



Immigration Policies for Canada

**Speaking Notes for
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Please Check Against Delivery

Thank you, Michael.

And thanks to the Conference Board for inviting me here today.

I see from the program that you had a major discussion of refugee settlement this morning, and I wish I had been able to come to that.

At the Canadian Chamber we are very proud of the work our President has done to support the government's program for Syrian refugees. Many of our members have supported new arrivals in their communities and Perrin has been very active in raising funds for this important project.

Now, in nine days' time, many of us in this room will be in the grip of a kind of "nuclear winter," in which social progress stops for weeks, and economic ambitions are put on the shelf, because we will be watching the NHL playoffs.

That means the timing of this conference is interesting. As Canadians, we never question the value of a professional hockey player and the need to expedite them into Canada to add bench-strength to one of our NHL teams.

The team owners – the employer – decides about the talent they need – and the government doesn't challenge it. The employer will identify the skills and track record of the player. Age may not be a factor; if they want a 40 year-old, then so be it.

If he only speaks Swedish, then he is still welcome.

We never hear of the Minister for Sport calling an owner and saying "Yeah, I don't think you need that Swedish guy. There's probably a promising kid in the minors you could use. You know, the Sudbury Wolves are playing the Niagara Ice Dogs this weekend, why don't you go check that out?"

That doesn't happen because we *really care* about winning hockey games. We recognize our team is competing against the best in the world.

Now let's consider another kind of talent – say a professional in a high-tech occupation.

For an employer, getting that key employee may mean the difference between building a team in Canada... or not.

That one professional may lead, or complement, the jobs of a lot of Canadians. Just as the “Swedish kid” may be the key to getting that team into the playoffs, a single professional can make a critical difference to a business team.

Skill is the key competitive edge that business needs.

Who is the expert that can decide what talent a business needs? Who can assess that business in the context of its competitive situation? The people who run it can, that’s why they are running it.

They know the skills and experience they need. They are the ones advertising, searching and recruiting for it. They start in Canada and then if necessary, they look abroad.

Now I am going to shift gears and focus on Express Entry and Canada’s immigration policies, but please keep the hockey player in mind.

If I have done my job so far, I’ve cleverly set this question up: Do we care as much about economic success as we do about hockey victories?

If our immigration strategies are flexible for the athletes, why are they rigid for businesses competing just as fiercely in world markets that are just as competitive?

Express Entry – The Positives

Fifteen months ago, the launch of Express Entry was the most promising reform of our permanent immigration system. It was focused on better selecting and processing applicants for economic immigration.

The Canadian Chamber and its members embraced the objectives of the system, such as giving employers, provinces and territories a role in immigrant selection, and speeding up the processing times of applications.

Last Thursday, IRCC released a report on Express Entry results in the calendar year 2015. The government reports that “Express Entry welcomed a diverse range of highly skilled candidates.”

It did. And *most* of them were TFWs who were already in Canada. Nearly 80%.

But considering how the TFW program has been choked off this year, we won’t have that pool of talent to draw on in the future.

I want to step back from the numbers and revisit three goals of Express Entry.

- First, the goal of maximizing the economic outcomes of immigrants by increasing the number who arrive with a job offer in hand;
- Second, the goal of selecting highly skilled immigrants whose human capital will contribute to Canada's economy; and
- Third, the goal of offering faster and more efficient processing of applications.

The first goal – making job offers to prospective immigrants – is squarely the role of employers.

The second goal – selecting immigrants on the basis of high human capital – is what government does.

But what if the first goal is undermined by policies that are limiting the employers' role?

What if employers identify the talent they need and makes a job offer, but the candidate is not selected to immigrate?

Where does that leave us? Does it leave us with candidates that are increasingly selected through the human capital points system designed and delivered by government? And not with those selected by employers?

One of the motivations for developing Express Entry and recognizing the value of job offers was to address the poor economic outcomes of immigrants who arrived without arranged employment. But the previous government undermined that policy goal.

Relying on a human capital points system is a scenario that doesn't differ much from what we had before Express Entry. I'd say it's not appreciably different – except that it's a new application management system.

It's irrational to expect better outcomes for immigrants if we have not really reformed the system to ensure more are arriving to pre-arranged employment.

Will Express Entry contribute to improved selection of talented individuals to contribute to Canada's economy?

No, not unless the system is adjusted to deliver that goal.

Right now, Express Entry requires a validation of a job offer through a positive Labour Market Impact Assessment. The LMIA is a labour market test. It's about assessing whether there may be Canadians available to fill a position. It is not about allowing the business to select the best possible person.

An LMIA is not an appropriate test for the validity of a job offer or of the legitimacy of an employer. It's a labour market test, accompanied by what our members feel is a daunting and overbearing compliance, enforcement and penalty regime carried over from the Temporary Foreign Worker Program.

If you can stand one more hockey reference – effectively the system is saying to employers just the narrative I spoofed a minute ago – “Go watch the Sudbury Wolves play and see if one of those kids might be good enough.”

“Good enough” is not good enough. This is not a situation of nicety. It is imperative that we win. It's hugely more important than the outcome of a hockey series.

To be clear – we have two processes – the LMIA and the Express Entry system – which serve two different functions. The LMIA function is to protect Canadian workers. The Express Entry system was supposed to help maximize the labour market outcomes of immigrants. Neither facilitates the attraction of the “best and the brightest.”

You could say that Express Entry is a competitive model with its Comprehensive Ranking System. But by incorporating the LMIA, it adds a minimum threshold philosophy to the model – and not an excellence philosophy.

Here are few suggestions that the Canadian Chamber has been making based on what our members tell us. In our report on Immigration for a Competitive Canada, we made 20 recommendations.

Right now I'll just single out a few:

1. Provide points in Express Entry for a job offer, without requiring an LMIA to validate it.

Instead, IRCC should create a test for employers to demonstrate they are a legitimate employer, using criteria similar to those in the Ontario Immigrant Nominee Program, or building on the Arranged Employment Opinion approach that was previously used in the Federal Skilled Worker Program.

2. Dedicate a number of Service Canada officers for specialized knowledge of certain industries that are high-value and high users of the program.
3. Explore reintroducing a dedicated track for the assessment of applicants in the digital technology sector, along the lines of the Tech Nation Visa Scheme in the U.K.
4. Provide extra points in the Express Entry system to senior experienced individuals in positions at the executive level. These are the kids from Sweden who might get us into the playoffs. The promising forward from the Sudbury Wolves isn't competing with them, he's depending on them.
5. Improve processing times and act on its commitment to create new performance standards for services.

And lastly, in the spirit of open and transparent government, the government should create forums at IRCC and ESDC for ongoing dialogue.

The dialogue would be with key stakeholders of Express Entry, the TFWP and the IMP, in order to communicate information and concerns amongst interested parties and with government officials.

Canada needs a truly competitive and effective immigrant selection model. It needs a way for business to be engaged in the system. With employers involved, Canada can better align its immigrant talent with its labour market and economic needs. Through gainful employment, economic immigrants can enjoy better incomes, faster, and make a better contribution.

This is a model for a Canada that wins.

Thank you.