IMMIGRANTS IN CANADIAN CITIES: CENSUS 2001 — WHAT DO THE DATA TELL US?

POLICY OPTIONS POLITIQUES

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In the 1990s, new immigrants did not integrate into the Canadian labour market as effectively as previous cohorts of immigrants. Despite an average level of education that was higher than that of any previous cohorts and that of Canadians as a whole, their employment rate was lower and they earned less than the Canadian average. These indications of underemployment, the author argues, seem to be the result of shortcomings in the recognition of immigrants' qualifications and other systemic barriers to employment. Since more than 90 percent of immigrants live in urban centres, the solutions to this problem need to correspond to local conditions. Multilateral agreements between municipal, federal and provincial governments would ensure that solutions reflect local priorities and help foster vertical and horizontal collaboration and co-ordination between governments and governmental departments.

Au cours des années 1990, les nouveaux arrivants au Canada ont moins bien réussi sur le marché du travail que les vagues d'immigrants qui les ont précédés. En dépit d'un niveau d'instruction moyen plus élevé que tous leurs prédécesseurs mais aussi de l'ensemble des Canadiens, leur taux d'emploi et leurs revenus ont été inférieurs à la moyenne canadienne. Selon l'auteur, ces signes de sous-emploi pourraient résulter de lacunes touchant la reconnaissance des qualifications des immigrants et de certaines barrières systémiques à leur embauche. Étant donné que 90 p.100 d'entre eux vivent dans les grands centres, les solutions à ce problème doivent correspondre à la situation des villes considérées. Des ententes multilatérales entre les municipalités et les gouvernements fédéral et provinciaux permettraient de prendre en compte les priorités de chacune et de favoriser une collaboration et une coordination à la fois verticale et horizontale entre gouvernements et ministères.

The 2001 census data affirm two defining realities in Canada: urbanization and immigration. Neither of these phenomena is new. But the fact that immigration is one of the most significant factors contributing to growth in some of Canada's cities is an issue that has policy implications for all three levels of government.

In terms of immigrant destinations, Vancouver and Toronto stand out in comparison with the rest of Canada. The contrast in proportional levels of immigrant settlement is creating very different contexts and conditions with significant policy implications. Immigration and settlement policies will function differently in Toronto or Vancouver, compared with a city like Halifax, for example, which received only 0.4 percent of the immigrants arriving in the 1990s and whose total immigrant population represented 6.9 percent of the total population in 2001, with new immigrants comprising 2.1 percent. There may be a need for different policy and program approaches in areas such as settlement services, housing, educational programming and access, labour force growth and access to employment. The policy concerns range from how cities like Toronto and Vancouver can more effectively integrate and absorb their new immigrants, so that both the city and the immigrants benefit, to how smaller centres like Halifax and Winnipeg can attract and retain more immigrants so that these cities can share in the benefits that immigration offers.

In this article we focus on employment, since it provides a key benchmark for measuring success in immigrant settlement, especially if that employment is commensurate with the skills, knowledge and experience that immigrants offer. Data from the 2001 census released to date provide important figures on the scope of the issue, as well as some baseline indicators to assess how well immigrants are settling in Canada's cities. In order to make that assessment, as

well as suggest particular policy responses, this article will begin by sketching the current landscape of immigration: where immigrants are going in Canada, who they are, and how they have fared in terms of labour market participation and earnings.

From 1991 to 2001, approximately 1.8 million immigrants arrived in Canada, compared with 1.2 million in the 1980s. The impetus for this increase in immigration levels, as determined by the federal government, is the demographic imperative of an aging population and falling fertility rates.

In 2001, immigrants, who, for census purposes, include citizens who were born outside Canada, represented 18.4 percent of the total population. Recent immigrants — those who arrived in the past 10 years — represented 6.2 percent. With regard to percentage of the population that is foreign-born, Canada is second only to Australia, which reported 22 percent in 2001.

Like their Canadian-born counterparts, immigrants are drawn to cities. With over 79 percent of the population living in urban centres, Canada is among the most urbanized countries in the world. During the last census period, 94 percent of new immigrants (those who arrived in Canada less than 10 years ago) were living in census metropolitan areas (CMAs), compared with 64 percent of the total population. More specifically, in 2001, 73 percent of immigrants who arrived in the past 10 years were living in Montreal, Toronto and Vancouver. This figure compares with just over one-third of the total Canadian population living in those cities. It is not surprising, then, that immigration has been a key factor in population growth in these cities, as well as in other metropolitan areas across Canada.

The highest growth owing to immigration occurred in the Toronto CMA, where more than 445,000 immigrants arrived in the five-year census period, adding 2 percent to its overall population. The impact of this inflow on the region's demographics is significant — 43.7 percent of the population of the Toronto CMA was born outside Canada, one of the highest proportions in the world (compared with Miami with 40 percent, Sydney with 31 percent, Los Angeles with 31 percent and New York with 24 percent). In fact, in 2001 the Toronto CMA was home to 43 percent (792,000) of all new immigrants to Canada, an increase from 40 percent in 1991.

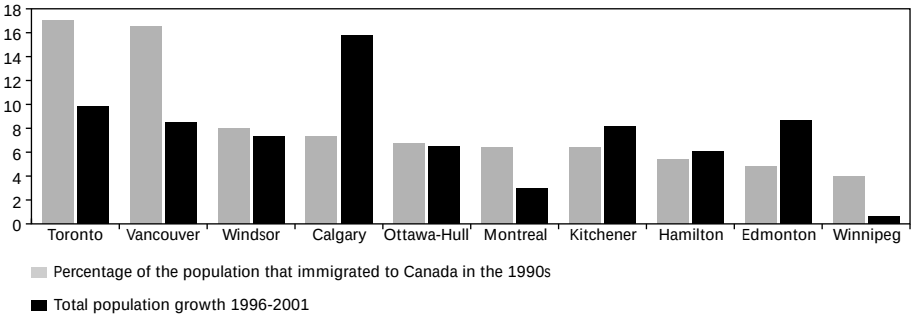
The most recent data from the 2001 census tell us that the face of immigrants to Canada has changed. Of all immigrants who arrived during the 1990s, 73 percent were visible minorities, up from 68 percent in the 1980s and 52 percent in the 1970s.

Vancouver was similar to Toronto. It received 324,800 new immigrants in the 1990s, 18 percent of the total for Canada. In Vancouver, 37.5 percent of the population was born outside Canada. New immigrants comprised approximately 17 percent of the total population in 2001 in both Toronto and Vancouver, up from 12 percent and 9 percent, respectively, in 1991. In contrast, Montreal, the third most common destination for immigrants to Canada, received 6 percent of new immigrants, which is in line with its overall share of the Canadian population. The proportion of foreign-born residents in Montreal is less than half that of Vancouver, at 18.4 percent, and tenth overall in Canada.

But sheer volume of immigration does not tell the whole story. It is also important to consider some of the essential characteristics of the immigrant population. The most recent data from the 2001 census tell us that the face of immigrants to Canada has changed. Of all immigrants who arrived during the 1990s, 73 percent were *visible minorities*, or "persons, other than Aboriginal peoples, who are non-Caucasian in race or non-white in colour," up from 68 percent in the 1980s and 52 percent in the 1970s. By 2016, visible minorities will account for one-fifth of Canada's citizens.

In centres of immigrant settlement like Toronto, the impact is more pronounced. Fully 79 percent of immigrants arriving in the 1990s were visible minorities. Prior to 1961, 92 percent of immigrants arriving in Toronto came from Europe. The change in primary source countries from Europe to Asia represents a significant reversal. In 2001, visible minorities represented 43 percent of the population of the city of Toronto. The proportion was even higher in some municipalities within the larger CMAs;

FIGURE 1: PROPORTION OF RECENT IMMIGRANTS IN CANADIAN CMAS AND TOTAL POPULATION GROWTH (PERCENTAGE)



Source: Statistics Canada, 2001 census analysis series, *Canada's Ethnocultural Portrait: The Changing Mosaic* (Catalogue No. 96F0030XIE2001008; release date, January 21, 2003) and Statistics Canada, 2001 census analysis series, *A Profile of the Canadian Population: Where We Live* (Catalogue No. 96F0030XIE010012001; release date, March 12, 2002).

for example, visible minorities comprised 59 percent of the population of Richmond in British Columbia and 56 percent of that of Markham in Ontario.

Another significant demographic factor to consider with respect to the immigrant population in Canada is age, especially given the fact that an aging population is a key part of the rationale of federal immigration policy. Most immigrants arriving in the 1990s were in the younger age range of the working population. In 2001, about 46 percent of all immigrants were between 25 and 44 years of age, compared with their Canadian-born counterparts who comprised only 31 percent of the total population. This represents a significant injection into the labour force.

The participation rate of immigrants arriving in the 1990s was lower than that of previous cohorts of immigrants, or that of their Canadian-born counterparts. Table 1 provides labour market participation rates and unemployment rates for recent immigrants (arriving in the five years before the measurement date), all immigrants, nonimmigrants, and the total labour force.

Although immigrants, including recent immigrants, experienced higher labour market participation rates than Canadian born individuals in the early 1980s (79.3 percent vs. 75.5 percent), they did not sustain this level. By 1991, the situation had reversed so that the participation rate for immigrants fell below the national average (77.2 percent vs. 78.2 percent), and the gap grew even wider for recent immigrants (68.6 percent in 1991). This gap has persisted despite the economic recovery of the second half of the 1990s.

There were significant differences between the labour market participation rates of recent immigrant men and women. By 2001, in all major immigrant receiving centres such as Toronto, Vancouver, Calgary and Ottawa, the gap narrowed somewhat for recent immigrant men, though there was still more than a 10-point difference between them and their Canadian-born counterparts. But for recent immigrant women, the gap widened, almost doubling since 1991.

TABLE 1: LABOUR FORCE PARTICIPATION RATES FOR IMMIGRANTS AND NONIMMIGRANTS (PERCENTAGE)

Employment rate	**1981**	**1986**	**1991**	**1996**	**2001**
Total labour force	75.5	76.3	78.2	77.0	80.3
Nonimmigrants	74.6	75.8	78.7	78.4	81.8
All immigrants	79.3	78.5	77.2	72.1	75.6
Recent immigrants	75.7	71.1	68.6	61.0	65.8
Unemployment rate	**1981**	**1986**	**1991**	**1996**	**2001**
Total labour force	5.9	9.1	9.6	9.3	6.7
Nonimmigrants	6.3	9.4	9.4	8.8	6.4
All immigrants	4.5	7.7	10.4	11.0	7.9
Recent immigrants	6.0	11.8	15.6	16.7	12.1

Source: Statistics Canada, 2001 census analysis series, *The Changing Profile of Canada's Labour Force* (Catalogue No. 96F0030XIE2001009; release date, February 11, 2003).

TABLE 2: EARNINGS OF RECENT IMMIGRANTS AS A PERCENTAGE OF EARNINGS OF PEOPLE BORN IN CANADA

Years since arrival	**Men**			**Women**		
	1980	**1990**	**2000**	**1980**	**1990**	**2000**
1	71.6	63.4	63.1	64.7	70.0	60.5
2	86.9	73.3	71.4	79.3	79.8	68.4
3	93.4	77.0	75.5	84.4	84.4	71.7
4	88.8	77.1	77.3	87.8	82.0	74.3
5	92.7	78.5	77.1	91.7	83.8	77.4
6	93.5	81.5	76.5	94.9	83.3	77.8
7	95.1	84.5	76.6	97.9	87.3	76.8
8	89.9	97.5	75.2	96.3	94.6	80.2
9	97.3	97.2	78.3	103.1	93.7	82.2
10	100.4	90.1	79.8	103.1	93.3	87.3

Source: Statistics Canada, 2001 census analysis series, *Earnings of Canadians: Making a Living in the New Economy* (Catalogue No. 96F0030XIE2001013; release date, March 11, 2003).

The other main indicator for assessing labour market performance provided by the 2001 census data is level of earnings. Historically, in previous cohorts, immigrants have caught up to their Canadian-born counterparts within 10 years of their arrival (see table 2). However, this trend has not persisted for those immigrants who arrived in the 1990s. Immigrants arriving in the 1990s were hit hard by the economic recession in the early part of the decade, and did not rebound in the same way as their Canadian-born counterparts, certainly not to levels that previous cohorts had attained. On the other hand, while immigrant women did not achieve the same level of participation in the labour force as men, they performed better than their male counterparts in terms of earnings. From this data it is not possible to conclude reasons for these differences. However, future lines of inquiry with additional data may examine issues such as access to jobs in female dominated sectors, the particular sectors where immigrant women are employed, the impact of qualifications recognition and language proficiency, and other factors like spousal employment and child care.

Another factor to consider when assessing how effectively immigrants have been integrated into the Canadian labour market, is the level of education. In a knowledge-based economy such as ours, skills and education are important

conditions for employment and earnings. Indeed, the census data indicate that for Canadians, higher education was clearly related to higher earnings — more than 60 percent of those in the top earnings category had a university degree. When taking this factor into account, the picture is even more disturbing.

Table 3 shows the level of educational attainment for immigrants over the last three decades, as well as that for the total Canadian-born population and in the four main urban regions (Montreal and region, extended Golden Horseshoe (the western end of Lake Ontario, stretching from Niagara falls to Toronto to Oshawa), Calgary-Edmonton corridor, and lower mainland British Columbia).

Though the average level of education attained was higher than any previous cohorts of immigrants (and higher than the Canadian average, including the most urbanized regions), indicating a higher earning potential, the wage gap relative to their Canadian-born counterparts increased, even for those with knowledge of an official language and university education. The economic downturn on its own is not enough to explain the differences in labour market participation and earnings in light of the skills and education recent immigrants brought with them, particularly since the economic turnaround has benefited the Canadian-born but has left immigrants behind. Furthermore, the indication of *under*employment implies a problem with nonrecognition of qualifications and a lack of effective access to the labour market.

Although many recent immigrants found jobs in high-skill occupations, especially in the field of information technology, many others, regardless of education, were employed in low-skill occupations. There was an overrepresentation of university-educated immigrants in lower-skill jobs including taxi and limousine drivers, truck drivers, security guards, janitors and building superintendents. In both high- and low-skill occupations, recent immigrants earned less than their Canadian-born counterparts.

The census data from 1996 demonstrated a clear correlation between race and poverty in Canada, particularly in Toronto. Although comparable data for 2001 is not yet available, the indicators of immigrant earnings reviewed above suggest that this trend has not been reversed and even that the earnings gap along racial lines has deepened. The persistence of this correlation has considerable implications from a policy perspective.

No doubt there are a variety of factors that contribute to this phenomenon, and a closer study of the kinds of educational qualifications immigrants are bringing to Canada and how these qualifications are being assessed and valued vis-à-vis Canadian qualifications — looking at factors like occupation, sector specific conditions, age of immigrants, and urban vs. rural experience — would certainly yield a more precise analysis of the issue.

The recent experience of immigrants in the Canadian labour market seems to point to shortcomings in the recognition of their qualifications and effective access to employment. Immigrants arriving in the 1990s were the most highly educated cohort of immigrants to date. Yet their labour force experience has not reflected these qualifications. This is an important policy issue because the level of immigrant education will continue to increase with future cohorts as federal immigration regulations raise the bar even higher for applicants under the new point system.

The dramatic change in immigrant source countries may be contributing to the issue of qualification recognition. Institutions that undertake formal or informal assessments of immigrant qualifications (i.e., professional regulatory bodies, colleges, universities, employers) may not be familiar with the qualifications being presented from these countries, and they may not have the knowledge to assess their equivalence appropriately. There may also be real differences in

TABLE 3: POST-SECONDARY EDUCATION (PSE) AMONG IMMIGRANTS AND AMONG NONIMMIGRANTS IN URBAN REGIONS (POPULATION AGED 25 TO 64, IN PERCENTAGE)

Group	University	College	Trades	Total PSE
Immigrants 1970s	22.24	12.12	14.04	48.40
Immigrants 1980s	25.14	12.56	10.85	48.55
Immigrants 1990s	40.71	12.60	7.57	60.88
Canada overall, 2001	22.2	17.9	12.9	53.4
Main urban regions, 2001	27.2	18.2	11.1	56.5
Toronto CMA, 2001	32.1	17.5	8.6	58.2

Source: Statistics Canada, 2001 census analysis series, *Education in Canada: Raising the Standard* (Catalogue No. 96F0030XIE2001012; release date, March 11, 2003).

TABLE 4: AVERAGE EARNINGS OF RECENT IMMIGRANTS AGED 25-64 WITH UNIVERSITY EDUCATION BY NUMBER OF YEARS IN CANADA (AS A PERCENTAGE OF EARNINGS OF PEOPLE BORN IN CANADA WITH UNIVERSITY EDUCATION)

	Male		Female	
	1990	2000	1990	2000
1 year in Canada	$33,673 (55.8)	$31,460 (47.3)	$21,059 (56.6)	$19,829 (48.3)
10 years in Canada	$52,060 (86.2)	$47,522 (71.4)	$32,522 (87.3)	$32,473 (79.1)
Born in Canada	$60,375	$66,520	$37,235	$41,062

Source: Statistics Canada, 2001 census analysis series, *Earnings of Canadians: Making a Living in the New Economy* (Catalogue No. 96F0030XIE2001013; release date, March 11, 2003).

the qualifications being presented, in which case there is a need for adjustment to fill the gaps in specific competencies. In both cases a policy response is required. We have to improve existing qualification recognition systems so that a lack of knowledge does not lead to systematic underevaluation or exclusion. And where there are real gaps in competencies, targeted learning initiatives should be developed to bridge those gaps so that knowledge, skills and experience are not being wasted. If policy is not developed that addresses these issues, the result may be systemic discrimination. This question of labour market access therefore could give rise to very serious equity concerns and social problems if it is not properly addressed. If Canada and its immigrants are to benefit from immigration, it is imperative that solutions be found to the problem of integrating immigrants into the labour market.

Solutions to this problem need to begin where immigrants settle and try to find work — in the cities. Although immigration selection is a federal responsibility, the process and reality of settlement is local. People settle and become citizens in communities — in cities. Therefore, cities need to be supported in developing their capacity to receive and integrate immigrants into the labour market.

The most critical area in which investment is needed for successful settlement of immigrants is in a system that facilitates access to employment. Research and experience have shown that the barriers that make access to the labour market difficult for immigrants are systemic, therefore the solutions must address the system. Key among these barriers to access is nonrecognition of credentials and experience by Canadian employers, educational institutions, and professional regulatory bodies. Other barriers include a lack of information about labour market integration provided to applicants overseas before they arrive in Canada, the requirement that immigrants have "Canadian" work experience, the lack of effective tools to assess qualifications, and the lack of labour market language training and bridging programs to address specific gaps in qualifications.

Though the average level of education attained was higher than any previous cohorts of immigrants (and higher than the Canadian average, including the most urbanized regions), indicating a higher earning potential, the wage gap relative to their Canadian-born counterparts increased, even for those with knowledge of an official language and university education.

Solutions to these barriers need to correspond with local conditions. Each city is unique in its demographic characteristics, labour market needs and capacities, and industry trends. As such, locally developed solutions will reflect local realities and possibilities, and will be "owned" by the local stakeholders. However, the fundamental elements of these solutions transcend these local differences. These elements include providing better overseas information to applicants before they come to Canada, comprehensive qualification assessment services that identify the gaps in skills and knowledge, and programs that provide the bridge training to fill those gaps. And solutions require an approach that is co-ordinated and engages all the relevant stakeholders. The work of Naomi Alboim and the Maytree Foundation provides a useful analysis of these elements (see *Fulfilling the Promise: Integrating Immigrant Skills into the Canadian Economy*, 2001).

Co-ordinating the various approaches requires leadership and co-operation at all levels. At the local level, cities need to be able to convene the relevant stakeholders, including employers, educational institutions, professional regulatory bodies, community agencies and immigrant groups. Together they need to identify local priorities, provide advice to federal and provincial governments, and co-ordinate and integrate programs and initiatives. When cities establish this kind of multistakeholder approach, they are more likely to arrive at the systems-based solutions required to remedy the problem. But they must have support from and partnerships with provincial, territorial and federal governments to make this happen.

Momentum is already building in cities across Canada to build multistakeholder tables to address this issue. In Toronto, the civic led Toronto City Summit Alliance is recommending steps to improve the city's social and economic future. On immigration, the first recommendation is the establishment of a Toronto Region Council for Immigrant Employment, which would include all the relevant stakeholders and lead local initiatives to improve immigrants' access to the labour market. The second is the development of an employer-led internship/mentoring program to address the problem of obtaining "Canadian work experience," which is a significant barrier for most immigrants. The third is the drafting of a trilevel multilateral agreement to co-ordinate the development of policy and the delivery of programs and services.

Vancouver and Halifax have also begun to co-ordinate the relevant stakeholders more effectively in order to better integrate immigrants into the labour market. Various groups in Vancouver are organizing a multisectoral council to provide leadership and local co-ordination on the issue. Even though Halifax received only 0.4 percent of all immigrants to Canada in the 1990s, local stakeholders recognize the need for more effective co-ordination if Halifax is to attract greater numbers of immigrants so that the city can share in the benefits of immigration.

Crafting trilevel, multilateral agreements between municipalities, federal and provincial governments is a key part of fostering greater vertical and

horizontal collaboration and co-ordination, and to define the particular roles and responsibilities of each level of government and department. More specifically, an agreement could ensure that information-sharing and joint planning, policy and program development and implementation would be better co-ordinated to identify priorities, as well as prevent gaps and duplication. At the federal level, co-ordination means working across departments that are stakeholders in the issue, specifically Citizenship and Immigration, Human Resources Development, and Heritage. At the provincial level it involves the ministries responsible for immigrant settlement, training and education.

A central objective in facilitating collaboration between the three levels of government is to recognize the mutiple stages of immigration: from the country of origin to initial settlement in Canada, to employment, to the eventual goal of full social and political participation. A meaningful approach to this process requires the expertise and resources of all three levels of government at different times, in different roles, but in pursuit of the same goal — the effective integration of immigrants.

Finally, to ensure that the solutions identified reflect local priorities and contexts, it is critical that agreements be structured so that the municipality is positioned as the designer and driver of settlement planning, while the federal and provincial governments take the role of facilitators and supporters of locally determined initiatives.

It should be stressed, however, that redefining the roles and relationships among governments and government departments should begin without a formal agreement. The work of identifying and implementing solutions should not wait until an agreement is in place. In fact, it is more likely that such an agreement will be an outcome of initiatives that begin with a shared commitment to finding solutions. The issue of effective labour market access for immigrants is urgent, and will not wait for long-standing challenges of federal-provincial agreements, let alone federal-provincial-municipal agreements, to be sorted out.

Elizabeth McIsaac is the manager of research and policy at the Maytree Foundation. The ideas expressed in this article about a trilevel multilateral agreement have evolved from the foundation's work on labour market access for immigrants and its participation in the Toronto City Summit Alliance. She would like to acknowledge Naomi Alboim for her support and help in developing these ideas.

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