

Association of Universities and Colleges of Canada

Responses

1. Economic Recovery and Growth

Given the current climate of federal and global fiscal restraint, what specific federal measures do you feel are needed for a sustained economic recovery and enhanced economic growth in Canada?

In a competitive world economy, Canada needs to innovate in order to build a prosperous future. Our research-enriched, globally connected and talented university graduates are essential to our prosperity and growth. Universities make key contributions to the nation's ability to grow and make us more resilient to global economic downturns. The knowledge and discoveries generated by talented graduates and faculty at our universities provide the foundation for enhancements to existing products and services in the economy and the creation of entirely new product lines and industries. The federal government recognized the value of innovation and of our world-class universities in recent initiatives, including Budget 2012, and its four cornerstone strategies: the Science and Technology Strategy, the Review of Federal Support for R&D, the International Education Strategy, and the Global Commerce Strategy, all of which address major opportunities ahead for Canada. Canada's universities demonstrated their ability to act quickly during the global economic downturn. They delivered 183 projects on 79 campuses, on time and on budget, as part of the government's Knowledge Infrastructure Program – a "smart" investment when Canada needed to stimulate economic growth. Canada's universities remain ready to work with governments for the benefit of all Canadians. To provide a sustainable foundation for economic recovery and enhanced economic growth, Canada's universities recommend a three-pronged approach of investments and policies that continue to build our competitive advantage: • Investments in research: to enhance core funding of the research granting councils and Canada Foundation for Innovation, including indirect costs of research; for international research collaboration at scale; increased opportunities for academic-private sector partnerships; and graduate student internships in a range of disciplines; • Investments in international education: initiatives to enhance marketing and branding efforts to attract international students to Canada; and mechanisms to support study abroad for Canadian students. • Investments in Aboriginal higher education, including university reach-back mechanisms; mentoring programs and support and student services programs. These initiatives build on investments to support prosperity, fuel job creation and position Canada for a global, knowledge-rich future. In a global economy that continues to be fragile, such activities will help Canadians to grow, thrive and innovate.

2. Job Creation

As Canadian companies face pressures resulting from such factors as uncertainty about the U.S. economic recovery, a sovereign debt crisis in Europe, and competition from a number of developed and developing countries, what specific federal actions do you believe should be taken to promote job creation in Canada, including that which occurs as a result of enhanced internal and international trade?

Seventy percent of new jobs created during the next decade are expected to be in occupations requiring postsecondary education. In the last five years, employers have already created new jobs, many requiring a university degree, to respond to evolving business demands in financial regulation, cyber security, storing and managing data, social media and global relations. We must create talented, creative and globally connected employees who can adjust to careers of the future, which are as yet

undefined. Universities successfully produce this type of employee. Even in an economy weakened by a global recession, Canadian employers are generating jobs for university graduates. Between May 2008 and May 2012 the net increase in employment for university graduates grew by 613,000 jobs – 15 percent more jobs. By comparison, jobs for college graduates grew by only five percent (297,000 new jobs) and there were 500,000 fewer jobs (a seven percent decline) for those without postsecondary education. Moreover, the average income premium for Canadian university graduates is strong and growing over time. On average, bachelor’s graduates enjoy a \$1.3 million advantage over the typical high school graduates and a \$1 million more than the average career earnings of college graduates. What drives these advantages? Research-enriched and globally-connected university curricula help graduates develop the knowledge and skills needed in an evolving workplace. The research process – the ability to identify a challenge, test solutions, and apply the new knowledge generated in related areas – is inherently innovative. Maintaining support for the federal research granting agencies and CFI, and increasing investments in internship programs for students and recent graduates, in Canada and abroad, would help all sectors continue to take advantage of graduates’ innovative skills. Internships and study abroad experiences would help build young people’s global knowledge and business skills. Our universities work with companies in communities throughout Canada to expand internship programs. Additional support from the federal government would enable more companies to take advantage of these highly talented graduates. These are the people who will drive private sector innovation which, in turn, leads to business growth and creates new jobs in all sectors of the economy.

3. Demographic Change

What specific federal measures do you think should be implemented to help the country address the consequences of, and challenges associated with, the aging of the Canadian population and of skills shortages?

Demographic change is driving some of the most pressing health care, social, economic and labour market challenges. Universities are addressing these challenges by conducting research and developing talented, creative graduates through international research collaboration, attracting international students and encouraging access to education for more Aboriginals. Canadian university researchers are already examining the implications of an aging population on our health care and social system and are conducting research to make health care more affordable, and to improve our safety and security at home, on the road and in the cyber world. We are focusing our top minds on our toughest problems. Through increased investment in international research collaboration, Canada can fuel high calibre research partnerships to meet demographic concerns. To enhance Canada’s reputation as an education destination, we need flexible, responsible policies to enable us to compete with leading host nations – the United States, United Kingdom and Australia – for international students. In 2011, amendments to federal immigration processes made it easier for international doctoral candidates at Canadian universities to apply for permanent residency. As a result, up to 1,000 much-needed PhD students or recent graduates will stay in Canada each year. The International Education Strategy, commissioned by the federal government and expected to be public shortly, should include measures that give universities an advantage to secure the best students, faculty and researchers from around the world in order to deliver high-quality, globally connected talent to Canada’s labour market. Aboriginals are the fastest growing segment of the population. However, their very low educational attainment rates limit their ability to participate in the labour force. Expanding opportunities for more of these youth to graduate from high school and go on to university studies will help meet Canada’s labour market demands. As important as they are, the measures outlined above will not fully address Canada’s demographic challenges. We must also become more productive. Mechanisms that improve the quality of the university student experience – such as study abroad programs, internships and engaging in research – produce talented, creative, globally connected employees for tomorrow’s labour market.

4. Productivity

With labour market challenges arising in part as a result of the aging of Canada's population and an ongoing focus on the actions needed for competitiveness, what specific federal initiatives are needed in order to increase productivity in Canada?

Improving Canada's productivity is hinged on our ability to innovate. Whether companies are focused on implementing incremental enhancements to products and services or introducing new advances, the solution lies in research. As the Review of Federal Support to Research and Development Expert Panel Report suggests, we need continued investment in basic research conducted by our universities, and we need to enhance the linkages and partnerships between academe and the private sector. The university community welcomed the Jenkins' report last fall. We look forward to the implementation of measures to create incentives for research partnerships among government, academe and industry. Canada's universities commit to upholding international standards of peer-reviewed excellence, ensuring the best ideas are funded and transferred through research partnerships to Canada's private sector, improving the competitive position of Canada's private sector. SMEs represent approximately 75 percent of Canada's private sector and employ, on average, fewer than 10 people. These companies frequently lack the resources to conduct their own research, employ recent graduates or take on student interns who would drive productivity gains. Canada's universities welcomed increased support for the Mitacs Accelerate and NSERC fellowship programs in recent budgets and support the Jenkins' report recommendation to coordinate and expand these programs. Access to international markets is frequently beyond the reach of SMEs. Canadian researchers can open these enterprises to international markets. Some 40 percent of Canadian university faculty have earned at least one degree abroad and more have strong international networks built through international academic exchange and research collaboration. Canada can advance its international trade agenda by leveraging academic networks. Developed and emerging nations around the world are bolstering their global advantage with investments to internationalize their universities. Through a public-private funding model, Brazil's Science without Borders program will fund 101,000 Brazilian university students and scholars to study and conduct research abroad over the next four years. In Germany, more than 30 percent of students have study abroad experiences and strategies are being pursued to expand opportunities for two-way flows of students. Emulating these programs in Canada will drive our trade strategy and increase productivity in our business sector.

5. Other Challenges

With some Canadian individuals, businesses and communities facing particular challenges at this time, in your view, who is facing the most challenges, what are the challenges that are being faced and what specific federal actions are needed to address these challenges?

In the next two decades, more than 400,000 Aboriginals will come of age to enter the labour force. This rapidly growing segment of the Canadian population represents an opportunity to improve the well-being and prosperity of Aboriginal families and communities. It is also a significant source of talent to address Canada's labour market demands. In fact, Aboriginals have identified education as their top priority and the key to ensuring their well-being and prosperity. Currently, one-third of Aboriginals have not completed high school diplomas and another 20 percent have no postsecondary education. Only eight percent of Aboriginals have a university degree (which is about one-third the rate of university attainment in the rest of the population). Measures to increase high school completion and expand access to university will have a dramatic beneficial effect for Aboriginals and Canada. Nationally, they will help address some of the demographic and labour market challenges. Within local communities, they can address health, social and economic challenges. Employment rates and salaries also increase significantly with higher levels of education. For example, the 2006 Census revealed that

only about 45 percent of Aboriginals between the ages of 25 and 64 who have not completed secondary school are employed. Employment levels rise to 84 percent for those with a bachelor's degree. Aboriginals with a bachelor's degree earn \$55,000 a year average, compared to \$36,000 for those with only high school credentials. Canada's universities recognize that effective student recruitment efforts start well before the last year of high school. They have partnered with Aboriginal schools and communities to create initiatives across the country that make children, youth and their parents consider university as a possibility for their future. These recruitment initiatives not only provide students with information about university courses, but also about sources of financial aid, student support programs and future career prospects. Universities are supportive of measures to improve the education delivered at the primary and secondary levels as well as those that will increase opportunities for higher education.