

International students in the UK and Brexit

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POLICY BRIEFING

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This policy brief brings together and discusses evidence about the role of international students in the UK. It focusses on their migration behaviour and preferences, and the influence of the Brexit process on their choices.

Over the past few decades, the number of international students has been growing steadily in many countries. International students now account for around one quarter of all migration to the UK. According to HESA, in 2018-19, there were around 485,760 international students in the UK, accounting for about one fifth of all Higher Education students. Of these, over two-thirds came from non-EU countries, with the majority from China and India.

Bringing unique talent and skills, international students are a valuable economic asset to host countries, contributing, for example, to aggregate consumption and demand for jobs. Universities UK (UUK) figures show that in 2014-15 about £10.8 billion of UK export earnings were attributable to international students. This is on top of expenditure on university fees and accommodation. In the same period, international students spent some £5.4 billion in goods and services. UUK also reports that international students support over 200,000 jobs in the UK.

Key Points:

- *International students are essential for the UK and its regional economies.*
- *Fears about international students overstaying are not supported by the evidence.*
- *For both EU and non-EU students, the Brexit referendum has had a significant impact on their perceptions and plans for staying in the UK.*
- *UK universities should consider how best to attract international students post-Brexit.*
- *The narrative around migration after Brexit must be welcoming to hard-working migrants, showing that the UK respects diversity and values migrants' contributions.*
- *The UK's policies after leaving the EU should be clarified as uncertainty is a major obstacle for any investment decisions, particularly those involving migration.*

Are international students overstaying?

Despite the economic impact of international students to the HE sector and the broader economy, there have been concerns over the number of international students and their inclusion in net migration targets. Politically, there are concerns about international students staying in the UK after their visa has expired (for the majority, this means after completing their degree). The contested argument is that including international students within the net migration target leads to pressure on universities to reduce numbers. It also increases the perception that international students are less welcome in the UK.

With the aim of analysing the migration intentions and behaviour of international students, a research team from the ESRC Centre for Population Change (CPC), in collaboration with the Office for National Statistics (ONS) and Universities UK (UUK), developed the CPC-ONS-UUK Survey of Graduating International Students (SoGIS).

This is an online survey that captures: a) international (non-UK) student mobility while studying in the UK; b) their future intentions on staying or leaving the UK after graduation; and c) the certainty of these intentions in 2017 (Survey of Graduating International Student (SoGIS) Wave1). Six months after the survey, we also tracked a subset of respondents from the first wave. This was to capture actual migration behaviour after graduation and the reasons that led to the choice to leave or stay in the UK (SoGIS, wave 2). The first wave was based on a sample of 3,560 students, with 563 students in the second wave.

In wave 1, we asked graduating international students whether they intended to stay or leave the UK immediately after graduation. In wave 2, we asked the students their actual place of residence at the time of the interview. We then combined the wave 1 and wave 2 information. Our analyses show that the vast majority of students, who in wave 1 expressed the intention to leave the UK, had left the country by the time of wave 2 (see Table 1).

Migration intentions in wave 1	Residence in wave 2	
	In the UK	Outside the UK
Leave immediately	15.81	84.19
Stay temporarily	76.4	23.6
Stay permanently	84.17	15.83

Source: Falkingham, J, Giulietti, C, Wahba, J and Wang, C (2018) "Intentions and outcomes of graduating international students", CPC Policy Brief 43.

Table 1. Intention to stay vs. migration behaviour

Another important finding is that the majority stick to their migration plans. This finding is in line with and complements the results published by ONS and the Home Office using Exit Checks Data. They show that the majority of students on a visa had effectively left the UK or renewed their visa. As outlined by the ONS: "[...]there is no evidence of a major issue of non-EU students overstaying their entitlement to stay [...]"¹

Overall, the evidence does not support fears about international students overstaying in the UK.

International students and the Brexit referendum

How has Brexit affected international students in the UK? The UK's decision to leave the EU might have a series of economic, legal and psychological repercussions on both current and prospective international students. It could, therefore, affect whether they stay/leave/come to the UK. From a purely economic viewpoint, Brexit could influence prospective students' expectations in terms of university fees, living costs and funding opportunities. It could also affect labour market perspectives, costs to abide by new visa requirements and, more broadly, potential changes in prices and exchange rates. One would expect the impact of Brexit to be more substantial for students coming from EU countries. However, students from non-EU countries could also be affected, directly or indirectly.

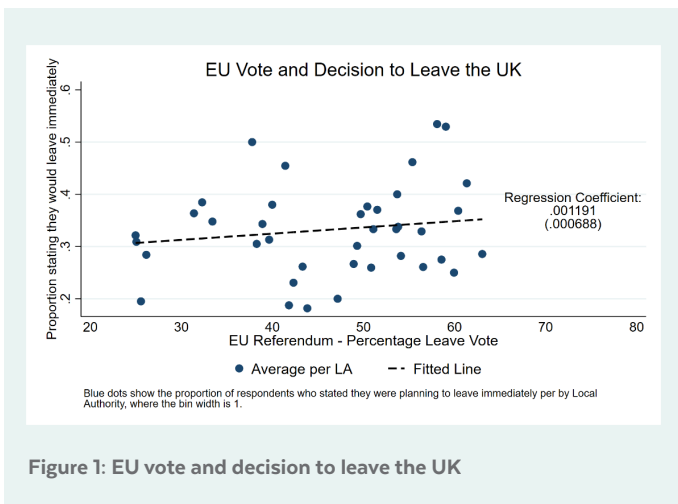
While the formal process of exiting the EU started in January 2020, Brexit might affect students who were already in the country at the time of the referendum (June 2016) or when Article 50 of the EU treaty was triggered (March 2017).

SoGIS data allow us to analyse how, in 2018, the Brexit process influenced graduating international students' decisions to leave the UK. We can also investigate whether it made the UK more or less attractive as a place to study and work.

We have three pieces of evidence on the effects of Brexit on students' intention to leave the UK, all based on SoGIS data. Figure 1 shows that the proportion of international students stating they would like to leave immediately after graduation is moderately, but positively, correlated with the percentage of the leave vote. We calculated the ratio of students indicating that they would leave immediately by aggregating individual responses of students in each Local Authority. This is the same level of geography for which referendum vote data are available. Taken at its face value, the straight line in the graph shows that in local authorities where the share of the leave vote was 25%, about 30% of

¹ "What's happening with international student migration?" ONS, 24 August 2017

international students expressed the intention to leave the UK immediately after graduation. This proportion increases to about 35% in local authorities where the leave vote was 60%.



The second piece of evidence comes from a recent study (Falkingham et al., 2018) that investigated the effect that triggering Article 50 had on international students’ intentions to leave the UK. Using data from SoGIS wave 1, the study compared students’ plans to leave just before and just after 29 March 2017 – the day when Article 50 was triggered by the UK government. The study compared intentions between EU and non-EU students, with the former group expected to be more affected by the policy announcement. Results show that, immediately after the announcement, EU students were 7% more likely than non-EU students to want to leave the UK. This difference was as high as 18% for the subgroup of students who, at the time of the interview, were more undecided about their migration plans.

The third piece of evidence comes from wave 2 of SoGIS, where we asked international students whether the results of the EU referendum influenced their migration plans.

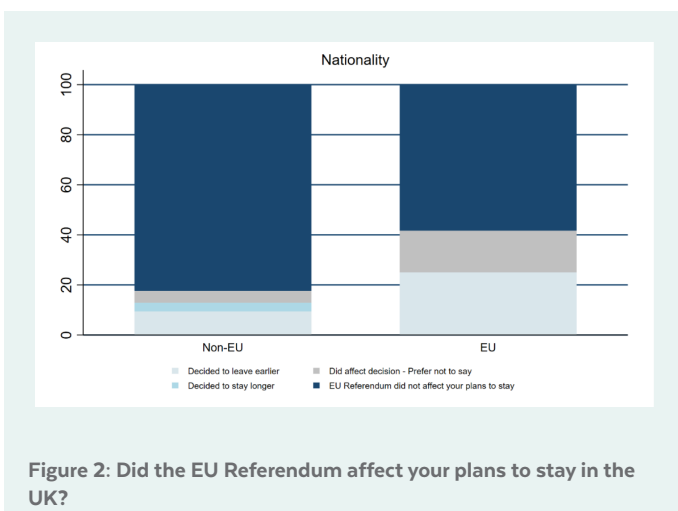
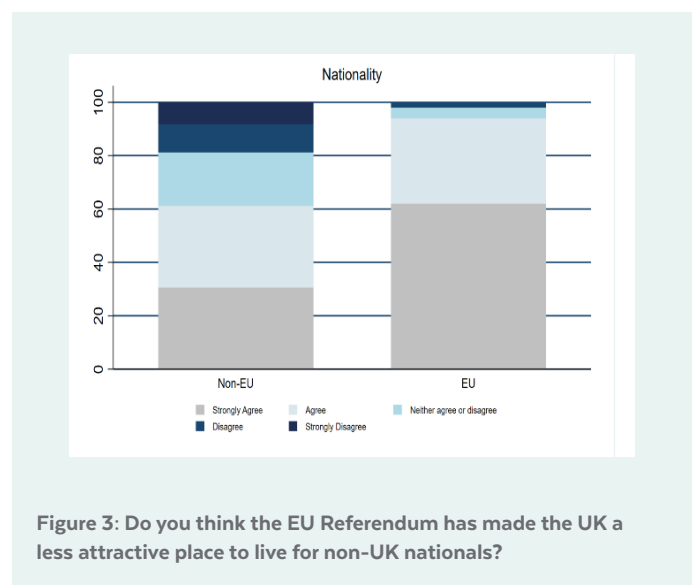
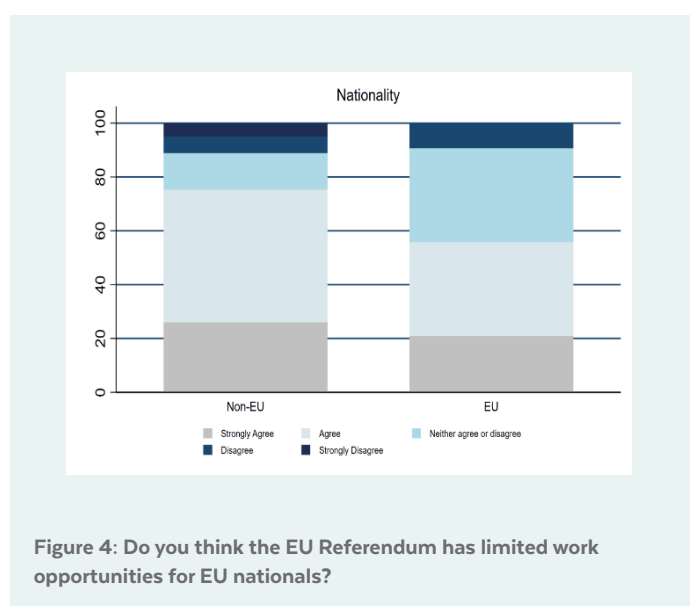


Figure 2 shows that, while for the majority of international students the Brexit vote did not affect migration plans, more than 20% of EU students and about 10% of non-EU students reported that they decided to leave the UK earlier than previously planned. One explanation for this could be that Brexit changed the perception of the UK as a place to live and work.

Evidence for this emerges from additional questions asked in SoGIS. Figure 3 shows that 60% of non-EU students and more than 90% of EU students interviewed in wave 2 agree with the statement that the “EU referendum has made the UK a less attractive place to live for non-UK nationals”.



Additionally, nearly 80% of non-EU students and nearly 60% of EU students agree with the statement that the “EU referendum has limited work opportunities for non-UK nationals” (Figure 4).



Finally, as reported in Figure 5, almost 60% of both EU and non-EU students agree with the statement that the “EU referendum has negatively affected social cohesion in the UK between natives and non-UK nationals”. This suggests that the EU referendum and Brexit debate might have made international students feel less welcome.

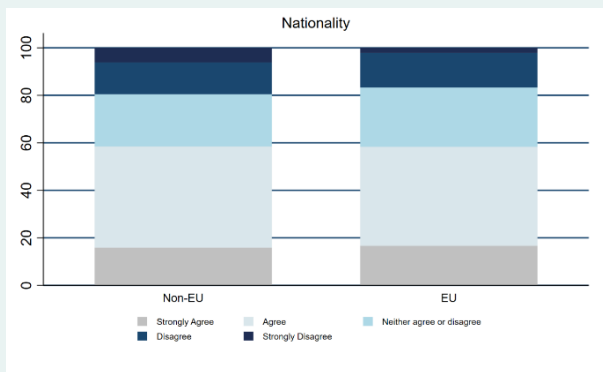


Figure 5: Do you think the EU Referendum has negatively affected social cohesion in the UK between natives and non-UK nationals?

Conclusions

International students are an essential resource for the UK economy. They contribute to maintaining the country as a global leader in the higher education sector. There is evidence that the Brexit process has influenced the decision of some international students to leave the UK at an earlier stage than planned. Evidence also suggests that EU-students weren't the only ones affected by the Brexit

process. It has also had repercussions for non-EU students, who felt that the referendum made the UK a less attractive place to live and work.

Policy implications

Our findings warn that the UK might become less attractive to international students post-Brexit. This would have large financial consequences for UK higher education and substantial negative spill-over effects on local economies and, therefore, the whole UK economy. It is vital for UK universities to consider how best to attract international students. For example, universities could review the tuition fees for international students, and offer scholarship funding. Also, universities should ensure that the UK continues to be at the global forefront in offering world-class education which will draw prospective international students.

The UK government's introduction of the new UK Graduate Route Post-Study Work Visa for international students, starting from the 2020-21 academic year, will enable international students to stay and work (in any sector or at any level), or look for work, in the UK for a maximum period of two years after graduation. This could act as a pull factor for those considering the UK for study.

Our findings suggest that it is crucial to change the narrative around migration after Brexit to one which is welcoming to hard-working migrants, showing that the UK respects diversity and values migrants' contributions.

Finally, there is a need for clarity on the UK's policies after leaving the EU as uncertainty is a major obstacle for any investment decisions, not least those involving migration.

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