



December 23, 2025

From: Parisa Mahboubi
To: Immigration Observers
Re: MORE WORK NEEDED ON IMMIGRATION REFORM

After years of high permanent immigration and runaway growth in non-permanent newcomers – a surge that strained housing, healthcare and confidence in the immigration system – the federal government is trimming its target for permanent admission to 380,000 arrivals annually, increasing the share that are economic migrants and sharply reducing temporary inflows. That’s all sensible, but a closer look raises several concerns.

The annual headline target of 380,000 new permanent residents (PRs) is misleading. It doesn’t count new “**one-time initiatives**” over the next two years to give permanent residency to another 115,000 protected persons and 33,000 temporary workers already living in Canada. It’s a reclassification that gives twice. Subtracting them from the stock of non-permanent residents (NPRs) helps Ottawa meet its target of reducing the NPR share of the population to below 5 percent by 2027. And not adding them to the target for PRs makes it look like the admission of new permanent immigrants over the next two years is more moderate than it actually is. But there’s an obvious transparency gap. It’s as if they’ve disappeared – removed from one column but not added to the other.

The **budget’s** unclear language about who is a “protected person” has led some people to believe the government was announcing a “mass amnesty” for unvetted asylum-seekers. In fact, the one-time initiative simply addresses a processing backlog in granting permanent status to resettled refugees or people already accepted by the Immigration and Refugee Board or granted protection through a “pre-removal risk assessment.”

Lack of transparency about how 33,000 temporary workers will get permanent residency is more troubling. The stated criteria – “strong roots” and “paying taxes” – are too vague. The 33,000 should be chosen by merit-based selection under Express Entry, prioritizing candidates with high human capital and language proficiency. Without clear **criteria**, what’s bound to be arbitrary selection will undermine public confidence.

A further problem is that economic immigration leans too heavily on the “provincial nominee program” (PNP), a main pathway for temporary residents to obtain permanent status. The increase in the national target from 55,000 in last year’s plan to 91,500 in the new one effectively delegates more selection to provinces, many of which operate outside the federal Express Entry system’s rigorous, skill-testing criteria. For example, in Ontario, eligible occupations include jobs in agriculture, construction and manufacturing that often require no more than a high school diploma. Programs such as this may help fill short-term labour shortages, but they dilute the skill mix of newcomers and weaken the merit-based principles that have made economic immigration so successful.

C.D. Howe Institute **research** shows that expanding the PNP does not necessarily help provinces meet long-term economic or demographic goals. Nominees often leave smaller or rural communities after arrival, which limits the program’s effectiveness. If Ottawa continues to rely on the PNP to stabilize inflows and support provincial economic priorities, it should strengthen accountability for outcomes.

Budget changes to the flow of temporary workers also raise concerns. The budget headline is that the flow of such workers is being cut by 37 percent, from 367,750 in 2025 to 230,000 in 2026. But the actual inflow to the temporary worker category will exceed what the plan suggests. Holders of post-graduation work permits aren’t counted in the new plan, being treated as changing status rather than newly arriving.

In 2024, Canada issued more than 200,000 such permits, plus another 109,000 this year through August. Also: asylum claimants – a **rapidly growing** category of temporary residents who are eligible to work in Canada – have never been included in these figures, likely due to the government’s **limited control** over their numbers. Together, these groups continue to increase the flow of temporary workers into Canada. As the unemployment rate among core-aged temporary workers (ages 25–54) nears double digits – almost twice that for Canadian-born workers – continued high levels of temporary immigration become more of a problem.

The 49-percent reduction in new international student admissions (from 305,900 in 2025 to 155,000 in 2026) that’s also in the plan could have its own unintended **consequences**. The government is right to rein in temporary residency, but a straight cap penalizes high-quality universities and colleges while failing to target the real problem: predatory practices and weak programs.

Finally, the sharp cut to business immigration is a concern at a time when Canada urgently needs more job creators and capital investment. This program, which falls under the broader economic immigration category, targets entrepreneurs and investors who can build businesses. Yet only 500 permanent residents are being admitted through it next year, down from 2,000 this year.

Ottawa’s effort to bring immigration back down to sustainable levels is both necessary and overdue. But success depends on transparency, better targeting and clearer selection standards. The question is not whether Canada should grow, but how.

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