

Assessment and recommendations

Canada has the largest and longest-standing skilled labour migration programme...

Among OECD countries, Canada has the largest permanent labour migration intake in absolute terms and the third largest (after New Zealand and Australia) relative to its population. In 1967, it was the first country to introduce a points-based system for the selection of labour migrants. Such a system allows not only a selection of skilled labour migrants based on a range of varied criteria, but also a trade-off and weighting between different characteristics.

...and the highest educated immigrant population in the OECD

Although less than one in three new permanent migrants to Canada are directly selected as labour migrants, accompanying family members and subsequent family migration also tend to be relatively skilled. As a result, a full 60% of Canada's foreign-born population are highly educated. This is the highest share in the OECD.

Labour migration meets both demographic and economic objectives and is carefully balanced with family and humanitarian migration courtesy of a rolling three-year plan

Labour migration is only one component of the overall migration mix to Canada, and its intake is carefully balanced with family and humanitarian migration. The overall migration levels are determined and weighed against each other in a plan that takes into account a broad range of objectives, including economic needs and development, population concerns, requests for family reunification and humanitarian considerations. Starting 2018, the previous annual plan was replaced by a rolling three-year plan, where a new third year is added each year, with a range of annual admissions in each category and sub-category. This procedure allows not only for balancing multiple objectives across a rolling three-year timespan, but also enables advance planning and adaptations of migration management infrastructure and settlement services.

Most indicators and research suggest that labour migration has been largely beneficial to Canada

Given the high-skilled nature of much of immigration to Canada, it is not surprising that most indicators of integration are favourable in international comparison. Public acceptance of migration is high, and both labour market and social inclusion is relatively successful. Research also suggests that immigration to Canada has supported growth (including on a per capita basis) and innovation.

Policy-based research and consistent monitoring of outcomes are key strengths of the Canadian system, coupled with ongoing experimentation in new techniques

One key feature of the Canadian approach to labour migration is its reactivity to changing circumstances and new evidence. Indeed, changes to the migration management system – including to the selection factors – are rather frequent. To this end, Canada has built one of the most comprehensive data infrastructures on the characteristics and outcomes of migrants, thereby allowing for observation of migrants and their situation over time. The country also continuously tests out and implements new approaches to labour migration, such as, for instance, engaging with local communities and employers in the recruitment and settlement process.

The new two-tiered Express Entry system for selection of migrants based on expressions of interest has greatly improved the management of labour migration

The most impactful recent innovation has been the introduction of a new two-step “Express Entry” system for the selection of permanent labour migrants in 2015, following the examples of New Zealand and Australia. This system is based on an initial expression of interest of eligible candidates who form a pool from which selection is made. The selection is typically made approximately every fortnight, based on a universal points’ grid, which ranks the candidates and the highest-ranked from the pool are then chosen. All candidates in the pool must meet the minimum entry criteria for one of the three federal programmes managed by Express Entry (that is, Federal Skilled Workers, Canadian Experience Class, or Federal Skilled Trades). They remain in the pool for a maximum of 12 months. This system is a great improvement compared to the previous, which obliged the government to process all applications meeting the minimum threshold requirements, thereby resulting in a large backlog.

Express Entry is the most elaborate selection system in the OECD

A unique feature of the Canadian model, in contrast to the other Expression of Interest systems in New Zealand and Australia, is the allocation of points along a continuum, with a maximum of up to 1 200 points. This allows for a more refined selection of labour immigrants than in peer countries. A second innovative characteristic of the ranking system are points allocated for “interactions” of skills. For example, research has shown that foreign work experience can only be “transferred” well to the Canadian context – and hence only granted points – if the candidate also has a good knowledge of one of the national languages.

There is significant ministerial discretion, which should, however, be used parsimoniously

The current set-up allows significant ministerial discretion to address political priorities in selection, for example, the chances of a candidate with certain characteristics being drawn from the pool may be increased by awarding additional points. Since most candidates in the pool fall into a relatively narrow range of

points, such an allocation of bonus points can drastically alter the composition of candidates selected. While this maintains flexibility, it also runs the risk of hampering planning and consistency in selection. Ministerial discretion should thus be used parsimoniously and be evidence-based, with sufficient transparency of the underlying objectives.

Most remaining shortcomings of the system in place for the selection of permanent labour migrants have been addressed through recent reforms...

Testimony to the reactivity of the Canadian system have been two recent reforms of Express Entry, which took place in late 2016 and mid-2017. These reforms addressed several of the initial shortcomings of the system as well as taking into account some of the recommendations of a 2016 OECD interim assessment of the Canadian labour migration system (see Chapter 1). Examples include the reduction of the previously excessively high level of points necessary for a job offer and the placing of more value on Canadian education.

...but consistency between admission and final selection could be improved by applying aligned criteria to pool entry and selection

These improvements notwithstanding, a key challenge in the system is the fact that requirements for pool entry differ from the criteria used in the universal points allocation within, and thus selection from, the pool. Of the three programmes currently managed via Express Entry, only the Federal Skilled Workers uses a points' grid for pool entry. The two other programmes have specific pool eligibility criteria. All of these programmes were designed prior to Express Entry, and have not been adapted since. This raises several issues. First, the points' grid used for Federal Skilled Workers differs significantly from the points' grid used in Express Entry. It rewards up to 22% of the entry grid points for foreign work experience while, in the absence of other specific skills such as Canadian work experience and/or national language knowledge, foreign work experience confers no points for the final selection. It also applies a different age scale. Second, applicants under the Canadian Experience Class face only specific entry criteria and these are lower than for a Federal Skilled Worker, for instance, there is no minimum qualification requirement and there are lower language requirements. The latter is particularly surprising as these individuals are presumably "pre-integrated" and should thus have higher language skills than candidates from abroad.

Express Entry allows selection of skilled tradespersons but the primary route is not via the Federal Skilled Trades pathway, which should be abolished

A third issue arises for the Federal Skilled Trades class. This was originally designed to attract tradespersons in the medium skills-range, in occupations with specific shortages. However, the programme never reached the desired group in large enough numbers, and in 2018, less than 400 principal applicants were admitted under this class, with cooks being the most important group – an occupation that is not, in fact, in strong demand nation-wide. This does not mean that there are no tradespeople admitted to Canada – but that the vast majority meets

either the criteria for skilled workers or for Canadian experience (or benefits from provincial or territorial nomination). As the programme did not meet its objectives, and there are other pathways which seem to function adequately for this group, it should be abolished.

A single refined entry grid, based on minimum criteria of the Comprehensive Ranking System, would ensure common standards for all federal high-skilled labour migrants

Selectivity, transparency, and consistency of selection would be improved by channelling all candidates through a single set of core minimum entry criteria. The core factors of the Comprehensive Ranking System should serve as a basis for this entry grid, rather than the current Federal Skilled Worker points system. This would simplify the system and ensure common language and education standards for all federal labour migrants. Consequently, the current separate pathways for Federal Skilled Worker, Federal Skilled Trades and Canadian Experience Class could be merged into one pathway.

Some fine-tuning to the Comprehensive Ranking System would further improve selection...

The Comprehensive Ranking System itself could also be improved, in particular by awarding points for Canadian work experience (in the core factor), based on the wage of the last Canadian job instead of on the duration of the work experience and the occupational classification. Research has indicated that wages are a better predictor of labour market outcomes. Wages should not be an absolute indicator here, but rather considered in light of the hours worked and the location, as wage-levels differ across Canada. Currently applicants gain half of the available points for Canadian experience in the core factors for only one year of skilled work experience, regardless of salary or other criteria. Canadian work experience is also credited a second time in Express Entry under the skill transferability section and awards full possible interaction points after a mere two years of experience.

...and the administrative burden lowered by replacing the labour market impact assessment with integrity checks

All OECD countries value job offers in their admission systems as, by definition, the immediate labour market integration of the candidates is ensured. While in contrast to most countries, there is no requirement of a job offer, Canada awards 50 bonus points (200 for a senior management position) in Express Entry for such candidates. A unique feature of the Canadian points-based selection system is that a labour market impact assessment (LMIA) is required for many candidates who benefit from these bonus points. Until November 2016, when the Canadian system was more demand-driven, half of the total maximum points were awarded to a job offer, thereby guaranteeing selection. At its introduction, the labour market test thus ensured that candidates only benefited from the points if their admission did not present potential harm to the resident workforce. In the current system, which provides just a fraction of the original points for a job offer, such a strict assessment seems less warranted. It also appears that many candidates with a job offer shy away

from the burdensome process under the new provisions. In 2017, less than 10% of invited applicants claimed points for a job offer, compared with a third in 2016. For regular positions (not senior management positions that receive more points), the LMIA for permanent migration could thus be replaced by integrity checks, or some differentiation in the points allocated for a job offer between those with an LMIA and those without.

The recognition of foreign qualifications is a key challenge, exacerbated by Canada's federal nature

In a selection system such as Canada's which places strong focus on formal qualifications and skilled occupations, assessing and recognising whether candidates with foreign qualifications and work experience meet Canadian standards is a challenge. Moreover, in a recent survey among recent arrivals, two-thirds of economic immigrants reported that getting a job that matches their skills and qualifications was very difficult or difficult. To make sure they meet Canadian standards, Canada requires all candidates to have their qualifications assessed. This assessment, however, is not a formal recognition, as recognition is a provincial competence, with differing requirements across provinces and territories. This is a particular issue in regulated occupations, where licensing is required for exercising the profession. At present, regulatory bodies do not feed the information they collect back to IRCC. It is hence unclear how many immigrants attempt and pass provincial/territorial licensing tests in their intended occupation. While efforts have been made in recent years to enhance co-operation, such as via the Pan-Canadian Framework for the Assessment and Recognition of Foreign Credentials, information sharing among the different stakeholders involved could be further improved, both within and across levels of government. A further step would be to reduce the administrative burden, for example by requiring licensing bodies to take the initial qualification assessment for migration as a starting point in the licensing procedure.

Incentives could encourage potential migrants to start licensing processes in regulated professions before landing, and methods facilitating pre-arrival licensing should be tested

The requirement of recognition post-landing for certain occupations can lead to a situation where migrants, selected based on their skills, are hampered in the actual exercising of these skills. Apart from better informing candidates about the necessary steps for recognition, a key issue is the fact that it is not possible to start licensing in many occupations from outside of Canada. One possibility would be to allow individuals in the Express Entry pool who have conveyed their interest in working in a regulated profession to come to Canada and start the licensing process by issuing a specific short-term visa for the purposes of qualification recognition, as is currently possible, for example, in Germany. An alternative possibility would be to include a pre-test for recognition by occupation. A resulting probability scale could be developed according to which points are allocated – potentially under the skill transferability points for foreign work experience. This would also serve as an incentive to migrants to initiate the process before landing.

Visa fees are lower than those of other settlement countries

Compared with its main competitors, visa fees for migration to Canada are not high. Canada also provides free settlement services, notably, English/French language training. This stands in contrast to Australia and New Zealand, where language services are either not free (New Zealand) or associated with higher visa fees for those not speaking English well enough (Australia).

There has been a strong growth in regional migration to Canada over the past two decades...

Immigration to Canada is a shared responsibility between the federal and the provincial and territorial (PT) governments. In practice, however, prior to the 1990s, the federal government exclusively designed and implemented immigration policy. In the last twenty years, the role of PTs in immigration increased steadily and provincial governments currently select, through their own programmes and selection criteria, about half of the permanent economic immigrants expected to land in Canada. Such provincial selection has contributed to a more equal geographic distribution of permanent labour immigrants. In 2017, more than a third of economic immigrants were located outside the Ontario, British Columbia and Quebec provinces, compared to just one in ten in 1997.

...although most regionally selected migrants are in urban areas within these provinces and territories

That notwithstanding, most of the provincial nominees – like their federal- and Quebec-selected counterparts – settle in metropolitan and agglomeration areas within these provinces. Only 8% of PT-selected migrants over the past decade landed in rural areas.

Although initial outcomes of regionally selected labour migrants are good, there is a need for continued monitoring...

An assessment of the outcomes and mobility patterns of PT-selected migrants shows a relatively favourable picture. While these migrants have a lower skills profile than federally selected migrants, their employment rates tend to be above those of the latter. This suggests that the federal and PT-streams are indeed complementary, with the PTs being able to choose those migrants who tend to integrate relatively well in their area. While there are some indications that the less successful ones move to other provinces, the numbers involved are small. Given the increase in the number of PT-selected migrants, and the fact that the data lag behind by a few years, a continued monitoring of the situation seems nevertheless warranted to be able to react if the current rather favourable assessment were to change.

...and future growth in provincial nominations should come through Express Entry

In addition to the provincial programmes, PTs can also nominate a certain number of migrants from the Express Entry pool, which provides the candidates with half

of the total maximum points as a bonus, thereby guaranteeing selection. Such PT-selected candidates from the pool benefit from priority processing. To make sure that future growth of provincial nominees remains consistent with overall Canadian skill needs – which are predominantly on the higher end – it should come primarily through Express Entry.

The introduction of targeted regional temporary programmes would enable provinces and territories to better address specific temporary regional shortages

As a counterpart to this development, a provincial temporary foreign worker pilot should be considered to target specific regional shortages. This would ensure that PTs with more cyclical or seasonal labour needs that are currently not met by the current temporary programmes could resort to temporary labour migration rather than permanent.

Canada has become a world leader in pre-arrival integration services, but take-up is still low

Canada is a leader in pre-arrival services, and the provision of such services has greatly expanded in recent years. Still, only 8.5% of economic immigrants eligible for pre-arrival services received such support. Depending on the country of origin, pre-arrival services vary considerably in scope, way of delivery (in-person or online) and size, but generally consist of information sessions and written material on the practical issues of the settlement process (Canadian way of life; insurance, health and housing issues; finding a job; etc.).

The link between integration and retention in the Atlantic Immigration Pilot is a promising one and could be extended further

To attract and retain skilled workers to fill long-term labour market needs in the Atlantic Provinces, Canada initiated the Atlantic Immigration Pilot in 2017. This programme is employer-driven, i.e. local employers apply to a province to become designated under the pilot and then can offer jobs to eligible candidates. The programme provides a rather holistic approach by linking attraction and retention through six-month priority processing, support for employers, and significant settlement support for the entire family with personalised settlement plans. Building on the first positive experiences of the Atlantic Immigration Pilot, a similar – though community-driven – programme for the rural areas is currently being tested.

Onshore transitions are less common than elsewhere, in spite of growing numbers

As in the other settlement countries, a growing share of permanent labour migrants have prior Canadian education and/or work experience. In 2017, about 58% of admitted labour immigrants were onshore transitions, a share below that of other settlement countries such as the United States and New Zealand (each 86%) and Australia (67%). Nevertheless, Canada has seen a strong increase in admissions of individuals with a previous permit over the past two decades. The majority had a previous work permit, although an increasing share of onshore transitions to

economic classes have both work and study experience in Canada. Direct transitions of international graduates – without additional Canadian work experience as temporary labour migrants – are rare.

Temporary labour migration to Canada is high, but largely for other purposes than specific labour market needs

In 2017, according to standardised OECD data, around 214 000 temporary labour migrants entered Canada, a number that has strongly increased in recent years (+50% 2015/2017). However, three quarters of temporary labour migrants have not primarily been admitted to meet direct labour needs but for a broad range of other purposes such as international co-operation, or for allowing students to stay and find a job in Canada post-graduation. Indeed, whereas labour migration under the labour market-tested Temporary Foreign Worker Program has consistently declined since the onset of the global economic crisis in 2007, there has been a parallel strong increase in other temporary migration with work rights under the International Mobility Program and as international students. In contrast to workers under the TFWP whose permit is generally employer- and occupation-specific, the migrants concerned often have an open work permit.

Little is known about the labour market impact of temporary labour migrants with open work permits and stronger monitoring is therefore recommended

In 2018, less than a third of work permits issued to temporary migrants admitted under the International Mobility Program contained information on the intended province and occupation. This is largely because most individuals who are in Canada for such purposes receive open work permits, allowing them to work for any employer and anywhere in Canada. Intended occupation is only registered for occupation- and/or employer-specific permits and hence missing in most cases. For these open work permit holders, Canada is able to capture data on the province and industry of employment only after several years via linking tax filing data with other databases. With the limited information on the regional and occupational intentions of these temporary migrants, assessing their labour market impact is challenging and, given the importance of this group and their likely concentration in certain areas and occupations, calls for a closer monitoring in the future. A first step in this direction has been taken with the Canadian 2019 Budget, which commits money for the ongoing collection of labour market information related to open work permits.

The Labour Market Impact Assessment (LMIA) in the Temporary Foreign Worker Program is extensive...

One of the reasons for the relatively low numbers under the Temporary Foreign Worker Program is the fact that, apart from foreign workers admitted under the Global Talent Stream, employers of foreign workers have to undergo a rather extensive labour market impact assessment. In contrast to other OECD countries, the procedure for a renewal is the same as for the initial permit. Employers wishing to hire individuals above the median regional hourly wage have to provide, in

addition to other criteria, a “transition plan” in which they specify how they plan to reduce their dependence on temporary foreign workers and transition to a Canadian workforce in the future.

...and encourages migration through permanent rather than temporary channels, especially for higher wages

The burdensome procedure for temporary labour migration, especially for those migrants who are paid above the regional average, encourages labour migration that might otherwise prefer to be temporary to pass through permanent streams. Furthermore, there are no facilitations for the renewal of permits. Although the recent implementation of Canada’s Skill Strategy provides simpler and faster procedures for some subgroups, the overall set-up remains complex and simplifications should be considered, notably for renewals in the higher-paid category.

Given that most caregivers leave the occupation after permanent residency, longer durations for transition should be considered

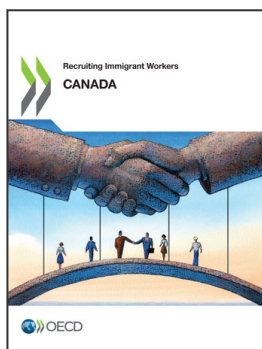
Canada has a long tradition of temporary migration in caregiving occupations. In 2016, over one in three long-time care workers in Canada was foreign-born, one of the highest share in the OECD. Since the 1980s, Canada has had several dedicated economic immigration pathways for caregivers, providing them with the opportunity to transition to permanent residence after two years of full-time caregiving work. One challenge of the caregivers programme is the fact that more than eight in ten caregivers leave the occupation within ten years. At the same time, and partly a result of this, caregiving occupations continue to be in high demand across Canada. One option would be to augment the time necessary for transition. Given that caregivers’ family members now have access to work and study permits under the recently launched caregiver pilots, Canada would remain among the most attractive OECD countries for caregivers.

International students have favourable conditions to work and stay and numbers have thus risen strongly

Among OECD countries, Canada has experienced one of the largest growth in international students in recent years, with numbers having almost tripled over the past decade. Students are allowed to work during their studies and can stay for up to three years in the country on a post-graduation permit. Over the past five years, post-graduation work permits issued to international graduates increased five-fold. In fact, about six in ten international students in Canada intend to stay in the country following graduation and an estimation of student stay rates suggests that about this number manage to do so initially. This is a much higher stay rate than observed in other OECD countries, although it is not clear how many will ultimately transition to permanent residency. Since 2017, Canadian education credentials grant additional points under Express Entry, and more than a third of all permanent labour migrants admitted to Canada in that year benefited from these bonus points.

The strong migration management framework in place and quick reaction times to new developments is the core strength of the Canadian system

In summary, Canada has arguably the most elaborate labour migration system in the OECD, and it is widely perceived as a benchmark for other countries. Its success is evidenced in its good integration outcomes and high levels of public acceptance of migration, as well as its strong appeal to potential migrants. Core to this success is not only the elaborate selection system itself, but also the entire infrastructure it is based on, which ensures constant monitoring and adaptation of its parameters. This includes a comprehensive and constantly improving data infrastructure, coupled with the capacity to analyse such data, and subsequent swift policy reaction to new evidence. It also builds on extensive marketing and recruitment efforts by the Canadian missions overseas and a welcoming host society, which considers immigration as part of its national heritage. A broad range of settlement services for labour migrants and their family, both pre- and post-arrival, completes the system.



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