

# Planning for the Future: Immigration and Labour Market Trends

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# Overview of Presentation

1. Introduction
2. Canadian immigration and labour market context
3. Regional immigration contexts
4. How are immigrants doing? Factors to consider
5. Potential Interventions
6. Federal Government responses
7. Implications
8. Conclusion

# 1. Introduction

- ◆ Immigration trends rapidly shifting
- ◆ Labour markets shifting as well
- ◆ Real regional differences
- ◆ Real differences within immigrant population
- ◆ Need to unpack data to determine most appropriate interventions
- ◆ Significant policy and program implications
- ◆ Significant implications for service providers

## 2. Canadian Immigration Context

- ◆ Immigration as means to an end: one tool in kit
- ◆ Canada needs immigration to meet short and long term economic objectives: demographics, labour supply, skill shortages, innovation
- ◆ More international competition for skilled workers
- ◆ Need to identify factors that enhance, not reduce Canada's and provinces' competitiveness for skilled immigrants
- ◆ Immigration to build nation, community and labour force: selecting citizens, not just workers

# Canada's Labour Market Context

- ◆ Labour market forecasting is an art, not a science
- ◆ Canada does not have a good track record in predicting shortages or surpluses
- ◆ Very difficult to match immigrant intake to fill existing or short term shortages: better to select for long term adaptability
- ◆ Canadian employers invest little in employee training to prepare for the future
- ◆ Most Canadian employers are risk averse
- ◆ Labour market becoming more bifurcated
- ◆ Significant regional differences
- ◆ Aging workforce, low fertility rates will create shortages despite underemployed, unemployed, underrepresented groups
- ◆ Most new jobs will require post-secondary education (O+A+B)
- ◆ Essential skills for most new jobs will include high level communication skills, IT skills, working in teams, critical thinking, intercultural skills (beyond the commonly defined essential skills)

# Rising and Declining Immigration Numbers

- ◆ Number of permanent residents in 2009 gradually increasing since 2007 but still lower than in 2005 despite huge inventory and labour/demographic needs
- ◆ Federal Skilled Workers used to represent 50% of all immigrants to Canada in 2005; in 2009 down to 38%
- ◆ Only 16% of total flow to Canada in 2009 assessed on the basis of the federal points system (skilled worker principal applicants)
- ◆ Dramatic increase in Provincial Nominee programs from less than 500 to over 30,000 over a ten year period (1999-2009)
- ◆ Important implications given different selection criteria

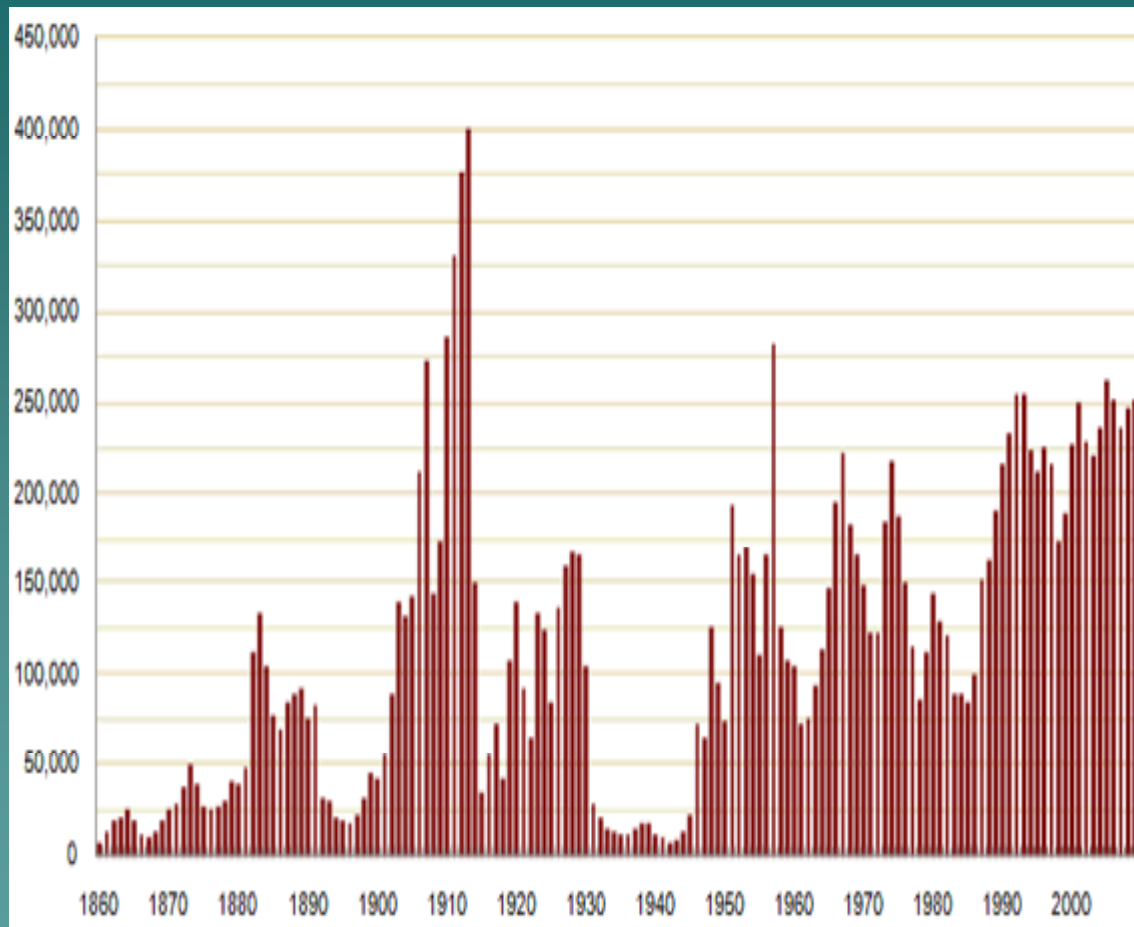
# ...Rising and Declining Numbers

**Federal Projections for Skilled Workers and Provincial Nominees**

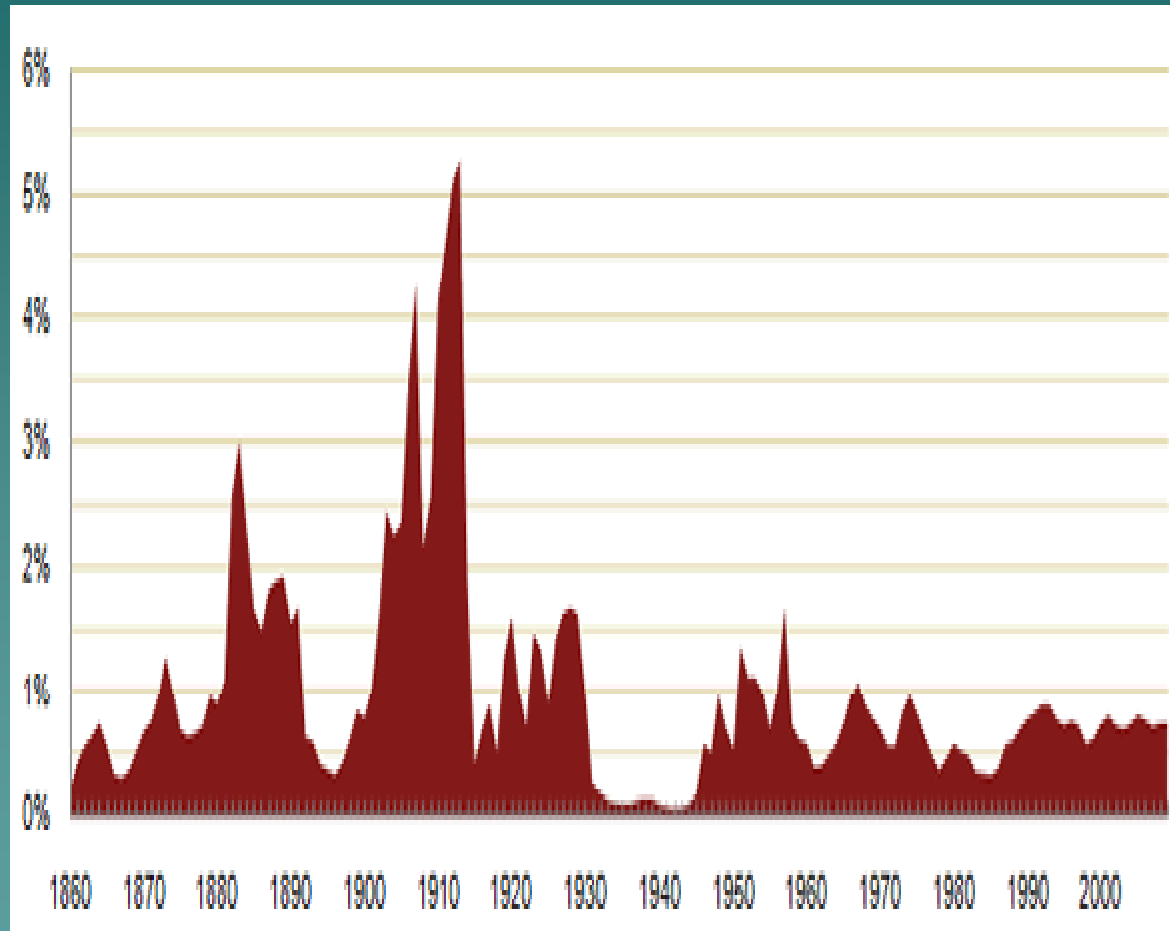


Source: Citizenship and Immigration Canada

# Permanent Residents 1860-2009



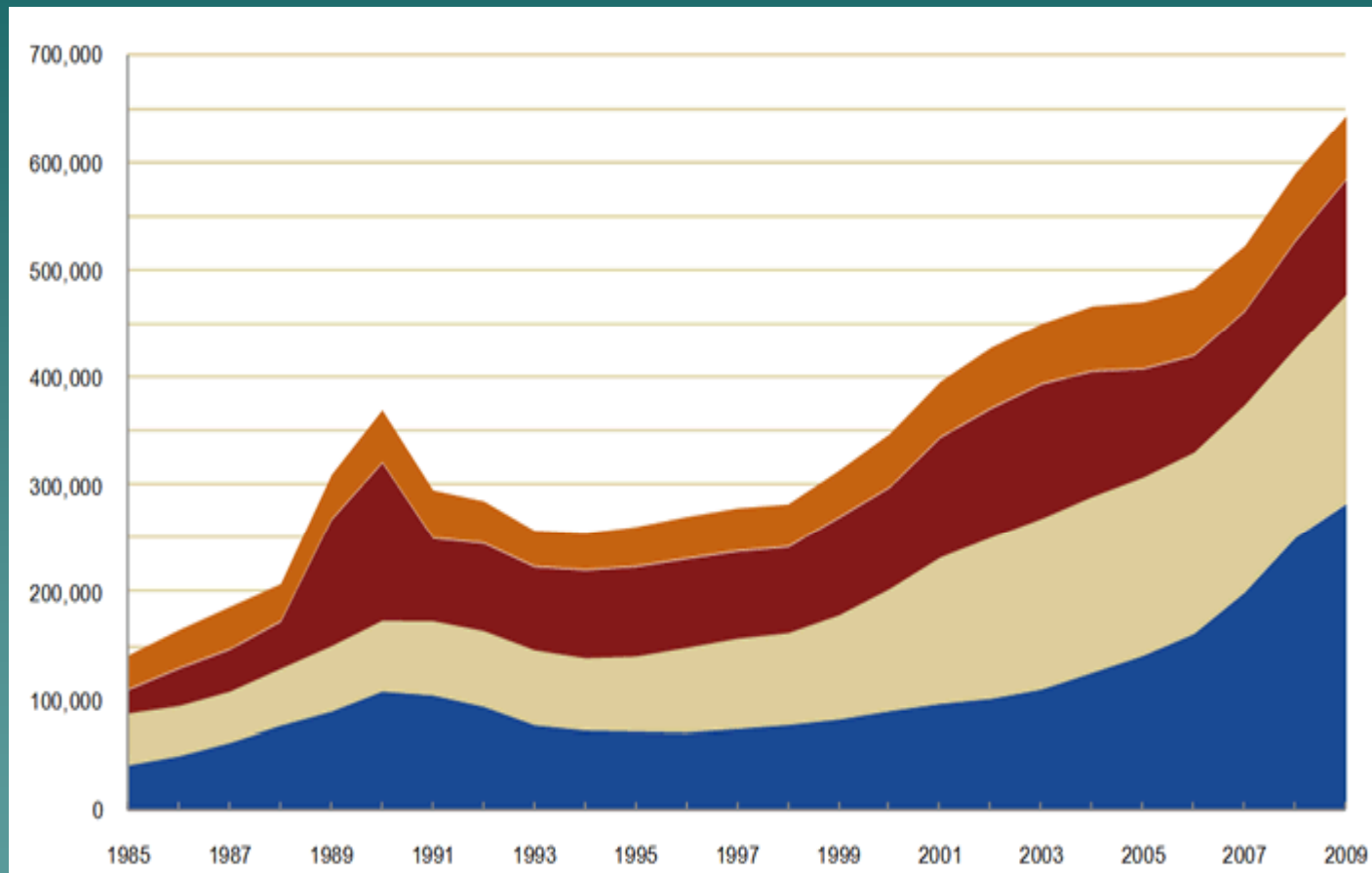
# Permanent Residents as a Percentage of Canada's Population: 1860 to 2009



# Rise in Temporary Entrants

- ◆ Between 2005-2009:
  - 4% decline in permanent residents
  - 38% increase in temporary entrants (students and workers)
- ◆ Since 2007 Canada has admitted more temporary entrants than permanent residents each year
- ◆ BC, Alberta, NFLD, Nova Scotia and the Territories received more temporary foreign workers than permanent residents in 2009
- ◆ Significant increase in low skilled temporary workers (NOC C+D)

# Temporary residents present on December 1st, 1985 to 2009



# 2009 Permanent Residents, Temporary Workers, International Students (entries)

Province	2009 PR		2009 TFW		2009 IS	
Newfoundland	603	(.2)	1,395	(.8) *	530	(.6)*
PEI	1,723	(.7)	521	(.3)	322	(.4)
Nova Scotia	2,424	(1.0)	2,795	(1.6)	2,606	(3.1)*
New Brunswick	1,913	(.8)	1,705	(1.0)	1,422	(1.7)*
Quebec	49,493	(19.6)	27,786	(15.6)	14,134	(16.7)
Ontario	106,867	(42.4)*	61,056	(34.2)	30,503	(35.8)
Manitoba	13,520	(5.4) *	3,649	(2.0)	2,064	(2.4)
Saskatchewan	6,890	(2.7)	3,937	(2.2)	1,461	(1.7)
Alberta	27,017	(10.7)	28,610	(16.0) *	5,532	(6.5)
British Columbia	41,438	(16.4)	44,372	(24.9)	26,541	(31.2)*
Territories	291	(.1)	561	(.3) *	23	(.03)
◆ Total	252,179	(100.0)	178,478	(100.0)	85,140	(100.0)

# 3. Permanent Residents: Atlantic

<u>Prov</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
NL	497	508	546	616	603
PEI	330	565	992	1,443	1,723
NS	1,929	2,586	2,523	2,651	2,424
NB	1,091	1,641	1,643	1,856	1,913

In all Atlantic provinces, number of Permanent Residents increased since 2005; vast majority are in the economic class, and of those, significant numbers in the PNP.

# Temporary Foreign Workers: Atlantic

<u>Prov</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
NL	1,296	971	1,245	1,302	1,395
PEI	177	210	218	446	521
NS	1,495	1,705	1,169	2,129	2,795
NB	935	1,043	1,294	1,713	1,705

Significant increases in TFW's since 2005.

# Foreign Students: Atlantic

<u>Prov</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
NL	414	432	569	655	530
PEI	135	167	215	259	322
NS	2,004	2,028	2,168	2,528	2,606
NB	936	1,045	1,184	1,328	1,422

Steady increases in most Atlantic provinces.

# 4. How Are Immigrants (All Classes) Doing?

- ◆ Recent immigrants as a group more highly educated than previous cohorts and Canadian born but not faring as well economically
  - More unemployed, underemployed, in part time part year employment, in low paying jobs, in low income than Canadian born
- ◆ Potential causes include:
  - Changing characteristics of immigrants (language, culture, education, country)
  - Discounting of qualifications and experience achieved abroad
  - Increased competition with Canadian born and other new entrants
  - Structural changes in the economy
  - Business cycle “scarring”
  - Discrimination

# However Certain Factors Make A Difference...

- ◆ Human capital matters:
  - Principal applicants in skilled worker class assessed on points system earn significantly more than all other classes
  - Knowledge of official language and education most important factors
- ◆ Services matter:
  - Early interventions, language, social networks, Canadian top-ups
  - Internships (75-80% of Career bridge participants find full time employment in chosen careers)
  - Mentoring(80% of mentoring partnership participants find employment within 3 months; 85% in their field)
  - Bridge training (70% of graduates in Ontario working in their field and licensure exam pass rates have gone from 30 to 80%)
- ◆ Social capital matters:
  - Family class members do better in first year after arrival

# Factors to Consider

- ◆ If individual human capital characteristics make a difference, useful to analyze official language knowledge and education level achieved pre-arrival
- ◆ Different immigration classes, and in some cases different source countries, reflect different levels of language knowledge and education levels
- ◆ There are significant regional variations in who's coming to Canada and therefore significant differences in service needs
- ◆ For example, it's likely that principal applicants in the economic class will have more education and official language knowledge than a government assisted refugee from Nepal and will therefore have different needs and expectations for labour market participation

# Permanent Residents by Labour Market Intention 2009

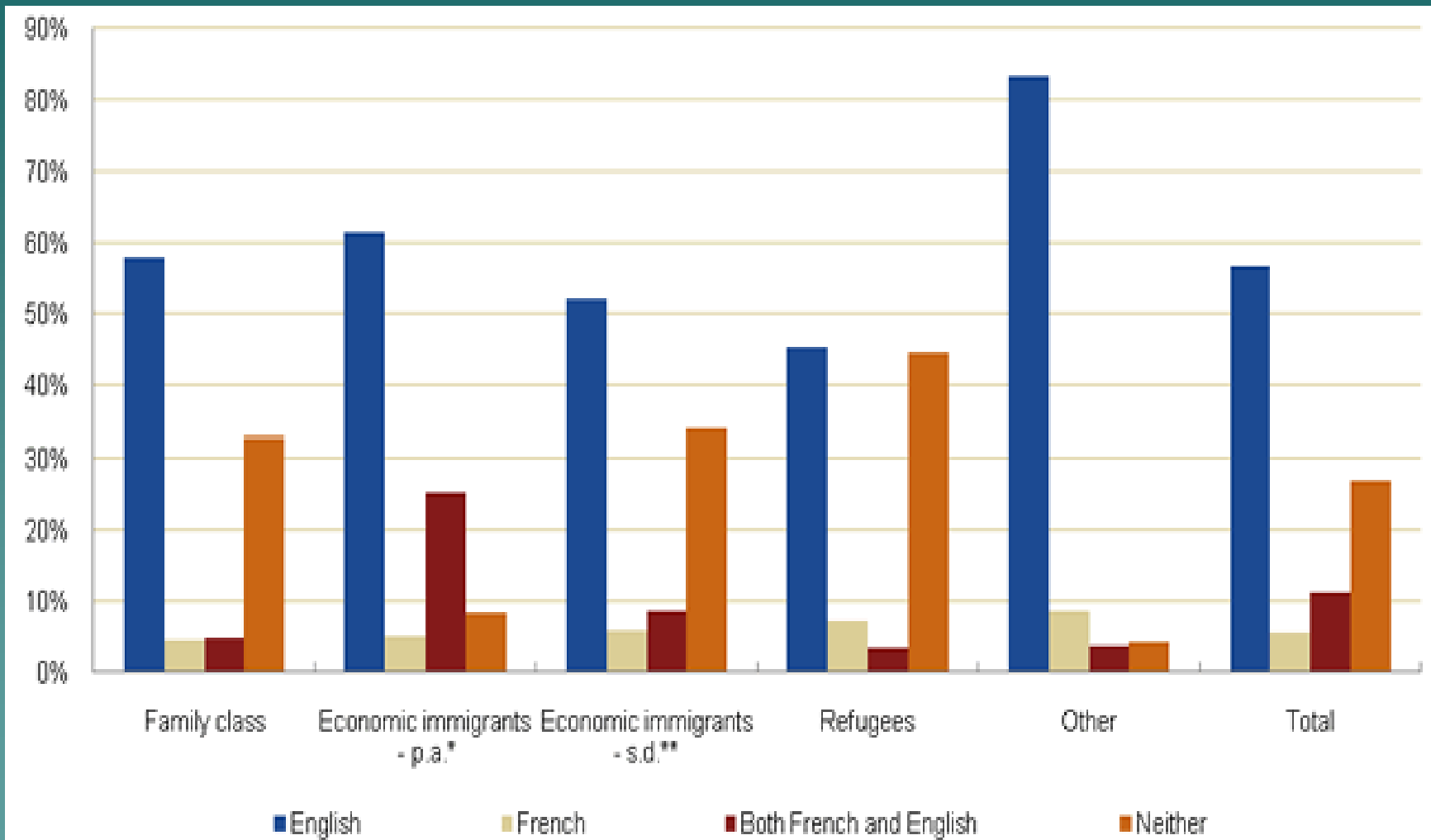
◆ Level 0 (managerial)	11,530
◆ Level A (professional)	27,332
◆ Level B (skilled and technical)	18,678
◆ Level C (intermediate and clerical)	10,502
◆ Level D (labour and elemental)	1,134
◆ New workers	64,302
◆ <u>Entrepreneurs</u>	<u>215</u>
◆ Total intending to work	133,693
◆ Not intending to work	118,413

Labour market intention+ education+language+essential skills+job opportunity+luck= success

# Permanent Residents by Category by Provinces/Territories

P/T	FC	Econ	Refugee	Other
NS	19.8	69.7	6.8	3.7
NB	13.1	78.3	6.9	1.7
Other A	8	81.3	9.6	1.1
Quebec	17.9	69.7	8.2	4.2
Ont	31	51.3	11.8	5.8
Terrs	30.2	61.5	.7	7.6
Canada	25.9	60.9	9.1	4.2

# Permanent Residents by Category and Language Knowledge



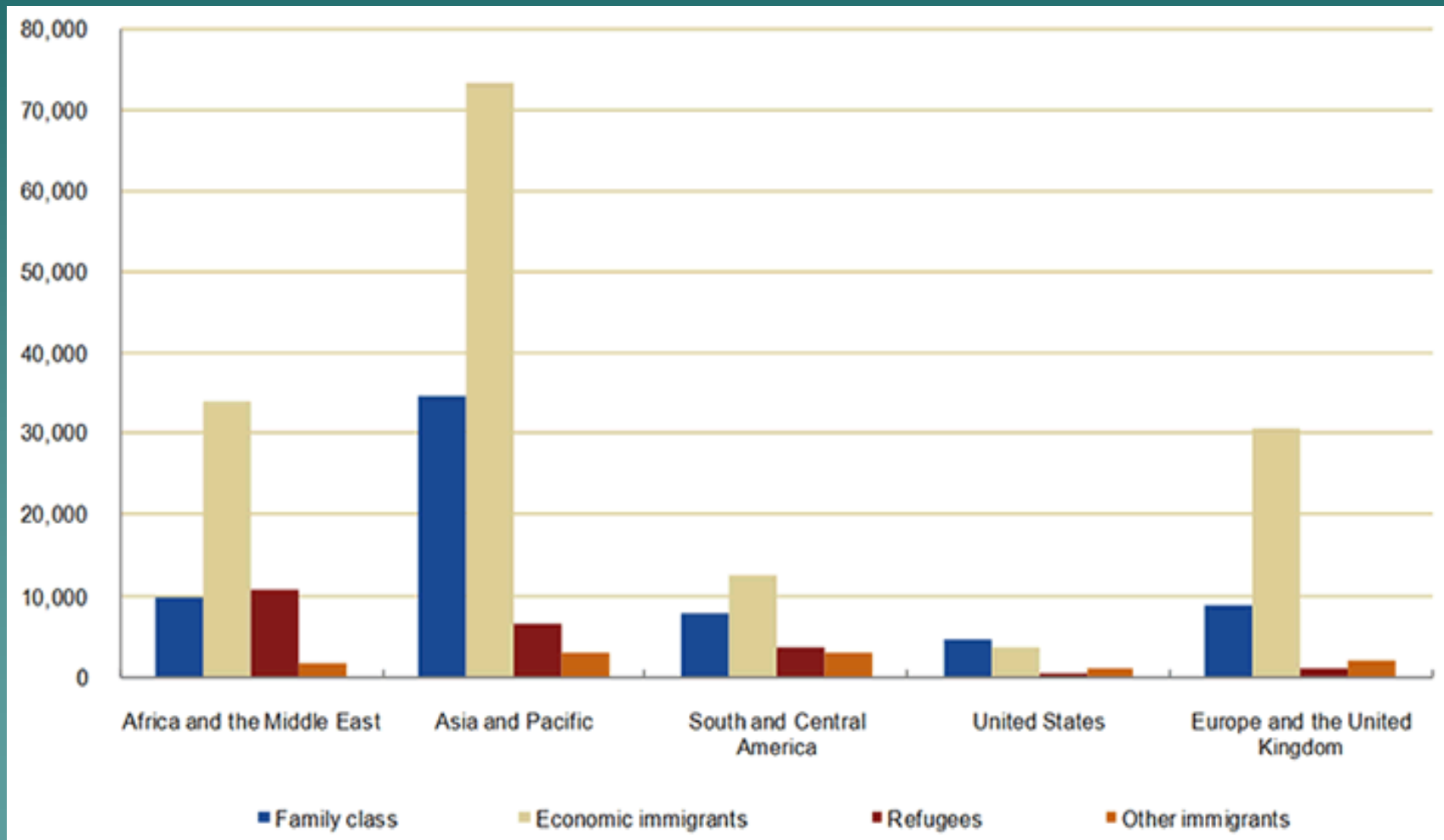
# Permanent Residents by Language Knowledge by Province/Territory

P/T	English	French	Both	Neither
NS	75.1	.9	5.4	18.5
NB	55.7	4.2	10.4	29.7
Other A	40.8	.5	2.5	56.3
Quebec	16.1	23.5	40.6	19.8
Ont	68.8	1.2	4.4	25.6
Terrs	77	1.7	8.6	12.7
Canada	56.7	5.4	11.1	26.8

# Permanent Residents 15+ by Category and Level of Education

Education	FC	Econ PA	Econ D	Refs	All
0-9	18.3	4.4	16.6	38.3	15.0
10-12	21.5	4.3	18.9	27.1	16.2
13+	9.1	2.7	8.5	8.9	7.0
Trade cert	6.5	5.6	5.4	4.2	6.0
Non univ dip	11.4	14.2	11.1	9.8	12.2
Bach deg	25.4	42.2	28.8	10.1	29.8
Masters	6.9	22.0	9.2	1.2	11.6
Phd	1.0	4.5	1.5	.4	2.2

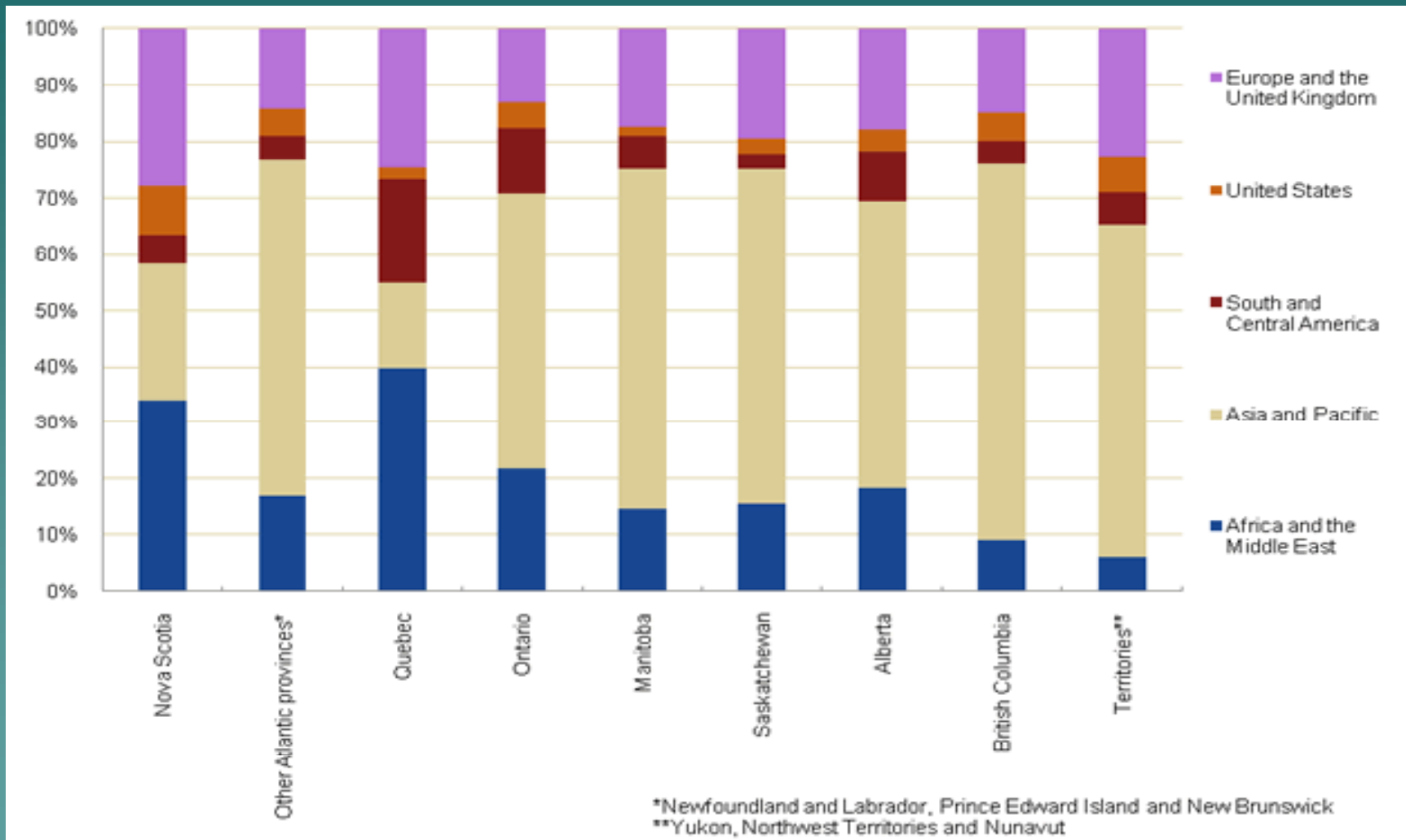
# Permanent Residents 2009 by Category and Source Area



# Permanent Residents by Source Area by Province/Territory

P/T	Af+ME	Asia/P	S/C Amer	US	Eu/UK
NS	34.0	24.5	5.0	8.7	27.8
O Atlan	16.8	60.0	4.0	5.0	14.2
Quebec	39.8	15.2	18.5	2.0	24.6
Ontario	14.5	60.7	5.7	1.7	17.4
Territs	6.2	59.1	5.8	6.2	22.7
Canada	22.3	46.5	10.6	3.9	16.8

# Permanent Residents by Province/Territory and Source Area 2009



# Permanent Residents 15+ by Source Area by Level of Education

Educ	Af+ME	Asia/P	S/C Am	US	Eur/UK	All
0-9	19.2	14.9	14.3	5.2	12.3	14.9
10-12	15.0	17.4	19.6	16.7	12.3	16.2
13+	7.1	6.8	9.6	11.5	4.9	7.0
Trade	5.8	3.9	8.5	4.8	10.4	6.0
Non u	11.6	12.4	10.6	12.2	13.6	12.2
Bach	27.8	32.2	29.8	29.2	25.9	29.8
Master	10.8	11.2	6.6	14.1	16.6	11.6
Phd	2.6	1.3	1.0	6.2	4.0	2.2

# 5. Possible Interventions

- ◆ Focus on the immigrant
  - Levels/mix/source countries
  - Selection criteria (language, age, education, credentials, occupation)
- ◆ Focus on programs and services
  - Know who's coming and what their needs are
  - Bridge gap faced by immigrant before and after arrival
  - Information, qualification assessment, essential skills, language/communication and bridge training, mentorships, work experience programs, loans

# .. Possible Interventions

- ◆ Focus on systems and attitudes of host society and institutions
  - Regulatory bodies, employers, schools, universities, community colleges, community agencies
  - Bridge gap faced by the institutions: awareness/recognition of skills, cross-cultural/anti-racism training, supports, incentives, legislation, funding formulas
  - Multi-stakeholder collaboration
  - Inter and intra-governmental collaboration

# 6. Federal Government Responses

- ◆ Increased funding and flexibility for settlement services
- ◆ Focus on FQR with stakeholders
- ◆ Focus on overseas interventions
- ◆ Tied economic immigration more closely to short term labour market needs:
  - Restriction to 29 occupations or those with job offers and proof of language testing for federal skilled worker program
  - Increased responsiveness to employers for temporary foreign workers
  - Increased responsiveness to provinces for provincial nominees

# 29 occupations in Ministerial Instructions for Skilled Workers

- ◆ Restaurant and Food Service Managers
- ◆ Primary Production Managers (Except Agriculture)
- ◆ Professional Occupations in Business Services to Management
- ◆ Insurance Adjusters and Claims Examiners
- ◆ Biologists and Related Scientists
- ◆ Architects
- ◆ Specialist Physicians
- ◆ General Practitioners and Family Physicians
- ◆ Dentists
- ◆ Pharmacists
- ◆ Physiotherapists
- ◆ Registered Nurses
- ◆ Medical Radiation Technologists
- ◆ Dental Hygienists & Dental Therapists

# ..29 occupations

- ◆ Licensed Practical Nurses
- ◆ Psychologists
- ◆ Social Workers
- ◆ Chefs
- ◆ Cooks
- ◆ Contractors and Supervisors, Carpentry Trades
- ◆ Contractors and Supervisors, Mechanic Trades
- ◆ Electricians (Except Industrial & Power System)
- ◆ Industrial Electricians
- ◆ Plumbers
- ◆ Welders & Related Machine Operators
- ◆ Heavy-Duty Equipment Mechanics
- ◆ Crane Operators
- ◆ Drillers & Blasters - Surface Mining, Quarrying & Construction
- ◆ Supervisors, Oil and Gas Drilling and Service

# ..Restrictions On Skilled Workers

- ◆ Concerns:
  - Primarily occupations-based selection didn't work under old Act
  - List too narrow for long term economic needs: puts onus on provinces to select others
  - Regulated occupations on list still face licensing barriers
  - Trades on list may not meet point system
  - Raising immigrant expectations if on list, turning off future applicants if not
  - Skilled workers not high priority for processing
  - Effectively reducing skilled worker pool for future competitiveness

# ..Growth Of Provincial Nominee Programs

## ◆ Concerns:

- Ten Federal-Provincial Agreements in absence of national framework : each with many sub-components
- Complexity reduces transparency, adds confusion to potential immigrants and visa officers
- Devolved costs to provinces
- Respond to regional needs but mobility rights guaranteed
- No common standards, no standard assessment of human capital
- Testing ground but no evaluation
- Past Auditor General concerns in Nova Scotia, PEI and NFL

# ...Temporary Foreign Worker Program

## ◆ Concerns:

- Employer demand driven: no caps or targets tabled in Parliament
- Employers using TFWs to fill permanent vacancies
- Increasing use of TFWs to fill low-skilled and unskilled jobs
- TFW get priority processing over skilled worker permanent residents, yet not assessed on human capital
- Less stringent medical and security checks
- Market for unscrupulous recruiters, fraudulent LMO's
- Used inappropriately could discourage investment in training, hiring of under or unemployed permanent residents and citizens, could suppress wages
- Ineligibility for services, mobility restrictions, dependency on employer, lack of enforcement, absence of families create vulnerabilities at low end
- Human capital, social capital and services not part of the equation at low end
- Even Alberta now expressing concerns re TFW program
- Recent "protections" likely to be ineffective

# 7. Implications For Service Providers

- ◆ Increased diversity of immigrant population:
  - Range of source countries, education levels, language skills, labour market intentions will require diversity of program offerings
- ◆ Focus on Labour Market Integration Outcomes:
  - Increased emphasis on programs and services demonstrated to be effective: early interventions, enhanced language/communications programs, adapted bridging programs, internship and mentoring programs
- ◆ Retention and promotion strategies:
  - Increased emphasis beyond labour market entry
- ◆ Redefinition of Essential Skills for new labour market needs:
  - Eg. intercultural communication, continuous learning, working with others, problem solving, critical thinking

# 8. Conclusion

- ◆ Immigration patterns and policies are constantly evolving: Immigrants are not a homogeneous group
- ◆ Labour markets are constantly changing and differ across the country
- ◆ Extremely difficult to get both in synch
- ◆ Adapting your services and interventions to the diversity of clients and labour markets are essential to ensure Canada has the workforce and citizens it needs to thrive