

Alberta's Role in Immigrant Selection

An exploration of Alberta's immigration strategy

Principal Author

Dylan Kelso, Policy Analyst

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Land Acknowledgement

In the spirit of truth, reconciliation, and respect, we honour and acknowledge the lands upon which we live and work as guests, including the traditional territories of the First Nations in Treaties 6, 7, and 8 and the citizens of the Metis Nation of Alberta. We thank the First Peoples of this land, which we now call Alberta, for their generations of stewardship of the land, and we seek to walk together in the spirit of truth and reconciliation to build a shared future for all in Alberta.

This document reflects the views of the Business Council of Alberta based on our own research and on engagement with members and stakeholders. Alberta is a diverse place. In many cases, there are a range of views on an issue within the Council membership. This piece may not necessarily reflect the perspective of all BCA member companies, and should not be read as the position of any one member.

The Bottom Line

- The provincial role in economic immigrant selection has been steadily increasing—especially through the provincial nominee program (PNP), which in Alberta is called the Alberta Advantage Immigration Program (AAIP).
- Economic immigrants used to disproportionately go to Toronto, Montreal, and Vancouver. But the addition of regional programs especially the PNP—allows other provinces to attract and retain immigrants better than ever before.
- While Alberta trails larger provinces in economic immigrant admissions (especially through federal selection programs) the PNP, together with Alberta's strength in attracting and retaining recent newcomers who landed elsewhere in Canada, helps make up for this disadvantage.
- The AAIP emphasizes employer-driven immigrant selection criteria in response to perceived short- and long-term labour market gaps, especially in the healthcare, tech, agriculture, construction, and tourism and hospitality sectors. Efforts to attract foreign entrepreneurs and business investment through new immigration streams are underway, but they are still very new and currently only represent a fraction of AAIP immigration.
- While the province's immigrant selection strategy is new and very difficult to assess, (1) the strategy itself does not outline many criteria by which the province measures its success; (2) entrepreneurial streams have complicated and lengthy selection requirements; and (3) the program lacks consideration of how immigrant selection impacts per-capita prosperity.
- Nationally, provincial nominees average higher employment rates and incomes than the majority of federally selected economic immigrants, but this advantage dissipates after five years postlanding when the generally higher-skilled, federally selected immigrants out-earn provincial nominees.

Introduction

Canada is a big country with a diverse array of economic engines. The drivers of prosperity are different depending on where you are.

In a country as geographically diverse as ours, with its distribution of resources concentrated in specific regions and its people congregating in others, a one-size-fits-all immigrant selection strategy is tough to calibrate for the multitude of distinct regional needs.

And yet, other than in Quebec, provincial involvement in immigrant selection is a fairly recent phenomenon—but it has quickly become integral to Canada's overarching immigration strategy. Given the rising prominence of provincial involvement in immigrant selection, understanding Alberta's approach is vital for understanding how newcomers contribute to our prosperity.

In this paper, we

- explore the history of provincial involvement in immigrant selection;
- evaluate the driving forces behind the development of provincial immigration programs;
- explore the gaps these programs attempt to fill; and
- dive deep into Alberta's immigrant selection and retention strategy.

As with most of our other work in this <u>Prosperity-Driven</u> <u>Immigration for Canada</u> project, this paper focuses solely on economic class immigration rather than on the family reunification class, the refugee class, or others.

What is a Provincial Nominee Program?

Federal/Provincial immigration selection responsibility overlap

Under Canada's constitution, immigration is considered a shared responsibility between the federal and provincial governments. Provinces may make laws about immigration into their borders, but only as long as they do not conflict with laws established at the federal level. When they do conflict, federal law takes precedence. The federal government has the sole power to admit foreign nationals, allow them to become Canadian citizens or permanent residents, develop criteria for their selection, and set the number of people admitted. This is accomplished through the federal *Immigration and Refugee Protection Act.* These powers provide the federal government significant leverage over the immigration selection policy direction of the entire country.

That said, Quebec stands as an important exception to the rule. Developed through a series of negotiated agreements starting in 1971, and culminating in the *Canada-Quebec Accord* in 1991, Quebec has established a high degree of autonomy from the federal government on the selection criteria and acceptance of immigrants to that province. This includes control over its future entry volumes of new permanent residents.

By contrast, it wasn't until the mid-1990s that Canada's other provinces and territories began practicing their concurrent jurisdiction to have a say in immigrant selection alongside the federal government. Starting in 1996, the federal government began signing joint agreements with the provinces, spelling out how they share responsibilities for immigrant and temporary resident selection, settlement, and labour market integration. This led to the creation of the first provincial nominee program (PNP) in 1998 administered by Manitoba, followed by similar agreements signed with all other provinces and territories (excluding Nunavut)

between 1998 and 2009. Alberta's PNP began operating in 2002.

The PNP gives provinces the ability to develop and administer their own unique immigration streams for economic immigrant selection. It was created to meet two-main goals:

- To distribute immigrants more evenly across Canada, especially outside of Ontario, BC, and Ouebec: and
- To meet the unique labour market needs of employers in provinces that didn't traditionally benefit from skilled immigration flows—often to fill short-term employment needs.

Through a range of different PNP streams. provinces distribute nomination certificates to permanent resident (PR) candidates who they believe are likely to become economically established in their borders. Nominated candidates can then proceed through the federal government's selection process (via Immigration, Refugees and Citizenship Canada, or IRCC) with a much-strengthened application for PR. Within this process, provinces are doing the work to select candidates that fit their criteria, and the federal government is exercising final selection and issuance of PR visas by determining the admissibility of the nominee according to standard federal criteria (including for health, criminality, and security purposes).

The Provinces' Rapidly Growing Role in Immigrant Selection

Since the PNP was introduced, the provincial role in selecting economic class immigrants has expanded rapidly. In 2001, provincial nominees—which include primary applicants and their spouses and dependents—made up just 0.5% of Canada's total immigrants and 0.8% of all economic class immigrants admitted. By 2010, this had grown to 13.0% of all immigrants and 19.5% of economic class immigrants. And by 2019, the last year with official data not impacted by pandemic irregularities, provincial nominees represented 34.9% of all economic class immigrants and 20.1% of total immigration.

In fact, the federal government's immigration levels plan allocates 39.6% of 2023's national economic class immigration target, and 22.7% of Canada's total immigration target, to provincial nominees. And, as the total number of new permanent residents increases to 500,000 per year by 2025—about 15% more than in 2022— Canada anticipates allocating 39.8% of its economic immigration target and 24.0% of its total immigration target to provincial nominees. This means that Canada will continue to see a growing share of an increasingly large pool of immigrants come from the PNP. As such, provinces' decisions about nominating immigration candidates will increasingly matter in the coming years.

Importance of the PNP for attracting and retaining economic class immigrants to the provinces

But what has been driving increased provincial involvement in the selection of economic immigrants?

Simply put, prior to the introduction of the PNP, immigration to Canada was highly concentrated in three major cities in three provinces. About 88% of immigrants settled in Ontario, Quebec, and British Columbia—and of these, around 75% were in Toronto, Montreal, and Vancouver. Other provinces were missing out on the benefits of economic immigration and the PNP was intended to help distribute these benefits more evenly.

Our constitution, however, <u>allows PRs to live and work anywhere in Canada</u>. This means that regional economic immigrant programs need to be shaped around responding to the following variables impacting economic immigrant distribution:

- Where economic immigrants intend to live and settle upon landing;
- How well different regions in Canada retain the immigrants that settle locally; and
- Interprovincial movement of economic immigrants after landing in Canada.

Since they are free to move, it isn't enough for a province to welcome large numbers of immigrants if they can't keep them—especially if they don't see offsetting net inflows of recent immigrants from other provinces. If the skillsets of the immigrants who do land in a province do not match those that are in demand, boosting immigrant numbers will only help so much if they end up leaving.

How the provinces fare in economic immigrant admission, retention, and migration

Newcomer Admission

Determining an appropriate distribution of economic immigrants across Canada is ultimately a subjective assessment. One way to measure immigrant distribution is to compare provinces' share of economic immigrant admissions relative to their share of the national population. If the two percentages are about the same, a province could be said to receive its "fair share" of immigrants.

By this measure, Ontario and British Columbia together made up 52.4% of the population in 2019¹ but attracted 57.1% of Canada's economic class immigrants—certainly more than their "fair share" (see Table 1), but a lot closer to it than before the rapid expansion of the PNP (see Table 2).

¹²⁰¹⁹ immigration data was chosen because it is the most contemporary data available without significant distortions to immigration programs caused by the COVID pandemic.

Quebec and Alberta, which round out the four largest provinces in Canada, see significantly fewer economic immigrants admitted relative to their fair share—though in the case of Quebec, this is a policy choice since it controls its own immigration levels. Not counting Quebec, Alberta saw the second-lowest amount of economic immigrants admitted relative to its fair share (91.2%), trailing only Newfoundland and Labrador (43.4%).

Table 1: Provincial share of economic class immigrants admitted relative to population, 2019

Province	Share of national population	Total economic immigrants admitted	,	Actual share of nation's total economic immigran admitted	ts ^F	% admitted of a province's "fair share (fair share = 100%)	
ON	38.8%	82,147		41.8%		107.7%	
BC	13.6%	30,062		15.3%		112.3%	
QC	22.5%	23,129		11.8%		52.2%	
AB	11.6%	20,755		10.6%		91.2%	
MB	3.6%	13,649		6.9%		191.1%	
SK	3.1%	12,156		6.2%		200.3%	
NS	2.6%	5,877		3.0%		115.0%	
NB	2.1%	5,059		2.6%		124.6%	
PE	0.4%	2,230		1.1%		273.2%	
NL	1.4%	1,193		0.6%		43.4%	

Source: IRCC 2020 Annual Report to Parliament on Immigration, Table 3; StatCan Table 17-10-0009-01; Author's calculations.

Meanwhile, Manitoba, Saskatchewan, and the Maritime provinces are doing well by this measure, attracting significantly more than their "fair share" of economic immigrants.

However, these total numbers reflect the impact of Canada's regional immigrant selection programs. When we look at immigrant admissions outside of the PNP, we see the important role those agreements play in smoothing out immigrant distribution by province.

Prior to the introduction of the PNP, final decisions about immigrant selection criteria were made at the federal level. As noted earlier, without any regional component to help distribute immigrants across the country, the vast majority ended up settling in Ontario and BC. Even today, federal immigration programs without regional components² do not distribute economic immigrants evenly (see Table 2). Ontario and BC remain the most attractive regions for immigrants admitted through these programs, with Ontario being the only province to see more than its "fair share" of Canada's economic immigrant admissions.

Outside of Ontario and BC, it is a completely different story. Alberta's share of non-regional program immigrants in 2019 was the next highest but was still only 63.3% of its "fair share" (here defined as each province's share in the national population excluding Quebec, which picks all their own economic immigrants). And there's a steep drop-off after that. The next highest province was Saskatchewan at 29.8%, and places like New Brunswick and Newfoundland and Labrador sat at 14.3% and 12.4%, respectively.

All this is to say that regional programs like the PNP play an important and effective role in smoothing out the distribution of economic immigrants across Canada. In the absence of the PNP, immigrant settlement would be even more heavily concentrated in Ontario and BC.

²Economic immigration programs without regional programs include all economic class programs excluding the Atlantic Immigration Pilot, the PNP, and programs within Quebec's independently controlled immigration system.

Table 2: Provincial share of economic class immigrants (minus immigrants selected by Quebec or other regionally focused programs) relative to the population of Canada (minus Quebec), 2019

Province	Share of national population (minus QC)	Total economic immigrants admitted	€	Actual share of nation's total economic immigrant admitted	% admitted of a province's "fair share" (fair share = 100%)
ON	50.0%	69,806		69.3%	138.5%
BC	17.6%	17,487		17.4%	98.8%
AB	14.9%	9,519		9.4%	63.3%
SK	4.0%	1,194		1.2%	29.8%
PE	0.5%	159		0.2%	29.5%
NS	3.4%	792		0.8%	23.4%
MB	4.7%	1,104		1.1%	23.4%
NB	2.7%	383		0.4%	14.3%
NL	1.8%	226		0.2%	12.4%

Source: IRCC 2020 Annual Report to Parliament on Immigration, Table 3; StatCan Table 17-10-0009-01; Author's calculations.

NOTE: "Regional programs" include the Atlantic Immigration Pilot, PNP, and immigrants selected through Quebec's independently controlled immigration programs.

Percentages may not add to 100% because the Territories are excluded from the table.

Newcomer Retention

Just because an immigrant to Canada first settles in one part of the country doesn't mean they end up staying there long term. Immigrant retention rates measure whether, after a given period of time, immigrants are still living in the province in which they first arrived. And just as immigration admissions vary by province, so too do retention rates.

Alberta's retention rates are quite high. <u>Statistics Canada data</u> show that 83.0% of new economic immigrants to the province in 2015 were still there five years later, despite the relatively weak provincial economy over that period. Only Ontario fared better, retaining 89.1% of its immigrants over that period. Alberta compares favourably to the other prairie provinces (Saskatchewan's retention rate is 61.7% and Manitoba's, 69.0%) and the Maritime provinces (PEI = 20.9%; NB = 42.2%; NL = 42.7%; and NS = 47.4%), too.

The PNP is the single largest contributor to Alberta's strong retention rates. Whereas Federal Skilled Worker Program (FSWP) and Federal Skilled Trades Program immigrants to Alberta together had a 61.9% retention rate from 2015-20, the retention rate of PNP entrants was 90.1%. This higher retention rate for PNP immigrants holds true in most provinces that struggle with attracting immigrants.

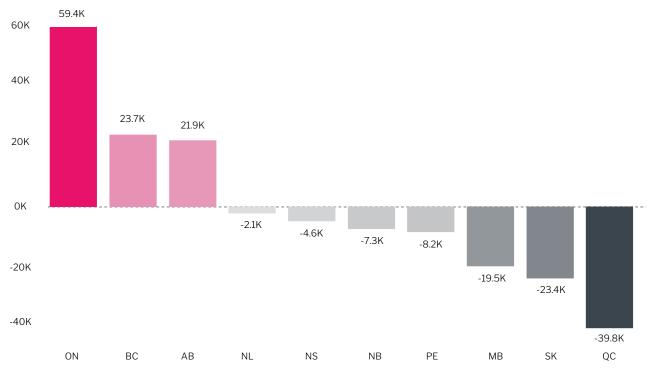
Newcomer Migration

When immigrants first come to Canada, most choose to settle in places they've heard of (major cities like Toronto) or where they have family or a community already in place. For a province like Alberta which historically has attracted less than its "fair share" of immigrants (but does a good job of retaining those that do come), another important factor to consider is whether or not recent immigrants choose to move to the province after having first lived elsewhere in Canada.

In this regard, Alberta has performed relatively well. For example, data exists that tracks the movement of recent permanent residents within Canada. In 2020, Alberta attracted, on a net basis, 21,880 economic immigrants who had become permanent residents between 2010 and 2020 and had been living in another province. Only two other provinces had positive net in-migration of economic immigrants over that period—Ontario and BC.

Since 2010, Alberta has seen positive net inmigration of recent immigrants for every year except 2020, when the pandemic was at its worst and immigration levels declined significantly. Even after the 2015 oil price crash and during the subsequent years of economic stagnation, the province consistently attracted more recent immigrants than it lost.

Net in-migration of recent economic immigrants by province, 2020



Source: Statistics Canada Table 43-10-0018-01.

*Note: Net in-migration represents the cumulative number of recent economic immigrants (those that attained PR status between 2010 and 2020) who have moved to a province minus the cumulative number who have moved out to another province by the year 2020.

O Bottom Line for Alberta -----

Alberta doesn't see its "fair share" of economic immigrants that intend to live in the province, but an immigrant's intended location is not the same as where they may choose to settle after several years' time.

The fact that Alberta receives less than its "fair share" of economic immigrants is mitigated because...

- Alberta tends to attract economic immigrants from other provinces after they've lived in Canada for a while;
- the economic immigrants that are admitted to Alberta tend to stay in the province; and
- although Alberta's retention rates aren't as strong as in BC and Ontario for federal skilled worker immigrants, they are very high for provincial nominees, which account for the largest single share of Alberta's annual economic immigration.

When looking at retention and admission rates together, the case becomes clear: If the federal government wants to distribute economic immigrants more evenly across the country, and if provinces share this goal, regional programs like the PNP play a major role.

The next section of this paper reviews the strategy driving Alberta's immigrant selection process through its provincial nominee program.

Alberta's Immigration Strategy

Alberta's PNP, called the <u>Alberta Advantage</u> <u>Immigration Program</u> (AAIP), consists of seven different streams each with its own unique selection criteria. These are guided by the provincial government's overarching strategy document, called the <u>Alberta Advantage</u> <u>Immigration Strategy</u>. It covers a range of important components to a well-rounded strategy for economic immigrants, including selection, removing barriers to full inclusion of newcomers, and supporting immigrants pre- and post-admission through settlement services.

In this paper, we'll focus on the immigrant selection, retention, and distribution components of the strategy; and then describe the various streams and pathways within the AAIP that are designed to execute on this vision.

Overview: The Alberta Advantage Immigration Strategy

Alberta's latest immigration strategy, released in 2022, covers immigrant selection, retention, and settlement supports; the removal of barriers that hinder newcomers' economic contributions to Alberta; and the ways the province can capitalize on the economic benefits immigrants bring for all Albertans.

These components are summarized in the strategy's overarching vision statement:

"Achieving greater economic opportunity for all Albertans by attracting newcomers to Alberta in response to provincial labour market needs, and supporting newcomers in reaching their full potential in our province."

Several consistent themes pertaining to immigrant selection, retention, and distribution are woven across Alberta's immigration strategy. These include:

Selecting immigrants whose skills align with employer-driven labour force demand—especially in priority sectors.

Alberta's strategy emphasizes the responsive selection of immigrants according to shifting labour market dynamics. To do so, the province utilizes its short-term and long-term labour market forecasts to adjust AAIP stream criteria according to where labour supply may not be meeting job openings.

The AAIP is designed to respond rapidly to perceived labour market need in part by requiring job offers as part of some streams' selection criteria. The province also emphasizes the selection of workers in several priority sectors including health care, tech, agriculture, construction, and tourism and hospitality.

Promoting more immigrant settlement in rural Alberta.

The strategy emphasizes the distribution of AAIP-nominated immigrants outside Calgary and Edmonton, where the vast majority of Alberta's immigrants typically settle. The province aims for nominations to be responsive to occupational and regional economic needs. This "whole of Alberta" approach is operationalized through several AAIP streams with immigrant selection criteria either empowering rural municipalities and employers to partner on immigrant settlement and selection tactics; or, to a much lesser extent, by promoting pathways to PR for immigrants starting or purchasing a rural business.

Selecting entrepreneurial immigrants who want to start or purchase a business.

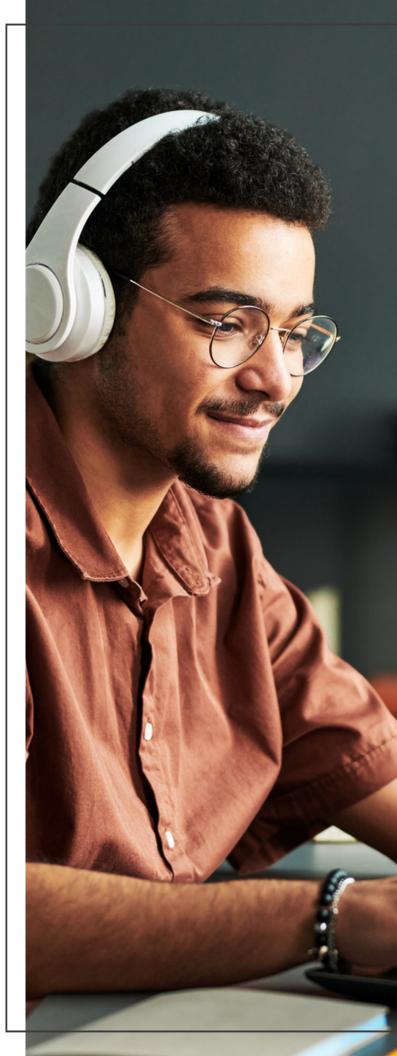
The AAIP has developed specific streams for entrepreneurial immigrants who are looking to start or purchase and operate a business in Alberta. In fact, the Alberta Advantage Immigration Strategy suggests applications to the AAIP's relevant four new streams (Foreign Graduate Entrepreneur Stream; Rural Renewal Stream; Alberta Graduate Entrepreneur Stream; Rural Entrepreneur Stream) will be prioritized in future.

Since Alberta shares responsibility for immigration with the federal government, there's an ongoing negotiation process between the two levels of government about several aspects of immigrant selection. This includes finding common ground on how to best administer selection, and how many provincial nominations the federal government should provide Alberta. For its part, Alberta's immigration strategy outlines that the province will advocate to the federal government on:

- having more autonomy and flexibility in operating the AAIP:
- aligning federal immigration programs more closely with Alberta's needs;
- speeding up IRCC's processing of federal nominees for PR; and
- increasing the share of Canadian immigrants that belong to the economic class.

The AAIP employs several strategies within its various streams to help encourage new immigrants to become economically established in Alberta. For starters, all of the program's streams cater to immigrants who declare their intention to settle in the province. This is true of every province's PNP.

In addition, AAIP streams contain other criteria that encourage newcomers to become established in the province. For example, AAIP Express Entry streams, which are anticipated to account for half of AAIP nominations this year, require candidates to have an Alberta-based job offer; be credentialed to work in a profession in Alberta; have a skillset in an in-demand industry in the province; have a close family member already established in Alberta; or some combination thereof. Other streams allow local communities or agencies to work with employers on sponsoring immigration candidates as a condition for nomination.



AAIP Overview: Criteria for Nomination

The <u>Alberta Advantage Immigration Program</u> is co-administered by the federal and provincial governments as agreed upon in their <u>bilateral agreement</u>. Alberta gets to create various AAIP streams, each tailored to nominate economic immigrants according to the province's priorities. Per the bilateral agreement, the purpose of the AAIP is "to increase the economic benefits of immigration to Alberta, based on economic priorities and labour market conditions including regional development"—including for francophone communities.

If a prospective immigrant fits the criteria for one of AAIP's streams, the province can issue them a nomination certificate. A nomination greatly enhances an immigration candidate's application for PR with the federal government (explained in greater detail below), who then vets the applicant for admissibility and makes the final decision on granting PR.

Program Structure

The AAIP has seven distinct streams falling under two broad categories: streams for workers, and streams for entrepreneurs. Of the AAIP's seven streams, one includes workers nominated through the federal Express Entry system (explained here), and six include individuals nominated for PR outside of it.

In 2023, the federal government granted the province 9,750 PNP nominations across the seven streams. This is expected to grow to above 10,000 per year in 2024 and 2025 as overall federal immigration targets increase The Government of Alberta continues to advocate to the federal government to maximize the number of nominations allowable under the AAIP. Of note, the allocation of these 9,750 nominations across AAIP's streams and pathways can change as application volumes fluctuate compared to the Alberta government's nomination forecasts.

The following sections briefly describe the AAIP streams and the provincial government's forecasted nomination allocation this year under each one (the actual distribution can change as application volumes fluctuate compared to forecasts. These figures are estimates as of October 23, 2023).

Worker Streams 9,745 nominations	Entrepreneur Streams 5 nominations				
Alberta Express Entry Stream 3,900 nominations	Rural Entrepreneur Stream				
Alberta Opportunity Stream 4,970 nominations	Farm Stream				
Rural Renewal Stream 875 nominations	Graduate Entrepreneur Stream				
	Foreign Graduate Entrepreneur Stream				

Worker Streams

2023 forecasted nomination allocation across all worker streams: 9,745

These programs are for foreign workers who plan to live and work in Alberta. Some streams require residency and work experience in Alberta already, while others are open to individuals with no previous experience. Worker streams make up almost all the expected nominations allocated by the province (99.9%).

Alberta Express Entry Stream

2023 expected allocation: 3,900–40% of all AAIP nominations

This stream targets candidates who have work experience or a job offer in an in-demand occupation; have close family with citizenship or PR in Alberta; and/or have experience living, working, or studying in Alberta.

The AAIP often operates both within and outside the IRCC's Express Entry immigrant selection system (explained in detail here). Express Entry (EE) programs invite prospective immigrants to apply for PR by using a points-based system called the Comprehensive Ranking System (CRS). Prospective immigrants create an online profile that gives them a score out of a maximum of 1,200 points based on several characteristics measuring their human capital, work experience, language attainment, age, number of dependents, and more.

If nominated through Alberta Express Entry Stream, the nominee automatically receives 600 points towards their maximum 1,200-point score—an amount that all but ensures they will be among the highest scorers in an EE pool of applicants and receive an invitation to apply for PR.

Unlike other AAIP immigration streams, candidates must receive an invitation from the Alberta government to apply for provincial nomination. If the province believes a potential candidate from the pool of existing EE workers will be a good fit under the stream's criteria, it will send that candidate a Notification of Interest (NOI) letter through their profile on the EE online portal.

The candidate must then respond to the NOI within a set timeframe, after which the province will, at its discretion, invite them to apply to the AAIP.

A candidate with an NOI must then review program assessment criteria, ensure they meet the minimum requirements, and apply to the program using Alberta's online portal. Applicants must also demonstrate their intention and ability to live and work in Alberta permanently. Meeting the minimum criteria is not a guarantee that the applicant will be successful in receiving a provincial nomination.

When a candidate completes their online AAIP application, they will eventually receive a decision on their application by email. Successful applicants will be granted a provincial nominee certificate through the Express Entry portal and an invitation to apply for PR through IRCC.

Of note, this stream's criteria are subject to change without warning according to the policy priorities of the government—likely because this stream is targeting workers in Alberta's in-demand occupations. As labour force needs change, criteria for nomination are likely to change in response.

Alberta Express Entry Stream Pathways

The Alberta Express Entry Stream is best described as several different immigration criteria pathways that all utilize the federal Express Entry system for immigrant selection. The province will hold <u>periodic draws</u> through the EE system to send out NOI letters inviting select candidates within the EE pool to apply for AAIP nomination.

At minimum, to receive an NOI, a worker in the EE pool must meet the requirements of one of the federal EE programs, and must align with <u>the criteria</u> in one of this stream's four pathways.

Alberta Express Entry Pathways

Family Connection & Occupation in Demand 31% of Alberta Express Entry Stream

31% of Alberta Express Entry Stream nominations in 2023

In this pathway, a candidate must have a close family member (parent, child, or sibling over the age of 18) living in Alberta who has citizenship or is a PR. The applicant must also have work experience in an in-demand field in Alberta. An in-demand field is either one with a long-term forecasted supply/demand imbalance (as measured in Alberta's Occupational Outlook); or one with high or moderately high short-term demand (as measured in Alberta's Short-Term Employment Forecast). This pathway also prioritizes select occupations in the agriculture, tourism and hospitality, construction, and healthcare sectors.

Though not a requirement, a candidate will likely be prioritized if they have a job offer from an Alberta employer.

Accelerated Tech Pathway

45% of Alberta Express Entry Stream nominations in 2023

This pathway is designed to expedite application processing for candidates who currently work for, or have a job offer with, an Alberta-based tech employer.

Unlike other pathways, candidates must first submit a form before being considered for nomination. This form requires proof of Alberta-based employment or a job offer signed by a candidate's employer. This job must be included in the AAIP's list of eligible jobs for this pathway, pay higher than the legal minimum wage, and must be for an employer whose primary business activities belong to the Alberta tech sector.

Dedicated Healthcare Pathway

2% of Alberta Express Entry Stream nominations in 2023

In this pathway, Alberta extends nominations to candidates who have a job offer from an employer in the health sector in eligible health-care professions; and who can prove they meet the minimal requirements set out by the Alberta regulatory professional body that will allow them to practice. Eligible professions include physicians and physician assistants, registered and licensed practical nurses, nurse practitioners, occupational therapists, physiotherapists, clinical social workers, and psychologists. Nominations from other pathways may complement the goals of this pathway.

Priority Sectors

21% of Alberta Express Entry Stream nominations in 2023

Nomination draws periodically target EE candidates with primary job experience in, or a verifiable job offer from, priority sectors of strategic importance to the province. Currently, priority sectors include the agriculture, construction, tourism, or hospitality sectors.

Nominations from other pathways may complement the goals of this pathway.

Alberta Opportunity Stream

2023 expected allocation: 4,970–51% of all AAIP nominations

This stream is for immigration candidates who are valid temporary foreign worker permit holders already working full-time in an eligible occupation.

The Alberta Opportunity Stream does not use the federal Express Entry system. Applicants have to apply directly and have an employer-signed job offer for continuous employment.

Stream Eligibility

Temporary residents who are currently working in Alberta; meet or exceed work experience requirements, work in an eligible occupation; have an employer-sponsored job offer; and are doing so legally under one of the following federal temporary foreign worker programs can apply for PR under this stream:

- The Temporary Foreign Worker Program
- The International Mobility Program, including for graduates of an Alberta Advanced Education institution who hold a Post-Graduation Work Permit (PGWP)
- Holders of an open work permit issued by IRCC

Under this stream, individuals need to have worked full-time for a minimum of a full year in their current Alberta job within the last year and a half; have a minimum of 2 years of full-time work experience in their current job somewhere else in Canada or abroad within the last 2.5 years; or some combination of these two. For PGWP holders, only six months of full-time work experience in their current job within the last year and a half is needed. All applicants must be licensed, registered, and certified to work in their current job, if applicable.

The list of eligible occupations is quite expansive. Categorized under National Occupation Classification (NOC) codes, it includes measures of the training, education, experience, and responsibility (TEER) levels that the jobs typically require. There is, in fact, only a <u>short list of ineligible</u> occupations.

Individuals applying who don't have post-graduate experience need to prove they have at least a Canadian high school equivalent credential, unless they've received a recognized Canadian degree, diploma, or certificate; or they have an Alberta-recognized trade or qualification certificate. Applicants who are working on a PGWP must have a credential from an Alberta <u>publicly funded post-secondary institution</u> and have an <u>approved credential</u>.

Rural Renewal Stream

2023 expected allocation: 875–9% of all AAIP nominations

This stream is designed to spread new economic immigrants to rural Alberta communities. It supports the attraction and retention of immigrants to designated communities that are smaller than 100,000 people and not near Calgary or Edmonton. These designated communities work with local employers to recruit workers and help them settle locally.

Communities must apply to the province for designation and prove they have the capacity to meet the associated criteria. Once designated (see list of designated communities here), communities work with local employers to recruit and retain immigrants by sharing information with employers about local settlement services. Additionally, communities may establish more narrow criteria for whom they

would like to recruit (e.g., particular occupations) and are responsible for developing and implementing a plan to welcome and settle recruits once they arrive.

Both a community and an employer must endorse a prospective immigrant for them to apply through this stream, but they cannot recruit seasonal or part-time workers. There is no requirement for a candidate to have Canadian work experience or residency, but only candidates with a job offer can be endorsed.

Once a candidate has been endorsed by the community and employer, they may apply to AAIP under this stream. If the province decides to nominate the individual for PR, the candidate must then apply to IRCC for PR. If successful, the designated community implements its settlement plan in support of the new resident.

Entrepreneur Streams

2023 expected nomination allocation across all worker streams: 5

Entrepreneur streams target individuals who plan to live in Alberta and buy or start a business in the province. The four streams in this category collectively target foreign entrepreneurs, Alberta and foreign university graduates who want to start or buy a business in the province, and experienced farmers who want to buy or start a farm in Alberta.

The Alberta government forecasts allocating only five nomination certificates across the four entrepreneur streams in 2023. Most of these streams, however, are new within the last two years, and 2023 forecasted allocations may not represent immigrant application uptake or future allocation decisions.

Rural Entrepreneur Stream

This stream is designed to select entrepreneurs who want to start or buy a business in a rural Alberta community. Participating communities, listed <u>here</u>, all have less than 100,000 people and are outside Calgary and Edmonton.

To qualify, an interested individual must complete an exploratory visit to a community, submit an Exploratory Visit Report, and complete a business proposal summary report for the participating community. If the community endorses the proposal, it will issue a support letter.

If the candidate meets all the requirements, they apply to AAIP with an Expression of Interest, and the province will score the candidate according to a stream-specific points grid that assigns a certain number of points to various categories that measure the value of the business investment (minimum \$100,000) and the jobs it will create (minimum 1), the applicant's net worth (minimum \$300,000), the business's location, the applicant's education and language attainment, past experience living in Canada, and more. Applicants can also apply if they currently live in and operate an Alberta business.

Candidates with the highest-ranking points may be selected, at which point they will be requested to submit a Business Application to AAIP. After submitting this, they must successfully operate the business according to agreed-upon metrics for one full year and must submit arrival, progress, and final reports throughout that year. If the final report is approved, the candidate will receive a provincial nomination, after which they can apply for PR through IRCC.

Farm Stream

This stream is designed to select individuals looking to start or purchase a farm. In their application, a candidate must prove to AAIP administrators, who consult Alberta's agriculture ministry, that they have the necessary financial resources and farm management experience to start or buy a farm.

Candidates must prove they have existing farm business experience, sufficient education and work experience, a business plan, and proof of access to financing. Ability to invest a minimum of \$500,000 of equity in a primary production farming business in Alberta is necessary, as is proof of having at minimum a \$500,000 net worth. AAIP-approved applicants will be given a provincial nomination and will then be able to apply for PR with IRCC.

Graduate Entrepreneur Stream

This stream awards provincial nominations to Alberta post-secondary graduates looking to start or operate an <u>eligible business</u> in Alberta.

Candidates may apply to AAIP through this stream if they meet the applicable education requirements, have a post-graduation work permit with IRCC, surpass required language benchmarks, and are able to establish (or surpass a minimum ownership stake in) an eligible business in Alberta.

Similar to the Rural Entrepreneur Stream, an applicant must submit an Expression of Interest that is scored according to a <u>stream-specific points grid</u> measuring human capital, business experience, anticipated economic benefits, and adaptability metrics. Unlike the Rural Entrepreneur Stream, this stream has no minimum business investment amount. If high-scoring and selected, they must then submit a Business Application for assessment.

If approved, the province will issue a Business Application Approval Letter and a Business Performance Agreement cosigned by the applicant and the province. The applicant is required to demonstrate the business is successfully operating according to agreed-upon metrics for one full year, including submitting start-up, progress, and final reports throughout that year. Once all agreed-upon conditions are met and a final report is submitted and approved, a nomination certificate is provided and the candidate can then apply for PR to IRCC.

Foreign Graduate Entrepreneur Stream

This stream is designed to provide a pathway for post-secondary graduates from outside Canada to launch innovative start-up businesses in Alberta. It empowers designated agencies (Empowered Startups and Platform Calgary) to identify and work alongside foreign graduate entrepreneurs in their pursuit of starting an innovative business in Alberta. Designated agencies provide a recommendation letter to a candidate they believe is eligible under the stream's criteria, and the candidate submits this along with an Expression of Interest to AAIP.

Candidates must meet a minimum number of criteria and achieve a high score in the stream's <u>points</u> g<u>rid</u> and submit a business plan, pitch deck, and meet minimum net-worth requirements. Start-ups must also be connected to either the technology, aerospace, financial services, energy, agriculture, tourism, life sciences, or pharmaceuticals sectors.

Like the Rural Entrepreneur and Graduate Entrepreneur streams, a candidate must score well in the points grid and be invited to submit a Business Application. As part of this application, a designated agency will submit an evaluation of the applicant's business plan, and a qualified third party (e.g., KPMG or MNP) may need to submit a report assessing the candidate's net worth and business investment plans.

If AAIP approves the Business Application, they will send the candidate a Business Application Approval Letter, after which the candidate will need to operate the business aligned with agreed-upon performance standards. Once these conditions are met and the business has been operating for one year, the candidate can submit a final report for nomination to AAIP for assessment. If successful, a provincial nomination certificate will be awarded and the candidate can proceed to apply for PR with IRCC.

Measuring the Success of Alberta's Immigration Strategy

Since Alberta's immigration selection strategy is so new (released in 2022), it is too early to evaluate its success. That said, here are three initial observations based on what can be inferred so far:



Alberta's selection strategy does not outline what success looks like or how to measure it.

Alberta's strategy doesn't explicitly state how the province will measure successful AAIP immigrant selection. As noted earlier, the data indicate that Alberta's PNP has historically been successful relative to other provinces at retaining nominees. We do not know, however, what targets must be met for the province to consider the AAIP a success, especially on a stream-by-stream level. Absent that, we're left to assume that the strategy will assess metrics like PNP immigrant retention rates, rural immigrant distribution, changes in short- and long-term occupational labour gaps, and whether AAIP streams are meeting annual nomination targets or seeing increased applications. If these are the kinds of metrics being considered, data-driven measures of success should be made publicly available alongside the data.



The strategy does not focus on per-capita prosperity driven by immigrant selection.

While Alberta's immigration strategy speaks to the importance of all Albertans benefiting from economic immigration—and we agree—there is little evidence that metrics like impact on GDP per capita factor into Alberta's immigrant selection criteria design for significant portions of the nomination allocations. As explained in detail <a href="https://example.com/here-the-nomination-needed-to-needed-the-nee

Yes, Alberta's strategy speaks to removing barriers that prohibit full economic participation of newcomers, and this is vitally important. But on balance, large AAIP streams prioritize the

selection of immigrants to fill short-term labour market needs as determined by employer demand. A job offer—even for lower skill jobs with lower wages—seems to carry more weight than other, more robust predictors of immigrants' potential to create high economic value in the long term—such as <u>pre-immigration Canadian earnings</u>. For example, over half of all AAIP nominations are forecasted to be allocated within a stream open to candidates in almost any job type or with any skill level as long as they have a job offer (see: Alberta Opportunity Stream).



Alberta's entrepreneurial streams have complex selection criteria and lengthy processes.

Alberta's immigration strategy prioritizes the selection of individuals interested in starting or purchasing a business. However, many of the associated immigration streams come with lengthy application and evaluation processes, and several create new points systems unique to the specific stream. Moreover, some streams require the candidate to already be working in Alberta under a federal work permit. That too creates an obstacle to entry.

Complicated application processes for entrepreneurial-minded immigration candidates can mean that these candidates may have an easier and faster experience achieving PR through an entirely different immigration program or pathway. If the goal of these entrepreneurial streams is to help encourage the immigration system to create businesses with new jobs or to find individuals who can take over businesses looking for a buyer, perhaps these same goals can be met through policy that incentivizes newcomers into these spaces without them necessarily being tied to new PR nomination pathways.

That said, many of these streams are very new, and their effectiveness in attracting entrepreneurs to Alberta can't yet be determined. The province only forecasts allocating five nomination certificates across these streams this year, but this low number is a function of these streams' age and the requirement for applicants to prove successful business operations for one year. Moreover, the number of applicants for these streams suggests that future nominations will be higher as individuals move through the application process.

Regardless, it may be possible to achieve these streams' intended outcomes through a simpler, less time-consuming process.

National PNP trends and outcomes

Even though it is too early to assess Alberta's latest immigration strategy and the outcomes for nominees, recent research looking into PNP immigration trends and outcomes nationally may help provide further insight into what's going on:



The rising prominence of PNPs is increasing the prevalence of two-step immigration.

Canada's shift toward more economic immigration through PNPs (and, to a lesser extent, the Canadian Experience Class program federally) is taking place alongside a shift toward two-step immigration selection—when applicants for permanent residency are already working in Canada under temporary residence permits, thereby giving employers a hand in immigrant selection. Many PNP streams, including several in Alberta, require candidates to have a job offer from an employer or to already have work experience in Alberta/Canada to be nominated.

There are <u>pros and cons</u> to two-step immigration. On the positive side, an immigrant with Canadian school or work experience will likely have an easier time integrating into the broader work culture and is unlikely to face the same barriers to credential recognition as someone with foreign training or work experience. Moreover, having a job offer in a particular province, for example, improves the chances of that province retaining the immigrant long term. On the other hand, there is a risk that two-step immigration favours short-term employer needs at the expense of longer-term needs economy-wide, or that employers exercise a power imbalance over temporary workers who rely on their employer to advance through the PR application process.

Moreover, two-step immigration tends to elevate short-term labour market needs over selection based on other longer-term measures of high human capital.



Provincial nominees fill technical/skilled trades and lower-skilled occupations at higher rates than federal programs.

PNP immigrants tend to fill a different niche of skilled labour demand than federally selected economic immigrants. <u>Research</u> shows that PNP immigrants tend to disproportionately have technical jobs and jobs in the skilled trades (49.1% of the immigrants selected through this program in 2021) compared to federal skilled workers (15.9%). As such, the PNP is complementing federal programs by helping address an important labour market and skills gap.

However, PNPs also tend to select immigrants that fill lower-skill positions that require no more than a high school diploma and job-specific training; or only on-the-job training, like for some manual labour jobs (9.4% compared to 0.0% for federal skilled workers). While this may help fill local short-term labour market gaps, it is not a prosperity-driven strategy that will help increase GDP per capita in the long term.

Unlike PNPs, federal skilled worker selection places a much higher emphasis on individuals whose intended jobs require higher skill levels and more schooling. Individuals selected through this program federally tend to be in managerial and professional positions requiring a university degree (82.3% of the immigrants selected through this program in 2021). In comparison, these positions only represented 27.0% of PNP selections.

While selecting higher-educated, higher-skilled newcomers is a good thing, it isn't unambiguously good if local labour markets value jobs of various skill and education levels more highly. For example, white-collar managers and professionals may bring more value to downtown Toronto than they will for the kinds of jobs most in need in Alberta.



Provincial nominee incomes and employment rates start stronger, then lag federal skilled worker outcomes.

Recent <u>research</u> suggests that immigrants selected through programs requiring Canadian work experience see higher employment rates and higher initial earnings than programs that do not. Since PNP streams (and Canadian Experience Class immigrants) generally have these work experience criteria, immigrants selected through them typically see better early outcomes compared to FSWP immigrants. And, since some of Alberta's PNP streams require a job offer—not just past Canadian work experience—Alberta PNP immigrants outperform other province's nominees.

However, that changes over time. Five years after landing in Canada, FSWP immigrants see faster wage growth and end up with higher earnings than PNP immigrants—likely because FSWP immigrants tend to have higher-skill jobs. While PNP immigrants retain a slight employment rate edge over FSWP immigrants, the 12.4 percentage point gap in year one is reduced to a 5.9 point gap by year five post-landing.

Conclusion

The provincial role in economic immigrant selection is growing as provincial nominee programs account for an increasing share of Canada's overall economic immigration. As that share rises, so too will the importance of PNPs to Canada's overall immigration strategy.

Regional programs like PNPs help improve immigrant distribution and retention rates outside of Toronto, Montreal, and Vancouver, and their focus on selecting candidates with past Canadian work experience leads to higher initial earnings than most federally selected candidates even if they lag later on.

Alberta's PNP, the AAIP, mostly allocates nominations to workers whose skills can fill short-term labour market needs. The program does so by being highly responsive to employer-driven labour force demand. Its ability to address long-term labour market needs, however, remains difficult to assess. Alberta's PNP has done well with attracting and retaining economic immigrants, but data gaps and an unclear sense of how the province measures or defines a successful selection strategy make it challenging to assess the program's ability to drive prosperity for all Albertans.

As Alberta plays a bigger part in immigrant selection going forward, its selection criteria will also play a bigger role in determining whether Canada's immigration system promotes increased prosperity. With a simple, expedient system with clear targets and measures of success tied to per-capita GDP growth, immigration can continue to fuel prosperity for all Albertans.

