



## **Evidence for the All Party Parliamentary Group for International Students**

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## **Section 1 - Executive Summary**

**London Business School welcomes the work undertaken by the APPG for International Students in considering the critically important, and overwhelmingly positive, impact of international students in the UK. This submission provides detail requested by the inquiry, with a summary of key points listed below.**

- With 89% of London Business School students from outside the UK, building a sustainable future for international students in the UK is of key importance.
- Students must be removed from the net migration target – including them in the target is directly contributing to the hostile environment.
- The Tier 4 visa application process is not fit for purpose – it must be modernised and streamlined to be suitable for 2018 and beyond.
- The Tier 4 visa pilot with lower application requirements is a good first step, but does not go far enough – it must apply equally to all Masters and PhD level programmes.
- The compliance issues of some institutions in 2009 have been addressed – current Tier 4 policy is no longer fit for a compliant Higher Education sector.
- Restrictions on self-employment for Tier 4 students are disproportionate and should be removed.
- The current policy and process for determining “genuineness” through credibility interviews is both ineffective and unwelcoming. Tier 4 sponsors must be trusted to determine the eligibility and suitability of their own students.
- A “one size fits all” attendance monitoring policy fits nobody well. Tier 4 sponsors must be trusted to ensure ongoing engagement by Tier 4 students.
- The government must put more value on the soft power created by international students during and after their studies – whether this is in the UK, their home countries or elsewhere.
- We need a streamlined post-study work offering that actively encourages high calibre students to stay in the UK.
- We must ensure that the replacement of the Tier 1 Graduate Entrepreneur route has more flexible eligibility requirements and provides longer-term opportunities.

## **Section 2 - London Business School – who we are**

London Business School's (LBS) vision is to have a profound impact on the way the world does business, and the way business impacts the world. With **89%** of LBS degree programme students from outside the UK, the importance of building a sustainable future for international students in the UK cannot be over-stated. Diversity has always been a cornerstone of LBS values and we pride ourselves on being an institution that welcomes people from all countries, cultures, backgrounds and orientations. When looking at the impact of international students, we are looking at our whole community. We do not and cannot differentiate on the basis of nationality.

We are a global business school, with global ambition. As a fully postgraduate institution offering a range of Masters and PhD programmes, we provide a varied, diverse learning environment that gives us a global edge and a unique competitive advantage.

LBS offers the following degree programmes:

- MBA (full-time)
- Executive MBA London (part-time)
- Executive MBA Dubai (part-time)
- Masters in Finance (full and part time)
- Masters in Management (full-time)
- Masters in Financial Analysis (full-time)
- Executive MBA Global America & Europe (part-time)
- Executive MBA Global Asia (part-time)
- Sloan MSc in Leadership and Strategy (full-time)

LBS is a leader in the field of business education. We have been ranked the number one business school in Europe for four consecutive years by the Financial Times (FT), with our full-time MBA ranked the number two international MBA by Bloomberg Businessweek. Our EMBA-Global programme has been ranked in the top four by the Financial Times. Since 2010, our Masters in Finance Full Time programme has ranked number one by the Financial Times in the post experience category in seven of the last eight years, and our EMBA Global Asia programme was ranked number two in the world in 2017.

The success of LBS is driven by the students on our programmes. We recruit top global talent for our degree programmes. Our students are an eclectic mix of highly educated, experienced, creative, ambitious individuals. Our students choose London Business School for an academically rigorous programme designed for those looking to take their career to the next level.

As of January 2018, there were **2343** degree programme students enrolled at London Business School. These students represent **115** nationalities. As shown in table 1, **89%** of LBS Degree Programme Students are international students. It is not an exaggeration to state that our business both depends and thrives on international students.

**Table 1 – LBS Degree Programme student numbers @ 22/01/2018**

	<b>Current student numbers</b>	<b>% of students</b>
<b>UK nationals</b>	<b>269</b>	<b>11%</b>
<b>EEA nationals</b>	<b>532</b>	<b>23%</b>
<b>Non-EEA nationals</b>	<b>1541</b>	<b>66%</b>

### **Section 3 – How can we build a sustainable future for international students?**

In considering the APPG's inquiry, there are 3 key perspectives to consider in ensuring the future for international students in the UK is truly sustainable.

- What is an international student's experience in coming to the UK?
- What is an international student's experience while they are studying in the UK?
- What is an international student's experience after their studies in the UK?

While no experience will be identical, there are key themes that underpin all three areas. We believe that there is an opportunity to address these, and directly contribute to ensuring that there is a sustainable future for international students. In today's competitive landscape, and with the UK losing ground in the international education market, it is imperative that we improve our "offer" to international students. Our submission to the APPG will look at these themes with proposals for resolving the current challenges.

- Acknowledging and addressing the impact of the hostile environment
- Making Tier 4 policy fit for purpose for 2018 and beyond – the rights and responsibilities of Tier 4 sponsors
- Soft power – the underestimated value of international students
- Valuing the post-study contribution of international students

#### **3.1 Acknowledging and addressing the impact of the hostile environment**

Official government policy on international students informs us that the UK is open to welcoming the brightest and the best students, and that there is no cap on the number of international students who can come to the UK. The reality of the experience of many international students in the UK is, regrettably, very different from this.

The hostile environment that has dominated immigration news in recent years is much more than a headline. It is a very real experience, and starts before prospective international students even make visa applications.

#### **Net migration target**

It is common practice under UN conventions for international students to be included in net migration calculations. As degree programmes vary in length from one year, to 5 or 6 years for PhDs, it is understandable that such students be considered migrants. However, there is

no convention requiring a net migration **target** to include international students. International students' inclusion in the net migration target is not consistent with there being no cap on the number of international students who can come to the UK. With the arbitrary target of 100,000 set by the Conservative government, one of the first messages conveyed to prospective international students is that they are not welcome in the UK, at least not in large numbers.

The messaging on net migration continues during an international student's time in the UK. With media messaging – based on government policy – focussing on reducing the number of migrants in the UK, one must wonder what the impact of this is on the experience of international students who know they are counted as part of the problem.

Government policy will insist that international students are also welcome to stay in the UK after their studies, subject to finding Tier 2 sponsored employment. This messaging again contradicts the much louder government messaging on reducing inward migration. For qualified, talented students whose future contribution to the UK economy will bring net benefits, the continued focus on bringing migration numbers down sends a strong message that they are not welcome.

If the government continues to pursue its agenda of having a net migration target, international students must be removed from this target. To do anything else continues to send a negative, hostile message to the very international students the government claims to value.

#### **Tier 4 Visa application process**

The Tier 4 visa application process is no longer fit for purpose for a number of reasons:

- According to [www.gov.uk](http://www.gov.uk), the standard processing time for a Tier 4 visa is 15 working days. The majority of our incoming students for 2018/19 have not received their visas in this timeframe, with many taking upwards of 30 working days to receive their visas.
- Priority visa services are also not meeting stated service standards. The majority of our incoming students for 2018/19 who paid an additional £200 for a quicker processing time, have not received their visas in the stated time. In several cases, even the standard processing time has not been met.
- The requirement for original, hard copy documents is inconsistent with the way banks and other institutions work in 2018. Expecting applicants to obtain hard copy

documents which are then inexplicably scanned to UKVI is out-dated and unhelpful to all involved.

- The decision making process is inconsistent. Some students are required to submit documents that are not required in other countries. CAS statements are one example; different requirements for birth certificates are another.
- Communicating visa decisions is poor and badly managed. Students are expected to submit their passports, with, in most cases, no way of tracking the progress of their application or when to expect their passport to be returned. This is particularly poor in South American and African countries. To many of our students, they submit their passports and other confidential documents into what effectively is a “black hole” for an undetermined period of time.
- Administrative reviews of incorrect refusal decisions are not fit for purpose. 28 days to review a clear administrative error on the part of UKVI, with a further 10-15 days to actually correct the mistake, is not an acceptable approach.

Once in the UK, the system and process around issuing Biometric Residence Permits is also not fit for purpose. Errors on BRPs – incorrect expiry dates, errors with work conditions – are a regular occurrence. The onus and inconvenience for having these corrected is then placed on the student who is required to send their BRP to the Home Office to be issued a replacement, and not permitted to travel for the 3 or 4 weeks the replacement will take to be issued.

An international student’s experience of coming to the UK is often initiated in their interactions and communications with UKVI through their visa application. With a clunky, out of date process in place, this negative experience unfortunately sets students’ expectations for their time as Tier 4 students.

The Tier 4 pilot introduced for select institutions is a good first step in recognising that compliant institutions are well-placed to determine the “worthiness” of their own students, but it does not go far enough. Limiting the pilot to Masters programmes of up to 12 months is an arbitrary threshold. Why is a student attending a year long Masters considered eligible for lower requirements than a student attending a 5 year PhD? Why should a student undertaking a 10 month Masters be granted an additional 2 months’ leave, compared to 16 month Masters student? With positive feedback for the pilot from both theselected institutions and the Home Office, we would like to see the application of its rules applied more fairly and broadly across the postgraduate sector.

The Tier 4 application process must be streamlined and modernised to fit with the expectations of international students whose lives are facilitated by technology and processes fit for 2018 and beyond.

### **3.2 Making Tier 4 policy fit for purpose for 2018 and beyond – the rights and responsibilities of Tier 4 sponsors**

Tier 4 was introduced in 2009, in the context of a limited but real concern with “bogus” colleges whose main intent was not to recruit genuine international students. The Home Office has confirmed that these concerns have been addressed, and that the Higher Education sector is largely compliant with regards to immigration and Tier 4 sponsorship requirements.

In spite of this, many elements of Tier 4 continue to exist that are out of place for a compliant sector. Not only does this lead to issues for the HE sector in meeting compliance requirements, but it impacts on the experience of students coming to the UK, during their studies, and their post-study experience.

#### **Restrictions on self-employment**

The world of work has changed considerably since 2000. In February 2018, the Office of National Statistics reported an increase in the number of people registered as self-employed in the UK from 12% in 2011 to 15.1% in 2017. Within these statistics, the increase in young people – 16 to 24 year olds – classified as self-employed was 74%. Self-employment can take many forms - including entrepreneurs and freelancers, gig economy workers or contractors. The financial crisis of 2008 and the rise of technology are the two key factors contributing to this significant change.

Immigration policy has struggled to keep up with this change, a fact which is very clearly seen in Tier 4 student policy. Self-employment is currently prohibited in all forms for Tier 4 students. For London Business School students, this is significant and has a notably negative impact on international students' experience. As business school students, our students are regularly approached by companies looking for short-term project work, or to provide specialist support for a fixed period of time. In many cases, these are only offered as self-employed opportunities, which means Tier 4 students are unable to pursue them. Putting their current studies into immediate practice in the workplace would be hugely beneficial – and for our non-Tier 4 students, this forms an integral part of their London Business School experience.



Tier 4 policy currently entrusts students with knowing their limit on employed work hours during term time, as well as their ability to work full-time during vacations. Extending these conditions to self-employed work would not be problematic, nor would it cause any compliance issues. Tier 4 sponsors would still be required to monitor student attendance at their studies, continuing to ensure that they were actively engaged in their studies. Additionally, Tier 4 sponsors have a duty to report any breaches of visa conditions – meaning any concern or suspicion of students with regards to any breach of their work conditions would be reported. We would strongly support a change in Tier 4 policy that accommodates international students who wish to combine their studies with self-employment.

This issue is highlighted further when looking at the Tier 1 Graduate Entrepreneur visa route. There is currently an incomprehensible incongruence between the Tier 4 prohibition on self-employment, and supporting students into Tier 1 Graduate Entrepreneur. Entrepreneurs do not become entrepreneurs overnight. The process is often long and undefined. What starts as an idea, turns to market research, which turns to viability studies, developing a Minimum Viable Product, speaking to mentors to refine the business, introductions to potential investors to financially support the business. For many of our students who will move into Tier 1 Graduate Entrepreneur following their studies, their business idea is in place even before their studies. Moreover, they wish to use their studies as a time to refine, develop and prepare for launching their business when they graduate. Students who have plans to stay in the UK following their studies are committed to ensuring they do not breach any visa conditions during their studies. Their future depends on it, and they do not want to do anything that may jeopardize this. At the same time, their future plans are effectively put on hold under current Tier 4 rules. We would like to see students encouraged to be entrepreneurial, and to provide an opportunity within immigration policy that allows this.

It is perhaps pertinent to note in this submission that Lord Karan Bilimoria, founder of Cobra Beer and co-chair of the APPG on International Students, started the work on building Cobra Beer while he was a student at Cambridge University in 1988. The business was formally founded in 1989, but the work undertaken before this could happen – market research, development of the product, pitching for financial investment – was critical to its success. Lord Bilimoria was able to do all of this as an international student. Today, this would not be permitted. Is it really the intention of the UK government to limit the development of successful businesses based in the UK? The Department for International Trade has a number of excellent initiatives in place to push the UK as the most exciting place for

entrepreneurs to base themselves and their businesses. While these are welcome, we are missing a critical opportunity with the current restrictive approach to entrepreneurial students. As a business school, we want to support the “Lord Bilimorias” of today and tomorrow. We need a student immigration policy that recognises and values this.

### **Genuine student recruitment**

Tier 4 policy currently focuses heavily on processes and requirements to ensure that any students coming here under Tier 4 have genuine intentions to study in the UK. We strongly support this sentiment. However, the processes and requirements in place are inadequate and disproportionate.

Tier 4 modernised guidance for Home Office case workers indicates that credibility interviews should be arranged when there are concerns or evidence that suggests an applicant may not be genuine in their intentions. While the purpose of this is understandable, there are strong concerns that the actual process and policy is simply not fit for purpose.

There are currently more than 1,200 Tier 4 sponsors. These include independent schools, large universities, specialist institutes, business schools and more. Students applying to attend this range of institutions have different backgrounds, experience, skills, intentions and ambitions. Someone attending a 4 year undergraduate course at a large HEI in, for example, Cardiff, will be in a very different position from someone attending a specialist music degree at a prestigious London conservatoire.

And yet, our extensive experience as an elite business school in the UK suggests that exactly the same type of questions are asked of students, regardless of their place or level of studies. London Business School is ranked within the top business schools in the world, competing with Harvard, Columbia and other US business schools for the top business talent. A 5 minute peruse of the London Business School website confirms this, with Financial Times rankings prevalent and the international diversity of our student body proudly displayed. In a sample credibility interview of an incoming student in 2018, the interviewer ignored this information provided by the student, and in response stated clearly, and incorrectly “The students being from different countries has no relevance or bearing to the actual course does it? You could essentially walk in on the first day and the whole class could be British students.” Another example saw an interviewer query why the student had not considered undertaking an MBA closer to home in Nigeria, rather than at London Business School.

Both these interviews resulted in visa refusals. An interviewer or caseworker who has no knowledge of London Business School, our reputation, our courses or our students is not qualified to determine whether a student is genuine or not. In both these cases, the students made successful subsequent applications. The students did not “become” genuine – they were incorrectly and unfairly judged by the initial interviewer who was ill-equipped to make the right decision

The current policy and process for determining “genuineness” through credibility interviews is both ineffective and unwelcoming. Not only does it contribute to the hostile environment students experience from the outset, it incorrectly identifies students as “not genuine”.

We would support a change in policy whereby Tier 4 sponsors are given both the right and the responsibility of determining the “genuineness” of the students we recruit. The compliance framework of Tier 4 facilitates compliance visits by the Higher Education Assurance Team where our student recruitment practices are reviewed in detail. From the specific perspective of London Business School, our compliance visit of 2017 noted that our comprehensive recruitment and admissions processes were of a very high standard. The application process involves essays, references, verification of previous qualifications and a face-to-face interview with every student before they are offered a place. As experts in the field of business education, and through our rigorous admissions process, we are best placed to determine a student’s eligibility and suitability. As a Tier 4 sponsor, we have already committed to only sponsoring students who we have deemed to be genuine, and we are monitored on this through the annual Basic Compliance Assessment and HEAT compliance visits. We would support the removal of ineffective, disproportionate credibility assessments as part of the Tier 4 application process, and instead fully allow Tier 4 sponsors to take responsibility and exercise their right to recruit eligible, suitable international students.

### **Attendance monitoring**

At London Business School, we have strict academic regulations requiring high levels of attendance and engagement in studies at all times. Non-attendance of a course, or in some cases partial attendance of a course, will result in the student failing the course and in many instances, being withdrawn from the programme. This is applicable irrespective of the student’s visa status.

We recognise, however, that this approach is not suitable for all types of institutions, where course objectives and degree requirements will vary. For this reason, we would support an approach where Tier 4 sponsors are trusted to have in place their own policies and

processes to ensure that the students they have recruited continue to remain engaged in their studies at all times.

Similarly to the argument with regards to genuine student recruitment, a more proportionate and effective approach would be to allow Tier 4 sponsors to take full responsibility for their students engagement within their own institutional policies and parameters. The measure of this, as with student recruitment, is already in place with Basic Compliance Assessments, HEAT compliance visits, and general compliance obligations on Tier 4 sponsors to report students breaching visa conditions through lack of engagement.

### **3.3 Soft power – the underestimated value of international students**

The social impact of international students – and the associated importance of “soft power” of international students –is often over-shadowed by a focus on statistics, numerical data and the economic value of international students. While these aspects are important, the significance of soft power will only continue to grow as we live in an ever-increasingly global world where cultural diversity and international perspectives are valued.

The importance we place on internationalism is the very reason we continue to attract students from all corners of the globe. Living, studying and working with peers whose background and culture differs from and challenges your own, creates a learning environment quite unlike any other.

#### **The impact on international students in the classroom**

The best way to show this is by looking at a typical study group within the full-time MBA programme. There are 432 students in the current MBA cohort. Within the cohort, there are 90 study groups. Each study group is designed to be a snapshot of the make-up of the entire cohort. This is study group B9.

**Javier** is from Spain, and worked previously in Corporate Strategy at Telefonica, with a special focus on Latin American operations.

**Joshua** is the consultant of the group, having worked in his home country of the USA for Alvarez & Marsal.

Both **Mengxin** and **Dhavnil** previously worked in finance, in China and India respectively.

**Sara** is a dual Polish / US national. Her previous experience in the construction industry is quite different to the experience of her study group colleagues.

Finally, **Andre** from Brazil brings with him his experience of marketing and media in his home country.

Between them, they speak 6 languages fluently. They have experience of education and work in 6 different countries. Their perspectives are diverse, their approaches to problem-solving are wide-ranging, their exam preparation techniques are varied and their respect for one another's viewpoints and opinions is exemplary.

When asked what the experience of their study group has been so far, their comments are thought-provoking:

- *“Individually, we would never have reached the insights we have included in our assignments, an example of which could be the fact that **our group assignments score on average higher than the individual ones.** Moreover, the diversity in our group enables us to create an atmosphere of inclusiveness, in which we can debate and discuss ideas and exchange experiences.”*
- *“(The study group experience) prepares us for a globalised market, multicultural environments and differences of opinion. **We learn to respect others' way of thinking and better understand cultural differences.**”*

Their experience of studying closely together over the 2 years of their MBA programme is unparalleled. The soft, but powerful, skills they will hone in their time together and continued understanding of and respect for each other are immeasurable. For all the statistics and data available on numbers of international and UK national students at LBS, there is nothing that demonstrates the value and importance of cultural diversity better than the snapshot of study group B9.

If these students stay in the UK after their studies, they will do so with a remarkable understanding of how to work and succeed in a multi-cultural environment. If they return to their home country, or seek employment in another part of the world, the experience and knowledge they have gained will allow them to educate, empower and improve the way in which business is done all over the world.

### **The impact of international students on UK students**

Statistically, UK students are a distinct minority of students at LBS. They are, however, in a unique position to comment on how the diversity of nationalities at LBS contributed to their decision to study at LBS, and what particular impact studying with international students has

had on their educational experience here. In surveying UK nationals studying on the full-time MBA programme at LBS, a sample of the comments received are included below.

1. How important was the diversity of nationalities at LBS in your decision to study here?

- *Very. One of the best things about LBS and London in general is that you can meet, connect and make friends with all over the world, including Europe.*
- *The diversity of nationalities at LBS was incredibly important in my decision to study here, it's a key strength of the school in comparison to other schools out there (such as in the US, which seem to be more homogenous in this respect).*
- *Diversity was one of the most important factors in my decision to study at LBS. In our continually globalizing market, learning and collaborating with people from a variety of backgrounds, cultures, and industries is key to learning and excelling. It is a distinguishing factor that separates LBS from the American schools.*

2. In what ways does the diversity of nationalities at LBS enhance your experience and education at LBS?

- *Potential business connections in all parts of the world*
- *Greater cultural understanding for when you come to work with people from those parts of the world, or if you do business in those countries yourself*
- *The experience would be greatly diminished without the range of nationalities represented at the school. Ultimately I expect that most of us are expecting to be employed by companies that work and sell across international boundaries, so we really learn a lot from having this diversity of perspective and experiences.*
- *As a student, diversity brings new ideas, values, and ways of doing things that cannot be obtained by simply reading or studying them. The daily interactions, group work, and social situations breed discussions, knowledge sharing, and new ideas that cannot be created in cultural silos.*
- *Clubs, groups, and teams created in the diverse culture of LBS bring growth and learning to my experience and education that cannot be obtained any other way.*

It is worth noting that the low percentage of UK students at LBS is indicative of the low demand from UK nationals to remain in the UK for business education. In an increasingly

globalised business world, British professionals seek to gain international experience by studying overseas – US or Europe – in the same way our international students look to come to the UK for their business school studies.

It follows that the provision of business education in the UK is unarguably reliant on international students. LBS is dependent on a sustainable future for international students to remain competitive. Competing globally with other top business schools to attract the best students to study with us in the UK, our competitors include the top business schools in the US, Europe and Asia. We want the UK to be the place where highly skilled international students choose to study, and, if they wish to do so, choose to work when they have completed their studies.

### **Alumni - the continued impact of soft power**

The value of international students does not end at the end of their LBS studies. Our 42,000 alumni are based in 155 countries, meaning our reach to them - as well as their contribution to LBS – continues to and from every corner of the globe.

With around 50% of students leaving the UK after their studies, our alumni and the experience they take with them following their time at LBS is critical to LBS' continued success. Taking their UK education and experience into workplaces around the world has two key benefits. It firstly benefits their companies and colleagues, through the sharing of different perspectives to better equip business to function successfully in today's global world. Secondly, it benefits the UK's global business reputation to have successful alumni spreading their knowledge and positive outlook following their time in the UK. In today's turbulent geo-political environment, this is surely more important than it has ever been.

LBS holds regular alumni events all over the world, the flagship of which is the annual Worldwide Alumni Celebration (WAC) held in 100 cities and over 50 countries. Whether intimate dinners or large-scale speaker events, faculty-led lectures or social gatherings, WAC gives thousands of our alumni the opportunity to reconnect with the School and continue to build our global business community. Their international student experience continues long after they leave the UK through events such as WAC – and the impact they will continue to have on the way the world does business is underpinned by their experience at LBS.

As a world leader in business education, LBS is proud to have many notable alumni – and not just in the expected areas of finance and consulting. With international astronauts, deputy prime ministers, CEOs and chairmen of FTSE100 companies, our alumni are working at the forefront of today's global business world. We are equally proud of our students with

less headline-grabbing, but equally valuable roles. With an alumna in Myanmar taking the lead on launching investment opportunities in the country, an alumnus working in not-for-profit to provide consulting by phone and Internet to small and medium sized businesses in Uganda, Malawi and Rwanda, and a team of alumni working together to literally put weather stations on the map in Africa, our alumni share passionate stories of the importance of their experience of international education at LBS.

LBS alumni continue to directly support today's LBS students in a number of important ways. Our alumni are integral to our Recruitment and Admissions process for prospective students. Using their global reach, they interview all short-listed applicants to LBS. This means our prospective students are interviewed often in their home countries, by alumni who really understand their challenges and their strengths. This unique approach is only possible by having international alumni who have both the home country knowledge, and the experience of the UK, to properly inform on an applicant's suitability for LBS. This community approach is one of LBS' strengths, and it relies on international students.

With the power our alumni have to advocate for UK education, we should not underestimate the importance of international alumni and the positive impact they have not only for LBS, but as brand ambassadors for UK education throughout the world.

### **3.4 Valuing the post-study contribution of international students**

#### **Post study work**

Our diversity of students is a major part of our appeal to employers, who look to LBS to hire world class talent to support their global business activities. A global business world needs leaders who understand how to do business in different countries and continents. Employers value this, and understand the benefits to their business in recruiting a varied workforce with a global outlook. Table 2 shows statistics from our most recent employment reports, showing the high levels of employment of our graduates, and overall median salaries.



**Table 2 – Employment Report statistics**

Programme	Graduating Year	% graduates in employment within 3 months	UK	EU	Rest of World	Mean salary
MBA	2017	93%	50%	16%	34%	£ 79,866
Masters in Management	2017	96%	42%	33%	25%	£41,963
Masters in Financial Analysis	2017	96%	53%	20%	27%	£41,963
Masters in Finance	2016	92%	27%	10%	63%	£67,724

The table also shows the locations in which LBS graduates find employment following their studies. The MBA is LBS' flagship and largest programme, with 425 students in the graduating year of 2017. More than 200 of these students were able to stay in the UK and use their experience and the knowledge gained during their studies in post-study employment. Having the opportunity to do this is critically important to LBS students, and remains a key issue for students looking to undertake an MBA.

While our statistics on post-study work in the UK remain good, this is in spite of negative immigration changes in recent years. In 2014, LBS carried out analysis of the perception held by LBS applicants of the opportunities for post-study work in the UK. The results were submitted to the All Party Parliamentary Group on Migration's Inquiry into the closure of the Post-Study Work (PSW) route. The findings of the survey were unsurprising. In response to the question *"What impact has there been on applicants' perception of the ease of finding post-study work in the UK since the change to post-study work rules in 2011?"*, **100% of those who responded believed there has been a negative impact.** In response to the question, *"How do you believe the changes to post-study work have impacted on our ability to be competitive with business schools in other countries?"*, **80% of those who responded believed there has been a negative impact.**

The question of whether or not it is possible to work in the UK after graduation remains a key concern for potential applicants who are looking at business schools across the world. Our competitors include Columbia, Harvard and Wharton in the US, as well as Insead in France. In the 2017 Application Trends Survey carried out by the Graduate Management Admissions Council, Canada is leading the way with increases in students applying to business school there.

It is therefore pertinent to look at the post-study work options in these countries. And in doing so, it is difficult to justify that the UK's options are competitive.

In the US, MBA graduates are permitted to stay and work for 12 months, before they require sponsorship to continue working. In 2014, the French government introduced new opportunities for highly skilled graduates to stay for up to 4 years following graduation. In Canada, there is a post-graduation work permit available for up to 3 years, depending on the length of a student's degree.

The current post-study work options in the UK – particularly when compared to other countries, but also to previous UK immigration options - are a significant disadvantage in attracting the highest qualified applicants to the UK. Applicants to LBS tell us that current UK immigration policy does not present the UK as being open to business, or open to highly talented, qualified students staying to work in the UK. The closure of Post-Study Work in the UK in 2011 regrettably created a negative perception of the UK, which has not been addressed by efforts made by government in recent years to attract and retain the brightest and the best. The rules for Tier 2 are often too confusing for employers, or employers are too nervous about making a mistake to invest in recruiting non-EU workers. The rules need to be simplified and more flexible to ensure that our high calibre students are not disadvantaged.

Table 3 shows the changes to % of LBS students staying in the UK to work since 2005. The immigration options available are clear indicators of the impact of government policy on the ability of our high calibre students to stay here and contribute to the UK workforce and economy following their studies.

**Table 3 - % of LBS MBA graduates staying to work in the UK**

Graduating year	% of graduates staying to work in the UK	Immigration options
MBA2005	64%	MBA provision of HSMP available
MBA2006	64%	
MBA2007	69%	
MBA2008	62%	
MBA2009	51%	HSMP removed, Tier 1 General available
MBA2010	57%	
MBA2011	51%	
MBA2012	47%	Tier 1 General removed, Tier 2 sponsorship available
MBA2013	45%	
MBA2014	48%	
MBA2015	52%	
MBA2016	52%	
MBA2017	50%	

With the MBA provision of the Highly Skilled Migrant Programme available until 2008, numbers of MBA students staying to work here were comfortably above 60%. When HSMP was removed, this dropped significantly. With the removal of Tier 1 General in 2011, the numbers dropped even further. In the last 3 years, LBS has seen a small increase in numbers – due mainly to focused employer engagement on the Tier 2 process, and specific support provided by LBS to employers - but we are still significantly below the levels of previous years.

**An alternative to Tier 2 for post-study work**

Rather than any more or continued restrictions to Tier 2 for UK educated students, we would welcome a return to less restricted Post-Study Work visas, especially for high calibre

students. We want to see visa policy that gives our graduating students a real opportunity to stay and contribute their wealth-creating skills and experience to the UK economy before, in many cases, returning to their countries of origin. We want to see a more simple approach, with fewer complicated rules and more emphasis on appreciating the value our students bring to the UK.

Highly skilled workers, such as MBA graduates and other graduates with high level Masters qualifications bring unparalleled experience and skills to many different sectors of the economy. We would propose that the points system for Tier 2 differentiates between differing levels of qualification when considering what makes a worker highly specialised and qualified.

### **Entrepreneurs and Exceptional Talent**

In addition to structured employment options for LBS graduates, the opportunity for graduates to stay here in other categories is equally important. We have already discussed the importance of allowing self-employment for Tier 4 students and ensuring there are suitable options for post-study self-employment is of equal importance.

LBS is a prolific user of Tier 1 Graduate Entrepreneur endorsements, having endorsed 105 students in this visa category since 2012. From an initial 4 students in the launch year, this increased to around 30 students in recent years, we expect this to continue to increase. The current policy and process for Tier 1 Graduate Entrepreneur has worked well, though we also welcome the government's review of this visa route with a proposed replacement route from March 2019. In addition to including a provision for self-employment under Tier 4, there are 2 key improvements we would recommend for the replacement visa.

Firstly, we would welcome extending endorsements under Tier 1 Graduate Entrepreneur to graduates joining early stage start-ups, even if the business itself is not theirs. We are regularly approached by students who have opportunities to join start-ups in high level roles such as Chief Technical Officer, Chief Marketing Officer or Chief Financial Officer. Current Tier 1 Graduate Entrepreneur policy does not permit LBS to endorse such students, nor are the start-ups sufficiently established to have obtained a Tier 2 Sponsor Licence. With the government's industrial strategy committed to making the UK the best place to start and grow a business, providing better opportunities for international students to contribute to this is essential. Without this, the high calibre students we are investing in will be unable to stay

here. This will be both a loss to the UK, and a gain for other countries with whom the UK is competing in innovation, technology and enterprise.

Secondly, we would welcome the inclusion of time spent under Tier 1 Graduate Entrepreneur in calculations towards settlement. Currently, a student at LBS can complete 2 years as a student, 2 years as a Tier 1 Graduate Entrepreneur and still be 5 years away from settlement. We would support 2 years spent under Tier 1 Graduate Entrepreneur to be combined with 3 years as Tier 1 Entrepreneur to count towards the 5 year settlement requirement. This would go some way to acknowledging the value international students bring to the UK both during and after their studies.

### **Tier 1 Entrepreneur and Tier 1 Exceptional Talent**

The numbers of our Graduate Entrepreneurs switching to full Entrepreneur are also growing as our graduates successfully launch businesses which grow to the required levels for Tier 1 Entrepreneur. While the lower investment requirement for Tier 1 Graduate Entrepreneurs is welcome, the burdensome and subjective process of applying to stay as a Tier 1 Entrepreneur does not portray a positive environment. We would welcome further simplification of Tier 1 Entrepreneur applications for those who have been successfully endorsed as Tier 1 Graduate Entrepreneurs.

We welcome the government's extension of the Tier 1 Exceptional Talent category, and the increase in places available. We support the provision of opportunities that differentiate on the basis of skill, qualifications and potential to succeed.