End of previous Forum article

Arthur Sweetman

Canada's Immigration System: Lessons for Europe?

The modern Canadian immigration system arguably began in 1967 with the introduction by the federal (i.e. national) government of the first "immigration points system".[1] It marked the beginning of a highly structured and actively managed approach to immigration policy that continues to this day for all three major classes of immigration: economic, family and refugees. This policy change did not affect the number of immigrants entering the country, but it altered the methodology used to select immigrants in the economic class. Part of the active management of immigration policy in Canada involves academic research, and consequently immigrant selection, settlement and long-term integration are more informed by academic research than is typical for other Canadian public policy issues.

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Although overly simplistic, immigration research from an economic perspective is often grouped into three broad categories: economic impacts on the receiving country, economic impacts on the sending country and the economic integration of immigrants in the receiving country. Perhaps surprisingly, given the attention given to it in many nations, very little Canadian research examines the economic impact of immigrants. Some research focuses on the economic ramifications for sending countries, but that topic is not addressed in this article.

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[1] A.G. Green, D.A. Green: Canadian immigration policy: The effectiveness of the point system and other instruments, in: The Canadian Journal of Economics/Revue canadienne d'économique, Vol. 28, 4b, 1995, pp. 1006-1041; A.G. Green, D.A. Green: The Goals of Canada's Immigration Policy: A Historical Perspective, in: Canadian Journal of Urban Research, Vol. 13, No. 1, 2004, pp. 102-139.

In contrast, there is a very extensive Canadian research literature addressing the economic integration of immigrants, including refugees, into the labour market.[2] While Canada's popular media most commonly – though not uniformly – argues that immigration brings great economic benefits for the receiving population, most academics and policy aficionados (both inside and outside of civil service)[3] interested in immigration policy seem to believe that the causal impact of immigration is "small". Although not always articulated in this manner, and despite limited research on the impacts of immigration, the dominant conclusion appears to be that the economic impact of immigration can be modestly positive if well managed or, conversely, modestly negative if poorly managed. A great deal of attention is therefore given to immigration and refugee policy and management.

It is not clear how much of the Canadian immigration experience is directly applicable to European policymakers. Canada's geography gives it greater control over its borders than is the case for many other nations, and the population's culture differs from that of many immigrant-receiving countries. In particular, Canadian society has a general broad-based comfort with relatively high levels of immigration.[4] Nevertheless, understanding how other jurisdictions approach immigration issues may spark ideas that could be of value. Canada has certainly learned from studying the immigration experiences of other countries; it has recently adapted ideas from New Zealand and Australia. At a minimum, Canada's observations of immigration policies, practices and outcomes in other countries have broadened and enriched the domestic policy debate, and hopefully other countries will similarly benefit from looking at Canada.

Somewhat arbitrarily, since they are not independent, it is convenient to group policies and practices regarding the economic integration of immigrants into three categories: selection/admission, settlement and post-settlement society-wide initiatives. After describing the Canadian immigration system, each of these will be discussed in turn.

A brief outline of the Canadian immigration system

In Canada, immigration is the act granting permanent residency status, including to refugees. All permanent residents are eligible to apply for citizenship after meeting certain requirements. A central requirement is that permanent residents are required to physically reside in Canada for 1,460 days in the six years immediately preceding the date of application and 183 days during each of four calendar years within those six years.[5] Other requirements for citizenship include an English or French language test, a test of knowledge of Canada, an absence of criminal activity and appropriate tax-filing behavior. Trends in citizenship rates are discussed by Picot and Hou, who observe an increase since the 1970s.[6] They found that in 2006 around 71% of resident immigrants had become citizens within six to ten years of their arrival, and this figure rose to about 89% after 20 years of residency.

Figure 1 presents Canada's immigration rate, i.e. the immigration flow as a percentage of the existing population, from 1940 until 2016, and contrasts its cyclical pattern with that of the unemployment rate. Immigration to Canada was almost nonexistent from the onset of the Great Depression until the end of World War II. In 1947 immigration was reopened, and the flows were relatively large and generally procyclical (i.e. immigration increased in booms and declined in recessions), with exceptions for refugees such as during the 1956 Hungarian refugee crisis. Canadian immigration rates in this period were three times larger than those in the United States, and they remain roughly two to two and a half times larger – although, given their relative populations, clearly the total number of immigrants to the United States is much larger than that

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[2] See C.M. Beach, A.G. Green, C. Worswick: Toward Improving Canada's Skilled Immigration Policy: An Evaluation Approach, C.D. Howe Institute, 2011; G. Picot, A. Sweetman: The Deteriorating Economic Welfare of Immigrants and Possible Causes: Update 2005, Analytical Studies Branch Research Paper No. 262, Statistics Canada, 2005; A. Ferrer, G. Picot, W.C. Riddell: New Directions in Immigration Policy: Canada's Evolving Approach to Immigration Selection, Working Paper No. 107, Canadian Labour Market and Skills Researcher Network (CLSRN), 2012. Statistics Canada's Analytical Studies Branch alone produces an extensive array of relevant publications, available at http://www5.statcan.gc.ca/olc-cel/olc.action?ObjId=11F0019M&ObjType=2&lang=en&Limit=1.

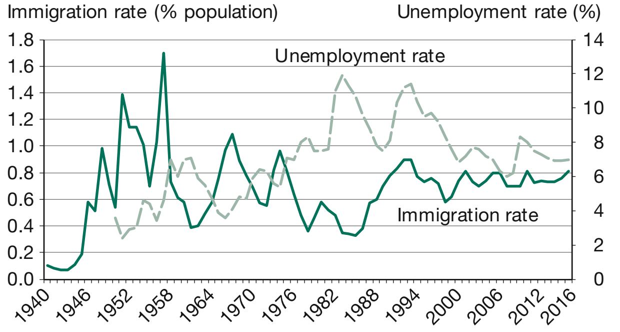
[3] I distinguish between bureaucrats within the civil service and the elected government. I offer no opinion on the understanding of elected officials regarding this issue.

[4] S. Soroka, S. Robertson: A Literature Review of Public Opinion Research on Canadian Attitudes towards Multiculturalism and Immigration, 2006-2009, Citizenship and Immigration Canada, 2010.

[5] These and other facts relating to the immigration system are described on the Immigration, Refugee and Citizenship Canada website of the Government of Canada, available at http://www.cic.gc.ca/english/department/index.asp.

[6] G. Picot, F. Hou: Divergent Trends in Citizenship Rates among Immigrants in Canada and the United States, Analytical Studies Branch Research Paper 338, Statistics Canada, 2011, pp. 1-37.

Figure 1
Canadian immigration and unemployment rates, 1940-2016



Source: Immigration rate: Immigration, Refugee and Citizenship Canada, Facts and Figures (multiple years); Unemployment rate: Statistics Canada.

to Canada.[7] As described by Green and Green, admission levels that were sensitive to the business cycle were essentially abandoned in the 1990s.[8] Economic analyses show two countervailing effects of this policy. On the one hand, the state of the business cycle on arrival has a small impact on immigrants' long-term labour market success.[9] That is, arriving during a boom is beneficial. On the other hand, arriving as part of a large cohort has a small negative impact.[10]

The official immigration statistics presented in Figure 1 reflect entries, but of course not all entries are permanent, since return and onward migration is an empirically important phenomenon. Aydemir and Robinson observe that around 25% of males 25-35 years old upon arrival are likely to exit within five years,[11] with about 35% leaving within 20 years. They also provide some evidence that those who arrive during recessions are less likely to stay, as are those in the skilled worker category (especially compared to refugees).

Prior to the early 1960s, immigration came primarily from a set of "preferred" source countries (e.g. Europe and the US), effectively discriminating against individuals from elsewhere. The introduction of the points system in 1967 was an effort to end this practice and broaden entry to a wider set of individuals, regardless of source country. However, shortly after this change, the market outcomes of new immigrants began to deteriorate.[12] Similar outcomes were observed in the United States,[13] which also expanded its source countries at about the same time. It took a while for this effect to be understood and confirmed, but starting in the mid-1990s, many policy reforms were undertaken to improve the labour market outcomes of new cohorts of immigrants.

Figure 2 shows the evolution of the number of individuals admitted in each of the major immigration classes – family, refugee and economic – from 1985 to 2016, and Figure 3 presents a similar graph from 1981 looking at the share of new entries in each class. One of the obvious policy levers pursued in an effort to improve the aggregate labour market outcomes of new immigrants was to increase the share of immigrants in the economic class. The points system was also adjusted to more tightly reflect market outcomes. Throughout the 1990s, the percentage of immigrants with post-secondary education increased dramatically.[14]

Table 1 presents Canada's immigration flows in 2016 by immigration class and subclass. Although not expected to change, these are preliminary counts and do not separately identify the principal applicants in each category from their spouses and dependents. As Table 1 shows, Canada categorizes new immigrants into three major groupings, plus an "other" category that primarily comprises humanitarian and compassionate cases that do not formally meet Canada's definition of refugee but are nonetheless humanitarian in nature.

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[7] A. Aydemir, A. Sweetman: First- and Second-Generation Immigrant Educational Attainment and Labor Market Outcomes: A Comparison of the United States and Canada, in: Research in Labor Economics, Vol. 27, No. 2298, 2008, pp. 215-70.

[8] A.G. Green, D.A. Green: The Goals of Canada's…, op. cit.

[9] A. Aydemir, M. Skuterud: Explaining the deteriorating entry earnings of Canada's immigrant cohorts, 1966-2000, in: Canadian Journal of Economics/Revue canadienne d'économique, Vol. 38, No. 2, 2005, pp. 641-672; M.G. Abbott, C.M. Beach: Do Admission Criteria and Economic Recessions Affect Immigrant Earnings?, IRPP Study No. 22, Institute for Research on Public Policy, 2011.

[10] F. Hou, G. Picot: Annual Levels of Immigration and Immigrant Entry Earnings in Canada, in: Canadian Public Policy, Vol. 40, No. 2, 2014, pp. 166-181.

[11] A. Aydemir, C. Robinson: Global labour markets, return, and onward migration, in: Canadian Journal of Economics/Revue canadienne d'économique, Vol. 41, No. 4, 2008, pp. 1285-1311.

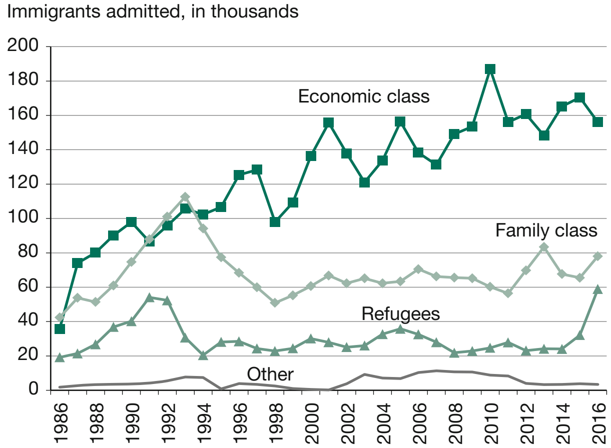
[12] M. Baker, D. Benjamin: The Performance of Immigrants in the Canadian Labor Market, in: Journal of Labor Economics, Vol. 12, No. 3, 1994, pp. 369-405; G. Picot, A. Sweetman, op. cit.; R. Morissette, R. Sultan: Twenty Years in the Careers of Immigrant and Native-born Workers, Economic Insights, No. 32, Statistics Canada, 2013.

[13] G.J. Borjas: Assimilation, Changes in Cohort Quality, and the Earnings of Immigrants, in: Journal of Labor Economics, Vol. 3, No. 4, 1985, pp. 463-489; G.J. Borjas: Assimilation and Changes in Cohort Quality Revisited: What Happened to Immigrant Earnings in the 1980s?, in: Journal of Labor Economics, Vol. 13, No. 2, 1995, pp. 201-245.

[14] Although this no longer occurs, it is worth noting as observed in Figure 3 that in Canada the magnitudes of the shares of economic and family class immigrants used to alternate across the business cycle with the less business cycle sensitive family class being more likely to arrive in recessions.

Figure 2

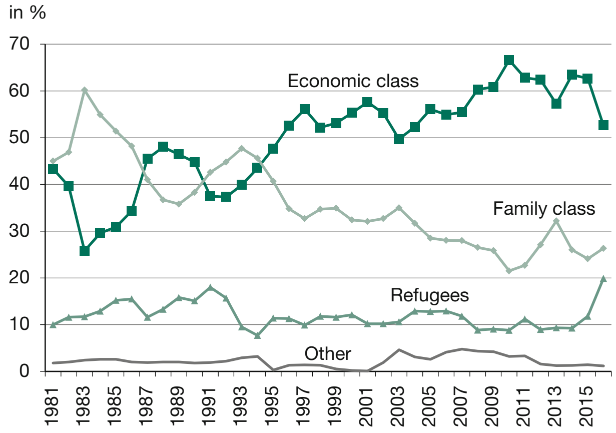
Permanent residents admitted by category, 1986-2016



Source: Immigration, Refugees and Citizenship Canada, Facts and Figures (multiple years).

Figure 3

Share of permanent residents admitted by category, 1981-2016



Source: Immigration, Refugees and Citizenship Canada, Facts and Figures (multiple years).

Family class

In 2016 family class included just over 25% of all new permanent residents. It is comprised of four subclasses: spouses and partners, sons and daughters, parents and grandparents, and "other". Most debate regarding family class immigration concerns the size of the parents and grandparents subclass, since the other subclasses are given some priority, while parents and grandparents are thought to be more costly for society (particularly with respect to healthcare). Although the magnitude of the effect is unclear, some portion of the family class represents chain migration related to those who entered in the economic class. Any evaluation, economic or otherwise, of economic class immigration policy therefore should take into account any ensuing family class migration.

Refugee class

Refugees form the second subclass and are probably of greater interest to European audiences at present. The recent Syrian refugee movement increased refugee numbers from just over 32,000 in 2015 to almost 59,000 in 2016. This represented almost 20% of the annual permanent resident flow and roughly 0.16% of the Canadian population in 2016 (with total migration comprising approximately 0.81% of the population). Individuals and families in the government-assisted, privately sponsored and blended sponsorship subclasses are assessed by the United Nations High Commissioner for Refugees (UNHCR), and perhaps also by Canadian sponsors, prior to arriving in Canada. They are granted permanent residency status on arrival and are encouraged to apply for citizenship.

Government-assisted refugees are sponsored by the federal government, which assists them with resettlement, as discussed below. In contrast, privately sponsored refugees are selected from among individuals identified as refugees by the UNHCR by groups of Canadians who sign formal sponsorship agreements with the federal government. Sponsors may identify particular individuals or families for resettlement, and these sponsors may be civil society organizations (commonly church-related) or groups comprising (in part) family members of refugees. They are responsible for financially supporting and assisting the integration of the refugees they sponsor for their first year in Canada, although relationships frequently endure much longer. The blended sponsorship program, which is relatively new, combines elements of the government-assisted and privately sponsored programs. Selection from among the pool of refugees is primarily undertaken by the federal government, which also provides some financial support. Private sponsors also provide some financial support for the first year and serve as the primary providers of integration services, including locating housing, integrating children into the school system and so on. Those asylum seekers who arrive in Canada, make a refugee claim and have that claim approved following adjudication fall into the protected persons category seen in Table 1.

Economic class

Canada's largest immigration class is economic; it comprises a diverse set of subclasses, regarding which there has been appreciable policy development over the last decade or two. The skilled worker program is the larg-

Table 1

Immigration to Canada by class in 2016

Immigration class	Number	Percentage of total permanent residents	Percentage of immigration class
Family class			
Spouses and partners	56 770	19.15	72.78
Sons and daughters	3 825	1.29	4.90
Parents and grandparents	17 035	5.75	21.84
Others	370	0.12	0.47
Subtotal	78 000	26.32	100
Refugees			
Government-assisted refugee	23 620	7.97	40.11
Privately sponsored refugee	18 640	6.29	31.65
Blended sponsorship refugee	4 430	1.49	7.52
Protected person in Canada	12 205	4.12	20.72
Subtotal	58 895	19.87	100
Economic class			
Skilled worker	65 610	22.14	42.05
Canadian experience class	17 815	6.01	11.42
Provincial/territorial nominee	46 180	15.58	29.60
Skilled trades	2 425	0.82	1.55
Entrepreneur	140	0.05	0.09
Self-employed	685	0.23	0.44
Investors	4 565	1.54	2.93
Start-up business	110	0.04	0.07
Live-in caregiver	18 480	6.23	11.85
Subtotal	156 010	52.64	100
Other	3 420	1.15	100
Category not stated	70	0.02	100
Total	296 395	100	na

Note: The permanent immigration rate was 0.81% in 2016. The "Other" category is presented as a single group in these estimates. These data are preliminary and do not allow principal applicants to be distinguished from spouses/dependants.

Source: Immigration, Refugee, Citizenship Canada – Monthly Updates, 2016.

est and is one of the oldest and best-known of Canada's economic immigration subclasses. Principal applicants in this subclass are subject to the points system, which adjudicates their characteristics in an effort to predict (screen for) labour market success. Potential immigrants are assigned points based on language ability, education, age and a small set of other characteristics. Historically, an applicant with points in excess of the threshold was added to the queue of those being processed for immigration. However, in 2015, following the advent of the express entry system, which is discussed below, individuals exceeding the skilled worker points threshold entered the express entry pool. In 2015 slightly less than half of those entering the skilled worker category were principal applicants. Although Canada's immigration policy is known for its points system, only about 11% of all immigrants, or just under 18% of all economic class immigrants, were adjudicated by it.

The "Canadian experience" subclass processed its first immigrants in 2009. It comprises two subcategories: those who had previously been either high-skilled temporary foreign workers or foreign post-secondary students in Canada. It grants these individuals a special pathway as a function of their previous Canadian experience, which is presumed to improve their labour market success subsequent to being granted permanent residency status.

Although there were previous pilot projects, provinces and territories were given a larger role in immigrant selection starting in the early 2000s. Today the provincial/territorial nominee program accounts for about 15% of total immigrant flows. It allows local or regional objectives to be met within the structure of the national program.[15] The province of Québec, Canada's majority French language jurisdiction, also manages its own economic class immigration system independent of the federal government.

Several years ago, during the oil boom in Western Canada and Newfoundland, it became obvious that it was very difficult for many immigrants in the skilled trades (i.e. skilled workers who do not necessarily have post-secondary credentials) to enter through the skilled worker program, despite there being substantial labour market demand for them. A special skilled trades route was therefore developed for this portion of the labour market.

A cluster of small economic subclasses, jointly referred to as business class immigration, comprises the entrepreneur, self-employed, investor and startup business programs. Several of these programs have undergone significant reform in recent years, and it is not yet clear how successful the new structures will be.

Finally, the permanent immigration live-in caregiver program accommodates those individuals who arrive initially as temporary foreign workers under the similarly named temporary live-in caregiver program. Recently, the "live-in" component of this program has been removed. After working as a caregiver in Canada for two years, these individuals have the right to apply for permanent residency.

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[15] M. Pandey, J. Townsend: Provincial Nominee Programs: An Evaluation of the Earnings and Settlement Rates of Nominees, in: Canadian Public Policy, Vol. 39, No. 4, 2013, pp. 603-618.

Express entry

Building on the experience of New Zealand, and to a lesser extent Australia, a program labeled "express entry" was introduced by the Canadian government in 2015. It is a profound shift in the approach to processing many economic class immigrants. A fundamental administrative difficulty inherent in the legislation and regulations establishing permanent selection practices prior to express entry was that there was no mechanism to prioritize applications or to reject them without processing each to completion. In the years immediately preceding the current reforms, applications representing approximately 450,000 individuals were received each year, well exceeding the targets at that time, which were set at closer to 250,000 new immigrants per year. Even if applications representing as many as 100,000 individuals were rejected for not meeting the minimum criteria, substantial backlogs developed with delays as long as four years from the time of application until processing and a potential offer of entry. Numerous detrimental implications follow from these substantial delays. On the economic side, a central ramification was that it prevented the matching of new immigrants with immediate labour market needs.

Express entry dramatically changed the nature of economic class immigration.[16] In particular, new applicants in the skilled worker, provincial/territorial nominee and the Canadian experience subclasses still need to meet the relevant minimum criteria for their programs, but in contrast to the previous system, meeting the minimum does not guarantee the right to immigrate to Canada. Instead, potential immigrants who successfully make it through the initial screens of these programs enter into an "express entry pool" from which nominators may select individuals and families to immigrate to Canada. Nominators include employers offering jobs to the new immigrants, and the federal and provincial governments.

These subclasses of economic class immigration have effectively been converted from a minimum threshold model to a competitive one. Meeting a minimum threshold is no longer sufficient: immigrants must also attract an employer or have a sufficiently high number of points or other characteristics that lead to nomination by either the federal or a provincial/territorial government. For Canada's immigration system, express entry is a dramatic change from accepting all applicants who exceed a minimum threshold and using a (sometimes extremely long) queue to deal with the excess demand.

Importantly, express entry gives employers a central role in immigrant selection, which has important short- and medium-term predictive power for beneficial labour market outcomes.[17] Of course, it may also increase competition between immigrants and the domestic population and foster substitution rather than complementarities in production. If increased competition does occur, it may undermine public support for immigration in the long run.

Evidence regarding economic integration

A number of studies address the importance of immigrant selection in the economic category, as well as across family, refugee and economic classes. Aydemir provides an international survey,[18] which partially draws on his 2011 work looking at very short-run outcomes for Canada,[19] while Abbott and Beach take a longer-term perspective,[20] as do Picot, Hou and Qiu.[21]

Sweetman and Warman extend Aydemir's work by looking at employment and earnings six months, two years and finally four years post-arrival (still relatively short-term) by immigration category.[22] They observe that at six months the "other" immigration class, the provincial nominee subclass of the economic class, and the "other" subclass of the family class (as seen in Table 1) have labour market outcomes that on average exceed those in the skilled worker program in terms of both employment and earnings. This is largely attributable to high numbers of these three groups having resided in Canada for an extended period of time prior to being granted permanent residency, and they are being compared to individuals who have for the most part only recently arrived. Perhaps surprisingly, closely behind these three groups and effectively on par with the skilled workers are privately sponsored refugees. At the other end, the classes with both the lowest employment rates and the lowest levels of earnings are refugees who were not privately sponsored, the parents and grandparents subcategory of the family class, and (surprisingly) the combined set of economic class subcategories deemed the business class.[23]

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[16] In practice, existing backlogs needed to be addressed, so the express entry system was effectively phased in; hence, dramatic changes are not observed on the admission side. However, for new applicants, the changes are very substantial.

[17] A. Bonikowska, F. Hou, G. Picot: Which Human Capital Characteristics Best Predict the Earnings of Economic Immigrants?, Analytical Studies Branch Research Paper No. 368, Statistics Canada, 2015, pp. 1-30.

[18] A. Aydemir: Skill Based Immigrant Selection and Labor Market Outcomes by Visa Category, in: A.F. Constant, K.F. Zimmermann (eds.): International Handbook on the Economics of Migration, Cheltenham 2013, Edward Elgar, pp. 432-452.

[19] A. Aydemir: Immigrant selection and short-term labor market outcomes by visa category, in: Journal of Population Economics, Vol. 24, No. 2, 2011, pp. 451-475.

[20] M.G. Abbott, C.M. Beach, op. cit.

[21] G. Picot, F. Hou, T. Qiu: The Human Capital Model of Selection and the Long-run Economic Outcomes of Immigrants, Analytical Studies Branch Research Paper No. 361, Statistics Canada, 2014.

[22] A. Sweetman, C. Warman: Canada's Immigration Selection System and Labour Market Outcomes, in: Canadian Public Policy, Vol. 39, Supplement 1, 2013, pp. 141-160.

By four years after arrival, the skilled worker class has accelerated and effectively caught up with the three leading groups. Picot, Hou and Qiu show that if the observation period is extended a few years further, these skilled workers come to have higher earnings than all the other immigration categories.[24] Having said this, given that they are well-educated individuals who arrived sometime in the past, care is needed in relating their results to current immigration classes, since the composition and structure of the immigration program has changed over time. The basic story, however, appears to be stable. A high percentage of immigrants in certain groups, such as the provincial nominee program and privately sponsored refugees, have established connections to Canada that facilitate their rapid integration into the labour market.[25] This is of great benefit in the short run. In the longer run, however, five to 15 years after arrival, the higher education and language abilities of the skilled workers give them an advantage.[26]

An important caveat in comparing across various research studies is that some focus only on individuals who meet a minimum labour market attachment threshold, e.g. ignoring those who are unemployed, whereas others focus on the entire set of individuals granted admission. Of course, neither is objectively correct, but these alternative approaches answer different policy questions.

Turning to refugees, privately sponsored refugees – though improving in absolute terms – fall behind very slightly in terms of employment and more substantially in terms of earnings four years after arrival relative to the other immigrant categories. However, they are still far ahead of the other refugee categories, the parents and grandparents category, and the business class immigrants. There is some debate about the source of the gap between privately sponsored and other refugee groups. Some argue that it is almost entirely a selection issue, with the private sponsors selecting individuals who have characteristics associated with labour market success. Others argue that the settlement services provided by the sponsors play an important role, especially in the short run. There does not yet appear to be an academic study addressing this issue in a credible way, but such a study will be feasible in the future given the introduction of the blended sponsorship refugee model.

Many researchers believe that immigration is “for the children” – i.e. the second and third generation immigrants – and Sweetman and van Ours survey this literature internationally.[27] In the Canadian context, they observe that age at immigration is an important determinant of labour market success. Those who arrive very young and obtain almost all of their education in Canada have on average among the most successful outcomes in the Canadian labour market. Hou and Bonikowski point out that the gaps across classes observed for adult immigrants are markedly reduced for their offspring,[28] although they and Warman and Worswick observe that class-specific outcome gaps do persist to the second generation.[29]

Settlement services

Immigrants in Canada are eligible for a range of settlement services, with refugees having somewhat more generous support. For adults this includes language training, job search assistance and introductions to Canadian society. Despite the substantial expenditures, and the many positive comments about their efficacy,[30] very few studies have been undertaken to actually examine the impacts of settlement services on subsequent labour market outcomes. Moreover, there is very little understanding of what works for whom.

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[23] Ibid.

[24] G. Picot, F. Hou, T. Qiu, op. cit.

[25] Ibid.

[26] Ibid.

[27] A. Sweetman, J.C. van Ours: Immigration: What About the Children and Grandchildren?, in: B.R. Chiswick, P.W. Miller (eds.): Handbook of the Economics of International Migration, Amsterdam 2015, North Holland, pp. 1141-1193.

[28] F. Hou, A. Bonikowski: Educational and Labour Market Outcomes of Childhood Immigrants by Admission Class, Analytical Studies Branch Research Paper No. 377, Statistics Canada, 2016.

[29] C. Warman, C. Worswick: Immigrant Category of Admission of the Parents and Outcomes of the Children: How Far Does the Apple Fall?, CReAM Discussion Paper 18/16, Centre for Research and Analysis of Migration, 2016.

[30] For example, see J. Atanackovic, I.L. Bourgeault: The Employment and Recruitment of Immigrant Care Workers in Canada, in: Canadian Public Policy, Vol. 39, No. 2, 2013, pp. 335-350.

One element that is clear is that the education system seems to serve those who arrive young quite well,[31] although those who arrive in their late teenage years (near the end of secondary school) face more challenging transitions.[32] It appears that the elementary and secondary education systems are important elements of economic and social integration. In particular, not tracking/streaming immigrant students too early appears to be particularly important, since they frequently start with a linguistic deficit but accelerate and catch up with their native English/French speaking counterparts by their early teenage years.

More broadly, we know from studies such as Bonikowska, Hou and Picot[33] and Warman, Sweetman and Goldmann[34] that in the short run, English/French – i.e. receiving country – language ability is extremely important. Furthermore, numerous studies point to initial Canadian work experience and matching pre- and post-migration occupations as being extremely advantageous. Hence, one of the advantages of the sponsored refugee program is that the sponsors play a central role in the initial job search. In the longer term, education plays the dominant role, although Li and Sweetman observe that the quality of pre-migration educational outcomes influences the rate of return to years of schooling.[35] Pushing these ideas a bit further, Warman, Sweetman and Goldmann argue that these skills should not be seen as independent.[36] Rather, language skills mediate the utilization of educational and other related skills. In the absence of sufficient receiving country language capacity, the value of educational credentials is greatly reduced. Language acquisition is therefore doubly valuable, having not only a direct effect, but also an indirect effect through education, on labour market outcomes.[37]

Society-wide initiatives

Although there is clear and long-standing evidence of ethnic and racial discrimination in Canada,[38] there is also a long-standing effort to eliminate this scourge. In 1971, shortly after the introduction of the points system, Canada became the first country to promulgate a “multiculturalism policy”, and in 1982 the nation’s multicultural heritage was recognized in the Canadian Charter of Rights and Freedoms, which forms part of the Constitution. This is buttressed by human rights tribunals and by numerous programs offered by the federal Department of Heritage to promote multiculturalism.

Discussion and conclusion

What can Europe learn from Canada regarding immigration, especially with respect to refugee flows? Most of Canada’s immigration flow is selected within the economic immigration class. This is a tremendous advantage in terms of future market outcomes. Even within the refugee program, selection appears to matter. The privately sponsored (and in many cases privately selected) subclass has superior outcomes, particularly in the short run. While the integration services provided by the refugee sponsors almost certainly have a beneficial impact, their role in selecting which refugees enter Canada also plays an extremely important – and perhaps dominant – role. The new blended refugee sponsorship program seeks to leverage civil society’s interest in providing settlement services for a set of refugees selected by the government. This has the possibility of being both more cost-effective and more effective in terms of integration than traditional government-provided approaches.

The importance of domestic language skills can also not be overstated. Younger immigrants, especially young child immigrants, appear to be more adept at language acquisition, and this has lifelong repercussions. Also, English/French language skills appear to interact with education to make the latter more valuable. Overall, this adds to the impression that in Canada, younger immigrants seem to integrate quite well. This is a triumph of the Canadian immigration system. A focus of policy-oriented research should now be to find ways to help older immigrants do the same.

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[31] C. Worswick: Adaptation and Inequality: Children of Immigrants in Canadian Schools, in: Canadian Journal of Economics/Revue canadienne d’économique, Vol. 37, No. 1, 2009, pp. 53-77; and A. Sweetman, J. van Ours, op. cit.

[32] J. Schaafsma, A. Sweetman: Immigrant earnings: Age at immigration matters, in: Canadian Journal of Economics/Revue canadienne d’économique, Vol. 34, No. 4, 2001, pp. 1066-1099.

[33] A. Bonikowska et al., op. cit.

[34] C. Warman, A. Sweetman, G. Goldmann: The Portability of New Immigrants’ Human Capital: Language, Education, and Occupational Skills, in: Canadian Public Policy, Vol. 41, Supplement 1, 2015, pp. 64-79.

[35] Q. Li, A. Sweetman: The quality of immigrant source country educational outcomes: Do they matter in the receiving country?, in: Labour Economics, Vol. 26, 2014, pp. 81-93.

[36] C. Warman, A. Sweetman, G. Goldmann, op. cit.

[37] Ibid.

[38] K. Pendakur, R. Pendakur: The Colour of Money: Earnings Differentials among Ethnic Groups in Canada, in: The Canadian Journal of Economics/Revue canadienne d’économique, Vol. 31, No. 3, 1998, p. 518; P. Oreopoulos: Why Do Skilled Immigrants Struggle in the Labor Market? A Field Experiment with Thirteen Thousand Resumes, in: American Economic Journal: Economic Policy, Vol. 3, No. 4, 2011, pp. 148-171.