

# The Next Wave: Challenges and Opportunities for Social Policy in the Coming Decade

## Immigration

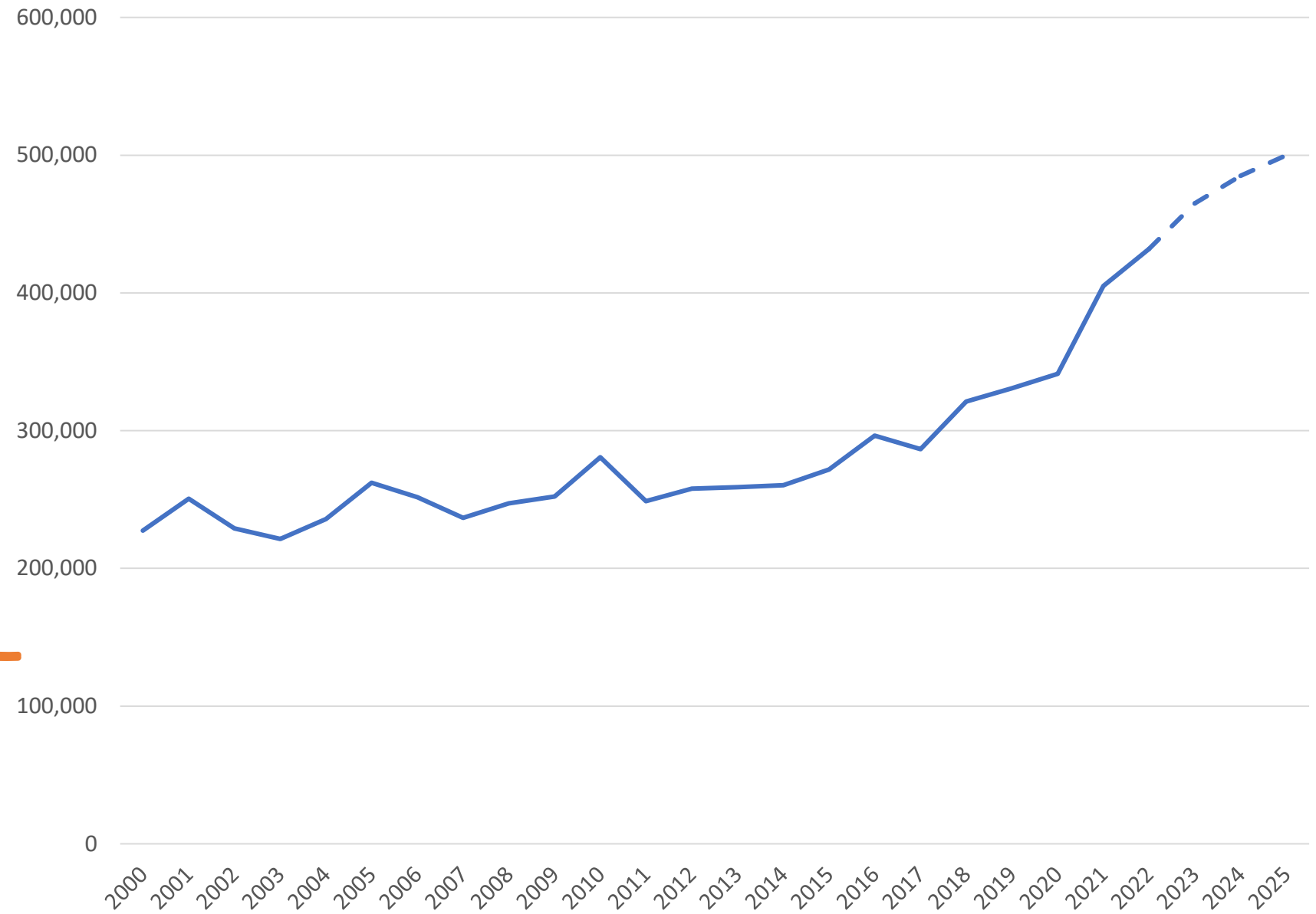
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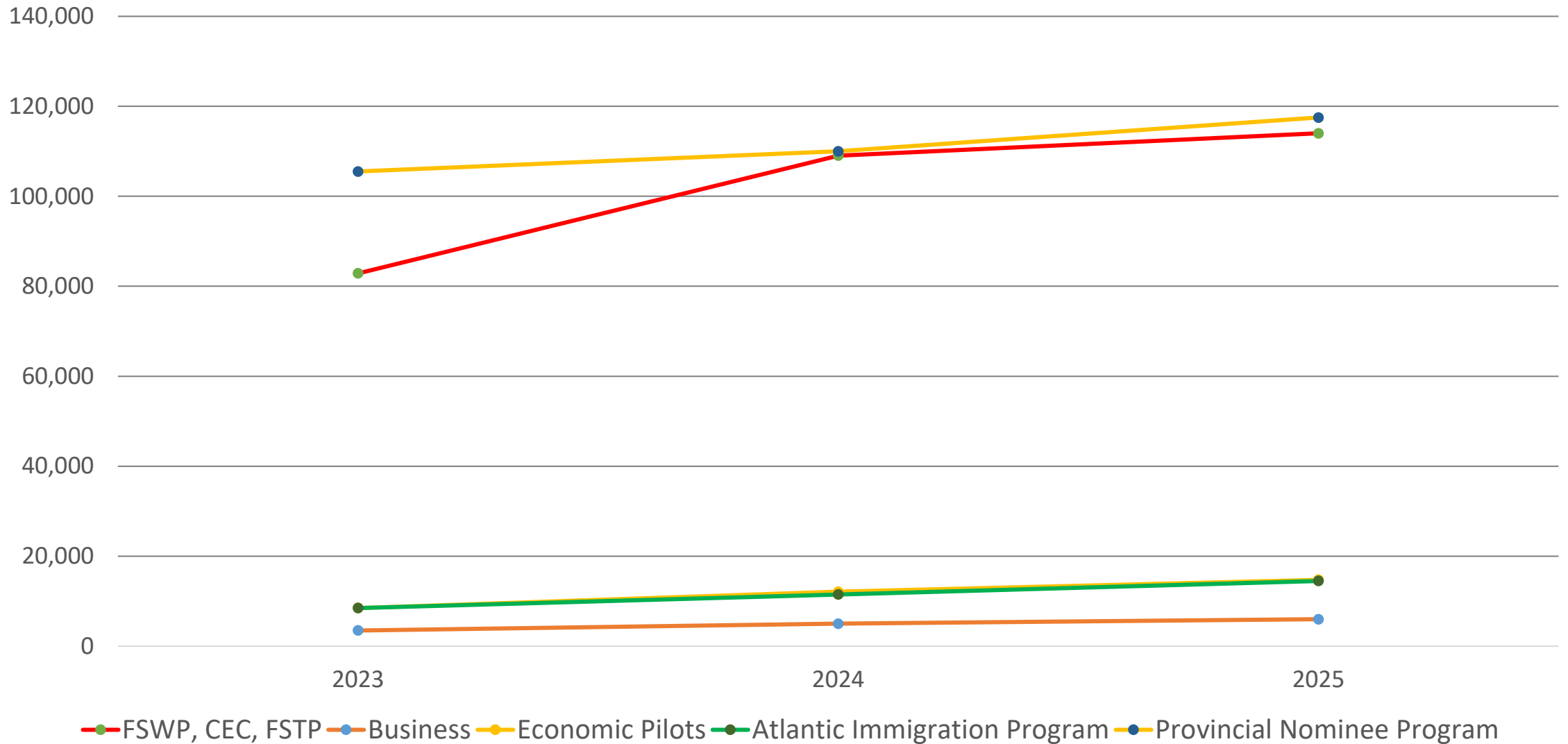
Toronto Metropolitan University

# PERMANENT RESIDENT ADMISSIONS



Source: <https://www.canada.ca/en/immigration-refugees-citizenship/news/notices/supplementary-immigration-levels-2023-2025.html>

# Projected admissions by economic stream, 2023-2025



Source: <https://www.canada.ca/en/immigration-refugees-citizenship/news/notices/supplementary-immigration-levels-2023-2025.html>

# Immigrant labour market disadvantage is still a problem

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- Although move towards 2 step immigration has improved outcomes, significant disparities remain
- Immigrant employment rates have been improving over the past 20 years, but remains below Canadian-born workers
- Immigrant earnings gap grew between 2000 and 2015 but improved slightly between 2015 and 2019 (Crossman, Hou & Picot, 2021)
- The pandemic did not worsen immigrants' relative earnings, but immigrant workers continue to earn less than Canadian-born counterparts (Lamb, Banerjee, & Emanuel, 2022)
- Underemployment is still a major concern for skilled newcomers (Statistics Canada, 2022)

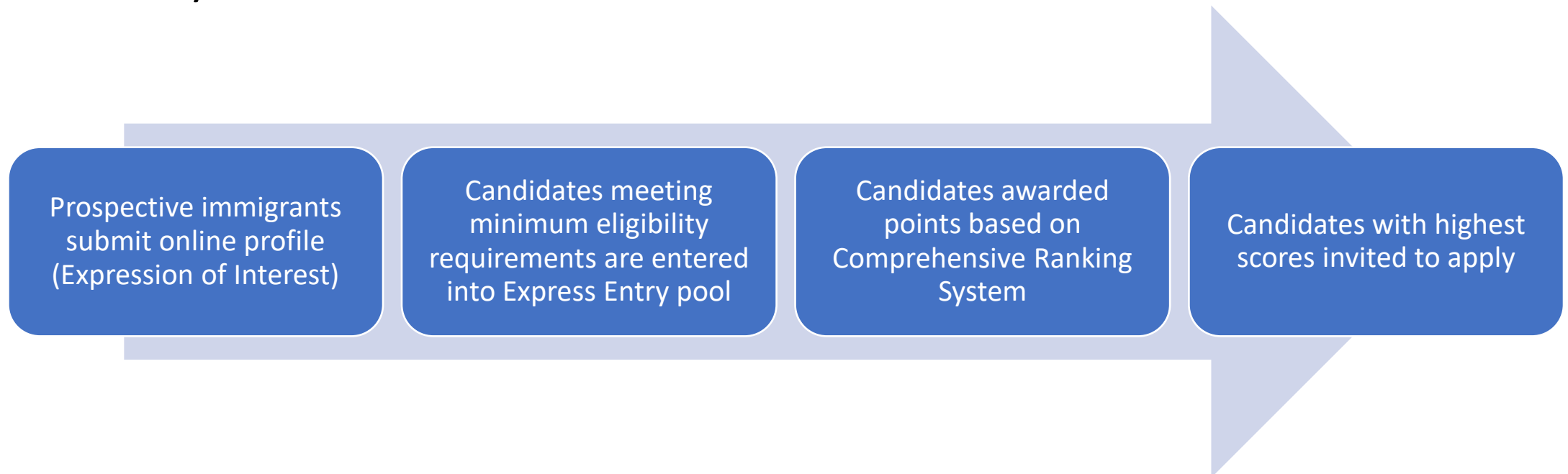
# RIF regressions, pooled sample 2016 Census

	10th	25th	50th	75th	90th
<b>Males</b>					
<b>[Canadian-born]</b>					
<b>Skilled Worker</b>	-0.2**	-0.26**	-0.32**	-0.32**	-0.38**
<b>Canadian Experience Class</b>	0.1**	0.02	-0.04**	-0.1**	-0.11**
<b>Provincial Nominee Program</b>	-0.13**	-0.24**	-0.32**	-0.26**	-0.18**
<b>Females</b>					
	Coef.	Coef.	Coef.	Coef.	Coef.
<b>[Canadian-born]</b>					
<b>Skilled Worker</b>	-0.18**	-0.27**	-0.34**	-0.39**	-0.27**
<b>Canadian Experience Class</b>	0.06**	-0.03*	-0.17**	-0.22**	-0.13**
<b>Provincial Nominee Program</b>	-0.1**	-0.31**	-0.4**	-0.35**	-0.17**

Note: Controlling for age, age-squared, marital status, presence of children, visible minority status, mother tongue, educational attainment, industry, region of residence, school attendance.  
Source: Lamb, & Banerjee, 2022

# Express Entry

- Hybrid model of immigrant selection
  - includes both merit and demand-driven elements
  - employers and post-secondary institutions increasingly act as gatekeepers in this system



# How does Express Entry Address Factors Contributing to Immigrant Disadvantage?

- Emphasis on high skill pre-landing Canadian work experience
- Extra points for Canadian post-secondary education
- Mandatory education credential assessment (ECA) for foreign education
- Mandatory language testing
- Preference for young applicants

# Assessing the Impact of Express Entry: What We Know So Far...

- Emphasis on pre-landing experience (2 step migration) → improves employment & earnings (Crossman, Hou & Picot, 2021)
- Mandatory ECA requirement → improves employment & earnings (only for immigrants without pre-landing Canadian experience) (Banerjee, Hou, Reitz, & Zhang, 2021)



# Unintended Consequences of Express Entry

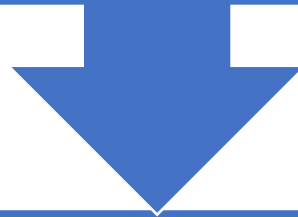
- Certain skillsets – such as those in IT and finance sectors – structurally favoured over others that may be in greater need
- Workers in many essential (often regulated) sectors under-represented in Express Entry:
  - caregiving
  - healthcare
  - skilled trades
- Increasing occupational homogeneity of newcomers

# The Limitations of Express Entry

- The need for "lower-skilled" workers and skilled trades
  - Between 2001 and 2016, only 1/2 of growth in university-educated workers was matched to jobs requiring university degree
    - new immigrants suffered most from this imbalance (Hou, Lu and Schimmele 2020)
- Less than 2% of ITAs issued in 2019 were under Federal Skilled Trades Program (FSTP)
- Soft skills and "fit" continue to be employment barriers for newcomers

# Temporary solutions to long-term problems

Patchwork of pilot programs and temporary initiatives currently in place to address post-pandemic labour shortages



Constantly evolving rules, regulations and pilots diminishes efficiency and effectiveness of the system

# Express Entry 2.0

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- Proposed amendments authorize IRCC to invite applicants based on factors such as work experience, educational background or language skills
- The process for determining selection of groups is still being developed in consultation with:
  - employers
  - Employment and Social Development Canada
  - provincial and territorial governments
  - other relevant entities
- Will this address the current challenges?
- Caveats

# Further Recommendations

1

Create transparent pathways to permanent residence within Express Entry for temporary residents (high skill and lower skill)

2

Work with all stakeholders and gatekeepers (e.g. PSE, employers) to improve conditions for temporary residents: labour protections, settlement services, work-integrated learning opportunities

3

Work with regulatory bodies to ease burden of occupational licensing on skilled newcomers

# References

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