



# Does Canada's Express Entry Rise to the Challenge of the Future Labour Market?

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Rupa Banerjee, Ryerson University

Tingting Zhang, Merrimack College

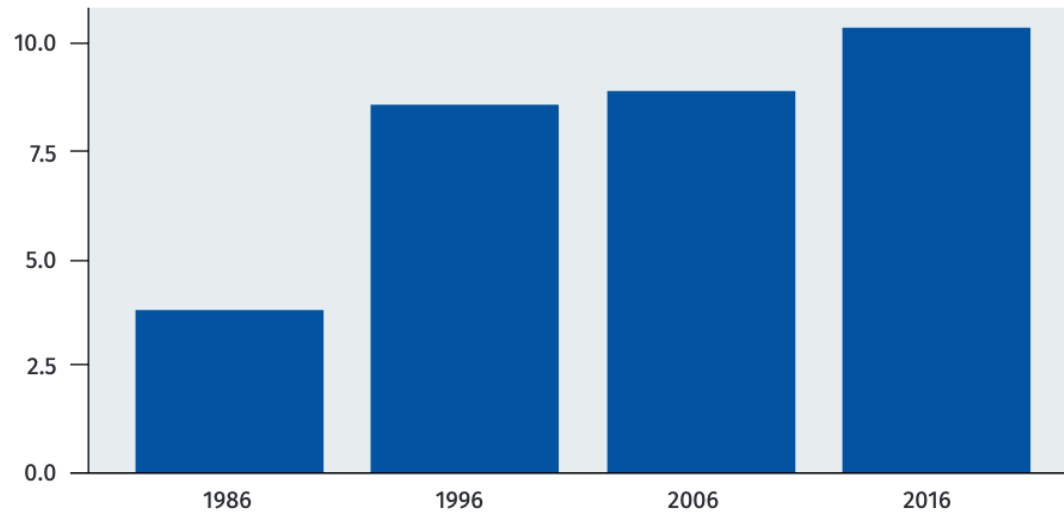
Aliya Amarshi, Ryerson University

# Canada's "Merit-Based" Immigration System

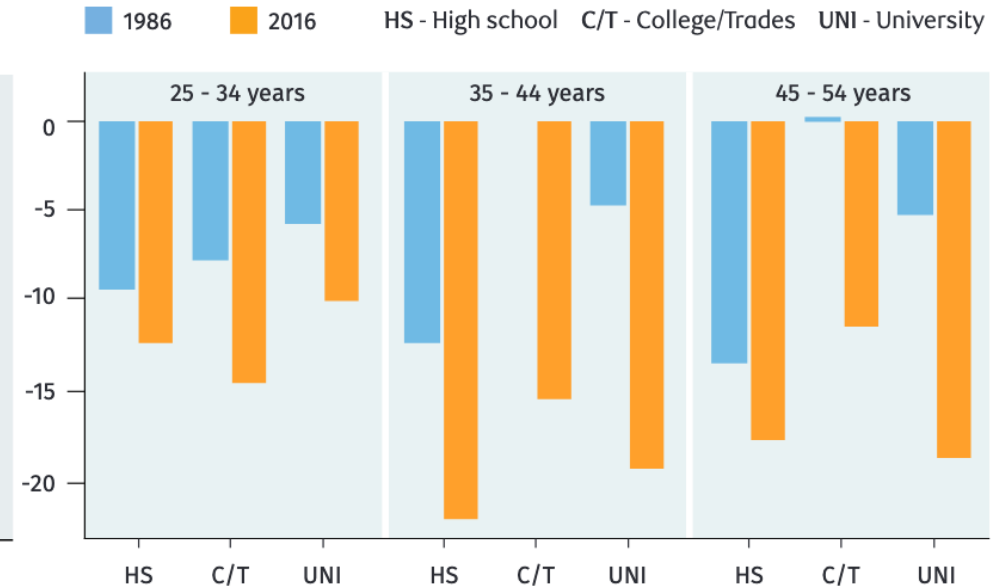
- In 2019 about 58% of permanent residents entered under economic category (IRCC Annual Report to Parliament 2019)
- Canada's points-based economic immigration policy aims to select newcomers based on factors such as:
  - Education
  - Experience
  - Adaptability
  - Language proficiency

# Skill-Biased Immigrant Selection: Brain Gain or Brain Waste?

Immigrants' earnings shortfall has gotten worse over time  
Median earnings gap (as a percentage of Canadian-born earnings)



The immigrant wage gap is broadly based  
Gap in median earnings (in percent)



Source: RBC Economics 2019 (<https://thoughtleadership.rbc.com/untapped-potential-canada-needs-to-close-its-immigrant-wage-gap/>)

# Factors Contributing to Immigrant Disadvantage in Canada

- Discounting of foreign credentials (Aydede & Dar 2017)
- Lack of Canadian experience (Bhuyan *et al.* 2017)
- Lack of English/French language skills (Adserà & Ferrer 2021)
- Perceived lack of “soft skills” and “cultural fit” (Elrick 2016)

# Canada's Evolving Immigration Policy: Is Express Entry the Solution?

Prospective immigrants submit online profile (Expression of Interest)

Candidates meeting minimum eligibility requirements are entered into Express Entry pool

Candidates awarded points based on Comprehensive Ranking System

Candidates with highest scores invited to apply

Comprehensive Ranking System (CRS)					
Factor		Points			
		With Spouse		No Spouse	%
A. Core/					
Human Capital Factors	Age	100		110	13%
	Education	140		150	17%
	Official Language Proficiency	150		160	18%
	Canadian Work Experience	70		80	9%
B. Spouse's Factors					
	Education	10			
	Official Language Proficiency	20			
	Canadian Work Experience	10			
Sub-Total A+B			500		
C. Skills Transferability					
	Post-secondary degree and strong language proficiency		50		6%
	Post-secondary degree and Canadian Work Experience		50		6%
Sub-Total C			100		
Sub-Total A+B+C			600		
D. Additional Factors					
	Sibling in Canada		15		2%
	Skill in 2nd Official Language		30		3%
	Post Secondary education in Canada		30		3%
	Arranged Employment*		200		23%
	Provincial Nominee Cert.**		600		50%
Maximum Allocation Part D			600		
Total with Provincial Nomination			1200		
Total without Provincial Nomination			875		100%
Pass Mark		Depends on Draw			

Source: Vineberg 2019  
<https://doi.org/10.11575/sppp.v12i0.53036>

# How does Express Entry Address Factors Contributing to Immigrant Disadvantage?

- Mandatory education credential assessment (ECA) for foreign education
- Extra points for Canadian post-secondary education
- Emphasis on pre-landing Canadian work experience
- Mandatory language testing
- Preference for young applicants

# How does Express Entry Address Factors Contributing to Immigrant Disadvantage?

## *Invitations to Apply by Program, Men*

Program	2017 number	2017 %	2018 number	2018 %	2019 number	2019 %
Federal Skilled Worker	23,787	45%	26,231	50%	21,150	43%
Canadian Experience Class	22,184	42%	18,583	35%	18,184	37%
Federal Skilled Trades	777	1%	729	1%	765	2%
Provincial/Territorial Nominee	5,716	11%	6,931	13%	8,964	18%
<b>Total</b>	<b>52,464</b>	<b>100%</b>	<b>52,474</b>	<b>100%</b>	<b>49,063</b>	<b>100%</b>

## *Invitations to Apply by Program, Women*

Program	2017 number	2017 %	2018 number	2018 %	2019 number	2019 %
Federal Skilled Worker	17,576	52%	21,287	57%	17,655	49%
Canadian Experience Class	12,834	38%	11,987	32%	12,377	34%
Federal Skilled Trades	129	0%	175	0%	235	1%
Provincial/Territorial Nominee	3,017	9%	3,871	10%	5,962	16%
<b>Total</b>	<b>33,556</b>	<b>100%</b>	<b>37,320</b>	<b>100%</b>	<b>36,229</b>	<b>100%</b>

- About half of those invited to apply were already residing in Canada



# How does Express Entry Address Factors Contributing to Immigrant Disadvantage?

## *Invitations to Apply by Age*

<b>Age category</b>	<b>2017 number</b>	<b>2017 %</b>	<b>2018 number</b>	<b>2018 %</b>	<b>2019 number</b>	<b>2019 %</b>
<20	11	0%	10	0%	4	0%
20-29	44,809	52%	46,028	51%	47,165	55%
30-34	27,214	32%	30,281	34%	26,692	31%
35-39	10,556	12%	10,045	11%	8,078	9%
40-44	2,341	3%	2,246	3%	2,260	3%
45+	1,091	1%	1,188	1%	1,100	1%
<b>Total</b>	<b>86,022</b>	<b>100%</b>	<b>89,800</b>	<b>100%</b>	<b>85,300</b>	<b>100%</b>

Source: IRCC, 2020 (Express Entry Year End Report 2019)

# How does Express Entry Address Factors Contributing to Immigrant Disadvantage?

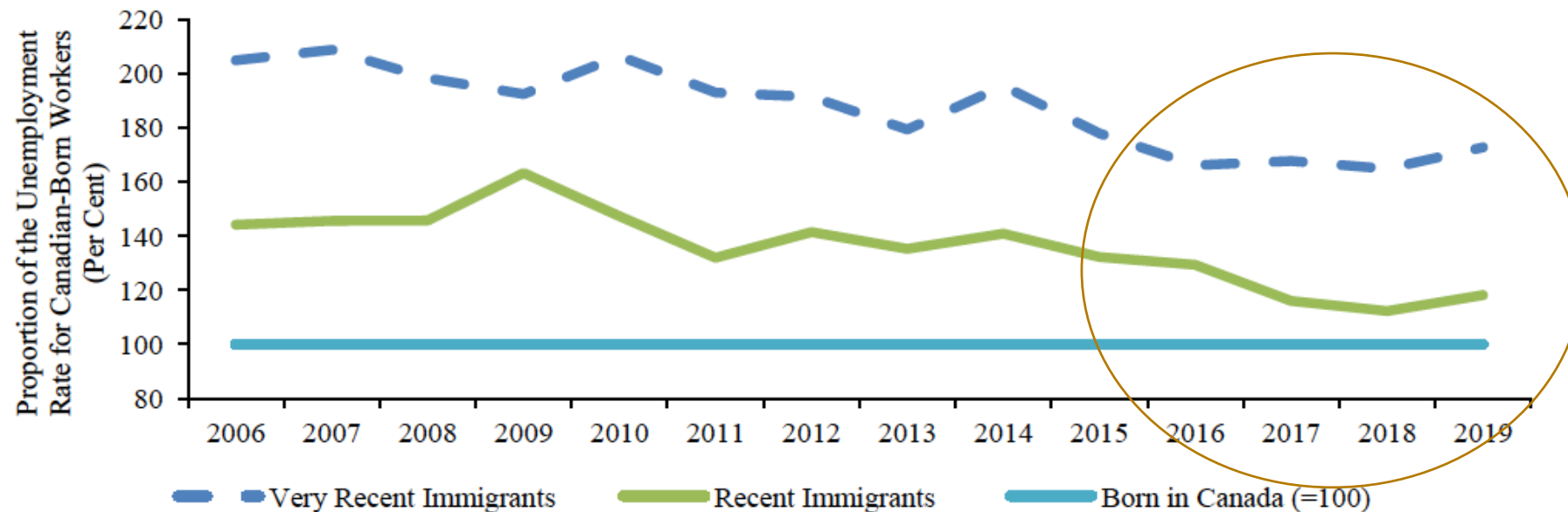
## *Invitations to Apply by Additional Points*

<b>Additional point type *</b>	<b>Number</b>	<b>%</b>
<b>Assigned additional points</b>		
No Additional Points	34,140	40%
Provincial Nominee	14,928	18%
Arranged Employment	9,285	11%
Education in Canada	20,546	24%
French-language proficiency	4,187	5%
Siblings in Canada	8,052	9%

Source: IRCC, 2020 (Express Entry Year End Report 2019)

# Immigrant Labour Market Outcomes Since Express Entry

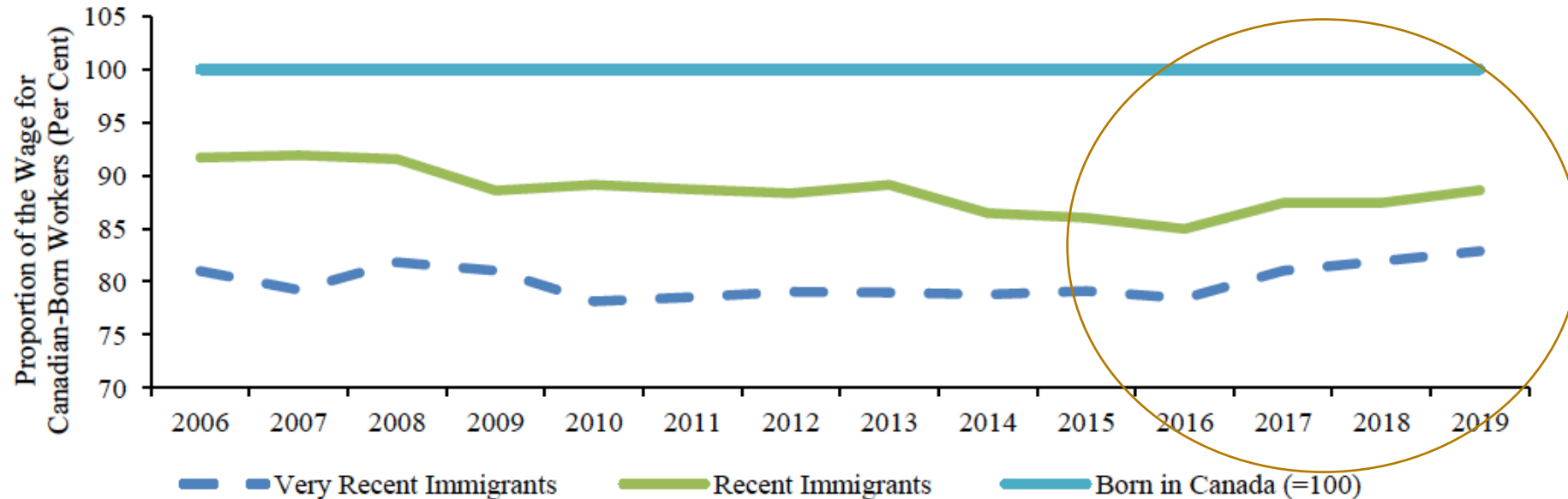
Unemployment Rate of Immigrants Relative to Canadian-born, 2006-2019



Source: Wong, 2020 (<http://www.csls.ca/reports/csls2020-03.pdf>)

# Immigrant Labour Market Outcomes Since Express Entry

Wages of Immigrants Relative to Canadian-born, 2006-2019



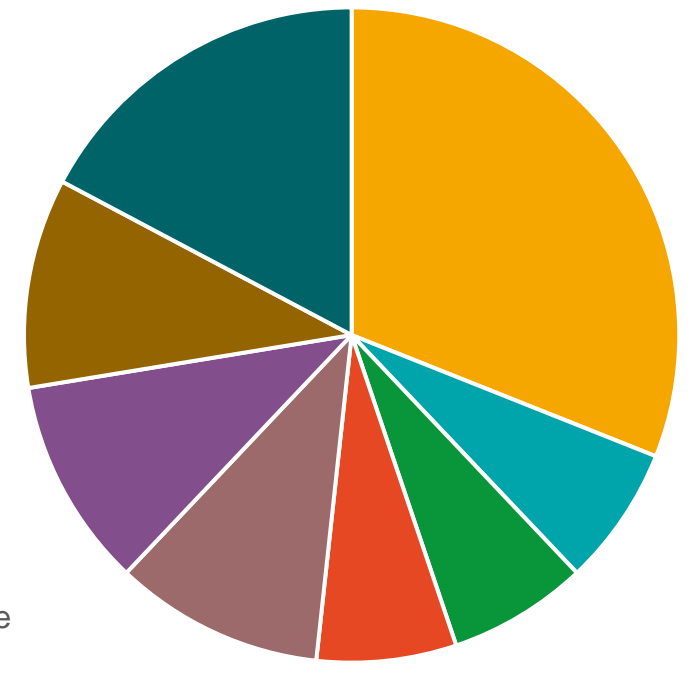
Source: Wong, 2020 (<http://www.csls.ca/reports/csls2020-03.pdf>)

# Assessing the Impact of Express Entry: What We Know So Far...

- Emphasis on pre-landing experience (2 step migration) —→ improves employment & earnings
- Mandatory ECA requirement —→ improves employment & earnings (only for immigrants without pre-landing Canadian experience)

# Strengths and Limitations of the Canadian Model: Views from the Ground

- 43 semi-structured interviews with expert key informants in the GTA
  - Conducted between November 2018 and December 2020
    - Settlement service providers/immigration consultants (n=14)
    - Human resource managers and front-line managers (n=29)



■ Other Sector  
■ Retail Trade  
■ Professional, Scientific & Technical Services  
■ Other Services

■ Transportation and Warehousing  
■ Educational Services  
■ Health Care and Social Assistance  
■ Manufacturing

# The Benefits of Express Entry

“I think that the Express Entry Program was designed to favour people who are already favoured. It privileges the privileged. And so in that it's succeeded. I think at least in the short term, I do think that people have an easier time settling because many of the people who go through the Express Entry Program have in fact already been in Canada, right?”

Settlement Service Provider

# The Benefits of Express Entry

“I would say that it does have advantages from the point of view of applicants and that it doesn't take nearly, as long as the last system. It doesn't put you in an endless queue. It's far less uncertain in that often times you arrive and you have a job offer already, or you've already studied in Canada...So I think that for those people who are able to take advantage of it, it is a benefit and it's definitely a benefit to Canada because especially with the people who come from the Canadian experience class, I mean, come on, they're getting young immigrants educated in Canada, not at Canada's expense....”

Settlement Service Provider



# The Benefits of Express Entry

“We hired newcomers for mid to senior level positions in the recent past, for example, software developers, quality testing, and business intelligence. We had interns through a global co-op program, and we usually try to keep those students if they are great. We hired a large number of newcomers in the past couple of years, because they had the kind of technical skills we were looking for...”

HR Manager, Professional, Scientific & Technical Services

# The Limitations of Express Entry

- The need for "low-skilled" workers and skilled trades
  - Between 2001 and 2016, only 1/2 of growth in university-educated workers was matched to jobs requiring university degree
    - new immigrants suffered most from this imbalance (Hou, Lu and Schimmele 2020)
- Less than 2% of ITAs issued in 2019 were under Federal Skilled Trades Program (FSTP)

“...we have hiring challenges in manufacturing, machine operators, engineering technicians. We are experiencing skill shortages as an industry...I'm not sure how we are going to fill these positions.”

Line Manager, Manufacturing

# The Limitations of Express Entry

Employers' Concerns with Newcomer Applicants/Employees	Frequency of Response
Communication skills	9
English	14
Work ethic	10
Understanding Canadian norms	12
Fitting in the workplace	18
Being willing to learn/proactive in learning	5
Receiving Feedback	1
Networking	3
Teamwork	1
Soft skills/people skills	2

Source: Prepared by authors based on interviews with employers

# The Significance of “Soft Skills”

“They lack soft skills, and they are oddly subservient to supervisors and managers, which is a little strange for their managers or supervisor, maybe even make them uncomfortable. We were thinking of promoting an individual, but worried that he might expect others to act subservient to him.”

Manager, Other Services

“There are some issues I've seen over the years with newcomer candidates, such as communication, cultural norms that are acceptable their home countries are often not accepted in Canada.”

HR Manager, Healthcare and Social Assistance

# The Challenge of “Soft Skills” for Immigrants

- A lack of consistency in defining soft skills:
  - No universal, or even Canadian, definition of soft skills (Futureworx 2019)
- Difficulty in assessing soft skills:
  - Some research instruments have been developed (e.g. Ward & Riddle 2012), but require lengthy, in-depth evaluation
- Soft skills can be used to legitimize discrimination:
  - Soft skills criteria used to exclude marginalized groups (Mong & Roscigno 2010; Moss and Tilly 1996)

# Summary

- Early evidence on the impact of Express Entry seems positive:
  - Relative unemployment of newcomers decreased
  - Relative earnings of immigrants increased slightly
- However, concerns remain:
  - Many newcomers continue to be underemployed
  - Two step migration – positive results, but at what cost - the unchecked explosion of temporary migration
  - Soft skills are major concern for employers, but can (and should) they be incorporated into the immigration system?

# Recommendations

- Incorporate competency testing into application process:
  - Facilitating Access to Skilled Talent (FAST) Program: impact of the pilot is currently being evaluated – could be expanded
- Expand pre-arrival services significantly
- Provide more pathways to permanent residence for “low skill” temporary workers - address the need for essential workers
- Provide training and resources to employers (particularly SMEs) to improve intercultural competence; acknowledge and reduce implicit bias



**Thank you!**

[banerjee@ryerson.ca](mailto:banerjee@ryerson.ca)

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