Emerging Markets Profile and Strategic Directions for India

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DEDICATED TO MY MOTHER AND IN LOVING MEMORY TO MY FATHER
EXECUTIVE SUMMARY

Introduction and Objectives

As a fast-growing, large economy, India is a place of burgeoning opportunities for trade and investment. Strengthening commercial engagement with the country is a priority for the Government of Canada. Innovation, Science & Economic Development Canada (ISED) is a federal government department that develops policies to make Canadian industry competitive, both domestically and in the global marketplace. As a major trading nation, understanding Canada’s linkages with international markets such as India is an important priority for ISED. Information on Canada’s economic and people-to-people relationships vis-à-vis India informs the development of the Department’s policies and programs. Situated within the Department, the Pacific Regional Office is largely focused on gathering intelligence on domestic matters within the BC and Yukon economies. As a result, there is limited capacity to examine international markets.

Student mobility is closely interlinked with trade and investment. By studying abroad, Canadian students develop valuable cross-cultural skills and global competencies, forming an important source of talent to navigate international markets. Student mobility also facilitates the development of people-to-people connections that contributes to stronger business ties between nations. This is particularly important within the context of India, where Canada aims to expand its trade priorities. Despite these benefits, the number of Canadian students undertaking study abroad terms in India is low. Of the estimated 3.1% of post-secondary students who participate in international experiences, only a small fraction chose India as a study destination.

Given the issues outlined above, the objectives of this report are two-fold: 1) To provide an overview of India’s economy and Canada’s trade, investment and people-to-people linkages with the country and 2) To explore ways to improve the outbound mobility of Canadian students to India.

Methodology

This report employs a mixed-method approach. The methods used include a literature review, jurisdictional scan and semi-structured interviews. The literature review is composed of two key components, the first of which is an overview of India’s economy and its key growth drivers, followed by Canada’s trade, investment, tourism and immigration linkages with the country. The second aspect of the literature review examines Canada’s international education engagement with India. This includes an overview of Canada’s priorities in international education, a description of the Canada-India education relationship and barriers to advancing student mobility to the country.
The jurisdictional scan reviews the approaches undertaken by Australia, the United Kingdom and the United States to encourage student mobility to India. Last but not least, five interviews were conducted with participants who possess expertise on Canada-India education relations. The interviews sought to confirm and consolidate the findings of the literature review and jurisdictional scan, while also filling in knowledge gaps.

**Findings**

Findings from the literature review, jurisdictional scan and interviews are organized around four key themes. These are: student mobility supports Canada’s trade & investment agenda; Canada’s engagement in international education is fragmented; there is a lack of interest and understanding among students about India’s importance as a study destination; and inadequate financial resources is a significant barrier to promoting student mobility to India.

**Options, Recommendations & Implementation**

Three options were identified as potential strategies to promote student mobility to India. The options include: 1) Establishing a Canada-India body to champion and coordinate mobility activities under one umbrella; 2) Develop a scholarship program to support to students to undertake international experiences in the country; and 3) Create a marketing campaign to highlight India as a desirable study destination. These options are evaluated against the criteria of effectiveness, sustainability and cost. Based on the evaluation criteria, option two was selected as the most feasible alternative to pursue. By offering financial assistance to participants, this program will address one of the key barriers to student mobility. Although implementing the program will be costly, it is estimated that this option will be sustainable over the long-term. As the program will be subject to a high-level of usage and demand, it is probable that the initiative will meet the justifications required to receive funding into the future.

A series of “next steps” are provided to explore the feasibility of implementing the recommended option. The implementation plan involves four phases: baseline research and planning; roundtable consultations to assess the feasibility of the program; running a pilot program and evaluating the results of the pilot to determine whether the initiative should be implemented on a longer-term basis.

**Conclusion**

India and Canada enjoy a growing trade relationship. Encouraging the outbound flow of Canadian students will equip young people with the knowledge and cross-cultural skills needed to be effective in working with emerging economies such as India, ultimately contributing to Canada’s economic prosperity.
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1. INTRODUCTION

With impressive projected growth rates, India is expected to become a key driver of global economic growth. Presently the world’s fourth largest economy, India has the potential to become the second-largest economy by 2050 (PricewaterhouseCoopers, 2015, p. 3). The country’s growing economic significance demonstrates the need for Canada to strategically deepen its partnerships with the country. As a major trading nation, how Canada responds and positions itself to take advantage of India’s transformation will shape our future in decades to come.

Innovation, Science and Economic Development Canada (ISED) is a federal government department with a mandate to make Canadian industry more competitive, both domestically and in the global marketplace. The Department’s Pacific Regional Office is responsible for maintaining intelligence on the BC and Yukon economies. Given BC’s location as Canada’s gateway to the Asia Pacific, the Pacific Regional Office is strategically positioned to gather information and analysis on India and Canada-India relations to inform the Department’s policies and programs. As the Office is largely focused on gathering intelligence on domestic matters, there is limited capacity to examine international markets. As a result, there is a need to develop an in-depth knowledge of India and Canada’s economic and people-to-people ties with the nation.

Student mobility is closely linked to trade and investment. Through study abroad opportunities, Canadian students develop valuable cross-cultural skills and global competencies useful for navigating international markets. Student mobility also facilitates the development of people-to-people connections that contributes to stronger business ties between nations. Given the inter-linkages between trade and international education, it is valuable for the Department to explore strategies to better promote the outward mobility of Canadian students to India.

This report aims to achieve two objectives: 1) To acquire intelligence on India’s economy and Canada’s trade, investment and people-to-people linkages with the country and 2) To recommend ways to improve the outward mobility of Canadian students to India.

This report attempts to answer the following research questions:

Primary Research Questions:

1. What are the growth drivers behind India’s economy?
2. What is the nature of Canada’s trade, investment, tourism and immigration linkages with India?
3. In support of Canada’s trade and investment relationship with India, how can Canada promote the outward mobility of Canadian students to the country?
Secondary Research Questions:

1. What is the nature of Canada’s education partnerships with India?
2. What are the barriers to promoting the outward mobility of Canadian students to the country?
3. What approaches have other jurisdictions undertaken to encourage student mobility to India?

This report seeks to answer these questions by means of a literature review, jurisdictional scan and interviews with stakeholders. Section 2 provides background information on the client and presents an analytical framework, which guides the investigation of the research questions outlined above. Section 3 outlines the project’s methodology.

The next part of the report presents findings on different topics, each using different lines of evidence:

- Section 4 provides a brief overview of India’s economy and outlines key growth drivers;
- Section 5 describes Canada’s bilateral relationship with India;
- Section 6 outlines Canada’s trade and investment relationship with the country;
- Section 7 details the tourism and immigration linkages between Canada and India;
- Section 8 provides an outline of Canada’s priorities in international education, along with a description of key stakeholders;
- Section 9 provides an overview of higher education in India, followed by an analysis of the Canada-India education relationship and challenges to promoting student mobility;
- Section 10 outlines the findings obtained from the jurisdictional scan; and
- Section 11 provides a description of feedback obtained from interviews.

Section 12 reviews the findings and themes emerging from Sections 4-11. Section 13 sets out options and the recommended strategy for improving the outward flow of students to India. Section 14 concludes by providing a summary of key findings, recommendations and suggestions for further research.
2. BACKGROUND

The following section will provide an overview of the project client and the key issues faced by the client that drive this report. This will be followed by a description of the analytical framework used to guide research for this project.

2.1 Project Client

Innovation, Science and Economic Development Canada (ISED) is a federal government department that is responsible for developing and implementing policies and programs to support the growth of the Canadian economy. The Department’s mandate is to make Canadian industry more productive and competitive, both domestically and internationally. ISED works on a broad range of matters in areas including: industry and technology; trade and commerce; science; competition; intellectual property and small business & tourism (ISED, 2015). The Department fulfills its mandate through three overarching strategies:

- Advancing the marketplace: ISED develops and administers economic framework policies that support innovation and competition.
- Fostering the knowledge-based economy: the Department invests in science and technology to generate knowledge and equip Canadians with the skills required to work in a global economy.
- Supporting business: ISED supports innovation and productivity among businesses and promotes economic development in communities.

Located in Vancouver, the Pacific Regional Office is the client for this report. Supporting ISED’s mandate in British Columbia and the Yukon, the Office is responsible for providing headquarters with intelligence on the region’s economic, business, research and innovation activities. This intelligence provides a regional perspective that informs the development and implementation of ISED’s national policies and programs.

2.2 Client Problem

India has been identified as a long-term priority for ISED, given the importance of the country to Canada’s international trade agenda. The Department’s Strategic Policy Sector is responsible for researching and developing international policy options to help Canadian firms compete in the global economy. Within the context of India, this requires developing a baseline understanding of the Indian economy and the country’s trade, investment and people-to-people ties with Canada.

Although the Pacific Regional Office gathers intelligence on marketplace issues, this is mainly limited to domestic matters within the BC and Yukon economies. For example, the Pacific Regional Office maintains files on a range of sectors important to the local economy, including tourism, forestry, innovation and small business.
Within these sectors, the topics examined include the overall performance of the sector and issues that may impact it, such as skills shortages or competition.

Due to the Pacific Regional Office’s focus on local issues, knowledge on international markets such as India is limited. This issue is further exacerbated by the fact that limited resources are available to explore topics outside of core knowledge areas. At present, the Office is composed of a small team of 7 analysts, with each officer covering multiple files.

Despite these constraints, the Department has identified the need to develop a high-level overview of India’s economy, as well as Canada’s trade, investment and people-to-people linkages with the country. Knowledge gaps include: intelligence on the performance of India’s economy and key growth drivers; an overview of the Canada-India bilateral trade and investment relationship and information on Indian immigration and tourism to Canada.

Given the Department’s focus on post-secondary education, there is also a need to develop additional insight on Canada’s education linkages with India, particularly within the area of student mobility. Student mobility plays a critical role in developing globally aware, skilled graduates who contribute to the growth of Canada’s trade in international markets. Canadian students who have studied abroad develop the knowledge and cross-cultural skills required to navigate international business environments. This is particularly important within the context of India, where Canada aims to expand its trade priorities. Despite these benefits, only a small number of Canadian students are estimated to undertake international experiences in the country. As a result, there is a need to identify strategies to improve the outbound flow of students participating in study abroad initiatives in India.

2.3 Broad Trends to Consider

India is a country of strategic economic importance to Canada. This is exemplified by the fact that India was designated as a priority market under the Government of Canada’s 2013 Global Markets Action Plan. With the recent election of Narendra Modi, India’s business-forward Prime Minister, the country is expected to move forward on trade and investment liberalization (Export Development Canada, 2015). In fact, the Government of India has already pushed ahead with free trade agreements with Japan, the Association of South East Asian Nations (ASEAN), and the European Union (EU). Looking to take advantage of the opportunities present, Canada is strengthening its engagement with India. Although trade and investment remains a priority focus, education is also a key area of collaboration for both countries.

Due to the interlocking connection between international education and trade, this project will examine student mobility as a key component of the Canada-India relationship. Through the multidirectional flow of young people, student mobility
ultimately fosters greater bilateral business relations between Canada and other nations (Global Affairs Canada, 2012). Canadian students who have studied abroad return to the country with positive experiences of living and studying in another nation. Through their enduring personal connections, these alumni go on to foster strong diplomatic and business linkages with other countries, thus strengthening Canada’s overall trade and investment relationships globally. Students who have undertaken an international experience also develop competencies that prepare them for the global work environment. A number of studies have shown that navigating multi-cultural settings builds the cultural awareness, creativity and problem-solving skills necessary to compete in a global economy. As a result, education-abroad experiences ultimately enhance Canada’s global competitiveness (Universities Canada, 2015).

2.4 Analytic Framework: The Focus of This Study

This project’s analytic framework is based upon the client’s desire to achieve two objectives: 1) To acquire intelligence on India’s economy and Canada’s trade, investment and people-to-people linkages vis-à-vis India and 2) To develop a strategy to support the outward mobility of Canadian students to the country. Figure 1 summarizes this framework.

The factors that drive this project are listed on the left-hand side of the diagram. These factors include the Department’s general lack of knowledge on India’s economy, Canada’s trade, investment, tourism and immigration linkages with the country and the low outbound mobility of Canadian students to the nation. At present, it is estimated that fewer than 3.1% of students choose India as a study abroad destination. As a result, graduates lack the opportunity to develop important skills such as cross-cultural awareness, creativity and problem-solving abilities.

The approach taken to achieve the first objective of this project will involve developing a comprehensive overview of India’s economy and its key growth drivers, the Canada-India business relationship, including an assessment of the current level of trade & investment; a description of the key exports and imports and an analysis of projected trends. Similarly, an overview of Canada’s people-to-people linkages vis-à-vis India will involve a description of the immigration patterns over time and the size and characteristics of India’s diaspora community in Canada. Current levels and projected trends in Indian overseas travel to Canada will also be provided.

As indicated in the diagram, several approaches underlie the development of an effective strategy to support the outbound mobility of students. A successful strategy will raise awareness about the benefits of undertaking an international experience overseas. Engaging in an education-abroad term provides a variety of benefits, including the development of cross-cultural competencies and the acquisition of international work experience, attributes which are highly valued by
employers. Using creative channels to communicate these benefits is critical component to supporting greater numbers of students to study abroad. A successful strategy will also require establishing a coordinated approach to Canada’s educational engagement in India. This will involve consolidating the activities undertaken by a variety of stakeholders to promote student mobility under one umbrella. This approach should consider key actors such as federal government departments, the provincial ministries of education, post-secondary institutions and education associations. Last but not least, a strategy to encourage student mobility should also address major barriers, such as financial costs, that prevent individuals from choosing to study abroad in the first place.

The strategy should ultimately result in an outcome where greater numbers of students choose to undertake an international experience in India. In addition, the strategy will also lead to an increased awareness of the importance of India as a study destination and education partner of choice.

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**Figure 1**

Analytical Framework
3. METHODOLOGY

This research project utilizes a mixed methodology approach, comprised of several of methods: a literature review, jurisdictional scan and interviews. Through the integration of different methods, this approach provides a better understanding of the research problem than either of each alone. These methods are described below, followed by consideration of the strengths and limitations of the methodology.

3.1 Literature Review

The literature review consists of two components. The first half of the literature review provides a general overview of India’s economy and key growth drivers, followed by Canada’s trade, investment and people-to-people linkages with India. The second half focuses on examining the Canada-India education relationship, particularly in regards to student mobility. This includes an outline of Canada’s international education landscape, which describes the federal government’s priorities in international education, as well as an overview of key players in the sector.

The literature review was conducted using online searches through the University of Victoria Libraries database, government websites (e.g. Statistics Canada, & Innovation, Science & Economic Development Canada), not-for-profit education associations (e.g. the Canadian Bureau for International Education), private consulting firms (e.g. McKinsey Institute & the Economist Intelligence Unit), international organizations (e.g. the World Bank), research institutes and think tanks (e.g. the Conference Board of Canada & the Asia-Pacific Foundation). The key search words used included: “Canada-India bilateral relationship”; “Canada-India trade and investment”; “Indian tourists & immigrants to Canada”; “Canada’s international education policy”; “Canada-India education relations”; “Government programs to support student mobility” and “Canadian outward mobility to India.”

While reports detailing Canada’s general trade, investment, tourism and immigration linkages were readily available, literature on Canada’s international education policy was not as easily accessible. This challenge was overcome by selecting additional publications from the references identified within the academic literature. In total, the searches generated over 40 publications relevant to Canada’s trade, investment and tourism linkages with India; 20 related to the Canada-India education relationship and 20 related to student mobility. The sources ultimately used in the literature review were selected based on their direct relevance to the goals of this research project.

3.2 Jurisdictional Scan

The objective of the jurisdictional scan is to examine the approaches undertaken by other countries to promote the exchange of students to India. This includes an assessment of the international education priorities of other nations; a survey of the
key stakeholders involved in coordinating educational collaboration with India and major programs that promote the flow of students to the country.

The jurisdictional scan covers Australia, the United Kingdom and the United States. These countries were chosen due to their success in implementing programs that encourage students to undertake international experiences in India. Australia and the United Kingdom are world leaders in promoting the outbound mobility of their students and have engaged extensively with India on this matter. Although primarily known as an education destination for international students, the United States has also begun to develop initiatives encouraging American students to study abroad.

The scan was conducted by examining over 25 publicly available sources on government websites, reports commissioned by the education departments of foreign governments, and publications from research institutes and think tanks. Results from the jurisdictional scan are found in section 10, while a complete list of the sources used in the scan are included in the references section of this report.

3.3 Interviews

The objectives of the interviews are two-fold: 1) To confirm findings emerging from the literature review on Canada’s education relationship with India; and 2) To seek advice and additional information on strategies to promote the outward mobility of students to the country. Although the interviews covered themes addressed in the literature review, they also emphasized gathering information in areas where research gaps exist.

Due to time constraints, only five individuals were interviewed for this project. The interview participants formed one group, composed of individuals with experience or knowledge of Canada-India education relations. The interview participants were chosen based on their level of expertise and work experience in the area of Canada-India education promotion. Participants included trade officers, academics and post-secondary administrators. The interviews were semi-structured in order to ensure that key research questions were addressed and to promote consistency among the information obtained. The flexibility of this structure also allowed respondents to elaborate on information that may be related, but fell outside the scope of some of the questions asked.

Approximately eight questions were asked during the interviews, covering themes related to: the nature of Canada’s education partnerships with India; barriers to promoting student mobility and strategies to encourage outward mobility to India. To ensure the confidentiality participants, respondents are not identified in the report. Emails were sent to candidates inviting them to participate in an in-person or telephone interview. Four interviews were conducted in-person, while one occurred over telephone. Each interview was approximately 30-45 minutes in length and the responses were transcribed on paper.
3.4 Strengths and Limitations of the Methodology

This methodology used several different methods in order to develop a comprehensive approach to answer the research questions proposed. For example, the literature review and the jurisdictional scan gathers information from publicly available sources, while the interviews address research gaps not covered under the first two methods. The use of multiple methods allows for a better understanding of the research problem than either method alone, while simultaneously offsetting the weaknesses inherent to each approach when used by itself.

There were several limitations to the methodology. Only a limited number of interviews (five) were conducted for the purposes of the project. This was due to time constraints, given the short time-frame to complete the project. As a result, key stakeholders from a variety of different groups, such as education associations, India-Canada education organizations and post-secondary students were not included.

The scope of the project is broad and covers a range of topics, including Canada’s general trade, investment, tourism and immigration linkages with India, as well as an examination of Canada’s education relations with the country. Due to the wide breadth of the topics at hand, the depth of the research conducted and findings conveyed are not as detailed as would be possible had the topic been more narrow in scope.
4. INDIA'S ECONOMY: GROWTH DRIVERS & KEY ECONOMIC REFORMS

This section will provide a brief overview of India's current economic position and describe the key growth drivers behind the country's economic performance. Major policy reforms introduced by the government will also be discussed.

4.1 Favourable Growth Outlook

India is a bright spot in the global economic landscape. According to the International Monetary Fund, the Indian economy grew at an average rate of 7.3% in 2015, surpassing China's growth at 6.9%. The country's outlook is favourable, with growth projected to rise to 7.5% in 2016 before reaching 7.7% in 2020. Combined, these figures make India one of the fastest-growing, large economies in the world (IMF, 2016, p. 1). The country's growth potential remains high due to a number of factors, including favourable demographics, urbanization and recent policy reforms. These factors are briefly described in further detail below.

**Demographic Dividend** – India’s demographic advantages offers opportunities that can be leveraged to fuel a rapidly growing economy. A relatively young and growing population, a sizeable workforce and an emerging middle class contribute to the country’s competitive advantage.

India is the second-most populated country in the world, after China (1.4B). With a population of 1.3B people, the country currently accounts for 18% of the world’s population. According to the United Nations (2015, p.4), India’s population is expected to surpass China’s by 2030, reaching 1.5B before peaking to 1.7B in 2050.

**Large Work Force** - The country will have the largest and youngest workforce in the world. With half of the population under the age of 25, the entry of this generation into the labour market is expected to spur India’s economic growth. The country’s working age group currently accounts for 65% of the total population, with this figure set to rise to 67% by 2020 (World Bank, 2015, p.1). A large work force will contribute to domestic productivity, increase consumption and lead to a higher savings rate, thus fueling investment. Through a large working-age population, India’s economy will benefit from an economic dividend in the next few decades.

**Growing Middle Class** - The other important aspect of India’s demographic dividend is the boom of its middle class. India’s global middle class is currently small, amounting to 50M people or 5% of the country’s total population (Ernst & Young, 2011, p.5). However, rising income levels is expected to spur growth in this group over the next two decades. According to Ernst & Young (2011, p. 5), the country’s middle class population will reach 200M by 2020, before accelerating to 475M people by 2030. From 2015-2030, it is projected that the median income per
household will rise by 89.9% in real terms to reach US$10,073 (Euromonitor International, 2015, p. 1).

Due to its large size and strong income growth prospects, India’s middle class is set to become a major consumer force, driving demand and productivity. The country’s middle class will also attract global businesses, particularly in the context of weak demand growth from advanced economies.

*Urbanization* - India’s fast-growing cities are expected to account for a major share of GDP and job growth in the coming decades. While citizens living in urban centers currently account for 31% of India’s total population, this number is expected to rise to 40% by 2030 to reach 590 million (McKinsey Global Institute, 2010, p. 13). High unemployment in villages, low wages and a lack of services will drive migration from rural to urban areas.

Urbanization is closely related to economic growth. According to a number of studies, the key reason for this relationship lies in the higher productivity of urban jobs compared to rural ones. Cities provide greater access to skills, capital and technologies that makes production more efficient. In both the manufacturing and services sectors, jobs in cities are nearly twice as productive as those in villages. The GDP per worker in the urban services and manufacturing sectors are 1.7-1.8 times and 1.9-2.2 times greater than in rural areas, respectively (Rao & Tapp, 2015, p.7).

India’s significant human potential and the growth of its towns and cities will play a major role in fueling the country’s economic rise. However, the achievement of the nation’s growth will be dependent on government reforms to revitalize the economy, some of which are outlined below.

### 4.2 Key Economic Reforms Boost Growth Potential

Elected in May 2014, India’s Prime Minister Narendra Modi swept to power on the promise of honest government and economic growth. Since taking office, Modi has championed an economic agenda to make India friendlier to commerce. Some of the Government’s major reforms are described below.

- **Land & Labour Reforms:** The Government of India aims to implement major reforms to land and labour laws to make it easier to do business in the country. Difficulties associated with acquiring land and strict labour rules form some of the biggest obstacles to investing in India. Key changes are being proposed to the Land Acquisition, Resettlement & Rehabilitation Act to ease the rules required to acquire land for development purposes. In addition, amendments are also being sought to India’s labour regulations to provide greater flexibility for firms to hire and layoff workers. If passed, these legislative changes are expected to generate investment and spur economic growth. However, both legislations are currently
stalled due to heavy political and institutional opposition (Economist Intelligence Unit, 2015, p.8).

- **Goods & Services Tax:** The Government of India aims to simplify India’s complex tax system by implementing a national GST tax structure. The GST would replace the multitude of taxes currently levied by federal and state governments on goods and services, promoting seamless access to markets across India’s states (Asia Pacific Foundation, 2015, p.1).

- **Revitalizing Manufacturing:** Specific measures have been undertaken to revive the manufacturing sector and accelerate manufacturing activity in the country. Launched in September 2014, the Government of India’s Make in India initiative aims to transform the country into a global manufacturing powerhouse. Pledging to lower barriers to doing business, the campaign hopes to attract international companies to locate their manufacturing operations in India. Through the initiative, the Government aims to raise the manufacturing sector’s share of national GDP from 16% to 25% by 2020 (Government of India, 2015, p.1).

- **Investment in Infrastructure:** The Government of India is looking to accelerate economic growth through an increase in infrastructure spending. Infrastructure has formed a key component of the Government’s ambitious growth strategy, with public expenditure prioritized across all sectors (Economist Intelligence Unit, 2015, p. 2).

While these measures reflect the Government of India’s firm commitment to reform, institutional and political barriers have stalled the implementation of key economic legislations, including proposed amendments to land & labour regulations and the GST tax. While Modi’s National Democratic Alliance has a majority in the Lower House of Parliament, the opposite is true in the Upper House. As Bills do not become Acts of Parliament unless passed by both Houses, political opposition has prevented the reforms from being brought to force (Asia Pacific Foundation, 2015, p.1).

## 4.3 Summary: Sustaining Growth Momentum

Although India’s macroeconomic outlook remains bright, a key issue lies in sustaining the country’s growth momentum. While India’s demographic base is advantageous for growth, harnessing its full potential will be a major challenge. With 250M people set to join India’s workforce by 2030, mass educating the country’s youth and providing gainful employment will be key to capitalizing on the demographic dividend (the Economist, 2013, p. 1). As a result, how India develops its demographic potential and the extent to which the government is successful in passing legislations will shape of the future of the country’s economic trajectory.
5. CANADA-INDIA BILATERAL RELATIONS

This section will provide a contemporary overview of Canada’s bilateral relations with India. The current level of Canada’s engagement with India will be described, followed by areas of bilateral cooperation between the two countries.

5.1 Canada-India: Long Standing Bilateral Relations

Canada and India enjoy a strong relationship underscored by growing trade, enhanced bilateral engagement and substantial people-to-people ties. India is Canada’s largest trading partner in South Asia and is identified as a priority market under the Government of Canada’s 2013 Global Markets Action Plan (GMAP). Recognizing the significance of India’s growth potential, Prime Minister Trudeau has called for a targeted strategy to promote trade and investment with emerging markets, singling out India (and China) for particular attention. According to some accounts, the Prime Minister has plans to lead a high-level trade mission to India in 2016 (Government of Canada, 2015, p.1).

Canada’s priorities for engagement in India are to: become a long-term partner in the areas of energy, food security, education & innovation and secure a position as preferred supplier of capital and technology for India’s infrastructure development. Canada and India cooperate bilaterally in a variety of areas, with major agreements signed in science & technology, social security and the nuclear & audio-visual sectors (GAC, 2015, p.1).

Canada’s enhanced engagement with India has resulted in a high number of official visits. Since 2006, there have been 32 Canadian ministerial visits and 13 provincial premier visits to India. The most important of these engagements occurred in April 2015, when Indian Prime Minister Narendra Modi undertook his first official trip to Canada. The visit represented a landmark moment in the Canada-India relationship, marking the first by an Indian Prime Minister to the country in 42 years. Other high-level missions include Prime Minister Harper’s trips to India in 2009 & 2012 and Governor General David Johnston in February 2014 (GAC, 2015, p.1).

With eight offices located across the country, Global Affairs Canada’s presence in India ranks as its third largest globally, after the United States and China. Officially represented in India by the High Commission of Canada in New Delhi, Canada also has Consulates General in Bengaluru, Chandigarh and Mumbai; and trade offices in Ahmedabad, Chennai, Hyderabad and Kolkata. There are approximately 455 staff stationed at Canadian missions throughout the country. Within Canada, India is represented by the High Commission in Ottawa, as well as by Consulates General in Toronto and Vancouver (GAC, 2015, p.1).
5.2 Summary: Embracing India’s Momentum

Under the leadership of Prime Minister Modi, India is placing a renewed importance on international relationships. This is symbolized by the Prime Minister’s recent trip to Canada in 2015. Taking advantage of recent transformations in India’s political landscape, Canada’s long-standing relationship with India can be leveraged to build greater prosperity for our country.
6. TRADE & INVESTMENT FLOWS

This section will provide an overview of India’s trade and investment relationship with Canada. It begins with a brief outline of two-way merchandise and services trade, concluding with a description of the bilateral investment relationship. This section relies heavily on secondary research and incorporates information obtained from publications produced by government departments, research institutes, international organizations and private consulting firms.

6.1 Bilateral Merchandise & Services Trade: Modest But Growing

Bilateral Merchandise Trade

Two-way merchandise trade between Canada and India reached $8.3B in 2015. While Canada’s merchandise exports totaled $4.3B, imports from India were valued at $4.0B (GAC, 2015). It is important to note that these figures may understate the bilateral trade relationship. Although trade also occurs indirectly through third countries, such activities are not captured in official data, which relies directly on country-to-country transactions (Conference Board of Canada, 2013, p. 4).

The level of merchandise trade between Canada and India is modest, compared to the volume of trade that Canada receives from the rest of the world. Table one reports the most recent trade data and India’s rank relative to Canada’s other trading partner countries. India currently accounts for just 0.8% of Canada’s total merchandise trade with the world, ranking as Canada’s 10th largest trading partner globally.

<table>
<thead>
<tr>
<th>Canada-India Bilateral Merchandise Trade</th>
<th>Rank in Canada’s Global Trade</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Merchandise Trade, 2015</strong></td>
<td><strong>Share of Canada’s Global Trade</strong></td>
</tr>
<tr>
<td>Exports</td>
<td>$4.3B</td>
</tr>
<tr>
<td>Imports</td>
<td>$4.0B</td>
</tr>
<tr>
<td><strong>Services Trade, 2014</strong></td>
<td><strong>Rank in Canada’s Global Trade</strong></td>
</tr>
<tr>
<td>Exports</td>
<td>$829M</td>
</tr>
<tr>
<td>Imports</td>
<td>$1.1B</td>
</tr>
</tbody>
</table>

Table 1

Canada-India Bilateral Merchandise & Services Trade
(Adapted from GAC, 2015, p.1)

Canada’s bilateral trade with India is currently much less developed than with other top trading partners such as China, Mexico, the United Kingdom and Japan (GAC, 2015). Despite being low, India’s importance as a trading nation has grown over time. Bilateral merchandise trade has increased 15 fold over the past decade and...
India’s share of Canada’s total trade has grown steadily from 0.2% in 1990 to 0.8% currently (GAC, 2015).

As seen in figure 2, the composition of Canada’s exports to India is heavily weighted towards natural resources, with the top five commodities consisting of vegetables, pearls & precious stones, fertilizers, ores, slag & ash and paper & paper-related products (ISED, 2015). Small and medium-sized enterprises are a noteworthy feature of Canada’s exports to India. In 2013, over 1,500 Canadian companies exported to India, with the majority of these firms comprised of SMEs. This is in contrast to Canada’s exports to the rest of North America and Europe, where large firms account for a much larger share of total trade (Rao & Tapp, 2015, p 18).

![Canada's Top Five Exports to India (2015)](image)

**Figure 2**

Capada’s Top Five Exports to India, 2015
(Adapted from GAC, 2015, p. 1)

The largest areas of growth over the past decade for Canadian exports to India were in precious stones and fertilizers (Rao & Tapp, 2015, p. 17). There is a strong provincial concentration, with Saskatchewan accounting for 44% of all exports, followed by Quebec (15.4%), British Columbia (14.6%) and Ontario (12.5%).

Canada’s imports from India are more widely dispersed. The top five imports included: boilers & mechanical appliances; mineral fuels & oils; pearls & precious stones; organic chemicals and apparel (APF, 2015). Ontario was Canada's largest provincial importer (49%), followed by Quebec (24%) and BC (13%) (ISED, 2015).

**Bilateral Services Trade**

Canada-India services trade is quite small at only $2.0B in 2014, representing just 0.9% of Canada’s total services trade with the world. On this measure, India ranks as Canada’s 15th largest trading partner globally. This figure has only grown marginally over time; trade in services rose by two fold between 2008-2014 (GAC, 2015).
In 2014, Canada’s services exports to India totaled $829M, while imports stood at $1.1B. The strongest growth over the past five years was Canada’s exports of travel services (includes Indian tourists visiting Canada) and imports of Indian commercial services. Top imports were composed of computer & information services, followed by business & management, architectural and engineering services (Rao & Tapp, 2015, p. 20).

**Market Penetration**

India's importance as a trading partner has grown over time, with India's shares of Canada’s exports and imports increasing over the past decade. However, the opposite is true for Canada, which has become a relatively less important trading partner for India. According to Rao & Tapp (2015, p. 19) Canada’s shares of India’s imports and exports have fallen since 1999.

Canada faces significant competition from other countries in the Indian market. While Canada’s share of India’s total merchandise imports stood at 0.6% in 2010, this figure was significantly below the US and Australia, whose shares remain well above Canada’s at 5.4% and 3.4% respectively (Rao & Tapp, 2015, p. 20). These countries are beginning to make inroads in areas where Canada possesses a comparative advantage. For example, the US is gaining ground in many of the natural resources and resource-based commodities. The US's share of India’s imports of edible vegetables has steadily increased over time (from 0.7% in 1999 to 7.0% in 2010) and its shares of ores, slag and ash has risen by two per cent (from 21% in 1999 to 23% in 2010) (Rao & Tapp, 2015, p. 20).

**Comprehensive Economic Partnership Agreement (CEPA)**

Negotiations towards a Canada-India Comprehensive Economic Partnership Agreement (CEPA) were launched in November 2010. Although negotiations were set to conclude in 2013, delays are not uncommon for complex trade deals. For example, the Canada-Korea trade agreement was finalized in March 2014, after seven years of negotiations (Goold, 2015, p. 23).

The CEPA should lead to significant economic gains for both Canada and India. According to a 2010 Canada-India Joint Study Group report, trade liberalization is estimated to result in GDP gains in the range of $6B to $15B for Canada and $6B to $12B for India (p. 97). Increased trade in goods and services is also expected to increase Canadian exports to India by 50% and Indian exports to Canada by 30% (GAC, 2010, p. 97).

There have been nine rounds of negotiations to date, with the most recent held on March 19-20, 2015 in New Delhi. While there has been progress in key areas, both countries are working through a number of issues that remain contentious. These include services and temporary labor mobility:
• **Services:** Canada and India are in disagreement over the approach to be used to grant greater access to services. Canada prefers a “negative list” approach, which implies freer trade for all sectors except for those that are explicitly exempted. In contrast, India prefers a “positive list” approach. This approach is more restrictive and only implies freer trade for sectors that are explicitly listed (Rao & Tapp, 2015, p. 33).

• **Temporary Labor Mobility:** Both countries seek to facilitate greater movement of skilled labor. India aims to secure the temporary movement of skilled workers into Canada to facilitate service delivery in sectors such as ICT and other professional services. Similarly, Canada wants Canadian service providers to gain better access to the Indian market on a permanent basis (Rao & Tapp, 2015, p. 34).

Experts believe that major concessions in this area are unlikely, particularly as Canada’s Temporary Foreign Worker Program (TFWP) has come under heavy criticism. Claims that the TFWP reduces job opportunities and depresses wages for Canadian workers has led the Federal Government to reconsider the program’s broader policy direction (Rao & Tapp, 2015, p. 34).

Despite former Prime Minister Harper and Prime Minister Singh’s agreement to conclude the CEPA by September 2015, these outstanding issues could not be resolved. In addition, Canada initially favored a more ambitious trade deal that included areas such as intellectual property and government procurement. However, India is looking for something more restricted. As a result, many observers believe that, once finalized, the CEPA is likely to resemble a traditional goods and services agreement (Rao & Tapp, 2015, p. 33).

If completed, the CEPA would be Canada’s second trade deal in Asia, after South Korea. More importantly, it would be Canada’s first trade agreement with a BRICS (Brazil, Russia, India, China and South Africa) emerging country. A CEPA would not only improve the Canada-India bilateral trade and investment relationship, but also Canada’s longer-term foreign policy strategy in India. As a result, Canada remains committed to concluding an agreement with India (Rao & Tapp, p. 33).

**6.2 Investment: Low Levels of Bilateral Investment**

Investment is a key area of the economic relationship between Canada and India. While two-way investment has experienced rapid growth in recent years, it remains modest when compared to the level that each country receives from the rest of the world. This suggests there remains great potential for expansion.

This section will provide a high-level overview of Canada’s foreign direct investment relationship (FDI) with India. It will begin with a summary of India’s FDI in Canada, including an outline of its growth overtime. This will be followed by an overview of Canada’s direct investment in India, to be presented in the same order as the information above.
India’s Foreign Direct Investment In Canada

Two-way foreign direct investment between Canada and India totaled $5.1B in 2014. India’s investment into Canada largely outweighs Canada’s investment into India; the stock of Indian FDI in Canada amounted to $4.0B, while Canadian FDI in India was valued at $1.1B (GAC, 2015, p.3).

India is becoming an important source of global foreign direct investment. Key factors behind this rise include the progressive liberalization of the country’s outward investment policies, strong corporate profits and the robust growth of its economy. In recent years, Indian firms have been investing abroad in an effort to enter new markets and maintain growth momentum. Indian direct investment in Canada has recorded significant growth over the past decade. In 2014, the stock of Indian FDI flowing into Canada reached $4.0B, representing a 137-fold increase from $29M in 2001. This trend has raised India’s importance to being Canada’s 16th largest investor globally, up from 20th place in 2008 (GAC, 2015, p.3).

Despite achieving notable growth, the stock of Indian FDI in Canada accounts for just 0.5% of the total FDI Canada receives from the world (GAC, 2015, p.2). Similarly, Canada is responsible for only a small share of India’s global outward investments. According to the most recent statistics, Canada accounts for just 1.5% of India’s outward FDI (2012). Although this figure has increased from 1.2% in 2010, it remains modest when compared to other countries. For example, Singapore receives a much larger share of FDI at 26.9%. Other major recipients include Mauritius (15.5%), the Netherlands (13.9%) and the U.S. (8.8%) (GAC, 2015, p. 5).

There are approximately 100 Indian companies invested in Canada, with sectors of interest including the natural resources, ICT, financial services and pharmaceuticals. Indian firms with substantial operations in Canada include the Aditya Birla Group, Tata Consultancy Services, Wipro, Infosys Technology and Satyam Computer Services. Recent large-scale acquisitions have been made, with Indian investors acquiring pulp mills, stakes in iron ore mines, oil & gas equipment, supply facilities and urea plants (GAC, 2015, p. 4).

Canada’s Foreign Direct Investment in India

Canada’s investment in India has increased substantially over the past decade. Starting from $145M in 2001, the stock of Canada’s investment in India grew eight fold to reach $1.1B in 2014. On this basis, Canada accounts for just 0.45% of the total FDI India receives from the rest of the world, ranking as the 23rd largest investor in India (GAC, 2015, p. 3).

Although the level of Canadian direct investment in India is modest, there have been positive developments. India receives a larger share of Canada’s total direct investment abroad (CDIA) than it did in the past, signaling the country’s rising importance as an investment destination. Between 1990-2014, India’s share of CDIA
increased from 0.1% to 0.4%. On this measure, India ranks as the 33rd largest recipient of Canada’s overseas FDI (GAC, 2015, p. 3)

Canada’s investments in India are present in five major areas: power & energy equipment; oil & gas; environmental products & services; telecommunications & ICT; and the financial sector, including insurance. There are approximately 600 Canadian companies doing business in the country, of which half have established a physical presence. Notable examples of Canadian investors in India include McCain Foods, Bombardier, Magna International and Linamar (GAC, 2015, p.1)

A number of Canadian companies have made significant investments in India in recent years. Examples include:

- **Brookfield Asset Management**: In November 2014, the Toronto-based asset management company acquired a portfolio of six office projects in Mumbai for US$800M. The sale represented the biggest real estate deal in India in 2014 (Goold, 2015, p. 32).

- **Fairfax Financial Holdings**: In November 2014, Fairfax announced plans to establish a new investment holdings company, Fairfax India, which will focus solely on investing in Indian businesses. Fairfax India represents a $US1B investment, including a US$300B contribution from Fairfax Financial Holdings (Goold, 2015, p. 34). In July 2015, Fairfax India announced plans to invest C$325M in in IIFL Holdings, an Indian financial services company based in Mumbai (Goold, 2015, p. 34).

- **The Canada Pension Plan Investment Board (CPPIB)**: The CPPIB invests the assets of the Canada Pension Plan on behalf of Canadian contributors and beneficiaries. Since 2012, the CPPIB has invested US$1.5B in India. This includes: an infrastructure agreement with Larsen & Turbo, India’s largest engineering and construction firm; a residential real estate deal with Piramal Enterprises and a public investment in a private bank, Kotak Mahindra (Goold, 2015, p. 31).

The above investments suggest that there is growing awareness and interest in India as a market of significant business potential, with Canada able to provide much of what India needs.

*Foreign Investment Promotion and Protection Agreement (FIPA)*

Canada seeks to finalize a Foreign Investment Promotion and Protection Agreement (FIPA) with India. Although negotiations concluded in June 2007, the FIPA has not yet been brought into force. India has imposed a moratorium on its investment treaty talks with all nations, due to concerns by the Indian government that new investment provisions could expose it to challenges from foreign investors. The catalyst for this moratorium was a high-profile dispute between the Government of India and UK-based Vodafone on retroactive taxation (Goold, 2015, p. 24).
India is undertaking an internal review of its investment treaty program and it is anticipated that the country will likely seek further modifications to the FIPA. The Government of Canada has petitioned India on several occasions to sign the FIPA at the earliest possible opportunity (Goold, 2015, p. 24).

6.3 Summary: The Potential to Grow Canada-India Economic Linkages

The level of bilateral trade and investment between Canada and India is modest when compared to the volume of activity that each country receives from the rest of the world. Two-way trade between the two countries amounted to $6.4B in 2014, while investment was valued at $5.1B (GAC, 2015, p. 1).

Canada performs strongly in exports of natural resource commodities, with top exports to India including vegetables, fertilizers and ores. In contrast, the top imports received from the country are more dispersed, consisting of precious stones and mechanical appliances, among others. Canada does not have a well-developed services trade with India. According to the most recent statistics available, bilateral services trade totaled $1.5B in 2013, representing just 0.74% of Canada’s total overall services trade globally. Despite this low figure, trade in services is growing, particularly in regards to Canadian exports of travel and commercial services (GAC, 2015, p. 1).

As with trade, there remains great potential for Canada to expand its bilateral investment relationship with India. India is becoming an important source of global foreign direct investment, with many firms investing abroad in an effort to maintain growth momentum. Firms have invested in the natural resources, ICT, financial services and pharmaceuticals sector in Canada. Canadian companies have also experienced success doing business in India, particularly in the areas of finance, oil & gas and ICT.

Due to the low base of the Canada-India trade relationship, there is significant potential to boost commercial opportunities even further. According to the Conference Board of Canada, Canada’s goods exports to India is expected to grow by 10% annually until 2025 (2015, p. 1). This is particularly true as Canada’s trade opportunities with traditional, advanced economy partners declines, while trade with emerging markets rises.
7. IMMIGRATION & TOURISM FLOWS

This section will provide an overview of Canada's immigration and tourism linkages with India. The key topics discussed include a description of Indian immigration patterns over time and the size and characteristics of India’s diaspora community in Canada. Current levels and projected trends in Indian overseas travel to Canada will also be presented.

7.1 Immigration: India is a Growing, Important Source of Immigrants

India is Canada's second largest source of immigrants, after the Philippines. According to Citizenship & Immigration Canada (2015), 38,341 new immigrants arrived from India to Canada in 2014. This number has grown over time, up 5.9% from 36,210 in 2005. Of the total immigrants Canada received from the world, citizens from India accounted for 14.7% of new permanent residents. Economic immigrants formed the largest category of newcomers, followed by individuals arriving under the Family Class (CIC, 2015).

Central and Western Canada are the largest recipients of immigrants from India. According to the most recent statistics available, Ontario welcomed the highest number of new immigrants in 2013, accounting for 28.2% or 9,335 of all Indian immigrants in Canada. This was followed by British Columbia (19.0% or 6,300), Alberta (5,235 or 16.0%) and Saskatchewan (7.15% or 2,365). In contrast, the Atlantic and the Northern regions received the lowest number of newcomers. Prince Edward Island, Nova Scotia and Newfoundland collectively had an intake of less than 100 immigrants, while zero individuals of Indian origin settled in the Yukon, Nunavut and the Northwest Territories (Asia Pacific Foundation, 2015).

Canada boasts a large population of Indian diaspora. There are approximately 1.2M persons of Indian origin residing in the country, comprising 3% of Canada's population. Of these diaspora, a large number hail from the Gujarat (500,000) and the Punjab regions (300,000). Indo-Canadians are mainly concentrated in four geographic clusters: the Greater Toronto area, the Greater Vancouver area, Montreal and Calgary (Goold, 2015, p. 18). Indian diaspora make substantial contributions to Canada's economic, academic and political life. The Indo-Canadian community is very active and is represented by at least four high profile groups: the Canada-India Business Council, the Indo-Canada Chamber of Commerce, the Canada-India Foundation and the Indian Institute of Technology Alumni of Canada (High Commission of India, 2013, p. 1).

A number of events have been held in Canada to celebrate the importance of Indian diaspora to Canadian society. The Pravasi Bharatiya Divas (PBD) conference is a prestigious Government of India-sponsored event that brings together Indians living abroad. The conference has only been held outside of India four times since its inception in 2003, before it took place in Toronto in June 2011 (Goold, 2015, p. 18).
Organized by the High Commission of India in Ottawa, the Year of India in Canada is a festival that showcases India’s culture, diversity and the contributions of Indian diaspora to Canada. Held in March 2011, the festival was comprised of a series of cultural and artistic events that took place across the country (High Commission of India, p. 1).

7.2 Tourism: Growth in Inbound Travel to Canada

The Indian travel market is expanding due to a rapidly growing economy and a burgeoning middle class. India currently ranks as the 23rd largest outbound tourism market in the world, with approximately 13M individuals having undertaken international trips in 2012. This figure is expected to rise to 22M by 2020 (Destination Canada, 2013, p. 4). As a result, it is not surprising that the country represents an important tourism market for Canada. In 2014, overnight travels from India to Canada reached 176,000, with this figure expected to grow by 10.8% in 2015 (Destination Canada, 2015). The provinces that received the most Indian visitors were Ontario (67%), Alberta (18%), British Columbia (14%) and Quebec (14%). Travel to Canada is mainly motivated by the desire to see family and friends, with over half of all trips undertaken for this purpose. Business was the second most cited reason for a visit, followed by pleasure (Destination Canada, 2015).

Indian tourists make a sizeable contribution to the Canadian economy. Tourism expenditures by Indian visitors totaled CA$280M (an average of $1,411 per person) in 2014. Excluding the United States, this figure represents 3% of Canada’s total tourism revenue (Destination Canada, 2015).

Canada is not among the top destinations visited by Indian travellers, ranking as the 8th most recently visited country by Indian tourists in 2013. The US, Singapore, Australia and the UK were the top four destinations, followed by Thailand, Hong Kong and Switzerland (Destination Canada, 2013, p. 6). A lack of knowledge about Canada’s value as a tourist destination may contribute to our modest performance. According to a survey conducted by Destination Canada (2013), Canada is perceived poorly by Indian travellers on a number of brand perceptions relative to other nations. Compared to the US, Switzerland, Australia, the UK, France and Italy, Canada was rated as being less affordable and having a fewer interesting historical or cultural attractions. Furthermore, Indian respondents also believed Canada had less to offer in terms of beautiful scenery, a measure that the destination tends to score high on in other countries. These results suggest the need to raise awareness of the experiences Canada has to offer to international travellers (Destination Canada, 2013, pp. 6-8).

The size of the Indian travel market for Canada is estimated at 3.7M visitors. Of this, 34% (1.1M visitors) have a high probability of visiting Canada in the near future, with travellers having indicated that they are actively planning or booking a trip.
The remainder of the group forms a longer-term market, with 84% (3.2M visitors) having expressed a general interest in travelling to Canada in the next two years.

In recognition of the potential of India’s tourism market, a number of recent government initiatives have been implemented to increase travel to Canada from India. These include:

- **Can+ Visa program**: Launched in July 2014, this program provides faster visa processing for Indian nationals who have travelled to Canada or the United States within the last 10 years. Individuals eligible for CAN+ visa processing do not need to provide as many supporting documents when submitting their applications (Destination Canada, 2015).

- **Multiple entries**: Since February 2014, the vast majority of visas issued are for multiple entries (95%). Multiple-entry visas can be valid up to 10 years or up to the validity of the applicant’s passport (CIC, 2015).

- **Tourist Partner Program**: This program offers a fast, simplified visa application process for Indian tourists who use travel agencies registered with the Canadian Embassy (CIC, 2015).

- **Visa Application Centres (VACS)**: Canada has opened VACs in 10 cities across India, providing travellers with speedier application processing (CIC, 2015).

Air connectivity between Canada and India has also improved over time, due to more airlines operating flights from Canada that connect to Indian cities. There are approximately 7 weekly flights from Canada to India, including the recent return of Air Canada’s non-stop flights between Toronto and New Delhi. Originally terminated in 2005 due to the route’s poor financial performance, the connection was resumed in November 2015. India’s improving economy is expected to translate to an increased number of executive flights in the future.

### 7.3 Summary of Findings: People-to-People Connections Bolstered by Growing Immigration & Tourism Ties

Canada and India have robust people-to-people connections that are bolstered by strong immigration and growing tourism ties. As the second largest source of immigrants, Indo-Canadians make significant contributions to Canada’s political, economic and social life. Although the number of Indian visitors to Canada is low when compared to other destinations, the growing size of outbound travellers from India represents enormous potential for Canada’s tourism industry.
8. STUDENT MOBILITY AND CANADA’S INTERNATIONAL EDUCATION LANDSCAPE

This section will provide an overview of Canada’s international education landscape. The advantages associated with undertaking a study abroad term will be highlighted, followed by an analysis of Canada’s priorities in the sector. Last but not least, a description of the key stakeholders will be presented.

8.1 Student Mobility: Enhancing Canada’s Trade Linkages

Although Canada’s trade and investment relationship with India is currently underdeveloped, there remains great potential to strengthen economic linkages with the country. Through international education, student mobility can enhance Canada’s trade and political relations with India, as well as other nations. Studying abroad provides students with the opportunity to develop valuable inter-cultural skills and global competencies that increase Canada’s competitiveness in the international marketplace. Student mobility also supports the development of people-to-people connections - linkages that build greater understanding and trust between nations, ultimately contributing to stronger business ties (Conference Board of Canada, 2015, p. 5).

Living, studying and working overseas provides students with the opportunity to develop valuable skills such as intercultural awareness, understanding of diverse histories and foreign language abilities. As some programs provide individuals with the opportunity to participate in work or volunteer placements, students are also able to gain relevant work experience within an international setting. The benefits of student mobility are highly recognized by employers. Many companies believe that hires with international experience enhance the competitiveness of their business. According to a survey conducted by Universities Canada (2015), 82% of employers that hire recruits with study abroad experience state that these individuals bring cross-cultural knowledge and understanding of the global marketplace to their work (p.1).

As a major trading nation that engages in the significant cross-border mobility of goods and services, the benefits of student mobility are particularly important to our country. International trade currently represents more than 60% of the Canada’s GDP, with one in five jobs linked to exports (Global Affairs Canada, 2013, p. 1). As a result, it is important that graduates possess the global competencies required to navigate and maximize the benefits of international business (Canadian Bureau for International Education [CBIE], 2014, p. 2). These skills are particularly important in regards to Asia, where emerging nations such as China and India play an increasing role in international trade. According to the Asia Pacific Foundation (2013), study-abroad experiences in Asian countries are one way to develop the competencies of Canadians students in this area (p. 11).
In summary, educational linkages have the potential to strengthen Canada's future trade relations with India by making Canada more globally connected to the region. Having gained the experience of living and studying abroad, Canadian students play a role in spreading Canada’s culture and values around the world, thus forming the foundation upon which Canada’s bilateral relations are built (Global Affairs Canada, 2014, p. 12).

8.2 Canada’s International Education Priorities: Student Recruitment

Despite the benefits of student mobility, the Government of Canada’s involvement in international education is largely focused on the recruitment of foreign students. Attracting international students to Canada fulfills two key objectives: 1) International students provide immediate economic benefit to the Canadian economy through student expenditures on tuition fees and living costs; and 2) Foreign students are a source of talent that help Canada to address its skilled labour needs. Although student recruitment will continue to remain a priority, in recent years Canada’s international education policy has expanded to include other activities. One area of focus is the promotion of people-to-people linkages through two-way student and faculty mobility.

Due to it’s significant impact on the Canadian economy, the federal government has heavily focused its international education efforts on student recruitment. International student expenditure on tuition, accommodation and living expenses in the country totaled more than $8.0B in 2010. As a result of these benefits, Canada’s International Education Strategy (IES), has made attracting students to the country a key priority, with a target set to double the international student base from 239,111 in 2011 to 450,000 by 2022 (Global Affairs Canada, 2014, p. 11). International education is also a key part of the Government of Canada’s agenda to address the country’s skilled labour shortage. Populating aging will have a significant impact on the supply of labor as larger numbers of older people leave the workforce. International students constitute an excellent pool of skilled workers that can help Canada meet its future labor market needs. Those who stay in Canada after graduation integrate well into the economy, as their qualifications are readily recognized and they possess familiarity with Canadian culture. As a result, the IES has set a goal to make greater efforts to retain talented international students as part of a highly-skilled workforce (Global Affairs Canada, 2014, p.11).

Although international education has largely been viewed through the lens of student recruitment, the federal government has signaled its intention to move beyond this exclusive focus. The IES aims to leverage Canada’s people-to-people ties by providing greater support for activities such as student and faculty mobility. Although increasing opportunities for education abroad was identified as a priority in the IES, clear targets for student mobilization have not been set. It is estimated that only 3.1% of Canadian students undertake international experiences abroad (Universities Canada, 2014, p. 2). This compares quite poorly with other OECD members, whom achieve an average of 3-7% (p. 2).
### 8.3 Key Stakeholders: Large Variety of Actors

As education is the constitutional responsibility of the provinces and territories, Canada does not have a central body to coordinate its international education strategy. As described in table 2, there are instead a large variety of stakeholders responsible for different aspects of international education in the country.

<table>
<thead>
<tr>
<th>Federal Departments &amp; Agencies</th>
<th>Provincial Governments</th>
<th>Education Associations</th>
<th>Post-Secondary Institutions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Global Affairs Canada</strong></td>
<td>Implements individual provincial/territorial initiatives to promote international study &amp; research within their jurisdictions</td>
<td>Supports the internationalization efforts of members</td>
<td>Engages in student recruitment and encourages international collaboration in research &amp; study</td>
</tr>
<tr>
<td>Markets Canada's Education System Overseas</td>
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<tr>
<td>Markets Canada abroad as a study destination &amp; education partner of choice. Under Edu-Canada, the Department’s educational marketing unit, the Department manages Canada’s education brand, Imagine Education au/in Canada. GAC also funds scholarships to attract foreign students to Canadian institutions.</td>
<td></td>
<td>Key activities include conducting research on international education, planning professional development workshops &amp; conferences and organizing international trade delegations to support the international student recruitment efforts. Examples of notable associations include the Canadian Bureau for International Education &amp; Universities Canada.</td>
<td>Post-secondary institutions engage in a range of activities, including foreign student recruitment, faculty &amp; student exchanges, research partnerships and the development of joint programs or course offerings. Some institutions have also developed comprehensive international engagement strategies that highlight geographic areas of focus.</td>
</tr>
<tr>
<td><strong>Innovation, Science &amp; Economic Development Canada</strong></td>
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<td></td>
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<tr>
<td>Attracts International Talent to Support Science &amp; Innovation</td>
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<tr>
<td>Attracts international talent to the country as part of the federal government’s efforts to make Canada a global leader in research and innovation. Scholarships offered through the Department’s affiliated agencies brings foreign students to study &amp; conduct research in Canada.</td>
<td></td>
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<tr>
<td><strong>Immigration, Refugees and Citizenship Canada (IRCC) &amp; Canada Border Services Agency (CBSA)</strong></td>
<td></td>
<td></td>
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<tr>
<td>Processes Study Permits &amp; Ensures Compliance with Immigration Regulations</td>
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<tr>
<td>Under the International Student Program (ISP), IRCC oversees the processing of study &amp; work permits. CBSA grants study permits &amp; monitors compliance with Canada’s Immigration and Refugee Protection Act and Immigration and Refugee Protection Regulations.</td>
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</tbody>
</table>

#### Table 2

**Key Stakeholders In Canada’s International Education Ecosystem**

(Adapted from GAC, 2012, p. 22)
As outlined above, the federal, provincial and territorial governments, education associations and post-secondary institutions all play a role in promoting Canada and its institutions abroad. The efforts undertaken by the range of stakeholders are diffuse and lack the coordination required to optimize Canada’s engagement in international education. The lack of collaboration among different actors means that the variety of independent initiatives being developed are often ad-hoc and lack the resources required to reach its full potential (Barton, 2014, p. 6).

8.4 Conclusion: Moving Beyond Student Recruitment to Support Outward Mobility

The Government of Canada’s engagement in international education has traditionally focused on the recruitment of foreign students. Although student recruitment will remain a top priority, Canada’s international education policy is expanding to include a focus on the promotion of greater people-to-people ties through student and faculty mobility. The current level of Canada’s outward mobility is low - it is estimated that only 3.1% of Canadian students participate in study abroad initiatives every year. Addressing this issue is significant, as education has the potential to deliver wide-ranging benefits to Canada’s prosperity.

Canada’s international education landscape is complex, with responsibility for interrelated aspects of education spread across numerous government bodies, education associations and post-secondary institutions. It is clear that Canada needs a central body to coordinate the efforts of multiple stakeholders and organize priorities.
9. CANADA-INDIA EDUCATION LINKAGES

This section provides an overview of India’s higher education system and describes Canada’s educational engagement with India. This will be followed by an analysis of the key barriers associated with promoting student mobility to the country.

9.1 India’s Higher Education System: International Mobility Enhances Teaching & Learning

India has the largest higher education system in the world, comprising 659 universities, 33,023 colleges and 12,748 diploma-granting institutions. There are currently 26M students studying within these institutions, making India home to the second-largest population of higher education students, after China (British Council, 2014, p. 14). Despite being large, challenges related to supply and demand, quality and access limit the availability and effectiveness of higher education in the country.

The poor quality of teaching and learning is a major challenge facing India’s education system. Factors underlying this problem include the chronic shortage of faculty, outdated course content and insufficient capacity for research & innovation. Teaching and research at Indian institutions are far below international standards; while India has the largest number of higher education institutions, very few are featured in global rankings. Only six Indian institutes were listed among the top 500 universities in the 2014/2015 QS World University Rankings. By comparison, 18 and 7 institutes were recognized from China and Brazil, respectively (British Council, 2014, p. 14).

The country’s higher education system is also unable to meet increasing demand, brought on by a growing population and rising middle class. Within the next decade, India is expected to outpace China as the country with the largest tertiary-aged population, rising from 112M currently to 119M by 2024 (UNESCO, 2015). In response to this growth, the Government of India is planning a massive expansion of its higher education system, with a slated goal to increase enrollment rates to 30% by 2020, up from 18% today. This target will require the creation of an additional 14M spaces in the country’s higher education institutions (British Council, 2014, p.16).

There is also wide variation in access to education. This problem is particularly pronounced in rural areas, where the percentage of students enrolled in higher education falls well below the national average. For example, the gross enrolment ratio (GER) for the remote state of Bihar stands at 11.2%, compared to 38.5% in New Delhi (British Council, 2014).
In recognition of these issues, the Government of India is putting in place various measures to improve the quality of education in the country. Although currently being developed, the country's National Education Policy aims to address some of these challenges. Promoting the mobility of students and faculty to India is among one of the priorities identified under the policy, which recognizes that international mobility enriches the quality of teaching, learning and research at Indian institutions (Ministry of Human Resource Development (MHRD), p. 6). A variety of mechanisms have been identified to attract foreign students to study in the country, including through the provision of scholarships (MHRD, p. 47).

The Connect to India and the Global Initiative for Academic Network (GIAN) are two new initiatives that have been developed to encourage student mobility. Launched in July 2014 by India’s Ministry of Human Resource Development and the University Grants Commission, Connect to India is a program that encourages international undergraduate students to undertake short-term study in the country. The initiative aims to facilitate better understanding of contemporary India and foster closer ties with other countries. Under the program, students take courses at Indian post-secondary institutions in a range of subjects, including Indian culture, history and science & technology (MHRD, 2015). Created to deepen international collaboration, GIAN is an initiative that brings foreign academics to India to teach and conduct research at local universities. The United States is a participant of the program, with plans currently underway to send 1,000 US academics to teach at Indian universities (Government of India Cabinet, 2014, p. 1).

The Government of India is looking for global partners to help the country achieve its educational goals. India is already collaborating with a number of countries such as Japan, the United Kingdom and the United States on a variety of mobility initiatives. Given the potential for international collaboration, there are opportunities for Canada to partner with India to help the country achieve its education ambitions.

**9.2 Canada-India Education Relationship: Few Programs to Support Student Mobility**

*Success in Student Recruitment: India is Canada’s Second-Largest Source of International Students*

Canada’s engagement with India in international education has largely focused on student recruitment. Large gains have been made in attracting inbound students to the country, due to marketing efforts and policy initiatives that have successfully raised Canada’s profile as an education destination of choice. However, outward mobility remains low, with few individuals choosing to undertake study abroad experiences in India.
International students bring significant value to the Canadian economy. As a result, it is not surprising that the Government of Canada has focused its efforts in India on student recruitment. After China, India accounts for the second largest source of international student expenditures in the country. In 2012, spending by students from India totaled $917M and included expenditures on tuition, books, accommodation and discretionary purchases (Global Affairs Canada, 2014, p. 1).

The federal government has actively promoted Canada as a study destination abroad. Global Affairs Canada’s Edu-Canada pilot program, which ran from 2007-2012, promoted the benefits of a Canadian education to students overseas. Canadian education institutions, supported by Canada’s network of embassies and consulates, participated in over 170 education fairs around the world, including in India. Through marketing efforts such as these, Canada has successfully been branded as a leading country for study amongst Indian students.

Launched in 2009, the Canada in India Student Partners Program (SPP) is an example of another initiative aimed at attracting international students to the country. A joint partnership involving Immigration, Refugees & Citizenship Canada’s visa offices in India and Colleges & Institutes Canada, the program expedites the processing of study visas to students enrolled in select post-secondary institutions. According to Global Affairs Canada (2012), this initiative has contributed to the significant growth of students in Canada over time (p. 15). From 2008 to 2013, the number of students from India increased by 327%, up from 7,305 (CBIE, 2014).

Through efforts such as these, Canada has made impressive strides in attracting students to the country. After China, India is the second largest source of international students in Canada. According to the Canadian Bureau for International Education (CBIE), there were approximately 38,891 Indian students studying in Canada in 2014, accounting for 11.56% of all international students in the country (CBIE, 2015). As shown in Table 2, South Korea is the third largest sending nation, followed by France and Saudi Arabia. Combined, these five countries make up 60% of Canada’s total international student enrolment.

<table>
<thead>
<tr>
<th>Country</th>
<th>Total Number of Students in Canada</th>
<th>% of Total International Student Enrolment</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>110,918</td>
<td>33%</td>
</tr>
<tr>
<td>India</td>
<td>38,891</td>
<td>12%</td>
</tr>
<tr>
<td>South Korea</td>
<td>19,358</td>
<td>6%</td>
</tr>
<tr>
<td>France</td>
<td>19,035</td>
<td>6%</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>13,677</td>
<td>4%</td>
</tr>
<tr>
<td><strong>Top Five Total</strong></td>
<td></td>
<td><strong>60%</strong></td>
</tr>
</tbody>
</table>

**Table 3**

International Students in Canada, Top Five Sending Countries (2014)
(Adapted from the Canadian Bureau for International Education, 2015, p. 25)
Canadian Student Mobility to India is Low

Although large gains have been made in student recruitment, Canada’s outward mobility to India is estimated to be low. The Government of Canada does not collect detailed statistics on students or faculty members undertaking international experiences abroad. While it is estimated that 3.1% of post-secondary pupils have studied or worked overseas, only a small fraction of these individuals choose Asia as a study destination, suggesting that Canada’s outward mobility to India is modest at best (Barton, 2014, p. 3).

Few Federal Programs to Support Student Mobility on a Large-Scale Basis

A small but growing number of federal initiatives offer students and faculty the opportunity to study abroad. Of those programs that exist, the majority are small in scale and only provide support to a limited number of students to participate. Examples of federal mobility initiatives that target India include Mitacs Globalink, the Canadian Queen Elizabeth II Diamond Jubilee Scholarships and programs offered by the Shastri-Indo Canadian Institute.

- **Mitacs Globalink**: Launched in 2009, Mitacs Globalink is a suite of initiatives designed to strengthen Canada’s international research linkages. The program fosters research exchanges between Canada and seven other partner countries: India; Brazil; China; France; Mexico; Saudi Arabia and Vietnam. Although Globalink supports approximately 200 students to go abroad every year, only an estimated 16 individuals chose India as a study destination in 2014/15. Globalink is supported by a $19.9M contribution from the federal government, with the majority of funding hailing from ISED.

- **Queen Elizabeth II Diamond Jubilee Scholarship**: The Queen Elizabeth II Diamond Jubilee Scholarship is a $40M initiative that supports two-way student mobility between Canada and Commonwealth countries. The five-year program will provide over 1,500 scholarships to Canadian and international Commonwealth institutions to support internship, research and study placements. The initiative is funded by contributions from the Government of Canada, provincial governments, private sector partners and individual donors (Universities Canada, 2015, p. 1).

- **The Shastri-Indo Canadian Institute (SICI)**: SICI is a bi-national organization that promotes understanding between Canada and India through academic exchanges. The organizations offers a variety of small grants to support students & faculty members to undertake study and research activities in India. However, these initiatives have limited capacity to support students (e.g. 10-12 individuals) to go overseas.
Despite the lack of large-scale mobility programs, there is significant momentum to take Canada’s education relationship with India to new heights. During Prime Minister Modi’s visit to Canada in April 2015, education was identified as a key area of priority for bilateral engagement, with both countries agreeing to focus on promoting greater faculty, student and people-to-people exchanges (Global Affairs Canada, 2015, p. 1).

The launch of two recent initiatives suggests a growing trend towards meaningful education collaboration between Canada and India. Launched in March 2015, the Mitacs Globalink Research Award – MHRD India is a program that provides the opportunity for Canadian faculty and post-secondary students to undertake research at seven Indian Institutes of Technology (IITs). This program aims to strengthen Canada’s international research collaborations and provide students with the opportunity to develop valuable research skills and cultural fluency. This initiative is noteworthy for its bilateral partnership with the Government of India. Through financial contributions from Mitacs and India’s Ministry of Human Resource Development (MHRD), the Award will cover expenses incurred during the study term, including travel and accommodation (Mitacs, 2015, p.1).

Although not specifically targeted towards student mobility, IC-IMPACTS (the India-Canada Centre for Innovative Multidisciplinary Partnerships to Accelerate Transformation and Sustainability) is an example of another major initiative that represents enhanced Canada-India education collaboration. Launched in 2012, IC-IMPACTS is a $30M program designed to foster research collaboration between the two countries. In partnership with the University of Toronto, the University of British Columbia and the University of Alberta, the initiative aims to develop and commercialize technologies that provide solutions to issues in infrastructure, water safety and public health in both countries. Through increased research collaboration, IC-IMPACTS aims to strengthen trade ties between Canada and India.

These programs signify fast-growing Canada-India education linkages. International education has garnered attention as a means for generating partnerships that foster greater economic ties. Initiatives such as Globalinks and IC-IMPACTS strengthen Canada’s international research networks, linkages that ultimately support trade and the growth of science, technology and innovation in the country. As a result of these benefits, there is significant potential for Canada to develop education partnerships with India that go beyond basic student recruitment.

**Post-Secondary Institutions Are Pioneers in Student Mobility**

Despite the lack of federal programs to support student mobility, post-secondary institutions have led the way in promoting the exchange of students abroad. India is increasingly being recognized as an important education partner. According to a survey conducted by Universities Canada, India was among the top countries identified as a priority for international engagement by post-secondary institutions.
A number of universities are developing initiatives to encourage students to undertake study and/or work placements in India. Simon Fraser University (SFU) is pioneer in this area. The first Canadian university to have an India engagement strategy, SFU has set a goal to strengthen research, innovation and education partnerships with the country. Launched in 2006, the SFU-India Advisory Council provides advice and guidance to support the university's strategic engagement with India (SFU, 2011, p.1)

SFU’s BC-India Innovation, Exchange and Mobility Initiative, which ran from 2012-2014, is an example of a notable program that supported the exchange of students and faculty. Through the two-way flow of people, the initiative aimed to facilitate partnerships that would lead to increased trade and investment activities between BC and India. Supported by a $300K contribution from Western Economic Diversification Canada, an emphasis was placed on mobility projects that targeted the clean energy, life sciences, new media and film sectors. The program provided opportunities for students to undertake work placements with Indian companies, and for Indian scholars to engage in teaching or research in BC. Industry workshops were also held in both countries (SFU, 2010, p.1).

SFU continues to provide opportunities for students to undertake research and internship placements with Indian firms. Launched in 2015, the SFU-Indian Oil Corporation (IOC) partnership facilitates the exchange of graduate students to further hydrogen fuel cell research (SFU, 2014, p.1).

The University of British Columbia (UBC) has also identified India as a high-priority country for engagement. India is listed as a geographic focus under the university’s International Engagement Strategy. Although student recruitment remains a key priority, the strategy recognizes that student mobility is a fundamental element to the university’s engagement in India. As a result, UBC aims to provide increased opportunities for students to study abroad (UBC, 2011, p. 23). Other institutions actively engaged in India include the University of Fraser Valley, Ryerson University and the University of Alberta. Each of these universities have developed strategic mobility partnerships with Indian organizations, schools and companies.

While the efforts of post-secondary institutions represent impressive pockets of excellence, these efforts are too small and isolated to have the kind of national-level effort that Canada needs to support student mobility on a larger scale.

Summary: Large Gains Made in Student Recruitment but More Efforts Needed to Promote Student Mobility

Canada’s engagement with India has largely been focused on attracting inbound students to the country. Although significant success has been achieved in this area, outward student mobility remains low. Contributing to this issue is the lack of federal programs to support students to study abroad. As a result, an onus has been placed on post-secondary institutions to promote student exchange. However, these
efforts lack the resources required to have the large-scale effect of encouraging significant numbers of students to study overseas.

9.3 Barriers to Student Mobility: Lack of Awareness; Insufficient Funding & Inadequate Coordination

This section will discuss key challenges associated with promoting student mobility to India. The issues presented include: a lack of awareness of Canada as an education partner; the absence of a central body to coordinate Canada’s international education strategy and an insufficient level of federal funding to support mobility initiatives. Each of these issues will be described in further detail below.

Lack of Awareness About India as an Education Destination of Choice

Few Canadian students are interested in India as a study destination. Although emerging economic powers such as India, Brazil and China are priority markets under the federal government’s 2014 International Education Strategy, these countries do not figure prominently among student decisions to study abroad. Many individuals prefer to study and travel in Western nations. According to Universities Canada (2015), the top five countries reported to be of high interest to students are the United Kingdom, Australia, France, Germany and the United States. In contrast, developing nations are ranked much lower, with India at 19th place (p. 23).

Although post-secondary institutions recognize India’s growing significance as an education partner, China remains a dominant priority in the internationalization efforts of Canadian universities and colleges. According to a study conducted by Universities Canada (2014), 88% of the 97 institutions surveyed stated China as a top priority for their international activities. However, India is increasingly growing in importance, with the country cited by 40-59% of participants as a target market for education partnerships (Universities Canada, 2014, p. 11).

Fragmented Engagement in International Education

As mentioned previously, Canada does not have a central body responsible for developing, coordinating and promoting the country’s international education strategy. This is due to the fact that education falls within the jurisdiction of the provinces and territories. Consequently, Canada’s engagement in the international education sector involves the efforts of multiple actors. Key players range from federal and provincial departments to not-for-profit associations and post-secondary institutions (Global Affairs Canada, 2012, p. 71). According to multiple studies, the fragmented nature of this approach is a chief barrier to advancing Canada’s engagement with not just India, but other countries as well (Martin & Touhey, 2008; Trilokekar & Kazilbash, 2013 & Canadian Council of Chief Executives, 2014). This lack of coordination has made it difficult for post-secondary institutions and education departments of foreign governments to form partnerships with their
Canadian counterparts. Stakeholders are often overwhelmed and confused by the variety of different actors they can engage with, thus deterring them from forming partnerships with Canadian institutions.

Of the countries that are major receivers of international students, Canada is among the few that does not have a federal body responsible for international education. For example, the United States, France and the United Kingdom promote their education systems through national organizations such as EducationUSA, EduFrance and the British Council, respectively. A number of stakeholders have called on the federal government to remedy this issue through the establishment of a central agency. In 2012, an Advisory Panel appointed by Global Affairs Canada to advise on the country's international education strategy recommended the creation of a Council on International Education and Research to coordinate the federal government’s engagement in the sector (Global Affairs Canada, 2012, p. 42). However, to date this initiative has yet to be established.

*Insufficient Funding to Support Student Mobility*

The Government of Canada provides limited funding to support Canadian students and faculty looking to participate in mobility opportunities abroad. This represents a significant barrier, as inadequate financing is one of the main reasons behind an individual's decision not to go overseas. The financial burden associated with studying or working abroad includes direct costs of participation, such as tuition fees, travel and accommodation and indirect costs incurred by lost wages from employment in the home country (Education Policy Institute, 2008, p. 4). According to a study conducted by Universities Canada (2015), 91% of institutions surveyed state that lack of financial support is a top reason behind low student mobility rates (p. 2). While the majority of post-secondary institutions provide some level of financing to assist with the costs of an out-of-country learning experience, personal finances still constitute a major portion of total funding. This gives rise to the additional challenge of ensuring equal participation of students from varying socio-economic backgrounds in international mobility activities (Colleges & Institutes Canada, 2010, p. 4).

**9.4 Summary of Findings: Momentum for Outward Student Mobility**

Education-abroad provides students with a variety of benefits. Individuals who undertake an international experience gain the opportunity to strengthen their intercultural awareness, creativity and problem-solving skills. As a result, students who study overseas develop global competencies that are valuable in the workplace. As a major trading nation, these skills are important in ensuring that Canada has a qualified labour force prepared to navigate the complexities of an international business environment.

Despite these advantages, only 3.1% of Canadian university students participate in an exchange program, with even fewer choosing Asia as a study destination.
Within the realm of international education, Canada’s engagement with India has largely been focused on student recruitment. Significant gains have been made in this area, with India currently ranking as the second largest source of international students in the country. However, the number of Canadian students choosing to study in India is estimated to be low. At present, there are an inadequate number of programs available to support the outbound flow of students and faculty. Although Canada offers some initiatives to promote student mobility, the majority of these programs are small and only support a handful of individuals to go abroad. Several factors hinder the development of student mobility to India: a lack of awareness in India of Canada as an important education partner; the absence of a central body to coordinate Canada’s engagement in international education; and insufficient funding to support mobility initiatives.

Despite these issues, there is significant momentum to take Canada’s engagement with India to new levels. During Prime Minister Modi’s visit to Canada in April 2015, education was identified as a key area of priority for bilateral engagement, with both countries agreeing to focus on promoting greater faculty, student and people-to-people exchanges (Global Affairs Canada, 2015, p. 1). Given the Government of India’s recent focus on encouraging the international mobility of students and faculty to its campuses through programs such as Connect to India and GIAN, there are many opportunities for Canada to enhance its engagement with the country in this area.
10. JURISDICTIONAL SCAN: THE INTERNATIONAL EDUCATION LANDSCAPE

This jurisdictional scan will examine the approaches undertaken by other nations to promote student mobility to India. The jurisdictional scan will focus exclusively on Australia, the United Kingdom and the United States and will be limited to studying mobility initiatives occurring at the federal government level.

The above countries were chosen due to the success they have achieved in developing large-scale programs that promote the flow of students vis-a-vis India. This section will begin by providing a description of Australia's mobility initiatives, followed by a similar overview for the United Kingdom and the United States.

10.1 Australia: Large-Scale Initiatives to Support Student Mobility

The Government of Australia has experienced significant success in sending large numbers of students abroad through the development of major mobility schemes. In particular, an emphasis has been placed on implementing programs that encourage study in the Indo-Pacific region. Australia supports students to undertake experiences in India through several initiatives. The Australia-India Education Council is a bi-national organization that encourages cooperation between the two countries on education-related matters, including student mobility. Other large-scale initiatives, such as the New Colombo Plan and the Endeavour Scholarships, also foster student exchanges by targeting the Indo-Pacific region more broadly.

Policy Priorities: Developing Asia-Specific Competencies

Student mobility is a major priority under the Australian government’s Draft International Education Strategy. Introduced in 2015, the Strategy recognizes the benefits of studying and working abroad in preparing students for an international work environment. Due to the important trade and investment relationships that Australia has with countries in the Indo-Pacific, a specific focus is placed on encouraging student mobility in the region (Government of Australia, 2015, p. 27).

The Australian Government has identified the need to cultivate greater knowledge and understanding of Asian culture and languages among its citizens. According to a White Paper commissioned by the federal government, *Australia in the Asian Century*, one way this can be achieved is by encouraging larger numbers of students to undertake study abroad experiences in Asian countries. In line with these priorities, the Australian government has developed large-scale initiatives that not only encourage its students to gain international experience in the Indo-Pacific, but also attract foreign students to undertake equivalent study or work terms in the country (Government of Australia, 2013, pp. 162-163).
Key Stakeholders: Australia-India Education Council

The Australia-India Education Council (AIEC) is a bi-national body that coordinates collaboration between Australia and India on education-related matters. Established in 2011, the Council was created as the result of a joint ministerial statement signed by the Education Ministers of Australia and India to expand collaboration on education, research and training. The AIEC is jointly funded by both nations and is co-chaired by Australia’s Education Minister and India’s Minister for Human Resource Development. In addition to student mobility, the Council also aims to enhance bilateral cooperation in other areas, including higher education research; skills and quality assurance & qualifications recognition (Australia India Education Council, 2015, p. 5).

Operating under the AIEC, the Student Mobility & Welfare Working Group identifies opportunities and develops initiatives to promote the bilateral flow of students between Australia and India. The Group’s activities include an Australia-India Student Mobility Workshop, held in September 2014 to explore best practices for student mobility programs (Australia India Education Council, 2015, pp. 13-14).

Mobility Initiatives: Support for Outward Student Mobility to Asia

A number of large-scale initiatives have been developed to promote the exchange of students between India and Australia. Although some programs broadly target Asia as a whole, others have been adapted to include an India-specific focus. Each of these programs support large cohorts of individuals to undertake an international experience abroad. In addition to these programs, the Government of Australia also delivers generous funding schemes that provide financial support to encourage students to study in Asian countries.

Large-Scale Programs

Launched in 2014, the New Colombo Plan is a flagship initiative developed by the Government of Australia to promote student mobility to countries in the Indo-Pacific. Supported by a $100M contribution over five years (2013/2014 – 2017/2018), the plan aims to raise knowledge of the Indo-Pacific among Australians by encouraging them to undertake study and work terms in the region. Under the program, undergraduate students enrolled in Australian institutions are provided with scholarships to participate in study, internships or mentorship initiatives in 32 locations, including in India. The plan has experienced significant success in sending large numbers of students abroad, with over 3,100 individuals participating in 2015 alone. Since its inception, more than 10,000 students have undertaken an international experience overseas (Australia Department of Education and Training, 2015, p. 1).
The Endeavour Australia-India Education Council (AIEC) Research Fellowship provides funding to students from both India and Australia to undertake short-term research in each other’s countries (Australia Department of Education and Training, 2015, p. 9). According to the Government of Australia, both the New Colombo Plan and the Endeavour Fellowships have been successful in developing closer educational and cultural linkages between the people of Australia and Asia. Anecdotal evidence suggests that both initiatives have fostered an international outlook among Australian students and equipped them with the skills to engage in a global work environment (Conference Board of Canada, 2015, p.12).

Financial Support

The Government of Australia has made significant investments to provide financial support to students studying abroad. To encourage individuals to undertake mobility initiatives in Asia, specific funding has been made available to support students participating in overseas experiences in the region. Through the OS-HELP program, students who choose to study in an Asian destination are eligible to receive a maximum loan of $7,500 to cover costs, $1,250 more than is provided for other countries (Government of Australia, 2015, Extra financial assistance, para. 1). In addition, the AsiaBound Program also provides grants to education institutions to support students to study in Asia. Under the program, funding is available for short-term projects such as practicums, clinical placements and volunteer projects (Government of Australia, 2015, AsiaBound Grant Program, para. 1).

Engaging with Alumni: Leveraging Alumni Networks for Student Mobility

The Australian Government leverages the experiences of alumni to market mobility programs to prospective students. Graduates of government-sponsored programs such as the Endeavour Awards and the New Colombo Plan have positive experiences of living, studying and working overseas (Australian Government, 2015, p. 27). By promoting their experiences to others, these alumni raise the profile of these programs to other students.

Strategies have been implemented leveraging the Endeavour Awards to maintain connections with former program participants. The Endeavour Awards initiative appoints “Endeavour Ambassadors”- graduates of the program who promote their experiences in Australia to students abroad. In 2015, 23 alumni were appointed by the Australian High Commission as Endeavour Ambassadors to raise the visibility of the program. Under this initiative, the students visited post-secondary institutions to discuss their experience with pupils, faculty and administrators (Australia India Education Council, 2015, p. 14). According to the Department for Education and Training, the Ambassador program has experienced significant success in encouraging prospective students to study in India through the Endeavour Awards. Through the initiatives outlined above, Australia has successfully leveraged its network of alumni to promote interest in federal mobility programs.
10.2 United Kingdom: Incorporating Work Experience into Study Abroad Initiatives

The United Kingdom is recognized as a world leader with respect to promoting the mobility of international tertiary students. Through the British Council, the UK government’s international organization for education relations, initiatives have been developed to encourage students to study in India. These programs are uniquely designed to promote work experience in areas of priority for the UK government, with internships forming a major component of many of the programs.

Policy Priorities: A Focus on Emerging Markets

The United Kingdom has developed a well-balanced, international education portfolio that includes a variety of priorities in addition to student recruitment. Launched in July 2013, the country’s International Education Strategy outlines the UK Government’s key goals in the sector. Under the Strategy, efforts in international education will be focused on the following three areas: 1) Increasing international student enrollment; 2) Supporting transnational education and education technology and 3) Building relationships with emerging powers (Department for Business, Innovation and Skills & Department for Education, 2013, pp. 5-11).

The UK government has identified eight priority countries and one region to be the primary focus of its international education activities. India is among the countries listed, in addition to other emerging nations such as China, Brazil, Saudi Arabia, Colombia, Turkey, Mexico and Indonesia. Moreover, the Gulf is also included as a target region. The UK government pledges to prioritize engagement with these key partners, with a significant focus placed on promoting outbound student mobility to these regions. A number of initiatives have been identified under the Strategy to promote student mobility. These include the provision of scholarship funding for students to participate in exchange programs, supporting the brokerage of global internships and reinforcing the value of international experiences for student employability (Department for Business, Innovation and Skills & Department for Education, 2013, p. 54).

Key Stakeholders: British Council

The British Council is the main stakeholder responsible for the development and implementation of the UK government’s international mobility initiatives. The British Council is the UK government’s international organization for cultural and educational relations. Established in 1934, the Council’s objectives are to promote the knowledge of the United Kingdom abroad, to develop closer cultural relations between the UK and other countries and to foster the exchange of students, researchers and educational professionals. The Council has an on-the-ground presence in over 100 countries, including in India (British Council, 2015, p. 4).
The British Council has developed a number of initiatives to encourage the two-way flow of students between the UK and India. The programs place a significant focus on providing participants with the opportunity to gain international work experience through internships, teaching placements and volunteer placements abroad. Currently, the Council runs two major mobility initiatives in India: Generation-UK India and the UK-India Education Research Initiative (UKIERI). Each of these initiatives are described in further detail below.

**Generation-UK India.** Launched in November 2014, Generation-UK India is a large-scale initiative aimed at encouraging British students to gain academic and professional experience in India. Delivered by the British Council, the initiative places a heavy emphasis on enabling students to gain hands-on experience through participation in volunteer or work placements. The program is composed of three streams: Teaching Assistantships; Cultural Immersion Placements and Work Placements. Under the program, an ambitious target has been set to encourage 25,000 UK students to undertake an international experience in India by 2020 (UK-India Education and Research Initiative, 2015, p. 15).

Work Placements offers students the unique opportunity to undertake paid internships at an Indian company. Under this initiative, the British Council has partnered with Tata Consultancy Services (TCS) to provide placements for 1,000 UK graduates to undertake 12-month internships at the company. Graduates will work at the firm’s innovation labs and software development centers across India, developing valuable skills recognized by employers in the UK (British Council, 2015, Introduction section, para. 1).

**UK-India Education Research Initiative (UKIERI).** Launched in 2006, the UK-India Education Research Initiative is a bilateral program that aims to enhance education and research linkages between India and the UK. The $75M initiative is jointly funded by both governments and involves a large range of stakeholders drawn from each country, including the UK’s Foreign Commonwealth Office and India’s Ministry of Human Resource Development. UKIERI implements mobility activities under its Enhancing Mobility stream, designed to foster the exchange of students across India and the UK. Initiatives under the theme include the Study India Program and the Global Internship Program, both of which are described below (UK-India Education and Research Initiative, 2015, p.9).

The Study India Program enables undergraduate students from UK universities to undertake three-week courses in India. The topics of study are diverse and include Indian culture, politics and economics. In addition, students are also provided with an opportunity to explore work experiences through a one-week internship placement with an Indian corporation, NGO or multinational company. Since its inception, the program has supported over 500 students to undertake internships at 60 Indian organizations. A number of notable companies have participated in the
program, with examples including Tata Motors, Air India and Infosys (UK-India Education and Research Initiative, 2015, p. 7).

The Global Internship Program is a unique initiative aimed at encouraging British graduates to gain hands-on training in information technology. Through a partnership with Wipro Limited, the nine-month long program provides students with full-time training at Wipro facilities, followed by work shadowing with the company’s project teams. Students who have successfully completed the training program move on to undertake an internship at the firm (UK-India Education and Research Initiative, 2015, p.1).

Alumni Engagement: Leveraging Alumni Networks to Promote Student Mobility

The Foreign and Commonwealth Office (FCO) is active in maintaining connections with international alumni. The Association of British Scholars (ABS) is a national forum designed to facilitate the networking of Indians who have studied or trained in the UK. ABS India aims to strengthen the Indo-UK relationship through networking and hosting social, cultural and intellectual activities. The ABS maintains four chapters across 24 cities in North India, East India, West India and South India (British Council, 2015, Join the association of British Scholars, para.1).

10.3 United States: Bilateral Organizations to Promote Student Mobility

The United States promotes student mobility to India through bilateral organizations. Under the US Department of State, two multi-national organizations have been developed to create study abroad opportunities in India: the United States-India Higher Education Cooperation (USIHEC) and the US-India Education Foundation.

The United States-India Higher Education Cooperation (USIHEC) and the US-India Education Foundation support the exchange of students through the administration of seminars and scholarships. In addition, the Department of State’s Passport to India program also provides individuals with the opportunity to gain a greater understanding of India’s history and culture through internship, study and volunteer placements.

Policy Priorities: Enhancing the Global Competencies of Students

In November 2012, the US Department of Education released its first international strategy: Succeeding Globally through International Education and Engagement. The three main objectives of the Strategy are to: 1) Increase the global competence of US students; 2) Drive excellence and innovation in the American education system and 3) Advance US international priorities through active education diplomacy (US Department of State, 2012, p.4).
Student mobility plays a key role in supporting the strategy's first objective. Graduates with international experience possess global competencies that prepare them to succeed in the 21st century workplace. According to the Strategy, these competencies range from a knowledge and understanding of other countries and cultures, to the acquisition of foreign languages (US Department of State, 2012, p.7).

**Key Stakeholders: United States-India Higher Education Cooperation**

In the United States, the governmental body most engaged in promoting student mobility is the Department of State’s Bureau of Educational and Cultural Affairs (ECA). The Bureau has a mandate to foster mutual understanding between citizens of the United States and other countries. As a result, its activities promote American history, culture and arts to overseas audiences (Foreign Affairs and International Trade Canada, 2009, p.91).

The Department of State oversees the United States-India Higher Education Cooperation (USIHEC). Established in 2009, the USIHEC promotes collaboration between US and Indian higher education institutions in a variety of areas. These include research, student and faculty exchanges. The organization plays an active role in encouraging student mobility to India through the organization of seminars. For example, the USIHEC hosts the annual conference of the US Academic Programs in India (AUSAPI), which brings together American and Indian academic administrators to discuss opportunities for collaboration in education abroad programs. Another recent initiative includes USIHEC’s participation in a study abroad assessment project that produced a resource guide to inform US higher education institutions of study abroad opportunities in India.

The United States-India Education Foundation (USIEF) is a bi-national organization dedicated to promoting mutual understanding between India and the US through the exchange of academics, students and professionals. The USIEF’s main responsibility involves the administration of the Fulbright-Nehru fellowship for Indian and American students, faculty and professionals. Jointly managed by both governments, the USIEF’s Board of Directors consists of five Americans and five Indians nominated by the US Ambassador and the Government of India, respectively. At present, the USIEF has a physical presence in India through five offices located in New Delhi, Mumbai, Chennai, Kolkata and Hyderabad (United States-India Education Foundation, 2011, p. 1).

**Mobility Initiatives**

The United States has developed a number of initiatives to encourage outward mobility to India. These initiatives include the Passport to India and the Fullbright-Nehru Awards, both of which are described in further detail below.

**Passport to India.** Launched in 2011, Passport to India is an outbound mobility initiative that aims to foster greater understanding between American and Indian
youth (US Department of State, 2015, para. 1-6). Through partnerships with the private sector and non-governmental organizations, Passport to India provides opportunities for US students to undertake service learning, internships and study abroad experiences in India. The program was designed to complement the Government of India’s Connect to India Program, a mobility initiative which enables foreign students to undertake short-term courses in the country. In addition to providing opportunities for students overseas, Passport to India has also taken the unique approach of offering a free, online course that provides an overview of India’s historic, economic and intellectual endeavors. The course is designed to emphasize India’s importance as a rising power to American students (US Department of State, 2015, para. 1-6).

Fulbright-Nehru Awards. Jointly funded by both the US and Indian governments, the Fulbright-Nehru Awards enables outstanding students, academics and professionals in India and the US to study, research and engage in work experience in each others’ countries. Since its inception in 1950, the program has experienced significant success, with approximately 300 students and scholars from the US and India participating in the program annually. By this measure, the United States exchanges more individuals under this program with India than any other country in the world (US Department of State, 2015, Exchange of students and scholars, para. 4).

Alumni Engagement: Establishing an Online Presence

The Bureau of Education and Cultural Affairs operates an online website for past and current participants of US-sponsored exchange programs. Titled “International Exchange Alumni”, the website provides students with the opportunity to interact with fellow alumni around the world as well as access grants and professional development resources.

10.4 Jurisdictional Scan Summary: Strategies for Outward Mobility

Australia, the United Kingdom and the United States have experienced significant success in encouraging students to undertake international experiences in India. Although each country’s approach differs, a number of similarities have emerged. These include the establishment of a central body to develop and implement mobility initiatives, the presence of large-scale programs that encourage sizeable numbers of students to go abroad and activities that build strong connections with international alumni.

A common theme among each country is the presence of a central body responsible for the implementation of mobility programs. While some nations have organizations specifically dedicated towards promoting student exchanges with India, others are broader in scope. Australia and the United States are examples of countries that have established organizations solely mandated to promote education collaboration with India. The Australia-India Education Council oversees cooperation between the two countries on a variety of education-related matters.
The Council’s Student Mobility & Welfare Working Group plays an active role in identifying and developing opportunities to promote the two-way flow of students. Similarly, the United State’s US-India Education Foundation administers Fulbright scholarships that support the exchange of academics, pupils and professionals. Last but not least, the UK government’s British Council delivers cultural and educational programs in a number of nations. The organization is very active in India through high-profile initiatives such as UKIERI and Generation-UK India.

Australia and the United Kingdom have also developed large-scale programs with ambitious targets to send vast numbers of students abroad. For example, the Generation-UK India initiative aims to encourage 25,000 individuals to study in the country by 2020. Similarly, Australia’s New Colombo Plan has a goal of supporting more than 5,450 students to study and undertake work placements in the Indo-Pacific, bringing the total number of participants to 10,000 in the first three years of the program.

Each nation has also placed a heavy emphasis on engaging with international alumni. Australia, the UK and the US have each implemented their own initiatives to maintain lasting connections with program graduates. For example, Australia has developed a unique “Ambassador” program where alumni are appointed as Ambassadors to share their experiences abroad, thus raising the profile of the initiative in their home countries. Initiatives such as these play a role in marketing the program to prospective students and encouraging greater numbers of individuals to participate. The United Kingdom has taken a unique approach to incorporating job experience into its mobility programs. Many of the country’s initiatives include a component that enables students to gain hands-on training through short-term internships with reputable Indian organizations. For example, under Generation-UK India, participants are provided with the opportunity to intern for Tata Consultancy Services.

In summary, Australia, the UK and the US have developed ambitious programs to encourage students to study, work and volunteer in India. These initiatives have been successful in creating globally aware and connected individuals who are prepared for an international work environment. Moreover, their investment in the overseas experiences of students also builds lasting people-to-people linkages that drive trade and investment with other nations.
11. INTERVIEW FINDINGS

This section of the report will provide an overview of key findings obtained from one-on-one interviews. Five interviews were conducted to obtain additional information on Canada’s education relations with India, particularly in regards to student mobility. Specifically, the discussion focused on three key topics:

1. Identifying the nature of Canada’s education linkages with India.
2. Investigating the barriers that hinder outward student mobility to India.
3. Exploring strategies to develop mobility programs that encourage students to study abroad.

Interviews were conducted with representatives from federal departments, the provincial government and post-secondary institutions. To ensure the confidentiality of respondents, interview findings are organized thematically below.

11.1 Assessment: India is recognized as an important education partner, but student recruitment remains a central focus

The majority of the interview participants believe that there is growing awareness in Canada of India as an important education partner. However, student recruitment remains a prevalent focus, with India largely viewed as a source country for international students. This is due to the significant revenues that post-secondary institutions derive from international student expenditures on tuition fees, living costs and discretionary spending. Despite this emphasis, participants suggested that a growing trend is emerging towards an increased number of partnerships in a broader range of areas, including student and faculty exchanges, research collaborations, dual degree programs and online course delivery.

Respondents indicated that the level of student mobility between Canada and India remains low, particularly when compared to other nations such as Australia and the United Kingdom. Although supportive data is lacking, participants believed that only a small number of Canadians choose to undertake an international experience in India every year.

11.2 Barriers: Insufficient coordination, Scale & Intelligence

Absence of a central body to coordinate Canada’s educational engagement with India

Canada does not have a central body or agency to coordinate its international education engagement with India. All of the participants stated that the absence of an overarching organization presents a major challenge towards the development of Canada-India student mobility initiatives. Of those initiatives that exist, the majority occur at the institutional level and are implemented on an ad-hoc basis. The respondents strongly believed that the presence of a central body would allow for better coordination of efforts in this area.
Large-Scale programs needed to support increased numbers of students to go abroad

The majority of participants emphasized the need for large-scale programs to support greater numbers of students to study overseas. Due to limited financial and human resources, post-secondary institutions are unable to develop, fund and implement programs that send vast cohorts of individuals abroad. Respondents stressed the importance of programs that provide scholarships to assist students with the costs of going overseas. While the majority of universities and colleges provide some level of funding to assist with costs, this is often not enough to cover major expenses such as travel and tuition fees.

Lack of data and market intelligence to support informed decisions

Some individuals cited the lack of data and market intelligence as another potential barrier to the effective development of Canada-India mobility initiatives. The Government of Canada does not maintain a publicly accessible database that tracks the state of Canada’s education collaborations with India. Although information on Canada’s education partnerships with India are maintained by the Global Affairs Canada’s embassies and consulates, this database is not made readily available to the public, and in some cases the information provided is not comprehensive and up-to-date. In addition, other resources, such as market intelligence on Canadian trends in outbound student mobility, do not exist. Participants state that such data can be valuable in informing the development of successful mobility initiatives that are effective in encouraging large numbers of students to study abroad.

11.3 Suggestions for moving forward

Interview respondents provided a number of recommendations to enhance the development of mobility programs that send Canadian students to India.

Raise awareness about the benefits of studying abroad

A number of interview participants suggested the need for the development of educational campaigns to raise awareness about the advantages of studying in non-western countries such as India. These programs would involve championing education abroad in these areas as an investment in skills and prosperity. Some individuals recommended that education fairs promoting the benefits of India as an education-abroad destination be held on an annual basis in post-secondary institutions across the country.

Aligning study abroad programs with strategic foreign policy goals

Many participants recommended aligning study abroad programs with Canada’s strategic foreign policy goals. As Canada looks to enhance its engagement with India in the future, new mobility programs should not only focus on areas of bilateral
strategic importance, but also on strategies to enhance the development of “India-specific” competencies among students. For example, this could involve incorporating language training into study abroad initiatives, where students are provided with the opportunity to develop their ability to speak Indic languages such as Hindi or Punjabi. In addition, programs could also focus on key areas of mutual importance for both nations, such as clean technology, healthcare, nuclear cooperation and innovation. This could involve offering internships or short-term job placements with Indian firms operating within the above sectors.

*Provide internships to more Canadian students*

The majority of participants believed that internships should form a major component of student exchange programs. Specifically, partnerships could be developed with reputable Indian multi-national companies to provide students with the opportunity to develop valuable hands-on work experience. Many individuals reiterated the importance of offering internships in STEM fields, an area where there is shortage in the supply of Canadian graduates.

*Large-scale programs needed to support student mobility*

Four of the individuals interviewed also expressed the desire for federally supported, large-scale programs to fund mobility initiatives. For example, one participant cited the Canada-China Scholar Exchange Program (CCSEP) as a potential model to replicate. A joint partnership between Global Affairs Canada and the Chinese Ministry of Education, the CCSEP offers awards to Canadian academics, students and professionals to study or conduct research in subject areas related to China at a Chinese post-secondary institution. The program is notable in that it covers a comprehensive array of costs. The award component provided by the Chinese Ministry of Education provides funding for tuition fees, a monthly stipend, housing, medical insurance, teaching & research materials and meals. Meanwhile, the award component under Global Affairs Canada offers financing for travel to and from China. It was suggested that this program could be replicated for India, through a partnership with key stakeholders such as India’s Ministry of Human Resources Development.

11.4 Summary of Findings: India is An Important Education Partner, But More Efforts Are Needed to Support Student Mobility

The interviews revealed additional information on the nature of Canada’s educational partnerships with India, as well as insight into some of the barriers associated with encouraging greater numbers of students to study abroad. Despite a growing awareness of India’s importance as an education partner, the country is largely viewed as a market for student recruitment. Major challenges to the development of mobility initiatives include the absence of a central body to coordinate engagement, the lack of large-scale programs to send sizeable numbers
of individuals overseas and insufficient data and market intelligence to inform strategic decisions.

Interview participants provided a number of suggestions to enhance the outbound mobility of Canadian students to India. These include: raising awareness about the advantages of India as a study destination; aligning study abroad programs with foreign policy goals; providing greater numbers of internships to students and creating large-scale programs that support sizeable numbers of individuals to study overseas.
12. DISCUSSION: SUMMARY OF FINDINGS AND THEMES

This section will summarize key findings obtained from major segments throughout the report, including the literature review, jurisdictional scan and interviews. Findings from each of these areas will be organized into themes that will support recommendations to improve the outward flow of students to India.

12.1 Summary of Findings

Literature Review: Significant Opportunity to Expand Bilateral Trade & Investment

Although the level of trade and investment between Canada and India is low, there is significant potential to expand commercial activity between the two countries. According to Statistics Canada, two-way merchandise trade between the two nations reached $8.3B in 2015, while bilateral investment totaled $5.1B (ISED, 2015). When compared to the amount that each country receives from the rest of the world, the volume of commercial activity between Canada and India is modest. However, there is significant opportunity to take the bilateral relationship to new heights. India’s rapidly growing economy will require an unprecedented volume of goods and services in order to maintain the momentum of its development. As a result, the opportunities on offer to Canadian companies are enormous.

India and Canada have strong people-to-people connections, bolstered by growing immigration and tourism flows. The country is currently Canada’s second largest source of immigrants and Indian tourists to Canada have increased steadily in recent years (APF, 2015).

Literature Review: Although Currently Underdeveloped, Student Mobility has the Potential to Boost Canada-India Economic Linkages

Student Mobility can serve as an important form of soft diplomacy that supports the development of meaningful bilateral relations. By studying abroad, Canadian students gain the valuable experience of living and learning in other countries. As a result, they are able to cultivate a greater awareness and understanding of foreign nations and cultures, thus helping them to develop the competencies needed for a global work environment. (International Education Association of Australia, 2014). Experiences such as these are especially valuable when applied to emerging economies such as India, a country of strategic priority for Canada’s trade and investment agenda.

Despite the opportunities present in this area, the number of Canadian students who study in India are estimated to be low. A number of underlying issues exacerbate this challenge, including the absence of a central body to coordinate engagement with India, a lack of awareness among Canadian students of the advantages of undertaking an international experience and insufficient funding to support student mobility.
Jurisdictional Scan: Australia, the UK and the US Have Developed Active Strategies to Encourage Student Mobility

The purpose of the jurisdictional scan was to examine the approaches undertaken by other nations to promote outward mobility to India. Australia, the United Kingdom and the United States were the subjects of this analysis. The jurisdictional scan revealed a number of themes common to each nation’s strategy, including: the presence of a central body to coordinate educational partnerships; the existence of large-scale programs to promote student exchanges and alumni engagement strategies that encourage participation in mobility initiatives.

Australia, the United Kingdom and the United States have established central bodies dedicated to promoting educational collaboration with India. For example, the Australia-India Education Council oversees cooperation between the two countries in the areas of research, student mobility & welfare and quality assurance & credit recognition. The United State’s US-India Education Foundation and the UK’s British Council are also active in developing cultural and education exchanges to India. Australia and the United Kingdom have established large-scale programs with ambitious targets to send vast numbers of students abroad. For example, the Generation-UK India initiative aims to encourage 25,000 individuals to study in the country by 2020. Similarly, Australia’s New Colombo Plan has a goal of supporting more than 5,450 students to study and undertake work placements in the Indo-Pacific region by 2016. Each nation has also placed a heavy emphasis on engaging with international alumni. For example, Australia has developed a unique “Ambassador” program where alumni are appointed as Ambassadors to share their experiences abroad, thus raising the profile of the initiative in their home countries.

Interview Findings: A Student Mobility Strategy Should Raise India’s Profile as a Study Destination and Involve Programs that Incorporate Financial Support & Internship Opportunities

The interviews provided additional insight on a number of topics, including: the nature of Canada’s educational engagement with India, barriers to encouraging greater numbers of students to study abroad and recommendations to improve outbound mobility to India. Within the area of international education, Canada’s engagement in India is largely focused on student recruitment. However, awareness about the country’s importance as an education partner has been growing over time. The interview participants provided a number of recommendations that they believed would make student mobility programs more effective. These include: raising awareness about the advantages of India as a study destination; aligning study abroad programs with foreign policy goals; providing greater numbers of internships to students and creating large-scale programs that support sizeable numbers of individuals to go overseas.
12.2 Cross-cutting Themes to Consider

The findings described above can be organized into four key themes. These are:

*Student Mobility Supports Canada’s Trade & Investment Agenda*

There remains great potential for Canada to expand its bilateral trade and investment relationship with India. Although this goal is often achieved through traditional avenues such as trade agreements or market strategies, international education also plays a role in supporting Canada’s economic agenda. Through the multidirectional flow of young people, student mobility fosters the development of people-to-people ties, linkages which ultimately boost our political, economic and social relations with other nations. Canadian students who have studied abroad return to the country with positive experiences of living, working and learning in another nation. Through their enduring personal connections, these alumni go on to foster strong diplomatic and business linkages with other countries, thus strengthening Canada’s overall trade and investment relationships globally. Students who have undertaken an international experience also develop competencies that prepare them for the global work environment. As a result, education-abroad experiences ultimately enhance Canada’s global competitiveness.

*Canada’s International Education Efforts are Fragmented*

As indicated earlier, education falls under the jurisdiction of the provinces and territories. As a result, Canada does not have a primary body to organize the country’s activities in international education as a whole, let alone with individual nations. Consequently, a wide variety of stakeholders ranging from government departments, education associations and post-secondary institutions play a role in the international education sector. An analysis of the barriers to student mobility suggests that the fragmented nature of this approach is a major challenge to advancing Canada’s educational engagement with India. The lack of collaboration among different actors means that the separate initiatives being developed are often ad-hoc and lack the resources required to reach its full potential. In addition, the absence of a “united front” has made it difficult for international post-secondary institutions and education departments of foreign governments to form partnerships with their Canadian counterparts. Stakeholders are often overwhelmed and confused by the variety of different actors they can engage with, thus deterring them from approaching Canadian institutions.

*Lack of Understanding About India’s Advantages as a Study Abroad Destination*

Canada’s international education engagement in India has largely been limited to student recruitment. Although awareness about the country’s importance as an education partner has grown over time, low levels of student mobility suggest a lack of knowledge about the benefits of undertaking an educational experience in the
Participating in a study term in India provides students with the opportunity to live, work and learn in one of the world’s fastest-growing emerging economies. This experience enables individuals to develop cross-cultural competencies and job skills that are highly valued in the work place. Despite these benefits, student mobility to India remains low, with the majority of individuals choosing western nations as the preferred study-abroad destination.

An Effective Student Mobility Strategy Will Need to Address Financial Barriers

Insufficient funding is a significant barrier to student mobility. This is particularly true for far-away countries such as India, where the costs associated with airfare can be burdensome. According to the jurisdictional scan, Australia, the United Kingdom and the United States have experienced significant success in implementing government-sponsored programs that encourage students to undertake an international experience in the country. Through initiatives such as the New Colombo Plan and Generation-UK India, both Australia and the United Kingdom have supported thousands of students to participate in study and work experiences abroad. The success of these programs is due in part to the generous financial support provided to assist students with the costs associated with living and studying overseas.

12.3 Conclusion: Several Strategic Directions to Consider

Figure 3 provides a visual display of the key findings mentioned above. Three strategic directions have been identified based on an analysis of the findings presented earlier. Canada would benefit from having a central body to coordinate the country’s international education engagement in India. Programs that offer financial support students to study abroad are also important in promoting outbound mobility. The success of these programs is due in part to the generous financial support provided to assist students with the costs associated with living and studying overseas. In some cases, large scholarships are offered to participants to cover major expenses such as airfare, tuition fees and accommodation. A creative approach can also be taken to market study abroad programs to prospective students. This approach should be appealing to younger generations, using online resources and program “Ambassadors” to promote experiences to prospective students.
Figure 3
Diagram – Summary of Findings
13. OPTIONS AND RECOMMENDATIONS

An analysis of the findings presented above has resulted in the identification of three options that may enhance the outward mobility of students to India. These are: establish a Canada-India body to champion and coordinate mobility activities under one umbrella; create a scholarship program to support students to undertake mobility initiatives and develop a marketing campaign to highlight India as an important study destination. This section will describe the above options and evaluate them according to three criteria: effectiveness; sustainability and cost. Based on an analysis of these options, a recommendation will be put forward for the most feasible alternatives.

13.1 Option One: Integrate Efforts Under One Central Body

A Canada-India Education body would help promote student mobility to India. Acting as a central coordinating agency, the purpose of the body would be to consolidate the activities of key stakeholders under one umbrella. By leveraging the resources and expertise of multiple partners, the Body would also champion the development of new mobility initiatives, share best practices and promote greater awareness of India as an education destination of choice. In addition to student mobility, the organization could also target other priorities such as research partnerships, faculty exchanges, transnational education and skills training.

The Canada-India Body would be federal-government led, developed in partnership with Global Affairs Canada and Innovation, Science & Economic Development Canada. Members of the organization would include representatives from the following groups: Immigration, Refugees and Citizenship Canada; the provincial & territorial Ministries of Education; influential education associations such as Universities Canada, the Canadian Bureau for International Education, the Canada-India Education Council & the Shastri-Indo Canadian Institute and post-secondary institutions.

13.2 Option Two: Scholarship Programs

Canada can encourage greater student mobility to India by developing a high-profile, integrated scholarship program that encourages students to undertake study abroad initiatives in the country. Based on the models followed by Australia and the United Kingdom, the program could be a bilateral one that combines contributions from both the governments of Canada and India. Led by the Global Affairs Canada and India’s Ministry of Human Resource Development, the program would be large in scale, supporting a sizeable number of students to go overseas on an annual basis (e.g. 1000 +). The scholarships provided under the program would also be flexible, allowing students to apply funding to nearly all costs. This would include expenses related to tuition fees, travel, accommodation and discretionary spending. Funding for scholarships offered under the program could also be shared between both governments. For example, the Government of Canada can cover the costs of flight
and accommodation, while the Government of India will provide financing for tuition fees and meals.

Combining study abroad initiatives with international job placements will be advantageous in producing skilled graduates with global competencies. This program can build upon the success of existing initiatives by partnering with reputable organizations, such as Mitacs or the Shastri-Indo Canadian Institute, to expand existing internship initiatives. The internship component of the program would focus on job placements in areas of mutual priority for both Canada and India, such as clean technology and innovation.

13.3 Option 3: Marketing Campaign

A marketing campaign could raise India’s profile as a desirable study destination. This campaign would involve two components: 1) A dedicated website to promote study-abroad opportunities in India; and 2) A student ambassador program.

A Canada-India education website would serve as an online resource for individuals seeking additional information on study abroad opportunities. The website would be run by Edu-Canada, Global Affairs Canada’s education marketing unit. Content on the website would include a database of all the mobility programs offered by post-secondary institutions, education associations and government sponsored programs, as well as information on scholarships. In addition, the website would also host a forum that enables graduates or alumni of mobility programs to share their experiences with interested students.

Canada can also leverage its broad network of alumni to develop an ambassador program. Under this program, graduates of former mobility initiatives would serve as “brand ambassadors”, where they share their former experiences and promote the benefits of studying abroad to other students. The program would be run in partnership with Innovation, Science & Economic Development Canada and Global Affairs Canada.

The program would target a cohort of 20 Canadian students who have recently completed study-abroad initiatives in India. These students would deliver a series of presentations at post-secondary institutions across Canada to highlight their experiences and raise awareness about India as an exciting and important study destination. Monetary compensation would be offered to the ambassadors. Costs associated with participation in the program, such as airfare, accommodation and meals, would also be covered.

13.4 Criteria for Evaluating the Options

This section evaluates the options presented above and provides a recommendation for the alternative believed to be the most promising. The options were compared
against the following three criteria (rated as high, medium or low): effectiveness; sustainability and cost.

- Effectiveness: the extent to which the option is capable of promoting the mobility of Canadian students to India.
- Sustainability: the degree to which the option can be maintained over a long period of time.
- Cost: the amount of resources required to implement the option, including financial resources, human capital and time commitments.

Table 4 (next page) analyses the option criteria in more detail.

**13.5 Analysis and Recommendations**

Based on an evaluation of the choices presented above, option 2 represents the most feasible alternative to promote the outward mobility of students to India. A scholarship program will provide students with the opportunity to pursue an education experience overseas. By offering financial assistance to participants, this program will address a key barrier to student mobility. This option will also be sustainable over the long-term. It is likely that the program will be subject to a high-level of usage and demand, making it likely that it will meet the justifications required to receive funding in the future. Although implementing the program will be costly ($20M), the advantages gained from promoting outward student mobility will override the financial costs.

Options 1 and 3 are less likely to be effective in promoting student mobility to India. Although developing a central coordinating body (option 1) would result in the successful coordination of stakeholder activities under one umbrella, this option will not be sustainable over the long-term. Ensuring equal representation from each group will be difficult, due to the large range of actors involved. There is also the potential for stakeholders to lose interest and withdraw their participation over time. Through targeted marketing activities, option 3 will raise India’s profile as a desirable study abroad destination. While this may encourage larger numbers of students to undertake an international experience in the country, this outcome is one that will occur over a long period of time. In addition, this option will also be very costly and will likely require continued maintenance in order to be sustainable.

The client may also wish to consider how each of the three options relate to one another. Rather than conceived as separate initiatives, the options could in varying degrees be modified to complement each other. For example, Option 1 (developing a Canada-India Body) could develop momentum by first implementing a pilot project promoting the outward mobility of students (Option 2). Likewise, Option 3 could market the benefits of the scholarship program to encourage greater awareness about the initiative. Re-profiling the options would leverage existing resources and reduce the financial costs associated with implementing a student mobility strategy.
<table>
<thead>
<tr>
<th>Criteria</th>
<th>Option 1: Central Coordinating Body</th>
<th>Option 2: Scholarship Program</th>
<th>Option 3: Marketing Campaign</th>
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</thead>
<tbody>
<tr>
<td><strong>Effectiveness</strong></td>
<td>A Canada-India Body would leverage the resources and expertise of key stakeholders to champion the development of new mobility initiatives. By bringing together the main players from a variety of different groups, this option would also coordinate student mobility activities under one umbrella.</td>
<td>This option is likely to result in a significant increase in the number of students studying abroad. By providing financial assistance to support students undertaking an international experience, this option addresses one of the key barriers to student mobility.</td>
<td>By marketing and promoting the advantages associated with studying overseas, this option will effectively raise India's profile as a study abroad destination. Ultimately, this will encourage greater numbers of students to undertake an international experience in the country. However, achieving this outcome will require a significant amount of time, as India is currently not a well-known or popular study destination of choice.</td>
</tr>
<tr>
<td><strong>Sustainability</strong></td>
<td>This option may not be sustainable in the long-term. As participation in the Canada-India Body may require significant time commitments, some members of the group may drop out over time.</td>
<td>This option will be sustainable over the long term. Although continued existence of the program will be dependent on funding, it is likely it will experience a high level of demand and participation. This suggests that the program is likely to receive financing in the future.</td>
<td>This option will be sustainable over the long-term only if there is continuous effort to market and promote India as a desirable study destination.</td>
</tr>
<tr>
<td><strong>Costs</strong></td>
<td>Overall, this option will require relatively few resources. Although the financial costs associated with this option are low ($3M), a significant amount of human resources and time may be required to establish a Canada-India Body.</td>
<td>It is estimated that implementing this option will require $20M in funding. This includes financial costs associated with funding scholarship awards; implementing workshops; program &amp; management expenses (e.g. salaries for administrative and human resources) and business development costs.</td>
<td>The total cost of a marketing campaign estimated at $5M. Although designing, building and managing a website will be relatively inexpensive, significant financial resources will be required to develop &amp; operate an alumni program. Costs associated with the overall implementation of the program include: hiring staff to design &amp; manage the program; publishing marketing materials &amp; funding ambassadors to conduct outreach campaigns.</td>
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</table>
### 13.6 Implementation

Table 5 below presents a series of “next steps” to explore the implementation of the option. This involves four phases: baseline research and planning; consultations to analyze the feasibility of the program; implementing the pilot program; and evaluating the results to determine whether the initiative should be implemented on a longer-term basis.

<table>
<thead>
<tr>
<th>Table 5. Next Steps – Action Items</th>
<th>Timeline</th>
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<tr>
<td><strong>Phase One: Research &amp; Planning</strong></td>
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<tr>
<td>Conduct baseline research to inform the development of the program. Intelligence will be collected on: the current level of student mobility to India; student mobility trends &amp; characteristics and preferences for education-abroad experiences.</td>
<td>September 2016</td>
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<tr>
<td>Identify the appropriate partners to participate in the funding, development, implementation &amp; management of the program.</td>
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<td>Develop a general blueprint for the program.</td>
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<td><strong>Phase Two: Consultations</strong></td>
<td>January 2017</td>
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<td>Hold a series of roundtables to obtain feedback on the potential success &amp; feasibility of the program. The roundtables will include representatives from the provincial governments, private sector organizations, education associations, post-secondary institutions and university students.</td>
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<tr>
<td>Incorporate feedback obtained from the roundtables into the design of the program.</td>
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<tr>
<td><strong>Phase Three: Implementation - Pilot Program</strong></td>
<td>September 2017</td>
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<td>Run a pilot version of the program and evaluate the results to determine whether official implementation of the program is justified. The pilot program will target a small cohort of 10-20 students, all of whom will be awarded scholarships to undertake 4-month study-abroad terms in host locations across India.</td>
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<tr>
<td><strong>Phase Four: Evaluation &amp; Decision-Making</strong></td>
<td>January 2018</td>
</tr>
<tr>
<td>The program will be evaluated against several metrics to determine whether continued implementation of the program, particularly on a larger scale, is justified. These metrics could include: level of interest (e.g. number of applications received for the program); skills development (e.g. percentage of students reporting increased skills &amp; experience as a result of the program) and increased interest in India as a study destination (e.g. percentage of students reporting interest in undertaking a study abroad term in India). Based on the results obtained, a decision would be made on whether official implementation of the program is justified.</td>
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14. CONCLUSION

The goals of this research project were two-fold: 1) To provide an overview of India’s economy, its key growth drivers and Canada’s trade, investment and people-to-people linkages with the country; and 2) To explore ways to improve the outward mobility of Canadian students to India. Research conducted through the literature review, jurisdictional scan and the interviews uncovered four main themes, each of which are listed and described below:

1. Student mobility supports Canada’s trade and investment agenda.
2. Canada’s international education efforts are fragmented.
3. Canadian students lack knowledge about India’s advantages as a study destination.
4. Lack of funding is a major barrier to student mobility.

Although the current level of trade and investment between Canada and India remains low, the literature review reveals that there is significant momentum to take the bilateral relationship to new heights. By fostering the development of global competencies and people-to-people connections, student mobility can strengthen Canada’s trade and investment relationships with other nations, including India.

Findings from the jurisdictional scan uncovered common approaches used by Australia, the United Kingdom and the United States to promote student mobility. These include: the presence a central body to coordinate educational engagement, the existence of large-scale programs to promote the exchange of students and marketing strategies to raise awareness of and encourage participation in mobility initiatives.

Based on these research findings, three options were identified to promote the outward mobility of Canadian students to India:

1. Establish a Canada-India body to champion and coordinate mobility activities under one umbrella.
2. Create a scholarship program to support to students to undertake mobility initiatives in India.
3. Develop a marketing campaign to highlight India as an important study destination.

Option 2 was selected as the most promising alternative. As lack of funding is a key barrier to student mobility, offering financial assistance to students to support their international experiences will play an important role in encouraging greater numbers of individuals to study abroad.

Given the broad focus of this report, Innovation, Science & Economic Development Canada may wish to conduct additional research to uncover more detailed information on topics that were not covered. Within the area of trade and
investment, these include an analysis of future growth trends for exports and imports, a description of the key sectors of opportunity for Canadian businesses and a more detailed analysis of India’s economy and its key growth drivers. Filling in the information gaps on these topics would have contributed to a more comprehensive picture of Canada’s trade and investment linkages with India. In regards to student mobility, future research could also be conducted to obtain a comprehensive overview of Canada’s provincial and post-secondary mobility linkages vis-a-vis India. As this information is lacking, doing so would provide for a more detailed picture of Canada’s sub-national activities in India.

India’s bright growth outlook makes it a promising trade and investment partner. The country’s rapidly growing economy will require an unprecedented volume of goods and services in order to maintain the momentum of its development. As Prime Minister Modi’s recent visit to Canada symbolizes the importance that India places on international relationships, Canada can take advantage of this opportunity by using student mobility to leverage our people-to-people connections.
REFERENCES


