

Fraga, Marcus; Fleury, Charles; Bélanger, Danièle (2020). The Employment and Self-Employment of European Immigrants in Canada: A Longitudinal Analysis by Admission Category. European Population Conference. 24-27 June, 2020. Padova, Italy.

EXTENDED ABSTRACT

Canada welcomed over 6,000,000 immigrants from the 1990s until today. However, their employment outcomes, especially the variation among admission categories, have not been frequently examined in detail and longitudinally due to the difficulty of accessing data that allow this kind of analysis. Also, to the best of our knowledge, no research to date has taken into consideration the immigration category and at the same time detailed the European country of origin as we do. It should be noted that since the 1990s, Canada's immigration policy has been favourable to welcoming a greater number of economic immigrants, the majority of whom come from developing countries whose mother language was other than one of Canada's two official ones (Boucher 2008; Government of Canada 2016; Phythian et al. 2009; Picot and Swetman 2011; Statistique Canada 2014).

Thus, the interest in analyzing specifically how the economic integration of Europeans in Canada takes place is justified by the fact that, until the 1980s, the continent was the main source of immigration to the country. However, since the 1990s, we have seen a loss of importance of the continent in the total proportion of immigrants landing each year (Statistique Canada 2016). In the 2010s, approximately 30% of new arrivals came from Europe. Another reason for this study, Europeans appear to be the group of immigrants who best integrate into the labour market in Canada. Renaud et al. (2003) use data from the New Immigrant Settlement Survey (ÉENI) to follow men and women immigrants arriving to the Great Montreal in 1989 aged 18 years or older. Very present at the beginning of settlement, they find that after ten years the national origin do not explain statistically the wage differences among immigrants. However, the authors do not analyze the results by country of origin. Only the "French" category was created and the other Europeans are coded as "rest of Europe".

With regard to the immigration category, only a few studies have shown that there is an important selection effect that explain the trajectories of immigrants in Canada. Samuel and Woloski (1985) are the first to analyze the economic outcomes of immigrants to Canada by admission category. Using the Longitudinal Labour Force Data Base (LFDB) merged with the Landed Immigrant Data Base (LIDS), they compare the 1979 cohort with Canadian natives up to three years after entry. They find that immigrants chosen for economic reasons have been the most successful according to both unemployment and income when we compare immigrants of different categories between them. Also, insurable earnings were significantly lower for the immigrant cohort than for the Canadian cohort.

In the same perspective, Green and Green (1995) research on the 1967 immigration policy changes that created the immigration categories and the point system that form the framework of Canadian immigration policy until nowadays. Using Cansim university data base (an aggregated data that consist of quarterly series on the number of immigrants who declare an intention of entering the Canadian labour force), they find that the point system provides some control over occupational composition but that its effectiveness in fine tuning is limited by the large number of other characteristics it seeks to control. For example, the entry class and source country have impacts that swamp the effects of the point system.

Two years later, De Silva (1997) is the first to use the IMDB to analyze the admission category at an individual level. Relying on a sample of male immigrants who landed during the period

1981-1984, he finds evidence of a rapid convergence in earnings among immigrant classes over time. The main conclusion is that age at admission is probably more important than many of the other immigrant attributes (as language skills or education level) reported at landing.

Picot and Swetman (2011) propose that Canada's immigration policy, which mainly selects economic immigrants, while Sweden generally selects family reunification immigrants and refugees, is the most important hypothesis for better economic integration of immigrants in Canada. However, in the absence of data to distinguish the different immigration categories for the two countries, the authors were unable to test this hypothesis. On the other hand, Bevelander and Pendakur (2012) compare family-sponsored immigrants, asylum seekers and government-assisted refugees (three groups of non-economic migrants) in both countries. Using the IMDB and Swedish registry data, Bevelander and Pendakur (2012) find that the probability of being employed and the income trajectories of non-economic immigrants are quite similar in both countries. However, when comparing among immigration category, Bevelander and Pendakur (2012) note that incomes are higher in Canada even if Sweden enjoys a much higher minimum wage. The sample is composed of men and women admitted between 1980 and 2007 at the ages 25 to 64. The results show that women in both countries integrate worse into the labour market than men and the results are more pronounced in Sweden, even in the final statistical model that controls by immigration category and other socio-demographic variables. Thus, this is an indication that it is not because Canada has focused in economic immigration that immigrants have better outcomes in Canada than in Sweden. The authors hypothesize that these disparities result from integration services and programs of each country.

Mata and Pendakur (2017) use tabular data from the IMDB to look at the association between entry class and the wage earnings of immigrant (male and female) cohorts arriving between 1990 and 2007. As expected, immigrants landing as economic principal applicants have the strongest earnings trajectories. Immigrants landing under family or refugee categories have more moderate earnings growth. Finally, Picot et al. (2019) use also the IMDB to study the earnings among refugees' groups from 13 source countries with large inflows to Canada from 1980 to 2009. Then, they compare refugees with family and economic immigrants who arrived during the same period but without distinguishing by demand type (economic main applicant or economic dependant). The results reveal a very large variation in employment rates and average earnings. For instance, immediately after entry, refugees from all countries earned less than family-class immigrants. However, the gap on earnings tended to be greater during the early years in Canada than in the long run.

Therefore, after this brief literature review on the impact of the admission category on the economic outcomes of immigrants in Canada, we feel that our article deepens the debate by focusing only on the European population in Canada, those who best perform. Through a survival analysis, this paper first compares the employment and self-employment probabilities among immigrants in the main categories of immigration: economic principal applicant, economic dependant, family, government-assisted refugee, privately sponsored refugee, In-Canada Asylum Program and other refugee. Then, we control by country of origin and other socio-demographic variables such as age at landing, education level at landing and cohort of admission. Cox's non-parametric models enable us to observe how pre-migration characteristics and the socioeconomic integration affect the relative risks to report self-employment or employment after becoming permanent resident. In general, we assess the link between the economic outcomes and the immigration policy of Canada.

Our results will allow us to observe the heterogeneity of the different immigration programmes. Specifically, we will be able to analyze whether European refugees in different settlement programs actually experience greater economic difficulty upon admission and whether this continues over the years. Our presentation will feed the debate on the economic integration of immigrants in Canada.

REFERENCES

- Bevelander, P., & Pendakur, R. (2012). The labour market integration of refugee and family reunion immigrants: a comparison of outcomes in Canada and Sweden. *Journal of Ethnic and Migration Studies*, 40(5), 689–709.
<https://doi.org/10.1080/1369183X.2013.849569>
- Boucher, A. (2008). Skill, Migration and Gender in Australia and Canada: The Case of Gender-based Analysis. *Australian Journal of Political Science*, 42(3), 383–401.
- De Silva, A. (1997). Earnings of Immigrant Classes in the Early 1980s in Canada: A Reexamination. *Canadian Public Policy / Analyse de Politiques*, 23(2), 179–202.
<https://doi.org/10.2307/3551484>
- Government of Canada. (2016, March 1). Annual Report on the Operation of the Canadian Multiculturalism Act 2015-2016. <https://www.canada.ca/en/canadian-heritage/corporate/publications/plans-reports/annual-report-canadian-multiculturalism-act-2015-2016.html>. Accessed 4 April 2017
- Green, A. G., & Green, D. A. (1995). Canadian immigration policy: the effectiveness of the point system and other instruments. *The Canadian Journal of Economics. Revue Canadienne D'economique*, 28(4b), 6–41.
- Mata, F., & Pendakur, R. (2017). Of Intake and Outcomes: Wage Trajectories of Immigrant Classes in Canada. *Journal of International Migration and Integration*, 18(3), 829–844.
<https://doi.org/10.1007/s12134-016-0501-1>

- Phythian, K., Walters, D., & Anisef, P. (2009). Entry Class and the Early Employment Experience of Immigrants in Canada. *Canadian Studies in Population*, 36(3–4), 363–382.
- Picot, G., & Swetman, A. (2011). Canadian Immigration Policy and Immigrant Economic Outcomes: Why the Differences in Outcomes between Sweden and Canada? *IZA Policy Paper*, 25, 1–27.
- Picot, G., Zhang, Y., & Hou, F. (2019, March 11). Labour Market Outcomes Among Refugees to Canada. <https://www150.statcan.gc.ca/n1/pub/11f0019m/11f0019m2019007-eng.htm>. Accessed 30 October 2019
- Renaud, J., Piché, V., & Godin, J.-F. (2003). L'origine nationale et l'insertion économique des immigrants au cours de leurs dix premières années au Québec. *Sociologie et sociétés*, 35(1), 165–184. <https://doi.org/10.7202/008515ar>
- Samuel, T. J., & Woloski, B. (1985). The labour market experiences of Canadian immigrants. *International Migration (Geneva, Switzerland)*, 23(2), 225–250.
- Statistique Canada. (2014, September 17). Projections démographiques pour le Canada (2013 à 2063), les provinces et les territoires (2013 à 2038) : rapport technique sur la méthodologie et les hypothèses. <https://www150.statcan.gc.ca/n1/pub/91-620-x/2014001/chap05-fra.htm>. Accessed 26 April 2019
- Statistique Canada. (2016). 150 ans d'immigration au Canada. <https://www150.statcan.gc.ca/n1/pub/11-630-x/11-630-x2016006-fra.htm>. Accessed 13 December 2018