The Impact of Changes to the CEC Program on International Students

GOVision
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Introduction

Canada has long been known for its openness and diversity. Throughout history, immigration has been a key part of Canada’s growth and development. Globalization has enabled Canada to attract the best and brightest in an effort to diversify and improve the workforce and society as a whole. This trend precipitated the introduction of the “Canadian Experience Class” (CEC) in 2008. The CEC allows applicants with sufficient language skills, a Canadian post-secondary degree, and one year of Canadian work experience to access a relatively straightforward route to permanent residency (Citizenship and Immigration Canada, 2008).

Since its inception, the CEC has proven to be a popular choice amongst international students. The program provides students with the opportunity to attend college or university, work for one year, and then apply directly for permanent residency under the CEC. As of 2013, the Citizenship and Immigration Canada (CIC) has processed over 25,000 successful CEC applications, with the number of admitted applicants growing exponentially each year (Citizenship and Immigration Canada, 2012a).

However, on November 8th 2013, CIC implemented significant changes to the CEC. These changes have raised much concern amongst the international student population in Canada. From the federal government’s perspective, the modifications derived from an interest in “improving efficiency” and achieving “an equal representation,” effectively reducing the options for those looking to apply under the CEC (Citizenship and Immigration Canada, 2013a). However, these changes stand to harm all members of Canadian society, as limiting the opportunities for permanent residency would mean forfeiting the benefits and values brought about by the CEC. In addition, we must consider the impact and message that these changes send to the Canadian citizenry and prospective immigrants, including international students.

We believe that the damage incurred by the modifications to the CEC outweighs the benefits. Below we support this claim with evidence.

Canadian Experience Class and the Recent Changes

The Strength of the CEC

The CEC is simplistic in design. Apart from federal health and security screenings, individuals are eligible as long as they fulfill three fundamental requirements:

- They must successfully complete a program of study of at least two academic years at a Canadian post-secondary institution;
• They must have obtained at least one year of skilled, professional, or technical work experience in Canada within 24 months of the application date (effective January 2nd 2013); and

• They must meet or surpass Canadian Level Benchmark 5 (“initial intermediate”) or 7 (“adequate intermediate proficiency”) depending on the level of their job in Canada

(Citizenship and Immigration Canada, 2012b)

This program allows international students to immigrate on the basis of their Canadian education and work experience, and is an effective way for Canada to attract and retain quality workers who are prepared to contribute to the Canadian workforce.

Former Citizenship, Immigration and Multiculturalism Minister Jason Kenney has spoken highly of the program, identifying its value as an effective stream of immigration:

The Canadian Experience Class (CEC) makes Canada more competitive in attracting and retaining the best and brightest individuals with the skills we need. These are people who have already demonstrated their ability to integrate into the Canadian labour market and society. The CEC allows these skilled and educated individuals to bring their skills and talents, contribute to our economy and help renew our workforce so that Canada remains competitive on the world stage. (Citizenship and Immigration Canada, 2013b)

Recent Changes

November 2013 marked the point at which the federal government implemented changes to the CEC program, despite its popularity and growing success. The changes are below.

Between November 9, 2013 to October 31, 2014, Citizenship and Immigration Canada (CIC) will accept a maximum of 12,000 new applications under the Canadian Experience Class (CEC).

The following six occupations will no longer be eligible for the CEC starting November 9, 2013:

• cooks (NOC code 6322);
• food service supervisors (NOC 6311);
• administrative officers (NOC 1221);
• administrative assistants (NOC 1241);
• accounting technicians and bookkeepers (NOC 1311); and
• retail sales supervisors (NOC 6211).
In addition, CIC will establish sub-caps of 200 applications each for National Occupational Classification (NOC) B occupations. These are mostly technical and administrative jobs or those in the skilled trades. NOC 0 and A (managerial and professional) occupations will not be sub-capped, but they will be subject to the overall cap of 12,000 applications.

Finally, CIC will maintain the same language criteria for applicants but will verify them upfront as of November 9, 2013. (Citizenship and Immigration Canada, 2013c)

Problematic and Transformative Changes

We argue that the most problematic change pertains to the removal of 6 occupations from the CEC. The reasoning behind this change, according to CIC, is that “CEC is seeing an overrepresentation in certain occupations” (Citizenship and Immigration Canada, 2013d), and in order to “maintain a more equal representation of occupations” (Citizenship and Immigration Canada, 2013a), these 6 occupations have been cut from the program altogether.

Based on the changes and the CIC’s justifications for making them, we make a number of observations. First, the federal government apparently believes that at the current rate of growth, there are insufficient resources available to process the projected number of incoming applications. Thus, the solution is to reduce the inflow of applicants through quotas rather than assessing the systematic inefficiencies within the process itself. Secondly, a significant portion of applicants fall under the 6 categories which now have been deemed ineligible. It is also evident that other occupational categories are considered to be underrepresented in contrast, since the government felt the need to refine the CEC program through restoring balance among all occupational categories. The government is interested in encouraging these potential applicants to participate in the CEC, but at the cost of limiting opportunities and shutting out those who are perceived to be overrepresented.

Several problems arise from this approach. It seems contradictory that in light of the program’s immense success the government’s response is to stall progress rather than to further support its development. Additionally, the removal of 6 categories eliminates the entire portion of applicants that have been the most significant contribution to the program in previous years. We are inclined to argue that such a change is overtly excessive, as it deals a major blow to the CEC program itself by rejecting those who are most likely to apply. If the aim is to achieve a more equal balance in representation, measures should be put in place to direct applicants into the less popular occupations categories, or perhaps filter the inflow to overly-popular categories rather than cutting it entirely. The decision to eliminate the 6 most popular categories altogether is misaligned with the program’s core principles and objectives.

Finally, the changes will have a great impact on all current and future international students who utilize or intend to utilize the CEC program as their immigration channel.
Moreover, we insist that there is a broader impact, as a number of economic and social advantages enjoyed by all Canadians will be affected by the changes. The following section examines these impacts.

**The Importance of Retaining International Students**

International students are one of the primary targets of the CEC program. The CEC’s creation, to a large extent, was instated with the purpose to encourage international students in Canada to stay, while at the same time facilitating an easy transition into permanent residency. This particular group of migrants seems to be a natural fit; international students in Canada “have already assimilated into Canadian culture, speak French and/or English, and will possess educational credentials that will be recognized by Canadian employers” (Citizenship and Immigration Canada, 2012b). Also, the importance of encouraging and helping international students settle in Canada is well recognized. As Harald Bauder, academic director at Ryerson University’s Centre for Immigration and Settlement (RCIS) suggests: “In a way [foreign students] are the ideal immigrants if you assume the perspective that you want immigrants who produce economic benefits for Canada, they are ready to enter the labour market and start paying taxes” (Tamburri, 2013).

There is little doubt that international students are important. However their value is often underrated, due to an inconsistent and incomplete knowledge base amongst political decision makers and the general public pertaining to international students’ contribution to the Canadian economy and society at large.

**Tuition**

Canada is home to many high quality and widely recognized universities and other post-secondary education institutions. Domestic students in Canada are able to enjoy quality education at a relatively low cost. As a result the prestige and quality of education, Canada is a popular destination for international students. Five percent of all international students worldwide study in Canada, which makes Canada the world’s seventh most popular destination for international students (Deehas, 2013). However, the tuition for international students is not nearly as low as for their domestic counterparts (Table 1). International students are paying twenty to thirty thousand dollars – some even more – every year, and these figures only account for tuition. International tuition is a major contributor to university funding, in part enabling domestic tuition to be kept reasonably low.
Table 1: Tuition in Arts/Humanities Undergraduate Programs in Canadian Universities ($)

<table>
<thead>
<tr>
<th>University</th>
<th>Domestic</th>
<th>International</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Toronto</td>
<td>7,889</td>
<td>29,010</td>
</tr>
<tr>
<td>University of Ottawa</td>
<td>5,835</td>
<td>20,291</td>
</tr>
<tr>
<td>McGill University</td>
<td>4,230</td>
<td>15,821</td>
</tr>
<tr>
<td>Queen's University</td>
<td>5,850</td>
<td>23,085</td>
</tr>
<tr>
<td>McMaster University</td>
<td>5,766</td>
<td>18,147</td>
</tr>
<tr>
<td>Ryerson University</td>
<td>5,815</td>
<td>19,157</td>
</tr>
<tr>
<td>Western University</td>
<td>5,774</td>
<td>18,515</td>
</tr>
<tr>
<td>University of British Colombia</td>
<td>4,794</td>
<td>22,718</td>
</tr>
<tr>
<td>Waterloo University</td>
<td>6,504</td>
<td>20,675</td>
</tr>
<tr>
<td>York University</td>
<td>5,836</td>
<td>18,727</td>
</tr>
</tbody>
</table>

Source: Association of Universities and Colleges of Canada (2013)

Figure 1 illustrates the tuition for some of Canada’s better known universities. The difference between international and domestic tuition rates is apparent. It is important to note that these numbers only pertain to arts and humanity programs, which are relatively inexpensive. Other programs, such as Commerce or Engineering, tend to be more expensive, and the difference between domestic and international tuition tend to be even larger. For example, an international student studying Commerce at McGill University pays over $35,000 for his/her tuition, while their classmate who is a Quebec resident only pays just over $2,000 for the same education (McGill University, 2014).

In discussing the establishment of support programs in universities to fulfill the needs of international students, Stephen Toope, former president of the University of British Columbia, makes reference to the fact that “government grants to schools [are] stalling across Canada” (Bradshaw, 2014). He also states, “let’s be frank, [that investment] (to establish such support programs) will come from international students themselves” (Bradshaw, 2014).

Ultimately, the drastic difference between international and domestic tuition underscores their economic importance for universities. High international tuition rates allow Canadian universities to maintain low tuition fees for Canadian students, effectively using the excess of international tuition to subsidize the Canadian education industry.
Consumption and Aggregate Economic Impact

Apart from tuition, international students spend a considerable amount of money during their stay in Canada. Living costs and consumption of durable goods such as automobiles and housing for international students adds up to a significant sum. Since international students mostly come from comparably wealthy families, these students make a strong contribution to the luxury goods industry. According to a Bloomberg Business report, in the US between 2012 and October 2013, Chinese international students spent a total of $15.5 billion on new and used vehicles (from which a large part belongs to luxury cars); while a comparable group of American students spent only $4.7 billion (Higgins, 2013). We are inclined to assume that a similar trend exists in Canada.

Foreign Affairs, Trade and Development Canada published a report in 2012 based on the study conducted by Roslyn Kunin & Associates Inc. (2012) on the total economic impact of international students in Canada. The authors of this report estimate that in 2010, long-term international students, numbering more than 218,200, had contributed $6.9 billion dollars in expenditure, translating into about $4.2 billion in GDP, supporting 70,240 jobs, and generating $391 million in tax revenue (Table 2).

The report emphasizes the economic impact of international students on Canadian society. The authors note that the revenue obtained via international students is “greater than our export of unwrought aluminum ($6 billion), and even greater than our export of helicopters, airplanes and spacecraft ($6.9 billion) to all other countries” (Roslyn Kunin et al., 2012: iii).
Table 2: Economic Impact of International Education Services in Canada, 2010

<table>
<thead>
<tr>
<th></th>
<th>Total Expenditure ($)</th>
<th>GDP ($)</th>
<th>Employment</th>
<th>Government Revenue ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long-Term Students</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Newfoundland &amp; Labrador</td>
<td>40,670,000</td>
<td>27,614,000</td>
<td>370</td>
<td>1,480,000</td>
</tr>
<tr>
<td>Prince Edward Island</td>
<td>27,760,000</td>
<td>6,191,000</td>
<td>60</td>
<td>621,400</td>
</tr>
<tr>
<td>Nova Scotia</td>
<td>217,167,000</td>
<td>123,568,000</td>
<td>1,890</td>
<td>12,000,000</td>
</tr>
<tr>
<td>New Brunswick</td>
<td>93,576,000</td>
<td>66,975,000</td>
<td>1,030</td>
<td>3,425,300</td>
</tr>
<tr>
<td>Quebec</td>
<td>1,014,526,000</td>
<td>593,069,000</td>
<td>8,000</td>
<td>81,226,000</td>
</tr>
<tr>
<td>Ontario</td>
<td>2,902,608,000</td>
<td>1,808,730,000</td>
<td>29,970</td>
<td>202,975,000</td>
</tr>
<tr>
<td>Manitoba</td>
<td>153,784,000</td>
<td>87,342,000</td>
<td>1,640</td>
<td>10,831,000</td>
</tr>
<tr>
<td>Saskatchewan</td>
<td>120,503,000</td>
<td>69,887,000</td>
<td>1,050</td>
<td>4,479,000</td>
</tr>
<tr>
<td>Alberta</td>
<td>486,637,000</td>
<td>300,332,000</td>
<td>4,770</td>
<td>13,249,000</td>
</tr>
<tr>
<td>British Columbia</td>
<td>1,864,093,000</td>
<td>1,151,116,000</td>
<td>21,460</td>
<td>66,897,000</td>
</tr>
<tr>
<td>Yukon, Northwest Territories &amp; Nunavut</td>
<td>623,000</td>
<td>174,000</td>
<td>0</td>
<td>8,000</td>
</tr>
<tr>
<td>Sub-Total Long-Term Students</td>
<td>6,921,947,000</td>
<td>4,234,998,000</td>
<td>70,240</td>
<td>397,191,700</td>
</tr>
<tr>
<td>Short-Term Languages Canada Students</td>
<td>788,162,180</td>
<td>455,708,000</td>
<td>10,780</td>
<td>48,108,400</td>
</tr>
<tr>
<td>Additional Tourism Benefits</td>
<td>336,389,440</td>
<td>187,680,000</td>
<td>5,550</td>
<td>9,739,000</td>
</tr>
</tbody>
</table>

Source: Roslyn Kunin & Associates (2012: iv)

If we regard international education as a Canadian “export” – in the sense that Canadians are working to produce services offered to and paid by residents of other countries – international education services can be considered a large-scale Canadian import enjoyed by many countries and their residents. As Roslyn Kunin & Associates (2012:iii) observe: “The Saudi Arabians, for example, spend the equivalent of 44% of the value of the goods they import from Canada on educational services. Similarly, we see that South Korea (19.1%), China (13.9%), India (27.9%), and France (14.2%) all spend significantly for educational services when compared to the trade in goods they import from
Canada.” This again speaks to the importance of international students, as their contribution to the aggregate economic activity is indeed remarkable and influential in terms of Canada’s import-export balance.

Furthermore, the report also considers the impact of international students on the tourism industry. Many families travel to the country their child is studying in. While visiting their child, they also make purchases and visit nearby cities and tourist attractions. The report estimates that this adds another 336 million in expenditure, 187.7 million in GDP, 5,550 jobs, and around 9.7 million in government tax revenue (Roslyn Kunin & Associates, 2012).

**Human Capital**

International students not only contribute to economic activity in Canada, but their skills and capabilities are also valuable in other ways. Coming from diverse backgrounds and lifestyles, international students possess both international and Canadian perspectives. They are able to use their language and knowledge obtained in their country of origin to help Canadian firms tap into the wider global market. At the same time, their time spent studying in Canada exposes them to Canadian culture and allows them to gradually integrate and fit well into a Canadian work environment. Furthermore, international students should be commended for taking a step outside their national borders into a world largely unknown to them. From this experience they are more likely to develop desirable qualities such as independence, perseverance, diligence, adaptability, problem solving skills, innovative thinking, and the ability to accept new ways of thinking. These qualities make them extremely valuable as human resources.

Coincidentally, many economists believe Canada will soon experience a shortage of skilled labour. According to a recent article in the Huffington Post, a survey showed that out of 100 of Canada’s largest companies, 68 believed the skill shortage is a moderate or big problem (Nguyen, 2013). In this context, it is obvious that highly skilled international students are well matched to Canada’s economic needs and ongoing recovery strategy. The article also listed the top 10 occupations facing significant talent shortages – amongst which “accounting and finance officer” and “sales representative” ranked 4th and 5th respectively (Nguyen, 2013). Curiously, these two occupations are two of the six categories eliminated from the CEC.

**Critiquing the Federal Perspective**

In summary, both their economic and social contributions speak well to the importance of international students. Many people have spoken about Canada’s need to continue attracting international students and encouraging them to stay. “We are working hard to attract and retain the best and brightest students from around the world,” said former Immigration Minister Jason Kenney (Citizenship and Immigration Canada, 2012b). The creation of the CEC program demonstrated that the government is rightly aware of what they need to do in order to “attract” and “retain” this international talent. Nevertheless, the recent changes are a step backwards.
Despite changes to the CEC, the federal government announced a plan on January 15th 2014 to double the number of international students in Canada to 450,000 by 2022 (CBC News, 2014) This announcement acknowledges the aforementioned economic and social benefits that international students bring to Canada. Furthermore, the federal budget has already approved a 5 million per year investment solely for the purpose of “brand[ing] and market[ing] Canada as a world-class education destination” (CBC News, 2014).

In the context of this announcement, the changes to the CEC are inconsistent and even contradictory. One may be inclined to suggest that the federal government is unaware of the impact these changes stand to have on international students or that government is unable to conceive how the changes work against the very approach it has heavily invested in. Ironically, the very same news report mentioning Canada’s expansionary plans for international student recruitment, also remarked: “In addition to recruiting more, the government wants to prevent ‘brain drain’ by making it easier for international students to obtain permanent residency after graduation” (CBC News, 2014). The announcement, however, suggests that the federal government is indeed fully aware of the need to not only attract international students, but provide feasible channels to permanent residency. Yet, the government’s decision to omit six entire occupational categories under the CEC seems to be a contradictory gesture. The next section will fully illustrate the impact of the changes on international students, as well as possible implications for the government’s plan to attract them.

Implications for International Students

The first problem arising from the elimination of the 6 occupational categories is that it is unjust. These 6 categories were “over-represented” because those are the occupations most graduated students obtain. It is problematic to assume that upon graduating these students will enter high-profile professional positions, and more realistic to expect new graduates to “start from the bottom”. For example, it is common for Commerce students to begin their career in an administrative position or in retail. Unfortunately, these occupations are precisely the ones targeted by the changes to the CEC. This presents problematic circumstances for post-grads who do not immediately enter professional, entry-level positions.

There are multiple reasons why Canada must remain open to receiving international students wishing to pursue employment in the six-targeted categories. As previously mentioned, Canada is expected to experience labour shortages in the near future in occupations such as sales representatives and finance/administration officers. International students are an important resource for labour, especially during times when shortages are expected to be rampant. Yet, the CEC has narrowed the prospect of filling any emerging gaps. Furthermore, the changes to the CEC program show that CIC wishes to target applicants working in NOC A Occupations, designated for managers in different industries. Applicants under the 6 eliminated categories would normally have had the opportunity to move up into these managerial positions upon accruing the necessary professional skills. The current changes have rendered such opportunities impossible. When companies hire
employees, they do not just select those with decades of experience. They also hire interns, allowing them to grow and develop with the company, benefiting both the employee and the company. The CEC program was tailored to the needs of international students, but now it seems to be working against those it intends to serve.

Robert Vineberg recently wrote in the *Toronto Star*:

After all, how many Canadians are able to land the perfect job immediately after graduation? Many of us have worked, for years, as waiters or waitresses, bartenders or couriers, while waiting to get into our chosen profession. We consider this natural for Canadians, who already have networks in Canada, but we expect foreign graduates to land the perfect job and work in it for 12 months within three years of graduation. This is not going to encourage foreign students to stay in Canada permanently after graduation. It will, instead, discourage them from even trying (Vineberg, 2013: A25).

If Canada is looking to grow and develop its labour force, should it not allow international students and new workers to acclimatize and familiarize themselves with the Canadian job market and the culture of the Canadian workplace? If Canada is trying to a gain a competitive edge by attracting foreign students, shouldn’t the CEC program – which was formed to accelerate the immigration process for international students wishing to stay in Canada – embrace a wide variety of potential candidates? Fundamentally, government policy makers needs to remember the CEC’s core mandate and avoid discriminating against certain occupations, Instead, they must focus on restoring a balanced approach that meets the demands of the Canada labour and professional markets.

Consider international students who have been planning to apply under the CEC program but did not do so before November 2013. Prior to the policy change announcement, certain students and international workers were unaware that the federal government would shut down their desired – and in many cases primary – route to permanent residency. The federal government ensured that applications submitted prior to November 9th would be unaffected. Candidates who did not submit an application before the November deadline but intended to do so for any of the six occupations that were eliminated, are no longer given the opportunity to follow through with the CEC program. They invested in Canadian education with the hope of mobilizing their newly acquired skillset and knowledge base in the Canadian labour force. But this option no longer exists.

Hundreds of thousands of international students have lived and studied in Canada for years, made friends, contributed to Canadian society, and engaged with Canadian culture, all with the hopes of making Canada their home. They bring diversity and talent to the Canadian labour force; they are a unique migrant population that the Canadian economy relies on. This reciprocal relationship is well-matched and effective – it seems backwards to apply restrictions that are seemingly unwarranted.

CIC, in its newsletter, referred to the changes as a means of improvement. While we do
not believe these particular changes reflect the type of “improvement” the government intends to seek, we are supportive of the need to continually refine and improve our immigration policies in order to keep Canada competitive on the global stage. We believe that instead of sacrificing the interests of international students, the focus should be directed towards structural and procedural improvements of the program itself. If there is a genuine need to slow down the intake of the program, it should be done with great caution to limit the negative impact on international students, and still be fair and provide realistic options for those who sincerely wish to make Canada their home.

**Recommendations**

- Use alternative methods to achieve “balanced representation,” such as encouraging students to apply for other occupations, setting quotas on overrepresented occupations, or classifying such applications as lower priority in terms of processing time. Do not eliminate 6 occupational categories altogether.

- Continue to improve and enhance the CEC program by increasing its efficiency in processing and distributing applications.

- Continue to develop Canada’s international education industry and incentivize international students to study in Canada.

**Conclusion**

This Working Paper discussed the recent changes to the Canadian Experience Class and the impact of these changes on international students. It has been demonstrated, as acknowledged by the federal government, that international students are a group of vital importance to Canada. Thus it is imperative that the recent changes to the CEC program are reconsidered and amended. At the end of the day, it is in everyone’s best interest to make Canada a better place. We believe the path to achieve this goal lies in the Canadian government’s effort to continue to attract a diverse international talent base in order to boost the country’s global competitiveness and economic prosperity. At the same time, we must remind Canadians of their commitment to policies that offer equal opportunity for people of all backgrounds.

**References**


About GOVision

We are a non-profit student-run organization based in the University of Toronto, with chapters in the University of British Colombia, Queen’s University, Western University, McGill University, York University as well as offices in the US and China. We strive to bridge the gap between international students and the professional world, and support international students in their progress towards professional excellence. On behalf of all international students, we wish to raise serious concerns regarding the recent changes to the CEC policies. We love Canada for her openness, fairness, and diversity, and we want to keep Canada this way.

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