



ADJUSTING THE BALANCE: FIXING CANADA'S ECONOMIC IMMIGRATION POLICIES

Discussion Paper #1

Six Ways to Improve the Federal Skilled Worker Program

Recommendation

A revised Federal Skilled Worker Program should be the priority for economic immigration to Canada. It should be reformed by discontinuing the Occupation List; requiring standardized language tests in one official language; giving fewer points for work experience; and giving more points to younger applicants, skilled tradespeople, and family connections. Those immigrants with arranged employment should continue to be given priority processing, but more efforts should be made to encourage Canadian employers to look to federal skilled workers in the immigration inventory instead of temporary workers when recruiting overseas.

Recommendation Details

While the point system has obvious strengths, research has shown that it could be enhanced in the following six ways:

1. Discontinue the occupation list

Between 1967 and 2002, an occupation list was in place and government officials were unable to accurately predict labour shortages to keep the lists current. It proved too slow a tool to fill identified shortages and led to immigrants being selected on the basis of particular occupations only to come to Canada and find that their skills were no longer in demand. The shift to a human capital model after 2002 was evaluated and it was found that those immigrants who were selected on human capital measures fared better in the labour market than those who were selected under an occupationally-oriented system. The full evaluation can be found at: maytree.com/wp-content/uploads/2010/02/Evaluation-of-the-Federal-Skilled-Worker-program.pdf

Current Point System	
	Maximum points
Education (Masters or Ph.D. get full points)	25
Ability in English and/or French (Independently verified or other evidence in writing)	24
Work Experience	21
Age (highest points 21–49)	10
Arranged employment in Canada	10
Adaptability	10
Total	100
Pass mark = 67 points	

*2. Require standardized language testing in **one** official language*

Knowledge of one of Canada's official languages is one of the most important determinants for successful labour market integration. Since April 2010, federal skilled workers arriving under Ministerial Instructions must submit the results of standardized language tests in order to acquire points for language. The requirement does not apply to those skilled workers in the backlog (nor has the requirement been put in regulations). All principal applicants of the federal skilled worker program should submit the results of a standardized language test.

Requiring standardized tests will improve consistency in the awarding of language points and will reduce the time required by visa officers in assessing applications.

Under the current point system it is possible for an applicant to get high points in the language category, if they speak *both* English and French, albeit somewhat poorly. However, being proficient in *one* official language is a more important indicator of economic success. Speaking both only a little does not appear to have a similar advantage in the labour market.

3. Give fewer points for work experience achieved abroad

Although work experience is a key component of human capital, work experience achieved abroad is discounted by a factor of 70% in Canada. In this context, it does not make sense to continue to give high marks for overseas work experience.

www.irpp.org/choices/archive/vol11no2.pdf

4. Give more points for younger applicants

Canada has an aging population and faces current and future skill and labour market shortages. While immigration alone will not solve the problems associated with population aging, focusing on immigrants in a younger cohort could contribute to longer labour force attachment and more successful labour market integration given the evidence that younger immigrants have higher earnings.

www.queensu.ca/sps/publications/working_papers/20.pdf

5. Give more points for family connections

Adaptability awards points for social capital, such as friends, family, and networks in Canada that can assist them. Social capital is why family class immigrants tend to do better than other classes of immigrants in their first year in Canada – they have networks of family and friends who can help them find employment and settle in Canada.

6. Award more points in education for tradespeople

According to an HRSDC forecast, two thirds of all job openings from 2006 to 2015 will be in occupations requiring postsecondary education or in management. It is appropriate, therefore, that education continue to be an important selection factor. However, the current focus on education effectively excludes many tradespeople whose skills are also needed in the Canadian labour market. The forecast can be found at:

www.rhdcc-hrsdc.gc.ca/eng/publications_resources/research/categories/labour_market_e/sp_615_10_06/page00.shtml

Background

Immigrants come to Canada in one of three streams: economic, family reunification and humanitarian. The majority arrive through the economic stream. This stream includes those selected as federal skilled workers, as provincial nominees, as members of the business class or as part of the Canadian Experience Class.

In the past, most economic immigrants coming to Canada were part of the Federal Skilled Worker Program, which requires that all principal applicants be assessed for admission on the basis of a points system. But since 2002, the number of skilled worker principal applicants has declined relative to other economic categories, despite the fact that those selected under the Federal Skilled Worker Program continue to have the highest incomes and best long-term job prospects of all immigrants to Canada.

	2002	2006	2009
Permanent Residents in Economic Stream	137,863	138,251	153,498
Federal Skilled Workers	122,730	105,944	95,962
Business Immigrants	11,021	12,076	12,159
Provincial Nominees	2,127	13,336	30,378
Live-in-Caregivers	1,985	6,895	12,454
Canadian Experience Class			2,545

Temporary Workers	101,174	161,046	282,194
Seasonal Agricultural Worker Program	18,588	21,257	23,437
Live-in-caregiver program	11,997	24,392	38,608
Low-Skill pilot program	1,580	4,957	38,255
Other Temporary Workers	69,009	110,440	181,894

Rather than expanding the Federal Skilled Worker Program, the federal government has encouraged the growth of other programs, particularly provincial nominee programs and the Temporary Foreign Worker Program – essentially delegating the responsibility of selection to provinces and employers. If employers could be connected to federal skilled worker applicants in the inventory, they could make validated job offers to qualified individuals whose processing would then be expedited.

In February 2008 the federal government created an occupational list, and only those skilled immigrants arriving to these occupations or to job offers have applications reviewed under the skilled worker program. In June 2010 it was determined that a maximum of 1,000 applications from each of 29 occupations, or a total of 20,000 applications would be

accepted until June 2011. Immigration officials return all other applications to individuals who do not meet this occupational screen, and they are advised that they have the option of applying under provincial nominee or temporary worker programs, if eligible. These limits were created in an effort to address the backlog of applicants to Canada. However, as of February 2010, even after a letter campaign that was aimed at removing those from the list who may have died or were no longer interested in coming to Canada, there are still 335,000 people waiting in the backlog. The occupational list can be found at: www.cic.gc.ca/english/immigrate/skilled/complete-applications.asp

Discussion

Please visit www.maytree.com/adjustingthebalance or email policy@maytree.com to provide comments.

1. Does the current system meet the needs of the Canadian labour market? Would the proposed changes better meet the needs of immigrants, employers and Canada? Why or why not?

About the Discussion Paper Series

In July 2009, Naomi Alboim and Maytree released the paper, *Adjusting the Balance: Fixing Canada's Economic Immigration Policies*. It suggested that federal policy shifts had altered the landscape for economic immigration and that these shifts represented troubling trends that were unlikely to serve Canada well in the long term. For the paper, visit maytree.com/policy-papers/adjusting-the-balance-fixing-canadas-economic-immigration-policies.html.

Since the report was published, the shifts identified have continued. Provincial nominee programs continue to grow rapidly, temporary workers continue to arrive in record numbers, and international students are still perceived as ideal immigrants despite research that suggest skilled workers perform better in the long run. In addition, the federal government has continued to place occupational requirements on the Federal Skilled Worker Program which limit the government's ability to recruit skilled workers with the human capital necessary to adapt to changing labour market needs.

This discussion paper is part of a series that provides updates and commentary on recent immigration policy developments, evaluating recent changes which relate to the recommendations presented in *Adjusting the Balance*. For the entire discussion paper series, visit www.maytree.com/adjustingthebalance.