

17 November 2014

The Smith Commission
7th Floor One Atria
144 Morrison Street
EH3 8EX

Dear Lord Smith

The Smith Commission into further powers for the Scottish Parliament presents a significant opportunity to introduce limited variations on the overall UK migration policy that would enable Scotland to craft its own policy on the issue of high-skill migration that better reflects the need of the Scottish economy and the will of the Scottish people.

There has been widespread and continuous support throughout Scotland for an immigration policy which serves Scotland's demographic and economic need. This view is shared by organisations representing Scotland's education, business and science communities.

There should be constitutional recognition of and action to address the fact that Scotland's demographic and economic needs are different to those in the rest of the United Kingdom on the issue of immigration. A successful devolution settlement will be one which allows policy to flex in a way which reflects different economic and demographic circumstances in different parts of the UK but within a successful Union. It is possible to do this in a way that is highly specific to Scotland and therefore need not affect immigration policy within the rest of the UK.

We call upon those involved directly in the Smith Commission, Scotland's political parties and all members of the Scottish Parliament to support the partial devolution of immigration as an additional power for Scotland. This would enable the Scottish Parliament to re-introduce a two-year post-study work entitlement for international students graduating from Scottish higher education institutions. We would like to see this as a recommendation in the Heads of Agreement that are to be reached by 30 November.

The case for Scotland to set its own policy in this area is overwhelming:

Demographic need:

- Scotland faces distinct demographic challenges which some control over high-talent migration could help to address.
- Our population growth is slower than in other regions of the UK. Between 1971 and 2012, Scotland's population grew by only 1.5% compared to 15% in England. Population growth in England between 2012 and 2037 is projected by the Office of National Statistics to be 16%: in contrast population growth of only 9% is projected for Scotland.¹
- Our 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%.²

Economic need:

¹ http://www.ons.gov.uk/ons/dcp171776_355166.pdf

² UK Government Scotland Analysis: Work and Pensions, April 2014

- The relatively greater economic and fiscal challenges for Scotland compared to the rest of the UK of an ageing population were highlighted by the UK Government, Better Together parties and the Scottish Government during the referendum debate. This is a very significant challenge for the availability of skilled people and levels of entrepreneurship.
- The relationship between population growth and GDP growth puts Scotland at a disadvantage as a result of disproportionately low population growth.
- International students make a significant positive economic contribution through fees and expenditure, helping to support public finances and services rather than burden them and make a direct economic contribution to Scotland of around £337m per year in fees and £441m in off-campus expenditure.

Societal and cultural need

- Learning in a diverse and multicultural university environment, amongst a large and vibrant community of international students, has the potential to give Scottish-domiciled students and graduates a richer educational experience. It allows for the exchange of different perspectives, values, experiences and beliefs which can contribute to the development of a global outlook. 73 per cent of undergraduate students in Scotland thought they had an international outlook in a British Council survey.³
- Scotland gains in 'soft diplomacy' from the creation of a network of high-talent individuals across the world, in increasingly senior positions, that received a higher education in Scotland. Monocle, which ranks countries' 'soft power' believes "The ability of a country to attract foreign students, or facilitate exchanges, is a powerful tool of public diplomacy... Prior research on educational exchanges gives empirical evidence for the reputational gains for a host country when foreign students return home."⁴

Scottish public opinion:

- A recent survey by the Oxford University Migration Observatory found that 60 per cent of people in Scotland believe that the Scottish Government was best placed to make decisions about immigration policy in Scotland.⁵
- The same poll confirms differences in attitudes to immigration between Scotland and England, with Scots were less likely to want a reduction in immigration for students and high-skilled workers.

A strong precedent that this can work:

- The UK Government and Scottish Executive have previously recognised that Scotland's different demographic challenges could be addressed through an adaption of immigration policy in a devolved Scotland during the period when the 'Fresh Talent' scheme operated (2004-08) offering high-talent individuals the opportunity for up to two- years post-study work in Scotland.

³ <http://scotland.britishcouncil.org/keeping-pace-global-skills-race>

⁴

http://www.instituteforgovernment.org.uk/sites/default/files/publications/The%20new%20persuaders%20III_0.pdf

⁵ <http://www.bbc.co.uk/news/uk-scotland-26020982>

- Looking internationally, there is a precedent for the success of this as has been demonstrated within Canada's devolution settlement to the provinces, all of which have different demographic and economic profiles. The Provincial nominee scheme allows provinces to prioritise the skills needs of their local economy, vary their high-talent migration policy and encourage the skilled workers who meet the need. This has worked successfully for Canada as a whole since 1998.

Scottish political will:

- Every Political Party in Holyrood has previously expressed its support for change to the UK Government's policy on immigration to allow the higher education sector to make a more competitive offer for international students
- The Scottish National Party, Scottish Greens and Scottish Liberal Democrats have included this in their written submissions to the Smith Commission.
- This was also a specific recommendation of the Calman Commission, which noted a broad consensus in its favour.

Yours sincerely

Institute of Directors Scotland

NUS Scotland

Scottish Council for Development and Industry

Scottish Chambers of Commerce

ScotlandIS

Scottish Renewables

UCU Scotland

UNISON

Universities Scotland

The organisations named above are united in their support for some devolution of immigration policy to Scotland. Support for this policy does not necessarily mean support extends to other policy requests made in the submissions that each organisation may have made to the Smith Commission.



nus *scotland*
national union of **students**



UNISON
Scotland

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for Development
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