



Evaluation of the Federal Skilled Worker program

AUGUST 2010

This is a summary of an evaluation conducted by the federal government of the skilled worker program between 2000-2006 which explores the implications of the introduction of the Immigration and Refugee Protection Act (IRPA). The full evaluation can be found at: <http://www.cic.gc.ca/english/pdf/research-stats/FSW2010.pdf>.

Background

IRPA represented a shift from an occupation to human capital model. Before 2002, applicants under the federal skilled worker program were evaluated under a point system which included points for specific occupations. With the introduction of the Immigration and Refugee Protection Act (IRPA) in 2002, the occupation-specific criteria were removed, and the point system enhanced. The current point system is presented in the diagram.

Backlog meant that few skilled workers evaluated under IRPA. Due to a backlog of applications and the requirement that all applicants who applied before 2002 be evaluated by both the new and the old criteria, IRPA applicants represent only 50,932 of the 185,175 skilled workers who arrived to Canada between 2002 and 2006.

Even before the completion of this evaluation, federal government had moved back to an occupation-specific model. Since February 27, 2008, only those skilled immigrants arriving to occupations determined to be in demand or to job offers will have their applications reviewed under the skilled worker program. In June 2010 it was determined that only 1,000 applications from each of the 29 occupations, or a total of 20,000 applications would be accepted until June 2011.

Fewer skilled workers are arriving through the federal skilled worker program. From 2002 to 2008, the minimum target for the FSWP decreased from 116,000 to 67,000 visas. Applications received under provincial nominee programs, the Quebec skilled worker program and the Ministerial Instructions are given priority within the economic class, which often limits the ability to process IRPA applications received before Ministerial Instructions were introduced.

| Point system | |
|---|----------------|
| | Maximum points |
| Education (Masters or PHD get full points) | 25 |
| Ability in English and/or French | 24 |
| Work Experience | 21 |
| Age (highest points for ages 21-49) | 10 |
| Arranged employment in Canada | 10 |
| Adaptability | 10 |
| Total | 100 |
| Pass mark = 67 points | |

Objectives and Methods of Evaluation

Evaluation sought to evaluate the skilled worker program (one of the programs within the economic stream).

More specifically, the objectives of this evaluation are to assess:

Program design and implementation, including timeliness, consistency and transparency of selection; and

The impact of the program to date, including an assessment of the economic establishment of skilled workers.

Evaluation used data, survey and interviews. To evaluate the relative success of IRPA-evaluated skilled workers, interviews were conducted with CIC, HRSDC, provincial officials, immigration consultants and lawyers. Surveys were undertaken of 1,500 principal applicant skilled workers who were selected using IRPA criteria and landed between 2002 and 2008, and 110 employers (half of whom recruited a skilled worker through the arranged employment). In addition, the evaluation included a statistical analysis of the Longitudinal Immigration Database, case studies with several visa offices, and a literature review.

Findings about the Skilled Worker Program generally

Skilled workers are employed in their field and satisfied with their work. Of the principal applicants who were surveyed, 81% were employed full time. Most believe that their current job suits their field of studies (76%) and education (72%), and provides the income they expected (63%).

Employers happy with skilled workers. Employers reported strong satisfaction with federal skilled worker principal applicants. About 86% of employers said they were satisfied or very satisfied with hiring a person who came to Canada as a skilled worker and about 95% said that the principal applicant's job performance met or exceeded their expectations. Some of the perceived benefits of having skilled immigrants in the workplace included increased diversity, particularly of knowledge and ideas (45%), and the introduction of new work styles with improved performance (40%). While most (78%) employers said that the skilled worker faced no significant issues in the workplace, about 13% reported issues related to language.

The most relevant factors for economic success of immigrants are, by order of importance, arranged employment, language and work in Canada prior to the application. One year after landing, IRPA principal applicants who had an arranged employment offer were earning 74% more than those who did not have one. Individuals who got between 16-20 points in language have earnings that are 38% to 39% higher than skilled workers who received between 0 to 7 points. Immigrants who worked in Canada for at least one year prior to applying as a skilled worker earned 27% more than those who did not have Canadian work experience prior to application. Among other factors from the selection grid, age, education, work experience and partner's education also have a positive effect on employment earnings, while having received points for relatives in Canada affects earnings of skilled workers negatively.

Visa officers very worried about fraud in arranged employment. They view it as time-consuming, inefficient, and suggest there is insufficient support within Canada to address fraud in the

process. Visa officers indicated that much of the misrepresentation and fraud is planned, sophisticated and organized by third parties.

Findings comparing IRPA and pre-IRPA

Most interviewees think that IRPA was successful. The rationale is that it facilitates better economic success and integration of skilled workers, there is broader diversity in the occupational and professional backgrounds of skilled workers, skilled workers are more adaptable to changing labour market conditions, and the program is more focused on sustainability and long-term integration. Concern was also expressed that the IRPA model had not had sufficient opportunity to succeed, before the introduction of Ministerial Instructions that imposed an occupational filter.

Income is higher under IRPA than pre-IRPA. For the 2004 cohort, for example, employment earnings increased from \$40,100 in the first year after landing to \$47,500 a year later, while average employment earnings for pre-IRPA skilled workers increased from \$24,300 to \$31,300 for the same time period.

IRPA skilled workers are more diverse than pre-IRPA, especially with respect to occupational and country distribution. IRPA principal applicants are also more educated and have a better knowledge of official languages.

The processing times have increased with the introduction of IRPA by three months. Overall, the average processing time has increased by three months, from 20 months pre-IRPA to 23 months under IRPA. This is due in part to the fact that applications received before IRPA was introduced had to be processed under the old system (or both). In addition, other economic classes receive priority processing (e.g., Quebec nominees, provincial nominees, and those received under new Ministerial Instructions.).

Provincial interviewees say that the federal skilled worker program is less responsive to immediate labour market needs than the Provincial Nominee Program (PNP) because of longer processing times. (Provincial nominees receive priority processing.) The PNP was also perceived as meeting a wider range of labour market needs, particularly for lower skilled work. Nominee incomes are lower due to the lower education and skills of this group.

Although there was strong support for IRPA selection criteria, interviewees made some suggestions to strengthen the system:

- Mandatory language testing (which is now in place);
- Some standardized way to evaluate educational credentials;
- Maximum points for age between 35-45;
- Points for work experience in Canada or similar country;
- Cleaning up the arranged employment program to better screen fraud, lowering the points received for arranged employment, or completely eliminating the program;
- To not allot five additional points in adaptability for arranged employment because it detracts from the human capital objectives of the program; and
- Adjusting the pass mark more frequently.