The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

DEVOLUTION (FURTHER POWERS) COMMITTEE

Thursday 28 January 2016

Session 4

Thursday 28 January 2016

CONTENTS

DEVOLUTION (FURTHER POWERS) COMMITTEE
4th Meeting 2016, Session 4

CONVENER

*Bruce Crawford (Stirling) (SNP)

DEPUTY CONVENER

*Duncan McNeil (Greenock and Inverclyde) (Lab)

COMMITTEE MEMBERS

*Malcolm Chisholm (Edinburgh Northern and Leith) (Lab)
*Linda Fabiani (East Kilbride) (SNP)
*Rob Gibson (Caithness, Sutherland and Ross) (SNP)
*Alex Johnstone (North East Scotland) (Con)
*Alison Johnstone (Lothian) (Green)
*Stewart Maxwell (West Scotland) (SNP)
*Mark McDonald (Aberdeen Donside) (SNP)
*Stuart McMillan (West Scotland) (SNP)
Tavish Scott (Shetland Islands) (LD)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Maulin Buch
Lucy Flynn (South Lanarkshire College)
Alan Mackay (University of Edinburgh)
Mary Njoki

CLERK TO THE COMMITTEE

Stephen Imrie

LOCATION

The Mary Fairfax Somerville Room (CR2)

Scottish Parliament

Devolution (Further Powers) Committee

Thursday 28 January 2016

[The Convener opened the meeting at 09:32]

Post-study Work Visas

The Convener (Bruce Crawford): Good morning. I welcome members of the public, our witnesses and my colleagues to the fourth meeting in 2016 of the Devolution (Further Powers) Committee. I remind everyone to switch off their mobile phones or switch them to silent. We have received apologies from Tavish Scott, who cannot be with us today.

Item 1 is an evidence session on post-study work visas and I warmly welcome the witnesses—Mr Maulin Buch and Ms Mary Njoki, both former participants on the fresh talent: working in Scotland scheme; Lucy Flynn, international officer, South Lanarkshire College; and Alan Mackay, deputy vice-principal international and director of the international office, University of Edinburgh.

I propose to start the discussion by focusing on the economic impact on Lucy Flynn and Alan Mackay's institutions and the potential impact on the wider Scottish economy. The written contributions that we have received were very helpful. I would like to understand more about what reduction in the number of students wishing to study in Scotland there has been as a direct result of the absence of any post-study visa incentive. What impact has the closure of the tier 1 post-study work visa had on the institutions that you work in? Also, if you can help the committee to gain a bit more understanding of the impact of the closure of the tier 1 visa on wider economic growth issues in Scotland, that would be useful. Alan, do you want to kick off the discussion?

Alan Mackay (University of Edinburgh): Yes, certainly. Thank you. Across the Scottish sector—and the statistics clearly bear this out—the growth in non-European Union student enrolments in the higher education sector is static or flatlining.

Depending on the way in which you interpret them, the recent Higher Education Statistics Agency figures for Scotland show a 1 or 2 per cent growth on last year, with pretty steady declines for many of the key fast-growing nations that send large numbers of students overseas. The figures for India, for example, for the university sector in Scotland, show a decline of 63 per cent over three to four years. For Nigeria the decline is in the region of 20 to 30 per cent, although I do not have the exact figure. The figures from Pakistan are down by 45 per cent. We can certainly point to growth, but 1 or 2 per cent translates as a few hundred students every year.

The picture of the United Kingdom sector shows 1 per cent growth. When we compare that to competitor nations, in terms of the first attraction of talent, of which post-study work is a very important part along with the wider immigration system, we can see that the United States is up 10 per cent, Germany is up 7 per cent and Canada has double-digit growth. When we look at that in the global context of Organisation for Economic Co-operation and Development growth of 7 per cent a year in students moving around the world and studying outside their country, there is a clear economic impact on Scotland and its sector.

The fees are worth £402 million to Scottish higher education every year. The additional economic spend of students while they are here—where they live, shop and their wider spend in society—is more than £444 million a year, which means that just shy of £1 billion a year is being contributed to Scotland's economy. Any measures that seek to restrict that flow raise concerns about what it means for economic growth in Scotland. We are clearly seeing that happening, as you will hear from the quote from the director of higher education at the British Council in the UK, which I will come back to.

There is particular concern about post-study work because it is a pipeline. Universities do not operate in isolation; they have a direct impact on the Scottish economy through the development of talent. The researchers at my institution bring with them lots of academic, financial and cultural benefits.

We are starting to see the impact. The system that we have in place is not competitive compared to other nations. I can come back with some clear examples that show why I do not think that the offer is competitive.

The Convener: Lucy, I understand that you are just back from China—that is if the information that the clerks have given me is correct. Do you want to respond to the question?

Lucy Flynn (South Lanarkshire College): I reiterate much of what Alan Mackay has said although it is easier for me to speak specifically about South Lanarkshire College.

There are fewer statistics about the further education sector. The climate is challenging for us; as you will see from our submission, we have gone from having up to 150 international students a year, down to one. We made an active decision to stop recruiting in areas in which we had

traditionally recruited because it was becoming too challenging and costly for the organisation.

International students pay fees of up to £6,500 a year. They also spend about £10,000 each, per year, in the local economy. The impact is enormous, even in East Kilbride. As Alan Mackay said, universities do not operate in isolation, so although a higher national diploma is a qualification in its own right, many students who go to college then go on to university and that pathway is being lost.

The Convener: I want to tease things out a bit further. Alan Mackay gave us a lot of percentages and that was very helpful. I am looking at the percentage growths that are shown in the paper. In the USA and Australia growth is at 10 per cent, Canada 11 per cent, Germany 7 per cent and Scotland 1 per cent. What does that mean in terms of numbers? How does that 1 per cent growth translate into a number of students? Do we have a feel for that?

Alan Mackay: Yes. We are talking about a few hundred students. There has been a clear flattening off during the past three to four years. We in the universities, and others, attribute that to the removal of post-study work. It is a key factor.

It is not the only factor but, along with other changes in the immigration system, it is important in creating the perception that Scotland's offer is not as welcoming, when people look at the detail and compare it with that of other countries around the world. We are talking about hundreds of people. One can interpret the figures in different ways, but when we look at the higher education sector in Scotland and the list of the top 10 non-EU sending nations for Scotland, we see that there has been an increase of only a few hundred students. The Higher Education Statistics Agency's list of the top 10 non-EU or European economic area sending nations for Scotland shows that the figure is somewhere between 600 and 700, so we are talking about a few hundred.

That is during a global boom, as I have said already today and in my written evidence. We are in a period of huge growth in the number of students who are studying outside their home country for tertiary education.

The Convener: You have said that the number is a few hundred, which means that it is flexible: it could be 300 or 700. If it was 500, for instance, and we had matched the growth of Canada, Australia and the USA, we would be talking about missing out on 5,000 people. Would that be a reasonable assumption?

Alan Mackay: You can look at the increases in certain fast-emerging economies around the world where there is a very large shift. It is simple demographics: that is the point. A ballooning middle class is demanding education. Looking ahead to 2030 in Asia, for example, there will be hundreds of millions of additional people, and there will be a big demand from those people for education outside their own country.

The figures show that many of those countries and economies are in a global period of boom. If we consider the size, shape and scale of Scotland's offer, the report card on Scotland's 1 per cent growth might read, "Should be doing better", particularly in comparison with other countries.

The point has been made that the college-to-university pathway is very important. At my institution, the largest number of applications that we receive every year comes from Edinburgh College. The Australian education system benefited hugely from bringing in a pipeline of students who articulate from college through to university. We have seen a complete and utter collapse in the college sector in the UK and it is very marked in the institutions in Scotland.

There are pathways but, when we look at the figures, we expect to see growth in Scotland of more than 1 per cent given what is happening around the world based on the OECD figures for migration of students for tertiary-level education.

The Convener: Are there any particular disciplines in which the impact is pronounced? That would feed through into skills gaps in the Scottish economy.

Alan Mackay: Yes. There is clear evidence of how that plays out in Scotland, particularly with regard to skills shortages in the STEM—science, technology, engineering and mathematics—areas. On the digital and information technology side, our written evidence includes a report that identifies a gap of 10,000 jobs a year in Scotland. The country does not have the ability to source some of those skills in local employment markets. There are opportunities to retain some of the talent that we attract to Scotland—the best talent from around the globe—but if we cannot do that, we have a pretty significant problem. Reports have identified skills shortages in Scotland in the medium to long term, and we really need to think about that.

Lucy Flynn: The issue is not simply the removal of post-study work for students who are studying in further education. There are big differences between the visa terms and conditions for a student who is studying at a higher education institution and those of a visa for a student at a further education institution, albeit that that student will be studying a higher education course at a college.

For example, a student who is studying at a further education college has no right to work while they are in the UK. In order to articulate on

to university, they are required to leave the UK and return to their home country to apply for a visa to go to university. Those are all reasons why our offer is becoming less and less attractive to international students.

09:45

The Convener: I know that Duncan McNeil has a supplementary question. We will get to Mary Njoki and Maulin Buch eventually, but we inevitably needed to cover the area that is being covered at the beginning.

Duncan McNeil (Greenock and Inverclyde) (Lab): On your anecdotal approach, my local college—James Watt College, as it was—reached its foreign student peak around four or five years ago, so there has been a problem. I am trying to get to the point at which we acknowledge that changes and limitations have undoubtedly affected our offer. Maybe we need to do more than just address the changes and limitations that we are presented with.

The offer of a pathway through colleges into universities was already damaged and diminishing, and it has been additionally impacted on by the changing position. Even if we changed those changes and limitations, our offer still has to be better to compete with Canada and America and to use our colleges more effectively, does it not? We have to do more than just challenge the restrictions as we see them now, do we not?

Lucy Flynn: There is work to be done to promote further education colleges as a legitimate pathway to university, and perhaps to firm up articulation agreements with universities so that students who are studying on a higher national diploma programme have guaranteed entry to university. The programmes are in place, but maybe not across the board.

Duncan McNeil: The point about collaboration is interesting. My observation was that we were always competing for students and each and every college chased after them. They also spent a lot of money and were criticised after that. There did not seem to be much co-ordination.

Lucy Flynn: I can speak only for South Lanarkshire College. For example, a number of students who studied HND construction management in our previous cohort went on to study at Glasgow Caledonian University and successfully completed their degrees. Those articulations are happening but they are maybe just not consistent across each college.

Duncan McNeil: Why did the college sector in the main withdraw? How many are pursuing the courses that South Lanarkshire College offers now? Those students are not as common as they used to be in the further education sector, are they? A lot of colleges gave up on them, did they not?

Lucy Flynn: Yes, but that has to be viewed in the context of the ever-changing UK visas and immigration agency regulations.

Duncan McNeil: Only in that respect?

Lucy Flynn: It is certainly a large factor. We could not continue to plough in money to recruit international students, to travel and build relationships overseas with partner colleges or to work with good agents. That all takes a lot of time and a big staff investment.

Duncan McNeil: We have also seen a disinvestment in the further education sector. I presume that that has an impact.

Lucy Flynn: Yes.

Duncan McNeil: Thanks.

The Convener: I know that other people have supplementary questions, but I am keen that we get Maulin Buch and Mary Njoki in at some stage, otherwise they will not get to contribute. We will go back to them, but I said that I would let Stewart Maxwell in on specifics.

Stewart Maxwell (West Scotland) (SNP): I will be as quick as I can.

The University of Edinburgh's submission to the committee says:

> "There is little doubt that the closure of the previous work study route has been one of the most damaging changes in UK immigration policy for the higher education sector".

Alan Mackay mentioned earlier that that is not the only issue. Beyond those changes, what other issues have affected the flatlining of the number of students who come to Scotland or the United Kingdom?

Alan Mackay: There is a range of factors. We have heard about the articulation routes or pathways from Scotland's colleges through to universities and the difficulties that have been created around them. People have to leave college to go back overseas to apply and then come back to go to university. That is not exactly a good pipeline.

There is the almost total collapse of the English language sector for non-EEA students, as well. Many students who are academically qualified come just to top up their language skills and then move to a college or university. I cannot put a percentage on that, but there is evidence that shows a very steep decline.

There is a range of factors in the immigration system, particularly with regard to the continued public nature of a lot of what is going on.

Frequently, the *Times of India*, one of the largest English-language dailies in the world, talks about the United Kingdom not having a carefully articulated and well-integrated strategy for promoting what it does. The immigration system is a key tool in that, as it can be used to create a perception that influences some of what is going on. Further, as I said before, you should go into the detail, as many people do. People now have access to information that they can use to compare things and they have more choice about where they go to than they have had at any point in human history.

We have to understand that we are in a global race for talent. There is no doubt about it. Nations, cities, universities and colleges are all competing for the talent. We need a well-integrated, well-articulated and well-promoted strategy that carefully links the issues together and thinks about post-study work in terms of high-value talent migration to the country.

The removal of post-study work visas has had a damaging impact on us. Some of our competitor nations with good post-study work options are doing very well and have double-digit growth. Again, we have to think about the package that is on offer. If we do not have a good one, people will go elsewhere.

Stewart Maxwell: Can you quantify the impact of the various factors? You have outlined some of them and reiterated the view that you set out in your written submission about the impact of UK immigration policy. In your paper, you note that the UK has experienced a reduction in Indian student enrolments of more than 50 per cent, while the United States has had a 29.4 per cent increase. That is a major shift. How much of that is down to immigration changes and how much is down to other bits and pieces?

Alan Mackay: My argument is that a large part of that comes down to the removal of post-study work visas, but other changes that have occurred in the immigration system have also made the offer less attractive, more restrictive and less competitive. People are comparing and contrasting—they have choice and can go to other countries—and our offer is less attractive than it was before.

My institution is spending hundreds and hundreds of thousands of pounds a year checking that students are engaging with and attending their courses. We now have the spectre of exit data being used to ensure that people depart the United Kingdom after they have completed their studies. There is some statistically unreliable evidence about the number of students who are, apparently, illegally remaining in the United Kingdom after their studies.

Today's focus is on post-study work. There is no doubt that the other changes that have taken place have impacted significantly on English language education in the college sector across the UK and Scotland.

On Thursday 14 January, the director of higher education at the British Council said:

"it is alarming that the UK's one per cent growth is so small, when compared to our competitors."

He went on to say:

"There is now a clear trend of the UK's global market share declining compared with other countries, and we need to take urgent steps to address, and stem this decline."

Universities and other organisations are saying that the growth that we are seeing is extremely small. It is 1 per cent during a period when there should be much more significant growth in the migration of talent to the UK and Scotland.

The Convener: Would Mary Njoki like to give us some information on that, too?

Stewart Maxwell: I was just going to ask a final question that others could answer, too.

The Convener: On you go.

Stewart Maxwell: Given what you have said and the evidence that has been submitted to the committee, is it your opinion that there does not seem to be any likelihood in the short to medium term of UK policy changing to what it used to be? If that is your view, is it the case that Scotland needs to have its own system in place that would, in effect, enable us to attract foreign students in the way that we used to, and would give us a competitive advantage over some of the other competing English-speaking countries?

The Convener: Just before we go on, I want to correct myself. When I said Mary Njoki, I meant Lucy Flynn.

Stewart Maxwell: I assumed that that was what you meant, but the question would apply equally to both.

Alan Mackay: I will cover this quickly and maybe it is something to return to—yes, we should be looking at options. There are options available in relation to matching up people to specific skills shortages in Scotland. Practical measures can be taken and we have already heard about some of them from employers and legal firms that have submitted evidence to the Scottish Affairs Committee.

There are new ways to approach this. For example, landlord right-to-rent checks start next week. They involve landlords checking the immigration status of people who are in the UK and whether they can get access to housing in

England and Wales. There are severe penalties if that status has not been checked. As regards where people go—if they are staying on in Scotland or possibly not staying on in Scotland—there are measures that would serve to stop that happening, including income tax codes and biometric residence permits that could clearly state that somebody's permission to work is within a specific part of the UK.

Both for the UK and for Scotland, we need to look at clear options for a targeted and focused approach. We need an approach that benefits not just Scotland's universities and colleges but our economy. We also need to think about where businesses tend to invest. If we look at some of the most successful cities and environments across the world, we see that big businesses invest where there is an immersion of global talent, because they know that they can get access to high-value talent.

Simple, practical steps could be taken if there was the will to look at some of those options. There are options that could be explored for Scotland and at the UK level. We have a wealth of evidence on what that approach might look like.

Stewart Maxwell: I have a question for Lucy Flynn. Given that it looks as though we cannot have a UK scheme that involves post-study work visas, would the further education sector welcome a Scotland-only work scheme?

Lucy Flynn: We would welcome it and we would like to make the case very clearly that higher national diplomas should be covered by any post-study work visa scheme. They should be seen, as I have said, as a qualification in their own right. They are developed in conjunction with employers, so we know that students who go into employment with a higher national diploma are well qualified to help meet the needs of the job market in Scotland. They also act as a feeder into universities.

The Convener: Alison, do you want to begin asking Maulin Buch and Mary Njoki questions?

Alison Johnstone: Yes, thank you. I will direct my questions to Mary and Maulin. I should say on the record that Mary and I have met previously. Mary first contacted me to ask me to come and join the Kenyan Scots community in planting trees. She does a lot of work to promote cultural cohesion and community cohesion. I have met her subsequently learning to throw the javelin at Meadowbank—

Linda Fabiani (East Kilbride) (SNP): That is a bit worrying. [*Laughter*.]

Alison Johnstone: —so I think that it is fair to say that Mary has brought far more than her academic abilities to Scotland, and I am sure that Maulin has done the same. We will hear more about that later.

Could you tell us a bit more about your experiences? How did you find out about the fresh talent initiative? Was it easy to apply? What was your experience of being granted leave to remain? Could you cover those issues for us?

Mary Njoki: I came to Scotland in 2007 to study for a masters degree in social work at the University of Stirling. When I came, I was not aware of the scheme, but the international office was keen to let me know about it and how I could apply. It was important for me, because the degree itself was not directly transferable back to Kenya and I needed the experience, which I could then build on to empower my communities back home.

There was no transition available to me if I had finished the degree and tried to get into employment, because the work permit would have been quite problematic to get. I would have needed to be earning a certain salary, and I do not think that an employer would have taken me on, as they would have had no prior knowledge of who I was or what my work capability was.

The post-study work permit gave me that transition. It gave me two years to prove myself to my employer and demonstrate that I was worth going through the hassle that employers have to go through in applying for a work permit for a non-EU or non-UK employee.

I was grateful to have the opportunity to work in the UK and start gaining experience, which I felt was worth while; to continue contributing not just economically but culturally and socially; and to bring a bit of diversity to my workplace, which my colleagues said that they appreciated.

If it were not for the fresh talent scheme, I would have had to leave the UK immediately. I did not have the points that I needed to get on the tier 1 scheme for highly skilled migrants. Unless I applied immediately to further my studies, there was no opportunity for transition. I was very grateful to have the fresh talent scheme to offer me two years to study.

10:00

Maulin Buch: I thank the committee for the opportunity to speak today. I originally come from Mumbai in India. Let me run you through the steps and give you an idea of the other side of the coin by describing what goes through a student's mind when they are choosing a university to study at.

Five years ago, I was sitting with a group of friends and we were deciding whether to go and do further study. I said to my friends, "Look, I'm going to do a masters outside India somewhere,

as I need the experience." My friend said to me, "Oh yes, I'm doing the same." My third friend was sitting silently, and he said, "You're not discussing where you're going and what you want to do." We looked at him and I said, "Of course it's the UK—it's a no-brainer." The reason that he said that is because we know that the quality of the universities in the UK is high, the legacy is great and the reputation is fantastic. Deciding to choose the UK was not a problem, but choosing a university in the UK was the point at which the research started.

I will give you a little background and perspective on how we go through the steps of choosing. First, we look at the tuition fees. I did my masters in strategic marketing at the University of Glasgow in 2010. The fee was £12,000, which equates to 1.2 million rupees. We then look at accommodation and at what the public transport and the cost of living are like. We consider all that. My accommodation was £450 a month: that is at least 45,000 rupees a month, which is more than the average wage in India.

We then look at living expenses, because we do not come here without any financial cushion in the background. We come with £2,000 extra, which is at least 200,000 rupees. We also bring £1,000 to cover miscellaneous expenses. That all adds up, even before entering the country, to about £20,400, which equates to more than 2 million rupees. That amount would buy a house somewhere on the outskirts of Mumbai, so you can imagine that the decision to come here to study involves a great emotional and financial investment. We do our research strongly—we do not just choose somewhere and arrive. Our research has to be strong and we have to look at what the offer is and at what kind of support is provided before and after the course. It is about not just the course, but the ecosystem of learn, build and apply. It has to be about that.

When I arrived at Glasgow university in 2010, I knew for a fact that after university I would get my post-study work visa. I knew that before I even came to the country, and that was a major point in my decision to come to the UK, and especially to Glasgow university. I knew that after the course I would get two years of stability and, through that, if I was capable and skilled enough, I would probably get a job.

In choosing a university, we look at four important points. We look at the quality of the course that is offered and the reputation of the university. The third—and most important—point is the kind of support that we get before and after the course. That is key for a student who is investing such a huge amount in going to university, travelling 7,000 miles away from home and arriving in the country alone. It is a very nerve-wracking and scary situation.

The fourth point is the kind of experience that we can get after the course, including whether there is support and fair and balanced administrations where we can broaden our horizons. All that is taken into consideration. I have been lucky enough to pass through the student visa and get a post-study work visa. I am currently on a tier 2 visa. I work for an employer based in Coatbridge. It is a small and medium-sized enterprise, and it is a good company. My employer had to apply for a licence before I could be given a tier 2 visa. My performance in my job has been fine, but there are hurdles and complications. As a result, there may be a situation in future in which, in spite of me entering the Indian market now and probably creating 10 new jobs in North Lanarkshire, I might have to pack my bags and leave just because there is a certain threshold in place.

All that comes into play. It is the whole ecosystem of learn, build and apply. At the moment, the UK is offering "Learn here, build and apply elsewhere". With such a large amount of emotional investment, you have to take into consideration that we will do our research, and we will go to a place that has a better offering.

The Convener: That is very helpful.

Alison Johnstone: Is it absolutely clear that if you had not had the guarantee that you would be able to continue here, your choice would have been to go elsewhere?

Maulin Buch: I would not be sitting in front of you today if the post-study work visa had not been there. I knew for a fact, before I entered, that it was available. That was a key factor for me.

Alison Johnstone: I ask both of you: did you have enough support in form filling—in getting your head around the bureaucracy? Was there enough assistance? Was the process made as straightforward as it might have been?

Mary Njoki: The university's international office was very supportive in the process of applying for the fresh talent scheme.

Like Maulin, I had spent a lot of money—nearly £50,000—on studying in the UK. I think that that is why it is important for the student to feel that they are getting something back and not to have to pack their bags and leave immediately after qualification.

Maulin Buch: I have been very lucky to come across very fair institutions such as Scottish Enterprise and TalentScotland, which have helped me along the way to understand the process. They have been able to help me with the paperwork and to give me legal advice if needed, and they helped

my employer to get the tier 2 licence. There have been institutions such as Scottish Enterprise and TalentScotland that have been extremely supportive, and I applaud the fairness and the balance of the administrative support that is available here.

Of course, before coming here, I knew that there was a Scottish Enterprise and a TalentScotland in place, so that if I ever needed some kind of support outside the university, it would be available. Again, that was a key factor in my choosing to come to the University of Glasgow.

Therefore, there are institutions that have helped and supported me along the way so far.

Alison Johnstone: Thank you.

Rob Gibson (Caithness, Sutherland and Ross) (SNP): Good morning. I wonder whether Mary Njoki had the same experience. Would you give us more detail about the kind of support that you had in order to move from getting your qualification into work? Doing a master of business administration or a postgraduate degree is different from doing a fundamental degree, because it means that you have to move on, and we have heard about the difficulties of moving from one to the other. What sort of support did you have, apart from the support from the international office?

Mary Njoki: To get to the fresh talent scheme, the only support that I had was from the university, but then there was the process of getting my work permit. By then, I had had two years over which I had tried to show that I could do a job and that I was competent in the job that I was doing, so my employer was very supportive with my application for the tier 2 visa, which is the work permit. They had somebody who had had specific training from the Home Office on what is required and on the obligations and responsibilities, but for a big chunk of the paperwork, it was still for me to go and research online to find out from the Home Office website what the process is. There were a few tick boxes that the employer needed to do, and it was their responsibility to go through that process. Both the university and the City of Edinburgh Council—where I currently work—were very supportive.

Rob Gibson: Am I correct in saying that, as you moved towards social work, you got some support from your potential employer?

Mary Njoki: Only when I was already in employment and had worked for two years. If I had not had the fresh talent visa, I would not have been able to get anyone to take me on, as a student who had not worked for an employer for some time.

Rob Gibson: Thank you.

Maulin Buch: With regard to the support that I have received, I have been very lucky. I got my job through the TalentScotland graduate programme. That is the job that I still have, in the same company.

As well as receiving support in that way, after I wanted to move from a post-study work visa on to a tier 2 visa, I needed to know what the requirements were, what kind of paperwork was needed, what an employer had to do on its end and what kind of legal assistance was required, and Scottish Enterprise and TalentScotland supported me with every single point that needed to be checked. They told me exactly what was needed, and once I had got the paperwork ready, they told me whether it good enough.

All that kind of support gives you a certain peace of mind and puts the employer at ease, because they do not need to get flustered about the complications and the paperwork that they need to get ready at their end. Having some kind of support from a competent outside consultant who helps you through the process gives all parties peace of mind and makes it easier to move forward.

Rob Gibson: I have a supplementary question for Alan Mackay. I was thinking of our local university, the University of the Highlands and Islands, where you can move from certificates through to PhDs. Is the same cut-off between an HND and a degree a problem for students at UHI?

Alan Mackay: No. The difficulty is moving from the college sector up to degree level. The progression is still available, but there are very strict requirements around academic progression. If you are not progressing across or up through a course on to different levels of study within the university, there are problems and students would need to return home.

That is okay. We have fought long and hard as a sector in Scotland to show that there are differences in Scotland in terms of the length of time that you spend here as an undergraduate and also for professional programmes. We did a lot of work with colleagues across Scotland to ensure that we protected that, because that was not straightforward.

It is that progression from a college English language course and then on to university that is much more problematic. An international student in a Scottish college would have fewer rights now than they previously had before the changes. Many changes—not just those to post-study work—have been introduced.

Stuart McMillan (West Scotland) (SNP): My first question is for Mary Njoki. Was the fresh talent initiative a factor in your choosing to come to Scotland?

Mary Njoki: I was doing my degree in London, so that was not the reason that I chose Scotland; I came because of the beauty of Scotland. When I came, I was told about the fresh talent scheme and that is why I stayed. Although the scheme was not the reason why I came to Scotland, it was the reason why I stayed in Scotland.

Stuart McMillan: You should get a job with VisitScotland.

Maulin, you said that you knew that you were going to be staying in Scotland afterwards. What was the process for that and how was your ability to stay here guaranteed?

Maulin Buch: After the course?

Stuart McMillan: Before you came. You said that when you were doing your research before you came to Scotland, you knew that you were going to stay afterwards and that that was guaranteed.

Maulin Buch: When I was doing my research, I found out about the post-study work visa process, which guarantees your stay in the UK for two years and therefore allows you to find a job to develop your skills. I knew that before I entered the country, and it supported my decision to choose the course and the university that I did choose. Everything worked out for the best; Scotland has been great and I have no regrets whatsoever.

Stuart McMillan: My final question is for both of you. The current post-study work visa situation in the UK is not helpful. Do you have any recommendations for the committee and for politicians across the UK on what you believe should be the way forward?

Mary Njoki: The ability to contribute to the UK's economy was a great opportunity that I was offered. Many students would choose to come to Scotland if they could have those two years to make a transition, either to go back home or stay and find an employer who would apply for a work permit for them. It is a great incentive to increase the number of international students, who not only contribute economically after they study but pay tuition fees. It would be very good to bring the scheme back, because it has benefited so many students, including many of my friends, and I certainly recommend that you do so in Scotland, if not in the whole of the UK.

Maulin Buch: For me, it was also an emotional thing. Many students who want to consider the UK as a study destination contact me and ask what the situation is like and whether I have any advice for them. I try to give them a fair picture of what is happening right now and what might happen in the future.

10:15

What they tell me, and what bothers me the most, is that, as Alan Mackay mentioned, the UK seems to be a little bit unwelcoming right now. For me, that is the most damaging thing. My recommendation to the committee would be to consider the emotional side of things, not just the financial and economic side. Increasingly, students feel that the UK is becoming unwelcoming. I know for a fact that UK universities are among the best in the world, but if they are to remain among the best in the world they must be open to the world. Right now, they are building walls, and I do not know how long the quality aspect of their legacy will remain in the minds of students who want to come here to study. The emotional side of their legacy needs to be preserved as well.

Stuart McMillan: Finally, I want to make a point, not ask a question. Having studied in France, Germany and Sweden, I whole-heartedly recognise the very strong point about the emotional side of things that you have just put on the record.

The Convener: Maulin Buch mentioned pay thresholds, which is a subject that Malcolm Chisholm is interested in.

Malcolm Chisholm (Edinburgh Northern and Leith) (Lab): Are you concerned about the Home Office's plans to introduce a pay threshold of £35,000 for non-EU migrants? Do you think that that might further deter students on any future scheme from remaining in the UK and working on a tier 2 visa or, indeed, any other visa?

Alan Mackay: I am happy to pick that up. The Migration Advisory Committee, which was tasked by the Government with looking at ways in which tier 2 could be further restricted, has in the past couple of weeks come up with a set of recommendations that include increasing the pay threshold to just over £23,000 for switchers—in other words, tier 4 graduates moving from tier 4 into tier 2. That would move the minimum salary threshold up for new entrants into that category. The committee also recommends introducing a tax on talent in the form of a £1,000 surcharge on every employer who seeks to take on an international student or migrant. When the Russell group of the UK's front-end research universities, of which the University of Edinburgh is a member, looked at the issue, it found that that would cost over £7 million a year. It would be, in effect, a tax on talent.

Further changes that have been recommended by the Migration Advisory Committee include subjecting students moving from tier 4 to tier 2 not just to a higher salary threshold but to the resident labour market test, which they are exempted from

at present, and subjecting international graduates who move from tier 4 to tier 2 to the cap that exists there. That would lead to pretty significant pressure on that cap and would represent a further tightening of what are already quite restrictive routes. The Home Office figures show that, if you add up all the routes and possibilities for students graduating in the UK, the number that we are talking about is 5,867—and it is declining. It is a small, restrictive number, and if the Migration Advisory Committee's recommendations are implemented, as well as the move to the £30,000-plus threshold, there will be an even greater tightening of an already less competitive package.

The Convener: Are you happy with that answer, Malcolm?

Malcolm Chisholm: I would be interested to hear about Mary Njoki's and Maulin Buch's experiences of the transition to a tier 2 visa and how their experiences compare with the position that future applicants face.

Maulin Buch: Being practical and realistic, I think that, right now, it is next to impossible for a small or medium-sized enterprise to meet the recommended thresholds. That is the honest answer—and I can say that with the utmost confidence, having gone through the process myself. When I went from tier 4 to tier 2, there was already a threshold in place and my employer had to increase my wage in order to meet it. Fortunately, on the basis of my performance and my employer's faith in my doing better in future, he was willing to increase my wage to that point before going on to get the sponsor licence that allowed me to move to tier 2.

Today, with the thresholds that are in place, my employer simply cannot afford to keep me on—and it would be wrong of me to expect my employer to pay me such wages. Despite everything being perfect, I will probably have to give up my job and go back home. How damaging is that to an individual's future career? At the same time, an employer who is completely comfortable with and has confidence in one of his employees is having to break the relationship. That is just not right.

Mary Njoki: Mostly what happens is that lots of goalposts get moved. You try to reach one goal and get to a salary threshold but just when you are about to reach it, the Home Office changes the rules. In the 10 years that I have been here, the process of trying to move with the goalposts when they get moved has been a very emotional one. You have to jump through hoop after hoop, and the process is quite tedious.

Malcolm Chisholm: That is fine. Thanks.

The Convener: I want to ask about what is called the shortage occupation list. What impact will the further restrictions have on that? Which skills areas in the Scottish economy are most likely to be impacted on? Does anybody have a feel for that? I understand that the area of IT is particularly affected, but I want to make sure whether my hunch about other areas is right. I do not know whether Alan Mackay can pick up on that.

Alan Mackay: What you will see, certainly with regard to international students graduating from Scottish universities, is a further tightening as a result of the increasing salary thresholds; the tax on talent particularly for small to medium-sized enterprises, which are the backbone of the Scottish economy; and the compliance regime that they have to deal with. When I looked at the issue, I could get only Home Office figures, but I found that 672 employers across the whole of Scotland and Northern Ireland are actively using certificates of sponsorship through tier 2. There is a question whether employers, too, are finding the process attractive. Clearly, companies are not engaging with it, particularly small ones, which have to take hugely expensive legal advice and trail through hundreds of pages of documents to ensure that they are complying with all the regulations. The sign-up for that sector seems to be very small.

As for the shortage occupation list or the resident labour market test, subjecting students to that as well will further restrict the ability of that talent to remain in Scotland in the areas that have been identified as skill shortage areas. One report, which I need to look at again, has identified in Scotland skill shortages in digital information communications technology of about 10,000 posts a year that cannot be sourced locally in Scotland or the UK.

The Convener: A couple of members want to ask questions. Linda Fabiani has a specific question about South Lanarkshire College, and Mark McDonald wants to ask about consultation issues. Just to give Lucy Flynn a chance to contribute here, I will get Linda Fabiani to ask her question first.

Linda Fabiani: Lucy, I wonder whether you can clarify a couple of points in your written evidence to give us a broader understanding of them. First, your submission says something that I think you referred to earlier, which is that

"policies about International students in regard to colleges are less favourable".

As well as hearing more about that, I would like a wee bit more information about the opportunity for these students to work while studying. Although that is as important as the opportunity to work post study, I know that it has been a difficult issue for colleges.

Finally, can you expand on the point in your written evidence that

"'embedded colleges' i.e. private providers ... are treated differently and more favourably under the current rules than publicly-funded colleges"?

Lucy Flynn: The point about embedded colleges is that, as we have said, international tier 4 students who study at a further education college, even if they are on a higher education programme, are required to leave the UK when they complete their higher national diploma in order to articulate on to a degree at a university. However, students studying at a private provider that is attached to a university are not required to do the same, which means that they do not incur the costs of returning home and do not have to show again that they have maintenance funds. An international student must demonstrate that they have had over £9,000 in their bank account for 28 consecutive days within a 30-day period of making their visa application, which is a large undertaking for such students.

Linda Fabiani: Before you move on to the other two questions, can you clarify the reference in your submission to "INTO and Kaplan"? I do not really understand what they are.

Lucy Flynn: They are providers that are attached to universities, but they are not the university itself, and they prepare students who perhaps do not have the entry qualifications for university to immediately start studying there. An entry qualification for a university might be an IELTS—or international English language testing system—score of six, and an international student might not quite meet that requirement. Many such students choose to study at a further education college to prepare themselves for university, but some choose to go to a private provider that is attached to a university, because it is easier for them to go on to study a degree at that university.

Linda Fabiani: So that is a clear example of a difference in how the institutions are treated.

Lucy Flynn: Yes.

Linda Fabiani: We should perhaps look into that interesting issue a bit more, convener.

My other question was about the issue of working while studying.

Lucy Flynn: That is just another example. I know that I keep coming back to this, but international students who study at a further education college are actually studying higher education programmes—they are studying higher national diplomas, which are equivalent to the first two years of a university degree. However, they do not have the right to work while they are studying in the UK, which means that they have no means of gaining work experience other than on a work placement that is an assessed part of their course of study.

Linda Fabiani: Does that mean that they are disadvantaged in their study because they are not allowed to do a work placement, or that they end up having to work for nothing?

Lucy Flynn: No. If a work placement is already part of their programme, they are allowed to participate in that, as long as it is not more than 33 per cent of the programme. They are not allowed to have a weekend job, for example, or to work 20 hours per week to support themselves while they are in the UK, as a university student can do. That also disadvantages them in the sense that they are not practising their English and integrating into the community in the way that people might have done before the rules changed. It disadvantages them in many ways.

Linda Fabiani: Is that another direct difference between college and university students?

Lucy Flynn: Exactly so—yes.

Linda Fabiani: You said earlier and in your written evidence that, in your college—obviously, you can talk only about your college—the population of international students has reduced year on year. You have gone from 150 international students in 2011 to one this year, which is a huge drop. What is the bottom line of that for your college?

Lucy Flynn: Obviously, there is a huge reduction in fee income, but I stress that, for a college such as ours, the issue is not just about the money. Having international students is really important for our UK-based students, who may not otherwise have the opportunity to work, study and socialise in a multicultural environment. The ultimate aim of our college is to prepare students for the world of work and to be global citizens so that we enable them to be socially mobile. That is what we are trying to do. Really, those students are being disadvantaged, too, because they do not have that opportunity.

Linda Fabiani: That leads me on to something that I was going to say. We all know that, of late, colleges have been focused on full-time courses that lead to the world of work. It seems to me that different policy levers are contradicting each other rather than working together. On the one hand, the Scottish Government is focused on work and economic growth and on colleges helping with that but, on the other hand, the Westminster Government has no recognition of what Scotland requires on that. Between that and the earnings thresholds, which do not always apply in Scotland, the policies are very much working against each other. I suppose that leads back to the question whether there should be a specific scheme that

suits the conditions of the education sector and the economics of Scotland.

10:30

The Convener: Is that a question or a comment?

Linda Fabiani: It is a question. Is it an issue on which our panellists could comment on? I have one little thing after that, convener.

The Convener: It will have to be little. Does anyone want to say anything about that?

Lucy Flynn: I tend to agree. As Maulin Buch and Mary Njoki have said, post-study work was a huge factor in their decision on where to study. If our ultimate aim is to get people ready to go out into the world of work but we do not allow them that opportunity at the end of their programme, we are not fulfilling that aim.

The Convener: Linda, what is your tiny supplementary?

Linda Fabiani: Maulin Buch talked about when he was sitting with his friends discussing where they should go to study. That was important. Linked to that were Lucy Flynn's comments about network marketing, which was about students going home and telling their experiences. I wonder whether we are seriously in danger of damaging our prospects unless we do something about the post-study work issue.

Maulin, do you feel that, although we had a wonderful way of marketing courses, because students had good experiences and went home and told people about them, that has been taken away and we will suffer in the medium and longer term as a result?

Maulin Buch: I can sum up my response in one sentence: five years ago, for me, being educated in the UK was an investment; today, for an Indian student wanting to come here, being educated is a cost. That is the difference—it is no longer an investment; it is a cost. After spending such a big amount of money, people can stay here for only one year. They are not given a fair chance or an opportunity to stay on and see what they can do after their course. That does not justify the costs and the efforts. It is more of a cost than an investment, and that is the danger.

Alan Mackay: I agree with that and with Lucy Flynn's point. If you go back a bit, Winston Churchill made an interesting and slightly prophetic statement in 1943 at Harvard when he said:

"The empires of the future are the empires of the mind."

More and more countries and cities across the world recognise that the issue is not just about the balance of power but about the balance of brains. Overseas talent, and the ability of Scotland's universities and colleges to get that talent, have a huge role to play in that.

I said in my submission that we have a global race for talent. People have choice like they have never had choice before. The issue is critical not just to universities and colleges but to Scotland's economy and workforce and to jobs in Scotland. It is that simple. It is not just the panel here and universities and colleges that are saying that; it is Scottish businesses, employers and academia—I could go on.

On the balance of brains and the balance of power in the public policy sphere, more and more Governments and city authorities across the world are looking closely at taking a more integrated approach on high-value education, talent and migration.

Mark McDonald (Aberdeen Donside) (SNP): I offer an apology to Maulin Buch and Mary Njoki, because my questions will be generally for Lucy Flynn and Alan Mackay. However, their evidence has been good and strong—it has been superb.

I want to read a couple of quotes from the recent UK Government statement and David Mundell's evidence to the Scottish Affairs Committee. The statement said:

"The UK has an excellent post-study work offer for graduates of Scottish universities seeking to undertake skilled work in the UK after their studies."

Mr Mundell followed that up at the Scottish Affairs Committee when he said:

"As I said in the written ministerial statement, the UK Government believe that such schemes already exist and indeed, as the Prime Minister said, are world-beating."

Is that a reflection of reality?

Alan Mackay: I will go first. As has been said, in Australia, a student can stay up to four years after they finish their studies; in Canada, a student can stay for the same length of time as their programme—for example, a person will have four years after completing a four-year degree; and, in the United States of America, the Department for Homeland Security this week was lobbying to extend the optional practical training programme for post-study work to up to three years, and it has been given an extra couple of months to look at how it would do that.

Home Office figures show that, in the whole of the UK in 2015, there were only 330 successful entrants into the doctoral extension scheme, which means staying for one year after completing a PhD. The latest figures I have for the graduate entrepreneur route, which are from 2014, show that only 560 people took that route in the whole of the UK. In 2015, 5,500 progressed through tier 2.

Totting up the numbers from all the different routes, that is a very small number compared to the 310,000 to 320,000 non-EEA students who are currently studying in the United Kingdom and who are able to progress on those routes.

The situation affects not only students but employers. The employer uptake is small. The process is cumbersome and bureaucratic for the small to medium-sized enterprise sector, which is the backbone of the Scottish economy.

If we look at the hard figures and compare the offer here to what is on offer elsewhere, we see that it is not as competitive as other offers that are on the table. We have heard an eloquent description of the choice and the detailed research that students do prior to making what is a significant emotional and financial commitment to study thousands of miles away from home.

Mark McDonald: So, it is world-beating apart from lots of other countries.

What consultation took place with colleges or universities in advance of the decision to remove the post-study work visa?

Alan Mackay: There was no consultation. Lucy Flynn and I, as well as many colleagues across the education system in colleges and universities, were left to deal with the situation. We were at the front end when the post-study work visa was removed with almost no notification. We had to talk to students and their dependants, acknowledging that, for many of them, the decision to come to Scotland, although based first and foremost on quality of education, was also largely predicated on the offer of the fresh talent scheme—the tier 1 scheme, as it was. We had to tell them that, although it was not our decision, we were sorry to say that they were no longer able to take advantage of that scheme.

You can imagine the result of that. We did not exactly win many friends. We were at the front end of the ire, to put it diplomatically. We effectively pulled the rug out from under people's feet. That would have left a particularly sour taste in the mouths of the students who had to leave Scotland, having come here with the reassurance that that option was available to them. That option was pulled part-way through their studies.

Mark McDonald: Does Lucy Flynn have anything to add?

Lucy Flynn: I do not recall any consultation. It was a huge loss to us as an institution. More importantly, it was a huge loss for our students. The vast majority of students studying on our programmes went on to the post-study work visa. Some of them then went on to other tiers, and many of them used that as an opportunity to work and save money, and then go on to university. We are missing a trick.

Mark McDonald: That ties in with the evidence from Maulin Buch about the investment that people have put in to come to Scotland, predicated on the basis that they would be able to stay after their studies. The Smith commission had a clear recommendation on post-study work visas, and its conclusions are now over a year old. Has there been any contact or consultation with Scottish institutions from the UK Government following the Smith commission's recommendation on post-study work visas?

Alan Mackay: I have received nothing directly. The only connection that we have had on post-study work was the Scottish Government's post-study work group, which has met with cross-party representation. We have been part of that through the university, and through sector organisations such as Universities Scotland.

Mark McDonald: Lucy Flynn, was there any contact with the further education sector?

Lucy Flynn: No—there was no consultation.

Mark McDonald: That is interesting. Thank you.

The Convener: We have had a wide-ranging discussion. Unless there are any new areas that members want to open up, I think that we have come to the end of the item.

Stuart McMillan: Convener—

The Convener: I need to move on, Stuart. How quick is the supplementary?

Stuart McMillan: It is very quick.

The Convener: Right—it has to be, because I want to finish the meeting by 10.45.

Stuart McMillan: It is based on Alan Mackay's comments and the submission from Universities Scotland—I will just see if I can find that. Earlier, Mr Mackay spoke about the economic boom and the lack of growth in student numbers, and the Universities Scotland submission notes that, too. When we consider what is going to happen over the course of the next couple of years, including the changes in the Chinese economy, how will the university and college sectors in Scotland be affected by what is going on, if there are no policy changes?

The Convener: That was short and snappy.

Alan Mackay: By 2030, four countries in the world—the United States, China, India and Brazil—will account for more than 50 per cent of all global tertiary enrolments. There is polarisation going on. That was referenced in the written evidence from Universities Scotland. We need diversity from a range of nations. There is strength

in diversity with regard to education institutions bringing in the best people from across the world. Polarisation is occurring, and we need to consider mitigation in relation to that.

There is a direct impact on universities and colleges in terms of the fees that students might pay, but there is also a direct impact on the internationalisation of our laboratories and lecture theatres and on the quality of our output. We want to work with the brightest and the best from around the world. We make that more difficult at our peril.

To sustain world-leading research and teaching, we need to be able to attract the best and brightest from across the world. Ensuring that we have a competitive package that enables people from a range of countries to come to Scotland to attend colleges and universities is critically important.

In my submission, I note that, in the past couple of years, there has been a decline in the numbers of students from eight of the top 10 sending countries outwith the EU. Higher Education Statistics Agency research shows that, at UK level, there has been only a 1 per cent increase overall. There are direct implications for colleges and universities, and also for Scotland's economy and jobs if the situation continues to go in the direction that it is going.

The Convener: I am sorry, but I have to curtail the discussion at that point, as we need to finish the public part of our meeting by quarter to 11 and we still have one more item to get through.

I am grateful to the witnesses for coming. The evidence that we have heard has significantly built on the written submissions, and some of it was compelling and interesting. I am grateful to Maulin Buch and Mary Njoki for bringing the issues alive for us, and to Lucy Flynn and Alan Mackay for giving us information on the technical issues.

Parliamentary Scrutiny of Intergovernmental Relations

10:43

The Convener: Item 2 concerns the committee's visit to Spain. I was going to say a few words about it but, given the time, I will defer those comments. Duncan McNeil might want to say something.

Duncan McNeil: I just direct members to paragraph 30 of paper 4, which provides a great summary of our findings. It says:

> "the meetings we held in Spain reaffirmed our view that implementing the principles of transparency and accountability in the inter-governmental processes which will underpin the further devolution of powers proposed in the Scotland Bill is not only necessary but also eminently achievable."

That is what we found out in Spain. Many of the things that we have been thinking about during our evidence sessions are confirmed by the Spanish experience. It was heartening to see that Spain has overcome the difficulties and has applied processes to deal with new and evolving situations.

The Convener: The key bits for me are in paragraphs 16, 17 and 18, which note that the Spanish constitutional court works alongside the bilateral committees and says that, if people feel that something is not operating correctly, they can take the issue to the constitutional court. The Cortes Generales can go directly to the court, and the autonomous bodies have to go through a more elaborate process. Paragraph 18 describes well the key learning around the transparency that exists in that arrangement.

The committee will meet again next week, when we will consider an update to the Scotland Bill.

Meeting closed at 10:44.

Published in Edinburgh by the Scottish Parliamentary Corporate Body

All documents are available on
the Scottish Parliament website at:

www.scottish.parliament.uk

Information on non-endorsed print suppliers
Is available here:

www.scottish.parliament.uk/documents

For information on the Scottish Parliament contact
Public Information on:

Telephone: 0131 348 5000
Textphone: 0800 092 7100
Email: sp.info@scottish.parliament.uk