INTERNATIONAL STUDENTS IN BRITISH COLUMBIA

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Introduction

In fall 2011, then-Premier Christy Clark announced that her government would pave the way to increase BC’s international student enrolment by 50 percent, or by over 40,000 students. No funding package to accommodate the plan was announced then or since, nor were BC’s post-secondary institutions consulted about the impact of her plan. Without any regulation of non-resident tuition fees, international students pay as much as five-times the fees paid by Canadian citizens and permanent residents. When Federation representatives met with then-Minister of Advanced Education Andrew Wilkinson in March 2015, the Minister stated that the sale of education at a profit to international students by colleges and universities was designed to be a major component of the funding model for BC’s public post-secondary system. As a result of this multi-year, coordinated effort to recruit international students to BC in order to subsidize the system, international students now make up a substantial portion of the enrolment at BC’s public universities and colleges.

After 16 years of cuts in funding to public colleges and universities and a replacement of those lost resources with revenue from international education, there is now a direct economic dependence on international students. Not only does such a dependence normalize and entrench a profit-driven model of private post-secondary education that stands in contrast to progressive values and the United Nation’s Universal Declaration of Human Rights, the nature of BC’s dependence on foreign funding for its post-secondary system exposes the province to substantial risks. Even small changes in the market for international students could leave institutions across the province with pronounced deficits, and affect education provided to BC citizens.

The dependency on revenue from international student tuition fees has become so dire that institutions commonly budget for changes in international students’ fees as a final piece to their budget plan, leaving international tuition fee adjustments as a fail-safe against any unforeseen expenses and structural deficits. The result of this pattern and the lack of any regulation on international tuition fee increases means that these user fees may go up by any amount in any given year. Accordingly, an international student enrolled in a four-year program has no ability to properly budget for the cost of their degree when they move to BC to begin their studies.

International students look to Canada for an opportunity to access one of the top ranked countries for higher education in the world. As a result, Canada is the third most popular study destination for international students. Unfortunately, Canada’s excellent reputation is being used by governments and institutions to recruit more and more international students to fill the gaps in funding with inflated and predatory tuition fees. Even if Canada remains a sought-after destination for international students, other provinces may use better supports and lower fees to increase their proportion of the international student market, to the detriment of BC’s system.
Supersizing the International Student Base
National and provincial international education strategies

In recent years, Canada has embraced the value of international students in the post-secondary education system. In 2014, Canada’s International Education Strategy called for doubling the international student base from 239,131 in 2011 to over 450,000 by 2022. When this national goal was set, British Columbia already hosted over one-quarter of all international students studying in Canada (second amongst the provinces, after Ontario).

British Columbia has also embraced expansion of the international student body in its own provincial strategy. In 2012, BC launched the BC International Education Strategy as part of the BC Jobs Plan, committing BC to increase the international student base by 50 percent in just 4 years. This increase would lift the number of international post-secondary students in BC from the 82,000 in 2011 (28,000 in public institutions; 11,000 in private institutions and 43,00 in private language schools) to 123,000 by 2015.

Though this target was not met, the BC post-secondary system did see a sharp rise in international students as a result of the strategy. In 2015, international students in BC’s post-secondary institutions totalled 113,095—an increase of 38 percent since the strategy’s adoption. Of that total, 45,130 students were in a public post-secondary institution (a 61 percent increase since 2011) and 67,965 studied in private institutions (a 26 percent increase).

Compared to the other provinces, British Columbia had the largest increase in proportion of international students at universities from 2004 to 2013, increasing from 10.9 to 17.6 percent of the total student population. Currently, British Columbia hosts almost one-third of all international students in the country.

Both national and provincial strategies recognise the importance of international students as a large part of the post-secondary education system, but tend to focus on the economic benefits of increasing the international student base, rather than international students’ social and cultural contributions. A recent book on the Canadian post-secondary landscape accurately summarises the issues facing international students: “Growing international student recruitment has created real financial and social benefits for Canada’s institutions, but has also contributed to new strains on student support services, amplified faculty complaints about student academic preparedness, and perhaps set the stage for incidents of racial tension and conflict on campuses and in surrounding communities.” This quest for revenue and the corresponding pattern of governments ignoring the social, academic, economic, and cultural implications of their actions threatens the entire enterprise of international education in BC and Canada.
In a report for Global Affairs Canada, Roslyn Kunin & Associates outline that “the economic benefit of international students studying in Canada is substantial”—a fact that seems abundantly clear when calculating their direct and indirect economic impact. International students in post-secondary education pay significantly higher tuition fees than their domestic peers; in fact their fees generate a profit for each respective institution that is used to offset reduced public funding. Additionally, these students pay vast sums into the local economies across BC on such staples as housing, food, transportation, and entertainment.

In 2015 alone, international students in BC added $3.117 billion in spending, created 26,000 jobs, and contributed $1.77 billion to the provincial GDP.

International student spending in 2015 produced more than $176.4 million in income tax revenue in the province. In economic terms, international education services are conceptualized as Canadian commodities, and money spent by international students in Canada is considered an export. The term 'export' is used because international students' money comes from abroad, and is spent on Canadian goods.
When comparing international education services to top exports from BC, international education services in 2015 ranked third (only after wood and mineral exports), and accounted for 9.5 percent of BC’s total value of exported goods. The BC government is very aware of the importance of this industry—so much so that the BC Export website recognises international education as one of the seven major industry sectors in BC (Agrifoods, Forestry, Mining, Natural Gas, Technology, International Education, and Transportation). Across Canada, international education services spending in 2014 was $11.4 billion, accounting for 11 percent of Canada’s total exports to the world. This export of international education surpassed Canada’s export of wheat ($7.95 billion), lumber ($8.62 billion), aircrafts ($9.01 billion), and was almost as much as motor vehicle parts ($11.9 billion).

Both national and provincial strategies on international students count on students remaining in Canada and BC after their graduation, and expect students to heavily contribute to their respective economies. The 2012 British Columbia international education strategy argued that the more than one million expected job openings could not be filled by the projected 650,000 BC K-12 students graduating by 2020. The BC strategy targeted international students as prime candidates to fill this gap in the projected labour force; international students are recruited not only to help fund the public education system, but also to support the future economy by filling job vacancies.

International students produce an exorbitant amount of revenue while accounting for only 11.8 percent of the public post-secondary education system in BC. Unfortunately for international students, this means the federal and provincial economic plans rely on international student spending, a substantial amount of which comes from the unregulated tuition fees.

Despite the value of international students to the entire economy, governments continue to leave key elements of international student recruitment, retention, support, and pricing regulations completely in the hands of a small number of college and university administrators whose responsibility does not extend beyond their own institution.

By having no regulation on tuition fees or other key learning and administrative conditions for international students, there is neither consistency across the province nor predictability in annual changes. This is particularly true of fees, which are commonly increased purely to deal with annual budget shortfalls without regard to the broader impacts to BC’s economy and the international student education market.

The BC and Canadian economies overtly depend on international students’ spending as a key export. However, policy-makers must understand that the current system of international education, unregulated and unpredictable, is irresponsible because it introduces great economic risk and instability to the province and the country.
Unregulated and Unfair
International student tuition fees

One of the biggest financial challenges facing international students is the inability to properly budget for costs year-to-year, let alone for the duration of their studies. There are no rules that limit the scale of international tuition fee increases nor provide for set notice periods, therefore tuition fee levels are based on whatever the institution deems required to balance its budget. This is an unsustainable model that often results in students struggling to stay in BC to finish their studies. Further, a recent US survey found that international students’ top three areas of dissatisfaction with their post-secondary institutions were all related to finances (access to job/internships, affordability, and availability of scholarships) which are indicators for why international students may leave their institution or drop out.¹⁷

The largest expense that international students face is the ever increasing, unregulated direct educational cost, namely tuition and ancillary fees. International students are at a perpetual disadvantage when it comes to fees. While tuition fees were regulated in British Columbia for domestic students in 2005, there were no rules applied by the BC government to the setting or increasing of international student tuition fees. The current BC Tuition Limit Policy, which caps domestic fees at a 2 percent annual increase, does not apply to international student tuition fees, and thus fees for international students increase at rates far in excess of 2 percent. What institutional policies do exist tend to enable fee increases at any time without notice.¹⁸
Unlike domestic students, international students who fail to assemble the necessary resources face removal from their courses and programs, and removal from the country.

**Tuition Fees**

International student fees at universities have risen 485 percent since 1991, from $3,991 in 1991 to $23,331 in 2017. In 2003, undergraduate international tuition fees in British Columbia were the highest in Canada at $13,440 for a year of full-time study, and are currently second highest at $23,331 (for 2017-18).\(^19\)

International student tuition fees vary widely based on the type of institution. For Bachelor of Business Administration (BBA) programs, popular among international students, international student tuition fees range from $14,000 to $37,000 at universities—the average university tuition fee is $20,230 with colleges charging an average of $13,122.\(^20\)

In British Columbia, international students struggle with the overwhelming cost of living on top of tuition fees. In 2015, the BC Council on Admissions and Transfer surveyed over 9,200 international post-secondary students in BC and found affordability was the most frequently cited challenge. While international students were satisfied or very satisfied with the institutions (89 percent) and the quality of instruction (87 percent) in BC, the majority of international students struggled with the cost of tuition fees and living: 71 percent of graduate students, 63 percent of undergraduates, and 53 percent of developmental students reported difficulty adjusting to the high cost of living in BC.

Concerns over the costs of housing and tuition fees tended to increase the longer an international student remained in the province. Further, international students spending more time in BC were more likely to reference the gap between international and domestic tuition fee levels, and the unpredictable annual international tuition fee increases as central issues contributing to their financial stress.\(^21\) Almost half of the international students in British Columbia attend a research-intensive university. Thus, assessing the total cost for a full four-year degree at such institutions paints a clearer picture of international students’ financial challenges. A recent report estimated a ‘total cost of degree acquisition’ including the cost of tuition fees, ancillary fees, and living expenses for an international student in British Columbia to complete a bachelor of economics from 2016-2020:

<table>
<thead>
<tr>
<th>Year</th>
<th>BC International Tuition Fees</th>
<th>BC Domestic Tuition Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007-2008</td>
<td>$23,331</td>
<td>$3,991</td>
</tr>
<tr>
<td>2017-2018</td>
<td>$23,331</td>
<td>$3,991</td>
</tr>
</tbody>
</table>

**Total Expenditure**

Tuition fees are not the only financial burden international students face. A realistic assessment of total student cost would be incomplete without also examining ancillary fees, books, living expenses, food, transportation, and additional expenses unique to international students (such as travel to home country, setting up life in Canada, etc.).
INTERNATIONAL STUDENTS IN BRITISH COLUMBIA

TUITION FEES, ANCILLARY FEES, & COST OF LIVING²²

<table>
<thead>
<tr>
<th>Institution</th>
<th>Tuition Fee</th>
<th>Ancillary Fees</th>
<th>Cost of Living</th>
</tr>
</thead>
<tbody>
<tr>
<td>UBC</td>
<td>210,000</td>
<td>52,500 per year</td>
<td>$210,000</td>
</tr>
<tr>
<td>SFU</td>
<td>190,000</td>
<td>47,500 per year</td>
<td>$190,000</td>
</tr>
<tr>
<td>UVic</td>
<td>165,000</td>
<td>41,250 per year</td>
<td>$165,000</td>
</tr>
</tbody>
</table>

UBC is the most expensive institution for international students, and hosts the most international students in both proportion and number. In 2016 UBC Vancouver hosted 13,183 international students, which is 24 percent of the overall student population.²³ Based on the spending patterns of international students, this would mean that the economic impact of UBC international students on the Metro Vancouver economy is $692 million per year.

Paying More Than Their Fair Share

International students are paying more than their fair share into BC’s public post-secondary education system. Taking 2015 as an example, the enrolment of 15,228 full-time international undergraduate students at universities in British Columbia, paying average tuition fees of $20,485 per year, gave the universities $311,945,580 in revenue. In comparison, 62,784 domestic university undergraduate students that same year paid average tuition fees of $5,397 to generate $338,845,248.²⁴ These figures illustrate that while international university students only account for one fifth of BC university enrolment, they contribute almost half of BC universities’ tuition fee revenue.

Between 2000 and 2015, the proportion of provincial government operating funds to BC post-secondary institutions decreased by 22 percent²⁵ and lost revenue is being recovered in the form of profit generated from international students. The lack of international tuition fee regulations has enabled institutions to vastly inflate fees, and to divert proceeds away from delivery of much-needed student and academic supports and towards overall institutional expenses.

When 20 percent of students are paying nearly half the total tuition fee revenues it is a clear sign that those students—international students—are paying more than their fair share. The lack of appropriate regulation on international student tuition fees is unfair to students, not reflective of Canadian values towards consumer protections, and in stark contrast to how Canadians would want their own young people treated abroad. International students and the revenues they generate for our system should be respected and protected from unfair treatment and unregulated profiteering.
The current ideology behind international education, that it is an exported commodity designed to generate a profit, contradicts the very notion of financial assistance for international students. Thus, most of these costs are borne by the students themselves, or by their families. The aforementioned report by Roslyn Kunin & Associates noted that while they could find no official reports of college/university international student aid, they estimated that institutions provide international students with no more than 1 percent of the student tuition fees collected. The report also noted that the federal government grants $27 million annually to support international students across all of Canada. Yet, even if this $27 million were shared across the 336,500 international students in Canada in 2014, it would have produced only $80.23 per student. Suffice it to say, there is not a sufficient amount of financial support for international students struggling with the costs they must bear.

A 2013 study by the World Education Services reaching 3,000 international students in the US reports that international students come from different places of academic preparedness and financial resources. The study found that almost half (47 percent) of international students do not have strong financial resources. Moreover, among international students who do have the financial resources close to half (42 percent) are not academically prepared.

International students in British Columbia are worried about their finances, but they lack the financial and institutional support to help them manage this burden. The current system of fees and charges, and the corresponding lack of financial assistance, pre-supposes that all international students are able to easily shoulder the costs associated with their education in Canada. This approach discounts the many current and potential students whose study is the result of a family-wide pooling of resources. Poor understanding of international student funding and financial pressures leads Canadian policy-makers to severely limit their own market for international students, and creates a system in which international education is only open to wealthy elites and excludes those whose families are not wealthy, but who work collectively to send their children abroad for post-secondary education.
Lack of Institutional Support
Quality & socio-cultural issues

Issues in Quality

Public institutions have begun to partner with private-sector education companies for recruitment and preparatory education, often paying the company a commission per student. In the more controversial instances, universities have used these private companies to educate international students in ‘foundational’ or ‘pathway’ programs on or adjacent to university campuses. For example, Fraser Institute College (FIC) advertises itself as “Your pathway to Simon Fraser University”, and is located on the SFU Burnaby campus. International students pay FIC $19,600 for a foundational year of high school level courses, and if required, an additional $7,300 for a 16-week pre-sessional English program. Such private education companies overcharge international students for what are essentially adult basic education and English as a second-language (ESL) courses, both of which are offered by the public system.

Like most other private education companies, FIC also offers ‘first-year university classes’ and implies that by taking these courses, international students are guaranteed a direct transfer into the 2nd year at their partner institution. However, the funneling of international students from private education companies into Canadian universities has raised concerns for many public post-secondary instructors about the quality of this ‘outsourced’ education.

Private education companies are not regulated like public institutions thus the academic standards and quality of instruction are not assured. Instructors earn lower salaries, have no employment stability, and importantly, have no academic freedom. These private education companies are using the reputation of BC’s high quality public universities to sell ultra-high cost high school, ESL, and first year classes of questionable quality. The failure of these private companies to adequately prepare international students, and the costs charged, reflects poorly on the very public universities whose names these companies hide behind.

Public and private institutions relying heavily on international student tuition fees raises the issue of quality. In such institutions, teachers admit feeling pressure to pass unprepared international students, especially those doing poorly in mandatory English literature courses, because there is such a reliance on these fees. Graduating through students who do not have the required qualifications risks the reputation of BC’s education system amongst employers and other higher education institutions around the world.

Lack of Social Support

A 2015 Canadian Bureau for International Education (CBIE) study highlights that integration is an issue in BC, and that international students do not feel socio-culturally or physically supported by their institutions, citing a lack of a two-way cultural exchange with Canadian students. But even when support is available, many international students are afraid to seek help for mental health issues, fearing
deportation or denial of a work permit since “any recorded mental health issue is subject to scrutiny from immigration,” which may affect their ability to stay in Canada.

More than half (56 percent) of the international students in the CIBE study reported having zero Canadian students as friends; those who did have Canadian friends were most successful at meeting Canadians through their program of study. In spite of such research, institutions continue to constrain two-way cultural exchange by promoting ‘international only’ programs and cohorts, as well as the previously mentioned private education international funneling programs. While ‘international only’ programs appeal to institutions from an administrative point of view (i.e. holding specific orientations, tailoring classes to international student needs), these programs are actually isolating international students, which can increase barriers with Canadian students and reinforce prejudices.

At present, institutions clearly value international students financially, but aren’t putting in the resources to support the value of this diversity on campus. Research has shown that when institutions take action to embrace diversity and create socially supportive school contexts, this can improve the social inclusion and academic success of not just international students, but all students.

An International Example: Australia

Several countries charge no fees for domestic or international students (Finland, Iceland, Norway, Germany) or at least the same amount for both domestic and international students (France, Italy, Japan, Korea, Mexico, Spain, Switzerland), with no change in the value or quality of the education. Countries that charge higher international tuition fees but do not treat students fairly may pay the ultimate price.

For example, Australia has spent a decade rebuilding its reputation after a major shift in its international enrolment. From 2008 to 2009, Australia gained over 88,000 international students, a 16.8 percent increase in one year. However, this influx of international students paying high fees felt taken advantage of and unsupported. In 2009, the mistreatment of international students boiled over, resulting in a series of highly publicised attacks on Indian international students (including one murder). This led the Indian government to issue a travel warning for students planning to study in Australia. The violent incidents had a drastic impact in subsequent years. From 2009 to 2012 international student enrolment dropped by 18.5 percent (over 116,980 international students). This decrease resulted in a major shock to Australia’s economy—income from international students was $17 billion in 2009 and fell to $14.5 billion in 2012.

British Columbia should not ignore this lesson. Issues can arise from the unfairness towards international students, especially with increasing global and inter-provincial competition for international students. By supporting international students with fair and predictable tuition fees, quality education, and support structures, British Columbia can take a step in the right direction and prevent international student flight to other provinces or other countries.
Conclusion
Moving international education forward respectfully and responsibly

The unregulated, unpredictable nature of international tuition fee increases contributes to student stress, and can result in some international students being forced to drop out or turn to other countries for more affordable education, risking billions in economic activity. The issues facing international students are perpetuated by the current provincial and federal strategies towards international education. The federal and provincial governments rely on international education as a crucial export to boost their respective economies; it is clear that international students have a vast impact on the economy, but without regulation this is a highly unstable situation, which could collapse without warning.

The regulation of tuition and ancillary fees for international students would create fairness, consistency, and predictability to international student fees, and would respect those who are travelling great distances and paying substantial fees to participate in our education system. It would also mean that pricing policies for this vital service would be set centrally by the BC government, and not left to individual institutions who regularly implement international tuition fee increases to simply solve local financial challenges.

The solution is simple and two-fold. First, the provincial government should amend the Tuition Fee Limit Policy to include regulation of fees for international students. This would create fairness, consistency, and predictability for international student tuition fees. An annual cap moves international students one step closer to policy-level equal treatment with domestic students, and may help resolve some of the barriers to social integration with domestic students.

Second, a new BC international education strategy needs to provide sufficient support for international students to assist in their cultural, social, and academic integration.

As the British Columbia international education strategy concluded in 2016, the new strategy should take into account the support that international students need, rather than just focusing on increasing the numbers. The benefits of this can be seen in the long term: international students who feel better integrated and greater belonging in their community are much more likely to complete their studies, and are more likely to stay after graduation and become part of British Columbian society and labour force. New supports and financial aid for international students have the potential to expand BC’s market while still delivering a positive return on investment in a fair and ethical way.

British Columbia has been a top-level destination for international education, but significant risk exists to its current model. The recommendations herein will better ensure stability and security in BC’s international student enrolment in the years to come. It is well within BC's capacity to provide international education that is fair and supportive for students, and still generates substantial economic returns for the province as a whole.
Endnotes


19. Sources: Statistics Canada (2003). The Daily: University tuition fees; Statistics Canada (2017). Table 477-0077 - Canadian and international tuition fees by level of study, annual (dollars) (accessed: October 17, 2017; (Data from 1991 added from:


24. Sources: Statistics Canada (2017). Table 477-0019 - Postsecondary enrolments, by registration status, Pan-Canadian Standard Classification of Education (PCSCE), Classification of Instructional Programs, Primary Grouping (CIP_PG), sex and student status, annual (number)(accessed: February 14, 2018); Statistics Canada (2017). Table 477-0077 - Canadian and international tuition fees by level of study, annual (dollars)(accessed: February 14, 2018)


31. The Vancouver Sun (2017). Douglas Todd: B.C. college faculty feel pressure to ‘pass’ foreign students, Aug 17, 2017


