

**Canadian Employee Relocation Council**

**Response to the  
Ministry of Citizenship and Immigration  
Consultations on Canada's  
Immigration Levels and Mix**

**August, 2012**

## CANADIAN EMPLOYEE RELOCATION COUNCIL

### Response to the Ministry of Citizenship and Immigration: Consultations on Canada's Immigration Levels and Mix

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#### **Consultation on Immigration Levels and Mix – August 2012**

The Canadian Employee Relocation Council (CERC) welcomes this opportunity to provide written comments in response to Citizenship and Immigration Canada's (CIC) invitation regarding the number and the mix of immigrants to be admitted into Canada. This submission is in addition to our comments and suggestions during the Roundtable on Immigration conducted by CIC in August 2012.

#### **Introduction**

This response builds on the paper that CERC submitted to CIC in August 2011. Many of the challenges facing Canada's labour force remain largely unchanged since that submission. However, the scenario we outlined in regard to Canada's aging population in that paper is edging even closer, with 2016 seen as a pivotal year, when the population aged 15-55 begins a 5 year decline.<sup>i</sup>

The Canadian economy is facing a serious shortage of skilled labour. This skills shortage cannot be met from our domestic population in the immediate future. At the same time there are persistent pockets of high unemployment within Canada, ranging from a high of 12.8 per cent in Newfoundland Labrador, to a low of 4.6 per cent in Alberta<sup>ii</sup>. While outside the scope of this consultation, there are policy levers available to government that can be implemented to provide greater supports and incentives to employees and families to move from areas of high unemployment to those with an abundance of employment opportunities.

Since the height of the recession in 2009, employers created 736,000 jobs between July 2009 and July 2012. Looking ahead, Canada's labour force is expected to grow from 18.5 million in 2010 to between 20.5 million and 22.5 million by 2031. Over that same period of time labour force participation rates are expected to decline from 67 per cent to around 60 per cent, the lowest participation rate in almost 40 years.<sup>iii</sup> This will have a dramatic impact on Canada's ability to fund social security and government pension programs. In 1981 for every person retired there were six people in the labour force, by 2031 that ratio is projected to decline to less than three working people for every retiree.

Earlier this year, CERC conducted a survey of its members on immigration matters<sup>iv</sup>. An overwhelming majority, 91 per cent, ranked economic immigration as very important to extremely important to growth in Canada's workforce and the economy.

Immigration is critical to Canada's future labour force growth. Between 1991 and 2001 immigration accounted for 70 per cent of the growth in Canada's labour force. Over the next two decades it is expected that any growth in the labour force will come about from immigration.

### **What is the appropriate level of immigration for Canada?**

As noted in our previous submissions, Canada has no choice but to increase levels of immigration. This position is supported by several studies from leading research institutions including the Urban Futures Institute in Vancouver, which suggests increasing immigration levels to 328,000 by 2028, and by the Conference Board of Canada which estimates 375,000 new immigrants are needed annually to stabilize Canada's population.

In the consultation document published by CIC, it is quite rightly noted that the capacity of systems to process applications and provide settlement services must be a consideration in any decision to increase levels of immigration. Canada's target for immigration has traditionally been just under one per cent of the population (0.7% – 0.8 %) over the past decade. Clearly it would be impossible to increase levels from the current 250,000, in a short space of time to achieve a target of around 350,000 (approximately one per cent of the population). However this can be achieved incrementally over a 12 – 15 year span and would go a long way to easing shortages in the labour force. Growth in the Provincial Nominee Program is indicative of successful settlement and integration of economic class immigrants.

### **The mix of immigration categories**

The focus of any increase in immigration levels must be on the recruitment of economic immigrants; individuals and families that will have a positive impact on Canada's economy today and in the future. The recent efforts of the Minister of Citizenship and Immigration to align the system of selection to economic needs are a positive step in that direction.

Canada needs to elevate brains, talent and special skills in setting immigration policy. Language proficiency is critical to success. Focus should also be directed more towards people with key skills in trades, science, technology, engineering and mathematics, as opposed to widely based educational levels; this involves factors such employment, education, training and research.

We also need to ensure that the current point system's bias towards university education does not preclude those with skilled trades and entrepreneurship abilities from selection. These people are often able to generate jobs, even without a formal education or advanced language skills. There are other measures of skills that can be considered and applied – including conditional acceptance, through a work permit, for instance. We must continue to find ways to avoid a growing skill mismatch problem. The current points system of selection should be reviewed with input from the business community.

We applaud recent announcements to improve the Federal Skilled Worker Program that would allow CIC to select younger skilled workers, proficient in English or French, who would be able to integrate more rapidly and successfully into the Canadian labour market and who would be active members of the

workforce for a longer time. We look forward to commenting on those specific changes through the consultation process.

As we have proposed in the past, a Business Advisory Council on Economic Immigration could play a very constructive role in assisting CIC to align Canada's economic immigration programs with its longer term human capital needs.

At the same time the Federal Government must maintain a primary role in managing this country's immigration program. Working together with the provinces and the business community the highly successful Provincial Nominee Program can be enhanced to meet local labour market needs, and reduce dependency on the Temporary Foreign Worker Programs.

In addition to these measures, Canada must redouble efforts to transition many of the working men and women who are in the country on temporary work permits and student visas. The recent announcement to modify the Canada Experience Class and reduce the number of months of Canadian experience from 24 to 12 months is a very positive measure to that end. According to CIC's Facts and Figures report of 2010, there were 250,406 temporary foreign workers present on December 31, 2010. Fewer than 10 per cent of those workers were transitioned to economic immigrants.<sup>v</sup> Clearly there are many opportunities to transition even more of these individuals that already have the requisite language skills, experience and established community ties, to permanent residency.

Foreign students account for a large number of temporary residents. At the end of 2010 there were 181,000 students still present in Canada. Yet only 3,000 were transitioned to economic immigrants, the lowest level since 2006. As recommended in the report of the Department of Foreign Affairs and International Trade<sup>vi</sup>, transition of graduates from eligible institutions and post-secondary programs can be better promoted. In addition, steps should be taken to improve education visa processing.

## **Conclusion**

The Canadian Employee Relocation Council appreciates this opportunity to comment on the immigration levels and mix the Minister is trying to achieve. This is an important issue that will significantly impact the country's future economic prosperity. While immigration alone will not solve the expected talent shortages our country will face in the next decade, it will be an important part of a complex solution. Planning must begin in earnest to ensure we have an immigration system that attracts the brightest and best talent to our shores for many years to come. We have provided a range of constructive solutions which we hope will advance the dialogue about improving Canada's immigration program.

1. A Business Advisory Group on Economic Immigration should be enlisted to offer advice and input to the Minister and CIC staff in a formal and structured manner.
2. Increases in immigration levels must be targeted to economic class immigrants.
3. The Canadian Experience Class should be more widely promoted among temporary workers and foreign students.

4. The Federal Skilled Worker Program must be improved, including a review of the current points system used to determine admittance.
5. The Federal government must maintain a primary role in managing immigration at a national level.
6. Continue with efforts to improve levels of service and consistency in administrative practices.

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<sup>i</sup> Peter Hall Chief Economist Export Development Canada

<sup>ii</sup> Statistics Canada Labour Force Survey July 2012

<sup>iii</sup> Statistics Canada Project trends for the Canadian labour force, August 2011

<sup>iv</sup> CERC Immigration Survey Report February 2012

<sup>v</sup> Citizenship and Immigration Facts and Figures 2010

<sup>vi</sup> International Education: A key Driver of Canada's Future Prosperity August 2012