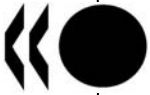


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Organisation de Coopération et de Développement Économiques
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**DIRECTORATE FOR EMPLOYMENT, LABOUR AND SOCIAL AFFAIRS
EMPLOYMENT, LABOUR AND SOCIAL AFFAIRS COMMITTEE**

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Working Party on Migration

INTERNATIONAL STUDENTS IN THE TWO-STEP MIGRATION

Note by the Secretariat

**Paris - 10-11 June 2010 (OECD Conference Centre, Room CC1)
The meeting will begin at 15h00 on 10 June and finish at 17h00 the 11 June**

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INTERNATIONAL STUDENTS IN THE TWO-STEP MIGRATION¹

Introduction

1. The number of students enrolled in tertiary education outside their country of citizenship has been steadily growing from slightly above 1 million in the 1980s to 3 million in recent years. On average the number of international students has doubled from 2000 to 2007 and appears to be further increasing in the near future. The share of those studying in OECD countries is about 84%, with OECD countries such as the United States, United Kingdom, Germany, France and Australia the top destination countries (OECD, 2009a). International graduates are precious human resources for the receiving countries as they are highly skilled and have a high likelihood of successfully integrating due to the country-specific knowledge they will have gained during their studies. Within a broader policy to enlarge the highly-skilled migrant population on the labour market, many OECD countries have adopted measures for so-called two-step migration. In a first step the pool of international students is increased by various measures intended to attract them, and in a second step countries implement measures which aim at retaining international graduates as permanent migrants.

Attracting international students

2. International students have become a significant group in international migration flows in OECD countries. Usually, international students amount to about a third of the total inflow of temporary migrants in the OECD countries (OECD, 2010). There are about 2.5 million international students from around the world in OECD countries. Generally speaking, the United States is the largest destination country in absolute terms with almost 600 000 international students in 2007. In relative terms, however, the share of international students in the United States and also Japan is below average, at about 3%. By contrast, Switzerland and New Zealand are countries which have fewer numbers of international students, around 30 000, but their share in the total student enrolment is twice the OECD average of 7.1%. Advanced research programs attract international students generally more than in tertiary education programs. Their share of enrolment is usually at least double the share of those studying in tertiary education. Along with the United States and Australia, Germany, France, Japan and the United Kingdom are the main destination countries for international students in both levels of higher education, accounting for about 75% of all international students in the OECD. The source countries of these international students are also mainly in the OECD area. In addition to these six mentioned here, Korea is also an important source country and a significantly increasing share is from China and India (OECD, 2009a).

3. Recruiting students educated in the host country has several advantages. International graduates will have gained knowledge of local work practices and regulations, along with proficiency in the local language. Moreover, their degrees are recognised by employers. On the other hand, international graduates will also have obtained soft skills, such as better understanding of the local social and cultural norms. Obtaining a qualification in the host country also has signal functions. The international graduate signals

¹ This document has been prepared by Ms. Sakura Yamamura, Consultant to the OECD.

his/her commitment and ability to integrate in the host country. Employers also associate certain characteristics with the qualification, such as perseverance, self-management and willingness to adapt.

4. In order to enlarge the pool of such potentially highly-skilled international graduates, OECD countries have taken several measures to attract international students. The internationalisation measures are diverse (OECD, 2004; OECD, 2009b). They may include marketing measures to encourage international mobility of students in general by providing multilingual websites or information brochures. They may also involve making living and study conditions more attractive for international students, through tuition waivers or other fee reductions for international students, aids in housing, and additional counselling services. Within tertiary education institutions internationalisation can be observed in the increased number of English-language courses, local language tuition or facilitated transfers of credits obtained in foreign countries. On the side of migration and labour policies, conditions have been eased for international students to obtain a visa. Providing work permission with or supplementary to the student visa is another measure to make the study location attractive for potential international applicants.

Table 1: Tertiary enrolment of international and foreign students (2007) and evolution since 2000

	International Students			Foreign Students				Number of Students 2007		
	In tertiary education		In advanced research programmes	In tertiary education		In advanced research programmes	Index of change in the number of foreign students, total tertiary (2000=100)	Index of change in the number of foreign students, total tertiary (2007/2006)	International Students	Foreign Students
	Percentage of enrolment	Per 1000 population	Percentage of enrolment	Percentage of enrolment	Per 1000 population	Percentage of enrolment				
OECD countries										
Australia 1	19.5	10.1	20.8	22.5	11.6	31.5	200	113	211 500	244 300
Austria 1	12.4	3.9	15.1	16.7	5.3	21.5	143	111	32 400	43 600
Belgium 1,2	7.5	2.4	20.5	12.2	3.9	29.9	107	102	25 200	41 400
Canada 1,3,4,5	7.7	2.1	21.2	14.8	4.0	39.0	140	89	68 500	132 200
Czech Republic 1	5.6	2.0	7.2	6.8	2.4	8.9	448	115	20 200	24 500
Denmark 1	5.5	2.3	6.6	9.0	3.8	21.5	162	109	12 700	20 900
Finland 6	4.1	2.4	7.8	3.3	1.9	8.0	181	113	12 700	10 100
France	n.a.	n.a.	n.a.	11.3	3.9	37.9	180	100	n.a.	246 600
Germany 6	n.a.	2.5	n.a.	11.3	3.1	n.a.	138	99	206 900	258 500
Greece 3	n.a.	n.a.	n.a.	3.5	1.9	n.a.	246	128	n.a.	21 200
Hungary 1	3.0	1.3	6.7	3.5	1.5	7.5	153	104	12 900	15 100
Iceland 6	5.2	2.6	11.9	4.9	2.6	14.4	194	112	800	800
Ireland 6	8.8	4.0	n.a.	n.a.	n.a.	n.a.	226	n.a.	16 800	n.a.
Italy	n.a.	n.a.	n.a.	2.8	1.0	5.9	230	117	n.a.	57 300
Japan 1	2.9	0.9	16.1	3.1	1.0	16.8	189	97	115 100	125 900
Korea	n.a.	n.a.	n.a.	1.0	0.7	5.5	947	143	n.a.	31 900
Luxembourg	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Mexico	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Netherlands 3	4.7	1.7	n.a.	6.4	2.3	n.a.	270	106	27 400	37 600
New Zealand 1	13.6	7.8	26.6	26.8	15.4	45.7	791	96	33 000	65 000
Norway 1	2.2	1.0	4.8	7.3	3.3	23.4	180	109	4 800	15 600
Poland	n.a.	n.a.	n.a.	0.6	0.3	2.8	213	114	n.a.	13 000
Portugal	n.a.	n.a.	n.a.	4.9	1.7	9.6	169	105	n.a.	18 000
Slovak Republic 1	0.9	0.4	0.8	0.9	0.4	0.9	128	115	1 900	2 000
Spain 1	1.8	0.7	9.9	3.4	1.3	21.9	235	117	32 300	59 800
Sweden 1	5.4	2.4	5.9	10.3	4.7	21.7	167	103	22 100	42 800
Switzerland 3,6	14.0	4.0	45.0	19.3	5.5	45.0	158	104	29 800	41 100
Turkey	n.a.	n.a.	n.a.	0.8	0.3	2.6	109	101	n.a.	19 300
United Kingdom 1	14.9	5.8	42.1	19.5	7.6	46.0	158	110	351 500	460 000
United States 1	3.4	2.0	23.7	n.a.	n.a.	n.a.	125	n.a.	595 900	n.a.
OECD total	7.1	3.0	16.3	8.7	3.5	20.4	235	105	1 834 500	2 048 200
OECD total for common countries								104	1 221 700	1 641 200
1. International students are defined on the basis of their country of residence. 2. Excludes data for social advancement education. 3. Percentage in total tertiary underestimated because of the exclusion of certain programmes. 4. Year of reference 2006. 5. Excludes private institutions. 6. International students are defined on the basis of their country of prior education.										
Source: Education at a Glance, OECD, 2009. www.oecd.org/edu/eag2009 ; Education Database: www.oecd.org/education/database ; OECD.Stat: http://stats.oecd.org/index.aspx										

Retaining international graduates

5. Among the measures taken by OECD countries in recent years to facilitate international student migration (OECD, 2008a; ICMPD, 2006; see also OECD, 2010) are support for the transition from student to worker status, for example, by providing courses in the language of the host country², such as in Finland with Finnish and Swedish language courses, or by mediating internships for international students, such as is done by the Public Employment Service in Japan. OECD-countries have also facilitated visa procedures for international students and graduates in recent years, for example by allowing applications for permanent migration to be lodged in Australia, something which had not been previously permitted. Some countries, such as Finland and Norway, amended their naturalisation acts and now take the years of residence as students into account for the assessment of eligibility. The facilitation of and permission to work during studies in many countries, including Sweden, Norway, the Czech Republic and Australia, also have positive consequences for the retention of graduates. International students working part-time in companies may be kept on as regular employees after graduation and will have gained valuable country-specific working experience useful for employment in the host country.

6. Most OECD countries now allow international students the opportunity to search for work for a specified period following the completion of study. The time period varies from six months in France, New Zealand or Finland to up to one year in Germany or Norway, and has been extended in recent years in some countries, for example in the Netherlands, from three months to one year. In Canada, permanent residence has been also facilitated for international graduates (Table 2).

Table 2: Policy measures to promote retention of international graduates in OECD countries

Country	Work while Study (permit/limitation)	Graduates Jobsearch/ Duration	Preference at Labour Migration	Preference at Naturalisation	Visa Procedure Facilitation	Other Programs
Australia	Yes none/20hrs (unlimited off-study)	onshore Skilled Graduate (18 months)	Yes extra points GSM	No	onshore application	
Austria	Yes required/limited minimum income work	No	No	No	No	No
Belgium	Yes required/20 hrs (none/ full-time breaks)					
Canada			Yes extra points		onshore	
Czech Rep.	No					
Denmark			Yes extra points			
Finland	Yes none/20hrs (full-time)	Yes 6 months				

² In order to attract international students, English-language programmes have been introduced in many universities. Although they may be successful in achieving this aim, students in such programmes may complete their studies without the necessary command of the language of the host country needed to take on a high-skilled job.

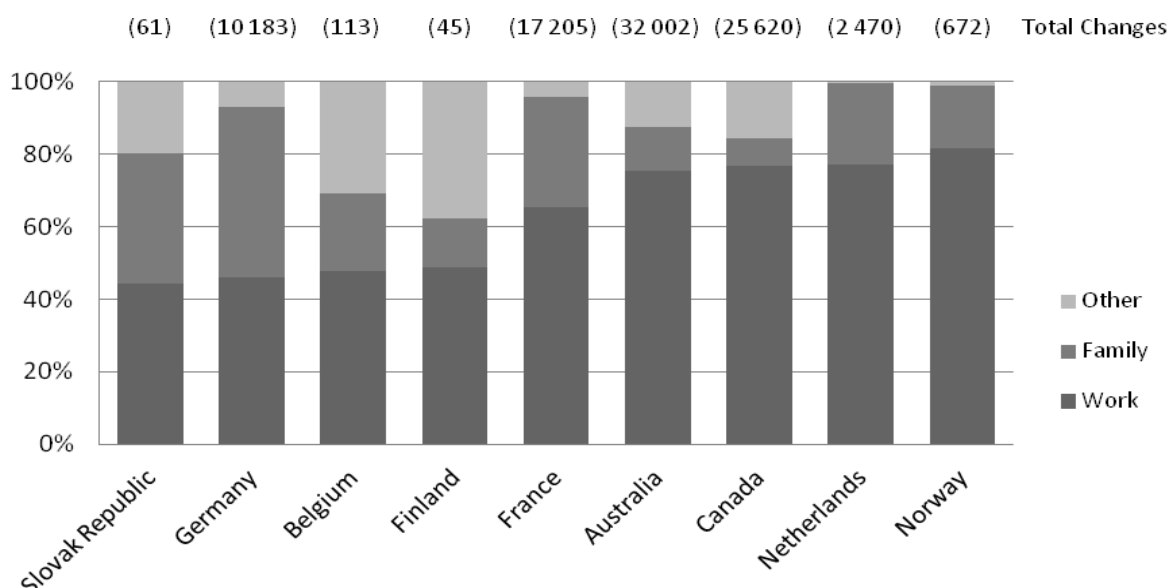
	breaks)					
France	Yes required/19.5 hrs (full-time breaks)	Yes 6 months				
Germany		Yes 1 year	No			
Greece	Yes required/15hrs					
Hungary						
Iceland	Yes required/15hrs (full- time breaks)					
Ireland						
Italy						
Japan	Yes Required/14-28hrs (8hrs/day breaks)					Yes Internship mediation
Korea	Yes required/ restricted, 20hrs (full-time breaks)					
Luxembourg						
Mexico						
Netherlands	Yes required/10hrs (full- time summer)	Yes 1 year	Yes extra points			
New Zealand	Yes required/20hrs (full- time breaks)	Yes 6 months	Yes extra points			
Norway	Yes required/20hrs (full- time break)	Yes 1 year		Yes student years counted		
Poland	Yes required/20hrs (full- time breaks)					
Portugal	Yes required					
Slovak Republic						
Spain	No?					
Sweden	Yes none/none					
Switzerland	Yes Required/15hrs					
Turkey						
UK	Yes Required/20hrs (full- time breaks)		Yes extra points			
USA						

* Points-based system where country-specific experiences, both work and educational, are awarded points

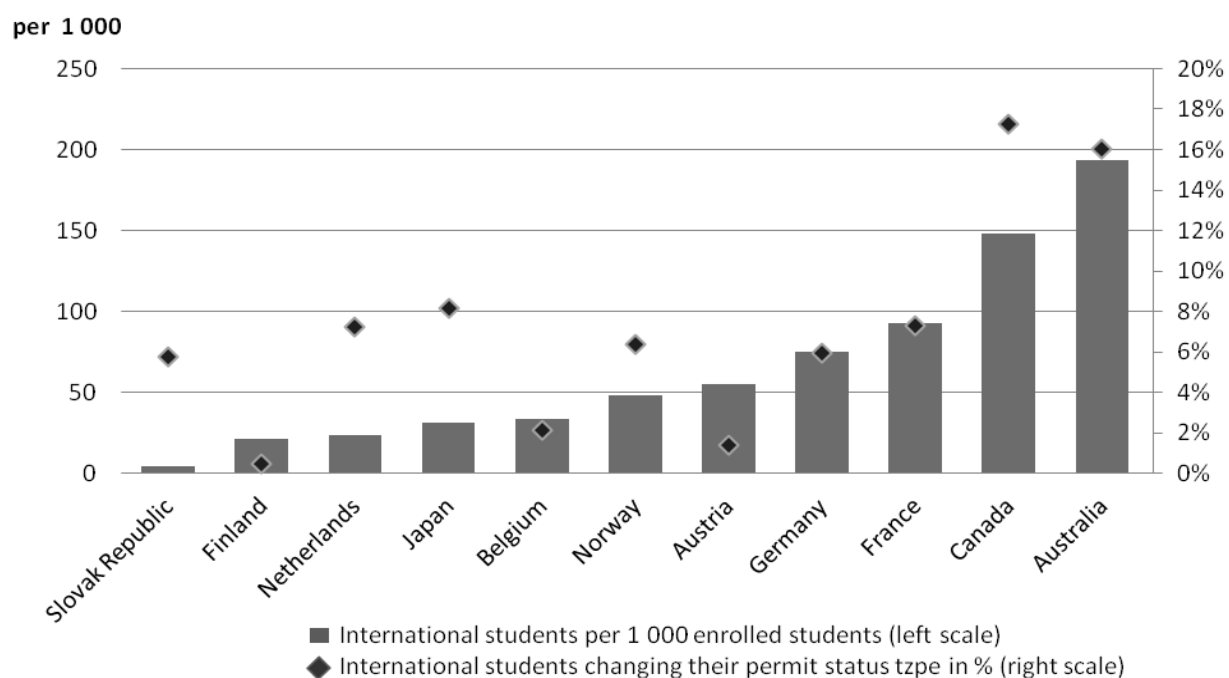
Note: Extension/adapted from OECD (2008), Table 10.3. The information in this table is partial and will be completed in the near future.

7. The success of policies to retain international students as highly skilled migrants in the domestic labour market can be assessed by means of *stay rates*, which measure the share of international students who stay in the host country for work or other reasons. In practice, this is tabulated as the percentage of students who change status, from student visa to other residence permit types, and in particular to work permit status. The estimates of stay rates need to be treated with some caution because of data limitations but also because they do not necessarily concern students who have finished their studies. Students may change status prior to graduation or even without ever graduating at all, for example, if they marry a national of the host country. Others may be allowed to stay for humanitarian or other reasons.

Figure 1: Distribution of student status changes by status of destination (2008)



8. The new trend in many countries and indeed in the selected OECD countries shown is the status change from international student status to work status. On average, 61% of the changes were such student-to-labour-migrant changes. In those countries where changes into work status was rather underrepresented, the distribution of the residence types either leaned towards larger share of family formations, as in Germany and the Slovak Republic, or to ‘other’ status types as in Finland and Belgium, where humanitarian migration is more prevalent in general.

Figure 2: International students: share of total enrolment and percentage of students changing status (2007)

9. In principle, one would like to know the number of graduates who stay on, but the data on students who change status do not identify whether or not the students concerned have completed their education. However, because work permit requirements for international students generally require a tertiary qualification as well as a job which corresponds to their field of study, it may well be the case that most international students who change permit status and become workers are international graduates.³ For reasons of consistency and international comparability, however, the stay rates in the table below have been calculated using the total number of students who have not renewed their student permits as the denominator. Note that these rates exclude students in free-movement areas who do not require a student visa or a work permit to remain in the country of study.

10. The number of status changes (Table 3) varies with the level of international student enrolment. It ranges from less than 300 in Austria and Belgium to between 10 000 to 18 000 in countries such as Germany, France and Canada. The estimated stay rates for all reasons as a whole vary between 15 and 35%, with an average of around 21%.⁴ Since it is likely that a higher proportion of those who stay than those who leave actually graduate, the stay rates in this table can be considered to be lower bounds for rates based exclusively on students who have completed their studies.

³ This is not necessarily the case in Sweden, where international students are allowed to change to worker status before completing their studies.

⁴ Similar values were previously estimated with other methods (OECD, 2009; ICMPD, 2006). The Australian Department of Immigration and Citizenship estimates a stay rate of about 30%. Canadian estimates are slightly higher compared to earlier estimates, whereas Norwegian estimates are about the same.

Table 3: International students: status changes and stay rates (2007)

Country	Status changes (number)	Distribution (percent)			All status changes (percent)	Work status changes (percent)	Stay Rate ¹ (percent)
		Work	Family	Other	Relative to total permanent immigration	Relative to permanent labour migration	
Australia (temporary) ²	3 082	97%	0%	3%	na	na	26%
Australia (permanent)	30 565	89%	11%	0%	15.9%	55%	
Austria	200	na	na	na	na	27%	18%
Belgium	281	66%	17%	17%	0.7%	7%	na
Canada (temporary)	12 828	70%	na	30%	na	na	34%
Canada (permanent)	10 010	76%	20%	4%	4.2%	14%	
France	14 684	56%	39%	5%	9.1%	68%	27%
Germany	10 183	46%	47%	7%	4.4%	26%	29%
Japan ³	10 262	100%	na	na	na	29%	20%
Netherlands	1010	65%	34%	1%	1.4%	8%	15%
Norway	661	80%	18%	2%	1.5%	17%	22%

Notes: 1. The stay rate is the number of status changes as a percentage of the numbers of international students who do not renew their student permit. The latter is estimated as $[I - (St - St-1)]$, where I is the number of new international students and $(St - St-1)$ is the difference in the stock of international students in the current year and the previous year (excluding free-circulation students in the EEA-countries); 2. Permanent migration may include students who went into temporary status before being granted permanent status. Double counting may therefore be possible and the stay rate may be slightly overestimated; 3. Changes into other status types are unknown.

11. An estimation of the stay rates among those who have actually completed their studies in the host country and stay on to work is currently only possible where reliable data on international graduates defined in the appropriate way⁵ are available. For the three OECD countries for which this is the case, the stay rates of international graduates are range between 30 to 50% of those international students completing their studies. Much higher numbers are observed in the advanced research programmes in the United States, where stay rates of Ph.D. graduates amount up to 60%.

Table 4: Stay rates of international graduates of tertiary education (2007)

	international graduates	student-to-work status changes	international graduates stay rate
AUS	73 047	27 347	37,4%
CAN	15 119	7 604	50,3%
JPN	33 336	10 262	30,8%

Note: only changes to permanent migration considered; international graduate status defined by country of residence

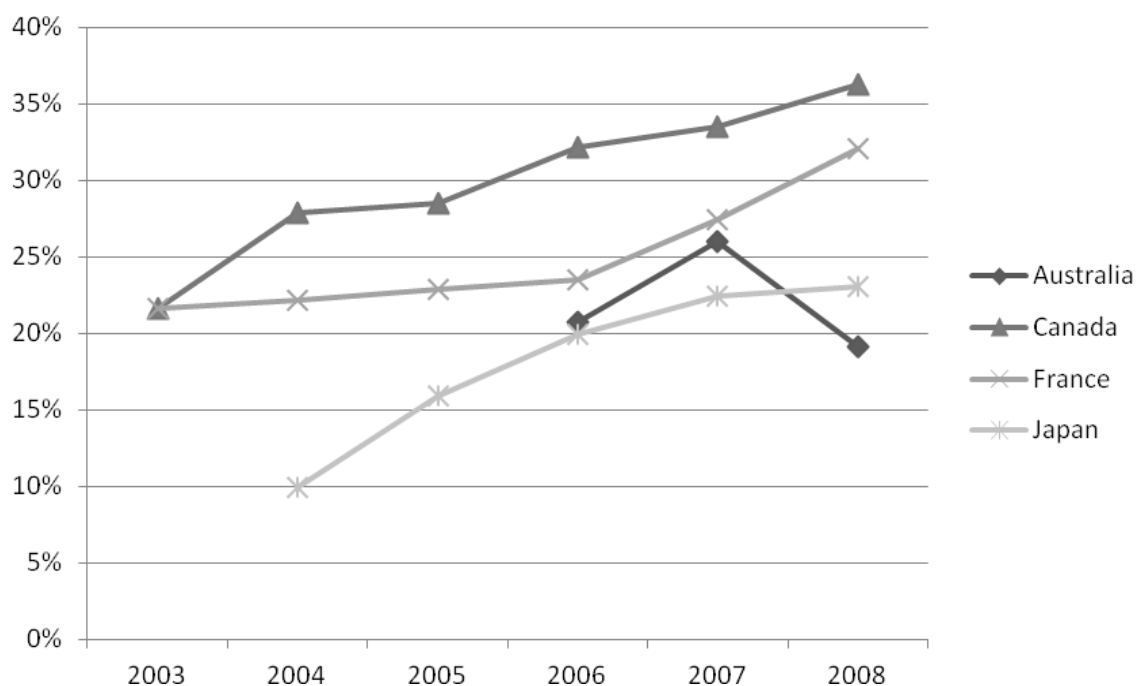
12. It remains unclear for how many years international graduates stay on after beginning a career in the host country where they obtained their tertiary education. In some countries, it appears that

⁵ International graduates are international students who have completed their studies, where an international student is defined as one who has come to the country for the purpose of study.

international students may have the opportunity to work after graduation, but face constraints in career advancement in their companies (JILPT 2009). One special issue may also be the increased English-language tuition in non-English-speaking countries - this may attract international students, but for employment, proficiency in the language of the host country may be desired of employees, especially in non-multinational or non-trade-oriented firms. Restrictions in employment due to nationality can also contribute to migrants choosing to either return to their home country or even migrate to another country offering better career perspectives (see Part IV in OECD, 2010).

13. The general trend of increasing numbers of international students is accompanied by increasing stay rates in the recent years (Figure 3). The exception here is Australia where more selective criteria concerning international students were introduced in 2007, which is reflected in the decline from 2007 to 2008. International graduates are now given the opportunity to improve their language skills and to acquire work experience on a temporary status before applying for permanent status. Recent statistics show that there is a huge increase in the number of international graduates taking this temporary status (4056 in 2008 to 19951 in 2009), which will undoubtedly result in increased stay rates.

Figure 3: Stay rates of international students, selected OECD countries (2004-2008)



14. However, these stay rates are unlikely to continue to increase as strongly. Not all international students who go abroad do so with the intention of staying on as labour migrants. Many consider a period of studying abroad as part of a strategy to improve their employment chances in the domestic labour market in their country of origin or even see the qualification in one country as part of a further education path to improve their competitiveness on the international job market.

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