Labour Market Performance of Immigrants in Atlantic Canada and Rest of Canada

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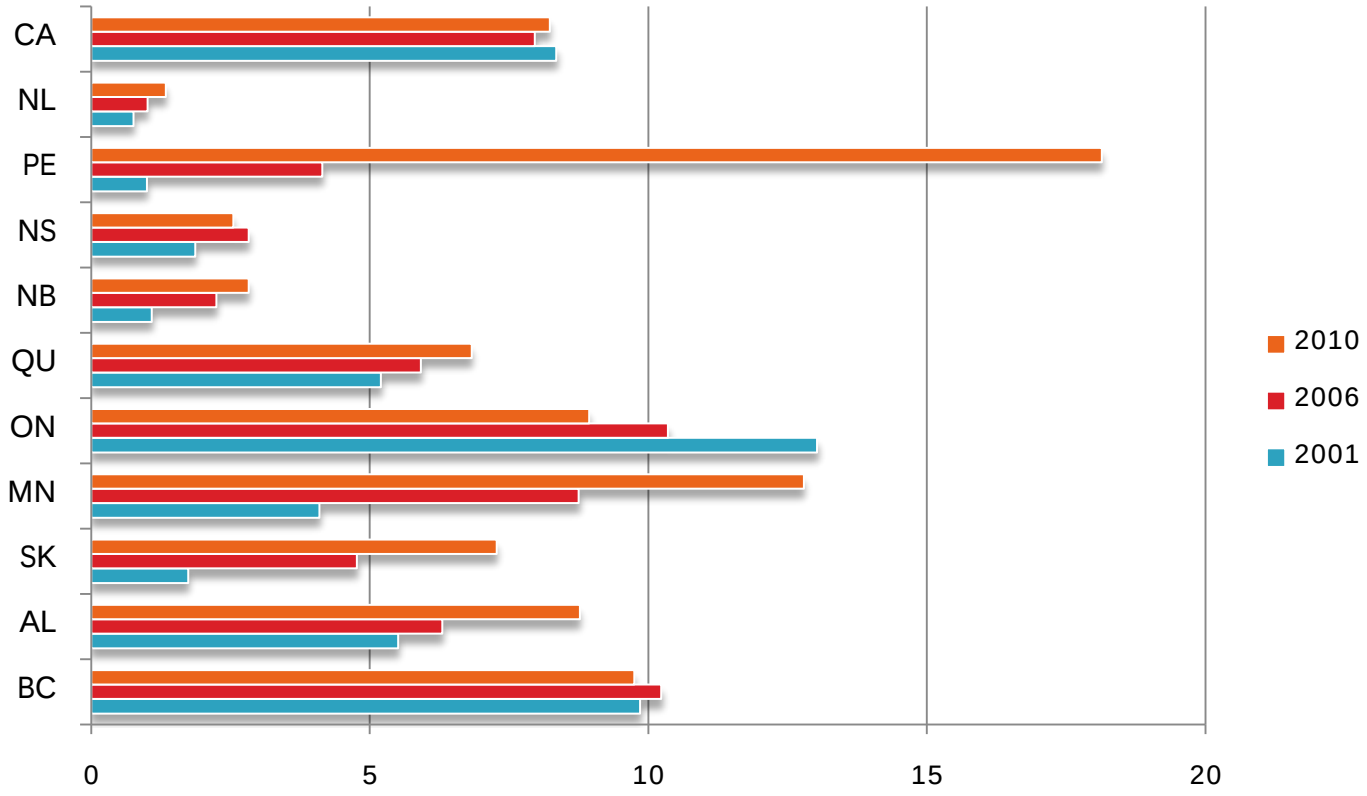
Introduction

In the new century, immigrant regionalization has changed the provincial distribution of immigrant arrivals in Canada

Immigrant arrival rates per thousand population



Introduction (contd.)

- Ontario received 42 percent of annual arrivals last year while each province in Atlantic Canada received less than 1 percent – the total regional share reaching only 2.6 percent. In 2001, these numbers were 59.3 percent and 1.2 percent respectively.

- Atlantic Canada has historically received fewer immigrants on per capita basis than other Canadian regions, but has recently begun to attract, and retain, more immigrants. Although each province acts independently to increase its share in national immigration, a unified approach has also been undertaken. For example, the Council of Atlantic Premiers (CAP) has established a unified goal to increase international immigration in the Atlantic region.

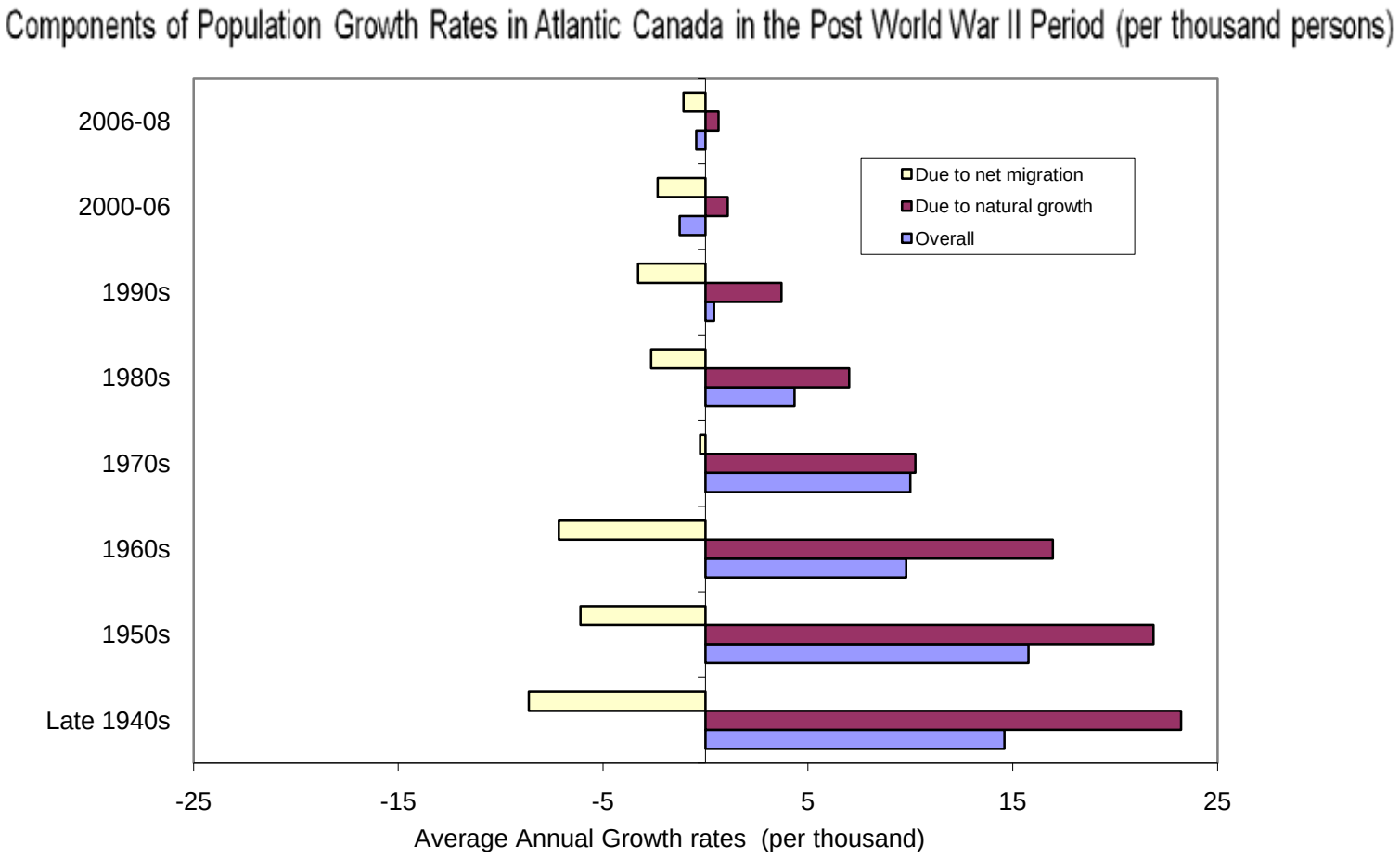
Introduction (contd.)

- At federal level, ACOA has established an Atlantic Population Table with representations from CIC, Human Resources and Social Development, and the four provincial governments. Rural Secretariat also considers immigration in its rural re-population strategy.

- Municipal governments and private sector across the region are also involved.

- So are settlement organizations such the ANC (NL), ISIS (NS), ANC (PEI), MACC (NB)

Why regionalization of immigration?



Some consequences of population decline and aging for small provinces

- Skill shortages
- Decline in markets for goods and services
- Decline in availability of public services
- Decline in federal transfers tied to population
- Weaker representation in House of Commons

Objective of the study

- Compare the labour market performance of immigrants and non-immigrants in Atlantic Canada and in the rest of Canada.
- Investigate some possible reasons for differential performance .

Importance of the study

- Very few studies are found in the literature that analyze regional economic performance of immigrants.
- Economic theory would imply that the overall economic performance of immigrants in a host nation will change as a result of their re-distribution.
- Many studies in Canada have shown that immigrants' economic performance has declined over the past decade. However, such studies are based on aggregate national data and do not analyze immigrants' performance in the regions where they settle within Canada.

Methodology and Data Sources

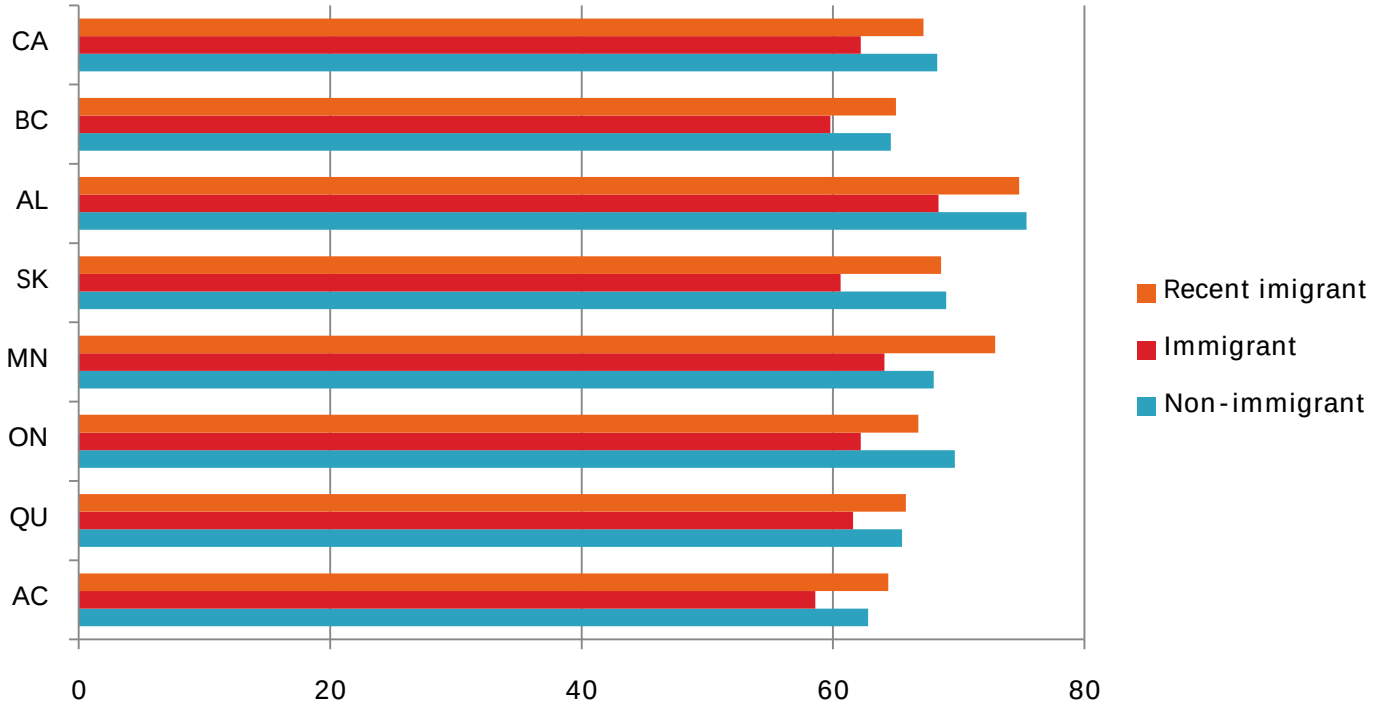
- Descriptive analysis
- Estimations of earnings equations for immigrants and non-immigrants based on human capital theory.
- Oxaca decomposition method applied to decompose earning differentials between immigrants and non-immigrants into two components explainable by 1) differential characteristics and 2) differential evaluation of characteristics.
- Census 2006 data used (Data source: Statistics Canada)
- Descriptive analysis is based on data obtained from Statistics Canada web sites
- Regression analysis is based on census microdata (2% sample)
- Only immigrants who were 25 and up at the time of arrival are considered.

Indicators of Labour Market Performance

- Labour force participation rate
- Unemployment rate
- Earning

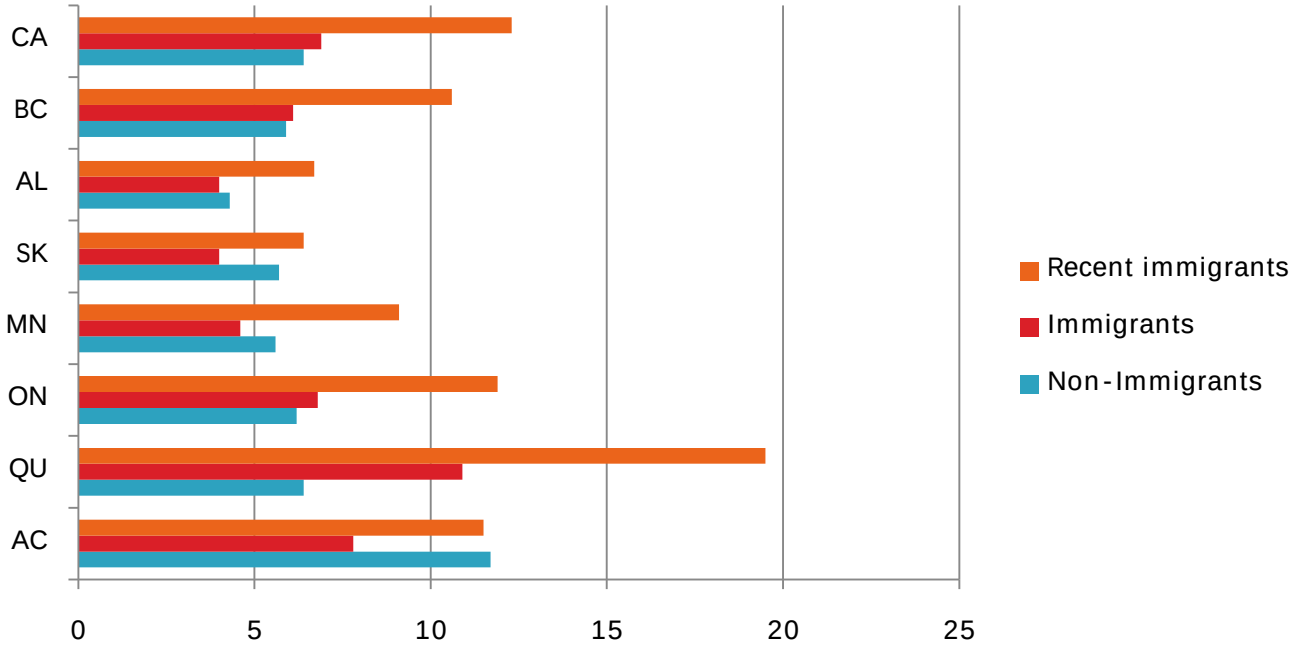
Indicators of Labour Market Performance (contd.)

Labour Force Participation Rates (%)



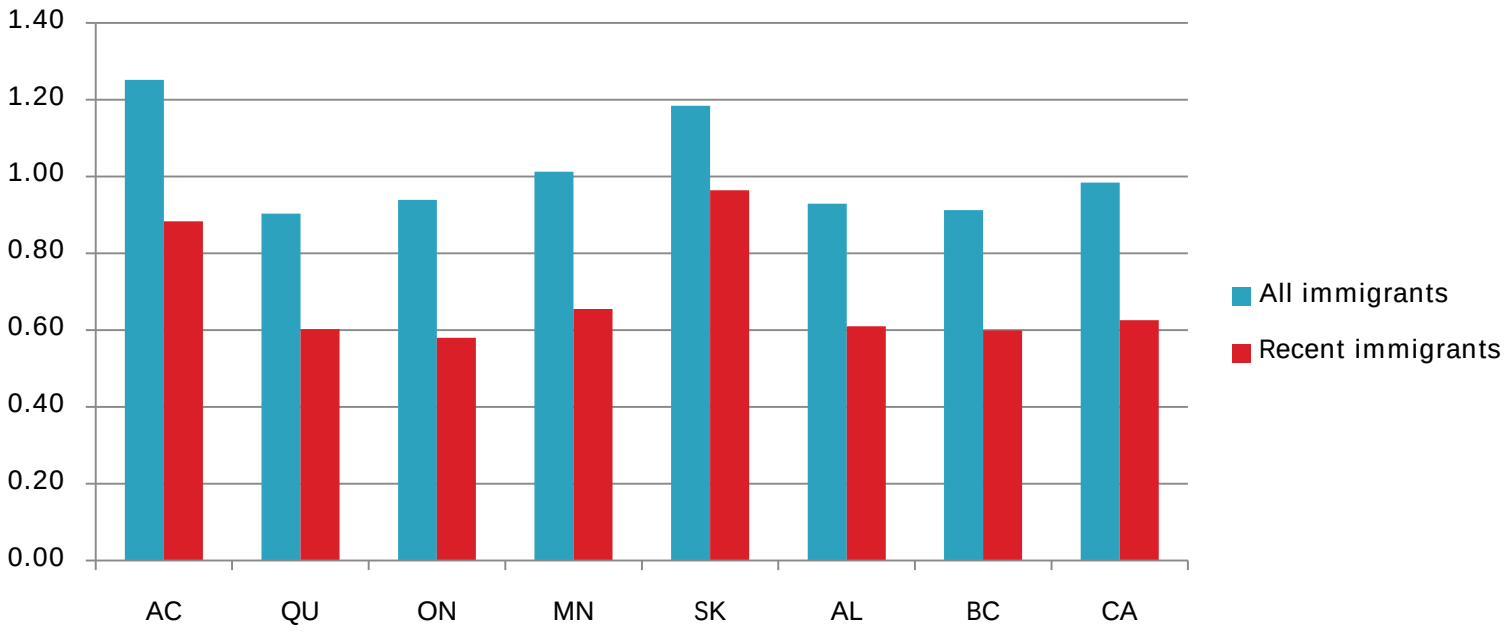
Indicators of Labour Market Performance (Contd.)

Unemployment Rate (%)



Indicators of Labour Market Performance (Contd.)

Employment Incomes Relative to Non-immigrants



Sources of earning differential between immigrants and non-immigrants

- Differences in labour market characteristics including:
  - Hours of work supplied
  - Age (a proxy for experience)
  - Education
  - Marital status
  - Gender

- Differential labor market evaluation of the above

Immigrant to Non-immigrant earning ratio, 2005

	Atlantic Canada	Rest of Canada
Overall	1.18	0.75
Due to characteristics	1.12	1.06
Due to evaluation of characteristics	1.05	0.70

Interpretation of results

- Immigrants in Canada possess superior labour market characteristics compared to non-immigrants, but more so in Atlantic Canada.
  - More targeted immigration in Atlantic Canada than in the rest of the country.
- Overall, immigrants' characteristics are devalued by labour markets in rest of Canada but not in Atlantic Canada.
  - Proportionately higher demand for skills in Atlantic Canada

Conclusions

- Immigrants earn more than non-immigrants in Atlantic Canada but not so in the rest of Canada, because of
  - Greater superiority of their labour market characteristics over non-immigrants in Atlantic Canada than in rest of Canada.
  - Devaluation of their labour market characteristics in rest of Canada but not (overall) in Atlantic Canada.