

Joint Submission to the Migration Advisory Committee's Review of Tier 2

from the **Academy of Medical Sciences, the British Academy, the Royal Academy of Engineering and the Royal Society**

Summary

- Research is one of the UK's key strengths and the Academies have called on Government to place research at the heart of long-term plans for growth. To support the UK's position as a world-leading knowledge economy, the research base needs to attract the best of the internationally mobile research workforce, and the Academies do not foresee a time when this will not be the case.
- Tier 2 (General) is the main route through which non-EEA researchers are recruited to UK institutions and, broadly speaking, its current design is adequate to allow them to access the skilled workers they need. The UK's leading position in terms of research efficiency is linked to its effectiveness in attracting productive and internationally mobile researchers to work in the UK. The UK should concentrate on removing unnecessary barriers to the flow of talented people rather than limiting the use of Tier 2. Restricting access to the global talent pool would jeopardise the UK's ability to capitalise on its investment in research and reap the broad benefits that research brings for health, wellbeing and the economy.
- If Tier 2 (General) was adapted to focus on skill shortages and highly specialist experts, researchers should be captured in the latter category. This would require careful development of criteria to define these categories. Flexibility should be maintained and regular review of the roles on this list would be sensible, but 'sunsetting' to limit the time that a role could appear on the list would not be appropriate. The Academies also recommend that the provisions within Tier 2 for post-study work and in-country applications be preserved, as these groups are also important to the research base.
- A skills levy to fund apprenticeships would not be an appropriate means by which to support the training of UK researchers. Foreign researchers are already an integral part of the UK's training infrastructure and therefore a levy on their recruitment could be counterproductive. The Academies recommend that any such levy not apply to publicly funded research institutions, as this would restrict their ability to support excellent research and training in the UK.
- The Academies recommend that the automatic right of dependents of Tier 2 migrants to work in the UK should not be restricted. Doing so would make the UK a less attractive destination for the top researchers that our research base needs to thrive.
- While the Government is focussed on reducing net migration to the UK, the Migration Advisory Committee should ensure that the debate about immigration recognises the positive contribution made by skilled migrants to sectors crucial to the UK's future economic success.

Introduction

1. The UK National Academies welcome the opportunity to respond to the Migration Advisory Committee's Call for Evidence for its review of Tier 2. The remits of the four UK National Academies cover medicine, the humanities and social sciences, the natural sciences and engineering. Each organisation is a self-governing Fellowship, and together their Fellows include over 5,000 of the world's most distinguished researchers working across a broad range of disciplines in academia, industry, charities and the public sector. The Academies are working

together to highlight the value of research and innovation to the UK and to work with policymakers, industry and broader society to create the conditions that will secure the UK as the best place in the world to explore, discover and innovate.

2. This submission sets out the Academies' positions and relevant evidence on the Tier 2 (General) visa route, and assesses the implications of the proposed changes to Tier 2 (General) for the UK's research and innovation ecosystem. This response builds on the Academies' published positions and contributions to previous discussions about immigration, and focuses on our common interest in the UK's research base and higher education sector. It also builds specifically on the Academies separate submissions to the MAC's previous review of Minimum Salary Thresholds for Tier 2.¹
3. This submission is divided into eight sections, broadly reflecting the scope of the review:
 - Foreign researchers and the UK research and innovation ecosystem;
 - Limiting skilled migration to the UK;
 - Focussing on particular skills shortages;
 - Sunsetting;
 - Intracompany transfers;
 - Skills levy;
 - Tier 2 Dependants;
 - Overall Tier 2 design.

Foreign researchers and the UK research and innovation ecosystem

4. Research is one of the UK's key strengths. With relatively little investment—1.67% of GDP,² compared with the OECD average of 2.36%³—the UK punches above its weight as a research nation. While the UK represents just 0.9% of global population and 4.1% of researchers, it accounts for 11.6% of citations and 15.9% of the world's most highly-cited articles.⁴ The research and innovation system brings broad benefits for society, such as for health and wellbeing, and has a key role to play in the UK's economic future. It can help to tackle the UK's low productivity, create high-value jobs and support innovation in business, with companies that start and grow in the UK competing on the global stage.
5. Tier 2 (General) is the main route used by universities and companies to bring non-EEA researchers to the UK. This submission primarily focuses on the implications of the Government's commission to the MAC for researchers in academia, as this is a common interest across the Academies. However the Academies note that the health of the UK research

¹ Academy of Medical Sciences (2015) Academy submission to consultation on Tier 2 visa salary thresholds.

<http://www.acmedsci.ac.uk/policy/policy-projects/consultation-on-tier-2-visa-salary-thresholds/>

Engineering the Future (2015) Engineering the Future response to Migratory Advisory Committee call for evidence: minimum salary thresholds for Tier 2

The Royal Society (2015) Consultation Response: Migration Advisory Committee's Call for Evidence on minimum salary thresholds for Tier 2. <https://royalsociety.org/topics-policy/publications/2015/consultation-response-tier-2-minimum-salary/>

² ONS (2015) Gross Domestic Expenditure on Research and Development, 2013. <http://www.ons.gov.uk/ons/rel/rdit1/gross-domestic-expenditure-on-research-and-development/2013/index.html>

³ OECD (2014) Main Science and Technology indicators. <http://stats.oecd.org/>

⁴ Elsevier (2013) International comparative performance of the UK research base – 2013.

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/263729/bis-13-1297-international-comparative-performance-of-the-UK-research-base-2013.pdf

and innovation ecosystem relies on a wide variety of other skilled workers across academia and industry. The Academies are concerned that restricting the ability of other relevant workers to use Tier 2 (General) could be detrimental to the research system as a whole. For example, some roles on the shortage occupation list are also important for the research base, such as science and maths teachers, as well as civil, mechanical and electrical engineers.

6. We cannot realise the full potential benefits of public investment in research and innovation with UK talent alone. The UK's world-leading position in research was built with global talent. For example, among the early Royal Society Fellows was a German, Henry Oldenburg, who established the world's first scientific journal as founding editor of the *Philosophical Transactions of the Royal Society* (1665), laying the foundations for the modern scientific paper and peer-review process. More recently, and throughout the twentieth century, UK research has continued to benefit from the immigration of top foreign researchers to the UK. These include several Nobel Prize winners, such as the Russian physicist Sir Andre Geim FRS, and Fellows and Foreign Members of the Academies, such as American economist H. Peyton Young FBA and Brazilian neuroscientist Kia Nobre FBA.
7. Today, the UK research base is truly international; at the last count, 26% of the academic workforce in UK universities were non-UK nationals, with 11% from outside the EU.⁵ The proportions are higher at some of the UK's top universities, such as Cambridge, where the proportion of Academic staff from outside the EU is 12.88%.⁶
8. In academia, researchers from junior postdoctoral positions through to senior professorial roles are recruited through the resident labour market test and make up the bulk of applications relevant to the Academies. For example, natural and social science professionals (SOC 2119) accounted for 10% of all Certificates of Sponsorship used in the year ending March 2015.⁷ Although the inflow of researchers to the UK in any given year is notable, the impact of research on net migration over time is much smaller. The research workforce is internationally mobile and researchers that migrate to the UK do not always remain in the UK; in fact the number of non-EEA researchers working in the UK is quite stable over time.⁸
9. The UK's excellence in research attracts some of the best minds to work in its world-leading institutions. The United Kingdom is the second most connected economy in terms of mobile scientists, after the USA.⁹ The proportion of non-EEA researchers in the UK research workforce reflects the acknowledgement by previous governments that UK institutions must be able to recruit from the international talent pool. Immigration policies that ensure the UK can maintain this position are crucial to keeping UK research at the cutting edge and maintaining the UK's

⁵ Higher Education Statistics Agency (2015) Staff in Higher Education 2013/14

⁶ University of Cambridge (2015). Response to the Migration Advisory Committee (MAC) Call for Evidence on the Review of Tier 2.

⁷ Migration Advisory Committee (2015) Call for Evidence: Review of Tier 2. Annex B.

⁸ For example: 3,550 Certificates of Sponsorship were used for Natural and Social Sciences Professionals (2119) in 2010 (Migration Advisory Committee (2015) Call for Evidence: Review of Tier 2. Annex B). Although the annual number of PhD-level visa applications has increased since 2010 (CoS granted, data via CaSE), the total number of non-EU Academic staff in UK Universities has only increased by 2,310 over four years, from 19,830 in 2009/10 to 22,140 in 2013/14 (Higher Education Statistics Agency (2010-2015) Staff in Higher Education).

⁹ OECD (2014) Which factors influence the international mobility of research scientists? http://www.oecd-ilibrary.org/science-and-technology/which-factors-influence-the-international-mobility-of-research-scientists_5js1tmrr2233-en

- leading role as a major hub for international research.¹⁰ If outstanding researchers take their skills elsewhere, it will be to the detriment of UK research, the economy and society.
10. Research is a global enterprise and the world's academic workforce is highly skilled and internationally mobile. Around the world, other leading research nations continue to preserve visa routes for these skilled workers,¹¹ even in the context of pressure to reduce overall immigration. Most comparable countries have in place a range of policies to encourage the mobility of scientists and other researchers.¹² Provisions for the movement of scientists are important to the UK's role in the international research ecosystem, and they are part of informal bilateral arrangements with other countries.
 11. Internationally mobile researchers have a significantly higher research performance than sedentary researchers.¹³ Mobile talent contributes to the creation and diffusion of knowledge, and the international mobility of researchers creates lasting connections between research institutions around the world. Mobility can expand collaboration networks, and collaborations can also be an outcome of periods spent in other countries.¹⁴ International collaboration is a proven mechanism for promoting excellence in research; papers resulting from international collaborations perform comparatively better than those with only UK-based authors.¹⁵
 12. The Call for Evidence for this Review discusses the use of Tier 2 to fill skills shortages and recruit highly specialised experts. The Academies believe that researchers recruited through Tier 2 are all highly specialised experts who are incredibly valuable to the UK. Skilled workers are not only valuable to the UK because they fill specific shortages; they support productivity growth and make a net contribution to the UK.¹⁶ Although the focus of the Government's commission to the MAC is on reducing the overall level of skilled migration to the UK, the Academies encourage the MAC's to recognise and reflect the positive contribution made by skilled migrants in their recommendations.
 13. The research and innovation ecosystem is complex¹⁷ and relies on a variety of skilled workers across academia and industry. This includes roles that do not require a PhD, such as technical

¹⁰UK National Academies (2015). Building a Stronger Future: Research, Innovation and Growth.

<https://royalsociety.org/~media/policy/Publications/2015/building-a-stronger-future-research-innovation-growth.pdf>

¹¹ See for example: <http://ec.europa.eu/euraxess/index.cfm/services/scientificVisa>

¹² OECD (2014) Which factors influence the international mobility of research scientists? http://www.oecd-ilibrary.org/science-and-technology/which-factors-influence-the-international-mobility-of-research-scientists_5js1tmrr2233-en

¹³ Elsevier (2013) International comparative performance of the UK research base – 2013.

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/263729/bis-13-1297-international-comparative-performance-of-the-UK-research-base-2013.pdf

¹⁴ OECD (2014) Which factors influence the international mobility of research scientists? http://www.oecd-ilibrary.org/science-and-technology/which-factors-influence-the-international-mobility-of-research-scientists_5js1tmrr2233-en

¹⁵ Elsevier (2013) International comparative performance of the UK research base – 2013.

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/263729/bis-13-1297-international-comparative-performance-of-the-UK-research-base-2013.pdf

¹⁶ Evidence cited in Migration Advisory Committee (2015) Review of Tier 2. Analysis of Salary Thresholds

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/452805/Review_of_Tier_2_-_Analysis_of_salary_thresholds.pdf

¹⁷ For example, see Figure 10 in Dowling, A (2015) The Dowling Review of Business-University Research Collaborations.

<http://www.raeng.org.uk/publications/reports/the-dowling-review-of-business-university-research>

roles in the engineering and manufacturing sectors. The Academies therefore advise caution in the development of any further restrictions, which might have unpredictable knock-on effects.

14. In some industry sectors, such as engineering, the UK has specific skills shortages as insufficient numbers of UK students are currently coming through the education system to take up skilled roles in science, engineering and technology.¹⁸ This skills shortage has the potential to damage the health of the UK economy.¹⁹ The UK's ability to attract skilled workers is a key part of the solution to this shortfall in industry and skilled workers from abroad are important to support growth.²⁰

Limiting skilled migration to the UK

15. Reducing the overall level of Tier 2 migration could limit the number of excellent researchers that can be recruited to the UK. Even if the number excluded was small, this would be detrimental to the perception of the UK as an attractive location compared to other possible research destinations.
16. The economic impact of reducing the number of researchers migrating to the UK academic research base would not necessarily be felt immediately. The contribution that research makes to economic growth and improved productivity manifests over the long-term, as do the impacts of research on health and wellbeing.²¹ To reap the benefits of past investment and support the economy in future, the research base needs access to global talent.
17. In industry, limiting access to skilled workers could have more immediate effects on the economy. For companies, recruiting through Tier 2 is already a more cumbersome process than recruiting from the resident labour market, particularly for small and growing companies.²² Those that use Tier 2 do so to meet a specific need at a particular time, for the future success of the company. Restricting access to skilled workers through Tier 2 could limit the future growth of such companies.
18. In recent years, the Government has shown support for innovative sectors such as digital technology and biotechnology, and the UK is an international hub for companies working in these sectors. As they are growing these sectors are also experiencing acute skills shortages, such as for software developers or bioinformaticians.²³ Restricting access to these skilled workers from overseas could ultimately limit the success of UK companies that have the potential to seed the industries of the future, creating tax revenue, jobs and exports.
19. Losing the ability to recruit top international talent would make it harder for the government to realise its ambition to make the UK the best place in the world for science and business.²⁴ This would have a number of knock-on effects on the economy. For example, the UK's excellent

¹⁸ The Royal Society (2014) Vision for science and mathematics education.

<https://royalsociety.org/~media/education/policy/vision/reports/vision-full-report-20140625.pdf>

¹⁹ UK Commission's Employer Skills Survey 2013: UK Results. UK Commission for Employment and Skills.

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/327492/evidence-report-81-ukces-employer-skills-survey-13-full-report-final.pdf

²⁰ http://www.cbi.org.uk/media/2119176/education_and_skills_survey_2013.pdf

²¹ UK National Academies (2015). Building a Stronger Future: Research, Innovation and Growth.

<https://royalsociety.org/~media/policy/Publications/2015/building-a-stronger-future-research-innovation-growth.pdf>

²² Coadec (2015) TheStartup Manifesto. <http://www.coadec.com/wp-content/uploads/2014/09/Startup-Manifesto.pdf>

²³ HM Government (2015) Tier 2 shortage occupation list. <https://www.gov.uk/government/publications/tier-2-shortage-occupation-list>

²⁴ Department for Business, Innovation and Skills (2014) Our plan for growth: science and innovation.

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/387780/PU1719_HMT_Science_.pdf

research base attracts foreign investment. The UK is currently the top destination for foreign investment in Europe.²⁵ Not all of this investment is related to R&D, but in 2014/15 there were 11% more foreign-direct investment projects containing an R&D element than in 2013/14.²⁶ Research strength has a substantial positive impact on propensity to conduct R&D in a country,²⁷ and multinational R&D-intensive companies choose to locate their activities close to centres of excellence.²⁸ Maintaining the UK's research excellence is fundamental to the UK's economic future.

Focusing on specific skills shortages

20. If a new model for Tier 2 were to be based on an expanded Shortage Occupation List (SOL), the methodology for determining the list would need thorough revision to properly accommodate highly specialised experts, including researchers. These workers are distinct from those being recruited to fill a known skills shortage. For research, a time when home grown talent alone could substitute for a diverse, international workforce is not foreseeable. This means that to rely solely on the flow of researchers coming through the UK pipeline would have a detrimental effect on the sector's performance as a whole. In research, employers need continued access to the international talent field.
21. If an expanded SOL is developed further, the Academies and the sector as a whole could work with the MAC to develop relevant criteria that could be used to properly and clearly define these roles. As an initial consideration, the Academies would advise against using salary alone. As discussed below, salary is not a good proxy for the value of researchers to the UK.
22. The current points-based system prioritises PhD-level positions. This has meant that the recent breach of the Tier 2 cap has not, as far as the Academies are aware, prevented academic researchers from coming to the UK. The Academies recognise the protection afforded to the research base by this provision, and believe that it is appropriate due to the value of these individuals to the UK. Most researchers are relatively poorly paid compared with other professionals, with a nationally agreed pay spine, and so would be disadvantaged in a salary-only system. The Academies recommend that this provision be maintained, as it is a clear and simple way to ensure that the research base can recruit the majority of the workers it needs to thrive.

Migrants switching from the Tier 4 student route

23. At present, students sponsored by publicly funded higher education institutions can switch from the Tier 4 student route into Tier 2 (General) if they find a suitable role after graduation. Earlier changes to post-study work opportunities, with the closure of the Tier 1 (post-study work) route from April 2012, have already severely limited the ability for students to stay and work; numbers fell from 34,895 Tier 1 (post-study work) visas granted in 2012 to only 4,175 Tier 2 (General)

²⁵ EY (2015) European Attractiveness Survey. [http://www.ey.com/Publication/vwLUAssets/EY-european-attractiveness-survey-2015/\\$FILE/EY-european-attractiveness-survey-2015.pdf](http://www.ey.com/Publication/vwLUAssets/EY-european-attractiveness-survey-2015/$FILE/EY-european-attractiveness-survey-2015.pdf)

²⁶ UK Trade and Investment (2015) UKTI Inward Investment Report 2014 to 2015. <https://www.gov.uk/government/publications/ukti-inward-investment-report-2014-to-2015/ukti-inward-investment-report-2014-to-2015-online-viewing>

²⁷ Belderbos, R., Leten, B., Suzuki, S., (2009). *Does excellence in academic research attract foreign R&D?* Working Paper, K.U. Leuven. http://papers.ssm.com/sol3/papers.cfm?abstract_id=1537030

²⁸ Kuemmerle, W. (1999) *Foreign Direct Investment in Industrial Research in the Pharmaceutical and Electronics Industries - Results from a Survey of Multinational Firms*, Research Policy, 28, 179-193. <http://www.sciencedirect.com/science/article/pii/S0048733398001103>

visas granted to former students in 2013.²⁹ Restricting recruitment within Tier 2 to genuine skills shortages and highly specialised experts would effectively close the option for international students on Tier 4 visas to remain in the UK to work after their studies, as they would be unlikely to meet criteria for either of these categories.

24. International students are hugely valuable to the UK. The higher education sector generated an estimated £10.7 billion of export earnings for the UK in 2011–12; £7.2 billion of this was from the expenditure of non-EU students on fees, accommodation and goods and services bought off-campus.³⁰ In 2013-14, non-EU students represented 8.7% of the undergraduate student population and 29% of the postgraduate student population.³¹ Particularly at the postgraduate level, their presence allows universities to run courses that would not be supported by home students alone, and this is particularly true in STEM subjects.³² Foreign researchers who have spent time in the UK as students may also be more likely to maintain links and collaborate with the UK later in their career, all of which contributes to maintaining the UK's position as an international hub.
25. For all of the above reasons, it is important that the UK continues to attract international students to the UK. Globally, the number of internationally mobile students is continuing to increase,³³ and the UK had a 12.6% share of the international student market in 2012, second only to the USA.³⁴ However, other nations, such as Australia and Canada, are now implementing strategies to attract a larger share of the international student market,³⁵ while the UK higher education sector has experienced two consecutive years of falling overseas entrants.³⁶
26. Around the world, governments are recognising that post-study work visas are a key part of the offer to attract international students. The closure of the Tier 1 (post-study work) visa in the UK and an increase in negative rhetoric about foreign students over the course of the last parliament are thought to have contributed to the decline in applicants to the UK.³⁷ The remaining option of switching into Tier 2 is therefore an important part of the offer that UK institutions can make to recruit students.
27. Any changes to Tier 2 which restricted this right further, while no other route for post-study work is available, would be damaging to the UK's ability to increase its share of this growing global student market and to its ability to harness this untapped talent for UK benefit. The UK economy should benefit from the skills of the workers from around the world that it is training in its institutions. 75% of the public believe that international students should be allowed to stay

²⁹ All-Party Parliamentary Group on Migration (2015) UK post study work opportunities for international students Session 2014-15 Report. http://www.appgmigration.org.uk/sites/default/files/APPG_PSW_Inquiry_Report-FINAL.pdf

³⁰ Universities UK (2015) The Impact of UK Universities on the UK Economy.

<http://www.universitiesuk.ac.uk/highereducation/Documents/2014/TheImpactOfUniversitiesOnTheUkEconomy.pdf>

³¹ Higher Education Statistics Agency (2015) Students in Higher Education 2013/14.

³² Higher Education Statistics Agency (2015) Students in Higher Education 2013/14.

³³ OECD (2014) Education at a Glance 2014. <http://www.oecd.org/edu/Education-at-a-Glance-2014.pdf>

³⁴ Universities UK (2014), International Students in Higher Education: The UK and its Competition.

<http://www.universitiesuk.ac.uk/highereducation/Pages/InternationalStudentsInUKHE.aspx#.VJB3tCusWPs>

³⁵ OECD (2014) Education at a Glance 2014. <http://www.oecd.org/edu/Education-at-a-Glance-2014.pdf>

³⁶ Universities UK (2014), International Students in Higher Education: The UK and its Competition.

<http://www.universitiesuk.ac.uk/highereducation/Pages/InternationalStudentsInUKHE.aspx#.VJB3tCusWPs>

³⁷ Universities UK (2014), International Students in Higher Education: The UK and its Competition.

<http://www.universitiesuk.ac.uk/highereducation/Pages/InternationalStudentsInUKHE.aspx#.VJB3tCusWPs>

and work in the UK after graduating;³⁸ the Academies would note that a number of recent inquiries have recommended that students be allowed to remain in the UK for a longer period of 12 to 24 months following graduation from a recognised academic institution.³⁹

Other in-country applicants

28. The continuing availability of in-country applications, for example extensions of stay, is important to the research and innovation system. For example, employers might want to extend the stay of a particular researcher to allow them to complete a complex project or advise on the future development of an area of work. Losing a key team member and changing researchers on a project can be extremely disruptive and could result in a loss of time and money, which is not cost effective for the research base.

Sunseting

29. The MAC reported on a proposed sunset clause in 2013 and recommended that imposing a time limit across the board on the length of time that a role could be listed on the SOL would be inappropriate. The Academies support the view that regular review of roles on the SOL is a more appropriate way to ensure that the UK has access to the skilled workers it requires.
30. Although it is not the case for academic researchers, the Academies note that for some roles, for example in engineering, there are systemic skills shortages that have existed for a long time. The sector acknowledges the need to train more home workers for these roles and has taken action to do so, but this can take decades — from inspiring young people through to postgraduate education. Removing the option of recruitment from overseas before the skills gap can be filled with home workers could exacerbate the shortage in the short term and make it more difficult for UK firms to focus on training home workers in the long term.⁴⁰ The response to this consultation from the Engineering the Future alliance of engineering institutions, of which the Royal Academy of Engineering is a member, goes into more depth on the urgent need to supplement action on domestic skills with recruitment from overseas if we are to meet our technical skills needs.

Intra-company transfers (ICTs)

31. The Academies' common remits do not cover roles for which the Intra-company transfer (ICT) route is typically used. However, we recommend that as part of its review the MAC consider the implications of changes to ICTs for other sectors. The Academies understand that workers using the ICT part of the route might work on projects in companies across the breadth of industrial sectors, which might be inadvertently effected by any changes.

Skills levy

32. The proposed levy would be used to fund apprenticeships in the UK, as a mechanism by which to train home workers over the long run to fill the roles being recruited through Tier 2. In

³⁸ Universities UK (2014) International students and the UK immigration debate.

<http://www.universitiesuk.ac.uk/highereducation/Documents/2014/InternationalStudentsImmigrationDebate.pdf>

³⁹ Such as All-Party Parliamentary Group on Migration (2015) UK post study work opportunities for international students Session 2014-15 Report. http://www.appgmigration.org.uk/sites/default/files/APPG_PSW_Inquiry_Report-FINAL.pdf; and

Higher Education Commission (2014) To Good to Fail: The Financial Sustainability of Higher Education in England http://www.policyconnect.org.uk/hec/sites/site_hec/files/report/391/fieldreportdownload/hecommissionreport-toogoodtofail.pdf

⁴⁰ Royal Academy of Engineering (2012). Jobs and Growth: the importance of engineering skills to the UK economy. <http://www.raeng.org.uk/publications/reports/jobs-and-growth>

industry, apprenticeships are an important tool for developing a home grown workforce with the technical skills that the UK's knowledge-based economy needs. However, the details of a proposed levy require clarification before it will be clear whether this mechanism can support the development of the UK skills base, without creating unnecessary barriers to companies recruiting the skilled experts that they need from abroad.

33. Training skilled people is one of the key roles of the UK academic research system; academic qualifications are a gateway to employment in a broad range of sectors, including financial services, heritage and culture, creative industries and information technology.⁴¹ Foreign researchers are a fundamental part of the UK's training infrastructure for research and the research system needs to be able to recruit the very best of the global talent pool to continue to train excellent researchers. A levy on institutions recruiting them could therefore be counterproductive.
34. Apprenticeships are a valuable route to into skilled work in many sectors, but for the majority of roles that researchers are recruited to through Tier 2, they are not an appropriate form of training. The proposed levy would therefore not be effective in training home workers to fill those roles in future and would therefore not be appropriate for employers recruiting for research roles.
35. If the skills levy were used to fund other forms of training for researchers, such as postgraduate degrees, such a charge on publicly funded institutions would still be inappropriate. Under a levy, UK institutions would still be likely to recruit foreign researchers, meaning that funding would be diverted from excellent teaching and research to fund the skills levy. If this money were eventually reinvested in universities to support training, this would create a futile cycle of funding, effectively returning public money for universities to the public purse before returning it to them for investment in training. Along the way, such a system would reduce the volume of excellent research and teaching that institutions could fund.
36. The Academies recommend that any skills levy should not apply to publicly funded research institutions. Further, the Academies recommend that the proposed targeting—towards apprenticeships—of any funds gathered through a levy be considered more broadly. Although apprenticeships are one crucial route through which skilled workers can be trained, for many other roles that are recruited through Tier 2, including but not limited to researchers, other forms of education and training might be more appropriate.

Tier 2 Dependants

37. Removing the automatic right to work of Tier 2 Dependents would be likely to have a negative effect on the main applicant's decision of whether to come to the UK. A recent survey of academics in the UK on Tier 2 visas⁴² showed that 81% would 'probably' or 'definitely' not have accepted their current assignment if their partner did not have the right to work. Internationally mobile, talented researchers have many options about where in the world to work, and visa regulations should not make the UK an unattractive destination for them.

⁴¹UK National Academies (2015). Building a Stronger Future: Research, Innovation and Growth.

<https://royalsociety.org/~media/policy/Publications/2015/building-a-stronger-future-research-innovation-growth.pdf>

⁴² The Permits Foundation (2015) Data extract from a survey by Permits Foundation to assess the mobility and social impacts of restricting the right of dependants of Tier 2 visa holders to work in the UK. There were 222 respondents, of which 96% were on Tier 2 (General).

38. The spouses and partners of academics with Tier 2 (General) visas are valuable to the UK in their own right. The Permits Foundation survey showed that they are young (92% aged under 45) and well educated; 98% were educated to degree level, with 70% holding a postgraduate degree. 66% were employed, with 71% of these in managerial or Professional occupations. As well as contributing their own skills to the UK, the academics reported that their partners had broad positive impacts on their adjustment and integration with life in the UK (97%), family relationships (89%) and willingness to complete their assignment in the UK (90%).
39. Some researchers come to the UK for permanent positions and settle here. However, research careers are often characterised by periods of time spent in several different countries over the course of an individual's career, with many short-term contracts of 1-3 years. Many of the researchers that use Tier 2 to come to the UK are unlikely to stay permanently. It is typical for researchers and their dependents to move several times throughout their careers, and they might have several options at each stage. The likelihood that global talent would choose the UK would be greatly reduced if it becomes a relatively unattractive destination for their dependents.
40. Making the UK a less attractive destination for skilled researchers—as the Academies anticipates this change would—would be detrimental to the UK economy and public finances in the short term, as the net contribution that Tier 2 migrants and their dependents make to the UK economy would be lost.⁴³ Reducing the attractive power of the UK research base would make it more difficult to attract the foreign talent that UK research needs to remain world leading. The broad economic benefits that research bring could therefore diminish.

Overall Tier 2 design

41. In broad terms, the current design of Tier 2 functions quite well for the research base. The Academies welcome the prioritisation of PhD-level positions within the route and, by and large, UK universities are familiar with the system and can use it to recruit the workers they need. Most complaints about Tier 2 focus on the bureaucracy and time it takes to get a Tier 2 visa. The Academies do not have the same level of direct involvement with the system as universities and representative bodies; therefore we refer you to their responses for more detailed comments.
42. We note that stability and familiarity with the system are themselves positive things that help to ensure its smooth operation, and we therefore recommend that the MAC consider this when making recommendations to Government for changes to the route.
43. Relatedly, for small science and technology-based companies, start-ups and spin outs, the cost and time it takes to become a sponsoring organisation presents a significant barrier to recruiting skilled workers. This is particularly true for growing companies where skilled workers can be needed to fill vacancies on short timescales.⁴⁴ The MAC might wish to review options to support these companies to access skilled workers specifically, as there is currently an effective imbalance between the relative abilities of large and small companies to recruit foreign workers.

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⁴³ Vargas-Silva C (2015) Briefing: The Fiscal Impact of Immigration in the UK.

<http://www.migrationobservatory.ox.ac.uk/sites/files/migobs/briefing%20-%20Fiscal%20Impacts.pdf>

⁴⁴Coadec (2015) TheStartup Manifesto. <http://www.coadec.com/wp-content/uploads/2014/09/Startup-Manifesto.pdf>