

## Policy Proposal for Self Employment as a Pathway to Permanent Residency for International Students in Canada

### 1. Project Relevance and Need:

There are 1,040,985<sup>1</sup> international students currently in Canada. For 2024, 235,600<sup>2</sup> new study permits will be approved, according to Marc Miller; and of these international students seeking permanent residence and/or citizenship in Canada, the following streams exist as potential pathways<sup>3</sup>:

- Canadian Experience Class
- Federal Skilled Worker Program
- Provincial Nominee Programs
- Quebec Immigration Options

A 2019 report by the Canadian Bureau for International Education (CBIE) found that **16% of international students** expressed interest in starting their own business after graduation<sup>4</sup>; and in 2022, 9.4% of all startups were run by the youth (16-29 years old), of which, 2.4% of businesses were started by temporary residents, including study permit and work permit holders<sup>5</sup>. Interestingly enough though, under the most common pathway, the Canadian Experience Class, **“self-employment and work experience gained while you were a full-time student (even if you were on a co-op work term) doesn’t count** toward the minimum requirements for this program.” Consequently, a point can be made that current immigration policies provide a perverse incentive as they restrict study permit and PGWP holders’ ability to contribute to the Canadian economy and community, whilst simultaneously securing their own future in the country. **This proposal is therefore an issue of critical importance and urgency as it seeks to recognize the effort and potential contributions of international student entrepreneurs to the Canadian economy and community and seeks to provide incentive and credit to them.**

If successfully implemented, our proposal aims to bring a shift in social perceptions and political ideology towards international students in Canada, both of which lead to increased economic and social growth, driven by new businesses and higher rates of job creation and innovation. The integration of education and entrepreneurship would strengthen, providing more support for student entrepreneurs and creating a dynamic and innovative economic environment.

It is also to be noted that our proposal does not seek any changes to the number of international students brought into Canada on a year-by-year basis, rather, only that the students that *are* accepted as international students be provided additional opportunities to succeed in the country and further contribute to its economic development: those that can study full time and start their

<sup>1</sup>[https://monitor.icef.com/2024/01/canada-hosted-more-than-1-million-international-students-in-2023/#:~:text=The%20number%20of%20international%20students,and%20Refugees%20Canada%20\(IRCC\).](https://monitor.icef.com/2024/01/canada-hosted-more-than-1-million-international-students-in-2023/#:~:text=The%20number%20of%20international%20students,and%20Refugees%20Canada%20(IRCC).)

<sup>2</sup><https://www.canada.ca/en/immigration-refugees-citizenship/news/2024/04/minister-miller-issues-statement-on-international-student-allocation-for-provinces-and-territories.html>

<sup>3</sup><https://www.canadim.com/study/permanent-residence-students/#:~:text=Operated%20through%20the%20Express%20Entry,to%20obtain%20Canadian%20permanent%20residence.>

<sup>4</sup> [https://cbie.ca/wp-content/uploads/2018/08/Student\\_Voice\\_Report-ENG.pdf](https://cbie.ca/wp-content/uploads/2018/08/Student_Voice_Report-ENG.pdf)

<sup>5</sup> <https://www.startupcan.ca/wp-content/uploads/2023/03/Startup-Canada-Census-Report-2022.pdf>

own business, should be allowed to do so. Simultaneously, opening (“leaving”) more co-op positions for students that prefer going the job route; “a key challenge in coming years will be to ensure that the supply of work opportunities meets growing demand”<sup>6</sup>. It can be argued as well that doing so would also address, to some extent, the unemployment rate in different parts of the country.

## 2. Project Description:

### 2.1. Objectives:

- Promote Entrepreneurial Opportunities: To encourage and support international students who wish to pursue self-employment and entrepreneurial ventures as a valid means of gaining work experience in Canada.
- Amend Existing Policies: To modify current immigration and work permit policies to accommodate self-employment under the student work permit and Post Graduate Work Permit structures.
- Foster Economic Contribution: To enable international students to contribute to Canada's economy through innovation and business creation, aligning with national needs.
- Simplify the Path to Residency: To streamline the process for international students by introducing practical and attainable solutions without making substantial changes to the existing immigration framework.

2.2. Description: This proposal, aimed at international students in Canada, proposes five alternative approaches to amend the status quo, and allow for self-employment to qualify a student for Permanent Residency:

1. Amend the permissions afforded by the student work permit to include self-employment
2. Enable self-employment as a viable alternative to gaining qualified work experience under the current structure of the Post Graduate Work Permit; or,
3. Enable self-employment as a viable alternative to gaining qualified work experience under the Post Graduate Work Permit after a year of work experience has been gained under an existing Canadian employer; or,
4. Adopt the United States Model: under the F-1 visa, students can “create a business plan and launch their own business. However, there are challenges when running the company and engaging in daily operations”<sup>7</sup>.
5. Adopt a merit-based model: The Government of Canada would release an annual list of priority topics addressing pressing national issues (e.g., agriculture, technology, skilled trades, etc.). A certain number of international students who develop and present the most viable solutions to these challenges would become eligible for Permanent Residency.

While each approach comes with its own set of pros and cons, notably, the third approach follows the path of least resistance, as it requires no significant changes to the status quo while allowing for a transition into self-employment after gaining initial experience with a Canadian employer.

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<sup>6</sup> <https://universityaffairs.ca/news/news-article/co-op-programs-are-popular-and-growing-at-canadian-universities/>

<sup>7</sup> <https://shorelineimmigration.com/student-visas/f1-visa-start-a-business-in-the-united-states/>

That said, in order to afford legitimacy to either approach, we propose establishing an eligibility criteria that addresses factors such as meeting provincial legal working age laws, language, education, and economic impact to establish the legitimacy of the business. Furthermore, educational institutions and business organizations can and/or should provide advisory services and business incubators to assist student startups (already existing in the Canadian post-secondary ecosystem). Lastly, to secure passage for this policy, it is essential to ensure that international student-led businesses provide tangible benefits to locals. To do so, regular checks and evaluations should be implemented by a regulatory body such as the IRCC.

### 3. Expected Results:

**Y-o-Y Revenue Generation<sup>1</sup> vs Business Tax Contribution @ 9%<sup>2</sup> rate (for one business):**

Y1: \$0 = \$0 in taxes

Y2: \$50,000 = \$4,500 in taxes

Y3: \$100,000 = \$9,000 in taxes

**Jobs created:**

In 2022, 1.22 million businesses employed 10.7 million people<sup>3</sup>

Therefore, 1 business will create ~8.7 or 9 new jobs

(Figure 1: Numbers taken from various StartUp Canada Yearly Census Reports<sup>8</sup>, Average Tax Rate for Startups)

The implementation of self-employment as a pathway to permanent residency for international students in Canada is anticipated to yield several significant results. By fostering a supportive ecosystem through strategic partnerships and targeted initiatives, we expect to achieve the following outcomes:

1. **Enhanced Entrepreneurial Success:** International students will gain access to essential resources, mentorship, and industry-specific knowledge, leading to a higher rate of successful business startups. The integration of entrepreneurial education and practical support will equip students with the skills and confidence needed to launch and sustain their own ventures.
2. **Economic Growth and Innovation:** The influx of new businesses led by international students will contribute to Canada's economic growth and foster innovation. These startups will introduce diverse perspectives and solutions, enhancing the country's competitive edge in the global market.
4. **Strengthened Multi-Sectoral Collaboration:** The initiative will enhance cooperation among educational institutions, industry leaders, government agencies, and non-profit organizations.

<sup>8</sup> <https://www.startupcan.ca/wp-content/uploads/2023/03/Startup-Canada-Census-Report-2022.pdf>

This collaborative approach will create a more cohesive support system for international entrepreneurs and streamline the transition from student status to successful business ownership.

5. **Positive Social Impact:** By supporting international students in their entrepreneurial pursuits, the program will promote diversity, inclusion, and the integration of global talent into the Canadian workforce. This will enrich Canada's social fabric and contribute to a more dynamic and inclusive society.

Overall, the expected results of this proposal highlight the potential for significant economic, social, and personal benefits, aligning with Canada's goals of fostering innovation and attracting global talent.

### **3.2. Case Studies:**

To further advocate for the legitimacy of business founded by international students, this proposal brings forth case studies of globally recognized companies that have transformed the market as a lead competitor in their industry.

#### **3.2.1. International Students that stayed and launched their businesses in Canada:**

**ApplyBoard:** A Canadian company founded in 2015, by 3 brothers Martin Basiri, Massi Basiri and Meti Basiri, who were all international students. Through many hardships and struggles, they created an online platform that simplifies the application process for international students. Today, they work with 6,500+ recruitment partners, 1,500+ primary, secondary, and postsecondary educational institutions from all over the world. Over the years, they have assisted more than a million students through their educational journey. Most importantly, they have more than 1,200 team members across the world. Today, their headquarters are in Kitchener, Ontario.

**Wattpad:** Wattpad is an online storytelling community founded by Allen Lau and Ivan Yuen. As international students in Canada, they saw the potential of combining technology with stories to create a universal platform. Today, Wattpad has over 90 millions of users who write and publish their stories. In December 2011, Wattpad was selected as the hottest Digital Media company in the country at the Canadian Innovation Exchange.<sup>[20]</sup> In the same year, co-founder and CEO Ivan Yuen was also recognized as a top Canadian entrepreneur at the Impact Infused Awards.

**Ethereum:** Vitalik Buterin, originally from Russia, moved to Canada and studied at the University of Waterloo. While still a student, he co-founded Ethereum, one of the largest blockchain platforms in the world, which has revolutionized decentralized applications and finance globally.

**SurfKitchen:** Yung Wu, born in Hong Kong and educated at the University of Toronto, is a successful entrepreneur who co-founded SurfKitchen, a mobile software company with a global footprint, and has led other high-impact tech ventures. He is also the current CEO of MaRS Discovery District, one of the world's largest urban innovation hubs based in Toronto.

**Chimera:** Ria Lu, originally from the Philippines, studied at the University of British Columbia and started Chimera, a digital game development company. While based in Vancouver, her company serves clients globally and has received widespread recognition in the gaming industry.

### 3.2.2. International Students that came from another country and launched their businesses in their University's Country:

**Tesla:** Elon Musk moved from South Africa to the U.S. to study at the University of Pennsylvania. During his time as a student, he founded Zip2, which was later sold for millions. He later co-founded PayPal, SpaceX, Tesla, and other ventures, becoming a globally renowned entrepreneur.

**Whatsapp:** Jan Koum, originally from Ukraine, immigrated to the U.S. and attended San Jose State University while working at Yahoo! It was in the U.S. that he founded WhatsApp, which became one of the most popular messaging platforms globally before being acquired by Facebook for \$19 billion.

**Klarna:** Originally from Poland, Sebastian Siemiatkowski co-founded Klarna, a global financial technology company, while studying at the Stockholm School of Economics in Sweden. Klarna has become a leading "Buy Now, Pay Later" company, expanding internationally.

**Flipkart:** Binny Bansal and Sachin Bansal, who studied at the Indian Institute of Technology Delhi, later started Flipkart, India's largest e-commerce company, which became a global player in the e-commerce space before being acquired by Walmart.

## 4. Multi-Sectoral Partnerships and Collaborations

In the pursuit of establishing self-employment as a viable pathway to permanent residency for international students in Canada, Lawyer-ed recognizes the paramount importance of fostering multi-sectoral partnerships and collaborations. By leveraging the collective expertise and resources of various sectors, we aim to create a robust support system that facilitates the

entrepreneurial ambitions of international students while contributing to Canada's economic growth.

Our strategy encompasses collaboration with educational institutions, industry leaders, government agencies, and non-profit organizations. By partnering with universities and colleges, we can ensure that students receive targeted guidance and support tailored to their entrepreneurial endeavors. These partnerships will enable us to integrate entrepreneurial education into academic programs, offer workshops and mentorship opportunities, and provide students with access to essential resources such as business incubators and funding opportunities. To this extent, listed below are some players in the ecosystem that can help ensure this proposal's success:

1. DMZ Sandbox Incubator, Toronto Metropolitan University
2. The Next 36, NEXT Canada
3. LanchYU Incubator, York University
4. VentureLabs, Simon Fraser University
5. Velocity, University of Waterloo

Engaging with industry leaders is crucial for providing students with real-world insights and networking opportunities. Through collaborations with established businesses and entrepreneurs, we can offer students practical advice, industry-specific knowledge, and potential partnerships that can help them navigate the challenges of starting and growing their own ventures. This interaction not only enriches the students' learning experience but also enhances their employability and chances of success in the competitive business landscape.

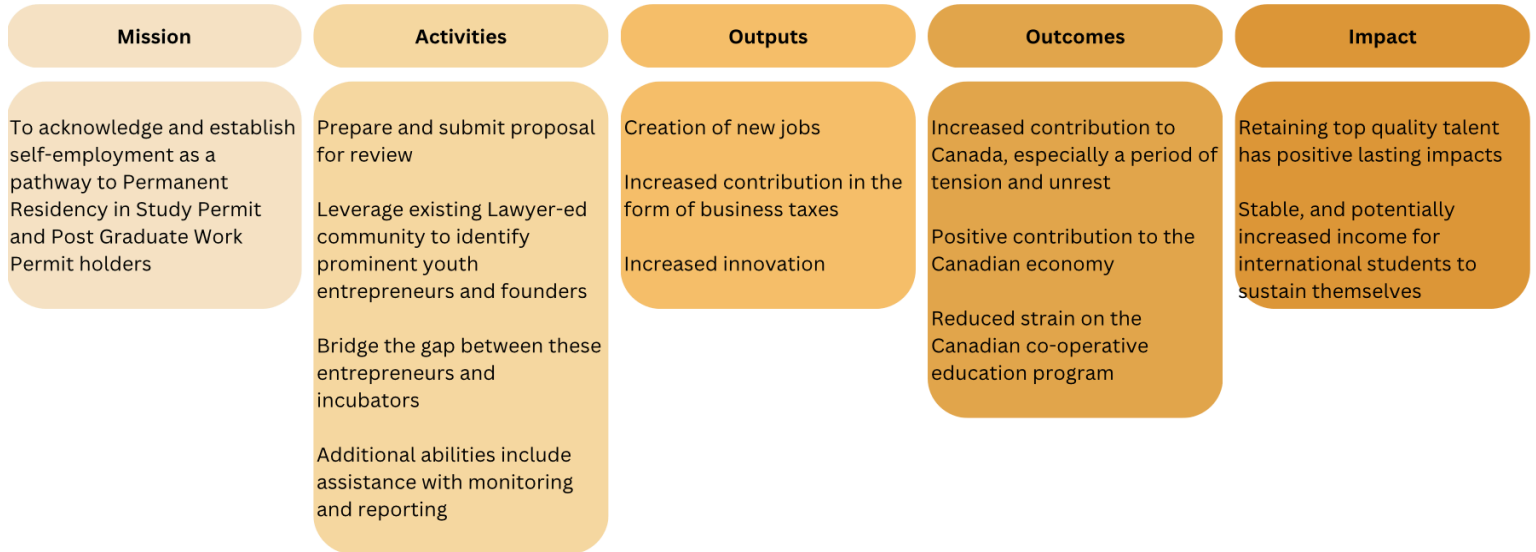
Government agencies play a pivotal role in shaping immigration policies and supporting entrepreneurship. By working closely with federal and provincial governments, we can advocate for policies that facilitate the transition from student status to permanent residency through self-employment. This collaboration will also help us stay abreast of regulatory changes and ensure that our program aligns with current immigration policies and requirements.

Furthermore, partnerships with non-profit organizations focused on immigrant and entrepreneurial support can amplify our efforts by providing additional resources, community connections, and support services. These organizations often have deep-rooted relationships within the immigrant community and can offer valuable insights and assistance to students navigating the complexities of establishing their own businesses.

In summary, multi-sectoral partnerships and collaborations are essential for creating a comprehensive support network that empowers international students to achieve self-employment and secure permanent residency in Canada. Through these strategic alliances, we aim to build a sustainable ecosystem that nurtures entrepreneurial talent and contributes to Canada's vibrant and diverse economy.

## 5. Evaluation Plan

### Self-Employment and International Students: Pathway to PR Logic Model



#### Proposed Metrics/Key Questions to Address:

1. No. of jobs created
2. Monetary contribution in the form of business taxes
3. Overall impact on local community

## 6. About the Organization

Lawyer-ed Inc. is a federally registered Canadian company, launched in May 2021. The company is a comprehensive service provider dedicated to empowering startups and small to medium-sized enterprises (SMEs) with end-to-end business solutions, including, but not limited to, business consulting, recruitment, and marketing strategies. With a deep understanding of industry trends and a collaborative approach, we deliver customized solutions that drive growth and operational excellence.

As for the proposed policy change, Lawyer-ed is deeply invested in this proposal because it aligns with our core mission of empowering businesses and fostering innovation within Canada's entrepreneurial landscape. As a company that specializes in helping startups and SMEs grow, we have witnessed the transformative impact that entrepreneurial talent—especially from international students—can have on the economy. Consequently, this proposal is not just about policy change; it's about nurturing the next generation of business leaders who have the potential to drive economic growth and innovation in Canada. We care because the success of these entrepreneurs directly impacts the broader business ecosystem in which we operate; and by supporting their efforts to gain permanent residency, we are ensuring that Canada continues to attract and retain the best and brightest minds, which, in turn, benefits our clients, our business, and the Canadian economy as a whole.



Finally, as a company with a global presence, we recognize the importance of fostering an inclusive and diverse business environment. We believe that by advocating for this change, we can contribute to making Canada a more attractive destination for international talent, thereby strengthening the country's position as a global leader in innovation and entrepreneurship.

