

**Background notes for CIMM presentation May 31/2017 Prepared by K.Flecker
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“That the Standing Committee on Citizenship and Immigration be instructed to undertake a study on immigration to Atlantic Canada, to consider among other things, (i) the challenges associated with an aging population and shrinking population base, (ii) possible recommendations on how to increase immigration to the region; and that the Committee report its findings to the House within one year of the adoption of this motion.”

Inputs below on the above motion from Karl Flecker, currently an Immigrant Employment Specialist with the KEYS Job Centre, Kingston, ON. He has researched, written and spoken extensively on labour migration issues nationally and internationally. Karl served as the National Director of Human Rights/Anti-Racism Department Canadian Labour Congress from 2005-2014, where he was the lead staff person for CLC on the labour migration file.

Re: i) Challenges associated with an aging population/shrinking population base.

- The Canadian workforce is aging rapidly and fewer younger workers are entering the workforce, our labour supply growth is slowing down. While population projections vary there is no doubt we are in the midst of significant demographic change. In 2006 HRSDC/now called ESD released a report indicating that two-thirds of all new labour demand over the next decade, would be linked to retirement.
- More recent government projections suggest that 8 million workers would be eligible to retire within the next 5 years. With a current workforce of just over 17 million, losing roughly half of a workforce will have far-reaching policy implications. We are not alone.
- Within 15 years, the majority of the world's countries and populations will be in a state of serious work force decline due to population aging and declining birth rates.ⁱ
- Germany loses 5 million members of work force in next ten years, the Russian Federation has lost 10 million since 2000, and today there are some 1 million workers less per year in these countries domestic labour force.
- The Japanese labour force will shrink 37% over the next 25 years. Switzerland will need 400,000 additional workers by 2030.
- And there's the big one: China's work force will decline by at least 126 million people in the next 20 years.
- Canada like most countries no longer has the ability to replace its population and workforce by natural childbirths.

- To replace a population through childbirth, the ratio needed is 2.3 children/mother –ours is 1.6, with little likelihood of increasing significantly in the foreseeable future.
- More than half of the world countries do not have the ability to replace their population by childbirth.
- Some 127 of 224 recognized countries and political territories around the world are currently at or well below what is referred to as zero population growth fertility ratesⁱⁱ.
- Aging populations and declining birth rates means increasingly intensified global competition for the most crucial economic resource of all today, labour and all levels of trained skills. A forecasting study by the McKenzie Global Institute estimated that the global shortage of high skilled and trained technical skills is projected to reach 85 million by 2020. Consider the potential implications, when employers around the world today complain they cannot fill one in three jobs on offer with the needed level of skills.
- Canada's situation is no different.

Given this context, policy makers must improve labour participation rates of specific and available groups already within Canada, while also improving immigration policies to better integrate newcomers already in the country alongside attracting/retaining newcomers into regional labour markets.

As evident from the points above, there will be increasing global competition to attract/retain immigrants.

The complexity of labour market development requires coherent policy measures on more than one front. Immigrants are important, as are some other demographic cohorts within Canada.

For example, aboriginal communities make up a considerable portion of our population base. According to a 2011 Stats Canada's National Household Survey, 1.4M persons identified with an aboriginal identity or more than 4% of the population. In the Atlantic regions there are 34 First Nations with an estimated population base of about 65,000 persons as of November 2015. (The return of the long form census 2016 results will provide better/more accurate data). This includes the Mi'kmaq, Maliseet, Innu (Montagnais-Naskapi), the Inuit, Métis and urban aboriginal peoples.

Across Canada, aboriginal peoples are younger than non-aboriginal communities. This means they will be in the workforce longer. The aboriginal cohort is marginally smaller than the boomers, and will have a significant impact on the face of this country in the years to come.

Labour force development measures for the Atlantic must consider the positive role for aboriginal groups will make to our changing demographic reality. Consultation and engagement with regional aboriginal organizations and First Nations will help to identify education, training, retention and promotional opportunities that will improve the participation rates of these communities into the regional workforce.

For example a [Centre for the Study of Living Standards report](#) shows positive labour market prospects and employment rates for Métis workers particularly in the mining sector. This is due in part, to the remote locations of many mining operations sharing proximity to these communities as well as, targeted education and training programs and obligatory diversity/inclusion recruitment/hiring protocols.

Similarly, a forward thinking labour force development strategy must also look to better integration measures of disabled persons into the workforce. [Stats Canada](#) reported the hiring rate of persons who are disabled was 49% vs a 79% hiring rate for persons who are not disabled. Two million working age Canadians reported a disability, or 11% of the population in 2011.

This cohort is vastly under/unemployed and their numbers are growing as a direct consequence of an aging of population.

Youth unemployment in the Atlantic is also a serious problem. Media reports of [Stats Canada's Feb 2016 Labour force](#) report showed NB youth unemployment rate 17.1% was well above the national average of 13.6 per cent. (P.E.I's -16.8%; NL-16.7% & NS 15.4%).

With little prospect for employment, people move out of the region. On average, Nova Scotia sees a net loss of 1,300 people between the ages of 20-29 annually. This is an exodus that hurts the provincial economy. Out-migration is making the labour pool shallower, affects the quality of cost of labour and reduces government revenues. The [Halifax Partnership](#) published a special analysis of youth retention with some startling numbers. Their report estimated \$1.2 billion in lifetime after-tax income is lost each due to out-migration and an estimated \$46.4 million in future provincial net-revenues is also lost. Similar financial losses are likely occurring in the other Atlantic Provinces.

While no one cohort will solely address our labour force shortages due to demographic change in the coming years, policy makers must promote labour force development measures that include youth, aboriginal and persons living with disabilities.

It is also too simplistic to suggest that increased immigration intake levels alone will offset the slowdown in domestic labour force growth caused by our aging population/declining birth rates. Some [projections](#) suggest that net immigration levels would need to be more than 2.5x current intake levels to offset our demographic reality.

Each of the above groups, alongside greater immigration intake will make important numerical contributions to the workforce and their inclusion in supportive labour force development measures will address long standing economic injustices. In addition by including them in part one of M-39 analysis of the proposed Standing committee study, specifically, "*the challenges associated with an aging population and shrinking population base*", making reference to these communities will help avoid xenophobic reactions to perceptions of immigrants receiving preferential policy supports.

Immigrants already face a high degree of discrimination much of it racist given that over 80% of immigrants to Canada come from racialized countries.¹ This discrimination directly impacts immigrant's capacity to enter into the labour market. A two year [study](#) led by U of T researchers found that individuals with international work experience are using Anglicized names to downplay their ethnic experience. This development is reinforced by the findings of the Orepolis/Dechief study, [Why do some employers prefer to interview Mathew, but not Samir?](#)

Another relevant study by Romas/Yoshida asked the question, [Why do recent immigrants leave Atlantic Canada](#) found the following factors noteworthy:

- Underemployment associated with lower wages.
- High rates of immigrants experiencing discrimination.**
- Immigrants had extended family in other part of Canada.

The 2nd factor cited above from the Romas/Yoshida study reinforces my point of the importance of mitigating discriminatory burdens already being experienced by immigrants.

All of which is to say, the proposed standing committee study should consider and promote an **inclusive labour force development strategy** that not only focuses on immigrants –but also the sub-groups of youth, indigenous, and persons who are differently abled. In many situations on the ground supportive measures for immigrants will also be applicable to other groups who collectively will make a difference in the labour force.

Immigrants: Reality by the numbers

Immigrants represent a major component of labour force development. Currently Canada is 80% dependent on economic immigration inflow for our net labour force growth and this will soon become a 100% dependency. Furthermore Stats Canada has projected that our population growth will be singularly dependent on newcomers by or before 2030.

Coherent policy is needed to both attract and retain new immigrants² to distinct regions of Canada such as the Atlantic, but focus is also needed to better integrate newcomers already in Canada, into the labour force within occupations that are commensurate with their internationally acquired skills, abilities and experiences. Numerous [studies](#) and media reports³ show that immigrants are not sharing equitably in the labour market

¹ IRCC (formerly CIC) does not track racial identity of immigrant flows, however the departments annual reports to Parliament indicate the source countries of immigrants to Canada. This data shows the source countries are dominated by racialized populations.

² Retention of newcomers is critical: Diversity Institute in Management and Technology at Ryerson University cites a study (Watt et al., 2008) that shows that 40 per cent of immigrants who entered Canada in the skilled worker or business class left Canada within their first 10 years. A previous study by Statistics Canada indicated that one-third of male immigrants (aged 25 to 45 at the time of landing) left Canada within 20 years after arrival. **More than half of those who left did so within the first year of arrival.**

³ See also: "http://www.publications.gc.ca/site/archived-archived.html?url=http://www.publications.gc.ca/collections/collection_2008/statcan/11F0019M/11f0019m2008319-eng.pdf & <http://www.conferenceboard.ca/topics/immigration/default.aspx> & <http://www.macleans.ca/economy/business/land-of-misfortune/> & www.metropolis.net/pdfs/econ_well_being_e.pdf

despite having higher academic education levels gained either internationally or domestically. Under and unemployment is a contributing factor for newcomers to migrate to other regions in search of better wages/working conditions.

Policy makers must also address the fact that labour market and economic outcomes indicators continue to show a large disparity in the earnings of immigrant's vs their Canadian-born counterparts, despite the fact that a comparatively higher portion of immigrants have post-secondary degrees.

As an example, an individual who arrived in Canada in the late 1970s earned, on average, in the first 5 years of his/her arrival, about 85 cents for every dollar earned by a Canadian-born person. This gap has closed to about 98 cents since the beginning of the millennium. Those who arrived at the beginning of the 1990s, however, earned upon their arrival just 59 cents relative to Canadian-born citizens, and even after 15 years they only earned 79 cents for each comparable dollar. In addition, immigrants tend to have higher unemployment rates and lower employment, rates, likely reflecting the difficulty that many have in finding gainful employment.

Immigration intake numbers for the Atlantic have been low relative to the rest of Canada, though [Stats Canada](#) notes increased numbers over time. In 2009, 2.6% of immigrants chose to make their home in the Atlantic province's, a relatively low share but up from 1.4% in 1999. The annual share arriving in NFLD has remained around 0.2 to 0.4% since 1981. Nova Scotia, PEI and NB attracts just under 1%.

Possible recommendations on how to increase immigration to the Atlantic:

Here is a short list of possible recommendations that can increase immigration and retention of newcomers to the Atlantic region.

- 1. Improve pre-arrival information services:** Improve connectivity between newcomers planning to migrate to the Atlantic and regional settlement/employment services agencies, employers and professional regulatory bodies.
[Cdn Immigrant Integration Services](#) (CIIP) provides an informative and striking visual picture of the region via its videos and on-line services. However, more emphasis is needed to provide potential newcomers to the region with accurate and up to date labour market information so individuals can make prudent choices and take steps to obtain the requisite credential recognition prior to departure from source country. In my experience, many newcomers arrive without having received adequate or correct information about the Canadian licensure or credential recognition process for their occupation. The cost and time for these processes can in many cases be done or at least started prior to their arrival in Canada. Programs that conduct pre-arrival information seminars in source countries (using on-line or in-country formats) and which puts newcomers directly in touch with regulatory bodies, college or post secondary institutions needed to help upgrade their qualifications reduces the wait time for newcomers before securing employment.

- 2. Promote and encourage employers to expand their labour pool recruitment strategies.** By way of example, in 2013 the Ontario Chamber of Commerce in partnership with the Ontario Ministry of Citizenship & Immigration conducted a survey of their members and in their report titled [Think Fast: Employer perspectives on Immigration reform](#) discovered that less than 7% of small, medium enterprises amongst their membership used the immigration system for hiring. The situation may be the same for SME in the Atlantic. Given that 95% of the highest growth businesses in Canada were SMEs according to Industry Canada, 2012, it makes economic sense to help re-tool the SME sector to look to immigrants as part of their labour force recruitment strategies.
- 3. Create a meaningful pathway to permanent residency for holders of temporary work permits.** The TFWP is fraught with problems as I and others have documented extensively. Employers in the Atlantic have developed a dependency on the TFWP to support the seasonal and service sectors. Rather than continue the exploitative and costly cycle of issuing temporary work permits, TFWP reforms must consider creating viable and accessible pathways to permanent residency status for temporary work permit holders.
- 4. Enhance funding to mentoring programs:** Toronto Region Immigrant Employment Centre (TRIEC) amongst others, developed successful models of connecting newcomers with mentors from their professional field. The mentoring model assists newcomers to network and enter into their professional field.
- 5. Invest in public awareness campaigns that promote benefits of immigration:** As noted earlier immigrants experience a high rate of discrimination, xenophobia and racism. 'Welcoming Communities' initiatives and anti-discrimination/racism campaigns help to confront, challenge and change expressions of xenophobia and discrimination. TRIEC and Hire an Immigrant, Ottawa, created a series of powerful 30 second PSA's that have proven very effective and the concept is easily replicated. (See attached clips)
- 6. Support immigrant entrepreneurship:** A recent [Stats Canada](#) study found that immigrants tend to be more entrepreneurial than their Canadian counterparts. Acknowledging that immigrants are sometimes pushed into self-employment because of difficulties entering the labour market commensurate with their skills and experience, nonetheless, increased supports (i.e. loan funds, business development tools) will aide already established immigrants to pursue SME's consistent with economic development opportunities within Atlantic provinces, boost local economic development and promote newcomer retention.
- 7. Go global with local talent:** Immigrants maintain strong ties with their home country often have valuable connections with industry and professional sectors connected to their occupation/professional training and/or with manufacturing and import markets. In addition to their linguistic capacity, established immigrants are often familiar with the business culture/climate of their home country. Funding supports should be piloted with immigrant settlement/employment agencies working in partnership with economic development bodies to develop global export markets for Atlantic region goods and services. As an example, in Kingston, we are working with our local economic development agency to map out local SME's looking to expand into global markets. Our plan is to match

these SME's with established immigrants who have business relevant experience and ties to specific international markets. The model works in both directions. For example, immigrants from China experienced with the factory/manufacturing sector in their home country are helping local industries that wish to source parts/products manufactured in China. There are benefits of developing business and technology networks; for example, those between Waterloo in Ontario and Bangalore in South India, two cities that are burgeoning centres of technological innovation and from which many immigrants to Canada come. Further, increased imports could bring welfare gains to Canadians through lower costs and higher productivity, such as when modern technology is embedded in imported machinery and equipment.

8. **Expand immigrant internship/apprenticeship programs with municipal/regional and federal government departments & public/private sector organizations:** These [programs](#) provide newcomers with temporary work opportunities and training/networking opportunities. Internship programs enable newcomers to learn about Canadian workplace culture; understand organization's hiring processes and enables career related networking. To be effective however, participating organizations and different levels of government typically require subsidies and they must create genuine pathways for newcomers to compete for employment opportunities. The last federal governments security clearance requirements however serve as a systemic impediment for newcomers. Those regulations will need to be reformed/removed for this strategy to be equitable. Two economists, Keith Head and John Reis (1998), estimated that a 10% point increase in immigrants leads to a 1% point increase in exports and a 3%point increase in imports. While their results vary widely according to the immigrant's country of origin and the class of immigrant, this provides some empirical evidence that immigrants do, indeed, bring down nonfinancial trade barriers and increase overall trade flows.
9. **Connect newcomers with First Nation communities:** Create a pathway for newcomers with relevant experience and expertise in healthcare, community education and infrastructure development to work in First Nation communities. *See attached project concept designed for internationally trained & educated doctors.*
10. **Develop and advance reciprocal jurisdictional agreements (RJA) with sending countries.** Some provinces (BC/SK) have developed RJA with select immigrant sending countries designed to recruit, train and place newcomers with occupational specific needed skills into provincial labour markets. While not perfect these initiatives could be refined based on lessons learned to date. To be effective, regulatory bodies and unions representing such workers should be involved to facilitate recruitment, placement and integration into relevant workplace sectors.
11. **Pay attention to international students assist them to become permanent residents:** According to the OECD, more than 4.5M students cross borders for higher education every year. In 2010 new enrollment of overseas students in Canada stood at 12% but dropped to 4% by 2013. The majority return home after their studies though some remain as skilled workers. This [link](#) provides 10 things **not** to do to drive down international students numbers and thereby reduce the

potential to attract/retrain immigrant flows via international student recruitment. While the Cdn Experience Class Pathway is helpful for this group, the cap of 8000 was quickly reached. Consideration should be given to increasing this cap total over time.

12. Pay attention to family class immigration: It has been well documented that having contacts both in the business world, and via family and friends has a positive impact on immigrant's economic success. [Drummond/Fong](#) noted, while newcomers show a high risk of falling into low-income status within the first year of arrival, interestingly this is not the case for those arriving under the family reunification class.

ⁱ For a corporate view on the phenomena, see Ernst & Young online report: "Six global trends shaping the business world: Demographic shifts transform the global workforce" at <https://www.scribd.com/document/200553335/Six-Global-Trends-Shaping-the-Business-World-Emerging-Markets>

ⁱⁱ This and following figures drawn from the on-line *CIA World Factbook, Country Comparison: Total Fertility Rate(s)* at <http://www.globalmigrationpolicy.org/articles/dynamics/Migration%20and%20Social%20Dialogue%20Brief%20for%20ITC%20SD%20Academy%20Taran%20GMPA%20Sept2014.pdf>

2.2 children per woman is considered the 'replacement rate' of zero population growth, below which population will decline.

Immigrants in Canadian Labour Markets (2006-2016 & 2015-2024)



ATLANTIC RESEARCH GROUP
on ECONOMICS *of* IMMIGRATION,
AGING *and* DIVERSITY

Presentation for Conference Board of Canada
Immigration Summit 2017

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1. Introduction

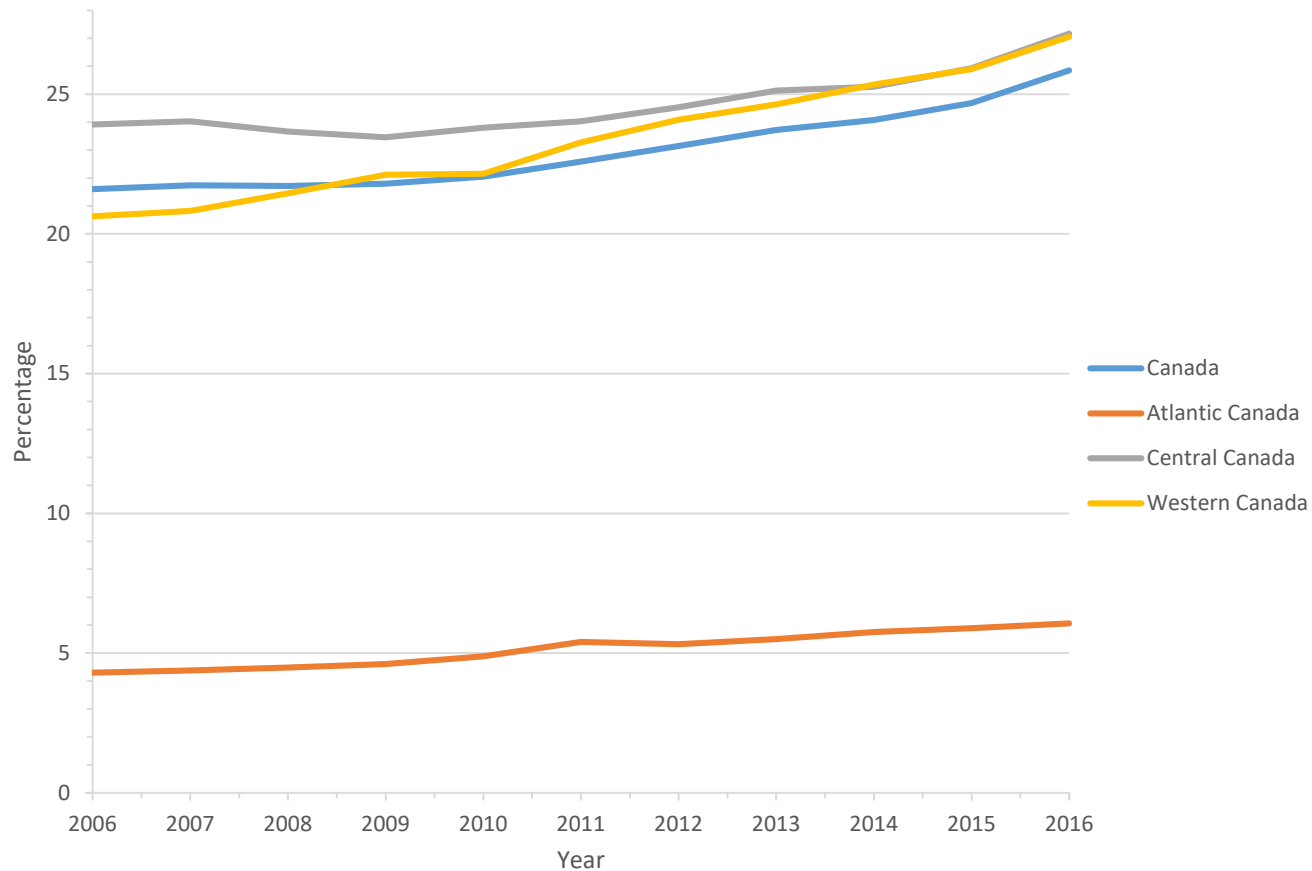
Purpose:

To analyze the role of immigrants in Canadian labour markets by considering their contributions to labour force growth and at various skill levels.

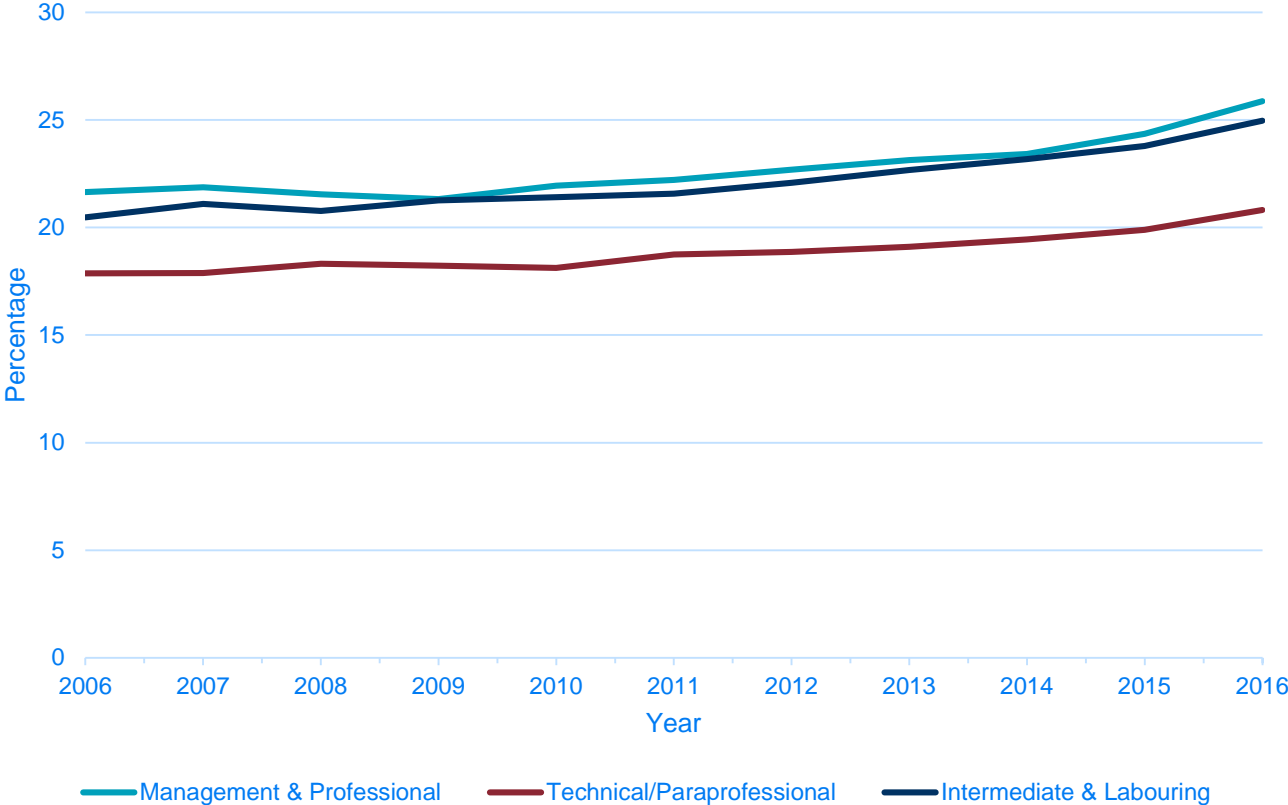
Topics covered:

- Immigrants in labour market over the period 2006-2016
- Canadian labour market conditions, 2014 and 2015-2024
- Need for immigrants in smaller regions of Canada
- Labour market outlook for Atlantic Canada
- Some policy recommendations

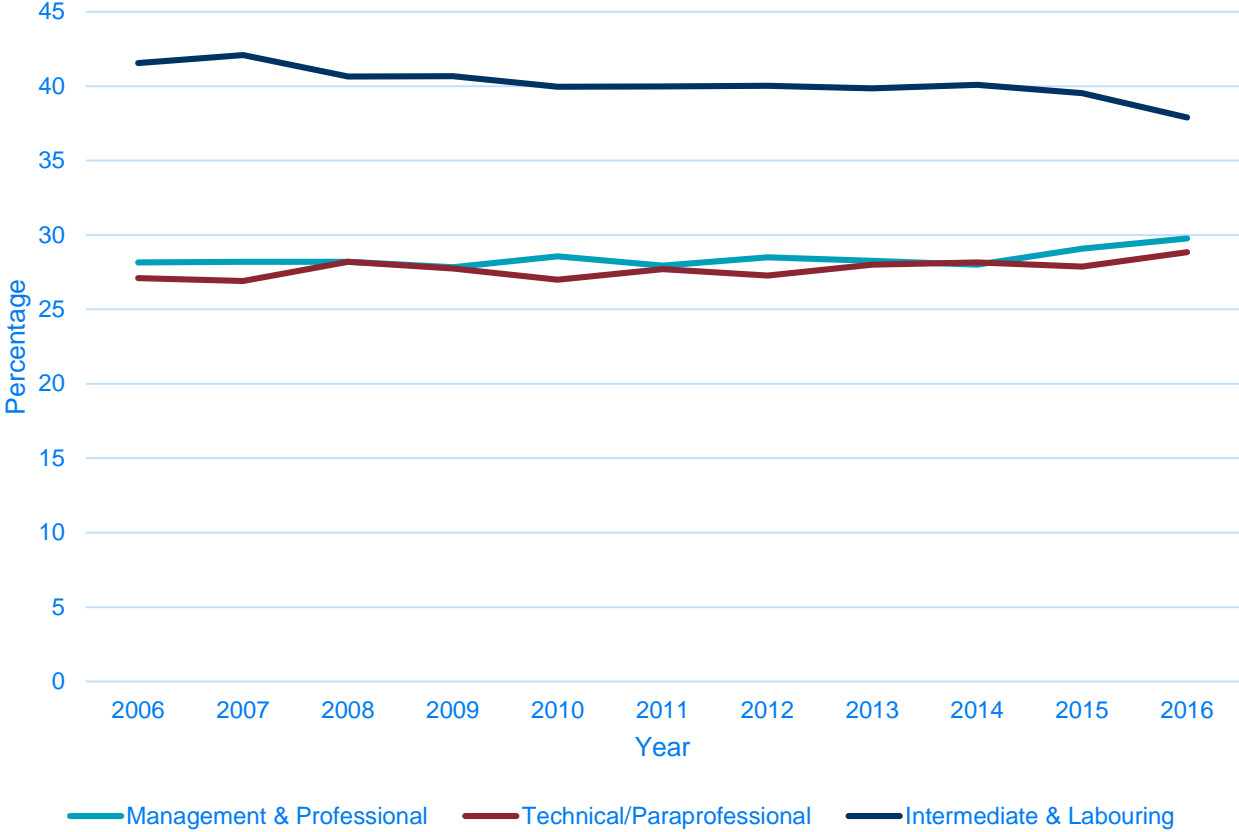
2. Immigrants in Labour Force: Canada and its Regions



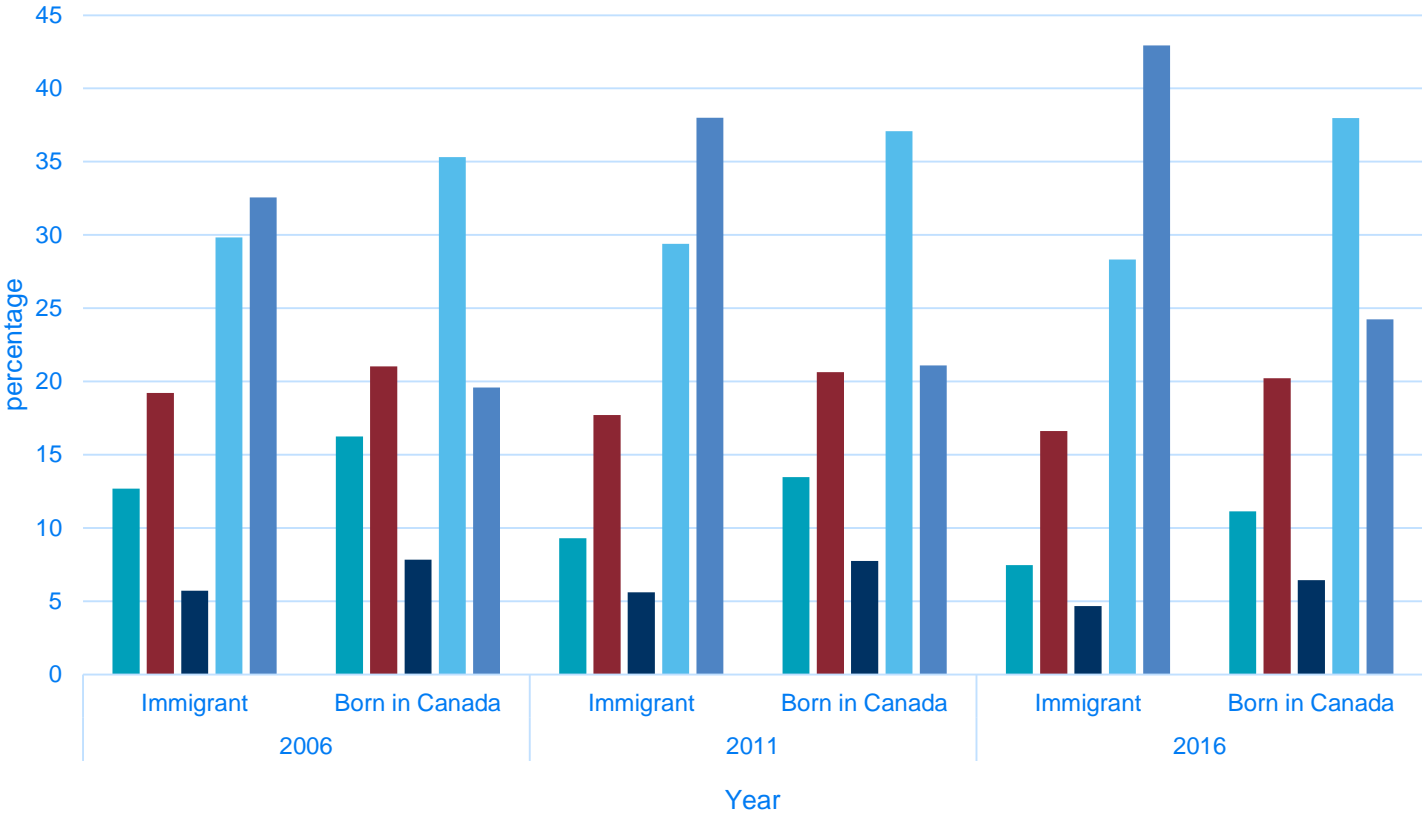
3. Immigrants Contribution to labour force by skill levels



4. Skill levels among Immigrants



5. Immigrants and Canadian born in labor force by educational attainment (%)



- No degree, certificate or diploma
- High school graduate
- High school graduate, some post-secondary
- Post-secondary certificate or diploma
- University degree

6. Canadian Labour Market in 2014

Occupations showing signs of	Number of occupations	Share of occupation	Employment	Share in employment
Shortage	17	5.82	1,112,600	6.25
Surplus	18	6.16	604,600	3.40
Balance	257	88.01	16,084,600	90.35
TOTAL	292	100	17,801,800	100

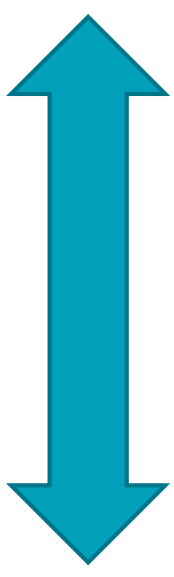
7. Canadian Labour Market in 2015-2024

Occupations showing signs of	Number of occupations	Share of occupation	Employment	Share in employment
Shortage	30	10.92	1,661,400	9.33
Surplus	46	15.75	2,235,900	12.56
Balance	216	73.97	13,904,500	78.11
TOTAL	292	100	17,801,800	100

8. Occupations showing signs of shortage and surplus (2015-2024)

Signs of shortages	Signs of surplus
1 in Business Finance & Admin 8 in Natural & Applied Sciences and related 12 in Health; 2 in Education, law and social, community & govt services 6 in Trades, transport & Equipment operators & related 1 in Manufacturing & utilities.	1 in Managerial & Professional 5 in Business Finance and Admin 3 in Natural & Applied Sciences and related 1 in Health ; 2 in Education, law & social, community & govt services 6 in Art, culture, recreation and sports; 9 in trades, transport and equipment operators and related; 9 in manufacturing & utilities

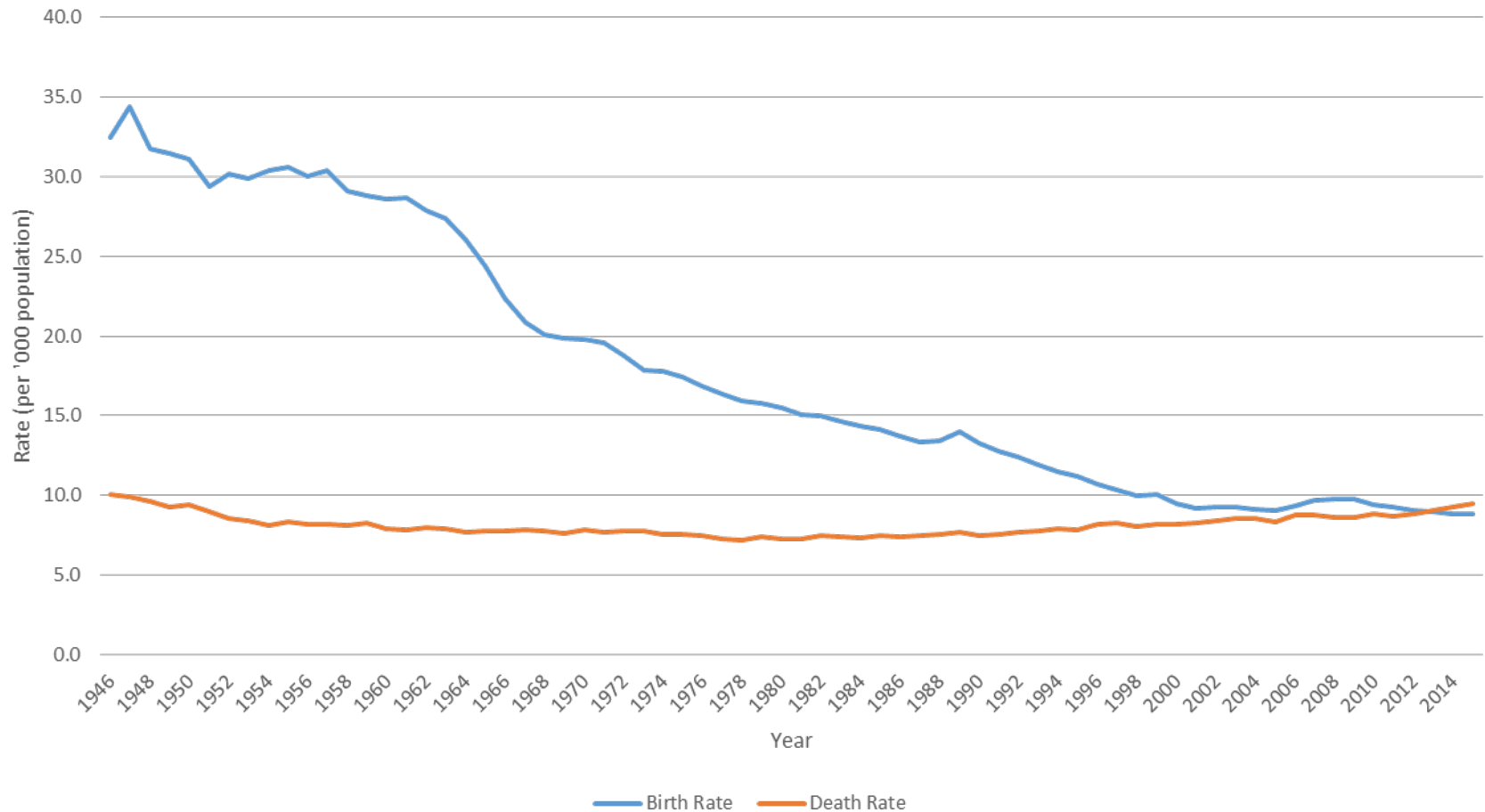
9. Occupations showing signs of shortage & surplus by skill level, 2015-2024

More Skilled	Skill level	Jobs		
		Showing signs of shortage	Showing signs of surplus	Total
	Management			
	Professional	12 (40%)	1 (2.2%)	13
	Technical / Paraprofessional	8 (26.7%)	13 (28.3%)	21
	Intermediate	10 (33.3%)	26 (56.5%)	36
	Labouring		6 (13%)	6
	Less Skilled			

10. Job openings and seekers by skill level, 2015-2024

More Skilled	Skill level	Job openings	Job Seekers			
			Immigrants	Other	Total	% immigrants in total
	Management	654,300	91,200	524,200	615,400	14.82
	Professional	1,313,500	245,400	986,100	1,231,500	19.93
	Technical / Paraprofessional	1,948,100	343,700	1,607,100	1,950,800	17.62
	Intermediate	1,509,300	362,700	1,107,400	1,470,100	24.67
	Labouring	528,800	193,000	363,900	556,900	34.66
	TOTAL	5,954,000	1,236,000	4,588,700	5,824,700	21.22
Less Skilled						

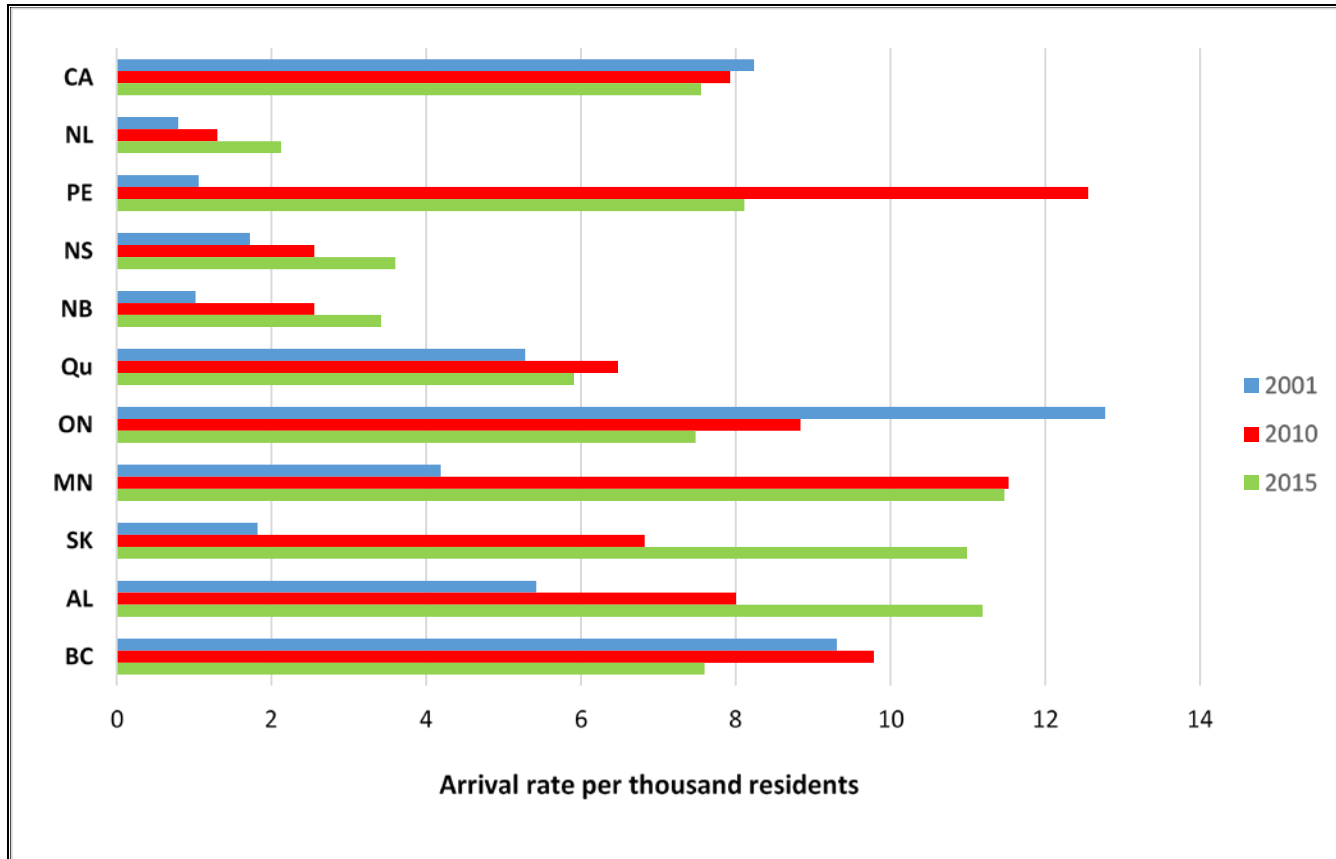
11. Birth and death rates in Atlantic Canada, post-world war II



12. Federal-provincial immigration agreements in Atlantic Canada

	Date Signed	Expiry Date
Canada-New Brunswick Agreement on Provincial Nominees	January 28, 2005 Amended: March 29, 2005 (Original signed in February 1999)	Indefinite
Agreement for Canada-Prince Edward Island on Immigration	March 29, 2001 Extended: March 2007	Indefinite
Canada-Nova Scotia Agreement on Provincial Nominees	August 27, 2002 Extended: September 2007	Indefinite
Canada-Newfoundland and Labrador Agreement on Provincial Nominees	September 1, 1999 Extended: December 1, 2005 and 2006	Indefinite


13. Immigrant arrival rates by province



14. Projected job opportunities, 2016-18, Atlantic Canada

Source	Number	Percentage
Job Growth	-14990	-0.5
Attrition	71595	2.2
Total Opportunities	56605	1.7

15. Projected job opportunities by skill level, 2016 - 2018, Atlantic Canada

More Skilled	Skill level	Job Opening		
		Due to growth	Due to attrition	Total
	Management	-1,385	8,500	7,115
	Professional	-925	11,880	10,955
	Technical / para professional	-6,315	23,745	17,430
	Intermediate	-3,765	20,425	16,660
	Labouring	-2,590	7,050	4,460
	TOTAL	-14,990	71,595	56,605
Less Skilled				

16. Policy recommendations

- About 21% of job seekers will be immigrants:
 - Need for specialized resources for their retention and integration in labour markets will continue.
 - Need for innovative ways to attract talent in a competitive world (Express Entry).
- 35% of all and 45% of immigrant job seekers will be in jobs requiring intermediate to labouring skills:
 - Need for resources towards provision of vocational education and short training programs.

17. Policy recommendations (contd.)

- Most jobs in Atlantic Canada will be opened through attrition: Given the negative natural growth in its population, Atlantic Canada needs to attract and retain more immigrants (Atlantic Immigration Pilot).
- COPS projections needed at regional/provincial level to have clear understanding of regional labour market issues.
- To attract more immigrants at intermediate and labouring levels, point system will have to be revised.