

Canada's future labour market: immigrants to the rescue



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Canada's Future Labor Market: Immigrants to the Rescue? Introduction

Canada has a large population of aging people thus likely to face an economic future challenge. Hodgson (1) observes that though recession has greatly relieved Canada from tight conditions in the labor market, it is expected that its national unemployment rate is likely to reduce by 6% with recovery of the economy. Planning is therefore very essential in order to effectively deal with the expected decrease in supply of labor. Therefore, I strongly agree that immigration can ensure a significant labor source in dynamism market supply if it is done in the right way. Therefore, Canada's immigration policy need to be modernized, and Canada should add the weight it accrues to streamlining immigration systems, economic factors expand programs that deal with use of temporary immigrant workers and improve upfront involvement and foreign credential programs. Why Canada should Adopt Immigrants in its Future Labor Market For a country to have potentials for long-term economic growth, or just sustainable economic growth it must have growing labor force, undertake investment in physical capital, and thus increase its productivity. In the last years, Canada has been a poor performer in terms of investment in physical capital and productivity, compared to other developed nations. Since 1980, physical capital investment and investment in human capital have not been in a similar pace (Hodgson 3). Its rate of productivity growth has hence been declining and its performance in productivity lags behind that of countries that compare to it like US. reliance on Canadian dollar that is very low, excessive capital taxes and regulatory barriers have been considered as the root cause of this underperformance, but recent research shows that low supply of market labor in Canada is now one of the greatest cause of low productivity. To <https://assignbuster.com/canadas-future-labour-market-immigrants-to-the-rescue/>

ensure enough supply in the labor force, it is important for Canada to employ immigrants since its current rate of unemployment has a deficit of 8.5% and is expected to further decline since many of those in labor force are aging and expected to retire, yet the youths are very few, that they cannot provide enough supply that is required in the market (Hodgson 31). The jobs data in Canada shows that with growth in the rates of unemployment, workers supply in skilled trade and some occupations is still very slim. To prevent such problems, I agree that Canada should make use of immigrants, who will ensure that labor supply and market requirements are in line. It is true that immigrants play a great economic role in Canada's development and many Canadians believe that they should be embraced and appreciated. The results also confirm that the role played by immigrants is less understood, yet it will play even greater role if economic growth and development in Canada is to be sustained in the years to come. As a result of the great growth in Canada's aging population, policies that encourage immigration in Canada to compensate its labor market supply should be encouraged. Although there has been some relaxation on foreign workers control, its underlying potentials in economic growth is under a steady erosion by the aging phenomenon and hence the shrinking workforce. To avoid future problems in its labor market, Canada should therefore attract foreign students and give them permanent residency in order to increase its immigration levels with people who are interested in Canada, and who have started to make the values of Canada their own by studying there. Work Cited Hodgson, Glen. Canada's Future Labor Market: Immigration to the Rescue? Retrieved on 14th June, 2011 from: www.irpp.org/po/archive/jul10/hodgson.pdf - Similar.

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