A REVIEW OF FUTURE TRENDS IN THE CANADIAN IMMIGRATION AND SETTLEMENT SECTOR

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INTRODUCTION

Within the scope of the ACS-Metropolis project "Envisioning the Future of the Immigrant Serving Sector" funded by the WES Mariam Assefa Fund, this review seeks to outline past and present trends which will impact future outcome scenarios for newcomers and the settlement sector. The critical trends analyzed include migration patterns and newcomer demographics, the housing crisis, technological advancements, capacity issues in the sector, IRCC funding and the use of alternative funding models, knowledge sharing in the sector, as well as labour market trends including employer discrimination and workers rights.

MIGRATION TRENDS

The Government of Canada has planned to admit over 400,000 permanent residents each year over the next three years as part of its Immigration Levels Plan for 2021-2023

Immigration levels dropped significantly in 2020 due to pandemic public health measures. In 2021, Canada met its target of admitting 401, 000 permanent residents, which is the largest number of new immigrants in a single year in the country's history.

In order to reach these numbers, Immigration, Refugees and Citizenship Canada (IRCC) focused on transitioning temporary residents through Express Entry to permanent residents. Pre-pandemic, most immigrants arrived from overseas, however in 2021 the IRCC issued mass invitations to Canadian Experience Class newcomers to apply for permanent status. These included international students and Temporary Foreign Workers, 90% of whom were already living in Canada, reinforcing an immigration selection trend towards "two step immigration".

A new immigration plan is to be announced in February 2022, and it has been suggested that targets will be further increased to meet labour shortages. The government has reiterated prioritization of boosting the economy, family reunification and humanitarian streams.

Immigration streams such as provincial nominee programs and pilot programs such as the Rural and Northern Immigration Pilot, which includes eleven Canadian cities (five of which are in Ontario) and the Ontario-based Rural Employment Initiative have also signaled a shift towards a growth in settlement in small and mid-sized cities. These programs also help serve Francophone Minority Communities, which are a rising demographic. Overall, building immigrant populations outside of Census Metropolitan Areas will help grow regional economies and will necessitate an expansion of service delivery in these areas.

Canada implemented a 20-month ban on asylum seekers due to the pandemic, which was lifted in November 2021, resulting in an increase in irregular border crossing and asylum requests. As the United States maintains a similar ban on the border it shares with Mexico, Canada may continue to see increasing numbers of migrants seeking entry through this pathway, although IRCC does not anticipate receiving the large numbers of asylum seekers that Canada saw in 2017 and 2018 at crossings such as Roxham Road due to a new administration and political context in the US.

Two-step immigration pathways increase the role employers play when it comes to immigrant selection, creating opportunities to link employers with successful integration and retention practices.

These immigrants make up 80% of all new permanent residents as a result of the pandemic. Partially demand-led, this process is advantageous in many ways, and employers are becoming an essential link towards newcomer integration and retention.

INTERNATIONAL STUDENTS

The number of international students has been rising in Canada since the mid-2000s. These students continue to be prime candidates for retention via permanent residency pathways and will be instrumental in contributing to a highly educated labour force in the post-pandemic economic recovery period, with greater admission of students at college and master's degree levels between the ages of 18 to 24 years old. In 2018, international students spent $21.6 billion on tuition and other expenses in Canada and in 2016, filled up to 170,000 jobs. As per the International Education Strategy (2019-2024), the government has called for the need for more diversity within the international student population, and to "diversify the countries from which international students come to Canada, as well as their fields, levels of study, and location of study within Canada. In addition to efforts to diversify the groups and "distribute the benefits more equitably across the country", Canada will be competing with other countries to attract these students.

It is important to note that more needs to be done in order to ensure these students have a positive experience in Canada, that their mental health needs are met, and employment opportunities are streamlined. They require more efficient ties to community, such as through the International Student Connect program that bridges universities with settlement services in Ontario to retain them.

The pandemic has had a significant impact upon international students, as it did upon the entire education sector, impacting billions of dollars worth of Canada's Gross Domestic Product. Many students chose to study from their home country, disrupting the financial model of post-secondary institutions. On average, international students pay about three times as much for tuition compared to Canadian students. Institutions are increasing tuition fees due to the pandemic and to increase revenue in general.

Intersecting with the rising two-step migration phenomenon, post-secondary institutions are becoming increasingly "privatized" and the ability to pay high tuition fees may become a requirement for a successful pathway for international students into Canada.

HOUSING CRISIS TRENDS AND IMPLICATIONS ON NEWCOMER POPULATIONS

An unprecedented number of new immigrants will settle in Canada during a time of major housing crisis created by housing speculation, low interest rates and increased demand for housing.

In a market with limited stock as the number of houses for sale are at a record low, housing prices have skyrocketed since the onset of the pandemic. Many Canadians are finding their cost of housing unaffordable, whether they are renting or looking to buy in the largest cities, namely Toronto and Vancouver. The government has pledged to build more affordable housing to meet demand, such as through the New Rapid Housing Initiative, however it remains unclear as to when those priced out of the market will be able to meet living expenses again in city cores.

CMHC defines a household to be in core housing need if it is "below one or more of the adequacy, suitability and affordability standards [and] The household would have to spend 30% or more of its before-tax household income to access local housing that meets all three standards." According to the CMHC, 18% of immigrant-led households are in core housing need, 26.6% for recent immigrant-led households, 27% of refugee-led households and 49.0% of recent refugee-led households. The housing choices available to immigrants and refugees are often constrained by affordability, signalling a greater need for housing-related services, ranging from general housing support (provision of housing information, referrals to housing assistance, housing agencies, tenancy rights eduations, legal assistance) to accommodation and transitional housing supports from the settlement sector.

STAFFING CAPACITY ISSUES IN THE SETTLEMENT SECTOR

Canada has committed to welcoming 40,000 Afghan refugees over two years and as of January 2022, just under 7000 have arrived in the country.

Agencies are experiencing increased pressure due to Afghan resettlement efforts in addition to existing difficulties in capacity that were seeded prior to the pandemic.

A key finding from ACS-Metropolis Institute's Focus Group discussions held between September 14-17, 2021 was related to capacity issues in the settlement sector and *“the need for physical infrastructure expansion, staff retention, and the mental health and wellbeing of staff. Multiple participants discussed the need for increased staffing, as well as retention of service providers who leave to pursue more financially rewarding employment.”*

These concerns have been reiterated during Key Informant interviews ACS-Metropolis Institute conducted throughout 2021 and early 2022, as the pandemic continues to affect lives in unpredictable ways. Interviewees discussed high-turnover rates, retirement of staff, difficulty in attracting new talent/labour shortages in the settlement sector, and a lack of capacity to try new solutions. The lack of capacity has in some cases led to “overwork and burn-out” and a sense of being undervalued. Many organizations hit their annual client targets well before the end of the year and have reported that client cases have become more complex since the onset of the pandemic, citing compassion fatigue or or vicarious trauma experienced by settlement workers as a major area of concern. Without intervention to improve wages and working conditions, this situation is at risk of worsening in the future.

THE ROLE OF TECHNOLOGY IN MIGRATION AND SETTLEMENT

First introduced experimentally in 2014, the use of AI for selection has been increasing in IRCC's visa application processing, with the automatic approval of "low-risk" temporary resident applications and the flagging of "medium" and "high-risk" ones for human review, to facilitate bulk application processing.

There has been a call for increased transparency in the process, so that applicants and other stakeholders are aware of the decision-making procedure and rationale. Without due transparency it is difficult for the public to understand how the sector may be impacted by this automation, whether bias has been built into the systems and algorithms, and even whether human rights are being transgressed. Settlement organizations and other watchdog groups will need to ensure that digital tools are managed properly and the appropriate checks and balances are applied. This presents an opportunity for settlement providers, settlement networks and umbrella organizations to integrate themselves into the feedback loop to inform AI tools and other emerging technologies related to selection and processing as any shifts in application processes and selection will have implications for service delivery.

Experts have cautioned that officers should not become overly reliant in the use of AI and that there are significant risks associated with deploying this technology.

The pandemic necessitated a rapid pivot towards remote work and online or hybrid service delivery for all settlement workers. Although some organizations were already employing digital tools and exploring online services such as blended language learning and online pre-arrival services), digitization in this sector was not widespread. Hybrid delivery models now provide the potential for agencies to serve clients without geographical limitation. Clients are now finding out about more services while still abroad, as more organizations are promoting work online, blurring the lines with pre-arrival programs

While remote provision of services removes some geographic barriers to access, access is limited by regional differences in connectivity, differences in access to technology, differences in digital literacy, and language barriers, signally the uneven distribution of access in newcomers as digital inclusion becomes recognized as a social determinant of health.

The sector is facing challenges related to the digital divide, with differing needs due to diversity of agencies' technological capacities, regions and client demographics.

As organizational digital capacity varies greatly among organizations, without funding and other capacity building support, there is a risk of a widening the gap between organizations who are digitally mature and those who are not. Risks associated with digital vulnerability, digital illiteracy, capacity issues will signal an increase in sectoral working groups dedicated to addressing these issues, competencies and standards. As organizations move towards digital maturity, there will be an increased demand for specific occupations as new professional roles will be designated, such as Digital Navigator, Digital Protection Advisor (related to cybersecurity) and others, demonstrating a growing need for capacity in digital roles in the sector.

Proficiency in new technologies will allow for innovation, new partnerships and increased capacity through the streamlining of service delivery in the sector.

Some examples of a shift in this direction include Peacegeek's Arrival Advisor App and Immigrant Services Calgary's Gateway platform. Increased data collection capacity also will improve the sector's ability to apply evidence in identifying needs and informing service and program delivery.

Settlement organizations are also beginning to place greater importance establishing effective ways to capture frontline client data, in order to be able to measure program performance as well as direct informed programming based on the demographics of their clients. Part of this involves leveraging and standardizing data collection technologies. One such example is the Practitioner Data Initiative (PDI) through the Future Skills Centre, which provides technical assistance, funding and strategic support in order to improve frontline staff's abilities to collect and study data, and guide them in decision-making. This is in line with the trend of organizations' movement towards performance-based contracting and outcomes measurement.

IRCC FUNDING AND OTHER FUNDING MODELS

The IRCC tests new ways to deliver services through the SDI funding process, which serves to build the evidence base required to enable innovation and effect policy and inform programming in these areas. The SDI process began in 2017, and was recently relaunched in October 2020 along with an announcement that a third of its funding would be allocated to pandemic recovery efforts for newcomers. Currently, the 2020 SDI process is funding priorities related to "leveraging technologies", "increasing employer involvement" and "building capacity of the sector".

The IRCC funds projects that explore remote serving delivery, test employers' engagement in newcomer integration, and develop tools to increase capacity to deal with challenges (especially related to racism and discrimination.) Current project funding will run until the end of March 2024. Overall, SDI priorities are good indicators of what the government considers to be the pressing knowledge gaps and promising areas of innovation for the Settlement Program. Alternatively, the process can also point to innovative solutions that may be currently underfunded or under prioritized by the government at this time.

It is unknown at this juncture what shifts IRCC is planning for the next national settlement program Call for Proposals, which will occur in 2024, in terms of content and processes. IRCC anticipates that by 2024, new funding mechanisms will be in place (in addition to the national settlement and resettlement assistance program which will continue to operate in 5 year long funding cycles). These funding streams will focus on priority areas such as anti-racism activities within organizations, services to be delivered specifically at airports and ongoing opportunities for organizations to send unsolicited proposals for funding.

With increasing numbers of immigrants projected to land in Canada over the foreseeable future and a shift in the selection process towards two-step immigration, the sector will need to reexamine the manner in which settlement services are delivered, including which residents should be eligible for federal funded settlement services.

Some argue that funding agreements should be changed to serve international students, for example, as they are such an important demographic for the future. While students are a key demographic for two step migration selection, they often lack adequate settlement support.

During ACS-Metropolis key informant Interviews, several interviewees reemphasized the fact that smaller and/or more rural agencies—those most likely to experience reduced funding—also have the lowest capacity to explore new funding opportunities. Some feedback from the IRCC also centered on the idea that while novel structures such as social finance are still very important to explore, there seems to be less uptake within the sector (perhaps due to lower capacity due to the disruption of the pandemic). For example, one of the 2017 SDI funding priorities was "Pay for Performance: Testing of pay-for-performance models, in particular those focused on employment and language outcomes." The IRCC decided not to pursue this for the newest call, however they have worked with MaRS Centre for Impact Investing in order to build research on rate cards for outcomes measurements and explored potential policy applications in this area by growing the evidence base.

The government's [Investment Readiness Program] continues to support social purpose organizations in implementing social finance models between 2021 and 2023. The program has seen a limited uptake on the part of settlement organizations.

> With a projected need for more funding diversification from IRCC, more SPOs may look towards implementing social enterprise models by leveraging existing services such as translation, language classes or language testing as a fee for service.

Other opportunities include repurposing and subleasing unused office space or real estate for client centered solutions by partnering with banks and telecommunications companies to facilitate a newcomer's settlement experience when landing for a "one stop shop". Other future models for SPOs include increased relationships with the private sector partners in joint funding application ventures, widening the eligibility criteria for funding and increasing the capacity for fund development, administration and grant-writing.

KNOWLEDGE SHARING

There has been a rise in collaboration between settlement agencies out of necessity due to the pandemic. The ACS-Metropolis Focus Group Narrative Report highlighted that many organizations created partnerships to improve service provision through referrals and Local Immigration Partnerships. Umbrella organizations also played an important role in facilitating knowledge sharing by connecting agencies within the same region through networking and resource sharing. Examples of new and collaborative models such as Immigrant Services Calgary's Gateway project uses a standardized needs assessment to refer clients to other SPOs, promote knowledge sharing, and collect data, streamlining a newcomers settlement journey. Overall, focus group participants identified "knowledge sharing through assessing the most successful programs of each organization and duplicating or referring to other programs/organizations" as an ideal model to move forward with. Increasing collaboration and promoting communication gaps SPOs will remain a priority in promoting efficiency and increasing capacity in the long-term

Interviewees from the IRCC mentioned that "cluster meetings" would be taking place in order to share innovative findings from the current SDI project stream, discuss communities of practice, connect and collaborate with one another, and ensure that organizations are aware of other agencies working on projects in the same priority area. However, there is no official program in place to facilitate knowledge transfer in this area, and as long as the IRCC continues to traditionally place the bulk of the onus on SPOs to facilitate knowledge sharing, continued duplication of programs may occur.

New virtual meeting technologies and conferencing platforms have increased the popularity and accessibility of knowledge sharing events for the sector, removing barriers associated with cost and travel, compared to in person meetings. The sector will have more capacity to take ownership in organizing these activities to meet their own needs in the coming years

With increasing capacity to collect data, labour market information is anticipated to become more accessible as organizations such as the Labour Market Information Council and Federal and Provincial governments move to share labour market sources, dashboards and resources to be as comprehensible as possible. As SPOs become more data-savvy, they will be better able to apply these resources in tailoring service delivery in both pre-arrival and post arrival contexts.

These trends will be monitored over the course of the year and expanded upon in 2023. Recommendations will be updated to account for new changes in the sector.

NEWCOMER LABOUR MARKET TRENDS

Exacerbated by the economic complications of the pandemic, Canada is currently facing growing labour shortages. The highest shortages are within the food and service sector, followed by healthcare, social service, construction and manufacturing.

Greater numbers of work permit and permanent residence applications from temporary foreign workers, refugee claimants and international students are being accepted in order to fill critical services and labour needs by newcomers already in the country, as well as boost the waning economy.

In addition, employers are hiring more foreign workers. For example, Quebec's agri-food industry has been particularly affected by labour shortage, and as a result, the government has implemented a pilot allowing the province to hire up to 20 per cent more low-wage foreign workers in certain sectors. The International Mobility Program allows employers to hire foreign workers without obtaining Labour Market Impact Assessments first.

Another consideration is related to entrepreneurship, with immigrants' businesses experiencing more difficulties as a result of the pandemic. Immigrant-owned businesses tend to be smaller than those of Canadian-born owners, however entrepreneurship and business creation is higher amongst immigrants. Economic class immigrants are twice as likely as Canadian-born to own "knowledge-based" companies (such as in engineering, architecture, computer systems design, etc.)

Immigrant-owned businesses have also been found to generate more jobs, and so while they are struggling due to the pandemic, they are an integral part of economic recovery.

Employers are recognizing that the skills gap will remain significant for a long time to come. In certain sectors, employers have decided to train people without existing skills on the job. Analysts have commented that the high immigration numbers to Canada may have contributed to downward pressure on wage increase. The pandemic has also highlighted the importance of "low-skilled" workers within the economy. Due to key labour shortage, workers considered "low-skilled" are increasingly in demand, with many such workers applying through the Provincial Nominee program. As of 2022, the Atlantic Immigration Pilot allows for "low-skilled" workers to immigrate to Canada without Canadian work experience as long as they receive an offer from an employer. Most of those who transition to permanent resident status, though, remain in the "high-skilled" category.

Due to the increased acceptance of temporary foreign workers, refugee claimants and international students to fill quotas, a higher percentage of newcomers will not receive adequate support during the "first step of their lives in Canada" as they do not qualify for settlement services funded by the IRCC.

Settlement agencies will experience an influx of clients who require alternative funding sources for service provision. While higher percentages of newcomers will integrate into the labour market, the demand for lower-wage "low-skilled" foreign workers will have negative implications for the upward economic mobility of newcomers.

TRENDS IN WORKERS RIGHTS AND PROTECTIONS

Attention has been drawn to unsafe conditions for Temporary Foreign Workers (TFW) on farms during the pandemic. Employment and Social Development Canada (ESDC) has updated the TFW regulations to provide better protection for those in precarious positions; this includes educating employers on compliance issues, increasing inspection and training and maintaining workers' ability to confidentially flag problematic work environments. These workers are more vulnerable in general, often fearing repercussions from employers if they speak up, or lacking proper access to healthcare.

Continued efforts towards ensuring safe working conditions for temporary foreign workers through policy and employers will be necessary to combat systemic temporary worker mistreatment.

There are also rising concerns related to rights for gig workers. The government lacks data related to these workers as it is a murky category; while a study found that just over 10% of male immigrant workers as of 2019 are gig workers, there are also "invisible" gig workers (such as those in domestic and care work). We do know that a disproportionate percentage of immigrants engage in gig work than those who are Canadian-born. While participating in gig work is attractive through providing flexible work for newcomers without Canadian credentials or experience, most is independently contracted resulting in lower income, lack of benefits, job security, and worker rights. The disproportionate number of newcomers in gig work will require deeper insight into the protection of immigrant workers rights to ensure protection from exploitation and access to adequate earnings and benefits.

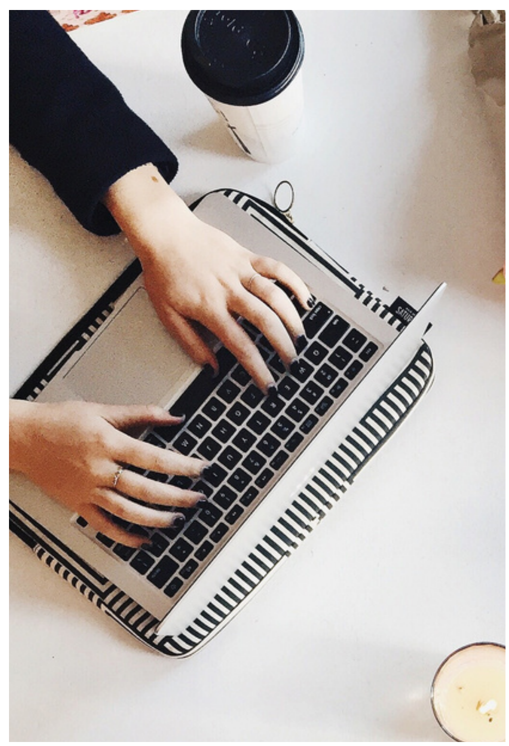
As a higher percentage of newcomers may seek permanent residence status through the two-step migration process, numerous concerns suggest a need for further work and research on DEI employment practices

While the system enables newcomers to enter through demand-led employment, the process opens the door for potential worker exploitation. Workers are dependent on employment for their pathway to permanent residency, putting them at risk to endure underregulated working conditions, hours, and wages.

A privatized employer-driven system breeds an environment which may contribute to the ongoing exploitation of foreign workers.

EMPLOYMENT DISCRIMINATION

Employment discrimination and bias towards immigrants has been well documented in Canada. Newcomers face significantly higher rates of un-and-under employment compared to the Canadian-born population, facing an array of barriers including basic discrimination based on name and country of origin, a lack of Canadian work experience, accreditation issues, and a perceived lack of language proficiency due to accent.



There has been a recent rise in diversity and inclusion work among various sectors in Canada. There will be a greater call for a shift towards employment equity, unconscious bias awareness, as well as diversity and inclusion practices. Sectors have become increasingly aware of the potential for abuse and exploitation of immigrant workers. *Glassdoor's* economic research division has reported that Employers are expected to prioritize Diversity, Equity and Inclusion (DEI) action and accountability as Canadian society has overwhelmingly called for progress in wage disparities, unconscious bias, and disparate employment outcomes of racialized people.

Since 2020, larger organizations have begun releasing DEI reports for the first time, and *Glassdoor* reports that 76% of workers and employment seekers prioritize diverse workforces. However, the onus on the employer to mobilize these anti-discrimination initiatives should be promoted through policy and corporate responsibility agreements to ensure furthered economic integration of newcomers in Canada.

One of the IRCC's SDI funding priorities is dedicated to anti-racism capacity with the objective of increasing the settlement sectors' ability to support anti-racism practices within settlement programming and their own workplaces. Funded projects include supporting agencies capacity to develop and evaluate anti-racism initiatives which support newcomer integration and social cohesion, foster collaboration between newcomers, Indigenous peoples and Canadian citizens, as well as to address bias and discrimination issues. This funding is eligible not only for the settlement sector, but for businesses and employers as well.

The ongoing prioritization of anti-racism initiatives will promote an increase in corporate accountability as well as improve immigrant economic outcomes.