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# The Trades BARRIER

Despite a desperate need for skilled workers, few immigrants with trade skills are making their way past our borders

BY BILL STEWART

**T**he scene is common in most Canadian cities. Strike up a conversation with any number of taxi drivers and in no time you hear a litany of tales about underemployed immigrants whose professional background and training were sufficient for them to gain entry into Canada, but were not deemed adequate for them to obtain work in their field after they arrived.

While the plight of underemployed immigrant professionals, such as accountants, engineers and nuclear medicine specialists, receives routine media attention, you are unlikely to hear or read about an immigrant with construction trades skills who has to resort to driving a taxi or operating a janitorial service. The reasons are simple. First, Canada's immigration system is heavily biased in favour of university-trained applicants and against those with construction trades skills and training. The reality is that our immigration system simply does not allow many construction tradespeople to lawfully immigrate to Canada. Second, the miniscule few that successfully breach Canada's immigration walls are quickly snapped up by a construction industry that is struggling with acute shortages of workers.

### Immigration Needs Reform

Canada was built by immigrants. Accordingly, we are justifiably proud of the role immigration has played in our economic, social and political development. However, it is apparent that, even with the amendments introduced under the Immigration and Refugee Protection Act (IRPA) in 2002, our immigration system has, for some time, not served either Canadians or newcomers very well. This is particularly evident in the declining fortunes of recent immigrants.

One measure of how well our immigration system is doing is to compare the relative incomes of new Canadians to those born in Canada. According to a study published by the Vancouver-based Fraser Institute in 2005, newer Canadians experience increased difficulties and take much longer to catch up to the income level of those born in Canada.

For example, men who immigrated to Canada in 1970 earned a comparable income to Canadian-born males within 10 years, or by 1980. Fast forward to 2000 and the same analysis reveals that, on average, males who immigrated to Canada in 1990 earned only 80 per cent of the income of Canadian born males after living in Canada for 10 years. The cause of these declining economic outcomes among recent immigrants is the subject of a highly complex and emotionally charged debate.

### The Missing Equation

An average 240,000 permanent immigrants are annually admitted to Canada under three primary categories: family reunification, refugees, and economic immigrants. Each category is broken into subcategories with its own set of separate and complex rules. Approximately 40 per cent of annual admissions are made under the refugee and family reunification programs, while 60 per cent are considered economic immigrants.

As four of 10 admissions are made under the family reunification and refugee pro-

grams, approximately 96,000 people are annually admitted based on humanitarian as opposed to economic considerations.

At first blush, this suggests the remaining 144,000 new Canadians accepted are admitted to help our labour market needs as economic immigrants. Unfortunately, the numbers do not tell the whole story because more than 56 per cent of these admissions include the spouses and dependents of the

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“principal applicants.” Taking these spouses and dependents into account means approximately 63,000 – about one in four – people currently being admitted into Canada theoretically possess skills or qualifications that could directly and immediately contribute to our economy.

### The Point System Theory

The Government of Canada’s selection criteria under the skilled worker subcategory are intended to aid in selecting immigrants “more capable of adapting to the evolving Canadian labour market.”

Recent changes in criteria were based on a so-called “human capital model” and were intended to help “select skilled workers who have the range of flexible skills needed in Canada’s new economy, rather than workers whose skills qualify them for a single intended occupation,” as stated in the *2002 Annual Report to Parliament on Immigration*. The new regulations also emphasize education, in recognition of the value that the modern Canadian labour market assigns to education.

In short, the basic premise, or theory, is the more education, as opposed to specific

occupational skills and training an immigrant possesses, the more likely he or she will succeed in resettling.

To gain admittance as a skilled worker, the principal applicant must score at least 67 assessment points out of a maximum 100. Up to 25 points are awarded for educational achievement; 24 points for language proficiency in either English or French; 21 points for prior work experience; 10 points for age (ages 21-49 are preferred); 10 points for having a job offer waiting; and six points for being “adaptable,” such as having prior work experience or relatives already living in Canada.

To gain the maximum 25 points in the educational component requires a PhD or master’s degree and at least 17 years of full-time study. In comparison, an applicant with apprenticeship training and at least 12 years of full-time study would be awarded 12 points.

The emphasis on educational achievement means more immigrants are being admitted into Canada to work in professional occupations, at the expense of occupations requiring trades training and skills. In fact, according to Citizenship and Immigration Canada (CIC), applicants with trades training constituted roughly 33 per cent of all skilled worker admissions in 1990. By 2000, the proportion of principal applicants with trades training and skills fell to 2.5 per cent. These admissions were replaced by people with university degrees. Indeed, according to the Fraser Institute, in 1981, 11 per cent of immigrants held bachelor level or higher degrees. By 1996, the number of principal applicants with university degrees more than doubled to 25 per cent.

As the following tables show, the trend continues a downward spiral, as fewer and fewer immigrants with construction training and skills are being admitted. According to CIC, the total distribution of the skilled worker subcategory for 2003 and 2004 was as follows:

## Skilled Worker Principal Applicants Intended Occupation Overview

Occupations	2003	2004
Total Regulated Professions	20,100	19,814
Total Non-Regulated Professions	24,754	27,551
Total Regulated Trades	524	524
<b>Total All Occupations</b>	<b>45,378</b>	<b>47,889</b>

In each year, a shockingly low proportion of just over one per cent of skilled workers admitted into Canada possessed trades skills – a total of 524 each year.

## Skilled Worker Principal Applicants Top 20 Intended Regulated Trades

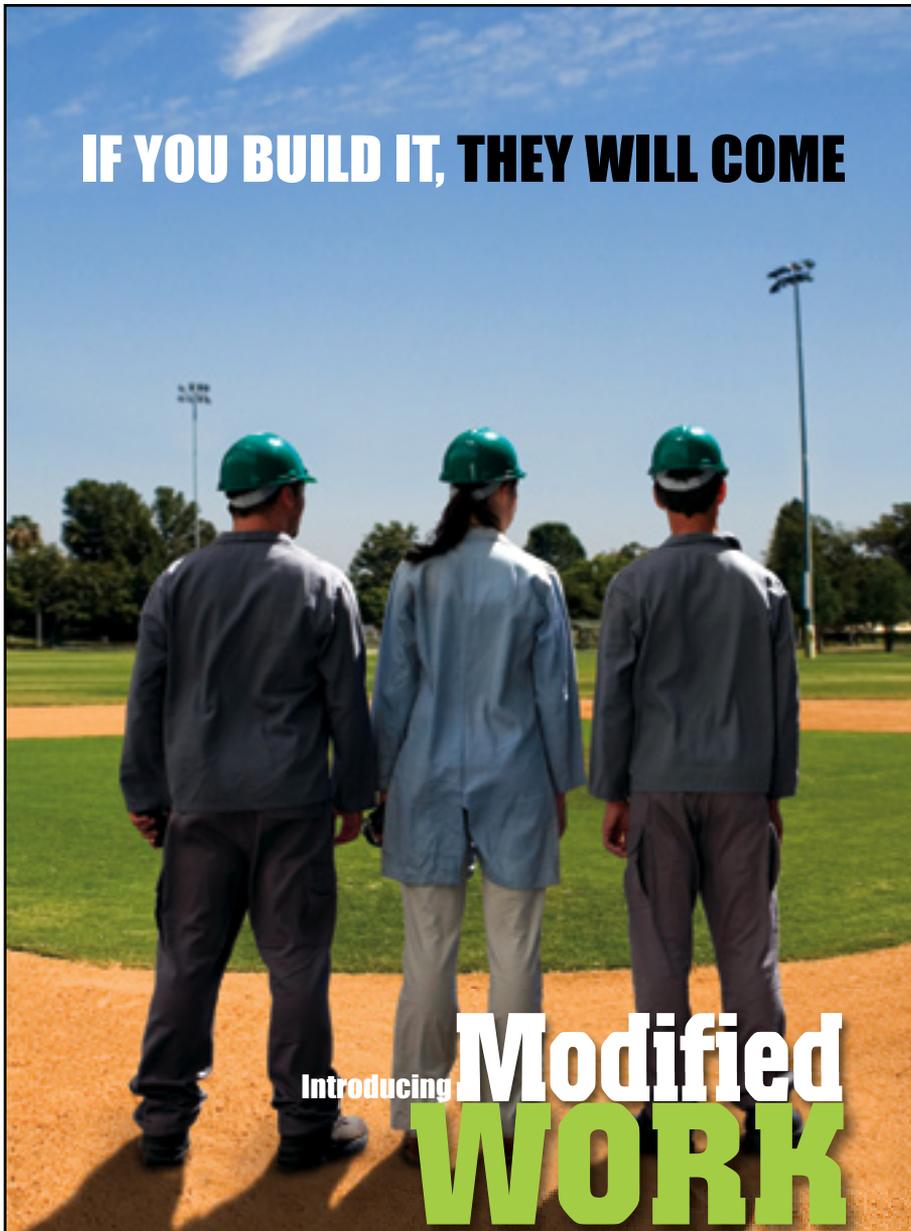
NOC4 Code	Occupation	2003	2004
7242	Industrial Electricians	189	142
7244	Electrical Power Line and Cable Workers	55	47
7321	Motor Vehicle Mechanics, Technicians and Mechanical Repairer	34	65
7265	Skilled Welders	59	38
7241	Electricians (Except Industrial and Power System)	25	27
7271	Carpenters	12	24
7311	Construction Millwrights and Industrial Mechanics	28	19
7312	Heavy-Duty Equipment Mechanics	40	28
6271	Hairstylists and Barbers	11	17
5227	Support and Assisting Occupations in Motion Pictures, Broadcasting	5	14
7281	Bricklayers	4	13
7313	Refrigeration and Air Conditioning Mechanics	11	16
6482	Estheticians, Electrologists and Related Occupations	5	8
7294	Painters and Decorators	5	10
7383	Other Trades and Related Occupations	x	8
7251	Plumbers	6	10
7351	Stationary Engineers and Auxiliary Equipment Operators	x	x
7332	Electric Appliance Servicers and Repairers	6	8
7252	Steamfitters, Pipefitters and Sprinkler System Installers	x	x
7253	Gas Fitters	x	x
<b>Top 20 Regulated Trades</b>		<b>503</b>	<b>504</b>
<b>Other Regulated Trades</b>		<b>21</b>	<b>20</b>
<b>TOTAL REGULATED TRADES</b>		<b>524</b>	<b>524</b>

### Challenges Ahead

According to the Canadian Construction Association's 2006 National Forecast, the industry will need to replace more than 150,000 retiring workers, or almost 19 per cent of the current construction workforce, over the next 10 years. At the same time, Government of Canada strategic policy and

research reports on demographic trends indicate that in the near future, "net labour force growth is likely to depend solely on immigration."

In September 2004, construction employment across Canada peaked at more than one million people for the first time in history. In September 2007, construction



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employment exceeded 1.1 million. Current forecasts indicate that these historically high levels of employment will continue for the foreseeable future.

In Alberta, the February 2008 Major Projects Inventory lists a staggering \$257 billion in construction investments exceeding a value of \$5 million across various construction sectors over the next few years. While oilsands construction dominates the investment picture, billions will also be spent on residential, commercial, institutional and infrastructure related projects. This construction is taking place as demographic and workforce demand/supply forecasts have consistently pointed to ever-increasing and persistent shortages of skilled construction workers. Indeed, almost every day, there is a media reference pointing to the shortage of construction workers as a significant factor in driving up capital cost budgets for infrastructure projects or threatening the economic



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viability of an oilsands project.

It is important to recognize that these shortages continue to be experienced, despite record amounts of apprenticeship training taking place across Canada. In November 2007, Statistics Canada reported that a record 267,775 men and women were involved in apprenticeship training in 2004 (the most current national data). The construction industry was responsible for 40 per cent of the increase and has steadily increased apprenticeship training since 2001.

#### Federal Action Needed

In 2005, the Merit Contractors Association of Alberta and the Progressive Contractors Association of Canada (PCAC) launched the Let's Get to Work ([www.letsgettowork.ca](http://www.letsgettowork.ca)) public policy initiative that, among other issues, called on the federal government to reform the points system to provide greater weighting to applicants with much needed trade skills over university graduates



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**In 2006, the Canadian Construction Association requested that the point system be “reviewed and appropriately revised to ensure it facilitates, rather than works against, the entry of construction workers.”**

whose training may have little relevance to current labour force needs. Specifically, the initiative called for greater points to be assigned to technical and/or trades skills training and experience directly related to long-term trades skill shortages in Canada. In 2006, the Canadian Construction Association launched a similar call for action and requested that the current point system be “reviewed and appropriately revised to ensure it facilitates, rather than works against, the entry of construction workers.”

Unfortunately, while the “Government of Canada recognizes that there are growing shortages in the domestic construction sector and agrees that immigration can complement the domestic labour supply in addressing these shortages,” its current position is that reviewing the point system would be premature at this time because “there is an insufficient evidence base regarding immigrant outcomes” under the 2002 amendments to IRPA.

While the impact of the “human capital model” may not yet be apparent, it seems abundantly clear that the current system allowing only 524 skilled tradespeople to enter Canada in 2003 and 2004 is woefully inadequate to help Canada’s construction industry. 

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