

Intelligence MEMOS



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To: Canadian Businesses and Governments

Date: October 14, 2020

Re: **CANADA WILL BENEFIT FROM OPENING ITS BORDER TO INTERNATIONAL STUDENTS**

COVID-19 travel restrictions have had a significant impact on Canada's permanent and temporary immigration. [The plan](#) to re-open the border to international students next week will help the recovery in the short-term through tuition and other spending, and in the longer term by improving the quality of immigrants entering the labour market through greater exposure to language and work experience.

Over the last decade, Canada has become one of the world's [top five destinations](#) for foreign students, providing Canadian post-secondary institutions with revenue to help offset provincial funding cuts. The number of study permit holders more than tripled between 2009 and 2019, to more than 642,000, according to Immigration, Refugees and Citizenship Canada data. International students are estimated to have contributed [\\$21.6 billion](#) to Canada's economy in 2018 and generated [\\$6 billion](#) in tuition revenue.

Students choose Canadian schools because of their high quality and Canada's reputation as a multicultural and tolerant society, according to research conducted by the Canadian Bureau for International Education. In addition, Canada allows international students to work while they study and offers a post-graduate work permit. The study-work-immigrate package is part of Canada's competitive advantage.

Canada also offers various pathways to permanent residence status and gives priority to candidates who graduate from a Canadian educational institute, have Canadian work experience, and are fluent in English and/or French. All three help to speed immigrant integration and result in more successful labour market outcomes.

In March, as the pandemic arrived in force, colleges and universities switched to distance learning. This year, schools are continuing to deliver virtual classes or adopting a hybrid model blending in-person and virtual classes. The number of study permits issued in the spring and the summer of 2020 was only about 43 percent of that in 2019. The change in delivering education has raised concerns about the value of a Canadian education without the Canadian experience and its effects on the quality of immigration.

Studies have long shown that [Canadian-educated immigrants](#) have better labour market outcomes than foreign-born and foreign-educated immigrants. There are three explanations for the difference in outcomes. First, the rate of return on education in Canada is related to the [quality of education](#) – measured as students' educational performance – in the source country. Second, Canadian work experience, in the form of co-op programs, increases labour market outcomes for new graduates in the form of income, full-time employment, and occupational relevance. International students who [participate in co-op programs](#) while at university earn incomes similar to white males after graduation. Lastly, [language proficiency](#) is central to the ability to demonstrate skills and transfer them into productive employment. It is pertinent that highly educated candidates have higher skills but immigrants who obtained their highest level of education in Canada have higher skills needed for a faster labour market integration process such as literacy than those who received degrees in all other regions.

Virtual classes viewed outside the country do not offer effective language skill improvement, or the opportunities to acquire social networks and Canadian experience. This may result in a lower quality immigrant pool with weaker labour market outcomes.

Although the pandemic does not alter Canada's underlying attraction for foreign students, distance learning can potentially lower the number and quality of immigrant workers entering Canada after the pandemic.

The federal government should continue working with educational institutions in developing protocols to welcome more international students in person.

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