

Roundtable Report

Labour Market Conditions and Labour Mobility in Canada

On Wednesday, March 2, 2022, the European Union Chamber of Commerce to Canada (EUCCAN) organized in partnership with Immetis, a law firm specializing in corporate immigration and worker mobility in Canada, a private roundtable on the Canadian labour market conditions and related challenges with companies operating on both sides of the Atlantic.

Experiencing labour shortages & difficulties in hiring domestically

A StatsCan report released on December 20, 2021, highlighted that **labour shortages in Canada were growing more acute** with the number of job vacancies in Canada reaching an all-time high of 912,600 in the third quarter of 2021. Working in various industries, the participants to our roundtable confirmed this trend. Some reported over 80 job vacancies all year round, and difficulties to hire due to a lack of candidates and/or candidates with the right skills, resulting in an average delay to fill jobs of three to six months. Wide-ranging across their organisation, this shortage affects positions at all skill levels, mainly A to D of the National Occupational Classification (NOC).

All concurred that **Canada's labour force problem did not begin with the pandemic and had structural roots** – resulting from a declining labour force participation and some gaps in Canada's talent & skill pool. 2 years of COVID-19 pandemic have further amplified the problem; notably leading an increased number of talents to opt for part-time and/or early-retirement, also slowing down immigration flows of international workers and students.

Our participants further expressed concerns that this **issue could worsen as economic activity gradually returns to pre-pandemic levels**, compromising the competitiveness of their Canadian operations and placing an increased pressure on their existing workforce. The internal HR measures their companies set in place to reduce the impact of this shortage (e.g., aiming to upscale their recruiting capabilities and increase talent retention) are unlikely to be enough; hence the **need for Canada to step-up its capacity to attract international talents**.

International labour mobility – which issues must be addressed?

Thanks to its diversity and inclusivity, its high quality of life, its dynamic industrial landscape, Canada has sustainably managed to attract talents from around the world, from international students to entrepreneurs or skilled talents. These economic migrants have in turn highly contributed to Canada's economic development[1]. But while Canada remains committed to high-levels of economic immigration, the programs in support of this pro-active immigration policy have not been tailored and scaled to address the current labour shortage and could do with a revamp.

[1] The role that immigration plays in improving economic growth through workforce and population expansion has been well document. See for instance Building on Covid-Period Immigration Levels – The Economic Case

Issue #1 - Reinforce the attractiveness and competitiveness of Canada's immigration processes

The current delays in the processing of visa and work permit applications remain too often too long – ranging from 4 months to 1 year for some geographies (i.e., Brazil, Morocco, India, Philippines). The business and HR costs associated with keeping a position vacant for this long combined to the uncertain outcome that the companies expect restrain them to recruit and bring foreign workers in. Across the table, and except for one of them, these major EU companies admitted that they do not hire more than 5 to 8 foreign workers per year.

When they do, two other factors hinder their retention efforts. The process to renew work visas is too long (up to 20 weeks in certain instances), complicated and rigid – as the applicant may in certain circumstances (maintained status) not be allowed to leave the country during this period – even for business reasons.

Proposition(s):

- Promote programs to help companies navigate across the different immigration paths;
- Extend the current range of the Global Talent Stream Process or streamline it across other immigration streams (incl. temporary work permit renewals).

Issue #2 - Broaden programs for skilled- and lower-skilled occupations

All participants noticed that many immigration paths are not available to lower-skilled occupations, despite the shortage affecting these jobs.

For a company, recruiting foreign workers (incl. through internal transfers) is costly, both in financial and HR terms (e.g., support through immigration process, support to relocation...) – often limiting corporate international recruitments and transfers to Skill Type 0 positions (i.e., senior management, director level and above). Reinforcing this is the added complexity associated with LMIA requirements, which further complicate the immigration process for lower-skilled occupations.

Save for very limited exceptions, foreign workers occupying C and D positions of the National Occupational Classification (NOC) cannot access Permanent Residency in Canada. Besides, their spouses cannot obtain a work permit in Canada.

In the manufacturing sector, this situation leads to candidates turning-down positions offering better wages and benefits for “supervisor”-labelled roles in other industries, which offer them better perspectives at obtaining permanent residency in Canada.

Proposition(s):

- Create a fast-track process similar to the Global Talent Stream for international intra-company transfers of skilled and lower-skilled essential workers;
- Extend the current range of Federal Low-Skill Pilot (LSP) for foreign workers in occupations that require lower levels of formal training;
- Extend the scope of NOC Codes fast-tracked for permanent residency to occupations most affected by labour shortages;
- Enable spouses to foreign workers occupying C and D positions to apply for a work permit.

Issue #3 - Increase support and improve pathways to settlement

Recent immigrants have to undergo a significant cultural and personal adjustment process. Adding to that, they are often confronted to additional challenges upon landing – from a lack of access to capital, barriers in obtaining loans, obstacles in finding affordable housings or accessing standard healthcare services (e.g., a family doctor). In some instances, they also have to undertake a burdensome journey to get their academic and professional qualifications recognized.

Government-funded free settlement agencies play a key role in supporting newcomers as they integrate in Canada. Still, these are still too often unknown and limited to approved permanent residents.

Proposition(s):

- Extend the scope government-funded settlement services to incoming foreign temporary workers
- Develop public-private partnerships to offer newcomers a widespread access to settlement agencies
- Improve the recognition of academic and professional qualifications of foreign workers moving to Canada through intra-company transfers.

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