

**CBIE's Submission to the Standing Committee on Finance of the House of Commons
Pre-Budget Consultations 2012
August 3, 2012**

Economic Recovery and Growth

The Canadian Bureau for International Education (CBIE) is Canada's national membership organization dedicated to international education. The Government has taken bold steps to support Canada's economy during the global crisis and persistent downturn and, going forward, CBIE believes that international education can play a major role in positioning Canada for economic prosperity.

While other sectors retrench, international education is witnessing massive expansion in demand and can be considered an "insulated" market for Canada, where we have a competitive advantage given the quality and reputation of our education, at all levels.

Worldwide student mobility more than doubled from 2000 to 2007, attaining 2.5M; this number is projected to reach 7M by year 2020.

In 2009, Canada enrolled about 3% of all international students in the global market, in sixth position behind the USA, UK, Australia, France and Germany. Australia, a country of similar size and population to Canada, received 9.2% of the market.

Despite our diminutive share, Canada's economy is benefiting. In 2010, international students in Canada spent over \$7.7B on tuition and living costs. This impact is felt from coast to coast. Thompson Rivers University in BC estimates the annual impact of their international students at \$87.8M. Nova Scotia estimated the economic impact of international students in 2008-09 to be \$231M.

The compelling question is: *how much better can we do with greater investment?*

A 2009 DFAIT report compared Canada's performance with that of six competitor countries. Between 2003 and 2007, Canada's international student population grew 6% while Australia saw a 41% increase, the UK 89% and the US 27%. These figures correlate directly to the amount invested in branding by national governments. Beginning in 2007, DFAIT invested \$1M per year over five years. By contrast, Australia was investing \$20M per year, the UK \$23M. Contributions by the US and Germany are vastly greater.

The Government has taken positive first steps towards enhancing Canada's performance. Budget 2011 earmarked \$10M over two years for promotion and announced an advisory panel on Canada's international education strategy. The panel's consultations yielded strong consensus on key elements of a strategy. CBIE and our partners in the Canadian Consortium on International Education Marketing were called upon to provide advice to the panel on several occasions. It is to be hoped that the panel's report, due imminently, recommends a broad, multifaceted strategy which the Government will support, including dedicating the investment required for effective implementation.

CBIE recommends that the Government provide substantial, sustained investment for a comprehensive international education strategy, delivered in partnership with key stakeholders, in

order to achieve concrete results based on ambitious targets for international student enrolment and study abroad by Canadians.

Job Creation

In 2010 international students enrolled in Canadian institutions created over 81,000 jobs across the country. This phenomenon is not restricted to large cities or one region, but plays out nationally. Moreover it is not limited to higher education: school boards and language schools enrol significant numbers of international students, leading to jobs in education and surrounding communities.

Not captured in this data are jobs created due to tourism in Canada by international students, their families and friends. The value of student-related tourism is estimated at \$336M in 2010.

International students engage in research and development projects at colleges and universities that spur job creation within the private sector. As well, surveys indicate that, subsequent to their return home, international alumni look to their former host country for business partnerships. While difficult to quantify, these avenues to job creation are real and are valued highly by other host countries.

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Demographic Change

The cohort of Canadians aged 18 to 21 years old is expected to decline by 10% over the next decade, reducing the pool from which higher education institutions have traditionally drawn new students.

While Canada's population is greying, countries such as India, Mexico and Vietnam are getting younger.

- With a population of 1.21B, roughly half of the population of India is under age 25 and 65% below age 35. It is expected that in 2020 the average age of an Indian will be 29 years.
- Over 50% of Mexico's population is under 25, and the average age is 27 years.
- Over 50% of Vietnam's population is below 30; 25% are aged 0-15.

Moreover a huge segment of the populations of Central and South America is entering the middle class, projected to grow by 75%, to 313M, between 2009 and 2030. Among this group, 60% will be Brazilians. Between 2003 and 2011, 40M Brazilians joined the middle class.

While millions of newly middle class and other international students look for opportunities to study abroad, many Canadian institutions confront declining domestic enrollments, potential program closures and job losses. International students can help mitigate these challenges, providing additional resources for institutions, and spin-off benefits in the community.

Institutions have the capacity to grow their international numbers while maintaining program quality. However, they lack sufficient resources to mobilize a robust strategy to brand Canada. To be

sure, many institutions have made strides in promoting themselves internationally and have integrated useful components such as the Imagine Canada education brand into their promotional portfolio. Still, in an increasingly competitive environment, more is needed.

In the job sector, by 2021, Canada faces a shortfall of 1.5M people, projected to rise to 2.1M by 2026 and 2.7M by 2031. International graduates of our institutions are a valuable talent resource – that is already integrated into local communities – and should be tapped to expand our workforce.

Progress is being made in developing programs to retain international graduates, including the Post-Graduation Work Permit, Canadian Experience Class and Provincial Nominee Programs. These should be reinforced and expanded to meet the retention challenge. Families need to be supported through favourable measures such as spousal work permit eligibility during PGWP.

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Productivity

In *Advantage Canada* and *Compete to Win*, the Government affirmed the importance of attracting international students, as well as preparing Canadians to interact effectively in the global economy.

Mobilizing more Canadian students to study internationally is critical to Canada's preparedness to navigate and to do business with other countries and cultures.

International exchanges are proven to be transformative in building worldviews and enhancing students' understanding of Canada's place in the world. More than that, study abroad, even for a semester, has substantial impact on students' skills, workforce preparedness and career prospects. Increasingly employers see international experience as a value-add, and even as essential. In a CBIE survey, 91% of employers said that they value job candidates with international experience and 50% said that, all else being equal, they would hire a candidate with study abroad experience over one without.

International study leads in the medium term to partnerships in business, scientific research and a range of other sectors.

Currently only 3% of Canadian university students and 1.1% of college students participate in exchange programs. Other countries have attained much higher rates: 33% of German university students and 15% of Australian students participate in exchanges.

Emerging countries are investing massively in international scholarships for their students with a view to bolstering their national competitiveness in the global economy. Brazil's recently announced Science Without Borders Program offers 75,000 government scholarships over four years. In response to a call from the President, the Brazilian private sector added funding for 26,000 more, for a total of 101,000.

By comparison, Canada offers a handful of scholarships for study abroad to its citizens, primarily graduate scholarships tenable abroad offered by the Granting Councils. HRSDC and DFAIT have, in fact, recently cut programs that provided opportunities.

With robust, strategic investment in study abroad experiences – academic, internships, research – Canada can reinforce its expertise in key areas and geographic regions, and grow medium-term productivity based on areas of national strength.

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Other Challenges

Immigration Policy and Practice

Canada's capacity to capitalize on student mobility, including large-scale foreign government sponsored programs, is impeded by resource constraints within our immigration services. Citizenship and Immigration Canada (CIC) has made advances in service, such as online applications, the Global Case Management System and streamlining key processes. However, annual volume increases are not matched with commensurate resources to maintain and enhance service delivery. It is difficult to overstate the damage caused by sluggish study permit processing, when competitor countries achieve prompt delivery. Even when our processing times improve, it takes years to change the perception that we are unwelcoming to individual students and unkind to sponsors trying to efficiently place hundreds and even thousands of students in Canada.

CIC is the doorway to Canadian education. Rapid, attentive service is vital to Canada's attractiveness to international students. CIC must be resourced at a level sufficient to deliver this service efficiently and smoothly. Appropriate resources generated by study permit fees should be earmarked to support CIC infrastructure dedicated to the International Student Program.

A New Action Plan for Canada

International education is increasingly understood and valued by the Government, but its profile continues to languish. In a worldwide knowledge economy, education is critical for obvious reasons and internationalization of education – inbound and outbound mobility, broadened curriculum, cross-border research partnerships – is vital to a country that wishes to stay current, competitive and connected.

The Government has made progress. Now it is time to give major prominence to international education, to invest energy and resources to take Canada to a higher level as a provider of education to the world and supporter of internationalization for Canadians. This includes proactively reaching out to and engaging the education sector through their national associations, the provinces and territories, the private sector, foundations and communities. We urge a coordinated approach, championed at the highest level, leveraging the education sector's expertise and capacity to deliver programs and services.

The Government's Action Plan supported an array of strong infrastructure projects aimed at weathering the economic crisis post-2008. The time is ripe for a knowledge-based national project that can build Canada's economy of the future – a robust International Education Strategy for the benefit of Canada and Canadians.