

Immigration

Introduction

For many mainstream economists and media pundits, the current economic crisis began around the end of 2008. But for many Canadians, especially immigrants and members of racialized communities, their economic woes started long before the TSE plummeted by 700 points in one day. The financial situation for many families from immigrant and racialized communities has never been great, but it has definitely become worse over the last year.

That Canada's immigrants are not faring well economically is something all Canadians need to be worried about. A declining birth rate coupled with an aging population means that immigrants are soon going to be the key driving force behind Canada's economic engine. By 2017, nearly all new entrants into the labour market will be immigrants.

Also by 2017, one in five Canadians will be a "visible minority" according to Statistics Canada — due largely to the continuing trend of Canada receiving more and more immigrants from Asia, Central and South America and the Caribbean than other regions in the world.

Yet by any measure — income, employment, housing conditions, health status, etc. — immigrants and members of racialized communities are falling behind their Canadian-born and/or non-racialized neighbours. The Canadian government should be developing policies and committing resources to address the growing socio-economic racial inequities. Instead, the approach adopted by successive governments to date has been to treat this sizeable segment of the population as a mere afterthought.

The growing disparities

The 2006 Census reported one in five Canadians as foreign-born, the highest proportion in 75 years. Recent immigrants born in Asia made up the largest proportion of newcomers to Canada in 2006 (58.3%). Another 10.8% were born in Central and South America and the Caribbean. Not surprisingly, 68.9% of the recent immigrants in 2006 lived in three census metropolitan areas: Toronto, Montreal, and Vancouver.¹

In 2006, most recent immigrants experienced higher unemployment rates and lower employment rates than their Canadian-born counter-

parts. The exceptions were immigrants from the Philippines and those born in Europe, who had labour market outcomes similar to the Canadian-born. Immigrants born in Africa had the most difficulties in the labour market, regardless of how long they had lived in Canada. For the very recent African-born immigrants, their unemployment rate at 20.8% was four times higher than that of the Canadian-born.² Higher unemployment rates are also found among the younger recent immigrants between the age of 15 and 24, irrespective of where they were born.³

In case anyone is wondering whether the high unemployment rates among recent immigrants are due to their inferior educational background, statistical studies have conclusively disproved that assumption. With few exceptions, very recent immigrants who had any level of post-secondary education had employment rates that were lower than that of their Canadian-born peers. Most important to note is that this was true irrespective of where this post-secondary education was obtained. Statistics Canada reports that, in 2007, very recent immigrants aged 25 to 54 who received their highest university education in Canada were less likely to have significant Canadian work experience compared than their Canadian-born peers. The same study also showed that almost one in five very recent immigrant university graduates were attending school in Canada in 2007, even though they already had a university degree, yet the majority of university-educated very recent immigrant students were not participating in the 2007 labour market.⁴

Gender also seems to play a role in this respect. Although immigrant women represented nearly half of university-educated very recent immigrants, their participation in the labour force was significantly lower, particularly for those born or educated in Asia.⁵

The only exceptions to this troubling pattern of employment gaps are recent and established immigrants who received their highest univer-

sity education in Canada or Europe; they had comparable employment rates in 2007 to the Canadian-born. In contrast, many of those who obtained these credentials in Latin America, Asia or Africa had lower employment rates, with the one exception being immigrants who received their university degree from a Southeast Asian (mainly Filipino) educational institution.⁶

If immigrants are not getting employed at the same rates as others, they are also not earning the same levels of income, either. The immigrant's birthplace — a proxy for ethnicity — turns out to have the strongest influence over the immigrant's earnings, as a Statistics Canada study has shown. This finding coincides with the repeatedly noted fact that immigrants to Canada increasingly come from "non-traditional" sources, are members of visible minorities, and are more likely to be educated than persons born in Canada. Despite an increasing number of university graduates among immigrants, however, the relative earnings of immigrants did not improve in recent times.⁷

Hiding behind the statistics is the disturbing trend of the ever growing racial inequities in Canada among immigrant group members, as well as racialized individuals born in Canada. Disturbingly, the employment inequities and the resulting income inequities experienced by recent immigrants with degrees (excepting those with European or Filipino background) are shared by young visible minority men born in Canada to immigrant parents. Everything else being equal, their annual earnings are significantly lower than those of young men with native-born parents.⁸ Canadian-born members of racialized communities, who have even higher levels of education than other Canadians in the same age group, are faring the worst.⁹

Adding to the mix is the growing number of workers who entered Canada under the Temporary Foreign Worker Program (TFWP). Over the last few years, the TFWP has grown from a relatively small program to one that provides for

an ever-larger number of guest workers coming to Canada. In 2003, the total number of guest workers in Canada was just over 110,000. By 2007, that number had soared to about 165,000, versus 41,251 skilled workers who were brought in as permanent residents.¹⁰ Most guest worker applications approved by the federal government are for jobs in semi- and low-skilled jobs in agriculture, tourism, and the service sector — raising serious questions about whether they are truly meant to fill a labour market need or to provide a cheap and vulnerable source of labour.

During the Conservative government's reign, the program also underwent a series of "administrative changes" which some critics have described as benefiting employers without any provisions to ensure that the workers' rights would be protected. Although racial status data are not available for these workers, they are disproportionately people of colour. Of the top 10 source countries for guest workers, half of them have racialized populations, and in 2006 nearly 35% of the 160,000-plus guest workers came from countries where the population is racialized.¹¹

On December 9, 2009, some dramatic new changes to TFWP came into force.¹² They place a higher onus on employers to prove that their job offers are genuine, to prevent workers from being duped with promises of jobs that don't exist. Employers who have failed to meet their contractual obligations to provide satisfactory wages and working conditions are to be barred from hiring new workers for two years.

But the small positive change effected by the new regulations is overshadowed by the negative measure which bars temporary foreign workers from working in Canada for six years after having worked a cumulated period of four years. The new prohibition effectively keeps these workers forever temporary, with no chance of ever becoming a citizen of the country that they help to build.

In short, the persistent economic inequities cannot be explained by immigration status

alone. Racialized workers, be they immigrants or Canadian-born, experience higher unemployment rates and earn lower incomes. Workers with less than full status — most of whom are racialized — are ghettoized in poorly paid jobs vulnerable to exploitation and abuse.¹³

To conflate the experience of members of racialized communities with that of immigrants is to misdiagnose the problem. Yet policy-makers of all stripes — governmental and non-governmental alike — continue to minimize if not altogether ignore the racialized aspect of the inequities. Nor do they differentiate between "immigrants" from racialized group members, often treating the two groups as being synonymous. Conveniently, policy-makers attribute these income gaps and labour participation differentials to settlement adjustments, thereby shifting the blame from institutional actors to the "immigrants" for allegedly causing their own misfortune. Thus the policy-makers can refrain from tackling the real underlying problem: systemic, structural inequities in the labour market.

The economic crisis

The impact of the prolonged economic recession on immigrants and racialized communities has virtually been ignored. Few socioeconomic studies have been done to date about these communities with a view to analyzing their job loss rates or access to the Employment Insurance (EI) benefits. Some data about the gender-based differential access to EI benefits is available, but there are no disaggregated data on the basis of race or related grounds.

One poll last year did confirm that immigrants are taking the brunt of the recession and are recovering less quickly than their Canadian-born counterparts. Prepared for the *Globe and Mail*, a Statistics Canada study released in July 2009 showed that employment among Canadian-born workers fell 1.6% over the previous year, compared with 5.7% among recent immigrants

who have been in the country for five years or less. Immigrants who have lived in Canada for at least a decade fared slightly better, but still had double the unemployment rate of their Canadian-born counterparts.¹⁴

Ask any immigrants or members of racialized communities why they are not doing well financially, and they will not be citing the stock market crash. They will more likely tell you about the problems they have getting good jobs or getting a promotion because of their race. If they are immigrants, they will complain about the lack of recognition for their internationally obtained degrees and skills, which leave them little choice but to work in low-waged dead-end jobs.¹⁵ These workers need far more direct government intervention to stop them from falling further down the income ladder. So far, the federal government has offered little, either in policy or financial terms, to address their concerns.

The federal Budget tabled in January 2009 contained a few partial measures to assist immigrants and racialized communities, including an increase in the EI benefits period, but failed to respond meaningfully to the tough economic circumstances they now face.¹⁶ The extension of EI benefits period, for instance, only benefits workers who are qualified for EI. The current EI program rules do not reflect the needs of workers in “non-standardized” work — a disproportionate share of whom are racialized and/or newcomers. The proportion of the unemployed receiving EI benefits is also substantially lower in large urban areas where most immigrants and members of racialized communities reside.¹⁷

Last November, the Minister of Human Resources and Skills Development and the Minister of Citizenship, Immigration and Multiculturalism jointly introduced the Pan-Canadian Framework for the Assessment and Recognition of Foreign Qualifications.¹⁸ It was touted as “an important step in paving the road to success for Ontario’s newcomers”.¹⁹ Essentially, however, all the Framework requires of the regulatory bodies

is that they advise foreign-trained workers who submit an application to be licensed or registered within one year whether their qualifications will be recognized. The Framework is not a legal document and is not binding on any of the regulatory bodies, who are free to maintain their own requirements for assessing qualifications.

The under-utilization of immigrants has resulted in their experiencing significant earning deficits.²⁰ But immigrants are not the only ones who lose when their prior learning and experiences are not being recognized in the Canadian labour market. Eliminating the learning recognition gap of immigrants would result in billions of additional income being earned — and hence the corresponding increase in government revenue in the form of income tax.²¹ The persistent failure of both the federal and provincial governments to address this problem has thus not only kept immigrants in the bottom rung of the social hierarchy, but also resulted in significant loss to the Canadian economy.

Closing the racial equity gaps

Given all these problems, the Alternative Federal Budget presents several policy and funding initiatives designed to help immigrants and racialized groups overcome the barriers of discrimination that have been raised against them.

The first measure is to reform the Employment Insurance system so that it more adequately meets the needs of Canadian workers, particularly members of racialized communities, including women, immigrants and refugees:

- The number of hours needed to claim EI benefits will be lowered to 360.
- Benefits will be raised to 60% of the best weekly earnings in the previous 52 weeks, and extended to 52 weeks.
- The EI’s training fund will be made available to immigrants for training to help

gain recognition for their international credentials.

Secondly, the federal Wage Earner Protection Program (WEPP) will be amended to double the amount of payout to workers from the current 4 weeks maximum 8 weeks. This program will also be extended to cover workers from workplaces that are insolvent.

Amendments will be made to the *Bankruptcy and Insolvency Act* to collect back from employers who regain their financial stability any money that the government has paid out under the WEPP.

Thirdly, the AFB will provide incentives to employers to institute paid internships for recent graduates from equity-seeking groups in strategic fields (e.g., in emerging green jobs) in order to facilitate their labour market integration.

Finally, full funding will be allocated for a reinstatement of the Court Challenges Program that was terminated by the Harper government. This will allow racialized communities and other equity-seeking groups meaningful access to the courts to challenge legislation and policies which perpetuate racial and other forms of discrimination in our society.

Granted, not every problem can be solved by money. The challenge facing immigrants in obtaining recognition for their accreditation, for instance, cannot be overcome without the full co-operation of all self regulated professions and trades in all provinces and territories. The ultimate answer lies in legislative reform that will compel professions and trades to remove all barriers to accreditation — both of internationally trained newcomers and native-born Canadians alike.

The AFB also commits to other policy initiatives that do not necessarily come with a price tag but will help remove structural barriers to equal participation by immigrants and racialized group members. One, in particular, is to require all provinces and territories that receive investments and stimulus packages from the federal

government to meet the Federal Employment Equity Program targets for any jobs that are created as a result.

The AFB will also reform the Temporary Foreign Workers' Program to stop the practice of bringing in cheap disposable foreign labour and to rescind the new regulations that bar individuals under the TFWP from entering Canada for six years. In fairness to these workers, steps will also be promptly taken to revamp the point system for independent immigrant class by giving workers of all skill levels an equal opportunity to enter Canada as permanent residents.

Finally, the AFB will require the collection and tracking of disaggregated data across all ministries, departments and relevant institutions, in order to identify racialized and other structural and systemic discrimination. When subsequent Budgets are prepared, this information will allow the differential impact of all budgetary decisions on various historically disadvantaged and marginalized communities to be calculated in advance. This will promote the establishment of goals and time targets to achieve equity for all of these groups now still deprived of equitable treatment.

Notes

1 Statistics Canada. (2007). *Immigration in Canada: A Portrait of the Foreign-born Population, 2006 Census*. Ottawa, pp. 5, 19.

2 Gilmore, Janice. (2007). *The Immigrant Labour Force Analysis Series, The Canadian Immigrant Labour Market in 2006: Analysis by Region or Country of Birth*. Ottawa. p.6.

3 Ibid, p.7.

4 Statistics Canada. (2008). *The Immigrant Labour Force Analysis Series, The Canadian Immigrant Labour Market in 2007: Analysis by Region of Postsecondary Education*. Ottawa. p.6.

5 Ibid. p.6.

6 Ibid, p.7.

- 7** Ostrovsky, Yuri. (2008). Statistics Canada Analytical Studies Branch Research Paper Series: Earnings Inequality and Earnings Instability of Immigrants in Canada. Ottawa.
- 8** <http://www.cbc.ca/consumer/story/2007/10/29/immigration-statscan.html>
- 9** Leslie Cheung. October 2005. Racial Status and Employment Outcomes. Research Paper #34, Canadian Labour Congress. Ottawa: CLC.
- 10** Toronto Star, How We're Creating an Illegal Workforce, November 1, 2009
- 11** Flecker, Karl. 2008. Conservative Colours: The Harper Conservatives and the Colour-Coding of Canada. Healy T. ed. The Harper Record. Ottawa: Canadian Centre for Policy Alternatives.
- 12** Regulations Amending the Immigration and Refugee Protection Regulations (Temporary Foreign Workers), Canada Gazette, Vol. 143, No. 41 — October 10, 2009
- 13** Toronto Star, Canada's 'Guest Workers', November 1, 2, and 3, 2009
- 14** Globe and Mail, "Immigrants take brunt of recession, recover less quickly" July 25, 2009.
- 15** Colour of Poverty Campaign. 2007. Understanding the Racialization of Poverty in Ontario: In Employment in 2007, Fact Sheet #5, Toronto: Colour of Poverty.
- 16** Ontario Council of Agencies of Immigrants Serving Immigrants. January 28, 2009. Federal Budget 2009 Offers Little Hope for Immigrants and Refugees. Toronto: OCA SI.
- 17** Colour of Poverty/Colour of Change. October 2008. Ontario Racial Equity-Racial Justice Review With Respect to Recent Federal Policies, Programs and Initiatives. Toronto. COPC.
- 18** <http://www.hrsdc.gc.ca/eng/workplaceskills/publications/fcr/pcf.shtml>.
- 19** Canada News Centre. Federal, Provincial and Territorial Governments Speed up Foreign Credential Recognition for Newcomers to Canada. November 30, 2009.
- 20** Reitz, Jeffrey G. October 2001. Immigrant Skill Utilization in the Canadian Labour Market: Implications of Human Capital Research. Toronto: Center for Industrial Relations and Department of Sociology.
- 21** According to the Conference Board of Canada's 2001 report entitled "Brain Gain, The Economic Benefits of Recognizing Learning and Learning Credentials in Canada", the closing of the learning recognition gap would give Canadians an additional \$4.1 billion—\$5.9 billion in income annually. Among the groups who stand to gain the most are immigrants. An improved system for recognizing the learning of immigrants would also result in a brain gain to offset the brain drain to the United States, according to the same report.