A submission from the British Academy to the Education Select Committee on international students in English universities

The British Academy, the UK's national academy for the humanities and social sciences, welcomes the opportunity to submit evidence to the Education Committee on the inquiry into international students in English universities. We are committed to the development of the next generation of talent and to promoting the value of interdisciplinary research. We strive to raise the international profile of the UK's research and research networks, strengthen the voice of the social sciences and humanities in high-level debates, as well as demonstrate the value of international collaboration and mobility. The following submission will respond to the Committee where the Academy is best able to do so.

1. **Numbers and proportions of international students in English universities, including:**
    - **Changes in numbers in recent years and the reasons behind these changes**
    - **The impact of international students on university funding**
    - **The impact on the availability of places for domestic students**
    - **How proportions of international students differ between different courses, including breakdowns by subject and between undergraduate and postgraduate courses**

International student fees are an increasingly critical source of income for English universities. For the academic year 2021/22, the Higher Education Statistics Agency (HESA) reported that the tuition fees from non-EU internationally domiciled students accounted for £7.8 billion of income for English universities.[1] This was 19% of all income for English universities and an increase on the proportion from 2016/17 when non-EU domiciled students accounted for 13% of income. The 19% figure for 2021/22 rises to 22% when including EU domiciled students whose fees increased that year to the same level as non-EU domiciled students.[2]

University finances are increasingly reliant on international student income, in particular as UK student undergraduate fees have been capped at £9,250 since 2017 and have reduced in real teams due to inflation. This has led to institutions cross subsidising their activities by attracting more international students (who pay higher fees) and expanding postgraduate provision (where there are no fee caps). The numbers of first-degree undergraduates domiciled outside the EU rose by 25% between 2016 and 2021 in England. Over the same period, at postgraduate taught level the rise in international students was even higher: the number of non-EU domiciled enrolments in England grew by 139%.[3] In 2021, across English universities, internationally domiciled

[1] The term 'domicile' relates to the country of a student's permanent home address prior to entry on their course. HESA records student domicile, meaning a student's normal place of residence before they start their course which allows analysis of incoming international students rather than analysis only by nationality.
[2] HESA: https://www.hesa.ac.uk/data-and-analysis/finances/income
[3] HESA Student Data 2012/13-2021/22 © Jisc [May 2024]. This data is taken from HESA Staff Record, Student Records, Graduate Outcomes Survey and Financial Records assessed under licence via

students made up 46% of postgraduate taught students and 40% of the postgraduate research student cohort.

Evidence indicates recent visa policy changes are already having negative impact on the attractiveness of the UK as a study destination and pose a serious threat to financial sustainability and stability of the UK higher education sector. Early data suggests a fall in international student numbers this year: Enroly data from a cross-section of UK HEIs from November showed overall deposits were down by 52%, CAS issuance was down by 64%, and visa issuance was down by 71% for January 2024 enrolments compared to January 2023;[4] a UUK/BUILA survey of 73 universities showed a 44% drop in enrolments in January 2024 following a 0.4% drop in September 2023;[5] and a FindAUniversity report stated that the number of prospective international students at postgraduate taught level searching for UK opportunities fell from 51% in 2022 to 30% in 2023, with competitor countries such as US, Ireland, Germany and the Netherlands all seeing an increase in interest.[6] The Migration Advisory Committee estimates that the recent limitations to student dependant numbers may lead to a 10% fall in main applicants.[7] In addition to these points, there was a significant fall in EU domiciled students in the academic year 2021/22 with a drop of 23% at English universities on the previous year. Reductions in international student numbers will impact course viability and finances across the entire sector, contributing directly to course closures and staff redundancies.

International students make up significant proportions of postgraduates across both STEM and SHAPE disciplines[8], as demonstrated in Figure 1 below which analyses the 2021/22 postgraduate taught cohort. Engineering and technology (77%) and Computing (72%) have the highest proportions, with Business and management third at 72%. Business and management graduates go on to work in a wide range of industries across the UK economy, more so than any other subject area.[9] Media, journalism and communications has also been successful at attracting international students who account for 60% international students at postgraduate taught level; two places below this is Design, and creative and performing arts with 55% international students at the same level. These fields of study are closely connected to the UK's growing creative industries[10] which contributed £124.6 billion to the economy in 2022 according to government estimates.[11] International student recruitment to a diverse range of courses, which

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[4] https://www.enroly.com/blog/huge-fall-in-international-numbers-predicted-in-january-as-deposits-and-cas-collapse

[5] https://www.universitiesuk.ac.uk/latest/news/graduate-visa-critically-important-uk

[6] https://www.findauniversity.com/comment/10681/will-international-pgt-audiences-look-elsewhere

[7] https://www.gov.uk/government/publications/migration-advisory-committee-annual-report-2023/migration-advisory-committee-mac-annual-report-2023-accessible

[8] Social Sciences, Humanities and the Arts for People and the Economy (SHAPE) is a collective name for the social sciences, humanities and the arts: https://www.thebritishacademy.ac.uk/this-is-shape/

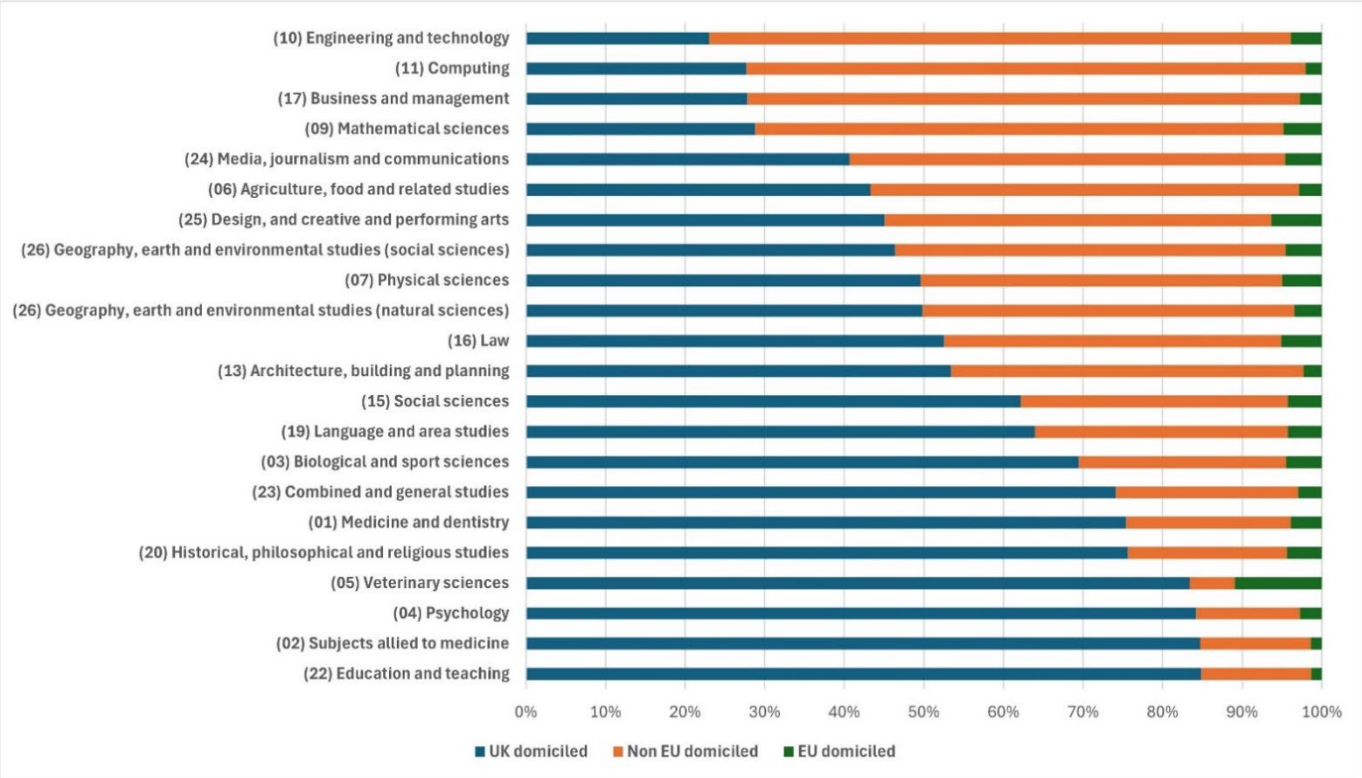
[9] British Academy, *Business and Management provision in UK higher education* (2021), p. 47.

[10] London Economics, *Understanding the career paths of AHSS graduates in the UK and their contribution to the economy* (2019).

[11] Department for Culture, Media & Sport: https://www.gov.uk/government/statistics/dcms-and-digital-sector-gva-2022-provisional/dcms-sectors-economic-estimates-gross-value-added-2022-provisional

also includes geography, earth and environmental studies, law, as well as language and area studies, is therefore critical to significant areas of the economy.

Figure 1. Proportion of postgraduate taught students by subject groupings at English HEIs by domicile[12]



Source: HESA Student Data 2012/13-2021/22 © Jisc [May 2024]

There is no evidence to suggest that the increase in international students has adversely impacted the availability of places for domestic students in England. Among first-degree undergraduates, UK domiciled students rose by 9% between 2019 and 2021, while international student (both EU and non-EU) both rose by 2% over the same period. At postgraduate research level UK numbers grew by 3% in contrast to 1% for internationally domiciled students. UK domiciled students grew by 17% at postgraduate taught level from 2019 to 2021, while international students increased by 47%.[13] Due to their shorter-term duration, greater part-time/full-time flexibility and lower demands on university infrastructure, postgraduate taught courses can generally grow to meet demand in a way that undergraduate courses cannot. The higher fees that can be charged also make their provision important to providers. The figures for UK and internationally domiciled show increasing appetite from both groups, but the greater growth among internationally domiciled has not impacted domestic places.

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[12] These are based on HESA's CAH Level 1 subject codes: https://www.hesa.ac.uk/collection/coding-manual-tools/hecoscahdata/cah

[13] HESA Student Data 2012/13-2021/22 © Jisc [May 2024]

While international students at all levels rose by 19% UK domiciled students rose by a still significant 10%.[14] This does not suggest that there has been anything resembling a downturn in UK-based student recruitment during a period in which international numbers have increased overall, driven by a steep rise at postgraduate taught level.

Sufficient critical mass of student numbers is required to ensure viability in some specialist subjects and without the involvement of non-UK students, those specialisms may be at risk. This would thereby deny such opportunities to all UK students too, diminish the breadth and depth of expertise amongst researchers in the UK in the humanities and social sciences and the wider SHAPE disciplines, and thus also affect employment opportunities, as well as diminishing the UK's future research potential. The income generated from international students allows universities to invest in additional, enhanced or expanded facilities and to offer a greater variety of courses for UK students as well as international students.

International students boost businesses and local communities, underpin the provision of high-level education and skills for home students, and enable universities to invest in R&D activity. Modelling by London Economics shows that a single cohort of international students produces a net benefit of £37 billion for the UK economy.[15]. Home Office analysis has shown that students have the highest compliance rate of any visa category, with 97.5% of those who arrive and do not move onto a different visa leaving the UK after their studies.[16]

The economic value of international students far exceeds their financial contribution. They bring distinctive skills and perspectives as well as raise awareness of outward mobility and widen opportunities for studies and research. Their cultural and intellectual contributions have been pivotal to the academic and intellectual vibrancy and liveliness of research in universities in England. It is important to note that the Erasmus+ programme has contributed to creating a vibrant environment for work and study and has been pivotal to the ability to attract EU students. Regrettably, the UK is no longer associated to the Erasmus+ programme and the Turing scheme has not proved to be a good replacement.[17]

English universities are an essential asset to the UK's ability to influence abroad and to soft power. International students predominantly come from key trade, diplomatic, and cultural partners of the UK or from areas of growing interest to the UK. International students also bring specific skills (e.g. language and cultural knowledge) invaluable to UK businesses and strengthen their capacity to export goods and services.

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[14] HESA Student Data 2012/13-2021/22 © Jisc [May 2024]
[15] London Economics 2023, https://londoneconomics.co.uk/wp-content/uploads/2023/05/LE-Benefits-and-costs-of-international-HE-students-Full-Report-2.pdf
[16] Home Office 2020, https://assets.publishing.service.gov.uk/media/5f47e2dce90e07299b63c2ea/fifth-report-on-statistics-relating-to-exit-checks-201920.pdf
[17] The British Academy 2021, https://www.thebritishacademy.ac.uk/documents/3391/EU-Higher-Education-Staff-and-Students-in-the-UK-Briefing.pdf

2. **How England compares to other countries in the balance between numbers of international and domestic students**

The UK is one of the top destinations for international students in a competitive global market of increased mobility. Direct comparisons in the balance between numbers of international and domestic students are problematic due to the differences in global higher education systems. The USA has the largest number of international students but a higher proportion of domestic students; while Australia – a close competitor in terms of international student numbers with the UK in recent years – has a much higher proportion of international students than both the USA and UK.[18]

As one of the major destinations for international students, UK HEIs provide an asset to the UK's soft power and ability to influence abroad. International students in the UK account for some of the best students globally and help strengthen and develop the UK's research talent pool and enrich the research capacities of the UK both during their study and following. This helps to maintain and enhance the UK's international research reputation and its influence overseas. It has been estimated that over one-quarter of the world's countries are headed by someone educated in the UK.[19] In addition, international students returning to their home countries or working and/or further studying in other countries enrich the research capacities of these countries and become part of the international collaborative processes on which excellent science so clearly depends.[20]

In 2019, Australia overtook the UK as the second most popular global destination for international students – this was part of the policy landscape that led to the Government setting the 600,000 international student target in its International Education Strategy. The UK then later reclaimed second place. In what is a competitive environment, other English-speaking countries like Canada and New Zealand are also seeing an increase in their numbers of international students. This underscores the strong competition for international talents among the leading research nations.

We are concerned that in a 2022 survey, Australia again overtook the UK as the second preferred destination for international students with 25% following Canada in the first place with 27%, leaving the UK in the third place with 20% and the US in the fourth place with 18%.[21] In the 2024 survey, however, the US has taken the first place with 24% while Australia maintains second place with 23%, the UK remained third with 22% and Canada fourth with 19%.[22]

[18] House of Commons Library: https://commonslibrary.parliament.uk/research-briefings/cbp-7976/; Australian Government: Department of Education: https://www.education.gov.au/international-education-data-and-research/international-student-monthly-summary-and-data-tables
[19] HEPI, https://www.hepi.ac.uk/2023/08/22/over-one-quarter-of-the-worlds-countries-are-headed-by-someone-educated-in-the-uk-and-another-quarter-are-headed-by-someone-educated-in-the-us-hepi-2023-soft-power-index/
[20] Opinion Leader, 'The role of international collaboration and mobility in research', March 2017, https://www.britac.ac.uk/sites/default/files/UK%20National%20Academies%20Report%20Final%20280417.pdf; Office for Students, 2022, https://www.officeforstudents.org.uk/publications/learning-more-about-international-students/
[21] https://monitor.icef.com/2022/10/survey-says-australia-a-top-choice-among-prospective-international-students/;
[22] IDP 2024: https://www.idp-connect.com/emergingfutures

It is essential that UK HEIs are encouraged and supported in the recruitment of international students without further restrictions. If the attraction of the UK as a study destination wanes, then international students will study elsewhere.

3. **The likely impact on international student numbers of recent changes to student visa conditions and any proposed changes to the Graduate Route**

Recent visa policy changes and increased costs have introduced barriers that threaten to impede the flow of international talent and stifle the vibrancy of the UK academic and research landscape. As stated in our recent letter[23] to the Migration Advisory Committee on the review of the Graduate Visa scheme, these changes are only making the UK an even more unattractive location for international students at a time of significant global competition and when the UK is aiming to achieve strategic advantage in science and technology.

The financial sustainability of the higher education sector is already of major concern. In 2021/22, in England, the additional funding available from all surplus-generating activities was nearly £2 billion short of the cost of sustainably delivering research activity and educating UK students.[24] These pressures are replicated across the devolved nations. Uncertainty around the Graduate Visa Route may already be deterring international students from pursuing higher education in the UK and thus impacting UK universities financial sustainability.

Any change to the Graduate Visa Route is expected to result in a further significant reduction in international students' enrolment in UK universities and will have a significant impact on UK universities financial sustainability. A continuous fall in international students' numbers will impact course viability and finances across the entire sector, contributing directly to course closures, especially in the SHAPE disciplines, and staff redundancies. A policy that reduces international student numbers is also in contradiction with the Government's International Education Strategy,[25] which committed to increasing the numbers of international students studying in the UK to 600,000 per year.

The Graduate Visa serves as a vital bridge that facilitates the transition of international students into the workforce, contributing to the UK's economic growth and global competitiveness. The Graduate Visa route should be retained, and adequate assurances given for its sustainability. This will make UK higher education more attractive to international students and help UK higher education institutions deliver the recruitment necessary to generate the required finances, sustain courses and create job opportunities.

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[23] The British Academy 2024: https://www.thebritishacademy.ac.uk/news/the-british-academy-urges-government-to-safeguard-vital-graduate-visa-scheme/
[24] HEPI 2023: https://www.hepi.ac.uk/2023/08/30/adding-to-the-university-funding-debate-increasing-transparency-into-university-finances/
[25] https://www.gov.uk/government/publications/international-education-strategy-global-potential-global-growth/international-education-strategy-global-potential-global-growth#executive-summary

4. **The effectiveness of the Government's International Education Strategy launched in 2019**

The International Education Strategy aims to increase the value of the UK's education exports to £35 billion per year and to increase the number of international students hosted in the UK to 600,000 per year, both by 2030. In particular, through the Strategy, the UK Government committed to "continu[ing] to provide a welcoming environment for international students and develop[ing] an increasingly competitive offer. This includes extending the post-study leave period, considering where the visa process could be improved, supporting employment, and ensuring existing and prospective students continue to feel welcome."

As stated above, the UK is one of the top destinations for international students in a context of increased mobility and competition from universities worldwide. It is part of a global market for international students and government policies play a large role in how the UK stands globally. However, universities are reporting a drop in international students applying to study in the UK. There are concerns that possible restrictions to the graduate route are effectively curtailing opportunities for international graduates to work in the UK. Other restrictions and language about international students could lead to a sustained decrease in international students in universities across England and throughout the UK.

We urge the UK Government to facilitate international student mobility in view of its important net economic contribution to the UK, soft power benefits and valuable contribution to the academic, intellectual, and cultural vibrancy of our universities and society more widely.