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Wage gap between immigrants and Canadian-born:
The impact of immigration status and post-
secondary education

Major Research Paper

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Abstract

This paper investigates the issue of the wage gap between recent immigrants and their Canadian-born counterparts, when both groups have attained a post-secondary degree. The study builds on previous work carried out by numerous researchers to understand the environment immigrants face upon landing, and especially immigrants landed within a period of five to ten years. Even though immigrants have on average more years of schooling, the research shows that they earn less than their Canadian-born counterparts. Multiple reasons lead to this disparity, and addressing the issue is a complex task. The goal of this paper is to understand the causes of the wage gap. By understanding some of the major causes, this paper hopes to provide policymakers with a fresh view on this problem and a greater understanding of the subject. Finally, the paper proposes a set of recommendations to equip policymakers to act and reverse the trend of the widening wage gap between immigrants and their Canadian-born counterparts.

Keywords: wage gap, immigrant, Canadian-born, immigrant status, human capital, post-secondary education, economic development, public policy, immigration, Canada

Cet article analyse l'enjeu de l'écart salarial entre les nouveaux arrivants et leurs homologues nés au Canada qui ont obtenu un diplôme d'études postsecondaires. L'étude s'appuie sur des travaux antérieurs réalisés par de nombreux chercheurs pour comprendre l'environnement et les paramètres liés à l'établissement des nouveaux arrivants, particulièrement ceux arrivés au Canada durant les cinq à dix dernières années. La recherche montre que malgré que les nouveaux immigrants aient en moyenne plus d'années d'études, ils gagnent moins que leurs homologues nés au Canada. Plusieurs raisons expliquent cette disparité, et aborder cet enjeu est une tâche complexe. Le but de cet article est de comprendre les causes de l'écart salarial. En comprenant mieux les principales causes, cette étude espère doter les décideurs d'un nouveau regard sur cette problématique. Enfin, cette étude est accompagnée d'une série de recommandations qui visent à outiller les décideurs à agir pour inverser la tendance à l'accroissement des inégalités salariales entre les immigrants et leurs équivalents nés au Canada.

Mots-clés: écart salarial, immigrant, né au Canada, statut d'immigrant, capital humain, éducation postsecondaire, développement économique, politique publique, immigration, Canada.

Section I - Introduction

Immigration and immigration policies have both shaped countries and populations throughout history. Immigration exerts undeniable influence over economies, cultures, and politics. Governments set policies regulating who is eligible to become a resident. Two key elements of the migration process worth noting are the individual's decision to apply for immigration, and the chosen country's acceptance of a particular candidate (Aydemir, 2002).

Immigration is a multi-disciplinary subject with no single theory to explain the social, economic, and political factors affecting it (Folson, 2004). However, there are theories on immigration that are useful in providing policymakers with a basis for making decisions regarding immigration policies.

Public policy, among other factors, determines the criteria used to select the candidates for immigration, the grounds for their acceptance (Doyle, 2007), and the criteria for creating a country's immigration model (Brooks and Miljan, 2003). According to the United Nations (UN), those societies who are most welcoming towards immigration will also be the most developed (UN, 2013).

Canada's history is inherently connected to immigration and its immigration policies. Immigration policies have been created and changed to adapt to the changing needs of the country. Presently, Canada faces demographic and political challenges that require rethinking our immigration policies and responding to evidence that demonstrates significant gaps in policy. One such challenge is that the population in Canada is not being replaced demographically, while the existing

population is aging, creating economic uncertainties. The Government has created policies that encourage immigrants to compensate for this population deficit. However, their integration into the workforce is key to addressing these uncertainties.

One relevant aspect that may contribute to the immigrant's experience is the composition of the population in Canada. Canada is heterogeneous and multiethnic. Since its formation, Canada has been accustomed to dealing with multiculturalism. Multiculturalism in Canada is rooted in its two official languages, French and English, and although it might be a divisive problem, it increases multiculturalism because of the cultural aspects embedded in the French and English heritage. Multiculturalism is therefore made stronger due to cultural and political issues (Brooks and Miljan, 2003).

As Canada requires more skilled workers, the immigration system adjusts to bring more immigrants in this category into the country. However, these skilled immigrants face a range of obstacles when entering the Canadian labour market, with social and economic implications. The significant wage-gap between skilled worker immigrants and Canadian-born workers shows that there are policy problems in integrating immigrant skilled workers into our labour market.

This MRP will explore the wage gap between immigrant skilled workers and their Canadian-born counterparts, and the obstacles immigrants face which contribute to this outcome. An additional purpose of this research is to understand how public policy affects immigrants' labour market outcomes by exploring i) how

immigrant skilled workers are doing in the Canadian labour market, ii) the wage gap, iii) the policy environment/context in which this gap occurs, and iv) how policy affects the wage gap. This paper will also provide a set of policy recommendations to help improve immigrants' contribution to economic results and increase their participation in the labour market. The sections were grouped by theme; therefore an analysis of previous research is made in each section for the subject discussed.

A brief literature review will survey the theories and data relevant to this subject and point out where research has been carried out. The studies analysed here will point the way to further knowledge on the subject of economic integration of immigrants in Canada, and discuss the topic of the wage gap. Key concepts will be defined and important elements will be identified on the issues of immigration and their economic outcomes.

Section III provides an introduction to the wage gap problem, discussing the labour market outcomes for the immigrant population. The economic outcomes of immigrants in Canada and the reasons leading to the decrease in immigrant wages are discussed. A look at the education shift amongst immigrants introduces the subject of how policy steers the way and modifies the profile of immigrant applicants. It sheds light on the issue of the obstacles immigrants face upon arrival in Canada, more specifically the barriers immigrants have to overcome so as to fully integrate into the labour force. I will make a distinction between personal and structural obstacles. The section briefly examines the immigrant situation in Québec and Ontario, and opens a discussion of the initiatives put in place to facilitate the immigrants' integration into the job market.

Section IV is dedicated to contextualizing the wage gap in relation to the policy environment. Because Immigration policy has undergone profound and numerous transformations in the past decades, it is important to understand how immigration policy and immigrants' economic outcomes affect each other.

Immigration in Canada is not just a matter of immigrants' choices, it is part of a program devised to attract, select, and integrate immigrants from all over the world into the Canadian society. In order to deepen the understanding of how policy affects the outcomes of immigrants pertaining to the economic migration, definitions, a brief historic policy background, and a short explanation on how immigrants are selected through the "point system" are presented. A description on immigration policy in the province of Quebec will demonstrate how changes in immigration policy can have unforeseen effects.

To conclude this MRP, the author makes policy recommendations for shortening the wage gap and providing skilled immigrants with the foundations to succeed in and better contribute to Canada's economy.

Section II - Literature review

This section is dedicated to presenting some of the most cited and recognised papers on the subject of the wage gap. The organization of the section is chronologically determined, per year of publication. The decision to arrange the

articles in this fashion lies in the fact that immigration waves and immigration policy are in a cycle that influences one another within a historical context. It is therefore necessary to bear in mind the historical environment in which the research was performed.

The section will explain the concept of self-selection within the economic immigrants' category, to enable an economic analysis of immigration. The human capital model is useful for understanding migrants' decisions to leave their countries, and the direct costs incurred. We then introduce the problem of earning disparities, and the visible minorities' double penalty. The double penalty idea relates to the fact that being an immigrant negatively affects wages, and being a visible minority also affects wages. Therefore being an immigrant and part of a visible minority imposes a double penalty on such persons' wages.

Causes for the wage gap are discussed, including the impact of discounting foreign education and work experience. Human capital is used to frame earning disparities and immigrants' unrealised potential. Evolving from this notion, we discuss how post-secondary education and ethnic attachment impact immigrants' wages. The section wraps up with an analysis of the macroeconomic impacts of diminished immigrant economic outcomes.

This section serves as a roadmap to the paper. The goal is to point where to look to identify problems pertaining to immigrant integration, understand their causes, seek solutions, and recognize the importance of addressing the problems identified.

In 1999, Barry R. Chiswick published an economic analysis on the subject of favourable self-selection of immigrants. He contributed to the understanding of the question of this paper by defining some key concepts.

“Economic migrants are those who move from one place of work and residence to another, either within a country or across international boundaries, primarily because of their own economic opportunities, as distinct from refugees and those who move because of the migration decisions of others (‘tied movers’)” (Chiswick, 1999).

Chiswick states that the literature recognizes that immigrants have innate qualities that work to their advantage in the job market. He explains that “economic immigrants are described as having a tendency, on average, to be more able, ambitious, aggressive, entrepreneurial, or otherwise more favourably selected than individuals who choose to remain in their place of origin” (Chiswick, 1999). These concepts are at the core of his paper, as he focuses on the aspect of being favourably self-selected to investigate the impact on the immigrants’ country of origin and on the country of destination. He describes the human capital model for immigration through mathematical formulas. His work is relevant in understanding why immigrants decide to leave their birthplace and try their luck elsewhere. According to him, success in the migration process could be foreseen by an analysis of forgone earnings and direct costs, in order to determine the ability level of a particular migrant.

Chiswick considers alternatives to the human capital model, and briefly considers the situation of selectivity by the study of migrants and return migrants.

However, his paper fails to consider how access to schooling in the country of origin affects the wages of migrants. He concludes that:

“The analyses indicate a tendency toward the favorable self-selection (supply) of migrants for labor market success on the basis of a higher level of ability broadly defined. The favorable selectivity is more intense: the greater the out of pocket (direct) costs of migration and return migration, the greater the effect of ability on lowering the costs of migration, and the smaller are the wage differences by skill in the lower income origin than in the higher income destination” (Chiswick, 1999).

In 2005, Naomi Alboim, Ross Finnie, and Ronald Meng published a study on immigration and refugee policy, “The Discounting of Immigrants’ Skills in Canada - Evidence and Policy Recommendations” for the Institute for Research and Public Policy (IRPP). The authors investigated the wage gap between immigrants and their Canadian-born counterparts. Because immigration levels have not diminished since the publication of the study, and the wage gap continues to widen, the study is still very relevant to current immigration issues. The problems covered in the paper are the discounting of education and work experience immigrants face when they first arrive in Canada. At the time, the wage gap was on average 30 percent between immigrants and their Canadian-born counterparts, and the closing of the gap over the years has been extremely slow. The authors did not intend to categorize all the reasons that cause the identified wage gap. Their interest was in how to address the issue, in order to benefit the immigrants and the Canadian economy.

Professors Krishna Pendakur and Ravi Pendakur (Pendakur and Pendakur, 2012) investigated earning disparities across Canadian-born ethnic

groups in Canada. In their work, they developed an analysis over a period of 10 years, from 1996 to 2006, covering three census years. Their paper, though having a different focus than the immigrant wage gap, is useful in understanding some of the causes of the wage gap. Pendakur and Pendakur found that being part of a visible minority group negatively impacts wages. In Canada, there is an overrepresentation of visible minorities among immigrants. In 2011, while 19.1 percent of the Canadian population declared being part of a visible minority, 30.9 percent of these were Canadian-born and 65.1 percent were immigrants born elsewhere. The remaining 4.0 percent of those who self-proclaim as visible minorities were non-permanent residents (StatCan, 2011). When examining Pendakur and Pendakur's 2012 paper with the 2011 StatCan data we can make the connection between wages and its impacts on visible minorities.

A paper published in 2013 by Frank, Phythan, Walters, and Anicef titled "Understanding the economic integration of immigrants: a wage decomposition of the earnings disparities between native-born Canadians and recent immigrant cohorts," brings new light on the issue of why the aforementioned unrealised potential of immigrants exists (Frank et al, 2013). By using Statistics Canada's 2002 Ethnic Diversity Survey (EDS) as their data source, the authors were assured that the sample studied was sufficiently diverse. In addition, the EDS provided details and broke down immigrant status well enough to allow for a deeper understanding of how immigrant status, human capital, and social characteristics of immigrants affect their earnings.

The analysis conducted in the study by Frank *et al* revealed that characteristics such as age and marital status are similar for both immigrants and Canadian-born populations. Notable differences, relevant to this paper, were the level of schooling, visible minority status, and earnings. Immigrants have a higher level of schooling and declare being part of visible minority groups. This same group is more likely to earn less than their Canadian-born counterparts, as shown in the table below. The table prepared by them and reproduced in part in figure 2.1 is useful in breaking down levels of post-secondary education obtained by immigrants and their Canadian-born counterparts, as well as the difference in wages. The complete table is reproduced in appendix B for consultation of the other variables.

Figure 2.1 – Level of schooling: Native-Born and Immigrants

Human Capital/Education	Native-Born	Immigrants
Earned doctorate	0.06	0.15
Undergraduate degree	0.19	0.27
College diploma	0.26	0.18
Some postsecondary	0.12	0.10
High school diploma	0.24	0.20
Less than high school	0.13	0.10
Yearly earnings (2002 dollars)	\$39,189	\$31,020

Source: Frank K., Phythian K., Walters, D. and Anisef, P. Understanding the Economic Integration of Immigrants: A Wage Decomposition of the Earnings Disparities between Native-Born Canadians and Recent Immigrant Cohorts. *Soc. Sci.* 2013, 2, 40–61; doi: 10.3390/socsci2020040. www.mdpi.com/journal/socsci (last accessed December 10, 2014). The table was edited to depict only the most relevant variables to this paper. The complete table is included in the Appendix B.

An original finding in the paper by Frank *et al* is that education is a factor that helps reduce the wage gap between recent immigrants and their Canadian-

born counterparts, contrary to the findings of previous research. The paper concluded that:

"(...) It is not attitudes, but rather, behaviors that isolate people from the mainstream.(...) it is the outward manifestations of ethnic identity that may be more costly for immigrants, given that they are the most visible signs of 'foreignness' and are, therefore, most likely to evoke negative reactions" (Frank *et al*, 2013).

A relevant point is the influence language has on wages, which is found to be the most significant. According to Frank *et al*, keeping a foreign language as the main language used at home has a negative impact on immigrant wages. The work by Frank *et al* deepens our understanding of the various components of the wage gap between immigrants and Canadian-born workers, and because it is a recent paper, their findings are updated with the latest available data.

In their "Macroeconomic Impacts of Canadian Immigration", Dungan, Fang, and Gunderson (Dungan *et al*, 2013) simulate the impact of an augmentation in immigration levels. According to them, the impacts are positive "on such factors as real GDP and GDP per capita, aggregate demand, investment, productivity, government expenditures, taxes, and especially net government balances, with essentially no impact on unemployment" (Dungan *et al*, 2013). Most of the literature presents similar conclusions. A point that Dungan *et al* make is that despite the overall positive impact, there must be a concern in regards to poor immigrant outcomes. Immigrants, according to them, are not integrating well into the Canadian job market, and this tendency is increasing. The result is the

unrealised potential of GDP growth and a possible reduction of real GDP per capita.

Section III –The wage gap

Throughout the previous section, the wage gap was identified as a visible and measurable indication of how immigrants are integrating into the labour market in Canada. Section III deals specifically with the wage gap following the evidence found in the research discussed in section II. The organization of section III is freed from chronological constraints and is grouped by subject, starting with broader themes and working towards more specific aspects of the wage gap. We will incorporate previous research and extract from the papers discussed the points pertaining to the discussion of the wage gap.

We will start, in subsection A, by defining the wage gap and what its components are. We will talk about unemployment, underemployment, and the employment rate, all related to the job market and therefore useful to understand why the wage gap exists. We will then explain how policy reacts to the job market and then alters the same job market, introducing the issue of post-secondary education in relation to the wage gap.

Subsection B will list the obstacles faced by immigrants and split them into two categories, personal and structural barriers. Our objective in doing so is to understand who – immigrants or government - is primarily responsible to address such barriers.

We conclude with subsection C by looking at what the future might bring in the realm of the wage gap between immigrants and Canadian-born. We discuss what the prognosis is, and why it is important to address the barriers that contribute to the wage gap.

A. Definition and factors of the wage gap

The difference in earnings is called the wage gap. It is important to understand what “wage” encompasses. Marie Drolet believes that

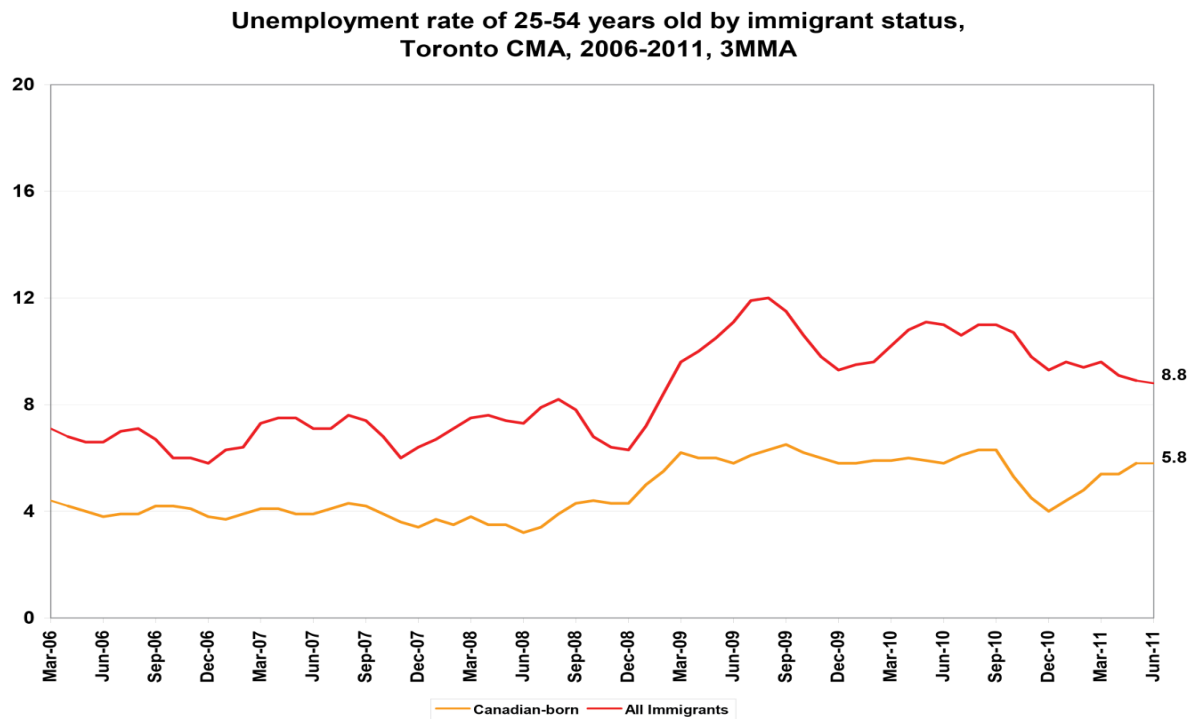
“(…) wage structures reflect a variety of human capital factors (such as experience, education and tenure), demographic characteristics (such as marital status and presence of children), as well as job characteristics (such as union status, part-time status, occupation, industry and firm size)” (Drolet, 2002).

The focus of this section is to compare earnings between immigrants with post secondary education and their Canadian-born counterparts with similar human capital. The wage gap, identified by several studies, is of growing concern in Canada and brings to question why such a gap exists, what its implications are, and how it can be narrowed. Research has shown that various factors contribute to this wage gap, which continues to widen and has now reached a historical high (MICC, 2012). Immigrant underemployment negatively influences Canada’s economic prosperity, lowers general well-being and weakens Canada’s ability to attract skilled immigrants (Galarneau and Morissette, 2004).

Recent immigrants to Canada face higher unemployment rates and lower earnings than their Canadian-born counterparts, a condition that has

worsened since the 1980's (StatCan, 2012). The following Figure 3.1 shows the different unemployment rates between Canadian-born and immigrants between March 2006 and June 2011. The unemployment rate comparison is useful to show the differences between immigrants and Canadian-born. Within this period, immigrant unemployment rates were always higher than the unemployment rates of Canadian-born. It is also interesting to observe how immigrants suffer more from economic crisis. We see in the graph that following the 2008 economic crisis, immigrant unemployment rate considerably grew, while Canadian-born unemployment rate didn't go up as much.

Figure 3.1 – Unemployment rate for Canadians and immigrants



Source: Statistics Canada 2013. Special tabulation. Labour force survey 3MMA.

Another relevant measurement is the employment rate. There is a gap between employment rate among Canadian-born and the employment rate for immigrants. The gap in employment rates between immigrant men and Canadian men is smaller than the employment gap between immigrant women and Canadian-born women, according to the data collected by statistics Canada in the paper “Study: Canada's immigrant labour market, 2008 to 2011” (StatCan, 2012). Figure 3.2 below shows how the employment rate varies between categories.

Figure 3.2 – Employment rate, core working-age group of 25 to 54 in 2011

Male Canadian	Male immigrant	Female Canadian	Female immigrant	Very recent male immigrant	Very recent female immigrant
85,5%	83%	80,3%	68,8%	75,7%	52,5%

Source: Table prepared by the author using data obtained from Statistics Canada, “Study: Canada's immigrant labour market, 2008 to 2011”

When examining the situation among immigrants, we observe a dual wage gap. One is in comparison to the Canadian-born and their counterpart workers’ wages, and the other gap is in relation to the male-female workers’ wages.

When examining the Post-secondary education aspect, government policies address changes in the job market by altering the conditions to admission in the immigration process. The changes to the conditions allows for correcting ineffectual policies, in the quest to achieve better economic results. The changes implemented in the admission criteria after 2009 resulted in a higher number of immigrants with post secondary education (PSE). However, the increased number

of immigrants with PSE does not translate into an easier path to entering the labour market. Historically, and still in the current setting, immigrants face great difficulties in integrating into the job market in Canada, regardless of their higher levels of PSE (Picot, 2008).

Despite the government's efforts, studies have shown that recent immigrants with PSE are not making full use of their skills in the Canadian labour market (Hum and Simpson, 2000; Statistics Canada, 2008). Figure 3.3 shows how immigrants are represented in occupations that require fewer years of schooling, another contradiction when we already know that immigrants arrive in Canada with higher levels of education than previous cohorts and more years of schooling than Canadians in general.

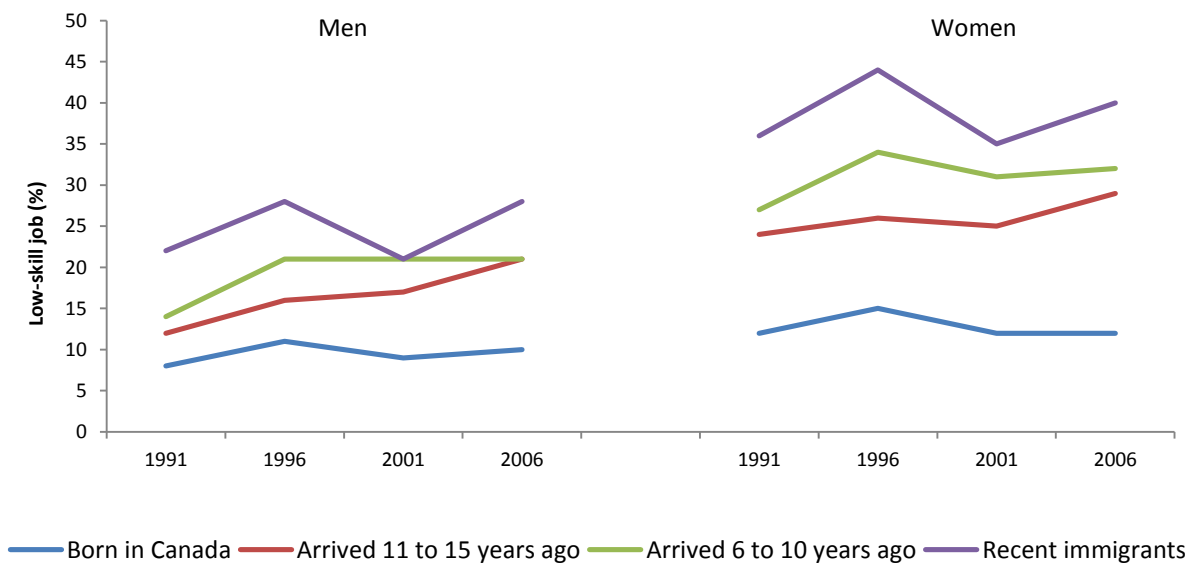
Figure 3.3 – Immigrant's representation in occupations with low educational requirements

Immigrants' representation in occupations with low educational requirements								
	Men				Women			
	Recent immigrants		Established immigrants		Recent immigrants		Established immigrants	
	1991	2008	1991	2008	1991	2008	1991	2008
Total	22	28	12	21	36	40	24	29
Age								
25 to 34	24	27	13	17	37	38	24	23
35 to 44	20	27	12	21	36	39	24	29
45 to 54	21	32	13	22	36	45	23	33
Education								
Bachelor's	26	32	15	24	41	44	27	32
Master's	17	22	6	15	25	32	14	20
Doctorate	2	8	1	4	9	8	3	7

Source: "Immigrants' education and required job skills", by Galarnau, D., 2014, article published at www.statcan.gc.ca/pub/75-001-x/2008112/article/10766-eng.htm, and last accessed November 06, 2014.

Furthermore, recent immigrants with PSE face higher unemployment rates and lower wages than their Canadian-born counterparts (Galarneau *et al*, 2008). This wage gap represents an important loss in earnings for the immigrant population, reflecting the country's Gross Domestic Product (GDP). The repercussions that result from this wage gap require further study in order to respond adequately to it. The observed result, as seen in Figure 3.4 below, is that immigrants are more likely to be found in occupations that are low-skilled, when compared to their Canadian-born counterparts, thus underutilizing their human capital.

Figure 3.4 – Presence of workers in low-skilled jobs, by immigration status



Source: Statistics Canada, Census of Population (StatCan, 2006).

Even after modifications were implemented to the immigration rules, immigrants' earnings continued to drop when compared to their Canadian-born

counterparts with similar human capital. Kazempur and Hali note that “since the late 1980’s, many industrial nations including Canada have been subjected to an unexpected surge of poverty known as ‘new poverty’”, and that the people subject to this new poverty situation are mostly immigrants. The new poverty, according to them, is the lower earnings of skilled professionals within a developed country, which seems to be contradictory. The authors state that “human capital factors were less rewarding for immigrants than natives” (Kazempur and Hali, 2011). This situation resulted in a widening wage gap between recent immigrants and Canadian-born professionals, especially when the population examined is composed of individuals with post-secondary education (for both Canadians and immigrants).

B. Obstacles faced by immigrants

Immigrants face certain obstacles that prevent better integration into the job market. These include language skills, education, understanding Canadian institutions, and developing networks. Several studies have been carried out in order to identify the possible causes of the wage gap and its increase over time. Some works signal labour market inefficiency, discrimination, and language barriers, among other factors (Francis, 2002). Notably, the lack of recognition of skills, credentials, and having acquired education elsewhere have been identified as major causes of earning gaps between immigrants and Canadian born (Fortin *et al*, 2012). These causes could also explain why established immigrants are in large numbers occupying jobs with low educational requirements.

Since the 1990s, immigrants to Canada have experienced a decrease in their integration into the Canadian economy. Reasons for this decrease are partly related to the fact that i) immigrants face problems having their credentials accepted, ii) the labour market has shrunk, and iii) greater requirements from employers that demand Canadian experience in order to fill work positions (Torjman, 2000).

The Caledon Institute of Social Policy identified, more than a decade ago, that the more important barriers of the first access of immigrants in the regulated professions in Ontario are: i) lack of Canadian experience (26.0%), ii) language skills level (15.3%), iii) no contacts (6.3%), iv) education or work experience not recognized (5.1%), v) no demand in the labour market (5.0%), vi) lack of licensing (4.8%), and vii) lack of job search skills (3.5%) (Torjman, 2000).

Dungan, Fang, and Gunderson point that the result of poor immigrant integration is an unrealized potential of GDP growth, and point even to a possible reduction of real GDP per capita (Dungan *et al*, 2013). The paper published by Frank, Phythan, Walters, and Anicef, when discussing the reasons to the unrealised potential of immigrants (Frank *et al*, 2013), list immigrant status, human capital, and social characteristics as reasons for it. The authors use statistics from the Canada Ethnic Diversity Survey to understand how ethnicity, education, and socio-demographics influence earnings.

Their study expands the understanding of the reasons causing the wage gap between immigrants and their Canadian-born counterparts. One of the factors

the authors point to is how attached immigrants are to their background. In the paper, they claim that acquiring Canadian citizenship positively impacts the earnings of immigrants. The paper's goal is to better identify which factors better explain the wage gap, in order to provide policymakers with more accurate information. According to Frank *et al*, the variables that influence earnings are the level of schooling and visible minority status. A new finding in the paper by Frank *et al* is that education is a factor that helps reduce the wage gap between recent immigrants and their Canadian-born counterparts, contrary to the findings of previous research. This finding has yet to be confirmed by further studies, so we consider important to mention it, but it is still early to disprove the previous research.

In order to make sense of the multitude of studies in an orderly fashion, we decided to categorize the obstacles immigrants face into two types: personal obstacles, and structural obstacles (Mayrand, 2012). The most important difference between these obstacles is the level of control the immigrant has over them. In the recommendations, suggestions will be given on how to address these barriers.

Personal obstacles give immigrants the opportunity to act. It is up to the immigrants to decide to take control of their limitations, and overcome them. Examples of personal obstacles are i) the level of competence in the official languages, ii) formal education, iii) ethnicity attachment, and iv) developing a network.

A relevant point is the influence that the language variable plays, as it has been found to be the most significant. The provincial governments address these issues by providing language training and allowing newcomers to apply for bursary programs in order to finance their studies. However, the level of the language training provided by the government does not go beyond an intermediate level.

Immigration candidates have to prove language skills prior to applying for immigration; skills which are assessed by international institutions such as the IELTS (International English Language Testing System) and the TEF (test d'évaluation de français) (CIC, 2015). Therefore, skilled workers already arrive in the country with an intermediate level in at least one of the official languages. There are, however, no government initiatives to help immigrants acquire a higher level of language proficiency. This poses a problem to skilled workers, because the jobs that will allow them to fully utilise their human capital are also jobs that require higher language proficiency. The language barrier is then an obstacle that immigrants seek to overcome without much support. It may be time-consuming and costly. Because immigrants support the financial costs and the opportunity costs involved in improving their language skills, accessing skilled positions costs more and takes more time, thus contributing to the wage gap of recent immigrants.

Education is also a personal barrier. Skilled workers have to possess post secondary education in order to apply for immigration to Canada. However, the discounting of foreign education and work experience, already discussed in the literature review, render their previously acquired education and experience less

relevant in the host society. Many times, immigrants will abandon their previous education and expertise to start over in Canada, either in their field or in totally different domains. Again, it is time-consuming and costly to acquire Canadian education, once more contributing to the wage gap between Canadian-born and recent immigrants.

Ethnicity attachment refers to the use of language at home, and the ethnic composition of the immigrants' network. According to the research, keeping a foreign language as the main language used at home has a negative impact on immigrant wages. This factor is taken as a component of ethnic attachment, and should not be taken into consideration alone (Frank *et al*, 2013). Another factor to be considered in ethnicity attachment is the immigrants' network. If this network is basically composed of other immigrants, these immigrants show a tendency to have lower wages, thus contributing to increase the wage gap. In the paper published by Frank *et al* they found that

"(...) It is not attitudes, but rather, behaviors that isolate people from the mainstream.(...) it is the outward manifestations of ethnic identity that may be more costly for immigrants, given that they are the most visible signs of 'foreignness' and are, therefore, most likely to evoke negative reactions" (Frank, *et al*, 2013).

Developing networks is an obstacle we decided to consider as both personal and structural. It is personal because it demands effort from the immigrants' side. It is structural because it depends of the host society to accept the immigrant as part of the social and work-related networks. On the immigrants'

side, they have to get out of their comfort zone and make the conscientious effort to build the connections.

Structural obstacles are those imposed by the host society, or those that are part of the country's environment. They refer to the rules already in place. Structural obstacles do not depend on personal initiatives (Mayrand, 2012). Examples of structural obstacles are i) the understanding of Canadian institutions, ii) having credentials accepted, iii) having skills recognized, iv) labour market variations (shrinking depression, inefficiencies), v) labour market demand for Canadian experience, vi) discrimination, and vii) developing a network.

The obstacle "understanding the Canadian Institutions", identified by researchers as an obstacle to integration, is somewhat vague and subjective. Immigrants take some time to understand the functioning of Canadian society, how the powers are organized, what the citizen's rights and obligations are, and what work ethics are required in the workplace more specifically. Migrants might act according to their previous societies' unwritten rules, and employers expect their employees to act according to the ways of society in Canada. Although this is not a language problem *per se*, it is about reading between the lines.

When considering the problem of having credentials accepted and skills recognized, they are very much interconnected. In Alboim, Finnie and Meng, one of the conclusions of the study is that the wage gap is explained by the discounting of human capital acquired abroad, specifically education and work experience. Because the assessment of the immigrants' human capital is not done by one

single, regulated institution, sometimes it might be imperfect. Besides, due to the various institutions involved, there is the problem of criteria, which leads to discrepancies in the measuring of immigrants' human capital. These assessment problems contribute to making the process costly and lengthy. Also, when the process is concluded, it is not universal, and does not benefit society as a whole, as it can only be used to the purpose that it has been produced, to a specific reason. The paper calls for government action in order to make the assessment universal, less costly and more efficient, thus easing the integration of immigrants into the Canadian job market (Alboim *et al*, 2005). The authors suggest that three areas should be targeted: academic credentials, occupational competencies, and language skills.

Labour market variations may be understood as a structural obstacle because the immigrant has no control over it. However, it is not an obstacle that is created by the institutions. It emanates from the economic environment, and affects immigrants and Canadian-born alike, although immigrants suffer more from economic crisis. From 1980 to 2000, diminishing economic outcomes amongst the immigrant population were identified as being generated by: i) the shift of immigrants' home countries from the developed to developing countries, ii) diminished returns to foreign experience, and iii) an overall decline in the economic results in Canada's labour market in general.

After 2000, the wages among the immigrant population remained lower than the wages immigrants received in the decades before 1980. The reasons for this lower economic outcome have again shifted. The new reasons are related to

the higher influx of engineers and information technology professionals from 2001 to 2004, when the market for these professionals was depressed.

Discrimination is an important structural barrier. Pendakur and Pendakur (2012) have found that Canadian-born visible minorities earn less than Canadian-born Caucasians. Further, they found that this wage gap increased in the 1990s and showed no signs of diminishing. This is an interesting datum because the same tendency is observed when comparing earnings of Canadian-born and recent immigrants: over the past three censuses (the same period covered by Pendakur and Pendakur), the wage gap between immigrants and Canadian-born also showed an increasing disparity (StatCan, 2012).

Pendakur and Pendakur state that ethnic discrimination plays a role in earning disparities between Canadian-born Caucasians and Canadian-born visible minorities. Kazempur and Hali found that immigrants pertaining to visible minority groups have higher poverty rates, and that there is an over-representation of immigrants amongst the lower earning population (Kazempur and Halli, 2011). Being a visible minority is a factor negatively affecting earnings, be it among Canadian-born or immigrants. Furthermore, the role of prejudice and xenophobia cannot be underestimated (Pendakur and Pendakur, 2012). These last two barriers, however, have been dealt with more specifically in other studies. These are linked more to societal and psychological behaviours, and for that reason are difficult to address.

Finally, developing a network is an obstacle we decided to consider personal as well as structural. On the structural side, it requires openness from the host society, and the labour market more specifically, in the form of agencies, employers, and work colleagues. There is a “hidden job market” only accessible to those with connections. It takes time to build these ties, which are based on a mutual help basis. Recent immigrants cannot offer much help to others; therefore, it is not immediately that the network will work for them. It takes effort from the immigrant side and also a certain level of acceptance from the work environment.

C. A look into the future

Statistics Canada conducted a study on immigration over a 20-year period. It is another look and an interesting expansion to the wage gap issue covered in this paper. The study followed the same cohort of immigrants over a period of twenty years. The other studies cited in this paper looked into different cohorts of immigrants when they had between five and ten years of landing, but after that snapshot they were not further tracked. According to the authors René Morissette and Rizwan Sultan, even after 20 years of landing, the wage gap between immigrants and their Canadian-born counterparts still remains, although there is some level of convergence (Morissette and Sultan, 2014).

The myriad of elements that lead to the wage gap are even more difficult to address because they exist in an ever changing situation. Owing to the variation of the population studied, and Canada’s constantly evolving immigration laws, it is

difficult to have data that comprises a population that is large enough, and at the same time conduct the research over a period of time that is long enough to allow for deep analysis of the issues concerning the immigrant situation in Canada. Furthermore, the reasons that explain situations such as the wage gap are not isolated and self-explanatory. The correlations among the reasons that explain the wage gap make the analysis even more complex. Understanding the reasons that lead to such gap is vital to the country's economic planning and public policy decisions.

In 2005 a study from Frenette and Morissette looked at the issue of convergence. Their goal was to investigate the wage gap between immigrants and their Canadian-born counterparts, and if this gap would close over time. Their conclusion was that wages among immigrants did not improve in the 1990's, and that it would be unlikely that future immigrants would diminish such wage gaps (Frenette and Morissette, 2005). Their predictions were accurate.

Section IV – Policy environment

Section IV is dedicated to consider how policy shapes the environment, and how environmental changes cause policy to adjust. It is a continuous back and forth in the search of a better-shaped society. The following subsections organize the flow of ideas in order to better understand the logic behind immigration policy.

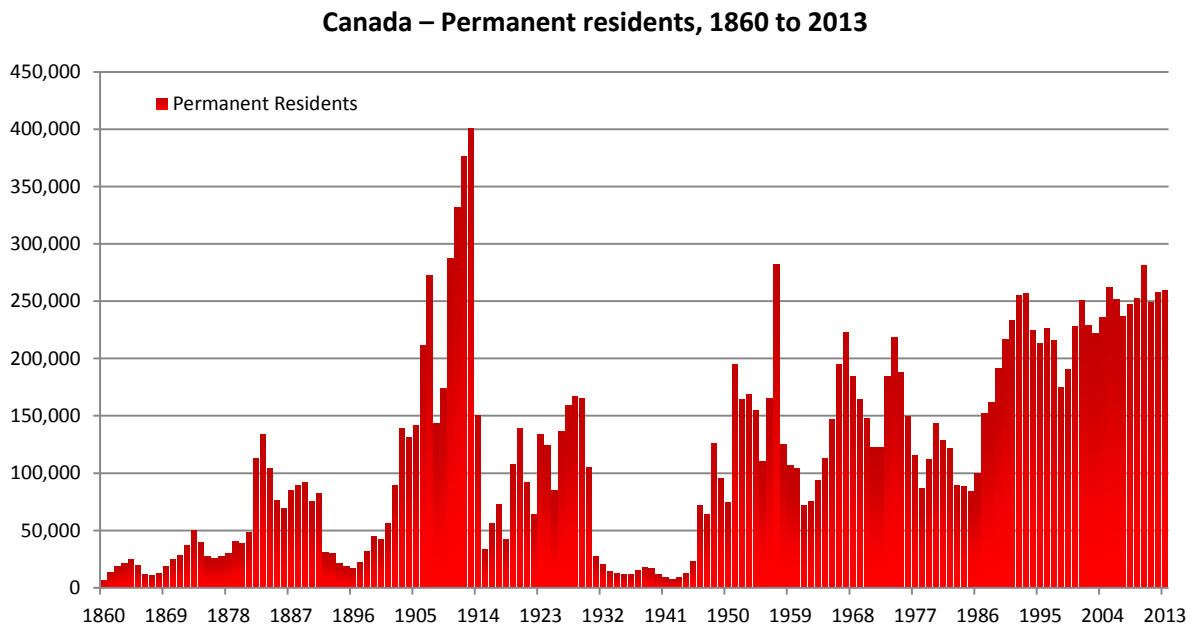
Subsection A will look into how migration is affected by international events, and how it affects immigration to Canada. In subsection B, ideas on Canada's immigration model, labour market integration, and economic migration are introduced, followed by an analysis of Canada's motivation to accept immigrants. Subsection C discusses how policy influences immigrant's educational composition, in particular how it affects immigrant integration and the wage gap between immigrants from the skilled worker category and Canadian-born workers with similar post secondary education. Subsection D follows with the policy shifts implemented in response to economic indicators. We explain the criteria used to allow economic immigration into the country, specifically in relation to skilled workers. Subsection E details the "point system" used by the Canadian government for the selection of immigrants. Because of the particularities of immigration to Québec, subsection F is devoted to examining some of this province's immigration policies. Subsection G concludes section IV with a reflection on the usefulness of policy, and how research relates to the tasks of policymakers.

A. Immigration throughout history

Canada is a country of immigrants (Picot, 2008) and is recognized as one of the most heterogeneous yet stable societies in the world (Graham and Phillips, 2007). The influx of immigrants to the country varies due to external and internal factors. Figure 4.1 shows the flow of immigrants reflecting various factors such as history and policy, and how they affect immigration levels in Canada. World War I in the 1910s, the depression years of the 1930s, and World War II

have contributed to considerably lower immigration figures, affecting how many immigrants settled in the country. On the other hand, economic crisis, wars and environmental disasters may also trigger immigration influx, for example the number of refugees Canada accepted after the 2010 earthquake in Haiti.

Figure 4.1 – Canadian immigration in numbers through history



Graph from “Facts and figures 2013 – Immigration overview: Permanent and temporary residents” (CIC, 2013)

Additionally, internal factors are equally important and relevant. Looking at immigration levels from a historical perspective helps with the analysis of how these levels react to external and internal factors. Immigration policy changes influence immigration levels directly, as they determine the numbers and composition of immigrants accepted in Canada.

Immigration peaked in Canada in the early years of the 20th century, coinciding with the implementation of the Immigration Act of 1906, and the new Immigration Act in 1910. A drastic reduction in immigration started with World War I and persisted until the end of World War II. A reformed Immigration Act in 1952 marked the increase in immigration flow to Canada. The introduction of the point system in 1967, the Immigration Act in 1978 and the Immigration and Refugee Protection Act in 2002, all contributed to stabilizing immigration levels to Canada over the past decades.

B. Policy background

Canada developed its own model of immigration based on the long history of immigration waves to the country. The country's immigration policy was also influenced by immigration policies of other countries, such as Australia and New Zealand. The relative success experienced by Canadian immigrants, especially over time, leads us to conclude that Canada's immigration model is in the right direction in respect to labour market integration of foreign-born residents, although it is not perfect and there is room for improvement.

The purpose of this paper is to investigate how to improve immigrants' integration into the Canadian job market. One aspect that seems to be the most relevant in contributing to the relative successful Canadian experience is the type of immigrant the country accepts. In Canada, the economic immigration category has been rising in numbers over the past decade, to achieve a share of 60 percent

of the total number of immigrants to Canada each year (CIC, 2014). An opposite trend is observed in relation to the refugee class. In the same period, Canada received 13 percent of its immigrants in the refugee category, and the numbers are declining (CIC, 2014; StatCan, 2014). These numbers echo the country's motivation in accepting immigrants. Canada's reasons lean towards economic achievements, and concrete results. Canada is interested in "recruitment, not charity" (Francis, 2002).

Due to a significant demographic shift, Canada has two main reasons to incentivise rising immigration: i) the need to increase the Canadian population, and ii) labour shortages in some industries (Banerjee *et al*, 2009). Immigration policy has changed to meet these goals. In this respect, changes in immigration policy follow the present government's emphasis on productivity (Graham and Phillips, 2007).

One way to increase economic development is through innovation and technology. This area is referred to as STEM (Science, Technology, Engineering, and Mathematics). The lack of STEM professionals is a factor that appears to contribute to Canada's less than desirable economic outcomes (Copeland, 2009). The current Conservative government considers immigration as one of the ways to address the lack of STEM professionals in the market. However, if immigrants are not able to successfully integrate into the job market, the strategy of increasing immigration to deal with a shortage of STEM professionals will not produce the desired results. Policy changes in order to better answer to the needs of the

country and the well-being of the population. The changes in policy cause the composition of immigrants to change as well.

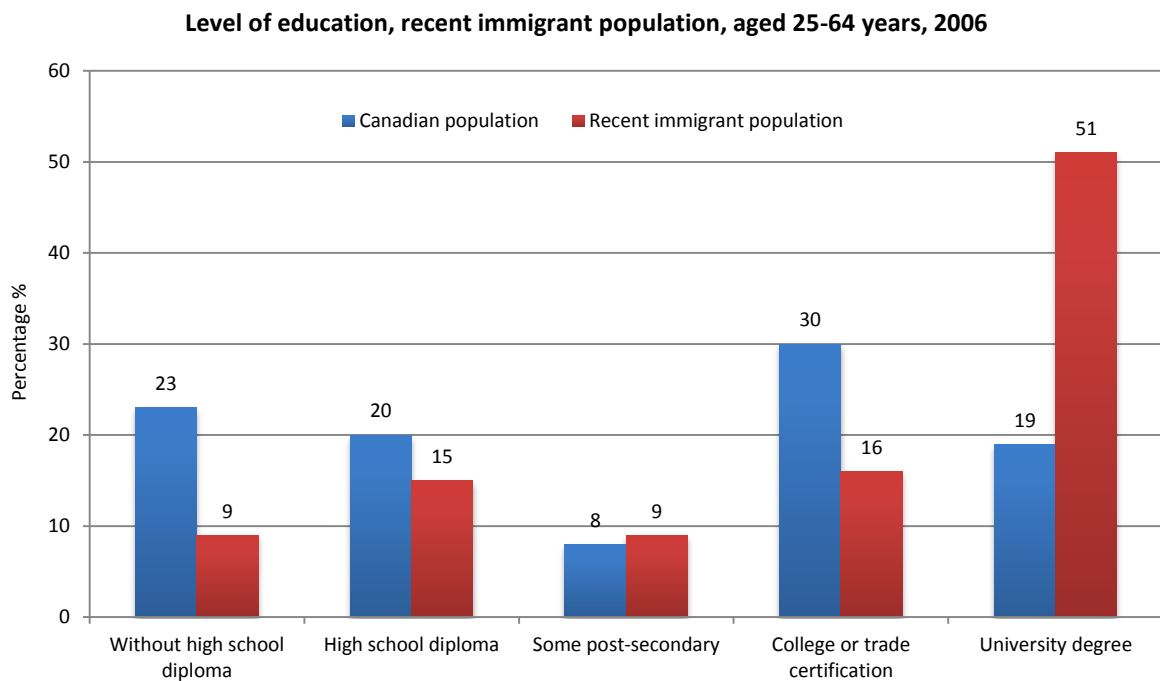
C. Policy influence on immigrants' educational composition

One consequence of inadequate integration of immigrants into the labour force is the wage gap between immigrants and their Canadian-born counterparts. This is especially true for those immigrants with post-secondary education, and pertains specifically to the skilled workers' category. The selection criterion of this category emphasizes human capital; therefore, the immigrants that arrive in Canada deriving from this selection possess post secondary education (Frank *et al*, 2013).

The Canadian government attempts to address the proclaimed labour shortages by implementing changes in the immigration process, and through the creation and development of programs tailored to integrate immigrants into the job market. As a result of policy modifications from 1993 to 2008, education has risen among immigrants. Figure 4.2 shows newcomers' levels of education in 2006, in comparison to the Canadian population, following the policy modifications implemented. These modifications allocated more points to the immigrants with post secondary education, and required a higher level of language proficiency. We will see the remarkable difference in the percentage of immigrants possessing a university degree when compared to the Canadian population. This difference

exists due to the criteria government determined to be used as a selection condition.

Figure 4.2 – Level of education, recent immigrant population



Graph from “Educational Portrait of Canada”, Census 2006. Ottawa, Statistics Canada, 2008, Cat. No. 97-560-X2006001).

The selection criteria undergo frequent modifications. These modifications seek to address the Canadian government’s goal of achieving better results in the economic field. As a population stratum, immigrants hold higher degrees than Canadians, partially due to the changes in immigration policy of 1993 (Picot, 2008). However, if the immigrants are unable to fully contribute to the economy through their participation in the job market, the goal of the government is not fully achieved. If the goal has not shifted, and the criteria still demands

immigrants to hold post secondary degrees, then it is upon their landing that attention has to be focused.

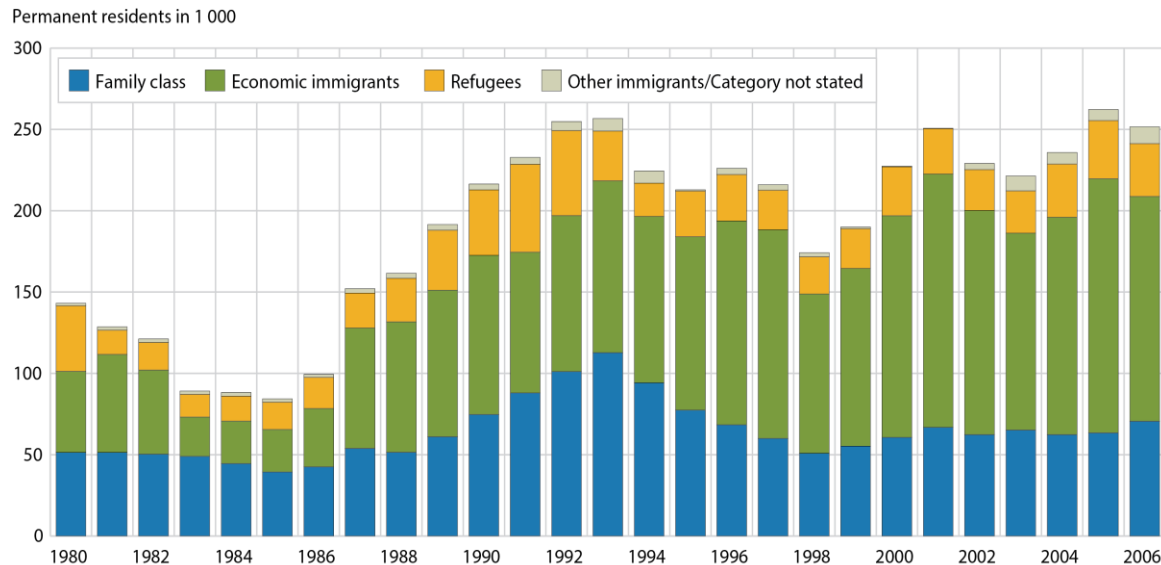
D. Policy shifts

The Canadian government establishes economic output goals for the country. In order to address the output goals, the immigration selection process undergoes constant adaptation at both the Federal and Provincial level. Both processes now favour not only immigrants with post-secondary education, but mostly those in the fields that have been identified as professions in demand (OECD, 2012). The goal is to provide the labour market in Canada with professionals pertaining to the professions identified as being in demand. The incorporation of these professionals in the labour market contributes to increasing production, thus positively impacting the Canadian economy.

The criteria for admitting immigrants and the categories into which these immigrants are classified have also varied through time in order to accommodate new situations. The conditions to be accepted as a permanent resident to Canada will vary according to the category through which a candidate chooses to apply. This section will focus solely on the skilled worker. The economic immigration category comprises most of the immigrant population. The skilled worker is included in the economic immigration category. We decided to focus the paper on the skilled worker because, besides being the category that encompasses more immigrants, it is also the category that experienced more policy alterations through

time. Figure 4.3 below shows the distribution of immigrants amongst immigration categories, and the predominance of the economic category.

Figure 4.3 - Canada – Permanent residents by category and landing year. 1980-2006.



Source: CIC Landing Files, table extracted from VebjørnAalandslid, “A Comparison of the Labour Market Integration of Immigrants and Refugees in Canada and Norway” Statistics Norway 31 (Aalandslid, 2009).

E. The point system

The rules to obtain the right to become a permanent resident through the economic immigrant category are based on a point-system. According to Citizenship and Immigration Canada (CIC), “skilled workers are selected as permanent residents based on their education, work experience, knowledge of English and/or French, and other criteria that have been shown to help them become economically established in Canada” (CIC, 2012; CIC, 2015).

This criterion was used in the period after the Second World War and favoured upper or middle class South Asian migrants in the 1970’s. Immigration

policy in 1967 was the basis of the current criteria applied to skilled workers (Agnew, 2009), known as “the point system”. The point system does not overtly discriminate against race, religion, or country of origin; however, at the federal level, only people with pre-approved job offers, or whose profession is among those listed to respond to labour market demands, are permitted to apply for immigration in the skilled worker category.

Employers report a lack of workforce in several areas, while the immigrant population reports trouble finding work (DeVoretz, 1995). In order to respond to both demands, from employers and from immigrants, the criteria that make the point system has undergone several changes. The ultimate goal is to contribute to the country’s economic growth, while tending to the well-being of citizens. As an attempt to connect immigrant candidates and potential employers, the new “Express Entry” system was put in place in January 2015. By filling out an online profile, the express entry database works as a pool of workers. The profile awards points to the candidates based on their skills, work experience, language abilities, education, and other details related to human capital (CIC, 2015).

“As of January 2015, there is a new system to manage how people with skilled work experience apply to immigrate to Canada. It is called Express Entry. Under Express Entry, people will first fill out an online profile that includes their language test scores, their Educational Credential Assessment (if they need one) and outlines their work experience. Based on their profiles, candidates will be ranked against others in a pool. On a regular basis, CIC will issue invite top candidates from the pool to apply for permanent residence. Only those who get an Invitation to Apply from CIC will be able to apply (CIC, 2015).

The immigrant candidates can then be offered a position by an employer. The job offer then “fast tracks” the immigration process, and reduces waiting times, in order to make the connection between the employer and the employee as fast as possible. The changes are too recent to evaluate or predict how they will reflect upon the wage gap between immigrants and Canadian-born, but a safe forecast to make is that the new system will change the profile of the newcomers.

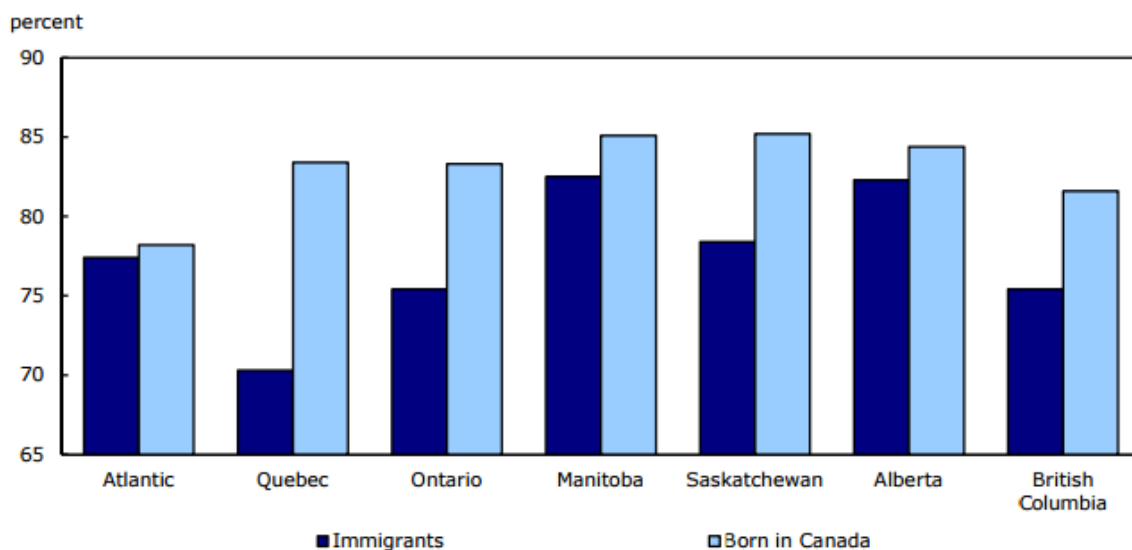
F. Immigration policy in Québec

An important element to consider is the way the Canadian society regards immigration. For example, in Québec there is a substantial amount of goal ambiguity in immigration policy, which may be seen as a communication problem, becoming an obstacle to integration. Québec regards and advertises immigration, both internally and externally, with the objective of: i) increasing the francophone population, ii) increasing the population in general, iii) maintaining fertility rates, iv) providing workers to sustain the welfare state, v) countering the effects of the aging population, and vi) strengthening the French-Canadian culture (Mayrand, 2012; Li, 2002).

The objective of immigration in Québec is not focussed solely on economic outcomes, although the *Belle Province* still considers them as important achievements. Other provinces emphasize the economic function of immigration, making the selection and investment in the area less ambiguous (VanderPlaat, 2006). Figure 4.4 demonstrates how much employment rates are, and how they

vary per province. Interesting to note is the bigger gap in employment rate immigrants to Québec face in comparison to the other provinces. Part of this difference is explained by the higher concentration of very recent immigrants (up to five years of landing) in Québec (Yssaad, 2012), but some of the difference is due to the objectives of immigration policy in Québec

Figure 4.4 – Rate of employment immigrants and Canadian-born aged 25 to 54, by province or region, 2011



Source: Statistics Canada, Labour Force Survey, 2012.

Québec receives a significant portion of skilled worker immigrants that arrive in the country. In 2010, 54,000 new immigrants arrived to the province (MICC, 2012). They have contributed to developing Québec's culture and economy. The Québec Immigration program is regulated by the *Ministère de l'Immigration, Diversité et Inclusion - MIDI* (former *Ministère de l'Immigration et*

Communautés Culturelles - MICC). The changes in the Federal immigration system are closely followed by the changes in the Québec Immigration system.

Québec established immigration caps in April 2014, effective until March 2015. However, these caps do not apply if i) the immigrant candidate has applied to the *programme de l'expérience québécoise*, ii) has a valid employment offer (certain conditions apply), iii) has had an immigration application accepted for processing by CIC, or iv) is a temporary resident eligible for submitting a demand to receive a *Certificat de sélection du Québec*.

G. Closing remarks

Public policy is vital for government. It is what the government does, broadly speaking. According to David Johnson, public policy is

“The broad understandings, priorities, goals and objectives that a government entity will possess with respect to a given field of human activity and governmental interest” (Johnson, 2006).

Policy guides the government's actions. Government acts as a response to the country's problems and needs. Still, according to Johnson “public policy refers to a set of understandings respecting what should be the ends of government in a given field” (Johnson, 2006). Knowledge is vital to policymakers, in order for them to fulfil the objectives of public policy. And immigration policy impacts the social, economic, and political realms.

Section V - Conclusion

Immigrants in Canada represent a significant portion of the population, with foreign-born citizens and residents consisting of 20,6 percent of the population in 2011 (StatCan, 2011). Studies have shown that the immigrant population, in comparison to the Canadian-born population, is younger, and has higher education and more qualifications (CIC, 2012). However, immigrants experience difficulty in finding a position in the job market, and unemployment among them is higher than among their Canadian-born counterparts (Foster, 1998).

Canada is multiethnic and multicultural. However, the familiarity with multiculturalism alone does not change the immigrants' insertion into the job market. Many barriers have to be overcome by immigrants that want to find their place in the work force, and to allow Canada to benefit from their inclusion in the country (Copeland, 2009).

The wage gap has a negative effect not only on each immigrant in particular, but for the society in general, as it hinders the country's economic performance. Generally speaking, immigration policy tries to address these issues by adjusting the admission criteria. At the Federal level, there is no doubt about the agenda that justifies the immigration openness. The latest changes in immigration policy follow closely employers' demands, as well as society's key stakeholders.

Frenette and Morissette concluded that wages among immigrants did not improve in the 1990's, and that it would be unlikely that future immigrants would diminish such wage gaps (Frenette and Morissette, 2005). Their calculations

proved to be true. The wage gap has widened, and a finding in the study of Alboim *et al* is that economic returns to human capital are lower for immigrants, and even more so if immigrants belong to a visible minority (Alboim *et al*, 2005). Finally, Alboim, Finnie and Meng state that participation of the three levels of government, as well as a multitude of players such as unions, employers, educational institutions, such as immigrants and their associations, must work together in cooperation in order to achieve the best possible results.

Understanding the dynamics of integration is useful for policymakers. It helps to better allocate resources and devise policy. The objective is to facilitate the economic integration of newcomers, and thus reduce the wage gap between immigrants and their Canadian-born counterparts. One of the potentials to expand the Canadian economy is through the integration of immigrant skilled workers into the job market (Houle and Schellenber, 2010).

My recommendation is that more attention be given to immigrants already landed. We have chosen, in this paper, to focus especially on recent immigrants, the ones that arrived in a period between five and ten years. Efforts are being devoted to favour the integration of immigrants into the job market, in the federal, provincial, and local levels. However, the results are not satisfactory. In order to fulfil the ultimate goal of immigration policy and incorporate newcomers, a more aggressive campaign should be launched to, in general terms ,i) educate the population through awareness campaigns, such as exhibitions, forums, discussions, and commemorative dates. At the same time, government could ii) target employers by offering tax exemptions and devising specific programs to

favour the hiring of immigrants. Government should lead the way and take action to iii) better integrate and iv) use the expertise of the immigrants in their workforce. One way of doing so, as suggested in the paper of Alboim, Finnie and Meng, is that governments play a more active role in recognising foreign-acquired education and experience.

According to Alboim *et al*, Canadian employers and educational institutions lack accurate information in measuring skills and education acquired elsewhere (Alboim *et al*, 2005). They also indicate which institutions would be able to provide accurate measurement for foreign-acquired skills. More specifically, the authors also suggest that v) bridging programs could, at the same time, facilitate the access to the job market and help immigrants close the gaps in their credentials, adjusting them to the employers' needs. In order to address the barrier of understanding the Canadian institutions, vi) classes specifically devised that cover the subjects of history and citizenship should be devised, to work in collaboration with language classes, but accessible also to those already proficient in English or French. Instead of making changes to immigration policy, the government should take more effective steps in order to ensure immigrant access to the labour market, such as vii) mentoring pairing, viii) granting of tax benefits, and ix) language training that go beyond the intermediate level.

There are a number of programs and services made available to immigrants, such as the *O'Bois* International developed by *La Relance*, the support given by Ontario Works, the mentoring program offered by *Carrefour Jeunesse Emploi*, and job training provided by SITO (*Service Intégration Travail Outaouais*).

These programs are great initiatives that should be better funded. Although their efficiency is not measured in terms of profit, the success of their policies can be verified through the effective access of their clientele into the Canadian job market (Knowles, 2007).

The implementation of these recommendations entails the participation of professional orders, industry, educational institutions and the tertiary sector of the economy (the service sector, or the service industry). These actors should be especially called upon to become partners to government and its efforts. This partnership could be managed through these actors' associations with the job integration programs already in place and in operation. While most policy initiatives have addressed human capital acquisition and recognition among immigrants, other aspects have been studied that demonstrate that socio-demographics also play a strong role on the explanation of the wage gap.

The purpose of this paper was, first, to determine if the wage gap actually existed, (if it was statistically significant), and this paper confirms it. The paper then discussed the causes of the wage gap, and why it is widening over time. Much research has been conducted on this point, and through empirical evidence conducted by various researchers, the main reasons have been identified. This paper has then provided a set of recommendations to enable policymakers to improve public policy, and address the issue of the wage gap. By reducing the wage gap between immigrants and their Canadian-born counterparts, Canada will benefit both economically and socially. Canada is on the right path, although there is still a long way to go.

The research on the subject of immigrant integration, and immigrant outcomes, is vast and rich. The question of the wage gap has been investigated both widely and deeply. Nevertheless, further investigation is necessary to keep updating the knowledge we already have, address the information gaps, and enhance the understanding on the complex issues discussed in this paper. Moreover, society, stakeholders, immigrants and Canada only reap beneficial outcomes when more equality is achieved among its citizens and residents, regardless of their place of birth.

My recommendation is that research continues to deepen and broaden the understanding of the complex immigration and integration dynamics, and especially that policymakers concentrate on closing the wage gap between immigrants and their Canadian-born counterparts.

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Appendix A – Glossary of terms

- Skilled workers and professionals → People who want to settle and work in Canada (except Quebec).
- Quebec-selected skilled workers → People selected by the Quebec government to settle and work in Quebec.
- Canadian Experience Class → People who have recent Canadian work experience or have graduated and recently worked in Canada.
- Investors, entrepreneurs and self-employed people → People who want to start a business in Canada.
- Provincial nominees → One of Canada's provinces or territories can nominate immigrants to settle and work within their territories.
- Family sponsorship → A permanent resident or a Canadian citizen sponsor a family member to join them in Canada.
- Government-assisted refugees → Permanent residents in the refugee category. These are selected abroad for resettlement to Canada as Convention refugees, under the Immigration and Refugee Protection Act or as members of the Convention Refugees Abroad Class. They will receive resettlement assistance from the federal government.
- Privately sponsored refugees → Permanent residents in the refugee category who are selected for resettlement in the convention refugees' abroad class; the source country class; or the country of asylum class; and who are privately sponsored by organizations, individuals or groups of individuals.
- Refugee dependants → Refugee dependants are permanent residents in the refugee category who are family members of a refugee landed in Canada, and who were living abroad or in Canada at the time of application. Their applications for permanent residence are considered concurrently with that of the principal applicant in Canada.
- Asylum refugees → A refugee claimant receives Canada's protection when he or she is found to be a Convention refugee as defined by the United Nations 1951 Geneva Convention Relating to the Status of Refugees and its 1967 protocol, or when found to be a person needing protection based on risk to life, risk of cruel and unusual treatment or punishment, or danger of torture as defined in the Convention Against Torture. A refugee claimant whose claim is accepted may make an application in Canada for permanent residence. The application may include family members in Canada and abroad.

Appendix B

Table 1. Descriptive statistics for variables in the study, by immigrant status.

Variable	Native-Born	Immigrants
	Mean or Proportion	Mean or Proportion
Sociodemographic Variables		
<i>Sex</i>		
Female	0.40	0.39
Male	0.60	0.61
<i>Marital status</i>		
Not married	0.34	0.30
Married/common law	0.66	0.70
<i>Visible minority status</i>		
Chinese	—	0.16
South Asian	—	0.18
Black	—	0.07
Other visible minority	—	0.26
White	—	0.33
<i>Census Metropolitan Area (CMA)</i>		
Montreal	0.12	0.11
Vancouver	0.05	0.16
Ottawa/Hamilton	0.06	0.05
Edmonton/Winnipeg/Calgary	0.10	0.10
Other CMAs	0.19	0.07
Non-CMAs (rural areas)	0.36	0.05
Toronto	0.11	0.46
<i>Number of children</i>		
One or more	0.38	0.51
No children	0.62	0.49
<i>Age</i>	40	—
<i>Age at migration</i>	—	28
<i>Years in Canada</i>	—	10.26
Human Capital/Education		
<i>Highest level of schooling</i>		
Earned doctorate	0.06	0.15

Source: Frank K., Phythian K., Walters, D. and Anisef, P. Understanding the Economic Integration of Immigrants: A Wage Decomposition of the Earnings Disparities between Native-Born Canadians and Recent Immigrant Cohorts. *Soc. Sci.* 2013, 2, 40–61; doi: 10.3390/socsci2020040. www.mdpi.com/journal/socsci (last accessed December 10, 2014).

Table 1. Cont.

Variable	Native-Born	Immigrants
Sociodemographic Variables		
Undergraduate degree	0.19	0.27
College diploma	0.26	0.18
Some postsecondary	0.12	0.10
High school diploma	0.24	0.20
Less than high school	0.13	0.10
Ethnic Identity (Behavioral)		
<i>Language spoken at home (family)</i>		
Non-official language	—	0.57
Official language	—	0.43
<i>Vote in past election</i>		
No	0.14	0.16
Yes	0.86	0.47
Not applicable (not Canadian citizen)	—	0.37
<i>Religion</i>		
Christian	0.82	0.55
Non-Christian affiliation	—	0.27
No religious affiliation	0.18	0.18
<i>Number of ethnic friends</i>		
Most of them	0.23	0.35
About half of them	0.14	0.22
A few of them	0.37	0.24
None of them	0.17	0.07
All	0.09	0.12
Ethnic Identity (Attitudinal)		
<i>Sense of belonging (ethnic)</i>		
1. Not strong at all	0.16	0.06
.	0.15	0.08
.	0.25	0.26
.	0.19	0.24
5. Very strong	0.25	0.36
<i>Trust people (neighborhood)</i>		
1. Cannot be trusted at all	0.02	0.03
.	0.06	0.08
.	0.27	0.34
.	0.39	0.33
5. Can be trusted a lot	0.26	0.22
Earnings		
<i>Yearly earnings (2002 dollars)</i>	\$39,189	\$31,020