

Post Study Work Working Group

Report to Scottish Ministers

March 2015

EXECUTIVE SUMMARY RECOMMENDATIONS

SECTION 1: INTRODUCTION AND BACKGROUND

- 1.1 Post Study Work Working Group: An Introduction**
 - A. Overview**
 - B. Remit**
 - C. Membership**
 - D. Home Office Data**
 - E. Consultative Survey**
- 1.2 Post Study Work Schemes: Background**
 - A. Overview**
 - B. History of UK post study work opportunities**
 - C. The UK's current post study work offer: A summary**

SECTION 2: THE CASE FOR THE REINTRODUCTION OF A POST STUDY WORK VISA IN SCOTLAND

- 2.1 Post study work schemes: Benefits**
- 2.2 The UK's current post study employment offer: A critique**
- 2.3 Conclusions**

SECTION 3: THE EVIDENCE

- 3.1 The Business Perspective**
 - A. Overview**
 - B. Addressing demographic issues in Scotland**
 - C. Increasing supply of potential talent into the sector**
 - D. Addressing skill shortages**
 - E. Conclusions**
- 3.2 The Education Perspective**
 - A. International Competitors**
 - B. Canada**
 - C. USA**
 - D. Australia**
 - E. Conclusions**

SECTION 4: KEY ELEMENTS TO A POST STUDY WORK SCHEME

- 4.1 The framework of a post study work scheme in Scotland**
- 4.2 Eligible qualifications**
- 4.3 Definition of a qualifying institution**
- 4.4 Should the scheme apply to Scottish qualifications only?**
- 4.5 Skill level and subject, occupation and discipline of employment**
 - A. Skill level**
 - B. Salary level**
 - C. Subject, occupation and discipline**
- 4.6 Sponsorship**
 - A. By employer**
 - B. By education institution**
 - C. Endorsement**
- 4.7 Career path between Tier 4 and Tier 2**

4.8 Other elements

- A. Length of stay under a post study work scheme**
- B. Indefinite leave to remain**
- C. Time from award of qualification to application**
- D. Dependents**
- E. Maintenance**
- F. Self-employment**
- G. Monitoring of system and equality impact assessment**

SECTION 5: CONCLUSION

SECTION 6: ANNEXES

- Annex A Post Study Work Working Group Membership**
- Annex B Consultative Survey Report**
- Annex C Higher Education statistics**

EXECUTIVE SUMMARY

Introduction

The Post Study Work Working Group (hereinafter referred to as ‘the Group’) was set up by Scottish Ministers in 2014 and was tasked with providing a view from the business and tertiary education sectors on the impact of the removal of a post study work scheme in Scotland and how such a scheme could operate if reintroduced.

During its term, the Group considered various sources of evidence, and also conducted a consultative survey, which was distributed to the Group’s sector contacts, members and other interested parties. The survey asked a number of questions about the reintroduction of a post study work scheme in Scotland and received 213 responses in total.

This Report is a record of the Group’s discussions, conclusions and recommendations. The recommendations contain high-level proposals relating to issues that the Group identified as important for a future post study work scheme in Scotland. The Group are committed to working with businesses, business organisations, Universities, Colleges, and Government to continue to make a positive case for the reintroduction of a post study work scheme in Scotland. The Group hope that the findings, conclusions and recommendations in this Report assist the Scottish and UK Governments in working together to secure the timely reintroduction of a post study work scheme in Scotland.

Key Findings and Conclusions

The Members of this Group are united in their support for the principle of a post study work scheme to enable non-European Economic Area (EEA) students completing studies at a Scottish further or higher education institution, to stay and work in Scotland for a defined period of time after graduation. This Report’s main findings are:

- > Since the UK Government announced the closure of the post study work route in March 2011, there has been a substantial decline in enrolments of international students at Scottish Universities from key overseas markets. The number of international students at Scottish Colleges has also fallen significantly over the same period.
 - By comparison, key competitor countries who offer more attractive post study work opportunities have seen a rise in their numbers of international students.
 - Scotland therefore needs a more competitive post study work offer in order to compete internationally.

- > The UK’s current post study work offer is not sufficient to meet the needs of Scottish employers and impacts on the education sector.
 - There is not an effective pathway for international graduates to transition between education and skilled employment.
 - The current 4 months given to international students at the end of their studies is insufficient time for most to find skilled employment and to transition to a Tier 2 visa.

- This leads to a ‘brain drain’ of highly skilled talent from Scotland and may deter international students from considering Scotland as a place to study.
- > There is clear support across business and education in Scotland for the reintroduction of a post study work scheme.
- Reintroducing such a route would benefit both Scottish economic growth and business development.
 - It would assist in attracting international students to Scotland, who add immeasurable benefit to the culture and academic life of Scottish Universities and Colleges but also contribute financially through their fees and spending in local economies.

Summary of Survey Findings

The Group’s survey of business and education providers illustrated broad support for the reintroduction of a post study work visa in Scotland:

- 90% of all respondents were in favour of reintroducing the post study work visa in Scotland (100% of education provider respondents and 85% of business respondents).
- Business support rose to 94% among those who had already hired an international graduate under previous post study work schemes.
- The majority of respondents deemed a Bachelor’s Degree to be an appropriate qualification to hold to qualify for a post study work scheme. Employers were more likely than education providers to deem Higher National Certificate (HNC)/Higher National Diploma(HND) qualifications as appropriate.
- The most common response when asked “how long an international graduate should be able to remain in Scotland under a post study work scheme” was 2 years (61% of education providers respondents and 35% of employer respondents).
- 70% of respondents noted that when the post study work visa came to an end, individuals should have the ability to move into a longer term visa. 62% of employers and 90% of education providers expressed this view.

RECOMMENDATIONS

In identifying key elements of particular importance to the development of any future post study work scheme in Scotland, the Group make the following recommendations:

- > **Framework of a post study work scheme:** It would be beneficial to frame any future post study work scheme within the existing terminology and definitions of Tier 4 of the UK Points Based System (PBS). This will operate as a check to firstly ensure the validity of the education provider, from whom the international graduate will have obtained their qualification; and secondly, that international graduates applying for the scheme have maintained reliable conduct throughout their studies.
- > **Eligible qualifications:** To ensure that students have a minimum level of knowledge and experience, the following qualifications at least, should be recognised as eligible to qualify for a post study work scheme; Postgraduate Degree; Postgraduate Diploma, including postgraduate teaching qualifications; Bachelor's Degree; HND; and HNC, if further consideration shows there is a need for this qualification.
- > **Definition of a qualifying institution:** Those eligible for a post study work scheme should hold a qualification from an institution which holds a sponsor licence under Tier 4.
- > **Scottish qualifications only:** International graduates must hold a qualification from an institution which holds a Tier 4 sponsor licence and has its main address in Scotland. The graduate's primary site of study must have been in Scotland.
- > **Skill level and subject, occupation and discipline of employment:** Eligibility should not be restricted to obtaining employment at a specific skill level; salary level; or subject, discipline or occupation; and should instead be open to all international graduates who obtain a required type of qualification.
- > **Sponsorship:** International graduates should not be required to obtain sponsorship from either their employer or education provider. However, to ensure the legitimacy of the applicant, the international graduate should obtain verification of their studies and awarded qualification from their education institution.
- > **Career path between Tier 4 and Tier 2:** To assist international graduates to transition from education to Tier 2, employers who employ an international graduate should be exempt from having to complete the Resident Labour Market Test for the international graduate to extend their stay from a post study work scheme to Tier 2.
- > **Other elements:**
 - A post study work scheme should run as a 2 year visa and certainly for no less than 12 months.
 - Given Scotland's particular demographic issues, it is worth recognising time spent on a post study work scheme as time that can count towards the five years' residence needed by Tier 2 migrants to apply for Indefinite Leave to Remain (ILR).
 - International graduates should be required to apply for a future post study work scheme within a specified period of time for obtaining their qualification, but no later than 12 months after they are awarded their qualification.

- The international graduate's family should be able to join them as their dependents, as is the case with other UK PBS dependent provisions.
- Maintenance requirements should be in line with other visa immigration categories within the UK PBS. International students financially supported by their home government should require permission from that government to extend their stay under a post study work scheme.
- A future post study work scheme should be open to international graduates who wish to be self-employed.
- A future scheme should be monitored to establish its effectiveness in addressing Scottish business and education sector needs.
- An Equality Impact Assessment should be carried out prior to the reintroduction of any future post study work scheme in Scotland.

SECTION 1: INTRODUCTION AND BACKGROUND

1.1 Post Study Work Working Group: An Introduction

A. Overview

In August 2014, the Minister for Europe and International Development met stakeholders from the business and education sectors to discuss the impact of the closure of the post study work visa and how such a route, if re-introduced, could operate again in Scotland. Following that meeting, the Minister asked that whatever the outcome of the Scottish Referendum on 18th September 2014, a Working Group be established to consider, in detail, the potential to offer post study work opportunities in Scotland.

Separately, the Smith Commission, which was set up after the Scottish Referendum to consider further devolution of powers to the Scottish Parliament, took the view that the Scottish and UK Government should work together to: *'explore the possibility of introducing formal schemes to allow international higher education students graduating from Scottish further and higher education institutions to remain in Scotland and contribute to economic activity for a defined period of time'*.¹ The work of this Post Study Work Working Group (hereinafter referred to as 'the Group') is distinct from the work being taken forward following the Smith Commission Report, although the Group hope that the content of this Report will inform that work.

The Group's work is also separate from the UK All-Party Parliamentary Group (APPG) on Migration's inquiry into post study work opportunities in the UK. The APPG on Migration published its report on 24 February 2015. The inquiry's report recommended that a new immigration route should be established to allow non-EEA students to remain in the UK for a period of at least 12 months following graduation from a recognised domestic academic institution in order to secure skilled employment. The inquiry found that reform of the UK's post study work opportunities in 2012 appears to have contributed towards significant shifts in international student flows to the UK over the past five years. This has resulted in a significantly larger decline in the numbers of skilled international graduates able to remain in the UK for employment following their studies than anticipated by the UK Government.²

B. Remit

The remit of the Group was to consult the business base and education sector in Scotland to understand and represent their views on the impact the removal of the post study work route has had on the Scottish economy. Importantly, the Group was also asked to give consideration to how such a scheme could operate, if reintroduced. The Group has held 5 meetings (not including the initial Ministerial meeting in August) over a period of 5 months, from November 2014 to March 2015. This Report provides a summary of the Group's discussions, conclusions and recommendations.

¹ *Report of the Smith Commission for further devolution of powers to the Scottish Parliament*, The Smith Commission, 27 November 2014.

² *UK post study work opportunities for international students*, All-Party Parliamentary Group on Migration, Session 2014-2015, 24 February 2015.

C. Membership

The organisations represented on the Working Group were:

- Scottish Government (as facilitators and secretariat)
- Institute of Directors (IOD)
- OPITO
- ScotlandIS
- Scottish Council for Development and Industry (SCDI)
- Scottish Development International (SDI)
- Skills Development Scotland (SDS)
- Scottish Enterprise
- Colleges Scotland
- National Union of Student Scotland (NUS Scotland)
- Scottish Universities International Group (SUIG)
- Universities Scotland
- UK Council for International Student Affairs (UKCISA)

Full details of the members and organisations involved are included at Annex A.

Other key business organisations who did not sit on the Working Group, including the Federation of Small Businesses, were consulted where appropriate.

Although it was felt that it would be beneficial to keep membership of the Group at a manageable number, Members agreed at initial meetings to extend membership to particular business sector organisations which have reported skill shortages within their industries. To take on board wider interests, the Group members also shared, as appropriate, relevant papers with interested parties in their sectors.

D. Home Office Data

On behalf of the Group, Scottish Government officials sought data from the UK Government on particular questions in order to better understand trends in the uptake of student and post study employment visas in Scotland. The UK Government advised in response that they were unable to assist with Scotland specific data as geographical-markers for grants of leave to remain are not held. It is not therefore possible to provide a true reflection of trends in Scotland. The Group note that it would be helpful, in the future, if geographical data of this kind is collected by the Home Office in order to inform evidence based decisions. The UK Government did however provide UK-wide data from 2011 until 2013 on the numbers of migrants switching from student to work visas, which is held on the UK Government website³. The UK Council for International Student Affairs (UKCISA) also provided a breakdown of UK-wide data, originally obtained from Home Office published statistics.

³ *Extension of stay data tables immigration statistics October to December 2014*, Home Office, UK Government. Available online: <https://www.gov.uk/government/statistics/immigration-statistics-october-to-december-2014-data-tables>

E. Consultative Survey

The Group distributed a consultative survey to their respective sector contacts, members and other interested parties to canvass views on the reintroduction of a post study work scheme in Scotland. The survey was conducted by web-based questionnaire in February 2015. There were 213 responses in total. A report of the findings is included at Annex B. The survey found that the overwhelming majority of respondents (over 90%) were in favour of the reintroduction of a post study work route in Scotland.

1.2 Post Study Work Schemes: Background

A. Overview

Post study work schemes are a key feature of immigration systems in a number of developed economies. They enable overseas graduates to extend their stay for a period of time after graduating to work and gain further experience in their country of study. They assist economic growth by providing a pool of international talent for businesses and by helping education providers attract able and ambitious international students. Such schemes also provide longer term benefits to businesses by helping them develop networks of connections across the globe and giving new perspectives, through the graduates who participate, on international markets.

B. History of UK post study work opportunities

The UK has previously had a number of different post study work schemes which have enabled non-EEA international students to extend their stay in the UK after graduation.

Previous post study work schemes have included the Training and Work Experience Scheme (TWES) which enabled international graduates to remain in the UK for a short period of time expressly to take part in training and shadowing schemes. Similarly, the Science and Engineering Graduate Scheme (SEGS) for Science, Technology, Engineering and Maths (STEM) graduates and its successor route, the International Graduate Scheme (England only) provided a visa for graduates to remain in the UK for up to a year following completion of their studies in order to seek permit-free employment.

In 2005, Scotland benefited from its own post study work scheme, the Fresh Talent: Working in Scotland Scheme (FT:WISS). FT:WISS was introduced against a background of growing concerns about the demographic challenge facing Scotland, as well as skill shortages in the Scottish economy.⁴ The Scheme was managed by the Home Office as responsibility for immigration was, and still is, reserved to the UK Government.⁵ The objectives of FT:WISS were to attract students to study in

⁴ *Fresh Talent: Working in Scotland Scheme An Evidence Review*, SEE Cavanagh, L., Eirich, F. and McLaren, J.G., Scottish Government, 2008.

⁵ As specified under Schedule 5 of the Scotland Act 1998.

Scotland and to enable graduates to remain after graduation to live and work in Scotland.⁶

FT:WISS enabled international students from Scottish institutions to remain in Scotland for two years after graduation. The Scheme was viewed across sectors as a success and evidence showed that FT:WISS was an effective means of attracting prospective international students to consider Scotland as a place to study.⁷ Home Office data demonstrates that between 2005 and 2008, 7,620 non-EEA students were granted visa extensions under FT:WISS.⁸ The UK Government took the decision to mainstream the Scheme across the UK, by first launching the International Graduate Scheme (IGS), as described above, and then by mainstreaming both IGS and FT:WISS into Tier 1 of the UK Government's Points Based System (PBS).

The UK's PBS was introduced between 2008 and 2010 and is made up of 5 Tiers: Tier 1 for highly skilled migrants, Tier 2 for skilled migrants who hold a job offer, Tier 4 for international students and Tier 5 for temporary migrants. Tier 3, which is for unskilled migrants, has never been opened.

The Tier 1 (Post-Study Work) visa operated from 2008 until April 2012, when it was abolished by the UK Government who raised concerns that the route undermined the premise that student visas are for temporary migration rather than permanent settlement; doubts as to whether non-EEA graduates benefiting from the visa moved into skilled occupations; and questioned whether giving international graduates access to the UK labour market was appropriate at a time of high graduate unemployment.⁹ The UK Government also took the view that the 4 months stay granted to students at the end of their Tier 4 student visa is a sufficient length of time to gain sponsorship from a UK employer, which would enable an extension of stay under Tier 2 of the PBS.

C. The UK's current post study work offer: A summary

Currently, the UK immigration system offers the following post study employment opportunities within the UK PBS.

- Tier 1 (Graduate Entrepreneur): 1,900 graduates a year who have been awarded a degree in the UK can extend their stay under this route to set up business. These graduates require endorsement of their business idea from their University. 100 graduates from institutions in other countries can also apply under this route, endorsed by UK Trade and Investment.

⁶ *Fresh Talent: Working in Scotland Scheme An Evidence Review*, SEE Cavanagh, L., Eirich, F. and McLaren, J.G., Scottish Government, 2008.

⁷ *Ibid.*

⁸ Entry Clearances: Overseas Students Written Parliamentary Question 215803, asked by Paul Blomfield MP on 25 November 2014. Answered 2 December 2014.

⁹ *Immigration: Tier 1 (Post-study work) visas*, SN/HA/5881, Melanie Gower, Home Affairs Section, House of Commons Library, 21 March 2012. Available online: www.parliament.uk/briefing-papers/SN05881.pdf

- Tier 2 (General): this is the main route for graduates to take up employment in the UK. Employers who wish to employ a non-EEA national must hold a UK Home Office sponsorship licence. There is a minimum salary requirement of £20,500 and the occupation must be to skill level National Qualification Framework (NQF) Level 6.¹⁰ In 2013, only 4,051 Tier 4 students switched into Tier 2 after completing their studies.¹¹
- Tier 4 Doctorate Extension Scheme (DES): this route allows those studying for a PhD to spend one year in the UK on completion of their studies to undertake employment or self-employment.¹²
- Tier 5: graduates who would like to take up work experience or training in order to qualify in their chosen profession may be able to extend their stay under Tier 5. Likewise those from specified countries¹³ can benefit from the Tier 5 (Youth Mobility Scheme), although to benefit applicants have to apply from outside the UK. In 2013, only 204 Tier 4 student visa holders were granted an extension of stay under Tier 5.

As noted above, unfortunately, the Group were not able to obtain Scotland-specific data to provide a complete picture of the trends and proportion of graduates who have benefited from both previous and current post study opportunities in Scotland.

¹⁰ equivalent to Scottish Credit and Qualifications Framework (SCQF) Level 8.

¹¹ *Extension of stay data tables immigration statistics October to December 2014*, Home Office, UK Government. Available online: <https://www.gov.uk/government/statistics/immigration-statistics-october-to-december-2014-data-tables>

¹² *Working after your Studies*, UKCISA, Available online: <http://www.ukcisa.org.uk/International-Students/The-next-stage/Working-after-your-studies/>

¹³ Australia, Canada, Hong Kong, Japan, Monaco, New Zealand, Republic of Korea and Taiwan, and to British Overseas Citizens, British Overseas Territories Citizens and British Nationals (Overseas).

SECTION 2: THE CASE FOR THE REINTRODUCTION OF A POST STUDY WORK SCHEME IN SCOTLAND

The Members of this Group are united in their support for the principle of a post study work scheme to enable non-EEA students graduating from a Scottish education institution to stay and work in Scotland for a defined period of time after graduation.

2.1 Post study work schemes: Benefits

A post study work scheme in Scotland will not only enable international graduates to consolidate their qualification through industry experience, but will importantly contribute to Scottish economic growth and business development, enabling Scottish employers to benefit from a pool of international graduate talent.

It will also present Scotland as an attractive place to study. Scotland is enriched in many ways by the presence of a strong community of international students, graduates and alumni. The benefits of this student community include:

- a richer learning experience for all students;
- the development of an international outlook amongst home students and graduates, and Scottish businesses who employ them;
- an easily accessible source of international talent with a cultural understanding of Scotland for Scottish businesses to recruit from;
- positive social and economic impacts within the wider community as a result of public engagement; and
- the creation of a vast network of alumni around the world who maintain strong and enduring connections to Scotland, acting as informal ambassadors for a country they perceive as a second home.¹⁴

2.2 The UK's current post study employment offer: A critique

The subject of post study work in Scotland has been an issue of significant concern to both the business and education sectors since the UK Government announced the closure of the Tier 1 (Post-Study Work) route. Concerns were voiced as early as 2010 that changes to immigration policy, particularly for international students and graduates would undermine business competitiveness as well as negatively impact on University and College income and institutions' ability to compete internationally.

The Group agree that the current post study employment options for international graduates in the UK, as set out Section 1 above, are 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 and secondly it deters some international students from considering studying in Scotland in the first place (as competitor nations offer a range of more attractive post study work schemes – see Section 3.2 below).

¹⁴ *Richer for it*, Universities Scotland, September 2013. Available online: <http://www.universities-scotland.ac.uk/uploads/Richer%20For%20It%20US%20-%20270813SMALL.pdf>

The Doctorate Extension Scheme (DES) under Tier 4 is only open to those who are completing doctorate level study and offers a maximum of one years' stay. The Tier 1 (Graduate Entrepreneur) route is only for those international graduates who wish to establish a business in the UK and numbers are strictly controlled. Generally, Tier 5 is for particular professions or work experience opportunities or for nationals of particular countries.

The Group hold the view that although it is possible for students to switch from Tier 4 student into Tier 2 sponsored employment, there are a number of barriers which effectively prevent graduates from doing so¹⁵. In fact, Home Office switching data illustrates that while the Tier 1 (Post-Study Work) was available, more international graduates were able to move from this route into skilled employment under Tier 2 than from their Tier 4 student visa to Tier 2. In 2011, 2,396 international graduates switched from Tier 1 (Post-Study Work) to Tier 2, while only 1,071 switched from Tier 4 into Tier 2. In 2012, 5,075 switched from Tier 1 (Post-Study Work) to Tier 2, compared to 2,205 switching from student status in to Tier 2 and in 2013, 8,074 switched from Tier 1 (Post-Study Work) to Tier 2 compared to 4,051 Tier 4 students switching into Tier 2.¹⁶

These statistics confirm the Group's experience that graduates, both UK and non-UK nationals, do not always move immediately into work that would meet the requirements of Tier 2. Instead there is often a period of orientation in the workplace during which they further develop and gain work experience. The Evidence Review of FT:WISS also illustrated this when those who were not in suitable employment were asked why they thought this was. The responses showed that most who were not yet working in skilled jobs were using their current employment to gain work experience while applying for more suitable positions or as a way of developing knowledge in their chosen career area to enable them to then move to more senior positions.¹⁷ It was found that international graduates actually experienced difficulties in immediately moving into skilled employment as they did not have UK experience (even though many had experience outside the UK).¹⁸

Reintroducing a post study work scheme in Scotland will provide Scottish businesses access to a pool of skilled international graduates and will address the issues raised in the paragraph above. It will give these graduates a reasonable period of time to gain employment and allow a career pathway between study and highly skilled employment. The Group take the view that the four months currently provided at the end of studying under Tier 4 is not sufficient time for most graduates to find the required skilled employment to benefit from Tier 2. Time is needed to continue to build experience and identify opportunities to secure employment meeting Tier 2 criteria. Reintroducing a post study work scheme in Scotland will provide skilled

¹⁵ Salary requirements start at £20,500, minimum skill level required and employment is restricted to those employers who are already registered as sponsors under Tier 2 of the UK PBS.

¹⁶ *Extension of stay data tables immigration statistics October to December 2014*, Home Office, UK Government. Available online: <https://www.gov.uk/government/statistics/immigration-statistics-october-to-december-2014-data-tables>

¹⁷ *Fresh Talent: Working in Scotland Scheme An Evidence Review*, SEE Cavanagh, L., Eirich, F. and McLaren, J.G., Scottish Government, 2008.

¹⁸ *Ibid.*

international graduates with this time to gain highly skilled employment which meets the requirements of Tier 2.

2.3 Conclusions

- Reintroducing a post study work route in Scotland would benefit both Scottish economic growth and business development, as well as enriching the learning experience for all students, by attracting more international students to Scotland.
- There is clear support across business and education in Scotland for this.
- The UK's current post study employment offer is not sufficient to meet the needs of Scottish employers or international graduates. There is not an effective pathway for international graduates to transition between education and skilled employment. The current 4 months given to international students at the end of their studies is not a sufficient length of time for most graduates to find skilled employment to transition to Tier 2.
- This leads to a 'brain drain' of highly skilled talent from Scotland and deters international students from considering Scotland as a place to study.

SECTION 3: THE EVIDENCE

The Group are united in the view that the UK Government's closure of the post study work route has acted as a barrier to economic growth in Scotland and the reintroduction of such a route would significantly benefit both business and education sectors in Scotland. The results of the consultative survey found that the overwhelming majority (90%) were in favour of the reintroduction of the post study work visa in Scotland.

3.1 The Business Perspective

A. Overview

A post study work scheme will provide businesses in Scotland with the opportunity to access international highly skilled talent with a good understanding of Scotland and all it has to offer including an ability to act as cultural translators for businesses trading, or looking to trade, internationally. From the survey results, employers demonstrated overwhelming support for a scheme (85%) and this view was shared by the business representative bodies in the Group. Further, 94% of employer respondents who had previously used a post study work route supported its reintroduction which suggests that business experience of this type of visa is very positive.

The Group agree that the current system does not meet business needs. The Group are aware of anecdotal reports that smaller businesses do not have the resource and/or experience required to be a sponsor and employers see the current system as a barrier to accessing international skilled talent. The survey results highlighted the practical difficulties that the business sector currently has in employing migrants through the existing Tier 2 route within the UK PBS. One respondent from the survey noted *"There are too many barriers to prevent talented international students making a contribution to the Scottish economy. If we train them, we ought to be able to make use of their skills"*.

In discussions, the Group recognised that overall higher level skill shortages will primarily be addressed by a variety of approaches including the recruitment of Scottish, UK and EU graduates. Further, the Group acknowledged the importance of growing home talent and skills in Scotland to ensure coherence with wider economic and skills policy. The Group recognised the importance of developing skills within the indigenous population but were also clear on the important contribution international graduates could make, for example, by encouraging diversity in the workplace and building relationships internationally.

The Group also noted a potentially significant statistic from the Higher Education Statistics Authority (HESA) which provides an overview of the domicile of all students studying in Scotland from 2005/06 – 2013/14. Analysis of this reveals a 67% increase in the number of non-EU undergraduate students studying in Scotland but an 8% decrease in the number of UK students. The trend is similar at postgraduate level, with a 19% increase in non-EU students and a 13% reduction in UK students.

Looking at this data in isolation suggests that the status of graduates and undergraduates studying in Scotland is changing, with increasing levels of non-EU students and decreasing levels of UK students. This could infer a supply issue for businesses if they are unable to easily recruit international students who have completed their undergraduate or postgraduate training in Scotland.

It is important to note that international students are recruited over and above agreed places funded by the Scottish Funding Council and therefore an increase in their numbers does not result in a direct reduction of funding or places for Scottish students.

Table: Domicile of ALL Students Studying in Scotland 2005/06-2013/14

	2005/06	2013/14	Change	% Change
Undergraduates				
UK	147,035	135,375	-11,660	-8%
Other EU	7,060	13,845	6,785	96%
Non EU	7,745	12,940	5,195	67%
Total	161,840	162,160	320	0%
Postgraduates				
UK	36,425	31,870	-4,555	-13%
Other EU	4,405	5,905	1,500	34%
Non EU	13,155	15,670	2,515	19%
Total	53,985	53,445	-540	-1%

Source: Higher Education Statistics Authority (HESA).

Note: Figures do not include students at the Open University in Scotland.

The Group take the view that a Scottish post study work scheme could advantage businesses in Scotland in general, but are also aware that there are particular sectors in Scotland which experience acute skill shortages at graduate level and could therefore particularly benefit from such a scheme. The UK Employer Skills Survey Report, published January 2014, noted that Scotland has a higher level of skill shortages than the rest of the UK. In 2013, 25% of all vacancies in Scotland were skill shortages. This figure was significantly higher than the 15% reported in 2011 and also higher than the levels reported for England (22%), Wales (20%) and Northern Ireland (19%) in 2013.¹⁹

¹⁹ UK Employer Skills Survey Report, UK Commission for Employment and Skills, Thursday 30 January 2014.

In their discussions, the Group have noted the information and evidence contained within the Scottish Skills Investment Plans (SIPs) which set out a clear statement of skills needs across Scotland's key sectors²⁰, including: Creative Industries; Energy; Financial & Business Services; Food & Drink; Life Sciences; and Tourism. SIPs have also been created for High Participation Sectors including Chemical Sciences; Engineering; and Information and Communications Technology (ICT) & Digital. Although it is important to note that the SIPs do not contain any evidence which specifically calls for the reintroduction of a post study work scheme to meet the skills need of employers across key sectors in Scotland, the SIPs indirectly contain evidence which would support the rationale behind a post study work scheme.

There are a number of ways in which a future post study work scheme could help businesses in Scotland to meet their skill needs:

- Addressing demographic issues in Scotland;
- Increasing supply of potential talent into the sector; and
- Addressing skill shortages.

B. Addressing demographic issues in Scotland

The Group is aware of concern among the business sector of Scotland's demographics. Scotland faces distinct demographic challenges which some control over high-talent migration could help to address. The Group is aware that Scotland's 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. In addition, population growth in England between 2012 and 2037 is projected by the Office of National Statistics to be 16%: in contrast to growth of only 9% projected for Scotland.²¹

Scotland's 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%.²²

The reintroduction of a post study work scheme in Scotland could help to address demographic issues and open up a wider pool of talent to Scottish businesses.

C. Increasing supply of potential talent into the sector

The supply of graduates into industry is an important issue for businesses in Scotland and the Group noted evidence from particular sectors.

Information and Communications Technology & Digital Technologies

²⁰ Scottish Government Key Sectors: Creative Industries, Energy, Financial and Business Services, Food & Drink, Life Sciences and Tourism. High Participation Sectors: Chemical Sciences, Construction, Engineering and Information and Communications Technology.

²¹ *An Executive Summary, 2012-based NPP Reference Volume*, Office for National Statistics, 28 March 2014. Available online: http://www.ons.gov.uk/ons/dcp171776_355166.pdf

²² *Scotland's Population: The Registrar General's Annual Review of Demographic Trends 159th Edition*, National Records of Scotland, 14 August 2014. Available online: <http://www.nrscotland.gov.uk/files/statistics/annual-review-2013/rgar-2013.pdf>

The ICT and Digital Technologies SIP states that “demand for graduates is [also] predicted to increase as businesses continue to look to employ candidates straight from University.” It goes on to say that “the success of the sector means that many companies are facing challenges in recruiting enough people with the right skills.” Finally, the SIP also states that “In addition, at a time when the Scottish ICT and digital technology sector is forecast to grow, and there is increasing demand for staff with high level digital technology skills, there is clear evidence that the talent pipeline needs to expand to meet this demand.”²³

Digital Technologies

ScotlandIS, the Trade association for the digital technologies industry²⁴ in Scotland, publish annually the Scottish Technology Industry Survey²⁵ which shows that technology businesses in Scotland have reported year on year growth of 10% plus over the last five years. ScotlandIS note that their members advise that the existing level of access to skilled people is now seriously restricting that growth. The industry has been experiencing a shortage of skilled people for several years and this is set to continue. ScotlandIS note that e-skills UK, the sector skills council for their industry, has predicted a need for an additional 10,000 people to join the industry each year in Scotland.²⁶ The current domestic ‘supply’ of graduates in the industry is not sufficient, as not enough young people are taking up relevant courses at schools, College and University, or through apprenticeships. While the ICT SIP aims to address this challenge in the longer term, it will take five to ten years to have an impact.

Oil and Gas

A recent report commissioned by OPITO, along with Oil & Gas UK and the Department for Business Innovation and Skills, highlights the continued skills shortages in the oil and gas sector and the difficulty in recruiting, particularly in Scotland. Over the next five years, over 12,000 new entrants will be needed to play their part in sustaining the UK oil and gas industry’s ability to fulfil this potential.²⁷ Over 70% of companies indicated that they are currently experiencing difficulties in recruiting²⁸, with little distinction reported between large companies and Small and Medium-sized Enterprises (SMEs). However, from a geographical perspective, this type of issue is more prevalent in Aberdeen than the rest of the UK, with nearly three-quarters of Aberdeen-based companies reporting difficulties compared to approximately half of companies based elsewhere.²⁹ This statistic could be improved by employers having access to an increased pool of international graduate talent.

²³ *Skills Investment Plan For Scotland’s ICT & Digital Technologies sector*, Skills Development Scotland, March 2014. Available online: http://www.skillsdevelopmentscotland.co.uk/media/987939/ict___digital_technologies_sector_skills_investment_plan.pdf

²⁴ comprising software development, telecoms, IT services and digital agencies businesses.

²⁵ Available Online: <http://issuu.com/scotlandis/docs/scotlandis-2014-fin-issuu-version-o>

²⁶ *Technology Counts 2012*, e-skills UK, 2012. Available online: <http://www.e-skills.com/research/research-publications>

²⁷ *Fuelling the next generation: A study of the UK upstream oil and gas workforce*, OPITO, Oil & Gas UK and Department for Business, Innovation & Skills, December 2014.

²⁸ *Ibid.*

²⁹ *Ibid.*

The Group is also aware of anecdotal evidence from the business sectors of the need for access to increased international graduate talent. Skills Development Scotland noted in particular that their Energy Sector Manager commented that “Any reintroduction of the post-study work visa would, in general, be welcomed across the industry. International student graduates having extended permits was a particular topic when the first Skills Investment Plan was produced, especially in the Oil & Gas sector which was particularly concerned around wider caps on migrants”. In responding to a UK Border Agency consultation in 2010/11, Oil & Gas UK stated that “The oil and gas industry is a global industry – for the UK to remain a competitive part of this industry the free flow of skilled people is essential. One of the industry’s greatest strengths is the diversity of its workforce and the global transfer of knowledge.”³⁰

There is also anecdotal evidence to suggest that employers in the ICT industry may look favourably on the reintroduction of a post study work visa. The Group are aware that a number of employers have already cited visa issues and have concerns about the numbers of students who are being educated and trained in Scotland but which they are not able to employ. Lastly, the Group is aware of anecdotal evidence to suggest that the computer-sciences related creative areas would welcome the wider pool of international talent that a post study work visa would provide.

D. Addressing Skills Shortages

The extent to which graduate level employees can address specific skills shortages will vary across different key sectors. For example, employers in Financial & Business services often report skills shortages in technical roles which require experience and high-level qualifications such as Actuarial Software Engineering. The same is often true in other sectors, such as Life Sciences.

However, for a number of occupations across different sectors, graduates will have an important role to play in addressing skills shortages. For example, within Food & Drink, there were reports of shortages of food technologists.³¹ In engineering, skills shortages are reported for project engineers; design engineers; IT specialists; technicians; welders; Computer Numerically Controlled (CNC) machinists; composite engineers; fabricators; and for specialist/niche positions (i.e. combustion engineering).³² The importance of graduates in addressing skills shortages across growth sectors means that any scheme which gives employers access to candidates with these skills would be useful. The survey results noted the value of retaining international graduates to fill skill shortages. One respondent in particular noted, “The opportunity for high skill talented students who have skills that are in shortage in the UK should be allowed to stay on in the UK. A successful economy is the result

³⁰ UK Border Agency Consultation on Limits on Non-EU Economic Migration to the UK: Oil & Gas UK Submission, Oil & Gas UK, September 2010. Available online: www.oilandgasuk.co.uk/templates/asset-relay.cfm?frmAssetFileID=1133

³¹ Skills Investment Plan for Scotland’s Food & Drink Sector, Skills Development Scotland, June ‘12, http://www.skillsdevelopmentscotland.co.uk/media/309948/skills_investment_plan_for_scotland_s_food_and_drink_sector_june_2012.pdf

³² Skills Investment Plan for Scotland’s Engineering and Advanced Manufacturing Sector, Skills Development Scotland, August 2014, Available online: http://www.skillsdevelopmentscotland.co.uk/media/1218111/engineering_aug-14.pdf

of high levels of skills in the right industries at the right time. If we have skills shortages this is an ideal way to address them. It also means that immigration is skewed towards the type of new citizens we want to have reside in the UK and build their life and families here while making positive high value economic contributions.”

The survey results also indicated the need for talent to fill skill shortages in Scotland. A wide range of occupations were named by employers as occupations where a post study work visa would be used, most notably in science, research, engineering and technical, and also business, media and public service professionals. The Group recognise that skill shortages are a UK-wide issue and the decision to remove the post study work route has contributed to the problem. Various organisations and institutions UK-wide have highlighted the negative impact the closure of post study work has had on skill shortages in the UK, including most recently in the report of the APPG on Migration as noted in Section 1 above. However, the fact that Scotland’s population has historically grown at a lower rate compared to the rest of the UK, and in light of concerns that Scotland’s workforce will continue to grow at a slower pace than the rest of the UK, means that skill shortages are, and increasingly will be, a particularly acute issue in Scotland and this needs to be addressed.

E. Conclusions

- There is wide support across Scottish businesses sector for a post study work scheme to be reintroduced in Scotland.
- The current system which requires international graduates to transition into Tier 2 is a significant barrier.
- A post study work scheme in Scotland would be beneficial to business across Scotland. It would assist the Scottish business sector by:
 - Addressing demographic issues in Scotland;
 - Increasing supply of potential talent into sectors; and
 - Addressing skills shortages in Scotland.

3.2 The Education Perspective

The Group agree that international students are hugely important to Scottish education institutions and the Scottish economy. In addition to the economic benefits of fee income to education providers and student spending in local economies, international students add immeasurable benefit to the cultural and academic life of Scotland’s Universities and Colleges by adding international perspectives to institutional activities and the internationalisation of further and higher education experiences for all students.

International students make a significant financial contribution to the education sector and economy through fees and their expenditure while in Scotland. In 2012-13 Scottish higher education institutions received £374m from non-EU student course fees. In addition to this income, while studying in Scotland, international students also contribute to the Scottish economy through off-campus expenditure, estimated at £441m every year.³³

³³ *Estimating the Value to the UK of Education Exports*, Department for Business, Innovation and Skills, June 2011.

HESA statistics published in January this year show that the number of international student enrolments in Scotland increased between 2012-13 and 2013-14 by 1% (up 305 students). This follows a 1% fall between 2011-12 and 2012-13 (down 195 students). In previous years the numbers had risen by 2% between 2010-11 and 2011-12 (up 620 students) and by 11% between 2009-10 and 2010-11 (up 2,805 students (see Annex C: Table 1). Scotland's Universities have experienced a substantial, cumulative decline in enrolment of students from key overseas markets since the UK Government announced the closure of the post study work route in March 2011. For example, the number of new entrants to Scottish Higher Education Institutions (HEIs) from India fell by 63% between 2010-11 and 2013-14, with the number from Nigeria reduced by 29% over the same period. Detailed figures are included at Annex C: Table 2.

Scotland's Colleges also engage in a wide range of international activity, from attracting international students to study in Scotland to working on collaborative educational projects with a range of global partners. Scottish Funding Council data³⁴ shows that the number of international students has fallen from 2,039 (1,654 of which were HE level students) in 2010-11, to 561 (492 of which were HE level students) in 2013-14: a fall of 72%.

No fee income figures are collected for international students at Colleges in Scotland, however a report by Viewforth Consulting on Colleges' international activity³⁵ acknowledged the significant range of activity in which they are engaged and the importance of international activity to college revenue. The Report estimates that off-campus expenditure by international College students amounts to some £12.2m per annum, with total export earnings attributable to college international activity estimated at £77m. The Report also found that the international revenue attracted by the colleges generated in total nearly 1,000 jobs in Scotland outside the colleges, with around 200 more jobs generated elsewhere in the UK, and that college international business generated over £100 million of output in industries across the UK, the majority of which accrued to Scottish institutions.

Respondents to the survey noted the impact the closure of the Tier 1 (Post-Study Work) visa has had on Colleges in Scotland. For example, one respondent stated *"Closure of the post-study work visa has had a significant impact on the number of International students applying to our Further Education College. In the past, this was a big incentive for our International students to remain in the UK for a further 2 years after achieving their HND qualification. As a College with vocational courses, being able to do work experience made a big difference to students who ultimately wanted to go back to their home country with an education AND work experience."*

A. International Competitors

The Group think it is important for Scottish post study work opportunities to be brought more in line with offers made in competitor countries to ensure that Scotland can compete in attracting international talent. Universities compete in a global

³⁴ Scottish Funding Council Further Education Statistics

³⁵ The economic impact of the international activity of Scotland's Colleges, Viewforth Consulting, December 2012.

marketplace for international student recruitment. The quality and reputation of Scotland's Universities is very high but the current restrictions on post study work entitlement have harmed their competitive position in terms of attracting international talent. Evidence of international student enrolments in higher education in competitor countries suggests that Scotland is losing out to its key competitor countries in attracting international students. During the period 2011-12 to 2012-13, the number of international students in higher education in the United States increased by 7%³⁶, the number in Canada increased by 11%³⁷ and in Australia by 0.2%.³⁸ It should be noted that although the increase for Australia is marginal, it follows the introduction of their skilled graduate visa in 2013 (see below). Prior to this, there were declines in the previous years; down 5% between 2010-11 and 2011-12 and down 0.4% between 2009-10 and 2010-11.³⁹

Anecdotal evidence suggests that some educational agents who advise students on study destinations are now showing a preference for countries such as the United States, Canada and Australia where the immigration procedures and post study work opportunities are considered to be better. A report from i-graduate which runs the Agent Barometer survey showed that the Canadian Government's continued focus on international education and increasingly open immigration policy are likely factors in Canada's higher popularity amongst educational agents.⁴⁰

Respondent comment in the survey results also made reference to international competitors. One respondent stated: *"It is crucial that Scotland is able to re-introduce a post-study work scheme, given the extensive and attractive schemes that exist in competitor countries such as Canada and Australia. Students are looking in many cases not just for international study but the opportunity to enhance this with graduate level work experience and this needs to be for a minimum of 2 years."*

The current post study work offers in Canada, the United States and Australia are summarised below.

B. Canada

Canada has two programmes:

- Post-Graduation Work Permit Programme (PGWPP) which allows recent graduates to work in Canada for a length of time equivalent to their study programme. Skilled Canadian work experience gained through the PGWPP helps graduates qualify for permanent residence in Canada.
- In 2011 Canada introduced a new initiative to allow up to 1,000 international PhD students to apply for permanent residency as Federal Skilled Workers.

³⁶ Source: Institute of International Education

³⁷ Source: Canadian Bureau for International Education

³⁸ Source: Australian Education International, Australian Government

³⁹ Source: International Student Data, Australian Government. Available online:

<https://internationaleducation.gov.au/research/International-Student-Data/Pages/InternationalStudentData2014.aspx>

⁴⁰ *Seventh annual Agent Barometer provides agents' view of marketplace*, ICEF Monitor, 6 November 2013. Available online: <http://monitor.icef.com/2013/11/seventh-annual-agent-barometer-provides-agents-view-of-marketplace/>

C. USA

International students in the USA can work in a field related to their studies for up to 1 year following graduation through the Optional Practical Training Scheme (OPT). The USA has also removed the cap on the allocation of H1B visas (sponsored work visas) for international graduates. Further, STEM graduates may qualify for a one-time 17 month extension of stay to work in the US.⁴¹

D. Australia

In March 2013 the country replaced the Temporary Graduate visa with the Skilled Graduate visa as a part of the implementation of new post study work arrangements.

The Temporary Graduate visa has two streams; the Graduate Work stream and the Post-Study Work stream. The Post-Study Work stream offers extended options for working in Australia to eligible graduates of a higher education degree. Under this stream, successful applicants are granted a visa of two, three or four years duration, depending on the highest educational qualification they have obtained.

E. Conclusions

- International students make an important contribution to the academic and cultural life in Scotland's Universities and Colleges. They also make a significant contribution to the Scottish economy through their fees and wider spending.
- There has been a substantial decline in enrolments of students at Scottish Universities from key overseas markets since the UK Government announced the closure of the post study work route in March 2011.
- The number of international students at Scottish Colleges has also fallen considerably since 2010.
- Scotland faces a strong challenge from key competitor countries which have seen a rise in their numbers of international students.
- Scotland needs a more inclusive post study work offer in order to compete successfully in international markets.

⁴¹ *OPT: 17 Month STEM Extension*, Office of International Services, University of Southern California. Available online: <https://sait.usc.edu/ois/intl-students/f-1-employment/stem-opt.aspx>

SECTION 4: KEY ELEMENTS TO A POST STUDY WORK SCHEME

Group members identified and discussed the key elements they consider important for the development of any future post study work scheme for international graduates in Scotland. The elements identified below are not an exhaustive list, but aim to capture the key issues.

- Framework of a future post study work scheme in Scotland;
- Eligible qualification;
- Definition of a qualifying institution;
- Should the scheme apply to Scottish qualifications only?;
- Skill level and subject of occupation;
- Sponsorship; and
- Career path between Tier 4 and Tier 2.

4.1 The Framework of a future post study work scheme in Scotland

To ensure compatibility with the existing UK immigration rule framework, the Group agreed that it would be beneficial to frame any future post study work scheme within the existing terminology and definitions of Tier 4 of the UK PBS. This would in effect mean that those eligible to apply for the scheme would need to have last held status under Tier 4. Linking eligibility to Tier 4 status will operate as a check to ensure that the international graduate has maintained reliable conduct throughout their studies with their education provider and has studied with a Scottish education provider that meets Home Office compliance requirements.

4.2 Eligible qualification

Previous post study work schemes in the UK have required applicants to have gained a specified qualification to be eligible for the scheme. Eligible qualifications included postgraduate and Bachelor's degrees, UK Postgraduate Certificate in Education (PGCE) or Professional Graduate Diploma of Education (PGDE) and HNDs. FT:WISS set the lowest level qualification at HND.⁴² The HND qualification was also recognised for a period of time for Scotland-only in the UK-wide Tier 1 (Post Study Work) visa.

The Group supports an approach to specify eligible qualifications, as this will ensure that international graduates have a baseline minimum level of knowledge, skill and experience. It also limits and manages those who are eligible and can, if required, be reviewed in response to industry and education sector feedback.

The majority of survey respondents deemed a Bachelor's Degree to be an appropriate qualification to qualify for a post study work visa, although answers ranged from HNC to postgraduate qualifications, with some more specific vocational qualifications mentioned. One respondent also mentioned considering the ability to allow school pupils from overseas to remain in Scotland.

⁴² Scottish Credit Qualifications Framework (SCQF) Level 8.

There is also significant support with businesses, as indicated by the results of the survey, for the inclusion of students who have completed an HND. HNDs are generally vocationally oriented and are equivalent to year 2 of a Scottish undergraduate degree in terms of level of study. Almost a third of employer respondents indicated that an HND was an appropriate qualification. Responses from education providers and employers differed however, with employers more likely than education providers to deem HNC/HND qualifications as appropriate for a post study work visa.

The Group agree that international graduates who have completed at least a degree or an equivalent level of qualification (such as a postgraduate diploma) should have access to the scheme. The Group also agree that an HND qualification should be eligible for a post study work scheme. This will ensure an inclusive approach, including vocational courses. The Group agree that further consideration, based on industry feedback should also be given to extending the scheme to HNCs. 20% of employer respondents to the survey, and 6% of education provider respondents indicated that HNC was an appropriate qualification. One Respondent in particular stated *“I think that HNC-level study should be the minimum level of qualification required to qualify for a post-study work visa; graduates from all Scottish colleges/universities should be considered for qualifying for such a visa; a number of Scottish institutions would, I believe, be content to endorse a post-study work visa, up to 2 years.”*

Recommendation

In summary, the Group take the view that in order to ensure that students have a minimum level of knowledge and experience, the following qualifications at least should be recognised as eligible to qualify for a post study work scheme. Although, the Group recognise that there may need to be further discussion to determine a final list of eligible qualifications:

- Postgraduate Degree;
- Postgraduate Diploma, including post-graduate teaching qualifications;
- Bachelor’s Degree;
- HND; and
- HNC, if further consideration shows there is a need for this level.

4.3 Definition of a qualifying institution

Previous post study work schemes have required applicants to hold an eligible qualification from a qualifying institution. The Group considered in discussions how a qualifying institution should be defined.

The Group note that if a future post study work scheme was to be framed within the already existing terminology and definitions of Tier 4 of the UK PBS, as noted in Section 4.1 above, it follows that eligible qualifications would be those conferred by an education provider which holds a Tier 4 sponsor licence.

The Group feel that this approach sets a clear and already understood definition of a qualifying institution, which covers both Universities and Colleges adequately.

Linking eligibility to holding a Tier 4 visa excludes all students that have studied at colleges that are not Tier 4 Home Office licensed sponsors. The Group highlighted that it was important to include private sector institutions in Scotland but were keen to ensure that only genuine institutions were involved. The Group therefore consider that restricting eligibility to graduates of institutions that hold a Tier 4 sponsor licence provides the equality of opportunity for the private sector and its graduates and better protects students, institutions and employers.

Recommendation

Those eligible for a post study work scheme should hold a qualification from an institution which holds a sponsor licence under Tier 4.

4.4 Should the scheme apply to Scottish qualifications only

The Group agree that the qualifying criteria for a post study work scheme in Scotland should allow access only to those who have completed and been awarded an eligible qualification from an institution which holds a Tier 4 sponsor licence. The institution's main address should be in Scotland and the graduate's primary site of study must have been in Scotland. Responses to the survey also made reference to this. For example, one Respondent stated *"If Scottish HEI's are to endorse the PSW visa then they should only allow students graduating from Scottish HEI's to apply."* Another Respondent stated *"A supplementary clause requiring students to have studied for their degrees/masters wholly or mainly in Scotland would prevent visa tourism from the rest of the UK"*.

There is little argument for allowing those from institutions based outside of Scotland to benefit from a post study work scheme in Scotland. It is acknowledged that the business sector may favour a wider pool of international graduates to recruit from. However, restricting eligibility to those international graduates who have studied at a Scottish education institution will ensure that talent is first attracted to study in Scotland and then retained to work in Scotland to ensure an enhanced economic benefit for Scotland.

Recommendation

The Group recommend that to qualify for any future post study work scheme in Scotland, the international graduate must hold a qualification from an institution which holds a Tier 4 sponsor licence and has its main address in Scotland. The graduate's primary site of study must have been in Scotland.

4.5 Skill level and subject, occupation and discipline of employment

There was no requirement under the FT:WISS and Tier 1 (Post Study Work) routes for applicants to obtain employment with a particular skill level. Those who extended their leave under these schemes were able to take any form of employment, including self-employment.

The Group are aware of Home Office concerns about the previous post study work scheme in the UK, in particular, that of those benefitting from the scheme not all took

up skilled employment.⁴³ The Group have considered whether this is a concern that should be addressed in any future post study work scheme in Scotland.

As this Report notes above, the Group agree that a post study work scheme in Scotland would be beneficial to international graduates as they transition between graduation and skilled employment. The Group therefore considered whether eligibility for a future post study work scheme should be dependent on the applicant obtaining employment of a particular skill level, with a particular salary level, or within a particular subject, occupation or discipline.

The Group also considered leaving the route open to allow international graduates to take up any employment at any skill level and in any occupational discipline.

A. Skill Level

The Group noted that restricting eligibility to employment with a specified skill level may prevent non-UK graduates from initially taking on work to gain increased competencies, which would allow a transition experience to higher skilled employment. The Group also noted that graduates (both UK and non-UK) may hold jobs where only a proportion of their work is at a predetermined skill level. This is often the case in SMEs⁴⁴, which the Group noted make up over 90% of all registered businesses in Scotland.⁴⁵

As Tier 2 of the UK PBS requires migrants to hold employment at NQF Level 6 the Group note that to transition into Tier 2, the international graduate will have had to obtain skilled employment at the required level by the end of their time under a post study work scheme. This in itself is an incentive for international graduates to transition into skilled employment. Failure to obtain that level of skilled employment during the term of the post study work scheme, will mean that they do not meet Tier 2 requirements and progress their career in Scotland.

For those who were unable to obtain skilled work to meet Tier 2, time spent on a post study work scheme would still contribute to economic and business growth during the time spent working in Scotland. It would also give graduates time to further develop their English Language proficiency, build on connections and networks and/or gain work experience for a period of time in Scotland before returning to their home country.

B. Salary level

The Group considered that setting eligibility at a specific salary level could indicate a particular skill level, however felt that there would be a risk that some employers may pay a higher salary than others for the same job and this would unfairly impact on some applicants. Furthermore, evidence from the Office of National Statistics shows that graduates do not always immediately achieve higher level salaries. ONS statistics on pay progression of graduates compared to other levels of skill, show that

⁴³ *A Student Immigration System: A Consultation*, Home Office UK Border Agency, December 2010.

⁴⁴ With under 250 employees.

⁴⁵ *Businesses in Scotland 2014*, Scottish Government. Available Online: <http://www.gov.scot/Resource/0046/00462532.pdf>

annual earnings for graduates reach a higher peak at a later age than the annual earnings for non-graduates. Between 2003 and 2013, on average, graduates aged 21 earned a lower gross annual wage than 21 year olds who left education with an apprenticeship. Averages taken from data compiled between 2003 and 2013 show that the annual average gross wage for graduates was £14.3k at the age of 21; £16.3k at the age of 22, £19.1k at the age of 23 and £21.6k at the age of 23.⁴⁶

The Group therefore feel that a requirement to earn a specified level of salary may not be a fair mechanism to assess eligibility for any future post study work scheme.

C. Subject, occupation or discipline

The Group also considered whether any future post study work scheme should be restricted to specific subjects, occupations and/or disciplines which may be identified as requiring additional graduate employment.

The Group identified, for example, that the Joint Academic Coding System (JACS)⁴⁷, a framework for the grouping and coding of subject areas, could be used to identify and specify which occupations could be included in a post study work scheme. JACS is currently used to code the subjects of both higher education courses and the individual modules within them across the full range of higher education provision. The Science and Engineering Graduate Scheme (SEGS) previously relied on JACS codes to define eligibility.

The Group also considered restricting any future scheme to particular disciplines, for example, STEM subjects. However, there was consensus in the Group that linking the visa to a particular subject, occupation or discipline would ultimately limit the breadth of employment opportunities both for those seeking employees and for those seeking employment. It would also limit the potential for recruitment of multi-skilled graduates, for example, an engineering graduate who has returned to education to obtain a management qualification. In addition to this, having a scheme which is not linked to a particular discipline would also allow for a swifter response to skills shortages as and when they are identified by Scottish business.

The survey results indicated that employers would use a post study work scheme to fill posts across a wide range of occupations and the Group agree that any post study work scheme should not be restricted to certain disciplines and should instead be open to all international graduates who obtain the required level of qualification.

Recommendations

The Group agree that any future post study work scheme in Scotland should not restrict eligibility to obtaining employment at a specific skill level; salary level; or subject, discipline or occupation; and should instead be open to all international graduates who obtain the required level of qualification.

⁴⁶ *Graduates in the UK Labour Market 2013*, Office for National Statistics. A 'graduate' is defined as a person who is aged over 20, not enrolled on any educational course and who has a level of higher education above A level standard.

⁴⁷ JACS was introduced in 2002/03 (UCAS year of entry 2002 and reporting year 2002/03 HESA) and replaced two separate classifications systems. It is owned and maintained by the Universities and Colleges Admissions Service (UCAS) and the Higher Education Statistics Agency (HESA).

4.6 Sponsorship

The Group considered whether it would be beneficial for a future post study work scheme in Scotland to require international graduates to obtain some form of sponsorship from their employer or education provider to qualify for the scheme, and ensure that the graduate took up employment in Scotland. The Group noted that previous UK post study work schemes did not require a form of sponsorship and putting in place such a system may address concerns that international graduates may not remain in Scotland, but instead move to other parts of the UK.

A. Sponsorship by employer

The Group agree that a future post study work scheme should allow international graduates to gain experience and allow both employer and employee to understand the value of the employment before committing to any form of sponsorship.

The Group are aware from businesses that employers can find the current UK PBS and sponsorship requirements difficult to navigate. There are concerns that given the difficulties, some employers do not apply for a sponsorship licence even if they are within skill shortage industries. There are anecdotal reports that smaller businesses without dedicated Human Resources expertise and experience find it difficult and time consuming to find their way through the system to obtain a sponsorship licence.

Not requiring a form of sponsorship would open up opportunities for all employers and would extend the employment opportunities for international graduates. It would allow employers to engage with the UK PBS and have an initial experience of employing non-EEA nationals, without them having to immediately enter any sponsorship application process. It would also allow time for the employer to see the value in retaining the employee and begin exploring the process of making a Tier 2 licence application. It would prevent any risk of employers being discouraged from employing an international graduate, if they are required to register, or obtain entitlement to employ an international graduate.

The survey results indicated low levels of employers would be prepared to sponsor an international graduate. Just 33% of employer respondents noted that they would be happy to sponsor an international graduate.

B. Sponsorship by education institution

The results of the survey indicated that education institutions were more favourable to sponsoring an international graduate under a post study work scheme than employers (48% compared to 33%). The Group note that educational institutions in Scotland already have experience of acting as sponsors through Tier 4 of the UK PBS and are more likely to realise the potential economic benefits of sponsoring an international graduate under a post study work scheme.

The Group considered whether sponsorship by the Tier 4 license holder would enhance the effectiveness of the scheme. It was the Group's view that continued

Tier 4 sponsorship of students who had now completed their studies may be problematic since there would be no expected activity that Tier 4 sponsors could monitor, while at the same time placing a potentially large scale administrative burden on Colleges and Universities. It is important that a post study work scheme has in place a level of protection for participants, education institutions and sufficient safeguards for existing Tier 4 sponsor status and businesses who are employing the international graduate under the scheme.

C. Endorsement

The Group however did feel that some form of endorsement from the international graduate's education institution would be beneficial. For example, international graduates applying for the scheme could be required to provide confirmation from the education institution where they studied that they had attended, had completed their course and been awarded their qualification on a given date.

The Group felt that this would be sufficient to confirm the international graduate's good standing, while preventing any risk to the education institution's current Tier 4 sponsor status. The Group, particularly business Members, did note that employers should be able to identify clearly who has been granted leave under a post study work scheme. One way of ensuring this may be to grant those successful under the scheme an 'eligibility card', to allow employers to easily assess who they are able to employ under the scheme.

Recommendation

The Group agreed that a future post study work scheme should not require international graduates to obtain sponsorship from either their employer or education provider. However, to ensure the legitimacy of any applicant, the Group agree that they should obtain verification of their studies and awarded qualification from their education institution.

4.7 Career path between Tier 4 and Tier 2

Having a scheme which provides a career path between graduation and skilled employment would allow international graduates further time to secure employment which meets the criteria under Tier 2 of the UK PBS. The Group views as a positive development, a scheme that supports international graduates on their career path, enabling them to transition from a Tier 4 student visa to a Tier 2 visa.

The survey results also showed support for transition into a longer term visa, with 62% of employer respondents indicating that individuals should have the ability to move into a longer term visa at the end of their post study work visa. 90% of education providers thought that someone should be able to move into a longer term visa when their post study work visa came to an end. One Respondent of the survey stated *"There has to be an option, that if they fit into the business well and are contributing to the company then they should be allowed the opportunity to extend their stay. I do not feel there would be a major benefit to our company if they could only stay for a year or two, be trained up and then leave ensuring our company receives no major benefit of training the recruit."*

The Group also discussed whether concessions could be put in place to facilitate those on a post study work scheme to move into an employment route under the UK PBS, (particularly under Tier 2), either during their leave to remain under the scheme or before their leave expires. This would assist international graduates to transition from study, to initial graduate experience and then to skilled employment under existing UK immigration work categories.

The Group suggested various options. One option was that, similar to the Tier 1 (Post-Study Work) visa, those applying to transition into Tier 2 should be exempt from meeting the Resident Labour Market Test under Tier 2. This test requires employers to advertise and show that no other UK or EEA national can fill the position. The Tier 1 (Post-Study Work) visa exempted those applicants who had completed six months' work with the same employer from meeting the test requirements.

Other concessions suggested by the Group were:

- to include lower minimum salary requirements to reflect the average starting salary in certain industries;
- visa fee discounts;
- no need for the employer to certify that the international graduate can financially maintain themselves; and/or
- an easier streamlining of the sponsor licence application process for the employer.

The Group noted that each of these suggestions would require further consideration and may involve an added layer of complication to the system.

Recommendation

The Group take the view that at the very least, provision should be made for employers who employ an international graduate under a post study work scheme to be exempt from having to complete the Resident Labour Market Test.

4.8 Other elements

The Group are aware that there are other elements of a post study work scheme that would need to be considered if one was to be reintroduced in Scotland. These elements include, but are not limited to:

- how long an international graduate should be able to extend under a post study work scheme: Evidence from employers in the survey was strong for 2 years which would be in line with competitor countries for example Canada and Australia. In line with the survey findings, the Group also recommend a 2 year visa and consider that an absolute minimum of 12 months should be granted for a post study work scheme.
- whether time spent under a post study work visa should count towards time spent for permanent stay in the UK (ILR): The Group are of the view that, given Scotland's particular demographic issues, it is worth recognising time spent on a post study work scheme as time that can count towards the five years' residence

needed by Tier 2 migrants to apply for ILR. This would be in line with the post study work offer available in competitor countries like Canada.

- C. whether there should be a defined period of time from qualification during which the international graduate must apply for the post study work scheme: The Group are in agreement that international graduates should apply for a future post study work scheme within a specified time period of obtaining their qualification. Most of those students who apply in-country will need to apply within 4 months of their course ending, as per the validity of their student visa. The Group take the view that the scheme should be for recent graduates and therefore those applying from outside of the UK should have been awarded their qualification recently, within the last 12 months.
- D. whether an international graduate on a post study work scheme should be able to apply for their dependents to join them: The Group agree that there should be provision for dependents to stay with or join the graduate as per the other routes under the UK PBS dependents provisions.
- E. maintenance: The Group agree that the maintenance requirements should be in line with other visa immigration categories within the UK PBS. The Group noted that international students who are financially supported by their own government should require permission to extend their stay as it is often a term of their financial sponsorship that they are expected to return to their home country at the end of their studies. This provision, which is intended to protect development in the student's home country, should apply to any post study work scheme. This is consistent with the Group's awareness of the need to be sensitive to the fact that retaining skilled international talent in Scotland could impact on development within the student's country of origin. The Group are aware that not all students who would utilise an extension of study under a post study work scheme will remain and extend their stay at the end of their time on the scheme. Many will return to their home country to put into practise the education and experience they gained in the UK.
- F. self-employment: The Group felt that a post study work scheme should also be open to applicants who wish to be self-employed. The Group are aware that the Tier 1 Graduate Entrepreneur route already provides for international graduates who have an innovative business idea. Places under this route are restricted to a certain number per education institution and the Group feel that a post study work scheme should not necessarily bar those other graduates who may not qualify for the Tier 1 Graduate Entrepreneur route. Those who take up self-employment under a post study work scheme would be able to use their time to formulate a business plan and make arrangements to move into another route within the UK PBS if they so wished (for example, Tier 1 Entrepreneur).
- G. monitoring of the system and equality impact assessment: The Group noted that any future post study work scheme should be monitored to consider its effectiveness and whether it contributes to and addresses the business and education sectors' needs and development. The Group also acknowledge that it is important for an Equality Impact Assessment to be carried out before any future post study work route is reintroduced in Scotland.

SECTION 5: CONCLUSIONS

The Members of this Group are united in their support for the principle of a post study work scheme to enable non-EEA students completing studies from a Scottish education institution to stay and work in Scotland for a defined period of time after graduation. This will not only enable international graduates to consolidate their qualification through industry experience, but will importantly contribute to Scottish economic growth and business development, enabling Scottish employers to benefit from a pool of international graduate talent.

From their discussions and consideration of evidence, the Group has drawn the following conclusions:

- > Reintroducing a post study work route in Scotland would benefit both Scottish economic growth and business development, as well as enriching the learning experience for all students, by attracting more international students to Scotland.
 - There is clear support across business and education in Scotland for this.
 - It would assist the Scottish business sector by addressing demographic issues in Scotland, increasing the supply of potential talent into sectors and addressing skills shortages in Scotland.
 - It would assist in attracting international students, who are hugely important to Scottish education institutions and the economy, contributing significantly to fee income, spending in local economies and adding immeasurable benefit to the culture and academic life of Scottish Universities and Colleges.

- > There has been a substantial decline in the enrolments of students as Scottish Universities from key overseas markets since the UK Government announced the closure of the post study work route in March 2011. The number of international students at Scottish colleges has also fallen considerably since then.
 - By comparison, key competitor countries who offer more attractive post study work opportunities have seen a rise in their numbers of international students.
 - Scotland therefore needs a more inclusive post study work offer in order to compete internationally.

- > The UK's current post study work offer is not sufficient to meet the needs of Scottish employers and impacts on the education sector.
 - There is not an effective pathway for international graduates to transition between education and skilled employment.
 - The current 4 months given to international students at the end of their studies is generally not a sufficient length of time for graduates to find skilled employment to transition to Tier 2.
 - This leads to a 'brain drain' of highly skilled talent from Scotland and deters international students from considering Scotland as a place to study.

The Group hope that their findings, conclusions and recommendations assist the Scottish and UK Governments in working together to secure the timely reintroduction of a post study work scheme in Scotland. The Group are committed to working with businesses, business organisations, Universities, Colleges, and Government to continue to make a positive case for the reintroduction of a post study work scheme in Scotland.

SECTION 6: ANNEXES

Annex A Post Study Work Working Group Membership

Annex B Consultative Survey Report

Annex C Higher Education statistics

ANNEX A

POST STUDY WORK WORKING GROUP - MEMBERSHIP

Ashleigh McLennan - Scottish Council for Development and Industry (SCDI)

The SCDI is an independent membership network which aims to strengthen Scotland's competitiveness by influencing Government policies to encourage sustainable economic prosperity.

Audrey Cumberland - Colleges Scotland

Colleges Scotland is the representative organisation for Scotland's college sector and its constituent regions.

Christine Currie - OPITO

OPITO is the skills body for the UK's oil and gas industry.

Derek MacLeod - Scottish Universities International Group (SUIG)

SUIG is the network of International Officers and other staff from Scotland's Universities who have an interest in international activities.

Ed Payne –Scottish Development International (SDI)

SDI is the international trade and investment arm of Scotland's economic development agencies, Scottish Enterprise and Highlands and Island Enterprise.

Euan Ferguson – University of Edinburgh, Head of International Student Advisory Service

Howard McKenzie - Institute of Directors (IOD)

The IOD is a UK business organisation for Directors and professional leaders in the private and public sectors.

Ian MacLellan - UK Council for International Student Affairs (UKCISA)

UKCISA is the UK's national advisory body serving the interests of international students and those who work with them.

Katie Fox - Skills Development Scotland (SDS)

SDS is the national skills body for Scotland which supports individuals and businesses to develop and apply their skills.

Julie Morrison/Linda Spence - Scottish Enterprise

Scottish Enterprise is Scotland's main economic development agency and aims to deliver a significant, lasting effect on the Scottish economy.

Philip Whyte - National Union of Students Scotland (NUS Scotland)

NUS Scotland is the Scottish arm of the NUS, a confederation of 600 students' unions which represents the interests of more than seven million students across the UK.

Polly Purvis - ScotlandIS

ScotlandIS is the trade body for the digital technologies industry and represents software, telecoms, IT and digital agency businesses throughout Scotland.

Ulrike Peter – Universities Scotland

Universities Scotland is the representative body of Scotland's 19 higher education institutions.

ANNEX B

POST STUDY WORK WORKING GROUP: CONSULTATIVE SURVEY REPORT

About the Group

The Post Study Work Working Group consists of representatives of the education and business sectors. The Group was convened following a stakeholder meeting with the Scottish Government Minister for Europe and International Development, Humza Yousaf MSP. At the meeting, it was clear that attendees strongly supported the reintroduction of this route and it was agreed to form a short-life working group to examine the issue in more detail. The members are representatives of:

- Scottish Government (as facilitators and secretariat)
- Institute of Directors*
- OPITO* (skills organisation for oil and gas)
- ScotlandIS* (trade body for the digital technologies industry)
- Scottish Council for Development and Industry*
- Scottish Development International*
- Skills Development Scotland*
- Scottish Enterprise*
- Colleges Scotland*
- National Union of Students, Scotland*
- Scottish Universities International Group*
- Universities Scotland*
- UK Council for International Student Affairs

* distributed survey to members, contacts etc.

Background to Survey

The Post Study Work Working Group decided to run a consultative survey among the sectors they represent, in order to broaden participation in the Group's work and to gather a wider range of views.

Methodology

The survey was conducted by web-based questionnaire using Questback software between 2-16 February 2015. The questions were mainly closed questions with some opportunities for respondents to elaborate on their answers or make free text statements. The questionnaire was distributed by non-Scottish Government working group representatives to their contacts, members and other interested parties. Respondents had the option of remaining anonymous in their response although many provided their contact details. There were 213 responses in total. It should be noted that some of the percentages reported in this report are not based on this full sample. Base numbers are noted under each table below. It should also be noted that it is not possible to ascertain whether this is a representative sample. Given the consultative nature of this survey, this was not the aim however. Questions varied slightly depending on whether the respondent was an employer or an education provider.

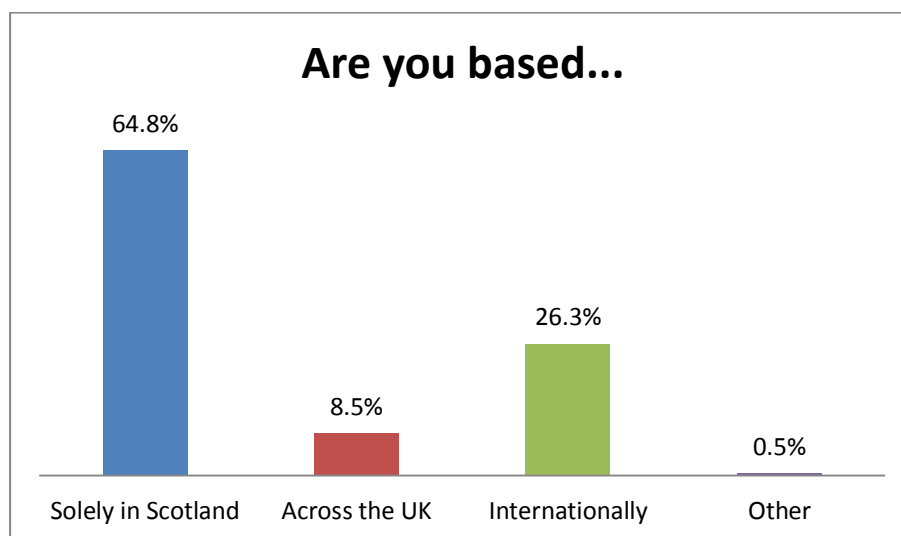
Summary of Findings

- The overwhelming majority of respondents (90%) were in favour of the reintroduction of the post study work visa in Scotland.
- The majority of respondents deemed a Bachelor's Degree to be an appropriate minimum qualification to be eligible for a post-study work visa, although employers and college educators were more likely than university education providers to deem HNC /HND levels of qualification as appropriate for post study work.
- The most common response to how long an international student graduate should be able to remain in Scotland was two years.
- Overall, 70% of respondents said that when the post study work visa came to an end, individuals should have the ability to move into a longer term visa. 62% of employers and 90% of education providers expressed this view.

About the Respondents

Of the 213 responses, 132 were from employers, 48 from universities, 13 from colleges, 6 from other education providers and 14 from those who answered as both an employer and an education provider.

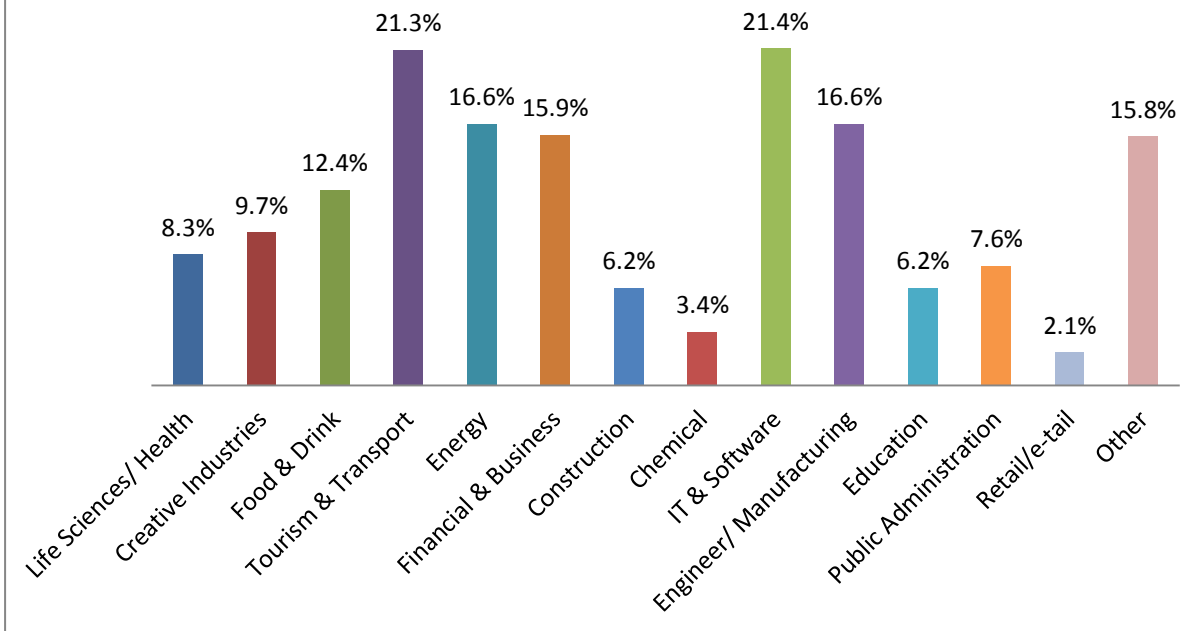
The majority of respondents were also based solely in Scotland (65%), with 8% across the UK and 26% internationally based.



(Base 213)

Respondents representing employers spanned a very wide range of industries as the following table illustrates.

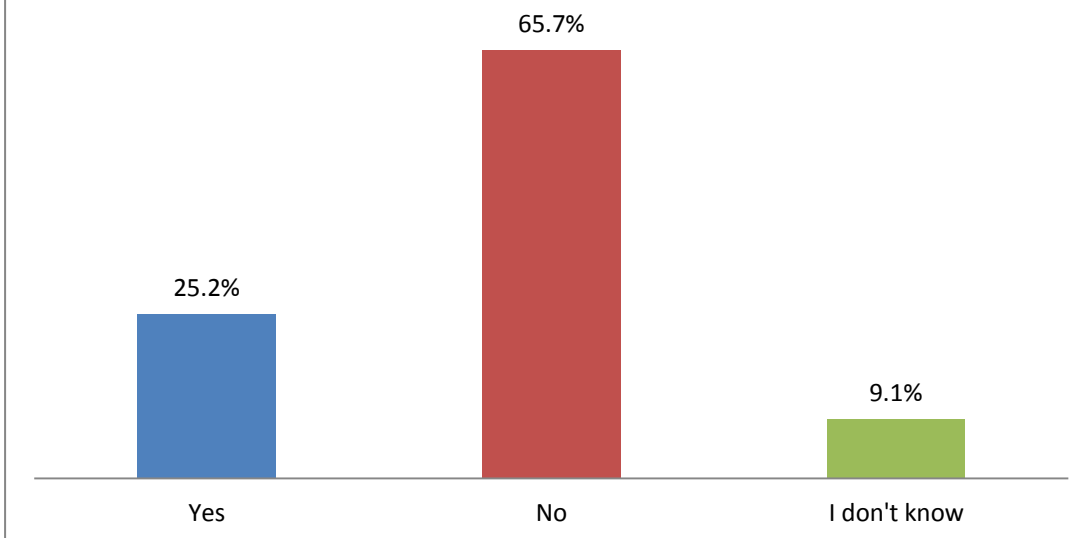
Which of the following industries does your organisation operate in?



(Base 145)

Employers were asked whether they had previously employed staff under any UK post-study work visa route. A quarter (25%) of respondents said that they had previously used this route.

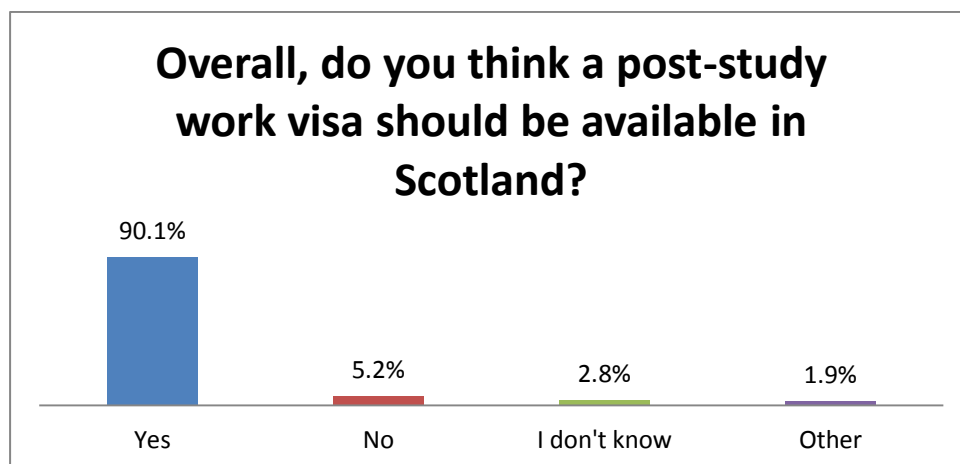
Have you previously employed an international student graduate under any UK post-study work scheme?



(Base 143)

Overall View of Respondents on the Reintroduction of the Post Study Work Visa

The overwhelming majority of respondents (90%) were in favour of the reintroduction of the post study work visa in Scotland. The remaining 10% were against its reintroduction, didn't know, or stated 'other'.



(Base 213)

Within this headline figure of 90% in favour, all universities, colleges and 'employers and education providers' respondents were in favour of the re-introduction of this route.

Of all employers, 85% were in favour of this route. Amongst employers who had previously used a post study work route, support was higher at 94%, suggesting that business experience of the post study work visa is very favourable.

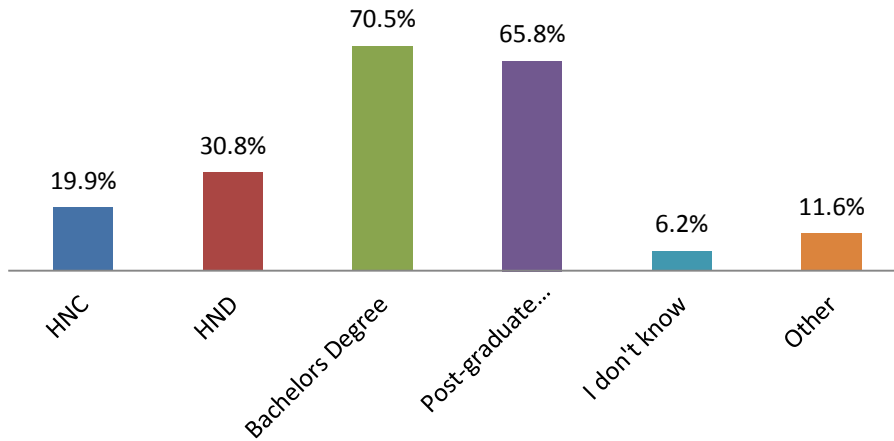
Views on Specific Aspects of Post Study Work Visas

Appropriate skills and qualification levels

Respondents were asked what qualification an international graduate should have achieved to qualify for the post study work visa. The majority of respondents deemed a Bachelors Degree to be an appropriate level, although answers ranged from HNC to postgraduate qualifications. One respondent also mentioned considering the ability to allow school pupils from overseas to remain in Scotland.

Responses from education providers and employers differed, with employers more likely than education providers to deem HNC/ HND levels of qualification as appropriate for a post study work visa.

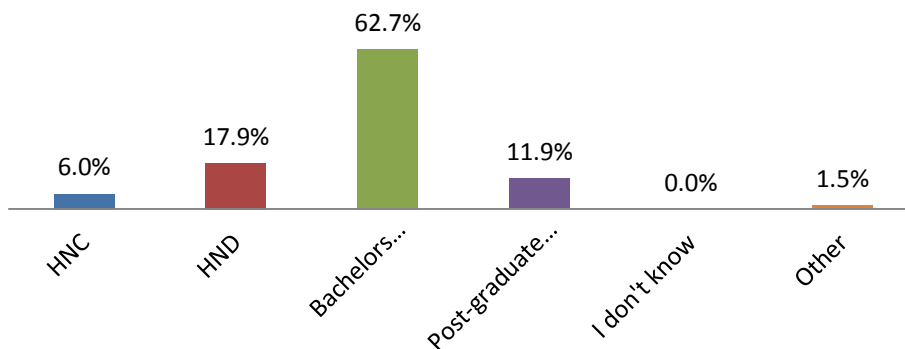
If you were to employ someone who had a post-study work visa, which of the following qualifications would be important? (employers only)



N.B. Employers could select multiple qualifications
(Base 146)

Views also differed between university and college respondents. The most common response amongst university respondents was a bachelor degree (79%) with a post-graduate degree the next most common response (13%). College respondents were most likely to find HND qualifications important (54%) and HNC qualifications second most important (31%)⁴⁸.

What minimum level of qualification do you think an international student graduate should hold to qualify for a post-work study visa? (education providers only)

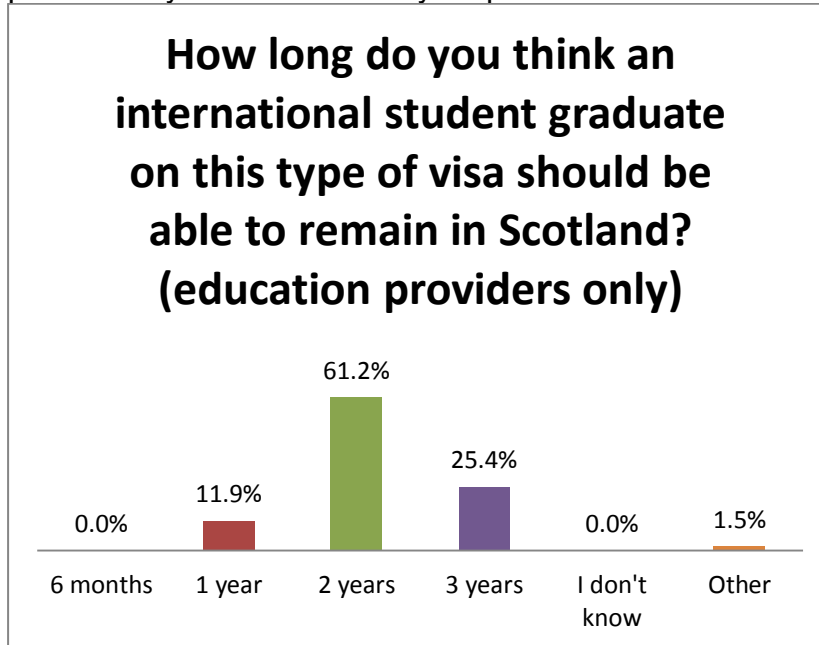


N.B. Education providers could select one qualification only
(Base 67)

⁴⁸ Please note this is based on a small sample of 14 college respondents.

How long international graduates should be able to stay in Scotland

Respondents were asked how long they thought an international student graduate on a post study work visa should be able to remain in Scotland. The most common response was two years but again there was a variation between employers and education providers. The majority (61%) of education providers thought two years was the right time period (56% universities and 77% colleges). A 3 year visa was preferred by 29% of university respondents.



(Base 67)

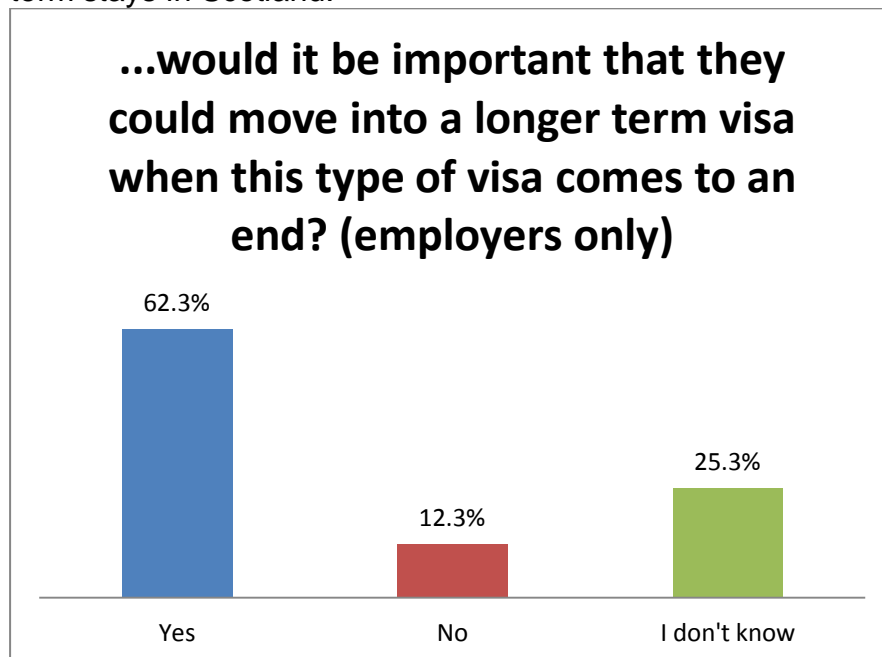
Amongst employers there was a more even range of responses, with two years still the most common response but with only 35% of respondents choosing this answer.



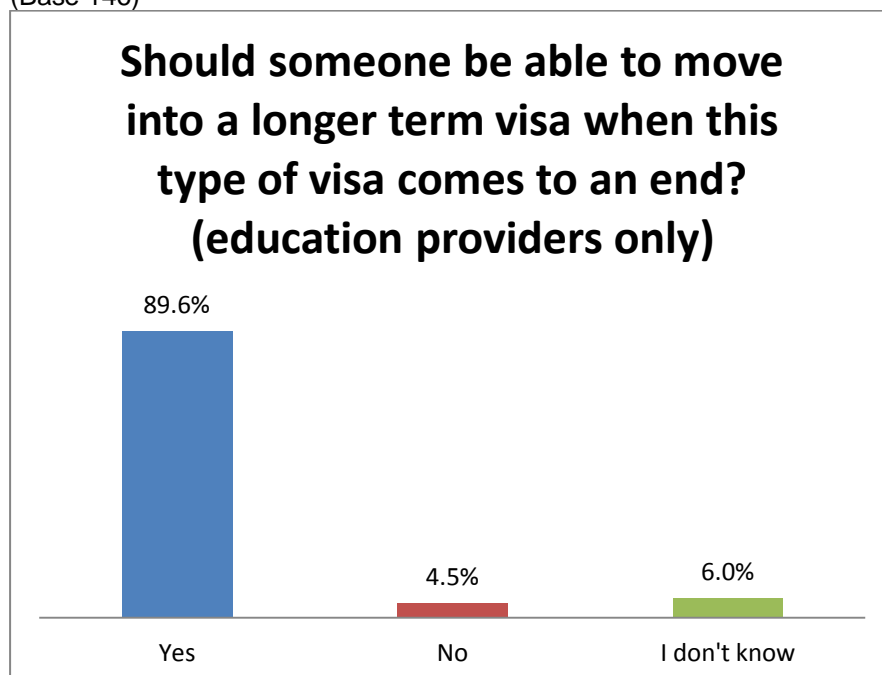
(Base 146)

Overall, 70% of respondents said that when the post-study work visa came to an end, individuals should have the ability to move into a longer term visa after their post study work visa ends.

The difference between employer and education provider respondents was marked in this area, with 62% of employers and 90% of education providers (94% universities and 77% colleges) indicating that provision should be made for longer-term stays in Scotland.



(Base 146)

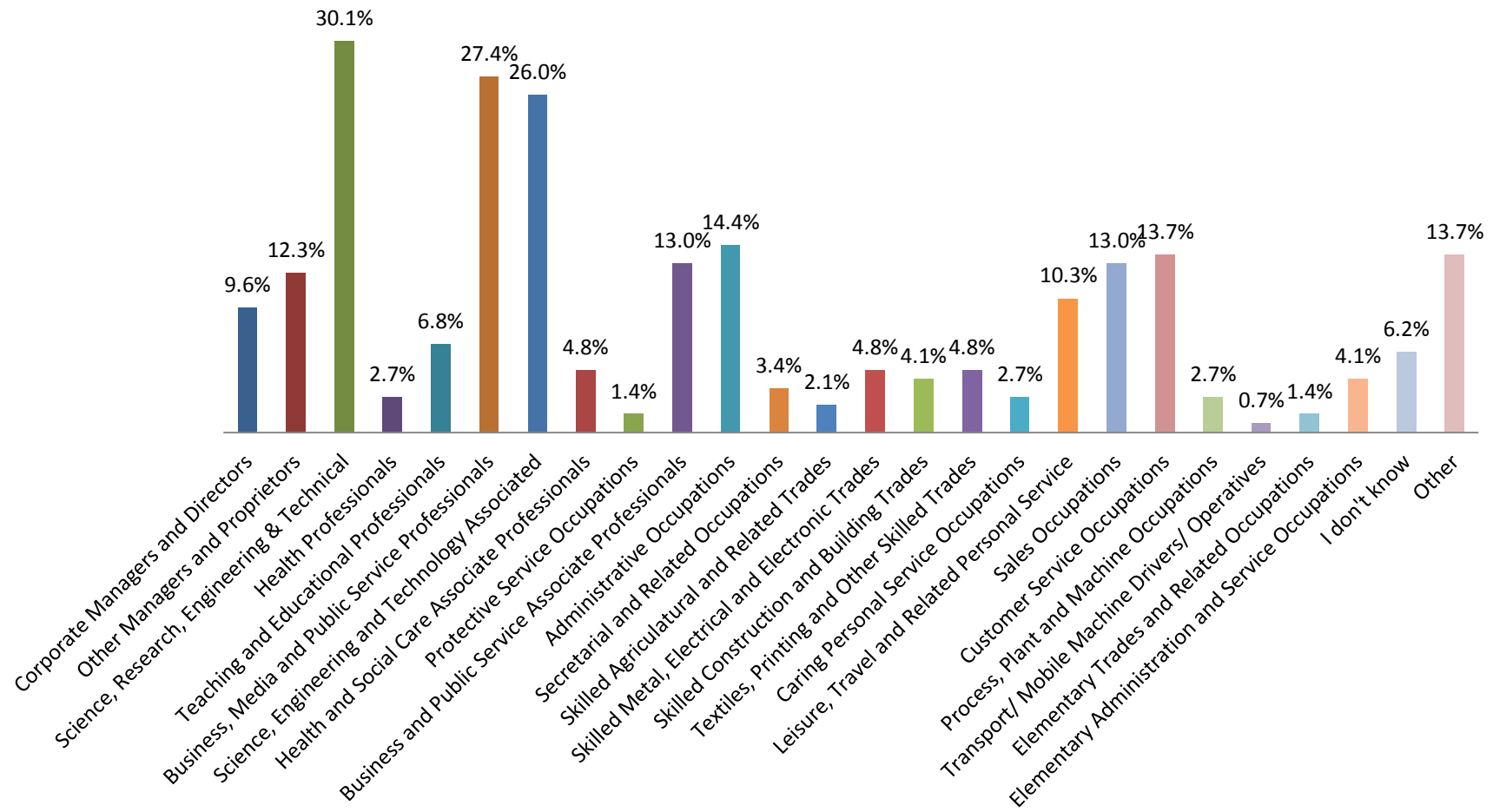


(Base 67)

Where international graduates would be employed

Employers were asked what kind of jobs they would be likely to fill using people on the post-study work visa. There was a very wide range of responses as the table on the following page illustrates, although *Science, Research, Engineering and Technical; Business, Media and Public Service Professionals; and Science, Engineering and Technology Associated* were the most frequently cited occupations with 30.1%, 27.4% and 26% respectively:

Which occupations would you most likely use this visa to recruit for?

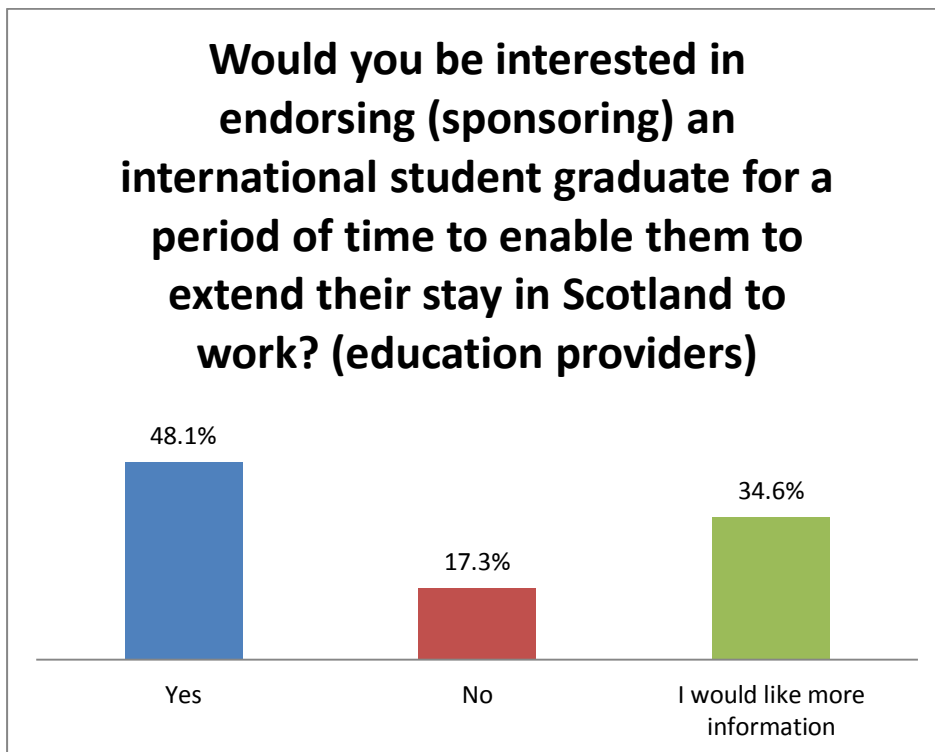


N.B. multiple responses allowed
(Base 146)

Sponsoring international graduates

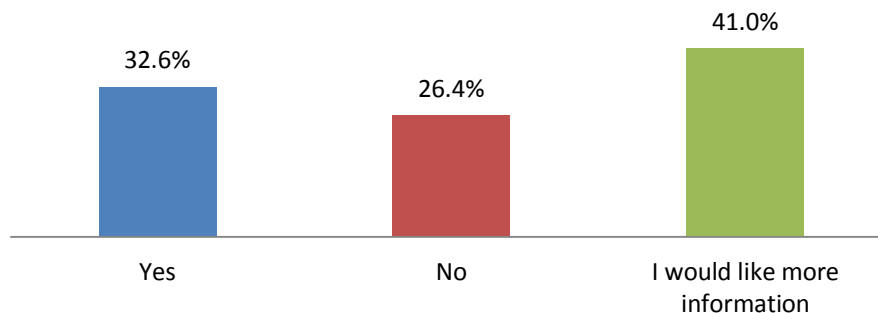
Respondents were asked whether they would be prepared to sponsor international graduates. A third (33%) of employer respondents and half (48%) of education provider respondents said that they would be prepared to do so. The questionnaire did not provide any information on what sponsorship or endorsement might entail, which may explain the relatively high proportion of people who opted for “I would like more information”.

University (56%) and college (62%) educators were more likely to be interested in sponsoring an international student graduate than respondents who were both employers and educators (14%, i.e. 2 out of 14 respondents).



(Base 81)

Would you be interested in endorsing (sponsoring) an international student graduate for a period of time to enable them to work with you under this type of visa? (employers)



(Base 144)

When comparing employers that have and have not previously used a post study work scheme, those who have previously used a scheme were more interested in sponsorship (58%) than those who haven't (26%). Of the latter, 42% would like more information.

This indicates that the majority of employer respondents with personal experience of sponsoring an international graduate, would consider doing so again, but also that people are looking for more information.

More Views on the Reintroduction of the Post Study Work Visa

Respondents were given opportunities in the questionnaire to expand on their answers or provide any other information or views that they thought were relevant. Contributions on these points were helpful in understanding some of the views provided. This section contains examples of some of the points made.

It was earlier explained that 90% of respondents supported the re-introduction of the post study work visa and amongst these, there were many responses from education providers stressing the importance of post study work visas in attracting students to Scotland's educational institutions.

Post-study work would greatly improve recruitment opportunities for Scottish Universities as market share is currently being lost to rival nations for exactly this reason.

As a member of staff working in international student recruitment, the re-introduction of a post-study work visa in Scotland would be extremely beneficial to my institution in terms of increasing its attractiveness as an education destination to prospective

international students in priority markets including India, Nigeria and Thailand. In addition, the duration of the visa should be long enough to complete with those offered by other HE destinations (Canada, Australia, New Zealand).

For institutions it will give an opportunity to again generate its own income and be less dependent on Scottish Government Funding Council and grants for running the institutions and utilize the funds generated to create more jobs and infrastructure.

Other respondents gave answers which identified the economic benefits to Scotland of reintroducing the post study work visa.

I think having the post-study work visa would attract more international students to study in Scotland. This would ultimately aid the economy as they would not only be paying international tuition fees but they would also be paying tax while working here and spending money in our shops and services. Most other countries, including the USA, Canada and Australia, offer such a scheme. I think the visa should be for at least one year, but ideally for two. It was extremely short-sighted of the Conservative Government [to] remove the post-study work visa in 2012. Students are not causing an immigration problem in the UK.

Consider our competitor nations and let's try to be at the forefront and open for business.

Encouraging post-study work in Scotland would enhance Scotland's ability to trade internationally because these individuals will secure senior positions in international countries when they return to their home market.

Many respondents also stressed the role that post study work could play in addressing Scotland's skills shortages.

The opportunity for high skill talented students who have skills that are in shortage in the UK should be allowed to stay on in the UK. A successful economy is the result of high levels of skills in the right industries at the right time. If we have skills shortages this is an ideal way to address them. It also means that immigration is skewed towards the type of new citizens we want to have reside in the UK and build their life and families here while making positive high value economic contributions.

This is ESSENTIAL to the economic prosperity of Scotland. We need skilled graduates but we are faced with significant skills shortages. We attract tens of thousands of talented students to study at our Universities, but we fail to capitalise on this talent once the students graduate. If (and I hope when) a post-study work visa is reintroduced, it should be made very easy and "light touch" for small businesses. We have faced tremendous difficulties in the past, as a small business trying to recruit overseas graduates.

...it will give us a competitive advantage in securing talent for our knowledge economy to complement our home grown talent as well as extending our reputation worldwide to potential trading partners.

Finally, some respondents explained the benefits of the post study work visa to their own business.

We hire for talent, our expectation is we will have people join the organisation, hone their craft and deliver value over a large number of years (we are typically looking at a 5 year horizon at a minimum). If the post-study work visa is limited, this adds risk to opportunities for individuals to contribute to and grow our business (and the local economy). We would like to see a mechanism by which an individual can have a strongly defined path to permanent residence from further education.

Fresh Talent enabled us to train them and then send them home to work in our operation in their home country.

I have employed 2 Scotgrads in my business over the last year - I think this is a great idea - so to extend this to international students would make sense.

We operate in a very competitive environment with a clear shortage of qualified professionals. A post-study visa would allow our organisation to hire the best graduates and retain the talent in Scotland.

Amongst the minority of those who *did not* support the reintroduction of this visa, the reasons appeared to be due to either a concern with international graduate skill levels, not seeing a case for the visa, or a desired focus on Scottish graduates over international graduates.

There is nothing wrong with the existing system. We have sponsored Students to apply for the relevant work visa when they join us. There is no need for the addition of a post-study work visa.

My preference would be to employ graduates from this country. There are many out there who still do not have jobs in their own field after graduating, including my own son and daughter.

My views are shaped by my experience of reviewing work that is almost always very poor quality (total rework required) by foreign ex-students for client companies and their contractors. The way the system seems to work generally in Scotland is that the Universities regard overseas Postgrads as an easy income stream, they deliver poor courses, the students learn inadequately, but the Universities require to award degrees otherwise their income stream will dry up, the individuals get hired on the basis of (substandard) qualifications, they are inadequately supervised by their employer and the employer is reluctant to dismiss them for incompetence (including concerns about racial discrimination), and the problem/waste gets perpetuated. That is why I am against reintroduction of such visas UNLESS the whole process is reengineered, from University cash cow to National Benefit.

**ANNEX C
HIGHER EDUCATION STATISTICS**

Table 1: Top 10 non-EU countries of domicile for first year HE student enrolments in Scotland – 2009/10 to 2013/14

	2009/10	2010/11	2011/12	2012/13	2013/14	Percentage change 2012/13 - 2013/14
China	4680	6145	7485	7795	7855	1%
United States	3325	3410	3645	3790	3940	4%
Nigeria	2280	2410	2070	2000	1875	-6%
Malaysia	1130	1080	1160	1295	1335	3%
India	3185	3290	2445	1665	1315	-21%
Canada	890	975	965	985	1040	6%
Saudi Arabia	720	725	690	720	790	10%
Norway	525	600	680	740	765	4%
Hong Kong (Special Administrative Region of China)	380	425	510	600	670	11%
Thailand	335	425	535	550	620	13%
All other	7615	8395	8315	8170	8405	3%
Total Scotland HEPs	25075	27880	28500	28305	28610	1%

Table 2: HE student enrolments in Scotland from India and Nigeria – 2006/07 to 2013/14

	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
India	3,360	3,195	3,295	3,185	3,290	2,445	1,665	1,315
Nigeria	1,515	1,610	2,410	2,280	2,410	2,070	2,000	1,875

Source: Higher Education Statistics Agency (HESA) – Statistical First Release 210



© Crown copyright 2015

OGL

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit nationalarchives.gov.uk/doc/open-government-licence/version/3 or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: psi@nationalarchives.gsi.gov.uk.

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at www.gov.scot

Any enquiries regarding this publication should be sent to us at
The Scottish Government
St Andrew's House
Edinburgh
EH1 3DG

ISBN: 978-1-78544-251-3 (web only)

Published by The Scottish Government, March 2015

Produced for The Scottish Government by APS Group Scotland, 21 Tennant Street, Edinburgh EH6 5NA
PPDAS46579 (03/15)

W W W . G O V . S C O T