

Intelligence MEMOS



From: Parisa Mahboubi and Mikal Skuterud
To: The Honourable Marc Miller, Minister of Immigration, Refugees and Citizenship Canada
Date: January 11, 2024
Re: **A MULTI-PRONGED STRATEGY FOR MANAGING CANADA'S SURGING NON-PERMANENT RESIDENT POPULATION**

Recent years have seen an unprecedented increase in Canada's non-permanent resident (NPR) population far surpassing increases in annual admissions of new permanent residents. This unbalanced growth in the two migration streams will inevitably result in a growing undocumented population and forced deportations. Both developments risk inflaming Canada's immigration politics and undermining public confidence in the immigration system.

It is imperative that the government take immediate steps to stem the ongoing growth in foreign student and temporary foreign worker entries.

Several factors have contributed to the NPR population surge, including ad-hoc programs aimed at expanding eligibility for permanent status, the well-documented postsecondary appetite for international tuition revenue, and eased employer access to temporary foreign workers, most notably in [low-wage occupations](#).

Statistics Canada estimates that by the fourth quarter of 2023, Canada's non-permanent population had exceeded 2.5 million, while entries of new permanent residents remained below 500,000 and which the government has [announced](#) will stabilize in 2025. The tightening bottleneck in temporary-to-permanent residency flows is worsened because many permanent slots go to [applicants residing abroad](#), not non-permanent residents.

A key factor driving the growth in non-permanent inflows is the government's repeated announcements of ad hoc programs aimed at easing the pathway to PR status for lower-skilled migrants who would otherwise struggle to clear the hurdle of the Express Entry skilled-based points system.

Examples include the February 2021 decision to provide permanent status to all economic class candidates in the applicant pool regardless of their eligibility scores and the April 2021 provision of pathways to 90,000 "essential workers" including cashiers and truck drivers. And the government expanded the program in January 2023 to give PR status to undocumented construction workers and plans to broaden the program, allowing all [undocumented people](#) to apply for permanent status.

No wonder large numbers of migrants try their luck.

But given limited permanent admissions, large numbers of justifiably hopeful NPRs will be unable to realize their dreams. As their study and work permits expire, many will be unable or unwilling to return to their home countries. This leaves them increasingly vulnerable to workplace exploitation, which can distort wage outcomes in lower skilled labour markets, and leaves them in poverty with no recourse to government supports because they are ineligible.

Canada urgently requires a multipronged strategy to stem this ongoing NPR growth and restore the stability and integrity of the immigration system. In our view, policies should be aimed at helping applicants make better decisions about seeking NPR status in Canada by offering a straightforward, predictable system against which they can realistically assess their prospects.

On international students, we recommend reintroducing the cap on off-campus work at 20 hours a week that was waived in October 2022 and recently extended to April 30. Continued policy punting is unhelpful in restoring predictability for prospective foreign students. Study permits have become de facto work permits, and brings job-seekers, not committed students.

We also recommend restricting study permits to institutions of a certain standard. [Designated Learning Institutions](#) (DLIs) whose students are currently ineligible for Post-Graduate Work Permits should also be ineligible for study permits. The government should also revoke designation based on the measured immigration and labour market outcomes of an institution's graduates. Those outcomes should be regularly published by the immigration department to help prospective migrants make informed decisions and combat false dreams pushed by education recruiters.

On temporary workers, [extended](#) measures allowing, for example, 30 percent of certain workforces to be low-wage temporary foreign workers, need reconsideration. Stemming the growth in the Low-Wage Stream of the Temporary Foreign Worker Program and restoring the pre-2020 hiring regulations recognizes recent evidence of [adverse effects](#) of this program on [wages](#) and local [unemployment rates](#).

Most important, the government needs to bring back predictability in its permanent resident admission system in the economic-class applicant pool. Though well intentioned, the one-off programs easing the pathway to permanent status are contributing to temporary resident explosion. The department needs to return to its [Comprehensive Ranking System](#) as it did before 2020. The transparency of its points system and a stable minimum eligibility score over time will mean that applicants can see what skills or training they need for entry, thereby advancing the objective of our skilled immigration program.

If these policy levers are collectively applied, they can stem the unhealthy growth in Canada's non-permanent population, restore fairness and transparency in the permanent admission stream, and secure the immigration system's integrity and sustainability. In doing so, we can ensure that Canada continues to be a welcoming and prosperous country for all.

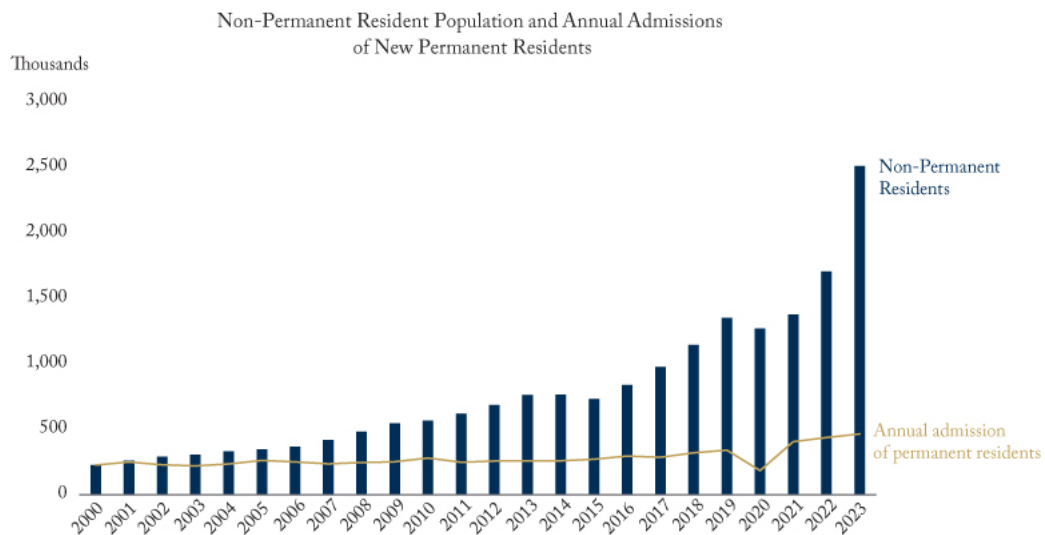
Please check Figure 1 in next page.

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Figure 1:



Notes: Estimates of the number of non-permanent residents for 2000–2020 are based on authors' estimates and for 2021–2023 are from Statistics Canada. The 2000–2020 estimates are for December 31; 2021–2023 data shows estimates on October 1. Admissions of permanent residents in Q4 2023 is the 2023 immigration target level.

Sources: IRCC data on admission of permanent residents and authors calculations based on IRCC data on student and work permit holders (all IMP and TFWP) on December 31 and Statistics Canada Table: 17-10-0121-01.