

Engaging in Healthy Competition for International Students

2015 Pre-Budget Submission



February 9, 2015

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Overview: A Critical Opportunity

International students are critical for our universities' success. StudentsNS predicts that domestic demographic trends will significantly depress enrolment at Nova Scotia's universities unless we double our international enrolment between 2011-12 and 2030-31. Meanwhile, international students' presence in the classroom enhances learning by allowing all students to learn greater intercultural communication skills and share more diverse perspectives. Cultural competency and global connectivity are critical to economic, social and cultural wellbeing in the 21st century.

Just as importantly, international students represent a large and growing group of prospective immigrants for Nova Scotia. In fact, international students have been identified as 'ideal' immigrants because their local knowledge and training and concentration in technology, science or entrepreneurial sectors lead them to achieve comparatively strong economic outcomes. In surveys, between half and three-quarters of ISs in Atlantic Canada express hope to apply for permanent residency. The One Nova Scotia report recommended that Nova Scotia seek to double to 10% the proportion of our international students who settle permanently in the province.

International students contribute significant economic benefits even if they do not settle in Nova Scotia. A 2009 report estimated that international students contributed \$231 million per year to Nova Scotia's economy, or three times the amount government spent to support them in 2007. They pay income, property (through their rent) and sales taxes, while their economic spinoffs also generate tax revenues.

How do we convince students to settle in Nova Scotia?

Research suggests that two types of factors impact on international students' choice to settle in their host country in most cases where the student is coming from a lower-income country. Factors that push them away from wanting to settle in the migration destination (push factors) are principally social or emotional, such as homesickness, personal connections to friends and family, and cultural alienation. Factors that pull them towards settling in the potential migration destination (pull factors) are largely economic (employment opportunities, potential income, the quality of social services). To attract international students to settle, Nova Scotia must mitigate the push factors, largely by helping students to feel at home here, and enhance the pull factors by creating economic opportunities.

The economic imperative is clear and often emphasized because employment is generally a requirement for permanent residency, but Nova Scotia's economy is relatively weak and there has been an observed trend whereby immigrants to the Province

quickly move on to other parts of Canada. This means that we are simultaneously placed in the position of potential immigration destination (vis-à-vis students' countries of origin) and potential emigration source (vis-à-vis other provinces in Canada). As a result, the Province should put special emphasis on social factors. This reality also further underscores the potential of international students in particular as potential immigrants, as their study years living in the province provide an opportunity to build social connections as they approach their settlement decision.

Priority Policy: MSI Coverage

In *International Students and the Future of Nova Scotia's Universities*, StudentsNS reviewed the financial, social, health and employment concerns of international students with a view to encouraging students' permanent settlement. During our research, international students and university international centre professionals consistently identified health insurance as a major challenge increasing costs, complicating access to health services and alienating students.

The Province of Nova Scotia should provide international students at public PSE institutions with MSI coverage immediately upon their arrival for study. This policy would support the provincial post-secondary education, immigration and healthcare objectives at an estimated cost of \$625,000 (current dollars)¹. Approximately 5,691 international university students would benefit along with 576 of their dependents.

Currently, international students may receive Nova Scotia health card coverage under MSI once they have been studying in Nova Scotia for 13 consecutive months that do not include 31 consecutive days outside the province. Before they are eligible for MSI, these students are required to purchase mandatory health coverage through their institution or student union. Under these circumstances, they may have to pay the cost of health services up front and be reimbursed later, which can limit healthcare access for lower-income students. Students can also be confused about what is covered and what is not. Overall, these costs may be prohibitive when added to differential tuition, especially for students with dependents.

At approximately \$99.85 per person, it is many times less expensive to insure international students and their dependents through MSI than through private providers. Much of these savings are generated through administrative efficiencies and the elimination of profit margins, while international students are mostly young and healthy, so their combined impact on healthcare resources is minimal. By providing MSI coverage, the Nova

¹ This prediction is based upon previous work done in *International Students and the Future of Nova Scotia's Universities and StudentsNS' 2014-15 Pre-Budget Submission*, but projecting enrolment for 2014-15 based on average annual enrolment growth from 2002-03 to 2012-13 (12%). The original basis for our estimates is the 2009 work of Siddiq et al: *The Economic Impact of International Students Enrolled in Nova Scotia Universities: An Expenditure Analysis*.

Scotia government can therefore impact Nova Scotia’s affordability as an international PSE destination in a way that is hardly commensurate to the size of its investment. Manitoba, Saskatchewan, Newfoundland and Labrador, and British Columbia provide health full health coverage to international students at the beginning of their studies, whereas Ontario provides no health coverage and is Nova Scotia’s key domestic competitor.

International student savings through MSI coverage (2012-13)		
	Single student	Student with dependents
Acadia	\$522.05	\$913.97
CBU	\$477.00	
Dalhousie	\$383.00	\$974
MSVU	\$351.70	
StFX	\$625.00	
SMU	\$766.50	\$1633-\$2299.50

Providing health coverage would allow international students to experience a major concrete benefit to being a Nova Scotian: our world-class public healthcare system. Students with families will benefit the most, obviously have a greater immigration impact and may be more likely to stay permanently as their families get settled.

Providing MSI coverage is among the simplest and most impactful steps that Nova Scotia can take to support these students’ success, demonstrating commitment towards making Nova Scotia a more welcoming place for these prospective immigrants. It addresses both the push and pull factors affecting immigration choices, showing students that Nova Scotia is invested in their wellbeing while demonstrating the quality of services available to permanent residents.

More Information

For more information and ideas on international students, including a full report, a summary of recommendations and factsheets, please visit: <http://studentsns.ca/international-students-and-the-future-of-nova-scotias-universities/>

Stay tuned for StudentsNS’ work on the Nova Scotia Community College, to be released in February 2015.