



Canadian Association of
Professional Immigration Consultants

L'Association Canadienne des
Conseillers Professionnels en Immigration

CAPIC's Input for Building a Modern 21st Century Workforce

September 30, 2024

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CAPIC's Input for Building a Modern 21st Century Workforce

CAPIC appreciates the initiative taken by Employment and Social Development Canada (ESDC) to build a modern 21st-century Canadian workforce, aiming at a good quality of life for Canadians from meaningful and rewarding jobs.

Introduction

CAPIC studied the Discussion Paper¹ and the questions in the Building a Modern 21st Century Workforce questionnaire thoroughly² and is aware of the major trends presented in the Discussion Paper.

CAPIC submits that immigration policy plays a significant role in the fulfilment of this initiative because of two factors. First, the integration of permanent residents impacts the Canadian workforce. Second, the admission of foreign workers, international students, asylum seekers, and permanent residents adds additional workers to the Canadian workforce, which also has an impact. Whether the impact of the factors is positive or negative depends on how successful the integration of permanent residents is and the balance of the labour supply and demand. Therefore, CAPIC also examined the impact of the two immigration-related factors.

Below is CAPIC's input concerning Building a Modern 21st Century Workforce with recommendations based on research, data analysis, and feedback from CAPIC members. The submission follows the order of the questions in the questionnaire except for the questions concerning CAPIC as a participant, which are addressed in the "About CAPIC" section. The submission focuses on relevant immigration policies to identify areas of action for employment and training support to Canadian and permanent resident workers accompanied by input to other general questions.

Analysis and Recommendations

1. Adding two factors for the identified three priorities

¹ ESDC, "Building a Modern 21st Century Workforce – Discussion Paper," August 13, 2024, [online](#).

² ESDC, "Building a Modern 21st Century Workforce – Engagement Questionnaire," August 9, 2024, [online](#).

CAPIC considers all three identified priorities to be important for fulfilling the goal of building a modern 21st-century workforce. We would add two priorities that have a significant impact on workforce building:

- (1) Reduce the reliance on temporary foreign workers, and
- (2) Ensure the admission of permanent residents and other foreign nationals who will be authorized to work in Canada is aligned with the labour market needs of the provinces and territories.

CAPIC proposed these two priorities based on two factors.

First, the message from the Discussion Paper is clear, “Canadians deserve to benefit from meaningful and rewarding jobs that provide a good quality life.” The rising unemployment rate of Canadian and permanent resident (PR) workers, especially youths, is an issue that may hinder the fulfillment of the initiative. Some sectors with the largest portion of entry-level jobs tend to favour foreign workers over Canadian and PR workers, which may have negatively impacted Canadian and PR workers.³

Most recent Statistics Canada data show—⁴

- The unemployment rate in Canada in August 2024 is 6.6 %, the highest since May 2017, excluding 2020 and 2021 during the pandemic.
- 1.5 million people were unemployed in August 2024, an increase of 60,000 compared to July and 272,000 compared to August 2023.
- From May to August 2024, the unemployment rate for returning students at the age of 15 to 24 was 16.7%, the highest since 2012, disregarding that of Summer 2020 during the pandemic.

Though there may be labour shortages that need to supply the workforce with foreign workers, Canadian employment opportunities should be available to Canadian and PR workers first. Otherwise, it may be difficult for Canadians and Permanent Residents to see how the objective of this modern workforce building can be achieved.

Second, the unemployment rate among immigrants who arrived in Canada for five or less than five years has been steadily higher than native-born workers from 2019 to 2023. In 2022 and 2023, while the unemployment rates for the total population were 5.3% and 5.4% respectively, for the newly landed immigrants, they were 8.2% and 8.8%.⁵ The most recent available data from Statistics Canada show that the unemployment rate for the latter group in July 2023 and

³ CBC, “From fast food to construction, employers turn more and more to temporary foreign workers,” CBC News, Jun. 24, 2024, [online](#).

⁴ Statistics Canada, “Labour Force Survey, August 2024,” Sept. 6, 2024, [online](#).

⁵ Statistics Canada, “Labour force characteristics by immigrant status, annual,” Jan. 1, 2024, [online](#).

July 2024 was 9.5% and 12.6%, respectively.⁶ The data may have suggested some disconnect between the admission of permanent residents and the labour market needs of the provinces and territories. It may also suggest that Canadian businesses are reluctant to hire newcomers or that these newcomers might be ill-prepared for the Canadian labour market. If the trend remains, it may not be a favourable factor for this workforce-building initiative.

2. The most critical areas of focus

CAPIC submits that the most critical areas of focus may reside in the following:

- Encourage young Canadians and provide them with appropriate training, opportunities, and support to be successful in the workforce.
- Five-year work permits in identified labour gaps to stabilize the labour market while ensuring employers remain competitive in attracting Canadians and Permanent Residents.
- Attract the Canadian diaspora to return to Canada.

The reasons for the suggestions are as follows.

First, Statistics Canada's data finds that unemployed groups face more difficulty landing a job.⁷ Canadian youth represent a group facing employment challenges. They are also the group that needs more training and support given their inexperience in the workforce. In addition, Canadian youth should be engaged when the goal is to build a more sustainable workforce for the present and future workforce in Canada.

Second, the large number of foreign workers and international students in Canada began to place underrepresented Canadian/PR workers in a disadvantageous position when applying for entry-level jobs.⁸ The estimated number of undocumented foreign nationals ranges from 300,000 to 600,000,⁹ which places pressure on Canadian social services that may further impact vulnerable Canadian/PR workers. The consistency of the higher unemployment rate among new immigrants is also an issue that needs to be addressed for an inclusive workforce-building design.¹⁰ To alleviate some of these pressures, CAPIC suggests having 5-year work permits in identifiable labour gaps, while incentivizing employers to remain attractive to Canadians/PR. Employers have to remain competitive and have access to an employment base yet must also look

⁶ Statistics Canada, "Chart 4 Larger rise in unemployment rate for recent immigrants in July compared with 12 months earlier," Aug. 12, 2024, [online](#).

⁷ Supra, note 4.

⁸ Financial Post, "Young Canadians left jobless amid influx of cheap foreign workers," Aug. 12, 2024, [online](#).

⁹ CBC, "Canadians — and Liberals — split on giving the undocumented status: immigration minister," June 15, 2024, [online](#).

¹⁰ Supra, note 6.

to reskill and upskill their employees and ensure labour conditions and wages meet and exceed provincial standards.

Third, while Canada is proud of its openness to welcoming immigrants, a piece of workforce building that has never been explored is the group of Canadian expatriates, who reside abroad. Senator Yuen Pau Woo is the first Canadian politician who commissioned a study on this matter.¹¹ The study presents the following figures and facts:

- Over 4 million Canadians live abroad: 51% are citizens by descent; 33% Canadians by birth, and 15% naturalized Canadians.
- The emigration of immigrants has been on a steady increase.
- The size of the Canadian diaspora by percentage is more than five times larger than that of the United States and two times larger than that of Australia.
- By percentage, Canada has one of the largest diasporas among the advanced industrialized countries.

It also points to a pattern drawn from a survey: 65% of the survey participants indicated that they left Canada for employment opportunities. The pattern of economic emigration is more common among young, well-educated Canadian diasporas; they are described as “brain drains” for Canada. The Canadian immigration system is designed to attract global talents and skilled workers. Why not try to attract the Canadian diaspora to re-join the force to build a better Canada?

3. The strengths of the Canadian approach to workforce development and opportunities for growth

Canada developed the Canadian Occupational Projection System (COPS), a suite of models produced to project labour demand and identify labour shortages.¹² This practical tool may be one of the barometers in workforce building. Employment and Social Development Canada (ESDC) has developed social programs to support youths and apprenticeships that can be seen as a standard to strive to.

The COPS projected a few trade occupations will have labour shortages for the years to come. To incentivize Canadian youths whose financial resources are normally unstable to accept apprenticeships and fill the labour gaps, CAPIC

¹¹ McGill Institute for the Study of Canada, “Canadians Abroad: Overview of Recent Research and Implications for Public Policy,” accessed Sept. 12, 2024, [online](#).

¹² Government of Canada, “Canadian Occupational Projection System (COPS),” Jan. 11, 2023, [online](#).

suggests retaining both the Apprenticeship Incentive Grant¹³ and Apprenticeship Completion Grant.¹⁴

4. Barriers to workforce development to be removed

Barriers to workforce development for employers and workers may carry different meanings. From the workers' perspective, CAPIC considers two barriers, (i) the barriers for underrepresented Canadian/PR workers, especially Canadian youths, to be involved in workforce development, and (ii) the barriers for newly landed permanent residents to be re-established in Canada.

For the former, fraud and abuse of the Temporary Foreign Worker Program have been taking away employment opportunities for vulnerable Canadian/PR workers. CAPIC suggests taking enforcement action to crack down on such illegal practices so that the labour market demand can be accurately reflected. Though this may not be a direct measure concerning workforce building, it contributes to workforce building meaningfully by maintaining a healthy labour market.

For the latter, the language barrier and lack of Canadian experience are the two most common issues for newly landed permanent residents. The Government of Canada funded hundreds of language programs to help newcomers improve their language skills. The "Improving Settlement Services Across Canada,"¹⁵ a report by the Standing Committee on Citizenship and Immigration (CIMI) shows that language skills are important for permanent residents to enter the labour market. The report also points out that the limited capacity of the language training programs is a barrier. Settlement service agencies across Canada provide services, including pre-arrival services, to help newcomers settle in Canada, including job search. However, Canadian employers generally favour newcomers who have Canadian work experience, which is beyond what newcomers may obtain from the settlement services.

CAPIC suggests examining the English language and employment assistance services provided by immigrant service providers to improve program delivery. Ideally, the language programs should match the language training demands of the working-age permanent residents; and settlement services should equip PR job seekers with knowledge and skills that it takes to land a Canadian job.

5. One thing to do to improve labour mobility

¹³ See ESDC, "Funding: Apprenticeship Incentive Grant – What this grant offers," Jul. 22, 2024, [online](#).

¹⁴ See ESDC, "Funding: Apprenticeship Completion Grant – What this grant offers," Jul. 22, 2024, [online](#).

¹⁵ See CIMI, "Improving Settlement Services Across Canada," June 2019, [online](#).

The Canadian Free Trade Agreements aim to improve labour mobility interprovincially.¹⁶ However, foreign-trained professionals still face difficulties in re-qualifying. The Foreign Credential Recognition as a program to help in this regard has been in operation for years, but its objective remains unfulfilled.¹⁷ Though sacrificing professional standards is not the way to go, incorporating Foreign Credential Recognition into pre-arrival services may be an approach to explore. Further encouraging industry regulatory bodies in expediting licensing for foreign trained permanent residents, (while maintaining standards), will improve labour mobility and integration.

6. Existing workforce training models or partnerships work well in Canada or other jurisdictions

CAPIC is aware of some government grants for small and medium businesses, for example, the Canadian-Ontario Job Grant¹⁸. We noticed that the model is adopted by the BC government. They work in partnership with the Small Business BC (SBBC) which promotes the grants and assists applicants to apply for the grants.

SBBC also supports small businesses in BC at a nominal rate. CAPIC suggests exploring the model and the effectiveness of the partnership between the BC government and the SBBC.

7. Increase the involvement of business and employers to support training

Two factors suggest that increasing the involvement of business and employers to support recruiting new permanent residents can contribute to the workforce building positively. First, the largest portion of permanent resident admission goes to the economic classes. According to s. 12(2) of IRPA, the admission of this class of permanent residents is based on their ability to become economically established in Canada. Second, the persistently high unemployment rate of new immigrants indicates the level of their integration into the workforce is not ideal.

CAPIC suggests developing a mechanism to connect Canadian businesses and employers with pre-arrival permanent residents for Canadian job-ready training.

8. Tools for government to incentivize more on-the-job training

¹⁶ Labour Mobility, “Reducing barriers in labour mobility from coast-to-coast,” accessed Sept. 13, 2024, [online](#).

¹⁷ ESDC, “Evaluation of the Foreign Credential Recognition Program,” April 2020, [online](#).

¹⁸ See SBBC, “BC Employer Training Grant,” accessed Sept. 12, 2024, [online](#).

Employers favour job-ready workers. On-the-job training may also be seen as a piece that takes away time for work and thus reduces productivity. In addition, employers may assume some liabilities for providing it. Therefore, having some easy-to-follow guidance and economic incentives may encourage employers to conduct this kind of training.

CAPIC suggests three tools for this initiative:

- Government guidelines: Free on-the-job training guidance provided to employers by government agencies or not-for-profit organizations that have the expertise. Both general and sector-specific guidelines can be developed to assist employers.
- Government grants: On-the-job training grants for employers operated in a combination of pre-approval and reimbursement mode. Involving employees who are recipients of the training in the entire process to make it more engaging. The involvement of employees will also make it easier for assessment for improvement.
- Tax credits: Set up rules where both employers as training providers and employees as trainees may deduct a certain amount of costs for the training.

9. Better integrate upskilling and reskilling

For this initiative, CAPIC recommends the following:

- Government guidelines: Develop guidelines based on economic and workforce research to help employers develop and implement upskilling and reskilling plans. It may also help workers identify skills to enhance and develop.
- Promoting existing programs and tools: Proactively promoting government upskilling and reskilling programs and tools in regions and industry sectors that need upskilling the most, e.g., Upskilling for Industry Initiative¹⁹ and Skills for Success Program.²⁰
- Incentives to Canadian/PR workers directly: Underrepresented Canadians/PR workers, though may wish to upskill and reskill to improve their chances of integration in the workforce, they may need to meet their end's needs first, and thus may not have the means.²¹

10. Means for the Government of Canada to support job seekers to fill existing job vacancies

¹⁹ Innovation, Science and Economic Development Canada, "Upskilling for Industry Initiative," Feb. 2, 2023, [online](#).

²⁰ ESDC, "About the Skills for Success Program," March 11, 2024, [online](#).

²¹ CBC, "Canada is getting poorer when compared to its wealthy peers, data shows," Sept. 12, 2024, [online](#).

CAPIC recommends improving the effectiveness of the Job Bank and its provincial/territorial counterparts. The former is where the labour market impact assessment (LMIA) advertisements must be placed. The latter is another commonly used medium by employers to place such recruitment advertisements. Some advertisements are placed for selling LMIA purposes, even though it is illegal. The fake job vacancies in the Job Bank mislead job seekers and cause a disconnect between them and authentic job vacancies.

That is why it is worth examining the performance of the Job Bank in terms of job seekers landing a job through the platform.

11. Means for government, business, and labour to work together to increase productivity

A recent study²² shows that labour productivity and investment in workers go hand in hand. The business investment in this regard has been weak since 2015.

To find a solution to increase productivity, CAPIC submits that the first step is to find the root cause – the reason for the weak business investment in workers for nearly a decade. On the other hand, workers' perspectives of low productivity also need to be considered.

12. Means for organizations to better integrate artificial intelligence (AI) to enhance productivity while being mindful of potential job displacements

The means for organizations and workers in terms of this may reside in different directions. For some businesses, especially private ones, the integration of AI may result in improvement in productivity, while for others, it may lead to job restructure and adaptation in skills for workers. For example, in recent years, in the retail sector, automated checkout counters have replaced some cashiers causing restructuring and reskilling for the workforce.

Employers invest into AI systems to improve productivity but must ensure that their workers can effectively work alongside the modern technology. To support this, employers should be encouraged or incentivized to provide adequate training and opportunities for employees to thrive in a modernized work force. While productivity and profitability are important, these goals can be achieved through proper training and support. As AI becomes an integral part of the 21-century workforce, it is essential to maintain the human element, ensuring balance and productivity.

²² C.D. Howe Institute, "Underequipped: How Weak Capital Investment Hurts Canadian Prosperity and What to Do about it," Sept. 2024, [online](#).

13. Possible supply-side investments governments can make to improve productivity

Whether the supply-side investments would work in terms of productivity requires economic expertise to analyze. This is beyond CAPIC's scope.

Conclusion

CAPIC is a recognized leader and voice in the Canadian immigration consulting sector. We are willing and able to assist ESDC in working with Immigration, Refugees and Citizenship Canada (IRCC) in tandem to build the 21st workforce through the lens of immigration. This will make immigration a contributing factor to the 21st workforce building; in turn, it can fulfill one of the objectives set out in s.3(1)(a) of IRPA: To permit Canada to pursue the maximum social, cultural, and economic benefits of immigration.

About CAPIC

The Canadian Association of Professional Immigration Consultants (CAPIC) is the non-profit professional organization representing the interests of Canadian Immigration Consultants. Our headquarters is located in Toronto (M5C 1C4) with staff from across Canada and members in Canada and overseas.

The organization advocates for competency, ethical conduct, and consumer protection in the immigration consulting industry. CAPIC's mission is to lead, connect, protect, and develop the profession, serving the best interests of its nearly 5000 members. It is the only association recognized by the Government of Canada as the voice of Canadian immigration and citizenship consultants. CAPIC is a major stakeholder consulting with federal and provincial governments and their respective departments on legislation, policy, and program improvements and changes.

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