

WITH JASON KENNEY, *MINISTER OF CITIZENSHIP, IMMIGRATION AND MULTICULTURALISM*



Jason Kenney was appointed Minister of Citizenship, Immigration and Multiculturalism on October 30, 2008. He was reappointed to the portfolio on May 18, 2011 and given the added responsibility of Chair of the Cabinet Committee on Operations. The committee provides day-to-day coordination of the government's agenda, including issues management, legislation and house planning, and communications. He was first elected to the House of Commons in 1997 and has been re-elected five times. He was appointed Parliamentary Secretary to the Prime Minister in 2006, and Secretary of State (Multiculturalism and Canadian Identity) in 2007. Mr. Kenney was born in Ontario and raised in Saskatchewan, where he graduated from Notre Dame College. Mr. Kenney is a former Chair of the House of Commons Subcommittee on International Human Rights. He served in a variety of positions in Opposition, including Finance Critic and Deputy House Leader. Prior to seeking election, Mr. Kenney served as President and Chief Executive Officer of the Canadian Taxpayers' Federation. He was interviewed after a speech to the Frontier Centre in Regina on May 18, 2012.

Frontier Centre: Immigration has become a controversial issue throughout much of the developed world. In Europe public opinion is turning against it. We've avoided that in Canada. Do you have any comments on why that might be?

Jason Kenney: A couple of reasons. Firstly, we have had a very positive historical narrative of immigration to Canada and that has helped to create a deep reservoir of popular support for immigration in principle. Secondly, we have tended to focus our selection of immigrants on people with higher levels of education and language proficiency, who are therefore more adaptable and more capable of integrating. That was not the case in Western Europe where they tended to invite low skilled or unskilled people from developing countries with limited levels of education and little to no European language proficiency. This meant those people were experiencing social exclusion when they lost industrial jobs. They didn't have the capacity to easily find employment elsewhere. Because of their limited European language proficiency, there was a dimension of cultural ghettoization much stronger than we've seen in Canada. So I think those are the two primary factors.

FC: You recently signaled your government's willingness to expand immigration levels if we see immigrant unemployment levels and incomes converging with those of native born Canadians and if there is evidence that they are filling labour shortages. Is there progress being made on this file? Is it visible, is it palpable or is it something that we are waiting to see on? On converging incomes?

JK: We've seen through 3 decades of declining incomes amongst immigrants and higher unemployment. All of our immigration reforms are designed to improve economic outcomes for immigrants. I am very optimistic that within a few years we will see significant improvements in economic outcomes as more immigrants are selected by employers to go to work immediately upon arrival at their skill level, fewer immigrants are being selected to in professional categories who are unlikely to get their licenses to practice, and as we emphasize younger workers and people who have higher levels of language proficiency.

All of these changes together with the increasingly hot labour market will, I am confident, within 2 or 3 years result in a significant improvement of economic outcomes. I should say last year we concluded a major benchmark study on the federal skilled worker program, that's the point system and a major evaluation of the provincial nominee program, both of which showed some encouraging data. We see high levels of employment in good incomes amongst most provincial nominees because the program is typically based on a prearranged employment offer. Since the current points grid was adopted for the federal worker program with a higher level of language proficiency required, we've seen better outcomes for those folks as well. So the thing is those results are already turning around and I think we're going to be seeing a bit of a hockey stick phenomenon in terms of economic results for immigrants.

FC: The Government has begun to tie immigration closer to employment insurance. Why there are certainly people who are able to work that aren't in the workforce because they are on EI, there are some geographical constraints that are involved in that and one of them at least in part is created by Equalization. Any comments?

JK: Well, I think it's fair to say that Equalization was never intended for a country with 8 so-called have-not provinces and only 2 have provinces. It does seem to me obviously that there is a certain disequilibrium in the way the program is now being administered. I see a lot of interesting ideas out there about how we can ensure that it meets its intended objective of providing for reasonably similar levels of service at comparable levels of taxation but I'm not here to announce any changes in the program except to comment on the fact that it is a bit bizarre that we have 8 so-called have-not provinces now. I think that does underscore the need for some reconsideration of the formula.

FC: There's one study out there that estimates that the average immigrant receives about 450 dollars more in benefits than they pay in taxes. A lot of what you are talking about is increasing the productivity of immigrants. Do you think that there's a possibility that

by increasing productivity that alone will be able to compensate for that difference?

JK: Yes, I think that there are many reasons why we've seen this net cost associated with recent cohorts of immigrants to Canada and our reforms are designed to address all of those factors. So we hope over time to see a higher percentage of immigrants being what we call 'primary economic immigrants' that have been selected on the basis of the human capital. We believe that the new selection criteria will be much more relevant to the skills that we need in the economy. And the single most important factor is increasing the share of immigrants that arrive with a prearranged job by having Canadian employers more proactively go overseas to recruit people because I believe in the power of the market. I believe the market knows better than government who can succeed in the labour market.

This notion that the government could just sort of set up some selection criteria and bring people in to sink or swim in the labour market has not exactly been successful. So what we want to learn from is what works. Immigrants who arrive through the skilled worker program with a prearranged job are earning 80,000 dollars of income after their third year in Canada on average, which is almost twice as much as immigrants who arrive without rearranged jobs. So that's one of the sign posts that we're following to reduce the net fiscal cost of immigration.

FC: Another factor that your government has taken on recently is family reunification. There are some tertiary benefits to it, but at the same time a lot of people rightly point out that there are massive healthcare costs and so forth. Do you think that there's a way to internalize these costs so that we can maintain the program without having these massive leakages?

JK: Yes, I think we have to focus more on primary economic immigrants who have the skills to succeed in our economy. That's one of the reasons we have told provinces that they need to refocus their provincial nominee programs on people with prearranged employment as opposed to bringing in these ridiculous extended family programs. One person in Saskatchewan last year nominated 29 family members from Pakistan. I'm sure they were all very nice people and they are all welcome to apply to come to Canada as economic immigrants but if everyone we bring here goes on to nominate 29 members of their extended family then we will cease to have economic immigration in Canada. We will only have a massive family chain migration program. The experience everywhere around the world is that we'll undermine economic results for immigrants.

FC: The refugee system is often used particularly by some groups (Mexicans) as a way to try and get around the legal immigration process. Your thought?

JK: Yes. Oh that was a huge problem before we imposed a visa on Mexico in 2009 we were getting around 1000 asylum papers a month from Mexico. About 90% of which were found to be false asylum claims. People who did not need our protection but were rather using our asylum system as a back door into Canada and we can understand why because asylum claimants get an open work permit. They get gold plated health benefits from the federal

government. They access provincial welfare programs. They can get public housing. So they can extract enormous value from our welfare state and so there's a huge draw factor. Now the only way we could deal with that was to impose a visa. You know a visa imposition is never our first choice but it was really getting out of hand. We were getting more asylum claims from Mexico than from any other country in the history of our immigration system. So it was a gaping hole in the integrity of our system.

The Visa is the only way we could address it. Since it's imposition we have seen the number of asylum claims coming from Mexico go down to virtually single digits. At the same time we have 90% approval rates for visa applicants from Mexico and we're still receiving hundreds of thousands of tourists. Now it's true that there were some commercial and tourist effects of the imposition of the visa but we at the same time saved literally hundreds of millions of dollars because each false asylum claim costs Canadian taxpayers about 50,000 dollars. So we estimate that we've already saved over 400 million dollars for taxpayers as the result of the visa imposition and it's out hope that through the refugee reforms that we are going to implement this year. We will be able to reconsider a visa exemption for Mexico and other countries because we hope that the new and much faster system will deter fake asylum claims from coming to Canada.

FC: During your speech there were a couple of questions about the provincial immigrant nominee program and it was apparent your government is definitely committed to using that program and fostering it. In the future there is there a possibility that it will be expanded?

JK: We've already expanded the PN programs massively. For Saskatchewan we've gone from 400 to 7000 admissions under the program. Nationally we've gone to 40,000 from 2005 to 2011. We cannot maintain that trajectory, that growth rate. What we've said to provinces is that they need to get more bang for their buck for the PN allocations that they have. They have to stop these ridiculous extended family nomination streams and they should not be nominating people who can otherwise come through federal programs like foreign students. So once we see the provinces maximizing the value of the program and ensuring that it is actually being used to address labour shortages and to fill unfilled jobs then we are prepared to look at some modest increases. But I emphasize modest because there is, in our view, an upper limit to how many newcomers we can practically settle in Canada and so we just can't continue with doubling the intake every year.

FC: As economies in places like India, which have been big sources of high skilled immigrants improve, there seems to be a little bit less likelihood that a lot of the best and the brightest will come over here. What do you think the prospects are for Canada winning in this global talent race in such an increasingly competitive environment?

JK: I think very good. We don't and never will have the same cachet as the United States. Partly because of the mythic status, the size of the United States, its cultural presence around the world and so I suspect well into the

future even with what appears to be the relative economic decline of the United States. People around the world dream of going there but I think we can put that aside. I think we are the most desirable destination in the world, for all sorts of obvious reasons. Now with this faster more market driven immigration system, many of the best and brightest who have been going elsewhere will see Canada as a more viable option. I saw a poll last year which indicated that 61% of Chinese millionaires want to emigrate and 39% of them want to come to Canada. I mean that is just one small example of how desirable this is as a destination.

FC: While a lot of the discussion about immigration is focused obviously on the high end of the market, what are your thoughts on the low end? In the United States, in particular, they have this problem where they require a large amount of unskilled labour but they simply don't have legal channels for them to come in. How do we strike that balance?

JK: That's a very tough question. That's one of the most vexatious problems that we're facing because in part we see a growing disinclination of young Canadians for example to work in low skilled or semi-skilled occupations. So increasingly employers are depending on relying upon the temporary farm worker program. I think it would be a huge mistake for us to shift the focus of permanent residency immigration from higher skilled people to low skilled people. That would be following the example of the European Union and we know what the results have been. So I think we must keep the focus on skilled and high skilled immigrants in our permanent residency program. With some limited access to permanent residency for low skilled people but at the end of the day we as a culture need to revalue basic work, skilled trades, semi-skilled work. There's something, I don't know what it is, but 15 or 20 years ago young Canadian college kids would go and pick fruit in the Okanagan. They would do manual labour. They would work in restaurants you know and now they're not willing to do that anymore in increasing numbers and that's a problem.

FC: As we've discussed the west is experiencing some pretty significant labour shortages. What part do you think immigration will play in alleviating these shortages? Will it be the primary factor? Will we be able to move people as you were discussing from other parts of the province by reforming EI or is it just inevitable that we will need more immigrants?

JK: It's all of the above. This province and the other western provinces need to do a much better job of skills trade training and the willing into gainful employment, underemployed cohorts within the economy like young aboriginals and hopefully over time we will continue to see continued migration from within Canada from regions of high unemployment to regions of high labour shortages. That will largely be a function of labor prices. If employers pay more here there is a greater incentive for people, for example, in central and eastern Canada to move west but immigration is clearly a part of the solution. It can only be part of it but not the entire solution. Just for us to maintain the current average age ratio in the economy through increases to immigration would require that we more than quadruple immigration levels to over a million a year. I know

that some people think that's feasible. I think it would massively undermine the public consensus for immigration and I think it would be irresponsible to do that while we are seeing that immigration poses a net fiscal cost to Canada and that so many newcomers are unemployed or underemployed. So unless and until we see better economic results for immigrants, I would be strongly disinclined to increase levels by orders of magnitude.

FC: Last question. We're moving from a situation where we used to have a ratio of about 8 workers to 1 retiree. By about 2050 we're looking at potentially a 2 to 1 ratio. With the way our healthcare system is funded it's a pay as you go system. We're gonna have less people working and more people requiring more expensive medical treatment. Do you see a role for immigration in trying to dilute this dependency ratio and inject more money into the economy so that we can sustain these programs in the long run?

JK: Well, I think I'll just refer you back to my last answer which is that the only way we could adequately prevent the aging of our society through immigration would be to increase it by orders of magnitude to over a million a year going to 4% of population per year according to the C.D. Howe Institute. That means eventually by I think 10 years from now going up to 7 million immigrants a year. I think that's cloud cuckoo land. I think there would be zero public support. As it is, only 10% Canadians support increasing immigration levels at all. So I think the current levels reflect something approximating the public consensus and I think it would be massively irresponsible to increase immigration levels to a point where the public is not going to accept. Canadians don't say their position is based on Xenophobia or anti-immigrant sentiment. It's based on their practical sense of our capacity to integrate people and so that's what I'm focused on.