Written evidence to the APPG inquiry:
'A sustainable future for international students in the UK?'

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Introduction to Sannam S4

1. Sannam S4 is an award winning specialist consultancy founded in 2008 to enable globally ambitious organisations to enter high-growth markets throughout the world. The company's core services include in-country representation, market research, PR and social media campaigns, partnership identification and tax/compliance expertise in over 20 markets.

2. Education is Sannam S4's largest service sector; the company has an education division of over 100 consultants working in India alone, plus delivery in 20 other emerging, developing and mature markets via strategic partnerships. We support over 60 institutions from eight countries, including the top three universities in the world (QS University Rankings 2018) and three national governments, with their engagement in India. In the UK our 20 university clients are a broad spread of Russell Group and post-1992 institutions.

3. Sannam S4's unparalleled overview of the global education landscape and its awareness of the competitors threatening the UK's position in this global industry has prompted the company to make a submission to this inquiry in support of the UK sector. Our submission focuses on the UK's market share of the international student market versus international competitors, as this is the day to day challenge which Sannam S4 consultants face.

Risks in the coming years to the UK's existing market share

'Push factors'

UK government policy/ tougher visa regime impacts key source markets
The UK's Tier 4 visa process, developed to discourage students with a migration motivation, has already proved a deterrent in traditionally important markets, including India. This factor encompasses both the practical aspect of applying for a student visa and the perception that the UK is not a welcoming country.

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The UK's decision not to include India in the expanded list of low risk list countries for reduced Tier 4 visa checks earlier in 2018 further reinforced this impression, being described as a 'snub' to India. It was not uncommon to see this decision described as "a discriminatory move [which] has naturally caused outrage among Indians who feel cheated and humiliated" (Sharma, 2018) in many sections of the Indian press.

Anecdotally, it is consistently more difficult and time-consuming to recruit consultants to work on UK accounts at Sannam S4 than for institutions from any of the other seven markets.

Political or economic influence risks outward student mobility

In other key markets it is the foreign government which constrains student mobility. An example of this would be the 2016 restriction on foreign exchange imposed in Nigeria. Following the collapse in the global oil price in 2015, and consequent pressure on currency reserves, President Buhari of Nigeria announced in March 2016 foreign exchange would no longer be provided for study abroad. This contributed to a 21% reduction in Nigerian students in UK universities in 2016-17 compared to 2015-16 (UKCISA, 2018). It is too soon to know how long it will take these volume markets to bounce back.

A further example is the decision by the Saudi government, without warning, to recall an estimated 16,000 students from Canadian universities, colleges and schools in August 2018 as part of an escalating diplomatic war. This is likely to have a material impact on the viability of courses in some institutions and is a warning to the UK, where a similar decision from a key source government (eg China responding to a Human Rights or Tibetan issues) would be as damaging.

'Pull factors'

Evolution of UK's traditional 'source markets' to 'destination markets'

One result of economic strength in some competitor countries is that the traditional volume markets for UK universities are making a play to become hubs attracting international students from their region. Malaysia, which has traditionally sent students to the UK now hosts four UK universities, the Universities of Reading, Southampton, Nottingham and Heriot-Watt. Additionally, Malaysia hosts the biggest number of Transnational Education (TNE) students (HE Global, 2016), a model of delivery which stops the valuable associated spending in local economies when international students arrive on UK campuses.

In India, the Government has launched a new Study in India web portal and is promoting substantial fee waivers to support a two-year campaign positioning the country as a study destination in order to attract 1m international students. Targeted source countries include those in the South Asian Association for Regional Cooperation (Nepal – 23.65%, Afghanistan – 9.3 %, Bhutan 4.8%) and Africa (Nigeria and Sudan together accounting for almost 9%) and Malaysia at 3.3% (Khan, 2018).

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China, for so long the UK's largest source market has been building capacity for almost two decades. The growing profile of China's leading institutions, an expanding scholarship scheme (especially for students enrolling in degree programmes), the increasing number of programmes being taught in English and the relative affordability of Chinese higher education suggest that at a future point, the Chinese market will soften substantially for UK institutions.

Sannam S4's most successful UK university partner in China is about to double the size of its consulting team in order to ensure it remains competitive.

Supportive government policy in competitor countries

In 2016 Ireland published its new international education strategy, which is rooted in industrial strategy. It uses Education in Ireland and the Department of Foreign Affairs and Trade to play a key role in promoting Ireland "as a centre for human capital development." Alongside this, the government has amended its current 12 month post-study work scheme in order to "further incentivise high performing students to come to Ireland and to remain on after their studies, to meet the present skills and language needs as identified by business" (Baker, 2016).

Anecdotally, we can attest that Sannam S4's most successful Irish client has recorded high double digit growth for each of the last four September intakes from India.

A second example is Germany where changes to the education offer have also been based on industrial strategy. For example, in Germany, a thoughtfully-bundled offer of teaching in English, wide availability of placements, a short period of post-study work and employment links to major Germany companies make a compelling proposition for an international student who has very likely taken a significant education loan to fund their studies.

Is this effort gaining traction? Anecdotally, at the FPP EduMedia Fair in New Delhi on 2 September 2018, Sannam S4 staff reported approximately two thirds of attending students were seeking information about German universities.

More appealing lifestyle prospects in competitor countries

The exemplar here is Canada, where the international student population has nearly tripled in the last decade. International students can work while studying, there is a post-study work option (both of which count towards permanent residency requirements) and there are multiple immigration paths available. Canada has a growing diaspora (Indo-Canadians and Chinese- Canadians each make up about 4% of the population) and perceptions of safety in Canada largely outweigh climactic concerns.

At Sannam S4, the consulting teams witness the appeal of Canada daily: we have doubled the number of Canadian partners within the last year.

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Recommended responses in order to increase market share

At Sannam S4, the experience of the consulting team who meet prospective international students and their families day in, day out, suggests that the UK will not regain its market share without concerted sectoral efforts, supported by government policy. These efforts would be worth making for the long term benefit of the UK; speaking at the Higher Ed Show in October 2016, Conrad Bird, Director of the GREAT Britain Campaign, remarked that “Students who study in the UK are more than 15% more likely to invest in the UK later.”

Our central contention is that the political discourse around the role in UK society for international students needs to change. This could be accomplished in three ways.

Re-implement a national post-study work visa

In a survey of Sannam S4 consultants conducted in September 2018, representatives were unanimous in reporting that the single most common obstacle they face when promoting the UK as a study destination is the lack of a post-study work opportunity.

All major competitor countries (Canada, US, Australia, New Zealand, Germany, France, Sweden, Ireland and even China) offer some kind of post-study work opportunity. New Zealand recently extended their offering to three years for international students studying undergraduate degrees or higher. Those who study outside Auckland at Level 4-6 or non-degree Level 7 will also be eligible for a two-year visa, thus enabling regional economies to continue to benefit from international student skills.

Research conducted in India by Sannam S4 in 2016 showed that permanent settlement was not the key driver among students applying for the UK. In fact, for both UG and PG students in our sample, settling abroad was the least mentioned motivation of studying abroad. Rather, since 52% of undergraduates and 62% of postgraduates had taken education loans in India to facilitate their study overseas (Agrawal, 2016), a key factor in deciding where to study was the opportunity to pay back some of that loan through a short post-study work opportunity before returning home.

The single most important thing which could boost the UK’s share of the international student recruitment market is to develop a post-study work offering in a high value intellectual property area, for example the STEM portfolio. The US, and its 36 month extension to the Optional Practical Training (OPT) is an exemplar as over 90% of OPTs work in small and medium size companies, very similar to those which are often described as the backbone of the UK economy.

Take students out of UK net migration targets

The inclusion of international students in net migration targets is not a response to public demand; according to the UUKi commissioned ComRes report in 2016, 73% of the British public would like to see the same number or more international students coming to study in the UK, after discovering the

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contribution they make to the economy and the jobs they generate (UUKi, 2017). The discourse around immigration has become negative, in contrast to competitor countries such as Canada:

"International students are offered a suite of immigration pathways to encourage them to build a new life [in Canada]. This makes perfect sense. They are statistically proven to be among the best candidates for immigration due to their high levels of language proficiency, good quality education that is automatically recognized by Canadian employers, and their experience working and living in Canada." (El-Assel 2018).

Develop a nationwide international education strategy

It is notable that all the key education competitors have an international education strategy with a target for enrolment. Canada and Germany (450,000 international students by 2022 and 350,000 international students by 2020 respectively) have exceeded their targets ahead of schedule; Japan (300,000 by 2022) will do so imminently; France is on track (470,000 by 2025) (ICEF 2018).

The UK, with a high number of competing institutions, distinct 'Study in Scotland', 'Study in Wales' and 'Study in London' sub-brands, and overlapping professional associations/ advocacy bodies should develop its own strategy to ensure a coordinated approach.

An essential element will be a branding and messaging project to counter the widely-held perception that the UK is not a welcoming destination for international students.

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