
Designer Immigrants? International Students, as Potential Skilled Migrants



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**High-Skilled Immigration Policy and the Global Competition for
Talent**

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Skilled Migration – The Major Global Pathways

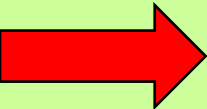
1. **Bilateral/ multilateral agreements**
2. **Temporary labour migrants (sponsored)**
3. **Permanent skilled migrants**
4. **International students**
5. **Family and Humanitarian category migrants**

Policy Attraction of the Study-Migration Pathway: 'Designer Immigrants'?

Attributes:

- Young
- Self-funded education (economic 'win-win')
- Host country language ability and qualifications
- Acculturation
- Length of future productivity – age relative to labour migrants

Demographic context by 2005:



'Over the next couple of decades nothing will impact on (member) economies more profoundly than demographic trends and, chief among them, ageing' (Chief Economist, OECD)

Global Policy Trends in the Past Decade: The Study-Migration Pathway

**OECD countries – attract 85% of international students
(primarily from Asia)**

- Expand international student flows
- Enhance work rights, including post-study ‘stays’
- Establish (+ often prioritise) the study-migration pathway
- Extend this to multiple locations + fields (in particular STEM)
- Compete to attract + retain students as skilled migrants
- Monitor competitor-country study-migration models


Attraction to international students?

- **1990s Australia-wide survey:** Finds 43-78% of students want to migrate (in particular from China)
- **2007-09 UK Observatory on Higher Education:** Defines growth of the study-migration pathway in 10 countries
- **2012 UK British Council survey of 153,000 students:** Finds migration opportunity exerts extraordinary impact on selection of study destination



Attraction of Prospective Migration to International Students: **OECD Policy Formation Past Decade!**

Scale of potential workforce supply?

- 
- **2002:** 2.1 million students studying abroad
 - **2025:** Predicted to rise to **7.2 million** (despite demographic contraction in Asia)
 - **'Win-win':** Export education industry highly lucrative for host country institutions + governments

Select country policy developments:

- **US:** Pioneers the study-migration pathway (PhD focus)
- **Australia:** Introduces study-migration pathway (1999+)
- **Canada:** Introduces Canadian Experience Class (2008+)
- **NZ:** Retains 1/3 of international students within 10 years by the 'study-to-work' pathway
- **Singapore:** Vigorously competes to attract + retain students as migrants
- **Japan, Korea:** Explore students as a domestically 'palatable' source of skilled migrants (to offset demographic contraction)
- **Europe:** Multiple developments (including detailed exploration in Germany, Austria, Czech Republic, Norway...)


Value of the Study-Migration Pathway?

Key Policy Issue by 2014

Assumed major host country benefits – BUT:

- 
- Remarkably little country or field specific investigation -
Of former international students' attractiveness to host country employers
 - Few quantitative studies on international student outcomes –
Outside Australia (Immigration Department) and the US (National Science Foundation)
 - Minimal research on former students' outcomes relative to -
Migrants selected offshore
New domestic graduates

By 2013 the value of the study-migration pathway is –

- 
- 'Under interrogation' in select countries (Australia, UK, NZ...):
Are students 'opportunists? 'backdoor immigrants'?
Are they 'dumbing down' skilled migration pathways?

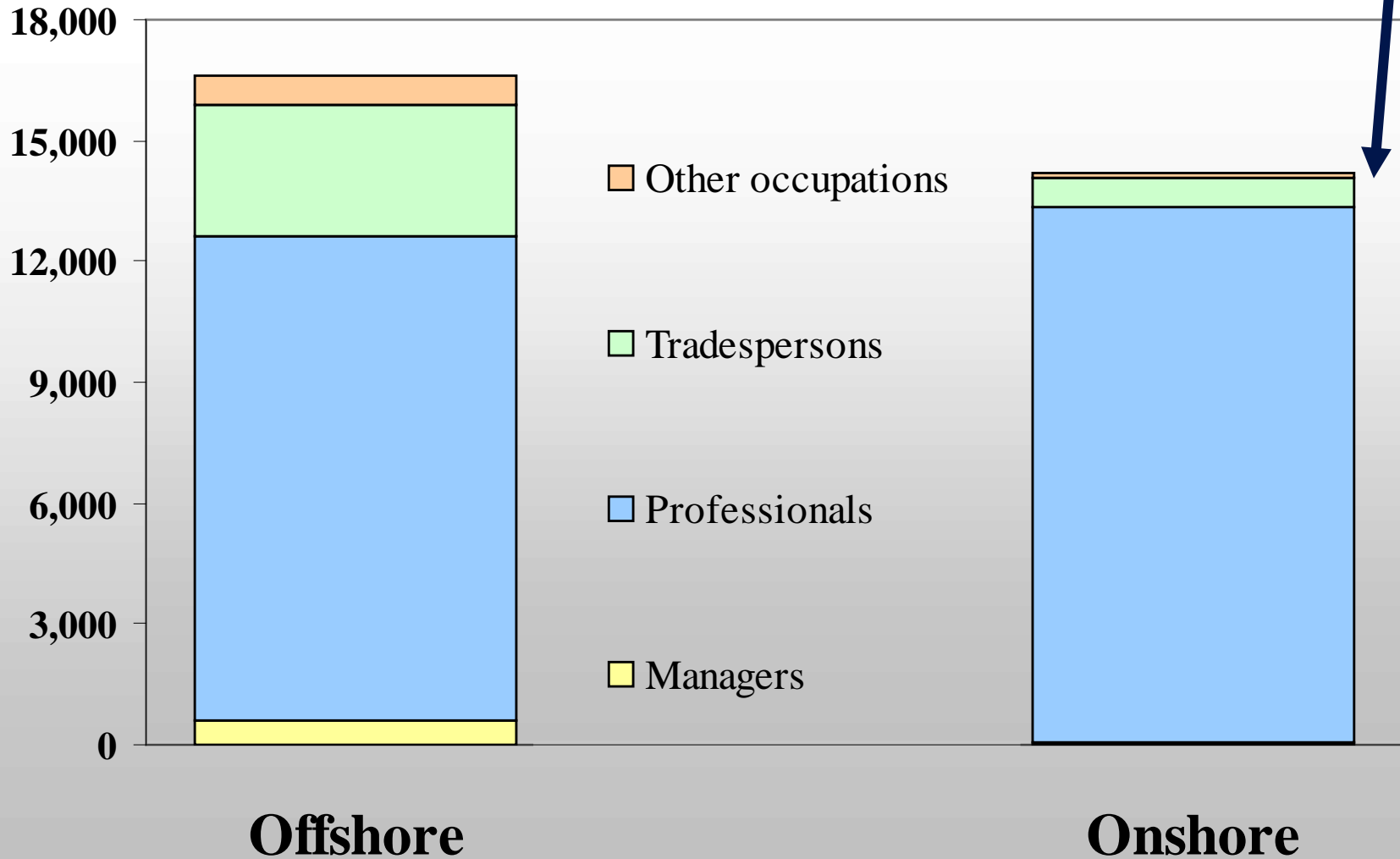
Resulting in major policy refinements – Australian case study

Crafting Australia's Study-Migration Pathway 1999-2007: International Students as a Priority Talent Resource

Top 12 Global Destination Countries (2007-2008)	International Students Enrolled in Higher/ Vocational Education
1. US	623,805 (2008)
2. Australia	389,373 (2008)
3. UK	389,330 (2008)
4. France	260,596 (2008)
5. Germany	246,369 (2007)
6. China	223,499 (2008)
7. Japan	123,829 (2008)
8. Canada	113,996 (2007)
9. Singapore	86,000 (2007)
10. Malaysia	72,000 (2008)
11. South Korea	63,952 (2008)
12. New Zealand	39,942 (2007)

Source: Compiled from data provided in *International Student Mobility: Status Report 2009*, V Lasanowski, The Observatory on Borderless Higher Education, UK, June 2009

The Study-Migration Pathway (2004): Following 1999 Introduction

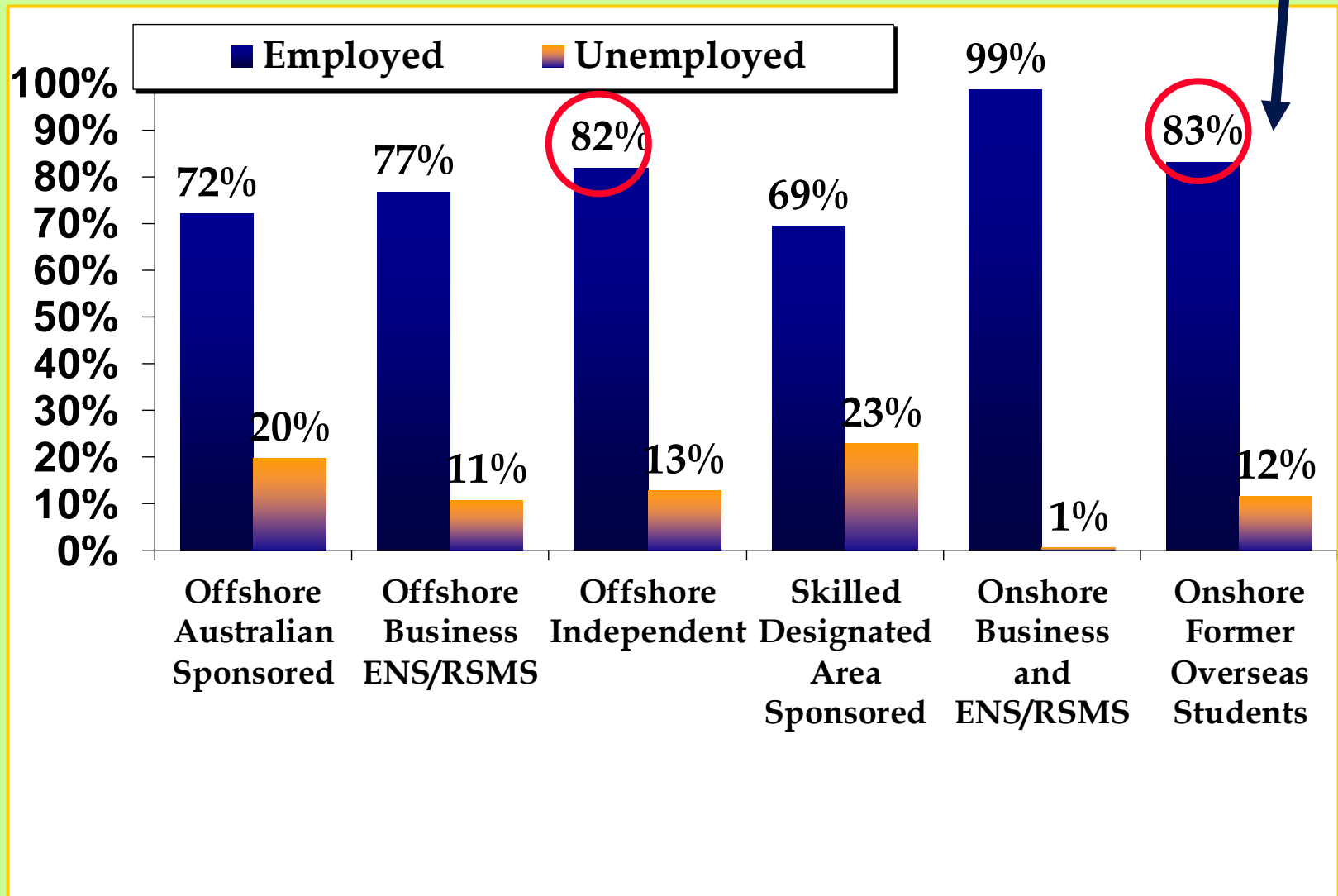


Scale of Demand for Australia's Study-Migration Pathway: 515,853 International Students Enrolled All Sectors in 2012 (422,321 in June 2014 + 630,000 in 2010)

Nationality	2012 Enrolments	% of Total	Growth on 2011
China (38% migrate by 2005)	149,758	29%	-6%
India (66% migrate by 2005)	54,396	11%	-25%
Republic of Korea	27,719	5%	-7%
Vietnam	22,551	4%	-4%
Malaysia	21,587	4%	-5%
Thailand	20,240	4%	-6%
Indonesia	17,514	3%	-2%
Brazil	15,092	3%	-1%
Nepal	14,074	3%	-20%
Pakistan	11,298	2%	+18%
Other nationalities	161,624	31%	-2%
TOTAL	515,853	100%	-7%

Employment Outcomes by 2006: Skilled Category

Employment Outcomes @ 6 Months



The Protective Value of Australia's Study-Migration Pathway by Select Source Country: **By 2007**

Country/ Region	Selection Place	Employed	Unemployed	NILF
English-Speaking Countries	Onshore	86.7	7.2	6.0
	Offshore	92.9	1.8	5.3
Europe	Onshore	91.2	5.3	3.5
	Offshore	91.7	5.6	2.8
India	Onshore	92.2	7.3	0.6
	Offshore	91.1	5.9	3.0
N Africa/ Middle East	Onshore	89.5	10.5	28.6
	Offshore	71.4		
Other Asia	Onshore	87.6	6.9	5.6
	Offshore	80.0	12.2	7.8
China	Onshore	74.8	10.9	14.3
	Offshore	54.7	27.4	17.9

BUT – Australia's Major 2006 Skilled Migration Review Found: International Students' Employment and Wage Outcomes @ 6 Months Were Inferior

Former students:

- Annual salaries of around \$33,000 (compared to \$52,500 for offshore arrivals)
- Average weekly earnings of \$641 (compared to \$1,015)
- Lower job satisfaction, with 44 per cent liking their work (compared to 57 per cent)
- Far less 'often' use of formal qualifications in current work (46 per cent compared to 63 per cent)

Source: B Birrell, L Hawthorne & S Richardson (2006), *Evaluation of the General Skilled Migration Categories*, Commonwealth of Australia, Canberra

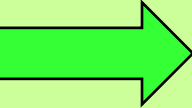
Skewed International Student Enrolments and Few in STEM Fields: Growth in New Enrolments by Field + Sector 2002-2008 (Often Poor English... Private Providers...)

Top 5 Degree Enrolments by Field	2002	2008
Business/ Commerce	29068	48922
Accounting	4187	20210
IT	19061	13528
Engineering	6991	11052
Teaching	2948	5796
Top 5 Dip/Adv Cert 111 & 1V By Field		
Business/ Commerce	14316	62351
Food/ Hospitality	1264	11551
Hairdressing	272	6514
IT	11013	5006
Accounting	988	4455



'The Pragmatists': Indian Students by Education Sector (2002 to 2008)

Context:



Impact of Australia's mining boom and 20-25 points for priority occupation

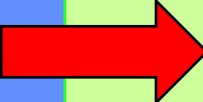
Enrolments – a different echelon arriving 2006+?

- 65,377 (June 2008) cf 93,387 (China)

Universities of choice:

- Lowest ranking

Indian student sector of enrolment:

- 
- Dramatic shift to private training and technical sector
 - June 2008: 36,045 in vocational sector compared to 21,111 in degrees (1,827 in voc. sector 6 years earlier + 6,575 in degrees)
 - (China = 18,808 in voc. sector compared to 41,812 in degrees)

2007-2014: Fine-Tuning Australia's Study-Migration Pathway

2007:

Higher English standards required for all skilled migrants, with few exemptions

2008-12 - Removal of perverse study-migration incentives

QA review of all export education sectors

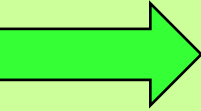
Agent and provider 'crack-down'

Changed Skilled Occupation List

Review of skilled migration points test

English level, level of university qualification = top points

Priority processing and employer/ state sponsorship key determinants of selection

 Guaranteed post-study rights to stay/work (2-4 years for degree-qualified international students only)

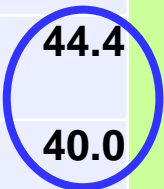
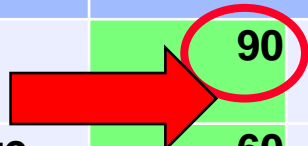
Impacts:

 Decline in enrolments (especially private vocational sector)

BUT volatile (UK, NZ, Canada also tightening policy up!)

Preliminary Policy Change Impacts? Employment Outcomes for Former International Students @ 6 Months Compared to Other Skilled Migrants (2009-2011 (Immigration Department Data))


Visa Reporting Category	Skilled Job	Other Job	Not Working	Working Full-time	Particip. Rate	Unemploy.	Median Full-time Earnings
6 Months	Job						(\$'000)
Employer Sponsored	90	7	3	92	98	0.5	71.3
Family/State Sponsored	60	31	9	72	98	7	50.0
Offshore Independent	75	12	12	76	97	10	74.6
Onshore Independent	55	37	8	69	98	6	44.4
Skilled Graduates	58	36	5	65	98	3	40.0
Other Skilled	47	33	20	61	86	7	43.0
All Skilled	68	24	8	75	96	5	52.0



Field-Specific Quantitative Evidence: **Australian Outcomes from the Study-Migration Pathway (Graduate Destination Survey 2007-11)**

Sample (Hawthorne & To 2014):

- International students: 80,000
- Domestic students: 372,000
- 11 fields assessed:



Sustained demand: Medicine, dentistry, nursing, pharmacy, physiotherapy

Over-supply: IT, accounting, business & commerce

Variable demand: Engineering

Modest demand: Education, law

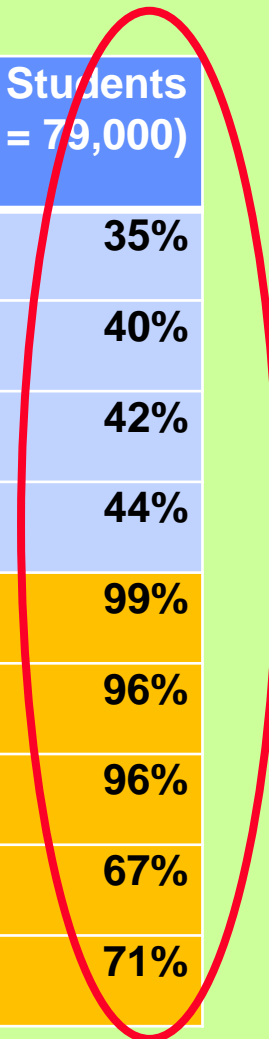
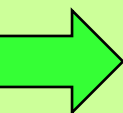
- **Employment outcomes @ 4 months:** Compared by field, qualification level, language background, source country, wage

Key findings:

1. The importance of demand by field
2. Employer preference for native or near-native speakers of English (domestic + international students!)

Impact of Demand by Field on Former International Students: Full-Time Employment Rates 6 Months After Completing Australian Bachelor Degrees Compared to Domestic Students (2007-11)

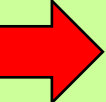
Qualification Field	Australian Graduates (Sample = 371,000)	International Students (Sample = 79,000)
Accounting	83%	35%
Business	76%	40%
IT	78%	42%
Engineering	86%	44%
Medicine	100%	99%
Dentistry	94%	96%
Pharmacy	98%	96%
Physiotherapy	94%	67%
Nursing	92%	71%



Worse Masters Degree Outcomes in Over-Subscribed Fields: International Student Full-Time Employment Outcomes by Select Source Country

Select Asia

All Fields:

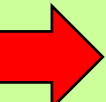
 China – 32%

India – 45%

Malaysia – 45%

Indonesia – 36%

Accounting:

 China – 29%

India – 47%

Malaysia – 43%

Indonesia – 35%

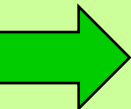
Canada/ USA +

All Fields:

 Canada/USA – 71%

Maximising Study-Migration Outcomes: Prioritising Selection of PhD Qualifications

Full-time employment at 4 months for international compared to domestic students with PhD qualifications:

- 
1. Engineering: **81%** (88%)
 2. Law: **80%** (89%)
 3. Medicine: **78%** of international students (93% of Australians)
 4. Information technology: **78%** (80%)
 5. Education: **71%** (91%)
 6. Business and commerce: **69%** (90%)
 7. Accounting: **70%** (97%)
 8. Dentistry: **67%** (93%)
 9. Pharmacy: **64%** (87%)

The PhD Qualification Advantage: **By Select Source Country for Former International Students**

Select Asia

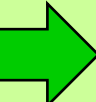
All Fields:

China – 69%

India – 67%

Malaysia – 75%

Indonesia – N/A



Accounting:

China – 72%

India – 83%

Malaysia – 92%

Indonesia – 100%

Canada/ USA +

All Fields:

Canada/USA – 79%

Accounting:

Canada/USA – N/A

KEY MIGRATION TRENDS BY 2014 – Around a Third of STEM Skilled Migrants Are Selected in Australia: **Permanent + Temporary Categories 2008-09 to 2013-14 (Most Former International Students)**

Permanent Skilled (Total 2008-09 to 2013-14)

 Engineers =
27,287 selected 2008-09 to 2013-14
On-shore: 35%

Doctors =
5,484 selected 2008-09 to 2013-14
On-shore: 29%

Computer professionals =
39,349 selected 2008-09 to 2013-14
On-shore: 37%


Science professionals =
3,979 selected 2008-09 to 2013-14
On-shore: 49%


Temporary Sponsored by Select Year (Stock)

Engineers =
2,215 selected in 2013-14 (compared to 6057 in 2011-12)
On-shore: 40% (34%)

Doctors =
380 selected in 2013-14 (compared to 636 in 2011-12)
On-shore: 35% (32%)

Computer professionals =
8126 selected in 2013-14 (compared to 9835 in 2011-12)
On-shore: 22% (23%)

 Science professionals =
647 selected in 2013-14 (compared to 1187 in 2011-12)
On-shore: 58% (49%)



Current Global Trends: The Study-Migration Pathway

US:

National Science Foundation Indicators (2014):

S&E fields:

Migration:

Disproportionate reliance

S&E fields:

Over 25+% of workers

Main source: Asia

Economic value: Vital

Focus: US-qualified international PhD students

Retention: **Very strong @ 5 years**
(primarily China and India)

Select Other Countries:

Determined to avoid abuses + maintain high-calibre study-migration pathways:

UK: Vastly reduced skilled migration options lead by 2013 to 'drastic fall in enrolments'; elite focus

Canada: Disappointing uptake of study-migration pathway to date; **just 4,359 in 2013**

NZ: Challenges = level of demand + relatively low-skill enrolment; over-reliance on India

Singapore: Ties full registration to accepting citizenship (eg medical students) **Etc!**



Select References – Study-Migration Pathway

Acknowledgement:

I gratefully acknowledge that the Department of Immigration and Border Protection (Canberra) Statistics Section provided a wealth of unpublished data to my specifications to support this paper. Plus see the DIBP website for 2001-14 reports regarding the study-migration pathway to immigration; and the Australian Education International, Citizenship and Immigration Canada, Immigration New Zealand, Open Doors Foundation (US), in addition to annual OECD SOPEMI reports (as below) for country-specific statistics.

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