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# Canada confirms and expands recent trend by raising immigration targets

## Government authorizes plan to admit 1.5 million new permanent residents over the next three years

On 1 November 2022, federal Immigration Minister Sean Fraser announced the annual Immigration Levels Plan established by the Government of Canada for the admission of new permanent residents. In keeping with the tone set out over the past several years, the Minister advised Canada would seek to admit or “land” 465,000 permanent residents in 2023, 485,000 in 2024 and fully 500,000 (half a million people!) in 2025.

These aggressive targets, particularly for a country of some 37 million (as of December 2021), far outstrip both the actions and the planning of all other so-called immigration destination countries in the world. Australia, New Zealand, and the United States have all reduced both their stated settlement goals and tightened admittance procedures over the recent term. Canada, meanwhile, even in the immediate post-COVID-19 environment of 2021 admitted some 401,000 and is on track to land more than 431,000 permanent residents this year. Indeed, since the federal government announced its long-term strategic planning goals for immigration in 2020, the annual targets have increased by a factor of up to 20%.

Why does Canada appear to be all but unique in its immigration policy and settlement objectives? Two important factors stand out.

## The Numbers Have It

First, popular support for aggressive immigration policies remains very high in Canada. In fact, Canadians support the planned immigration levels more than ever in more than half a century. A poll conducted by the Environics Institute this autumn and published in *The Globe and Mail* disclosed that 69% of respondents support current immigration levels, as compared with just 35% in 1977. Asked to respond to the question, “Is Canada taking in too many immigrants?”, more than 60% of respondents in 1977 said yes; today, less than 27% feel that way.

In the current Environics poll, an overwhelming majority of more than 85% of responding Canadians agreed with the statement that “overall, immigration has a positive impact on the economy of Canada”. As recently as the 1990’s, only about 56% of Canadians shared that sentiment. The authors of the poll now conclude that a new consensus has been reached in Canada: “not only is immigration good for the economy (but it is also) now a vital part of it”.

Part of the reason for the very high level of support for expanded immigration policies can be traced back to the simple fact that today more than 44% of all Canadians are first- or second-generation immigrants themselves. When the current government first took power in 2015, annual targets had only recently hit 300,000, but the objective of expanding upon these figures soon gained traction.



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Millions of new Canadians born outside this country have been created over the past 20 years, and in most cases they and their children have integrated successfully and enthusiastically. Success breeds success, and Canada has been consistently ranked as the most sought-after destination country in the world for prospective immigrants.

## **It's the Economy**

A second factor driving the pro-immigrant path Canada has taken is largely attributed to the rarest attribute of the modern politician: far-sightedness. Canada's immigration policy has thus far managed to be both popular and theoretically sound, colluding to drive solutions to both current and future challenges.

The scope of these challenges was acknowledged by Minister Fraser in announcing the new immigration targets. Canada faces both a critical skills shortage as well as a rapidly aging population. "Life has become more expensive" in Canada, acknowledged the Minister, and "businesses are having a hard time finding employees, skilled and unskilled". To both meet its skills and productivities gaps, and to continue to pay for aggressive social programs, including elder support, rising medical costs, beneficial climate action and indigenous reconciliation without aggressively increasing levels of taxation, the country needs to expand its pool of local human capital.

These challenges are not unique. Germany, France, Japan, and the United Kingdom, among other countries (including China and Russia) are all facing these issues, and most are scrambling to define and establish new short- and long-term immigration policies in the hope of partially addressing them. And while the United States, Australia, and New Zealand have grown increasingly insulated and are driven by falling support for pro-immigration approaches notwithstanding their demographic needs, Canada appears to be the lucky country where a genuine attempt to address this generational challenge is proving, thus far, to be both popular and resilient.

Helping drive this apparent success is a determination by the federal government to delegate to the provinces and territories certain aspects of its permanent resident selection process. The point selection criteria and "weight" attributed to defined factors such as age, language ability, work experience, educational background and arranged employment can be convoluted and challenging (and where even the goal post needed to "pass" is frequently moved). However, one thrust of the "express entry" invitation system is to provide greater input from regional governments in the selection of skilled and economic immigrants deemed to be most necessary to address local needs, hence the provincial nominee stream. The broader class of economic immigrants makes up the lion's share of new immigrants. In 2023, for example, the plan is to admit more than 266,000 economic immigrants, more than twice as many (106,000) as those coming to Canada to reunite with family members, and significantly more than the 76,000 refugees and other "protected people" set out in the Immigration Levels Plan.

It is also to be noted, and commended, that the Ministry has landed nearly 120,000 applicants from Ukraine alone from March to November of this year, with more than 700,000 Ukrainian national applications received, and 420,000 approved, over this period. This focus compliments ongoing efforts to settle Afghan refugees. Clearly, government priorities have been shifted towards such processing in response to circumstances, and the department should rightly be credited for the speed of its response to date.

## **I Never Promised You a Rose Garden**

All this is not to say that Canada's immigration program, both in its planning and (especially) in its execution, does not have its fair share of challenges. Severe backlogs in government processing of this volume of applications—a situation exacerbated by the pandemic closures and (ironically) ongoing experienced staff shortages in government ranks—has meant that applicants can expect much longer delays in the determination of submissions, with processing periods lasting two years or more. The department recently announced the hiring of an additional 1,250 staff to increase productive capacity and help clear through the backlog. They also recently launched an online portal that allows once "paper-based" applications to be submitted and processed electronically without the need for any in-person interaction with officials. Minister Fraser also announced there will be greater transparency in reporting on backlogged processes and volume reductions.



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How long before genuine impact from these recent initiatives will be felt and seen is unclear. Immigration authorities are adamant that, following the challenges of the immediate post-Covid period, only some 20% of all permanent resident cases will be formally in “backlog” by December of this year; we will see. Some observers would note that the 4 out of 5 cases being processed within the government’s stated administration window falls with the norm of the usual performance exhibited by the Ministry over the past many years; whether this standard is good enough is another question. Moreover, it is less than clear as to whether the government succeeds in completing or “landing” the full volume of permanent residents anticipated in its targets.

For the broader business community, focus is also placed on the process and timing delays concerning the issuance of temporary work permits. While many such recipients will subsequently seek permanent residence, much of the effort to address immediate skill shortages (and to acquire valuable Canadian work experience) comes through the work permit process. Here too, and even more so, processing delays are alarming. To take an example, processing of temporary work permit extensions filed within Canada can now take up to 150 to 170 days on average, meaning that many work permit holders will be on extended terms of maintained status (meaning such people remain lawfully able to work or study, even if the “face” of their document suggests their status has expired). This situation can lead to awkward questions from employers and others alike, as well as restrict the ability of the applicant to travel outside of Canada without jeopardizing their status. It is unclear whether any, or what percentage of, the 1,250 new hires announced by the Minister will be allocated to work permit processing.

More challenging for the stability of the Canadian immigration program is the potential impact of looming economic slowdowns. The patience and support of the public of expanded immigration numbers can yet be fickle, especially if the job market becomes tighter. Related challenges, such as the housing affordability crisis felt throughout the country, the perceived over-population of major centers such as Toronto, Vancouver, and Montreal, and the demand for medical, social and transportation resources could contribute to making tempers run hot. Will fingers begin to point to rising levels of immigration if there is a perceived erosion in Canada’s “liveability indexes”?

Perhaps in partial response to such possible sentiments, a proposal has been mooted recently to restrict the ability of non-Canadians to own residential property. This possible (not yet formally adopted) approach, apparently proposed by the Canada Mortgage and Housing Commission, is outlined in the draft Prohibition on the Purchase of Residential Property by Non-Canadians Act. The draft legislation includes exception to this restriction, specifically for work permit holders who have worked in Canada for at least three years within the past four year. This exemption is arguably too narrow in scope, and is inconsistent with those established in other regimes, such as the Non-Resident Speculation Tax in Ontario and the Additional Property Transfer Tax in British Columbia. Both of these regimes exempt provincial nominees and offer refunds for foreign nationals who become permanent residents within a prescribed period. Whether such proposed legislation is a “one-off” or a portending of things to come is yet unclear.

As has been witnessed in many other countries, immigrants can too often become the scapegoats of hate-mongers and extremists of every persuasion in times of economic challenges or dislocation. As noted previously, Canada has mercifully been spared to date of such sentiment taking root, but voices in certain quarters have been raised; we must remain vigilant. Realizing the success of the recently announced aggressive immigration targets and significantly reducing the extreme processing delays for both permanent and temporary statuses will be key over the immediate term.

Most commentators agree that the true, long-term success of Canada’s immigration program lies less in the overall targets than in the successful integration of new immigrants in the country’s business, social and public life. Directionally, Canada is taking bold steps, and clearly announcing to the world its intentions for population expansion through immigration. Maintaining and expanding the good will and support of the Canadian population for these and related efforts in progressive immigration policies will be crucial.



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