

## **NEW THINKING FOR NEWCOMERS: HOW ONTARIO CAN DO RIGHT BY ITS GROWING IMMIGRANT POPULATION**

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### **Issue**

How should Ontario reset immigration policy to ensure a sharper focus on the needs of immigrants themselves?

### **A Shifting Picture**

The role of immigration in Canada is expanding. The year 2020 saw a relatively modest inflow of 185,000 immigrants, its small size largely due to Covid-19. In 2021 came a turnaround, with the federal government's goal of 401,000 immigrants met. Even higher targets have been set for the coming three years: 431,645 (2022); 447,055 (2023); and 451,000 (2024). This projected influx will equal well over one percent of Canada's entire population annually. If achieved, each figure would represent an all-time high.<sup>1</sup>

Driving these targets is a stark demographic fact. Canada's fertility rate is low enough that, without a significant addition of newcomers, our dependency ratio—the sum of young people and the elderly relative to the working-age population between 20 to 64 years—will rise to unsustainable levels.

Behind the shifts in aggregate numbers, other important trends are at work. Between 2016 and 2021, the share of economic immigrants (as opposed to the other two main categories of family reunion immigrants and refugees) rose from 50% to 65%. More unexpectedly, there was a dramatic rise in the share of immigrants who were already temporary residents. Between 2018 to 2021, this share jumped from 40% to over 70%. Much of this trend can be attributed to international students with work visas whose Canadian residence began before Covid, but there are indications this share will remain above 50% even after Covid abates. Another trend has been the growing share of immigrants in the 15 to 29 age bracket. This rose from under 30% in 2015 to 42% in 2021 and there are signs that much of this increase will be sustained as well.<sup>2</sup>

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<sup>1</sup> The previous high was 400,900 in 1913, which was significantly higher on a percentage basis.

<sup>2</sup> This analysis of current trends is taken from Tal (2022), pp. 1-2.  
<https://economics.cibccm.com/cds?id=cf6c642b-7ba3-4f14-b70a-3369a9142bae&flag=E>

## The Current Policy Context

Given this background, the significance of immigration to Canadian society is greater than ever. Clear-headed policies that are carefully administered will deliver hefty benefits; ill-designed or badly implemented policies could wreak considerable harm.

The federal government takes the lead on immigration policy. The IRCC (Immigration, Refugees and Citizenship Canada) oversees annual targets and the breakdown of those into various categories. The IRCC also funds the bulk of settlement and integration services across the country.

Still, provinces also fund their own settlement and integration services. In Ontario's case, this includes language training, newcomer settlement programs, bridge training programs, and an information and referral portal for internationally educated individuals.

One reason provincial funding is necessary is that federal funding for settlement and integration services is regionally lopsided. In 2021-22, for example, per capita funding ranged from highs of \$16,432 for Nunavut and \$13,541 for Quebec to a low of \$2,671 for British Columbia. Ontario's allocation was \$3,033.<sup>3</sup> Another reason is that IRCC-funded programs are typically restricted to newcomers who hold permanent resident status. In contrast, most Ontario-funded services are available not just to permanent residents but asylum seekers and naturalized Canadian citizens as well.

Provinces also play a role in immigration through their oversight of the education of international students. In this regard, Ontario is especially important: the province currently hosts close to half of Canada's international student population.<sup>4</sup> In 2020-21, Ontario universities welcomed over 85,000 international students, comprising 17.5% of their enrolment. Ontario's public colleges took in an even higher number. In the same year, they hosted 105,000 international students, representing 30% of their enrolment.<sup>5</sup>

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<sup>3</sup> El-Assal (2021). These data, which IRCC chooses not to make public, were obtained thanks to an access to information request by CIC News. Per capita amounts are relative to total immigrant landings in each province and territory.

<sup>4</sup> El-Assal (2020). For example, in 2019 Ontario postsecondary institutions hosted 48% of the country's international students.

<sup>5</sup> Data are from the [ontarioschools.ca](https://www.ontarioschools.ca) website (Data Table 5) and the Office of the Auditor General of Ontario (2021), p. 9.

## Delivering Settlement and Integration Programs

Recent provincially-funded settlement and integration policies in Ontario have been the subject of close study. The Office of the Auditor General published an audit of these services in 2017. The Office then published a follow-up report in 2020. The original audit highlighted a range of challenges. Most importantly, in the Auditor General's assessment, the relevant ministry at the time (Citizenship and Immigration) did not:<sup>6</sup>

- allocate funding based on actual newcomer needs;
- consistently select and fund service providers based on ability to deliver services;
- assess service providers' costs to ensure cost-effectiveness;
- monitor service providers' outcomes consistently; or
- impose performance indicators sufficient to monitor these outcomes.

As evidence, the audit cited marked inconsistencies in costs for various provincially-funded service providers. For example, the average cost per client visit for core newcomer settlement services ranged from \$12 to \$216, depending on the provider. Similarly, average participant costs for bridge training programs per licensed participant varied from \$3,400 to \$123,800—an eye-opening range even accounting for varied training costs in various occupational areas.<sup>7</sup>

The follow-up report focused on the fate of recommendations flowing from the 2017 audit and made by the Standing Committee on Public Accounts. It found that only two percent of these recommendations had been implemented while another 27% were in process. The remaining 71% had seen little or no progress.<sup>8</sup>

These developments raise important questions. Are settlement and integration services in Ontario meeting basic standards of quality and efficiency? If not, why not? Are disruptions such as departmental restructurings in 2018 and 2019 to blame, or the effects of Covid,<sup>9</sup> or longer-term factors? Are government decision-makers putting too much emphasis on the interests of service providers and not enough on the welfare of those for whom these services are meant to benefit?

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<sup>6</sup> Office of the Auditor General of Ontario (2017).

<sup>7</sup> Ibid. pp. 678-79.

<sup>8</sup> Office of the Auditor General of Ontario (2020).

<sup>9</sup> All services except immigration training were moved in 2018 from the former Ministry of Citizenship and Immigration (MCI) to the Ministry of Children, Community and Social Services (MCCSS). Immigration training was moved first to the former Ministry of Training, Colleges and Universities (MTCU) and then, upon the restructuring of that department in 2019, to the Ministry of Labour, Training and Skills Development (MLTSD).

As well, while the Auditor General's reports do not deal explicitly with how spending is allocated among the various program envelopes, there is another question that needs addressing. Are expenditures on the most expensive bridge training programs for internationally educated immigrants advisable given the small share of all immigrants who benefit? This share is likely to fall even further as total immigration flows increase.

A new not-for-profit that this article's two authors oversee conducted a survey on immigration integration in 2021 to understand the experience of immigrants in Canada. Among the respondents, close to two-thirds had a masters degree or higher. But close to three-quarters reported that their first position in Canada was entry level, whereas before arriving in Canada less than one-fifth had entry level jobs.

Close to half of respondents found their job search far more difficult than expected. More than a quarter were still job searching 12 months or more after moving to Canada. A lack of Canadian work experience was commonly cited as a major hurdle, with a third of respondents also reporting what they believed to be discrimination in the hiring process.

These data, coupled with data from secondary sources collected for the survey report, show that challenges faced by a large proportion of immigrants have not changed over time.

No wonder there are signs that some immigrants are considering leaving Canada for good. A recent survey by Leger on behalf of the Institute for Canadian Citizenship (ICC) found that 30% of recent Canadian immigrants between the ages of 18 and 34 say they are likely to move to another country in the next two years. In addition, 72% agreed with the contention that Canadians don't understand the challenges immigrants face.<sup>10</sup>

## Sparking a Policy Reset

A policy reset is essential, including four overarching actions by provincial authorities. None is outside the realm of practical feasibility, and each would be in the long-term interests of Ontario. More pointedly, each would move Ontario closer to the kind of immigration polices that newcomers deserve.

**Action 1. The Ministry of Children, Community and Social Services (MCCSS) should restructure provincially-funded settlement and integration programs to ensure better monitoring, especially of outcomes. This may mean spending less on the programs themselves, and more on quality assurance.**

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<sup>10</sup> Institute for Canadian Citizenship (2022).

**Action 2.** MCCSS should lead a public campaign to encourage a paradigm shift towards integrating immigrants more effectively into the Canadian workforce, including by dealing explicitly with the potentially discriminatory aspects of employer demands for Canadian experience.

**Action 3.** The Ministry of Labour, Training and Skills Development (MLTSD) should conduct a value-for-money audit of the more expensive of the bridge training programs offered to internationally educated immigrants, to analyze whether they are advisable given projected increases in demand on provincial funding in coming years.

**Action 4.** Regarding immigrant services, MCCSS and MLTSD should adopt an explicitly collaborative approach, like that associated with the concept of social innovation and defined as “developing new ideas, services and models to better address social issues.” Such an approach would welcome contributions from a much wider range of participants to improve social services.<sup>11</sup>

We believe the last proposed action would be the most important.

Rather than a policy environment in which private interests of service providers often seem paramount, provincial authorities would take inspiration from initiatives already underway, for example, in Ontario’s postsecondary sector.

A policy-making approach based on social innovation might also build partnerships with one or more of the province’s innovation hubs. New policy ideas could then be encouraged through the participation of representatives of all stakeholder groups—especially service users themselves—in ways that stress social justice and community empowerment.

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<sup>11</sup> This definition of social innovation, which comes from the Employment, Social Affairs & Inclusion Branch of the European Commission, is quoted in De Pieri and Teasdale (2021), p. 96.