, Royal Academy of Engineering and the Academy of Medical Sciences) reveals that more than nine in ten participants agreed that international mobility was important to their careers<sup>25</sup>.
  - I. Participants reported that working abroad for a sustained period provides opportunities to work with specific experts (51%) and topics (51%) that they may not otherwise have access to in their own country. They also noted the importance of international mobility in initiating collaborations.
  - II. The following quote from a participant illustrates the importance of mobility for researchers: *I think international collaboration is woven into the fabric of what we do (...) the very nature of the field is that we travel to international conferences and we collaborate with people around the world (Royal Society, Grant Recipient)*

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<sup>23</sup> Respublica, July 2017, [Britain's Global Future: Harnessing the soft power capital of UK institutions](#)

<sup>24</sup> Russell Group, [The value of international students at Russell Group universities](#)

<sup>25</sup> Britac (2017), [The role of international collaboration and mobility in research](#)

## **APPENDIX A**

### **STUDY GROUP'S UNIVERSITY PARTNERS:**

- Durham University
- Coventry University London
- University of Huddersfield
- Keele University
- Kingston University, London
- Lancaster University
- Leeds International Study Centre
- Liverpool John Moores University
- Royal Holloway, University of London
- The University of Sheffield
- University of Leicester
- University of Lincoln
- University of Strathclyde
- University of Surrey
- University of Sussex

### **KAPLAN'S UNIVERSITY PARTNERS:**

- The University of Nottingham
- University of Glasgow
- The University of Liverpool
- University of Essex
- University of York
- University of Birmingham
- Aston University
- Nottingham Trent University
- University of Brighton
- Bournemouth University
- University of the West of England, Bristol
- University of Westminster
- City, University of London
- Cranfield University

### **INTO'S UNIVERSITY PARTNERS:**

- University of East Anglia
- University of Exeter
- Newcastle University
- The University of Manchester
- Glasgow Caledonian University
- Queen's University Belfast
- City University



- Manchester Metropolitan University
- University of Gloucestershire
- University of Stirling

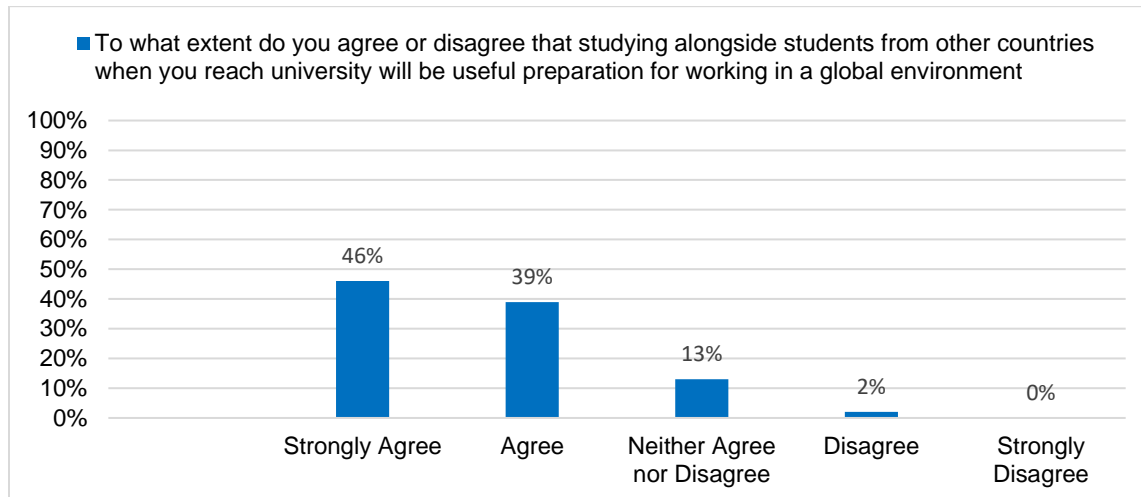
**CAMBRIDGE EDUCATION GROUP'S UNIVERSITY PARTNERS:**

- Birkbeck University
- Queen Mary University
- London South Bank University
- Goldsmiths University
- Royal Holloway
- The Courtauld
- University of Central Lancashire
- Royal Veterinary College
- University of Hull
- Falmouth University
- University of Reading
- Coventry University
- University of Sunderland
- Newbury College
- University of Southampton
- University of Arts London

**NAVITAS' UNIVERSITY PARTNERS:**

- University of Portsmouth
- University of Hertfordshire
- Brunel University London
- Robert Gordon University Aberdeen
- Swansea University
- Anglia Ruskin University
- Birmingham City University
- Plymouth University
- University of Northampton

## APPENDIX B



Source: What do prospective students think about international students? HEPI Report 74, March 2015  
Sample: 500 interviews with applicants that are representative of the UK in terms of gender, age and school type.

## APPENDIX C

Testimonials from Kaplan host families on their experience of hosting students from Kaplan English Language Schools:

- *“We’ve hosted international students for almost 16 years now and made so many friends on the way. We keep in touch with most of them via WhatsApp and Facebook and have had a few come back to visit. Our children are so much more confident at meeting new people as a result and have learnt a lot about different languages, food, cultures and currencies. The students themselves have had a great time with us and many have commented on how speaking English at home with us has accelerated their learning. They have celebrated birthdays, Christmas, Eid and even a housewarming party with us and becoming a real member of the household. All in all, it’s been a great experience for both us and the students and a real boost to the economy as well.” Anonymous Kaplan host 1*
- *“We began taking in students over 6 years ago. My family and I like to travel and meet new people and taking in students is a way of finding out about new places in the world that we have not visited and getting a glimpse into their culture. We have had students from Brazil, Mexico, Russia, Spain, Belgium, Germany, France & Italy stay with us, ranging from 16 years to 70 years. We treat everyone the same, students who come to our home are treated as members of our family.” Anonymous Kaplan host 2*

- *"We have hosted many students from all over the world, with different cultures, beliefs, lifestyles. It's a brilliant opportunity for our families to meet people from all over the world and it is a brilliant way for these students to learn the English language and our way of life, and also to visit some of the beautiful places we have in our country. We've had students stay with us when our youngest child was born, we've had them stay with us over the Easter & Christmas periods and regardless of their culture, religion or beliefs, we've involved them in these occasions which they have also embraced greatly and enjoyed, and also we like to join in with their celebrations or special occasions. We stay in contact with many students via Facebook and sometimes even Skype or email. Overall hosting students is an amazing experience for all parties involved." Anonymous Kaplan host 3*