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BRIEFING

A SERIES OF POST-REFERENDUM BRIEFINGS

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SHOULD INTERNATIONAL STUDENTS STUDY AND WORK IN BRITAIN?

There is probably no subject in the immigration field that separates conservative bien pensants from ordinary Britons more than their advocacy of attracting more foreign students to the UK. (This is not about the traditional small percentage of foreign students who have always been in the UK with numbers in the low thousands.) It is about hundreds of thousands of foreign students.

Theresa May has pointed out that 121,000 foreign students (from outside the EU) come to the UK every year and only 50,000 leave so it is an entry rate for 71,000 people who we are constantly told are the 'brightest and best'. Owen Paterson tells us that "*enterprising migrants* (not all graduates) *employ over 8 million people*" [*ConservativeHome*, 5th January 2015]. Paterson's statement that nearly 40% of private sector workers are employed by migrants is obviously statistical nonsense.

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BIZARRE IDEA

On the face of it, it seems a bizarre idea that universities founded in Britain by British donors over the centuries and supplemented by heavy investment by past generations of British taxpayers, should be encouraged and praised to reduce the number of British students and increase the number of foreign students.

Moreover, the conservative bien pensants' view is that, having graduated, foreign students should be allowed to remain in the UK and compete for jobs with British graduates, obviously depressing their wages.

THE BIEN PENSANTS

Who are these advocates of never-ending immigration? Apparently George Osborne stopped Theresa May from taking action to make students return home after their studies. Theresa May, however, was not proposing to limit the number of students in the first place but only to make them leave after their courses were concluded.

Boris Johnson is another prominent advocate, saying, in *The Times*, 8th January 2015: *"I think that foreign students play an absolutely indispensable part in the economy of higher education. Having graduated they can also be hugely important to the UK economy."* *Bright Blue*, a Tory modernising think tank agrees, as does *British Future* whose director, Sunder Katwala, is a consistent propagandist for more immigration. James Dyson is another advocate but his point of view is a capitalist one; he does not want to raise his wages to attract more engineers.

Other enthusiasts are *The Evening Standard*, Mark Field MP, David Willets MP and Anne McElvoy, the 'conservative' economist – but there are many more.

INVISIBLE EXPORT

Remember, we are not talking here about a newly created invisible export. It would be reasonable for a group of academics to get together, raise capital, start a new university for fee-paying foreign students who went away after their studies. This is not what Osborne and Johnson are advocating.

They are advocating reducing places for British students at existing universities; set up by the savings of British donors and the British taxpayer; replacing them with international students and thus allowing foreign students a back door route to immigrate to the UK.

NOT ALL UNIVERSITIES

We should remember that Britain prospered for centuries without the addition of the 'brightest and best' from other countries and that the number of British students has expanded enormously over the last forty years - so why now are they regarded as so incapable? They have to be supplemented and, indeed, supplanted to some extent by foreign students.

Of course, not all universities participate in the denigration of British students. Oxbridge still holds the fort for British students at undergraduate level at least. It is helped by the fact that its first degrees are Masters' degrees and, therefore, it has little intake for one-year Master degree courses. Most overseas students want to study in London because, as was explained to me by an Imperial College graduate, they cannot get into Oxbridge and they have heard of London and presume its universities are the best (after Oxbridge).

Nor should we forget there is a financial incentive and a strong one for universities to prioritise foreign over British students. Foreigners pay about 150% extra in fees.

THE ECONOMICS OF IMMIGRATION

This article is not about the economics of immigration but it helps to refer to the fundamentals outlined by the National Research Council of the US in its study for Congress in 1997 (*The New Americans: Economic, Demographic and Fiscal Effects of Immigration*).

"If immigrants have exactly the same skill distribution as domestic workers – and if they have brought sufficient capital with them to maintain the US capital/labour ratio, then natives will neither benefit nor lose from immigration. In this case, all inputs and national output will increase by the same amount and the wages of all workers will remain constant."

In 2004 it was estimated that each new UK worker needs to bring £141,000 of capital.

The economic effects of adding extra graduate workers without capital are to reduce the wages of native graduates as the supply of graduates is increased. Capitalists benefit. It also means that the capital required to sustain foreign graduates, usually shortened in popular speak to 'pressure on the public services' - but it is far wider than that, embracing the entire stock of private and public capital supporting each worker - has to be supplied by native Britons.

I have not got anything against capitalists. I am a capitalist myself. However, I am aware of Warren Buffet's statement: *"There's class warfare, all right, but it's my class, the rich class, that's making war and we're winning"*. Public policy should not be to add to downward pressure on labour earnings, even of graduates.