

**Submission to the
House of Commons Standing Committee
on Finance**

**By the
Canadian Bureau for International Education**

Ottawa, Ontario

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1. Executive Summary

The Canadian Bureau for International Education (CBIE) values the opportunity to submit this brief to the House of Commons Standing Committee on Finance in the context of its pre-budget consultations.

CBIE is Canada's national, non-governmental organization dedicated to promoting international education. It represents the full spectrum of Canadian education, with a membership comprised of 150 colleges, universities, school boards, provincial associations and organizations.

This brief highlights the multiple economic, social and cultural benefits for Canada and Canadians that will result from attracting greater numbers of qualified international students to our country and from sending greater numbers of Canadian students abroad to gain international knowledge and competencies. It argues that committing a relatively modest amount of new funding in these areas will make a significant contribution to Canada's success in today's and tomorrow's globalized, competitive environment; it urges the Government of Canada to prioritize these new investments – even at a time of fiscal constraint – in order to keep pace with our international competitor countries and to reap these important benefits for Canada and Canadians.

2. International Students in Canada

There is strong recognition of the positive economic, social and cultural value of bringing more international students to Canada:

- Several key government policy documents recognize international students as a vital link in the development of Canada's labour force and CBIE's 2009 *Canada First* report confirmed that international students are an important source of talent for Canada: 52% of university students and 71% of college students plan to work here post-graduation for up to three years, and over half of the students plan to apply for permanent residency in Canada.
- A report commissioned by the Department of Foreign Affairs and International Trade (DFAIT) demonstrated that Canada derives \$6.5B annually from international student expenditures in Canada on tuition and living expenses (*Economic Impact of International Education in Canada*, July 2009). These students also created over 83,000 jobs and generated more than \$291M in government revenue. The amount spent in Canada by international students is greater than the value of our export of coal (\$6.07B) and coniferous lumber (\$5.1B).
- International students enrich the academic environment of our educational institutions, as well as the cultural fabric of our campuses and communities. International students who return home foster business, research and diplomatic ties with Canada,

strengthening our competitive position and becoming our unofficial ambassadors to their home countries.

Despite these impressive short- and longer-term benefits for Canada, however, the same DFAIT report quotes data showing that Canada's world market share of international students was less than 2.7% in 2006 and is trending downward.

A second study commissioned by DFAIT and released last year confirms this trend and illuminates the reasons for Canada's weak performance. The report, *Best Practices on Managing the Delivery of Canadian Education Marketing* (September 2009), showed that growth in foreign enrolment in Canada has slowed to low single digits since 2004, running contrary to much stronger global expansion of international student enrolments. And it identified strong competition from six key competitor countries and "a fragmented and underfunded promotion support landscape" as the top impediments to Canadian success in attracting more international students.

In the first phase of federal investment, federal-provincial cooperation has established the *Imagine Education au/in Canada* brand. However the investment is far too modest to effectively deploy the brand through proactive and innovative promotion in target markets: DFAIT is allocating about \$1M per year for its education marketing activity. Government-funded initiatives of Canada's main competitor countries are far above this amount: Australia invests \$23 million per year and the United Kingdom invests at least \$18 million per year, in addition to supporting the network of British Council offices worldwide.

If Canada is to improve its results in this highly-competitive global education market, the playing field must be leveled. And now is the time to maximize a new investment given that a strong foundation has been laid for ramping up Canada's education marketing efforts:

- Canadian educational institutions themselves are already investing significant human and financial resources in recruiting international students.
- At their August meeting, provincial/territorial premiers committed to further develop an international education marketing action plan by March 2011 which identifies areas for investment and opportunities for federal-provincial collaboration on marketing.
- Recent changes in Citizenship and Immigration Canada (CIC) regulations with respect to post-graduation work permits and the Canadian Experience Class position Canada as an attractive destination for international students.
- In order to bring greater coherence to the education sector's international marketing efforts, five national associations¹ have established the Canadian Consortium for International Education Marketing (CCIEM). The associations recognize that collective

¹ The Consortium is comprised of the Association of Canadian Community Colleges (ACCC); the Association of Universities and Colleges of Canada (AUCC); The Canadian Association of Public Schools – International (CAPS-I); The Canadian Bureau for International Education (CBIE); and Languages Canada. On June 29, the five organizations signed a Memorandum of Understanding to officially launch CCIEM.

action is required to improve Canadian education institutions' competitiveness in the global education market and thereby achieve better results in institutions' individual marketing efforts. Moreover, the Consortium has established strong working relationships with key federal departments and provincial/territorial governments through the Council of Ministers of Education, Canada.

What is lacking is a serious federal investment in education marketing; in this regard, the *Best Practices* report examined international benchmarks with respect to government funding levels and recommended an infusion of support for education marketing of at least \$22M annually.

RECOMMENDATION ONE: CBIE recommends that the Government of Canada invest a minimum \$22M per year over the next five years to promote Canada as a study destination and to attract fee-paying students from abroad.

Any effort to recruit greater numbers of fee-paying international students to our country should, however, be balanced by Canada's continued commitment to equity and to helping build the capacity of developing nations by enhancing the knowledge and know-how of their citizens.

Every five years, CBIE undertakes a national survey of international students in Canada at colleges and universities. Our 2009 survey shows that less than 1 in 10 of Canada's current international students come from non-affluent families (those who consider their family poorer than the average in their country). The number of students coming from such families decreased from 12% in 1988 to 8% in 2009. Only 4% of university students and 2% of college students reported receiving some funding from a government in Canada (federal or provincial).

Part-time employment can help students here in Canada to pay the bills. Canada has taken positive steps over the past five years to make it possible for international students to work during their studies through CIC's Off-Campus Work Permit Program.

In the past two years, the Government of Canada has established the Vanier Graduate Scholarships and the Banting Postdoctoral Fellowships Program, with a tranche of both programs dedicated to international students/researchers. As well, DFAIT has expanded the number of short-term exchange scholarships and post-doctoral awards available under the Commonwealth and Government of Canada Awards, including a major new program, the Emerging Leaders in the Americas Program.

These awards are welcome additions to the world of international exchange and post-doctoral research, and we applaud them.

However more is needed. As our survey demonstrates, a fraction of international students receive scholarships or support from Canadian sources. And while short-term study in Canada is beneficial and DFAIT exchange scholarships are appreciated, a large number of developing

countries require graduates of complete academic/technical programs to give them the skill sets they need to contribute effectively to their societies.

RECOMMENDATION TWO: In order to improve access to a broad range of international students to Canadian PSE (not only those who can afford full fees), CBIE recommends that the Government of Canada continue to increase its investment in scholarships for international students, including significant support to students from developing countries.

2. Canadian Students Abroad

International knowledge and competencies of Canadian students are crucial for Canada's continued success in an increasingly globalized world. Given this new reality, students' access to short-term study/work abroad opportunities, in the context of their Canadian post-secondary studies, is more than ever seen as an essential component of college, undergraduate and graduate level education.

However the current participation rate is appallingly low: the most recent data show that under 3% of Canada's university students and only 1.1% of our college students participate in study/work abroad programs offered by their home PSE institutions.

CBIE undertook a study last year to understand why so few PSE students in Canada take advantage of their institutions' study/work abroad programs and to identify ways and means to change the status quo. The findings of our study, *World of Learning: Canadian Post-Secondary Students and the Study Abroad Experience* (2009), are both gratifying and troubling.

We were pleased to learn that study/work abroad is valued by the general public and by employers. A public opinion poll commissioned for this study revealed that 90% of the general public believes that study abroad is valuable, and should be available to a large cohort of our student population. Nearly as many believe that financial support should be available so that the lack of funds would not stand in the way of a globalized education for motivated students. With respect to employers, 91% identified the importance of international knowledge and cross-cultural skills to their businesses and think that study/work abroad should be accessible to post-secondary students.

Clearly study abroad is not seen by Canadians as an elitist activity, but rather as one that by circumstance is available exclusively to the elite – a situation that needs to be rectified.

A strong majority of students also believe study/work abroad is important for their future and would like to undertake it. But many, though keen at first, abandon the option part-way through their study program. The most frequently cited barrier is financial.

While many innovative study/work abroad programs exist at Canadian PSE institutions, and while HRSDC dedicates about \$3.4M per year to its important International Academic Mobility program², a large number of students cannot participate due to lack of funds. Often what is needed is just a top-up, perhaps to cover airfare or a small amount for additional living costs while abroad.

Canada's global competitors recognize the importance of study abroad and are not standing still: recently the Lincoln Commission in the United States developed a plan which would see one million US students annually taking part in a semester or year abroad by 2016. A bill is making its way through Congress that would fund the plan. Other countries too, notably but not only within the European Union, are making impressive progress in study abroad participation rates.

The Globe and Mail recently drew attention to the urgency of this issue. Its May 28 editorial commenting on our report called our post-secondary students "alarmingly provincial, in a globalized age," adding: "Just 3 per cent of undergraduates head out into the world beyond this country's borders as part of their university studies. This represents a lost opportunity of epic scope, to the students first and foremost, but also to Canada."

Much more needs to be done to develop a critical mass of young Canadians who graduate with international knowledge and competencies. As a trading nation, whose success depends on this kind of understanding, we cannot afford to ignore this need.

RECOMMENDATION THREE: CBIE recommends that the Government of Canada invest in a major study/work abroad program offering top-up grants or airfare support to students participating in their home institutions' programs and significantly expand HRSDC's International Academic Mobility program.

3. Conclusion

CBIE hopes this brief has provided important information on the significant contribution that international education is poised to make to Canada's success in today's and tomorrow's globalized, competitive environment. While any new investment must be carefully scrutinized – particularly at a time of fiscal constraint – by making these relatively modest new investments in order to bring greater numbers of qualified international students to Canada and send greater numbers of Canadian students abroad to gain international knowledge and competencies, the Government of Canada will be acting in best interest of Canada and Canadians.

² There are currently two projects supported by HRSDC's International Academic Mobility program: the North American Mobility Program, with our NAFTA partners, and the Canada-EU Mobility Program.