

August 5, 2016

Mobilizing people and ideas for an innovative, inclusive and prosperous Canada

Universities Canada submission to the
House of Commons Standing Committee on Finance



Introduction

Today's competitive and challenging global environment provides an important opportunity to pursue inclusive and sustainable growth strategies that will benefit all Canadians, and position the country for long-term economic success.

Canada's universities are well placed to strengthen the country's economic and social future and to ensure that Canada is a leader in the global knowledge economy. Through the collaboration that students and faculty foster with their communities and the world during their teaching, learning, research and entrepreneurship activities, universities are committed to building an innovative, inclusive and prosperous Canada.

With Canada's sesquicentennial, Budget 2017 provides an opportunity to ensure the country's future is one that embraces discovery and innovation, nurtures the potential of "the 2017 generation", advances reconciliation with Indigenous peoples and establishes Canada as a global champion of pluralism and diversity. Some 300,000 students will be graduating from Canada's universities and entering the workforce in 2017. They will have the skills, knowledge and experiences they need to succeed in a rapidly evolving global job market, and the ability to shape Canada's future.

Universities Canada's Budget 2017 recommendations address the focus of the House of Commons Standing Committee on Finance's consultations on measures that will help Canadians, Canada's businesses, and urban, rural and remote communities throughout Canada contribute to the country's economic growth.

Our recommendations encompass three strategic areas:

- 1. Research and innovation**, with a focus on sustained and transformative support for discovery research through the federal research granting councils; sustained support for the Canada Foundation for Innovation; and new investments in international research collaboration;
- 2. Indigenous higher education**, with an emphasis on direct financial assistance for Indigenous students and initiatives that support Indigenous student access, retention and academic success at university; and
- 3. Talent mobilization** through international student mobility and work-integrated learning, as well as enhanced labour market information.



Research and innovation

Canada's universities welcomed the federal government's strong support for universities as engines of economic growth, discovery and innovation in the previous budget, through investments in student access, university infrastructure, basic research, and innovation networks and clusters.

Since 1997, the year in which the Canada Foundation for Innovation was created, Canada has made remarkable strides in expanding access to higher education, creating a new generation of world-class researchers and providing state-of-the-art research facilities. Canada is globally competitive in a diverse range of research areas and those early investments are now bearing fruit. University researchers performed \$13 billion of research and development in 2014 – 40 percent of the national total. Every year, these researchers also conduct nearly \$1 billion in research for businesses, helping build their competitive advantage.

However, the pace of these investments has slowed considerably over the past decade and we are falling behind other nations' contributions to research and development. Between 2006 and 2014, Canadian higher education expenditures on research and development as a percentage of GDP fell from third to seventh among OECD nations. Canadian business investment in R&D also declined during this period. This budget provides an important opportunity to counter complacency and to ensure that Canada remains a world-class leader in discovery and applied research and innovation for the next 20 years.

Sustained and predictable support for all elements of the university research and innovation ecosystem, including research infrastructure and discovery research, will lead to Canada's next transformative scientific breakthroughs, support greater interdisciplinary and international linkages, and provide more opportunities for early career researchers, Canada's next generation of top research talent. It will also ensure that high quality discovery and applied research, wherever it is found, can be carried out and produce knowledge that benefits all aspects of society.

Universities Canada recommends that the federal government:

- Provide sustained and transformative investments in discovery research through the federal research granting councils that ensures Canada is returning to globally competitive funding levels and is making significant progress towards reclaiming third place in the OECD for HERD investments;



- Provide sustained support for the Canada Foundation for Innovation to address operational and maintenance pressures on existing research facilities and to allow for better planning horizons for bold, transformative initiatives; and mandate the CFI to lead a national big science strategy; and
- Provide support to address gaps in Canada’s research and innovation ecosystem, including a new fund to support international research collaboration with partner countries.

Indigenous higher education

Canada’s universities welcomed the federal government’s commitments in Budget 2016 to ensure “Indigenous peoples share in Canada’s prosperity” and “Indigenous children get the education they need and deserve” through investments in primary and secondary education. The next urgent step will be to invest in aspirations for postsecondary education to further equip Indigenous youth for the future.

We need to do better as a country to invest in the knowledge, skills and talent of Indigenous youth, to support them in reaching their full potential. Currently, only 11 percent of Indigenous peoples in aged 25 to 34 in Canada have a university degree, compared to 33 percent of non-Indigenous Canadians in the same age group.

Education plays a vital role in the reconciliation process and universities are committed to doing their part to close this education gap and improving First Nations, Métis and Inuit peoples’ access, retention and success in higher education. Universities are committed to dialogue and partnership with Indigenous communities and organizations to develop responses to the unique challenges Indigenous students face.

Canadian universities offer 233 undergraduate programs and 62 graduate-level programs with a focus on Indigenous issues or specifically designed for Indigenous students – a 33 percent increase since 2013. They are changing academic programs to better reflect Indigenous history and realities, fostering intercultural engagement between Indigenous and non-Indigenous students, and providing transition programs, targeted resources, such as peer mentorship, and gathering spaces to meet the unique needs of Indigenous students.

Greater federal financial aid to improve access to higher education and new support for university programs that boost retention and graduation rates are fundamental to unlocking the untapped potential of Indigenous youth. These initiatives will help build the next generation of Indigenous leaders, including a new cohort of Indigenous researchers and faculty who will enhance the integration of Indigenous knowledge and science in research, and help advance reconciliation efforts.



Universities Canada recommends that the federal government:

- Commit to additional direct financial assistance for Indigenous students pursuing a university education;
- Invest in new scholarships to support more Indigenous students to pursue graduate and post-doctoral studies,
- Provide new support to scale up successful institutional-level programs and to create new programs – on- and off-campus – that support Indigenous student access, retention, and academic success at university.

Talent mobilization

The next generation of Canada’s entrepreneurs, researchers and innovators require a broad set of skills to succeed in and contribute to the global marketplace of ideas. This means giving all university students access to global study and work-integrated learning opportunities.

Learning across borders is part of a 21st century education. Only 3.1 percent of full-time Canadian undergraduate students (approximately 25,000) go abroad in any given year, despite 97 percent of universities offering international experiences. Cross-sectoral collaboration is required to ensure young Canadians take part in opportunities that will allow them gain the international and intercultural competencies that will be of value to their employers as they launch their careers.

Canada’s sesquicentennial provides an ideal opportunity to mobilize this generation to take part in these dynamic experiences to learn internationally and gain the skills and mindset that will help our country become a global innovation nation.

Queen Elizabeth Scholars Program

Queen Elizabeth Scholars is a new collaborative mobility program led by the Rideau Hall Foundation, Community Foundations of Canada and Universities Canada, with contributions from the private sector, the Government of Canada (through Global Affairs Canada and the International Development Research Centre), provinces and Canadian universities.

This program is a platform for global talent exchange, building a dynamic community of thousands of young Canadian and global leaders from undergraduates to postdoctoral fellows and early career researchers.

This community will create lasting impacts both at home and abroad through cross-cultural exchanges encompassing international education, research, and work-integrated learning.



As stated by Prime Minister Justin Trudeau during a June 28, 2016 town hall with Mexican President Enrique Peña Nieto and university students to discuss international experiences:

“Young people understand that we’re in a globalized world right now, and the more we can challenge ourselves to understand different realities, different perspectives, different cultures, the more we discover about ourselves and our place in an increasingly complex world. The more we can engage in the kinds of dynamic learning that solid exchanges between countries [foster], the better it’ll be for young people and for our countries as well.”

We also need to position Canada, through smart immigration policies and best-in-class processes, as a global magnet for top international students and researchers. We are pleased to see the federal government recognize how this relates to innovation and inclusive growth, and a bold policy objective in this area would be very welcome.

Student demand for quality work-integrated learning experiences, such as co-ops, internships, research projects and mentorship programs, continues to grow and outpace supply. Currently, 55 percent of Canadian undergraduate students participate in such experiences. A March 2016 Business Council of Canada survey of 90 large private-sector employers recognizes the value of these opportunities as sources of relevant working experiences and as occasions for students to develop the soft skills required to succeed in the workplace.

As noted by David McKay, president and chief executive officer of the Royal Bank of Canada, in a speech at Universities Canada’s April 27, 2016 membership meeting:

“... Work-integrated learning also improves economic access for minority groups, especially Indigenous Canadians and new Canadians... It’s a social leveller. And it exposes students from all backgrounds to the way much of Canada operates...”



Along with business partners like the Business Council of Canada and the Canadian Chamber of Commerce, we have been calling for investments in new measures to incentivize the creation of more paid co-op and internship placements to meet student demand across disciplines, and to address barriers employers, particularly small- and medium-sized enterprises and not-for-profit organizations, face in offering such placements. We support the call by the Canadian Business/Higher Education Roundtable for access to work-integrated learning for 100 percent of Canadian postsecondary students. To achieve this goal, further collaboration and action is required by governments, universities and employers, to ensure these career-boosting opportunities are created.

Universities look forward to ongoing interactions with the new Labour Market Information Council established by the Forum of Labour Market Ministers. The Council's creation provides an opportunity to ensure students, parents and educators have access to timely, reliable and comprehensive labour market information to make informed decisions about study and career outcomes and options. As the Council enhances coordination between governments and stakeholders, there is an opportunity for strategic investment to bolster labour market information collection, analysis, dissemination and forecasting.

Universities Canada recommends that the federal government:

- Invest in opportunities to double the number of Canadian students participating annually in international mobility experiences by 2022;
- Invest in new measures, such as vouchers and tax credits, to incentivize the private and not-for-profit sectors to create more paid co-op and internship placements for university students across all academic disciplines; and,
- Enhance the role of, and resources for, Statistics Canada in collecting, analyzing and disseminating labour market information to support the new Labour Market Information Council's mandate.



Conclusion

Through our recommendations focused on strategic investment in people and ideas, Universities Canada is committed to working with the federal government, Canada's businesses, as well as all Canadians and the communities in which they live, to help build an innovative, inclusive and prosperous Canada.

We are pleased to participate in the House of Commons Standing Committee on Finance's pre-budget consultations, and we look forward to the opportunity to appear before the Committee as part of its pre-budget hearings later this year.