

# Refining Immigration Programs to Supercharge Economic Growth (2023)

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## Issue

Despite a population jump of 58,203<sup>322</sup> people in Q4 2022, labour shortages<sup>323</sup> continue to be a major obstacle to business' economic success. Accounting for nearly 100 per cent<sup>324</sup> of labour force growth nationally, immigration represents a solution to this challenge.

The Alberta Advantage Immigration Programs<sup>325</sup> (AAIP) are essential to attracting talent. However, restrictive eligibility requirements, foreign credential recognition issues, the costs of navigating the system, and program awareness all pose obstacles to newcomers and businesses. Recognizing this, refinements are needed to ensure Alberta's immigration programs support the growth of the economy today and tomorrow.

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## Background

According to the Q4 Canadian Survey on Business Conditions,<sup>326</sup> 36 per cent of Canadian businesses are concerned about labour force shortages over the near term. Moreover, research shows businesses impacted by labour shortages are 65 per cent more likely to be low-growth companies.

Recognizing that immigration can alleviate labour shortages, the Government of Canada is seeking to welcome over 700,000<sup>327</sup> economic immigrants by 2024. However, federal immigration systems are imperfect. For instance, fewer than one-quarter of businesses<sup>328</sup> believe federal systems serve their needs well, citing complex rules, application processing delays, and the costs associated with navigating the system. Furthermore, federal systems favour highly skilled workers, leaving newcomers seeking lower-wage occupations – such as temporary foreign workers – reliant on provincial immigration programs.

The AAIP have proven valuable in attracting talent, with the province seeing net migration gains between 2021-2022. However, key challenges prevent the full potential of these programs from being realized. These include restrictive eligibility requirements, awareness of immigration programs, and issues surrounding the recognition of foreign credentials and experience.

Program refinements are needed at both the federal and provincial levels to create immigration systems that complement one another, provide equal opportunities to all newcomers, and enable businesses to access the talent they require.

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<sup>322</sup> <https://calgaryherald.com/business/local-business/alberta-interprovincial-migration>

<sup>323</sup> [https://bdl-ide.ca/wp-content/uploads/2022/12/2022-Q4-CSBC-Report\\_Dec\\_13\\_EN\\_Embargoed-until-Dec-14.pdf](https://bdl-ide.ca/wp-content/uploads/2022/12/2022-Q4-CSBC-Report_Dec_13_EN_Embargoed-until-Dec-14.pdf)

<sup>324</sup> <https://www.canada.ca/en/immigration-refugees-citizenship/news/2022/02/new-immigration-plan-to-fill-labour-market-shortages-and-grow-canadas-economy.html>

<sup>325</sup> <https://www.alberta.ca/alberta-advantage-immigration-program.aspx>

<sup>326</sup> [https://bdl-ide.ca/wp-content/uploads/2022/12/2022-Q4-CSBC-Report\\_Dec\\_13\\_EN\\_Embargoed-until-Dec-14.pdf](https://bdl-ide.ca/wp-content/uploads/2022/12/2022-Q4-CSBC-Report_Dec_13_EN_Embargoed-until-Dec-14.pdf)

<sup>327</sup> <https://www.canada.ca/en/immigration-refugees-citizenship/news/notices/supplementary-immigration-levels-2022-2024.html>

<sup>328</sup> <https://thebusinesscouncil.ca/report/canadas-immigration-advantage/>

### *Temporary Foreign Worker Program*

The Temporary Foreign Worker (TFW) Program is a federal immigration program that allows Canadian employers to hire newcomers to fill temporary jobs when qualified Canadians are unavailable to work. Statistics Canada data<sup>329</sup> shows the Canadian labour market is increasingly reliant on TFWs, particularly in sectors such as agriculture, accommodation and food services, and administrative and support services.

Alberta businesses have faced difficulties in leveraging TFWs owing to the costs associated with conducting a Labour Market Impact Assessment (LMIA) and restrictions on how many workers can come to Alberta.

Businesses wanting to hire a TFW must first conduct an LMIA to confirm their need for a worker, and that no Canadian or permanent resident is available to fill the position. The cost to conduct an LMIA has risen nearly 28 per cent<sup>330</sup> since 2014, and currently sits at \$1,000. The fee is per worker a business wants to hire, resulting in high costs, especially for smaller businesses.

Additionally, completing an LMIA can take three to four months. Considering the TFW program is primarily leveraged by businesses operating in seasonal sectors, expedited application timelines are necessary to increase the Program's effectiveness.

The TFW Program also limits on how many workers a business can hire and how many newcomers the province can nominate for entry. Employers in Canada who have over ten employees cannot hire more than 10 per cent of their workforce from abroad, regardless of their labour needs. Compounding this, Alberta can only nominate 9,750<sup>331</sup> newcomers for entry through the AAIP in 2023. While nomination limits are increasing<sup>332</sup> in 2024 and 2025, the province still predicts a shortage of over 33,000 workers by 2025.

### *Alberta Advantage Immigration Programs*

The AAIP are economic immigration programs that nominate prospective newcomers for permanent residency in the province, provided they have the necessary skills to fill labour shortages or are planning to buy or start a business. The AAIP includes three principle streams for workers: the Alberta Express Entry System,<sup>333</sup> the Alberta Opportunity Stream (AOS),<sup>334</sup> and the Rural Renewal Stream (RRS).<sup>335</sup> Considering the existing focus on economic immigration through express entry systems, the AOS and RRS offer additional pathways for businesses to address their talent gaps.

### *Alberta Opportunity Stream*

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<sup>329</sup> <https://www150.statcan.gc.ca/n1/pub/45-28-0001/2020001/article/00028-eng.htm>

<sup>330</sup> <https://greenlightcanada.com/how-much-does-lmia-cost/>

<sup>331</sup> <https://immigrationnewscanada.ca/new-alberta-pnp-quota-for-2023-increases-by-50/>

<sup>332</sup> <https://immigrationnewscanada.ca/new-alberta-pnp-quota-for-2023-increases-by-50/>

<sup>333</sup> <https://www.alberta.ca/aaip-alberta-express-entry-stream.aspx>

<sup>334</sup> <https://www.alberta.ca/aaip-alberta-opportunity-stream.aspx>

<sup>335</sup> <https://www.alberta.ca/aaip-rural-renewal-stream.aspx>

The AOS is designed for TFWs who possess a valid LMIA and do not qualify for entry through a federal Express Entry stream.<sup>336</sup> As a result, the AOS is often the stream of last resort for newcomers interested in lower wage employment in Alberta.

Despite a growing need for lower wage workers, restrictive eligibility requirements<sup>337</sup> mean the AOS' full potential is not being realized. Specific challenges include:

- The requirement for applicants to possess a minimum of 12 months full-time work experience in their current occupation in Alberta within the last 18 months, or a minimum of 24 months full-time work experience in their current occupation in Canada or abroad within the last 30 months at the time of their application.
- The requirement that post-graduation work permit holders' occupation be related to their field of study.
- Blanket English or French competency requirements based on the National Occupation Classification (NOC) Code assigned to the applicant's occupation.
- Restrictions on occupation eligibility for the AOS, regardless of labour market needs.

Refining AOS eligibility to expand the pool of eligible applicants will enhance its ability to provide Alberta businesses with the talent they require.

#### *Alberta Rural Renewal Stream*

The RRS is designed to support economic development and community growth by empowering rural communities to recruit and retain newcomers to work and settle in their communities. To participate in the RRS, communities must meet the following eligibility criteria:

- Rural community with less than 100,000 residents (based on 2016 census).
  - o The community must fall outside of the Calgary or Edmonton census metropolitan area.
- One or more employers are interested in participating and have permanent, full-time, non-seasonal employment available.
- The community or town council provides an endorsement letter for participation.
- The application is signed and submitted by the community's economic development organization.

The RRS has facilitated economic development in rural communities across Alberta, bringing in new residents and helping businesses grow. However, as of February 2023, RRS applications<sup>338</sup> are critically low, with only 17 municipalities participating in the program. Considering the program functions based off applications, program awareness amongst rural municipalities is critical to its success.

#### *Foreign Credential and Experience Recognition*

Once settled in Alberta, newcomers may continue to face employment challenges owing to barriers with their foreign education, skills, and experience being recognized in Canada.

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<sup>336</sup> <https://www.canada.ca/en/immigration-refugees-citizenship/services/immigrate-canada/express-entry/works.html>

<sup>337</sup> <https://www.alberta.ca/aaip-alberta-opportunity-stream-eligibility.aspx>

<sup>338</sup> <https://immigrationnewscanada.ca/new-alberta-pnp-quota-for-2023-increases-by-50/>

Research<sup>339</sup> shows that employers' non-recognition of foreign education, qualifications, and experience are some of the main obstacles newcomers face to finding employment.

A parliamentary report<sup>340</sup> analyzing issues of foreign credential and experience recognition identified two principal obstacles:

- Difficulty obtaining equivalent Canadian licenses for foreign-trained individuals pursuing careers in regulated or licensed professions (i.e., doctors, pharmacists, engineers, lawyers, etc.); and,
- Employers being unaware of how, or unwilling to, recognize and accept foreign education or experience when considering a candidate.

Difficulties obtaining Canadian license equivalencies are driven by the array of stakeholders involved in assessing newcomers' qualifications. These include regulatory bodies, credential assessment agencies, professional groups, educational institutions, and employers.

Compounding the complexity of qualification assessment, some professional groups are reluctant to accept newcomers without Canadian education or training.

Newcomers seeking employment outside of regulated professions are reliant on their prospective employer to evaluate their skills and experience. As a result, many newcomers must contend with employers' preferential bias for Canadian-born candidates, for reasons which can include:

- Employers considering the newcomer's skills irrelevant in Canada;
- Employer's believing foreign credentials are a lower caliber than equivalent domestic qualifications;
- An organization's requirement for Canadian work experience;
- Lack of English or French language competency deterring an employer, even if the newcomer has the appropriate language skill requirements for the occupation;
- Employers lacking information on foreign education and experience; and,
- Discrimination.

To combat these challenges, the Government of Alberta established the Fairness for Newcomers Office (FNO)<sup>341</sup> and International Qualifications Assessment Service (IQAS).<sup>342</sup> Both organizations focus on working with stakeholders and newcomers to simplify, accelerate, and streamline the assessment of foreign education, skills and experience. While a step in the right direction, more work remains. Despite 9 out of 10<sup>343</sup> newcomers arriving to Canada with a university degree, between 2001 to 2016 the percentage of university-educated recent immigrants working in jobs requiring a university degree decreased<sup>344</sup> from 46 per cent to 38 per cent. Comparatively, the percentage of

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<sup>339</sup> <https://knowledge.wes.org/canada-report-who-is-succeeding-in-the-canadian-labour-market.html>

<sup>340</sup> <https://lop.parl.ca/staticfiles/PublicWebsite/Home/ResearchPublications/BackgroundPapers/PDF/2020-86-e.pdf>

<sup>341</sup> <https://www.alberta.ca/fairness-for-newcomers-office.aspx>

<sup>342</sup> <https://www.alberta.ca/international-qualifications-assessment.aspx>

<sup>343</sup> <https://www150.statcan.gc.ca/n1/pub/75-001-x/2010109/article/11342-eng.htm#a1>

<sup>344</sup> <https://www150.statcan.gc.ca/n1/daily-quotidien/220622/dq220622c-eng.htm>

workers in jobs requiring a university degree stayed closer to 60 per cent among Canadian-born workers.

Ultimately, foreign credential and experience recognition processes can be lengthy, expensive, and sometimes dependent on the open-mindedness of professional groups and employers. This results in newcomers working outside their desired fields, compounding labour shortages and costing the economy billions<sup>345</sup> in unrealized returns.

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**The Alberta Chambers of Commerce recommends that the Government of Alberta:**

1. Collaborate with federal counterparts to ensure Canada's Temporary Foreign Worker program supports businesses labour needs. This includes:
  - a. Working with Economic and Social Development Canada to ensure the cost of a Labour Market Impact Assessment (LMIA) does not pose an obstacle to businesses interested in leveraging temporary foreign workers. This could include developing a fee-cap based on a business' size or creating a flat-rate option for employers conducting more than one LMIA.
  - b. Working with Immigration, Refugees and Citizenship Canada to increase provincial nomination limits to be representative of the scale of Alberta's labour shortage.
2. Expand eligibility to the Alberta Opportunity Stream by:
  - a. Reducing the required work experience to a minimum of six months full-time work experience in their current occupation in Alberta within the last 12 months, or a minimum of 18 months full-time work experience in their current occupation in Canada or abroad within the last 30 months at the time of their application.
  - b. Allowing post-graduation work permit holders to apply to occupations unrelated to their field of study.
  - c. Ensuring language competency requirements are reflective of occupational needs, recognizing newcomers will continue improving language skills through employment.
  - d. Updating the list of ineligible occupations frequently to ensure accuracy and timeliness relative to Alberta's evolving labour market needs.
3. Alleviate barriers to participation in the Rural Renewal Stream (RRS) by setting ambitious targets for the number of applications, complemented by a public awareness campaign that increases visibility of the RRS amongst eligible municipalities and their businesses communities.
4. Address systemic issues surrounding foreign credential recognition by:
  - a. Convening Alberta's professional associations and colleges to identify and reduce barriers regarding the testing and administration of Canadian credential equivalencies, leveraging the Fairness for Newcomers Office.
  - b. Expanding the remit of the International Qualifications Assessment Service to include the evaluation and certification of the skills and knowledge newcomers have acquired through work and life experiences, leveraging funding available through the federal Foreign Credential Recognition Program.

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<sup>345</sup> <https://www.ontario.ca/page/building-workforce-tomorrow-shared-responsibility#foot-15>