

Migration Advisory Committee (MAC)
International students: economic and social impact
Submission by Yorkshire Universities

1. Migration Advisory Committee commission

1.1. The commission to the Migration Advisory Committee specifies a series of themes on which the government would like advice under the broad framework of the economic and social impacts of international students in the UK. As well as considering the overall impact, evidence and advice is being sought on the following:

- *The impact of tuition fees and other spending by international students on the national, regional and local economy and on the education sector;*
- *The economic and social impacts beyond education, including on the labour market, housing, transport and other services, in particular, the role they play contributing to local economic growth;*
- *Some breakdown of impacts by type and level of course and institution; and*
- *The impact the recruitment of international students has on the provision and quality of education provided to domestic students.*

1.2. The Yorkshire Universities (YU) response below will provide evidence on the following framing questions set out by the MAC:

- *How much money do migrant students spend in the national, regional and local economy? (Sections 4,5);*
- *If migrant students take paid employment while they are studying, what types of work do they do? (Section 6).*

In addition, to provide the context for our responses to these questions, we give information on YU (Section 2) and the impact of international students, in terms of numbers at each Yorkshire higher education institution (Section 3).

2. About Yorkshire Universities

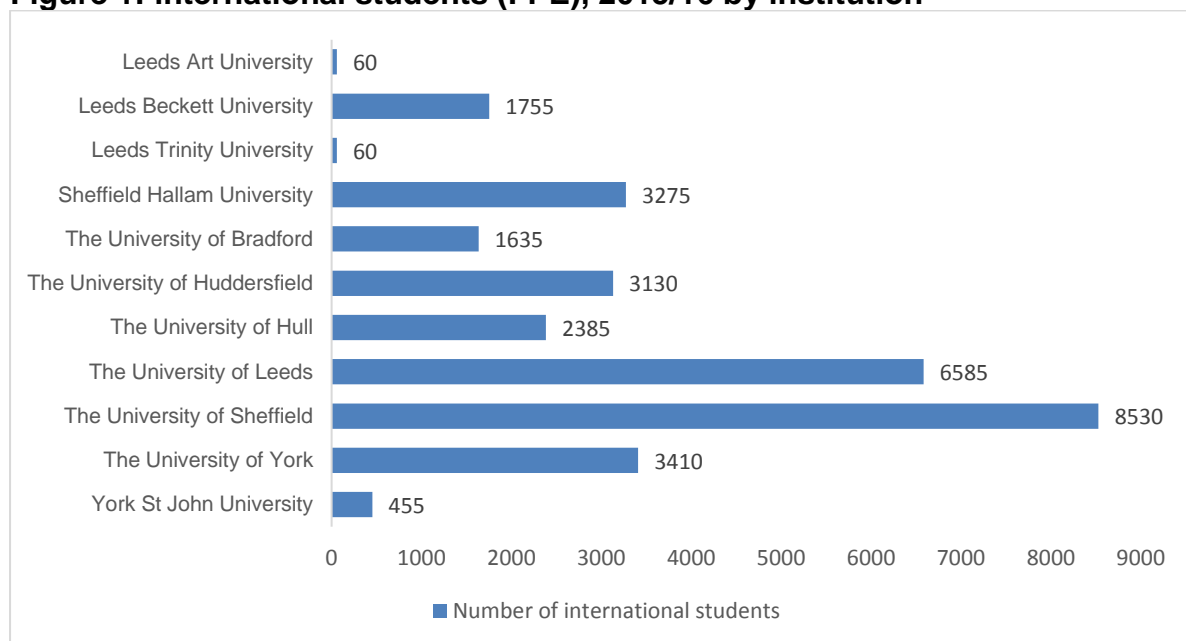
2.1. Yorkshire Universities (YU) is the regional voice for Higher Education in Yorkshire, representing twelve higher education institutions (HEIs). YU is a partnership based on a shared interest in place and the contribution universities make (both individually and collectively) to Yorkshire. Yorkshire's universities' economic activity contributes around £3.2 billion to regional GVA. The institutions employ over 33,000 members of staff and attract over 192,000 students from countries around the world.

3. The number of international students in Yorkshire

3.1. In 2015/16, universities in the Yorkshire and Humber attracted 88,565 students from the rest of the UK, and 31,270 international students¹, of these, 6,360 are from other EU countries. International students account for roughly 16% of the student body in Yorkshire. Across the UK as a whole, international students account for approximately 20% of the student body². Yorkshire and the Humber has the sixth largest number of international students of all regions in the UK, behind London, the South East, Scotland, the West Midlands and the North West.

3.2. International students can be found in all of Yorkshire's universities; just over a quarter of them are studying at the University of Sheffield (the sixth highest population of international students in the UK), and around a fifth are at the University of Leeds (the 19th highest population of international students in the UK). There are also significant numbers of international students at the University of York, Sheffield Hallam University and the University of Huddersfield. Figure 1 below sets out the total number of international students at Yorkshire's universities by institution. Figure 2 compares UK and international student numbers by institution and Figure 3 breaks down the student numbers by UK, other EU and non-EU numbers.

Figure 1: international students (FPE), 2015/16 by institution

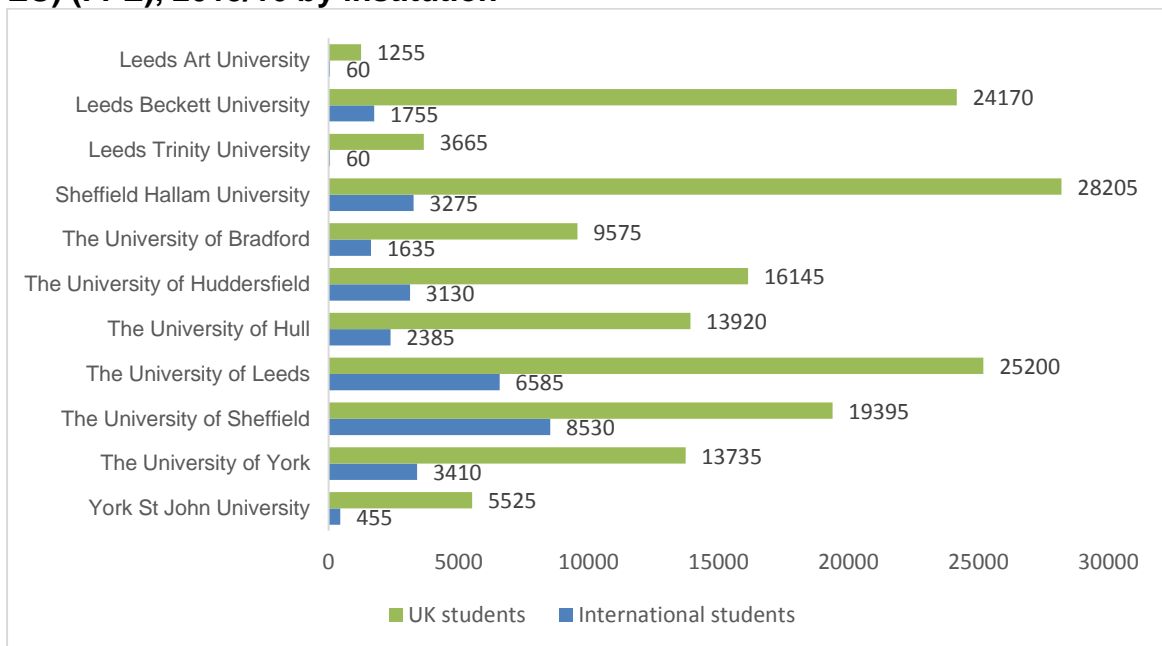


Source: HESA data accessed through the HEIDI+ database

¹ HESA data accessed through the HEIDI+ database, for Full Person Equivalents (FPE) for the academic year 2015/16

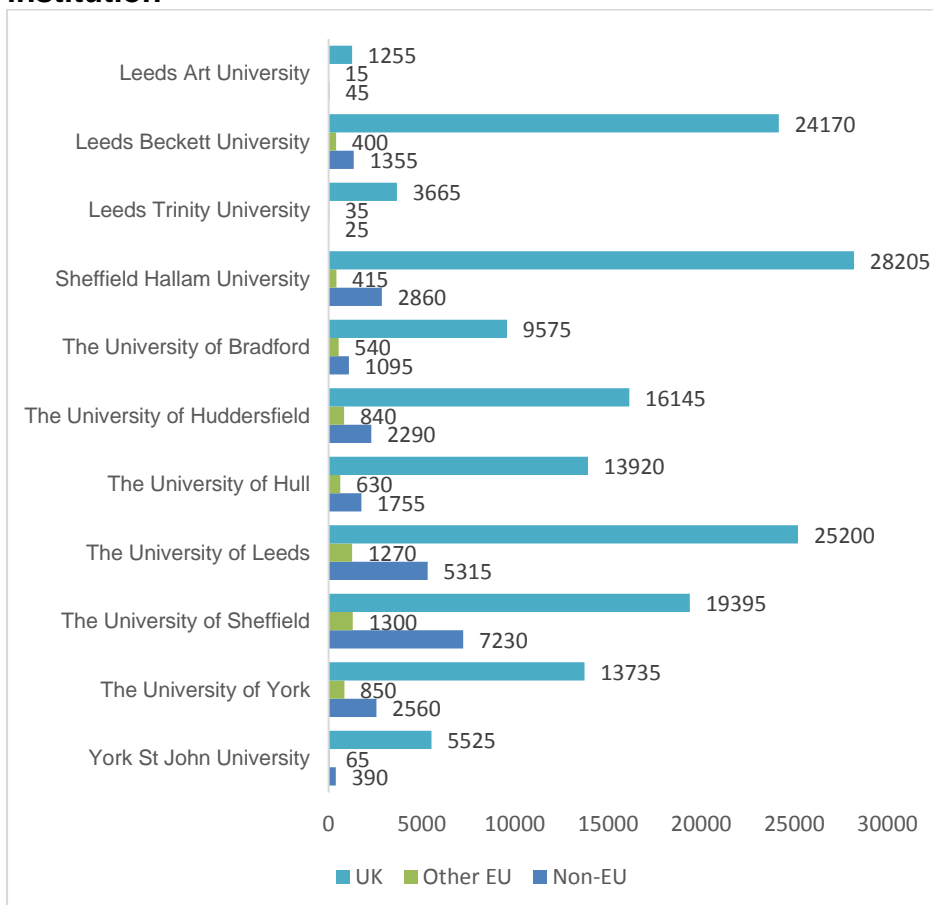
² UK Council for International Student Affairs (01/2018). [International student statistics: UK Higher education](#)

Figure 2: number of UK and international students (both Other EU and Non-EU) (FPE), 2015/16 by institution



Source: HESA data accessed through the HEIDI+ database

Figure 3: number of UK, Other EU and non-EU students (FPE), 2015/16 by institution



Source: HESA data accessed through the HEIDI+ database

3.3. Around 50% of international students in Yorkshire are undergraduates and close to 50% are studying for a postgraduate qualification (36% taught, 13% research). Approximately 28% of international students in Yorkshire are studying business and administrative studies – the largest concentration of students by subject. This is followed by engineering and technology, with 18% of the total number of students.

3.4. Approximately 30% of international students in Yorkshire come from China – by far the largest population of international students. Malaysia, India, Nigeria and Hong Kong are among the other countries with populations of over 1,000 students studying in Yorkshire.

4. The economic impact of international students in Yorkshire

4.1. The Government’s Industrial Strategy is clear about the need for a place-based approach to economic growth supporting a rebalancing of the economy so that prosperity can be shared across the country. It is clear that international students are an important part of Yorkshire’s economy and these contributions should be celebrated, supported and enhanced.³

4.2. The economic impact of international students on the UK as a whole and Yorkshire in particular is significant (see Figure 4 for comparison with other regions in the UK):

“The total net economic contribution of international students starting in 2015/16 was estimated to be £1.59bn in Yorkshire and the Humber”⁴.

4.3. At constituency level, given the relative large number of international students resident in Sheffield Central (2,455), the analysis indicates that the contribution to the UK economy of the 2015/16 cohort of international students resident in Sheffield Central stands at approximately £226m, which is equivalent to £1,960 per member of the resident population. This puts Sheffield at the top of the list of parliamentary constituencies with the highest net economic impact on the UK economy resulting from international students⁵.

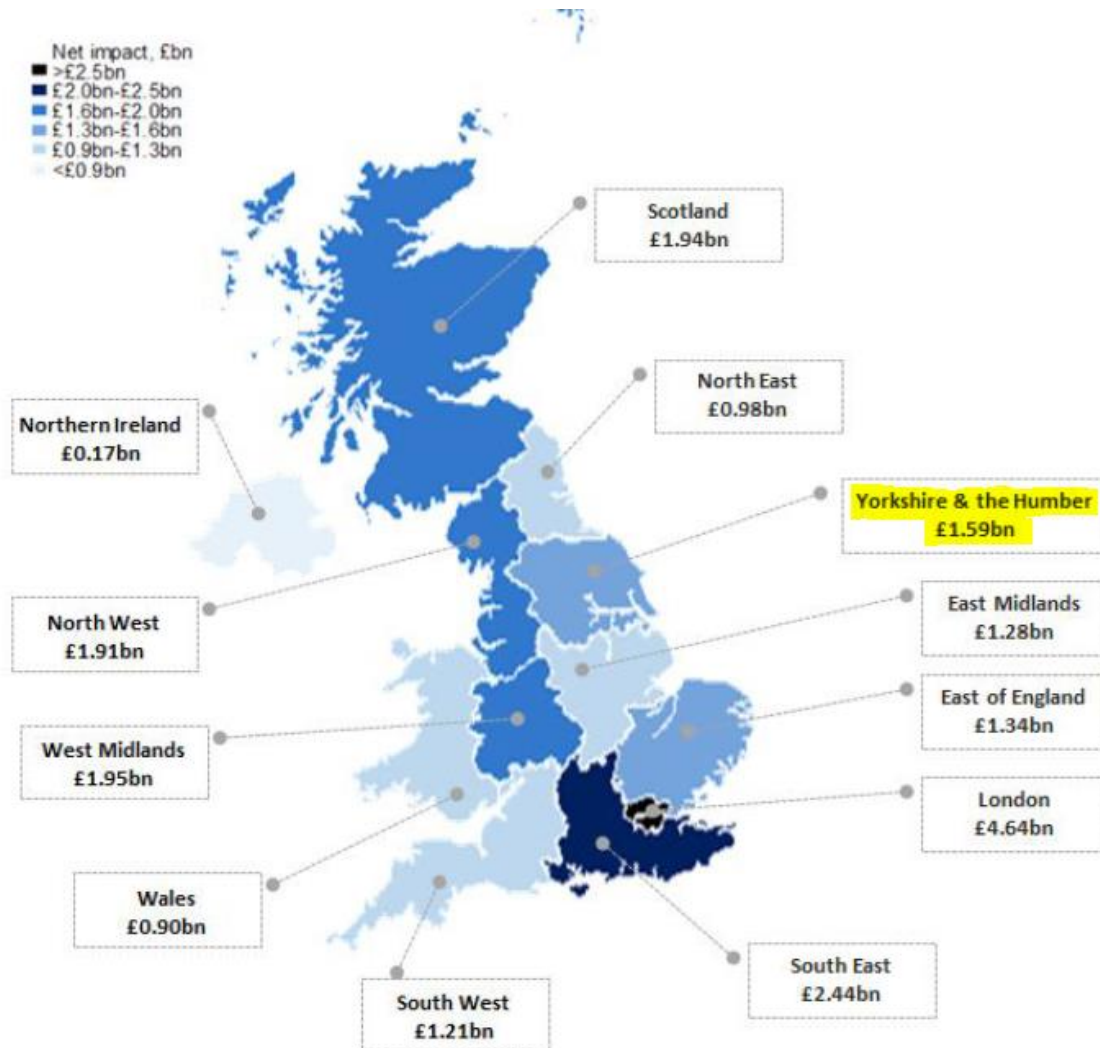
4.4. Leeds Central takes the 11th place with 1,670 international starters in 2015/2016 whose contribution to the economy is £153.9m that is £1,160 net impact per resident.

³ BEIS (2017) [Industrial Strategy White Paper](#), Department for Business, Energy and Industrial Strategy: London.

⁴ London Economics (2018). [The costs and benefits of international students \(including by parliamentary constituency\)](#), Report for the Higher Education Policy Institute and Kaplan International Pathways

⁵ London Economics (2018).

Figure 4: Net impact associated with the 2015/2016 cohort – by location (region) of higher education institution, £bn



Note: Values are rounded to the nearest £0.1 billion. All estimates are presented in 2015/16 prices, and discounted to reflect net present values. Source: London Economics' analysis

5. Expenditure of international students

5.1. In 2014-15, according to the Universities UK economic impact assessment, international revenue in Yorkshire and the Humber amounted to £506 million which, together with the estimated off-campus expenditure of international students and their visitors, represented a total of £973 million of export earnings⁶.

5.2. The same year, international students' off-campus expenditure (£429 million) in Yorkshire and the Humber generated £483 million of gross output, a £242 million GVA contribution to GDP, and 3,594 fulltime equivalent jobs in the region alone⁷.

5.3. International students play a vital role in supporting the region's research base, with international students accounting for over 35% of all postgraduate

⁶ Universities UK (03/2017). [The Economic Impact of International Students](#)

⁷ ibid

students in Yorkshire. International students also play an important role in the sustainability of courses at institutions that without their contributions would not be viable. The implication of course closures impacts upon UK students and businesses through the loss of local skills development.

“They support courses through the fees they pay, they add to the diversity of courses and help maintain courses that would otherwise not have a viable number on them to run”.⁸

5.4. In 2012, the University of Sheffield commissioned Oxford Economics to prepare a report examining the scale of the economic benefit international students bring to the city. According to Claire Prendergast, a senior international officer at the University of Sheffield:

“The research showed that international students at Sheffield-based universities in 2012/13 would pump £120 million into the local economy, with 8.9% boosting local labour supplies by utilising their skills directly in the Yorkshire and Humber region. This impact is felt outside the city’s boundaries too, with a further 10.7% employed in the rest of the UK, supporting our national workforce with fresh skills and talent.”⁹

6. Postgraduates for international business

6.1. In recognition of the important role of international students, and the potential benefits to businesses in the region, YU piloted a project with the Leeds City Region (LCR) Local Enterprise Partnership (LEP), to match businesses with international students. The project was facilitated by the Department for International Trade (DIT)¹⁰.

6.2. The project supported Yorkshire-based businesses seeking to expand international export activities by using appropriately skilled undergraduate and postgraduate students across the region. It was well supported by our members, with participation from the universities of York, York St John, Leeds, Leeds Beckett, Leeds Trinity, Hull, Bradford, Huddersfield, Sheffield and Sheffield Hallam.

6.3. The scheme created opportunities for students with language and cultural skills to work with companies in Yorkshire on international projects or areas of business need. Students on the scheme were paid. DIT used the model established in Yorkshire as the basis for a nationwide pilot scheme.

⁸ Yorkshire Post (10/03/2017). [Protect international students who bring £429m to Yorkshire' - Universities' Brexit plea to Government](#)

⁹ Oxford Economics (2013). [The Economic Costs and Benefits of International Students](#)

¹⁰ At this time the Department was known as UK Trade and Investment (UKTI)

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