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Centre d'étude des niveaux de vie*

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**Proposal from the Centre for the Study of Living Standards for a Directed
Research Project for Winter 2024:**

The Impact of Immigration on Productivity in Canada

Description of Project

Productivity growth in Canada has been very weak in recent years, prompting concern about the future trajectory of living standards in the country. At the same time Canada has seen record numbers of international migrants entering the workforce: this includes permanent immigrants, as well as foreign students, temporary foreign workers and asylum claimants. Canada's population growth is now the highest in the G7, and among the top 20 countries in the world.

This project will examine whether there is any relation between slow productivity growth and the rise in the number of international migrants. Such a relationship depends on the size and persistence of productivity gaps between newcomers to Canada and the Canadian-born, as well as the magnitude of international migration. The picture is complicated by the changing nature of those coming to Canada; while in the past most newcomers to Canada came in as landed immigrants, we are now seeing a bigger increase in non-permanent immigrants than in landed immigrants. This is likely to impact the education level of immigrants, which in turn will affect their relative productivity compared to the Canadian-born population.

The project would have three components. The first would be to assemble and analyze the recent data on immigration from Statistics Canada, separating out trends in permanent and non-

permanent immigration. These trends can be compared to other G7 countries to get a sense of the scale of the migration flows that Canada is witnessing. The second component would be to review the literature on immigrant–non immigrant wage gaps, and to construct up-to-date measures based on Statistics Canada data. The third component of the project would be to put the wage gap data together with the change in the working population due to the different forms of immigration in order to calculate the likely impact of immigration on productivity levels and growth in Canada over the last decade or so.

Supervision

The project would be supervised by Dr. Tim Sargent, who is Deputy Executive Director of the Centre for the Study of Living Standards. Before starting at the Centre, Tim had a long career in the Public Service of Canada, including as Deputy Minister in two departments, and Associate Deputy Minister of Finance.

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