
Appendices: Papers from Overseas contributors

A1 Skilled Immigration in Canada: Context, Patterns, and Outcomes

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A1.1 Introduction and context

Canada is identified both domestically and internationally with immigration. Along with only a handful of other countries, Canada has a long history of active programs encouraging immigration and facilitating settlement. In recent years, gross permanent immigration to Canada has hovered around 0.7 per cent of the national population annually, a very high ratio by international standards. Currently over five and a half million Canadians, out of a total population that is approaching 32 million, were born abroad. There are also, in round numbers, half a million temporary residents living in Canada at present. For obvious reasons, immigration is a perennial issue of political discussion in Canada, and is seen—in most parts of the country—as a core element of the Canadian national identity.

The Canadian media produces extensive coverage of issues related to immigration and there are two broad themes running through this public discourse. On the one hand, with a national Total Fertility Rate that has fallen to approximately 1.5, there is a sense that immigration is a decisive ingredient in demographic stability. In particular, immigration is routinely portrayed as essential in filling anticipated labour market shortages as the Baby Boom generation ages and begins to retire, and for the long-term maintenance of social programs, including the pension system and health care. Given the pervasiveness of these messages, it is perhaps not surprising that Canadians overwhelmingly see immigration in positive terms, especially when compared with the residents of other countries (Hiebert, 2003; IPSOS, 2004). The second theme runs counter to the first, and highlights the precarious economic circumstances of many recent immigrants. Typically, someone who is performing work far below their capability is interviewed to make this point forcefully, such as a cab driver with an engineering or medical background. Such an occurrence suggests an immigration system that is out of synch with the labour market, and that Canada is ignoring and therefore wasting the human capital of newcomers. Comparisons are drawn with the post-war period, up to the 1970s, when immigrants acquired jobs relatively quickly and gained upward economic mobility over time.

In this report I explore the general economic outcomes of Canadian immigration, concentrating on those who enter Canada as points-assessed Skilled Workers. I begin with a brief description of the points selection system in the broader context of Canadian immigration policy. After a summary of current immigration patterns, I examine the state of Canadian literature on the economic situation of immigrants,

which tends to support the view of declining fortunes. Following that, I analyze a special tabulation of longitudinal immigration data. Where possible, I compare the economic integration of Skilled Workers with those who arrive in Canada through other categories of the immigration system. Also, where possible, I compare the employment earnings of Skilled Workers, all immigrants, and the total Canadian population (including those born in Canada). I conclude by returning to the prevailing discourses in the Canadian public arena, of immigration as necessary vs. immigration as problematic, and point out that the situation is more complex than either of these polarized views would suggest.

A1.2 Canadian immigration policy

Jurisdiction over immigration is, arguably, more complex in Canada than in any other industrialized country. Constitutionally, jurisdiction is shared between the federal and provincial governments. For many years, the federal government assumed total responsibility for selection and admission while provinces played a large role in providing settlement services, especially health care and education. Following the Cullen-Couture Agreement of 1978, however, the province of Québec gained more responsibility, which was codified as an independent points system to assess Skilled Workers. Since then, prospective immigrants have the option of applying to Canada, or directly to Québec (differences in the assessment systems are clearly explained in official websites, and a summary is provided below). Québec also has the right to select certain other categories of immigrants as well, though all admissions are processed by the federal government (including Skilled Workers). In the 1990s the federal government began to sign agreements with other provinces. These have enabled Provincial Nominee Programs (PNPs), which are now in place for most provinces and territories (see Inset 1). As the title implies, employers or, in some cases, prospective immigrants can apply directly to provinces, which have set independent criteria for admission. In all cases, admission is processed by the federal government. Provinces, through PNPs, have been particularly interested in attracting Skilled Workers and Business Class immigrants. PNPs have also been used, often, to facilitate the permanent admission of individuals who are in Canada on a temporary visa (such as students who have completed programs in areas with high labour market demand, or temporary skilled workers). Under the federal system, in contrast, it is generally difficult to switch from temporary to permanent status while the individual is in Canada (though there are some exceptions). Note that landed immigrants, regardless of their means of entry, have full mobility rights in Canada. A newcomer who arrived through the Québec system or a PNP, therefore, does not have to settle in that province.

The recent attempt to encourage a more geographically dispersed pattern of immigrant settlement provides a good illustration of the complexities of jurisdiction in Canada. Québec, for example, has prioritized the admission of applicants who will settle outside metropolitan Montréal, and other provincial governments have incorporated various types of bonuses for non-metropolitan locations in their PNPs. Meanwhile, the federal government is independently adjusting visa policies for temporary residents and also certain practices for admission to permanent residence in order to disperse settlement.

Further, the federal immigration bureaucracy, while headquartered in Ottawa, has a set of regional offices across the country, which implement national policies and also engage with provincial governments. The programs of the two levels of government generally operate in similar directions, but there is always the potential that they will be out of synch or emphasize different goals.

The overall level of immigration to Canada is established by the federal government, after consulting with provinces and territories, and presented to Parliament each year as a set of targets for the short-term future. For most of the post-war period, targets have been shaped in accordance with the business cycle. This longstanding policy was abandoned in the mid-1980s in favour of a more consistent policy framework. Since then, targets have remained in the general vicinity of 200,000 - 250,000 immigrants per year, though actual landings fell substantially in the wake of the Asian economic crisis that began in the late 1990s. For the purposes of this report, it is critical to note that targets were maintained at this level even during the deep recession of the early 1990s, which represented a distinct departure from the previous half century of operational decisions. Also, note that the annual federal targets incorporate the plans of Québec and the PNPs of the other provincial governments.

Targets are set separately for each admission class (see Inset 2). Broadly speaking, Canada distinguishes between economic and humanitarian immigration. On the economic side, the major categories are Skilled Workers and Business Class Immigrants (smaller categories will not be discussed in this report). In each of these a single individual applies for admission but may be accompanied by a spouse and/or dependents. From the government's point of view, the spouses and dependents who accompany the Principal Applicant are recorded as economic immigrants, even though they have not been assessed under the points system themselves. The humanitarian side of Canadian immigration is composed of sponsored family members and refugees. It is worth noting that a spouse (or dependent) who accompanies a Principal Applicant to the Skilled Worker program at the time of landing or shortly thereafter is classified as an economic immigrant, while the same person, if sponsored by the PA at a later date, would be recorded as a family class immigrant and their admission would be seen as humanitarian rather than economic. In other words, there is inevitably some messiness in this apparently straightforward system of classification.

Principal Applicants to the economic class are assessed using the points system directly for Skilled Workers, and under a modified points system for Business immigrants. The points system is designed to ensure that immigrants will be able to make an economic contribution to Canada quickly. For the purposes of this report, it would be unwise to think of the points system as singular or static. As already noted, the province of Québec has the jurisdiction to set its own standards for points assessment. Also, the last thorough revision of admissions policy occurred in 2002, with the passage of IRPA. However, although applications began to be processed under the new rules that year, it took some time for individuals granted entry into Canada to formally land (the right to land in Canada must be exercised within one year). Therefore, most immigrants who landed in Canada in 2002 were admitted under the old system, and even in 2003 there would have been a mix of individuals who were granted the right to land under the old

and new systems. This finally would have changed in 2004, with landings that year fully reflecting the post-IRPA policy regime. Unfortunately, there are no data available yet for either the transition years of 2002 and 2003 or, obviously, 2004. Inevitably, then, this report can only speak to outcomes related to the pre-2002 policy situation. Given that data on outcomes provided in this report reflect pre-IRPA policy, the old points system, as well as the new one and the independent system used by Québec, are outlined in Inset 3.

The points system was fundamentally revised in light of IRPA. Prevailing wisdom suggests that it is difficult for governments to “micro-manage” the labour force required in this era of the “new”, or “knowledge-based”, economy. There is also a widespread belief that individuals can expect to have several careers over their working lives, and that they need to have core capabilities of literacy, numeracy, and so on. In other words, specific competence, in the long run, may be less important than general competence. The previous priority granted to specific occupations has, in the new points system, given way to the principle of attracting well-trained, flexible individuals to Canada, who have experience in the labour force - those who will be able to adapt to rapidly changing labour market circumstances. The current threshold of points for admission as a Skilled Worker is 67.

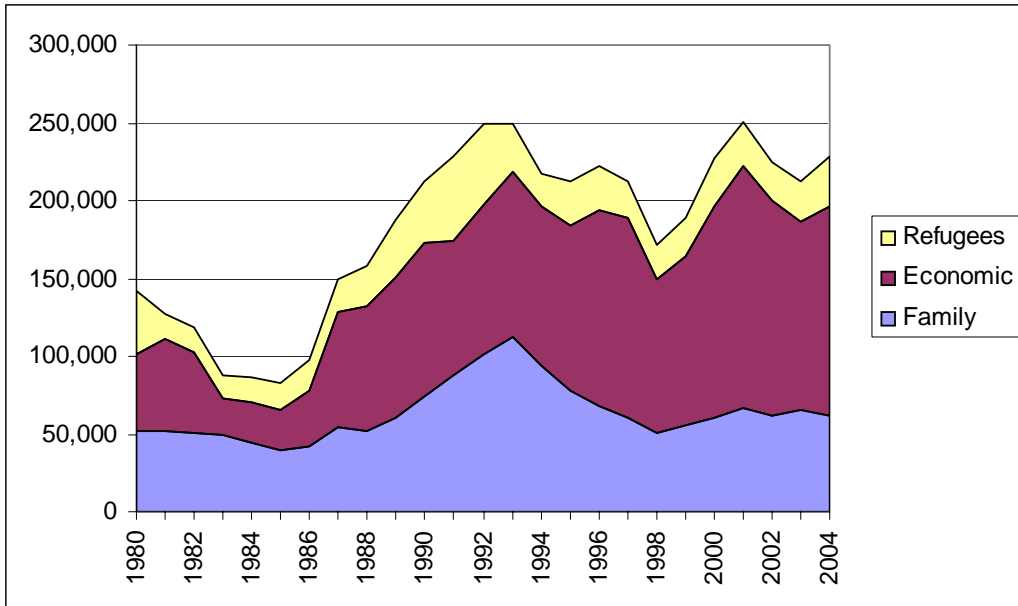
Briefly, there are three categories of Business immigrants. The Self-employed program is the most restrictive and pertains primarily to athletes, cultural performers and artists, and farmers. The Entrepreneur Class has been created to facilitate the admission of individuals intending to establish businesses in Canada. In simplified form, applicants must have owned and operated a successful business, have a minimum net worth of at least C\$300,000, and a credible plan for establishing a firm in Canada that will employ at least one person beyond the entrepreneur. Entrepreneur Class immigrants have three years to fulfill their obligation to establish a business, and must furnish proof of doing so to maintain their status as permanent residents. Investor Class applicants are required to have a higher net worth of C\$800,000 and make a minimum investment of C\$400,000, which is placed with the Receiver General of Canada. In addition to these requirements, all Business Class immigrants must achieve a minimum score of 35 on the points assessment test.

A1.3 Contemporary immigration patterns

When Canada resumed its active immigration program after WW2, it re-established the cultural bias of earlier eras, though with some modifications. The immigration bureaucracy maintained a list of “preferred” and “non-preferred” source countries, but the absolute exclusion of immigrants from many non-European countries was abolished. Within this regime, the vast majority of newcomers were from Europe or the United States. Critical changes in the 1960s led to the adoption of the points assessment system and the end of European preference. Over the next 20 years or so, the longstanding global pattern of migration to Canada was turned almost completely upside down. The combined proportion of immigrants admitted from Europe (including the UK) and the USA fell from 85 per cent in 1966, to 50 per cent in 1975, 30 per cent in 1985, 22 per cent in 1995, and was just over 21 per cent in 2004 (CIC, Facts and Figures, various years). In 2004, 47 per cent of immigrants landing in Canada came from the Asia-Pacific region, 22 per cent from Africa and the Middle East, and 9 per cent from Latin America (CIC, 2005b). I will revisit this point later, but the fact that nearly four-fifths of recent immigrants have arrived from “non-traditional” source countries is fundamental in understanding settlement outcomes.

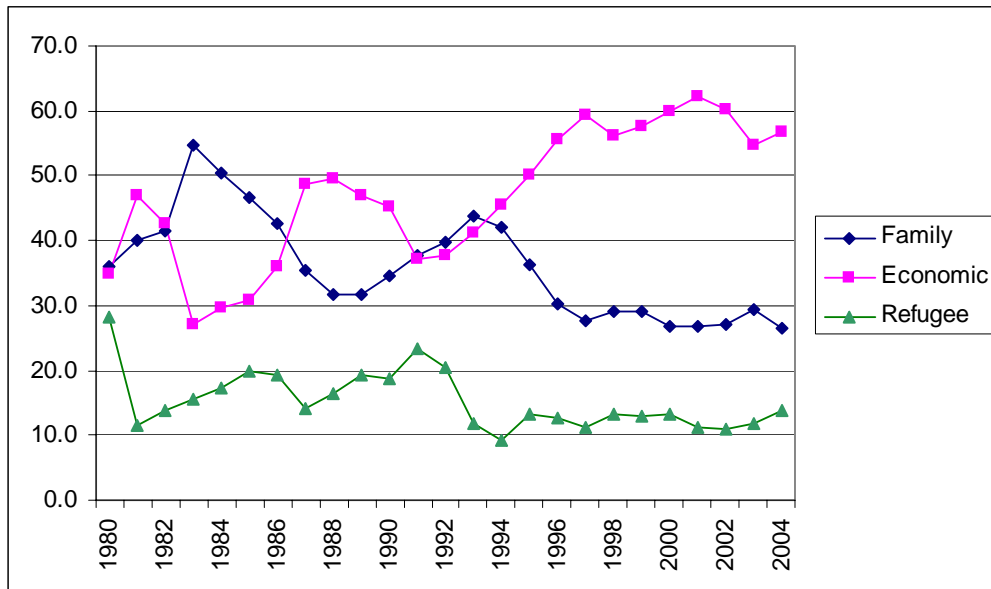
In terms of the size of Canada’s immigration program, as noted, for most of the period since WW2 admissions policy has reflected economic trends. This was certainly the case in the recession of the early 1980s, when numbers were cut significantly, with the low point just under 85,000 reached in 1985. The ratio of Economic Class immigrants was quite low at this time, in part because of a policy introduced in 1982 that required applicants to have a formal job offer in Canada (CIC, 1998). At this time the federal government (the Progressive Conservative Party was in power) decided to increase admissions and to maintain them at a much higher level regardless of economic circumstances. This decision was accompanied by a greater emphasis on economic immigration, as it was thought that a higher ratio of Skilled Workers and Business Class immigrants would provide an economic stimulus (Green and Green, 1999; Hiebert, 2006; Li 2003a; Figures A.3.1 and A.3.2). The requirement for a job offer was lifted in 1986. A much higher number of Economic Class applicants were admitted over the next few years, with the ratio of this group rising from 30 to 50 per cent of all immigrants between 1985 and 1988. Thereafter, the number of Economic Class immigrants hovered in the 90,000 per year range until 1993. Meanwhile, the number of Family Class admissions rose substantially over the same period, in fact overtaking the Economic Class in 1991-1993. The declining relative significance of economic immigration led to a reconsideration of priorities at that time, and a decision was made to revise the targeted mix of economic/humanitarian immigration to a ratio of 60/40 (this was done under a Liberal government). The new balance was reached by 1997 and has been more or less maintained since that time. Also, the points system was revised to place a higher premium on tertiary education (CIC, 1998).

Figure A1.1: Landed Immigrants, by Class, 1980-2004



Source: CIC, 2005b

Figure A1.2: Landed Immigrants, by Class (%), 1980-2004



Source: CIC, 2005b

Table A1.1: Permanent Residents Landed in Canada, by Class, 1995-2004

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Total	212,869	226,073	216,038	174,200	189,966	227,465	250,638	229,040	221,355	235,824
Economic immigrants	106,635	125,370	128,351	97,913	109,261	136,299	155,719	137,860	121,050	133,746
Skilled workers - Principal applicants	34,553	42,151	44,969	35,958	41,548	52,126	58,907	52,970	45,378	47,889
Skilled workers - Spouses and dependants	47,182	55,764	60,679	45,310	50,957	66,473	78,324	69,757	59,850	65,553
Entrepreneurs - Principal applicants	2,991	3,208	2,805	1,770	1,668	1,658	1,609	1,177	782	671
Entrepreneurs - Spouses and dependants	8,438	8,703	7,599	4,848	4,486	4,529	4,482	3,302	2,199	1,806
Self-employed - Principal applicants	952	1,392	1,258	823	833	795	707	636	445	366
Self-employed - Spouses and dependants	1,902	2,984	2,669	1,802	1,766	1,732	1,451	1,271	979	824
Investors - Principal applicants	1,338	1,607	1,522	1,225	1,138	1,390	1,767	1,234	972	1,671
Investors - Spouses and dependants	3,822	4,569	4,073	3,309	3,127	3,561	4,572	3,401	2,723	4,426
Provincial/territorial nominees (inc Sp&dep)	0	233	47	0	477	1,252	1,275	2,127	4,418	6,248
Live-in caregivers - Principal applicants	3,905	2,924	1,831	1,976	1,959	1,760	1,874	1,521	2,230	2,496
Live-in caregivers - Spouses and dependants	1,552	1,835	899	892	1,302	1,023	751	464	1,074	1,796
Family class	77,386	68,359	59,979	50,898	55,277	60,614	66,794	62,299	65,124	62,246
Spouses and partners	30,914	32,099	30,136	28,323	32,831	35,295	37,762	32,767	38,747	43,985
Fiancé(e)s	4,629	3,906	3,077	1,918	1,734	1,521	1,640	1,453	936	213
Sons and daughters	6,402	5,455	4,556	4,013	3,986	3,951	3,933	3,646	3,619	3,037
Parents and grandparents	33,137	24,625	20,220	14,202	14,487	17,769	21,340	22,228	19,384	12,732
Others	2,304	2,274	1,990	2,442	2,239	2,078	2,119	2,205	2,438	2,279
Refugees	28,087	28,478	24,308	22,842	24,397	30,092	27,919	25,120	25,984	32,686
Government-assisted refugees	8,201	7,869	7,711	7,432	7,444	10,671	8,697	7,505	7,505	7,411
Privately sponsored refugees	3,546	3,189	2,742	2,267	2,348	2,933	3,576	3,047	3,253	3,116
Refugees landed in Canada	12,811	13,462	10,634	10,181	11,796	12,993	11,897	10,547	11,267	15,901
Refugee dependants (landed in Can)	3,529	3,958	3,221	2,962	2,809	3,495	3,749	4,021	3,959	6,258
Other	761	3,865	3,400	2,547	1,031	460	205	3,761	9,196	7,146

Source: CIC, 2005b

Table A1.2: Permanent Residents Landed in Canada, Selected Classes, 1995-2004

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Total number	212,869	226,073	216,038	174,200	189,966	227,465	250,638	229,040	221,355	235,824
Economic immigrants	106,635	125,370	128,351	97,913	109,261	136,299	155,719	137,860	121,050	133,746
Skilled workers - Principal applicants	34,553	42,151	44,969	35,958	41,548	52,126	58,907	52,970	45,378	47,889
Business Classes - Principal applicants	5,281	6,207	5,585	3,818	3,639	3,843	4,083	3,047	2,199	2,708
Skilled workers - Spouses and dependants	47,182	55,764	60,679	45,310	50,957	66,473	78,324	69,757	59,850	65,553
Business Classes - Spouses and dependants	14,162	16,256	14,341	9,959	9,379	9,822	10,505	7,974	5,901	7,056
Provincial/territorial nominees (inc Sp&dep)	0	233	47	0	477	1,252	1,275	2,127	4,418	6,248
Family Class	77,386	68,359	59,979	50,898	55,277	60,614	66,794	62,299	65,124	62,246
Refugees	28,087	28,478	24,308	22,842	24,397	30,092	27,919	25,120	25,984	32,686
Other	761	3,865	3,400	2,547	1,031	460	205	3,761	9,196	7,146
Percentages										
Economic immigrants	50.1	55.5	59.4	56.2	57.5	59.9	62.1	60.2	54.7	56.7
Skilled workers - Principal applicants	16.2	18.6	20.8	20.6	21.9	22.9	23.5	23.1	20.5	20.3
Business Classes - Principal applicants	2.5	2.7	2.6	2.2	1.9	1.7	1.6	1.3	1.0	1.1
Skilled workers - Spouses and dependants	22.2	24.7	28.1	26.0	26.8	29.2	31.2	30.5	27.0	27.8
Business Classes - Spouses and dependants	6.7	7.2	6.6	5.7	4.9	4.3	4.2	3.5	2.7	3.0
Provincial/territorial nominees (inc Sp&dep)	0.0	0.1	0.0	0.0	0.3	0.6	0.5	0.9	2.0	2.6
Family Class	36.4	30.2	27.8	29.2	29.1	26.6	26.6	27.2	29.4	26.4
Refugees	13.2	12.6	11.3	13.1	12.8	13.2	11.1	11.0	11.7	13.9
Other	0.4	1.7	1.6	1.5	0.5	0.2	0.1	1.6	4.2	3.0

Source: CIC, 2005b

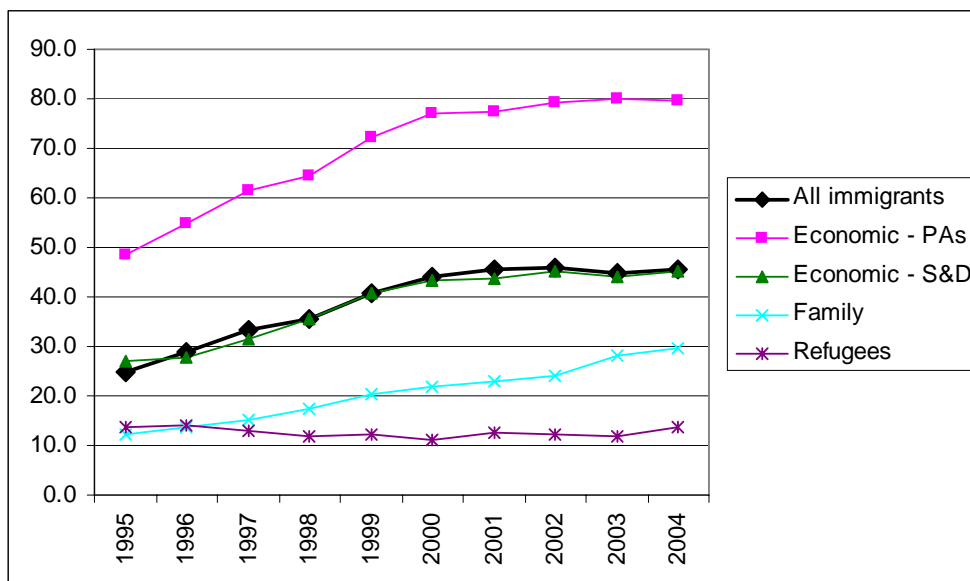
Of course, the Economic Class is itself a mixture of Principal Applicants and Spouses and Dependents. The detailed composition of the Economic Class over the past 10 years is provided in Table A1.1, and the significance of Principal Applicants relative to the entire immigration system is provided in Table A1.2. Over the 10 year period, with 2.18 million admitted, the combined percentage of Skilled Worker (20.9) and Business Class (1.9) immigrants, who were assessed according to the points system—either directly or in modified form—was 22.8. In other words, for every points-assessed immigrant landing in Canada, there are more than three who do not go through this rigorous level of screening.

Even so, immigrants admitted to Canada, in general, arrive with considerable human capital. Given the profile of source regions of Canadian immigrants seen earlier, it should come as no surprise that only 9.3 and 2.9 per cent of immigrants landing in Canada in 2004 declared English and French, respectively, as their mother tongue. Despite these varied origins, though, a high proportion of immigrants are able to communicate in one of the two official languages of Canada. In recent years, around 60 per cent of all immigrants (63 per cent in 2004) are considered to have official language facility. Note that applicants assessed within the points system are required either to take a language test administered by a third party or to supply documentation of any English or French training they have taken. This figure is therefore much higher for those admitted as Principal Applicants in the Economic Class, 82.4 per cent in 2004, and lower for other categories: 49.4 per cent for the spouses and dependents of these PAs, 60.6 per cent for sponsored family members, and 61.0 per cent for refugees (the latter ratio was somewhat higher in 2004 than in other recent years, where it has hovered around 55 per cent; all figures are from CIC, 2005b). Apart from English and French, the top five language groups in 2004—in terms of mother tongue—were: Mandarin (13.3 per cent); Arabic (8.1); Spanish (6.1); Punjabi (5.6); and Tagalog (5.3).⁴²

The educational attainment of Canadian immigrants is quite impressive (Figure A1.3). Over the 1995-2004 period, 1.69 million immigrants 15 year or older were admitted to Canada. At the highest level of generalization, 45 per cent held a high school diploma or less, 16 per cent had received some level of tertiary training, and 40 per cent held a completed university degree (CIC, 2005b). Put another way, immigration contributed, in gross terms, nearly 370,000 university graduates to Canadian society over these years. To put this into perspective, 166,000 individuals received a Bachelor or higher degree at all of the Canadian universities, combined, in the year 2000 (Allen and Vaillancourt, 2004), while, in the same year, immigration added another 77,500 university graduates to the Canadian population. The significance of immigration is even higher at the top end of tertiary education. The number of immigrants admitted in 2000 with a completed PhD, 3,200, almost matched the number produced in Canada, 4,200. As would be expected, the level of education attainment of Principal Applicants to the Economic Class is much higher than that of immigrants arriving through other programs.

⁴² While applicants must provide proof of language competence, the figures given here are derived from landing forms rather than applications. They are based on self-reported knowledge of language.

Figure A1.3: Landed Immigrants with Completed University Degree (%), by Class, 1995-2004



Source: CIC, 2005b

The human capital of immigrants admitted to Canada is perhaps most evident in their occupational skill level, which is classified into five broad categories by Statistics Canada. For those immigrants who were at least 15 years old and who had labour market experience before moving to Canada, 9.4 per cent had managerial experience, 58.1 per cent were professionals, 21.3 per cent were considered to have intermediate or clerical skill levels, and only 1 per cent were seen as having elemental skills. Among Skilled Worker Principal Applicants, the ratio of professionals was even higher, at 68.6 per cent (figures are calculated from CIC, 2005b).

All of the statistics reported in this section are national in scope and therefore include those immigrants who were selected through the Québec system or within a Provincial Nomination Program of another province. Fine-grained information on PNP admissions is not yet widely available, and would have to be assembled from disparate sources, but the immigration ministry of Québec provides useful summary statistics on immigrants landing there. In 2003 Québec received just under 40,000 immigrants (the planned provincial target was between 40,000 and 43,700). Of these, 60 per cent were admitted in the economic class (11,600 were Principal Applicants and there were 12,200 spouses or dependants). On the humanitarian side, 24 per cent were sponsored family members and 16 per cent were refugees. Approximately 26,500 of these immigrants were approved by the province of Québec according to its selection system, which accounted for 12 per cent of all the immigrants admitted to Canada that year. The government of Québec is particularly interested in three aspects of immigration: ensuring that immigration contributes to the French language of the province; dispersed settlement outside metropolitan Montréal; and the retention of immigrants who settle

in the province. Success in these areas was mixed. In keeping with the recent past, in 2003 half of the immigrants landing in the province had facility in French (at the target level set by the government). Some 83 per cent of the immigrants who had arrived in the province in 2002 were still living there in January 2004 (also meeting the target). However, the 4,600 who settled outside Montréal did not come close to meeting the target of 8,500 for that year (all figures in this paragraph are drawn from MRCI, 2004).

Although this report is dedicated to examining the policies and outcomes of permanent immigration, it is worth pausing for a moment to consider the increasingly important role of temporary migration in Canada. In 2004, nearly 250,000 individuals were granted temporary visas by the Canadian government, and the total stock of this population in the country was around 410,000. The three largest categories of temporary visas in 2004 were: foreign workers (99,700); foreign students (56,600); and refugee/humanitarian (47,000). Considerably more than half of the foreign workers (61 per cent) were male, and the vast majority were categorized as initial entries to Canada (87 per cent) rather than seasonal re-entries. The top five countries of origin of these workers were: The USA (17.2 per cent); Mexico (12.5); the UK (8.1); Australia (7.9) and France (7.1). Significantly, Canada draws its temporary workers from a different set of international networks than its permanent immigrants. The major factors at work in attracting this particular set of temporary workers to Canada appear to be proximity and language. Temporary workers with a widely varied set of skills are admitted. Broadly speaking, 4 per cent were classified as qualified for managerial positions, 22 per cent as professionals, 12 per cent as skilled and technical workers, 32 per cent as having intermediate or clerical skills, and 1 per cent as unskilled (with 30 per cent unclassified). Note, also, that of the 18,300 individuals in 2004 who were granted leave to remain in Canada while making an asylum claim, just over half received a work authorization. In fact, of the 99,300 refugee claimants residing in Canada, at various stages of the determination process, 85,600 have a work authorization. I am only aware of one available systematic study on the labour market activities of refugee claimants prior to the outcome of their determination process. According to Schellenberg (2001), when they first arrive refugee claimants rely on social assistance for the bulk of their income, but turn increasingly to employment earnings over time. Therefore, the stock of claimants at any given time in Canada represents a substantial potential workforce.

A1.4 The economic fortunes of immigrants in Canada

For all the popular discussion related to the demographic situation in Canada, and the frequent links drawn by media commentators between immigration and demographic stability, the academic literature on the impact of immigration on Canada's population is rather thin. There is probably a good reason for this relative absence. Demographers in Canada, as elsewhere (e.g., Australia; see McDonald, 2002), have concluded that the story is quite simple: immigration would have to be very large to have a significant impact on the age structure of the Canadian population (e.g., Beaujot, 2003). Given persistent low fertility, the current rate of immigration is insufficient to maintain the current age structure of the population and even, in the long run, its size. In the short

and medium terms, however, immigration will contribute an increasing share of population growth. In fact, by around 2020, immigration will account for all of the net growth of the Canadian population and labour force. This will mean, inevitably, that immigrants and members of visible minority groups will account for an increasing share of the Canadian population. A recent report published by Statistics Canada provides several possible scenarios of population growth from the base of 5.66 million immigrants and 4.04 million visible minority persons recorded in the 2001 census (Bélanger and Malenfant, 2005). The particular scenario that I found most realistic forecasts that by 2017 (Canada's 150th year as a nation state) these numbers will rise to 7.68 and 7.12 million, respectively.

In contrast to the modest literature on demography, there are a substantial number of studies on the economic fortunes of immigrants and visible minorities in Canada. The theme of much of this research is that immigrants are experiencing more difficulty finding well-paid work now than was the case in the 1970s. The first studies to identify this issue emerged out of figures reported in the 1986 census, especially after researchers were able to access the public use microdata and conduct econometric analyses. They found that, when a variety of relevant factors are taken into account, the returns to human capital for immigrants had fallen relative to the Canadian-born population (e.g., the edited collection by DeVoretz, 1995). These concerns deepened after the release of the 1991 and 1996 census results (Kazemipur and Halli, 1999; Smith and Jackson, 2002), but were tempered by the fact that both of these surveys coincided with weak economic conditions. The 2001 census was highly anticipated, since it was conducted at a more favourable moment from an economic viewpoint. However, the broad picture that emerged from the 2001 census is that the circumstances of immigrants did not deteriorate much further, but did not appreciably improve either (Frenette and Morissette, 2003; Chui and Zeitsma, 2003).

The most widely publicised statistic, so far, has been the fact that degree of poverty among recent immigrants increased markedly between the 1981 and 2001 censuses. Immigrants who arrived in the five years preceding the 1981 census had a poverty rate⁴³ of 24.6 per cent, which was 1.44 times that of the Canadian-born population. The equivalent figure for the 1991 census (1986-1991 arrivals) was 31.3 per cent, and it was 35.8 per cent in 2001, or 2.29 times the rate for the Canadian-born (Picot and Hou, 2003).⁴⁴ Significantly, a larger proportion of the immigrants experiencing economic marginalization in 2001 were congregated in neighbourhoods that share other aspects of deprivation than was the case in 1991 (Ley and Smith, 2000; Smith, 2004).

The narrative of declining fortunes for recent immigrants has been almost universally accepted in Canadian scholarship (I will discuss exceptions below). Researchers have

⁴³ Actually, the statistic in question is not a direct measure of poverty. Statistics Canada has defined a "low income cut-off" that roughly approximates a measure of relative poverty. The important point is that the definition of this statistic was constant over the period in question.

⁴⁴ It is worth noting that the poverty rate of the Canadian-born declined in this 20 year period. While the economic situation of new immigrants had deteriorated, it appears that immigration did not have a negative impact on the economic situation of the Canadian-born. As these were years of high immigration, it is conceivable that immigration was partly responsible for the improved fortunes of non-immigrants (Hiebert, 2006).

devoted considerable energy to investigating the causes of this decline. Clearly, much of this discussion bears directly on policies of selection and settlement. Four broad frameworks of analysis have emerged, though the first three are particularly prominent.

The first perspective on this issue focuses on the human capital of immigrants, and there are two general approaches. One set of researchers emphasizes the fact that a relatively small proportion of immigrants admitted to Canada is actually assessed through the points system, as noted earlier, and that this ratio fell in the 1980s. It is assumed that those who are admitted outside the points system are, typically, not well prepared for the Canadian labour market (Coulson and DeVoretz, 1993; Bloom et al., 1995). This problem was exacerbated, the logic goes, by the decision to maintain a relatively high level of immigration during the recession of the early 1990s. A large number of immigrants entered Canada at a time of relatively high unemployment and, in common with Canadian youth seeking their first job, had great difficulty securing work (Aydemir, 2005). The policy implications that follow from this view are to raise the ratio of assessed immigrants (which has been done, to a degree) and to restore the link between immigration levels and the business cycle (which has not been done).

A variant of the human capital approach adds a crucial insight. Actually, immigrants in general—including all classes—are more educated than the Canadian-born population. However, while this gap was substantial in the 1970s, it has narrowed over time. There was a major expansion of the Canadian tertiary education system that began in the 1960s and, since then, the level of educational attainment in Canada has grown steadily (Hiebert, 2004; Reitz, 2001a; Reitz, 2001b). In 1981, 9.8 per cent of the Canadian population 15 years old or more had completed a university degree, diploma or certificate, and the corresponding figure for those aged 25-29 was 15.6 per cent. In 2001, the overall proportion had grown to 17.9 per cent, and it was 28.0 per cent for the 25-29 age group (Statistics Canada, Table 97F0017XCB2001002). Immigrants arriving now, therefore, encounter a different degree of labour market competition than their predecessors. While their absolute level of human capital has been increasing, their relative educational advantage in the labour force has declined.

While the first explanation for declining fortunes concentrates on the extent to which immigrants are prepared to enter the Canadian labour market, the second emphasises the readiness of the labour market to accommodate immigrants. Analysts exploring this framework highlight the fact that Canada's immigration system has been transformed, from admitting mainly Europeans and Americans, to people from other parts of the world. In the new era, the vast majority of immigrants are visible minorities. There are, again, two approaches within this general perspective. One is quantitative and uses statistical techniques to compare the participation rate, earnings, self-employment rate, and self-employment earnings of similarly qualified immigrants and Canadian-born individuals (or of people of European descent vs. visible minorities), with controls in place for gender, age, industrial sector, and other relevant factors (Li, 2000a; Li, 2000b; Pendakur and Pendakur, 1998; Pendakur and Pendakur, 2004). Gaps in earnings, once the effects of mitigating variables have been neutralized, are interpreted as evidence of discrimination against immigrants, or visible minorities, or both. The following passage from one of the key papers in this genre provides a sense of both the

logic embedded in this research as well as the magnitude of the earnings penalty associated with immigrant and minority groups:

Conditional on observable individual characteristics, Canadian-born visible-minority and Aboriginal men earn much less than Canadian-born white men, facing earnings differentials of 8.2 per cent and 12.5 per cent, respectively. Further, immigrant visible minority men face an earnings gap of 15.8 per cent. In contrast to what we see for men, Canadian-born visible-minority women do not appear to suffer an earnings penalty in comparison with Canadian-born white women. Aboriginal women and immigrant visible-minority women, however, in comparison with Canadian-born white women, face earnings gaps of 6.8 per cent and 9.1 per cent, respectively. (Pendakur and Pendakur, 1998: p. 543)

Researchers operating within the discrimination framework have also tried, in largely non-quantitative ways, to identify the specific practices in the labour market that penalize immigrants and minorities. The most widely discussed of these is related to the disjuncture in Canada between the institutions that regulate immigration and the labour market. These are, for all intents and purposes, separate and independent institutions. While governments have regulatory authority over immigration, a variety of professional associations or bodies have jurisdiction over professional credentials (Basran and Zong, 1998; Li, 2001a; Reitz, 2001b; Reitz, 2003; Reitz, 2004). A familiar sequence of events can therefore occur. A prospective applicant, for example, can read the CIC website and learn that he or she would receive 22 points for “A three-year diploma, trade certificate or apprenticeship and at least 15 years of full-time or full-time equivalent study”. Proof of the diploma would be required during the assessment process. However, after landing in Canada, the relevant professional association might not recognize the diploma or allow the person to practice in the particular field. Reitz (2003) argues that there are particularly high stakes involved in this process. When professional credentials are not acknowledged, the individual typically is not able to settle for work one or two steps “below” the appropriate position. For example, a neurosurgeon with rejected credentials will not be able to become a general practitioner or a nurse, since these positions require a different set of credentials. In other words, there are often no intermediate steps between the either/or situation of credential recognition.

To be fair, CIC is very open about this issue and includes an unequivocal statement on its website, and in pamphlets, that it cannot guarantee that applicants’ credentials will be recognized in the labour market. Also, the post-IRPA points system is much less focused on particular credentials than the system used to be. And, moreover, there are a number of plans both nationally and provincially to improve credentialization. But the fact that the very credentials that enable admission might mean nothing after an immigrant arrives in Canada causes, in many cases, great disappointment.

The problem of credential recognition is compounded by a related issue: employers are reluctant to hire prospective workers who do not yet have Canadian experience (Bauder and Cameron, 2002). Experience gained prior to immigration to Canada, especially in

countries outside the USA or Europe, is heavily discounted by Canadian employers (Aydemir and Skuterud, 2004).

Researchers and other analysts differ profoundly in the ways they interpret the twin problems of credentialization and the Catch-22 requirement for Canadian experience before obtaining a job. Some see these as symptomatic of underlying racism—i.e., organizations and employers construct reasons to disenfranchise visible minorities and newcomers from work that would be appropriate for their skills. Others believe that these problems stem from the self-regulation of the labour market—i.e., institutions like professional associations, and employers, place a premium on credentials obtained in English/French countries, and on prior experience of the Canadian labour market for rational, instrumental reasons: workers with these background characteristics are more productive. In essence, the latter interpretation is a variant of the human capital perspective.

Although it has proven extremely difficult to verify and measure the extent of labour market discrimination in Canada, many are convinced that it is extensive, and use the statistical studies noted earlier to bolster their claims. From this perspective, the appropriate policy response is not so much directed at immigrant selection, but at the interventions that would ensure a labour market that would be more welcoming to immigrants and minorities. The recently announced national *Action Plan Against Racism*—which anticipates coordinated effort between the ministries of justice, heritage/ multiculturalism, immigration, and human resources—is a step in this direction.

The **third** major framework of analysis for immigrants' contemporary problems highlights the fundamental economic changes of the last few decades. Immigrants who arrived in the 1960s and '70s encountered a high demand for labour generally, but especially for three types of jobs: professionals and managers at the high end of the emerging service economy; blue-collar jobs in construction, manufacturing, and resource extraction; and poorly-paid jobs mainly in low-order services. Canada, at that time, with a limited system of tertiary education, had poor a poor capacity to train professional and managerial workers domestically. Skilled workers arriving through the new points system were well suited to take up jobs in universities, medicine, engineering, etc (Pendakur, 2000). Those without these high-level skills found flourishing resource, manufacturing, and construction industries that had, mainly, unionized workforces and decent remuneration (at least for men). Moreover, ethnic concentrations emerged in these sectors, and new immigrants were often hired without knowing an official language. True, immigrants also gravitated to low-level service jobs in the 1960s and '70s, but the availability of well-paid blue-collar jobs was central to their economic wellbeing.

But the nature of labour market demand has changed as we have moved towards a knowledge-based economy. Educational expectations have been raised, credentials are more important, and above all, jobs that are associated with communication demand complete fluency (Preston and Giles, 1997; Boyd, 1999). Employers also favour only a small range of accents, those that are considered to instil confidence in the listener

(Scassa, 1994; Creese and Kambere, 2003). Meanwhile, the demand for low-level service jobs has grown, in restaurants, personal services, retail, the hotel industry, cleaning services, health care, and so on. With the credentialization issue impeding entry into the professions and other attractive jobs, and an eroding base of well-paid blue-collar jobs, immigrants have become more concentrated into low-level service jobs. In fact, they have become the key entrepreneurial forces in many service industries, leading to ethnic niche economies and, in many cases, hyper-competition, low profits, and low wages (Hiebert and Pendakur, 2003; Hiebert, 1999; Hiebert, 2004).

A **fourth** framework of analysis is embryonic in the Canadian literature. It is possible that the changing nature of the welfare state is a contributing factor in the declining economic situation of immigrants (e.g., see Reitz, 1998; Reitz, 2001b). Certainly government expenditures in general in Canada have fallen relative to GDP, and the scope and/or generosity of a number of social programs has been reduced. Social welfare rates, for example, have not kept pace with the rising cost of housing and, in real terms, are lower now than they were 20 or 30 years ago. Immigrants, particularly those who arrived as refugees, would likely feel the impact of these changes, whether directly or indirectly (Hiebert, 2006). It is especially hard to know whether the general fiscal retrenchment of government has impacted settlement services for immigrants. Given the jurisdictional complexity of these services, and lack of data, it is difficult to track the availability and utilization of language training, orientation programmes, post-trauma counselling, etc. Were these services better in the 1970s? Without a base of research on this issue, we don't know. It is interesting to note, though, that the breadth and depth of these services varies between provinces and even municipalities within provinces.

Policy analysts and other researchers have begun to document one aspect of the relationship between immigration and the welfare state: the use of social assistance and, more generally, the impact of immigration on the macro-economic balance of government revenues and expenditures. Again, this is an intricate and inexact exercise. As in other countries, the Canadian tax system is far-reaching and complex; so too are government expenditures. A major study of tax data suggests that immigrants are more likely to rely upon social assistance (welfare) than their Canadian-born counterparts in the first 15 years after landing (CIC, 1998). As might be expected, those who were admitted to Canada as Skilled Workers depended much less on social assistance than family immigrants and refugees. A study that examines a wider range of social services—based on intricate family income and expenditure data—reveals a different picture, however. Based on the 1989 to 1997 period, and given several constraints in the data, Canadian-born “heads of households” contributed, on average, C\$87,300 more in taxes than they received, over their lifetime. The figure for foreign-born “heads of households” was lower, but not exceptionally so, at C\$73,440 (DeVoretz and Pivnenko, 2004: Table 3). Moreover, the difference was not the result of a greater reliance upon social services by immigrants, but due to their lower incomes and therefore lower contributions in the form of taxes.

Summarizing this section, there is widespread agreement—by researchers and government analysts alike—that the economic integration process occurred rapidly for

the cohorts of immigrants who arrived in the 1960s and '70s, and that the situation has deteriorated since then. The poverty rate for immigrants arriving in the 1990s is especially worrying. However, there is no consensus on the cause of this downturn in aggregate fortunes. The three most prominent explanations centre on the human capital of immigrants (relative to the Canadian-born population), institutional practices in the labour market, and the impacts of economic restructuring. A small number of researchers have also begun to explore the relationship between the configuration of the welfare state and the economic integration of immigrants. For the purposes of this report, it is probably most expedient to conclude that all of these factors have been involved but that it is not possible to credibly assign relative weights to each.

A1.5 New data resources: towards a more nuanced perspective on immigrant fortunes

Data resources

With two exceptions, all of the studies discussed so far have used the census as their empirical base. The Canadian census is taken on a 5-year cycle and includes an extensive set of variables for a 20 per cent sample of the population. Place of birth and year of official landing are both included, so immigrants are clearly identifiable in the census. Of course a wide range of other variables are included, such as language competence, education, employment, age, gender, family structure, and income from various sources, so researchers can study many facets of the immigrant experience. While the census is the most comprehensive source of information, a vital ingredient is missing for research on integration: respondents are not asked their class of admission into Canada. Therefore the census is an excellent resource for understanding the macro impact of immigration in Canada but is not well tuned for tracking the impact of selection policies.

There are other information resources available in Canada, notably administrative databases generated by government departments. The Landed Immigrant Data System (LIDS) is a compilation of landing records from 1980 to the present (with a time lag of approximately 3 years before the data are available to researchers in the form of a compiled file of records). LIDS provides detailed information about the background of immigrants at the moment when they officially arrive, including class of entry. However, there is no information in this database about individuals after they arrive.

Citizenship and Immigration, together with Statistics Canada, manage two other data bases that are derived from LIDS which are arguably the most relevant resources for the study of integration. The Longitudinal Immigration Database (IMDB) links the landing information stored in LIDS with the subsequent tax records filed by immigrants after their arrival. While the scope of the IMDB is definitely not as comprehensive as the census, it does include detailed information on class of entry, demographic characteristics, income (from various sources), and geographical location, and is therefore highly applicable to the evaluation of policy decisions, especially those that

are class-specific. The other significant limitation of the IMDB is that all of the information within it about the human capital of individuals (education, language ability, work experience) is derived from their landing form; there is no way of knowing whether immigrants have added to their human capital after landing. Also, a recent decision by Statistics Canada has limited the length of time data can be collected on an individual in the IMDB to 16 years.

The Longitudinal Administrative Databank (LAD) is a 20 per cent sample of all individuals who submit tax statements in Canada. Unlike the IMDB, it also includes information about families as well as individuals. Perhaps the most attractive aspect of the LAD, though, is the fact that it enables comparison between immigrants (but with the same limitations as the IMDB) and the Canadian-born. However, while this resource holds much promise, it has only recently been introduced and there is no available body of research derived from it yet.

Finally, there have been two longitudinal surveys of immigrants in Canada. The first took place nearly 30 years ago and results from it are now too dated to be of much relevance (Justus and MacDonald, 2003). It is worth noting, though, that the 1970s study was instrumental in supporting the concept of "income assimilation", whereby immigrants gradually gain (and then surpass) the same level of income as the Canadian-born. More recently, and with the Australian example in mind, the Canadian government launched the Longitudinal Survey of Immigrants to Canada (LSIC), which will be a single-panel sample of the cohort of immigrants that landed in Canada between October 2000 and September 2001. The 12,000 or so included in the sample have been interviewed 6 months and 24 months after their arrival, and will be interviewed again 4 years after their arrival and, possibly, at a later time as well. So far, only the results of the first wave, 6 months after arrival, have been released, with the second wave results anticipated in mid-October, 2005. The LSIC will be an ideal resource for research on integration, but the base of results from just the first wave is insufficient for a thorough study at this time. Also, unlike the IMDB and LAD, LSIC has quite a small sample size, which limits statistical study.

All of these data sources share a common problem that is particularly relevant for this report: there is a mismatch between the availability of data and the most recent shift in Canadian admissions policies with respect to skilled labour, which occurred in 2002.

In the remainder of this section, I will summarize the most relevant findings from the first wave of LSIC and the research that has been conducted using the IMDB. As we will see, the latter work particularly suggests some important modifications to the widespread view of declining fortunes discussed in the previous section.

LSIC

Data from the first release of LSIC has only recently been made available and there are a number of academic studies in progress but, to my knowledge, nothing published thus far. For this report, I rely upon information presented in a preliminary statement by Statistics Canada outlining the findings of LSIC (Chui, 2003), and the newly-published benchmark summary of results (Statistics Canada, 2005). Note that preliminary results have already been incorporated into a comparative analysis of the Australian and Canadian longitudinal surveys (Richardson and Lester, 2004). All of the material that follows in this section refers to the situation of immigrants who were at least 15 years old, approximately 6 months after landing in Canada.

A high ratio of new immigrants stated their intention to find work in Canada: 85 per cent for all adult newcomers, and 94 per cent for those between the ages of 25 and 44. By the end of their first half year, 70 per cent of the survey respondents were in the labour force: 44 per cent had found a job (79 per cent of these were full time), while 26 per cent were looking for work. Thirty per cent had not attempted to enter the labour force. While the 70 per cent labour market participation rate compares favourably with the population average, of course the 26 per cent unemployment rate for these newcomers was very high, more than 3 times that of the total Canadian population. As might be expected, the participation rate was higher for young immigrants and, especially, for those who were admitted as Principal Applicants to the Skilled Worker class. Of the latter group, 60 per cent had a job at the time of the survey while another 34 per cent were looking for work (Statistics Canada, 2005). At the other end of the spectrum, those who landed as refugees had a participation rate of 44 per cent, with 21 per cent having obtained employment and the remainder looking for work. Aside from landing class, facility in an official language was a key determinant of early success in the labour market: 48 per cent of those with these language skills had found work, compared with 28 per cent who could not carry a conversation in English or French. So, too, was education—50 per cent of those with a university education had found work, as opposed to 40 per cent for those with a high school diploma, and only 24 per cent for those without high school (Chiu, 2003). Finally, there was much variation in employment patterns related to country of origin. Immigrants from the USA, Oceania, and the Philippines all had unemployment rates around 16 per cent. Those from European and Latin American countries were in the middle, at around 30 per cent. The highest rates of unemployment were associated with immigrants from Africa (53 per cent on average) and from Iran, South Korea and Morocco (all above 50 per cent) (Statistics Canada, 2005).

For those who had found work, three-quarters held one job, 20 per cent were employed at two jobs, and 5 per cent at three or more. Employment income accounted for just under three-quarters of immigrant family income, on average. The contribution of employment income to total family income varied from 89 per cent for family-class immigrants (who would have joined families already settled in Canada), through 74 per cent for Skilled Worker Principal Applicants, down to 28 per cent for Refugees (who

receive government assistance in their first year).⁴⁵ Of course, many recent immigrant families survive by spending the savings they brought to Canada. The average amount of savings upon arrival was C\$38,600 per family, with just under C\$18,000 remaining after 6 months. Note that the relatively small number of Business immigrants who brought extensive savings with them have a major impact on these numbers. For those who arrived as Skilled Worker PAs, the average saving upon arrival was C\$31,000 with \$14,300 remaining after 6 months (Statistics Canada, 2005).

Seventy per cent of newcomers indicated that they had encountered a problem when trying to find employment, a far higher figure than in the other fields surveyed (23 per cent for the health care system, 38 per cent for housing, and 40 per cent for the education system). The two key problems identified earlier in this report—lack of Canadian experience and credentialization—were cited as the two most important obstacles (by 26 and 24 per cent of respondents). The other important barriers were language problems (22 per cent), lack of available jobs (9 per cent), and lack of social support networks (5 per cent). For Skilled Worker Principal Applicants, the three most significant barriers were credentialization (28 per cent), lack of Canadian experience (28 per cent), and inability to communicate in an official language (13 per cent) (Statistics Canada, 2005). It is interesting to note that in the relatively brief amount of time in Canada so far, a much higher proportion of immigrants have sought help from family members or friends when looking for work than through formal channels such as educational institutions or immigrant serving agencies.

Of those surveyed, 76 per cent came to Canada with credentials acquired elsewhere. Within 6 months of landing, just under 40 per cent of these individuals had had their credentials assessed. For 26 per cent, this verification had been done by an educational institution, an employer, or a professional body. For the remaining 13 per cent, this verification had been done either outside Canada or by an immigration officer. At least some in the latter group would not yet have had these credentials validated in the labour market itself (Chiu, 2003). Of those who had undertaken an assessment of their credentials, just over half (56 per cent) were fully validated and 19 per cent were partially validated. For Skilled Worker PAs, the corresponding figures were 63 and 17 per cent (Statistics Canada, 2005).

These early difficulties entering the labour market help explain two other findings in the survey. Of those who were able to find work relatively quickly (within 6 months), only 40 per cent were able to do so in the same field as their pre-migration employment. Also, 67 per cent of the survey respondents plan to take additional education or training in Canada. In fact, 45 per cent had already pursued some form of training, particularly language courses.

In sum, these LSIC results provide a picture of the experience of a single cohort of immigrants very early in their settlement process. As is so often the case, they can be interpreted positively or negatively. On the negative side, Canadian results are

⁴⁵ Note that only Government Assisted Refugees are included in LSIC. Those accepted through an asylum claim were not surveyed, as they had been in Canada for some time before their official landing date.

certainly less favourable than those seen in the parallel survey in Australia (Richardson and Lester, 2004), and most newcomers still face the important hurdles of credentialization and obtaining their first job. On the positive side, there is evidence that the selection system is working reasonably well, in that the early experience of Principal Applicants in the Economic Class is much better than average. Also, respondents indicated high levels of overall satisfaction with their experience in Canada thus far (over 70 per cent indicated that they were either very satisfied or satisfied). Also, among those who had found work, 75 per cent expressed satisfaction with their job (Statistics Canada, 2005).

IMDB

A variety of studies using the IMDB have been conducted by analysts at Citizenship and Immigration Canada, and a small number have been published by academics. I will only provide a light summary of these reports and articles here, before turning to explore some recent IMDB data in detail.

The structure of the IMDB is described in Langlois and Dougherty (1997) and Abbott (2003). The IMDB has fostered two types of analysis. First, there are a number of time series studies that survey the labour market experience of immigrants at fixed intervals after their arrival. In this way, the situation of recent arrivals can be compared with earlier cohorts in an effort to understand the changing dynamics of settlement. Secondly, there are cross-sectional studies that examine the situation of immigrants that are in the database in a given tax year.

IMDB-based research corroborates a number of the worrying findings associated with the census-based studies discussed earlier. In particular, there is no question that initial earnings (defined as the first complete year in Canada after landing) by immigrants of all classes have fallen considerably since the early 1980s (CIC, 1998; Li, 2003b). Worse, this decline has been most pronounced for immigrants arriving with higher levels of education (CIC, 1999). As Worswick and Green (2002) note: "returns to foreign experience in all education groups have gone from being significant and positive for the 1980-82 entry cohort to insignificant and even, at times, negative for the 1990s entry cohorts" (also see Waslander, 2003). Certain groups of immigrants have been particularly affected by this trend. Wang and Lo (2003) use the IMDB to show that, while the level of human capital of Chinese-origin immigrants has been rising significantly, their levels of employment and earnings have been deteriorating (also see Li, 2003b). This has occurred in conjunction with a shift from Hong Kong to Taiwan and PR China as the primary sources of Chinese-origin immigrants to Canada. Wang and Lo estimate that it will take at least 20 years for Chinese-origin immigrants to reach income parity with the general Canadian population. The twin problems of finding appropriate work and blocked mobility are leading many immigrants to self-employment, according to Li (2001b; 2001c). The ratio of immigrants reporting self-employment earnings rises over time since landing, and is highest for men and those who are better educated. However, economic returns associated with small-scale

entrepreneurship are small and, in fact, immigrant earnings from self-employment are actually lower than those from regular employment, especially when controls for human capital are added to the analysis. Finally, David Ley (2003) has used the IMDB to assess the economic contributions of Business Class immigrants and concludes that either the data under-represents their incomes, or that their incomes are much lower than would be expected given their pre-migration success. He also notes that the number of Business Class immigrants who are in the IMDB is surprisingly small given the number admitted in the 1980-1995 period he surveys, and suggests that this may mean that many have returned to their countries of origin.

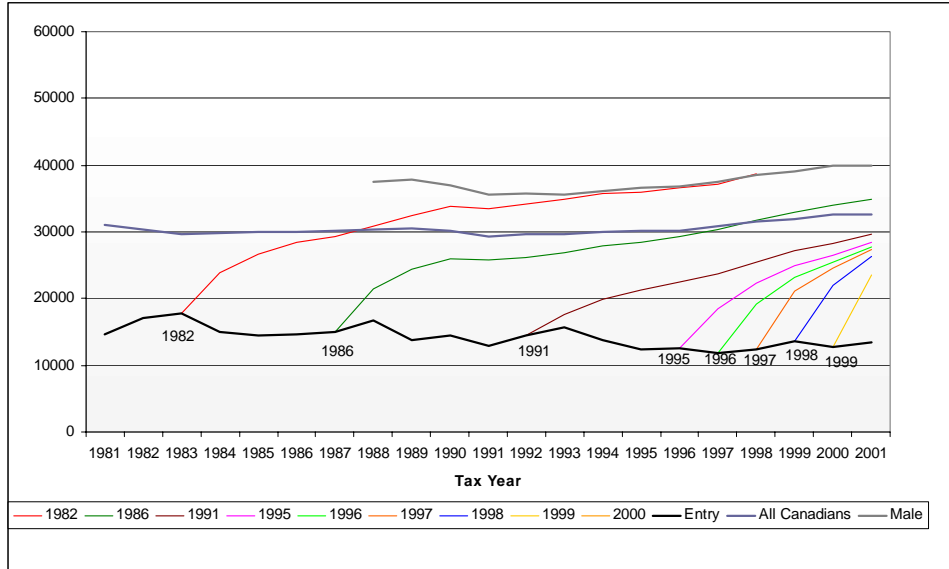
As noted, the analyses in the previous paragraph lend credence to the view that immigrants are not faring especially well in Canada. However, this is not the whole story. First, as Worswick and Green (2002) have pointed out, in the 1990s the labour market appears to have punished all new entrants, whether immigrant or Canadian born (though the impact has been more pronounced for immigrants). They calculate that 40 per cent of the decline in returns to the human capital of immigrants can be explained from the more general structural changes that have taken place. Moreover, they argue that a further 20 per cent of the decline can be attributed to: "a shift in the source country composition of the inflow away from countries from which we expect it would be easy to transfer human capital". In other words, the transformation of Canadian immigration, from a mainly European and American base to a global base, is important here. The credentials and pre-migration experience of immigrants from non-western countries was probably always discounted, but this problem has become magnified as the ratio of these groups within the total immigrant population has increased.

Secondly, there is a wide gap between the economic participation and of Principal Applicants, especially Skilled Workers who were subject to the full points assessment process, and all of the other classes of admission. Research conducted on the labour market participation and earnings of recent immigrants shows, conclusively, that Principal Applicants of the Skilled Workers category obtain jobs, and achieve incomes that are equivalent to the average of all Canadians, very quickly. For those arriving in the early 1990s, even during the wrenching recession of that period, the catch-up time for Skilled Worker PAs (to the average level of earnings of all Canadians, with both men and women included) was just three years (CIC, 1998; Hiebert, 2002). Those who arrived as spouses or dependents, or as refugees, experienced much more difficulty and concomitantly longer catch-up periods. In this sense, the selection system is fulfilling its mandate, though, as seen in the case of Ley's research, the situation for the Business Class subgroup of economic immigrants is less clear. Li (2003) adds an interesting twist to these findings by showing that immigrants admitted in other classes achieved similar economic success to Skilled Worker PAs, when they arrive with high levels of human capital (i.e., sufficient to pass the points threshold).

Finally, thirdly, while returns to foreign experience and education have declined in the past two decades, returns to Canadian experience have increased (Worswick and Green, 2002; Li, 2003b). This point is clearly visible in a series of charts that have been generously made available by the Research and Evaluation branch of Citizenship and Immigration Canada (Figures A1.4 to A1.7), which uses the most recent IMDB files available at this time.⁴⁶ Figure A1.4 shows that employment earnings for male immigrants, in all classes, in the first year after entry declined in real terms between the early 1980s and 2001. Again, recall that the average level of education of immigrants rose substantially over these years (but so did the average for the Canadian-born workforce). Male immigrants arriving in 1982 reached parity with the average earnings of all males in the Canadian labour force in 1994, 12 years after landing. None of the subsequent cohorts of males have achieved this economic outcome yet. However, note the steep earnings increments for recent immigrants in the first few years after their arrival, indicating a high rate of return for Canadian experience. The story is broadly similar for women (Figure A1.5), though the improvement in returns for recently arrived cohorts is not as dramatic as it has been for men.

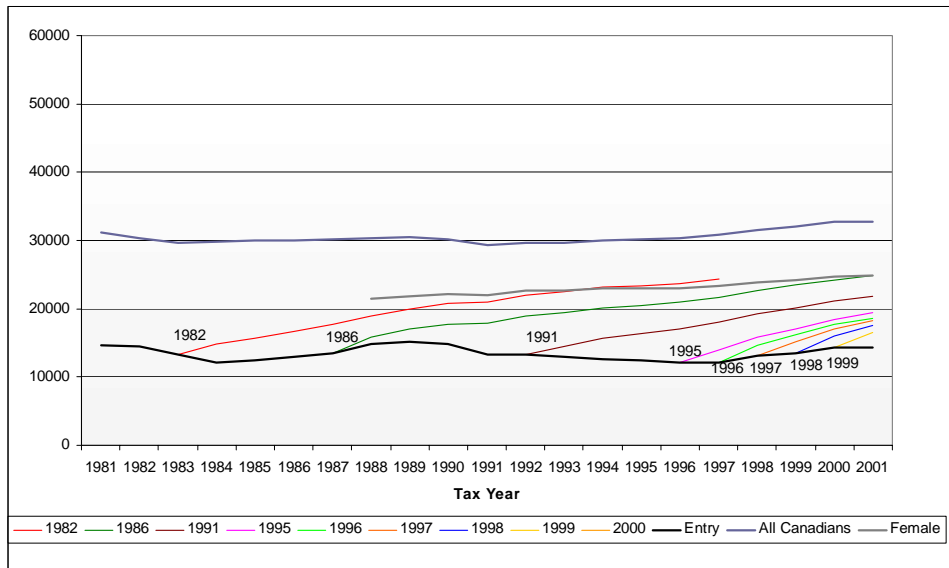
⁴⁶ Regrettably, the most recent IMDB file available at the time this report is being written is 2001. Data for both 2002 and 2003 are expected to be released by Statistics Canada in the near future.

Figure A1.4: Employment Earnings for All Male Immigrants, 15-64yrs by Landing Year Cohort (\$2001)



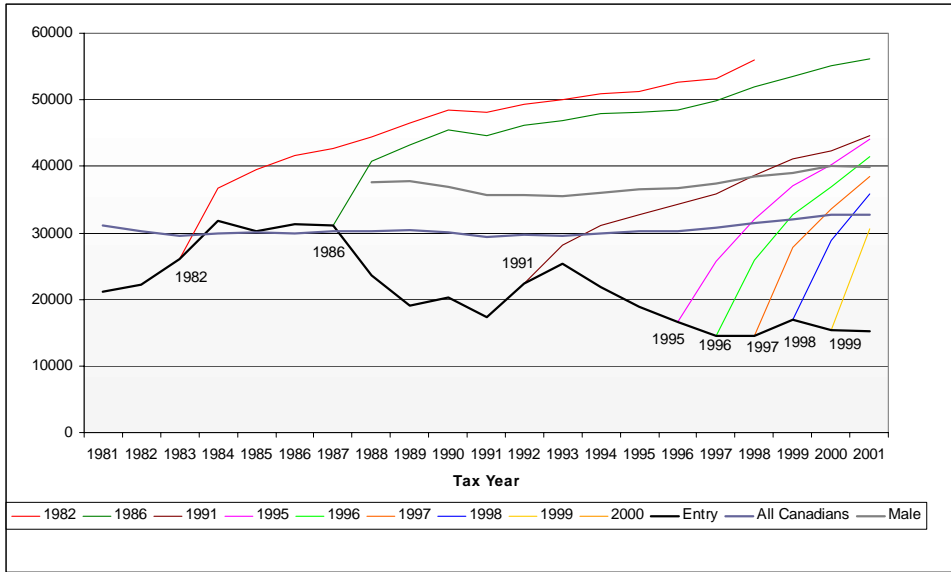
Source: Special tabulation of the IMDB (by CIC)

Figure A1.5: Employment Earnings for All Female Immigrants, 15-64yrs by Landing Year Cohort (\$2001)



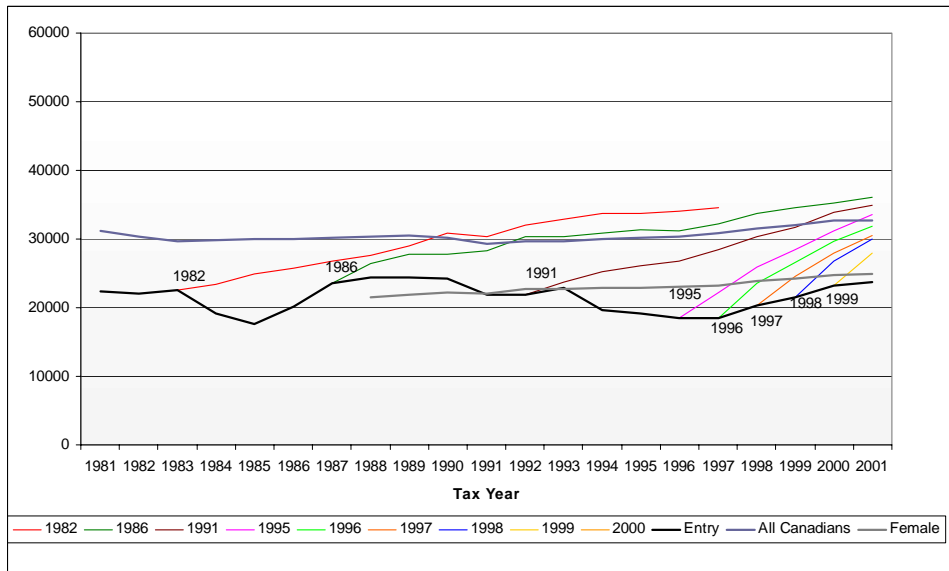
Source: Special tabulation of the IMDB (by CIC)

Figure A1.6: Employment Earnings for Male SPAs, 15-64yrs by Landing Year Cohort (\$2001)



Source: Special tabulation of the IMDB (by CIC)

Figure A1.7: Employment Earnings for Female SPAs, 15-64yrs by Landing Year Cohort (\$2001)



Source: Special tabulation of the IMDB (by CIC)

A much more positive situation is revealed in Figures A1.6 and A1.7, which depict the level of earnings of Skilled Worker PAs. Starting with men, incomes at entry have declined significantly, from parity with all employees (male and female combined) in the mid 1980s (when Skilled Worker PAs were required to have a job offer, and relatively few were admitted to Canada) to roughly half of the average level of earnings in 2001 (and only about one-third the level of average male incomes in the same year). The cohort that arrived in the punishing economic circumstances of 1991 reached parity with average male earnings 7 years later. More recent arrivals have done so more quickly, in 3 years for those landing in 1997 and 1998 for example (also see Ruddick, 2003). The situation for women Skilled Worker PAs, when compared with average female earnings in Canada, is even more impressive. For recent cohorts, parity has been achieved in one or two years.

In the outpouring of research that has followed the release of each census in Canada, the special circumstances of Skilled Worker Principal Applicants are largely invisible. Since they comprise only about one-fifth of total admissions, they have only a limited impact on the total picture of economic integration. Hence the success of this group is not registered in these studies.

A1.6 Immigrant economic integration In 2001: A cross-sectional perspective

Thus far, I have mainly summarized research that emphasizes the longitudinal capacity of the IMDB, that is, time-series analysis. In this part of the report, I summarize a special tabulation of the IMDB that compiles the information of all 1.7 million immigrants landing between 1986 and 2001 who filed a tax return for 2001.⁴⁷ This cross-sectional approach has the distinct disadvantage of ignoring cohort effects, which we know are important. However, it has the advantage of simplicity. Also, at any given point in time, a society is actually comprised of a stock of people who have arrived in many cohorts; in that sense the question “how are immigrants doing?” is perhaps even more important than “how do immigrants who have been here 5 years compare with those who arrived in the 1970s after they had been here 5 years?”. There are three key statistics to remember throughout this section: in the 2001 tax year the average employment earnings claimed by all Canadians over 15 years old was \$32,676, which was comprised of an average level of earnings of \$39,871 for men and \$24,879 for women (figures supplied by Citizenship and Immigration Canada, based on information from Revenue Canada).

For the most part I treat all immigrants landing in the 1986-2001 period together, but it is worth noting that it is made up of at least three cohorts, those arriving in the relatively robust economy of the late 1980s, the recession of the early 1990s, and the fairly prosperous years of the late 1990s and into the new decade. Put another way, these can be thought of, respectively, as “settled” immigrants (10 years or more in Canada), those at an intermediate stage, and newcomers (less than 5 years in Canada). As noted in the previous section, time-series data shows that individuals in the second

⁴⁷ I gratefully acknowledge the Multiculturalism and Immigration Services Branch, in the Ministry of Attorney General, Province of British Columbia, for access to these data.

cohort have not been able to achieve the same level of upward economic mobility as those who came before or since.

However, the 2001 cross-section suggests a somewhat more positive picture. While it is true that even the “settled” cohort (1986-1990) has not yet achieved parity with national earnings, once again we see that the situation for points-selected immigrants is far better. Both cohorts of Skilled Worker PAs arriving in the late 1980s and early 1990s had exceeded the average earnings of Canadians by 2001 (in fact, this was already true of the female cohort who had arrived between 1996 and 2001) (Table A1.3). Unfortunately, it is difficult to compare total income statistics in the IMDB with figures for the whole Canadian population, so Table A1.4 cannot be compared with any reference group. Note that the population counts in Table A1.4 are much larger than those in Table A1.3 because it includes all of the immigrants who submitted a tax form in 2001, while Table A1.3 only includes those who submitted a tax form that included earnings income. Again, Table A1.4 reveals that Principal Applicants in the Skilled Workers program are achieving impressive economic mobility.

Table A1.3: Average employment earnings, by landing cohort (86-01 landings), Canada

	Total		Male		Female	
	#	Avg.	#	Avg.	#	Avg.
All immigrants						
1986-1990	314,065	29,572	166,560	34,704	147,505	23,777
1991-1995	439,200	25,201	226,540	29,840	212,660	20,259
1996-2001	474,795	21,072	262,945	25,333	211,850	15,784
Total	1,228,060	24,722	656,045	29,268	572,015	19,509
Skilled Worker PA						
1986-1990	49,240	44,845	34,330	49,120	14,910	35,001
1991-1995	62,050	42,558	41,710	47,701	20,340	32,012
1996-2001	151,625	31,482	114,570	33,532	37,055	25,143
Total	262,915	36,598	190,610	39,440	72,305	29,108

Table A1.4: Average total income, by landing cohort (86-01 landings), Canada

	Total		Male		Female	
	#	Avg.	#	Avg.	#	Avg.
All immigrants						
1986-1990	419,570	25,460	217,540	30,376	202,030	20,167
1991-1995	597,275	21,549	298,385	26,029	298,890	17,076
1996-2001	669,210	17,152	344,875	21,796	324,335	12,213
Total	1,686,055	20,777	860,800	25,432	825,255	15,922
Skilled Worker PA						
1986-1990	61,925	40,266	43,320	44,014	18,605	31,539
1991-1995	76,680	38,210	51,430	42,790	25,250	28,883
1996-2001	192,540	26,993	144,400	28,861	48,140	21,390
Total	331,145	32,073	239,150	34,601	91,995	25,499

Two important indicators of the human capital of individuals admitted under the major categories of the Canadian immigration system are shown in Tables A1.5 and A1.6, which also provide an indication of the earnings and income dynamics of the different classes. I have used the proportion with a completed university degree as a measure of the relative educational attainment of each category. The next column in the tables show the proportion of each group that is able to communicate in one or both of Canada's official languages (based on self-assessment). The first and entirely predictable point is that the average educational attainment and familiarity with English and French varies a great deal between classes, with Skilled Workers distinctly better prepared for the Canadian labour market than members of all other groups. Earnings and overall income figures are, accordingly, highest for this group.

Table A1.5: General characteristics of the Canadian immigrant population, by class, 2001 (landing years: 1986-2001): Employment earnings, 2001 tax year

	Total number	Univ. deg. %	Off. Lang. %	Female %	Total Av. \$	Male Av. \$	Female Av. \$
Total	1,228,050	25.0	63.6	53.4	24,723	29,269	19,509
Skilled Worker PA	262,900	59.9	86.8	72.5	36,600	39,441	29,110
Business PA	16,415	26.0	55.2	87.6	21,524	22,230	16,518
SW Spouse&Dep	198,450	26.5	63.8	36.0	19,769	22,141	18,436
Bus Spouse&Dep	41,585	6.9	42.8	41.6	16,315	18,193	14,978
Family	408,860	14.4	53.1	48.5	21,645	25,983	17,555
Refugee	177,130	11.3	44.2	61.8	22,319	25,513	17,143

Table A1.6: General characteristics of the Canadian immigrant population, by class, 2001 (landing years: 1986-2001): Total income, 2001 tax year

	Total number	Univ. deg. %	Off. Lang. %	Female %	Total Av. \$	Male Av. \$	Female Av. \$
Total	1,686,060	24.6	60.7	51.1	20,777	25,429	15,922
Skilled Worker PA	331,215	59.5	85.7	72.2	32,073	34,600	25,501
Business PA	41,525	27.2	49.8	86.7	14,822	15,242	12,083
SW Spouse&Dep	267,360	29.4	62.6	32.8	16,535	19,952	14,867
Bus Spouse&Dep	75,350	9.1	38.3	35.4	11,965	13,994	10,854
Family	563,750	14.0	50.3	44.9	18,132	22,998	14,168
Refugee	248,405	11.2	44.1	58.7	19,424	23,040	14,293

Secondly, apart from Skilled Worker PAs, the other classes fall into two general categories. For men, the next most successful groups, in terms of employment earnings and total income, are individuals sponsored by family members, and refugees. Business Class PAs, and the spouses and dependents of all economic immigrants, are earning the least of all groups. The same general structure is evident for women, with one exception: the spouses and dependents of Skilled Worker PAs earn approximately the same incomes as Refugees and Family Class immigrants. The situation of business immigrants is beyond the scope of this report, but it is worth noting that researchers analyzing this group tend to be skeptical about its reported taxable income (e.g., Ley 2003). Business immigrants have a high propensity to be self-employed and the IMDB traces only their net self-employment earnings. Arguably, the economic activity that they generate might be better revealed by gross self-employment earnings. Also, of course, it is in the interest of the taxpayer to minimize reported net self-employment income. Statistics Canada and CIC are investigating better methods of monitoring the economic engagement and success of this group.

The same indicators of human capital are used in Tables A1.7 and A1.8, but attention is shifted to source region (based on country of last permanent residence). There is a great deal of variation in the human capital attributes of immigrants landing in Canada from different regions of the world, especially when we look at the total immigrant population (Table A1.7). Those who are assessed through the points system are much more likely to be university educated and speak an official language, so the degree of variation based on source countries is less in Table A1.8. Two findings are particularly worth highlighting. First, there is substantial variation in the earnings of immigrants from different source regions that approximately coincides with the general level of economic development around the world. That is, in rough terms, immigrants from more developed regions tend to earn more through employment in Canada. For men, therefore, individuals from the USA, Europe, and the Other category (which is dominated by Australia and New Zealand) had the highest earnings, and the same top

rankings (with one switch) are maintained when we focus exclusively on Skilled Worker PAs. The patterns are similar for women. But there are also some exceptions. In Table A1.7, men who immigrated from Africa do not fit this general logic. However, this result is likely influenced by a relatively high number of White South African immigrants (there is no variable for ethnicity or race in the IMDB so I cannot verify this point). The earnings of Southeast Asian women are also well above average, and not much lower than those of women immigrants from either Europe or the Other category. This is likely related to the relatively high level of human capital associated with women immigrating from the Philippines to Canada, many of them through the Live-in Caregiver Program.⁴⁸ That is, these patterns reflect the complex intersection of immigration class and region of origin. In particular, for example, South Asia has the highest ratio of Family Class immigrants, and the largest share of Business Class immigrants has come from Eastern Asia.

Table A1.7 General characteristics of the Canadian immigrant population, by source region, 2001 (landing years: 1986-2001), Employment earnings

	Total number	Univ. deg. (%)	Off. Lang. (%)	Female (%)	Total Avg.\$	Male Avg.\$	Female Avg.\$
Total	1,228,100	25.0	63.6	46.6	24,719	29,265	19,506
USA	24,950	38.4	97.9	53.3	35,400	43,933	27,937
Latin America	162,170	7.5	76.6	49.5	23,193	26,996	19,311
Europe	272,365	25.8	57.4	46.6	29,834	36,636	22,047
Africa	91,010	25.5	86.6	41.2	25,190	29,631	18,852
WA Middle East	105,100	27.9	66.3	40.1	22,681	26,373	17,172
South Asia	203,915	28.3	52.0	41.7	21,078	25,249	15,246
East Asia	189,715	33.5	49.6	48.0	22,389	26,076	18,392
Southeast Asia	165,530	23.5	69.0	54.2	23,945	27,225	21,172
Other	13,345	19.3	94.3	46.0	30,094	36,598	22,461

$$r_{univ/tot\$} = .304 \quad r_{offlang/tot\$} = .674$$

⁴⁸ Note that a Live-in Caregiver is admitted to Canada on a temporary visa and has the right to apply for permanent residence after two years in Canada. The individual would be recorded in the IMDB at the time of landing (i.e., when they take up their permanent residence), which would, in most cases, be at least three years after they arrived in Canada.

Focusing directly on Skilled Worker PAs (Table A1.8), both men and women from Africa have achieved above-average earnings, as well as men from Latin America. In contrast, immigrants from all of the regions of Asia have below-average earnings. In part, these outcomes are related to the human capital of individuals, which I explore below in more detail. They also illustrate the larger problem identified by Reitz, however: the Canadian labour market accepts the human capital of immigrants from industrialized countries (which are mainly in Europe or populated by people of European descent) more readily than from other parts of the world. These data could be interpreted as evidence of labour market discrimination, as seen earlier in census-based research. Having said that, the earnings of Skilled Worker PAs from South Asia, which is the lowest ranked source region on Table A1.8, still compare relatively favourably with overall Canadian averages: \$32,997 vs. \$39,871 for men and \$26,329 vs. \$24,879 for women. Also, while I have not reported the statistics on any of these tables, it is worth noting that the earnings of the 1986-1990 and 1991-1995 cohorts of Skilled Worker PAs from South Asia are well above the average Canadian figures.

Secondly, Tables A1.7 and A1.8 suggest that the impacts of the two forms of human capital included in this analysis are not equal. In fact, while it is not exactly a rigorous statistical test (given the lack of appropriate controls), it is interesting to note the relatively low correlation between educational attainment—measured by university completion—and employment earnings. The correlation coefficient for Table 7 is a modest .304 and, for Table 8, it is even lower at .140. This latter figure is quite striking, and tells us that there is little correspondence between the presence of university graduates in a regional group of Skilled Worker PA immigrants, and its earnings once in Canada, though it is important to remember that no other variables are controlled. Conversely, there is a much higher correlation between language facility and earnings, in both tables. Recall that language in the IMDB is measured only at the time of landing and there is no means in this data set to know if immigrants learned or improved English or French after landing. Thus, language capability in the initial settlement phase appears to be critical.

Table A1.8: General characteristics of Skilled Worker, PAs, by source region, 2001 (landing years: 1986-2001), Employment earnings

	Total number	Univ. deg. (%)	Off. Lang. (%)	Female (%)	Total Avg.\$	Male Avg.\$	Female Avg.\$
Total	262,980	59.9	86.8	27.5	36,590	39,434	29,097
USA	4,680	72.3	99.3	34.4	59,082	65,673	46,515
Latin America	17,255	33.6	88.8	42.4	35,183	40,684	27,700
Europe	72,135	50.8	85.5	26.4	43,012	47,306	31,056
Africa	20,555	59.2	98.6	23.3	40,273	43,066	31,094
WA Middle East	25,820	62.9	91.0	21.2	34,149	35,946	27,466
South Asia	34,700	74.7	94.9	13.0	31,244	31,977	26,329
East Asia	60,645	67.6	72.7	28.3	31,582	33,476	26,776
Southeast Asia	24,835	60.0	94.5	47.5	32,685	36,661	28,296
Other	2,355	60.5	98.5	27.4	49,071	53,187	38,161

$$r_{\text{univ/tot\$}} = .140 \quad r_{\text{offlang/tot\$}} = .497$$

The importance of language is even more clearly illustrated by the series of charts provided in Figures A1.8 through A1.11.⁴⁹ Figures A1.8 and A1.10 show that, for all admission classes, earnings rise quite steeply in correspondence with educational attainment. However, for all but one class, this pattern only really arises for those who arrived with the ability to converse in an official language. Without the language, immigrants are far less able to capitalize on their educational background. In fact, in a number of specific cases, earnings are flat regardless of educational attainment. This point is corroborated by the data in Table A1.9, where I have computed a simple index that reports the added amount earned by university graduates compared with high school graduates, for men and women separately, and for each major landing class. For those with capability in English or French at landing, added education translates directly into earnings. This relationship is far more mixed for those who arrive without an official language. For a number of admission categories, university graduates earn the same or even less than high school graduates. This is true for both men and women. The only exceptions to this pattern are the Other category, which is very small, and Refugees. In another paper, I have argued that state support for Government Assisted Refugees, which provides them a living allowance equivalent to welfare, for one year, enables them to acquire language skills before entering the labour market (Hiebert, 2002).

⁴⁹ Note that, in all of these charts, when a bar is not capped, it means that the income level is higher than the highest demarcation on the y axis.

Figure A1.8: Average employment earnings, Canada, males

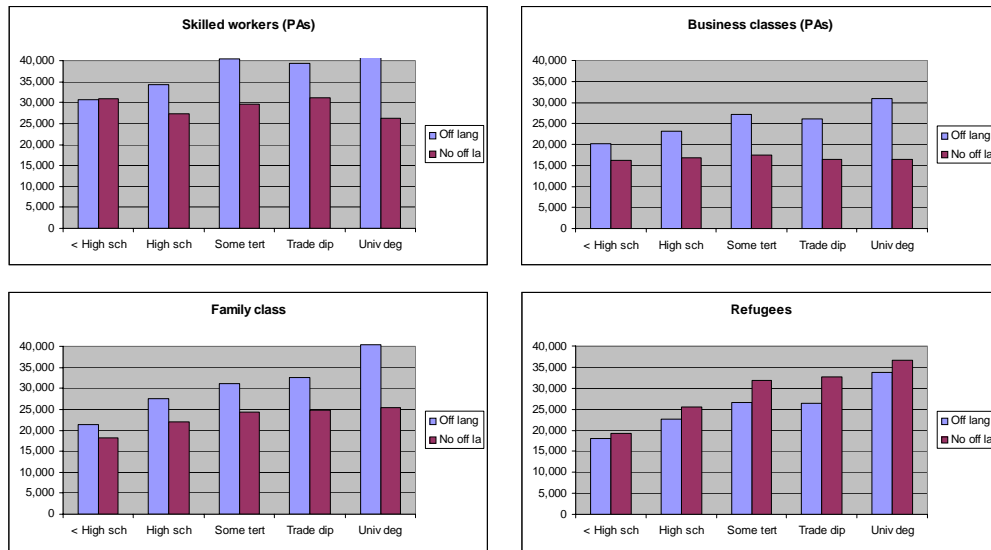


Figure A1.9: Average employment earnings by landing cohort, Skilled Worker PA, males

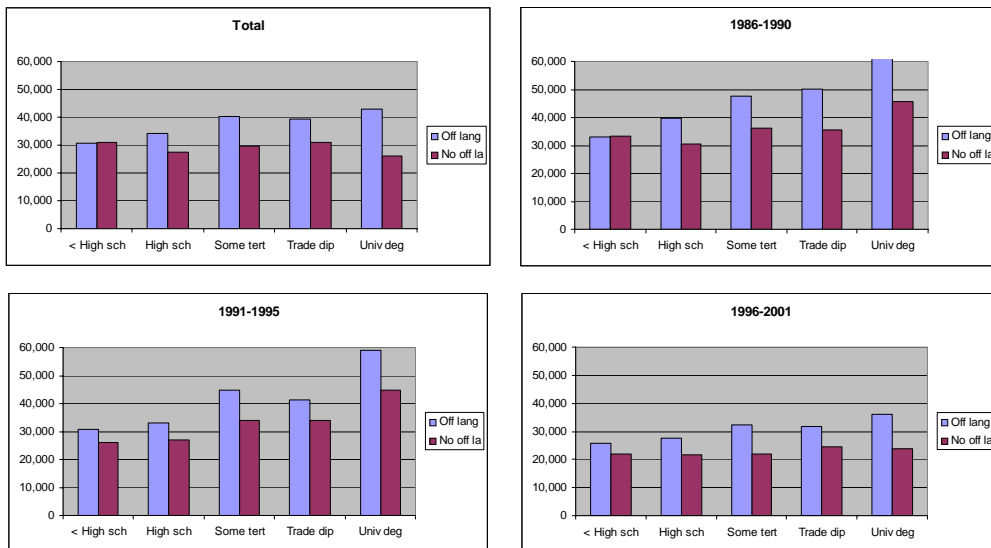


Figure A1.10: Average employment earnings, Canada, females

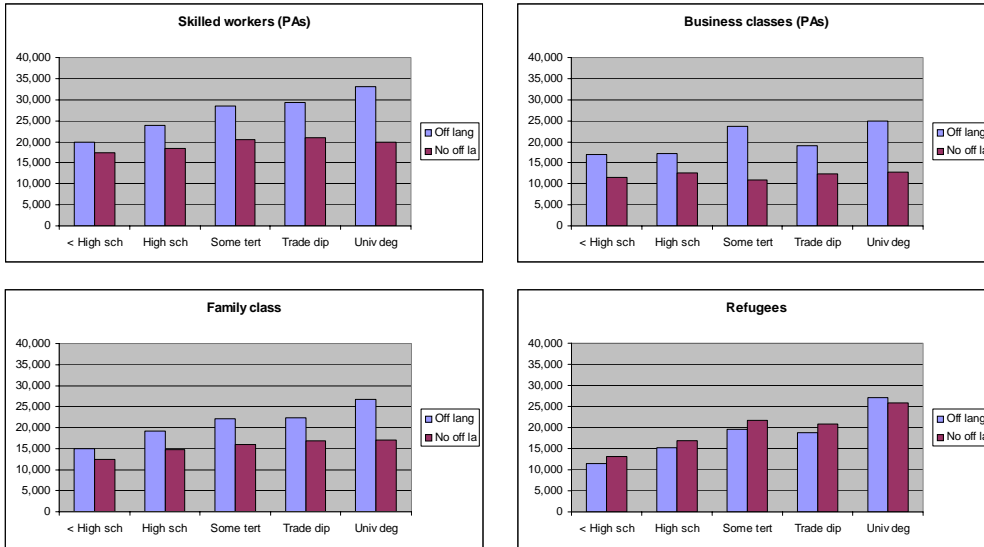
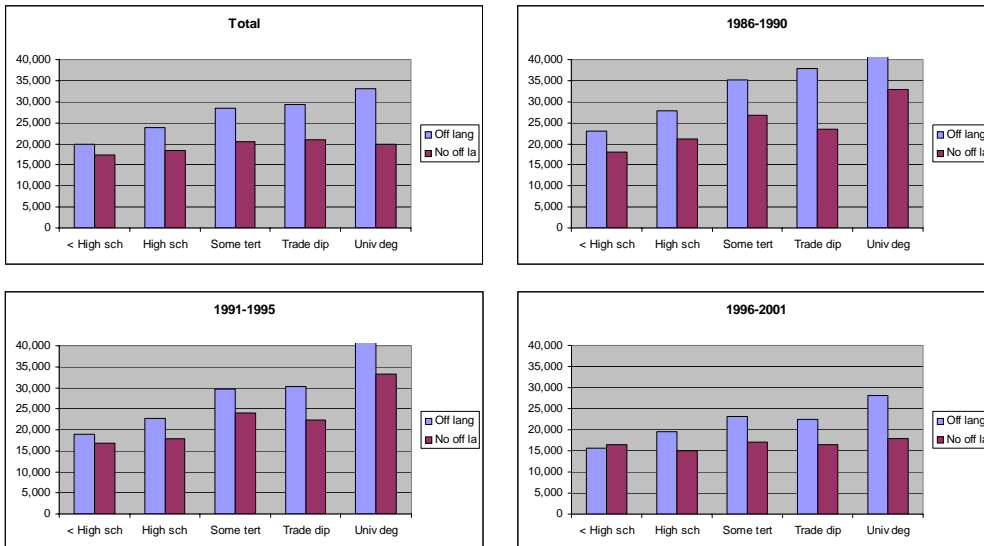


Figure A1.11: Average employment earnings by landing cohort, Skilled Worker PA, females



Figures A1.9 and A1.11, which highlight the Skilled Worker PA class in greater detail, add an important nuance to this point. Men and women in the most recent cohort who do not speak English or French earn approximately the same amount regardless of their level of educational attainment. But those who arrived under the same circumstances in earlier cohorts have realized some earnings benefit from their education (though it is much lower than the benefit received by those who already had language skills at the time they officially landed in Canada). This suggests that earlier cohorts have been able to upgrade their linguistic capabilities and that this addition to their human capital is acknowledged in the labour market.

Finally, Figures A1.12 and A1.13 show that the earnings patterns established in the labour market have consequences beyond it. That is, there are systematic variations in the total incomes reported by immigrants that largely mirror those we have seen in terms of earnings. In other words, other forms of income—such as social assistance—do not neutralize the differentials that arise in the labour market. Marginalization in the workplace has large consequences.

Table A1.9: Index of employment income for university degree vs. high school education, 2001, Canada (by language knowledge at landing)

	Males		Females	
	off. lang.	no off. lang.	off. lang.	no off. lang.
Skilled Worker PA	126	96	139	106
Business PA	137	98	124	98
SW Spouse & Dep	134	108	123	111
Bus Spouse & Dep	150	93	119	96
Family	147	114	140	116
Refugee	150	143	176	153
Other	133	141	116	152

Figure A1.12: Average total income, Canada, males

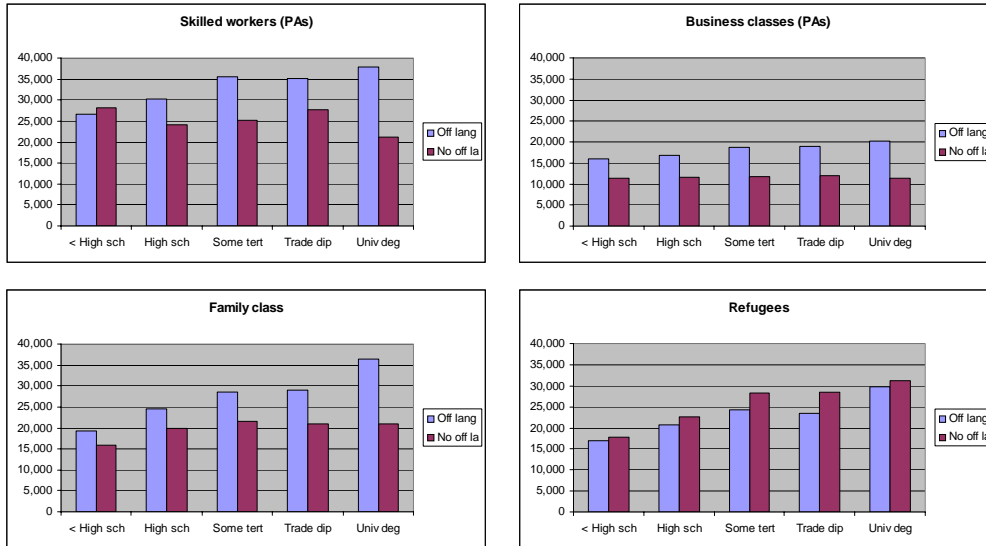
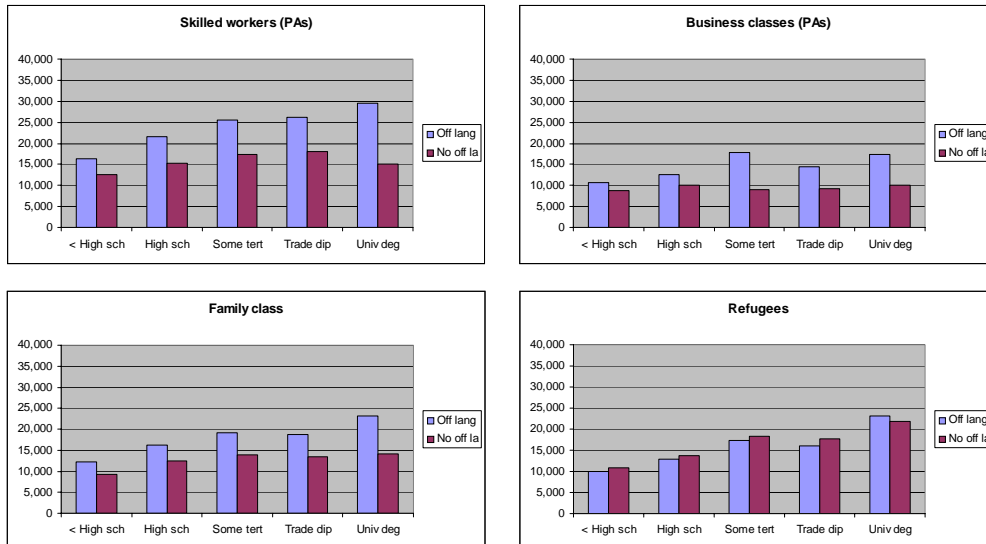


Figure A1.13: Average total income, Canada, females



A1.7 Conclusion

Earlier in this report I outlined two pervasive discourses in immigration in Canada, as fundamentally necessary vs. deeply flawed. I have not really engaged with the first of these but sought to investigate the second in some detail, through surveying relevant academic and policy documents and a set of administrative data—the IMDB—that is particularly relevant for this purpose. There is certainly cause for concern. Immigration, seen as a whole, especially in the census, is yielding a population of newcomers that is facing formidable obstacles to full participation in the Canadian economy. While tens of thousands succeed and find appropriate jobs, the aggregate picture is one of falling initial wages and relative household incomes for recent cohorts.

But IMDB data challenge any attempt to portray these as universal tendencies. The class that is at the heart of the economic side of immigration policy, Skilled Worker Principal Applicants, which is subject to the points system, is achieving earnings parity with average Canadian incomes quickly, in about two years for women and less than five for men. While stories of wasted human capital abound, it would be hard to interpret this as a failing system—though improvement in credentialization would undoubtedly lead to even better results.

A balanced portrayal of Canadian immigration, one that charts a course between the polemics, would have to acknowledge four basic, related points. First, no matter how much energy is expended in perfecting the points assessment system, it only pertains to somewhere between one in four and one in five immigrants, at least in a direct sense. Most immigrants will be admitted to Canada outside points assessment. No doubt this will also be true after whatever changes we will see in the near future are implemented. Secondly, Canadian immigration policy has been, and will continue to be, based on an intricate and dynamic combination of social and economic objectives. This report, which targets the economic side and, within that, has concentrated on the Skilled Worker category, must be seen as partial in scope. While it is important to subject immigration to economic analysis, such an approach can never capture the whole picture. Third, the particular form of human capital that appears to matter most, for all admission categories except Refugees, is language facility. Fourth, the anomaly here, that Refugees who arrive without English or French do not suffer long-term penalties in the labour market, speaks to the importance of settlement services in shaping economic integration. Selection is of course highly significant in shaping outcomes, but the settlement context is also vital.

While this report was being composed, the media has informed the Canadian public that CIC Minister Joe Volpe is set to introduce dramatic changes to immigration policy. Reports suggest that he has already made one presentation to his Cabinet colleagues and will make another in October (Toronto Star, 2005; Clark, 2005). He is said to be determined to follow through on a promise that was initially made by the Liberal Party 12 years ago, in its Red Book, published during the 1993 election campaign, to raise gross immigration to 1 per cent of the national population annually. He is apparently

ready to introduce a plan to raise targets incrementally over the next 5 years in order to achieve this level, increasing the number admitted to Canada from 218,000 per year over the past decade to at least 300,000 (equivalent to a 38 per cent rise). While this has not yet been discussed in the media, such a major shift in policy would require a enormous investment in both processing capacity and the settlement services system. In any case, Clark (2005), a reporter for the Globe and Mail, states that the new system will continue to prioritize highly educated applicants, but that the admission of skilled tradespersons will be facilitated. Volpe is said to believe that provincial and possibly municipal governments, as well as businesses, should play a large role in selection, especially for the skilled trades group. Also, greater emphasis will likely be placed (as in the Australian case) in retaining international students who complete their degrees in Canada.

Monumental changes are therefore quite possible. If Minister Volpe's proposals are accepted and operationalized, this report will quickly become outdated. It already addresses, by necessity, the outcomes of policies that antedate the most recent assessment regime. It is possible that it will soon be two steps away from current policy. Significantly, there has been insufficient time to evaluate the efficacy of the transformation inaugurated in 2002. Moreover, the final results of LSIC, which was designed to inform policy, will be released long after the policies that brought that cohort of immigrants have been revised. The rapidity of policy developments reflects, above all, I think, the importance of immigration to Canada as a nation state. Immigration is constantly in the news, and there is a kind of permanent restlessness about improving both selection systems and settlement outcomes. Policies therefore sometimes evolve faster than their impact can be fully appreciated.

INSET 1: The British Columbia Provincial Nominee Program

The first official agreement between the federal government and the province of British Columbia was signed in 1998. The agreement outlined the BC government's jurisdiction in selecting certain classes of immigrants. This role was codified in 2001 with the establishment of BC's Provincial Nominee Program (PNP). The following year the federal government passed the Immigration and Refugee Protection Act (IRPA), which was the first major revision of legislation in over 20 years. IRPA formally acknowledged the role of provincial governments in PNPs and situated this form of selection within the broad category of economic immigration. More recently, the specific agreement between Canada and BC was renewed in 2004, and the PNP is defined in detail in Annex C of the *Agreement for Canada - BC Cooperation on Immigration* (<http://www.cic.gc.ca/english/policy/fed-prov/bc-2004-annex-c.html>).

The BC PNP has two major components. First, it is designed to encourage the immigration of skilled workers in *strategic occupations* to the province. The goal of this program is summarized succinctly in the relevant website as:

The program is aimed at high skilled occupations, where the potential for gains to the economy are substantial and where it is expected that there will be a transfer of skills to the BC workforce.
(<http://www.mcaaws.gov.bc.ca/amip/pnp/skillworker.htm>).

The BC government maintains a list of sectors in which there is a high demand for skilled labour (e.g., aerospace; IT). Within these sectors, employers may apply on behalf of individuals they intend to hire. That is, individuals do not apply to the PNP directly, but businesses do. Note that it is possible for an employer to apply to the PNP for a worker who already has a job and who is in Canada on a temporary work visa. Also, employers are able to apply on behalf of international students who are studying at publicly-funded post-secondary educational institutions in BC, provided they are prepared to offer them a job upon graduation. Within the program, there are special provisions for small and medium sized businesses and also for employers located outside Metropolitan Vancouver. In other words, there are specific economic development initiatives built into the PNP that go beyond the general goal of facilitating the permanent immigration of skilled workers.

When an application arrives, it is assessed according to these criteria:

...the employer; the BC labour market; the standards of the industry; the position; the remuneration offered; the long term prospects for employment; the individual's ability to settle in the province; the suitability of the individual in relation to their skills and experience and those required for the position; the individual's immigration status in Canada; and, whether a significant economic benefit is created for BC.
(http://www.mcaaws.gov.bc.ca/amip/pnp/pdf_files/program_policy/Pol%203-2%20assessment%20criteria.pdf).

Given the above, the assessment process is labour intensive and the number admitted in this program is relatively small. However, depending on provincial priorities and processing capacity, the number could rise, since there is no specific limit provided in

the 2004 agreement. Despite the high level of scrutiny of applications, processing time is rapid, typically within one month.

The recruitment of entrepreneurs constitutes the second major component of the BC PNP. In this case, individuals apply directly to the program and are considered if they meet the following minimum criteria:

... successful business experience; minimum net worth of C\$2 million; minimum investment of C\$800,000; applicant must have a minimum one-half equity; business plan; business to create a minimum of 5 new jobs; [and] applicant to have a direct management role. (http://www.businessimmigration.gov.bc.ca/Nominee_Program/index.htm).

There is also a special provision for applicants who intend to establish their firms outside Metropolitan Vancouver. In that case, the criteria of net worth, minimum investment, and minimum number of jobs are all significantly reduced.

Regardless of the category of the PNP, once the BC government approves an application, it nominates the individual to Citizenship and Immigration Canada. CIC is the final authority on admission and in particular requires that all nominated individuals be screened for health and security/criminality. However, the Canada-BC agreement stipulates that CIC will prioritize provincial nominations and will process them quickly.

INSET 2

Immigration Levels for 2005 – Target Ranges

ECONOMIC CLASS

Skilled workers	112,500 - 124,500
Business immigrants	9,500 - 10,500
Provincial/territorial nominees	8,000 - 10,000
Live-in caregivers	2,500 - 3,000
Total Economic Class (including dependants)	132,500 - 148,000

FAMILY CLASS

Spouses, partners and children	46,000 - 50,000
Parents and grandparents	5,500 - 6,800
Total Family Class	51,500 - 56,800

PROTECTED PERSONS

Government-assisted refugees	7,300 - 7,500
Privately sponsored refugees	3,000 - 4,000
Protected persons recognized as such in Canada	16,500 - 17,500
Dependants abroad of protected persons landed in Canada	4,000 - 4,800
Total Protected Persons	30,800 - 33,800

OTHERS

Humanitarian and compassionate grounds	5,100 - 6,200
Permit holders	100 - 200
Total Others	5,200 - 6,400

TOTAL PERMANENT RESIDENTS

220,000 - 245,000

Source: CIC 2005b

Immigration Levels from 2000 to 2003 - Annual Immigration Plans and Landings

	2000		2001		2002		2003	
	Planned	Landed	Planned	Landed	Planned	Landed	Planned	Landed
ECONOMIC CLASS	116,900 - 130,700	133,201	116,900 - 130,700	152,972	130,800 - 141,800	138,506	132,000 - 147,000	121,055
FAMILY CLASS	57,000 - 61,000	60,426	57,000 - 61,000	66,647	56,000 - 62,000	65,277	59,000 - 64,500	68,863
PROTECTED PERSONS	22,100 - 29,300	29,966	22,100 - 29,300	27,899	23,000 - 30,400	25,111	28,100 - 32,500	25,981
OTHER	4,000	3,244	4,000	2,828	200 - 800	197	900-1,000	5,453
Total	200,000 - 225,000	226,837	200,000 - 225,000	250,346	210,000 - 235,000	229,091	220,000 - 245,000	221,352

Source: CIC, 2005a

Inset 3: Canadian point systems compared

	Canada Point System Pre-2002	Max	Canada Point System Post-2002	Max	Quebec Current Point System	Max
Education	No high school High school - Basic High school - University entrance or trades 1-year diploma or apprenticeship certificate Bachelor's degree - University Masters PhD	0 5 10 13 15 16 16	No high school High school - Basic and 12 yrs full time study and 13 yrs full time study 1-year Bachelor's degree 2-year diploma or apprenticeship Two years or more Bachelor's degree 2 or more Bachelor's degrees 3-year Diploma, trade certificate Master's degree PhD	0 5 12 15 15 20 20 22 22 25 25	No high school High School - Basic Post-secondary 1 year Post-secondary 2 years Post-secondary 3 years Uni undergrad 1 yr Uni undergrad 2 yrs Uni undergrad 3 yrs Uni undergrad 4+ Masters PhD	0 3 4 5 7 7 7 8 9 11 11
Specialized education					2 nd Specialization 1 year 2 years Privileged Training University Other	2 2 2 2 2
Education and Training (On the job training in addition to formal education)	No training Some on the job training Job requires high school Training beyond high school level Job requires technical diploma and/or full apprenticeship Job requires Bachelor's degree Job requires graduate degree	1 2 5 7 15 17 18				
Experience	1 year Additional years (each)	2 2	1 year 2 years 3 years 4+ Must be within last 10 years And in non-restricted occupation And in a skilled occupation	15 17 19 21 21	6 months 12 months 18 months 2 years 2 years + 6 months 3 years 3 years + 6 months 4 years 4 years + 6 months 5 years and more	1 2 3 4 5 6 7 8 9 10
Occupational Factor	Applicant matches labour market	10				
Arranged Employment Designated occupation			Either: Working in Canada on temp. visa, with permanent job offer Full-time job offer, with credentials recognized	10 10	Job offer is confirmed Profession in demand EMP (?)	15 12 8
Demographic Factor	Specific rules defined by Minister	10				
Age	21 to 44 years old For each year < 21 or > 44	10 -2	21 to 49 years old For each year <21 or > 49	10 -2	22 to 35 36 37 38 39 40 to 45	10 8 6 4 2 1
Knowledge of English and French	First official language High proficiency : read, write, Moderate proficiency Basic proficiency Second official language High proficiency : read, write, speak Moderate proficiency Basic proficiency	9 6 3 9 6 4 2	(To a maximum of 2 points) (To a maximum of 2 points)	4 2 1 2 2 1	French Oral comprehension French Oral expression French Written comprehension Studies in French High school education in French Post secondary education in French English Oral comprehension English Oral expression	to to 0 2 2 to to

Inset 3: Continued

	Canada Point System Pre-2002	Max	Canada Point System Post-2002	Max	Quebec Current Point System	Max
Personal Suitability	(Based on interview)	10				
Adaptability			Spouse or common-law partner's level of education	to 5	Personal qualities	to 6
			Previous study in Canada	5	Motivation	to 2
			Previous work in Canada	5	Knowledge of Quebec	to 2
			Arranged employment	5		
			Relatives in Canada	5	Previous stays in Quebec	
					Study - 1 semester	4
					Study - 2 semesters or more	6
					Work - 3 months	4
					Work - 6 months or more	6
					Internship agreement 3 months +	5
					Internship agreement 6 months +	6
					Other kind of stay 2 weeks to 3 months	1
					Other kind of stay 3 months +	3
					Relations with a Quebec resident: F, M, B, Sis, Son, D, Common-law spouse	3
					Grand-parents	2
				10	Other relative or friend	1
Characteristics of spouse or common-law					Education	
					Secondary	2
					Post-secondary 1 year	3
					University 3 years	4
					2 Specialization or privileged training	1
					Professional experience	
					6 months	1
					1 year and more	2
					Age	
					20 to 39	2
					40 to 45	1
					French language	
					Oral comprehension	to
					Oral expression	to
					Written comprehension	0
Children travelling with candidates					Children's age	
					0 to 12	ea
					13 to 17	ea
Capacity to be financially autonomous					1 month	0
					3 months	1
TOTAL POSSIBLE		107			100 Applicant without a spouse	106
TOTAL POSSIBLE					100 Applicant with a spouse	123

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