A Profile of Economic and Labour Market Integration among Immigrants in Canada

By Jill Bucklaschuk and Lori Wilkinson, University of Manitoba
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List of Relevant Statistics Canada Surveys and Databases

EDS - Ethnic Diversity Survey
- One time

IMDB - Longitudinal Immigration Database

LSIC - Longitudinal Survey of Immigrants to Canada
- Occasional

SLID - Survey of Labour and Income Dynamics
- Annual

YITS - Youth in Transition Survey
- Biennial
Introduction

Immigration is a significant component of labour market, economic, and demographic growth in our country. Currently, the work and investments made by immigrants contributes to over 70% of the labour market growth in Canada and is projected to contribute to nearly 100% of the growth in the coming years (Chrétien, 2003; Statistics Canada, 2003). Given that nearly 60% of the newcomers to Canada arrive prior to their 30th birthday (Citizenship and Immigration Canada, 2010), a majority will spend a large part of their lives in the labour force. From a social and economic standpoint, understanding the integration of immigrants into the labour market is key to the long-term economic sustainability of our country.

The ability of researchers to access the master file data housed at the Statistics Canada Research Data Centres (RDC) has meant an incremental increase in the number of articles, chapters, books and reports published on various topics related to social, cultural and economic conditions in Canada. While this research has made significant advances in the development of academic theories and knowledge and has also aided policymaking, results from these papers can be very difficult for even the most advanced researcher to interpret. The purpose of this paper is to report on findings from immigration-related studies that have used Statistics Canada data and are available in the RDC database, with particular relevance to the Economic and Labour Market Domain of the National Metropolis Project in Canada. We identified all available papers in the database that focus on some aspect of economic and labour market integration of immigrants to Canada. When reviewing individual papers we pay close attention to reporting and deciphering the most important findings and unique contributions so this report should be considered as a brief overview rather than a comprehensive one. The review papers have been organized by themes and in some cases, studies and findings are relevant to more than one thematic issue and therefore may be discussed several times. The issue of foreign credential recognition, for example, permeates many thematic areas and while discussed as a separate issue also appears in discussions of job-related training, education, earnings disparities, and barriers to labour market participation.

In one way or another, most of the papers that are identified within the broad category of Economic and Labour Market Integration discuss the implications of skills, training, work experience, and education for immigrants to Canada. As perennial areas of concern, recognizing foreign credentials and work experience, reducing barriers to training and education, and ensuring immigrants have the skills required to successfully participate in the labour market form the foundation of analyses of economic and labour market integration. Wage disparities and education-job mismatches are realities for many immigrants and understanding the determinants

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1 Some titles have been excluded because an abstract or full text document was not readily available. Also, the database includes student theses which were not always publicly accessible. The list of articles, reports and chapters generated by the RDC database is accurate as of June 2011.

2 An accompanying list of papers, available both on the Statistics Canada Research Data Centre site, as well as the Prairie Metropolis Centre site, provides links to the full papers, reports and articles (when possible).
of such dilemmas is necessary to determining how well and to what extent immigrants successfully integrate into the labour market, which is also vital to informing and shaping immigration policy.

In this review, several themes regarding the economic and labour market experience of newcomers to Canada are summarized. These themes represent some of the predominant debates and discussions in the academic literature on migration. There are ten sections. In section one, we discuss the issue of economic performance and wage and salary differentials between immigrant- and Canadian-born workers. In section two, foreign credential recognition and the extent of the problem in Canada is discussed. Section three focuses on over-education and re-training amongst immigrants as well as the occupational outcomes of newcomers. The effect of gender and visible minority status on labour market outcomes is the focus of sections four and five. Second-generation and youth issues are the themes described in sections six and seven. Section eight examines issues related to remittances, while sections nine and ten conclude with outlines of other labour market research and methodological issues. The sections are structured around a number of important questions (listed below) that both frame the debates and focus the reading of the paper.

- Are immigrants really worse off now than they were ten years ago?
- How do researchers account for the decline in immigrants’ economic performance?
- Do newcomers have difficulty having their foreign credentials and work experience recognized in the Canadian labour market?
- Do immigrants receive adequate returns on education brought to Canada?
- Do newcomers have to re-train in Canada in order to obtain work in their professions?
- What are the occupational outcomes of newcomers working in the Canadian labour force?
- Do immigrant women have different experiences in the Canadian labour market than immigrant men?
- Are immigrants who are also visible minorities likely to pay an income penalty due to racism within the Canadian labour market?
- What do we know about racial discrimination at the workplace and what can be done to address the issue?
- Are the second-generation more successful in the labour market than their parents?
- Do people who migrate in their childhood and teens fare better in the Canadian economy over the long-term?
- What are remittances and how do immigrants in Canada contribute to this worldwide phenomenon?
- What else do we know about the labour market experiences of immigrants in Canada?
- Why are there debates about the methodology used to understand the labour market experiences of immigrants? Why do researchers arrive at different answers?
1. Economic Performance and Wage Differentials

- Are immigrants really worse off now than they were ten years ago?

  A great deal of Canadian and international research has examined a variety of facets regarding the economic performance of immigrants in relation to the native-born population. At the early part of this century, one of the area’s most active debates was whether or not the quality of recently arrived immigrants had declined relative to previous cohorts. Reitz (2001) chronicles the decline in employment rates and income among immigrants over a 25 year period. He argues that the declines occurred primarily because the education levels of Canadian-born workers increased relative to that of immigrants and that many newcomers experienced challenges in having their credentials recognized. At this time, most immigration researchers agree that the income and employment rates of immigrants who have arrived in the past 15 years have been lower than previous cohorts (see Wang and Lo, 2005; Frennette and Morissette, 2005; Picot, 2008 as three of numerous examples). The debate has matured to the point where researchers now argue about the causes of the decline in immigrant economic performance.

- How do researchers account for the decline in immigrants' economic performance?

  One of the major questions asked in this research is in regard to the returns to education attained in Canada versus the returns to education attained from abroad. Studies on the returns to education acquired from Canada and abroad dominate many debates about the economic contributions of newcomers (for further elaboration see Section 3). The central concern is uncovering the degree to which foreign-acquired degrees, diplomas and credentials can be transferred to the Canadian labour market (for more detail see Section 2). The question asked here is what are the wages and salaries that newcomers can expect with each year and/or degree, diploma or certificate?

  Looking at wage and earnings in a different way may help us understand the debate between human capital and discrimination theories. Bourdarbat and Lemieux (2010) argue that the relative decline in immigrants’ wages vis-à-vis Canadian-born workers is based on changes in pay at the lower-skilled jobs rather than higher-skilled employment. Immigrants working at low-skill, low-paid employment earned significantly less than their Canadian-born counterparts. When the highest-skilled jobs are considered, however, the wages between immigrants and Canadian-born are nearly identical. Thus, the decline in immigrant wages we have witnessed in the past decade is largely due to changes in wages for the lowest-skilled jobs.

  Another contributing factor to the differential wages between Canadian- and immigrant-born workers is based on work experience and the aging population (Bourdarbat and Lemieux, 2010). Despite the convergence among researchers regarding the issue of immigrant economic decline in recent years, there remain a few researchers who use different databases and methodologies who find that although relative to older cohorts, newer immigrants eventually will have incomes and employment rates that converge with the Canadian-born. This convergence, however, takes the current cohort much longer than previous cohorts. Overall, the researchers in this category are a minority.
The Canadian-born population is aging at a faster rate than the immigrant-born population. As a result, Canadian-born workers have a greater number of years of work experience, which benefits them with higher wages and salaries. Immigrant workers, at the same time, have witnessed a drop in the value of their foreign work experience, which also contributes to the differential wages. Discrimination plays a small role as well, but not as great as the work experience/aging Canadian-born population. We can conclude from Bourdarbat and Lemieux’s (2010) work that neither the human capital nor the discrimination theories on wage decline completely answer the question about wage erosion among recent immigrants. The situation is far more complex.

Another pertinent issue that is also discussed Section 3, regards migrants being overqualified for their current job. Compared to native-born Canadians, immigrants are more likely to hold jobs for which they are overqualified and as a result, underpaid. Wald and Fang’s (2009) findings indicate that the over-education of immigrants is the largest contributor to the earnings gap between them and Canadian-born workers. Racialized workers and those whose home language is not French or English are far more likely to be overeducated in their current employment than any other Canadian- or immigrant-born worker. Those working in unionized positions or in larger companies tend not to be overeducated in their current occupations. The good news is that as age and time in Canada increase, the mismatch between job and education decreases, meaning there are fewer immigrants who are overeducated in their current employment.

These findings mirror other research conducted by Preston and her colleagues (2010a). According to her findings, the unemployment rate for immigrants with university degrees is twice the rate for Canadian-born workers with the same degree. Immigrants who have been in Canada a short period of time have lower earnings than those with a longer settlement history. Immigrant women holding university degrees have the poorest wage and salary outcomes of all immigrant groups, particularly those from Iran and Pakistan. Figure 1 shows the labour force activity of immigrants compared to Canadian-born workers⁴. Immigrants are twice as likely to be unemployed (6.0%) than Canadian-born workers (3.4%), but they are slightly more likely to be employed (68% versus 65%).

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⁴ The 2006 Census of Canada PUMF file has been used by the authors of this paper to calculate the following figures.
Several explanations have been forwarded as to why there is a mismatch between immigrants’ education and their income and Wald and Fang (2009) provide a good outline, which we summarize here. Human capital theory suggests that the reason some immigrants do not earn as much as Canadians with similar levels of education is because the education they attain from abroad is inferior. A second explanation has to do with discrimination in the labour market. When immigrants cannot get jobs commensurate with their level of education, they may ‘settle’ for lesser employment. Another explanation is that as newcomers, they may lack knowledge about the Canadian labour market and settle for lesser pay. Once in Canada for a period of time, they learn about new and better job opportunities and relocate to new employment. Professional organizations and employers also play a role in recognizing credentials, some refusing to accept foreign-acquired skills, training and work experience which also determines the lower wages of many newcomers. Finally, it has been well-documented that jobs, at least in the earliest stages of settlement, may take a ‘backseat’ to other settlement issues such as learning a new language, finding adequate shelter and enrolling children in school. As a result, some job seekers may take jobs for which they are overqualified for a short period of time to ensure a steady income is available. Once they learn about the labour market and have settled into their new lives in Canada, they often move to other jobs.

Which explanation best describes the situation? The human capital and discrimination explanations are the most predominant and compete with one another. There seems to be support for both explanations. On one hand, recent studies suggest that it is important to compare wages by occupation and to control for education and training factors that may influence differential wages. Once this is accomplished, the observed differences in wage for racialized persons nearly disappear. According to Fang and Heywood (2010), racialized females have similar incomes to white females who work in the same job, have similar work experience and training. While racialized
immigrant men still experience some ethnicity related income discrimination, the influence is rather low. On the other hand are numerous studies indicating that controlling for other factors, including quality of education, racialized immigrants continue to experience significantly lower wages than their similarly educated Canadian-born and white immigrant counterparts (Nakhaie, 2007; Phythian, 2009; Walters, et al., 2006). Bannerji (2009) attributes this difference to the fact that racialized immigrants are less likely to work in unionized employment and that their education obtained outside of Canada has less value than that brought by white immigrants. This is a position supported by Buzdugan and Halli (2009) examining the returns to education based on the country where the education was attained. Those attending school in predominantly non-white regions face a significant income penalty in the Canadian labour market, even when industry, occupation and work experience are controlled. Girard (2010) also concludes that region of origin is related to difficulties in having foreign credentials recognized.

There have been a few papers that argue that we have not been considering the ‘correct’ factors in determining the extent to which there is income discrimination based on ethnicity or race in Canada. Phythian (2009) suggests that place of residence and knowledge of official language have an influence on differential wages and salaries of immigrant workers. English-speaking immigrants who settle outside of Montreal, Vancouver and Toronto have incomes that are similar to native-born Canadians. French-speaking immigrants, however, have better incomes in Canada’s three largest cities. Hum and Simpson (2004) argue that the way economists, sociologists and others have calculated immigrants’ work experience is greatly exaggerated which has influenced the debate on immigrant wage decline. They suggest that the wage decline witnessed amongst newly arrived immigrants is more accurately measured using other formulas and variables than those commonly used in most analyses. Using their refined formula, the wage declines experienced by immigrant males suggest that their income will never ‘catch-up’ with native-born Canadian males with similar labour market characteristics, however, the children of these immigrants will have a labour market advantage with higher wages than Canadian-born. Skuterud and Su (2008) concur that the ways which we measure income disparity are deeply flawed. Direct measures of work experience and country of schooling are needed in most models to accurately measure immigrant wages. Unfortunately, these variables are not often measured in existing databases. They argue that using years since immigration artificially inflates wage differentials between newcomers and Canadian-born. In fact, when country of schooling is included in most models, they find no difference in wages for immigrants, so policies that place more weight on country of schooling are misguided. Similarly, size of company or firm is identified by both Pendakur and Woodcock (2009) and by Fang and his colleagues (2010) as a significant predictor of immigrants’ wages. Those working in the largest companies have the largest wages. In summary, the debate about why the

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5 Note that this research applies only to jobs that are remunerated using ‘output’ pay. “Output pay’ is defined as wages and salaries derived mainly from piece rates, tips, commissions and bonuses. This is typically non-unionized work in the sales and service sector.

6 It is important to note that immigrant women were not part of this study so the results may not necessarily apply to them.
wages of recently arrived immigrants remain so low remains very heated as the determinants of this decline remain highly debated. As Frank (2009) reminds us, no single variable or theory can explain the multitude of pathways immigrants take when integrating into the Canadian labour market.

2. Foreign Credential and Work Experience Recognition

Do newcomers have difficulty having their foreign credentials and work experience recognized in the Canadian labour market?

The above question frames many policy and research concerns regarding immigration to Canada. Researchers, policy makers, newcomers and community organizations often proclaim that foreign work experience and credentials are insufficiently valued in the Canadian labour market; and recent research backs this ascertain (Buzdugan & Halli, 2009; Dean, 2009; Girard & Smith, 2009). Recent studies also indicate that the cohort of more recently-arrived immigrants earns less in Canada compared to newcomers with similar characteristics from older cohorts, regardless of their level of education. The unemployment rates for cohorts of the most recent arrivals are also at an all-time high (Preston et al., 2010b). Human capital credentials acquired from outside Canada are not adequately rewarded in the Canadian labour market, resulting in poor returns on foreign education and work experience (Dean, 2009; Girard, 2010; McDonald, Warman & Worswick, 2010; Yoshida & Smith, 2008). Such findings have nearly become common knowledge when considering labour market integration and outcomes for immigrants to Canada. Despite the attention paid to foreign work experience and credential recognition and associated implications for immigrants, it continues to be a pervasive problem, negatively influencing immigrants’ ability to successfully integrate and participate in the Canadian labour market.

Focusing on whether immigrants are working at jobs related to their education, Dean (2010) compares the differences between the Canadian-born and immigrants and finds that there are nearly no returns to foreign work experience in the Canadian labour market. Buzdugan and Halli (2009) reach similar conclusions and explain that pursuing and achieving Canadian work experience is more important in positively affecting earnings than education. In a study examining migrants destined to Quebec, Bourdarbat and Cousineau (2010) also find that credentials and work experience obtained outside of Canada were not easily transferred to the Canadian labour market. In short, there is consensus that foreign credential recognition is a serious and widespread problem among newcomers to Canada.

Who is most affected by the failure to recognize foreign credentials? Zikic and colleagues (2010) have conducted one of the few studies that examine the influence of immigrant entrance class on foreign credential recognition. They find that refugees are the group most likely to experience difficulty having their credentials assessed and recognized, a finding that is not surprising given that many refugees lack the paperwork necessary to prove their education and work experience. Results also show that refugees are the most likely to cite cost as a barrier to having their credentials recognized. They are also the least likely to have their credentials assessed
in Canada. Men are more likely to have their credentials assessed than females, with female refugees fairing the worst of all groups. Principal applicants arriving in the skilled worker class have the highest levels of credential recognition of any group, a finding that is not surprising as it is this class of immigrants who are most likely to enter the labour market.

A few other studies, however, question the extent to which foreign credential recognition is a problem for immigrants. In these studies, researchers identify other factors that influence job attainment and income and explain that these factors, rather than the failure to accept foreign credentials, explain much of the low economic performance witnessed by the most recent immigrants. Li (2008), using the Ethnic Diversity Survey, finds that foreign credential recognition is a problem experienced by only a few immigrants. The main reason more recent immigrants suffer income penalties is because of lower human capital investment among immigrants as compared to Canadian-born workers. He finds, however, that visible minority immigrants who have weak ties with their ethnic communities have much higher incomes than those immigrants who maintain stronger ties. As a result, the effects of ethnic ties are much greater than their failure to have their credentials recognized and actually negate any influence social capital ties may have in determining the income of most immigrants, a finding supported by Gauthier (2008).

3. Over-Education, Re-Training, and Occupation Outcomes

- Do immigrants receive adequate returns on education brought with them to Canada?

To understand the above question it is first of all necessary to note that immigrants are a highly educated group. Nearly one-third (32%) have a university degree prior to their arrival to Canada. The most recently-arrived immigrants have an even higher rate of university degree attainment at 51% (Statistics Canada, 2009). Both groups have a significantly higher rate of educational attainment compared to the Canadian-born (at 24%). Among the most highly educated in Canada, immigrants are over-represented. Among those with Master’s degrees, 40% are immigrant and for those with doctorate degrees, 49% were born outside of the country (Statistics Canada, 2009). The points system, which awards 24 out of 100 points for education, is a contributing factor to the high rates of education among many immigrants. Newcomers assessed under the point system need between 30 and 67 points to gain entry to Canada, so having a university degree contributes to over half the points required. As Boyd and Schellenberg (2011) point out, skilled immigrants are different from family class, refugee and business class immigrants as they valued for their potential economic contribution to Canadian society. The contradiction, however, is that once in Canada, their educational credentials may not be recognized in the labour market by potential and current employers.

Using the 2006 Census, Figure 2 shows the highest level of education for immigrants and Canadian-born workers aged 25 and older. In the highest levels of education, immigrants outpace Canadian-born citizens; 18.4% of immigrants have a Bachelor’s degree compared to only 13.8% of the Canadian-born. Immigrants are twice as likely as Canadian-born citizens to have a professional
degree (i.e., dentistry, medicine) and they are twice as likely to hold a Master’s or PhD. They are less likely than Canadian-born workers to have earned a trade or apprenticeship certificate or a college diploma.

Figure 2: Highest Degree or Diploma Attained by Immigrant Status, 2006

While immigrants may be better educated than the Canadian-born, they are also unfortunately burdened with a labour market disadvantage (Girard & Smith, 2009). To answer the question beginning this section, the financial return on education is lower for immigrants than the Canadian-born because their skills and work experience are not always fully recognized in the Canadian labour market. Also, many immigrants struggle to integrate into the Canadian labour market despite higher levels of education due to competencies in either English or French (Bourdarbat & Boulet, 2010). As such, the pursuit of Canadian education and job-related training becomes an important determinant in successfully participating in the labour market.

- **Do newcomers have to re-train in Canada in order to obtain work in their professions?**

Merely having high levels of education does not ensure successful labour market participation. Where education is attained is an important factor determining the labour market success of immigrants. Nearly half (47%) of all newcomers to Canada earned their highest educational credential in Canada after their arrival (Lo et al., 2010). As time in Canada increases, so does the rate at which immigrants attain a “Canadian” credential; for those arriving prior to 1990, 66% have an educational credential from here. Those whose highest educational credential was attained outside of Canada are less likely to be working than those who have training in Canada. For
those with foreign credentials, their income is significantly lower than those with some Canadian
training. Hudson (2009) finds that as age increases the odds of pursuing additional education
decreases and being fluent in either English or French increases one’s chances by 75%. Ethnicity
influences one’s chances of returning to school, as demonstrated by the finding that African and
Caribbean visible minorities are 200% more likely to pursue additional education. Having a
university degree triples immigrants’ odds of returning to school, and more particularly those
holding a communications or engineering degree are over 50% more likely to pursue further
education. Interestingly, having one’s foreign credentials recognized had no effect on the pursuit of
additional education while not having foreign work experience accepted increased one’s chances by
39%.

One of the most important factors in assessing the likelihood of immigrants receiving on-
the-job training is the age at which they arrive to Canada. Focusing on the demographic variables
that may predict whether immigrants pursue job-related training, Hum and Simpson (2003a) find
that those arriving as children are as likely to receive job-related training and education as the
Canadian-born, but those arriving later in life are less likely to receive additional education or
training. Interestingly, language does not seem to be a significant barrier to the pursuit of
education and job-related training in the study. The conclusions of the study suggest that policy
should focus on directing training-related initiatives to those immigrants arriving later in life since
they are found to have a training disadvantage compared to younger migrants. Strategies to
enhance job-related training need to be combined with strategies to address foreign credential and
work experience recognition.

● **What are the occupational outcomes of newcomers working in the Canadian labour
force?**

Are the occupations of immigrants largely different from the Canadian-born? The answer is
mostly ‘no’. Immigrants are just as likely to be found working in the same occupations as Canadian-
born workers, however, there are some differences, as illustrated in Figure 3. Canadian-born
workers are more often found in management and high-level business work than immigrants.
Immigrants, however, are more likely to work in health and science fields, manufacturing, and in
wholesale and retail. While the differences are statistically significant, they are not large.
Although the overwhelming majority of newcomers are highly skilled, working in regulated professions with advanced university degrees and diplomas, very few have apprentice training. According to McDonald and Worswick (2011), the most recently arrived newcomers are less likely than older immigrant cohorts to have apprenticeship training. Second-generation males are less likely to attend apprenticeship training if their fathers were not apprentices themselves. Given the large number of job vacancies in professions requiring apprenticeship, this trend does not bode well for the offspring of immigrants arriving today. Several researchers have identified apprenticeship training as a key component to future labour market success among newcomers and their children.

In their investigation of regulated and unregulated occupations, Girard and Smith (2009) identify the number of immigrants and non-immigrants working in each category, determining if education influences the propensity to work in a regulated occupation, defined as those requiring a license from professional or government organizations. They find that, as a group, immigrants are just as likely to work in regulated occupations. However, where one obtains an education is an important determinant of whether they enter a regulated occupation and there are statistically significant differences by area of origin. For example, immigrants with education from Asia are less likely to find a job in a regulated occupation. Despite this one difference, there is little difference in the proportion of immigrants in regulated occupations compared to those in the unregulated category.

At least two studies have examined the outcomes of immigrants in specific professions. First, Hall and Khan (2008) compare the earnings of immigrant- and Canadian-born workers in the
high tech sector between 1990 and 2000. Immigrants living in cities with a high concentration of high tech industry earn significantly lower wages when compared to the Canadian-born and immigrants living in midsized and smaller cities. As a result, the authors conclude that geographic location is an important indicator of income.

The second study, conducted by McDonald and his colleagues (2010), examines the earnings, occupations and re-training experiences of internationally trained physicians and compare the outcomes of those migrating to Canada with those migrating to the United States. In both countries, foreign trained physicians are paid significantly less than Canadian- or American-trained physicians. In Canada, the employment rate of foreign born physicians with foreign medical degrees is 42%. For the foreign born with Canadian medical degrees, the employment is significantly higher at 85.8% and higher yet for Canadian-born physicians with medical degrees obtained in Canada (87.6%). The authors suggest that the Canadian points system, which is used to admit skilled and professional immigrants, “may contribute to this occupational mismatch by recognizing the value of a foreign medical degree in terms of immigration but not necessarily for the ability to practice medicine” (McDonald et al., 2010: 26). In a subsequent study, McDonald and Worswick (2010a) find that there is significant outmigration among foreign-trained physicians from rural areas to large urban centres. Those having spouses with higher levels of education and those in Canada for longer periods of time are likely to leave rural centres. Overwhelmingly, physicians are attracted to larger centres in Ontario. The authors again conclude that the points system for selecting immigrants in Canada puts foreign trained physicians at a greater disadvantage than their counterparts in the United States, namely because the selection system in Canada awards points based on education but does not ensure these highly educated migrants find work as physicians. As a result, foreign trained physicians in Canada are much less likely to find work in the medical profession than their counterparts in the United States.

4. Implications of Gender

- Do immigrant women have different experiences in the Canadian labour market than immigrant men?

The previous discussions of dilemmas faced by immigrants have predominately focused on how elements of human capital impact earnings, training, education and labour market participation. It is necessary to consider how ascribed characteristics and social locations problematize and complicate structural and institutional barriers to further marginalize groups of people and contribute to vast social inequalities. Intersections of social locations, identity, and status are important in analyses of the economic and labour market circumstances of immigrants. Not surprisingly, the economic and labour market experiences of immigrants differ according to gender in important ways. A consistent finding is that immigrant women earn significantly less than immigrant men (Preston, et al. 2010c; Shields et al. 2010). In addition, immigrant women have higher rates of unemployment and less job security than both immigrant men and Canadian-born women and men (Preston, et al. 2010c; Shields, et al. 2010), what researchers have termed as the
‘double jeopardy’. Using 2006 Census data, Preston, et al (2010c) found that while immigrant men experience similar unemployment rates as Canadian-born men, immigrant women experience higher unemployment rates and lower labour market participation rates than Canadian-born women. Table 1 presents 2006 Census data, comparing the labour force activity of immigrant- and Canadian-born workers by gender. Immigrant women have the highest unemployment rate at 6.5% followed by immigrant men (5.5%), Canadian-born men (3.9%) and Canadian-born women (3.1%). As is the case with most groups of immigrants, the economic and labour market situations of immigrant women do get better with time in Canada (Preston, et al. 2010c; Shields, et al 2010).

**Table 1: Labour Force Activity by Immigrant Status and Gender**

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<thead>
<tr>
<th></th>
<th>Male</th>
<th>Female</th>
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<tbody>
<tr>
<td></td>
<td>Canadian-born</td>
<td>Immigrant-born</td>
</tr>
<tr>
<td>Employed</td>
<td>70.9%</td>
<td>77.4%</td>
</tr>
<tr>
<td>Unemployed</td>
<td>3.9%</td>
<td>5.5%</td>
</tr>
<tr>
<td>Not in labour force</td>
<td>25.2%</td>
<td>17.0%</td>
</tr>
</tbody>
</table>


Despite the general findings of women’s poorer economic outcomes, such experiences are made more complex by the particularities of the characteristics of immigrants. Using LSIC data between 2001 and 2005, Shields et al (2010) found that unemployment rates and labour market outcomes differ depending on length of time in Canada and immigrant class at the time of entry. Both male and female skilled worker principal applicants experience better labour market outcomes than other immigrant classes. Further, the differences in unemployment rates for immigrant men and immigrant women are considerable except when examining principal applicants. In such cases, principal applicant immigrant men and women have similar unemployment rates in the first 4 years in the country. Both male and female refugees have the highest unemployment rates after 4 years in Canada, with female refugees having higher overall rates than their male counterparts. Also, immigrant women, especially refugees, have longer periods of joblessness than other immigrants (Shields, et al. 2010). The unemployment rate for immigrant women arriving as spouses is notably low because, as Shields et al (2010) explain, some do not intend to work and are not looking to participate in the labour market and are therefore excluded from the unemployment rate.

Focusing on the nature of temporary employment, Fuller and Vosko (2008) and Fuller (2011) use SLID data to examine how intersecting social locations influence experiences and implications of temporary work in Canada. More particularly, both articles discuss how gender, immigration status, and race influence insecurity and inequality in different types of temporary employment. Beginning from the argument that temporary employment is inherently gendered and racialized, Fuller and Vosko (2008) generate findings consistent with other studies – those from disadvantaged social groups do poorly in many types of temporary work – but suggest that
inequalities related to gender, race, and immigration status in temporary employment are by no means simple or uniform. The intersections of social locations and identities are important, but not always consistent. For example, recently arrived immigrant men have increased odds of finding employment in contract work, but recently arrived immigrant women have decreased odds.

Fuller (2011) takes the analysis of the previous study (Fuller & Vosko 2008) one step further and examines how transition rates from permanent and temporary employment are influenced by the intersections of gender and immigration status. Further, she problematizes the notion that women choose temporary employment because of the flexibility such work offers as they balance work, family, and household responsibilities. Fuller found that women in permanent employment transition to temporary work more often than men, however, “once employed in a temporary position, women are more likely than men to leave for a permanent job and less likely to transition to a new temporary job” (p. 177). With regards to immigration status, Fuller finds that immigrants do no worse than other temporary workers.

Marier and Skinner (2008) examine how gender and immigration status influence pension outcomes. They found that older women living alone and immigrants who arrived after 1970 have restricted ability to maintain an autonomous household without relying on means-tested pension programs. As such, both women and immigrants have lower earnings in retirement. Women are in such circumstances because of the impact of interrupted careers on both private and public pension contributions. Immigrants face such situations because of residency requirements and a shorter career length in Canada. Immigrant women, who earn less than immigrant men and their Canadian-born counterparts, have substantially lower pension income resulting in a reliance on means-tested programs for nearly 45% of their pension income. The intersection of gender and immigration status in the case of pension earnings contributes to vast inequalities and reveals a group that does not have the ability to support themselves in retirement without the assistance of a partner or government programs.

So, why do immigrant women fair more poorly than immigrant men? Such a question is exceedingly complex and inextricably linked to the continued trend of patriarchal societies. Even to do this day, Canadian women earn less, on average, than men, regardless of other variables (Cool, 2010). Women continue to be faced with double and even triple burdens of responsibility as they work outside the home and do the majority of housework and caring work. Domestic responsibilities and childbearing result in career disruptions, which contribute to less overall earnings and fewer pension contributions. Such circumstances are experienced by both Canadian-born and immigrant women, however, the intersection of race and immigration status put immigrant women in a particularly unequal position. Salaff and Greve (2003) offer an interesting insight into understanding the complexities faced by immigrant women: “The poor match between the social structures that surround jobs in a migrant’s home country and their new destination makes it difficult to continue careers abroad. Women have more trouble continuing with their former careers because the highly institutionalised professional system in the receiving country affects them more than men” (p. 455).
5. Implications of Visible Minority Status

- Are immigrants who are also visible minorities likely to pay an income penalty due to racism within the Canadian labour market?

A general finding in many of the studies is that while recent immigrants experience profound difficulties accessing and successfully participating in the Canadian labour market, such challenges are compounded for visible minority immigrants. Not surprisingly, many studies explore the implications of visible minority status on earnings outcomes and labour market participation. Table 2 compares the labour force participation of immigrants and Canadian-born workers. The unemployment rate for immigrant-born visible minority workers is significantly higher (6.7%) than for other workers. As such, there is evidence of a colour line in the Canadian labour market. The following discussion outlines what some of the most recent research has uncovered.

Table 2: Labour Force Participation by Immigrant and Visible Minority Status

<table>
<thead>
<tr>
<th></th>
<th>Visible Minority</th>
<th>White</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Canadian-born</td>
<td>Immigrant-born</td>
</tr>
<tr>
<td>Employed</td>
<td>75.3%</td>
<td>65.4%</td>
</tr>
<tr>
<td>Unemployed</td>
<td>4.6%</td>
<td>6.7%</td>
</tr>
<tr>
<td>Not in labour force</td>
<td>20.0%</td>
<td>27.9%</td>
</tr>
</tbody>
</table>


A common finding is that among immigrants visible minorities have lower earnings than non-visible minorities, which is a finding that holds even after controlling for human capital (Buzdugan & Halli, 2009; Yoshida & Smith, 2008). Interestingly, there is reason to be encouraged by recent findings from studies by Yoshida and Smith (2005) and McDonald and Worswick (2010), which indicate that recently arrived visible minority immigrants are receiving strong returns to Canadian work experience, despite initial earnings disadvantages.

McDonald and Worswick (2010) study the implications of race and minority status for earnings of both the Canadian-born and immigrants to Canada. They use a cohort based approach, analyzing four consecutive Canadian Censuses between 1991 and 2006 to examine earnings differences according to immigrant status, visible minority status, and gender. Findings reveal a larger wage gap between visible minority groups and their non-visible minority counterparts in the 1982 to 1986 cohort, with diminishing differences for the 1997 to 2001 cohort. According to McDonald and Worswick (2010), “there is extensive evidence that recent cohorts of the Canadian born from historically disadvantaged groups such as blacks, Chinese, and South Asians are experiencing strong returns to work experience, indicating that their future earnings are likely to be high” (p. 141). Across cohorts, their findings indicate that those belonging to visible minority groups are experiencing better earnings outcomes than non-visible minorities and this is the case for both Canadian-born and immigrant populations. Recent arrivals of some immigrant groups (Chinese and
South Asians) are experiencing declines in entry earnings, but many recent immigrant visible minority groups are also experiencing higher returns to work experience, which is an encouraging finding.

Yoshida and Smith (2005) examine the differences in earnings between visible minority immigrants and the Canadian-born by asking how discrimination and restricted access to training may produce such differences. As a group, immigrants receive less training than the Canadian-born and visible minority immigrants receive the least. Having college or university experience decreases training differentials and as such the probability of training is greater for visible minority immigrants with a university degree than for the Canadian-born and white populations. Yoshida and Smith’s data indicate that the earnings differentials for visible minority immigrants can be partly explained by low returns to education and experience and there is no evidence for a low return to training. The payoff of training for visible minority immigrants is larger than (or equal to) that of the non-visible minority Canadian-born group and training disadvantages for visible minority immigrants disappear with a post-secondary education degree. As Yoshida and Smith (2005) explain, “the most fundamental finding is that, once hired, visible minority immigrants seem to do no worse than their white counterparts. In terms of wage growth, they seem, in fact, to do a bit better” (p. 1239-1240). The pay disadvantage for visible minority immigrants pertains to their initial jobs and once they gain Canadian work experience, employers do not appear to discriminate. In a later study, Yoshida and Smith (2008) speculate that poor measures of work experience can lead to an overestimation of visible minority immigrant earnings disadvantages. Their findings indicate that visible minority men get paid less than non-visible minority men whether immigrant or Canadian-born. However, when human capital (training experience) is controlled, the earnings disadvantage for visible minority immigrants continues to exist, but to a lesser degree. In sum, various factors, including visible minority status, contribute to immigrant earnings differentials.

Another encouraging study by Renaud and Goldmann (2005) examines the influence of the 2001 terrorist attacks in the US on the labour market outcomes of Arab Canadian immigrants. Using the Longitudinal Survey of Immigrants to Canada, the researchers find that job prospects and income of the youngest and oldest immigrants are the most affected during recessions, similar to what we witness among the Canadian-born population. The youngest and oldest workers are most affected by recessions and economic downturns, so their conclusion is that the terrorist attacks had a very minimal influence on the labour market conditions of Arab Canadians post-9-11.

On a less encouraging note, Hum and Simpson (2007) indicate that visible minority immigrants continue to suffer from earnings disadvantages. They examine the importance of immigration and visible minority status on earnings and argue that, even though variation exists, visible minorities, as a group, suffer from wage and earnings disadvantages when compared to non-visible minorities. Comparing SLID data from the last decade, the authors find that visible minority status results in wages that are approximately 6% less than other Canadians and African and Caribbean Canadians have the highest earnings differentials. Wages for non-visible minority immigrants eventually converge and become equal to the Canadian-born. Immigration status was found to be most important in determining wage differentials between visible minorities and other
Canadians; visible minority status was not statistically significant for Canadian-born men and immigrant and Canadian-born women. Hum and Simpson recommend that policy makers and researchers consider visible minorities as a diverse and heterogeneous group with differing experiences. As such we can come to better understand the varying disadvantages and barriers faced by those often classified in the homogenous category of visible minority.

- **What do we know about racial discrimination at the workplace and what can be done to address this issue?**

  Few Canadian studies have considered the influence of discrimination at the workplace. Preston and her colleagues (2011) find that perceived racism on the job is twice as high among racialized immigrants as it is among white immigrants. This observation holds when factors such as education, language fluency and gender are held constant; in other words, even when these factors are controlled, perceived discrimination persists. Another interesting observation is that as immigrants become more comfortable speaking an official language, they also report higher levels of discrimination on the job. Those who perceive the highest rates of discrimination work in low-wage employment and report lower rates of job satisfaction than other workers. There is an effect of education on perceived discrimination on the job as well. Those with higher levels of education are more likely to report discrimination than those with lower levels of discrimination.

  A possible avenue to address discrimination in the workplace is workers’ unions. Reitz and Verma (2004) use SLID to look at the relationship between rates of unionization and racial minority immigrants and ask if unions have an impact on the integration of newcomers. Their analysis focuses on union participation of both immigrant and Canadian-born racial minorities in comparison to the white Canadian-born. Racial minority groups were found to be less likely to have unionized jobs, which was a more frequent occurrence for men than women. These gaps, however, diminish over time for new immigrants. Their findings indicate that unions do not provide any major assistance in addressing racial discrimination and have little impact in addressing the obstacles faced by visible minorities. The authors are not suggesting that unions make no effort to address such issues, rather they state that unions’ efforts to address racial discrimination are not yet evident in aggregate studies.

  There is much debate about the evidence regarding visible minority effects on wages and employment among immigrants. The best way to understand the issue is to recognize and acknowledge that myriad factors, including gender and visible minority status, contribute to differential wages of immigrants. The debate on such dilemmas continues yet remains important to forward policy and research agendas designed to enhance the labour market and economic outcomes of newcomers.

6. **The Second-Generation**

- Are the second-generation more successful in the labour market than their parents?
Research on the second generation has increased, particularly since the reintroduction of the country of origin of parents question on the Canadian Census and other Statistics Canada products. Research in the RDC has followed suit, with a number of recent studies examining the labour market experiences of this growing group. This is not a small demographic. According to recent estimates, over 4 million Canadians are second generation, accounting for 15.6% of the entire population (Statistics Canada, 2008a). There are significant differences in the numbers of second-generation Canadians by age group. Among the population aged 15 to 24 years, 18.7% are second-generation compared to 14.3% of those aged 25 to 54 years and 11.2% among those aged 55 to 64 years (Statistics Canada, 2008b).

International and Canadian trends in research regarding the second-generation has focused on educational attainment and discrimination and the results range from highly negative results to more positive outlooks for this group of people. Notable studies examining some of the negative aspects of second-generation life in Canada include Reitz and Bannerji’s (2007) study shows that the second generation, although they are more likely to be employed than similarly-aged first-generation youth, they are unhappier in terms of life satisfaction and looking forward to the future. This pessimism is also reflected in the significantly higher rates of perceived discrimination where the second generation is 2.5 times more likely to report being the victim of racism than first- or third-generation-plus groups.

Monica Boyd’s (2002) study using the SLID (cycle 1996) data accessed through the RDC paints a more positive picture of the second generation. Her results reveal, like Hansen and Kučera (2004) and Reitz and Bannerji (2007), that the second-generation has higher educational attainments than other generations, but unlike the previous study, her sample was more likely to be employed and had higher incomes.

Some of the more recent research conducted at the RDC by Hum and Simpson (2007) supports the more optimistic views reported by Boyd. According to their findings, second-generation youth earn just as much or more than Canadian-born youth. Using the 1999 SLID, Hum and Simpson make some interesting observations. First, the definition of who is a second-generation matters. When coming from a family with two foreign-born parents, second-generation youth have an extra two years of post-secondary education, which partially explains their superior labour market outcomes. When living in a family with only one foreign-born parent, Statistics Canada’s definition, second-generation youth have half a year less schooling—and lower labour market and economic returns as a result. Second, on average, regardless of ethnic group affiliation or how the second-generation is defined, this group has incomes that are about 10% higher than Canadian-born youth with similar characteristics. Third, they test for ethnic group differences in terms of income and number of hours worked controlling for occupation, industry and other

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7 The second generation is defined by Statistics Canada as the children of one or two parents who were born overseas. This definition is the 'liberal' interpretation of the concept and some researchers identify those with only one immigrant-born parent as the 2.5 generation.

8 When examining highest level of schooling, however, Hansen and Kučera (2004) find that the definition of second generation, whether from two- or one-immigrant parent households, did not make a difference.
pertinent factors. Once outside factors are controlled, they find no ethnic group differences. White second-generation males and females are just as successful as racialized second-generation youth. Finally, Hum and Simpson investigate the influence of parents’ level of education and find that it is a critical indicator of labour market performance, nearly as much as personal education. In contrast to other research, both parents’ education rather than just father’s or mother’s education contributes positively to higher income among the second-generation. Every year of high school a mother completes adds 1.5 years of education to her son and 1.3 years to her daughter’s educational trajectories. For father’s high school education, his contribution is an additional 1.2 years of education for sons and 1.1 years for daughters. The results are about half for families with only one immigrant parent. In other words, there is an extra educational advantage of having two immigrant-born parents in terms of economic returns to the second-generation.

More recent studies on the second generation corroborate Hum and Simpson’s optimistic results. Aydemir and Sweetman (2006) find some agreement with Hum and Simpson. Second-generation youth in Canada and the US have higher levels of education than other generation groups. In fact, second-generation youth in Canada are more likely to obtain university degrees and college diplomas than their American counterparts. The second-generation in both countries have higher incomes, though they do much better in Canada. Abada and Tenkorang (2009) find that second generation Chinese and South Asian youth have the highest levels of post-secondary education attendance with African and Caribbean Canadian youth having the lowest levels of educational attainment. The authors attribute this difference to the positive effects of minority language retention at home, combined with attachment to friends from outside their ethnic community which encourages the use of one of Canada’s official languages.

Examining post-secondary education attendance using the YITS, Finnie and Mueller (2008) indicate that second-generation youth are 16.6% more likely to attend than the third-plus generation students. Those with two immigrant-born parents are 22% more likely to attend university. Like Hum and Simpson, these researchers report that understanding income of the second-generation must include a measurement for parents’ level of education; without such indicators, income estimates are biased. Their findings differ from Hum and Simpson in terms of the importance of place of birth on post-secondary attendance. Whereas Hum and Simpson did not find any appreciable country of origin differences in their study of SLID data, Finnie and Mueller’s findings indicate that those from Latin American countries are far less likely to attend post-secondary schooling while those from China and East and Southeast Asia are more likely. Another project by Monica Boyd (2009) reveals that most country of origin differences in educational attainment disappear once family and other social context variables are controlled. In sum, it is not the country of origin or cultural differences that dictate educational attainment, rather it is social advantages (i.e., parents’ high level of education and familial income) that influence educational attainment among the second-generation.

Other research focuses on occupational aspirations of second-generation youth. In Taylor and Krahn’s (2005) paper, they compare the educational aspirations of 15 year-old visible minority first and second generation immigrant students with the aspirations of Canadian-born youth by
using data from the YITS. They found that educational aspirations of Canadian-born 15 year-olds are notably high; however, the aspirations of visible minority immigrant youth are even higher. Such an effect holds even when accounting for other socio-demographic and school performance related variables. Other explanatory variables include higher parental aspirations and education as well as higher grades and school engagement of visible minority immigrant youth.

7. Immigrant Youth

- **Do people who migrate in their childhood and teens fare better in the Canadian economy over the long-term?**

  While much is known about the labour market trajectories of migrants arriving to Canada as adults, the opposite is true of those who migrate in their teens and young adulthood. A number of RDC reports have recently examined various aspects of the school-to-work transitions of this group. A recent study conducted by TIEDI reveals that although immigrants who attend university in Canada take longer to find employment, they have higher incomes and are more likely to be working in their field of study than those who did not attend university in Canada (Shields, et al., 2010). They also found that females who did not attend school in Canada had lower incomes and more difficulty finding work than immigrant men who did not return to school. As a result, immigrants who do not attend school in Canada are penalized with lower labour market outcomes. Their findings are confirmed by research conducted by Paul Anisef and his associates (2011). Looking at a different sample (immigrants during their first 4 years in Canada), Anisef et al (2011) conclude that immigrant youth who do not attend school in Canada will have lower labour market outcomes than those attending university, college or technical school. They also find that immigrants who enrol in a university degree program in which they had been previously trained overseas have the most successful labour market outcomes.

  Wilkinson and her associates (2010), in their analysis of LSIC, examine the short-term education and labour market trajectories of youth during their first four years in Canada. Entrance class, gender, area of origin, appropriate grade placement at arrival and other factors influence their school-to-work transitions, a finding similar to Rick Sin’s (2009) report. For those migrants in high school, entering as a refugee, male, with gaps in their education are more likely to leave high school without a diploma or graduate at least two years later than their peers (i.e., leave high school at age 20 instead of age 18). This lengthy transition has two implications. First, those who fail to obtain a diploma or take longer to finish high school are significantly less likely to embark on post-secondary training. This means that a majority of this group is destined for poorly paid, insecure and unstable work as adults. The second implication is that the prolonged time in high school leads to delays in entering the workforce which will have financial implications for the family. It may also contribute to unhappiness in the settlement process and may negatively affect their outlook on their lives in Canada.

  A much needed study on low income and immigrant youth was conducted by Anisef and Phythian (2007). Youth poverty is an important issue to consider especially as the incomes of newly
arrived immigrant families continues to fall. According to Picot (2004), the number of recently-arrived immigrant families currently living below the poverty line has increased. In 1980, 24.6% of newly arrived families had incomes below the poverty line compared to 35.8% by 2000. Knowing that Canadians born into poor families are just as likely to become poor as adults, the question asked is whether or not this trend applies to the children of immigrants. In addition to the difficulties that Canadian-born children and youth born into poor families face, immigrants have the added challenges of learning a new language and culture and many watch their parents struggle to settle successfully in a foreign land. Anisef and Phythian (2007) note that almost half of all immigrant teens arriving in 2001 lived in low income families compared with only 16% of those whose families were born in Canada. Immigrant youth living in BC, Ontario and Quebec were more likely to be living in low income families than those living elsewhere.

8. Remittances

- What are remittances and how do immigrants in Canada contribute to this worldwide phenomenon?

Remittances are monies sent by immigrants to family members in their home country. These monies are used by families to elevate their quality of life and may assist in sending siblings and children to school, purchasing new residences, renovations to existing structures or other familial expenses. Although the money goes directly to families, remittances are a significant contribution to the GDPs of many developing countries, particularly the Philippines and Mexico. Remittance behaviour of immigrants is not entirely understood and the scope and extent of those remitting to family in other countries is difficult to gauge since records of money sent outside of Canada are not maintained. In an attempt to fill this gap in the literature, Houle and Schellenberg (2007) use data from the LSIC to better understand and examine remittance behaviours of immigrants in Canada. They found that the average amount remitted on an annual basis, per person, is $1,450, which equals approximately 6% of personal and 3% of family income. The range of remittances is between a minimum of $500 to $3,000 per year for a single landing cohort. In another study, Houle and Schellenberg (2008) focus on those immigrants who have landed in Canada between 2000 and 2001, finding much variation in remittance behaviour among new immigrants. About four out of ten immigrants in this group sent money to family or friends with the average annual amount increasing as time in Canada increased. Financial capacity and obligations to family members were strongly correlated with remittance behaviours.

Similarly, Unheim (2007) found that “approximately 21% of landed immigrants remit money to friends or relative abroad during their first two years in Canada” (p. 3). Using data from the 2003 LSIC, he found that the total annual amount of remittances sent abroad was $62.9 million, as reported by survey respondents. However, he believes that the estimates will be low since temporary migrants and second-generation immigrants were not included in LSIC and therefore he estimates remittances may be between $5 and $10 billion per year. On the whole remittance data is difficult to gather and therefore behaviour remains vague and merely based on best-estimates.
Gender and age matter in determining remittance behaviours. While women may remit less money than men (Houle & Schellenberg, 2007) they appear to be the drivers of remittance behaviour (Unheim, 2007). Remitting occurs most often among immigrants between the ages of 25 and 44 (Houle & Schellenberg, 2007) and those in their late 30s send more than at any other point in their lives (Unheim, 2007). There is variability in remittance behaviour according to country of birth, but findings indicate that the probability of remitting is highest among immigrants coming from countries with lower GDP per capita (including such regions as Southeast Asia, the Caribbean, and Guyana and lowest among West Asia, Middle East, and North Africa) (Houle & Schellenberg, 2007 & 2009). According to Unheim (2007), most remittances from Canada go to South and East Asia (approximately 54%).

9. What else do we know about the labour market experiences of immigrants in Canada?

Many other studies in the RDC focus on myriad issues related to immigration and immigrant status in Canada and cannot easily be classified into thematic areas since they each represent a unique area of study. The following papers provide valuable insights into the experiences of immigrants in Canada and the findings are important to note. They represent areas of research that warrant further inquiry and provide unique perspectives on economic and labour market integration.

In recent years, temporary migration has increasingly changed the nature of migration in Canada. Temporary foreign workers in both low and high skilled occupations are seen as a solution for industries to promptly, yet temporarily, address labour shortages. In the RDC there is only one paper referencing temporary migration in Canada. Nievas (2008) studies the impact of seasonal agricultural workers on the industries in which they are employed and asks if wages are affected by their presence. Nievas hypothesizes that the presence of seasonal agricultural workers in a community will have a positive economic impact and the results support this argument. As a result, the author supports the use of the Seasonal Agricultural Workers Program. Temporary migration programs warrant further research since findings will be relevant to determining the implications of such programs on the nature of immigration to and within Canada.

It is not entirely surprising to note here that Québec's experiences with immigration differ from other provinces. Bourdarbat and Boulet (2010) examine the Québec labour market in terms of its ability to promote labour market integration among immigrants. Since the introduction of the Québec-Canada Accord in 1991, the province has been able to attract more immigrants with the characteristics needed to succeed in the provincial economy. Their findings, however, indicate that compared to immigrants in other provinces, those in Québec struggle to compete with workers born in Québec in terms of gaining employment and in job advancement. The investigators conclude that although new labour market policies of the provincial government have been positive, work needs to be done to encourage more employers to hire newcomers.
In a study that might shed light on Bourdarbat and Boulet’s findings was conducted by Bégin (2004) and focuses on the ethnic labour market in Quebec, Bégin (2004) finds that in the early stages of settlement, many newcomers to that province work in ethnic enclaves. Entrance to the ethnic enclave is dependent on demographic characteristics, particularly the size of the ethnocultural community. Those from well-established, large ethnocultural communities are more likely to work in ethnic enclaves than those from less-well established groups. Working in an ethnic enclave, however, is not always negative. She finds that there are many positions with possibilities for economic and occupational advancement, contrary to earlier theories regarding the ethnic enclave in Canada and the United States. Further research on the unique circumstances of immigration in Québec would be valuable.

An important and growing area of research in Canada is immigrant health. Particularly, in the case of the following studies, workplace health and safety is a concern for the well-being of newly arrived immigrants to Canada. Smith and Mustard (2010) compare the health and safety risks to newcomers compared to Canadian-born workers in similar occupations. Immigrant workers fared worse than comparable Canadian-born workers on several measures related to risk and safety. They were more likely to have shift- or temporary work and to work in non-unionized positions that may be characterized by hazardous work conditions that are more likely to carry significant health risks. The authors conclude that the risk for immigrants working at these types of jobs is increased due to linguistic barriers and lack of workplace rights and protection. Another study by Premji (2010) and colleagues supports these findings. Premji’s research team shows that immigrants are more likely than Canadian-born workers to work in jobs with considerable risk, particularly those working in Montréal. Despite working in jobs with more risks, the injury rate, particularly for manual labour, is lower for immigrants than the Canadian-born. The researchers believe this is due to under-reporting of injuries among immigrant workers.

Newcomers to Canada face many challenges and barriers as they navigate the labour market. One of the fundamental hurdles many immigrants face is learning and honing their skills in English or French. Language skills play an important role in successful economic and labour outcomes, even determining wages and unemployment rates. Immigrants with Canadian Language Benchmarks (CLB) 1 through 3 have the lowest wages and highest unemployment rates of all immigrants, while those with benchmarks 4 and 5 not only out-earn their immigrant counterparts, but their Canadian-born counterparts as well (Kelly et al., 2010). According to Kelly et al., (2010), CLB 3 is the “tipping point” for improvement in immigrants’ income. The largest jump in hourly earnings occurs for those moving from CLB 2 to CLB3. Among immigrants with the highest levels of language fluency and highest levels of education, employment and wage rates are significantly higher than for other immigrants and for the Canadian-born. Time in Canada is also a major factor in finding employment, regardless of level of language fluency. Recent immigrants continue to have unemployment rates three times higher than that of older immigrants and Canadian-born workers (Kelly et al., 2010).
10. **Considerations of Methodology**

- **Why are there debates about the methodology used to understand the labour market experiences of immigrants? Why do researchers arrive at different answers?**

A number of studies identify important methodological considerations when examining the economic and labour market integration of immigrants and have contributed to the vigour of many debates in this field. Measurement errors have the potential to influence findings and as such data collection tools must pay close attention to how key terms and concepts are operationalized. For example, Dean (2010) examines measurement errors in assessing returns to foreign schooling and work experience finding that imprecise measures may inflate some results. Dean also seeks more precise measures of human capital, a commonly used concept when studying training and education, an issue also raised by Hum and Simpson (2007). Similarly, Yoshida (2008) examines methodological and measurement issues in studying work experience and the factors that influence earnings. Using the Workplace and Employee Survey, she reveals biases in the estimates of wage disparities resulting from errors in measuring experience. Findings indicate that such errors in the measurement of experience result in overestimates of the earnings disadvantages of visible minority immigrants. It is Yoshida and Smith’s (2008) engagement with measurement issues that marks the major contribution of their study on visible minority immigrant earnings disadvantages. Considering the nature of data sets and ensuring thorough measurement instruments for data collection, along with clear conceptualizations of concepts, will lead to better assessments of the labour market outcomes of immigrants.

Their experience using the IMDB and SLID demonstrated to Hum and Simpson (2002) that data sets are sometimes unable to answer the research questions imposed upon them. While examining immigrant selection and questioning what type of immigrants Canada should be admitting, Hum and Simpson found that the IMDB and SLID were unable to statistically reveal specifically the relationship between admission class of immigrant and earnings over years since landing since the IMDB is not flexible enough to allow the type of analysis required to answer their question. The results of their study have prompted Hum and Simpson to call for a research agenda that links the IMDB file with the SLID file to allow for more detailed analysis, which would be invaluable to researchers focusing on immigration to Canada.

Finally, some of the studies have suggested that researchers too often ignore the complexities of the overarching category ‘immigrant’ or ‘visible minority’. For example, when studying how education influences immigrants’ economic performance in the Canadian labour market Buzdugan and Halli (2009) contend that immigrants are too often treated as a homogenous group and that it is important to consider the diversity in stages of integration since that may impact research results, data, and outcomes. Such an argument is also made by Hum and Simpson (2007). Similarly, Hum and Simpson (2003b) further elaborate the importance of considering the multiple identity markers or status that influences labour market integration. By considering the use of an intersectionality framework, which is not often used in economic studies, Hum and
Simpson (2003b) summarize recent research on labour market integration of immigrants and their experiences in job-related related training, advocate for more research that focuses on identity markers such as gender, visible minority status, and disability.

Conclusions

It is clear that there is no single pathway from migration to the labour market for immigrants to Canada. Most face challenges as they negotiate their way through new employment while learning a new culture, climate and for some, a new language. Some face months and even years of retraining in order to attain employment suitable to their training. Others face very few barriers during this transition. Still others change careers altogether. It is clear that these transitions to the labour market are affected by a number of factors including visible minority status, gender, age, immigrant entrance class and socioeconomic status. The extent to which these factors influence labour market outcomes is hotly contested.

What is also clear from this profile is that there are many debates by researchers regarding the economic and labour market conditions faced by newcomers. While there is growing consensus that the most recently arrived cohorts of immigrants are faring worse than earlier immigrant cohorts in terms of lower income and higher unemployment rates in the labour market, the causes of this decline are less understood. Some attribute the changes to the economic recession, others find evidence of subtle discrimination among some employers unwilling to hire immigrant-born workers. Some researchers have argued that we have been calculating the effect of work experience incorrectly for quite some time; the result is that we over estimate the influence of foreign work experience on income (Hum and Simpson, 2004). Others attribute the changes to other expressions of discrimination, like the refusal to hire individuals with non-anglophone or non-francophone names (see Wilkinson et al., 2010; Oreopolous, 2009). Still others attribute the changes in the composition of immigrants arriving to Canada. Changes to source country of recent arrivals and subsequently the country where educational credential was attained have also contributed to the reduction in returns to education among this group as a whole. In short, there remains a significant debate as to whether or not the discrimination thesis or the decline in human capital thesis best explains the situation witnessed by recent immigrant arrivals.

Almost all researchers agree that there is a problem with Canada’s points system with regard to the contradiction between the weight placed on education in order to enter the country with the reality that the training and work experience brought with immigrants is unlikely to transfer into the Canadian labour market. It is an issue that affects immigrants holding education credentials at almost every level. Modification to points-based system of immigrant admittance is raised by several researchers including Wald and Fang (2009), Girard (2010), and McDonald, Warman and Worswick (2010). They argue that the current system creates false hopes among newcomers and represents false advertising on Canada’s behalf. Yet it must be remembered that the economic conditions of newcomers in Canada are significantly better than almost all other immigrant-receiving countries (Jedwab and Hardwick, 2010; Friesen, 2010). Other countries are
looking to adopt Canada’s system of preferential entrance based on training and educational attainment. The problem is ensuring that the skill sets newcomers bring with them can be realized in the Canadian labour market.

Yet the problem of translating foreign credentials into the Canadian labour market tells only half the story. As Lo (2010) and her associates reveal, nearly half of all migrants have retrained and obtained a credential at a Canadian educational institution since arriving here. This means that along with the high levels of education they bring with them, most immigrants have to return to school sometime after arrival. So the explanation that somehow immigrants’ credentials are inferior or not recognized does not ‘add up’ given the high percentage of newcomers with Canadian credentials. Anisef, Sweet and Adamuti-Trache (2010) find that those who upgrade their skills to obtain a “Canadian” credential do fare better in the labour market than immigrants who do not. However, other research reveals that even those who have upgraded their education by attaining a Canadian credential do not fare as well in the Canadian labour market as similarly educated Canadian-born workers.

This profile has given us an opportunity to delve into the large and varied body of research on immigrants and labour market outcomes. It has highlighted some of the trends in income and occupational trajectories and has aided in our understanding of the conditions experienced by immigrants in Canada. Most importantly, it has outlined some of the major debates in this area and in the process, has highlighted some contradictions in Canada’s immigration policy.

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