



## **Universities Scotland brief for Members' Business, Kate Forbes MSP, Thursday 16 June:**

### **Rural Communities and the Post Study Work Visa**

#### **Summary**

Universities Scotland wants to see a change to the UK's immigration policy to allow international students, studying in Scotland, the opportunity to start their careers in Scotland to the mutual benefit to the individual and to Scotland.

Universities Scotland sends our support to the Brian Family. Their wish to remain in Scotland, and to continue making a positive contribution to a community and a nation that is now their home is shared by many international students here in Scotland.

**Student testimonials.** At the end of this brief **Lauren Davis**, a Glasgow School of Art graduate from the US gives her perspective on the 'near impossible' immigration process the UK has at present. By contrast Mary Njoki, Maulin Bach and Hameed Sanni give their positive experiences of the former Fresh Talent initiative.

#### **Key messages:**

1. There is a wealth of evidence base to support the economic, social and cultural benefits Scotland would gain if a post study work visa were to be reintroduced.
2. There is a very broad consensus of support to see the return of a more competitive post study work visa in Scotland. The university and college sectors, including staff and student unions, the business community and all parties represented in the Scottish Parliament support this.
3. Tier 2 (as the policy stands of January 2016) is a restrictive and anti-competitive route for international graduates and bureaucratic and off-putting for employers.
4. The current policy is undermining Scotland's universities. Student numbers, from what were once key markets for Scotland, have fallen significantly, with double-digit decreases, since the Tier route for immigration 2 was introduced. New Zealand, Canada, Australia and America grow their international student numbers at the expense of Scotland, where our overall numbers stagnate at best.
5. The global demand for overseas study continues. Scotland's universities have all of the assets needed to be an attractive proposition to prospective international students - with the exception of a competitive visa policy.

The Scottish Government's cross-party group has outlined a sensible proposal, with wide stakeholder buy-in, that would work for Scotland within the UK. We urge the UK Government to allow this to become policy in Scotland. The precedent exists within the UK and it was recommended by the Smith Commission, without the need for legislation.

<b>International students make a significant and positive social, cultural, educational and economic contribution</b>	
<b>Economic</b>	<ul style="list-style-type: none"> <li>• The international student recruitment of Scotland's 19 higher education institutions generates £402.6million per year in fees and £494million in off-campus expenditure to Scotland's economy.</li> <li>• Scotland faces skill gaps in the fields of science, technology, engineering and math and IT. We do not currently have enough home-grown talent to meet demand in the labour market. The Skills Investment Plans developed by Skills Development Scotland (SDS) for the engineering, life sciences and ICT and digital technologies, to name a few, cite shortages in "high-skill" personnel and the challenge of: <i>"increased competition to source top talent" and the: "need to attract and anchor key skills... promoting Scotland globally as a life science career location of choice."</i><sup>1</sup></li> <li>• We can, should and are doing more to address these skills gaps within our Scottish-domiciled population but that does not address the challenges in the short-medium term. A post study work visa in Scotland would.</li> </ul>
<b>Social</b>	<ul style="list-style-type: none"> <li>• Scotland has distinct demographic challenges that differ from the rest of the UK and which increased in-migration of high-skill people could help address.</li> <li>• Between 1971 and 2012 Scotland's population grew by only 1.5% compared to 15% in England.</li> <li>• Scotland's proportion of the population of working age is also untypically low and is forecast to fall by 4% during the period 2012 and 2037 whilst the number of people aged over 65 years is projected to rise by 59%.<sup>2</sup></li> </ul>
<b>Cultural:</b>	<ul style="list-style-type: none"> <li>• Scotland extends its stock of 'soft power' – it's reach and the positive regard in which it is held - through the global connections built through the attraction and exchange of international students in higher education.</li> <li>• More locally student integration reaches beyond campus walls and into the local community including cultural events held throughout the year and targeted outreach on the part of international students to schools, community groups and others.</li> </ul>
<b>Educational:</b>	<ul style="list-style-type: none"> <li>• The presence of a significant number of international students in higher education enriches the curriculum and brings significant additional benefits to our home students.</li> <li>• Our community of international students contributes to the internationalisation of the curriculum in higher education, consideration of different world-views and critical-thinking as well as the promotion of foreign languages.</li> <li>• It contributes to the global outlook of our Scottish-domiciled students. This is a skill that 79% of employers say they want.</li> </ul>

<sup>1</sup> Skills Development Scotland (2014) Skills Investment Plan Life, Sciences and Engineering. <http://www.skillsdevelopmentscotland.co.uk/resources/skills-investment-plans/>

<sup>2</sup> UK Government Scotland Analysis: Work and Pensions, April 2014

<p><b>There is a broad consensus for the reintroduction of a post study work visa</b></p>	<ul style="list-style-type: none"> <li>• In June 2015 160 different organisations in Scotland signed a statement of support for the reintroduction of a post study work visa.<sup>3</sup></li> <li>• This builds on an open letter signed by universities, their staff and student unions as well as key business and industry representative bodies in November 2014.<sup>4</sup></li> <li>• The Smith Commission, accepted by all five of Scotland’s political parties, called for the Scottish and UK Governments to “<i>explore the possibility of introducing formal schemes to allow international higher education students... to remain in Scotland and contribute to economic activity for a defined period of time.</i>”<sup>5</sup></li> </ul>
<p><b>Tier 2 is restrictive and anti-competitive</b></p>	<ul style="list-style-type: none"> <li>• The big drop in recruitment from India was an immediate and one of the most obvious impacts of the change in policy. Within a year of the policy change the recruitment of students from India by Scottish universities fell sharply – a 26% drop in one year. This free-fall has continued. Scotland has seen a 60% drop in Indian student numbers in Scotland between 2010/11 and 2013/14. A survey undertaken by UKISA points to the importance students from India, in particular, put on the ability to stay and work in the host country for a period after study.</li> <li>• The negative impact of the Tier 2 visa is shown most acutely in the Indian market but it is not the only nationality of students to be adversely affected by the policy. Scotland has seen a 44 per cent decline in Pakistani students and a 22 per cent decline in Nigerian students studying in Scotland since 2010/11.<sup>6</sup> These countries used to be our key markets.</li> <li>• Overall international student numbers are only just sustained by growing demand from China. Over-reliance on one market is a high-risk strategy going forward. There was a 0.7 per cent decrease in total international student numbers to Scotland between 2011/12 and 2012/13). A small handful of institutions are responsible for maintaining modest growth in student numbers but the majority have not been able to meet their recruitment targets for the last few years.</li> <li>• A survey found that around half of all international students see the option of working in the UK for a short period as attractive<sup>7</sup>.</li> </ul>

<sup>3</sup> <http://news.scotland.gov.uk/News/Scotland-s-colleges-back-return-of-post-study-work-visa-1a9c.aspx>

<sup>4</sup> <http://www.universities-scotland.ac.uk/index.php?mact=News,cntnt01,detail,0&cntnt01articleid=194&cntnt01origid=18&cntnt01returnid=23>

<sup>5</sup> Smith Commission (2014) Item 96(2) page 28.

<sup>6</sup> HESA Student record 2010/11-2013/14.

<sup>7</sup> NUS (2014), Submission to the APPG on Migration Inquiry into the PSW route, available at: <http://www.nusconnect.org.uk/resources/open/international/NUS-Submission-to-the-All-Parliamentary-Group-on-Migration-Inquiry-into-the-Post-Study-Work-Route/> (accessed 26 September 2014)

<p><b>Tier 2 is currently one of the least competitive routes visas for graduates in English-language speaking countries</b></p>	<ul style="list-style-type: none"> <li>• The UK’s Tier 2 route is one of the strictest set of conditions and so one of the least attractive visas available to international graduates. The US, Canada, Australia and New Zealand – the major English-language speaking competitors – all offer far more attractive visa routes.</li> <li>• The result is that international students are choosing those countries, over Scotland and the UK, in their droves. Take the USA as an example, in 2013/14 the number of international students going there increased by 10% with the number of Indian students increasing by nearly 30%. In the same year Australia increased its international student recruitment by 8%. Over the last six years from 2008 Canada has increased its international student numbers by 83 per cent.</li> </ul> <p><u>Examples of a more competitive post-study work visa elsewhere:</u></p> <ul style="list-style-type: none"> <li>• Currently international graduates only have four months to pursue employment in the UK, with a minimum salary of £20,800, if they are to progress onto a Tier 2 visa.</li> <li>• International graduates in Canada &amp; New Zealand don’t have to have a job offer to secure a post study work visa – they can use an interim job search visa for 12 months.</li> <li>• The UK sets minimum salary thresholds – potentially about to increase. Neither Canada nor New Zealand specify a minimum salary.</li> <li>• Australia has a ‘Post-Study Work’ visa that allows graduates from higher education institutions to live and work in Australia for up to four years.</li> <li>• Canada has a ‘Post-Graduation Work Permit’ which allows international students to work in Canada for up to three years after their studies.</li> <li>• The USA allows international STEM students to remain in the country and work after they have graduated for 17 months.</li> </ul>
<p><b>Tier 2 is highly bureaucratic and off-putting for employers as sponsors</b></p>	<ul style="list-style-type: none"> <li>• Currently, the rules surrounding employment under Tier 2 are often prohibitively restrictive and bureaucratic for employers. To employ a non-EEA student employers have to become a Tier 2 sponsor at a significant expense and with considerable resource implications, especially for smaller businesses.</li> <li>• The disproportionate impact on smaller businesses may present a real disincentive in employing non-EEA graduates. In an SME-dominated economy, like Scotland, the cumulative effect of companies subsequently failing to recruit to graduate-level roles, especially where there are current skills shortages and where a potentially large talent pool of international students may exist, such as in the STEM-based industries - is likely to have a detrimental impact on our international competitiveness as a whole</li> <li>• This has been reinforced by the recent findings of Westminster’s All Party Parliamentary Group on Migration (APPG) report from Feb 2015 which found that: <i>‘the restrictive nature of Tier 2 (General) has prohibited some employers from being able to recruit skilled non-EEA graduates under this route.’</i></li> </ul>

<p><b>Very few graduates meet the criteria for Tier 2 as it stands</b></p>	<ul style="list-style-type: none"> <li>• The minimum salary threshold for a Tier 2 visa, of £20,800, is an ambitious starting-salary for graduates, even in professional-level jobs. Graduate destinations in Scotland are good but many employers cannot afford to pay salaries that meet the Home Office thresholds. Over a fifth of graduates from Scottish universities who get professional-level jobs straight after university did not command salaries that exceeded £20,000.</li> <li>• Since the introduction of Tier 2 in 2012, the decline in number of visas being issued has been twice as large as was predicted by the UK Government. The UK Government expected a decline of 49 per cent, which it thought would result in a potential loss of £1.2 billion in economic impact over four years UK-wide. In fact, the decline in international students switching from student visas to post-study work visas has been 88%.</li> <li>• Unfortunately this data cannot be disaggregated for Scotland. However, we estimate that Scotland has lost out on at least £254 million of revenue since 2012 as a direct result of the closure of the Tier 1 post-study work visa. We have arrived at this estimate by calculating the cumulative loss of income that has resulted from the decline in students coming to Scotland from what were two of our key markets, India and Nigeria, during the period 2012-2015.</li> </ul>
--	---

<p><b>Student demand for overseas study is high</b></p>	<p>The British Council has estimated that there will be 3.85 million outbound mobile higher education students globally, up from 3.04 million in 2011. India and China contribute 35 percent of global growth to 2024. The major bilateral student flows in 2024, in terms of volume, will continue to be from China and India, to traditional host markets. But flows between Nigeria and the UK, Saudi Arabia and the US and UK, Pakistan and the UK, and Nepal and the US will be among the top ten fastest growing bilateral flows between 2011 and 2024.</p> <p>Scottish higher education has all of the essentials needed to compete effectively for this growing market: we exceed the global benchmark for international student satisfaction; our four-year degree and the quality assurances mechanisms are imitated internationally; and, our research is world-class. The weak link in the offer we can make to international students comes in the shape of UK immigration policy’s restrictions on the attraction of talent. That is what prevents us from competing more effectively</p>
---	---

## Student testimonials

**Lauren Davis, Graduate of Fine Art at the Glasgow School of Art. Unable to meet the requirements for a Tier 2 visa under the current system. Lauren says:**

*“I began studying in Scotland in 2011 at The Glasgow School of Art. I have spent my adult life in Scotland and no longer consider the United States my home... all of my professional and personal connections lie within the country where I have come into true adulthood. The minimum salary required for a work visa simply does not align with either the average salary being offered in*

*creative industries or in Glasgow... the fact that we only have four months upon graduation to find this elusive job, it sends a glaring message to those studying here from outside of the UK/EU: THANK YOU FOR YOUR MONEY, BUT NOW YOU ARE NOT WELCOME.*

*“The minimum salary requirement is reasonable for someone working full time for the NHS, but not for a graphic designer or gallery assistant. The current structure put in place is unsustainable for arts and creative professionals. We are educated and trained to be creative professionals in this country, but when we graduate from full-time education, we are effectively told that even though our entire knowledge base and professional network has been cultivated in the place we have lived and worked, we must now leave and start over elsewhere.*

*“International students come to this country to study because the quality of education is excellent and world renowned. In that time, we bond with our communities, forge relationships, aid the local economy, and make important professional contacts. However, upon graduation, we are given four months and a nearly impossible standard to meet if we wish to remain in the place we now call home. For creative industries, it can feel as though the odds are stacked against us. There simply must be more consideration given to where we are living and working and what industry we work in.”*

**By contrast, three former international students now living and working in Scotland recall their positive experience of the former Fresh Talent immigration scheme.**

1. **Mary Njoki**, studied social work at the University of Stirling and now works as a social worker in Edinburgh. Mary is originally from Kenya. Mary says:

*“I came to Scotland in 2007 to study for a masters degree in social work at the University of Stirling. It [a PSW visa] was important for me, because the degree itself was not directly transferable back to Kenya and I needed the experience, which I could then build on to empower my communities back home.*

*“There was no transition available to me if I had finished the degree and tried to get into employment, because the work permit would have been quite problematic to get. I would have needed to be earning a certain salary, and I do not think that an employer would have taken me on, as they would have had no prior knowledge of who I was or what my work capability was. The post-study work permit gave me that transition. It gave me two years to prove myself to my employer and demonstrate that I was worth going through the hassle that employers have to go through in applying for a work permit for a non-EU or non-UK employee.*

*“I was grateful to have the opportunity to work in the UK and start gaining experience, which I felt was worthwhile; to continue contributing not just economically but culturally and socially; and to bring a bit of diversity to my workplace, which my colleagues said that they appreciated.*

*“If it were not for the fresh talent scheme, I would have had to leave the UK immediately. I did not have the points that I needed to get on the tier 1 scheme for highly skilled migrants. Unless I applied immediately to further my studies, there was no opportunity for transition. I was very grateful to have the fresh talent scheme to offer me two years to study. If it was not for the Fresh Talent Scheme I would not have had a bridge to another visa and chances are I would have had to leave the country.”*

2. **Maulin Bach**, is a graduate from Glasgow University, now working as a Business Development Executive in North Lanarkshire. He is originally from India. Maulin says:

*“In my case, because I went to Glasgow University (best decision ever!) and my experience was so positive, it was natural to want to expand on my experience professionally in the same area and I really felt right at home and comfortable with Scotland.*

*“It is a very difficult decision to leave home and family to come so far for higher education, it can get very scary at times; but ever since I first landed in Glasgow, never have I felt home sick, I have met the most friendly and inclusive people, and the most stunning natural beauty all around. I even like full fat IRN BRU and Tunnocks Caramel wafers !*

*“My role is now as Business Development Executive – with responsibility of Marketing to the UK, European and the Indian market. I am working as part of the team at Retronix to enter the Indian market which is expected to lead to the creation of about 10 or more jobs in North Lanarkshire.*

*“Unfortunately if I were to apply today, knowing fully that UK Universities are the best, students will not consider UK and will look to places like – Canada, Australia , New Zealand because after all it is the ecosystem of ‘Learn, Build and Apply’ that matters but at the moment the UK offers ‘Learn Here – Build and Apply elsewhere’. I have spoken to literally hundreds of students who have asked me about UK, I try my best to give them a fair picture but almost each and every potential student has expressed that UK seems ‘unwelcoming and hostile’ at the moment and this bothers me the most as I know that is not entirely true, but Scotland gets caught up in this false perception as well.*

*“I can say this with utmost confidence unfortunately that the changes announced for the minimum salary thresholds will not be affordable by any Small & Medium Enterprise which forms the bulk of job creators.”*

3. **Hameed Sanni, Graduate of Robert Gordon University is originally from Nigeria and now works as a software developer in Scotland. Hammed says:**

*“I wish to share my experience on how beneficial this fresh talent scheme have been to me, my family and Scotland as a whole. I identified The Robert Gordon University, Aberdeen (RGU) as a suitable institution for me to study for a Master’s Degree. RGU is one of the best institutions around. I can tell you that that was a decision I did not regret. It was the beginning of Tier 4 and one of the reasons why I decided to take it further was the option of a 2-Year Tier 1 Post Study work permit after my studies. The permit gave me the opportunity to look for a professional job after the completion of my Master’s Degree.*

*“It took me about 4 months into my PSW visa before I could secure this job and I am sure if there had been no PSW visa, I would not have had the opportunity to start my career. Having spent almost £10,000 on my Master’s degree, I would not have decided to come to the UK if there are no options for me to look for a professional job after studies.*

*“There is quite a range of talent being developed by the UK universities or willing to come for further development in the UK or Scotland. These developed talents now move to other countries to develop those places. It is expected that one should be able to enjoy the fruit of their labour and if those that have been developed by UK are allowed to leave then other countries will be the beneficiary of such talents. Also if there is no avenue for a person to start their career after studies, then they will have to look at other places.”*

**ENDS**

**Further information**

Susannah Lane, Head of Public Affairs, Universities Scotland

[susannah@universities-scotland.ac.uk](mailto:susannah@universities-scotland.ac.uk) 0131 2250701 or 07715 992908