

October 30, 2024

C.D. Howe Institute Advisory Group on Immigration Targets

Inaugural Meeting

The C.D. Howe Institute has convened an Advisory Group on Immigration Targets to provide recommendations on immigration policy and immigration-level targets. On October 21, 2024, the group held its first meeting to discuss the future direction of Canada's immigration targets, with a focus on balancing demographic shifts and the country's absorptive capacity.

Following the government's recent announcement on reducing immigration targets, the group's discussions remain pertinent, as members raised concerns about the rapid increase in temporary residents, declining public confidence, housing shortages, and rising unemployment rates, underscoring the need to recalibrate Canada's immigration approach. These factors shaped the debate on what constitutes an appropriate immigration level for Canada.

During the meeting, the Advisory Group emphasized that the primary goal should be to create a more prosperous, not merely more populous, Canada, while ensuring the immigration system retains public trust. Most members advocated for a gradual, moderate and sustainable approach to immigration levels, prioritizing economic and integration outcomes over pure population growth targets.

One of the key issues discussed was the need to balance permanent and temporary immigration while ensuring that overall immigration levels align with Canada's economic and social capacities. There was a consensus that immigration-level targets should account for both permanent and temporary immigration. Several members proposed reducing total immigration – both permanent and temporary – to better align with Canada's capacity to absorb population growth. Although there was broad agreement on lowering overall immigration levels, the group was divided on the pace and extent of these reductions. Some members emphasized the importance of sustained immigration to counter Canada's aging population and low fertility rates, while others argued that immigration alone could not fully address these demographic challenges and that housing shortages should be prioritized. Most members supported a gradual reduction in permanent immigration to avoid economic disruptions, with some suggesting an annual target of 0.6–0.8 percent of Canada's total population by 2030.



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The rapid growth in temporary residents, reaching 3 million by Q3 2024, was a significant point of concern. Several participants expressed apprehension about Canada's increasing reliance on non-permanent residents (NPRs), raising questions about their integration and pathways to permanent residency. The group emphasized the need to reduce the intake of temporary residents and manage the current stock of NPRs, many of whom seek permanent residency. However, the majority pointed to the difficulty of doing so in the short term. Some members acknowledged the difficulties in reducing the inflow of temporary residents, as certain groups – such as international students and workers under trade agreements – play a vital role, and reducing their numbers drastically could pose risks to the economy and Canada's future workforce. The suggestion to revisit post-graduation work permit eligibility – particularly to address concerns about institutions and programs with lower educational standards while preserving opportunities for graduates of high-quality programs – was widely supported as a means to manage the growing stock of NPRs. There was also some support for transitioning eligible NPRs to permanent resident (PR) status, with an emphasis on focusing on those who meet Canadian Ranking System (CRS) criteria. Members also called for better data on the economic contributions of NPRs to make more informed policy decisions.

The discussion also covered the composition of permanent immigration categories, which include economic class, family sponsorship, refugee, and humanitarian. While no specific recommendations were made regarding changes to the allocation among categories, there was broad agreement on returning to a human-capital-focused strategy for economic immigration. Members pointed out that the headline target for economic immigration can be misleading, as it includes both economic immigrants and their accompanying family members. There was strong support for prioritizing high-skilled immigrants, given their greater contributions to public finances and long-term economic growth. Concerns were raised about the increasing share of lower-skilled immigrants, particularly through some provincial nominee programs (PNPs) and category-based selection processes. There was a call to evaluate the role and selection criteria of the PNPs and to move away from category-based selection.

In conclusion, the Advisory Group agreed that Canada's immigration system requires reform to better balance population growth with the country's economic capacity. With some members supporting an annual intake of under one percent of the population for permanent immigration, the group broadly supported a gradual reduction in both permanent and temporary immigration over the coming years, with a focus on maintaining sustainable, long-term levels. Members stressed the need for a stable, transparent immigration policy that prioritizes high-skilled immigrants, addresses housing and healthcare challenges, and restores public confidence. They called for a more rigorous assessment of immigration programs and improved enforcement capacity, urging the government to set realistic, evidence-based immigration targets.

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**The Members of C.D. Howe Institute Advisory Group on Immigration Targets
include:**

- Pierre Fortin, Université du Québec à Montréal
- Claudia Hepburn, Windmill Microlending
- Daniel Hiebert, University of British Columbia
- Michael Haan, Western University
- Jason Kenney, Bennett Jones LLP
- Mikal Skuterud, University of Waterloo
- Christopher Worswick, Carleton University

Convener:

- Parisa Mahboubi, C.D. Howe Institute