

Demographic and Economic Impacts of Provincial and Territorial Immigration Programs

Summary and Some Conclusions of a report prepared for the Forum of Ministers Responsible for Immigration
(A joint project undertaken by ARGEIAD and Group ATN, Halifax)

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**Sobey School
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Purpose of the study

- Examine Canadian and provincial-territorial experiences of immigration attraction policies over the first two decades of 21st century
- Four parts of the report:
 - Literature review
 - Demographic and economic profiles of immigrants in PTs across Canada
 - Econometric modelling estimating the impact of PNPs on wider immigrant inflows and their economic impacts
 - Focus group interviews with PT representatives

Literature review

Summarizes past evaluation of immigrant attraction programs at both national and PT levels

Outlines secondary research on the effectiveness of immigrant attraction programs including international experiences

Literature review (contd.)

Immigration has been successful in:

- countering falling natural increases and ageing population
- Increased productivity
- Expanded entrepreneurial vigour
- Attracting more highly skilled workers
- Allowing a better alignment of labour skills and employer needs
- Creating a positive impact on the wider economy

OECD regards Canada as a role model in the design and success of its immigration system

Literature review (contd.)

Some challenges faced by immigration policy:

- Refugees pose special challenges as they are not usually hand-picked for their human capital and their integration takes longer and costs more
- Attraction of immigrants to less-settled locations

Demographic and economic profiles

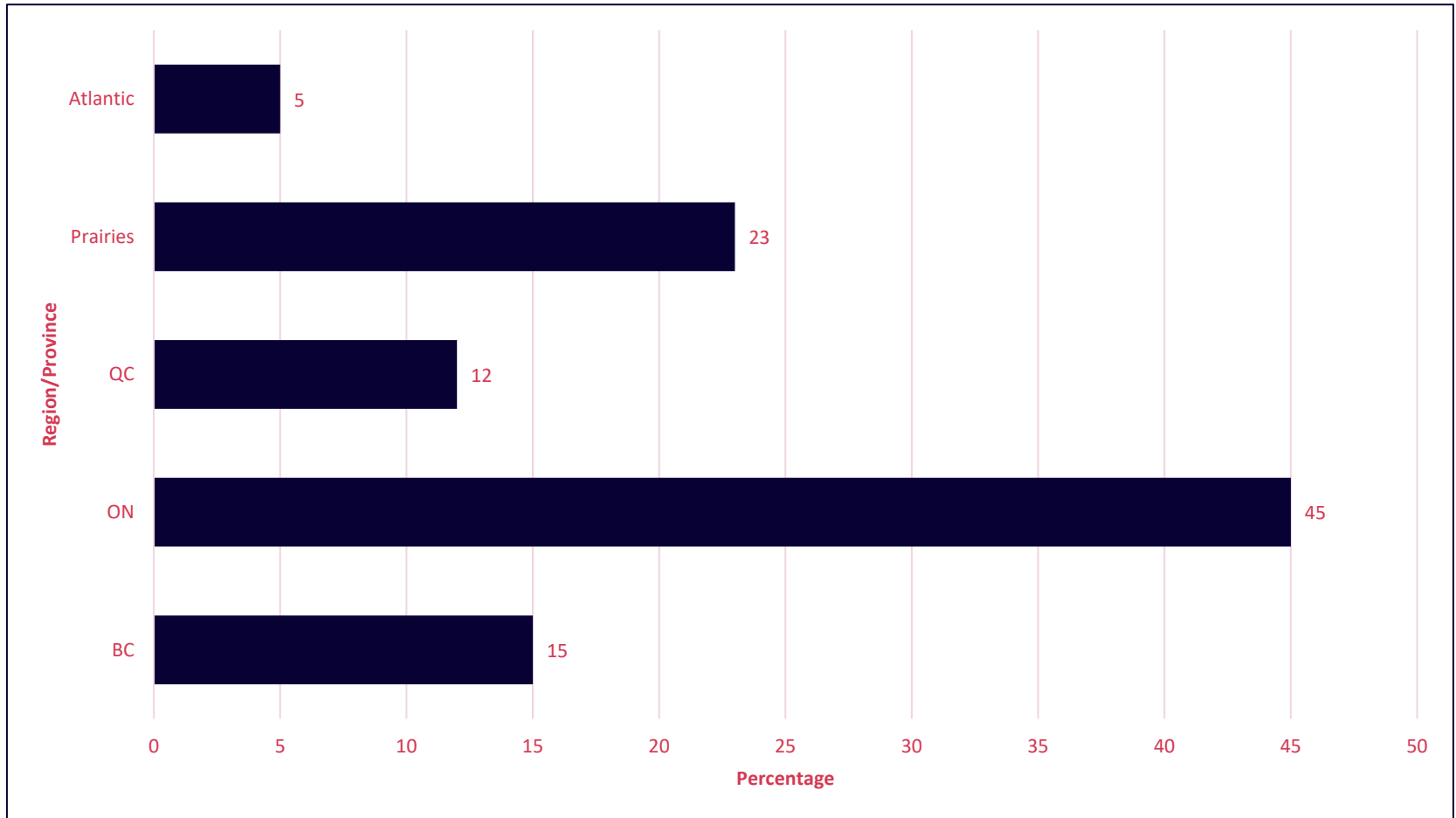
Impact on PT demographics: immigration has slowed population decline in smaller PTs, offsetting it in most cases.

- One survey results suggest immigrants like the quality of life small provinces offer, but are pushed to other larger provinces for better economic opportunities.

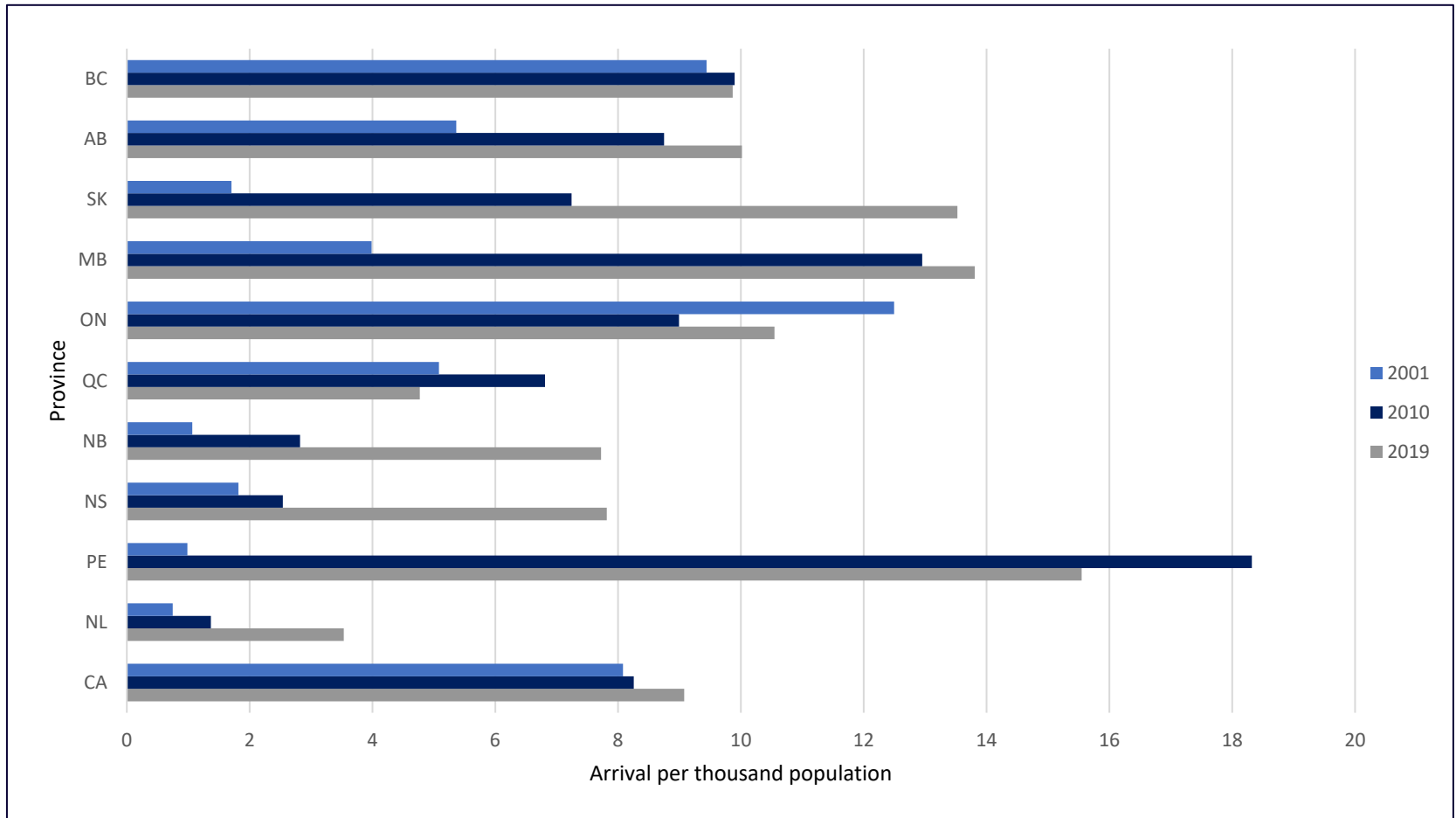
Despite enhanced recent efforts to attract and retain immigrants in smaller provinces, their distribution remains uneven (e.g., only 5% of total population in Atlantic Canada while 29% in Ontario)

Prairie provinces have been attracting immigrants at a faster rate.

Provincial / regional share in national inflows



Immigrant arrival rates by province



Demographic and economic profiles (contd.)

Most immigrants arrive at a young age, meaning they tend to stay in labour force for a long time after arrival.

Larger urban areas continue to be the preferred destinations for most.

Shift in source countries of immigrants from Europe and US towards Asian countries.

Immigrants are better educated and more highly skilled than non-immigrants.

Demographic and economic profiles (contd.)

Most immigrants end up in service occupations.

Relative to non-immigrants, labour force indicators (unemployment and participation rates and incomes) are generally better for immigrants in smaller provinces.

Recent immigrants have more difficulty in finding their way into labour markets.

Demographic and economic profiles (contd.)

International students add to the quality of future immigration to Canada.

Their numbers have increased in recent years:

- 543,000 in 2019
- Range from 34,000 in Atlantic Canada, 57,000 in the Prairies, 145,000 in BC and 307,000 in ON. Small but rising numbers in the territories
- Limited data show:
 - Entry earnings of international students who transition into permanent residency are low but rising rapidly with more time in labour force.
 - Those transitioning as skilled workers tend to do better than those as PNs (but data are limited).

Quantitative impacts of PNP: on provincial arrivals

Nine provinces compared with Quebec which does not have PNP

- Inflows lagged Quebec in half of the provinces before they had PNP, rest were on pace with Quebec
- Lagging provinces caught up with Quebec or at least narrowed their gap in post PNP period. Rest kept their pace with Quebec.
- ON – exception: lost ground relative to Quebec perhaps because it had traditionally attracted more immigrants relative to rest of Canada and there was redistribution to other provinces.

Quantitative impacts of PNP (Economic)

Provincial revenue growth (Fiscal revenue to GDP ratio)

- Relative to Quebec, AB, NS, ON, BC had declining trends prior to PNP
 - Divergence from Quebec slowed down post PNP.
- SK, NB, MB held pace with Quebec while NL and PE did better

GDP growth

- Nationally, 1% immigration growth causes GDP to rise by 0.11%
 - Rise in share of econ immigrants to 65% in total inflows would have caused an increase of \$187.2 million - \$8,460 per econ class immigrant.
- Growth in FSW causes greater increase than PNP
- PNP complements FSW in growing GDP.

Some PT views on PNP

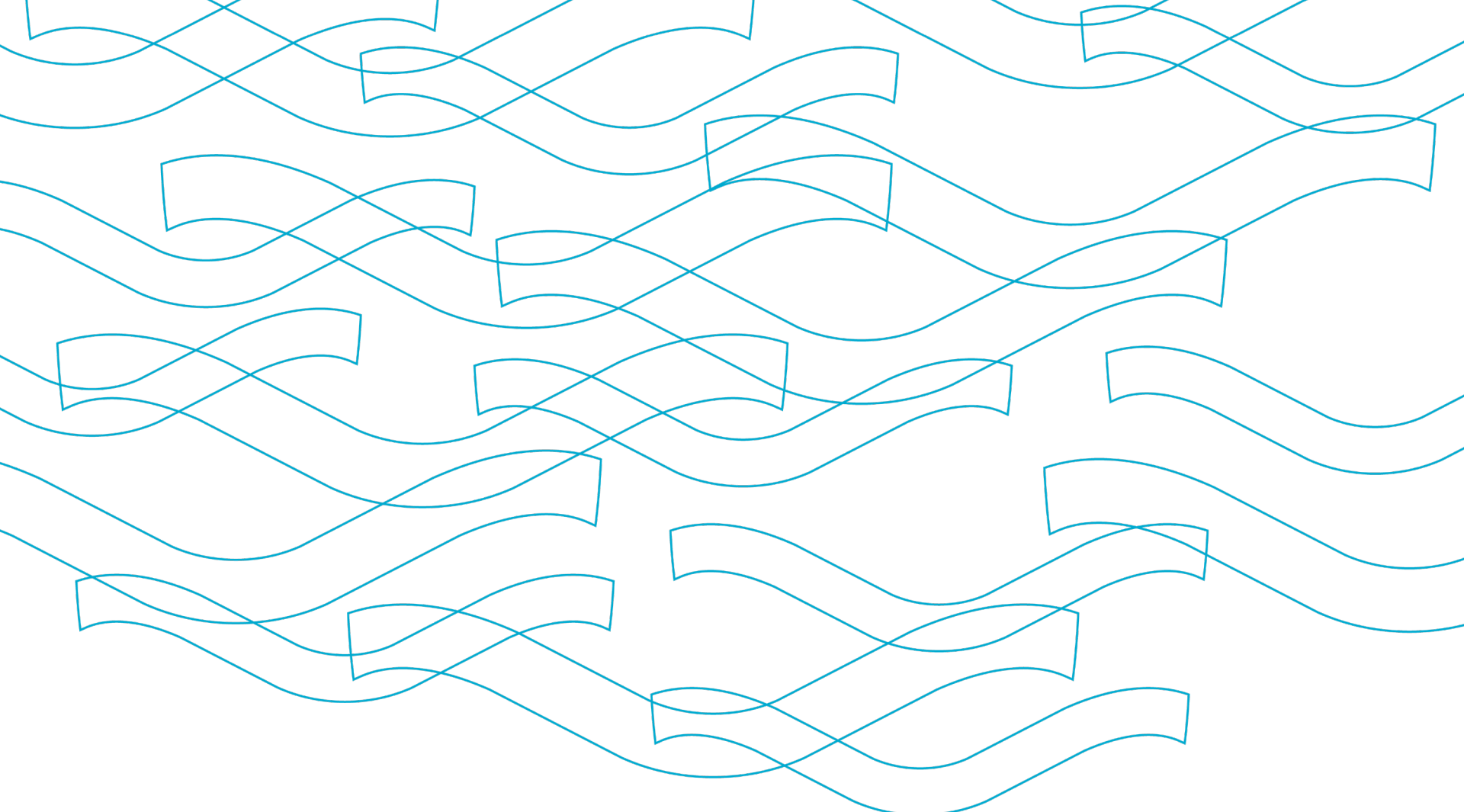
“It’s essential. We cannot produce enough talent locally.” – MEDO

“Economy depends on immigration.” – SPO

“PNP is the only program approved by everyone. Supported by all politicians, religious groups.” – MEDO

“Immigration is key- only way to grow population.” – MEDO

“Immigration is more than just supplying labour; it’s building diverse communities.” – MEDO



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