



Scottish Council for
Development and Industry

POLICY SUBMISSION

SCDI RESPONSE TO THE STUDENT IMMIGRATION SYSTEM CONSULTATION

January 2011

POLICY SUBMISSION

SCDI is an independent and inclusive economic development network which seeks to influence and inspire government and key stakeholders with our ambitious vision to create shared sustainable economic prosperity for Scotland.

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INTRODUCTION

1. SCDI is an independent membership network that strengthens Scotland's competitiveness by influencing Government policies to encourage sustainable economic prosperity. SCDI's membership includes businesses, trade unions, local authorities, educational institutions, the voluntary sector and faith groups.
2. SCDI believes that Scotland and the UK require an export-led recovery to rebuild the economy following the global economic downturn. SCDI has set the ambitious target of doubling the value of Scotland's exports by 2020. The achievement of this target requires a broad and wide-reaching internationalisation agenda across the UK and Scottish economy. The Scottish and UK Governments must act to enable inward investment and international trade. With approximately three million students worldwide studying in a foreign country, a key part of the UK's internationalisation agenda must be the delivery of world-class education to people from across the world.
3. SCDI believes Scotland's universities and colleges are a tremendous asset to Scotland, and to Scotland's economy. International students studying in Scotland bring with them considerable resources, much of which is spent in local communities, and support Scotland's universities and colleges through the payment of tuition fees. International student recruitment is one of the few areas where Scotland's universities and colleges have been able to expand over recent years, and the experience for home students has been enriched through having classmates from different countries and cultures around the world.
4. Universities across the UK, alongside other publically funded organisations, are facing a period of considerable financial strain as public sector expenditure is reduced. Universities must look to maximise all available sources of external revenue. A considerable revenue stream for universities is the fees delivered by international students.
5. International students are of great benefit to the economy. In Scotland alone, research by the University of Strathclyde estimates that international students contribute £188m directly to Scottish universities (more than 16% of universities' total teaching income) and contribute a further £321m to the Scottish economy in other expenditure. Across the UK, the market for international students is worth £2.9 billion to universities and another £2.3 billion in accommodation, food and entertainment spending.
6. The UK also has a thriving market in independent education providers who take on international students. These organisations also add significant value to the British economy. The visa regulations and the test to become a Highly Trusted Sponsor should allow legitimate independent operators to continue to take on international students.

7. However, the global market for international students is becoming increasingly competitive. Serious competitor countries now include America, Australia and Canada, alongside non-English speaking countries such as France and Germany. Britain must work very hard to retain its market share amongst this increasingly competitive landscape. Overly tight reforms to UK visa regulations could be considerably damaging to the UK's reputation in key overseas markets.
8. SCDI believes that international students should not form part of the category of immigrants that the UK government is looking to reduce. International students are temporary residents who contribute considerable funds to the British and Scottish economy and benefit Britain's balance of payments, exports and wider standing in the world. They do not permanently increase immigration levels and we are not aware of any evidence that overseas students are contributing to pressure on housing or public services in Scotland.
9. Taken as a whole, we believe that the measures proposed would make Scotland and the UK a far less attractive destination for legitimate international students. This could seriously damage a major UK and Scottish export industry.
10. SCDI recognises that a small number of individuals are using the student visa route through so-called bogus colleges to gain entry to the UK for purposes other than to complete a course of study. In this case, we believe the government's priority should be to tackle bogus colleges (which harm the reputation of all educational institutions) and crackdown on those individuals trying to enter the UK illegally. The government must ensure that the UK and Scotland remain open to business for the increasingly competitive but extremely valuable market for education delivery to international students.
11. Our primary concerns are:
 - International students bring more than £5 billion to the UK economy each year
 - Universities can act as a key driver in increasing the UK's exports and inward investment
 - The UK's economy benefits significantly from our provision of high-quality, world-class education to international students
 - The global market for international students is extremely competitive. Britain's ability to compete must not be constrained by visa rules
 - Students are temporary residents and do not permanently increase immigration levels
 - Many international students begin their time in the UK on a lower-level course in a college before progressing to university. This route must not be constrained.
 - Independent educational institutions should be supported to achieve HTS status
 - The closure of the post study work route would be the loss of a significant competitive advantage for British universities and colleges

- SCDI wants to see regional flexibility for Scotland in immigration
- Dependants, particularly those whose spouses are enrolled in a long course of study, should be permitted to live and work in the UK.

SCDI RESPONSE TO CONSULTATION QUESTIONS

RAISING THE LEVEL OF COURSES STUDENTS CAN STUDY

Q1. Do you think that raising the minimum level of study sponsors with a standard sponsor licence can offer under Tier 4 (General) to degree-level and above is an effective way of reducing abuse of Tier 4 (General) route, increasing selectivity and simplifying the current rules?

No

SCDI Comment: SCDI believes the most effective mechanism for reducing abuse of the visa system is to police it more effectively and ensure only trusted institutions are able to accept international students. To resolve the problem of visa abuse by removing a valuable economic opportunity is too severe a solution.

Q2. Do you think that only Highly Trusted Sponsors should be permitted to offer study below degree level at NQF levels 3, 4 and 5 / SCQF levels 6, 7 and 8 in the Tier 4 (General) category?

Yes – only HTS should be able to offer these sub-degree level courses

SCDI Comment: Many students begin their studies in the UK on a low level course before progressing to degree level. Removing lower level courses could result in the loss of many students at all levels, including degree level.

Q3. Do you think that the changes discussed in this section should be phased in?

Yes

SCDI Comment: Institutions will need time to prepare for any changes. Students have already applied and been accepted on places for courses commencing in November 2011. Changes to the visa system should not impact negatively on these students.

Q4. Do you think that, in the light of the low risk of abuse amongst users of the Tier 4 (Child) route, there should be no changes to the route?

Yes

INTRODUCING TOUGHER ENTRY CRITERIA FOR STUDENTS

Q5. Do you think that all students using Tier 4 (General) category should have passed a secure English language test to demonstrate proficiency in English language to level B2 of the Common European Framework of Reference for Languages (CEFR), in order to improve selectivity and to simplify the current system?

No

Q6. Do you think that students from majority English-speaking countries, those who have been awarded a qualification equivalent to UK degree-level or above that was taught in English in a majority English-speaking country, and those who have recently studied in the UK as children should be exempt from any new language testing requirement?

Yes

ENSURING STUDENTS RETURN OVERSEAS AFTER THEIR COURSES

Q7. Do you think that students wishing to study a new course of study should be required to show evidence of progression to study at a higher level?

No

SCDI Comment: It is not unusual for students to alter their course of study. This proposal could make this impossible. Furthermore, a Highly Trusted Sponsor should be trusted to ensure that no abuse of visa rules is taking place.

Q8. Do you think that students wanting to study a new course should return home to apply from overseas?

No

SCDI Comment: This would increase significantly the cost of applying for a new course, and particularly impact on those students who have chosen to come to the UK to begin their studies in a college before progressing to a degree at university. Forcing students to return home between courses will act to disenfranchise students whose contribution to the economy through studying in the UK is significant.

It is also possible that large numbers of students returning home to re-apply for visas during the gap between courses (often during the summer holiday period) would present huge administrative problems for UKBA in-country offices to process all the visas in time for courses commencing.

Q9. What changes do you think we should make to the Tier 1 Post Study Work route?

Other

SCDI Comment: The Post Study Work route is an area of considerable competitive advantage for the UK in recruiting international students and one that should be retained. This route could be modified to only allow the student to extend their visa if they are in receipt of a job offer in a field related to their course of study.

SCDI wants to see regional flexibility for Scotland in immigration. According to population projections from General Register Officer for Scotland (published on 3rd February 2010), the number of children aged 0-15 in Scotland is projected to decrease by 2 per cent from 0.91 million in 2008 to 0.90 million by 2033. The number of births is expected to fall from around 60,000 in 2008 to around 53,600 in 2033. Moreover, the number of people of pensionable age is expected to increase by 31 per cent from 1.02

million to 1.34 million. By 2033 the Scottish population aged 75 and over is projected to increase by 84 per cent.

These population projections provide concrete evidence of the need for flexibility in the immigration policy for Scotland to benefit its sustainable growth. Given this demographic reality, SCDI would like to see a distinct approach to student migration in Scotland. The UK Government has previously recognised the specific demographic and economic challenges for Scotland in the Fresh Talent initiative and the Calman Commission's recommendation which stated that "while retaining the current reservation of immigration, active consideration should be given to agreeing sustainable local variations to reflect the particular skills and demographic needs of Scotland".

Such an approach might include:

- retaining work entitlements for students at Scottish universities
- retaining a post-study work entitlement for graduates who choose to work in Scotland
- retaining the ability for students at Scottish universities to bring dependants and for dependants to be able to work – this is particularly important to our ability to attract postgraduate students

LIMITING THE ENTITLEMENTS OF STUDENTS TO WORK AND SPONSOR DEPENDANTS

Q10. Do you think that we should restrict further the amount of work students should be allowed to undertake while studying?

No

Q11. Do you think we should make it simpler for employers to understand the rules around student work, by limiting it to set times, except where they are working on campus?

No

SCDI Comment: A flexible workforce is key to the competitiveness of UK businesses and employers and employees need to retain the flexibility to operate at different times depending on the level of demand. Furthermore, part of the attraction for students of studying in the UK is the opportunity to learn about our way of life and integrate into British communities. Restricting students to work during certain hours may remove opportunities for integration.

Q12. Do you think that the minimum ratio of study to work placement permitted should be increased from the current 50:50 to 66:33, except where there is a statutory requirement that the placement should exceed one-third of the total course length?

No

SCDI Comment: The length and nature of work placements is a matter for individual institutions to decide based on the educational benefit. UKBA should not seek to engage in these decisions.

Q13. Do you think that only those studying for longer than 12 months should be permitted to bring their family members with them to the UK?

No

SCDI Comment: Students planning to complete a course in college followed by a course at university should have the total length of their multiple courses included in this calculation if UKBA decides to make the restriction noted above.

Q14. Do you think that family members permitted to accompany the student should be prohibited from working?

No

SCDI Comment: Refusing to allow spouses permission to work risks the loss of many potential students to British institutions – particularly those looking to study longer, and therefore more costly, courses.

SIMPLER PROCEDURES FOR CHECKING LOW-RISK APPLICATIONS

Q15. Do you agree that differential requirements for high and low risk students should be adopted?

Yes

Q16. Do you believe that we should focus on the abuse of documentary evidence for maintenance and/or qualifications as the basis of differential treatment?

No

Q17. Do you believe that we should also, or alternatively look at the sponsor's rating as a basis for differential treatment?

Yes

SCDI Comment: The Government would have to ensure it remained above the law if engaging in differential treatment.

STRICTER ACCREDITATION PROCEDURES FOR EDUCATION PROVIDERS IN THE PRIVATE SECTOR

Q18. Do you think that more should be done to raise accreditation and inspection standards to ensure the quality of education provision within private institutions of further and higher education for Tier 4 purposes?

Yes

SCDI Comment: The reason for the student visa system falling into disrepute can be found amongst the small minority of bogus institutions. These bogus institutions need to be stopped from trading to protect the reputation of British education overseas and to ensure public and political confidence in the student visa mechanism.

In the instance that institutions are removed from the list of Highly Trusted Sponsors, the UKBA should make every effort to transfer these students to an HTS institution. This will ensure that these students are able to continue to invest in the UK, but also offer some reassurance that students themselves can contact UKBA if an institution they have enrolled at in good faith turns out to be a bogus institution.

Q19. In the light of the proposals described in this document, what do you think will be the main advantages / disadvantages, including any financial impacts, to you, your business or your sector?

The student visa proposals as described would have a profound effect on Scottish universities and colleges and correspondingly on the Scottish economy for the following reasons:

- The proposals would remove many millions of pounds from Scottish universities, colleges and communities through restricting the number of students able to come to Scotland to study.
- The proposals would send a message that the UK as a whole is not willing to welcome international students, potentially causing the loss of business in the highly-competitive international student market.
- The proposals will cause considerable difficulties for international students studying at a college and then transferring to a university.

BACKGROUND CONSULTATION QUESTIONS

Are you responding to this consultation as:

- On behalf of an organisation/institution

Please indicate whether you are:

- An institution or business not directly involved in providing education

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