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

Immigration
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PERMANENT RESIDENT ADMISSIONS

Projected admissions by economic stream, 2023-2025

Immigrant labour market disadvantage is still a problem

- 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
- 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

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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

Prospective immigrants submit online profile (Expression of Interest)
Candidates meeting minimum eligibility requirements are entered into Express Entry pool
Candidates awarded points based on Comprehensive Ranking System
Candidates with highest scores invited to apply
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

• 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


• Statistics Canada (2022) *Research to Insights: Immigration as a Source of Labour Supply, Catalogue no. 11-631-X.*