

Statement for the Fourth Informal Thematic Session towards the UN global compact for safe, orderly and regular migration: 'Contributions of migrants and diaspora to all dimensions of sustainable development, including remittances and portability of earned benefits'

Student migration and negative remittances

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Students are a small but growing part of the migrant population. Globally, international students constitute about 2% of the total migrant stream. In 2014, there were nearly 5 million internationally mobile students. The top two sending countries are China and India; and the top receiving Anglo-phone countries are US, UK, and Australia. The top 3 receiving countries are classified as high-income by the World Bank, while the sending countries are from the middle income range, where China lies on the upper end and India on the lower end. Regional migration patterns also exist – most notably intra-Asian mobility, mobility of students and scholars with the South African Development community (SADC), and intra-regional mobility within Latin America. There is limited data on these movements which play crucial role in regional development – education and economic. Ongoing research on SADC through the *International Distance Education and African Students IDEAS* project reveals the potential of regional migration for limiting 'brain drain' and for enabling regional economic development.

Often international students are overlooked in the migration discussion as they are seen as temporary; and where they do appear they are considered a security issue within countries of destination rather than as bearing human capital. International students are often vilified in migration debates in the host countries. They have also been the subject of verbal and physical attacks. They are seen as taking jobs away from local populations and have few and diminishing rights within these 'foreign' countries.

Knowledge transfers: International students also contribute to the countries into which they move. They help sustain the host country's research and innovation base. For instance, in the UK over 40% of postgraduate students and 50% of those doing full-time research degrees in science, technology, engineering and mathematics are international students. International students produce new knowledge as evidenced by the number of Nobel laureates who were international students – nearly 20% of all Nobel laureates globally(since 1901) undertook their higher education (in part or full) outside of their home country.

Financial transfers: Most importantly, international students bring in considerable income into the receiving countries through direct costs such as tuition, food and accommodation; and indirect costs such as visits from family, other leisure expenses etc. In most countries revenue generated through international students is considered to be export services revenue within GDP calculations (see Table 1).

| | US | UK | Australia |
|---|------------------|------------------|------------------|
| No. of inbound mobile students ¹ | 300,743 | 285,120 | 116,822 |
| % of all inbound mobile students ² | 26 | 15 | 8 |
| Average Tuition fees (annual) ³ | 24,914 USD | 21,365 USD | 24,081 USD |
| Contribution to the economy* | 35.8 Billion USD | 18.2 Billion USD | 15.8 Billion USD |

Table 1: International students by country of destination and their contribution to economies of countries of destination. Source: IIE (US), HESA (UK), Department of Education and Training (Australia) Notes: 1. New enrollments for academic years 2015/2016; 2. 2013 figures from OECD (2016), students studying at Masters or PhD level; 3. Value for education HSBC report estimates (2014/2015 numbers). *direct and indirect costs

While students enable a positive inflow of revenue to the receiving countries, these capital flows simultaneously represent a negative flow of money from middle income and poor countries – but there have been few calculations of this. This is money that is removed from the sending countries and inputted into economies of developed receiving countries, with little opportunity of circulation of the earned benefits back to the country of origin.

A key modality for this negative remittance (out of the middle and low-income countries) is tuition fees. The majority of international students are self-funded. In United States, nearly 70% of international students rely primarily on self or family funds to pay for their studies. These funds are drawn from family resources, or bank loans. For instance, in Canada, international students arriving from the Student Partnership Program, are required to either sign a loan, or place money in an Canadian bank account as collateral (and 'security' fee) before they are granted a visa.

Skills utilisation: Students are limited from being able to utilize their skills in many receiving countries and contributing to its economy and society leading to potential loss of human capital. They have limited rights to work due to their migrant status. These policies prevent international students, who have made significant financial contribution to the economy, from earning any benefits.

All these factors together have implications for further deepening inequalities between emerging and developing economies on the one hand and the developed economies on the other, contradicting the aims of SDG 10 (to reduce inequalities within and among countries), i.e. they limit the positive development contributions of migrants to both the host and home societies.

This leads to four recommendations for considering student migration as part of the agenda on migration and development to enable and support the commitments made in the 2030 Agenda for sustainable development with particular emphasis on SDG 4 (inclusive and equitable quality education) and SDG 10 (reducing inequalities).

1. Inclusion of international students as part of migrant groups in the formulation and implementation of the global compact on migration.
2. Inclusion of negative remittances in international debates on safe, orderly and regular migration.
3. Setting up channels of cooperation between receiving and sending countries to establish mechanisms that enable fair and equal access to education to minimize negative remittances, and ensuring safe migration pathways.
4. Work internally to ensure that State systems protect migrants' rights, and enable international students to utilize their skills to contribute to the host country's economy.

Below are some short readings on this topic. For more information, please contact Parvati Raghuram (parvati.raghuram@open.ac.uk):

Department of Education and Training (2015). Value of International Education.

<https://internationaleducation.gov.au/research/research-papers/Documents/ValueInternationalEd.pdf>

HSBC (2015). *Value of Education: Learning for Life.* HSBC.

OECD (2016). *Education at a Glance 2016.* <http://www.oecd.org/edu/education-at-a-glance-19991487.htm> [accessed July 21, 2017]

Sondhi, G (2014). *Indian International Students in Canada: Motivations and Settlement Experiences.* <http://ceris.ca/wp-content/uploads/2015/03/CERIS-ResearchSummary-Sondhi.pdf> [accessed July 21, 2017]

UNESCO (2012). *New Patterns in Student Mobility in the Southern Africa Development Community.* <http://uis.unesco.org/sites/default/files/documents/new-patterns-in-student-mobility-in-the-southern-africa-development-community-2012-en.pdf> [accessed July 21, 2017]