

permanent resident status – has come under scrutiny for how it fits into wider aspects of Canada’s overall immigration program.¹⁷⁴ Unfortunately, international students represent a group that may be poorly captured in official statistics on the workforce, and hence effective evaluation of their impact is challenging.¹⁷⁵

Estimates of visa overstayers in Canada range between a few hundred thousand to a million or more and are based on little more than guesswork. In the United States, undocumented immigration is a major public policy issue. Information on the numbers and their locations matters when public funds are allocated based on population. Hence, careful research to provide reliable estimates is carried out. A similar level of detail will presumably be generated in Canada if the issue becomes sufficiently controversial.

A Problematic Scenario: Restructure Then Quickly Expand

Changes over the past two decades have given a dramatically new look to Canadian immigration policy in its most central feature, the economic stream. New programs have shifted selection priorities for permanent settlement to addressing short-term labour market needs in specific occupational categories, and to preferring candidates with previous Canadian work experience and those who meet requirements set by provincial governments. The Express Entry applicant management system has provided the government with additional flexibility in implementing new selection criteria quickly. And since 2015, the already high numbers of both permanent and temporary immigrants have been increased substantially, basically doubling these numbers.

174 Sandra Schinnerl and Antje Ellermann, “The Education-Immigration Nexus: Situating Canadian Higher Education as Institutions of Immigrant Recruitment,” *Journal of International Migration and Integration* 24, Supplement 3 (2003): 599–620, <https://doi.org/10.1007/s12134-023-01043-7>.

175 Skuterud, “Canada’s Missing Workers.”

There has been no comprehensive and systemic analysis on how these shifts have changed the characteristics of immigrants selected or addressed the problems of immigrant employment and skill underutilization, or more recently the concerns about “labour shortages,” which they were intended to address. As far as we can tell based on available information, success in addressing these broader problems is far from assured. Nor have the changes helped struggling immigrants already in Canada.

The *Immigration and Refugee Protection Act 2001* requires the government to report annually to Parliament on the number of permanent residents and foreign nationals admitted each year.¹⁷⁶ It is also required to present prospective levels of permanent residents for the following year.¹⁷⁷ These are contained in the minister’s annual report to Parliament. But there is no requirement for prior consultation on the levels, as was past practice.¹⁷⁸

As a result, the rationale for new admissions criteria does not reflect extensive public discussion and debate. Hundreds of thousands of immigrants arrive annually as economic immigrants and temporary foreign workers. Their number and composition should be based on assessments of economic need, performance, and impact over subsequent years. Such analysis would also help to understand the “absorptive capacity” of the country, which is one of the least analysed aspects of immigration policy. The immigration system itself is dauntingly complex, and major components are poorly described or, in the case of Provincial Nomination Programs, not described at all.

Of additional concern, there is no annual reporting on the planned number of temporary workers under the Temporary Foreign Worker Program and the International Mobility Program. Given the dramatic rise in the number of temporary workers to Canada since the Liberals came to power in 2015, there is a clear need for a requirement to do so, in order to ensure greater public transparency. This need is especially pronounced post COVID-19,

176 *Immigration and Refugee Protection Act*, S.C. 2001, s. 94.

177 *Immigration and Refugee Protection Act*, S.C. 2001.

178 Provided for in the *Immigration Act*, 1976, S.C. 25-26 Elizabeth II, c. 52.

when the issue of rapidly rising housing costs and housing shortages, especially in Toronto and Vancouver, has become a serious concern for Canadians.

A key feature of the new approach is a focus on short-term rather than on long-term needs. A job offer may ensure early employment. However, when conditions change, and the job disappears, will immigrants have the same resilience as those selected more on general human capital factors that aim to reflect future potential?

The *Immigration and Refugee Protection Act 2001* adopted selection criteria embedded in regulations, which had rejected selection on specific occupational demand criteria in favour of criteria reflecting a more general capacity to adapt to a changing economic environment, such as higher levels of education. Changes to these criteria, including the focus on meeting short-term labour market needs, have been made through Ministerial Instructions without consultation with Parliament.

Research to date has thrown up more questions than answers. Existing assessments of programs under the economic stream and temporary foreign work stream are tentative and incomplete. Evaluation studies have been conducted “in-house,” and criteria of evaluation have often avoided key issues. We do not have complete answers to basic questions about the characteristics and employment outcomes for new immigrants. Evaluation by experts independent of government is rarely conducted, and sorely needed.

The policy changes in the past twenty years appear not to have not resulted in a reduction in the human capital characteristics of immigrants, judging from census data available for 2021. Education levels of arrivals have kept pace with those of the Canadian-born population. However, the emphasis on occupations that are in demand has made little or no evident difference in their labour market success relative to Canadian-born workers beyond the likelihood that previous work experience in Canada gives immigrants something of a head start. Effective longitudinal studies, especially measuring the merits of occupation-specific selection under Express Entry, will hopefully shed light in this area in the future.

Evidence also suggests that slightly higher employment rates and earnings among those in the Canada Experience Class – which apply mainly for a relatively small elite group – have been offset, to a degree, by the more negative trends for Provincial Nominees. Greater investment in studies with comparisons to Canadian-born workers is necessary to assess earnings trajectories over time, and whether the earnings gaps between immigrants and Canadian-born workers are likely to close.

The impacts of economic-stream selection policies may become evident only over significant periods of time, up to ten to twelve years or more, so policy development requires a longer-term view, and an incremental approach. Some selection criteria matter more for early employment success, such as initial knowledge of English or French, while the predictive power of levels of education is greater after longer periods of time.¹⁷⁹ Hence the significance of many changes in selection criteria can be known with confidence only after a decade or more. Under such circumstances, incremental rather than radical change in selection policies seems most advisable, and such incrementalism matters even more if numbers are to be increased.

Meanwhile, addressing labour market disadvantages of immigrants already in the country has seemed to fade as a public policy issue. Since 2013, education qualifications must meet the test of Canadian equivalence to be used in selection decisions, but employment disadvantages and disparities among racialized immigrant groups remain.¹⁸⁰ One of the objectives of the *Immigration and Refugee Protection Act 2001* was to work with provinces to improve recognition of foreign qualifications,¹⁸¹ yet this issue is absent from the immigration department's annual reports to Parliament.

Employment and Social Development Canada has a Foreign Credential Recognition Program that works to develop common

179 Picot et al., *Which Immigration Selection Factors*; Bonikowska et al., *Which Human Capital Characteristics*.

180 Banerjee et al., "Evaluating Foreign Skills."

181 *Immigration and Refugee Protection Act*, S.C. 2001, s. 3(1)j.

standards and harmonizing processes among provinces and territories, but an evaluation published in 2020 states that the impact on immigrant employment is “unclear” because of a “lack of data.”¹⁸²

Increased reliance on temporary immigration is perhaps the most difficult to assess. The Temporary Foreign Worker Program has met with significant public criticism, and the government’s commissioned research shows that increased reliance on temporary foreign workers undermines the position of low-wage Canadian workers, and that policy reforms introduced in the wake of public controversy have made little difference. Meanwhile, we have witnessed a rapid shift towards use of the International Mobility Program, under which work permits are exempt from requirements related to labour market impact.

Explanations for the objectives of the International Mobility Program are vague and incomplete. The many categories for which visas are provided are grouped under labels such as “Canadian interests” and “competitiveness and public policy” that are so broad as to convey little meaning. Some workers in this program come to Canada under international trade agreements, but there has been no attempt to explain why so many others are exempt from the Labour Market Impact Assessment, or why this stream of temporary workers has been expanding so quickly.

In addition, the very large increase in the numbers of international students adds to the uncertainty about the impact of foreign workers on the Canadian labour market and other institutions. Based on employment practices of Canadian students generally, that roughly half of them work, the numbers of international students could boost temporary foreign workers in the country in 2023 from 1.3 million to 1.8 million.

Accessing the data necessary for systematic reviews has become more difficult. It is not only the lack of transparency in the

182 Employment and Social Development Canada, *Evaluation of the Foreign Credential Recognition Program: Report* (Ottawa: Employment and Social Development Canada, 2020), <https://www.canada.ca/content/dam/canada/employment-social-development/corporate/reports/evaluations/foreign-credential-recognition-program/evaluation-foreign-credential-recognition-program-EN.pdf>.

temporary foreign worker program just described. Many official announcements are uninformative about the direction and impact of economic immigration. Canada's official data portal, Open Government, is difficult to navigate, particularly for the broader public seeking specific information.¹⁸³ Useful annual statistical summaries such as the "Facts and Figures" series were discontinued in 2016, and today much of the data on immigrant selection are posted in the form of computer spreadsheet Excel files, with no systematic listing of what files are available, and no clear definitions of data categories.

Reduced information means reduced public awareness and input into decision-making. Researchers must sift through long lists of files without useful search tools or other forms of guidance in seeking specific information. Some of the files turn out to be broken, and their data useless. Available help includes only discussion forums among users, rather than staff who respond to questions. Online reviews of Open Government reflect the frustration experienced by most users.

Canadian immigration policy has garnered substantial support among Canadians due to the perception that the program is effectively managed in the public interest. Sustaining this support remains crucial for upholding the notion of "Canadian exceptionalism," in which Canada has avoided the level of hostility towards immigrants observed in many other nations. The domestic popularity of Canada's multiculturalism has played a significant role in this regard.

Is Canada ready for the impact of the major expansion of immigration recently experienced? Will we be able to explain this expansion by pointing to evidence of the success of new immigration programs put in place recently? Current public support may be declining somewhat for record immigration levels given the housing shortage crisis among other concerns. It is essential to prevent any perception of the immigration program being out of control or of imposing more costs than benefits.

183 Treasury Board of Canada Secretariat and Treasury Board Secretariat of Canada Open Government, "Open Government," accessed 2 August 2023, <http://open.canada.ca/en>.

This has been known to lead to public backlash against immigrants in other countries. It is important to ensure that this does not happen in Canada. Fostering greater public engagement in policy setting and transparent systematic impact assessments are urgently needed. We recommend that a full public review of the policies governing the economic stream be undertaken with a particular focus on selection criteria including the relevance of human capital, previous Canadian work experience, designated occupational categories and the balance between permanent and temporary economic immigration. The aim should be that the economic stream fulfills the legislative mandate to provide “economic benefits” to the country, such as to improve gross domestic product per capita, while also ensuring “successful integration” as assessed by the employment success of immigrants admitted under this stream.