ACROSS THE STREET - IN OUR BACKYARD

BARRIERS TO LABOUR MARKET INTEGRATION OF RECENT IMMIGRANTS IN RURAL COMMUNITIES IN CANADA

by

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Abstract:

While many studies focus on immigrant experiences within Canadian cities, the reviews suggest an absence of research focused on immigrant labour market integration in smaller, rural communities. Current studies indicate that recent immigrants are experiencing higher rates of unemployment and lower earnings, despite an increase in the level of education when compared to Canadian-born and older immigrant groups. By examining the existing barriers to labour market integration of recent immigrants in urban areas, I was able to derive a conceptual framework for understanding immigrant integration and settlement in rural regions. This project analyzes the factors that prevent the labour market integration and settlement of recent immigrants in smaller, rural areas. Findings suggest that the labour market integration of recent immigrants in smaller communities is the result of interplay among economic and social factors. Currently the federal government is interested in immigrant dispersion to smaller cities as a means of both economic development and a tool to address population decline in some regions through policies of regionalization of immigrant settlement. In order to enable smaller, rural communities to attract and retain immigrants, a combination of system-based and community/local based solutions will be required.
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List of Acronyms

- BC  
  British Columbia

- CIC  
  Citizenship and Immigration Canada

- FCR  
  Foreign Credential Recognition

- ESL  
  English as a Second Language

- HRSDC  
  Human Resources and Skills Development Canada

- ICES  
  International Credential Evaluation Services

- IQAS  
  International Qualification Assessment Services

- LINC  
  Language Instruction for Newcomers to Canada

- LICO  
  Low Income Cut Off

- LSIC  
  Longitudinal Survey of Immigrants to Canada

- MoSDES  
  Ministry of Social Development and Economic Security

- PNP  
  Provincial Nominee Program

- RSMS  
  Regional Sponsored Migration Scheme

- STNI  
  State/Territory Nominated Independent Scheme

- UK  
  United Kingdom

- US  
  United States

- VDISS  
  Vernon District Immigrant Services Society

- WES  
  World Educational Services
Chapter 1  Introduction and Overview of the Project

1.1 Background

Immigration may be the quixotic ideal of Canada past but in the 21st century, it remains an unsettling, difficult and not always rewarding experience for the recent immigrants. Many immigrants, especially recent immigrants, have not had the opportunity and benefits available to Canadian-born and older immigrant groups. Recent immigrants face tremendous barriers when attempting to enter the labour market and in the last few years, “employment barriers have grown rather than evaporated” (DeVoretz, 1998, p. 2). Many have difficulty in finding a job or must accept jobs that do not match their education, training, skills and experience. The results of this unemployment and underemployment are of serious consequences for the Canadian labour market as well as for the immigrants themselves. “If Canada and its immigrants are to benefit from immigration, it is imperative that solutions be found to the problem of integrating immigrants into the labour market” (McIsaac, 2003 c, p.62).

In this study, labour market integration of recent immigrants refers to successful employment of immigrants - who arrived in Canada within the last 10 years - in occupations that reflect their level of education, training, skills and work experience. A review of recent literature on labour markets (Reitz, 2001, 2005; Geddie, 2002; Chui, 2003; Picot & Hou, 2003; Picot, 2004; Picot & Sweetman, 2005; Alboim, Finnie & Meng, 2005), suggests that recent immigrants, despite higher levels of human capital, exhibit lower labour force participation and higher low-income rates as compared to older immigrant groups and Canadian-born. Furthermore, there is evidence that recent
immigrants have experienced lower economic returns to foreign work experience, higher unemployment and face numerous obstacles in order to gain professional recognition.

If valuable immigrant skills are not fully utilized by the Canadian employers then skilled immigrants’ human capital are being wasted, hence “instead of brain gain” the Canadian labour market is experiencing a “brain waste” (Reitz, 2001, p. 2). Thus, in the opinion of DeVoretz (1998), any “artificial employment barriers based upon non-human capital criteria will raise costs in a competitive environment” (p. 2).

Immigration is important to Canada’s economic and social growth. Canada is, on a per capita basis, the largest immigrant receiving country in the world. Between 1991 and 2000, 2.2 million immigrants were admitted to Canada, the highest number admitted in any decade in the past 100 years (Chui, 2003, p. 5). Immigration currently accounts for over 70% of labour force growth and it is estimated that by 2011 all labour force growth in Canada will be attributable to immigration (CIC, 2001a, p. 2). Yet, recent studies indicate that immigrants are still having trouble accessing the labour market and confirm that the unemployment rate among recent immigrants is twice as high as for Canadian-born citizens (Picot & Hou, 2003, p. 9). How well and how quickly immigrants integrate into the Canadian labour market has significant implications in the overall performance of the Canadian economy, and for the welfare of the newcomers and their families.

The geographical distributions of immigrant settlement patterns are of significant importance, since immigrants are a “key driver of production and consumption” (PROMPT, 2005, p. 9). Nowadays, immigrant settlement patterns in Canada show a spatial polarization between rural and urban regions, where the vast majority of recent
immigrants settle in one of Canada’s three largest cities: Toronto, Montreal or Vancouver (Chui, 2003, p. 10). In 2001, 94% of immigrants who arrived during the 1990’s were living in metropolitan areas. The Toronto metropolitan areas attracted the largest share of new immigrants, 46%, Vancouver, 15% and Montreal, 13% (ibid). That would leave only 26% of immigrants for the rest of Canada.

Not many immigrants have decided to make rural regions their home. In 2001, 18% of Canada’s total population were immigrants, with only 11% of them living in rural regions (Beshiri, 2004, p. 1). According to Beshiri (2004), in 2001, there were 580,000 immigrants living in rural regions – “almost unchanged since 1996” (p. 4). According to a recent Federal Government document, rural regions are facing a “skill gap”, and the absence of immigrant settlement in rural settings represents a significant barrier to “Canada’s competitiveness and productivity growth in the global market” (“Canada 2017”, March 2005). “There is a situation where we will find two different Canadas,” said previous Immigration Minister Denis Coderre, “the three major cities and the others” (“Highly skill immigrants”, 2003).

Rural Canada differs from one community to another. There are those close to major urban centers and those that are in northern, remote locations. Agricultural, mining, fishing, and forestry rural communities may also have their own specific characteristics, infrastructure, resources and demographics (Metropolis, 2004b, p. 11). In rural metro-adjacent areas, the number of immigrants was slightly higher than the numbers found in rural non-metro-adjacent and rural northern remote regions (Beshiri, 2004, p.4). For example, in 2001, almost 5,900 new immigrants settled in rural metro-adjacent regions, while the non-metro-adjacent rural regions and northern remote regions,
during the same period, lost almost 6,900 immigrants (ibid). “Settling immigrants in smaller cities, municipalities and rural areas would help to reverse the trend of urbanization, depopulation and labour shortages in smaller areas. It would also alleviate some of the pressure on Montreal, Toronto and Vancouver to accommodate newcomers” (ibid).

For rural communities that are seeing out-migration of their educated youth, attracting immigrants is an important development strategy. The potential for rural communities to recruit immigrants from outside Canada is already under discussion as a community development strategy. The challenge is first, to attract individuals and second, to keep them here (Beshiri & Alfred, 2002, p.14).

Due to low or even declining population grow rates, combined with labour shortages in smaller centers, settling newcomers in rural areas will require a solid understanding of the barriers facing immigrants in rural and remote areas. In addition, given the current context surrounding the Federal Government’s recent initiative for regionalization of immigration, so the benefits of immigration will be “equally distributed across the country”, any visions to disperse immigrants to rural areas must promote labour market integration for newcomers and facilitate long-term, effective settlement to their new communities in the regions (Metropolis, 2004b, p. 3).

Any efforts to disperse immigrants to smaller cities and rural and remote areas have to be considered in light of their ability to successfully integrate in the local labour market. However, employment barriers based upon non-human capital criteria – non-recognition of foreign credentials and experience, lack of proficiency in Canada’s official
languages, racism and discrimination will only cause “inter-group tensions and overall weaker immigrant integration” (Geddie, 2002, p. 7). Thus, the challenge for immigrant dispersal relates directly to challenges newcomers face accessing the labour market. Jobs, combined with effective integration policies, language training and settlement programs are the key factors in the locational choices of recent immigrants.

1.2 Project Question

What are the main barriers to labour market integration of recent immigrants in rural communities? In writing this paper, I hope to increase awareness about the barriers to labour market integration faced by recent immigrants, specifically in rural areas and its implications for the settlement process. This research attempts to combine the findings of several case studies in order to identify common barriers and determine, if in fact, these barriers can be generalized among all new immigrants settling in rural communities.

1.3 Significance of Project Question

Despite a very extensive literature on immigrant issues, we know surprisingly little about the factors that both promote and limit the integration of immigrants into rural communities. According to a recent Federal government document, “little is known about the immigrants and minorities who live in smaller cities, their reason for moving there, the integrative capacity of these cities and how that capacity affects the distribution of population” (see Introduction, policy priority one, Federal Policy Priorities and Associated Research, Metropolis Phase Two Document in Walton-Roberts, 2004, p. 5).
Although educational credentials among recent immigrants have been higher on average than native-born Canadians, recent immigrants are employed in occupations significantly below their actual level of useful education, training and skill (Reitz, 2001:2). Following Reitz’s study, many other researchers (Geddie, 2002; Anisef, Sweet & Frempong, 2003; Alboim, Finnie & Meng, 2005) also applying the human capital model found that immigrant skill underutilization is a major national issue with severe economic and societal consequences. According to Reitz (2001), underutilization of immigrant skills occurs when immigrants are employed in jobs where the work performed requires a skill level below their own qualifications. “If highly-educated professionals selected by the immigration program often end-up working in jobs normally held by less-skilled persons from the native-born population, then in effect these immigrant skills are wasted” (pp. 23-24).

The issue of the underutilization of immigrants’ skills, although by no means new, is increasingly pressing and is a result of the lack of recent immigrants’ labour market integration. According to Reitz (2005), the economic impact of immigrant skill underutilization produce figures in the range of $2 billion annually (p. 3). In a similar study, the Conference Board of Canada, found that unrecognized learning (both formal education and work experience) affects 550,000 people in Canada, costing the country between $4.1-$5.9 billion in income annually (ibid).

Preliminary observations suggest that there are differences to immigrant settlement in rural areas from those in urban centers. For example, lack of established ethnic communities/cultural network often results in newcomers being isolated. Geographical distance, harsh weather conditions, lack or insufficient settlement services,
limited employment and training opportunities, indicated that the settlement process in rural areas is different from their counterparts in urban regions. Moreover, recent immigrants living in rural and remote regions are largely isolated from voicing their concerns and needs, and do not have the same political power as their urban counterparts to lobby for better programs and services.

Given the Federal government’s current interest in a more balanced distribution of immigrants throughout the country, it is important to note that any regional immigration strategy Canada devises must address the main barriers confronting recent immigrants in their integration into the Canadian labour market. I believe that in order to prepare for the future by creating plans and strategies, it is important to fully understand the scope and nature of the barriers facing recent immigrants currently. Moreover, within current immigration trends, and Canada’s attempt to attract highly educated and skilled immigrants, issues of economic opportunity, successful settlement and quality of life are fundamental to the well-being of immigrants and communities into which they settle.

1.4 Approach

There have been numerous research studies and reports regarding the labour market integration of immigrants (e.g., Lam, Haque & West 1994; Mata, 1994; Iredale, 1997; Geddie, 2002; Gozalie, 2002; O’Connor, 2003; Picot & Hou, 2003; Picot 2004; Beach, Green & Reitz, 2003; Spigelman, 1997, 1998, 1999; Reitz, 2001, 2005) which have identified some of the obstacles and challenges faced by immigrants seeking employment or professional recognition in urban settings. Yet, the review suggests a much more limited literature focused on barriers faced by immigrants in rural settings.
This project addresses the link between the lack of labour market integration of immigrant human capital and income disparities between recent immigrants and Canadian-born and older immigrant cohorts. Based on my research, the human capital argument is the main approach for evaluating the lack of labour market integration of recent immigrants. Moreover, in this study, I explain the lack of labour market integration of recent immigrants in the light of an institutional perspective. According to this approach, immigrants are confronted with significant challenges in their integration in the Canadian labour market because regulatory bodies (as institutions) prevent recent immigrants from utilizing their human capital (Reitz, 2001, p. 6). According to McIsaac (2003c), "research and experience have shown that the barriers that make access to the labour market difficult for immigrants are systemic, therefore the solutions must address the system" (p. 62).

The successful labour market integration of recent immigrants is determined by a combination of individual factors - education level, training, language skills and work experience - and macro-economic and social factors - employment opportunities, and appropriate local services, such as settlement and language training. Thus, gaining meaningful employment for recent immigrants is based on having the appropriate workforce knowledge - education, training and language - and adequate integration policies.

1.5 Methodology

A broad review of previous research on immigrant integration in Canada helped shape the research for this project. For this project, I examined current settlement
experiences and labour market integration of recent immigrants within the Canadian labour market by comparing the evidence provided by research conducted in Ontario, Manitoba, Alberta, British Columbia and Yukon, each supplying a unique source of information about the settlement experience of recent immigrants and refugees in smaller, rural Canadian communities.

1.6 Outline of the Project

The project is organized in five chapters.

Chapter 1, the current chapter, provides the background for this research project. In this chapter, I outline the purpose for this research and the question that will be addressed in the following chapters. In addition, I briefly outline the significance of this research and the methodology applied.

In Chapter 2, I present an overview of Canada’s immigration policies over time, focusing on the most significant demographic trends of regional dispersion, and critically assess the wider debate around the regionalization of immigrant settlement. My objective in this chapter is to selectively review some of the theoretical framework of Canada’s immigration policies over time and explain some of its specific features such as admission criteria, categories of admission, current levels, and the new direction towards regional dispersal.

In addition, in this chapter, I briefly examine the poor labour market outcomes of recent immigrants relative to earlier arrivals and also the Canadian-born. The evidence of underutilization of immigrants’ skills and experience comes from analysis of labour force participation with higher unemployment, lower earnings and rising low-income rates,
despite higher levels of human capital – education, skills and experience. Current research shows that recent immigrants experience unemployment rates, which are often twice as high as of both established immigrants and non-immigrants, and a poverty rate more than double that of the Canadian-born (Picot, 2004, p. 11).

In Chapter 3, I discuss the barriers to labour market integration based on individual characteristics and assess them from a human capital and institutional perspective. A basic premise underlying the design of this study is that the integration process of recent immigrants into the economic and social fabric of Canadian society is a complex phenomenon influenced by the immigrant’s human capital and other personal characteristics as well as community structures and demographics.

In Chapter 4, I examine from a macro-economic and social perspective some of barriers specific to rural communities that prevent the successful labour market integration of recent immigrants. In addition, I assess some of the policies and practices utilized by smaller communities from Ontario, Manitoba, Alberta, British Columbia, and Yukon in order to retain and integrate the newcomers. Furthermore, I critically examine some the factors that have forced recent immigrants to consider leaving smaller, rural communities.

In chapter 5, the final chapter, I conclude by summarizing the main findings and suggest some specific measures governments can adopt to promote greater integration of recent immigrants in rural communities. The incomplete and slow labour market integration is unfortunate, not only for the individual immigrant but also for the society as a whole. The fact that the immigrants represent a potentially valuable stock of human capital implies that the lack of integration and assimilation is a waste of resources. Fast
and effective labour market integration of recent immigrants would be an obvious way to counteract the adverse consequences of current demographic developments and provide rural areas with the human capital required for economic development.
Chapter 2  Canadian Immigration Policy and Labour Market Integration of Recent Immigrants

2.1 Introduction

The purpose of this chapter is to selectively review some of the objectives of Canada's immigration policies over time and explain some of its specific features such as admission criteria, categories of admission, current levels, and the new direction towards regional dispersal. Although this context is selective, it sets the framework for better understanding the change in fortunes for new immigrants that I address in the second part of this chapter.

2.2 Evolution of Canadian Immigration Policy

This is a country that owes so much to immigrants and refugees. It is a country that continues to thrive and prosper because of their hard work. With our birthrate, an aging workforce and an increasingly global market place, immigration is essential to maintaining Canada's place as a leader in the economy of the 21st Century (Caplan, 1999, p. 1).

Canada is changing and nowhere is this more apparent than in the composition of its population. According to the 2001 Census, the 5.4 million foreign-born in Canada comprise 18.4% of the total population, which is the highest since 1931 (Statistics Canada, 2003). There is a lot of information available from previous research and many theories developed about how the Canadian Immigration Policy came into being, as well
as what has influenced its current direction and how that effects Canadian society (Simmons, 1999; 2000; Beach et al., 2003).

The immigration policy has been characterized as having a series of historical phases since Confederation and each phase has its own distinct characteristics. Simmons (1999) breaks down the Canadian immigration policy’s history into three periods.

The first phase is comprised of the period from Confederation to the early 1960’s. During this time, Canada viewed itself as a potential “European nation” in the New World. The system was ethnocentric and Canada’s immigration policy was based on an imagined future that incorporated all the underlying assumptions of the system by discriminating against non-European immigrants. The racist components of Canada’s early immigration policies were clearly demonstrated by the restrictions placed on the Chinese, Japanese and East-Indian immigrants. As Simmons emphasized, the early immigration policies were based on the economic considerations that integrated with the needs of building Canada as a “European” nation. Thus, through great deal of propaganda, European immigrants were “invited” to settle their families in Canada with offers of land grants (Simmons, 1999, p. 41-43).

During the second phase (1962-1989), the immigration policy radically shifted in favor of skilled immigrant workers from all nations as opposed to those favoring European workers. The immigration policy was officially acclaimed “non-racist” but not necessarily “anti-racist (Simmons, 1999, p. 43). During this phase, immigration guidelines did not encourage the arrival to Canada of certain ethnic groups such as Asian, East-Indian and African immigrants. Consequently, racism continued to influence the immigration policy and its outcomes to some degree in Canada and internationally. As
cultural and ethnic diversity grew by the 1970’s, the government realized that the new immigration policy was outdated, exhausting national tolerance and also challenging the bilingual, bi-national character of Canada. Thus, in 1978, the federal government found it necessary to implement multiculturalism as an official state policy (ibid, pp 44-45).

Phase three (1989 to 2001) denotes another shift in the Canadian immigration policy wherein it became characterized as “entrepreneurial” as it relates to assumptions about trade imperatives, multicultural tolerance, and immigration possibilities including an increased number of economic immigrants, competitive skills, reduced welfare burden and cost recovery (Simmons, 1999, pp. 45-46).

Following Simmons’ argument of distinct phases in the Canadian immigration policies, I argue that currently, the Canadian immigration policy is best represented by a fourth phase. The new Immigration and Protection Act, which came into effect on June 28, 2002, represents a shift away from an occupational based model for determining admissibility among certain applicants, to one that emphasizes education, work experience and official language proficiencies in the selection of skilled immigrant applicants (Ray, 2002, p. 4). Thus, while Canada’s immigration program has been dominated in the past by immediate economic objectives, recent trends are marked by “heightened commitment to long-term labour market goals” (Couton, 2002, p. 115). According to Couton, the “new selection criteria gives more weight to education, favoring highly trained immigrants” (ibid, p. 116).

One of the most vivid manifestations of change in recent decades has been the origin of immigrants to Canada. Once a country dominated by migration from the United Kingdom (UK) and Europe, today Canada accepts immigrants from every part of the
globe, with the largest flows coming from countries in South, East and South East Asia. Between 1956 and 1976, 63.6% of immigrants came from UK and Europe and only 11.9% from Asia. However, during the last decade only 18.9% of immigrants came from UK and Europe, and 53% from Asia. An additional 18% of immigrants came from Africa and Middle East, 7.5% from South and Central America and the Caribbean, and 2.6% from United States (Ray, 2002, pp. 1-2). During the same period, the People’s Republic of China was the leading source country followed by India, the Philippines, Hong Kong, Sri Lanka, Pakistan and Taiwan. These countries accounted for over 40% of all immigrants who came to Canada in the past decade (Chui, 2003, p.6).

During phase one and two - one of the most highly publicized goals of immigration policy was its role in adding to the stock of human capital, providing a continued supply of skills to employers. The main benefit of such a goal was fostering intensive economic growth. At that time, the Canadian government was engaged in attempting to transform the economy from a rural/resource-based to an urban/industrial-based economy. To effect this change, the government introduced in 1967 the “Point System”, the starting point for a new phase in its immigration policy, changing the orientation from a “country-of-origin-based policy to a universal admission approach based on not where the prospect immigrant was born but on the migrant’s skill in relation to the demand for such skills in Canada” (Green, 2003, p. 38). According to the new policy, the newcomers were chosen on their suitability to Canada and the Canadian labour market, regardless of their country of origin, and were measured on such points education, age, occupational skills, knowledge of the official languages, and likelihood of business success (Driedger, 1989, p. 74).
Three categories for the selection of immigrants were developed – Sponsored, Independent, and Nominated. Citizens of Canada who had close relatives such as parents, brothers or sisters could sponsor them to come to Canada if the sponsor was willing to take care of their maintenance for one year. “It was felt that newly sponsored immigrants should not become an economic burden to Canada” (Driedger, 1989, p. 74).

Applicants who had no relatives in Canada could apply for entry in the Independent category, subject to competition under a point system. The applicant could receive up to 100 points for education, personal qualities, occupational demand, occupational skill, age, arranged employment and knowledge of the official languages. “The number of points required to gain entry varied depending on the government’s desired control over immigrants” (ibid).

Nominated immigrants, the third category of selection, were judged on characteristics from both the Independent and the Sponsored categories. A Nominated applicant could receive up to seventy points under the Independent point system and could also be assessed and earn up to thirty points under the Sponsored category if he or she had a Canadian relative (ibid).

Table 1, reveals a fundamental shift in the focus of the skill stream from the point system introduced in 1967 (Phase Two and Three) to a new selection process based on long term economic objectives introduced by the current Immigration and Protection Act in 2002 (Phase Four). Shortage-occupations-related points, such as “Occupation” – based on the government’s General Occupation List - and the “Demographic Factor”, have been eliminated, and the emphasis has shifted to observed attributes that indicate
flexible skills sets for an economy with ever shifting skill demands. The large credit given for education is also consistent with the human capital approach.

**TABLE 1**

The “Independent” Category Point-Based Selection Grids

<table>
<thead>
<tr>
<th>Phase Four</th>
<th>Maximum Points</th>
</tr>
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<tbody>
<tr>
<td>Education</td>
<td>25</td>
</tr>
<tr>
<td>Language</td>
<td>24</td>
</tr>
<tr>
<td>First</td>
<td></td>
</tr>
<tr>
<td>Second</td>
<td>8</td>
</tr>
<tr>
<td>Experience</td>
<td>21</td>
</tr>
<tr>
<td>Age</td>
<td>10</td>
</tr>
<tr>
<td>Arranged employment</td>
<td>10</td>
</tr>
<tr>
<td>Adaptability</td>
<td>10</td>
</tr>
<tr>
<td>Spouse’ education</td>
<td>3 – 5</td>
</tr>
<tr>
<td>1-year auth. Work in Canada</td>
<td>5</td>
</tr>
<tr>
<td>2-year postsecondary study in Canada</td>
<td>5</td>
</tr>
<tr>
<td>Points received under arranged employment</td>
<td>5</td>
</tr>
<tr>
<td>Family relationship in Canada</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
</tr>
<tr>
<td>Pass Mark</td>
<td>75</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Phase Two and Three</th>
<th>Maximum Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education/training factor (occupation-specific)</td>
<td>18</td>
</tr>
<tr>
<td>Education</td>
<td>16</td>
</tr>
<tr>
<td>Language</td>
<td>15</td>
</tr>
<tr>
<td>First</td>
<td>9</td>
</tr>
<tr>
<td>Second</td>
<td>6</td>
</tr>
<tr>
<td>Occupation (based on General Occupation List)</td>
<td>10</td>
</tr>
<tr>
<td>Age</td>
<td>10</td>
</tr>
<tr>
<td>Arranged employment</td>
<td>10</td>
</tr>
<tr>
<td>Work experience</td>
<td>8</td>
</tr>
<tr>
<td>Relative in Canada</td>
<td>5</td>
</tr>
<tr>
<td>Demographic Factor (subject to change)</td>
<td>8</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
</tr>
<tr>
<td>Pass Mark</td>
<td>70</td>
</tr>
</tbody>
</table>

Source: Modified from McHale, 2003, p. 238
Throughout the 1990’s Canada’s annual intake of immigrants was approximately 225,000 newcomers per year, which represents 0.74% of its population. In 2000, the Independent class (skilled workers and business immigrants) accounted for 58.7% - including their dependents – the Sponsored class accounted for 38.4% (family class 26.6% and the refugee group 11.8%) (Trebilcock, 2003, p. 2). These estimates indicate Canada’s current immigration policy is consistent with the objective of maximizing “the human capital returns of immigration in support of Canada’s increasingly skills and knowledge intensive economy” (Couton, 2002, p.115).

At the present time, there is a growing interest in a more balanced geographic distribution of immigrants throughout the country. According to a recent study by the federal government, the increasing concentration of immigrants in the three largest cities, has taxed the capacity of these cities to accommodate immigrants as the flow of immigrants has been at a sustained high level for the past 20 years (CIC, 2001b, p. 4). In addition, increasing involvement of the provinces in the selection of immigrants, such as the Provincial Nominee Program (PNP), coupled with concern about out-migration and the size of the population in some smaller provinces, combined with a growing interest in sharing the perceived benefits of immigration, have contributed to the current proposal to steer immigrants to smaller, rural centers.

The new proposed regionalization of settlement has received attention not only from the federal government, but also from the municipal and provincial/territorial levels. For rural communities, that are watching young people leave for the cities in growing numbers, attracting immigrants is seen as an important strategy for growth and development.
Many rural or thinly populated areas of Canada have requested the federal government to encourage immigrant settlement in their communities so that the benefits, both human and economic, of immigration can be better dispersed throughout the country (Dezell, 2001, p. 1).

Although the benefits of immigration to the national economy are well recognized, there are concerns about the financial impacts of the dispersion strategy on municipalities. This is a result due to a downloading of services to municipalities without proper transfers of funds by the provincial/territorial and federal governments. “As a result, local policy makers have been putting pressure on senior levels of government to provide added dollars to make up for a growing service gap to new immigrants” (PROMPT, 2005, p. 9). When coupled with other financial cutbacks in the area of immigrant settlement, the municipal concern with the issue of regionalization of immigration becomes understandable. The concerns of the mayor of Squamish reflect the general concerns of most small and rural communities.

There is a huge disjuncture between the federal government who oversee the immigration plan and local municipalities, which are the places where people settle and the places where people have to find their way in a new community. So, there’s this interesting kind of disjuncture between the two, and yet the federal government are now looking to the communities to solve what they deem to be a problem… and so is that the point? How do you expect communities to help you solve whatever problem you have if you don’t give them resources to deal with everything? (Walton-Roberts, 2004, p. 13).
Concerns about the proposed policy were also raised by those who felt that dispersion of immigration is a "bottom-up phenomenon" and should not be a government-driven idea (Metropolis, 2004b, p. 16). Using immigration policy to solve congestion in the major cities or skill deficiencies in the smaller communities seems doomed to failure unless current settlement and active labour market measures are not well designed to help newcomers overcome their barriers to labour market integration. The fate of Canada's rural regions, especially smaller communities may rest on how well this great new wave of immigrants is integrated into the Canadian labour market.

2.3 Labour Market Integration of Recent Immigrants

If one goal of the immigrant selection process is to enhance the likelihood of rapid economic integration, the deteriorating labour market performance of recent arrivals is a sobering result. Over the last two decades, there has been a substantial deterioration in immigrant labour market outcomes despite policy changes designed to select immigrants with greater chances of economic success and despite improved labour market conditions in the late 1990s (Picot, 2004, p. 6).

The evidence of underutilization of immigrants' skills and experience comes from analysis of lower labour force participation, lower earnings and a rise of low income rates among recent immigrants, despite higher levels of human capital – education, skills and experience. No doubt there are a number of factors that have contributed to the economic downturn of recent immigrants, however in this section, I will outline some of the suggested determinants for these trends such as the fluctuations in the Canadian labour
market, the change in immigrant source countries - which may be contributing to issues affecting language, declining returns to foreign experience and qualification recognition - and “technology divide”.

The educational attainment of immigrant arrival cohorts has been increasing over time which is consistent with the selection process. The overall rate of university graduates among all categories of immigrants, including refugees, family class and economic immigrants is substantially higher than for the Canadian-born in the same age group and this has increased over time. For example, in 1990, 16% of Canadian-born population had a university degree; by 2000 this had risen to 19%. In contrast, 25% of recent immigrants had a university degree in 1990 and by 2000 this went up to 44% (Frenette, 2003, p. 4). It is therefore puzzling that over the same period the entry earnings of immigrants have been declining.

The emphasis in Canadian government policy on human-capital based immigrant selection, and in particular on ever higher educational standards, clearly is not having the desired impact (...). Immigrant skills have risen to unprecedented levels, yet immigrant earnings have fallen not only in relative but also in absolute terms” (Reitz, 2004, pp. 6-7).

Although traditionally immigrants experienced higher labour market participation rates than Canadian-born (1981 – 79.3% vs 74.6%) this situation has reversed since 1990s (Table 2). In 1991, the employment rate for recent immigrants fell below the national average (77.2% vs 78.2%) while growing wider for recent immigrants (68.6%) As shown in Table 2, in 2001 recent immigrants experienced an unemployment rate
almost double the national average. In addition, according to Chui’s study (2003), based on the Longitudinal Survey of Immigrants to Canada (LSIC), “6 in 10 recent immigrants were working in different occupations fields in Canada than they were in their home country (p. 21).

Table 2

Employment and Unemployment percentage rates for immigrants and non-immigrants

<table>
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<tr>
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</thead>
<tbody>
<tr>
<td>Total labour force</td>
<td>75.5</td>
<td>76.3</td>
<td>78.2</td>
<td>77.0</td>
<td>80.3</td>
</tr>
<tr>
<td>Non-immigrants</td>
<td>74.6</td>
<td>75.8</td>
<td>78.7</td>
<td>78.4</td>
<td>81.8</td>
</tr>
<tr>
<td>All immigrants</td>
<td>79.3</td>
<td>78.5</td>
<td>77.2</td>
<td>72.1</td>
<td>75.6</td>
</tr>
<tr>
<td>Recent Immigrants</td>
<td>75.7</td>
<td>71.1</td>
<td>68.6</td>
<td>61.0</td>
<td>65.8</td>
</tr>
</tbody>
</table>

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<thead>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total labour force</td>
<td>5.9</td>
<td>9.1</td>
<td>9.6</td>
<td>9.3</td>
<td>6.7</td>
</tr>
<tr>
<td>Non-immigrants</td>
<td>6.3</td>
<td>9.4</td>
<td>9.4</td>
<td>8.8</td>
<td>6.4</td>
</tr>
<tr>
<td>All immigrants</td>
<td>4.5</td>
<td>7.7</td>
<td>10.4</td>
<td>11.0</td>
<td>7.9</td>
</tr>
<tr>
<td>Recent Immigrants</td>
<td>6.0</td>
<td>11.8</td>
<td>15.6</td>
<td>16.7</td>
<td>12.1</td>
</tr>
</tbody>
</table>

The primary measures of labour market success are based on employment earnings – specifically, how immigrants’ earnings compare with the earnings of Canadian-born, and the extent to which immigrants’ earnings increase as the time spent in the new country increases. Whereas the mean earnings of previous cohorts fairly quickly converged to, or exceeded, that of their Canadian-born counterparts, there is clear evidence that this is not the case for recent arrivals (Picot, 2004, pp. 5-6).

Despite this massive increase in their educational attainment, recent immigrant men saw their real earnings fall 7% on average from 1980 to 2000. During the same period, however, real earnings of Canadian-born men went up 7%. “As for men, the earnings gap between recent immigrant women and their Canadian-born counterparts rose substantially over the last two decades” (Frenette & Morissette, 2003, p. 7). Table 3 shows the earnings of recent immigrants as a percentage of Canadian-born. The data indicate that while earlier immigrant groups – male and female (1980s) - had initial lower earnings, within 10 years caught up and even surpassed native-born Canadians. However for recent immigrants earning gaps have been increasing significantly and recent studies (Reitz, 2001; Frenette & Morissette, 2003; Picot, 2004; Picot & Sweetman, 2005) confirm that the traditional pattern of eliminating the initial earning gaps as immigrants adjust to the labour market could be reversed so for recent immigrants the gap will persist even “after many years in Canada” (Picot & Sweetman, 2005, p. 7).
Table 3

Earnings of recent immigrants as a percentage of earnings of people born in Canada

<table>
<thead>
<tr>
<th>Years since arrival</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>71.6</td>
<td>63.4</td>
</tr>
<tr>
<td>2</td>
<td>86.9</td>
<td>73.3</td>
</tr>
<tr>
<td>3</td>
<td>93.4</td>
<td>77.0</td>
</tr>
<tr>
<td>4</td>
<td>88.8</td>
<td>77.1</td>
</tr>
<tr>
<td>5</td>
<td>92.7</td>
<td>78.5</td>
</tr>
<tr>
<td>6</td>
<td>93.5</td>
<td>81.5</td>
</tr>
<tr>
<td>7</td>
<td>95.1</td>
<td>84.5</td>
</tr>
<tr>
<td>8</td>
<td>89.9</td>
<td>97.5</td>
</tr>
<tr>
<td>9</td>
<td>97.3</td>
<td>97.2</td>
</tr>
<tr>
<td>10</td>
<td>100.4</td>
<td>90.1</td>
</tr>
</tbody>
</table>


Earnings represent the major income source for most families, so it is not surprising that the decline in relative entry-level earnings is reflected in low-income rates. In 1980 the low-income rate of economic families headed by immigrants who arrived within 5 years was about 1.4 times that of Canadian-born. However by 1990, the rate for this group reached 2.1 and by 2000 it was 2.5 times higher that of Canadian-born (Table 4).
Based on census data, the low-income rate among immigrants rose from 24.6% in 1980, to 31.3% in 1990, to 35.8% in 2000 (ibid). According to Picot and Hou (2003), "this rise in the low-income rate of recent immigrants was not associated with a general increase in low-income in Canada. Among non-immigrants, the rate fell from 17.2% in 1980 to 14.3% in 2000 (p.9). According to Picot and Sweetman (2005), "the rise in low-income rates among immigrants was widespread affecting immigrants" of all ages, education groups and most source countries (p. 4).

Table 4

The Relative Poverty Rates of Recent Immigrants to Canadian Born

Source: Modified from Picot & Hou, 2003, p.9
One theory trying to explain the income disparity between recent immigrants and Canadian-born suggests that, although immigrants may have considerable foreign work experience, they are still new entrants to the Canadian labour market, and as such, they may be particularly vulnerable to the fluctuations in the labour market. As the economy downsizes, there are fewer new jobs available, which mostly impacts the potential new employees entering the workforce. As a result, they experience higher unemployment, or may have to settle for lower paying jobs. Nevertheless, once the economy recovers again and more jobs are created, companies must recruit available workers to fill vacant positions, thus allowing immigrant workers to regain lost ground (Aydemir, 2004, pp.15-16). However, the problem with this theory is that even when comparing business cycle peaks to observe long-run trends, the low-income rate is still rising for recent immigrants while declining for Canadian-born (Picot & Hou, 2003, p. 17).

According to some researchers, the changing characteristics of recent immigrants may be part of the explanation (Hiebert, 2002; Picot & Hou, 2003; Hiebert & Pendakur 2003; Aydemir & Skuterud, 2004). Recent immigrants who arrived in Canada during the 1990s had earnings that were 56% lower than the entry earnings of immigrant cohorts that arrived during the 1960s (Aydemir & Skuterud, 2004, p. 8). According to a study by Aydemir and Skuterud (2004), 65% of the 1965-1969 cohort were born in Northern, Western and Southern Europe and only 14% in Asia, while the 1995-1999 cohort shown almost a reverse with 54% of immigrants coming from Asia and only 14% from Northern, Western and Southern Europe (p. 11). According to the two authors, “roughly one-third of the long term decline in the entry earnings of Canadian immigrant cohorts...
can be explained by compositional shifts in language abilities and regions of origin of immigrants” (ibid).

Although the language effects may capture real productivity differentials, the region effects probably reflect omitted or unobserved characteristics that have more direct wage effects and are correlated with the region of birth. This could include familiarity with Canadian labour markets, access to effective social networks and discrimination” (ibid).

Table 5, shows the increase of low-income rates among recent immigrants according to source of region, education level, language knowledge, age group and family structure. As shown in this table the highest increase in low-income rates was among immigrants from Western Asia, Africa and the Caribbean with high school, some post secondary or university degrees and lacking knowledge of any of two official languages. However, the lowest low-income rates were among immigrants from “traditional source countries”, such as Northern Europe and North America. Findings by Picot and Hou (2003), indicate that, “less than half of the rise in the low-income rates was associated with the changing composition of recent immigrants (p. 10). “Immigrants from non-traditional sources might have lower earning potentials than those from US and Europe because they have less transferable skills and credentials, and face more discrimination in the labour market” (ibid, p. 4).

Interesting enough, according to Picot and Sweetman (2005), and consistent with the findings of Aydemir and Skuterud (2004), while immigrants on average have lower returns to foreign education than the similarly educated Canadian-born, they conclude that there is no evidence that there has been a decline in the returns to foreign education,
and that foreign credentials are not responsible for the deteriorating labour market conditions of recent immigrants (Aydemir & Skuterud, 2004, p. 13). According to Picot and Sweetman (2005), the lower return to foreign education “has not changed much over the past two decades” (p. 4).

**Table 5**

Changes in low income rates and population composition among recent immigrants (living in Canada < 5 years), Canada

<table>
<thead>
<tr>
<th>Low-income rate (%)</th>
<th>Population characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>All recent immigrants</td>
<td>24.6</td>
</tr>
<tr>
<td><strong>By source region</strong></td>
<td></td>
</tr>
<tr>
<td>North America</td>
<td>18.4</td>
</tr>
<tr>
<td>Caribbean</td>
<td>38.3</td>
</tr>
<tr>
<td>South &amp; Central America</td>
<td>30.6</td>
</tr>
<tr>
<td>Northern Europe</td>
<td>11.0</td>
</tr>
<tr>
<td>Western Europe</td>
<td>23.9</td>
</tr>
<tr>
<td>Southern Europe</td>
<td>21.5</td>
</tr>
<tr>
<td>Eastern Europe</td>
<td>22.3</td>
</tr>
<tr>
<td>Africa</td>
<td>20.7</td>
</tr>
<tr>
<td>South Asia</td>
<td>17.4</td>
</tr>
<tr>
<td>Southeast Asia</td>
<td>35.3</td>
</tr>
<tr>
<td>East Asia</td>
<td>26.8</td>
</tr>
<tr>
<td>Western Asia</td>
<td>34.0</td>
</tr>
<tr>
<td>Oceania &amp; other</td>
<td>17.7</td>
</tr>
<tr>
<td><strong>By educational level (all immigrants)</strong></td>
<td></td>
</tr>
<tr>
<td>Less than high school</td>
<td>33.3</td>
</tr>
<tr>
<td>High school graduation</td>
<td>26.6</td>
</tr>
<tr>
<td>Some post secondary</td>
<td>20.4</td>
</tr>
<tr>
<td>With university degrees</td>
<td>15.5</td>
</tr>
<tr>
<td><strong>By educational level (age 25-65)</strong></td>
<td></td>
</tr>
<tr>
<td>Less than high school</td>
<td>28.8</td>
</tr>
<tr>
<td>High school graduation</td>
<td>21.9</td>
</tr>
<tr>
<td>Some post secondary</td>
<td>17.4</td>
</tr>
<tr>
<td>With university degrees</td>
<td>14.5</td>
</tr>
<tr>
<td><strong>By home language</strong></td>
<td></td>
</tr>
<tr>
<td>Non official language</td>
<td>28.6</td>
</tr>
<tr>
<td>English/French</td>
<td>21.2</td>
</tr>
<tr>
<td><strong>By age group</strong></td>
<td></td>
</tr>
<tr>
<td>&lt;10</td>
<td>28.9</td>
</tr>
<tr>
<td>10-19</td>
<td>27.2</td>
</tr>
<tr>
<td>20-29</td>
<td>24.2</td>
</tr>
<tr>
<td>30-39</td>
<td>18.9</td>
</tr>
<tr>
<td>40-49</td>
<td>20.4</td>
</tr>
<tr>
<td>50-59</td>
<td>23.7</td>
</tr>
<tr>
<td>&gt;=60</td>
<td>30.6</td>
</tr>
<tr>
<td><strong>By family structure</strong></td>
<td></td>
</tr>
<tr>
<td>Unattached individuals</td>
<td>48.8</td>
</tr>
<tr>
<td>Two-adults, no kids</td>
<td>18.8</td>
</tr>
<tr>
<td>One adult, with kids</td>
<td>73.0</td>
</tr>
<tr>
<td>Two-adults, with kids</td>
<td>22.5</td>
</tr>
</tbody>
</table>

Data sources: the 1981 to 2001 Census 20% sample micro data
Note 1: for children younger than 18 and living with their parents, their education level was assigned as that of the highest earner in the family

Source: Picot & Hou, 2003, p. 24
One other theory that tries to explain the decline in returns to foreign experience within source regions suggests the possibility of an emerging “technology divide” (Picot, 2004, p. 19). According to Picot, the technological workplace experience acquired in Eastern Europe and Asia is different from that in Canada, thus hampering the appropriate credit attributed to this experience. The rapidly changing technologies in more advanced countries like Canada further compound this effect. Similarly, Aydemir and Skuterud (2004) found that “technological change in Canada that has progressed differently than in other parts of the world” could explain some of the declining returns to foreign experience and the discount of foreign credentials of recent immigrants (p. 12). Moreover, with the supply of highly educated worker in Canada on the rise, it seems employers have fewer incentives to invest in immigrants by evaluating their foreign experience and credentials. Thus, the experience and schooling is rather discounted (Picot, 2004, p. 19).

2.4 Summary and Conclusion

The evidence shows that currently there is an “increasing disconnect” between Canada’s immigration policies and the outcomes of recent immigrants’ lack of labour market integration (PROMPT, 2005, p. 6). This is demonstrated by the findings of this chapter which suggest that the immigrant cohorts of the 1980’s and 1990’s received a lower return to their foreign experience than did otherwise similar immigrants of the 1960s and 1970s. Part of the explanation for the deterioration of immigrant entry earnings was attributed to macro-economic changes combined with a more competitive Canadian labour market (Picot, 2004, pp. 19-20). In addition a shift in the source regions
of immigrants reduced the ability of immigrants to convert their education and experience into earnings (ibid, p. 21). Moreover, the declining returns to foreign experience that has been suggest is that unlike the selection process, foreign credentials are heavily discounted by the Canadian labour market (Aydemir & Skuterud, 2004, p. 12).

The changes in immigrant source countries may be contributing to recent immigrants’ inability to fully utilize their human capital, and point to shortcomings in the recognition of their qualifications, declining returns to foreign experience and lack of proficiency in one of the official languages of Canada. All these barriers to labour market integration based on individual characteristics of immigrants will be examined in the following chapter. Only by a comprehensive analysis of recent immigrants’ individual characteristics and the multiple institutions that shape immigrants’ experience in the Canadian labour market, one can explain newcomers’ labour market disadvantages, and their poor labour market participation based on an assumed equivalence of measurable human capital such as education and experience.
Chapter 3  Individual Characteristics and Barriers to Immigrants’ Labour Market Integration

3.1 Introduction

The purpose of this chapter is to identify individual characteristics which prevent recent immigrants’ integration into the Canadian labour market and assess whether these characteristics are relevant in both urban and rural labour markets. I will critically examine the labour market barriers faced by recent immigrants in light of the human capital and institutional theory. Thus, in this chapter I will argue that existing structures within the Canadian economy preclude immigrants from fully utilizing their human capital developed abroad and prevent them from successfully integrating into the Canadian labour market.

Previous studies on immigrants’ labour market integration in Canada (Mata, 1994; Spigelman, 1998, 1999; Alboim & Maytree Foundation, 2002; Geddie, 2002; Anisef et al., 2003; Picot & Hou, 2003; Chui, 2003; Beach et al., 2003; Aydemir & Skuterud, 2004; Picot, 2004; Reitz, 2005; Alboim et al., 2005) found that many recent immigrants are not gaining effective access to the labour market, and must accept jobs that do not match their education, training or skills which means that Canada is not fully benefiting from recent immigrants’ human capital.

Based on the LSIC data, finding employment was rated as the highest priority by newcomers. Of recent immigrants entering the Canadian labour market, 70% reported difficulty seeking employment due to issues related to transferring foreign qualifications, and language barriers (Chui, 2003, pp. 33-34). Despite labour shortages in certain fields many foreign trained professionals and trades immigrants are unemployed or under
employed due to underutilization of their education, skills and experience. Recent immigrants identified a number of barriers that prevent them entering the Canadian labour market in their areas of professional specialization such as non-recognition of foreign credentials and work experience and lack of language training.

3.2 Human Capital Characteristics

Canada’s current immigration policy is largely based on human capital theory — responding through immigration, to the need for additional skills (human capital), while fostering economic growth (Green, 2003, p. 34). Thus, if Canada’s immigration policy main goal is to maximize the rate of growth of human capital, poor labour market outcomes of recent immigrants seem surprising.

The essence of human capital theory is that an individual’s education, training, skills and work experience predict job productivity and earnings. Within the context of the labour market, people exchange these resources, or their human capital for a wage. By developing skills through formal education, on the job training, individuals increase their productivity, which in turn has a positive impact on their earnings (Frazis & Spletzer, 2005, pp. 48-49). Based on this theory, employers pay higher wages for those with more human capital. “Gaining employment is based on having the appropriate workforce knowledge (education and training) for a job and the willingness to accept the market price for labour (Geddie, 2002, p. 9).

Whereas human capital theory suggests that the immigrant skill validation process should reflect the productive value of their skills — particularly skills based on formal education and work experience — that expectation is contrary to the immigrants’ recent
labour market outcomes. Examination of the earnings of new immigrants, as presented in
chapter two, indicates that immigrants experience significant disadvantages in the
Canadian labour market, and their performance is significantly lower than expected based
on an assumption of equivalent measurable human capital such as education and
experience (Reitz, 2001, p. 3).

In a recent study, Alboim et al. (2005) on the economic returns to immigrants’
foreign acquired human capital, found that foreign-obtained education and work
experience are significantly discounted in Canada. The economic return to a year of
foreign experience is about one-third of what Canadian-based experience is worth, and
the return to foreign education, while positive is worth about 25% less than a year of
education for Canadian-born (p. 13).

Alboim et al. (2005) findings are consistent with a number of recent studies
(Green & Worswick, 2002; Frenette & Morissette, 2003; Aydemir & Skuterud, 2004),
which also suggest that foreign work experience of recent immigrants is increasingly
discounted in the Canadian labour market. Picot and Sweetman (2005), point out to a
study by Green and Worswick (2002), which “concluded that the declining returns to
experience is one of the major factors, if not the most important, associated with the
declining in earnings among recent immigrants” (p. 19). According to their study,
“immigrants from non-traditional source countries receive close to zero economic
benefits from pre-Canadian potential labour market experience” (ibid).

Recent immigrants were also less likely to be employed in occupations typically
requiring a university degree. In fact, recent immigrants with a university degree were
much more likely than their Canadian-born counterparts to be working in occupations
that typically require no formal education. In Vancouver, for example, 31% of recent immigrants with a university degree were employed in jobs with low-skill levels, compared with only 13% of Canadian-born graduates. In most other urban centers, there was a difference of at least 10% points between this groups ("Immigrants in Canada’s urban centers", 2004). According to McIsaac (2003c), there is "an overrepresentation of university-educated immigrants in lower-skills jobs including taxi and limousine drivers, truck drivers, security guards, janitors and building superintendents" (p. 61). Thus, in spite of the concern regarding the rising demand for the highly educated, and the needs of the "knowledge based economy", having a degree, no matter what the discipline, did not protect recent immigrants from a rising probability of being below the Low Income Cut Off (LICO).

In rural regions, on average, immigrants were also markedly more educated than the Canadian-born and of these immigrants, 23% of them had graduated from a university compared to 17% of the Canadian-born (Beshiri, 2004, p. 10). While the new immigrants who settled in rural regions, between 1996-2001 were more likely to have completed high school and to have a university degree, they were also somewhat less likely to be employed, compared to other immigrant groups and the Canadian-born (Beshiri, 2004, p. 18).

Language skills are also a form of human capital. Therefore, the economic impact of language knowledge should be associated with higher returns. According to Chiswick and Miller (2002), greater language proficiency enhances immigrants’ earnings by increasing their opportunity to match their skills with employment opportunities (pp. 1–2). According to them, language proficiency increases labour productivity through
more efficient oral and written communication in the workplace. “Hence, earnings among immigrants are expected to be a rising function of the immigrant’s proficiency in the destination language” (p. 2). Nowadays, employers need their workers to communicate effectively, especially given the increase in “team work” and communications, so regulatory bodies need to ensure that immigrants have the language skills to practice their profession. Moreover, regulatory bodies in order to assess language capability for licensure purposes use a variety of language tests (Alboim et al., 2005, p. 18).

In light of the changing composition of recent immigrants it is not surprising that almost two-thirds of recent immigrants spoke at home a language other than French or English, compared to 46% in 1980. “This may tend to increase low-income rates at entry, as it may affect labour market outcomes” (Picot & Hou, 2003, p. 10). This is consistent with the findings of Chiswick and Miller (2002), who indicate that there is a hierarchy in terms of earnings and language fluency. Immigrants who are unable to speak fluently in either of the official languages earn the least. Of those immigrants who can speak at least one of the official languages fluently, those who usually speak a non-official language at home occupy an “intermediate position” in the workplace, while the ones who also primarily use the official language at home earn the most. (p. 5).

According to Chui (2003), although Census data based on self-assessment suggests that immigrant rate of fluency in one of Canada’s two official languages is higher than in the past (82% for recent immigrants) many immigrants may not be as fluent as they think they are (p. 7). Many recent immigrants in high skill work places experience difficulty communicating effectively orally and in writing in either English or
This is consistent with the findings of Alboim et al., (2005) who points out that current language programs are not well designed to help newcomers, especially professionals to enter their professions (p. 18). “Having general language skills does not necessarily imply that one has the communications skills needed to practise one’s occupation” (ibid).

In a recent study, Kazemipur and Hallie (2000) found that the most vulnerable to poverty are those having no knowledge of the official languages (p. 114). Language and communication skills are related to productivity, and hence the wages of workers. All the other human capital indicators considered – education, training, skills and experience – could be more or less annulled by the lack of language skills. In other words, without language knowledge, immigrants cannot fully translate their human capital factors into income and socio-economic status (ibid).

According to the human capital theory, those not hired are lacking the skills required for the job. However, the theory does not take into consideration the devaluation of foreign credentials, training and experience of new immigrants against local credentials whether these competencies are truly inherent in doing the job. The assessment of what it takes to get a job done is socially constructed, thus institutionalized understandings prevent skilled immigrants from getting full recognition (Salaff & Greve, 2003, p.3). Specific features of institutions for the assessment of foreign acquired skills and education and their impact on the labour market performance of recent immigrants is considered in the next section.
3.3 Recognition of Foreign Credentials

Many highly trained professionals and technically skilled immigrants, who have been welcomed to Canada because of their human capital, find provincially legislated licensing bodies slow or reluctant to recognize their credentials. In knowledge-based economies, such as Canada where work experience carry an increasing premium, rigidities or protectionism of local educational and professional institutions in evaluating and recognizing foreign credentials and work experience of foreign trained professionals, increasingly penalize skilled immigrants. Many studies (Mata, 1999; Spigelman, 1999; Reitz, 2001; Geddie, 2002, McIsaac, 2003a and b; Anisef et al., 2003) “confirmed that credential non-recognition is a common immigrant experience and seems to be systemic” (Couton, 2002, p. 119).

In this section, I argue that recent immigrants in both urban and rural areas are disadvantaged in the labour market because Canadian professional associations and regulatory bodies (as institutions) disadvantage recent immigrants in attaining professional recognition in their occupations (Geddie, 2002, pp. 5-6). “By closing the labour markets to outsiders, the professions create internal labour markets for their members” (Salaff & Greve, 2003, p. 3).

Possessing foreign credentials has been a disadvantage for immigrants entering the Canadian labour market. Pendakur and Pendakur (1998), studied the effects on earnings of foreign and Canadian degrees, and observed that foreign credentials “appear to be undervalued”, and Hiebert (2002), concludes that frequently immigrant foreign credentials are “ignored in the Canadian labour market” (see Pendakur & Pendakur, 1998 and Hiebert, 2002, cited in Anisef et al., 2003, p.5).
Utilizing micro data from the 1996 Canadian Census, Li compared the earnings of four groups: native-born Canadian degree holders; immigrant Canadian degree holders; immigrant mixed education degree holders (with components of their education or degree from outside Canada); and immigrant foreign degree-holders. He found that immigrants’ credentials were penalized when weighed against those of Canadian-born. Being immigrant appears to mean the human capital is not worth as much (see Li, 2003, cited in Anisef et al., 2003, p. 10).

Recently, professional associations and licensing bodies have come under intense criticism “for using discriminatory and opaque procedures that disadvantage recent immigrants” (Geddie, 2002, p. 8). Foreign trained professionals and trades people argue that policies and practices, which limit access to accreditation and access to trades and professions, contravene the protections accorded by the Canadian Charter of Rights and Freedoms and Provincial Human Rights legislation (Mata, 1994, p.9). In its December 1999 decision, the B.C. Human Rights Tribunal found that the College of Physicians and Surgeons had discriminated against foreign-trained physicians on the basis of place of origin. “The significance of this case has in its conclusion that the B.C. Human Rights Commission has jurisdiction to investigate complaints of discrimination involving professional societies or other governing bodies that assess educational requirements and foreign credentials” (Patch, 1999, p. 2).

Many observers suspect that the root of the problem lies in the regulatory bodies’ focus on controlling the supply of licensed professionals. In Canada’s decentralized accreditation system, professional associations exercise gate-keeping control and create
monopolies on positions and services (Salaff & Greve, 2003, pp. 11-12). A 1998 brief by the Canadian Ethno-Cultural Council charged that:

Through the creation of artificial, arbitrary or unnecessary accreditation criteria, some associations have found that they could restrict the numbers of practicing professionals or trades people. By controlling the supply, they could increase demand and thereby bring financial benefit to their members (Brouwer, 1999, pp. 10-11).

Employment in regulated professions is particularly difficult for skilled immigrants because they must first gain a professional license for their occupation before they can seek relevant employment. To practice in their profession, immigrants with foreign education are expected to successfully undertake Canadian courses and exams, perhaps even repeat elements of their past training and education. In addition, their initial employment in Canada must be supervised, whether it is in a residency (medical doctor) or apprenticeship (architect or engineer). Without re-certification, most immigrants cannot hold responsible positions in their chosen occupation (ibid). For instance, uncertified architects and engineers may draft plans but cannot approve their implementation. Consequently, foreign trained professionals must be prepared to spend considerable time, money and effort in getting re-certification if they want to be gainfully employed in their professions (Salaff & Greve, 2003, p. 15). "Professional regulatory bodies are often seen to serve the narrow interests of their existing members by restricting entry into their field" (Alboim et al., 2005, p.15).
Similarly, McDade (1988) found that in many professions, the set of standards that need to be met by those with foreign credentials are often more stringent than those trained in Canada, and Gozalie (2002) suggested that educational benefits increase when the education is acquired in Canada (See McDade, 1988 and Gozalie, 2002, cited in Anisef et al., 2003, p. 5).

Davis, who analyzed the relationship between formal education and employment, concluded that production is not tied to formal education except in highly technical fields such as nuclear physics and operational research (see Davis, cited in Iredale, 1997, p.7). Yet, entry to many jobs is limited to those possessing specified formal qualifications with the criteria being set by people already working in the field. In Davis' opinion, processes for the assessment/recognition of foreign qualifications have been developed as a reaction to pressure from outsiders to enter particular labour markets. The "insider" often wants to protect not only their status and income, but also the image of the occupation. Entry controls often serve to ensure that the only people who gain entry are those with "a desired social affinity" (Iredale, 1997, pp. 8-9).

3.4 Summary and Conclusion

This study clearly indicates that recent immigrants experience significant labour market disadvantages in Canada, and that the performance of new immigrants in both, urban and rural areas falls significantly below expectations based on an assumed equivalence of measurable human capital such as education, training, skills and experience. Even though immigrants' levels of human capital are often higher than those of comparable Canadian-born, the economic rewards that the foreign trained immigrants
receive for these skills are lower. “If highly-educated professionals selected by the immigration program often end-up working in jobs normally held by less-skilled persons from the native-born population, then in effect these immigrant skills are wasted” (Reitz, 2005, p. 2).

It is only when viewed in light of the institutional theory that the poor economic performance of recent immigrants can be explained. Findings of this research suggest that the practice of discounting foreign qualifications by Canadian institutions may be seen as “bureaucratic prejudicial practices” (Reitz, 2001, pp. 23-24). It is evident that currently recent immigrants’ skills and experience are being underutilized, as it is clear that non-recognition of foreign credentials results in a lack of effective access to the labour market. “To be a leader in the global knowledge-based economy, it is necessary for Canada to utilize the skill of pool of its labour force to its maximum ability” (Thompson, 2000, p. 29). In order for the Canadian labour market to reach its full potential, Canadian professional associations and institutions must cooperate to establish an efficient and impartial assessment process of foreign credentials so that qualified individuals coming to Canada will have the opportunity to maximize their contributions in the workplace. While employers have a legitimate responsibility to ensure that job candidates can perform effectively in a Canadian context, professional associations and regulatory bodies that assess educational requirements and foreign credentials have to remove any artificial and unnecessary barriers for accessing professions.

Recent immigrants represent a significant factor of growth and capacity building and they are a key part of the Federal Government’s strategy to maximize the benefits of immigration to rural areas. Recent immigrants “can help ensure the long-term
sustainability of rural, remote, northern communities with new skills and knowledge” (Canadian Rural Partnership, 2004, 6.2). However, immigrant settlement is influenced by broad economic and social factors. In order to attract and retain newcomers, rural communities should develop strategies that are suited to their own distinctive characteristics by creating employment and training opportunities and enhancing access to services, especially settlement and language programs.
Chapter 4  Macro-economic and Social Barriers to Immigrant Labour Market Integration in Rural Communities

4.1 Introduction

While the human capital and institutional theories explain part of the lack of labour market integration experienced by recent immigrants in urban and rural areas, in this chapter, I identify broader economic and social factors which affect recent immigrants’ integration into rural labour markets. The focus is on illustrating the special problems that recent immigrants encounter coming to smaller towns and rural communities, and outline some of the challenges that might differ from the ones faced by newcomers in larger urban metropolitan centers. It is my intention to show that there are unique challenges for newcomers that chose to settle in rural and remote areas.

Based on my review of several case studies conducted in Ontario (Harry Cummings & Associates, 2001), Manitoba (Lam et al., 1994), Alberta (Abu-Labam et al., 1994), British Columbia (Walton-Roberts, 2004 and Sherrel & Hyndman, 2004) and Yukon (Vermeulen & Hammer, 1998) the key factors affecting labour market integration of recent immigrants in rural communities are: employment opportunities, family and friends and/or an established ethnic communities and educational training prospects.

My findings are similar to the results of Hyndman and Schuurman (2004) study, which identified that the most important factors that contributed to recent immigrants’ decisions to settle outside the census metropolitan areas of Vancouver, Montreal or Toronto were: job and business prospects (37.8%), the presence of family, friends and similar ethic communities (35.6%) and education prospects (12.1%) (pp. 11-12). In
addition, other important community factors such as the availability of public services, health, transportation and settlement, affect migration patterns for newcomers. Community receptivity also contributes to one’s decision to remain or leave a community. This includes negative public perceptions/attitudes within or about a community, and systemic discrimination. Finally, the overall quality of life such as climate, housing market, size and/or the presence of recreational, arts and cultural opportunities are considered in locational decisions (Cook, 2003, pp. 8 - 10).

Based on a review of the recent literature (Abu Laban et al., 1999; Harry Cummings & Associates, 2001; Cook, 2003; Chui, 2003; Hyndman & Schuurman, 2004; Sherrell & Hyndman, 2004; Walton-Roberts, 2004) a wide range of factors may either assist or hinder labour market integration of recent immigrants in rural, remote regions. However, in this chapter the following factors - employment and training opportunities, locally established ethno-cultural communities and access to services, including settlement and language programs - have been selected on the basis of their significance to the process of labour market integration of recent immigrants in smaller rural areas.

4.2 Employment Opportunities

Employment is a key element of successful immigrant settlement. Immigrants want to live in communities where they can find decent jobs that build on their education, skills and experience. Smaller and rural communities’ success on attracting new immigrants depends on providing not only adequate employment opportunities but also maximizing their potential. However, most rural communities in order to attract and retain recent immigrants require a locally planned strategy, “except
perhaps in cases where community’s economic state is strong enough to encourage immigration independent of a concentrated community strategy” (Silvius, 2005, p.7).

These findings are exemplified by the case of Brooks, Alberta where many new immigrants have moved to, attracted by jobs in the beef industry. Similarly, the oil sands project in Fort McMurray continues to attract hundreds of new immigrants (Beshiri, 2004, p. 7).

Based upon the LSIC data, settlement decisions in the Squamish/Kelowna study by Walton-Roberts (2004) were mainly framed by the presence of work, and/or family linkages (p. 15). Both the non-European and European immigrant focus groups, “the pre-existing social and economic context is a crucial determinant of the successful attraction and retention of immigrants to an area” (ibid, p. 24). However, her study reaffirms the difficulties faced by newcomers in obtaining employment in smaller communities. In Kelowna, immigrants indicated greater difficulty in finding work than in Vancouver, since the absence of a significant industrial or manufacturing base, and “as a result immigrants faced enormous challenges finding employment, never mind jobs that utilized their skills” (ibid, p. 17).

Unfortunately, for most recent immigrants, employment opportunities in rural areas do not adequately match skilled immigrants’ qualifications, particularly in contrast to more diverse opportunities in major cities. In examining economic development and immigrant employment opportunities for immigrants in rural Manitoba, Lam et al. (1994), observed that the mobility patterns of ‘immigrant professionals and highly skilled labourers suggests that they are transients in rural communities as they wait for employment opportunities in the larger urban centers” (p. 35).
A recent study by Harry Cummings and Associates (2001), found that recent immigrants in northern, rural areas of Ontario did appear to have fewer employment opportunities as their counterparts in urban southern Ontario. According to the report, underemployment and/or limited employment opportunities was a serious problem in rural communities of Dryden, Kenora, Sault Ste. Marie, Cornwall and Timmins (p. 28). “For skilled immigrants, as well as Canadians, the most important magnet is economic opportunity. It makes sense for immigrants to settle first where there is the greatest number of employment opportunities – large urban centers” (McIsaac, 2003b, p. 5).

Research on the settlement of Kosovars in British Columbia found that Kosovar immigrants directed to Kelowna and Vernon “experienced significant difficulties obtaining employment, while those in Chilliwack, Abbotsford, Vancouver and Surrey have, on average, experienced more success” (Sherrell & Hyndman, 2004, p. 15). The study found that three years after settlement, seven of the eight Kosovar participants in Kelowna and Vernon were still unemployed. “Some Kosovars, particularly in the Lower Mainland spoke of fairly constant attachment to the labour force, albeit in a variety of jobs, while those in Kelowna and Vernon spoke of a more transient or fleeting attachment” (ibid).

Campbell River used to have a large Vietnamese community - many of who immigrated 20 years ago. Over time most of these immigrants have left due to economic reasons (Community-University Research Partnership, 2003, p. 2). Immigrants in those communities “were more likely to speak of moving to a larger center where they believed meaningful employment could be obtained” (ibid, p. 18). In Vernon, one immigrant
reported that, “it’s hard to find jobs. There are not a lot of jobs and the town is small. There are no factories” (Community-University Research Partnership, p. 19).

Similar findings were also reported by the Abu-Laban et al., study (1999) that examines the settlement experiences of refugees in Alberta. According to their research, the principal concern of the refugees that settled in that province was finding and keeping a job. However, more than half left their original community of destination due to insufficient or inadequate employment opportunities (Abu-Laban et al., 1999, p. 29). “The refugee retention rate was highest in the largest cities (69% in Edmonton and 77% in Calgary) and lowest in the smallest cities (31% in Grande Prairie and 35% in Fort McMurray). ‘Leavers’ tend to move on to other larger cities, either in Alberta, or in British Columbia or Ontario” (ibid). One of the recommendations of his study was “discontinuing the practice of sending refugees to Fort McMurray and Grand Prairie” two of the smaller seven communities, because “a lower probability of others from the same ethnic/cultural background being present, a shortage of suitable housing, a smaller range of educational and employment opportunities, a narrower range of available services, and difficulty adjusting to the climate all contribute to the high ‘leaver’ rates in those two cities” (Abu-Laban et al., 1999, p. 29).

4.3 Family and Friends/Ethnic Communities

The presence of family and friends, and an established ethnic community is also a determining factor for immigrant settlement, and has a strong effect on attracting and retaining immigrants from other locations and “further increase the geographic concentration of immigrants from the same source country” (Hou, 2005, p. 8). Though
only a small number of recent immigrants trickle to smaller rural communities, achieving a critical mass increases the potential for further immigration flows which could also create spill over effects for surrounding areas (Silvius, 2005, p.7).

Most immigrants who settled in the Yukon came to be close to family and friends (33.9%) or marriage to a Yukon resident (19.4%) (Vermeulen & Hammer, 1998, p. 1). Similarly, part of the explanation for the successful integration of Sikh immigrants in the Squamish area, was attributed to a well established Indo-Canadian community, with political representation on the local council, as well as employment opportunities that emerged in the near by tourist resort of Whisler (Walton-Roberts, 2004, p. 24).

The rural region with the highest share of new immigrants in the population in 2000-2002 period was the Manitoba towns of Winkler, Altona, Morden and Steinbach that have a strong Mennonite tradition that has attracted immigrants from the international Mennonite community. The communities have also developed a growing manufacturing sector to provide employment for these and other new arrivals. (Beshiri, 2004, pp. 6-7) Many new immigrants have moved to Brooks, Alberta – a thriving international community of 70 different languages - attracted by jobs in the beef industry and the existence of various multicultural communities.

Unfortunately, most rural communities are less likely to have locally established ethno-cultural communities that are often found in metropolitan areas and which are readily able to assist newcomers in the settlement process (Harry Cummings & Associates, 2001, p.20).

For newcomers, large cities, immigrant and ethnic communities seem to offer vital opportunities. The expected scenario is that the adjustment will be made
easier by a large immigrant community that can pass on information about job openings. Immigrant entrepreneurs will hire ethnic workers and demand for ethnic specialty goods and services will provide business opportunities ("Newcomers", 2003).

This is exemplified by the experience of one German woman, who arrived with her family in Kelowna under the business immigrant category to establish a photography studio. According to her, it had taken 10 years in Canada for their business to secure a stable client base. "In Kelowna, it's really tough city, I can tell you, for small business. These small business problems can be seen as related to a general sense of Kelowna as a "who-you-know kind of town' or as an exclusive and tight community" (Walton-Roberts, 2004, p. 18).

According to Sherrell and Hyndman's study (2004), most newcomers settled in smaller centers outside Greater Vancouver area who intended to move spoke of "leaving for larger centers in B.C., Alberta and Ontario", echoing findings of Abu-Laban et al., (1999) and Lam et al., (1994) (Sherrell & Hyndman, 2004, p. 26). When asked about their decision to leave, one said:

Maybe Edmonton or Toronto...It is a central location, it is closer to go back to Kosovo from Toronto and there is more work there...And there is more of our people. They have Albanian clubs, they have Albanian activities, schools, music. Children can go two days a week to Albanian classes (Interview 107, Kosovar, Vernon) (ibid).
4.4 Public Services

Attracting recent immigrants, even small numbers, to smaller, rural areas requires significant resources. Immigrants bring with them a diversity of needs and communities must make efforts to connect them with appropriate services that will enable them to integrate effectively into the local labour market.

The needs of immigrants settling in rural areas are basically similar to those of immigrants who settle in urban areas, however in rural and remote regions available resources and services, including immigrant settlement, are fundamentally different from larger metropolitan areas. According to a study by Khakbaz, Gopalkrishnan and Babacan (2004), on the issue of settlement of skilled immigrants in rural and remote regions of Australia, the key issues affecting the settlement process is similar to the factors impinging the immigrant settlement in northern, rural regions of Canada. When compared to urban centers, rural regions in Canada, similar to Australia, offer reduced level of services and infrastructure such as health, education and transportation which are essential to newcomer’s economic and social integration. (p. 5).

Many immigrants settling in rural areas fall between cracks. A range of issues for culturally and linguistically diverse communities in the rural and regional areas including barriers to access, lack of resources and infrastructure, lack of critical mass (of an ethnic or multicultural groups) to warrant particular types of services (e.g. interpreters), lack of information, problems with mainstreaming, ageing, isolation, language barriers, cultural issues, employment, inter-generational issues and racism” (Khakbaz et al., 2004, p. 6).
A recent study by the Rural Development Institute found that, “rural communities encounter persistent challenges to providing appropriate services for immigrants due to issues of scale. Connecting immigrants to appropriate service provision is challenging” (Silvius, 2005, p. 6). Similarly, a study by the Community-University Research Partnership (2003), service providers in social and health services in rural areas do not provide resources/access to serve immigrants – immigrants are expected to use their own (untrained) interpreters (sometimes their own children) to deal with medical situations. Thus, “immigrants in rural areas are constantly put at risk” (p. 1). The study concludes that immigrants living in the North – Prince George, Dawson Creek, Prince Rupert, Fort St. John – face unique challenges such as: geographical distance, harsh weather conditions, inadequate transportation services, lack of community integration, that contributes to severe isolation for new immigrants (ibid). This type of concerns decreases the ability of rural regions to successfully settle, integrate and retain immigrants.

Although immigrants comprise approximately 10% of the Yukon’s population, the Territory does not have a formal adaptation and integration program for newcomers. Most services available to newcomers in the Yukon fall within the “mainstream” services available to the community at large (Vermeulen & Hammer, 1998, p.1). In terms of accessing services, the report notes that newcomers were often unaware of specific services available in the community. According to the study, 70% of newcomers were not aware about housing services and programs – while 94.8% never accessed these types of programs; 9.7% of newcomers to the Yukon were not aware about health services – while 30.6% never accessed any health care services since their arrival; 35.5% of
newcomers in the study were not aware of employment services – while 82.3% never accessed any type of employment services; 10.6% of newcomers in the territory were not aware of any English as a Second Language (ESL) programs – while 53.1% never accessed existing ESL programs; 64.4% of newcomers were not aware of any Social Services programs – while 81.4% never accessed any of these programs (ibid:15-16).

When asked about how they accessed information, 64.7% indicated family and friends (most of them immigrants themselves) as the primary source of information. The report also reveals that language problems/barriers were the most frequently cited difficulty faced by immigrants in the Yukon (Vermeulen & Hammer, 1998, p. 18).

Settlement services, which are essential to the initial period of adjustment for recent immigrants, in the metropolitan areas are provided by a diverse group of specialized community organizations, government agencies and individuals most of the time in the native language of the newcomers. However, in smaller, rural communities, the range of settlement services and the availability of training for service providers may be limited.

In the study conducted by Harry Cummings and Associates (2001) on settlement services for newcomers in Northern Ontario, none of the five communities – Dryden, Kenora, Sault Ste. Marie, Cornwall and Timmins – possess an agency or organization that provides settlement services to newcomers (p. 4). Many of the immigrants interviewed in this study had to be referred to larger urban centers to have their service requirements met. Many of them received assistance from friends, family members, co-workers and sponsors (ibid). The study concludes that:
The delivery of settlement services in small towns and isolated areas in Ontario is a challenging task for service providers. The large geographic distances between towns, the varying frequency of service demand, and a client base with special needs place a unique set of demands on agencies working to help immigrants integrate into Canadian society (ibid, p. 8).

Similarly, the research conducted by Lam et al., (1994) notes that the settlement services for new immigrants in rural communities of Manitoba has been “scanty”, and the required support services “virtually nonexistent”. Of the 40 communities surveyed in the study, only seven reported having some form of services for newcomers (p. 38).

According to most immigrants, language barriers represent a significant obstacle to their successful labour market integration. Almost all the respondents, in all studies, viewed acquiring language skills as an important step towards integrating into Canadian labour market and society as well. When asked about the most important issue for succeeding in Canada, most newcomers mentioned learning English, followed by finding a good job (Abu-Laban et al., 1999, p. 4). Immigrants recognize that the greater their proficiency in English, the greater their chances of securing better jobs.

Barriers to participation in language classes in smaller communities is intimately related to the ability to obtain high quality employment opportunities (Sherrell & Hyndman, 2004, pp. 13-14). According to Walton-Roberts’ study (2004), by far the most dissatisfaction expressed by the participants during the focus groups was regarding language training and accreditation (p. 20). In Squamish, where there was no immigrant service provider or language training venue, immigrants were left with having to drive to
North Vancouver “While language training was seen as an essential need, driving into Vancouver for lessons was seen as a huge disincentive” (Walton-Roberts, 2004, p. 20). Similarly, Sherrell and Hyndman’s study (2004), concludes that newcomers, “who settled farthest from Greater Vancouver are experiencing the most difficulties in acquiring official language skills and obtaining employment” (p. 27).

However some rural communities become quite innovative when it came to the delivery of language training. For example, in Vernon, the immigrant and refugee-serving agency adapted to the needs of the recent arrived Kosovar newcomers. When the women’s families prohibited them from attending English language classes at the service agency, the classes were relocated to an apartment. Modifying services to meet culturally specific gender norms enabled the women to continue classes in a venue that was acceptable to the women’s families. When funding ended, Vernon District Immigrant Services Society (VDISS) arranged sewing classes with basic ESL instruction so the women could continue to receive “basic English instruction while also learning a job skill” (Sherrell & Hyndman, 2004, p. 23).

4.5 Summary and Conclusion

Based on the research findings it is evident that current settlement and active labour market measures in smaller, rural communities are not well designed to help newcomers overcome their barriers to labour market integration. Settling into rural communities is not the first choice for newly arriving immigrants but they can be induced under the right conditions.
Immigrant attraction and retention are functions of multiple economic and social factors. Analysis of immigrant mobility behaviour points to employment opportunities as the most important reason for immigrant choice of destination and settlement. The challenge for immigrant rural settlement relates directly to challenges newcomers face accessing the labour market. Despite the fact that support services are essential to immigrant settlement, most municipalities are concerned with the lack of resources to service the needs of newcomers in rural communities, especially in light of a Federal policy initiative, of geographical immigrant dispersal. It is clear, that municipalities “are unlikely to become enthusiastic partners in any dispersal schemes unless these resource concerns are addressed” (Walton-Roberts, 2004, p. 15).

Even with adequate funding, for most rural communities, it remains challenging to offer services with a sufficient degree of specialization. Programming, comparable to that available in larger centers continues to be a challenge because human and material resources are limited. In addition, complexities arise in developing and delivering models that are adapted to address rural issues. To successfully settle and retain immigrants, even in small numbers, can easily drain the resources of rural communities, particularly those who do not have a significant mass of immigrants to warrant full time funding and programming (Silvius, 2005, p. 9).

Rural communities require sustainable economic development and settlement resources in order for recent immigrants to effectively integrate into the local labour market. Services and programs build skills and community capacity and contribute to the quality of life of recent immigrants and their families. Jobs, combined with generous
integration policies and services are the key factors in the successful integration of recent immigrants in rural, remote, northern communities.
Chapter 5  Conclusion and Policy Implications

5.1 Introduction

The purpose of this study is to highlight some of the barriers preventing successful labor market integration of recent immigrants in rural communities. Given the poor labour market outcomes, there is significant evidence that current settlement and labour market initiatives are not well designed, and recent immigrants seeking professional employment still experience significant obstacles. In a recent document entitled, "Knowledge Matters" the federal government recognizes that the "existing federal settlement and active labour market measures are not well-designed to help newcomers overcome their barriers to integration" (O'Connor, 2003, p. 12). In this chapter I focus on initiatives and possible solutions to these issues and review some of the policy options already underway.

5.2 Summary

The main question posed was "What are the main barriers to labour market integration of recent immigrants in rural communities?" In chapter 2, I set the context for this project by looking at Canada's immigration policies over time, and examined the deteriorating labour market performance of recent arrivals. The evidence shows that currently there is an "increasing disconnect" between Canada's immigration policies and the outcomes of recent immigrants' lack of labour market integration. As a result they experience lower labour force participation, lower earnings and a rise in low income rates, despite higher levels of human capital – education, skills and experience. In the
following chapter, I identified some of the barriers to labour market integration of recent immigrants, in rural and urban areas from an individual characteristics view – based on the human capital and institutional perspective. This study concludes that existing structures within the Canadian economy precludes newcomers from gaining effective access to the labour market due to issues related to non recognition of foreign credentials and work experience, and language barriers. In chapter 4, I examined the barriers to labour market integration of recent immigrants from a macro-economic and social perspective, specific to rural communities. This study suggests that there are significant differences to the process of labour market integration and settlement of recent immigrants in rural areas from those in urban centers. Limited employment opportunities, lack of locally established ethno-cultural communities and lack or insufficient settlement services and training opportunities, especially language training programs, contribute to disadvantage the labour market integration and settlement of recent immigrants in rural regions.

This study indicates that the challenges of effective labour market integration of recent immigrants are steeped in a combination of human capital, institutional, economic, social, and community based factors. As identified in chapter 3 and 4, these barriers include non-recognition of foreign credentials, discounting of immigrants’ skills and experience, limited employment opportunities, reduced level of services and infrastructure and concerns about inadequate training opportunities, especially language and settlement programs.
5.3 Policy Implications

The evidence presented in this study suggests that three areas deserve special attention in respect to policy regarding labour market integration of recent immigrants in rural communities – the assessment of educational and occupational credentials, language programs and the newly proposed regionalization of immigration.

The assessment of foreign credentials is an essential first step for individuals seeking labour market integration. Many skilled immigrants came to Canada on the understanding that their qualifications would be recognized and would be able to contribute, according to their education, skills and experience to the Canadian economy. However, more recently this proves not to be the case. In 2001, in his Speech from the Throne, former Prime Minister Chrétien said:

Immigrants have enriched Canada with their ideas and talents. The Government will take steps to help Canada attract the skilled workers it needs. It will also work in co-operation with the provinces and territories to secure better recognition of the foreign credentials of new Canadians and their more rapid integration into society (Alboim & The Maytree Foundation, 2002, p. 7).

One of the major problems facing foreign-trained professionals is that in Canada there is no national body responsible for the process of assessment of foreign credentials, professional accreditation and licensing. Presently in Canada, there are a number of independent academic credential assessment services that are provincially mandated. These include the International Qualification Assessment Services (IQAS) in Alberta, the Manitoba Credentials Evaluation Program, the International Credential Evaluation
Services (ICES) in British Columbia, the Service des Équivalences in Québec and the World Educational Services (WES) in Ontario (Geddie, 2002, pp. 32-33).

Unfortunately, the process by which these bodies assess the foreign credentials and experience of applicants varies dramatically. Without industry-specific, national or even provincial standards for the consideration of foreign experience and credentials, each regulatory body is free to put as much or as little time and energy as it wishes into the development of structures to provide foreign-trained applicants fair and equitable access to licensure. The standards and structures for licensure for a particular profession in one province may be entirely different from those used in the same profession in another province (Brouwer, 1999, pp. 8-9).

Current credential assessment and accreditation processes are ad hoc, confusing, expensive, and sometimes unfair. The process needs to be streamlined, efficient and transparent. Canadian government and their partners have begun to improve assessment and accreditation procedures (Metropolis, 2004c, p. 8).

In response to the non-recognition of foreign credentials, the Government of Canada is supporting various programs in an attempt to encourage and assist skilled immigrants with their settlement and integration into the Canadian labour market. “The 2003 Budget includes funding of 13 million over two years to promote more effective and transparent foreign credentials recognition” (Alboim & Maytree Foundation, 2002, p. 12) and the Federal Government is currently in the process of establishing the Foreign Credential Recognition (FCR) program, to develop a consistent, Pan-Canadian approach to FCR (Metropolis, 2004c, p. 8).
Lack of language skills remains another major barrier for newcomers to labour market participation. Many immigrants, including professionals, are unable to find jobs because of their inability to communicate effectively in one of Canada's two official languages. Accessible language training is essential for newcomers. In the past language was never a "major" barrier to labour market integration, since most immigrants worked in jobs with minimal language requirements – often unskilled, labour intensive jobs.

In Canada, today the labour market situation has generally changed, and as result there is greater emphasis on language and communication -- oral and written. Currently, the Language Instruction for Newcomers to Canada (LINC), funded by the Federal Government, provides free, basic language instruction. The program is designed to provide newcomers with basic communication skills that are essential for their social, economic and cultural integration into the Canadian society (Alboim & Maytree Foundation, 2002, pp.30-31). Following are suggestions that would assist in ensuring the accessibility of language training with the current LINC services: flexible class schedules (day and evening classes), availability of childcare services for participating parents, convenient venues for classes and/or easy access to public transportation, and the provision of various class levels (Vermeulen & Hammer, 1998, p. 48). Where feasible, skilled immigrants should be provided with occupation-specific language training, preferably in conjunction with their technical upgrading (Alboim & Maytree Foundation, 2002, p. 34).

In the 2004 budget, the federal government announced an additional $15 million to the existing $5 million allocated in 2003 for Enhanced Language Training pilot projects. The focus of this language training programs is "on labour market and
occupation specific terminology and communication skills” (Alboim et al., 2005, p. 19). These programs are an addition to the existing LINC programs. Widening the scope of the program to include job specific terminology will be well received by immigrant professionals, however it will be ideal if some of the funding will be directed to smaller and rural areas to improve the availability of language training for recent immigrants. Language training is a clear need towards labour market integration that will benefit immigrants, employers and ultimately the community itself.

The “dispersion strategy” suggested by the federal government positions immigration as a tool for regional development. It is assumed that increasing the population in rural regions will generate economic development. However, according to the Department of Citizenship and Immigration’s own study, “an inflow of immigrants to a region cannot be expected by itself to generate a sufficient number of jobs for new arrivals; it will induce an outflow of people, unless economic growth occurs for other reasons” (Mcisaac, 2003b, p. 2). Consequently, human resources are an enabling factor rather than a driving force.

This study concludes that currently there is a discrepancy between the government’s proposed policy of regionalization of immigration and the lack of employment opportunities for recent immigrants in rural and remote areas. Thus, for rural communities to attract skilled immigrants they need to create employment opportunities that match immigrants’ qualifications. In a report published by the Fraser Institute, Martin Collacott argues that:

The main reason Canadians are not staying in these areas is lack of such opportunities and, if we could solve this problem, Canadians themselves would
not be leaving and there would be no need for more newcomers. It is unrealistic, in the circumstances, to think that we can get immigrants to move to such areas without the economic opportunities that would keep Canadians there in the first place (Walton-Roberts, 2004, p. 4).

As this project does not intend to prove or disprove the viability of regionalization of immigrant settlement, I believe that there are however immediate concerns with this strategy. From any standpoint, I find the new proposed policy arbitrary and coercive. My main objection to the regionalization of immigration policy is that the Federal government is planning to direct new immigrants to places ill prepared to receive and settle them. The government should invest in an incentive based policy aimed at encouraging immigrants to move to rural areas by creating infrastructure and economic development in the regions. This view is also shared by McIsaac, who believes that the new proposed immigration initiative is positioned as a “silver bullet” for regional economic development, rather than as a component of a broader strategy. Moreover, McIsaac (2003b) believes the effect of the strategy would be to further exclude and marginalize rather than include and integrate new immigrants (p. 2). “The number and destination of immigrants is determined by the labour market and not some vague notion of regional needs or rhetorical claims by regions to a rightful share of immigrants” DeVoretz, 2003, p. 7). Thus, regionalization of immigration must be seen first “through popular settlement, then population policy. We can not ask immigrants to do what Canadians will not” (Metropolis, 2003b, p. 7).
According to McIsaac (2003b), “at the moment, the only policy initiative that addresses this issue directly is the Provincial Nominee Program (PNP) that allows provinces in partnership with employers, to recruit professionals with an employment contract” (p. 5). PNP involves businesses and government establishing the skill shortages relevant to their Province/Territory, and then enabling employers to sponsor prospective immigrants, providing that skills shortages can not be filled by the local labour market. Accepted immigrants enter into a social contract with business/government that requires the immigrant be resident in the nominated province/territory for three years and concurrently receive landed immigrant status. “For immigrant participants, the PNP has the appeal of faster application processing time and the potential to be matched with appropriate occupations” (PROMPT, 2005, p. 10). The program represents a small step towards increasing immigrant population outside Canada’s largest cities by using employment incentives. It is not surprising that provincial governments recognize “that the Provincial Nominee Program is one of the main tools” to encourage dispersal of settlement, address skill shortages, and further provincial economic development (CIC, 2003).

Like in Canada, settlement patterns in Australia are disproportionately oriented towards major urban areas. In a recent study, Madden (2004), compares the PNP with its Australian versions, the State/Territory Nominated Independent Scheme (STNI) and the Regional Sponsored Migration Scheme (RSMS), and finds that a major difference between the Canadian and Australian programs is that in Canada, “provincial governments and immigration offices are under obligation to share their initiatives to perceivably reduce competition between metropolitan and non-metropolitan regions” (p. 64).
She concludes by saying that “the overall success of PNP remains to be seen, given the short implementation period, however any attempt at influencing population settlement must be done so considering the divergent characteristics and needs of regions, and with agreement from all three tiers of Government, private, public and community interests” (ibid, p. 29).

Immigrants living in rural and remote areas face special challenges when considering the small numbers, lack of services, especially settlement services, limited educational and training programs. Unfortunately, most government policies, particularly funding practices are developed within an urban context. Any government initiative regarding immigrants must provide greater flexibility in order to accommodate the needs of immigrants living in rural and remote areas of Canada. Rural programs must contend with a more isolated population and funding programs have to reflect the unique conditions and challenges of rural living, such as: higher overhead costs, higher transportation costs, higher living costs, limited access to services, including educational programs.

Current government funding for settlement services is inadequate. Additional funding will be required in order to expand settlement services to rural and remote areas. Engaging employers in the process of settlement and labour market integration of recent immigrants is essential “as they are the ultimate gateway to the labour market” (Alboim & Maytree Foundation, 2002, p. 40). The vital role that employers could play would be to provide opportunities in the workplace for skilled immigrants to upgrade their technical skills and familiarize themselves with workplace practices. Employers could
undertake this independently or they can work in collaboration with educational institutions through enhanced co-op programs (ibid, p. 32).

Another difficulty faced by recent immigrants in rural and remote communities, identified in this study is a lack of locally available training. A study in Ontario of university graduate immigrants found that more than half the newcomers arriving in that province after 1993 had taken additional training after their arrival. Computer training was most popular (29%), followed by occupation-specific courses (20%) and language training (19%) (O’Connor, 2003, p. 11). For rural and remote areas, videoconferencing and the Internet represent a new, innovative way to deliver language training and occupation-specific training courses.

Programs and services to facilitate labour market integration of recent immigrants will be helpful only if skilled immigrants can access them. “The effectiveness of programs and services depends on collaborative efforts by multiple stakeholders” – federal, provincial/territorial and municipal governments, educational institutions, professional associations, employers, and nongovernmental organizations that deliver settlement services – “to review, design deliver, evaluate and implement systemic change” if necessary (ibid, p. 38).

These partnerships may take many forms and will shift and change over time however they are essential to the development of pathways for the successful labour market integration of immigrants. The “Looking Ahead” project in British Columbia is a good example of such partnership. In March 1999, Human Resources Development Canada (HRDC), Ministry of Social Development and Economic Security (MoSDES) and a number of other federal, provincial and non-government partners initiated a
planning process for the integration of immigrants in Lower Mainland and Fraser Valley. “This was a solution focused process and the resulting document ‘Looking Ahead’ provided “an action plan” by identifying “the leaders, goals and related activities” (Handford, 2000, p. 2). Over the years the project involved various players in immigrant related employment issues – various departments from the federal and provincial governments, crown corporations, employers, chamber of commerce, immigrant serving agencies, and educational institutions. The outcome of the project was the development of a website that provides on-line information to newcomers, employers and community organizations on government initiatives, programs and services that support immigrant employment in British Columbia (Spigelman, 1999).

As immigration policy focuses increasingly on smaller cities and rural areas, given the growing interest in a more balanced geographic distribution of immigrants throughout the country, it is becoming more important for municipalities and local communities to be able to create and implement local strategies to assist with the settlement and economic integration of immigrants. While currently there are no provisions incorporated in the Canadian constitutional framework for direct federal-municipal relationships regarding immigration, there is an obvious need for new arrangements and relationships to allow municipalities to become key partners in the immigration settlement process (McIsaac, 2003b, p. 7). Municipalities are currently responsible for a number of local services such as housing, recreation, transportation and economic development. “Setting best practices processes in management and allocation of resources in these areas will contribute to building an inclusive and sustainable community for immigrants to settle for long-term basis” (ibid).
At the federal and provincial levels, the appropriate departments need to work collaboratively on these issues, especially Citizenship and Immigration, Human Resources Skills Development Canada, as well as the provincial ministries that are responsible for immigrant settlement, training and education while involving local communities. The final report on Urban Issues by the Prime Minister’s Caucus Task Force, released in November 2002 acknowledges the need for greater participation in decision making from municipalities in order to ensure they have “the resources and tools they need to optimize an increased flow of immigrants” (McIssac, 2003b, p. 7). Following this model, such agreements need to be undertaken not only in urban areas but also in rural regions. These linkages play a critical role in the development of strategies to support the capacity of local institutions and identify opportunities and constraints for successful labour market integration of recent immigrants in rural areas.

5.4 Assessment of the Project

While many studies focus on barriers to labour market integration of recent immigrants in urban areas, there is limited information regarding immigrants living in rural, northern communities. This paper suggests that while there are common patterns and challenges in the process of labour market integration, specific factors to rural labour market integration also do exist. Although these immigrants constitute a small percentage of the total immigrants settling in Canada, they are still of vital importance to the economic well being of Canadian society.
Attracting immigrants to rural and remote regions of the country is difficult, and retaining them is just as challenging. Evidence is found that the best approach to promoting local labour market integration in smaller, rural centers involves a combination of local economic development with community driven interventions by creating a local environment that is conducive to attracting and retaining immigrants. Solutions to labour market integration of recent immigrants in rural regions “need to begin where immigrants settle and try to find work” – in local communities (McIsaac, 2003c, p. 62). Thus, successful strategies need to be initiated at the local, community level and reflect local realities by fostering an environment of sustainable socio-economic development.

Though, smaller, rural communities may not have some of the “pull factors” of big cities, they may be able to influence the community factors that would make rural communities more attractive to new immigrants. Newcomers prefer cities like Toronto, Vancouver or Montreal with large immigrant populations because immigrants tend to settle in areas where they find people, livelihoods, and the quality of life they seek. It is clear that immigrants attract immigrants. Thus, strong incentives such as, family unifications options, tax credits/exemptions, could encourage new immigrants settle in smaller, rural areas, without large similar ethnic communities (Hyndman & Schuurman, 2004, p. 15).

Rural realities make for particular challenges and impediments to successful settlement. It is important for rural areas to be proactive in the process of immigrant settlement and develop strategies around potential challenges. Local strategies need to consider a broad range of factors of economic and socio-cultural objectives in order to
ensure the integration of newcomers into local rural communities. Thus, rural communities need to be supported in developing their capacity and infrastructure to receive and integrate recent immigrants into the local labour market.

Based on the findings of this research, it is evident that there is considerable variation in the types of employment opportunities and services being offered in various rural communities. This study indicates that some communities have a greater number and variety of service organizations than others. In some of the more isolated communities the range of settlement services and the availability of training programs may be more limited, hindering the process of labour market integration and retention of newcomers.

In smaller, rural communities, where there is an absence or limited range of formal settlement services, volunteers could represent a key alternative source of assistance. Volunteers could help newcomers find their way around the community, provide social support and access information. In some cases volunteers are able to act as interpreters/translator. Volunteers may also play a role in providing one-on-one language instruction if such services are not offered in the community (Harry Cummings & Associates, 2001, p. 4).

The existing state of research and knowledge surrounding immigrant settlement in rural communities is insufficient to determine policy development regarding regionalization of immigration. Policy makers should seek more information regarding barriers affecting newcomers’ labour market integration and settlement. Future research and policy must address the need for more qualitative studies of recent immigrants in rural and remote areas. Longitudinal research, similar to Abu-Laban’s study (1999), is
also required to determine the full range of needs and gaps experienced by recent immigrants in rural communities as we are beginning to understand the settlement process in rural and remote communities.

Economic factors, such as a growing or shrinking economy may have a significant impact on rural settlement. This study suggests that many rural regions currently are experiencing limited employment opportunities. Further research should explore the labour needs of rural employers. It is also evident from this research that not every community in this study deals with the same issues around barriers and opportunities. There is a need for a planned and coordinated approach in order to identify which communities are affected by critical shortages and develop profiles of the affected communities. Community specific information regarding anticipated skilled shortages and employment opportunities will play a significant role in the process of recruitment and retention of recent immigrants.

This research is particularly valuable since any further policies require an understanding of the current environment. I believe that unless Canada addresses the main barriers preventing immigrants from successfully integrating into the labour market, directing new immigrants to smaller/rural communities would only worsen the current situation and further accentuate their economic disadvantage. Without proper policies and adequate resources, the needs of thousands of immigrants living in smaller rural communities will be overlooked. Labour market integration is essential for both the immigrants themselves, and for the development of the economies of the communities in which they settle.


