Economic Integration of Immigrants in Smaller Provinces and Rural Areas of Canada: Outcomes, Challenges and Policies

Comments on papers by Akbari, Kutcher, and Annis/Ashton

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"Labour Market Performance of Immigrants in Atlantic Canada and Rest of Canada" by Ather Akbari, Saint Mary's University

- Two results in particular are very interesting:
  - The changing distribution of immigrants away from Ontario
  - The positive earnings gap for immigrants in the Atlantic Provinces
- What is driving these results?

Motivation for the paper

- What is the expected relationship between the smaller/older populations in Atlantic Canada and the labour market outcomes of immigrants?
- That is, what is the link between the first part of the paper and the second?
- Multiple paths and directions of effect –
  - Immigrant selection (and self-selection)
  - Skill shortages
  - Fewer opportunities, slower growth, higher unemployment
  - Smaller social/cultural communities

Regression Analysis – data issues

- Whose earnings? Positive earnings during the reference week? Reference year? Annual or weekly earnings?
  - Note that hours of work relate to the reference week and not the reference year
- Wages and salaries only or all earned income?
- Do immigrants include TFWs?

Regression Analysis – results

- ‘value’ of characteristics is higher in ATL for immigrants compared to non-immigrants, but the opposite is true in the rest of Canada.
  - Control for other observables – language fluency, where education was obtained, and (especially) Canadian experience
  - Immigrants may differ significantly between ATL and ROC (country of birth, age at arrival, year of arrival, visa category): what about a similar decomposition of earnings for immigrants between different regions?

- What about doing something similar for each region of Canada, in addition to ATL vs ROC? This might help illustrate the role of differences across provinces in immigration policy (PNP, settlement, etc)
- Out-migration? Only the most successful immigrants remain in ATL? Census files ask about province of residence one and five years ago
- Use the 20% long form Masterfile available in RDCs – especially suited for small area immigration

"Beyond Language: the Challenges of Economic Integration" by Jan Sheppard Kutcher, ISIS

- The challenges are well known, but how much is known about program effectiveness? What works and what doesn't?

- Multiple objectives need to be met
  - Attraction, Retention of immigrants
  - Labour market outcomes of immigrants
  - Social inclusion, quality of life
  - Impact on the local economy

Limited resources for…

- Various types of services for immigrant clients
  - General skills (language training)
  - Job search skills (interview techniques)
  - Industry/occupation specific skills
- Various types of programs for potential employers
  - Immigration processes
  - Assessment of credentials and skills
  - Wage subsidies and work placement programs
- What is the right balance?

Employer perceptions

- Is under-valuing international experience or underestimating competencies <u>only</u> an issue of perception?
  - Employers' risk aversion to immigrants could be based on past experience with immigrants (equivalence of credentials, language difficulty, etc)
  - Are perceptions based more on a lack of experience or on previous negative experiences?
- The underlying causes require different policy prescriptions to address them

Working in field

- While the % of non-immigrants working in their field of study is generally comparable across provinces, there are large variations in the comparable figures for immigrants
  - 19% in Quebec to 60% in NF/Lab
  - Atlantic provinces generally higher than Ontario and some other provinces

Why the differences?

- Characteristics of the immigrants
  - Education and skills, age, country of origin, language fluency, period of arrival
- Immigration Policy
  - PNPs
- Settlement and Integration Services
  - Clients and potential employers
- Provincial regulatory environment
  - occupational licensure
- How have these numbers changed over time?

"Responding to labour market needs in rural Canada through immigration to welcoming communities" by Robert Annis and Bill Ashton. Rural Development Institute, Brandon University

- Notable results
  - Winnipeg receives the 5th most immigrants among Canadian cities, while rest-of-Manitoba would be 10th
  - 30% of immigrants choose rural destinations
  - Rapid and significant increase in immigrant inflows is due entirely to immigrants arriving under the PNP

- Growth in PNP numbers: why has there been no increase in the other visa categories?
  - General economic growth, increasing population in rural areas
  - Development of ethnic networks
- What is the skill composition of immigrants arriving under the PNP? What is their occupational/employment distribution?
- What are retention rates once PR is attained? As numbers continue to expand, are there implications for other municipalities and provinces?

- Chinese immigrants in Brandon are more likely than other immigrants to experience difficulties based on cultural factors (communication, ethnic food, understanding cultural differences)

- They are also much more likely to face difficulties obtaining housing. Why?
  - Income and assets
  - Credit history, references
  - Housing preferences (location, amenities, size, type)
  - Language

Maple Leaf Foods (MLF)

- Around 80% of new Latin American and Chinese residents work at Maple Leaf Foods
  - Presumably most of these individuals are TFW
- What services and programs are available to TFW and their families?
  - Schooling, income support, language training, settlement services, health care
  - Do their children pay overseas student differential fees for post-secondary education?
- What are the labour market outcomes of the adult family members of TFWs?

Occupational matching at MLF

- Only 34% of Latin American and 8% of Chinese immigrants surveyed are in a job related to their training/experience
  - What is the skill composition of these immigrants?
  - To what extent are well-qualified immigrants working in low-skill jobs? (some indication this is the case)
  - Is this atypical of immigrants (and especially TFWs) in other areas of Manitoba?
  - What are the longer term employment outcomes of TFWs brought in to work at MLF?