

Post-Study Work Visas

University of Edinburgh

The following evidence is submitted by the **University of Edinburgh** to the Scottish Parliament's Devolution (Further Powers) Committee evidence session into Post Study Work visas for international students.

As one of the world's leading universities, based in Scotland, we operate and compete on the global stage. The inclusion of competitive and flexible post study work options for our international graduates is in our national interest. We have one of the largest international student communities in the United Kingdom with over 15,000 students from over 160 different nations.

As one of the world's leading universities we work with the brightest and best researchers, students and scholars from across the world, providing real world impact and benefit. Post Study Work is a very important aspect of our global offer, not only as a University but as a nation, as we seek to maintain and advance our position on the world stage.

The attraction, development and retention of this global talent not only advances the quality of our research, learning and education but advances our nation, its economy and competitiveness. International students contribute enormously to our universities, communities and local economies. International students enrich our teaching environment, strengthen our research capacity, are valued by employers, enhance the cultural diversity of our city.

Executive Summary

1. Flat sector growth in international student recruitment despite rising enrolments in competitor nations during significant increases in global student mobility
2. Need for competitive and attractive package to welcome international talent
3. Negative impact on perceptions of UK/Scotland as study destination due to lack of Post Study Work options that are competitive and attractive on the global stage
4. Restrictions of current Post Study Work routes and lack of interest
5. Negative impact on economy and small to medium sized enterprises in Scotland
6. Attracting, developing and then losing some of the world's leading talent to competitors
7. Need for 2 year Post Study Work route being reintroduced with flexible approach

1. What impact has the closure of the Tier 1 (Post-Study Work) Visa had on Higher Education Institutions in Scotland?

The closure of the Tier 1 post-study work route has impacted on the competitiveness of the international offer of higher education institutions in Scotland.

There is little doubt that the closure of the previous work study route has been one of the most damaging changes in UK immigration policy for the higher education sector and has impacted negatively on initial interest in the UK and the perception of the UK as a study destination.

International students are carefully considering various options and packages that exist in major Anglophone nations, who host the vast majority of students studying outside of their home nation, and the UK's offer regarding post study work opportunities is simply not as competitive.

As the HESA (Higher Education Statistical Authority) figures for non-EU enrolments in the UK each year since 2011 demonstrate, when the Tier 1 post study work route was closed, non-EU international student enrolments across UK higher education have remained flat during a period of strong global growth. The OECD note average annual global growth in international student mobility of 7 per cent each year between 2000 and 2012.

Compare and contrast annual UK and Scottish national performance against the two major Anglophone competitors for the UK, the United States of America and Australia. Both these nations report 10 per cent growth across the last year, with the United States reporting their largest increase in 35 years and extending their position as the world's leading destination for international students. Other major competitors are increasing significantly, Canada reporting 11 per cent growth and Germany 7 per cent growth during the same period.

The latest HESA (Higher Education Statistical Authority) figures released for the UK in January 2016 which highlight a 1 per cent increase for the UK with regards to non-EU international student enrolments. In Scotland, the HESA figures indicate that non-EU enrolments (2012-2013 to 2014-2015) have increased very marginally from 28,610 to 29,210, representing a 2 per cent increase¹. In terms of the top 10 non-EU sending nations to the UK last year, 8 nations have decreased enrolments with the overall figure for the top 10 non-EU sending nations declining by 3 per cent.

It is well reported that one of the major impacts for the UK due to the closure of Tier 1 PSW has been South Asia and in particular India. India is one of the leading nations for sending students across the world for tertiary level education and a major provider of global talent. In the last year the United States reported a 29.4 per cent increase in Indian enrolments which

¹ <https://www.hesa.ac.uk/sfr224> Key points - enrolments (Scotland only)

sits in stark contrast with 50 per cent plus reduction in Indian student enrolments within UK higher education in recent years.

The current post study work routes for international students attract little interest due to their restrictive nature. Across the last year the uptake at a UK national level across all of these schemes was just under 7,000 for post study work compared with 46,650 in 2011, a reduction of 90 per cent. To place the current uptake in context, there are 310,000 non-EEA international students studying in the UK.

2. What impact has the closure of the Tier 1 (Post-Study Work) Visa had on economic growth in Scotland?

The continued loss of some of the world's brightest and best graduate talent will have impacted on economic growth in Scotland and the UK. We need to ensure that we can attract, develop and importantly retain some of the talent that we have invested in and trained to ensure we remain competitive on the world stage.

3. What impact has the closure of the Tier 1 (Post-Study Work) Visa had on the ability of Scottish employers to find skilled staff?

A range of employers and national employer's associations in Scotland have repeatedly stated the need for access to more high skill talent through improved immigration policy.

A post study work scheme in Scotland will not only enable international graduates to consolidate their qualification through industry experience, but will importantly contribute to Scottish economic growth and business development, enabling Scottish employers to benefit from a pool of international graduate talent.

4. What impact has the closure of the Tier 1 (Post-Study Work) Visa had on raising the skill levels of Scotland's own young people and attracting skilled workers from the rest of the United Kingdom?

The social, cultural and educational benefits that Scotland receives from international student talent is immeasurable. Students in Scotland directly benefit from the internationalisation of their campuses, lecture theatres and laboratories, broadening their horizons and world views that assist with critical thinking and global citizenship. International students create future connections and networks globally for Scottish students and ensure that they benefit from a global perspective being introduced into their study and life at University.

5. How effective are current Tier 1 (Graduate Entrepreneur) and 2 (General) visas for enabling international students to remain in Scotland, after completing their studies, to contribute to the Scottish economy?

The UK figures mentioned before illustrate the lack of impact and demand for the currently available Tier 1 and Tier 2 options for non-EEA international graduates.

The current post study employment options for international graduates in the UK, are not sufficient to meet the needs of employers in Scotland. The reality is that it leads to a 'brain drain' of highly skilled global talent from Scotland as there is no effective pathway for international graduates to gain the necessary work experience to qualify for a Tier 2 visa.

As a nation therefore we are attracting, developing and then losing some of the brightest talent and minds in the world. The current PSW routes serve to deter some international students from considering studying in Scotland in the first place as competitor nations offer a range of more attractive and competitive post study work schemes. Finally, the restrictive nature of the current work options and limited impact of them means that businesses are being deprived of a world class talent pool, trained and developed in Scotland.

6. What are the limitations of current arrangements?

Whilst the current arrangements are welcomed there are a range of limitations and restrictions with the result that few students are using these routes as current Home Office statistics demonstrate very clearly for each available route.

Tier 1 Graduate Entrepreneur route

We support this route and we are an endorsing institution. However, the number of graduates involved is very low with only 286 students across the UK transferring from a student visa in Tier 4 to Tier 1 across the whole of 2014. Furthermore, participating universities are restricted to endorsing only 20 graduate entrepreneurs each year.

7. Tier 2 General Visa

This is highly restrictive for international graduates and has some of the strictest conditions when compared to the flexible and longer-term packages of post study work available in other leading destination host nations. In Australia international graduates at postgraduate research level can apply for four year post-study work options. In 2011 before closure of the post study work route there were 46,875 graduates through the route, in the year ending August 2015 Home Office statistics demonstrate that there were only 5,867 international graduates moving from Tier 4 to Tier 2 in the United Kingdom, reducing from over 80,000 under the former Tier 1 post study work route and representing a reduction of over 90 per cent².

2

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/493039/Tier_2_Report_Review_Version_for_Publishing_FINAL.pdf (Table 7.2, Page 162, Tier 4 migrants moving to Tier 2 Year ending 8/15

International graduates have only 4 months when they graduate to secure 'graduate level' employment so they can get a Tier 2 visa that must meet the minimum salary threshold of £20,800. The recent Migration Advisory Committee report has recommended that this threshold increases to £23,000 for new entrants (which would include most new international graduates) and to £30,000 for experienced workers, in order to prioritise higher valued, skilled migrants within the Tier 2 visa route³. Increasing the salary thresholds is very likely to further restrict post study work opportunities for international students to the detriment of the UK's competitiveness.

UK and non-UK nationals, do not always move immediately into work that would meet the requirements of Tier 2. Instead there is often a period of orientation in the workplace during which they further develop and gain work experience. The Evidence Review of the Fresh Talent Working in Scotland Scheme illustrated this when those who were not in suitable employment were asked why they thought this was. The responses showed that most who were not yet working in skilled jobs were using their current employment to gain work experience while applying for more suitable positions or as a way of developing knowledge in their chosen career area to enable them to then move to more senior positions. It was found that international graduates actually experienced difficulties in immediately moving into skilled employment as they did not have UK experience (even though many had experience outside the UK).

Not all graduate employment, dependent on sector or profession, will have a starting salary of £20,800. It is clear that this threshold will impact on specific sectors, industries and professions more than others where graduate salaries are traditionally lower, for example the creative industries.

Importantly, as Home Office statistics indicate, there are a relatively small number of employers registered with a Tier 2 licence which is required to employ international graduates. From evidence in previous studies it is clear that small to medium sized enterprises are very concerned about the costs and efforts involved with being a registered sponsor and the compliance requirements that are involved within the UK immigration system. Home Office statistics also indicate regional variance in Tier 2 sponsors across the UK with employers in London and the South East of the UK accounting for 63 % of active Tier 2 general sponsors compared with under 10 per cent in Scotland, with only 672 organisations registered to recruit within this route in the whole of Scotland and Northern Ireland⁴.

In the context of the Scottish economy, characterised by the SME sector, the impact on companies not being able to recruit to graduate level roles, particularly where there are skills shortages and where a potentially large pool of international graduate talent exists, for instance the STEM sector,

³ <https://www.gov.uk/government/publications/migration-advisory-committee-mac-review-tier-2-migration>

⁴ http://www.appgmigration.org.uk/sites/default/files/APPG_PSW_Inquiry_Report-FINAL.pdf Regional distribution of active Tier 2 sponsors within the United Kingdom (p31)

is likely to have a detrimental and longer term impact on our international competitiveness as a nation.

The Migration Advisory Committee's report (January 2016) recommends the implementation of an Immigration Skills Charge, set at £1,000 per year, for employers to hire international staff and advises that the Resident Labour Market Test be extended to in-country switchers from other routes, including from the international student Tier 4 route to Tier 2 and including these international students within the cap on Tier 2 visas as they have already studied and lived in the UK. To date international students have been exempted from the RLMT and the Tier 2 visa cap.

These recommendations from the Migration Advisory Committee, if implemented, would serve to further reduce and restrict the opportunities through existing routes for international graduates and serve as a further disincentive for employers, and SME's particularly, to recruit international graduates⁵.

8. To what extent is the competitiveness of Scottish universities driven by factors such as the availability of post study work schemes, as compared to the quality of education?

As one of the world's leading universities, based in Scotland, we operate and compete on the global stage. The inclusion of competitive and flexible post study work options for our international graduates benefits not only the University but the entire nation. As one of the world's leading universities we work with the brightest and best researchers, students and scholars from across the world, providing real world impact and benefit. Post Study Work is a very important aspect of our global offer, not only as a University but as a nation, as we seek to maintain and advance our position on the world stage. The attraction, development and retention of this global talent not only advances the quality of our research, learning and education but advances our nation, its economy and competitiveness.

9. What progress has been made on discussions between the UK and Scottish governments to explore the possibility of introducing formal post study work schemes for international students in Scotland?

The University of Edinburgh has contributed to the Scottish Government's Post Study Working Group report to Scottish Ministers in 2015 and continues to be represented on this group.

10. How should any post study work scheme for international students in Scotland be structured?

We fully support the recommendations of the Post Study Working Group report to Scottish Ministers published in 2015.

⁵ <https://www.gov.uk/government/publications/migration-advisory-committee-mac-review-tier-2-migration>

Any future post study work route visa should be set at a minimum of two years to ensure that the UK has a competitive package for international talent and so that UK businesses can recruit skilled non-EEA graduates. Importantly, this time period would enable graduates to prepare and apply for positions and via graduate recruitment cycles. At the conclusion of the 24 month period graduates would need to secure employment under Tier 2 (general) or move into another permitted migration route or leave the UK.

Improvements should be made to Tier 2, in order to ensure that skilled international graduates can be retained within key sectors of the UK economy. The government should review all current routes relating to Post Study Work to improve the attractiveness of the route for employers and small and medium sized enterprises and permit greater flexibility with regards to salary thresholds and the resident labour market test.

These improvements to existing routes would work to address variations in graduate salaries across the UK, including Scotland, and sectoral differences in the economy. A further review is required across the other current PSW routes, including the Tier 1 Graduate Entrepreneur visa, Tier 4 Doctoral Extension Scheme and Tier 5 Temporary Worker/Government Authorised Exchange, to ensure that these are competitive, attractive and flexible.

Any post study work scheme should be regularly reviewed to ensure that it meets the needs of Scotland's labour market as well those of international graduates. Any future scheme should be restricted to graduates with educational qualifications gained and verified from an approved Tier 4 sponsor in Scotland.

It is recommended that any future PSW scheme should work to positively support the needs of SME's in employing international graduate talent otherwise current compliance and cost barriers will remain and serve as a disincentive to the recruitment of international graduates.

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