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March 28, 2002

Eliminate, Don't Deregulate, Surcharge for Foreign Students

A story in the March 17 edition of the *Brandon Sun* (Shelly Vivian, "Tuition crunch for foreign students") reported that the Brandon University International Students Organization is concerned that deregulation of fees for foreign students by the Manitoba government will result in an escalation of fees.

The decision to deregulate fees was the Minister of Advanced Education's response to demands from some faculty and student organizations to eliminate the surcharges that were imposed on universities in 1995-96 by Linda McIntosh when she was Minister of Education. Specifically, McIntosh ordered universities to impose a 75 per cent surcharge on fees for foreign students.

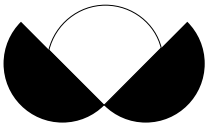
As the table over demonstrates, enrolments of foreign students at Manitoba universities have declined both in absolute terms and relative to other provinces since the surcharge was imposed. Undergraduate enrolment in Manitoba in 1998-99 was 44 per cent below the 1994-95 level, while graduate enrolment was down 41 per cent. The declines relative to the rest of Canada were similarly significant. Undergraduate student enrolment in Manitoba averaged 3.3 per cent of enrolment in Canada from 1990-91 through 1994-95. This average was reduced to 2.2 per cent over the period 1995-96 through 1998-99. Over these same periods, the average for graduate students declined from 6.7 per cent to 4.2 per cent.

It is important to note as well that declines in foreign student enrolments after 1994-95—both undergraduate and graduate—were far greater in Manitoba than in other provinces. While undergraduate enrolment in Manitoba declined by 44 per cent over the period 1994-95 to 1998-99, the next closest province was Alberta with a decline of 13.8 per cent. Graduate student enrolment, on the other hand, increased in all provinces but Ontario and Manitoba. The decline in Ontario was a mere 1.2 per cent, in Manitoba 41 per cent.

Cultural Vibrancy

Joe Dolecki, president of the Brandon University Faculty Association, wrote to Minister McGifford on June 25, 2001 requesting that differential fees for visa students be abolished. Dolecki noted in his letter that BUFA has always opposed the imposition of differential fees for visa students. He wrote, "Our view has been that such fees would reduce the number of visa students attending post-secondary institutions in Manitoba—to the detriment of these institutions, the cultural vibrancy of the communities in which these institutions are located, and the provincial economy as a whole."

Dolecki concluded his letter with an observation that elimination of the differential fees "makes sense, from all but the most narrow of perspectives."



Foreign Student Enrolments in Manitoba as Percent of Canada, 1990-91 to 1998-99

Year	Undergraduate			Graduate		
	MB	CAN	MB as % of CAN	MB	CAN	MB as % of CAN
1990/91	471	14,080	3.3	1,272	19,976	6.4
1991/92	482	14,482	3.3	1,392	21,713	6.4
1992/93	459	14,441	3.2	1,533	21,449	7.1
1993/94	481	14,313	3.4	1,478	20,166	7.3
1994/95	432	13,395	3.2	1,250	19,287	6.5
1995/96	326	12,292	2.6	991	18,339	5.4
1996/97	263	12,209	2.2	829	18,688	4.4
1997/98	257	12,028	2.1	782	20,267	3.8
1998/99	242	12,309	2.0	738	22,578	3.3

Source: CAUT, *Almanac of Post-Secondary Education in Canada*, 2002, p.15.

that foreign students are crowding out local students. (Although many Manitoba students go elsewhere for graduate studies simply because support programs are more generous.) Moreover, while foreign students are in Manitoba they pay the same taxes as most other citizens of the province, and if they are able to gain employment on campus they pay income tax.

The idea that deregulation will result in designer fees tailored to the needs of individual students is also not likely to work, which may be why the Minister doesn't deregulate all fees and allow every institution to develop its own fee policies.

The decision to deregulate foreign student fees is inconsistent and unwise. The government should instead simply require post-secondary institutions to eliminate the differential fees.

In her reply (dated August 15, 2001) McGifford argued that "there are two sides to issues of this nature. While I respect your Association's call for abolishing differential fees for foreign students, there are other who make very impassioned pleas to charge more, often noting the costs to taxpayers."

McGifford also argued that the situations of foreign students also differ greatly; some have more money than others.

She concluded her reply with a suggestion that, in light of these considerations, probably the best approach was to allow individuals boards to establish a fee policy for visa students "that is sensitive to the full spectrum of students and their ability to participate."

The NDP opposition in the mid-1990s rejected these sorts of arguments and opposed the imposition of differential fees for foreign students.

Previous Government's Argument

The government's decision to deregulate is a bad one, and the Minister's arguments in support of it are not very persuasive. The reference to the costs to taxpayers of having foreign students in universities is precisely the argument that the previous government used to try and give the imposition of differential fees an element of respectability. The argument was bogus then, and it is bogus now. There is no evidence

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