



Immigration, Refugees and Citizenship Canada

Immigration, Réfugiés et Citoyenneté Canada

Deputy Minister

Sous-ministre

Ottawa K1A 1L1

F-1236262

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## MEMORANDUM TO THE MINISTER

### INTERNATIONAL EXPERIENCE CANADA 2023 SEASON QUOTA

#### FOR APPROVAL

#### SUMMARY

- The purpose of this memorandum is to secure your approval for both individual country quotas and the global quota for the 2023 season of the International Experience Canada (IEC) program. Your approval is sought annually prior to launching a new season.
- It is recommended that individual country quotas (and quotas for recognized organizations) be maintained at 2022 levels for the upcoming season, while the global quota (the maximum number of foreign youth that may activate work permits at a Canadian port of entry) be increased by approximately 20% over 2022, from 73,665 to 88,500, allowing the Department to accommodate all demand to work and travel in Canada via IEC during the 2023 season.
- The increase to the global quota would create flexibility to accommodate demands from country and territory partners while maintaining existing quotas for program partners.
- We recommend that you approve the proposed global quota maximum of 88,500 for the 2023 IEC season and the individual quotas for country partners and recognized organizations (see Annex) by checking the “I concur” box and signing this memorandum by September 29, 2022, to allow the Department to confirm reciprocal quotas with its youth mobility partners and launch Season 2023 in December 2022.

#### BACKGROUND:

- The IEC program manages Canada’s bilateral youth mobility arrangements (YMA) that facilitate work and travel authorizations for youth aged 18 to 35 for up to 24 months. Currently, Canada has youth mobility arrangements with 36 country and territory partners spanning Europe, Oceania, East Asia, and the Americas, as well as arrangements with recognized organizations that provide additional services for inbound and outbound youth.
- Most of Canada’s youth mobility arrangements were negotiated while Global Affairs Canada managed the program and concentrated mostly in Europe. Since IEC’s transfer to Immigration, Refugees and Citizenship Canada in 2013, the Department has identified the need to diversify the opportunities available to Canadian youth.

s.21(1)(a)

s.21(1)(b)

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- In an effort to further diversify opportunities for youth, IEC is currently undertaking country assessments of potential partners within Africa, Asia, the Middle-East and South America.
- The program has three work permit categories:
  1. **The Working Holiday** category provides foreign youth with an open work permit, allowing them to work for any employer, in any location in Canada. Approximately 88% of foreign youth participate through the Working Holiday category.
  2. **The International Co-op** category provides eligible post-secondary students with an employer-specific work permit to complete a work placement or internship as part of their studies.
  3. **The Young Professionals** category offers eligible participants an employer-specific work permit to gain professional work experience in their field of study.
- Key objectives of the IEC program are to facilitate cultural exchange and to secure reciprocal labour market access for Canadian youth. IRCC negotiates and manages the YMAS, and facilitates the inbound program for foreign youth coming to Canada. As a cultural exchange program supporting people-to-people ties, YMAS are typically established with partner countries on the basis that employment is incidental to travel.
- Each year, prior to the launch of a new season (December), annual quotas for IEC partners (country and territory partners and recognized organizations) must be approved by the Minister of Immigration, Refugees and Citizenship Canada. Currently, the global quota (representing the maximum number of foreign youth that may activate work permits at a Canadian port of entry) is set simply as the sum total of individual partner quotas.
- While interest in IEC has improved over 2020 and 2021, demand to work and travel in Canada has not yet recovered to pre-pandemic levels due to a variety of factors including higher travel costs, hesitancy due to health risks, and significant labour shortages in partner countries.<sup>1</sup> For the 2023 season, it is recommended that partner quotas be maintained at 2022 levels, while the global quota be increased by approximately 20% over 2022 levels to 88,500 to provide flexibility to accommodate increased demand as the program recovers from the

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<sup>1</sup> Youth from some partner countries such as Australia, New Zealand, and Japan have significantly lower demand than in 2019, while other youth from countries such as France, South Korea, and Chile have fully exhausted available quota.

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impacts of COVID on international travel and to contribute to Canada's labour market shortages.

- Increasing individual partner quotas is not recommended because the program will be able to accommodate all demand without doing so. It is expected that quota increases would not be welcomed by all country and territory partners, including those in Europe who are facing challenges accommodating displaced Ukrainian nationals.
  - Additionally, raising individual country quotas would anchor partner expectations going forward, which would reduce flexibility (i.e. it is difficult to lower quotas without creating bilateral irritants) if, in the future, it becomes necessary to reduce quotas due to higher rates of unemployment.
- Following your approval, quotas must be confirmed with partners to confirm a reciprocal quota for Canadian youth. The IEC program operates annual intake seasons, typically launching in December and closing in the following fall. The 2023 season cannot launch until the Department has received your approval and quotas are confirmed with partners.

#### Labour Market Contribution of IEC Participants

- The highest number of foreign nationals activating work permits in a single season peaked at 58,186 participants in 2019. However, because many IEC participants have permits that are valid for up to two years, the total number of participants present in Canada at any given time can be higher. In 2019, for instance, 87,816 foreign youth were present in Canada. IEC work permit holders traditionally settle and work in Canada's largest provinces and cities with British Columbia attracting 45% of overall participants (principally in the lower mainland) followed by Ontario (19%), Alberta (18%), and Quebec (14%). Few (~4%) work in Saskatchewan, Manitoba, or the Atlantic provinces.
- While all IEC participants are entitled to work permits, many choose not to work. An average of 59% of foreign youth reported employment earnings on T4 slips between 2009 and 2017, with median employment earnings of \$10,100 in 2017. IEC participants are most likely to work in the service sector with accommodation and food services accounting for 35% of all jobs, followed by retail trade at 12%. Many employers, particularly those in the service sector, have come to rely on IEC participants to satisfy their labour needs.

#### Increasing Labour Market Supply

- In support of industries that rely on youth coming to Canada on an IEC work permit, the program is maintaining open dialogue with business and industry representatives while raising awareness amongst foreign youth abroad that Canada is open to them for work and travel and that International Experience Canada represents a flexible route to travel and work on an open work permit.
- As the program has never reached its previous global maximum of 73,655 activated work permits issued due to wastage (approved foreign youth not landing in Canada to activate their work permits), IEC intends to increase the number of participants activating work permits in Canada by inviting and processing a higher number of foreign youth, understanding that a proportion will choose not to travel to Canada.

s.21(1)(a)

s.21(1)(b)

s.21(1)(c)

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- While inviting all foreign youth to apply will increase labour market supply, doing so reduces the program's ability to leverage quota as a tool to increase opportunities for Canadian youth abroad.

#### **CURRENT STATUS:**

- IEC is taking additional steps to increase participation in the short and medium term by redistributing quotas between country partners to capture excess demand, more aggressively promoting IEC to foreign youth,
- IEC is actively assessing potential new country partners in Africa, Asia, the Middle-East and South America as part of its medium to long term efforts to diversify opportunities, as well as broaden offerings for Francophone communities and regions.
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- While quota negotiations are usually a pro forma process, the unprecedented nature of the pandemic and related border restrictions have meant that it is possible that some partners will be closed to Canadian youth for all or part of the 2023 season.

#### **RESOURCE IMPLICATIONS:**

- International Experience Canada is a net-vote program, meaning that it is funded largely through a participation fee of \$156 per participant. IEC is a self-sustaining program where revenues directly finance related expenditures. The participation fee for foreign youth in the 2023 season will increase to \$161 to comply with the *Service Fees Act*'s requirement to adjust the fee based on the Consumer Price Index. The department also collects a \$100 open work permit fee and conducts other activities related to increasing the participation of Canadian youth funded from existing reference levels.
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#### **COMMUNICATIONS IMPLICATIONS:**

- This year has shown a clear increase in public engagement with the IEC program, especially in terms of social media engagement and volume. This is in line with the gradual lifting of COVID-19 restrictions and return to more normal travel patterns. This helps support the recommended increase in global quota level (the maximum number of foreign youth who can work and travel in Canada in a given year) of approximately 20%. There has also been media attention on Canada-wide labour shortages so an increase in quotas for potential workers

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through IEC is likely to be well-received as there has been steady coverage over tourism destinations in Canada, such as Whistler, having trouble getting staff for their operations.

- A responsive approach is recommended, with current messaging updated to reflect the increase and benefits.

**RECOMMENDATION:**

- We recommend that you approve the proposed global quota maximum of 88,500 for the 2023 IEC season and the individual quotas for country partners and recognized organizations (see Annex) by checking the “I concur” box and signing this memorandum by September 29, 2022, to allow the Department to confirm reciprocal quotas with its youth mobility partners and launch Season 2023 in December 2022.

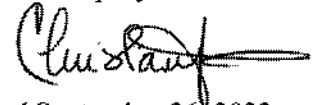
**NEXT STEP:**

- Upon receiving your approval, the Department will begin confirming quotas with partners to ensure partners will reciprocate quota for Canadians and seek increase in Net Vote Authority for the IEC program. We will advise your office of any significant delays based on those confirmations.



*DMA e-approved*  
Scott Harris  
Associate Deputy Minister


Arun Thangaraj  
Associate Deputy Minister



*DM e-approved September 26, 2022*  
Christiane Fox  
Deputy Minister

I concur

I do not concur



The Hon. Sean Fraser, P.C., M.P.  
Minister of Immigration, Refugees and Citizenship

Annexes (2):

- 1: IEC Program 2023 Quota Recommendations
- 2: IEC Quota Process (2023 Season)

## ANNEX – International Experience Canada Program 2023 Quota Recommendations

It is recommended that 2023 quotas for country and territory partners and Recognized Organizations remain at 2022 levels while the global quota be increased by approximately 20% over 2022 levels, from 73,665 to 88,500, to allow flexible quota reallocation to meet any increased demand.

Approval for quotas for new youth mobility arrangements that may be concluded and implemented during the 2023 season will be accommodated within the increased global quota.

Partner	2022 Quota	IEC Letters of Introduction Issued for 2019*	Work Permits Issued in 2019	Proposed 2023 Quota
1. ANDORRA	25	N/A	N/A	25
2. AUSTRALIA <sup>1</sup>	9,000	7,252	5,876	9,000
3. AUSTRIA	180	284	217	180
4. BELGIUM	750	996	778	750
5. CHILE	750	845	544	750
6. COSTA RICA	100	104	91	100
7. CROATIA	300	294	220	300
8. CZECH REPUBLIC	1,150	1,156	796	1,150
9. DENMARK	350	350	314	350
10. ESTONIA	125	125	75	125
11. FRANCE	14,000	21,744	16,791	14,000
12. GERMANY	5,000	5,858	4,969	5,000
13. GREECE	200	299	244	200
14. HONG KONG	200	245	153	200
15. ITALY	2,000	986	703	2,000
16. IRELAND	10,700	7,752	6,635	10,700
17. JAPAN	6,500	6,508	4,920	6,500
18. KOREA	4,000	3,983	2,370	4,000
19. LATVIA	50	48	33	50
20. LITHUANIA	200	199	139	200
21. LUXEMBOURG	100	12	7	100
22. MEXICO <sup>2</sup> (suspended since 2015)	350 <sup>2</sup>	0	0	350 <sup>2</sup>
23. NETHERLANDS	600	596	468	600
24. NEW ZEALAND	2,500	1,895	1,435	2,500
25. NORWAY	150	125	113	150
26. POLAND	750	744	465	750
27. PORTUGAL	2,000	790	646	2,000
28. SAN MARINO	25	8	5	25
29. SLOVAKIA	350	354	239	350
30. SLOVENIA	100	100	65	100
31. SPAIN	1,000	1,230	754	1,000
32. SWEDEN	700	531	464	700
33. SWITZERLAND	250	194	185	250
34. TAIWAN	1,000	1,223	716	1,000
35. UKRAINE <sup>2</sup> (suspended since 2014)	200 <sup>2</sup>	0	0	200 <sup>2</sup>

s.21(1)(a)

s.21(1)(b)

36. UNITED KINGDOM	5,000	9,854	6,756	5,000
37. RECOGNIZED ORGANIZATIONS	3,010	1,615	1,458	3,010
<b>COUNTRY AND RECOGNIZED ORGANIZATIONS QUOTA TOTAL</b>	<b>73,665</b>	<b>78,299</b>	<b>59,644</b>	<b>73,665</b>
<b>ANTICIPATED NEW MOU OR TREATY PARTNERS IN 2023</b>				<b>Negotiated Quota</b>

<b>GLOBAL QUOTA</b>	<b>73,665</b>	<b>88,500</b>
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\* Letters of Introduction (LOI) are valid for up to 12 months and issued on an on-going basis throughout the year. Foreign youth are required to provide their LOI at a Canadian port of entry to receive their work permit, but may choose not to come to Canada and/or withdraw their application.

<sup>1</sup> Canada's quota for Australians is unlimited, as is Australia's quota for Canadians. The 9,000 quota figure above is used as an operational target for program planning purposes.

<sup>2</sup> The global quota total includes countries with a de facto suspension: Ukraine (200 spaces), suspension began in 2014, and Mexico (350 spaces) suspension began in 2015. The quota amount represents an estimated amount included for planning purposes and will be redistributed if needed.

the treaty texts upon the completion of negotiation.

<sup>3</sup> Your approval for these reciprocal quotas will be sought in separate memorandum, once confirmed.

# Annex 2 - IEC Quota Process (Season 2023)

Tasks	2022									2023											
	M	J	J	A	S	O	N	D		J	F	M	A	M	J	J	A	S	O	N	D
Development of Memo to Minister seeking approval of global quota and partner quotas																					
Approval of Memo by IRCC Minister																					
Negotiation of annual quotas with YMA partners via diplomatic note (treaty partners) and letter (MOUs)																					
IEC Season Start: youth develop profiles for selection to apply; pools open and begin filling up																					
Weekly invitation to apply draws for countries with confirmed quota																					
Mid-season reallocation for country partners with excess vs low demand; via diplomatic note (treaty partners) and letter (MOUs)																					
Season ends																					

 Pre-season

 In-season