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**Labour market integration of immigrants in Quebec:
a comparison with Ontario and British Columbia**

Brahim Boudarbat

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Labour market integration of immigrants in Quebec: a comparison with Ontario and British Columbia*

Brahim Boudarbat[†]

Highlights

In 2010, the unemployment rate among immigrants aged 15 to 64 was 12.4 % in Quebec, compared to 10.4 % in Ontario and 8.8 % in British Columbia. The ratio of the unemployment rates of immigrants to those of the Canadian born was 1.7 in Quebec, 1.3 in Ontario, and 1.2 in British Columbia.

The economic turmoil of recent years has had a greater impact on immigrants than on the Canadian born: Nation-wide, between 2008 and 2010 the unemployment rate of the former increased by 2.7 percentage points and that of the latter by 1.7 points. This deterioration is observed in all three of the provinces we examined—especially in British Columbia, where the unemployment rate of immigrants rose by 3.9 percentage points between 2008 and 2010. In Ontario, the unemployment rate of immigrants increased by 2.8 percentage points during the same period, versus only 1.2 percentage points in Quebec.

The unemployment rate differential between immigrants to Quebec and British Columbia shrank dramatically between 2006 and 2010, from 7.9 to 3.6 percentage points. This trend is the result of a marked deterioration in the situation of immigrants on the B. C. labour market.

With regard to the unemployment rate of those born in Canada, the situation in Quebec is comparable to that in British Columbia and better than in Ontario. Quebec also resembles other Canadian provinces how well it integrates immigrants having completed their postsecondary studies in Canada. However, this province is distinguished by an unemployment rate that is much higher for immigrants who obtained their postsecondary education abroad (13 %) than for those who acquired it here (7.8 %). In the two other provinces, the country in which the credentials were awarded weighs relatively less in the hiring decision: The unemployment rate for immigrants with foreign postsecondary credentials was 9.7 % in Ontario and 7.6 % in British Columbia in 2010.

Rapid integration of newcomers poses another challenge for Quebec. In 2010, the unemployment rate of immigrants having been in Canada five years or less was 19.4 % in Quebec, compared to 17.9 % in Ontario and 13.8 % in British Columbia.

Another specificity of Quebec's labour market is that it is less accessible to poorly educated immigrants: In 2010, the unemployment rate in Quebec of those with no degree, certificate or diploma was 20.5 %, in contrast to 15.8 % in British Columbia and 17.9 % in Ontario. On the other hand, the unemployment rate

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of immigrants with a university degree was 9.4 % in Quebec, 9.0 % in Ontario, and 8.0 % in British Columbia. Thus, integration into the labour market in Quebec and elsewhere does not only reflect recognition of foreign degrees, since those who don't have one typically encounter more problems finding work than others.

Despite these difficulties integrating into the Quebec labour market, the percentage of immigrants who report having experienced problems or difficulties in finding work during their first four years in Canada is relatively lower in Quebec (63.8 %) than in Ontario (71.0 %) and British Columbia (65.1 %).

According to the immigrants themselves, the lack of Canadian experience is the greatest hurdle to finding work (71.8 % in Quebec, 74.4 % in Ontario, and 64.1 % in British Columbia). This suggests that access to a first suitable job is crucial to the integration of immigrants.

The second obstacle to obtaining a job involves language skills: 49.7 % of new immigrants to Quebec identified this as a problem, compared with 42.3 % in Ontario and 48.5 % in British Columbia. Thus, there is a case to be made for strengthening programs that help immigrants master the language used in the labour market of the host country.

Whether well founded or not, the perception of discriminatory hiring practices is evoked by very few immigrants, but the proportion of those who do mention this is slightly higher in Quebec (21.8 %) than in Ontario (17.1 %) or British Columbia (12 %). These values fall to 7.4 %, 3.2 %, and 3.1 %, respectively, when only the main obstacles to employment are considered.

It is in Quebec that the rate of overqualification of Canadian-born university graduates is lowest, at 34.9 % in 2010, versus 42.7 % in British Columbia and 40.1 % in Ontario. Immigrants to Quebec with a degree from a Canadian university also benefit from this comparative advantage, since their rate of overqualification (43.6 %) is lower than that of immigrants to British Columbia (47.9 %). As to immigrants with a university degree earned abroad, in Quebec 64.9 % of them are overqualified for their job, compared with 64.6 % in Ontario and 70.2 % in British Columbia. Thus, immigrants in this latter province are more successful in finding work than their counterparts in Quebec, but their jobs are less likely to match their skills.

Overall, Canadian-born workers are more likely than immigrants to be employed in the public sector and in union shops. However, between 2006 and 2010 we observe an improvement in these indicators among immigrants.

Quebec's public sector has the best record for employing immigrants. In 2010, 16.5 % of immigrants with a job in Quebec were employed by this sector, versus 14.9 % in Ontario and 14.8 % in British Columbia. Since 2006, the public sector's share in the employment of immigrants has increased by three percentage points in Quebec, compared to less than two points in the other two provinces. Consequently, the record of the Government of Quebec and its agencies cannot be faulted in the matter of the recruitment of immigrants.

Immigrants increasingly opt for self-employment—and do so in a greater proportion than native-born Canadians. British Columbia is the province in which this form of employment is most widespread among immigrants (21.4 % in 2010). In Quebec, 18.7 % of immigrants created their own jobs (17.1 % in Ontario). This is a marked increase over 2006, when it was only 16.9 % (15.8 % in Ontario and 21.8 % in British Columbia). Promoting private initiative could play a central role in programs to foster integration into the labour market.

As is the case for those born in Canada, the rate of unionization is considerably higher among immigrants in Quebec (32 % in 2010) than in Ontario (24.7 %) and British Columbia (28.3 %), and this rate is rising steadily (30.4 % in Quebec in 2006).

The percentage of immigrants with a permanent job in 2010 was relatively lower in Quebec (84.9 %) than in Ontario (88.1 %) and British Columbia (89.1 %). The proportion of full-time jobs held by immigrants was 83.6 % in Quebec and 84.9 % in Ontario, versus only 80.7 % in British Columbia.

With regard to wages, for each dollar earned by those born in Canada in 2010, immigrants earned \$0.93 in Quebec and British Columbia and \$0.95 in Ontario, on average. These earnings differentials do not account for differences between the characteristics of immigrants and those born in Canada.

Multivariate analysis reveals that the observable characteristics of immigrants to Quebec fall far short of explaining the gaps that exist between them and immigrants to Ontario and British Columbia in terms of the unemployment rate. For example, the gap between the unemployment rate of immigrants to Quebec and to British Columbia during the 2006–2010 period would only have fallen by one-fifth had the two provinces received the same type of immigrants. The Quebec-Ontario differential would have been cut by one-third. Consequently, immigrants to Quebec must contend with a labour market that appears inherently less open to hiring them. This situation may be attributed to a reluctance among Quebec employers to recruit immigrants. It is also possible that immigrants to Quebec are less likely to revise downward their expectations in order to adapt to market realities. So, they may refuse taking available jobs that do not match their expectations, and by doing so, they may risk a long spell of unemployment.

Notwithstanding the problems with integration detailed in this report, immigration remains a positive contribution: Overall, 87.6 % of immigrants aged 15 to 64 who are on the labour market—90.6 % of those with a university degree—have a job and are contributing to the socio-economic development of Quebec.

Immigration certainly plays an important role in boosting demographic growth and providing manpower to the labour market. However, it should not detract from the importance of other policies that affect the size and skill level of the labour force in the short and long term. The government should continue to promote investment in Quebec's school system, persist in combating dropping out school, and strengthen incentives to families to boost the birthrate.

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INTRODUCTION

Immigration is one of the solutions governments have emphasized to address the aging of the population and meet the need for a skilled workforce. Since the 1960s, immigration policies have striven to improve the quality of migratory flows in order to maximize economic benefits. First used by the federal government in 1967, the selection grid is continually being updated to reflect criteria that will provide good predictors of successful integration of new immigrants into the Canadian labour market.

Even though immigration is an area of shared jurisdiction between the federal government and the provinces, Quebec has long been the only Canadian province to be actively engaged in this matter. Indeed, since the 1960s Quebec has sought to control immigration within its boundaries in order to safeguard the long-term viability of its distinct nature as a Francophone society within North America, among other things: "As of the 1960s, as it was going through its quiet revolution, Quebec understood that it needed to control this factor of demographic, linguistic, social, economic, and cultural development," (Robert, 2005, p. 70). Quebec's first ministry of immigration was created in 1968. Then, under the Cullen-Couture Agreement of 1978 responsibility for choosing its economic immigrants according to its own criteria was devolved to Quebec. Its first selection grid was created in 1979 and stressed knowledge of French, among other things. Subsequently, the 1991 Canada-Quebec agreement (Gagnon-Tremblay|McDougall Accord) also conferred upon Quebec responsibility for receiving and integrating new immigrants.

Immigration policy in Canada and Quebec comprises two elements: a quantitative element that addresses numbers and a qualitative element that addresses the criteria that candidates for immigration must satisfy. Until the middle of the 1980s, the level of immigration varied with the business cycle, so that the number of immigrants admitted was lower during periods of recession. However, in light of the declining birthrate and the anticipated demographic downturn, the federal government decided to increase the annual immigration quotas regardless of the macroeconomic conditions at any point in time (Green and Green, 1999). The total number of new permanent immigrants to Canada thus rose from 84,345 in 1985 to 216,038 in 1997, and then to 280,681 in 2010 (Facts and figures - Citizenship and Immigration Canada). In Quebec, the average annual number of new immigrants rose from approximately 22,000 in the 1980s to some 36,000 in the 1990s, and then to nearly 42,000 in the 2000s.¹ In 2010, Quebec welcomed nearly 54,000 new arrivals.² Thus, ensuring

¹ Computed by the author using data from the Institut de la statistique du Québec.

demographic growth in light of a declining birthrate and the aging of the population is the focus within both Quebec and the rest of Canada.

At the qualitative level, the initial selection grids were designed to meet the immediate needs of the Canadian labour market by facilitating the immigration of candidates whose profile matched the jobs or professions experiencing a labour shortage. As of the early 1990s, the criteria "the highest level of education attained" became predominant. Furthermore, immigration policy began to increase the share of economic immigration in total immigration.

These orientations resulted in a clear shift in the skills of new immigrants. For example, in 2007, 54 % of new immigrants (i.e. those who had been admitted within the previous five years) aged 25 to 54 years had a university degree (bachelor's or higher), compared to 28 % of immigrants admitted over 10 years ago and 22 % of those born in Canada (Statistics Canada, 2009). Theoretically, this qualitative change should have had a positive impact on the integration of new immigrants into the labour market, in light of the fact that education improves labour-market outcomes for Canadian-born individuals. However, empirical evidence reveals that it had the opposite effect.

In 2009, the unemployment rate of immigrants aged 15 years and over, and who had been in Canada five years or less, reached 15 %, and 10 % for all immigrants, while it was only 7.8 % for those born in Canada.³ When they succeeded in finding a job, immigrants tended to be overqualified. In 2006, the proportion of university graduates who held jobs requiring little education (clerk, truck driver, salesperson, cashier, taxi driver) was 28 % for immigrant men who had been in Canada 10 years or less, and 40 % for immigrant women (Galarneau and Morissette, 2008). As for compensation, immigrants in the 25 to 54 age cohort who have been in Canada five years or less and mostly worked full-time in 2007 received a weekly pay that was 24 % less than that of their Canadian-born counterparts. This differential rises to 31 % in the case of workers with a university degree (Statistics Canada, 2009).

Naturally, this situation has undermined the economic wellbeing of immigrants. In 2005, 21.6 % of them fell in the low income bracket, versus 13.3 % of those born in Canada. Among immigrants having landed in Canada within the previous five years, this rate was 36 % (Picot, Lu and Hou, 2009). It is

(Table: Migrations internationales et interprovinciales, Québec, 1961-2009. url: http://www.stat.gouv.qc.ca/donstat/societe/demographie/migrt_poplt_imigr/601.htm)

² The new direction of Quebec's immigration policy seeks to bring this number down to 50,000 for the period 2012–2015.

³ Statistics Canada, CANSIM, table 282-0104.

noteworthy that the proportion of immigrants in low-income situation increased by 4.6 percentage points between 1980 and 2005, while that of those born in Canada fell by approximately four points.

In brief, even though the skill levels of immigrants are constantly improving, and a growing number of them meet the selection grid criteria, their economic situation has deteriorated significantly in recent years. Immigrants are accepted so that they will participate in the labour market, but we find that some of them are shut out. And those who persist in working sometimes find themselves facing precarious employment conditions.

The literature proposes several explanations for these problems. The most important relates to a change in the structure of the countries of origin of immigrants and associated issues such as the non-recognition of human capital from the new sources of immigration. This issue of non-recognition of skills acquired abroad could be attributable to problems associated with language, cultural differences, the quality of the education system, and discrimination—though fierce competition from the swelling pool of Canadian-born university graduates should not be discounted (Picot, 2008). It is also possible that, since the link between labour market conditions and the number of immigrants accepted has been severed, immigration has increased the supply of qualified workers beyond the capacity of the labour market to absorb them.

Notwithstanding these explanations, it is significant that the immigrant population is far from homogeneous across the regions of Canada. For example, the report by Boudarbat and Boulet (2010), published by CIRANO, concluded that the situation of immigrants on the labour market was more problematic in Quebec than in the other provinces of Canada. In fact, compared to both Canadian-born Quebecers and immigrants in the other provinces, immigrants to Quebec report lower employment rates and higher unemployment rates. Yet they are also very educated, they speak French and, most importantly, Quebec selected them according to its own criteria. Furthermore, Canadian-born Quebecers generally face the same labour market conditions as their counterparts in the other provinces. So there are good reasons to raise questions regarding the apparent failure of Quebec's approach to integration.

If we are to offer effective solutions in the area of public policy, it is vital to eschew anecdotal evidence and to have a detailed understanding of the situation of immigrants in Quebec and the reasons for the gap that exists between them and their counterparts in the other provinces. However, we observe that studies comparing Quebec with the other provinces are relatively scarce. For this reason, the current paper will seek to take a closer look at the situation of immigrants on the Quebec labour market and

juxtapose it with that of immigrants in the two other provinces that are the main destinations for immigrants, to wit Ontario and British Columbia. This exercise seems particularly useful to us as a source of lessons that might inform immigration and integration policies for Quebec. In addition to studying access to jobs, we will also examine some indicators of the quality of the insertion of immigrants into provincial labour markets. In fact, comparisons based only on employment and unemployment rates could be misleading, since they don't contain any information about the hiring conditions for immigrants. It could be the case that immigrants to Quebec are disadvantaged with respect to some indicators, but in a strong position with respect to others. Therefore, we need to have the most complete picture possible of their situation on the labour market.

Next, we intend to explain the observed participation and unemployment rate differentials between immigrants in Quebec and their counterparts in Ontario and British Columbia. We apply an appropriate decomposition method to verify whether the differentials are attributable to differences in (observable) characteristics of the immigrants to these provinces or to variations in their treatment on the labour market. If it is found that immigrants in Quebec perform relatively poorly because of their characteristics, corrective measures should be implemented upstream of the problem, i.e. by modifying the selection criteria for immigrants. Otherwise, interventions should focus downstream from the problem, i.e. by promoting the hiring of immigrants.

The rest of this paper is organized as follows: First, we present the data used. Next, we paint a descriptive portrait of the situation of immigrants on the labour market (access to jobs and characteristics of the jobs held) and review the types of difficulties immigrants encounter landing a job. We then perform a multivariate analysis to compute adjusted participation and unemployment rate differentials between immigrants and the Canadian born for each of the three provinces in our study. A presentation of the results of the decomposition follows, allowing us to understand the gap between the situation of immigrants in Quebec and those in the other two provinces. In the last section we summarize our main findings and draw some conclusions regarding their implications for the Government of Quebec's policies.

I - DATA

This quantitative study is based on data from the Labour Force Survey (LFS). Created in 1945, this is a monthly survey of households conducted by Statistics Canada to generate a comprehensive and detailed picture of the Canadian labour market. It disseminates standard monthly labour market indicators, such as the unemployment rate, the employment rate, and the participation rate, making it

possible to monitor trends (Statistics Canada, 2010). The target population of the LFS includes all individuals aged 15 and above living in Canada's provinces. Those living on Reserves, full-time members of the Canadian Armed Forces, and institutional residents (for example, individuals incarcerated in prisons, patients in hospitals or nursing homes who have been in this type of establishment for over six months) are excluded from the survey frame (Statistics Canada, 2010). Moreover, under the LFS sampling plan, selected households remain in the sample for six consecutive months before being replaced. This system of rotations ensures that every month one-sixth of the surveyed households is replaced.

Up to 2005, it was not possible to use LFS data to study the situation of immigrants on the labour market, simply because they were not identified. For the most part, studies along these lines have relied on Census data. However, the Census is only conducted once every five years, and the data is not published until sometime later. Therefore, to meet a growing need for information about immigrants in Canada, Statistics Canada added some new questions to the LFS. Since January of 2006, the status of immigrant, the country of birth, the country in which the highest degree was obtained, and the date of arrival in Canada are all included in the information collected from respondents. These data are comparable with those collected in the 2006 Census (Statistics Canada, 2010). It is now possible to have an up-to-date overview of the situation of immigrants on the Canadian labour market. However, the size of the sample is relatively small compared to the Census, so we are not always able to generate very detailed results. Also, the LFS does not include questions about language, which is a significant drawback in light of the key role played by language in labour-market integration.

For this study we will make use of LFS data covering 2006 to 2010. We have combined the twelve monthly data files for each of these years. Next, we selected all Canadian-born and immigrant individuals aged 15 to 64. Those aged 65 years and over, as well as temporary residents, were excluded. We excluded the age 65+ cohort on the basis of their low labour market participation rate and the concomitant fact that they are less affected by problems integrating into the labour market. The population of temporary residents includes foreigners living in Canada with work permits or student visas, as well as refugee claimants, along with family members living with them.

We begin with a descriptive analysis to compare the situation in Quebec with that in the other two principal immigrant receiving provinces: Ontario and British Columbia. We focus on the unemployment rate as an indicator of access to jobs. We also examine some characteristics of the jobs held

(qualifications, sector of employment, unionization, permanence of the job, weekly hours of work, and hourly wages).

We further examine the types of problems and difficulties experienced finding work in Canada as self-reported by the new immigrants. The data for this part of the report are from the Longitudinal Survey of Immigrants to Canada (LSIC). This is a survey of immigrants aged 15 or older at the time of admission who arrived in Canada between October 1, 2000 and September 30, 2001. Its principle objective was to examine the immigrant integration process during their first four years in Canada. To do this, the selected immigrants were interviewed three times: six months, two years, and four years after their arrival in Canada.

II - DESCRIPTIVE ANALYSIS

II.1 – The labour market situation of immigrants

II.1.1 - The situation in 2010

Table 1 reveals that in 2010 the participation rate of the age 15–64 cohort was higher among those born in Canada (78.5 %) than among immigrants (76.2 %), while the unemployment rate was higher among the latter (9.9 %) than among the former (7.6 %). In light of the information presented in the introduction, this is not surprising. An examination of the situation by province leads to the same conclusion: In all the regions studied, the participation rate reported by immigrants is lower than that of the Canadian born, but their unemployment rate is higher. Observe, however, that immigrants to Quebec are more likely than immigrants to British Columbia to participate in the labour market (75.3 % vs. 74 %) But they must contend with the worst unemployment rate in Canada (12.4 %), driving down their employment rate. In British Columbia, the unemployment rate of immigrants is 8.8 %, while it is 10.4 % in Ontario. For those born in Canada, Quebec fares well with an unemployment rate of 7.3 %, compared to 8.1 % in Ontario and 7.6 % nationally.

Because of the high unemployment rate of immigrants to Quebec, their employment rate (66 %) is below that of their counterparts in British Columbia (67.5 %) even though, fundamentally, their labour market participation rate is higher. Similar findings obtain regarding the differences between immigrants and the Canadian born: Quebec fares roughly the same as Ontario in terms of this participation rate differential (2.5 %), but better than British Columbia (4.3 %). However, in Quebec the difference between immigrant and Canadian-born employment rates (6.1 %) is greater than in Ontario (4 %) or British Columbia (5 %). As to the unemployment rate, the differential between immigrants and

the Canadian born is 5.1 percentage points in Quebec, compared with 2.3 points in Ontario and 1.4 points in British Columbia.

In light of this data, it appears that Quebec attracts immigrants with a strong attachment to the labour market, but then has difficulty integrating them into its population of workers. Another key result that becomes apparent in Table 1 is that Quebec only differs from the other Canadian provinces in the matter of integrating immigrants because, overall, the results for the Canadian-born population are comparable with those for the other provinces and for Canada as a whole.

Table 1 – Labour-market participation, employment, and unemployment rates for individuals aged 15 to 64, by province of residence (%)

	Participation rate*		Employment rate**		Unemployment rate***	
	Canadian born	Immigrants	Canadian born	Immigrants	Canadian born	Immigrants
Quebec	77.8	75.3	72.1	66.0	7.3	12.4
Ontario	78.5	76.1	72.2	68.2	8.1	10.4
British Columbia	78.3	74.0	72.5	67.5	7.4	8.8
Canada	78.5	76.2	72.6	68.7	7.6	9.9

Notes: (*) the participation rate, or labour-market participation rate, represents the proportion of the total population that is working or seeking work; (**) the employment rate represents the proportion of the total population that currently has a job; and (***) the unemployment rate indicates the percentage of the labour force (i.e. those who are working or seeking work) that is unemployed.

Source: Computed by the author from Labour Force Survey data.

Among those aged 25 to 54 years—the core age-group of the active labour force—in 2010 the immigrant unemployment rate was 11.7 % in Quebec, 9.9 % in Ontario, and 8.8 % in British Columbia. Incidentally, Quebec posts the greatest difference between the immigrant and Canadian-born unemployment rate, at 5.8 percentage points, versus 3.7 points in Ontario and 2.7 points in British Columbia. A relative improvement can be seen in the situation of immigrants in Quebec, since in 2009 this differential was 6.2 percentage points, versus 3.7 points in Ontario and only one point in British Columbia. Nonetheless, the integration of immigrants into the labour market is more problematic in Quebec than elsewhere.

II.1.2- Trends in the unemployment rate between 2006 and 2010

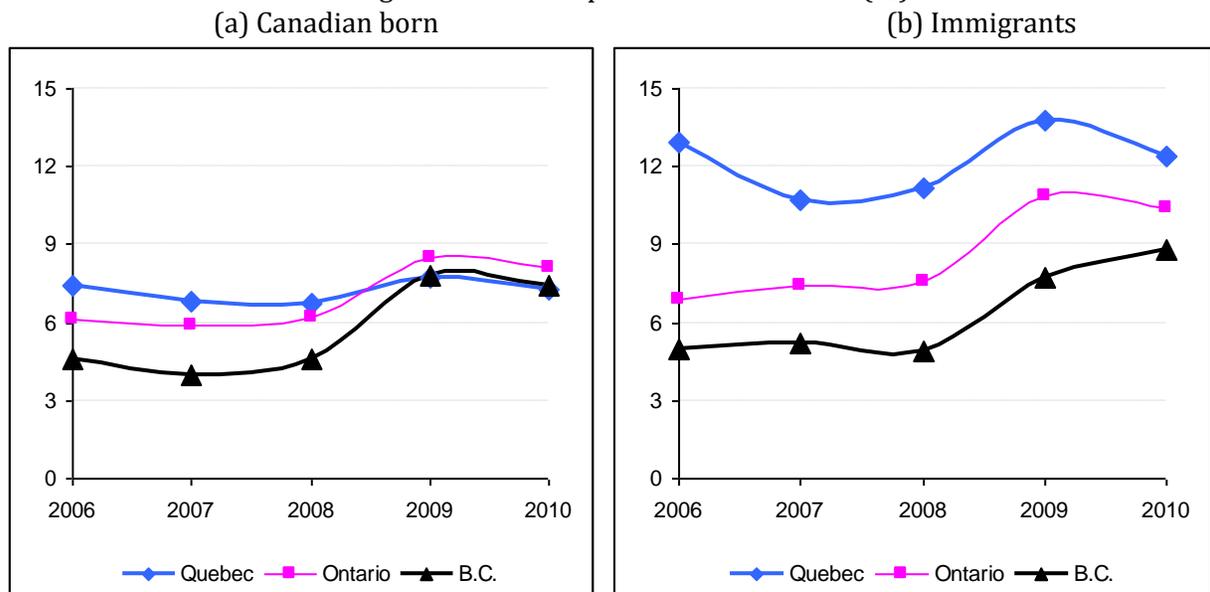
In Canada as a whole, the unemployment rate of the age 15–64 cohort increased between 2006 and 2010 among both the Canadian born and immigrants (see Table A1 in the appendix). Thus, the unemployment rate rose from 6.2 % to 7.6 % among those born in Canada and from 7 % to 9.9 % among immigrants. Springing from the economic turmoil, this trend began to emerge in 2008, but it seems to have been harder on the immigrant community than on those born in Canada: The unemployment rate of the former rose by 2.7 percentage points between 2008 and 2010, versus 1.7 point for the latter.

Furthermore, data in Figure 1 reveal that the unemployment rate of both those born in Canada and immigrants rose more sharply in Ontario and British Columbia. In Ontario, immigrant unemployment rose by 3.5 percentage points, from 6.9 % in 2006 to 10.4 % in 2010. In that same province the corresponding increase for the Canadian born was 2 points (from 6.1 % in 2006 to 8.1 % in 2010). In

British Columbia, the immigrant unemployment rate also rose a little more (+3.8 points) than that of the Canadian born (+2.8 points). Quebec was the exception: The unemployment rate fell slightly among both those born in Canada and immigrants, but these latter continue to report a higher unemployment rate while the former now post the lowest rate among the provinces in our study.

A further interesting result that emerges from an examination of Figure 1 concerns the convergence of unemployment rates across the three provinces in the study. Indeed, in this area the divergences between Quebec and the two other provinces have shrunk considerably, both for the Canadian born and for immigrants. For example, while the unemployment rate of immigrants to Quebec (12.9 %) was 2.6 times that of immigrants to British Columbia (5 %) in 2006, this ratio was only 1.4 in 2010. Similarly, the unemployment rate of immigrants to Quebec is only 1.2 times that of immigrants to Ontario in 2010, compared with 1.9 in 2006. Nonetheless, this reflects a relative improvement arising out of a significant deterioration of the situation of immigrants on the Ontario and B. C. labour markets. Since this is a result of the recent economic downturn, we need to wait for labour markets to revert to their pre-2008 conditions to have an accurate benchmark. With respect to this, Figure 1 indicates that the economic tide is turning, except for immigrants to British Columbia: Their unemployment rate continued to rise in 2010 (+1.1 percentage points above 2009 levels) at the same time it was falling in Quebec (-1.4 points) and Ontario (-0.5 points).

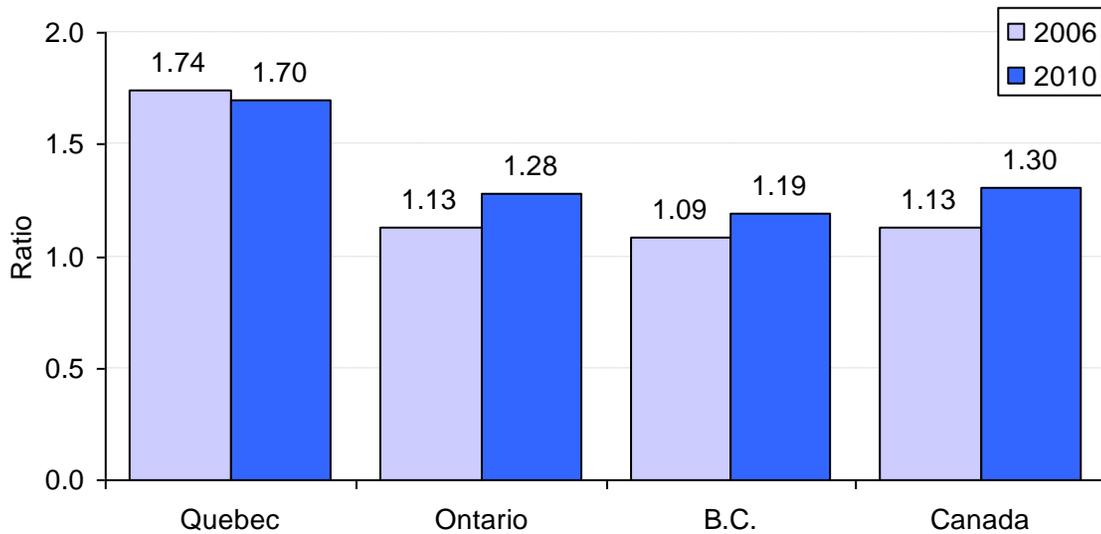
Figure 1 – Unemployment rate trends for individuals aged 15 to 64 between 2006 and 2010, by immigrant status and province of residence (%)



Source: Computed by the author from Labour Force Survey data. The raw data is presented in the Appendix (Table A1).

Examining the ratio of immigrant to Canadian-born unemployment rates reveals the trends described above. As we see in Figure 2, in 2010 Quebec posted the highest ratio of immigrant to Canadian-born unemployment rates (at 1.7), compared to 1.3 for Ontario, 1.2 for British Columbia, and 1.3 for all of Canada. Relative to 2006, however, we find that this ratio has risen in British Columbia and Ontario while falling in Quebec. Therefore, we can conclude that the strong showing of Ontario and British Columbia in terms of immigrants' access to jobs has faltered in recent years.

Figure 2 – Ratio of immigrant to Canadian-born unemployment rates for the population 15–64 years



Source: Computed by the author from Labour Force Survey data.

II.1.3 – The unemployment rate by sex

A more detailed examination of the data reveals that the unemployment rate of Canadian-born women is lower than that of Canadian-born men in every region in the study. The differential is 2.1 percentage points in Quebec, 2 points in Ontario, and 2.4 points in British Columbia. Among immigrants, this gap between the sexes is negligible compared to its magnitude in the case of the Canadian born. We observe, however, that in Quebec and British Columbia the unemployment rate of immigrant men is slightly higher than that of immigrant women, but that the former fare slightly better than the latter in Ontario.

The overall picture that emerges from the data in Table 2 is that, on the Canadian labour market, the situations of Canadian-born men are globally comparable across the three provinces, and the same applies to Canadian-born women, but the extent to which immigrants are integrated depends on the

specific situation prevailing in each region of Canada. Once again, it's British Columbia that boasts the best record, especially for immigrant women, while Quebec lags behind for both sexes.

Table 2 – Unemployment rate of the population 15–64 years in 2010, by sex and province of residence (%)

	Men		Women	
	Canadian born	Immigrants	Canadian born	Immigrants
Quebec	8.3	12.6	6.2	12.2
Ontario	9.0	10.3	7.0	10.6
British Columbia	8.5	9.2	6.1	8.4
Canada	8.5	10.0	6.6	9.9

Source: Computed by the author from Labour Force Survey data.

II.1.4 – The unemployment rate by level of education

We see from Table 3 that, in the case of those with only a vocational school diploma or no postsecondary education at all, the B. C. labour market is inherently somewhat more receptive to immigrants than to the Canadian born. Aside from these exceptions, the unemployment rate of immigrants in various regions of the country is generally higher than that of the Canadian born, regardless of their level of education.

It is striking that the immigrant unemployment rate is highest in Quebec for all levels of education attained. It is 20.5 % for those with no diploma, 15.4 % for those with a secondary school diploma, 14.1 % for those with a diploma from a vocational school, 11.2 % for those with a college diploma, and 9.4 % for those with a university degree. Quebec faces particular challenges integrating immigrants having completed vocational training, as their unemployment rate is nearly 8 percentage points higher than in British Columbia. In the case of immigrants with a university degree Quebec is relatively more successful, with an unemployment rate similar to that in Ontario and not very different from that in British Columbia. This result is very welcome, since many recent arrivals are university graduates. It also indicates that integration into the labour market is not merely a matter of recognition of foreign credentials, since those who don't have them encounter even more problems finding work.

By way of comparison, the lowest unemployment rates among those born in Canada and possessing a college diploma (4.4 %) or a university degree (3.1 %) are reported in Quebec.

In summary, unskilled immigrants have more trouble finding work than highly educated ones. While it is tempting to surmise that immigrants may be overqualified for the jobs available in Quebec and the rest of Canada, the data in Table 3 indicate that those having completed postsecondary education integrate more successfully than the others. This finding bears witness to the value of maintaining education as a selection criterion for immigrants.

Table 3 – Unemployment rate of the population 15–64 years in 2010, by education and province of residence (%)

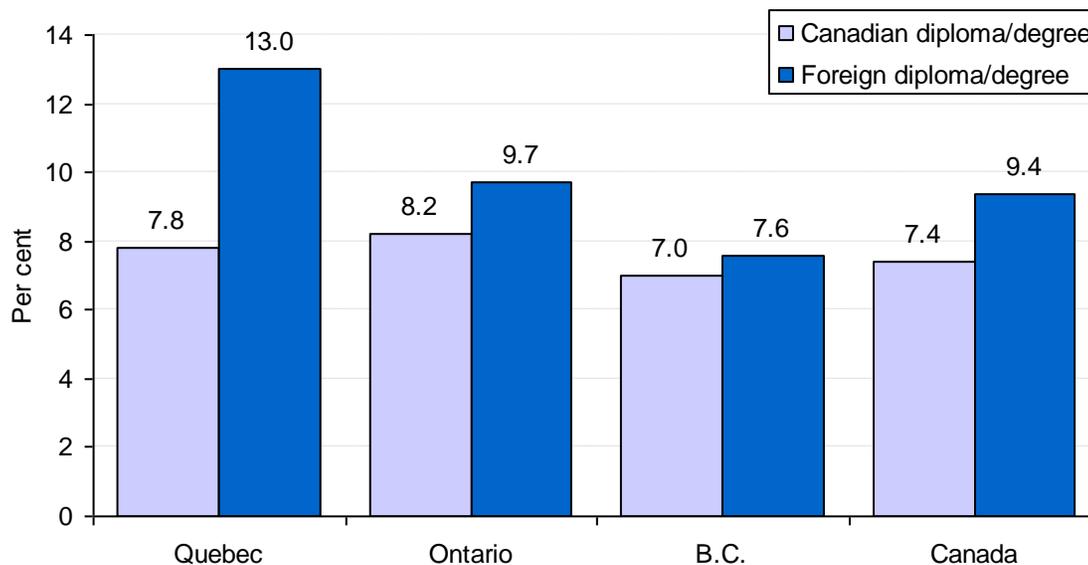
		Quebec	Ontario	British Columbia	Canada
No diploma	Canadian born	15.6	18.2	16.3	16.3
	Immigrants	20.5	17.9	15.8	17.1
Secondary studies	Canadian born	8.6	9.6	7.9	8.6
	Immigrants	15.4	11.8	10.3	11.4
Vocational education	Canadian born	7.6	8.1	6.5	7.4
	Immigrants	14.1	8.5	6.2	8.5
College, cégep	Canadian born	4.4	5.7	6.2	5.4
	Immigrants	11.2	9.1	6.4	8.6
University	Canadian born	3.3	4.1	3.6	3.7
	Immigrants	9.4	9.0	8.0	8.4

Source: Computed by the author from Labour Force Survey data.

II.1.5 – The unemployment rate by location of postsecondary studies

The unemployment rate is consistently higher among immigrants who obtained their postsecondary education abroad than among those educated in Canada. Overall, inter-provincial differences in the unemployment rates of immigrants educated in Canada are very small; Quebec even fares slightly better than Ontario (7.8 % vs. 8.2 %). It is in the matter of integrating immigrants with competencies acquired abroad that provinces differ. In this matter, Quebec stands out as the province where the country in which credentials were earned carries the most weight in the job search. In fact, thanks to its higher unemployment rate (13 %) of immigrants educated abroad (9.7 % in Ontario and 7.6 % in British Columbia), this province ranks last. Thus, it appears that the problem of non-recognition of foreign competencies is most serious in Quebec, potentially making it a suitable target for government intervention.

Figure 3 – Unemployment rate of immigrants aged 15 to 64 with postsecondary credentials (including university degree), by source of diploma and province of residence, 2010



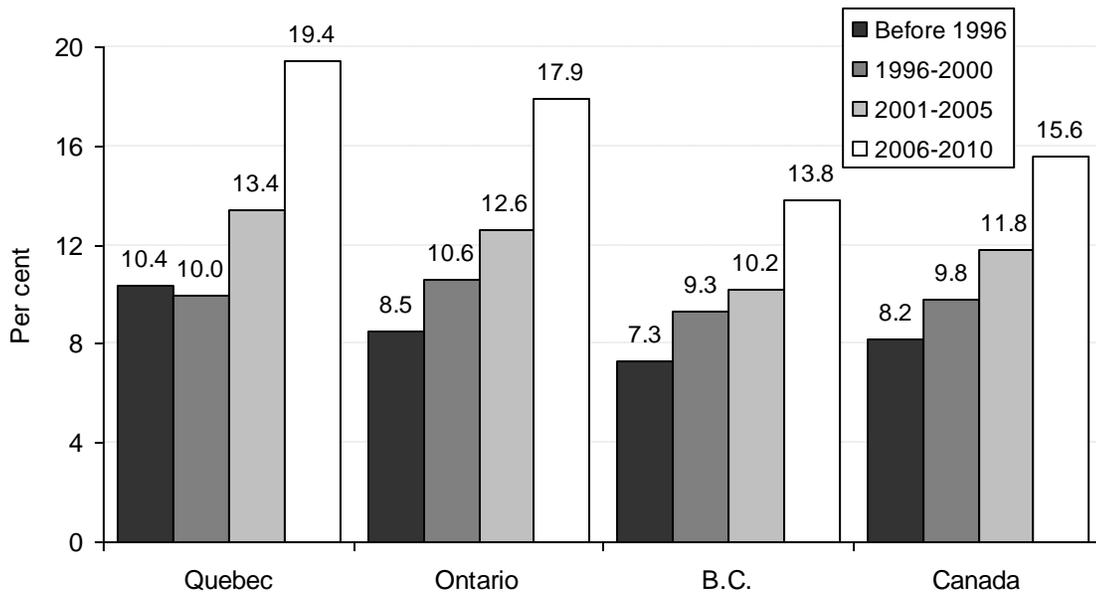
Source: Computed by the author from Labour Force Survey data.

II.1.6 – The unemployment rate, by year of immigration

The data in Figure 4 reveal that the unemployment rate of immigrants depends on when they arrived in Canada. As a rule of thumb, we observe that the unemployment rate of immigrants who entered Canada prior to 1996 is lower than that of those in subsequent waves of immigration. Is this because they have had more time to integrate into the labour market (acquiring information about how this market works, networking and making contacts that facilitate access to employment, investing in new studies, acquiring language skills, etc.)? Is this because immigrants eventually become willing to accept jobs for which they are overqualified and that they would not have considered initially (downward revision of expectations in order to adapt to market realities) ... or for other reasons? Nonetheless, it is worth noting that even after 15 years in the country, immigrants to Quebec still post a higher unemployment rate than the Canadian born (10.4 % vs. 7.3 %). Those who landed in Canada prior to 1996 report an unemployment rate that is very similar to that of the Canadian born in Ontario (8.5 % vs. 8.1 %), while the rate for the corresponding population in British Columbia is comparable to that of their Canadian-born counterparts (7.3 % vs. 7.4 %). Again, the indicators reveal that immigrants to Quebec must surmount particular obstacles to find work in the province. This problem, which is far from a transient phenomenon, appears to affect immigrants systemically. Thus, while Canadian-born Quebecers sometimes have less trouble finding work than their counterparts in the two other provinces in the study, immigrants to Quebec must contend with a higher unemployment rate than

those in other regions of the country, regardless of which wave of immigration carried them to their province of residence.

Figure 4 – Unemployment rate of immigrants aged 15 to 64 , by year of immigration and province of residence (%), 2010



Source: Computed by the author from Labour Force Survey data.

II.2 – Difficulties encountered by new immigrants in their job search

As we indicated when presenting our data (cf. Section I), this part of the report draws on data from the Longitudinal Survey of Immigrants to Canada (LSIC). At three very specific times during this survey (six months, two years, and four years after their arrival in Canada), immigrants in the sample were asked to indicate whether they experienced any problem or difficulty when searching for employment in Canada and, if so, to specify all of the problems or difficulties encountered, as well as the one they consider to be the most serious. We subsequently combined the responses obtained during the three LSIC waves to determine the percentage of immigrants having declared, at least once, that they had trouble finding work during the first four years in Canada, and the types of problems encountered.

Surprisingly, and despite the fact that immigrants to Quebec post higher unemployment rates than those in the other two provinces, Table 4 reveals that it’s actually in Ontario where the highest percentage of new immigrants declare having problems or trouble finding work (71 %). This value is 63.8 % in Quebec, or slightly less than the 65.1 % reported for British Columbia. Why is it that immigrants to other provinces post lower unemployment rates than their counterparts in Quebec but

are relatively more likely to report difficulties in the job search? In all probability, these difficulties arise when they are looking for employment that corresponds to their competencies, and that while waiting to find the right job some of them accept whatever position are available at the time. It is also possible that, when confronting difficulties integrating into the labour market, immigrants in other provinces exercise greater resourcefulness and involve call on personal networks (informal or not) to facilitate their access to a job. Of course, this could have repercussions on the quality of jobs obtained. Section II.3 will shed some light on this matter.

Table 4 – Percentage of immigrants who declare having had problems or difficulties finding work during their first 4 years in Canada

Quebec	Ontario	British Columbia	Canada
63.8 %	71 %	65.1 %	67.4 %

Source: Computed by the author from LSIC data.

But what is the nature of the problems that arise? Figure 5 sheds some light on this issue by enumerating the existing obstacles and their intensity in Quebec, Ontario, and British Columbia.

A lack of Canadian experience is an issue shared by immigrants in all three provinces in the study. The proportion of immigrants who identified this problem at least once as the source of their difficulty finding work is 71.8 % in Quebec, 74.4 % in Ontario, and 64.1 % in British Columbia. Therefore, this appears to be the most significant obstacle to the integration of immigrants into the Canadian labour market. In fact, it appears that the acquisition of that first professional experience in Canada is a prerequisite for successful integration. However, immigrants need to start somewhere or they will find themselves in a “catch 22” situation, since this Canadian experience can only be acquired from a job.

The inability to provide a letter of recommendation from a Canadian employer compounds the lack of domestic experience and exacerbates immigrants' difficulties penetrating the work force. In fact, in Quebec 45.8 % of immigrants consider this to be a critical contributor to their difficulties finding work, compared to 47.2 % in Ontario and 35.4 % in British Columbia. Among the obstacles that most hamper efforts to obtain a first job in Canada is the lack of contacts in the work force. Thus, 43.3 % of immigrants to Quebec emphasize that this factor impedes their success in the job search—the corresponding value in Ontario is 50.4 % and 37.1 % in British Columbia.

Some immigrants believe that there are not enough available jobs in Canada. This is stated more often by immigrants to British Columbia (48.2 %) and Ontario (47.1 %) than by immigrants to Quebec (39.6 %). A general dearth of jobs appears to be perceived as a greater problem by immigrants than a

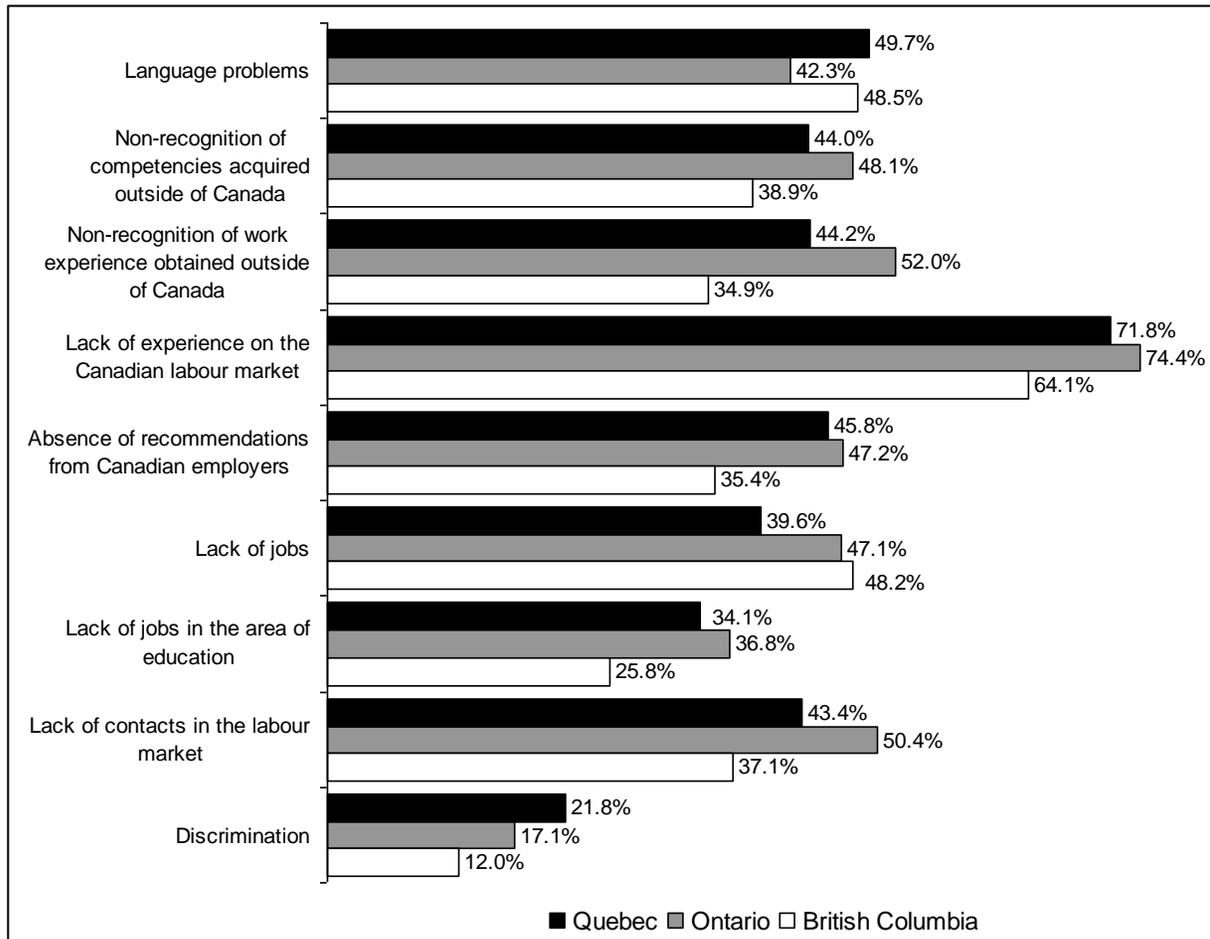
shortage of jobs in their field (Figure 5). In Quebec, 24.1 % consider a lack of jobs in their field to contribute significantly to the obstacles that they must contend with on the labour market; the corresponding value is 36.8 % in Ontario and 25.8 % in British Columbia.

The competencies recent immigrants need to be hired will not have been acquired in Canada. In consequence, they need to rely more heavily on skills they accumulated abroad. However, as reported by 44 % of immigrants to Quebec, 48.1 % of immigrants to Ontario, and 38.9 % of immigrants to British Columbia, these are not always recognized by employers. This explains the high prevalence of overqualification in immigrant employment, especially among those who have only been here for a brief period (cf. Section II.3). Moreover, non-recognition of experience gained abroad may also impede access to the labour market. In fact, in Ontario 52 % of immigrants consider this to be decisive in their difficulty finding work, though it affects relatively fewer immigrants in Quebec (44.2 %) and even fewer in British Columbia (34.9 %).

Language also represents a monumental obstacle to finding work. Among problems encountered during the job search, nearly half of immigrants to Quebec (49.7 %) stress the language. This percentage is also high in British Columbia (48.5 %) and Ontario (42.3 %). Thus, it appears that immigrants to these three provinces are strongly affected by the language barrier during their job search.

Finally, with regard to the other factors, it is worth noting that job discrimination is not considered a major obstacle. However, it is important to underscore that immigrants to Quebec (21.8 %) mention this factor more often than those to Ontario (17.1 %) and British Columbia (12 %).

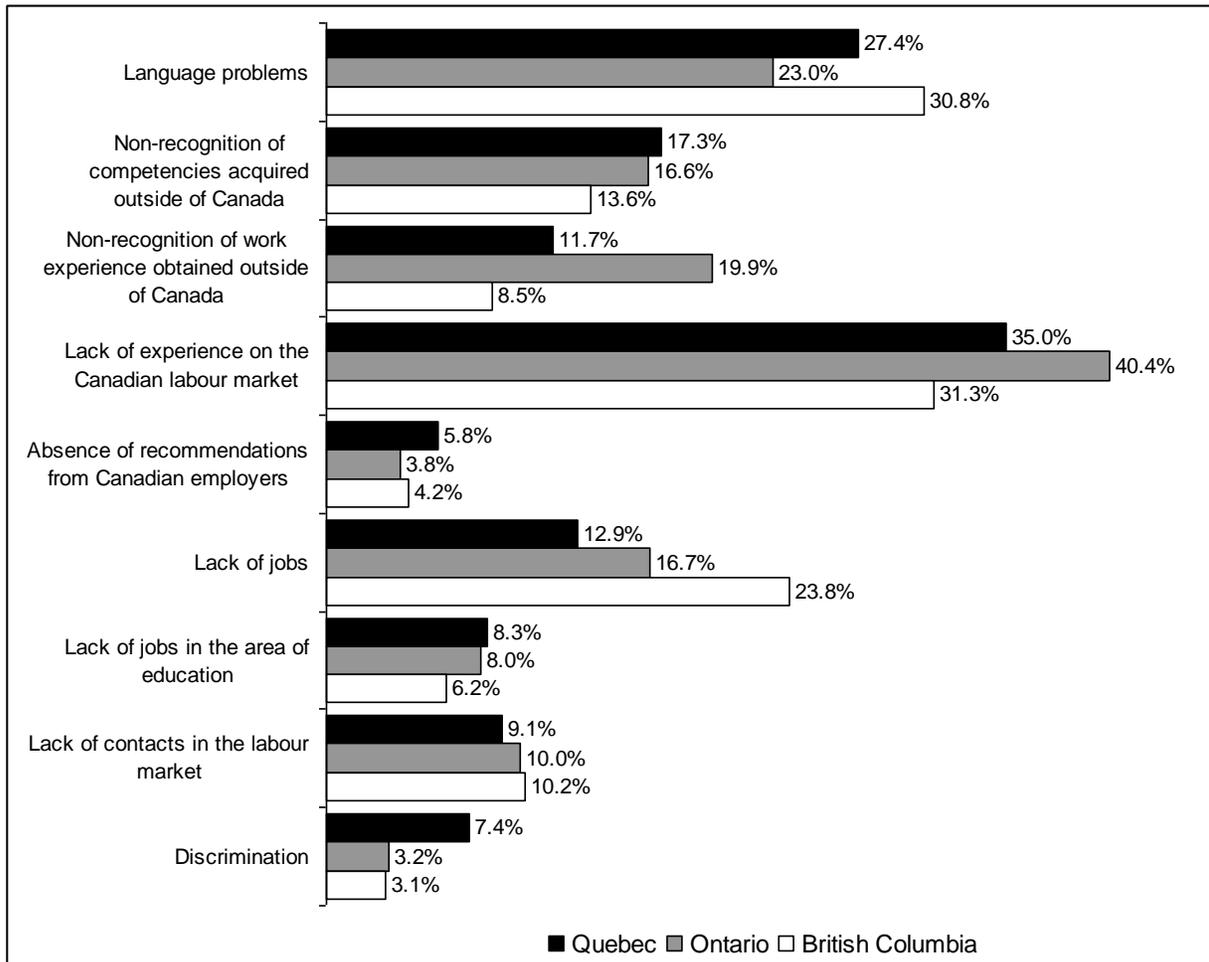
Figure 5 – Types of problems and difficulties new immigrants experience finding work during their first 4 years in Canada



Source: Computed by the author from LSIC data.

Figure 5 presents several types of problems that may simultaneously undermine new immigrants' opportunities to find work. Even though it is important to have an overview of the problems immigrants perceive, it is also of some interest to know which of them they consider to be the biggest hurdles to finding work. Thus, as Figure 6 indicates, among the main issues raised, discrimination is second to last in Quebec (7.4 %) and dead last in Ontario (3.2 %) and British Columbia (3.1 %). Conversely, a lack of experience in the Canadian labour market constitutes the primary hurdle to finding a job during the first years, followed by language problems. These two issues were cited by 35 % and 27.4 % of Quebec respondents, respectively. The equivalent values are 40.4 % and 23 % in Ontario, and 31.3 % and 30.8 % in British Columbia.

Figure 6 – The most serious hurdle encountered by new immigrants seeking work during their first 4 years in Canada



Source: Computed by the author from LSIC data.

II.3 – Employment conditions of immigrants

II.3.1 – Overqualification

The data in the preceding tables reveal that immigrants encounter many obstacles as they strive to integrate into the labour markets of Canada, in general, and of Quebec, in particular. Many of them are unemployed a long time before finding work, despite the fact that the data in Figure 4 suggest that immigrants who have been in Canada long have a better chance of finding work. Moreover, Figure 3 illustrates the greater difficulty finding work an immigrant whose postsecondary education was acquired abroad has than one with Canadian credentials. In this context, it is not surprising that highly qualified immigrants find themselves in low-skilled jobs (Galarneau and Morissette, 2008). This finding is also true for new immigrants on the labour market, since the first jobs occupied are typically precarious and temporary, giving them some initial Canadian work experience while they seek a job

better suited to their skills (Chiswick and Miller, 2007). This leads us to address the issue of overqualification among immigrants, especially new arrivals with a university degree. Jobs that allow individuals to use their skills are generally considered high-quality (Cloutier, 2008). Examining the indicator of overqualification thus sheds some light on how well immigrants are integrating into the labour market in Quebec and the other provinces we are using as benchmarks.

In order to determine whether a worker is overqualified with regard to the tasks entailed in the job, we adopt a normative approach that consists of comparing the level of studies completed with the level of competencies normally required for the position occupied. The National Occupational Classification (NOC) categorizes all professions—except those in the field of management—according to four levels of competencies, ranging from a university education to on-the-job training.⁴ In determining the skill level associated with each profession in the management field we followed the lead of Chiswick and Miller (2007) and adopted a statistical approach that accounts for the average education level of workers exercising that profession (as measured by the mode).⁵

Table 5 reveals the rate of overqualification of Canadian-born and immigrant workers aged 15 to 64 years, by province of residence. It shows that immigrants having at least a high school diploma are more likely than the Canadian born to hold a job for which they are overqualified. In 2010, the gap between the overqualification rates of these two groups was 14 percentage points for all of Canada, which was a marked increase over the 2006 value of 10.5 points. In fact, the overqualification rate remained constant among Canadian-born graduates while it increased by 3.6 percentage points among immigrants. This deterioration is observed in all three of the provinces we examined—especially in British Columbia, where the overqualification rate of immigrants with a high school diploma or a postsecondary education increased by 6.7 percentage points while remaining virtually unchanged among the Canadian born. In 2006 immigrants to Quebec had the highest overqualification rate, at approximately 42 %. Since then, the situation deteriorated more rapidly elsewhere, so that by 2010 the three provinces in our study posted comparable overqualification rates among their immigrants (between 42 % and 43 %). Also, Quebec reports the best numbers for those born in Canada, whose overqualification rate even decreased from 27 % to 26.1 % between 2006 and 2010.

⁴ The rate of overqualification of workers with graduate degrees may be underestimated, because NOC does not specify the exact level of education required in the case of professions requiring a university education.

⁵ In the literature we find a third approach based on a self-evaluation by the workers of their qualifications relative to the job that they occupy. The LFS data we use in this study is not amenable to this self-evaluation approach, since no corresponding question is asked.

In summary, immigrants with a high school diploma or a postsecondary education report a higher overqualification rate than those born in Canada in every province in our study, and their situation deteriorated even more between 2006 and 2010. As a consequence, they occupy lower quality jobs than Canadian-born workers.

Table 5 – Overqualification rate of workers aged 15 to 64 years and having a diploma (secondary or higher), by province of residence (%)

	2006		2010	
	Canadian born	Immigrants	Canadian born	Immigrants
Quebec	27.0	41.9	26.1	42.6
Ontario	30.2	38.7	30.6	41.8
British Columbia	26.7	36.2	26.8	42.9
Canada	27.7	38.2	27.7	41.7

Source: Computed by the author from Labour Force Survey data.

We now turn our attention to the overqualification rate of workers aged 15 to 64 with a university degree (bachelor's or higher). Education is one of the most important criteria in the selection of immigrants, and the percentage of new arrivals with a university degree has increased dramatically in recent years.

Table 6 – Overqualification rate of workers aged 15 to 64 years with a university degree, by province of residence (%)

	Quebec	Ontario	British Columbia	Canada
Canadian born	34.9	40.1	42.7	39.1
Immigrants	56.1	56.2	61.9	57.0
Immigrants, by year of immigration:				
2006-2010	62.7	69.0	68.9	67.7
2001-2005	60.7	65.6	68.6	64.0
1996-2000	54.5	56.9	65.5	57.6
Before 1996	50.0	48.2	56.2	49.7
Immigrants, by where diploma was obtained:				
Canada	43.6	42.7	47.9	43.1
Abroad	64.9	64.6	70.2	65.6

Source: Computed by the author from Labour Force Survey data.

The data in Table 6 reveal that Canadian-born university graduates residing in Quebec have the lowest overqualification rate in Canada (34.9 % in 2010), while those living in British Columbia have the

highest (42.7 %). Quebec also compares favourably to Ontario (40.1 %) and stands out as the province in which Canadian-born university graduates are most likely to occupy jobs that match their skills. Conversely, immigrants to Quebec who have a university degree report an overqualification rate (56.1 %) that is similar to that of their counterparts in Ontario (56.2 %) and the Canadian average (57 %). Nonetheless, it is in British Columbia where immigrants with a university degree are least likely to land a job corresponding to their level of education—in 2010 their overqualification rate was approximately 62 %. In short, compared to the other provinces, we have reason to believe that Quebec performs relatively well in the matter of the overqualification of both immigrant and Canadian-born university graduates.

Finally, we note that between 2006 and 2010, the overqualification rate in Quebec fell by 1.5 percentage points among Canadian-born university graduates, while it increased by 4.7 points among their immigrant counterparts. The gap between these two groups widened by six points in a mere four years. In the two other provinces, the situation of those born in Canada changed little while the overqualification rate of immigrant university graduates increased by 6.1 percentage points in British Columbia and 1.6 in Ontario. Thus, despite the economic downturn of recent years, the quality of integration of Canadian-born university graduates into the Quebec labour market has improved overall. Unfortunately, this improvement did not carry over to immigrants.

The data in Table 6 further reveal that the longer immigrants live in Canada, the more the overqualification rate diminishes, confirming that integration into the labour market is a lengthy process. This finding coincides with the conclusions in Renaud and Cayn (2006), who examine the access to skilled jobs of recent economic immigrants to Quebec. However, even after 15 years in Canada, we find that the overqualification rate of immigrants remains considerably higher than that of those born in Canada. Among immigrant cohorts having been here the longest, the situation in Quebec is comparable to that in Canada as a whole and compares favourably to British Columbia. The overqualification rate among immigrant university graduates who arrived prior to 1996 is 50 %, compared to 49.7 % for all of Canada and 56.2 % for British Columbia.

As to the location in which the university degree was earned, the data in Table 6 indicates that approximately two immigrants in three having obtained their education abroad are overqualified for their job, while among immigrants having graduated from a Canadian university the overqualification rate is closer to that of those born in Canada. Moreover, those who live in Quebec and have a degree

from a Canadian university (43.6 %) fare as well as their counterparts in Ontario (42.7 %) and better than those in British Columbia (47.9 %).

The effect of the origin of the university degree on the overqualification rate is similar in the three provinces in the study, so that immigrants whose university degrees are from Canada are much less likely to hold a job for which they are overqualified than those holding a degree awarded abroad. This observation suggests that employers—Canadian employers in our case—impute less value to degrees earned abroad. Several factors may contribute to this type of behaviour: language problems, limited information about degrees awarded abroad, a mismatch between them and the requirements of the Canadian labour market and, possibly, questions regarding their worth compared to degrees earned in Canada. It was partly to circumvent this problem that the federal government set up the Canadian Experience Class in 2008, designed to facilitate the immigration of individuals having acquired some of their human capital in Canada, i.e. foreign students and workers admitted to the country on temporary work visas. In 2010 the Government of Quebec followed the lead of the federal government by creating the Programme de l'expérience québécoise, or PEQ (Québec experience program). In light of our findings on access to jobs in general, and skilled positions in particular, immigrants admitted through these programs should have more success integrating into the labour markets of the various provinces.

For a fuller understanding of the types of jobs held by immigrants to the three provinces in the study, we examine six new aspects of the question: self-employment, public-sector employment, union membership, permanent employment, weekly hours of work, and wages. These indicators are very revealing of the quality of immigrants' integration into the labour market and its evolution over time.

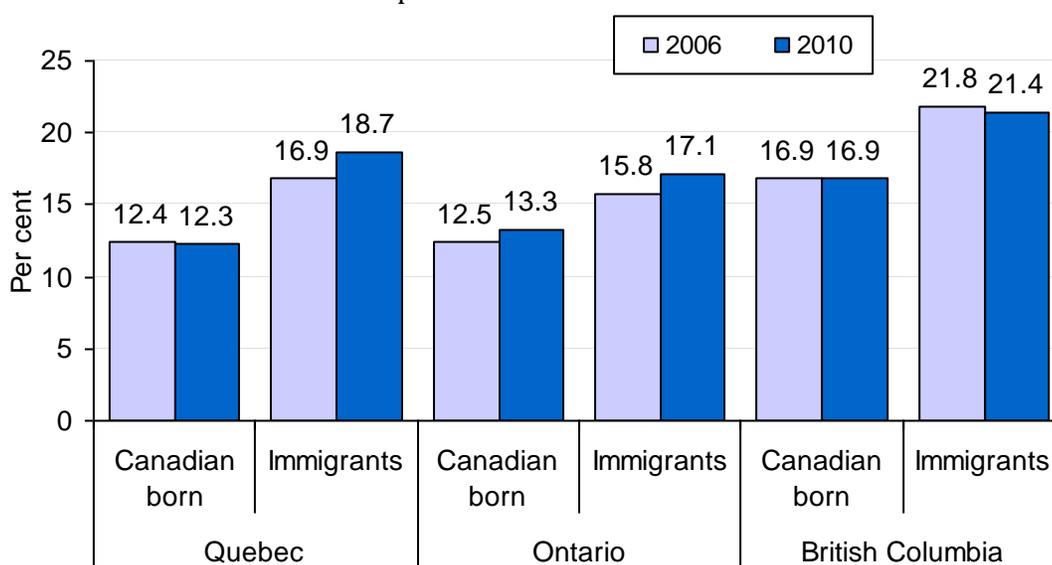
II.3.2 – Self-employment

Self-employment may be a personal choice, or it may reflect difficulties finding an “appropriate” paid job. LaRochelle-Côté (2010) observed an increase in this type of work in 2009 at the same time as the economy was suffering massive job losses, suggesting that it functions as a refuge in times of recession. This could apply to immigrants, who are always contending with a high unemployment rate. However, as Boulet and Boudarbat (2010) observe, this type of work is not always synonymous with job insecurity: It may increase professional mobility and incomes. For other workers, it may perpetuate a situation of low incomes and poor working conditions in addition to not offering any job security. Statistics Canada and the Institut de la statistique du Québec treat self-employment as a nonstandard (i.e. non traditional) form of employment, in the same sense as temporary or permanent part-time

work. Even when it is considered a personal choice, nonstandard employment might have undesirable consequences, such as a lack of job security, low incomes, and few if any fringe benefits, such as pension plans, or income security programs, such as employment insurance (Kapsalis and Tourigny, 2004).

In short, from a perspective of access to work, self-employment provides an alternative to individuals confronted by unemployment. Nonetheless, from a job quality perspective, it entails a risk of exposing workers to insecurity.

Figure 7 – Percentage of self-employed workers among employed workers aged 15 to 64 years, by province of residence



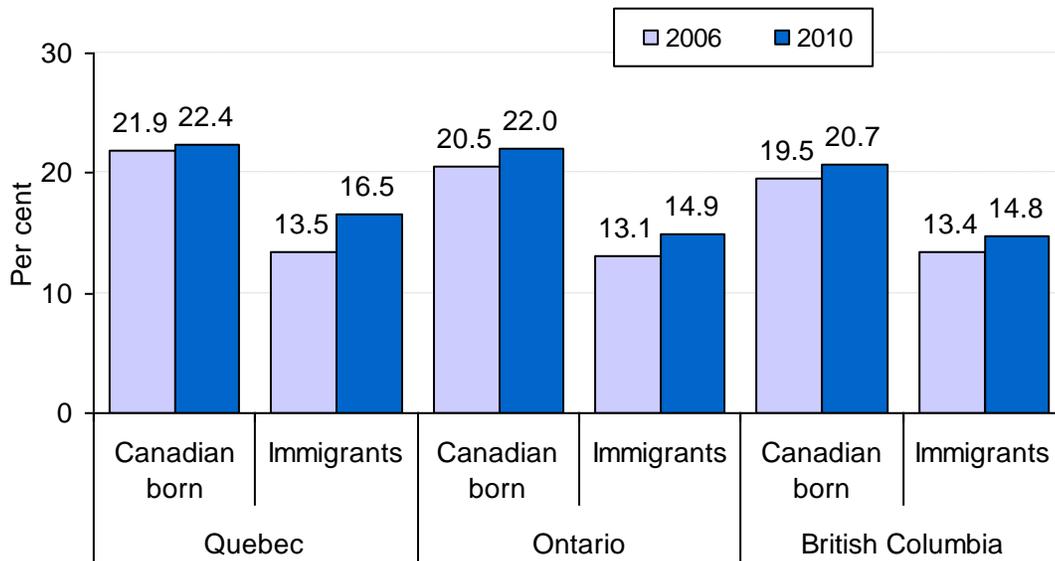
Source: Computed by the author from Labour Force Survey data.

In all three provinces in the study, immigrants are more likely than those born in Canada to opt for self-employment (Figure 7). In addition, the entrepreneurial culture appears to be increasingly specific to each Canadian region because, among both immigrants and those born in Canada, it seems stronger in British Columbia than in Quebec and Ontario. However, between 2006 and 2010 we observe a rise in self-employment among immigrants to Quebec and Ontario (by 1.8 and 1.3 percentage points, respectively) and a corresponding reduction in the difference with British Columbia. Thus, in 2010, 21.4 % of immigrant workers in British Columbia were self-employed, compared with 18.7 % in Quebec and 17.1 % in Ontario. Immigrants take greater personal initiative to ensure their integration into the labour market than do those born in Canada.

II.3.3 – Employment in the public sector

Employment in the public sector is generally known for its stability, benefits and, mostly, incomes that are high compared to the private sector (Gunderson, Hyatt and Riddell, 2000). Immigrants are increasingly calling for more jobs in the public sector, arguing that the government, which selected them as candidates for immigration primarily on the basis of their skills, should play the role of “model employer” and set an example for private-sector firms who are reluctant to recruit immigrants and recognize their skills.

Figure 8 – Share of the public sector in the employment of age 15–64 cohort, by province of residence (%)



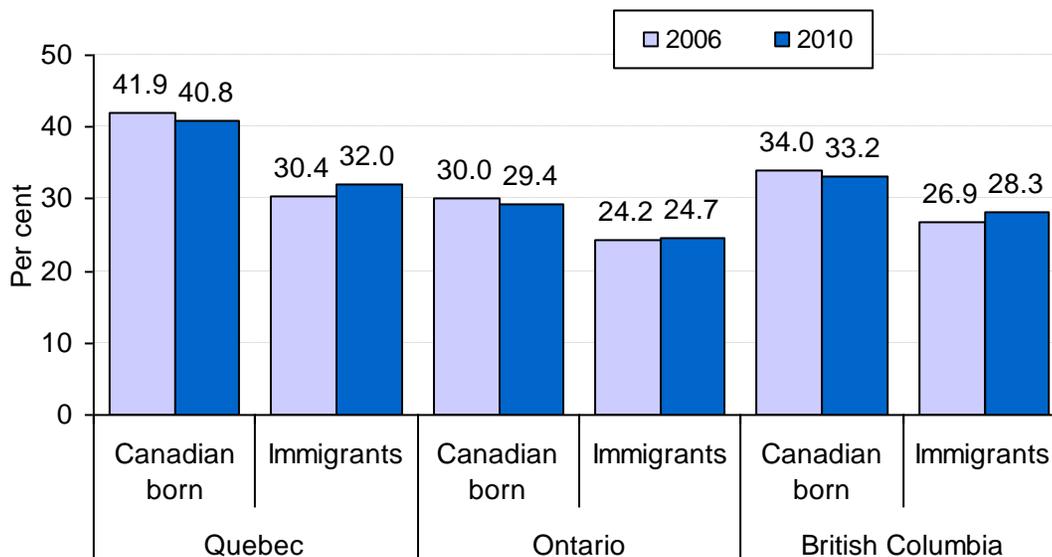
Source: Computed by the author from Labour Force Survey data.

In all three provinces in the study, the Canadian born tend to occupy more public sector jobs than immigrants (Figure 8). This trend persisted from 2006 through 2010, but we observe that there is a marked increase in the number of immigrants employed in the public sector, especially in Quebec, where the percentage rose by 3 points, compared with only 1.8 points in Ontario and 1.4 in British Columbia. Thus, in 2010, 16.5 % of immigrant workers were employed in the public sector in Quebec, compared with 14.9 % in Ontario and 14.8 % in British Columbia. Consequently, the Government of Quebec and its agencies cannot be faulted in the matter of recruitment of immigrants. The province is leading the way in this area.

II.3.4 – Union membership

Union members are protected by collective agreements that cover job security, wages, and benefits. Indeed, the rate of participation in benefits and the mean hourly wage are higher among unionized workers than among those who aren't (Statistics Canada, 2009).

Figure 9 – Percentage of unionized workers aged 15 to 64 years, by province of residence



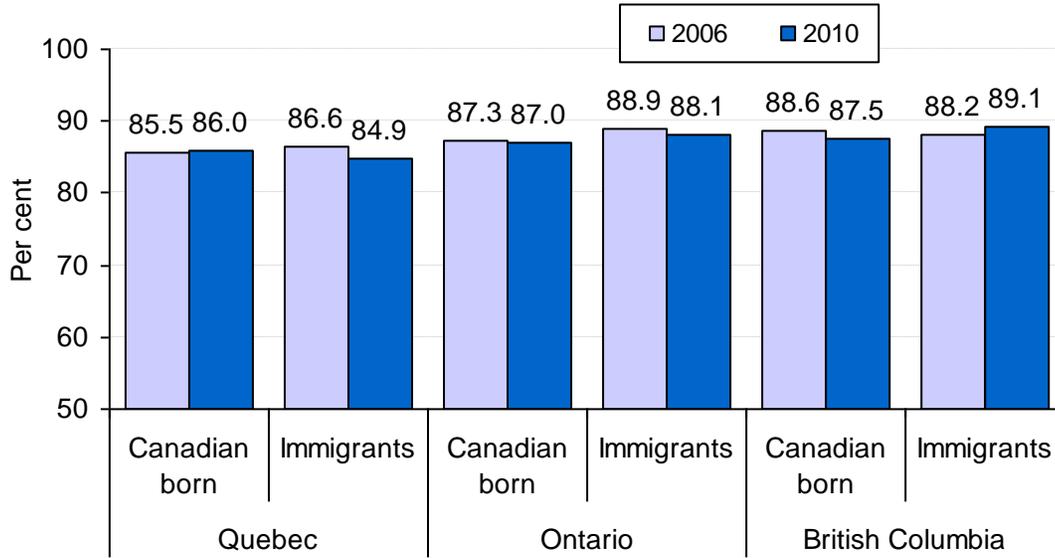
Source: Computed by the author from Labour Force Survey data.

Figure 9 reveals that those born in Canada are more likely than immigrants to hold union jobs, and that the unionization rate is higher in Quebec than elsewhere among both immigrants and the Canadian born. These trends persisted from 2006 through 2010. Quebec also stands out for a marked growth in the proportion of immigrants occupying unionized jobs between 2006 and 2010, with an increase of 1.6 percentage points. In total, 32 % of immigrant workers in Quebec work in a union shop, compared to only 24.7 % in Ontario and 28.3 % in British Columbia. Thus, the greatest challenge facing immigrants to Quebec is finding a job, because once that is done they have better access than immigrants in the two other provinces to unionized and public-sector jobs. This situation gives them better job security and makes the benefits associated with these types of jobs available to them.

II.3.5 – Permanence of employment

Permanence of employment is one of the indicators used to define a “good” job (Cloutier, 2008). This type of employment is naturally more stable, so that there is less risk of losing the job and the income. Moreover, the average wage earned is higher for a permanent job than for a temporary job (Statistics Canada, 2009).

Figure 10 – Percentage of workers aged 15 to 64 years in a permanent job, by province of residence



Source: Computed by the author from Labour Force Survey data.

Figure 10 reveals that in all three of the provinces in the study the proportion of both immigrant and Canadian-born workers occupying permanent jobs⁶ is very high (between 85 and 89 %). However, it appears that Quebec offers its immigrants slightly fewer opportunities in this respect. In fact, in 2010, 84.9 % of immigrants to Quebec occupied a permanent position, compared with 88.1 % in Ontario and 89.1 % in British Columbia.

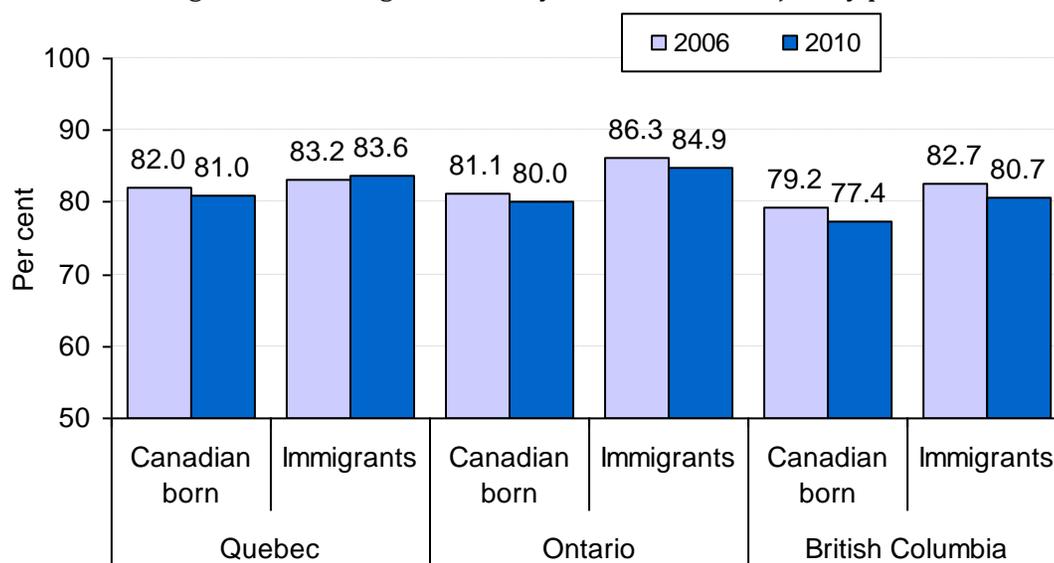
II.3.6 – Full-time work

We consider that full-time employment (at least 30 hours per week) essentially provides an indicator of the intensity of labour supply or work force participation. It is not clear that full-time work necessarily implies high quality, though we may safely extrapolate that working very few, or too many, hours per week is synonymous with a job of lesser quality. Incidentally, over three-quarters of individuals who work part time (less than 30 hours per week) do so by choice (Statistics Canada, 2009).

Figure 11 reveals that immigrants are more likely than those born in Canada to work full time. It also reveals a downward trend in the rate at which full-time jobs were occupied between 2006 and 2010, except for immigrants to Quebec. All things considered, in 2010 the proportion of immigrants in full-time jobs was 83.6 % in Quebec and 84.9 % in Ontario, versus only 80.7 % in British Columbia.

⁶ A “permanent” position is a job that does not have an established termination date. Conversely, a “temporary” position is a job with a predetermined duration or contractual, casual, or seasonal employment (Statistics Canada, 2009).

Figure 11 – Percentage of workers aged 15 to 64 years in a full-time job, by province of residence



Source: Computed by the author from Labour Force Survey data.

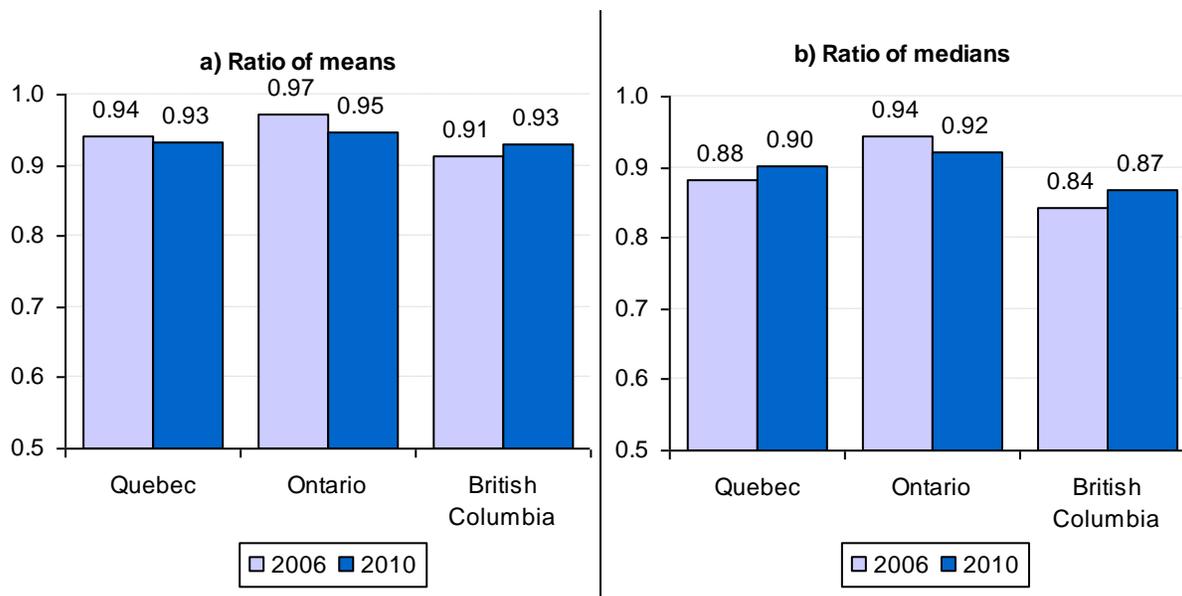
II.3.7 – Wages

In the economic literature, compensation is, without a doubt, the most widely used indicator to measure the integration of immigrants into the labour market. Since the 1990s, many studies have examined this angle (Picot, 2008, provides a summary review). Compensation is also one of the principal determinants of job quality (Cloutier, 2008) and should, in principle, be an indicator of the skills required on the labour market and acquired by the worker.

Since the LFS provides information on hourly wages, it is possible to make accurate comparisons between the groups studied because the effect of the number of hours worked is neutralized. Part (a) of Figure 12 shows the ratio of mean hourly wages paid to immigrants to that paid the Canadian born, and reveals that this ratio diminished slightly between 2006 and 2010 in Quebec and Ontario. On average, for each dollar earned by those born in Canada in 2010 immigrants earned \$0.93 in Quebec and British Columbia and \$0.95 in Ontario.

We next recalculated these hourly wages ratios on the basis of the median, rather than the mean, because it is not sensitive to outliers, i.e. values that are exceptionally low or high. These results are illustrated in Part (b) of Figure 12. They reveal that, unlike the ratio of the means, the ratio of the medians of hourly wages rose in Quebec and British Columbia and fell in Ontario between 2006 and 2010. In summary, Ontario posts the best comparative record in the area of compensation, with Quebec performing better than British Columbia.

Figure 12 – Ratio of immigrant to Canadian born hourly wages for wage earners aged 15 to 64, by province of residence



Source: Computed by the author from Labour Force Survey data.

III. ADJUSTED PARTICIPATION AND UNEMPLOYMENT RATE DIFFERENTIALS BETWEEN IMMIGRANTS AND THE CANADIAN BORN

In this section we will measure adjusted participation and unemployment rate differentials between immigrants and the Canadian born. These two groups have different characteristics, which could have an impact on the observed differentials in the level of labour market participation and access to employment. As we saw earlier, immigrants differ from the Canadian born in several regards, notably education level and where they completed their studies. Immigrants are, on average, more educated than those born in Canada, which should normally work in their favour. However, unlike the Canadian born they encounter the problem of non-recognition of credentials earned abroad. Moreover, those born and educated in Canada have had opportunities to prepare for integration long before joining the labour market. Other factors, such as potential professional experience, the choice of place of residence, marital status, and the pursuit of education may contribute to observed differences between labour market outcomes of immigrants and the Canadian born. Naturally, some immigrants acquired part of their experience abroad, but several studies have revealed that the economic return to this experience has declined a great deal over time, to the point that recent immigrants receive almost no economic benefit from it (Picot, 2008). Also, for a variety of reasons, immigrants have a tendency to settle in Canada's census metropolitan areas (CMAs). For example, in 2006, 68.9 % of

immigrants admitted between 2001 and 2006 lived in only three CMAs (Toronto, Montreal and Vancouver), compared with 34.4 % of the total population of Canada (Statistics Canada, 2009).

With regard to education, Gilmore and Le Petit (2008) found that of those aged 25 to 54 years, immigrants, and particularly the most recent arrivals, are much more likely than those born in Canada to find themselves in school, even if they already have a university degree.⁷ This behaviour is probably aimed at acquiring skills recognized and valued by the receiving labour market. As we have seen, obtaining a Canadian degree increases access to jobs and also the probability that these jobs will correspond to the education acquired. Nonetheless, while investing in a Canadian degree these immigrants are less focussed on integrating into the labour market, which could explain for their poor showing during their first years in Canada.

In the case of women, studies have established a negative relationship between the presence of preschool-aged children and participation in the Canadian labour market. Now, census data from 2006 indicates that immigrant women aged 15 to 50 years are more likely to have a preschool aged child than their Canadian-born counterparts (24 % vs. 18 %). This could contribute to participation rate gaps between these two groups.

To neutralize the effects of the aforementioned factors, and thus estimate the adjusted differentials between immigrants and those born in Canada, we conducted a multivariate analysis. The two indicators analysed are labour market participation and unemployment, expressed as two dichotomous dependent variables: The former assumes the value 1 if the person is on the labour market,⁸ 0 otherwise; the latter assumes the value 1 if the person is employed, 0 if unemployed. Recall that the analysis of unemployment excludes individuals who are not labour market participants, i.e. neither working nor looking for work. Probit regression is used to model these dichotomous variables. In addition to the status of immigrant, the regressions contain a variety of control variables. Among these variables, we find education level and work experience. Unfortunately, the LFS does not contain information on language skills, though a large number of recent arrivals reported that language created a problem during the job search (cf. Section II.2). However, it is worth noting that the way language skills are measured in some sources, such as the Census, often falls short, simply reflecting a self-declared ability and with no indication of the actual skill level. In addition, the LFS does not collect

⁷ In 2007, 19 % of immigrants having landed within the preceding five years and aged 25 to 54 were attending an educational institution in Canada, despite the fact that they already had a university degree. The corresponding percentage was 6.7 % among those born in Canada (Gilmore and Le Petit, 2008).

⁸ Working or seeking work.

data on workers' actual work experience. Following many studies on the subject (for instance: Aydemir and Skuterud, 2005; Boudarbat and Boulet, 2007; Hou, 2010) we create a potential-experience proxy, computed by subtracting the age at which highest degree would normally be obtained from the respondent's actual age. Another indicator retained in the control variables is the census metropolitan area, which, as we have seen, accounts for a high geographical concentration of immigrants. Finally, we have retained an indicator of marital status and, for women, the presence of preschool aged children as control variables.

In light of the different socioeconomic realities confronting men and women, the regressions were conducted separately for each sex.

The results are presented in Table 7. We observe that in Quebec the adjusted gap between the participation rate of immigrant and Canadian-born men is small (1.3 points) and not statistically significant. We find nearly the same gap in Ontario, but there it is statistically significant at the 5 % level. For constant characteristics, the highest adjusted participation rate differential between immigrant and Canadian-born men is in British Columbia, at -3 percentage points. At this stage, we can conclude that Quebec is successful in attracting immigrant men who have a stronger attachment to the labour market, which is a desired result to the extent that one of the main objectives of immigration policy is to attract candidates for the work force. However, the opposite obtains for women. In fact, all other things being equal, Quebec posts the largest difference between immigrant and Canadian-born women in terms of labour market participation. In 2010, their adjusted participation rate was 9.7 percentage points lower than that of Canadian-born women living in Quebec. This differential separating women was 6.5 points in Ontario and 6.9 points in British Columbia.

Table 7 – Adjusted participation and unemployment rate gaps between Canadian born and immigrant workers aged 15–64, by sex and province of residence, 2010

	Participation rate gap (percentage points)		Unemployment rate gap (percentage points)	
	Men	Women	Men	Women
Quebec	-1.3	-9.7***	+8.8***	+8.1***
Ontario	-1.3**	-6.5***	+3.9***	+5.4***
British Columbia	-3.0***	-6.9***	+4.2***	+3.4***

Adjusted gaps were estimated using a probit model with the following control variables: (for both sexes) potential experience, education level, student status, marital status, living in a CMA, and (for women) the presence of preschool aged children. *** Significant at 1 % level; ** significant at 5 % level; * significant at 10 % level.

The results in Table 7 confirm that it is in Quebec where immigrants of both sexes most struggle with unemployment compared to their Canadian-born counterparts. Indeed, once differences in the observable characteristics have been accounted for, the differential between the unemployment rates of immigrant and Canadian-born workers is estimated at 8.8 percentage points for men and 8.1 percentage points for women in Quebec. These values are, respectively, 3.9 and 5.4 points in Ontario and 4.2 and 3.4 points in British Columbia. All the estimated unemployment rate differentials are statistically significant.

IV – DECOMPOSITION OF PARTICIPATION AND UNEMPLOYMENT RATE DIFFERENTIALS BETWEEN QUEBEC AND THE OTHER PROVINCES

The goal of this section is to explain participation and unemployment rate differentials between immigrants to Quebec and the two other provinces in the study. We have seen that immigrants to Quebec have more difficulty finding a job than their counterparts in Ontario and British Columbia. These differentials, as well as those observed in other labour market results, may be - at least partially - explained by differences between the characteristics of immigrants to Quebec and those to the two other provinces. For example, in terms of country of origin, the flow of immigrants into Quebec is more diversified than in Ontario and British Columbia (Boudarbat and Boulet, 2010). Moreover, our data indicate that immigrants to Quebec tend to be more educated and more likely to have acquired their postsecondary education in Canada than immigrants to other provinces in study. However, the average time elapsed since their arrival is shorter. As we have seen, the situation of immigrants on the labour market improves over time.

Thus, it is possible that some characteristics work in the favour of immigrants to Quebec, while others put them at a disadvantage vis-à-vis immigrants to Ontario and British Columbia. However, these characteristics alone do not explain everything. The situation of immigrants on the labour market derives also from how these characteristics are valued on that market. From this perspective, it is possible that some characteristics are less valued in Quebec than elsewhere, and vice versa. It is also possible that there is a systemic resistance to the integration of immigrants in the Quebec labour market, irrespective of their characteristics.

To understand this more fully, we need to decompose the observed differentials between immigrants to Quebec and to the other provinces in terms of labour market participation and unemployment. The approach is described in the following section.

IV.1 – Theoretical framework

Consider a variable of interest Y (wages or labour market participation, for example) and two groups of individuals with means/rates of \bar{Y}_1 and \bar{Y}_2 , respectively. We are interested in the determinants of the mean/rate differential between the two groups ($\bar{Y}_1 - \bar{Y}_2$), which we here call “total differential.” For this, consider a set of observable characteristics X that may explain (or predict) the variable Y . In a linear model, with Y as the dependent variable, the coefficients of X (denoted β_1 for group 1 and β_2 for group 2) are estimated using ordinary least squares (OLS). Next, the Blinder-Oaxaca decomposition (Blinder, 1973 and Oaxaca, 1973) assumes:

$$\bar{Y}_1 - \bar{Y}_2 = (\bar{X}_1 - \bar{X}_2)\beta_1 + \bar{X}_2(\beta_1 - \beta_2) \quad (1)$$

where \bar{X}_1 and \bar{X}_2 represent the mean of X for groups 1 and 2, respectively. Thus, the mean/rate differential between the two groups is decomposed into an “explained” part, i.e. attributable to the differences in the characteristics of the two groups, and an “unexplained” part, attributable to differences in the coefficients β (including the constant).

Several variants of the decomposition in (1) have been proposed. Notably, Neumark (1988) suggests the following:

$$\bar{Y}_1 - \bar{Y}_2 = (\bar{X}_1 - \bar{X}_2)\beta_R + [\bar{X}_1(\beta_1 - \beta_R) + \bar{X}_2(\beta_R - \beta_2)] \quad (2)$$

where β_R is the vector of coefficients X for a sample combining both groups (pooled model). This is the method we apply in this study.

It should be noted that the Blinder-Oaxaca decomposition was initially developed to study wage differentials between sexes, races, etc. Consequently, it only applies to linear models in which the dependent variable is quantitative. In the case of (nonlinear) models with a dichotomous dependent variable like labour market participation, this decomposition is not applicable unless we consider a probabilistic linear model, as in Frenette and Zeman (2007), Grenier and Nadeau (2010), among others. Recently, authors have suggested methods for decomposing differences in rates/proportions between two groups, and in which the base models are of the probit or logit type (Yun, 2004; Fairlie, 2005; Bauer and Sinning, 2008, for example). The method proposed by Fairlie (2005) only allows the contribution of each variable in X to the explained part of the differential to be determined. Yun (2004) developed a more comprehensive method.

Finally, it is worth noting that, in the case of categorical independent variables (level of education, for example), the results of the decomposition depend on the choice of reference category. To overcome this problem, Yun (2005) suggests performing a decomposition based on so-called “normalized” effects.

As we have mentioned, we will focus on participation and unemployment rate differentials between immigrants to Quebec and the other provinces. We retained the same human-capital explanatory variables for these differentials (potential experience, education level, and where postsecondary education was completed) as well as the duration since immigration. We also retained student status, region of origin, marital status, the presence of preschool aged children (in the case of women), and residence in a CMA. Finally, to account for the impact of the business cycle on participation and unemployment rates, we also control for the month and year of the survey. So far, we have focussed on the situation of immigrants in 2010 and, when applicable, made comparisons with the situation in 2006. Now, the sample size available for a given year does not permit a very thorough analysis. In particular, the role played by an immigrant’s region of origin cannot be evaluated with much precision given the small number of observations for some regions. To circumvent this limitation and reach the most robust conclusions possible, we decided to combine all LFS files from January 2006⁹ until December 2010. Thus, our analysis is on aggregate data for the period 2006–2010. Finally, as in Section III, participation and unemployment rates differentials between Quebec and the other provinces are analysed separately for men and women.

The results of these decompositions are presented in Table 8 for the participation rate and Table 9 for the unemployment rate.

IV.2 – Decomposition of immigrants’ participation rate differentials

Table 8 reveals that, for the entire period 2006–2010, overall participation rate differentials between immigrants to Quebec and to the two other provinces in our comparison are small. Nonetheless, we observe that immigrant men in Quebec are slightly more prone to participate in the labour market than their counterparts in British Columbia, while these two provinces simultaneously report the same participation rate for women. It is in Ontario that immigrants, especially women, are most prone to participate in the labour market. In the case of women, this rate is nearly 2.5 points higher than in Quebec and British Columbia.

⁹ Recall that the LFS only started collecting information about immigrants in January of 2006.

A decomposition of these differentials reveals some original results. First, the observable characteristics of immigrant men in Quebec almost fully explain their participation rate differentials with Ontario and British Columbia, but there is an important caveat: The characteristics of immigrants to Quebec are a liability relative to their counterparts in Ontario, but these same characteristics are an asset relative to those in British Columbia. Thus, the unexplained part of the differentials, i.e. the part arising from differences in the effects of the characteristics considered in the regressions, is very small and not statistically significant with respect to both Ontario and British Columbia. In short, for the same characteristics, male immigrants to the three provinces post practically the same participation rate.

The situation is different for female immigrants to Quebec: Their characteristics have almost no impact on the participation rate differential with their counterparts in Ontario, but they provide a significant benefit compared with women immigrants to British Columbia. However, this advantage is substantially attenuated by the fact that the characteristics in question do not have the same impact in Quebec as in the two other provinces (unexplained part of the differentials). Thus, for the same characteristics, immigrant women in Quebec lag nearly two percentage points behind their counterparts in Ontario and British Columbia in terms of the participation rate.

Among the factors reducing the labour market participation rate of immigrants to Quebec relative to those to the other provinces, we find that they are more likely to pursue studies and that they arrived here more recently. In the case of women, it also appears that those in Quebec are more likely to have preschool age children. Since these are temporary factors, we can assume that the situation of immigrants in Quebec will improve over time. In particular, attending school is a predictor of a strong attachment to the labour market, and obtaining a degree in Canada will have a positive impact on the future economic situation of immigrants.

We also observe that the level of education has a negligible effect on the observed differentials. As to the structure of the regions of origin, we note that it has no detrimental effect on immigrants to Quebec. Conversely, Quebec receives a non-negligible benefit from it, because it adds between 1.7 and 2 percentage points to its immigrants' participation rate compared to British Columbia. This advantage is less pronounced in the case of Ontario, where it is 0.7 percentage points in the case of women.

At this stage of the analysis, we can conclude that Quebec's immigration policies are not to be blamed for the situation of immigrants; at least not as far as their labour market participation is concerned.

Table 8 – Decomposition of the participation rate differentials between immigrants to Quebec and immigrants to Ontario and British Columbia during the period 2006–2010

	Men				Women			
	Difference with Ontario		Difference with British Columbia		Difference with Ontario		Difference with British Columbia	
	Coefficient	Standard error	Coefficient	Standard error	Coefficient	Standard error	Coefficient	Standard error
Mean participation rate during 2006–2010:								
Quebec	0.8184***	0.0044	0.8184***	0.0044	0.6751***	0.0057	0.6751***	0.0057
Ontario	0.8305***	0.0022	-	-	0.6989***	0.0027	-	-
British Columbia	-	-	0.8062***	0.0035	-	-	0.6726***	0.0042
Participation rate gap	-0.0121**	0.0049	0.0123**	0.0056	-0.0238***	0.0063	0.0025	0.0071
Explained	-0.0096***	0.0025	0.0177***	0.0044	-0.0054	0.0034	0.0218***	0.0054
Unexplained	-0.0025	0.0045	-0.0054	0.0067	-0.0184***	0.0061	-0.0193**	0.0080
Explained differential								
Potential experience	0.0121***	0.0023	0.0148***	0.0018	0.0140***	0.0048	0.0141***	0.0021
Time since arrival	-0.0037***	0.0008	-0.0032***	0.0008	-0.0089***	0.0021	-0.0046***	0.0009
Education level	0.0011	0.0007	0.0005	0.0008	0.0011	0.0017	0.0013	0.0010
Canadian credentials	0.0006**	0.0003	0.0022***	0.0005	0.0027**	0.0013	0.0061***	0.0010
Student status	-0.0126***	0.0015	-0.0104***	0.0015	-0.0139***	0.0032	-0.0098***	0.0013
Region of origin	-0.0030*	0.0018	0.0170***	0.0036	0.0072*	0.0039	0.0204***	0.0044
Marital status	-0.0039***	0.0009	-0.0042***	0.0009	0.0027***	0.0010	0.0038***	0.0007
Preschool aged children	-	-	-	-	-0.0104***	0.0026	-0.0098***	0.0011
CMA	-0.0001	0.0001	0.0009**	0.0004	0.0001	0.0001	0.0002	0.0006
Year of survey	-0.0002	0.0001	0.0000	0.0001	0.0001	0.0001	0.0002	0.0002
Month of survey	0.0000	0.0001	0.0000	0.0001	0.0000	0.0001	-0.0001	0.0001

Table 8 – continued

	Men				Women			
	Difference with Ontario		Difference with British Columbia		Difference with Ontario		Difference with British Columbia	
	Coefficient	Standard error	Coefficient	Standard error	Coefficient	Standard error	Coefficient	Standard error
Unexplained differential								
Potential experience	0.0046	0.0100	0.0191	0.0177	0.0141	0.0222	0.0773**	0.0374
Time since arrival	0.0070	0.0097	0.0030	0.0111	-0.0122	0.0159	0.0084	0.0240
Education level	-0.0024	0.0028	-0.0026	0.0030	0.0016	0.0042	0.0054	0.0061
Canadian credentials	0.0035	0.0041	-0.0012	0.0035	0.0113*	0.0059	0.0048	0.0077
Student status	-0.0019	0.0021	-0.0022	0.0019	-0.0040*	0.0023	-0.0112***	0.0039
Region of origin	0.0015	0.0021	0.0012	0.0033	-0.0021	0.0038	-0.0006	0.0089
Marital status	0.0054	0.0098	-0.0172	0.0155	0.0021	0.0101	-0.0051	0.0150
Preschool aged children	-	-	-	-	0.0040	0.0028	-0.0009	0.0039
CMA	0.0151	0.0177	0.0227	0.0204	-0.0650*	0.0293	-0.0396	0.0400
Year of survey	0.0001	0.0001	0.0000	0.0001	0.0003	0.0003	-0.0001	0.0004
Month of survey	-0.0001	0.0001	-0.0001	0.0001	0.0000	0.0001	0.0000	0.0001
Constant	-0.0354	0.0382	-0.0281	0.0325	0.0317	0.0384	-0.0578	0.0569

The sample analysed includes immigrants aged 15 to 64 years from an aggregation of all LFS files for the months January 2006 to December 2010. *** Significant at 1 % level; ** significant at 5 % level; * significant at 10 % level.

IV.3 – Decomposition of immigrants’ unemployment rate differentials

It follows from the results presented in Table 9 that, for the entire period 2006–2010, the unemployment rate of immigrants to Quebec was 3.5 to 3.6 percentage points higher than that of their counterparts in Ontario, and approximately 6 points higher than in British Columbia. In total, the observable characteristics of immigrants to Quebec only explain between 1 and 1.2 points of these differentials for both sexes, indicating that, for the same characteristics, the unemployment rate would remain significantly higher among immigrants to Quebec: +2.4 points relative to Ontario and +4.8 points relative to British Columbia in the case of men, and +2.3 points and +4.5 points respectively for women.

Moreover, these detailed results for the explained differential allow two factors that are detrimental to the job search of Quebec immigrants to be identified: the time elapsed since arrival and the structure of countries of origin. Those two factors alone account for approximately 1 point of the unemployment rate differential between immigrants to Quebec and to the two other provinces, or nearly half of the explained difference. As we have indicated, on average, immigrants to Ontario and British Columbia have more years of residency in Canada than immigrants to Quebec, which benefits them on the labour market. While the impact of the structure of immigrants’ country of origin is not very significant statistically, we can reasonably infer that it confers a slight handicap on Quebec relative to the other provinces. Thus, we find that the structure of the country of origin of immigrants to Quebec increases labour market participation, but that this does not readily yield a job. That being said, once we control for the effect of the duration of residency in Canada, we find no evidence that the characteristics of the immigrants—and thus Quebec’s selection policies—, are causing the difficulties immigrants experience integrating into the Quebec labour market.

The breakdown of the unexplained differential reveals a significant difference in the base probability of being unemployed (constant effect) between immigrants to Quebec and the other two provinces in our comparison. This is particularly true in the case of female immigrants, for whom Table 9 indicates a constant unemployment rate differential of approximately 7.6 % between Quebec and British Columbia. Furthermore, this differential is statistically significant at the 1 % level. Thus, we can reasonably infer that the Quebec labour market is inherently reluctant to hire immigrants, regardless of their characteristics. Obtaining Canadian credentials is an initiative that can help immigrants to Quebec compensate for this handicap. In fact, this appears to have a particularly high impact in Quebec in terms of access to jobs, especially among immigrant women—their unemployment rate falls by 1 percentage point relative to that of their counterparts in British Columbia. We also note that the time elapsed since

landing in Canada confers a greater benefit on male immigrants to Quebec than on those to the two other provinces—though it has the opposite effect on female immigrants. However, these latter derive greater benefit from their years of potential experience, allowing them to make up as much as 4.3 percentage points of the unemployment rate differential with female immigrants to British Columbia.

Table 9 – Decomposition of the unemployment rate differentials between immigrants to Quebec and immigrants to Ontario and British Columbia during the period 2006–2010

	Men				Women			
	Difference with Ontario		Difference with British Columbia		Difference with Ontario		Difference with British Columbia	
	Coefficient	Standard error	Coefficient	Standard error	Coefficient	Standard error	Coefficient	Standard error
Mean unemployment rate during 2006–2010:								
Quebec	0.1212***	0.0041	0.1212***	0.0041	0.1235***	0.0043	0.1235***	0.0043
Ontario	0.0849***	0.0017	-	-	0.0887***	0.0018	-	-
British Columbia	-	-	0.0625***	0.0021	-	-	0.0666***	0.0022
Unemployment rate gap	0.0364***	0.0045	0.0587***	0.0046	0.0348***	0.0047	0.0570***	0.0048
Explained	0.0121***	0.0023	0.0104**	0.0044	0.0118***	0.0024	0.0119***	0.0044
Unexplained	0.0243***	0.0043	0.0483***	0.0061	0.0230***	0.0045	0.0450***	0.0060
Explained differential								
Potential experience	-0.0008*	0.0004	-0.0017**	0.0008	0.0018***	0.0006	0.0004	0.0005
Time since arrival	0.0056***	0.0008	0.0055***	0.0010	0.0048***	0.0008	0.0032***	0.0008
Education level	-0.0009	0.0007	-0.0015	0.0011	-0.0001	0.0010	0.0004	0.0010
Canadian credentials	-0.0005**	0.0002	-0.0018***	0.0007	-0.0012***	0.0004	-0.0022***	0.0008
Student status	0.0000	0.0002	-0.0001	0.0003	0.0004**	0.0002	0.0000	0.0001
Region of origin	0.0051***	0.0019	0.0058	0.0043	0.0031*	0.0019	0.0074*	0.0039
Marital status	0.0028***	0.0007	0.0040***	0.0009	0.0013***	0.0004	0.0021***	0.0006
Preschool aged children	-	-	-	-	0.0009***	0.0003	0.0008*	0.0005
CMA	0.0000	0.0001	-0.0004	0.0005	0.0000	0.0000	-0.0002	0.0005
Year of survey	0.0010**	0.0005	0.0006	0.0005	0.0007**	0.0003	0.0001	0.0003
Month of survey	-0.0001	0.0001	0.0000	0.0001	0.0001	0.0001	-0.0001	0.0001

Table 9 – continued

	Men				Women			
	Difference with Ontario		Difference with British Columbia		Difference with Ontario		Difference with British Columbia	
	Coefficient	Standard error	Coefficient	Standard error	Coefficient	Standard error	Coefficient	Standard error
Unexplained differential								
Potential experience	0.0121	0.0150	0.0096	0.0174	-0.0175	0.0162	-0.0425**	0.0168
Time since arrival	-0.0109	0.0099	-0.0181	0.0112	0.0041	0.0115	0.0222**	0.0113
Education level	0.0021	0.0026	-0.0019	0.0026	-0.0009	0.0031	-0.0001	0.0029
Canadian credentials	-0.0063*	0.0037	-0.0046	0.0039	-0.0074	0.0046	-0.0098**	0.0042
Student status	-0.0001	0.0008	0.0001	0.0008	-0.0003	0.0010	0.0016	0.0011
Region of origin	-0.0036	0.0024	0.0000	0.0031	0.0022	0.0028	0.0002	0.0041
Marital status	0.0076	0.0130	0.0200	0.0135	-0.0045	0.0079	0.0045	0.0079
Preschool aged children	-	-	-	-	0.0001	0.0018	0.0012	0.0016
CMA	-0.0091	0.0172	0.0159	0.0162	0.0017	0.0204	-0.0071	0.0185
Year of survey	-0.0005**	0.0002	-0.0004*	0.0002	-0.0007***	0.0003	-0.0008***	0.0003
Month of survey	-0.0001	0.0001	-0.0001	0.0001	-0.0002*	0.0001	-0.0001	0.0001
Constant	0.0330	0.0270	0.0277	0.0280	0.0466	0.0289	0.0757***	0.0284

The sample includes immigrants aged 15 to 64 years from an aggregation of all LFS files for the months January 2006 to December 2010. *** Significant at 1 % level; ** significant at 5 % level; * significant at 10 % level.

DISCUSSION AND CONCLUSION

The economic integration of immigrants is an important issue. Governments see immigration as a key element of strategies to improve Canada's and Quebec's economic prospects in light of the aging population and low birthrates. Policies pursued since the 1960s are designed to maximize the benefits of immigration by attracting those candidates with the greatest chance of rapidly integrating into the labour market. However, we are compelled to conclude that the situation of newcomers has undergone a marked deterioration, despite the fact that they are increasingly educated.

This study covers a very difficult period from the perspective of fluctuations in the labour market situation. Indeed, the Canadian unemployment rate rose from a low of 6 % in 2007 (6.3 % in 2006) to a high of 8.3 % in 2009 (8 % in 2010). This deterioration in the labour-market situation affected the three provinces in our study differently. In British Columbia, the unemployment rate rose by 3.4 points between 2007 and 2009, from 4.2 % to 7.6 %. In Ontario, it climbed 2.6 points (from 6.4% to 9 %), compared to an increase of only 1.3 points in Quebec (from 7.2 % to 8.5 %). Against this backdrop, it appears clear that the ability of immigrants and native-born Canadians to integrate into the labour market does not only depend on their own aptitudes and the characteristics of their human capital but also on firms' scope for hiring.

The most important finding that emerges from our descriptive analyses is that the unemployment rates of Canadian-born workers are comparable across the three provinces. The same is true for immigrants who acquired their postsecondary education in Canada: Their unemployment rate in Quebec is comparable to that in the other provinces. However, Quebec ranks dead last in the employment of immigrants with credentials earned abroad. In general, our results confirm that the relatively weak performance of the Quebec labour market in comparison with the other provinces of Canada is almost entirely due to a poor record integrating certain groups of immigrants. Thus, it is in Quebec that the greatest efforts will be required to dismantle the obstacles to hiring these immigrants, in particular the most recent arrivals.

There is little room in the Quebec economy for immigrants without high school certificate—their unemployment rate was 20.5 % in 2010. This rate is negatively correlated with the education level: It was 11.2 % for immigrants with a college diploma and 9.4 % for those with a university degree. Overall, the behaviour of immigrants on the job market, and their employment outcomes, are highly correlated with their level of education. Immigrants with higher levels of education are more likely to integrate

into the labour market and find work, and they earn a higher wage, confirming the importance of continuing to emphasize education in the selection grids.

Relatively few recent arrivals report discrimination as an obstacle to hiring, but the percentage of those who do is slightly higher in Quebec (21.8 %) than in Ontario (17.1 %) or British Columbia (12 %). These values fall to 7.4 %, 3.2 %, and 3.1 %, respectively, when only the main obstacles to employment are considered. Lack of Canadian experience and language problems are greater impediments to accessing jobs during the first years in Canada. These two issues were reported by 71.8 % and 49.7 %, respectively, of Quebec respondents. Of course, the perception of job discrimination can be very subjective and devoid of any basis. And, even if it exists in fact, it can be dissimulated by employers, making it difficult for job seekers to recognize. Nonetheless, our results are relevant from a public policy perspective, because they suggest that programs that emphasize the acquisition of professional experience in Canada and the development of language skills will have more impact on the integration of immigrants into the labour market than policies designed to combat job discrimination.

Several other studies have demonstrated the importance of Canadian experience as a factor in labour market integration. For example, Oreopoulos (2009) found that where credentials were earned no longer has any impact on the likelihood of obtaining a job interview if the candidate has from four to six years of Canadian experience. The problem is that you need a job to be able to acquire this experience, but employers require the experience before granting the job. This is the catch-22 situation we need to overcome so that recent arrivals seeking to integrate will be able to obtain their first work experience. For this, employers must be convinced to become involved in this integration effort, since they are the ones who hire. By offering probationary positions and temporary jobs that align with the skills of immigrants, they could help them acquire the experience to complement their résumés and give more weight to their applications for a suitable job.

Conversely, experience acquired abroad provides little benefit, if any, for either access to work or compensation. In some situations, this experience may even prove detrimental to immigrants' rapid integration into the labour force. However, it is considered among the selection criteria. Non-recognition of professional experience is a very real problem that other studies have pointed out. From a policy perspective, if newcomers must start from scratch in the Canadian labour market because the experience they acquired abroad doesn't count, it would be better to focus on the immigration of young candidates with little or no foreign experience. Furthermore, they would be able to stay on the labour market longer. Their time horizon would also be sufficiently long to justify returning to school to

satisfy the requirements of the labour market. This recommendation is also relevant in light of the debate over retirements and government finances that is currently raging in Quebec. In fact, workers who integrate into the labour market late in life have little time to pay into a pension fund or to save, rendering their post-retirement financial situation precarious.

An analysis of overqualification among university graduates reveals that two immigrant graduates out of three who studied abroad are educated beyond the requirements of their jobs. On the other hand, in the three provinces we looked at, those who graduated in Canada are much less affected by this problem. This finding provides grounds for the hope that new provisions in the immigration policies of Quebec and Canada, introduced to encourage the immigration of foreign students, will have a positive effect on the situation of new immigrants on the labour market. However, these provisions will not allow the quantitative goals of immigration to be attained on their own. Quebec and Canada will thus continue to rely on the services of immigrants trained abroad, reinforcing the need for measures to help highly-qualified immigrants avoid job ghettos.

The data draw our attention to an important fact about the type of jobs immigrants occupy: In every province, they are more likely than those born in Canada to opt for self-employment. This choice may be due to the various obstacles they confront on the labour market, which provide them with the incentive to strike out on their own. Integration policies may, thus, encourage private initiative among immigrants and help those who have projects to act on them.

Immigrants to Quebec are more likely than immigrants to the two other provinces to occupy jobs in the public sector (16.5 % in 2010) and to be unionized (32 %). This gives them greater job security and access to the benefits associated with these types of positions. Furthermore, since 2006 the gap in this area has shrunk considerably between immigrants and Canadian-born workers in Quebec. If the public sector is increasingly open to hiring immigrants in this province, we can only hope that these positions are attributed according to merit, and not solely to reduce the unemployment rate among immigrants. Otherwise, these jobs are taking on a social character, which is tantamount to hiring individuals into positions despite the fact that they would be more productive elsewhere in the economy. This way of proceeding would also create a risk of inefficient behaviour in the sense that some workers may be inclined to assign too much value to finding a job in the public sector and, as a consequence, narrowly focus their job-search efforts there rather than looking in the private sector. Governments must ensure equal opportunity in public sector hiring while promoting an optimal allocation of available human resources.

Our multivariate analysis indicates that, in Quebec, immigrant women are much less likely than Canadian-born women to participate in the labour market, all other things being equal. This divergence attained 9.7 percentage points in 2010, compared with 6.5 in Ontario and 6.9 in British Columbia. In the case of men, the adjusted difference between immigrants and those born in Canada in terms of labour market participation is negligible in Quebec and Ontario (1.3 %), while it stands at 3 % in British Columbia in favour of the Canadian born. Thus, another great challenge to Quebec is to provide more incentive to immigrant women to join the labour force. In this regard, it is worth noting that the situation prevailing on the labour market may be influencing them. Consequently, their behaviour could change if their job prospects were to improve. By supporting the integration of immigrants into the labour force, the government would indirectly encourage immigrant women to participate. We must consider, however, that the behaviour of immigrant women with regard to the labour market is also dictated by cultural considerations that the government cannot control, but might be able to attenuate—by placing greater emphasis on education when dealing with immigrants from regions in which women are typically less active on the labour market, for example.

The decomposition of unemployment rate differentials between immigrants to Quebec and their counterparts in Ontario and British Columbia has yielded two major findings. First, the characteristics of immigrants to Quebec, such as their region of origin and education level, are not responsible for their situation. In other words, the unemployment rate would change little if Quebec were to receive the same kind of immigrants as the other Canadian provinces. In fact, differences between the characteristics of immigrants only explain one-third of the unemployment rate differential between immigrants to Quebec and Ontario during the 2006–2010 period, and scarcely a fifth of the Quebec–British-Columbia differential. Thus, it would be difficult to fault the Government of Quebec’s selection policies and their impact on the characteristics of the immigrants who settle in this province. Second, the observed differentials are largely attributable to the fact that, in a fundamental sense and for reasons that cannot be explained by the data we used, the immigrant unemployment rate is higher in Quebec than in the two other provinces in our comparison. It seems, at least on the surface, that Quebec employers are relatively reluctant to hire certain groups of immigrants, unlike their counterparts in other provinces. If so, this will undermine the effectiveness of any adjustment the Government of Quebec may wish to make to the selection grid in order to correct the province’s labour market situation. It is also possible that immigrants to Quebec are less likely to take jobs that do not match their expectations. For instance, immigrants to British Columbia are more likely to accept jobs below their levels of education, or to consider self-employment. Immigrants to Quebec may rather

choose to remain unemployed while seeking to meet their expectations. There are, thus, sound reasons to promote awareness among employers and immigrants themselves of the importance of immigration to Quebec, and to explain that each and everyone must do their part to improve the prospects of newcomers.

Unfortunately, the data used in our study do not let us control for the labour-market impact of the immigrants' language skills. Using census data, Grenier and Nadeau (2010) were able to control for the knowledge of official languages in their comparison of employment rates of immigrants in Montreal and Toronto. One of their main conclusions is in line with our results: Quebec's immigration policies, including their implications for the structure of country of origin of immigrants, are not to blame for the poor performance of immigrants in Montreal's labor market. This poor performance is rather due to the fact that *"immigrants in Montreal are significantly less likely to know French than their Toronto counterparts to know English and their knowledge of French is less rewarded by employers than their Toronto counterparts' knowledge of English"* (Grenier and Nadeau 2010, Abstract).

As we have emphasized, according to the immigrants themselves, language is one of the major hurdles to finding a job. Even if skills acquired abroad are high calibre and meet a need in the Canadian economy, knowledge of one of the two official languages remains a *sine qua non* of successful integration. Language is also a factor that can enhance or limit the mobility of immigrants. Thus, those who are fluent in English can decide to establish themselves in any region of Canada, which those who only speak French cannot do. In this sense, an immigrant who speaks English and opted to land in Ontario initially, but is then unable to find a job, could move to any other anglophone province where there are better job prospects. However, the geographical mobility of an immigrant who only speaks French and starts out in Quebec will be limited, which could extend the period of unemployment. In a word, the provincial results we have been comparing may be distorted by a selectivity bias owing to the movement of workers.

Finally, we point out that Quebec has relatively few immigrants compared to Ontario and British Columbia. In fact, in 2006 immigrants only represented 11.5 % of the total population of Quebec, compared with 28.3 % in Ontario and 27.5 % in British Columbia. In light of the importance of networks and contacts in the labour market for obtaining work, immigrants to Quebec are at a disadvantage relative to their counterparts in the other provinces.

Notwithstanding the many problems encountered by immigrants seeking to carve out a niche in the Quebec work force, it is worthwhile to point out some positive aspects that are frequently ignored.

Nearly 66 % of immigrants aged 15 to 64 years old were employed in 2010, and this percentage stood at 71 % for those aged 25 to 54. Furthermore, while the unemployment rate of immigrants aged 15 to 64 years is 12.4 %, the vast majority of immigrants in the labour force (87.6 %) have a job and are contributing to the socio-economic development of Quebec. Studies, and especially media reports, tend to focus on problem cases, which could create the impression among newcomers that it is exceedingly difficult to find work. This perception may influence their attitudes toward work and discourage them from persevering in the job search. This is why we suggest also talking about immigrants who have succeeded in integrating and driving home their success. Their experience may illustrate ways to improve the lot of other immigrants who are struggling and identify factors of success that could be added to the selection grid. These immigrants may also be able to function as contacts for new immigrants who are seeking work, since nearly half of those who had trouble finding work mentioned the lack of contacts as an obstacle to hiring.

A survey of Quebec employers is also necessary in order to hear their version of the facts and to identify what factors they consider important to the hiring decision. Such a survey would also allow them to be canvassed on what steps need to be taken to improve the quality of migratory flows and thus facilitate integration.

Finally, while immigration is important for Quebec's demographic growth and to replenish the pool of workers, it should not be allowed to obscure the fact that the main source of skilled labour remains our own education system. Furthermore, our results reveal that workers educated in Canada have better prospects for integrating into the labour market than those who were trained abroad. Consequently, it is important to continue investing in the Quebec educational system, in order to allow universities and colleges to better meet the province's labour market requirements in terms of both quantity and quality. It is also necessary to redouble efforts among young Quebecers to reduce the school dropout rate. The government must also continue to stress measures to raise the birthrate that are targeted at families. In short, any other policies that are likely to increase the size and the skill-level of the labour force in the short and long term must continue to drive the government's priorities alongside immigration.

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APPENDIX

Table A1 – Unemployment rate trends among people aged 15 to 64 years, by immigrant status and province of residence (%)

		Quebec	Ontario	British Columbia	Canada
2006	Canadian born	7.4	6.1	4.6	6.2
	Immigrants	12.9	6.9	5	7.0
2007	Canadian born	6.8	5.9	4	5.8
	Immigrants	10.7	7.4	5.2	7.1
2008	Canadian born	6.7	6.2	4.6	5.9
	Immigrants	11.2	7.6	4.9	7.2
2009	Canadian born	7.7	8.5	7.8	7.9
	Immigrants	13.8	10.9	7.7	10.2
2010	Canadian born	7.3	8.1	7.4	7.6
	Immigrants	12.4	10.4	8.8	9.9