



Expression of Interest: An In-depth Review of a New Immigration Model

Summary: The Expression of Interest Immigration Model

Citizenship and Immigration Canada (CIC) is working to actively attract the best and brightest newcomers to resettle in Canada. The new Expression of Interest (EOI) system will change the way it processes and selects immigration applications. The EOI system is an immigration application management system, which changes how applications for immigration to Canada are processed. The main objectives are to:

- Enhance Canada's control over the type and number of skilled worker applications that are accepted for processing
- Reduce backlog in waitlists for applications
- Allow Canada to be more proactive in accepting applicants whose skills are needed in the Canadian economy.

The EOI system will transform the current Federal Skilled Worker program into a demand-driven approach with an increased role for employers to select potential immigrants. EOI will select immigrants based on the skills Canadian employers need and, in turn, should they pursue citizenship, their immigration applications will be prioritized and fast-tracked. The new EOI system is expected to be introduced in 2015. This Research Brief provides a review of EOI's implementation in other countries, considers Canada's immigration programs currently, and considering its potential impact on the settlement sector.

How the Expression of Interest Model Developed: New Zealand's New Approach to Promoting Skilled Migration

The EOI model was originally developed in New Zealand in 2003, as a Skilled Migrant Immigration Category¹ in the hope of attracting skilled workers to fill

¹For more information on the Skilled Migrant Category Expression of Interest in New Zealand, go to: Skilled Migrant Category Expression of Interest Guide. Available at: <http://www.immigration.govt.nz/NR/rdonlyres/E741D6F6-7670-48E1-B824-69B3959461D4/0/1101.pdf>



labour shortages in the New Zealand economy. The EOI system has been running for ten years now in New Zealand, with Australia adopting it in July 2012.² Australia has called it Skill Select System; an online service aiming to streamline the processing of General Skilled Migration visas. It allows applicants to indicate whether they are willing to live and work in regional Australia, outside of the popular big-city destinations, enabling employers to settle migrants in more rural areas experiencing significant labour shortages.³

There are key differences between the model in New Zealand's application and how Canada's model will be implemented, making direct comparison between the two countries problematic, which will be discussed in this article. Key findings published by the New Zealand government about their experience with the EOI system is summarised below.

A key reason why comparison between countries is challenging with regards to this immigration model is that most of the applicants are people who are already "on-shore" – what Canada terms Temporary Foreign Workers (TFWs). Canada has not stated that TFWs will easily be able to apply for this immigration stream. New Zealand's current success in integrating immigrants who already live in the country diverges from the information provided by the Canadian government thus far, which appears to focus on processing applications while applicants are overseas. In the Australian EOI system, prospective immigrants can be found and be nominated by either an Australian employer or a state/territory government, often done remotely while the applicant is overseas. It is likely that Canada will follow a similar route⁴, and as the EOI system in Australia is barely a year old it is too early to draw meaningful conclusions from immigration statistics.

Challenges to Responding to Labour Shortages with Immigration Policies

Immigration policy changes can struggle to respond to short term labour market needs because whilst it is possible to estimate labour shortages⁵ based on current

² Source: Canadian Chamber of Commerce. Available at: http://www.chamber.ca/advocacy/policy-resolutions/2013-proposed-resolutions/Addressing_economic_immigration_in_the_new_EOI-system.pdf

³ Australian Government, Department of Immigration and Border Protection; Available at: <http://www.immi.gov.au/skills/skillselect/>

⁴ Source: CIC News: Canada to Pursue 'Expression of Interest' Immigration Model, February 2013. Available at: <http://www.cicnews.com/2013/02/canada-pursue-expression-interest-immigration-model-022314.html>

⁵ It is useful to distinguish between occupational (or skill) and labour shortages. Whilst labour shortages refer to not enough people being able to fill the job vacancies available in an economy, skills shortages come about when workers do not have the requisite skills to fill specific positions in organizations.



needs, it is more complex to forecast ongoing or future demand for specific occupations.⁶ For immigration policies to effectively address short term skills shortages, processing times on applications will play into the efficacy of the immigration model. EOI in Canada pulls from a selection 'pool' that takes applicants out if they have not been selected after six months, which addresses the cumbersome backlog and ensures strong competition in the application pools.

Looking to Canada: A Range of Immigration Programs

Since 1967, Canada has experienced different forms of a 'points' systems for immigration purposes, placing emphasis on economic criteria such as education, knowledge of an official language, and the ability to join the labour market⁷. The following discussion focuses on major immigration programs in the Economic Class.

Federal Skilled Worker Program:

Two years ago, CIC announced a new 'Economic Action Plan 2012'⁸ that allowed for a new and modernized Federal Skilled Worker (FSW) Program. This Program prioritizes the applications of applicants with experience in specific in-demand occupations in order to better meet the needs of the labour market⁹. The purpose of the Federal

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"Immigration is vital for economic growth and our system must be more competitive internationally," said Stephen Khan, the Alberta Minister of Enterprise and Advanced Education. "On behalf of the provinces and territories, we look forward to continuing our work with the Government of Canada to transform the immigration system, making it faster and more responsive to provincial/territorial needs."

The Honourable Jason Kenney, PC, MP Minister of Citizenship, Immigration and Multiculturalism "Reforms to the points system for the FSW Program will allow newcomers to 'hit the ground running,' as we target younger immigrants with Canadian work experience and greater proficiency in an official language."

Source: CIC News: Canada to Pursue 'Expression of Interest' Immigration Model, February 2013. Available at: <http://www.cicnews.com/2013/02/canada-pursue-expression-interest-immigration-model-022314.html>

The Honourable Jason Kenney, PC, MP Minister of Citizenship, Immigration and Multiculturalism <http://www.cic.gc.ca/english/resources/publications/annual-report-2012/message.asp>

⁶ Freeman, R.B. 2006. Is a Great Labor Shortage Coming? Replacement Demand in a Global Economy. NBER Working Paper 12541. New York: National Bureau of Economic Research. Available at: <http://www.nber.org/papers/w12541>

⁷ Statistics Canada, Migration: International, 2010 and 2011; Jonathan Chagnon. Available at: <http://www.statcan.gc.ca/pub/91-209-x/2013001/article/11787-eng.htm>

⁸ Citizenship & Immigration Canada, Annual Report to Parliament on Immigration, Message from the Minister of Citizenship, Immigration & Multiculturalism. Available at: <http://www.cic.gc.ca/english/resources/publications/annual-report-2012/message.asp>

⁹ Statistics Canada, Migration: International, 2010 and 2011, by Jonathan Chagnon. Available at: <http://www.statcan.gc.ca/pub/91-209-x/2013001/article/11787-eng.htm>



Skilled Worker Program is to act as a rapid, short-term economic program to find appropriately skilled workers with strong language skills to quickly fill current labour and skill shortages.

The Minister of Citizenship, Immigration & Multiculturalism stated in the 2012 Annual Report to Parliament that federal skilled workers will have their foreign education credentials evaluated for their equivalency in Canada **before** they apply to immigrate¹⁰. This would aim to both ensure that Canada is accepting immigrants with the ability to work in their field, and to streamline their integration into the Canadian job market upon arrival. A new skilled trades stream will encourage immigration of skilled workers to submit relevant applications in order to fill current labour market shortages. EOI system of processing applications should expedite the processing of appropriate applicants by allowing those with the most points to be placed at the top of the pool, thus more likely to be selected above and faster than other candidates with fewer points.

Provincial Nominee Program:

The Provincial Nominee Program (PNP) authorizes provinces and territories to nominate individuals who will meet specific local labour market needs for permanent residence. PNP applications receive priority processing from CIC¹¹.

- In 2012/13, 94% of Skilled Migrant Category principal migrants were approved with a job or job offer in skilled employment
- More than four-fifths (87%) of employers said they rated the immigrant employees they employed through this system as good or very good¹.
- Employers who had tried to find a New Zealander before hiring an immigrant reported not being able to find someone with the right skills (83 percent) as the main reason they didn't hire a New Zealander.¹
- In 2012/13, most SMC principal applicants were approved onshore (87%), of whom 99% had a job or job offer. Of the 13% approved offshore, 57% had a job or job offer.¹

¹⁰ Citizenship & Immigration Canada, Annual Report to Parliament on Immigration, Message from the Minister of Citizenship, Immigration & Multiculturalism. Available at: <http://www.cic.gc.ca/english/resources/publications/annual-report-2012/message.asp>

¹¹ Citizenship & Immigration Canada: Provincial Nominee Program. Available at: <http://www.cic.gc.ca/english/hire/provincial.asp>



The EOI model allows governments to select candidates they feel are a good match for their labour needs, and also allows local businesses to select from the pool of candidates. For example, the model implemented in Australia allows candidates to specify if they are willing to move to a rural region. Consequently, immigrants are settling in a more diverse range of locations where labour and skills shortages exist. The PNP has led to greater numbers of immigrants settling in rural areas where skills and labour shortages are acute; however, it is still too early to assess the long-term effects of more recent policy changes.¹²

Canadian Experience Class:

2008 marked the beginning of a program to modernize the Canadian immigration system. Among other things, the IRPA was amended to add the Canadian Experience Class to the economic immigration category. Immigrants applying under the Canadian Experience Class must be proficient in English or French and must have acquired skilled work experience in Canada, which may be augmented by graduation from a Canadian postsecondary institution¹³. Again the Expression of Interest model would presumably be created to prioritize these attributes strongly and recognize them in its points-based system.

It remains to be seen how the Expression of Interest model supports these economic immigration programs, but its focus on matching skilled workers with higher language capabilities to employers facing labour and skill shortages is an innovative way to attempt to ensure that Canada continues to grow its economy and attract skilled immigrants through a fast and employment-focused system. The Temporary Foreign Worker Program and Provincial Nominee Program reflect a move towards shorter-term economic imperatives driving new immigration policy, and the Expression of Interest system for accepting immigration applications further reflects this trend that seeks to fill current skills and labour shortages with future immigrants.

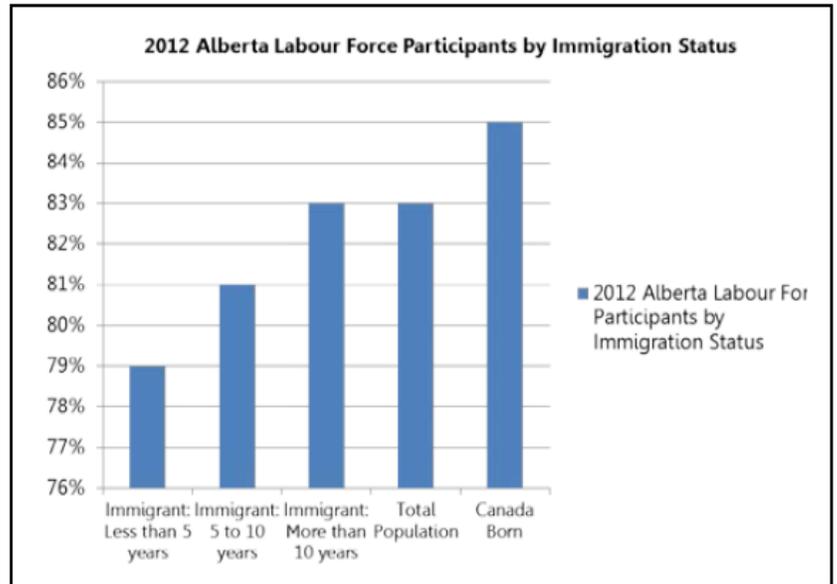
¹² Institute for Research on Public Policy: IRPP Study, No. 29, April 2012, Making it in Canada: Immigration Outcomes & Policies, Garnett Picot & Arthur Sweetman. Pdf available at: <http://www.irpp.org/en/research/diversity-immigration-and-integration/making-it-in-canada/>

¹³ Statistics Canada, Migration: International, 2010 and 2011. Available at: <http://www.statcan.gc.ca/pub/91-209-x/2013001/article/11787-eng.htm>



Expression of Interest in the Canadian Landscape:

The Canadian government has yet to announce specific details as to how the EOI system will be implemented in 2015. The government has held consultations with key Federal, Provincial, and Territorial stakeholders about the system, which has received favourable reviews from many provincial stakeholders. By supplying a range of eligible skilled professionals to the provinces, the EOI system has the potential to assist provinces in addressing their specific labour market needs¹⁴.



Labour Force Participation:

Stats Canada reported in November 2013 that across Canada the labour force participation rate is 66.4%¹⁵, with a national unemployment rate of 6.9%. Alberta meanwhile, has an improved labour force participation rate of 73.4%, and an unemployment rate of only 4.7%, demonstrating a comparably strong employment rate. Unemployment rates in Alberta do not necessarily align with the number of job vacancy rates being recorded, as strong economic performance by the province has meant that businesses are aiming to expand faster than workers are available to fill those positions. The Canadian Federation of Independent Businesses (CFIB) reported that Alberta had the highest vacancy rate in the country in 2012 at 3.9% (equivalent to 54,900 jobs unfilled¹⁶). Compared with Canada's

¹⁴Source: CIC News: Canada to Pursue 'Expression of Interest' Immigration Model, February 2013. Available at: <http://www.cicnews.com/2013/02/canada-pursue-expression-interest-immigration-model-022314.html>

¹⁵Stats Canada, Labour force characteristics, seasonally adjusted, by province, Available at: <http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/lfs01c-eng.htm>

¹⁶Canadian Federation of Independent Business: Help Wanted: Private sector job vacancies in Canada: Q3 2012 Ted Mallett, Vice-president, Chief Economist. Available at: <http://www.cfib-fcei.ca/english/article/4613-new-study-shows-sk-and-ab-have-highest-job-vacancy-rate.html>



approximately 275,900 full and part-time private sector jobs remaining unfilled currently in the country, Alberta has a disproportionate number of vacancies. Canada's construction industry is the sector with the highest job vacancy rate (3.7%), although hospitality (2.9%), agriculture, forestry and fishing (2.8%), oil, gas and mining (2.8%) and professional services (2.7%) are also high¹⁷.

Review of Canadian Labour Market Shortages:

The Organisation for Economic Cooperation and Development (OECD) reported in 2013 that the labour market situation for migrants "has worsened over the past five years in many countries, particularly in Europe where high and long-term unemployment of migrants has become a significant concern. Countries such as New Zealand, Australia, and Canada have fared much better in terms of migrant labour market outcomes as they have a higher level of discretionary flows".¹⁸ This reveals that Canada is doing better than some European counterparts in attracting and retaining labour in the recent past. It is worth noting that according to the Canadian Federation of Independent Business (CFIB), Canada's national vacancy rate has risen from 1.7 per cent at the end of 2009 to 2.4% nationally, and Alberta ties with Saskatchewan for the highest job vacancy rate in the country, standing at 3.6%.¹⁹ Clearly, whilst faring better than some, Canada needs to continue to focus on ensuring its immigrants successfully meet these labour demands as its economy continues to grow, as job vacancies "have increased at the same pace as the economy has grown,"²⁰ according to Ted Mallett, CFIB's chief economist and vice-president.

Canada has been experiencing a steady decline in earnings of immigrants comparative to Canadian citizens, which is a common issue across many developed economies since the 1970s²¹. Diversification of source countries for immigration played an important role in altering the outcomes for immigrants upon arriving in Canada, as high numbers of immigrants are moving to Canada from non-traditional source regions. Correspondingly, increasing numbers of immigrants are arriving in Canada with English as a second language. This could

¹⁷ Canadian Federation of Independent Business, Available at: <http://www.cfib-fcei.ca/english/article/4613-new-study-shows-sk-and-ab-have-highest-job-vacancy-rate.html>

¹⁸ OECD (2013), International Migration Outlook 2013, OECD Publishing.

¹⁹ Canadian Federation of Independent Business, Available at: <http://www.cfib-fcei.ca/english/article/4613-new-study-shows-sk-and-ab-have-highest-job-vacancy-rate.html>

²⁰ Canadian Federation of Independent Business: Help Wanted: Private sector job vacancies in Canada: Q3 2012
Ted Mallett, Vice-president, Chief Economist. Available at: <http://www.cfib-fcei.ca/english/article/4613-new-study-shows-sk-and-ab-have-highest-job-vacancy-rate.html>

²¹ Institute for Research on Public Policy: Making It in Canada: Immigration Outcomes and Policies, Immigration Outcomes and Policies, by Garnett Picot and Arthur Sweetman, Published on April 4, 2012. Available at: <http://www.irpp.org/en/research/diversity-immigration-and-integration/making-it-in-canada/>



be a major factor in employment outcomes, as well as Canadian recognition of foreign educational credentials.

Review of Immigrant Labour Market Employment Outcomes:

In the last thirty years, immigrants to Canada have experienced increasingly poor labour market outcomes when compared to their Canadian counterparts. Many recent arrivals have had difficulty finding employment, while the amount immigrants are earning has reduced²². Research conducted by Sweetman and Picot suggests that reasons for this decline include factors such as a shift in source countries, weak language skills, and low economic recognition of foreign work experience. Canada's government has made significant alterations to immigration policies in an attempt to address this trend, but it has not been entirely addressed yet.²³

When considering both the labour market shortages that Canada faces, and the fact that immigrants are finding it more difficult today to integrate successfully into the economy than in previous decades, it appears that there is a misalignment between employment needs and the ability of immigrants to find employment successfully upon entry to Canada, particularly when they have been in the country for 5 years or less.

Narrowing the Focus: Alberta

According to the Alberta Immigration Progress Report published in 2011, Alberta could face a shortfall of approximately 77,000 workers by 2021. Therefore, attracting and retaining immigrants will be 'key to Alberta's continued prosperity'.²⁴

²² Institute for Research on Public Policy; Making It in Canada: Immigration Outcomes and Policies, Immigration Outcomes and Policies, by Garnett Picot and Arthur Sweetman, Published on April 4, 2012. Available at: <http://www.irpp.org/en/research/diversity-immigration-and-integration/making-it-in-canada/>

²³ Institute for Research on Public Policy; Making It in Canada: Immigration Outcomes and Policies, Immigration Outcomes and Policies, by Garnett Picot and Arthur Sweetman, Published on April 4, 2012. Available at: <http://www.irpp.org/en/research/diversity-immigration-and-integration/making-it-in-canada/>

For more information on research demonstrating that immigrant employment outcomes have deteriorated since the 1970s, see the following works: Aydemir, A., and M. Skuterud. 2005. "Explaining the Deteriorating Entry Earnings of Canada's Immigrant Cohorts: 1966-2000." *Canadian Journal of Economics* 38 (2): 641-71. Also see: Frenette, M., and R. Morissette. 2005. "Will They Ever Converge? Earnings of Immigrant and Canadian-Born Workers over the Last Two Decades." *International Migration Review* 39 (1): 228-57. Also see: Green, D., and C. Worswick. 2010. "Entry Earnings of Immigrant Men in Canada: The Roles of Labour Market Entry Effects and Returns to Foreign Experience." In *Canadian Immigration: Economic Evidence for a Dynamic Policy Environment*, edited by T. McDonald, E. Ruddick, A. Sweetman, and C. Worswick. Queen's Policy Studies Series. Montreal and Kingston: McGill-Queen's University Press.

²⁴ Alberta Immigration Progress Report, 2011. Available at: <http://eae.alberta.ca/documents/WIA/WIA-IM-immigration-progress-report.pdf>



As mentioned previously, the CFIB records indicate Alberta has the shared highest job vacancy rate in Canada, standing at 3.9% in 2012, despite also having comparatively low unemployment levels. This unique situation is likely to attract more immigrants to Alberta under both the current Provincial Nominee Program, and the EOI immigration model when implemented. The EOI immigration model could help address big labour shortages in Alberta, though it will remain to be seen how efficiently and effectively industry gaps can be filled through this system of processing immigration applications whilst applicants are overseas, and whether international applicants with desirable qualifications will be able to find and retain work in their field of expertise. This presents a new opportunity for the settlement sector to provide workplace integration support in the industries Alberta will be prioritising going forward.

Did You Know...

32,640 immigrants landed in Alberta in 2010, an increase of approximately 58% from 2006 when Alberta received 20,716 immigrants. Alberta received 11.6 % of all immigrants to Canada in 2010, up from 8.2% in 2006.

Source: Citizenship and Immigration Canada

Disclaimer: This report has been drafted, compiled, and reviewed by the AAISA Research Committee and staff person. It has not been sanctioned by any government agency representatives and should be confirmed as appropriate.



A MESSAGE FROM **aaaisa**
ALBERTA ASSOCIATION OF IMMIGRANT SERVING AGENCIES

AAISA is dedicated to providing current, evidence-based research and policy updates to its Alberta member agencies and stakeholders. The Research and Policy Brief project serves to offer a detailed account regarding the issues directly facing the settlement sector across our province. Our goal is to offer our members and stakeholders the best information available to enhance and inform their practice.

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