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Canada's Economic Immigration Policies Changed Dramatically

by Edward C. Corrigan

On January 1, 2015 the Government of Canada made significant changes to Canada Immigration policies for skilled workers who wanted to apply for Immigration to Canada. The Skilled Worker, the Skilled Trades Person and the Canada Experience Class Immigration programs were rolled into the new "Express Entry" program." The Live-In-Caregiver program was not affected by the changes.

According to the Government of Stephen Harper and his Minister of Citizenship and Immigration Chris Alexander, this new program was designed to match prospective Immigrants with Canadian Employers' needs. It also was to speed up the process for skilled workers to come to Canada.

Since the "Express Entry" Immigration program is only a few months old it is too early to say if it will meet the needs of Canadian employers and the new Immigrants who want to make Canada their new home. It is also not clear if this new "Express Entry" Immigration is going to be express.

On April 10, 2015 the Minister of Citizenship announced that the first three Express Entry candidates have been approved to become Permanent residents of Canada.

The Conservative Government had previously suspended the Entrepreneur, Self-Employed and Investor Immigration Programs. The government re-introduced the Investor Program in February 2015 but greatly increased the net worth requirement to \$10,000,00 from \$1,600,00. They also increased the amount to be invested into a Canadian government approved investment fund to \$2,000,000 increased from \$800,000. No interest is being earned on this "at risk investment" which is to be returned after 5 years.

To quote the Government website: "The Immigrant Investor Venture Capital (IIVC) Pilot Program has reopened. CIC will accept applications from February 13 to April 15, 2015, or until a maximum of 500 applications are received. Approximately 60 applications will be randomly selected and approved for the IIVC Fund."

This statement means that there is no guarantee that a submitted Investor Application will be accepted as the Government will "randomly" select only 60 Applications out of the 500 submitted. In my opinion this restriction is not going to encourage qualified investors to apply to Immigrate to Canada.

Quebec's Immigration programs were not affected by these new changes.

The "Express Entry" Immigration program is largely based on the "Expression of Interest" Immigration policy employed by New Zealand. It remains to be seen if this new approach will meet the needs of Canada given that our Immigration requirements are much greater than New Zealand's.

The "Express Entry" Immigration program employs a new "Comprehensive Ranking System" (CRS) using a complex formulae based on points given for Age, Level of Education, Official languages proficiency and Canadian Work Experience. Slightly lower points are given to applicants who have spouses and the spouses can also earn a few points. A maximum of 500 points could be awarded under these categories.

Points also are awarded under a category called "Skill Transferability factors." A maximum of 50 points could be awarded for Education and work experience in Canada. Another 50 points could be awarded for "Foreign work Experience." In addition 50 points could be earned for a Certificate of qualification for individuals in trade occupations. Another 50 points could be awarded for "good/strong official languages proficiency and a certificate of qualification." However, the points that can be earned under the "Skill Transferability factors" is capped at a maximum of 100 points.

The total number of points that could be earned by a Skilled Worker Applicant is set at a maximum of 600 points based on the above noted factors.

The "Express Entry" program has a second component where an additional 600 points are awarded for "Arranged employment." In addition 600 points are also awarded for a Provincial Nomination where a province nominated an individual for Immigration to Canada under provincial approved criteria.

The effect of this second component of the "Express Entry" Immigration program is that it heavily favours individuals who have "Arranged Employment" or an individual who has secured a Provincial Nomination by a Province. For example in the Ontario Provincial Nomination Program (PNP) those candidates who have a Master's degree or are in a Ph.D. program are heavily favoured.

The "Express Entry" Immigration program is heavily weighted in favour of those applicants who have secured either an approved Labour Market Impact Assessment (LMIA) from Human Resources Skills Development Canada (HRSD) which satisfies the criteria set by Service Canada that there is no Canadian or Landed Immigrant qualified to do the job with six months training.

In addition to passing the difficult criteria set for getting a positive LMIA there is a \$1,000 Application fee and serious advertising requirements on top of the difficulty of proving that there are no qualified individuals in Canada who are able to do the job. There is also a new "Employer Compliance System" with a fee currently set at \$230.00 to "strengthen employer accountability."

This approach at first glance may seem to make sense. However, while the idea of have new Immigrants matched to an employment position before they are approved to come to Canada, in my opinion, there are many problems with this approach.

First the approach heavily favours Applicants who have an approved LMIA and severely discriminates against Applicants who are applying under the Canadian Experience Class. These applicants have good Canadian educational qualifications and good Canadian work experience but do not have an approved LMIA due to the cost and difficulty and expense of obtaining a positive LMIA. Many employers want to hire an individual who has Canadian work experience under the Post-Graduate Work Visa program and want to continue employing the individual who has proven their worth as an employee. The LMIA requirement will discourage hiring these qualified individuals.

Previously Employers did not have to advertise to hire an International Student who was already employed by the company. This policy greatly simplified the process of hiring a foreign worker already working for the employer. It also saved a great deal of time and expense. Previously there was no \$1,000 Application fee to obtain what was formerly called a Labour Market Opinion (LMO). Many employers do not want the headache, the time and expense of getting a LMIA to justify the hiring of a foreign worker.

There is also no guarantee that an approved Applicant is going to want to stay tied to the employer who has offered them a job. There are many other reasons for a prospective immigrant to want to come to Canada including family.

Some may say that Canadian employers should be hiring workers in Canada and giving them preference over foreign workers. The problem is that Canada desperately needs more skilled workers, and also unskilled workers, due to the low birth rate in Canada and our aging "Baby Boomer" population which is living much longer than past generations. Without Immigration into Canada we would face a very serious demographic problem and an acute shortage of both skilled and unskilled workers.

This new procedure under "Express Entry" severely undercuts the benefits of coming to Canada as a foreign student and working under the Post-Graduate Work Visa program. This negatively impacts both the students and also the employers who have heavily invested in the recent foreign student graduate who is employed by the company. It clearly makes Canada a less attractive place for foreign students to get their education. This could mean the loss of many millions of dollars of revenue brought into Canada by foreign students.

The "Express Entry" Program also discriminates against skilled foreign workers who have come to Canada under the Intra-Company transfer mechanism. Again the requirement of a positive LMIA for a company to hire one of its own employees does not make much sense and would be seen negatively by multi-national employers. The same principle would apply to skilled professionals who come to legally work in Canada under the North America Free Trade Agreement (NAFTA).

It is my opinion that combining the In-Canada Experience Immigration program with the "Express Entry" Immigration program is a serious mistake and one that effectively undermines what was one of the best ways to recruit skilled workers to Canada. The fact that these individuals had Canadian educational experience and also proven success at being employed in Canada for as long as three years, or even more, made them excellent prospects as new Immigrants to Canada.

There are also some other serious problems with the new "Express Entry" Immigration procedure. The Canadian government is trying to recruit younger and unmarried applicants. Individuals start to lose points once they pass the age of 29. Maximum points for age are awarded to those individuals between the ages of 20 and 29 years. However, realistically how many

individuals reach their peak during these young years. We are hurting our ability to attract individuals in their forties and even fifties where the individuals are at their maximum intellectual and work experience ability.

Another problem which will discourage highly skilled Immigrants from coming to Canada is the change of definition for dependent child from the age of 22 or still attending a qualified post-secondary educational program. This was the old definition. The new definition has eliminated the in school exception and changed the age of dependent child to the age of 18.

Once a child hits the age of 19 they cannot come to Canada as a dependent of their parents. It is my view that this new dependent age policy will discourage applications from highly skilled applicants who have children over the age of 18. They will not want to leave their "dependent" children behind if they have reached the age of 19.

The "Express Entry" has only been in existence since January 1, 2015. It does not appear that the Express Entry program is working out as planned. In the fifth "Express Entry" draw the lowest Comprehensive Ranking System (CRS) offer was made to an individual with a score of only 481. This fact tells us that the number of positive LMIAs or Provincial Nominations which would give the Applicant a 600 point advantage over those who do not have either of these approvals is far below the expectations of the government.

The good news is that this relatively low CRS number will make many of the candidates who would have previously qualified under the In-Canada Experience category also to be able to qualify under the "Express Entry" without the need for a positive LMIA and the difficulties and costs associated with obtaining a positive LMIA.

In addition there are other requirements including proving language proficiency, getting foreign credentials evaluated plus medical and security checks.

The bottom line is that Canada needs to recruit foreign skilled workers, and in fact unskilled workers, to meet our labour needs for the future. Let us hope that the Canadian government will fine tune the "Express Entry" Immigration program to Canada by awarding appropriate points to those individuals that have proven that they can succeed in Canada by graduating from Canadian Colleges and Universities and by proving that they have Canadian job experience. Both of these criteria shows that such individuals can succeed as new Immigrants to Canada and be a benefit to the Canadian economy. It is important to remember that we are not the only Immigration game on the planet.

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