

Education Not Immigration



Reforming the UK's International Student Regime

Zachary Marsh

Foreword by David Goodhart



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Foreword

By David Goodhart, Head of Demography, Immigration and Integration

In a previous report I wrote for Policy Exchange I called for an immigration system which was compassionate but controlled: one where there were clear benefits from immigration for the wider public, where most migration was short term, and where the state could demonstrate that the system was under control. Against this yardstick, Policy Exchange's excellent new report is a shocking indictment on the present international student regime.

The UK's higher education sector has been allowed to evolve into a backdoor for unprecedented levels of migration that is neither beneficial, short term nor controlled. This report demonstrates that the supposed benefits of 'cross subsidy' from international fees to pay for domestic student teaching and research, so often invoked by proponents of the current system, has been greatly overstated for many universities. In fact, the lower tier institutions driving the recent unprecedented increase in international student numbers are those where the cross-subsidy is remarkably small.

Whereas international students previously came for short periods of study and then left, now 40% transition onto new visas within 12 months. In recent years some welcome reforms have been made to curb the worst aspects of the system. Yet on the whole Government and the wider university sector have failed to take their foot off the accelerator and address the perverse incentives driving unprecedented international student migration.

Amongst the principal victims of this process have been the students themselves. International students with the equivalent of a foreign language A Level in English cannot be expected to seamlessly slip into a rigorous course in the humanities or sciences. The inevitable dumbing down has undermined the experiences of their British peers and poses a challenge to the quality and reputation of our university sector.

In a classic example of the fallacy of composition our higher education sector is routinely held up as a national success story – but it is evident that not all institutions deserve to be included in this estimation.

This report should anger – and serve as a rallying call – for those of us who believe that international students, when welcomed through a robust and well-designed system, make important contributions to our universities and wider society. The principle that we want the best and the

brightest to study and contribute here remains valid. What must cease is the marketing of our universities as a backdoor to long-term migration. The failure to address this has meant we have welcomed far too many who have been incentivised to come here for the wrong reasons.

All political parties must recognise that the current system has drifted far too far in the wrong direction. Sensible solutions – such as those recommended by this report – must be implemented to ensure that our universities are once again incentivised to sell education, not immigration. Restoring control to the international student regime would serve as a vital first step to addressing popular disillusionment with both the UK's immigration system and its higher education sector.

If mass immigration and mass higher education were the rocket fuel for the economy that their proponents have long claimed then you have to wonder why we are not doing better as a country. By shining a light on the place where the two meet, Policy Exchange's report has provided an important public service.

Executive Summary

International students make an important contribution to the UK universities sector and the wider economy. In 2022 the Department for Education estimated that educational exports by the higher education sector amounted to £32.3 billion. International students cross-subsidise domestic students and research, with universities on average making 31 pence in the pound educating international students whilst losing 8 pence in the pound educating their domestic counterparts.

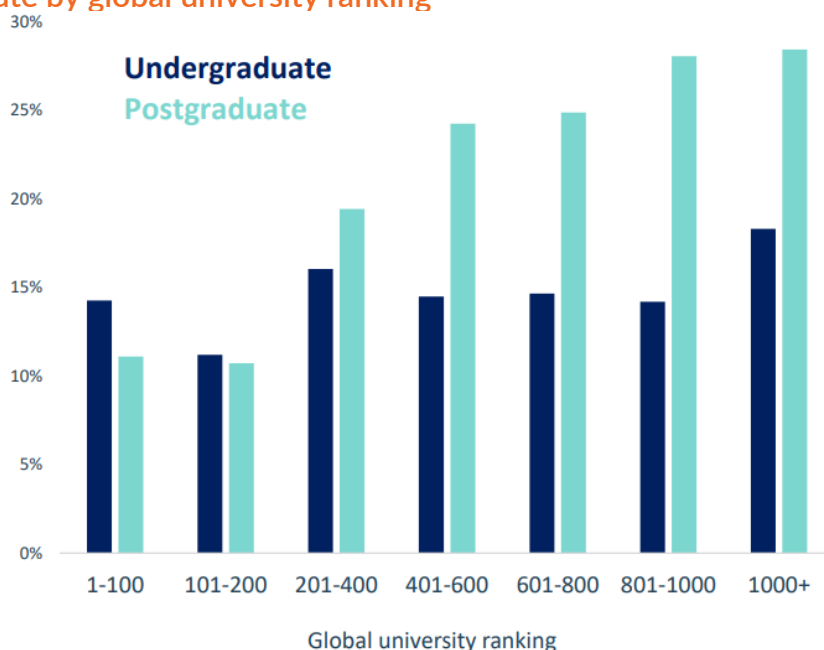
However, the current model of international student migration is not working. Numbers have increased rapidly. Between 2014/15 and 2023/24 the number of international students in the UK increased by 66%. In 2023/24 international students accounted for 14% of all undergraduates and 51% of all postgraduates studying in the UK. Since 2022 over half of international students have remained in the UK after completing their studies, up from less than 20% in 2019 and 2020.

The former Government's decision to limit the ability of international students to bring dependents has had a significant impact, leading to an 85% drop in the number of dependent visas offered within one year. The current Government's recent immigration White Paper also made some limited proposals to restrict international student migration. However, neither of these go far enough in tackling the core issue of individuals using the student visa as a route to longer-term migration.

Universities should be selling education, not immigration – yet too often studying has become a path to get to the UK to pursue work and settlement. Whilst only 3% of those arriving on student visas transferred to a different visa within 12 months in 2019, by 2023 this had risen to 40%. The number of individuals transferring directly from study visas to health and care worker visas rose by 560% between 2022 and 2023 from 3966 to 26200. 16,000 of those who claimed asylum in 2024 had arrived in the UK on a student visa – 15% of all asylum claims.

The graduate route has massively expanded the immigration gateway whilst failing to achieve its objectives. 143,900 main applicants and their dependents secured graduate visas in 2023. Rather than attracting the best and the brightest, those on the graduate route have increasingly come to study short postgraduate taught courses at poorly ranked universities. Median income for those in the first year of the graduate route is just £21,000, whilst only 30% work in graduate roles.

Figure 1: Percentage of international students using the graduate route by global university ranking



The value of cross-subsidy from international student fees has been overstated. Except at top universities, the profit ratio on international student fees is relatively small. International fees at universities ranked amongst the top 200 globally average £23,790, whilst those amongst universities ranked below 1000 average £12,513. Estimates suggest that whilst on average top universities achieve a surplus of £10,400 per international student, low ranked universities achieve an average profit margin of just £2900. The 27 UK universities ranked in the top 200 globally generate 69% of the UK total international student fee income surplus, whilst the 34 universities ranked below 600 generated just 11% of the surplus. In such cases the cross-subsidy potential for domestic students and research is far more limited.

Evidence suggests at some universities international students may be crowding out UK students. At some institutions places given to domestic students have fallen in real terms as those given to international students have risen. At Oxford University the proportion of undergraduate students from overseas increased from 13% in 2010 to 21% in 2023, while domestic student numbers fell by 8%. 15 Russell Group universities offer one-year foundation courses to international students that enable them to passport onto competitive degrees with significantly lower entry grades.

Some international students lack the English skills to effectively participate in UK universities. Although international students are expected to meet certain proficiency standards, these are set too low. Universities can also administer their own proficiency tests – with 18% reporting no prospective student had failed to pass their test. 1 in 4 UK students feel international students require more support from lecturers,

whilst 22% feel they slow down the pace of learning.

A new EU ‘youth experience scheme’ could create a black hole in university finances. EU students studying in the UK currently pay standard international fees. UK universities would lose £650 million a year in fee income if EU students once again became eligible for domestic fee rates as part of the new scheme. If the student loan and grants system was also extended to EU students £7 billion could be lent out in the first five years if EU student numbers recovered to pre-Brexit levels. This could leave the taxpayer shouldering up to £2 billion over five years in the form of unrepaid EU student debt.

Recommendations

Change is required to ensure that the UK's international student regime delivers on its core objectives, without becoming a major gateway for long term migration.

1. **The graduate visa route should be ended for all students other than those on postgraduate research degrees.** Those wishing to remain in the UK after graduating should be required to apply to different visa routes, such as the Skilled Worker visa.
2. **The English language ability requirement for those coming to study at degree level or higher should be raised from CEFR B2 to CEFR C1.** This will ensure that those coming to study high-level courses have the language skills to participate fully and benefit from their studies.
3. **Higher Education Providers should no longer be allowed to conduct their own language assessments on prospective applicants.** All prospective international students should be required to pass an appropriate Secure English Language Test (SELT) through an independent assessor as part of the application process to study in the UK.
4. **A £1000 annual International Study Levy should be introduced, to be paid directly by foreign students as a condition of their visa.** Students at the most research-intensive universities would be exempt from the levy, as their fees play a key roll in cross-subsidising valuable internationally renowned research. Revenues – projected to be over £430 million annually, could be invested into apprenticeships, into other skills provisions, or into scholarships for high achieving students from poorer backgrounds, to ensure all communities, including those not linked with higher education, benefit from the presence of international students in the UK.
5. **EU students should not be granted access to domestic fee rates or the student loan book.** Any youth mobility scheme agreed with the EU should ensure that EU students continue to pay international fees.
6. **Universities should be required to collect new data on the impact of international students.** The National Student Survey run by the Office for Students should be expanded to include a section of questions on the impact of international students on domestic student experiences. Universities should also be required to track and report on the nature and quantity of work conducted

by international students registered to their institutions whilst on student visas.

Alternative Options

In any set of policy proposals there is a balance to be struck between ending student migration as a backdoor to permanent settlement and not deterring genuine students who wish to come to the UK to study.

A Minimalist Approach

Should a Government wish to a more limited set of options could be adopted. Under such a model, the English language requirements should be tightened as in the core recommendations and EU students should still not receive access to either domestic fees or the student loan book. New reporting duties should also still be placed on universities. However:

- The graduate route could be retained, but eligibility would be restricted to international students at the most research-intensive universities, and/or universities requiring an entry tariff from domestic students equivalent to AAB or higher. The length of the graduate visa should be reduced to 12 months for those on one-year courses.
- The International Student Levy could not be introduced.

A Maximalist Approach

A Government that wished to go further could specifically seek to ensure that those who come to the UK are unable to remain after their studies except in a small minority of cases. This would be more effective at reducing immigration numbers but would be likely to deter some genuine students who could otherwise benefit the UK economy.

This model would retain the core recommendations on English language requirements, EU students and university reporting duties. It would likewise end the existing graduate route (except for those on postgraduate research courses). However it would also go further in certain areas:

- Most international students could be required to leave the UK on completing their studies, with only those at the most research intensive universities, and/or universities requiring an entry tariff from domestic students equivalent to AAB or higher retaining the right to apply to transition onto the Skilled Worker route. Others could only apply to return to work in the UK upon returning to their home country, after a 6 month wait period.
- Prospective international students could be required to undertake a commitment not to seek asylum whilst in the UK on a student visa, enabling the Government to make the case that they have entered on a false promise in violation of immigration law if they then do so.
- International students could be required to provide a £10,000

surety that they will comply with the conditions of their visa and leave on completion of their studies to prevent over-staying and abuse of student working rights. This would be forfeit if they breach the terms of their visa or if they made an asylum claim which was denied.

- The International Student Levy could be imposed on all students, without exceptions.

Introduction: Education Not Immigration

The UK's higher education system is one of the most well-regarded in the world. Professor Dame Sally Mapstone, Vice Chancellor of the University of St Andrews and President of Universities UK has argued that 'The UK's universities are one of the country's immediately identifiable strengths. They have global recognition and reach'.¹ The UK has the second highest number of top 200 universities (and the highest per capita) in the 2025 THE World University Rankings.²

International students make an important contribution to the vitality of the UK's higher education system. In their 2018 report the Migration Advisory Committee concluded that:³

'International students provide a clear economic benefit to the UK through not only their payments of tuition fees, but also significantly through amounts paid on living expenses and also expenditure by friends and family when visiting the UK. The benefits are widely spread around the UK. International students benefit the institutions where they study, cross subsidising the education of domestic students and also research.'

The Department for Education estimated that education exports and transnational educational activity by the higher education sector was worth £32.3 billion to the UK economy in 2022.⁴ In 2023 London Economics estimated first-year international students enrolling in 2021/22 would contribute £41.9 billion to the UK economy over the course of their studies, with estimated costs of £4.4 billion.⁵ On average universities make 31 pence for every pound spent educating international students, whilst domestic student teaching results in an 8 pence loss for every pound.⁶ International students also make vital contributions to the UK's world leading research at higher education providers. As such the UK must continue to embrace its role as global provider of education services.

However, it is not enough for international students to be a net contributor to UK universities. To secure public confidence the UK's international student regime must be seen to work in the public's interests and not just that of the university sector. As Policy Exchange set out in its previous paper, *Compassionate but Controlled*, 'the test for immigration is that it must benefit the average British person, not just employers and the affluent'.⁷

Most fundamentally, the purpose of student migration should be to study, not to provide a back-door route to longer term migration or settlement. Yet increasingly studying in the UK has become a pathway for

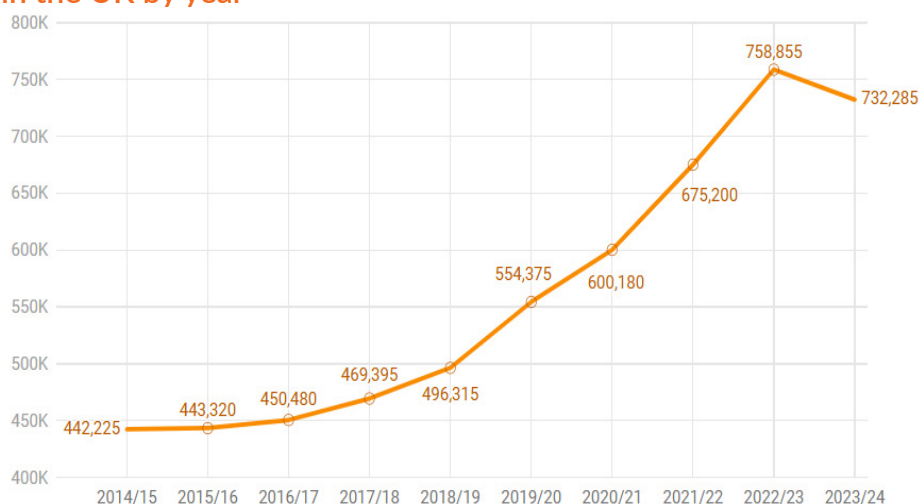
1. Universities UK, 'Opportunity, growth and partnership', 2024, [link](#).
2. Times Higher Education, 'World University Rankings', 2025, [link](#).
3. Migration Advisory Committee, 'Impact of international students in the UK', September 2018, [link](#).
4. Department for Education, 'UK revenue from education related exports and transnational education activity', June 2025, [link](#).
5. Universities UK International, 'The benefits and costs of international higher education students to the UK economy', May 2023, [link](#).
6. Migration Advisory Committee, 'Rapid Review of the Graduate Route', May 2024, [link](#).
7. Policy Exchange, 'Compassionate but Controlled', 25 November 2022, [link](#).

widespread and sustained immigration. The common perception of an international student – a person who comes here, benefits from a world-class education and then returns to their home country – is increasingly at odds with the reality. The UK higher education sector must return to the business of selling education, not immigration.

Trends in Student Migration

The numbers of international students coming to the UK to study has increased significantly in recent years. This has partly been in response to the stated ambition in the Government's 2019 International Education Strategy to increase the number of international students hosted to 600,000 a year by the end of the decade.⁸ Between 2014/15 and 2023/24 the number of international students in the UK increased by 66%, with a total of 732,285 international students resident in the UK. In 2023/24 14% of undergraduates were international students, whilst 51% of postgraduate students came from abroad.⁹

Figure 2: Total number of non-UK international students present in the UK by year¹⁰

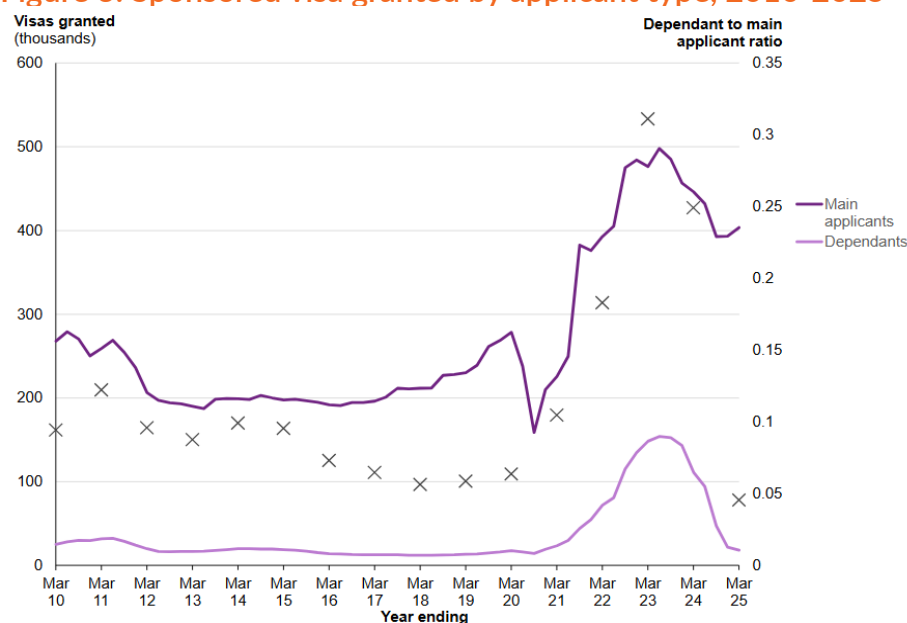


As a result the number of student visas granted each year (which replaced the tier 4 visa as the student route in 2020) has dramatically increased. As the Government's immigration White Paper acknowledged, having remained steady at roughly 200,000 student visa grants a year between 2011 and 2016, grants then increased sharply. Despite a brief dip as a result of the Covid-19 pandemic, total student visa grants to main applicants in a single year peaked at 498,000 in 2023, before falling to just over 425,000 in the year to March 2025.

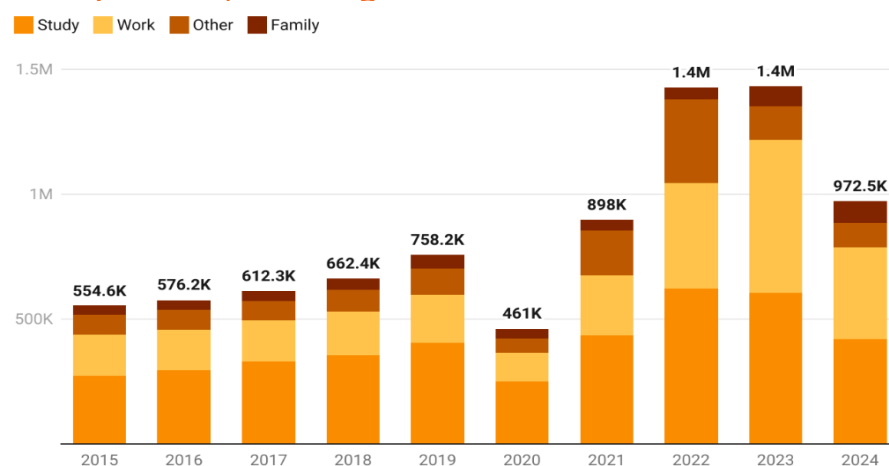
8. HM Government, 'International Education Strategy', March 2019, [link](#).

9. HESA, 'High Education Student Statistics', 20 March 2025, [link](#).

10. HESA, 'Non-UK permanent address students by HE provider and country of permanent address 2014/15 to 2023/24', 2025, [link](#).

Figure 3: Sponsored visa granted by applicant type, 2010-2025¹¹

Student visas therefore represent a highly significant portion of overall migration into the UK. Study visas accounted for 43% of all non-visit or transit visas issued by the UK in 2024.¹²

Figure 4: Entry clearance visas granted by route (main applicants and dependents) excluding visitor visas 2015-2024¹³

Created with Datawrapper

Student visas are not the only way in which international students drive migration figures in the UK. The graduate visa route, which is necessarily reserved for international students who have completed a course in the UK, has expanded rapidly in recent years. In 2021, the year the scheme was introduced, 25,862 main applicant visas and 2,376 dependant visas were granted through the graduate route. By 2023 this had risen to 114,409 main applicant visas and 29,475 dependant visas – an overall increase of more than 400% in two years.¹⁴

11. Home Office, 'Why do people come to the UK – Study?', 3 June 2025, [link](#).

12. Home Office, 'How many people come to the UK each year?', 27 February 2025, [link](#).

13. Home Office, 'How many people come to the UK each year?', 27 February 2025, [link](#).

14. Home Office, 'Analysis of migrants use of the Graduate route', 14 May 2024, [link](#).

Governments have acknowledged the challenge that international student migration poses. In January 2024 the Conservative Government announced plans to severely restrict access to dependent student visas, resulting in the rapid decline seen in Figure 2.¹⁵ The current Labour Government's May 2025 immigration White Paper proposed new rules to cut down on international student migration, including tighter accountability for universities and a reduction in the length of the graduate visa.¹⁶ Yet as this report will demonstrate, these changes, whilst positive, do not go far enough. Bolder action is required to ensure study at UK universities does not become a migration backdoor.

Pathway to becoming an international student

To become an international student in the UK an applicant must obtain a student visa entitling them to enter the country for study. This requires the applicant to meet a number of conditions. Firstly, an applicant must have an unconditional offer from a licensed student sponsor institution.¹⁷ There are 1415 such institutions in the UK, of which 193 are classed as Higher Education Providers.¹⁸ Other institutions include independent schools, public colleges and other private providers. As part of making an unconditional offer the sponsor will issue the applicant with a reference number referred to as a Confirmation of Acceptance for Studies (CAS) which must be given as part of the visa application.

The applicant must also be able to demonstrate that they have sufficient funding for their course and to support themselves, at least initially. Applicants must be able to demonstrate that they can fund their course fees for one year and can cover their living costs for a minimum of 9 months. To achieve this applicants must show they have a minimum of £1483 for living costs a month if applying for an institution in London, or £1136 a month if applying outside London.¹⁹ Applicants must also demonstrate sufficient knowledge of English. This can be done by either passing a Secure English Language Test (SELT) with an approved provider, having a GCSE, A Level or equivalent Scottish qualification in English, or having completed a degree-level qualification that was taught in English. Some universities are allowed to conduct their own English tests.²⁰

The Changing Shape of International Student Migration

Besides an overall increase in the number of international students coming to the UK to study in recent years, there have been clear shifts in the nature of this migration and the study these students undertake.

Since the UK left the European Union, student numbers from EU countries have fallen whilst those from outside the EU have increased. Non-EU international student numbers increased by 62% between 2019/20 and 2023/24.

15. Home Office, 'Tough government action on student visas comes into effect', 2 January 2024, [link](#).

16. HM Government, 'Restoring control over the immigration system', May 2025, [link](#).

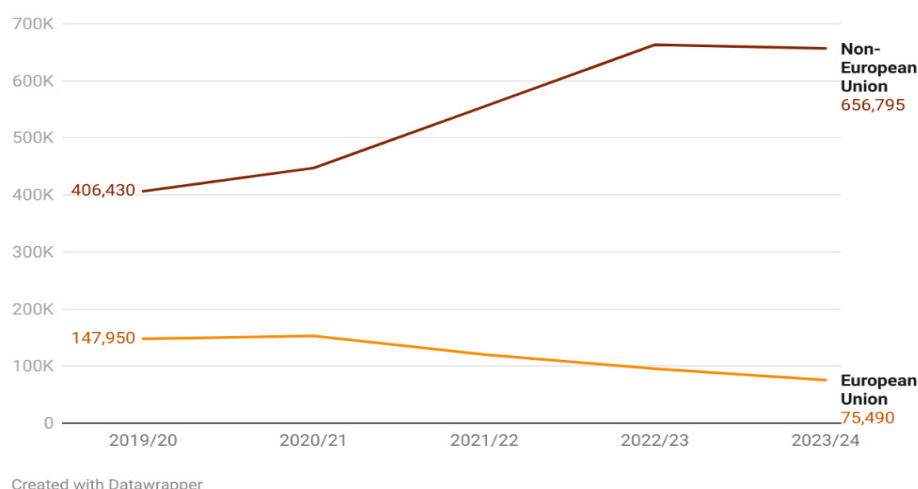
17. HM Government, 'Student Visa', 2025, [link](#).

18. UK Visas and Immigration, 'Register of licensed sponsors: students', 13 November 2013, [link](#).

19. HM Government, 'Student Visa – Money', 2025, [link](#).

20. HM Government, 'Student Visa – Knowledge of English', 2025, [link](#).

Figure 5: HE student enrolments by permanent address, non-UK students²¹



In the same time period the number of student visas issued to dependents increased dramatically. Whilst 16,047 dependent student visas were issued in 2019, this increased to 134,571 in 2022, an increase of 739%. At the same time the number of dependents per student rose from an average of 0.06 to an average of 0.28. The Migration Observatory has identified that this increase was primarily driven by international students from India and Nigeria, with both countries combined accounting for 74% of the dependent student visas issued in 2022.²²

This dramatic increase in dependents prompted the Government to make changes to the rules on dependent student visas in January 2024. Those on study visas may now only bring dependents if they are studying on postgraduate research courses or are in receipt of government-funded scholarships.²³ This significantly reduced the number of dependent study visas, with only 18,411 issued in the year ending March 2025 – 83% fewer than the previous year.²⁴ This coincided with a 13% fall in the number of study visas issued directly to students, suggesting some international students had been deterred by the changes to the rules regarding dependents. However, as Figure 3 demonstrates, this effect has not been as severe as many within the sector initially warned. Other factors – such as the 2023 Nigerian currency crisis – also contributed to this fall in student visa numbers.²⁵

In recent years there has also been a shift in the courses international students come to the UK to study. Whilst the number of international students on undergraduate and postgraduate research courses has remained relatively steady, the numbers on postgraduate taught courses have risen significantly. This shift is especially notable relative to overall student numbers in UK higher education. Whereas only 14% of undergraduates at UK universities in 2023/24 were international students, they comprised 53% of those on UK postgraduate taught courses, up from 38% in 2019/20.

21. HESA, 'Where do HE students come from?', 3 April 2025, [link](#).

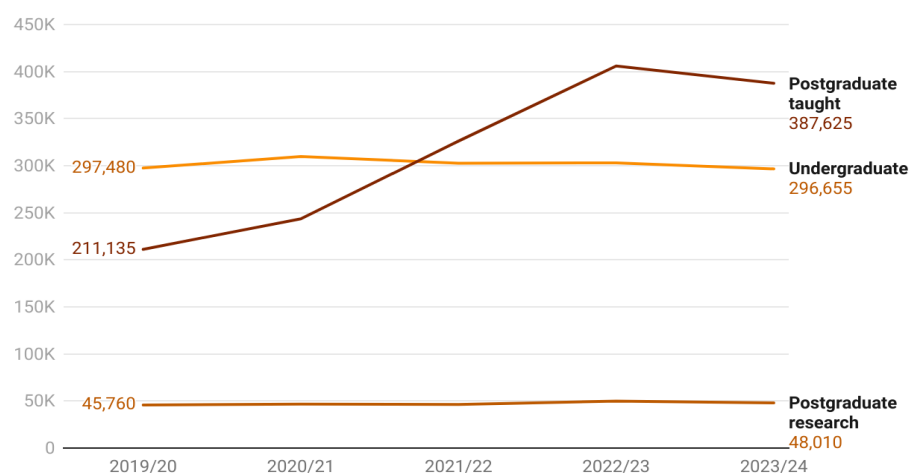
22. The Migration Observatory, 'Student Migration to the UK', 24 January 2024, [link](#).

23. Home Office, 'Tough government action on student visas comes into effect', 2 January 2024, [link](#).

24. Home Office, 'Why do people come to the UK – Study?', 3 June 2025, [link](#).

25. HEPI, 'The Canary Doesn't Look So Well: early warning signs on international student recruitment', 29 February 2024, [link](#).

Figure 6: HE international student enrolments by level of study²⁶



Created with Datawrapper

As the Government's immigration White Paper noted:²⁷

The post-COVID-19, post-Brexit increase in study visas was mainly driven by those coming to study for a master's (accounting for 65% of study visas over the last four years). The number of grants to students coming to study at master's level increased each year between 2020 and 2022 (up 150% to 315,000).

Research by the Home Office found that 37% of international students who considered studying in other countries cited shorter UK course lengths as a key factor in their decisions to study in the UK.²⁸

There has also been a sharp rise in the numbers of international students remaining in the UK after the completion of their studies. In 2019 and 2020 fewer than 20% of international students moved onto another visa route after finishing studying. However, since 2022 over half of international students completing their studies have stayed on in the UK.²⁹

26. HESA, 'High Education Student Statistics', 20 March 2025, [link](#).

27. HM Government, 'Restoring control over the immigration system', May 2025, [link](#).

28. Home Office, 'Student route evaluation (wave 2)', 12 May 2025, [link](#).

29. HM Government, 'Restoring control over the immigration system', May 2025, [link](#).

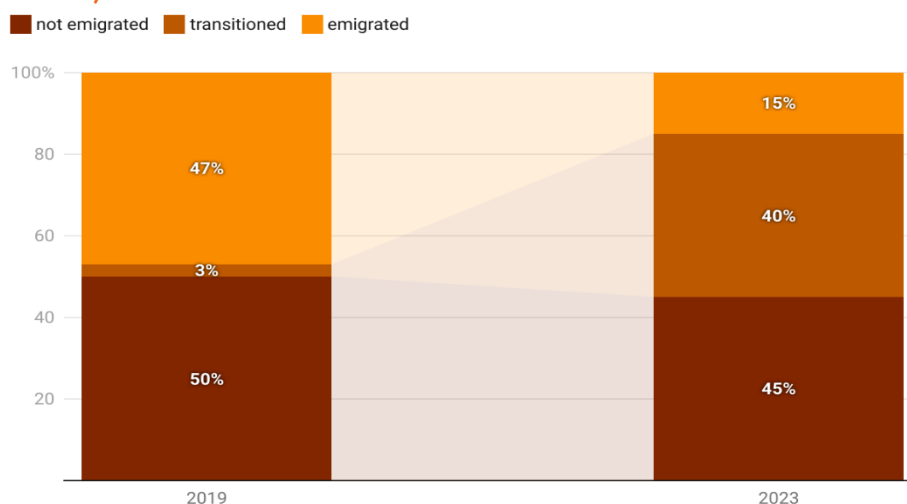
Study as a Route to Work and Settlement

International students make an important contribution to the success and sustainability of the UK higher education sector. Those intending to come to the UK to access a world-class education should always be welcome. However, growing evidence suggests that in large numbers of cases studying in the UK is being used as a backdoor to accessing work and potentially settling long term. It is vital that the UK higher education system does not enter, inadvertently or otherwise, into a culture of selling immigration to students more interested in the working opportunities studying in the UK unlocks than in their courses. This is not only important in principle to retain public confidence in both the international student regime and the university sector, but to ensure that the student visa does not become an established route to permanent settlement for large numbers of migrants.

Transitioning to other visas

In recent years there has been a growing pattern of those on student visas transitioning to different visa types within one year of arriving in the UK. This has coincided with a steep drop in those on student visas leaving within one year.

Figure 7: Proportion of those on study-related visas transitioning to another visa type within one year, by year of arrival (year ending in June)³⁰



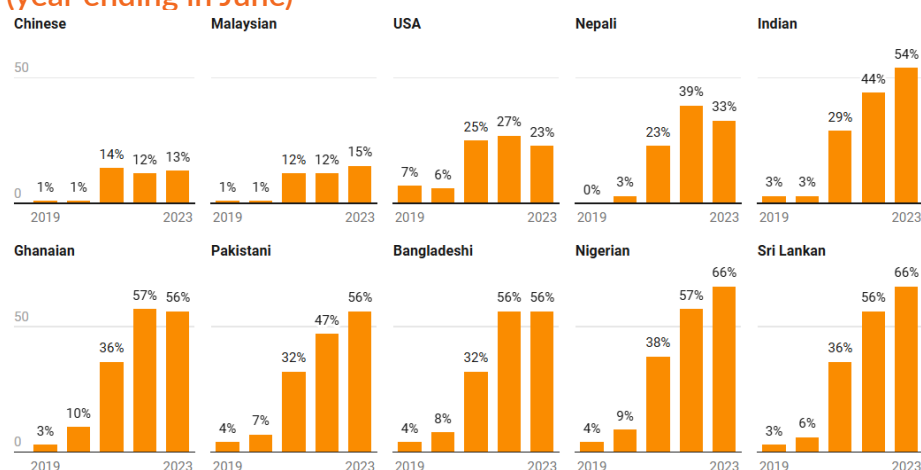
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30. ONS, 'Long-term international student migration', 22 May 2025, [link](#).

Only 3% of those who arrived on student visas in 2019 had transitioned onto a different visa type within one year. Of those who arrived in 2023, however, 40% had moved on to a different visa type within the following 12 months. In raw terms, the numbers transitioning to other visas within a year increased from 3000 amongst 2019 arrivals to 121,100 amongst 2023 arrivals. This coincided with a sharp fall in the numbers leaving within one year, with the proportion of students leaving having decreased by 32 percentage points between 2019 and 2023.

For certain nationalities, the shift in those on student visas transitioning to alternative visas within a year has been even more stark.

Figure 8: Proportion of those on study-related visas transitioning to another visa type within one year by year of arrival, by country (year ending in June)³¹



Between 2019 and 2023, the number of students transitioning to another visa within one year rose by 63 points amongst Sri Lankan students, 62 points amongst Nigerians and 53 points amongst Ghanaians.

The biggest driver of transitions onto other visas has been the graduate visa, which is discussed in detail in the following section. However, other visa routes have also been significant drivers of transitions. Of the 108,000 people who claimed asylum in the UK in 2024, 40,000 (37%) had already travelled to the UK on another visa – more than arrived in small boat crossings.³² Of those who claimed asylum having arrived in the UK on a visa, 16,000 (40%) had arrived on a student visa – just under 15% of total asylum claims in 2024. The Government's immigration White Paper noted:

*'The majority of the students claiming asylum do so as they approach their visa expiry date. This indicates that some people might therefore be using the student route to make claims for humanitarian protection when circumstances in their country have not changed.'*³³

In 2024 the Migration Observatory identified a particular pathway for those on study visas onto Health and Care Worker visas. Using Freedom of

31. ONS, 'Long-term international student migration', 22 May 2025, [link](#).

32. Home Office, 'Source of asylum claims in 2024', 30 March 2025, [link](#).

33. HM Government, 'Restoring control over the immigration system', May 2025, [link](#).

Information request data from the Home Office, they found that between June 2022 and June 2023 those transferring directly from study visas to care worker visas rose 560%, from 3,966 to 26,200.³⁴ In 2023, those switching to the health and care worker visa amounted to 56% of all those switching directly onto work visas. The salary requirement for Health and Care Worker visas had been set significantly lower than for the Skilled Worker visa, enabling individuals to qualify to remain in the UK on far lower incomes.

This picture suggests that the student visa has been exploited by some to gain legal entry to the UK by those who have little genuine interest in study. Instead some appear to have used it as a means to get to the UK so that they are able to claim asylum, or to look for work once in the UK with the intention to move onto a work visa with no genuine intention of completing their studies. The relatively stringent requirements of the Skilled Worker visa, such as a job offer in an eligible occupation from a licensed sponsor, are likely to be more navigable from within the UK as opposed to applying from abroad. The relative ease of obtaining a study visa makes it an attractive option for those determined to come to the UK by any means, who then find it easier to find work in-country.

In recent years the Government has taken action to limit exploitation of the student visa to both passport onto work routes mid-study, or to claim asylum. In July 2023 the then-Conservative Government introduced new rules to limit visa switching onto work visas.³⁵ Under the new regulations those on student visas can only switch to a working visa if they have completed their course, their job start date is after completion of their course, or if they have completed 24 months of PhD study.³⁶ However, laws on asylum claims prevent the government from taking any action to limit the ability of those on student visas from claiming asylum. In 2025, the current Labour Government announced plans to close the Health and Social Care Worker visa to new applicants.³⁷

Illegal working on student visas

Many students of all backgrounds must work to fund their course fees and living costs whilst studying. The British Council estimates average undergraduate international fees at £11,400-£38,000 a year and postgraduate fees at £9,000-£30,000 a year, whilst living costs for international students frequently total more than £1,000 a month.³⁸ It is therefore reasonable that international students have the right to work in the UK whilst studying here in order to support themselves.

International students on sponsored student visas who are studying a full-time course and where the sponsor has a 'track record' of compliance may work under specific conditions. 179 of the 193 Higher Education Institutions (HEIs) on the Register of Licensed Sponsors currently have 'track record' designation.³⁹ These students may work for 20 hours a week in term time, or 10 hours if their qualification is below degree level, and full time outside of term time.⁴⁰ A Government survey of more than 3000 international students found that 19% had worked whilst studying in the

34. The Migration Observatory, 'International students entering the UK labour market', 17 April 2024, [link](#).

35. Home Office, 'Explanatory memorandum to the statement of change in immigration rules', 17 July 2023, [link](#).

36. HM Government, 'Skilled Worker visa - Switch to this visa', 2025, [link](#).

37. Department of Health and Social Care, 'Overseas recruitment for care workers to end', 11 May 2025, [link](#).

38. British Council, 'Costs of studying and living in the UK', 2025, [link](#).

39. UK Visas and Immigration, 'Register of licensed sponsors: students', 13 November 2013, [link](#).

40. UK Council for International Student Affairs, 'Student work', 9 April 2025, [link](#).

UK.⁴¹ However, this figure was significantly higher for certain nationalities, with 54% of Nigerians, 27% of Pakistanis and 27% of Indians working whilst studying. Common areas of employment amongst those surveyed were hospitality (34%), retail (27%), health and social care (16%) and social work (12%). On average, those surveyed worked 16.3 hours a week during term time.⁴²

Information on work conducted by those on student visas is limited. Despite 76% of HEIs surveyed arguing that the sector was ‘vigilant’ to breaches and abuses, most did not collect any data on the nature or quantity of work that their international students conducted.⁴³ It is difficult to see how the sector can have such confidence when it appears to not routinely monitor this activity.

However, there are concerning indications that a minority of international students are abusing the student visa to work illegally. 39% of surveyed HEIs said they had experienced abuse in the form of international students on student visas failing to enrol or to attend following enrolment, whilst 18% specifically reported experience of students violating the working conditions of their visas.⁴⁴ The true figure is likely to be much higher, given that, as previously noted, most universities do not collect this data. The survey responses also do not indicate the frequency of such abuse. In the Government’s survey of international students, 21% of those who worked whilst on a student visa identified supporting family outside the UK, or themselves once they left the UK, as reasons for working whilst a student.⁴⁵ This suggests some students, in addition to a desire to study in the UK, view working whilst studying as a lucrative option to support family members abroad or accrue savings for when they themselves return.

The Graduate Route

The graduate visa is available to international students on a student visa who have completed an eligible course at a UK higher education institution, such as an undergraduate or postgraduate degree. The graduate visa gives the individual the right to remain in the UK for two years, or three years if they have completed a PhD.⁴⁶ However, the Government recently announced its intention to reduce the period to 18 months.⁴⁷

The concept of a graduate scheme was first introduced in 2004 as the Science and Engineering Graduates Scheme (SEGS) for non-EU international students graduating from UK higher education providers with STEM degrees. In 2007 this was replaced with the International Graduates Scheme for graduates of any eligible course to ‘seek and take work’ in a 12-month period after completing their studies.⁴⁸ This scheme was then replaced by the two-year Post-Study Work route in 2008, which was itself cancelled in 2012.⁴⁹ In September 2019, after a 7 year gap, the current graduate route was announced.

The stated ambition of the graduate visa when announced in 2019 was to:

‘Help recruit and retain the best and brightest global talent, as well as opening

41. Home Office, ‘Student route evaluation (wave 2)’, 12 May 2025, [link](#).

42. Home Office, ‘Student route evaluation (wave 2)’, 12 May 2025, [link](#).

43. Home Office, ‘Student route evaluation (wave 2)’, 12 May 2025, [link](#).

44. Home Office, ‘Student route evaluation (wave 2)’, 12 May 2025, [link](#).

45. Home Office, ‘Student route evaluation (wave 2)’, 12 May 2025, [link](#).

46. HM Government, ‘Graduate visa’, 2025, [link](#).

47. HM Government, ‘Restoring control over the immigration system’, May 2025, [link](#).

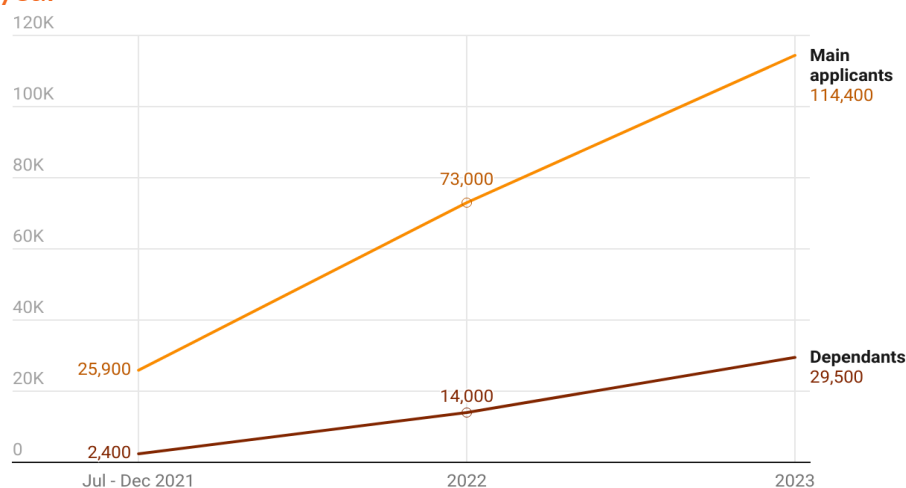
48. UK Visas, ‘Entry Clearance Guidance – Volume 1’, 8 March 2008, [link](#).

49. Migration Advisory Committee, ‘Rapid Review of the Graduate Route’, May 2024, [link](#).

up opportunities for future breakthroughs in science, technology and research and other world-leading work that international talent brings to the UK.’⁵⁰

Since its introduction in 2021, demand for the graduate route has risen rapidly. Between 2022 (the first full year of the scheme) and 2023 the number of graduate visas granted increased by 57%, whilst dependent visas rose by 111%.

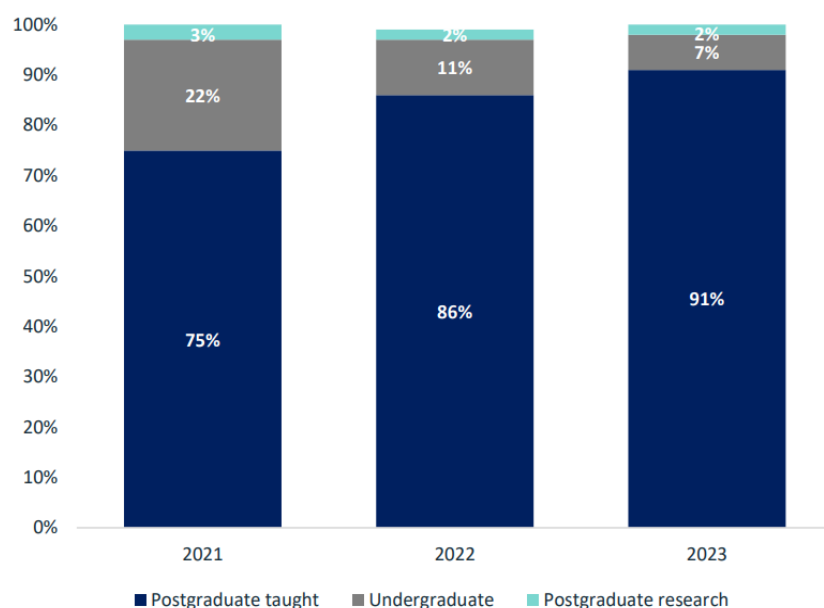
Figure 9: Graduate visas and graduate dependent visas issued by year⁵¹



Created with Datawrapper

Certain international students are disproportionately likely to progress from a student visa onto the graduate route. Those on the graduate route are overwhelmingly studying postgraduate taught qualifications (91%) – with the proportion from these courses rising by 16 percentage points between 2021 and 2023.

Figure 10: Graduate visas by degree type⁵²



50. British High Commission New Delhi, 'UK announces 2-year post-study work visa for international students', 11 September 2019, [link](#).

51. Migration Advisory Committee, 'Graduate route: rapid review', 16 May 2024, [link](#).

52. Migration Advisory Committee, 'Rapid Review of the Graduate Route', May 2024, [link](#).

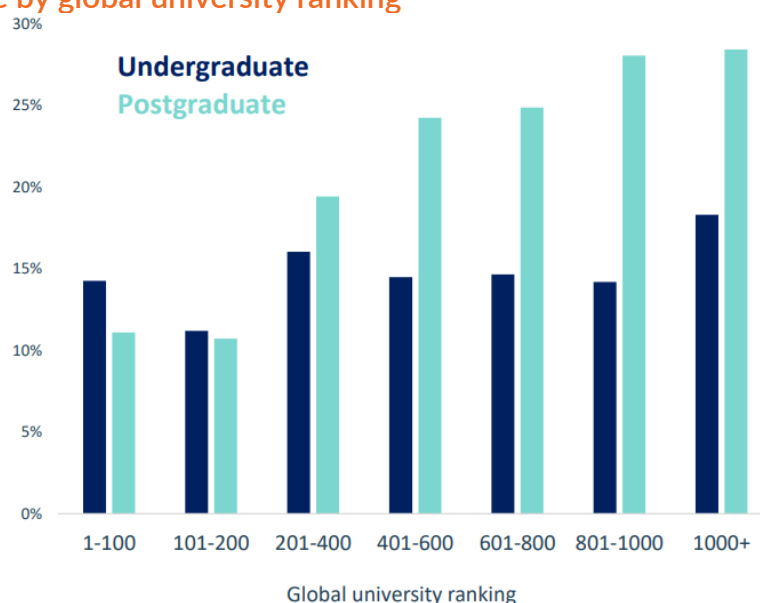
Those on graduate visas also tend to be older, with 54% of 2023 main applicants over the age of 25, 15 points higher than in 2021. This has coincided with a rise in the dependent ratio from 0.1 in 2021 to 0.3 in 2023.⁵³

Demand for the graduate visa is being driven by applicants from a handful of countries. Combined, migrants from India, China, Nigeria and Pakistan account for 70% of all graduate visas.⁵⁴ Whilst Indian students account for 26% of student visas, they account for 42% of graduate visas.

The graduate visa route is popular with international students, with evidence suggesting it may be boosting numbers coming to the UK. Research by the Migration Advisory Committee found that amongst students aware of the graduate route, it had influenced 73% of them to come to the UK to study. Of these, only 46% said they would have chosen to study in the UK if the graduate route did not exist.⁵⁵

However, in spite of the graduate visa's stated goals, it is not clear that the route is attracting 'the best and brightest global talent'.⁵⁶ 66% of all graduate visas have been issued to former postgraduate students at non-Russell Group universities. Only 10% of those who studied at a global top 200 university went on to obtain a graduate visa, compared with 30% of those who attended universities ranked 800 or more globally.⁵⁷

Figure 11: Percentage of international students using the graduate route by global university ranking⁵⁸



53. Migration Advisory Committee, 'Rapid Review of the Graduate Route', May 2024, [link](#).

54. Migration Advisory Committee, 'Rapid Review of the Graduate Route', May 2024, [link](#).

55. Migration Advisory Committee, 'Rapid Review of the Graduate Route', May 2024, [link](#).

56. British High Commission New Delhi, 'UK announces 2-year post-study work visa for international students', 11 September 2019, [link](#).

57. Migration Advisory Committee, 'Rapid Review of the Graduate Route', May 2024, [link](#).

58. Migration Advisory Committee, 'Rapid Review of the Graduate Route', May 2024, [link](#).

59. HM Government, 'Graduate visa', 2025, [link](#).

60. Migration Advisory Committee, 'Rapid Review of the Graduate Route', May 2024, [link](#).

The terms of the graduate visa do not require holders to move into graduate roles. Instead, graduate visa holders may 'work in most jobs', look for work, travel or volunteer.⁵⁹ Pay for those on the graduate visa varies widely. Graduate visa holders are more likely than UK graduates to be in both the highest and lowest income brackets after one year on the visa.⁶⁰

However, it is not clear that many on the graduate visa make the kind of economic contribution anticipated as part of the scheme. Median income

for those in their first year on the graduate route is just £21,000.⁶¹ Only 30% of graduate visa holders surveyed by the Home Office said that they were employed in professional occupations likely to be assessed as RQF6 and above.⁶² Many reported being overqualified for the jobs they held and working in fields unrelated to their degrees. Rather than retaining global talent in well-renumerated and high impact graduate roles, the graduate route has increasingly become a tool to sell studying in the UK to international students who then go on to work in low paid and low skilled jobs.

In many cases, participation in the graduate route is an intermediate step to long term work and residency in the UK. Half of all graduate visa holders who entered the route between July and December 2021 have since transitioned onto other work or study visas, with 86% entering the Skilled Worker route. Whilst 40% of these worked in professional occupations, 22% worked in caring, leisure or service occupations, compared to 6% of domestic graduates.⁶³ Whereas those applying to the Skilled Worker visa must have a job and sponsor lined up as part of their application, the graduate route was valued by visa holders for the flexibility it gave them to remain in the UK whilst looking for work.

A New EU 'Youth Mobility Scheme'?

Prior to the UK leaving the European Union, on average 25% of international students came from EU countries. As part of the UK's EU membership EU students were eligible for home student status and therefore paid domestic fees as opposed to those charged to international students. After this arrangement ceased in 2021/22 EU student enrolments at UK universities fell by over 32,000 within one year – in 2022/23 EU students only accounted for 12.5% of international students in the UK.⁶⁴

In May 2025 the UK and the EU concluded a 'reset' agreement. As part of this deal both sides committed to 'work towards' a 'balanced youth experience' which would give young people in the UK and EU reciprocal rights to travel, study and work in each other's countries for a time-limited period.⁶⁵

There have been indications that some EU countries wish to make domestic fee status for its students a condition in future negotiations on this arrangement.⁶⁶ Whilst the EU's current negotiating framework states that it is not seeking access to the UK's student loan and grant programme for EU students, there is a risk that this may change as negotiations evolve.⁶⁷ This could result in a further uptick in international students from the EU to pre-Brexit levels, as those deterred by international fees seek to return to the UK. Crucially, lower fees would also mean that universities would lose the financial benefits of those international students, placing further pressure on the system and potentially crowding out UK students.

The British Council estimates that undergraduate course fees for international students in the UK range from £11,400 to £38,000 a year.⁶⁸ This indicates that the 75,490 EU students studying undergraduate courses in the UK in 2023/24 would pay substantially less in fees if they once again became eligible for the domestic rate of £9,250. This in turn could

61. Migration Advisory Committee, 'Rapid Review of the Graduate Route', May 2024, [link](#).

62. HM Government, 'Restoring control over the immigration system', May 2025, [link](#).

63. Migration Advisory Committee, 'Rapid Review of the Graduate Route', May 2024, [link](#).

64. HESA, 'HE student enrolments by permanent address 2018/19 to 2022/23', 2024, [link](#).

65. Institute for Government, 'UK-EU reset agreement', 26 April 2025, [link](#).

66. Times Higher Education, 'EU fees a £1.2 billion 'bargaining chip' in youth mobility talks', 23 May 2025, [link](#); The Independent, 'Starmer in 11th hour Brexit reset talks with Macron and Ursula von der Leyen to secure crucial deal', 17 May 2025, [link](#).

67. European Commission, 'Recommendation for a council decision authorising the opening of negotiations for an agreement between the European Union and the United Kingdom of Great Britain and Northern Ireland on youth mobility: Annex', 18 April 2024, [link](#).

68. British Council, 'Cost of studying and living in the UK', [link](#).

result in a significant reduction in university fee income. For example, University College London would lose £30,550 for each EU student currently on their Chemistry BSc (current international fees of £39,800).⁶⁹ De Montfort University would lose £7000 for each EU student currently on their English Literature BA (current international fees of £16,250).⁷⁰ As a result, if EU students were to once again become eligible for domestic fee rates UK universities could lose hundreds of millions annually in fee income. If EU student numbers were to rise as a result of the experience scheme and the prospect of lower fees, these costs could be significantly higher.

Prior to the UK leaving the European Union, EU students had access to the same student loan and grant systems as domestic students.⁷¹ If this were to be restored as part of a Youth Mobility Scheme this would expand the costs of such a programme to the British taxpayer, which would be expected to cover shortfalls in loan repayments as it currently does for domestic students. The Department for Education currently forecasts that the subsidy portion for undergraduate loans will average 29%.⁷² Assuming that EU student numbers remain steady, this would mean that over the next 5 years the UK government would issue £3.5 billion in loans to EU students, with the anticipation that £1 billion of these would not be repaid – with the cost falling on the taxpayer. If numbers rapidly recovered to pre-Brexit levels as a result of the inducement of lower fees, loans to EU students could rise to £7 billion, with an approximately £2 billion cost to the taxpayer over 5 years in unpaid EU student debt.

69. UCL, 'Chemistry BSc', [link](#).

70. De Montfort University, 'English Literature BA (Hons)', [link](#).

71. Department for Education, 'Funding support for EU students', 11 October 2016, [link](#).

72. Department for Education, 'Student loan forecasts for England', 27 June 2024, [link](#).

International Students at UK Universities

As previously discussed, UK universities face clear financial incentives to expand the numbers of international students they host. In the context of financial pressures on the sector as a whole and capped domestic fees, international student fees represent a crucial revenue opportunity. As a result, 76% of Higher Education Providers surveyed are seeking to expand their numbers of international students over the next 2 years.⁷³

Many UK universities have complex systems in place to support international student recruitment. These often include using recruitment agents, third party organisations that broker applications abroad between foreign students and UK universities. Universities pay generous referral fees to these agents, often amounting to several thousand pounds per student. Cumulatively these sums are significant, with the Universities of Exeter and York paying roughly £9 million each in agent fees in 2021.⁷⁴

However, it is not always clear that the drive to expand international student numbers has been conducted with the best interests of domestic students, or the sector's overall quality, in mind. Instead there are indications that quality and opportunities for domestic students have been compromised as part of the push for greater international recruitment.

International Students' Financial Contributions

One of the core arguments made for international students is that they pay higher fees and therefore enable universities to achieve a higher profit ratio on their courses which can be used to either subsidise domestic student places or research. However, there is wide variation in the value of cross subsidisation depending on the quality of the institution.

Average annual international fees can be estimated by dividing total non-UK fee income declared to HESA by the number of non-UK students recorded by HESA as attending each institution. This method assumes that annual course costs to universities are likely to be similar for both undergraduate and postgraduate courses. When this 2023/24 data is compared with QS world rankings significant divergence emerges. Using this methodology it is possible to estimate that universities ranked in the top 200 on average charged international fees of £23,790 a year, whilst universities ranked 1000+ charged average international fees of £12,513 – over £11,000 less.

There are several different estimations of the average cost of putting on courses at universities. The Russell Group estimated that in 2022/23

73. Home Office, 'Student route evaluation (wave 2)', 12 May 2025, [link](#).

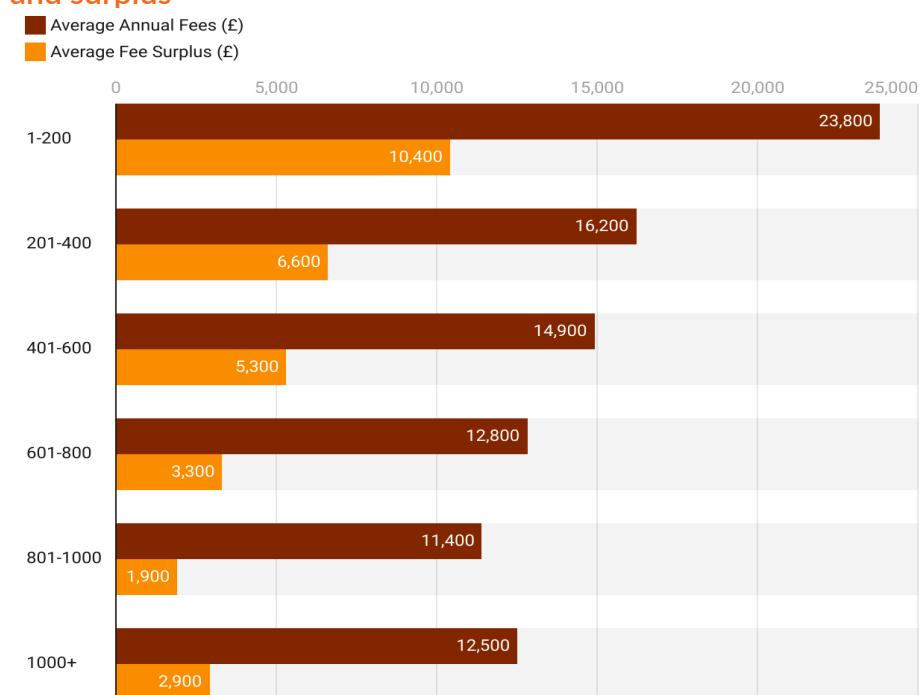
74. The PIE, 'Exeter and York pay £9m to agents in 2021/22 as UK commissions boom', 5 August 2022, [link](#).

the average annual cost of undergraduate education is £11,750.⁷⁵ This would be the equivalent of £13,400 when adjusted for inflation in 2025. In contrast, the 2019 Augar Review concluded that £7500 was a ‘base’ course cost across the sector, whilst acknowledging that specialist subjects may have higher associated costs beyond this. The Augar Review figure adjusted for inflation since 2019 now amounts to £9600 a year.

The cost of providing courses will vary greatly between subject and institution, and between undergraduate and postgraduate courses. We have therefore used the Russell Group’s figure, adjusted for inflation, to estimate the costs associated with teaching an international student at a globally ranked top 200 university. For universities outside the top 200 we have used the Augar Review figure adjusted for inflation.

Using this figure, the estimated ‘surplus’ differential, and thus capacity for cross subsidy, is highly significant. Whilst universities ranked in the top 200 on average have an estimated surplus per international student of £10,400, those ranked 1000 or lower have an estimated surplus of just £2,900 per student. While these figures are only estimates, they reflect the fact that lower tier institutions typically charge lower fees and therefore achieve a reduced surplus margin relative to top universities.

Figure 12: QS World Ranking by average international student fee and surplus



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These estimates broadly align with the Migration Advisory Committee’s 2024 findings on cost recovery for international teaching.⁷⁶ Their review found that ‘high research income’ universities on average recovered 178% of their international student teaching costs, in line with the estimates above

75. Russell Group, ‘Response to The Times article on international fee income’, 25 March 2025, [link](#).

76. Migration Advisory Committee, ‘Graduate route: rapid review (accessible)’, May 2024, [link](#).

for universities ranked in the global top 200. However, the Migration Advisory Committee identified average recovery costs for ‘low research income’ institutions as just 106% of international teaching costs, in comparison to 130% in our estimates for universities ranked lower than 1000. This suggests our estimates may overstate the surplus achieved by lower tier universities.

Regardless, these figures indicate that international students at lower ranked universities provide considerably less cross subsidy for desirable domestic education or research than is sometimes thought. While universities will, clearly, gain some financial benefit from attracting such students – particularly if they provide such courses at a lower cost – at a national level, these benefits are primarily concentrated in top universities where fees, and therefore surpluses, are high enough for effective cross-subsidy. It should be noted however that even when cross subsidy is low, international fees at these lower tier institutions nonetheless provide some benefit by supporting university teaching resources and the employment of staff.

270,000 international students attend top 200 globally ranked universities.⁷⁷ This means that, based on these estimates, on average these institutions raise £2.8 billion surplus annually on international fees. By contrast, the 36,870 international students at 1000+ ranked universities provide their universities with an estimated surplus of only £108 million. Based on these estimates, 69% of the total international student fee surplus in the UK is generated by the 27 universities ranked in the top 27 globally, whilst just 11% is generated by the 34 universities ranked below 600.

Figure 13: UK universities tiered by QS world ranking bands, by total number of universities in each band, total number of international students at universities in each band and estimated total international fee surplus per band

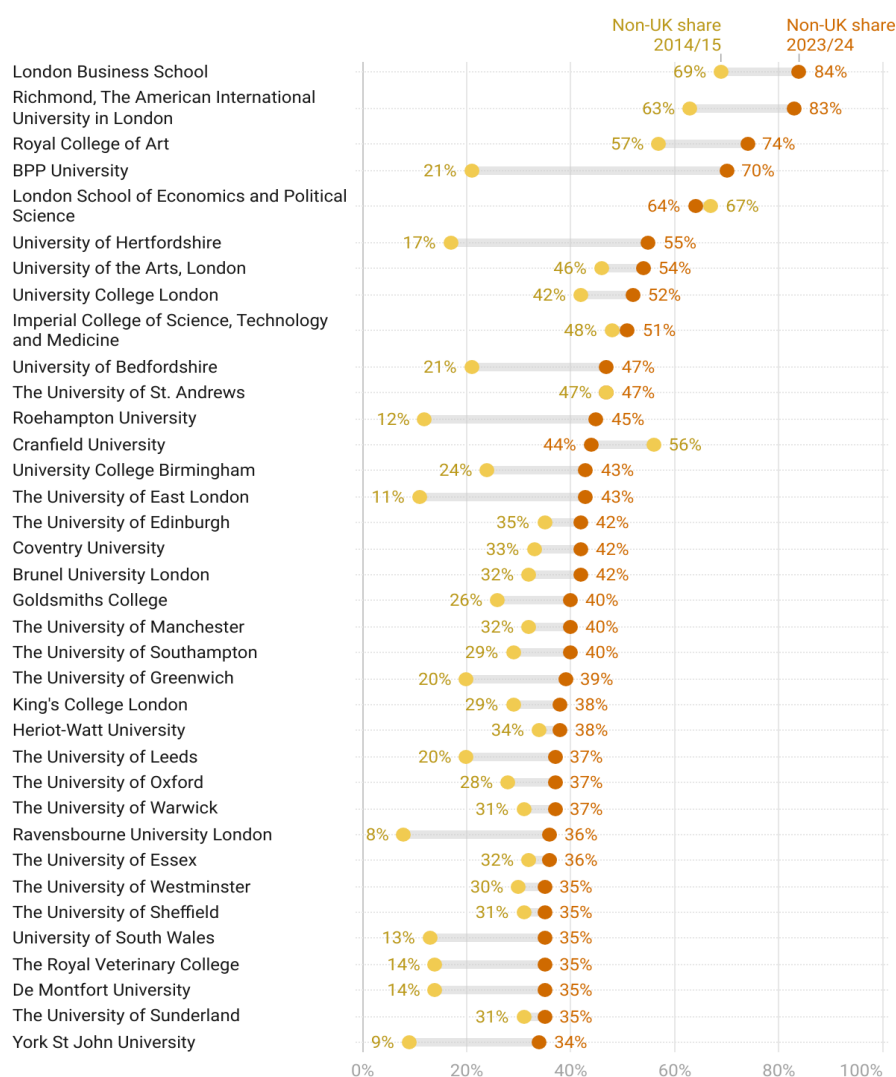
QS World Ranking	1-200	201-400	401-600	601-800	801-1000	1000+
Total number of UK universities	27	13	16	13	11	10
Total number of international students	270,265	60,985	78,385	69,020	57,810	36,870
Estimated total international student fee surplus by band (£)	2,817,900,000	403,800,000	420,300,000	224,600,000	107,200,000	108,200,000

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Crowding Out

Many UK universities increasingly serve large international student bodies. In some cases, including LSE, UCL and Imperial College London, international students comprise a majority of the student population.

77. HESA, ‘Where do HE students come from?’, 3 April 2025, [link](#).

Figure 14: Universities by proportion of international students⁷⁸

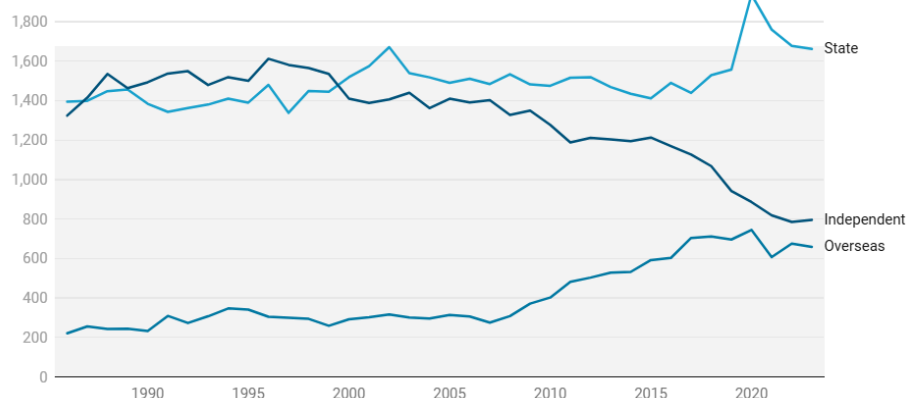
Created with Datawrapper

Concerns have been raised that in some cases growing numbers of international students in the UK may be denying domestic students the opportunity to study at British universities. Neil O'Brien MP has highlighted how international students have displaced domestic students at Oxford and Cambridge universities.⁷⁹ At Oxford University, domestic undergraduate student acceptances fell by 294 between 2010 and 2023, whilst international undergraduate acceptances rose by 257. State school acceptance rates remained relatively static, with increased acceptances by international students offset by reduced offers to domestic students from independent schools. Similarly at Cambridge domestic undergraduate student places fell by 114, whilst international acceptances rose by 329.

78. HESA, 'HE student enrolments by HE provider 2014/15 to 2023/24', 2024, [link](#).

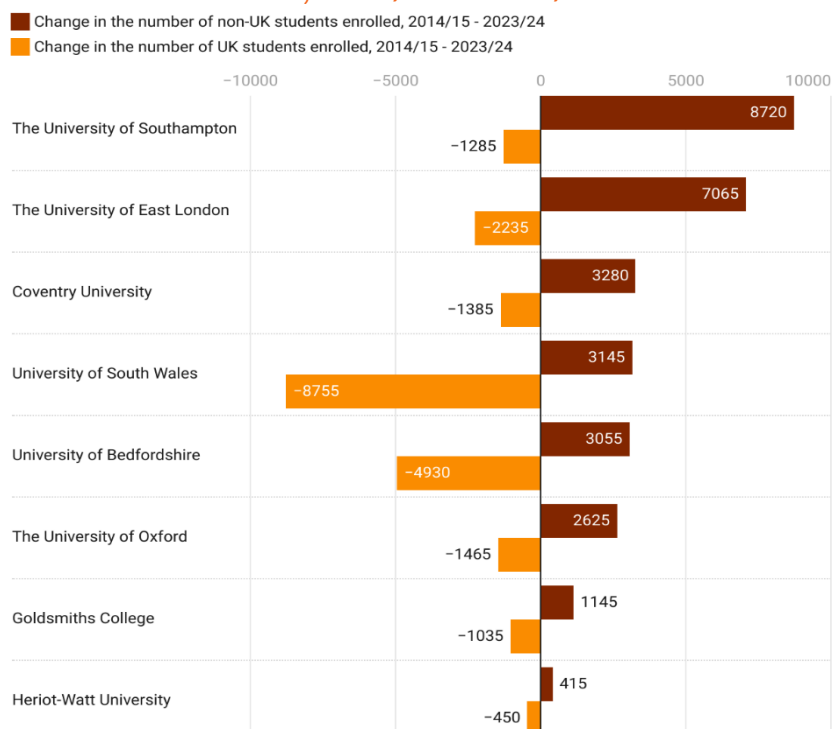
79. Neil O'Brien - Substack, 'DfE versus the Home Office on foreign student', 24 April 2025, [link](#).

Figure 15: Undergraduate acceptances to Oxford University by type of school



In some institutions, the number of domestic UK students has fallen at the same time as the number of places given to international students has increased. For example, the University of East London, despite having 4,880 more students enrolled in 2023/24 than in 2014/15, saw domestic student numbers fall by 2,223 in the same period. The University of Southampton saw a real terms decline in domestic student numbers of 1285 places between 2014/15 and 2023/24, despite overall numbers growing by 2,200 places. This has restricted access to these universities for domestic students who might otherwise have benefited from attending.

Figure 16: Change in the number of UK and non-UK students enrolled in institutions where non-UK numbers increased whilst UK student numbers fell, 2014/15 – 2023/24⁸⁰



Created with Datawrapper

80. HESA, 'Where do HE students study?', 3 April 2025, [link](#).

Concerns have been raised that in some cases international students are being accepted into UK universities despite having lower academic qualifications than domestic students. A Sunday Times investigation in 2024 found that 15 Russell Group universities offered one-year foundation courses to international students with low entry requirements, which then passported students onto highly competitive full degree courses. For example, whilst Bristol University's economics undergraduate degree typically requires A*AA at A Level, the foundation course entry for non-UK students only requires applicants to achieve CCC.⁸¹ Whilst numbers on such programmes are small, examples such as these undermine public confidence that domestic students are competing on a level playing field with their international peers, particularly when it comes to accessing elite universities.

The Impact of International Students on the Quality of Education

Limited research has been conducted on the impact international students have on the quality of education provided by UK universities and the experiences of their peers. Universities have no incentive to investigate and publish data on the perceived quality implications of large international student cohorts. Nonetheless there are indications that the current system may not always be delivering positive outcomes for both UK and non-UK students. Social segregation of specific international student communities has been broadly noted as a challenge, particularly amongst Chinese students.⁸²

There is also evidence that UK students feel international students negatively impact the quality of education they receive. The 2018 Student Academic Experience Survey – the last time a question on international student impact was included in the survey – found that nearly 1 in 4 students felt their international peers needed greater attention from the lecturer. 22% felt international students slowed down the pace of learning in classrooms, whilst 16% felt discussions in class were of a lower quality when studying alongside international students.⁸³

English Language Skills

International students coming to the UK to study at degree level are required to demonstrate English language proficiency equivalent to B2 level on the Common European Framework of Reference for Languages scale (CEFR).⁸⁴ This is popularly referred to as the equivalent to an A Level qualification in English as a foreign language. Students may demonstrate this proficiency by completing a Secure English Language Test, with 38% of international students surveyed taking this route.⁸⁵

However, there are other routes to satisfy the English language requirement which do not necessarily guarantee the same level of language proficiency. For degree-level qualifications, Higher Education providers are allowed to conduct their own assessments for prospective students. This

81. The Times, 'Cash for courses: top universities recruit foreign students on low grades at top universities', 27 January 2024, [link](#).

82. HEPI, 'How can UK universities improve their strategies for tackling interaction challenges among Chinese students?', 12 December 2024, [link](#).

83. HEPI, 'Student academic experience survey', 7 June 2018, [link](#).

84. HM Government, 'Student Visa – Knowledge of English', 2025, [link](#).

85. Home Office, 'Student route evaluation (wave 2)', 12 May 2025, [link](#).

can include reviewing prior qualifications, accepting a range of language tests, or conducting their own testing schemes. For example, over 40 UK universities including Imperial College London now accept remote language tests from the popular language-learning app Duolingo.⁸⁶ 18% of Higher Education Institutions that completed self-assessments reported that no prospective students had failed their English language test.⁸⁷ A 100% pass rate raises questions about the rigour of the testing being used in these cases. Given that many universities have a stated desire to expand their international student numbers, and face clear financial incentives to do so, it is not clear that they are well-placed to conduct such assessments impartially.

The lack of rigorous language proficiency requirements have had a deleterious effect on the university sector and the ability of international student's themselves to benefit from their studies. An investigation by BBC File on 4 found that in one course, 70% of master's students in a five-year period 'did not have sufficient English language skills to be on the course'.⁸⁸ In some cases this is being exacerbated by university agents explicitly marketing UK courses to those with little to no English language ability.⁸⁹

86. HEPI, 'English language requirements under the microscope: Do you have what it takes to meet your university's English language entry requirements for international students?', 22 May 2025, [link](#).

87. Home Office, 'Student route evaluation (wave 2)', 12 May 2025, [link](#).

88. BBC News, 'Universities enrolling foreign students with poor English', 3 December 2024, [link](#).

89. The Times, 'Walk-in degrees, sham students and a giant university fraud scandal', 22 March 2025, [link](#).

Restoring Confidence and Control in the System

International students make important contributions to the vitality and financial sustainability of the UK university sector. However, as previous chapters have demonstrated, it is clear that the current model is not working. Instead of attracting the best and brightest, international students instead are arriving in greater numbers to study shorter postgraduate courses at lower tier institutions. They are also staying longer, are more likely to convert to working visas and are more likely to undertake low paid work on these visas. The university sector's push for international students risks crowding out domestic students, whilst enrolling too many foreign students without the language skills to thrive on their courses. Change is needed. The UK higher education sector needs to focus again on selling education, not immigration.

Changes to the Graduate route

The current graduate visa route does not align with the need to rebalance the incentives for studying in the UK. The scheme has expanded far beyond its stated goals of retaining top students post-study, especially in STEM fields. The opportunity for post-work study has made little difference to the UK's already highly competitive universities but has provided a clear additional incentive for international students to come to lower tier universities and their short courses in particular. It has become an open door for immigration that increasingly appears to incentivise international students to come here to unlock valuable working privileges, from which they can then passport onto working visas longer term. This must change.

Abolishing the graduate route

The clearest response to this challenge would be to terminate the graduate route. This would not be unprecedented. There was no such route for 7 years between 2012 and 2019, during which the university sector did not appear to suffer unduly as a consequence. International graduates could still continue into work upon completing their studies, but only through the Skilled Worker route by securing a job offer and sponsor. The brightest and the best would have no difficulty in achieving this. This change would reduce any direct work incentive tied up with coming to the UK to study.

Reforms short of abolishing the route

Even if action were to be taken short of abolishing the route, it is clear that making it universally available to all international students has expanded the gateway far beyond the best and the brightest. If the graduate route were to be retained it would be essential to restrict the eligibility for the route in a manner designed to meet at least one of two key objectives.

One objective of the re-envisioned scheme should be to continue to attract and retain those who are genuinely top students from across the globe. The UK will always need bright, highly skilled and ambitious immigrants who make positive contributions to our economy and society. For the very best students the graduate route remains a useful incentive to come and study in the UK at these institutions and then remain after they graduate. Such students are much more likely to work in graduate fields if they stay on and to contribute economically to the UK during their residency.

An alternative objective of the scheme could be to support and cross-subsidise high quality teaching and research that underpins the global reputation of the UK university sector. International student fees make a valuable contribution to higher education institution's finances, supporting high research output which in turn has broader positive economic impacts. The graduate route is more acceptable as a migratory incentive when it is being used to cross-subsidise world leading research programmes.

Restricting the graduate route to top universities

Only a small number of the UK's universities satisfy the criteria established by these two objectives. They tend to be high tariff institutions with global reputations that enable them to attract the best and the brightest and achieve high research intensity. A revised graduate route should only be available to international graduates of this more limited pool of institutions to ensure that the route is either supporting global talent acquisition or high-quality research. Other institutions that do not meet these standards should lose access to the route. International students at these universities will be expected to leave at the end of their studies or must apply to remain via another route such as the Skilled Worker visa.

The question then is how to define the pool of top universities that should retain access to the graduate route for their international students. Any measure should be a good reflection of the overall quality of the institutions involved.

One possibility is to use the Research Excellence Framework, an evaluation of the research impact of higher education providers in the UK.

⁹⁰ First completed in 2014 as the successor to the Research Assessment Exercise, the most recent REF was completed in 2021 with the next assessment due in 2029. As part of the REF assessment, a Grade Point Average (GPA) is calculated for each institution to classify the overall quality of research. Although this is a lagging metric due to the time intervals between REF analyses, it is a very detailed assessment of the research quality of higher education providers.

90. Research Excellence Framework, [link](#).

Notably there is strong overlap between both these measures and other quality indicators. Figure 15 compares the top 32 ranked universities based on REF GPA scores with AAB tariff universities and UK institutions ranked in the top 200 on the QS world rankings. 25 universities feature in all three categories.

The Government's recent immigration White Paper announced that the

Restrictions on transferring onto other visas

The Government has already begun to acknowledge the challenge posed by international students passporting onto other visas part way through their studies. As previously noted, in July 2023 the Government announced a prohibition on transferring onto work visas prior to graduation. This restriction should be extended to prohibit international students from changing onto any other visa whilst in the UK on a student visa, prior to graduating from their course.

Measures are also required to prevent students from violating the working conditions of their visa whilst studying or simply overstaying unlawfully once their visa has expired. As Policy Exchange has previously advocated, international students could be required to provide a significant surety, initially set at £10,000, that they will comply with the restrictions of their visa.⁹¹ Students could provide the surety themselves or borrow it from a financial institution through a contract. The surety would be forfeit if the student breached the terms of their visa but would be returned by the UK Government once the student could confirm they had left the UK.

Addressing the challenge of those on student visas making asylum claims once in the UK is more challenging. The Government could introduce a policy requiring those applying for a student visa to undertake a commitment, as a condition of their application, that they will not apply for asylum at any point whilst in the UK on their student visa. If this was then breached, unless conditions had changed substantively in their home country in the interim (such as via a coup or the outbreak of armed conflict), the government would be able to demonstrate that they had entered the UK on a false promise and therefore unlawfully. If an asylum claim was denied, the individual would also forfeit their surety. The government should also collect and publish data on the number of international students by nationality claiming asylum and consider denying certain nationalities access to the student visa system where this problem is particularly acute.

New rules on English language ability testing

The standards for English language proficiency that international students are expected to reach are not high enough to ensure that students have a reasonably chance of fully participating in and benefiting from their studies. At the same time, the standards that exist are not reliably enforced.

The CEFR B2 requirement for degree-level study is too low to ensure students can effectively integrate into specialist studies in a different language. The bar should therefore be raised so that those coming to the UK to study at degree level must demonstrate proficiency at CEFR C1 level.

The incentives for higher education providers to admit international students make them an inappropriate body to oversee language assessment. The right of universities to manage their own assessments should therefore be ended.

91. Policy Exchange, 'Why is it so hard getting immigration numbers down?', 18 January 2025, [link](#).

A new International Study Levy

It is important that the public feels that hosting large numbers of international students in the UK is in the nation's interest, and not only those of the university sector or wealthy employers. To achieve this it is important to ensure that the economic benefits and revenues raised from international students are socialised beyond the narrow pool of employees, students and graduates who benefit from the university sector.

To achieve this, and as suggested by the Government's recent immigration White Paper, a new levy should be introduced on international students. Such a levy would tangibly demonstrate the value of hosting international students in the UK, while revenues could be actively redistributed to support skills training for non-graduates. The Government's proposal is for universities to face a 6% levy on student fee income.⁹² Universities UK estimates that this would raise approximately £600 million a year for the government, with a comparable drop in revenues for universities.⁹³

However, a levy of this nature would unfairly penalise top universities. These institutions, as previously noted, charge higher fees and would therefore lose more funding in raw terms. On average, a top 200 global university would lose £1400 per student, whereas universities ranked 1000 or lower would lose an average of £750 per student under a 6% levy. It is not advisable to design a levy in such a way that disproportionately undercuts institutions with excellent teaching and research outputs.

Unlike the Government's proposal, we proposed a flat levy model which should mirror the current Immigration Health Surcharge and be paid directly by the student themselves. The rate of the international study levy should be set at £1000, payable annually for each year of study in the UK.

A new international study levy would increase the cost of studying in the UK and therefore deter some students from coming here to study. This policy would therefore likely result in an overall fall in the number of international students. However, within the context of often very high international fees, a £1000 annual levy is unlikely to be perceived as a major cost impediment. For example, international fees for Imperial College London's Mechanical Engineering undergraduate course were £37,900 in 2023, whilst Edinburgh University's masters in Politics, Philosophy and Economics will cost £28,000 in 2025/26.⁹⁴ For these courses, the Levy would represent only a 2.6% or 3.6% uplift respectively. There is little evidence, for instance, that the Immigration Health Surcharge deters large numbers of students.

The Government's immigration White Paper levy proposal estimates that student visa demand would only fall by 7,000 if a levy were imposed – an approximate 1% reduction in overall numbers.⁹⁵ In this scenario, a £1000 levy would raise £724 million pounds annually for the Treasury. A flat levy, as opposed to a percentage of fees, may result in a higher tail off, as the burden would be more proportionally more substantial for low-cost courses. Even if this were the case, however, significant sums would be raised. A 5% reduction in numbers as a result of the levy would

92. HM Government, 'Restoring Control over the Immigration System – Technical Annex', May 2025, [link](#).

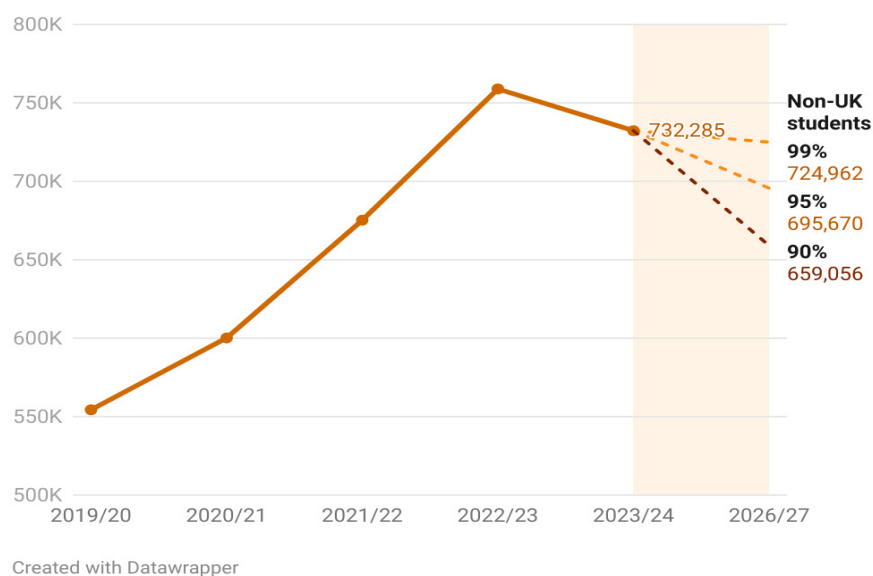
93. Universities UK, 'The financial impact of government policy decision on universities', 3 June 2025, [link](#).

94. Imperial, 'Fees and Funding', 2024, [link](#); The University of Edinburgh, 'Tuition Fees', 2025, [link](#).

95. HM Government, 'Restoring Control over the Immigration System – Technical Annex', May 2025, [link](#).

still generate £696 million, whilst a 10% reduction would generate £659 million. These revenues are all slightly greater than the £600 million the Government proposed to raise through its current 6% levy model.

Figure 18: Projection of the impact of a new international study levy on student numbers



If the Government wished to do so, it could exempt international students at top institutions from this levy, on the basis that, as previously highlighted, their higher fees cross subsidise domestic students and valuable research output. This would reflect the wider benefits to the nation from high-quality research, such as the Oxford AstraZeneca Covid-19 vaccine. Universities qualifying for exemption from the levy could be identified by the same metrics outlined above for establishing eligibility for the graduate route. If the top 32 universities based on REF GPA scores were exempted, for example, projected revenues, factoring in a 5% deterrence to non-exempt students, would be £435 million.

The impact on universities of these changes

The changes proposed above will ensure that those coming to the UK as students come here out of a desire to study, with restricted and time-limited work opportunities, and with sufficient language skills to participate effectively on their courses. Yet by raising the bar – and removing various work-related incentives for studying in the UK in the first place – these changes are also likely to have significant effects on the number of international students coming to the UK.

This may have major consequences for the viability of certain higher educational institutions. As previously noted, several have a particularly high reliance on international students. The impact of these proposed reforms is likely to be felt most acutely by low-ranked universities, whose students will lose access to the graduate route and are likely to be more

responsive to the increased costs associated with the International Study Levy.

However, the economic endangerment of these institutions is not an argument against reform. Rather, it is unacceptable that some have become dependent on a business model premised on attracting international students more interested in the work opportunities unlocked following graduation than in study itself. Pressure that requires such institutions to return to selling education, not immigration, as well as to diversify their income sources, is to be welcomed for the long-term health of the sector. In turn the Government, which has tacitly enabled this high migration model to prop up lower tier institutions, must set out a clear vision for the role such universities should play in the UK's skills and labour market and wider economy in the future.

It is vital to safeguard against any upheaval resulting from these changes, including protecting the welfare of current students and securing local and regional economies against shocks. As such these reforms will need to be supported by a clear, government-backed bankruptcy regime. This should be modelled on the Higher Education Restructuring Regime which operated during the Covid-19 pandemic,⁹⁶ or upon the Post-16 Area Review Programme that took place in further education last decade.⁹⁷ Institutions facing financial difficulties could apply to join the regime, whereby the Department for Education would support with first stabilising and then long-term restructuring of the institution to protect current students and secure efficiencies. In some cases this may ultimately result in the merger or closure of some institutions, with only causes offering genuine value to the UK being preserved.

96. Department of Education, 'Establishment of a Higher Education Restructuring Regime in Respond to COVID-19', July 2020, [link](#).

97. House of Commons Library, 'Post-16 Area Review Programme', 2018, [Link](#)

Annex 1: Models for restricted eligibility for the graduate route

Average AAB Tariff	QS World Rankings	REF 2021 Grade Point Average
The University of Cambridge	The University of Cambridge	The University of Cambridge
The University of Oxford	The University of Oxford	The University of Oxford
Imperial College of Science, Technology and Medicine	Imperial College of Science, Technology and Medicine	Imperial College of Science, Technology and Medicine
The University of St. Andrews	The University of St. Andrews	The University of St. Andrews
London School of Economics and Political Science	London School of Economics and Political Science	London School of Economics and Political Science
The University of Edinburgh	The University of Edinburgh	The University of Edinburgh
University of Durham	University of Durham	University of Durham
University College London	University College London	University College London
The University of Bristol	The University of Bristol	The University of Bristol
The University of Bath	The University of Bath	The University of Bath
The University of Warwick	The University of Warwick	The University of Warwick
The University of Glasgow	The University of Glasgow	The University of Glasgow
The University of Manchester	The University of Manchester	The University of Manchester
The University of Birmingham	The University of Birmingham	The University of Birmingham
The University of Exeter	The University of Exeter	The University of Exeter
King's College London	King's College London	King's College London
The University of York	The University of York	The University of York
The University of Southampton	The University of Southampton	The University of Southampton
The University of Leeds	The University of Leeds	The University of Leeds
The University of Sheffield	The University of Sheffield	The University of Sheffield
Loughborough University	University of Nottingham	University of Nottingham
University of Nottingham	Queen Mary University of London	Queen Mary University of London
Glasgow School of Art	Newcastle University	The University of Lancaster
Queen Mary University of London	The University of Lancaster	The University of Liverpool
Courtauld Institute of Art	The University of Liverpool	Cardiff University
Guildhall School of Music and Drama	Cardiff University	Institute of Cancer Research
The University of Lancaster		London School of Hygiene and Tropical Medicine
The University of Liverpool		Liverpool School of Tropical Medicine
Queen's University Belfast		University of East Anglia
Cardiff University		Loughborough University
The Royal Central School of Speech and Drama		University of Leicester
St George's, University of London		Royal Holloway, University of London
The Arts University Bournemouth		
University of the Arts, London		
Royal Academy of Music		
Leeds Arts University		
The Liverpool Institute for Performing Arts		
Royal College of Music		
The University of Dundee		
The Royal Veterinary College		
The University of Strathclyde		
London Studio Centre		
Leeds Conservatoire		
Rose Bruford College of Theatre and Performance		
Chicken Shed Theatre Company		
Aston University		
The University of Aberdeen		
Royal Holloway and Bedford New College		
The University of East Anglia		



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