



Think Fast

> Ontario Employer Perspectives
on Immigration Reform and the
Expression of Interest System

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>Executive Summary

Canada's immigration system is changing dramatically. In early 2015, the federal government will introduce a new application management system for selecting and processing economic immigrants: the Expression of Interest (EOI) system.

The goal of the EOI system is to make immigration more responsive to the needs of the country's labour market and to attract the best and brightest from across the globe.

The proposed EOI system will replace a first-come, first-in-the-door process that has led to waiting periods of two-years or more and long queues for potential immigrants. The introduction of the EOI system will create a pool of pre-qualified candidates ready to work in Canada, from which employers and government can select prospective immigrants based on the skills they need. Many aspects of the system will be web-based, electronic, and automated.

This system represents a huge opportunity for the province and its employers, but only if it is designed properly. In order to be successful, the system must meet two key criteria: it must reflect the needs of employers, large and small, and accommodate Ontario's complex labour market realities.

Ontario faces a number of challenges. Our economy is in transition. So, too, is our labour force. Many of the Ontario Chamber of Commerce's (OCC) 60,000 members are having trouble finding the skilled workers they need in order to compete and grow the economy. If Ontario is to emerge stronger from the economic downturn, we need to redouble our efforts in building a 21st century workforce.

This requires a renewed focus on building the skills of our domestic workforce, including retraining those workers whose jobs have disappeared. It also means building a fast, flexible, and responsive immigration system capable of attracting and bringing top talent to the province. Both are essential ingredients of a globally competitive and prosperous Ontario.

This report makes 13 recommendations to the federal government as it finalizes the design of the EOI system. The recommendations are a product of extensive consultation with employers throughout the province. The OCC travelled to communities across the province and met with employers of every size and in every sector. All agreed—the EOI system represents a huge opportunity for the province and its employers. The OCC believes that if implemented, these recommendations will go far in ensuring the success of the system.

>> Summary of Recommendations

1. Benchmark processing times (from selection to arrival) against comparable systems; be the fastest immigration system in the world.
2. Accelerate Labour Market Opinions for ‘trusted employers’ and specific occupations where skills shortages exist.
3. Let employers access the pool of candidates directly.
4. Enable immigration consultants to help employers navigate and use the EOI system.
5. Treat employers and prospective immigrants as customers.
6. Strike a balance between integrity and usability.
7. Provide a clear pathway for newcomers seeking the recognition of their foreign credentials; newcomers should be connected to professional regulatory bodies prior to arriving in Canada.
8. Enable employers to use the tools they normally employ when selecting and screening candidates.
9. Allow employers to provide pre-selected candidates a pathway to permanent residence, with the ability to track them through the system and prevent ‘poaching’.
10. Allow immigrants to self-select where they want to live and for whom they want to work; to the extent that they exist, assign provincial immigrant quotas based on labour market needs.
11. Market the EOI system internationally to prospective immigrants and domestically to employers—an ‘if you build it, they will come’ strategy will not work.
12. Publish the aggregate data from employers’ searches and the skills profiles of newcomers entering Canada through the EOI system.
13. Enable the EOI system to accommodate employers with lower and semi-skilled labour needs.

>Introduction

THE WAY CANADA SELECTS ECONOMIC IMMIGRANTS is about to undergo dramatic change. In early 2015, the federal government will introduce a new demand-driven process for selecting economic immigrants: the Expression of Interest (EOI) system.

The proposed EOI system will replace a first-come, first-in-the-door process that has led to waiting periods of two-years or more and long queues for potential immigrants. The introduction of the EOI system will create a pool of pre-qualified candidates ready to work in Canada, from which employers and government can select prospective immigrants based on the skills they need. Many aspects of the system will be web-based, electronic, and automated.

The implementation of the EOI system is an opportunity to enhance the flexibility, responsiveness, and speed of economic immigration to Canada and Ontario. It is also an important step toward refocusing the immigration system on talent and human capital.

If it is to succeed, the system must be designed around the needs of employers, whose active participation is

crucial to its functioning. The EOI system must also work for Ontario, Canada's largest, most complex and most diverse labour market.

Many important details are still pending. How will employers select prospective immigrants under the new system? How long will the process from selection to Permanent Resident status take? What steps must employers take in order to access the system? What role will third party recruiters play in the system?

This report responds to these crucial questions from an employer perspective. It makes 13 recommendations to the federal government that will contribute to a fast and flexible immigration system capable of meeting Canada and Ontario's labour market challenges.

Ontario's employers recognize that immigration is only one part of the solution to the province's workforce challenges. Training the existing workforce and bringing in foreign talent are complementary components of a robust labour force strategy.

>What We Did

THE OCC, IN PARTNERSHIP WITH THE Ontario Ministry of Citizenship and Immigration, undertook extensive consultations with employers across the province on the design of the proposed EOI system.

From June to November 2013, the Minister and Deputy Minister of Citizenship and Immigration, and representatives from the OCC, spoke with more than 150 employers in 10 face-to-face consultations. We met with small and medium enterprises (SMEs), multinational firms, ethnic chambers of commerce, and human resource professionals from a range of sectors and fields.

We ran consultations in the following communities:

- London
- Ottawa
- Peterborough
- Sudbury
- Toronto
- Windsor

In addition, we consulted with employers at the 2013 Ontario Economic Summit (OES) in Niagara-on-the-Lake.

We also undertook extensive surveys of our members on their usage of the immigration system and the skills gap. This report aggregates and summarizes the results of these consultations and surveys.

>Ontario's Immigration Challenge

ONE OF THE PRIMARY GOALS OF economic immigration is to address the labour market needs of employers. OCC survey data reveals that 30 percent of businesses in Ontario have had difficulty filling a job opening over the last 12 to 18 months because they could not find someone with the right qualifications.

While not a panacea for Ontario's workforce challenges, the introduction of a well-designed EOI system is an opportunity for Ontario to counter the negative effects associated with an aging workforce and rapidly transforming economy. Immigration is key to Ontario emerging stronger—all of the province's future net labour force growth will come from immigration.

All told, however, there have been some worrying trends in Ontario's overall immigration story.

First, the number of economic immigrants to Ontario—people selected for their skills and ability to contribute to Canada's economy—declined by 49 percent, from 95,091 in 2001 to 48,930 in 2012. All other provinces, except British Columbia, saw their shares increase. Ontario now receives about 30 percent of Canada's economic immigrants, which is considerably below its share of the total Canadian population (40 percent) (Ontario Ministry of Citizenship and Immigration, 2013b).

Second, only 50 percent of Ontario newcomers in 2012 were from the skilled or economic immigrant classes, compared to an average of 70 percent for all other provinces.

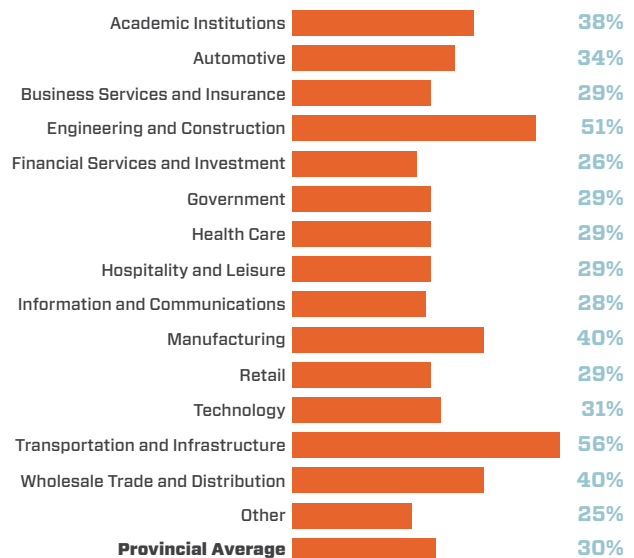
Third, employment outcomes for immigrants are worsening. As of 2010, less than a quarter of immigrants were working in professions for which they were trained. And in 2011, Ontario's unemployment rate for recent newcomers was the second highest in the country (15.7 percent) and double Ontario's overall unemployment rate (7.6 percent) (Ontario Ministry of Citizenship and Immigration, 2013b).

Ontario and its employers have a keen interest in reversing the above trends. By connecting skilled

>>Business is having difficulty finding people

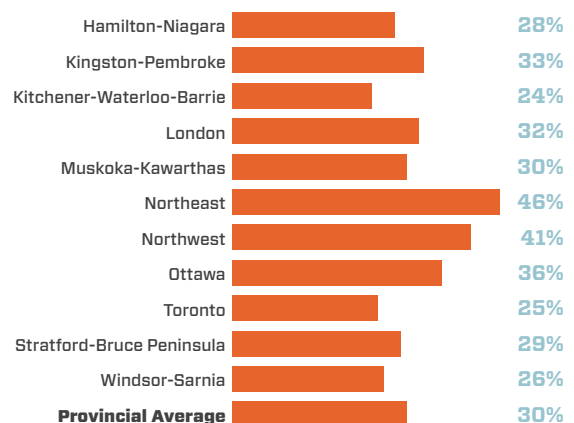
Has your business had difficulty filling a job opening in the past 12-18 months because you couldn't find someone with the right qualifications? Percentage of respondents who have had difficulty:

By Economic Sector



N = 2,059 / Survey Date: January-February 2013

By Economic Region



N = 2,059 / Survey Date: January-February 2013

immigrants with jobs prior to landing in Canada, the EOI system is well positioned to improve the overall economic picture for immigrants and help employers plug their workforce gaps more quickly and efficiently.

However, the EOI system will only be successful if employers understand its benefits and how they can take advantage of the opportunity it affords. This is particularly true in Ontario, given the complexity of its labour market and predominance of SMEs.

Greater SME engagement in immigration is crucial. Ontario is home to more than one-third of Canada's SMEs, representing nearly half of all employment in the province (Ontario Ministry of Economic Development, Trade, and Employment and Canadian Federation of

Independent Business, 2013). Between 2005 and 2010, 95 percent of the highest growth businesses in Canada were SMEs (Industry Canada, 2012). Despite facing skills gaps, an OCC survey indicates that less than seven percent of SMEs in Ontario have used the immigration system for hiring purposes.

The EOI system is an important opportunity to help SMEs address their labour market needs.

>The EOI System

ALTHOUGH MANY OF THE SPECIFICS OF Canada's EOI system are pending or have yet to be revealed, a number of key details are known.¹

The EOI system is a two-stage immigration application management system. Many aspects of the system will be web-based, electronic, and automated.

At stage one, prospective immigrants fill in an online form expressing their "interest" in coming to Canada as Permanent Residents. Those who meet a minimum threshold of criteria are placed in a pool of candidates, where they will be ranked against other candidates in the pool. Thresholds for consideration will be consistent with federal economic selection program criteria, and

will include minimum levels of language proficiency and work experience.

At stage two, prospective candidates can be selected by the federal government or a province, or identified by an employer with a verified job offer (moderated through the government). Among all the candidates who have expressed their interest, only those who are selected will be given an Invitation to Apply (ITA) and asked to submit their application for permanent residence. Following their application for permanent residence, candidates are subject to security, health and other verification checks. Those who are not selected will not have their application processed and will be removed from the pool after a designated period of time.

New System

Pooled selection: Those applicants that meet minimum criteria will automatically enter the EOI pool.

The federal or provincial/territorial governments, or an employer via a verified job offer, may select candidates from the EOI pool. Those not selected will be removed from the pool after a specified time.

Old System

First-come, first-in-the-door: Applicants are processed on a sequential basis, leading to long queues and processing times.

New System	Old System
<p>Faster processing times: Applications will be processed in months, not years - with approximately 6 months as the proposed processing time.</p>	<p>Lengthy processing times: Processing time of 12 to 18 months in the fastest of immigrant selection programs.</p>
<p>Flexible and demand-driven: EOI has the potential to better respond to Canada’s labour market needs across jurisdictions.</p> <p>Employers will have a defined and active role in immigrant selection.</p>	<p>Predominantly supply-driven: Government selects majority of immigrants.</p> <p>Beyond the Temporary Foreign Worker and Provincial Nominee Programs, the explicit employer role in immigrant selection is minimal.</p>

>>New Zealand’s EOI System

New Zealand introduced an EOI application system in 2003. One of the key objectives of the system is to more actively recruit immigrants that meet the country’s labour market needs and to prioritize candidates with job offers.

Prospective immigrants with 140 points and above automatically qualify for an Invitation to Apply (ITA), and those with less are selected based on a set of prioritization rules. These rules are publicly available and adjusted periodically to respond to changes in labour market demand (Immigration New Zealand, 2011).

>>Australia’s EOI System

In 2012, Australia launched a program similar to that of New Zealand called *SkillSelect*. In this model, employers are able to search the EOI database for candidates (whose profiles include no personal information) to nominate for temporary and permanent resident visas.

All skilled immigration streams comparable to Canada’s Federal Skilled Worker, Business Class and Provincial Nominee (PNP) programs, are included under this system (Ontario Ministry of Citizenship and Immigration, 2013a).

>Recommendations

>>Recommendation 1

Benchmark processing times (from selection to arrival) against comparable systems; be the fastest immigration system in the world.

Canada's immigrant selection system is detracting from Ontario's productivity and competitive potential. Hiring a skilled immigrant can take years under Canada's current immigrant selection system. Sluggish processing times discourage top-tier prospective workers from coming to Canada, and deter employers from looking abroad to fill human capital requirements that they are unable to fill domestically.

The speed of the system is the single most important factor in determining whether employers will participate in the EOI system. The Government of Canada has signaled that the EOI system will process applications within approximately 6 months, from Invitation to Apply (ITA) to arrival in Canada. That is too long.

Business requires a responsive immigrant selection system that provides timely access to qualified foreign talent—one that is among the fastest and most efficient in the world. The entire hiring process—from the moment an individual receives an ITA, to the moment they enter Canada—must be benchmarked against similar systems that have been implemented around the world.

By making our EOI system the fastest, most streamlined immigrant selection process in the world, Canada will vastly improve its position and reputation in the global race for talent.

Many countries are upping their games with respect to attracting international talent. Multiple jurisdictions, including Australia and New Zealand, have undertaken comprehensive immigration selection reform with the goal of quickening processes and attracting highly skilled talent. Australia's EOI system, *SkillSelect*, sets a high standard. Between July 2012 and May 2013, the median visa processing time was 58 days (Australian High Commission, 2013).

“In my line of business, six months is a lifetime.”

- Participant, Sudbury

“Being faster than we are now is not good enough.”

- Participant, London

>>Recommendation 2

Accelerate Labour Market Opinions for ‘trusted employers’ and specific occupations where skills shortages exist.

A Labour Market Opinion (LMO) is an evaluation of the impact that a foreign worker would have on Canada's labour market, as well as the integrity of the related employer and job offer. A positive LMO shows that there is no

qualified Canadian or Permanent Resident available to fill a position after the employer has made domestic recruitment efforts.

It is unclear how LMOs will fit into the proposed EOI system, including whether they will be required, at what point they will be required, and how rigorous the evaluation will be.

Employers are split on LMOs. On one hand, they see the merits of a process that encourages domestic employment and mitigates fraud within Canada's immigration system. On the other hand, some employers feel that LMOs are unnecessary because employers are systematically motivated to exhaust all domestic sources of labour before turning to the immigration system—a more costly and time-consuming source of human capital.

If LMOs are going to be a necessary component of Canada's EOI system, they should not burden or slow the EOI process. In the aim of expediency, LMOs must be initiated at the earliest, most feasible stage of the immigration process and should be conducted concurrently with employers' searches for candidates.

An accelerated labour market opinion process must be put in place for 'trusted employers' that are frequent users (i.e. employers in good standing with no history of fraud or systemic abuse). An accelerated process should also be available for employers seeking talent in occupations that are known to be experiencing labour shortages. The list of eligible occupations for an accelerated process should be updated annually or semi-annually to reflect labour market dynamics.

To this end, the federal government should consider implementing within the EOI system a process similar to the Accelerated Labour Market Opinions (ALMO). Suspended in 2013, ALMOs provided trusted employers with a decision on an LMO within 10 business days of submitting an application—a significantly shorter period than an orthodox LMO, which can take up to four months to process.

Additionally, LMOs should reflect labour market needs at the regional level and should not assume 'perfect' labour mobility. There are employers in Northern Ontario that have been denied positive LMOs on the grounds that workers are available in Southern Ontario, when, in fact, these workers are unwilling to relocate.

“If I am taking the trouble to tap foreign workers, I have done my due diligence at home. It means I can't find anyone here. Otherwise, why take the time and expense?”

- Participant, 2013 Ontario Economic Summit

“The cancellation of the ALMO process hurt my business. Processing takes much longer and contracts are going unfilled as a result. It was a good program that desperately needs to be brought back.”

- Participant, Ottawa

>>Recommendation 3

Let employers access the pool of candidates directly.

The federal government has signaled that it will not provide employers with direct access to the pool of immigrants. In other words, employers would not be able to browse the profiles of potential candidates. Instead, candidates are likely to be automatically matched with employers using a series of algorithms and a revamped Canada Job Bank.

There are several reasons why this approach is problematic from the perspective of employers, especially SMEs:

1. The reputation of the Canada Job Bank has suffered over the past few years. Employers are skeptical that even a revamped Job Bank can meet their needs. Reputational issues may deter employer participation.
2. By limiting employers' access to detailed information about potential candidates, they will not be able to refine their search criteria as they view candidates' profiles. Employer searches are iterative and are continuously modified based on received results.
3. There are doubts whether job offers and candidate profiles can be codified and classified in a way that captures the spectrum of occupations and skills that employers are seeking.
4. Some employers question whether an automated system can accurately capture the nomenclatures that vary across languages, occupations, and countries. To cite a rudimentary example, "four years of college education" in Canada and the US have different meanings.
5. Employer searches could also be a valuable source of labour market information (see recommendation 12).

In short, employers are skeptical of the government's ability to play 'matchmaker'. Australia permits employers direct access to candidate details stripped of personal information. Canadian employers should have the same access.

>>Recommendation 4

Enable immigration consultants to help employers navigate and use the EOI system.

Immigration consultants are agencies, organizations, or individuals that offer staffing services to businesses to access international talent and navigate Canada's immigration system on their behalf, typically for a fee. They can also work on behalf of prospective immigrants.

Many large employers make frequent use of these consultants to fill their labour needs. SMEs are also increasingly turning to them to access domestic and foreign workers, as these businesses typically lack the capacity and resources to navigate the nuances of Canada's immigration system on their own.

The federal government should ensure that immigration consultants can access the EOI pool and continue to fill this important role for businesses in Ontario. Within the context of the EOI system, consultants could assist employers by pre-screening and vetting immigrant candidates, according to employers' specific needs. By reducing the time it takes to learn and navigate the system, immigration consultants can also reduce the overall costs for SMEs wanting to access international talent.

At the same time, employers require confidence in the integrity of immigration consultants. Many acknowledge that these entities would need to be regulated in some way (e.g. mandatory licensing and/or fees) in order to minimize fraud.

"I think it's safe to say that small business owners like myself are intimidated by the immigration system and that we're willing to pay another party to help us navigate the system."

- Participant, Peterborough

>>Recommendation 5

Treat employers and prospective immigrants as customers.

The EOI system will be the primary means through which employers will interface with Canada's immigration system. It is also likely to be among the first interactions a prospective immigrant will have with Canada. Both parties are essential to the functionality of the EOI system. Their experiences with it will influence their willingness to follow through on an ITA or an application.

"If you can't get online and figure out where you are in the EOI process, that is a problem."

- Participant, Toronto

In order to successfully encourage prospective immigrants and employers to participate in the EOI system, the federal government should view both parties as customers. This entails the following courses of action:

The entire online process must be designed around the priorities of users:

- it should be straight-forward and easily navigable by both employers and prospective immigrants;
- the system should track user behavior and evolve and adapt accordingly; and
- users should be able access it via a 'one-window' portal that offers a broad spectrum of services, ranging from the submission of an EOI to receiving settlement advice and assistance.²

The process should be open, transparent, and engaging for users:

- users should be made aware of the services they will receive through the EOI system;
- users should be able to track their progress in real time;
- frontline customer service agents should be adequately trained to

- handle the range of employer and applicant queries. Pass-offs to other departments and workers should be minimized; and
- online support staff should be available 24 hours a day for assistance.

New service standards should be established:

- the federal government should set specific delivery targets for the EOI system on key criteria, including response times, user satisfaction, system reliability, and processing times;
- standards should be determined, in part, by benchmarking against international counterparts; and
- the government should consistently measure, evaluate, and publicly report on its ability to meet standards.

The development of a single, consistently branded web portal will also encourage interest and participation from employers and prospective immigrants (Tan and Bitran, 2013).

>>Recommendation 6

Strike a balance between integrity and usability.

Integrity and usability are not mutually exclusive objectives in the design of an immigrant selection system.

Employers support the government’s efforts to protect the integrity of the EOI system and minimize fraudulent activities, such as the use of ‘shell’ companies to bring in family members. However, employers are less likely to use the system if it imposes onerous paperwork obligations. To the greatest extent possible, the system must strike a balance between integrity and usability.

Citizenship and Immigration Canada has suggested that employers making a job offer within the EOI system will have to provide validation criteria during the initial registration period in order to access the pool of potential immigrants. Required information could include: financial statements, Canadian Revenue Agency business numbers, details on the number of staff employed, staff turnover, and the number of years the business has been in operation (Citizenship and Immigration Canada, 2013).

These requirements are too burdensome and rigid, particularly for SMEs. The burden of paperwork would likely deter employer uptake. It is also unclear how these criteria will be weighted (e.g. will high-tech startups be prevented from participating?) and whether this information will achieve the intended policy objectives.

In addition, existing legal frameworks, such as the *Ontario Employment Standards Act*, are sufficient to protect both employers and employees

“The paperwork obligations on employers must be minimal. Any paper burden must reflect the policy objectives of the programs and not the superfluous whims of government.”

- Participant, Peterborough

processed through the EOI system. In other words, employers worry that additional legal obligations regarding wages and work conditions would deter participation in the program.

However, steps must be taken so that both employers and employees are aware of their rights and obligations under existing legislation (see page 18).

>>Recommendation 7

Provide a clear pathway for newcomers seeking the recognition of their foreign credentials; newcomers should be connected to professional regulatory bodies prior to arriving in Canada.

Regulated occupations make up approximately 15 percent of Canada's labour force (The Alliance of Sector Councils, 2010). In order to be eligible to work in a regulated occupation in Canada, immigrants are required to verify that the education and job experience they have obtained in another country are equal to the standards established for Canadians working in their field. The eligibility of their foreign credentials must be verified through professional regulatory bodies, whose roles, requirements, and standards vary from one province to another.

“As an employer, we want to be sure that the candidate can have a successful career once they get to Canada. It is important that credentials are verified before the hiring process begins.”

- Participant, Ottawa

Despite possessing high levels of educational attainment and work experience, many immigrants in regulated occupations struggle to fully participate in Canada's workforce as a result of not having their foreign credentials recognized. According to the 2006 census, only 24 percent of foreign educated immigrants in Ontario were working in the regulated profession for which they were trained (Statistics Canada, 2006). This massive misuse of human capital is estimated to be costing the Canadian economy billions of dollars every year (Reitz, 2005).

Employers respect the need for regulatory bodies to uphold the integrity of their professions, which typically share responsibility for public health and consumer protection. At the same time, however, they are concerned that many of the requirements and processes associated with foreign credential recognition are onerous.

The demand-driven EOI system must be bolstered by a transparent and streamlined effort to recognize foreign credentials in regulated professions. To the greatest extent possible, employers must have certainty that candidates will be able to practice in a regulated occupation in Canada. Potential immigrants should be connected with professional regulatory bodies to begin the formal credential assessment process prior to arriving in Canada, but after a job offer has been accepted.

This implies the following obligations:

1. Professional regulatory bodies, to the greatest extent possible, must remove unnecessary barriers to credentialing and reduce the Canadian experience requirement.
2. Professional regulatory bodies should provide employers and prospective immigrants with a series of tools that will enable them to complete initial assessments of immigrant candidate eligibility.
3. The EOI system should include a 'one window' access point to these tools.

The Regulators for Access Compendium for Best Practices and The Fairness Commissioner's Exemplary Practice Database (launched in 2013) highlight best practices in foreign credential recognition in the regulated professions. In the accounting profession, up to 30 to 50 percent of international candidates now begin the assessment process while still overseas (Ontario Regulators for Access Consortium, 2003). While this is excellent progress, additional action must be taken on this important issue.

>>Recommendation 8

Enable employers to use the tools they normally employ when selecting and screening candidates.

Within the proposed EOI system, prospective candidates will be screened based on existing federal selection criteria for economic immigrant classes. If they meet minimum requirements, candidates will enter the EOI pool for employer and government selection.

Applicants will be asked to provide sufficient information regarding language proficiency, work experience, education, and credentials (including whether they have been assessed). While these are important traits, employers are also looking for candidates with critical thinking, team work, and analytical skills (i.e. 'soft skills').

Therefore, employers should be able to screen EOI candidates using their usual methods and tools. Employers would like to have the ability to:

- hold multi-stage interviews, including video and phone interviews;
- measure candidates' competencies through tailored questionnaires and aptitude tests; and
- verify candidates' foreign credentials, using third parties if necessary.

"My firm needs to know that our hires have the soft skills necessary to excel in our industry. I'm not sure that this new system will allow us to do this."

- Participant, Ottawa

>>Recommendation 9

Allow employers to provide pre-selected candidates a pathway to permanent residence, with the ability to track them through the system and prevent ‘poaching’.

Employers need to be able to use the EOI system to hire individuals that they have already identified through their own recruitment efforts.

Many large employers, for example, want to retain their existing relationships with overseas recruiters. In the case of multinational firms, the introduction of the EOI system is an opportunity to better facilitate and expedite intracompany transfers and referrals from branches in other countries

Employers would also like to use the EOI system as a method of providing Temporary Foreign Workers who have proven their ability to perform in Canada’s labour market with a pathway to Permanent Resident status. Additionally, the EOI system could be a pathway through which employers can transition qualified international students to Permanent Residents.

It is worth noting that between 2012 and 2013, 87 percent of candidates in New Zealand’s equivalent system were already in the country as either temporary workers or international students when they submitted their expression of interest. Ninety-nine percent of them already had a job or job offer (Government of New Zealand, 2013).

A possible process for hiring or transitioning pre-selected workers could include assigning specific candidates with identifying codes that would remove them from the general pool of candidates, beyond the reach of other employers. This approach would allow employers to track these candidates as they progress through the system and would remove the prospect of employee ‘poaching’ by competing businesses.

“Employers should not have to go through the pool if they already have someone in mind.”

- Participant, London

>>Recommendation 10

Allow immigrants to self-select where they want to live and for whom they want to work; to the extent that they exist, assign provincial immigrant quotas based on labour market needs.

Ontario is Canada’s largest and most complex labour market. It is therefore paramount that the EOI system work for Ontario’s employers and responds to the province’s overall labour market needs.

Historically, the federal government sets the overall annual target for immigration to Canada, while the provinces compete to increase their share of skilled immigrants. This is unlikely to change in the new system. As part of the immigrant selection reform, the federal government will likely develop

“Ontario’s allocation under the Provincial Nominee Program is unprincipled, particularly when the province has massive skill shortages.”

- Participant, Windsor

a formula to allocate some portion of the immigrants selected through the EOI system across the country.

Ontario currently plays a small role in selecting economic immigrants through the PNP. Over the years, federal policies have limited the number of economic immigrants that Ontario can select through this program, while increasing the numbers going to other provinces. In 2012, the federal government capped the PNP allocation in Ontario at 1,000, 4.8 percent of the overall allocation across the provinces. In 2013, this number was marginally increased to 1,300.

>>Allocation of immigrants through the Provincial Nominee Program, 2012

Province/Territory	2012 PNP Target	Percent of Total
NL	300	1.5%
PE	400	1.9%
NS	500	2.4%
NB	625	3.0%
ON	1,000	4.8%
MB	5,000	24.2%
SK	4,000	19.4%
AB	5,000	24.2%
BC	3,500	16.9%
YT	190	0.9%
NT	150	0.7%
Total	20,665	

Sources: Ontario Ministry of Citizenship and Immigration, 2012; Citizenship and Immigration Canada, 2012

Yet, Ontario businesses are facing skills shortages in key sectors and regions. Experts predict Ontario’s skills shortage could reach 364,000 by 2025 (Conference Board of Canada, 2007).

Ontario employers prefer that the system be truly demand-driven with no provincial quotas. As long as the federal government continues to allocate skilled immigrants across provinces, they should reflect actual labour market needs across the country. As a province that represents 39 percent of the national population and 37 percent of the national economy (Statistics Canada, 2013a; 2013b), Ontario requires considerably more than 4.8 percent of the allocated skilled immigrants under the PNP program.

The new system should also acknowledge that newcomers arriving through the EOI system are Permanent Residents, not tied to a particular employer, and thus have the right to move when and where they desire once they arrive in Canada.

>>Recommendation 11

Market the EOI system internationally to prospective immigrants and domestically to employers—an ‘if you build it, they will come’ strategy will not work.

When it comes to driving participation in the EOI system, an ‘if you build it, they will come’ approach will not work.

The global competition for talent is becoming increasingly fierce. As Prime Minister Stephen Harper has said, “Canada is going to have to get out there, compete, and make sure we get the immigrants both in terms of volumes and particular attributes: skills, expertise, and investment capacity” (Chase, 2012).

With equivalent systems around the world, Canada (and Ontario) must differentiate itself from ‘competitors’ as the world’s best place to live, work, and do business. The introduction of the EOI system should be supported by an international marketing strategy aimed at attracting top-tier talent.

The same can be said about employers, many of whom are unaware of the hiring opportunities available through the immigration system. According to an OCC survey, 22 percent of employers have not used the immigration system for hiring purposes due to the fact that they lack the information on how to do so. This should be concerning to policy-makers because the demand-driven EOI system cannot properly function without employer uptake.

The design and launch of the EOI system should be accompanied by a savvy outreach strategy targeted directly at employers. This strategy should drive awareness of the EOI system and inform employers about how it can be leveraged to fulfill their labour needs. The strategy should clearly outline employers’ obligations.

The federal government should also look to business associations and local intermediaries in the non-profit sector (e.g. community groups, settlement agencies, and chambers of commerce) to play a role in promoting and explaining the system to employers.

“Our business has very specialized needs. Unless the government has an international recruitment strategy that attracts skills from a wide range of sectors, I doubt this system would have the talent I am looking for.”

- Participant, Sudbury

>>Recommendation 12

Publish the aggregate data from employers’ searches and the skills profiles of newcomers entering Canada through the EOI system.

Policy-makers and employers in Ontario suffer from the absence of timely and accurate labour market information. The federal government should use data generated through the EOI system as a window into skills shortages in Canada and the province.

When an employer searches the pool, it is clear that they are looking for a specific skill set that cannot be filled domestically. When an individual is approved, it is clear that she has skills and qualifications that are in short supply in Canada. The data garnered through the system should be made publicly available.

“Government needs to be forward thinking. They need to understand what skills employers are looking for now and in the future.”

- Participant, London

By monitoring and continuously evaluating employer searches and the profiles of newcomers selected through EOI, government can better align the gamut of labour market policies to employer needs.

>>Recommendation 13

Enable the EOI system to accommodate employers with lower and semi-skilled labour needs.

The EOI system is currently being designed with a focus on human capital and advanced skills. However, many sectors are having difficulty filling positions that require lower and semi-skilled workers, such as caregivers for the elderly. Employers are concerned that the EOI system, in its current design, will not respond to these labour needs.

“I need to see applicants with the skills I need. Currently, I am having a difficult time trying to bring in low-skilled workers. Why couldn't this system work for those positions as well?”

- Participant, Sudbury

In the New Zealand equivalent, certain immigrant candidates with a valid job offer are able to move through the system regardless of the fact they have not met the human capital threshold of 140 points. These candidates are selected using a set of prioritization rules, which are adjusted by the New Zealand government periodically in response to shifts in labour market demand and candidate supply (Immigration New Zealand, 2011).

Canada should adopt a similar approach, which could enable employers to access lower skilled workers. This could help to fill specific labour market shortages in those sectors and regions where employers are unable to attract domestic labourers. The federal government should review and revise eligible occupations for lower and semi-skilled immigration to better reflect emerging skills shortages.

>Businesses and Communities are the Linchpins of a Successful EOI System

“Retention is a big issue in the north. Our community needs to do the best it can to welcome newcomers, otherwise, people may not stick around.”

- Participant, Sudbury

“In order to use this system, I need to be aware that it exists. I also need to know what steps are required of me as an employer to bring skilled talent from abroad.”

- Participant, Windsor

Most of the recommendations in this paper have been aimed at government. But businesses and communities also have an important role to play if the system is to be successful and if Ontario is to succeed in the global competition for talent.

Employers will be the backbone of the EOI system. If they do not step up and get engaged, the system will be ineffective. Employer associations, such as the OCC and its network, must help promote the system and help explain to their members how the system works and their obligations within it. The OCC and its network have played a vital role in connecting new and prospective immigrants to employment opportunities. The EOI system is an opportunity to expand this role at the local level.

Employers must make an effort to learn about and participate in the system. They must also do their

part in helping newcomers adapt, integrate, and feel valued in the workplace and welcome in their new communities. Onboarding strategies tailored to immigrant employees are a good start.

Under the new system, community organizations will play a large role in helping employers both attract and retain immigrants. Communities should develop comprehensive strategies that market the quality of life and community value proposition in order to help employers attract newcomers. Communities should also develop integration strategies, such as welcoming committees and service ‘windows’, to help employers retain newcomers.

This is particularly relevant for Ontario’s northern and rural communities, whose employers cite attraction and retention as key barriers to the effectiveness of the EOI system.

>Conclusion

WHILE IMMIGRATION IS NOT A PANACEA for Ontario's workforce challenges, getting the EOI system right is an important step in enhancing the economic competitiveness of Canada and Ontario. Ontario's employers recognize that immigration is only one part of the solution to the province's workforce challenges. Training the existing workforce and bringing in foreign talent are complementary components of a robust labour force strategy.

The introduction of the EOI system is an important opportunity for Ontario, its employers and its immigrants, and is expected to enhance the flexibility, responsiveness, and speed of economic immigration. It is also an important step toward reversing negative trends associated with immigration and refocusing the entire system on talent and human capital.

Implementing the EOI system will remove employers from the sidelines of the immigration system, positioning them as active drivers in the global competition for

foreign talent; but without their active participation, the system will not succeed. This is why the federal government must design many aspects of the new system around the needs of SMEs and employers in Ontario—Canada's largest, most complex, and diverse labour market.

The goal of this report is to respond to many of the crucial questions about the system that have yet to be answered. This paper is an important step in providing the federal government with employer input as it moves closer to implementing the EOI system in early 2015.

>>Endnotes

1. Information regarding the design of the Expression of Interest system is provided by the Ontario Ministry of Citizenship and Immigration and Citizenship and Immigration Canada.
2. Immigrant selection and settlement is concurrent federal and provincial responsibility. To the extent possible, federal and provincial services should be streamlined into a single interface.

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