

Bruce Crawford MSP  
Convenor of the Devolution (Further Powers) Committee  
Room T3.40  
Scottish Parliament  
EH99 1SP



26 January 2016

Dear Bruce,

Thank you for your letter of 20 January 2016 requesting written evidence from the Scottish Government about post study work visas. The Scottish Government welcomes your scrutiny of this issue and I am pleased to provide any information I am able to the Committee.

As you will be aware, the Scottish Government strongly supports the reintroduction of a post study work visa in Scotland. The visa would be an important lever for attracting the best international student talent, securing essential income streams, and allowing talented graduates to continue contributing to Scotland after their studies end. At Annex A to this letter, I have attached my recent written evidence to the Scottish Affairs Committee on post study work. My response sets out the Scottish Government's reasons and evidence for the reintroduction of a post study work visa in greater detail.

You ask what dialogue Scottish Government Ministers or officials have had on this matter with the UK Government. At Annex B I have attached a table collating relevant dialogue and other key events. As you will note from the table, the UK Government have not entered into any constructive dialogue with us on this issue and merely reaffirmed their existing position.

There is consensus in Scotland, amongst business, education and every political party represented in Holyrood that we need a return of the post study route to allow talented students to remain and contribute to the Scottish economy. We were therefore surprised and disappointed that the Secretary of State for Scotland published the statement indicating that there is no intention of reintroducing the post study work visa in Scotland.

This is another example of the UK Government failing to live up to the spirit of the Smith Commission and Lord Smith's personal recommendation that: "Both Governments need to work together to create a more productive, robust, visible and transparent relationship. There also needs to be greater respect between them."



I hope that this is helpful in setting out the Scottish Government view on the reintroduction of a post study work visa and I look forward to your conclusions on this matter.

Best Wishes,  
H. Yousaf

**HUMZA YOUSAF**

Attached as separate document

Scottish Affairs Committee



8 December 2015

Dear Chair,

It was a pleasure to meet with the Committee on 30 November and speak about the potential for the reintroduction of a post study work visa in Scotland. As I outlined when we met, I am delighted that the Committee is holding an inquiry into post study schemes and am grateful for the opportunity to provide written evidence on the impact of the closure of the Post Study Work route in Scotland.

The Scottish Government was opposed to the closure of this route and responded to the UK Government consultation on this issue accordingly. The predecessor to the Tier 1 (Post Study Work) visa, the Fresh Talent: Working in Scotland Scheme (FT: WiSS), was successfully implemented in Scotland in 2005 and evaluation indicated that the Scheme provided a number of benefits<sup>1</sup>. We have argued that Scotland's universities, communities and economy all benefitted from the contributions made by individuals on the FT: WiSS/ post study work route, and also by those studying in Scotland with the expectation of remaining to work after their studies were complete. These are the reasons that the Scottish Government has consistently argued for the reintroduction of the post study work route.

I will address each of your specific queries in turn.

1 (a) What impact has the closure of the Tier 1 (Post Study Work) Visa had on Further and Higher Education Institutions in Scotland?

Higher Education Statistics Agency data show that although Scotland has seen a 1% increase in (non-EU) international entrants in academic year 2013/14 compared to 2012/13, this masks significant falls in entrants from key countries over recent years, including India (a reduction of 63% between 2010/11 and 2013/14), Pakistan (a reduction of 45% between 2010/11 and 2013/14) and Nigeria (a reduction of 29% between 2010/11 and 2013/14).

<sup>1</sup> Fresh Talent: Working in Scotland Scheme, An Evidence Review (2008)  
<http://www.gov.scot/resource/doc/235857/0064664.pdf>



Further data is detailed in the following table, which also highlights the impact on the single year of 2012/13 to 2013/14.

**Non-EU Students in Higher Education at Scottish Higher Education Providers 2009-14**  
**(Source: HESA stats Jan 2015)**

	2009/10	2010/11	2011/12	2012/13	2013/14	% change in one year, 2012/13 to 2013/14
<b>Scotland HEPs</b>						
China	4,680	6,145	7,485	7,795	7,855	1%
USA	3,325	3,410	3,645	3,790	3,940	4%
Nigeria	2,280	2,410	2,070	2,000	1,875	-6%
Malaysia	1,130	1,080	1,160	1,295	1,335	3%
India	3,185	3,290	2,445	1,665	1,315	-21%
Canada	890	975	965	985	1,040	6%
Saudi Arabia	720	725	690	720	790	10%
Norway	525	600	680	740	765	4%
Hong Kong	380	425	510	600	670	11%
Thailand	335	425	535	550	620	13%
All other	7,615	8,395	8,315	8,170	8,405	3%
<b>Total Scotland HEPs</b>	<b>25,075</b>	<b>27,880</b>	<b>28,500</b>	<b>28,305</b>	<b>28,610</b>	<b>1%</b>

Scotland is losing out to its key competitor countries in attracting international students. During the period 2012-13 to 2013-14, the number of international students in higher education in the United States increased by 8%<sup>2</sup>, the number increased in Canada by 11%<sup>3</sup> and in Australia by 8%<sup>4</sup>. Latest figures show that during the period 2013-14 to 2014-15, the number of international students in higher education in the United States increased by 10%<sup>5</sup>. In the last year in Scotland, we see that growth was only 1%, after a decrease the previous year.

<sup>2</sup> Source: Institute of International Education

<sup>3</sup> Source: Canadian Bureau for International Education

<sup>4</sup> Source: Australian Education International, Australian Government

<sup>5</sup> Source: Institute of International Education



Scottish Government analysis of Scottish Funding Council data shows that Scotland has seen a 22% decrease in (non-EU) international students at Further Education colleges in academic year 2013/14 compared to 2010/11. This sharp decline has resonated across key countries in recent years, including India (a reduction of 22% between 2010/11 and 2013/14), Pakistan (a reduction of 47% between 2010/11 and 2013/14) and Nigeria (a reduction of 61% between 2010/11 and 2013/14).

1 (b) What impact has the closure of the Tier 1 (Post Study Work) Visa had on Economic growth in Scotland?

Economic growth is essential to Scotland's future prosperity and post study work has an important role to play in helping us secure this prosperity for the people of Scotland. Economic contributions are made by both international students aspiring to inclusion on a post study work route and international graduates with a post study work visa.

The appeal of a post study work route helps to draw talented international students to Scotland. It is widely acknowledged that international students make a significant financial contribution to the HE sector and to the economy more widely. Scottish higher education institutions received an overall income of £403m from non-EU student course fees in 2013-14. This figure represents 12.5% of the total income of Scottish HEIs in that year (Source: HESA Finance Plus 2013-14).

In addition to fee income, international students also contribute to the Scottish economy through other expenditure incurred during their studies in Scotland. According to a 2011 analysis carried out by London Economics, this expenditure is estimated at around £441m per year.

And over and above this, international graduates working in our country make a vast economic contribution both to individual businesses and to Scotland. Where there are skill shortages, especially in smaller or newer businesses, additional skilled staff can make all the difference to success or failure. The loss of skilled graduates through the abolition of this route ripples through our businesses and economy.

1 (c) What impact has the closure of the Tier 1 (Post Study Work) Visa had on the ability of Scottish employers to find skilled staff?

Alongside our efforts to create more jobs in Scotland and develop the skills of our workforce, we must be able to attract and retain world-class talent to fill vacancies which cannot be filled by resident workers. Skills Development Scotland are working with partners across Scotland on Skills Investment Plans which seek to address skills challenges, but it is not possible to meet all our skills needs without the valuable contributions made by migrants.

The most recent UK Employer Skills Survey Report published in 2013 found that there was a higher level of skill shortages in Scotland than the rest of the UK. It was found that 25% of all vacancies in Scotland were skill shortages, a significant increase since 15% in 2011 and higher than that reported for the rest of the UK. In England this figure was (22%), Wales (20%) and Northern Ireland (19%).<sup>6</sup>

I am very concerned that there has been such a substantive increase in our skill shortages, during the time period that the post study work visa has been abolished. These further

<sup>6</sup> 'UK Employer Skills Survey Report', UK Commission for Employment and Skills, January 2013, [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/303495/ukces-employer-skills-survey-13-executive-summary-81.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/303495/ukces-employer-skills-survey-13-executive-summary-81.pdf)



restrictions to accessing pools of talent and skills are damaging to our businesses, industries and economy.

1 (d) What impact has the closure of the Tier 1 (Post Study Work) Visa had on raising the skill levels of Scotland's own young people and attracting skilled workers from the rest of the United Kingdom?

There has been positive net migration (the difference between inward and outward migration) to Scotland from the rest of the UK of on average +7,700 people per year, for almost the last 15 years<sup>7</sup>. We welcome people from around the UK choosing to make Scotland their home and the skills and contributions that they bring.

An internationally vibrant and diverse workforce acts as a dynamo for our economy and society more generally. Our inability to retain talented international workers will have a negative impact more widely. For example there is evidence that migrants push domestic workers on a faster career track<sup>8</sup>.

The Post Study Work Working Group highlighted in their Report, published earlier this year, the soft power that a post study work route can have on businesses and Scotland's own young students. Attracting international students and the benefits of a strong international community provides not only a richer learning experience for all students, but also the development of an international outlook amongst home students and graduates, as well as Scottish businesses who employ them, together with an easily accessible source of international talent with a cultural understanding of Scotland for Scottish businesses to recruit from.<sup>9</sup>

Losing skilled international graduates from our workforce will negate their ability to train and pass on their skills to the young people of Scotland and those from other parts of the UK. These international graduates bring their enthusiasm and talents to our communities, making the Scottish economy and society more attractive to all.

2 How effective are current Tier 1 (Graduate Entrepreneur) and 2 (General) visas for enabling international students to remain in Scotland, after completing their studies, to contribute to the Scottish economy? What are the limitations of current arrangements?

The Tier 1 Graduate Entrepreneur route is very limited. It requires an individual to gain a certain type of endorsement for a business idea and the numbers are capped. For most international graduates, and certainly those who are seeking to work for an employer, this route is not appropriate.

Tier 2 General is the most likely route now that an international graduate would need to try and use to stay and work in Scotland, but this is already a very restricted route. For example, it is not clear why certain occupation types are reviewed for the Shortage Occupation List while others are not. Within particular sectors in Scotland, such as IT, there are wide concerns that the Shortage Occupation List is not meeting Scotland's needs.

<sup>7</sup> <http://www.nrscotland.gov.uk/files/statistics/migration/2015-july/c1-ruk-mig-flows-scotland-1991-latest-Jul15.pdf>

<sup>8</sup> University College London – November 2013

[http://www.cream-migration.org/publ/uploads/CDP\\_22\\_13.pdf](http://www.cream-migration.org/publ/uploads/CDP_22_13.pdf)

<sup>9</sup> Post Study Work Working Group: Report to Scottish Ministers, March 2015, publication facilitated by Scottish Government, <http://news.scotland.gov.uk/image-library/downloadmedia.ashx?MediaDetailsID=3513&SizeId=-1>



The Post Study Work Working Group<sup>10</sup> identified a number of barriers which prevent graduates from switching from Tier 4 into Tier 2, one of which is the starting salary requirements. In sectors such as hospitality, there are concerns that the wage thresholds are too high and that businesses cannot afford to pay the wages that will allow a job to be considered under this Tier.

In my evidence to the Migration Advisory Committee on Tier 2 earlier this year I gave a specific example from within the Scottish Government. Transport Scotland has difficulties in attracting UK residents for their Civil Engineering roles. The current salary threshold for a Civil Engineer is £30,000 but Transport Scotland Agency's starting salary is much lower, affecting the ability for Scotland's key transport agency to recruit vital civil engineers.

It should be noted that the Migration Advisory Committee has been given an explicit remit by the UK Government to advise on how to further restrict Tier 2. This will make it even harder for businesses and employers to use this route. The idea that Tier 2 could therefore meet our needs is simply wrong. Tier 2 is already too restrictive to enable us to keep the international graduates we need and every indication is that this route will be further tightened.

The Post Study Work Working Group also noted in their Report that the current post study work offer in the UK is not sufficient to meet the needs of employers in Scotland. *'Instead the reality of the current system is firstly it leads to a 'brain drain' of highly skilled talent from Scotland as there is no effective pathway for international graduates to gain the necessary work experience to qualify for a Tier 2 visa'*. I am disappointed that the UK Minister for Immigration continued to reject the views of Scottish stakeholders when he gave evidence to the Committee on 9 December. I understand that he continued to insist that Tier 2 is a suitable route for international graduates to undertake post study work, when this is very clearly not the case.

### 3 To what extent is the competitiveness of Scottish universities driven by factors such as the availability of post study work schemes, as compared to the quality of education?

Scotland's world class education institutions and facilities provide an attractive prospect for any talented international student. However we know that prospective students will consider a basket of issues when they are considering where to study, and this includes the options open to them after graduation. We know that over a quarter (26%) of international students say post study work options are a decisive factor in their decision making<sup>11</sup>. A key finding in the latest Hobsons International Student Survey is for post study work rights to be reinstated. This report recognises that *"Failure by government to improve the current status of work rights will see revenue generation from international students decline — and rapidly. ... Hobsons calls on the government to address the revenue divide that will inevitably be created by its lack of understanding of international student contribution, as well as its unwillingness to consider a practical solution."*

### 4 What progress has been made on discussions between the UK and Scottish governments to explore the possibility of introducing formal post study work schemes for international students in Scotland?

<sup>10</sup> Post Study Work Working Group: Report to Scottish Ministers, March 2015, publication facilitated by Scottish Government,

<http://news.scotland.gov.uk/imagelibrary/downloadmedia.ashx?MediaDetailsID=3513&SizeID=-1>

<sup>11</sup> International Student Survey 2015, Hobsons Solutions

[https://www.timeshighereducation.com/sites/default/files/breaking\\_news\\_files/hobsons\\_emea\\_international\\_student\\_survey\\_2015.pdf](https://www.timeshighereducation.com/sites/default/files/breaking_news_files/hobsons_emea_international_student_survey_2015.pdf)



The Scottish Government was clear in our submission to the Smith Commission that we felt there was specific merit and an identified need for the reintroduction of a post study work immigration route in Scotland. We were very pleased that the cross-party Smith Commission recognised the value in this submission and recommended that the UK and Scottish Governments work together on taking this forward.

I am therefore extremely disappointed that a number of meetings at an official level have not made any substantive progress on this issue. For this reason, I requested a meeting with James Brokenshire, the UK Immigration Minister, after his reappointment this year. However, he indicated in writing that he believes that the existing limited immigration routes are adequate and did not agree to meet with me on this issue.

More recently, the Post Study Work Steering Group wrote to the Home Secretary advising her of the establishment of the cross-party Post Study Work Steering Group and we have invited the Home Office onto this Group. We have also requested meetings with the Secretaries of State for Education and Business. I am further disappointed that we have not yet received any responses.

It is my view that the UK Government has not acted in accordance with the spirit of the Smith Commission in this regard. However I will continue to remain open to working with the UK Government. I am aware that the Minister indicated at his oral evidence session to the Committee on 9 December that he was content to meet on this issue and I look forward to doing so.

#### 5 How should any post study work scheme for international students in Scotland be structured?

As outlined in the previous answer, the Scottish Government is committed to working with the UK Government and our stakeholders to design a scheme that best meets the needs of Scotland, our businesses and our education institutions.

We established the Post Study Work Working Group to consider how this could best be done. They published their report in March setting out the broad headlines for how they recommended a post study work visa in Scotland should be structured, and also presented their findings to Home Office officials. Those structural recommendations are now being taken forward by the Post Study Work Steering Group, a cross-party, cross-sectoral Group, aiming to provide detailed recommendations next year that build on the findings of the Working Group.

The first substantive task of the Steering Group has been to hold a stakeholder workshop to gather broader views on the way in which a post study work visa should be structured. The workshop findings will be formally presented back to the Steering Group for their consideration at their next meeting in January.

The Scottish Government is not firmly committed to any one structural model for the provision of post study work and we will be advised by our stakeholders and the Steering Group on how this can best work for Scotland. However I noted the concerns raised by Mr Christopher Chope MP at our meeting on 30 November. Mr Chope indicated that evidence from the UK Border Agency (UKBA) showed that over half of people on Fresh Talent visas left Scotland within a year and only 25% worked in skilled jobs. I understand that Mr James Brokenshire, Minister for Immigration also made reference to these figures on 9 December.



I have been unable to verify these figures and I understand they may be based on oral evidence provided by a former UKBA official to the Scottish Affairs Committee in 2011. I would highlight to the Committee that the official also said at the time that "...the statistics that were collected weren't particularly reliable...The statistics were pretty shaky...". Earlier this year my officials specifically asked the Home Office for data and evidence in relation to the Fresh Talent visa. The Home Office indicated that very limited information is available in connection with people on Fresh Talent visas. The Home Office highlighted some evidence<sup>12</sup> that 51% of the UK Post Study Work Visa holders worked in the highest level occupations. This contradicts the figure used by Mr Chope and Mr Brokenshire, but more importantly does not provide evidence on either Post Study Work Visa holders in Scotland or Fresh Talent Visa holders. I would also reaffirm that one advantage of a post study work visa is that it can usefully provide a bridge from Tier 4 to Tier 2 skilled employment, allowing talented graduates a short period of working in alternative employment before gaining a graduate level job. This route is usual for most graduates, including those from the UK. In this case a finding that some people on post study work visas initially worked in non-graduate employment is not necessarily concerning or surprising.

However, although I am not aware of any robust evidence showing that people on Fresh Talent visas leaving Scotland or working in lower skilled jobs was a matter of significant concern, I would stress that I remain committed to working with the UK Government on finding a solution that addresses concerns. As I outlined during our meeting, there are a very wide range of options for structuring the post study work visa. I would be happy to work with the UK Government on a structure that ensured international graduates were retained in Scotland (for example, by making a stipulation of their work visa that they may only be employed in Scotland) or that was targeted in certain areas.

I hope that this written submission is useful in explaining the Scottish Government perspective on post study work immigration routes. I would of course be happy to answer any other questions the Committee may have or provide further information required.

Best Wishes,  
H. Yousaf  
Humza Yousaf

<sup>12</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/257825/ia-students-.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/257825/ia-students-.pdf)



## Post Study Work: Scottish Government engagement with UK Government and other key events

Since the publication of the Smith Commission Report, there has been the following engagement between the Scottish and UK Governments, and other key events, on the issue of the possible reintroduction of a post study work visa in Scotland:

Date	Engagement and key events
23 January 2015	Scottish Government officials met with UK Government officials to begin discussions on the section of the Smith Commission Report which referenced international student graduate schemes (i.e. post study work), human trafficking and asylum.
13 March 2015	Scottish Government officials met with UK Government officials to further discuss post study work, human trafficking and asylum. Scottish Government officials noted disappointment at the lack of response from UK officials to the agreed actions from the previous meeting.
31 March 2015	Minister for Europe and International Development wrote to UK Immigration Minister to advise of the publication of the Post Study Work Working Group's Report; noted the reintroduction of a post study work scheme in Scotland received full cross-party support at a debate in the Scottish Parliament that week; noted that UK Government officials had advised that they were unwilling to have detailed discussion until they had taken advice from Ministers after the General Election; and asked the UK Minister to instruct his officials to move forward with discussions pre-election.
15 May 2015	Cabinet Secretary for Justice wrote to the Home Secretary to welcome her continued appointment; noted shared interests across portfolios, including the wish to see the reintroduction of the post study work visa; and requested a meeting.
20 May 2015	Minister for Europe and International Development wrote to the UK Immigration Minister requesting the opportunity to meet to discuss post study work in more detail and repeated the request for the UK Minister to instruct his officials to move forward with discussions as a priority.
18 June 2015	UK Immigration Minister wrote to Minister for Europe and International Development advising he would welcome a meeting after the Cabinet Secretary for Justice meeting with the Home Secretary.
7 July 2015	Home Office officials met with the Post Study Work Working Group to discuss the Working Group's Report, which was published in March 2015.
15 July 2015	Cabinet Secretary for Justice met with the UK Home Secretary to discuss amongst other things, the potential for the reintroduction of a post study visa in Scotland. Without consultation, the Home Secretary advised that there were no plans to reintroduce post study work visas in Scotland.



Date	Engagement and key events
29 July 2015	Minister for Europe and International Development wrote to UK Immigration Minister requesting a meeting following the Home Secretary's indication that the UK Government had no plans to reintroduce post study work visas.
3 August 2015	Deputy First Minister met with the Secretary of State for Scotland, when it was indicated that the UK Government would be willing to consider any specific proposal from the Scottish Government that avoided risk of Scotland having a comparative advantage over the rest of the UK. UK Government officials have however appeared reluctant to discuss further the reintroduction of a post study work visa, including the possibility of proposed flexibilities.
21 September 2015	UK Immigration Minister wrote to the Minister for Europe and International Development advising that the UK Government does not intend to reintroduce the post study work visa and stated that the existing opportunities for graduates to remain in the UK are precisely the type referred to in the Smith Commission Report. The UK Minister noted that he would be happy to meet to discuss specifically how to ensure that universities in Scotland are making students aware of the opportunities that exist post-graduation.
22 October 2015	Minister for Europe and International Development wrote on behalf of the Post Study Work Steering Group to the Home Secretary to invite a Home Office official to sit on the Steering Group. No response has been received.
22 October 2015	Minister for Europe and International Development also wrote on behalf of the Steering Group to the Secretary of State for Business and the Secretary of State for Education asking if they would be available to meet with the Steering Group Members. No response has been received.
30 November 2015	Minister for Europe and International Development submitted oral evidence to the Scottish Affairs Committee for their inquiry into post study work schemes for Scotland.
15 December 2015	Minister for Europe and International Development submitted written evidence to the Scottish Affairs Committee for the inquiry as above.
9 December 2015	UK Immigration Minister gave oral evidence to the Scottish Affairs Committee; stated during the session that he looked forward to seeing the further report from the Scottish Government (referring to the Post Study Work Steering Group report due to be published March 2016); and noted that he would be happy to meet with the Minister for Europe and International Development.
6 January 2016	Secretary of State for Scotland told UK parliament in response to Oral question by Pete Wishart SNP MP that he was looking forward to reading the Scottish Affairs Committee's report on their inquiry into post study work schemes for Scotland.



Date	Engagement and key events
11 January 2016	Written statement lodged in House of Commons by UK Government in Secretary of State for Scotland's name stating there is no intention of reintroducing a post study work visa in Scotland.
13 January 2016	Minister for Europe and International Development wrote on behalf of the Post Study Work Steering Group to the UK Immigration Minister and copied in the Secretary of State for Scotland. The letter sought clarity on the UK Government's position and requested a meeting with the UK Minister as a matter of urgency.
18 January 2016	UK Immigration Minister's office responded to Minister for Europe and International Development to arrange a meeting.