



Post Study Work Route

Summary

1. Recent reforms to the Post Study Work Route for non-EU students do not go far enough and consideration should be given to closing the route completely. Closing or restricting the ability to work after study would go some way towards making the route genuinely temporary as the University lobby claim it to be.

Introduction

2. This note looks at the development of the post study work options open to non-EU students on completion of their studies in the UK.

Students and net migration

3. Students contribute significantly to net migration by staying on after their studies; either illegally with no valid Leave to Remain, or switching into other immigration categories such as work or family. The extent of their contribution cannot at present be measured because students are not individually recorded on arrival and departure; the full introduction of e-borders (due in 2015) should provide the relevant data. Meanwhile, the data from the International Passenger Survey is no help because it does not distinguish between workers and students as they return home; this should be improved from 2012.

Post Study Work Schemes

4. In recent years the immigration rules have included schemes to allow some students to switch into work after completing their studies. However these schemes have become progressively more generous in their entry requirements.

The table below sets out the recent schemes and their requirements.

Scheme*	Date	Requirements	Time
Science & Engineering Graduate Scheme	October 2004	<ul style="list-style-type: none"> • Degree at 2:2 or above in certain maths, science or engineering subjects 	One year to stay on and look for work
Science & Engineering Graduate Scheme	May 2006	<ul style="list-style-type: none"> • Degree at 2:2 or above in certain maths, science or engineering subjects. • Masters or PhD graduates in any subject 	One year to stay on and look for work
International Graduates Scheme	May 2007	<ul style="list-style-type: none"> • Degree in any subject and any grade. • now includes those with post-graduate certificates and diplomas • masters or PhD in any subject 	One year to stay on and look for work
PBS Tier 1 Post- Study Work	May 2008	<ul style="list-style-type: none"> • Degree in any subject and any grade. • post-graduate certificates and diplomas • masters or PhD in any subject 	Two years to stay on and look for work

* Between 2004 and 2008 Scotland had a similar scheme called "Fresh Talent – Working in Scotland". It was replaced by the PBS Tier 1 Post Study Work in 2008.

5. These schemes were initially restricted to those with certain degree subjects in a certain grade who were given one year to look for work. They later became open to graduates in any subject at any grade being able to stay on and look for work for two years. The inclusion of post-graduate certificates, diplomas and masters degrees has also meant that a person only has to study for one year before becoming eligible for the scheme.

6. The expansion of the scheme's eligibility led to a dramatic increase in numbers. This is shown in figure 2 below.

Figure 2: Grants of Post Study Work - 2004-2011¹

2004	2005	2006	2007	2008	2009	2010	2011
870	3,870	5,940	15,000	40,400	38,500	39,500	40,000

Current Policy

7. In April 2012 PBS Tier 1 Post-Study was closed. Now, any graduate will have six months to look for work but to stay on further he or she will have to find an employer willing to sponsor them under the rules for PBS Tier 2 (General). This means a graduate level job that pays at least £20,000. Non-graduates studying under PBS Tier 4 can also switch in-country to PBS Tier 2 – the difference being that they don't get a six month period after studying to look for a job.

8. There is no limit on the number of students who can switch into work through PBS Tier 2 so it is difficult to estimate the effect on numbers. The Home Office Impact Assessment estimated a reduction of half those admitted in 2010, to around 20,000 but with the possibility that it could be reduced by only one third or by up to two thirds².

9. Jobs taken by foreign students are not subject to the Resident Labour Market Test (RLMT) to ensure there is no suitable resident worker.

1 The majority of grants are made in the UK as extensions of leave to remain although some grants are entry clearance visas as the students return home before subsequently applying for the scheme.

2 <http://www.ukba.homeoffice.gov.uk/sitecontent/documents/policyandlaw/ia/reform-students-pbs/ia-students-.pdf?view=Binary>

Recommendations

10. Graduate Unemployment among recent UK graduates is currently at 20%³ so there is a strong case for completely closing the Post Study Work Route. Migrants should not be entering the UK to study if their real purpose is to work and it is therefore appropriate for students to expect to return home after the completion of their studies. This would give substance to the claim by university lobbyists that students are “temporary” migrants.

11. However, there is a case for allowing the very best students to stay on and work for the benefit of the UK economy. For such talent employers should be willing to pay a premium. We therefore suggest raising the minimum salary threshold to £25,000.

12. The jobs could also be subjected to a Resident Labour Market Test to see if a British graduate is available and the scheme should be limited to those who have spent at least two years studying in the UK.

21st June 2012

3 http://www.ons.gov.uk/ons/dcp171776_234888.pdf