

GuildHE response to:

APPG for International Students Inquiry - A sustainable future for international students in the UK?

August 2018



About GuildHE

1. **GuildHE** is an officially recognised representative body for UK Higher Education. Our members include universities, university colleges, further education colleges and specialist institutions from both the traditional and private (“for profit” and “not for profit”) sectors. Member institutions include some major providers in professional subject areas including art, design and media, music and the performing arts; agriculture and food; education; maritime; health and sports.
2. The **United Kingdom Arts and Design Institutions Association (ukadia)**, a sub-association of GuildHE, is a group of specialist arts and design institutions from across the UK’s higher and further education sectors. We aim to promote, nationally and internationally, the key contributions of specialist colleges to the UK’s world-renowned reputation in visual arts, performance and the creative and cultural industries.
3. The **Consortium for Research Excellence, Support and Training (CREST)**, a sub-association of GuildHE, exists for institutions that have achieved high levels, or aspire to achieve high levels, of research excellence concentrated in smaller communities of research practice. It is the only non-geographic collaborative research network based within the UK.

Note

This document draws on GuildHE’s [response](#) to the Migration Advisory Committee Consultation on International Students, originally submitted in January 2018. We believe that much of that response has relevance to this Inquiry. We have however adapted our response to these questions, and where possible, used the most up-to-date data available.

GuildHE, Woburn House, 20 Tavistock Square, London, WC1H 9HB

Tel: 020 3393 6132, email: info@guildhe.ac.uk

Charity Number: 1012218

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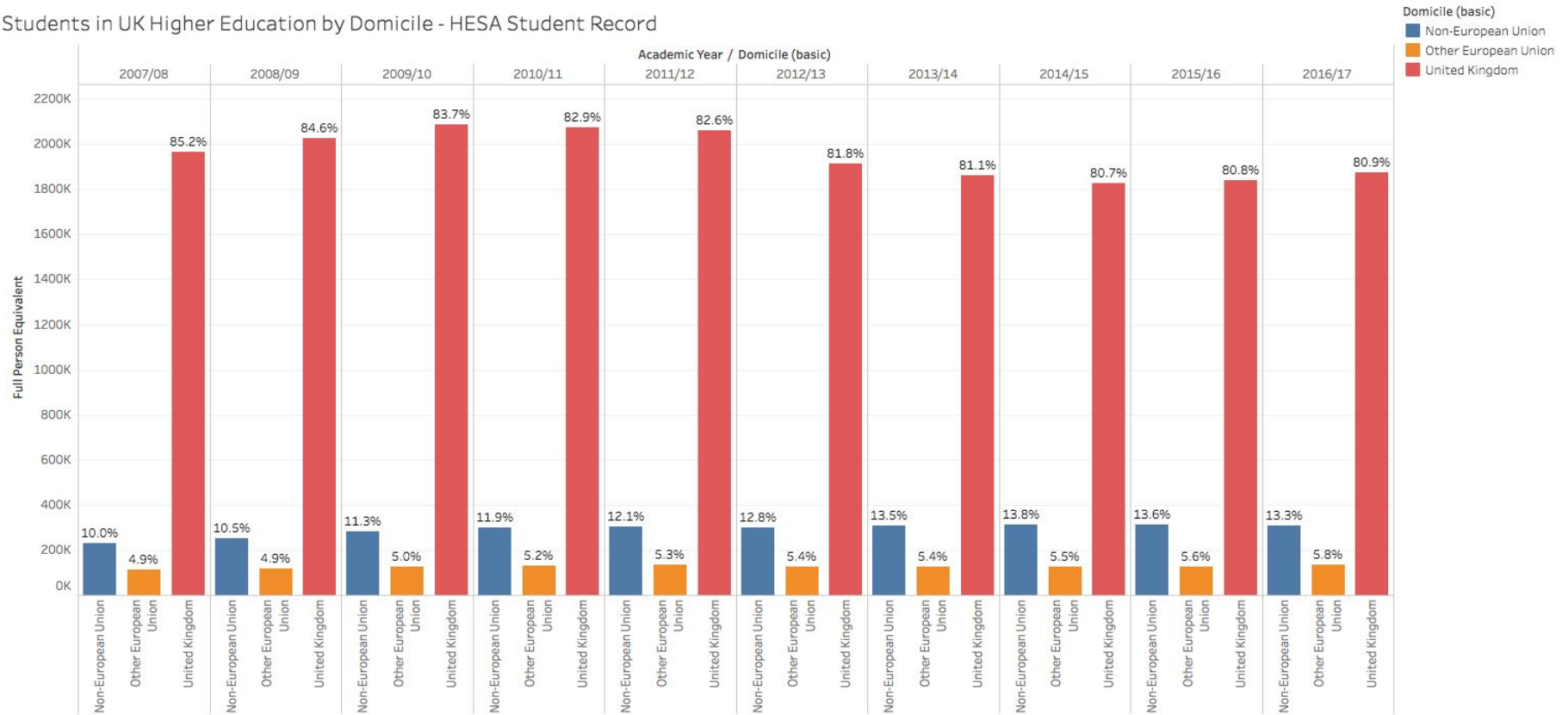
Opening comment

1. GuildHE recognises and celebrates the financial, cultural and intellectual value of international students to the UK. International students increase the diversity of our campuses, enhancing the experiences of home students, and helping to foster cultural awareness.
2. International students also play a key role in the sustainability of courses and the sector as a whole, allowing smaller courses which might otherwise not be viable to continue to run, and subsidising teaching and research activity. The importance of international students is particularly pronounced in specific institutions and subject areas.
3. Added to this, international students have a positive financial impact, locally, regionally and nationally, while international participation in world-leading higher education enhances UK soft power.
4. There is broad support for the presence of international students in the UK among both UK students and the general public.
5. However, GuildHE is concerned that the UK is increasingly losing out to other countries when it comes to international student recruitment. The UK's exit from the EU is likely to exacerbate this phenomenon, making the UK appear less welcoming to all prospective international students.
6. The burdens of the current visa regime mean that smaller institutions, often found in more disadvantaged communities, can find it hard to recruit international students, which in turn means that the benefits of international students in the UK are unevenly distributed.
7. Furthermore, the lack of an easily accessible post-study work visa means that many international students, who have gained skills in the UK, are unable to stay in the country, and put those skills to use in local economies. This is economically disadvantageous in itself, and may also be a factor in the slowing growth of the UK's international student population.
8. GuildHE therefore calls for the UK to take a more welcoming approach to international students. Specific policy recommendations are included at the end of this response.

In the classroom

9. International students are a key part of the UK's higher education ecosystem. In 2016/17, there were approximately 135,000 non-UK EU students, and a further 308,000 non-EU student at designated higher education institutions in the UK, accounting for 13.3% and 5.8% of the student body respectively.¹ A further 5,000 international students were enrolled on designated courses at alternative providers in the same year.²

Students in UK Higher Education by Domicile - HESA Student Record



Full Person Equivalent for each Domicile (basic) broken down by Academic Year. Color shows details about Domicile (basic). The marks are labeled by Full Person Equivalent %. The view is filtered on Domicile (basic), which excludes Not known/stateless.

¹ HESA, [Student Record](#) (2016/17)

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² HESA, [Alternative Provider Student Record](#) (2016/17).

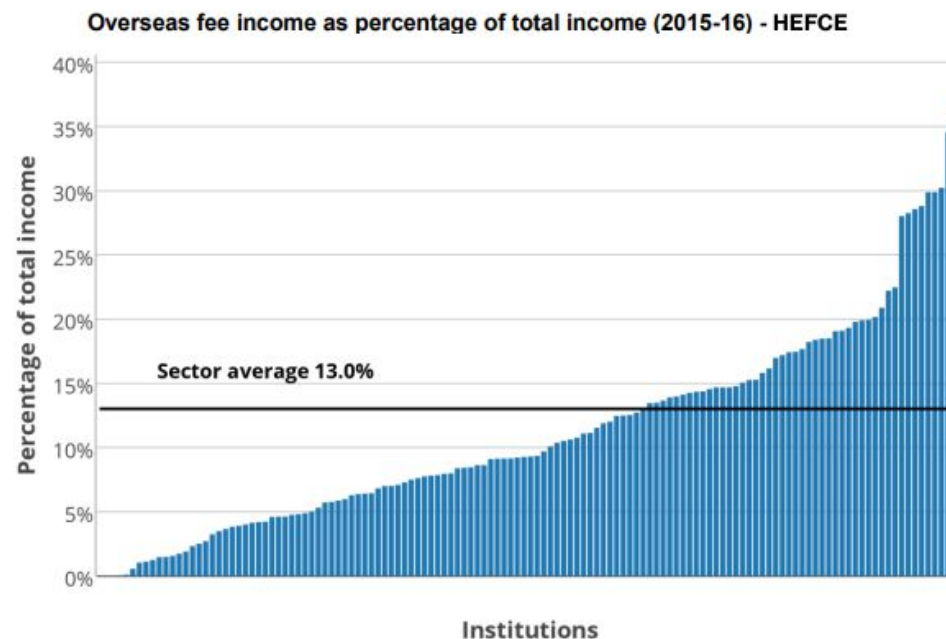
10. The UK currently attracts around 13% of international student enrolments, second only to the USA.³ These international students make substantial contributions to the institutions at which they choose to study.

11. Overseas students make substantial, direct contributions to the financial sustainability of Higher Education Institutions. Non-EU students tend to pay higher fees than those charged to home and EU students. These fees are an important and growing aspect of institutional income, accounting for over 10% of the total income for the sector. Between 2014/15 and 2015/16, overseas fees grew by 6.3%, outstripping the sector's overall 3.8% growth.⁴

12. This income also plays a crucial role in research taking place in the UK higher education sector. Currently, research is under-funded by nearly 40% - £3.3 billion in 2014/15 - that year, the surplus income from teaching non-EU international students funded around 13% of all UK university research.⁵

13. EU students make a less significant financial contribution directly to institutions, as there are fewer of them, they pay home fees, and are eligible for student support. However, these pull factors, along with visa-free entry to the UK may inflate the numbers of outwardly mobile students choosing to study in the UK, in turn boosting 'home' fees income.

14. Analysis suggests that the removal of student tuition fee support for EU students, and harmonisation of EU with other international student fees, would cost UK higher education institutions £40 million.⁶ This would disproportionately affect smaller, less research-intensive, newer and lower-tariff HEIs, which tend to have larger numbers of EU students, and lack the international recognition to attract students from further afield.



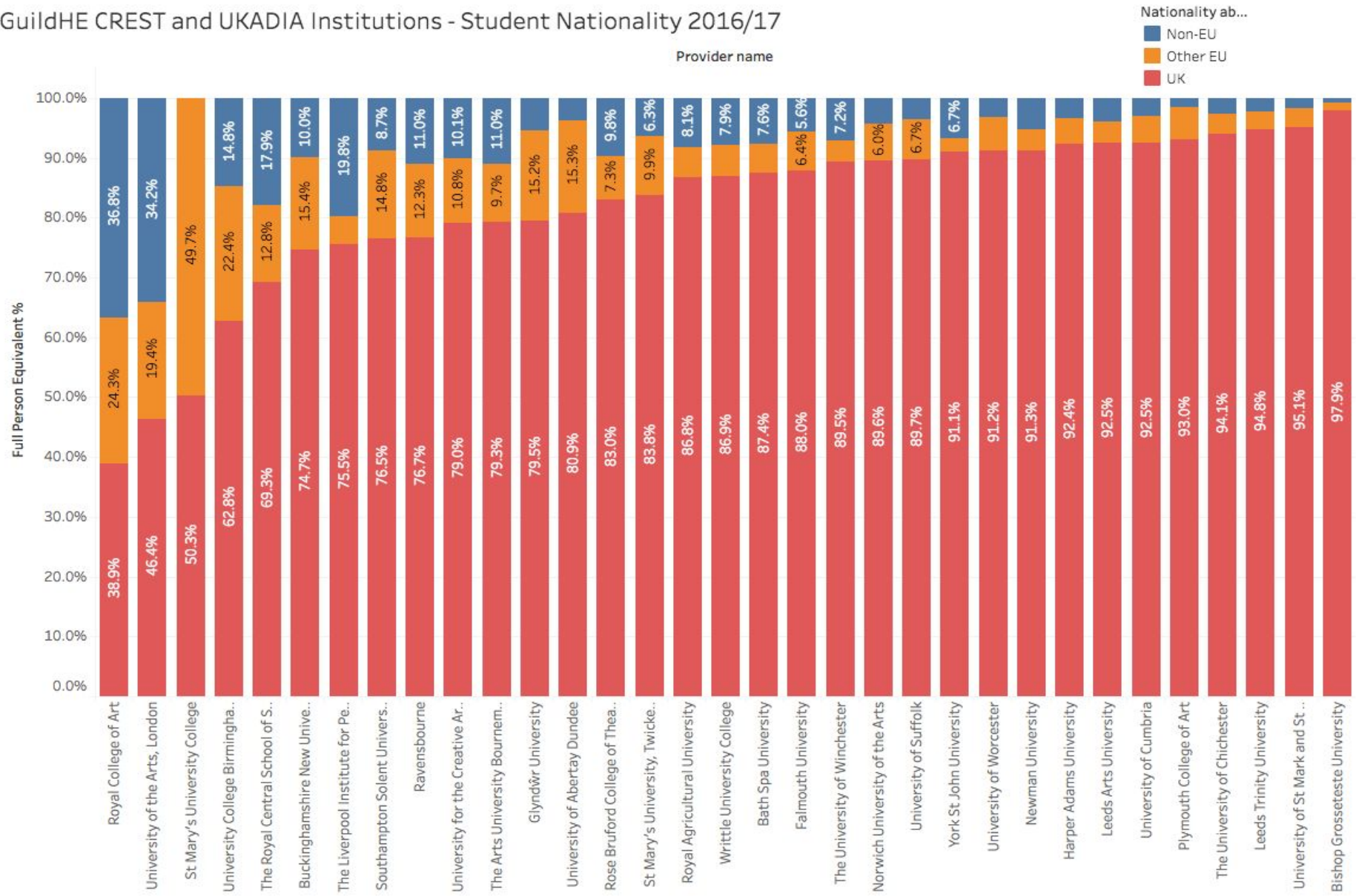
³ Universities UK International, [International Facts and Figures: Higher Education 2018](#) (2018).

⁴ HEFCE, [Financial health of the higher education sector](#) (2017).

⁵ Vicky Olive, [How much is too much? Cross-subsidies from teaching to research in British universities](#) (HEPI Report 100, 2017).

⁶ Conlon, Ladher and Halterbeck, [The determinants of international demand for UK higher education](#) (HEPI Report 91, 2016).

GuildHE CREST and UKADIA Institutions - Student Nationality 2016/17



15. Among GuildHE member institutions, 10% of students came from within the EU, compared to 9.9% from beyond the EU. Furthermore, some institutions would be particularly hard hit. In some GuildHE institutions, more than 15% of the student body comes from the EU.⁷
16. It is also worth noting that the institutions likely to have the most substantial numbers of EU students - those located in Northern Ireland, which has a common travel area with the Republic of Ireland - do not record data on student nationality. It is therefore impossible to determine how severely they might be impacted by a decline in EU student numbers.
17. International students not only provide additional fees income to UK HEIs, they also boost the demand for courses.
18. Certain specialisms are particularly reliant on overseas students - for example, among the creative institutions within ukadia, some 35% of students come from outside the UK. Similarly, among GuildHE member institutions, 25% or more of students on veterinary science, business and administrative studies, creative arts and design, and engineering and technology are from outside the UK.
19. This additional demand may be crucial in ensuring the continued viability of courses, increasing the range of subjects open to UK students.
20. At postgraduate level, the contribution of international students is particularly significant. Across GuildHE member institutions, 30% of postgraduate students are from outside the UK; at certain institutions, this figure is as high as 70% of postgraduate students. Again, these international students play a crucial role in supporting the viability of courses, ensuring that UK students are offered the widest possible range of opportunities.
21. Research by NUS found that a quarter of students (including 35% of postgraduates), felt their course would not be viable without international students.⁸ Over 30% of students (including 43% of postgraduates) felt the loss of international students would lower the quality and value of courses, with 53% of postgraduates worried that a loss of international students would negatively impact on course resourcing.
22. As recently highlighted by GuildHE, home students value the diverse environments created by international students in UK higher education, which offer opportunities to engage with new ideas and meet people with different life experiences. This can enhance active citizenship, helping to foster global awareness and civic engagement among students, and preparing them to work in a globalised world.⁹
23. Even more valuable to UK students than being part of an international student body is the opportunity to study overseas themselves. Recent research by Universities UK International (UUKi) found that students who complete some form of overseas work, study or placement have better outcomes than those who do not, yet at present only 6.6% of UK students complete an overseas placement.¹⁰ Increasing UK outward student

⁷ HESA, *Student Record* (2016/17)

⁸ NUS, [Student perspectives on international students](#) (2017).

⁹ GuildHE and NUS, [Active Citizenship: The role of higher education](#) (2017).

¹⁰ Universities UK International, [Why more UK students should work, study or volunteer overseas](#) (2017).

mobility will be harder to achieve if exchange programmes, which are often built on mutual collaboration, are curtailed by a tightening of the UK student immigration system.

24. There is also little evidence to support the idea that international students ‘crowd out’ home students. Prior to 2015, UK student numbers were capped, yet research has found that, even in this situation, international students did not have a negative impact on home student admission.¹¹ Where student numbers are uncapped, increases in the number of international students were positively connected with domestic student numbers.
25. Despite these clear benefits, there are significant challenges to the place of international students in UK higher education.
26. Since 2011, the number of internationally mobile students in the world has risen by almost 20%, however the number of international students in the UK was just 3% higher in 2016 than it was in 2011.¹² In contrast, countries such as Australia, China and the USA have seen their international student populations growing by 10% or more each year.¹³ Furthermore, the UCAS End of Year Cycle Report for 2017 shows that, for the first time since 2011, the number of EU students applying to, and accepted by UK HEIs has fallen.¹⁴
27. All told, it appears that demand for UK higher education globally is stagnating in the face of new competition and negative perceptions stemming from the UK’s decision to leave the EU. A more fair and welcoming international student immigration policy could go some way towards addressing this uncertainty, attracting international students from beyond the EU, who could offset any decline resulting from Brexit.
28. Key “growth markets” for international students are Central Asia, the Arab States and South and West Asia.¹⁵ The UK’s visa regime may be one reason for this stagnation. A recent survey of GuildHE member institutions found that changes to the visa system have increased the financial and administrative burdens on small HEIs and limited their recruitment to lower-risk markets, which may offer fewer opportunities for growth.¹⁶
29. The research also found that half of respondents have been negatively impacted by reductions in the visa refusal threshold, while 87% of respondents are concerned about the possibility of further reductions. The threshold is currently set at 10%, so that an institution with only 20 international students may lose its license if only two prospective students are refused visas, even where these refusals were not the fault of the institution. This percentage threshold is not proportionate to the low level of risk of abuse possible through the visa license of smaller providers.

¹¹ Stephen Machin and Richard Murphy, [Paying Out and Crowding Out? The Globalisation of Higher Education](#) (2015).

¹² UIS. Stat, [Outbound internationally mobile students by host region](#) (2018).

¹³ Universities UK International, [International Facts and Figures: Higher Education 2018](#) (2018).

¹⁴ UCAS, [End of Cycle Report 2017: Summary of applicants and acceptances](#) (2017).

¹⁵ UIS. Stat, [Outbound internationally mobile students by host region](#) (2018).

¹⁶ Uniac, [Research Note: GuildHE member views on UKVI visa regulations](#) (2017).

30. Information is not readily available on the participation of international students undertaking tertiary study in a Further Education setting. However, it is likely that, given differential visa burdens placed on these providers (and the more limited rights afforded to international students in such institutions), international students make up a smaller share of the student body.
31. GuildHE does not believe that this damaging artificial divide between FE and HE can be justified. Instead, GuildHE believes the visa system should be standardised across provider types. Over 80% of UK students agree the type of institution someone studies study in should not affect their rights as international students, according to research conducted by NUS.¹⁷

¹⁷ NUS, [Student perspectives on international students](#) (2017).

In our communities

32. The government's Industrial Strategy emphasises the importance of place, and sharing growth across the UK. In this context, international students play a significant role, as their contributions are spread across institutions throughout the UK.
33. Analysis has shown that the parliamentary constituencies which benefited most from international students were Sheffield Central and Newcastle-Upon-Tyne East, with a net benefit across these two constituencies of over £400m from the 2015/16 cohort.¹⁸
34. GuildHE institutions are often be embedded in local economies outside the core areas of economic activity in the UK. International students at these institutions make significant contributions to these local economies, boosting employment and supporting local business and industry.
35. Universities in areas of little migration are likely to bring greater diversity to their local communities and increase cultural awareness. International students also bring tourism (visiting friends and family), further boosting local economies.
36. That said, it remains the case that most international students attend large institutions in major cities. In order for the positive impacts of international students to be felt across a wider range of communities, more should be done to attract international students to smaller institutions in less advantaged areas, perhaps by reducing the burden of sponsoring student visas for these institutions.
37. The public is also supportive of international student migration. Recent polling revealed that only 24% of British adults think of international students as immigrants at all; 75% of respondents said they would like to see the same number, or more, international students in the UK; this jumped to 87% once information on the economic benefits of international students was provided.¹⁹
38. Immigration to an area, particularly if it is unexpected, may put pressures on public services. However, International students tend to place a low burden on public services - those students who are most likely to be internationally mobile are also least likely to have dependents; students tend to be younger, meaning that they are less likely to access healthcare; and non-EU students on Tier 4 visas cannot to access most benefits.
39. It is true that the UK has an undersupply of housing, and international students may add to this problem. However, it is worth noting that, since 2013/14, GuildHE member institutions have increased their average number of bed-spaces per student by 50%, with over £16.8bn in capital spending on buildings from 2013/14-2015/16 (boosting local construction industries).²⁰ Many international students opt not to enter the mainstream rental market, instead living in university accommodation, or purpose built private accommodation.
40. Overall, it seems likely that the economic benefits of international students outweigh the drawbacks to local communities.

¹⁸ London Economics, [The costs and benefits of international students by parliamentary constituency](#) (HEPI report 102, 2018).

¹⁹ ComRes, [Universities UK International Student Poll](#) (2016).

²⁰ HESA, *Estates Record* (2013/14-2015/16), *Finance Record* (2013/14-2015/16).

For our regions and nations

41. Analysis conducted by UCL's Centre for Research and Analysis of Migration (has found that migrants arriving since 2000 have been net contributors to UK public finances.²¹ This means that the relatively small burden international students place on public services is more than outweighed by the additional income they generate within the economy.
42. Universities UK has found that international students contributed more than £25 billion to the UK economy in 2014-15.²² Research conducted by London Economics, using slightly different modeling, found that the average EU domiciled student brings a net economic benefit of £68,000 to the UK per year, while the average non-EU student brings a £95,000 benefit.
43. Similarly, research for GuildHE has found that international students at creative arts institutions alone contribute over £77 million to the UK economy each year.²³ This is equivalent to creating some 2,860 average wage jobs in the UK economy.
44. It is true that these benefits are not equally distributed across the UK, with the majority of international students based in London and the South East. However, this is not the fault of international students; rather it reflects systemic geographical imbalances in the UK economy.
45. Significantly, in recent years, London's share of the UK international student population has declined, while that of Scotland, the West Midlands, the North West and the South West have increased. This may indicate some rebalancing, though it should be noted that other regions and nations, including Wales, the East of England, and Yorkshire and the Humber, have also seen declines.²⁴
46. It is too early to tell if this is the beginning of a long-term shift away from the dominance of London and the South East. However, if rebalancing is to be sustained over the longer term, it is likely that government will need to lower barriers which currently limit international student recruitment in some institutions.
47. International students from within the EU are currently able to work alongside their study. Those students who choose to do so, in effect contribute twice to their local economies, both as students, and as participants in the labour market. Given the UK's low unemployment rate, there is little reason to believe that EU students' participation in the labour market reduces opportunity for others. Indeed, in disadvantaged areas in particular, the additional skills and energy provided by EU students should be welcomed.

²¹ Christian Dustmann and Tommaso Frattini, "[The Fiscal Effects of Immigration to the UK](#)", *Economic Journal*, Vol.124, Issue 580 (2014)..

²² Universities UK, [The Economic Impact of International Students](#) (2017).

²³ EMSI, [The Economic Value of Creative Focused Universities and Colleges](#) (2016).

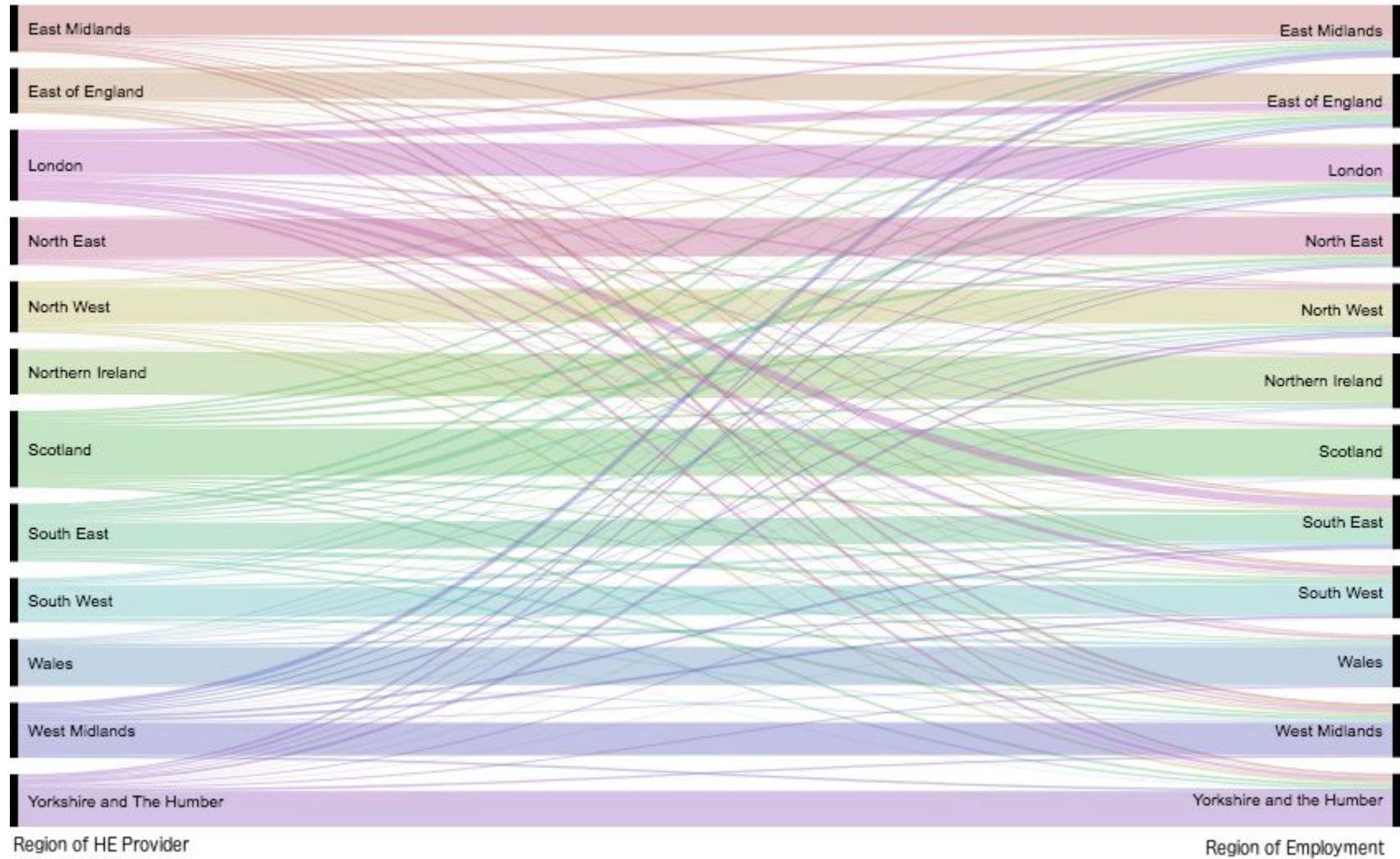
²⁴ HESA, *Student Record* (2011/12 - 2016/17)

48. Many international students, both from within and beyond the EU, remain in the UK after graduation in order to work. Significantly, between 50% and 90% of graduates from within the EU are employed in the same region as that in which they studied.²⁵ In contrast, UK students are less geographically 'sticky'. GuildHE suggests that this 'stickiness' is due to international students building networks in only that region, something likely to be equally true of other international students, while UK students may feel more comfortable moving to a region they don't know.
49. Unlike EU students, non-EU graduates must apply for a Tier 2 work, a scheme limited to certain roles, and which requires employer sponsorship. This means many graduates are forced to leave, creating a self-inflicted brain drain. NUS research found that 75% of current UK students agree that international students should have the right to work in the UK after graduation.²⁶

²⁵ HESA, *Destination of Leavers of Higher Education* (2016/17)

²⁶ NUS, [Student perspectives on international students](#) (2017).

Regional flow of international students remaining in the UK to work after graduation (FPE %, 2016/17)



Source: HESA Destination of Leavers from Higher Education, 2016/17
 Full Person Equivalent % broken down by provider region vs. Location of employment (region). The data is filtered on Academic Year, Most important activity and Domicile (basic). The Academic Year filter keeps 2016/17. The Most important Activity filter keeps Due to start a job in the next month, Working full-time and Working part-time. The Domicile (baasic) filter keeps Other EU. The view is filtered on Location of Employment (region), which excludes England region unknown, Non UK, Not in employment, Not known and UK region unknown.

For our research, trade and soft power

50. International postgraduates have a significant role to play in producing world-leading research. There is an expectation within the research community that the best researchers are internationally connected, and the presence of international students in research teams can help domestic students build these links.²⁷
51. This is a particular cause of concern for members of GuildHE and CREST, whose postgraduate students are often embarking on their research career later in life whilst either working in another sector or having made a career switch. For such students, it can be particularly important to establish research networks quickly.
52. While some international students remain in the UK after graduation, most return to their home countries or move elsewhere.²⁸ They take with them the values gained whilst studying in the UK, along with their positive impressions of life in the UK. This enhances the UK's soft power.
53. The Soft Power 30 ranking of leading soft power states placed the UK at number one in 2018. One factor in the UK's ongoing success in this ranking is "the quality of universities, their ability to attract international students, and contribution to academic research publishing".²⁹ However, from 2017 to 2018, the UK's ranking for education fell from second to third. This year, the change was offset by improvements elsewhere, but it is clear that any decline in the international standing of UK higher education could undermine UK soft power.
54. Research by Hobsons has found that a country's attitude to international students was the second most important factor in international students' decisions of where to study, and that social media messaging could play a significant role in attracting students.³⁰
55. For example, the #WeAreInternational campaign, established in 2013 to highlight the importance of diverse international student and staff communities, and supported by more than 160 universities and organisations, could help mitigate the impression that the UK is not welcoming to international students following the country's vote to leave the European Union.³¹
56. A more generous student immigration regime could also have benefits to the UK's global trade outlook. As the UK diverges from the EU, it will be looking to strike independent trade deals. Significantly, those nations with the largest populations of internationally mobile students are those with which the UK would want to build or maintain strong trading relationships, including the USA, China, India, and several EU member states. Allowing more international students to study in the UK could make key partner nations more receptive to UK trade deals.

²⁷ S. Guthrie, C. A. Lichten, E. Harte, S. Parks, S. Wooding and J. Corbett, [International mobility of researchers: A survey of researchers in the UK](#) (2017).

²⁸ Office for National Statistics, [What's happening with international student migration?](#) (2017).

²⁹ Portland, [The Soft Power 30: A global ranking of soft power](#) (2017).

³⁰ Hobsons, [International Student Survey 2017: Welcoming the World](#) (2017).

³¹ For more information, see <http://www.weareinternational.org.uk/about/>.

Recommendations

57. GuildHE has several key recommendations which would encourage further growth in international student recruitment, and allow those students to make valuable contributions to the UK's economy and society at all levels, both during and after study:
- a. Ensure that the visa system is as straightforward to navigate as possible for students and staff, to avoid discouraging potential applicants.
 - b. Standardise international student visa requirements between the FE and HE sectors. It is not reasonable that institutions offering courses at the same level should be subject to completely different visa regimes.
 - c. Ensure that the low risk posed by smaller institutions is reflected in the regulation of visa licenses by UKVI. UKVI should also consider moving to a tiered subscription model for the premium service, to avoid pricing out smaller institutions.
 - d. Develop a route for post-study work for international students, automatically classifying graduates as skilled workers, so that they are able to contribute to the regional economies in which they study, or gain further skills by undertaking paid internships and professional training.
 - e. Expand the streamlined international Masters student visa pilot to all universities as soon as practicable, and explore options for extending this to all postgraduate students.
 - f. Develop a new way of classifying international students, so that they are excluded from headline migration targets, and are reported separately.

Jack Fleming

GuildHE Project Officer

jack.fleming@guildhe.ac.uk

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Appendix 1: HESA data

Data in this written response is drawn from the Higher Education Statistics Authority (HESA). It includes HESA Student Record (2007/08-2016/17), HESA Alternative Provider Student Record (2016/17), HESA Finance Record (2013/14-2015/16), HESA Destination of Leavers from Higher Education (2016/17), and HESA Finance Record (2013/14-2015/16). HESA data is Copyright Higher Education Statistics Agency Limited. Neither the Higher Education Statistics Agency Limited nor HESA Services Limited can accept responsibility for any inferences or conclusions derived by third parties from data or other information obtained from Heidi Plus.

HESA holds data on the following 34 HEIs which are members of GuildHE or of one of its sub-associations, CREST and ukadia.

- Arts University Bournemouth
- Bath Spa University
- Bishop Grosseteste University
- Buckinghamshire New University (CREST member only)
- Falmouth University
- Harper Adams University
- Leeds Arts University
- Leeds College of Music
- Leeds Trinity University
- Liverpool Institute for Performing Arts
- Newman University
- Norwich University of the Arts
- Plymouth College of Arts
- Ravensbourne
- Rose Bruford College of Theatre and Performance
- Royal Agricultural University
- Royal Central School of Speech and Drama
- Royal College of Art (ukadia member only)
- Southampton Solent University
- St Mary's University College, Belfast
- St Mary's University, Twickenham
- University College Birmingham
- University for the Creative Arts
- University of Abertay, Dundee
- University of Chichester
- University of Cumbria (CREST member only)
- University of St Mark and St John
- University of Suffolk
- University of the Arts London (ukadia member only)
- University of Winchester
- University of Worcester
- Wrexham Glyndwr University (CREST member only)
- Writtle University College
- York St John University