

## 68. Filling the Gap through Economic Immigration

### Issue

Chamber members are citing challenges in hiring qualified workers as a barrier to growth. In urban centres with a high cost of living like Vancouver, Toronto, and Victoria, it becomes particularly challenging to fill gaps at the mid- to lower-end of the employment spectrum, particularly for skilled entry-level as well as low-skilled difficult-to-fill positions. Businesses then turn to hiring foreign workers, but are often frustrated by complex bureaucracy and lengthy timelines. The federal government can effectively adjust the system through a demand-driven focus to immigrant selection, such as by awarding points in the Express Entry process for a job offer, without requiring a Labour Market Impact Assessment.

### Background

The next 20 years will see a continued exit of baby boomers from the workforce. This exit will create a strain on national finances in the form of reduced income tax revenue and an increasing expense in the health care system as the baby boomers age. As our workforce shrinks, demand will rise, and employers will have increasing challenges attracting and retaining the workers they need, when they need them.

### Overview

Immigration to Canada can be either on a permanent basis or temporary in nature, such as to visit, study or work. Immigration, Refugees and Citizenship Canada (IRCC) handles large volumes of permanent and temporary resident applications across its extensive global processing network. The process of managing immigration files includes protecting the health, safety and security of Canadians. In collaboration with partners in the Public Safety portfolio as well as the Department of Justice and Health Canada, IRCC works to identify applicants who could pose security or health risks to Canadians. IRCC also works in partnership with other countries to mitigate risks and protect Canada from international threats.

### Process

Every foreign worker must obtain a work permit to legally work in Canada. The process by which a work permit is issued involves a complex employment confirmation scheme involving Employment and Social Development Canada (ESDC) and IRCC.

Involvement of ESDC is a convenient way for visa and immigration officers to determine whether the employment of the foreign worker is justified given current labour market conditions. With a confirmation of a valid job offer and a favourable opinion known as the "labour market impact assessment" (LMIA) from ESDC – provided security and medical qualifications have been met – the visa and immigration officer will then issue a work permit to the foreign worker. The process generally requires consultation with the employer and ESDC, national advertising and/or recruitment efforts, substantial documentary support and possible involvement of other government agencies. Without a positive LMIA assessment, a foreign candidate with a job offer often will not qualify for entry.

### Timelines

The processing times for entry as a permanent resident can be lengthy, anywhere from 9 to 97 months. The lengthy timelines, coupled with the LMIA requirement, creates a scenario where the employer identifies the required talent and makes a job offer, but the candidate is either not selected to immigrate, or has moved on to other opportunities in the interim. Skilled foreign nationals have personal lives and families to consider, and for them as well as their prospective employers in Canada, the unpredictability in the provision of the talent to meet organizational objectives is highly problematic.

### Express Entry

Introduced in 2015, Canada's Express Entry system promised transformative change in economic immigration and the opportunity for employers to be involved in immigrant selection.

Express Entry is an electronic application management system for skilled workers to seek permanent residency. It adds a competitive element by selecting candidates based on their scores in a comprehensive ranking system. Scores are assigned based on factors such as education, Canadian work experience and valid job offers.

Job offers must be accompanied by a positive LMIA from Service Canada to confirm that no Canadian or permanent resident is available to take the job. Without the assessment, a foreign candidate with a job offer will not receive 600 points. Candidate assessments below 600 points face more competition and lower chances of receiving an invitation from IRCC to apply for permanent residency through the Express Entry system.

By inserting the LMIA process into Express Entry, the government has put two competing policy principles in play. On the one hand, the Government of Canada wants to facilitate employers' access to a pool of international talent, and on the other hand, it does not want employers to look at international candidates because the government wants Canadians first in the jobs. In the past, the government had other ways to validate job offers for permanent residency applicants. The LMIA is the wrong policy tool for this purpose.

The federal government can effectively adjust the system through demand-driven focus to immigrant selection, such as by awarding points in the Express Entry process for a job offer, without requiring a Labour Market Impact Assessment.

### **Recommendation**

The Chamber recommends that the federal government award points in the Express Entry process for a permanent job offer, without requiring a Labour Market Impact Assessment.