



# METROPOLIS BRITISH COLUMBIA

Centre of Excellence for Research on Immigration and Diversity

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# **Metropolis British Columbia**

## ***Centre of Excellence for Research on Immigration and Diversity***

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## WORKING PAPER 09-01

SOCIAL CAPITAL AND THE LABOUR MARKET PROCESS AMONG NEW GENERATION  
YOUTH FROM VISIBLE MINORITY IMMIGRANT FAMILIES

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**RESEARCH QUESTION:**

What are the actual job searching experiences of new generation youth from visible minority immigrant families, what difficulties do they encounter, and what resources do they draw on to adapt to the job market? What values, goals, and future expectations do they hold?

**IMPORTANCE:**

The change to immigrant policy in the early 70s has led to an increase of visible minority immigrants in Canada. Youth from these immigrant families, who were either born in Canada or moved there at a very young age, are soon to be the major labour market replacement force to the aging Canadian society. However, little is known about how they enter the job market and what challenges and resources they have in the job search process. This study fills the research gap by providing a preliminary empirical understanding of the actual job search experience of twenty-eight new generation youth from the Chinese, South Asian and Filipino communities.

**RESEARCH FINDINGS:**

Because of the booming economic conditions, our research participants have no problem in finding jobs, but most of their jobs are confined to the service/sales sector. These jobs offer low pay and almost no career prospects. When these youth look for jobs, friends are the major source of help. However, most of their friends are from the same ethnic background, which limits the scope of assistance they can offer. Many of these youth also reported that help from their parents is limited. In general, their parents are largely working in low-level jobs within their own ethnic community, and so, have limited knowledge of the job market and network resources. The majority of these youth have not heard of or used any formal employment services. When envisioning their future, most participants reported a plan to pursue a higher educational qualification, which would both fulfill their parents' wishes and give them a credential leading to a better and professional job.

**IMPLICATIONS:**

Further research is needed for a more comprehensive understanding of the employment condition of this emerging group of youth. Despite the limitations of this study, we can tentatively speculate that coming from visible minority immigrant families, this group of new generation youth may be limited in their knowledge of and social connections to the labour market beyond their own ethnic community. If so, we contend that consequently, they may end up with long term economic disadvantages. To prevent further economic and social marginalization of this group of youth, we need a better school-to-work transition plan in high school for those new generation youth who choose not to pursue higher education. The existing youth employment services have seemingly not reached this group of youth. Service providers with extra funding should provide or strengthen outreach programs to new generation youth, helping them not only to expand their job search scope but also to plan for a more promising career.

## WORKING PAPER 09-02

**"YOU CANNOT SETTLE LIKE THIS": THE HOUSING SITUATION OF AFRICAN REFUGEES IN METRO VANCOUVER**

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**RESEARCH QUESTION:**

How are African refugees coping in Vancouver's housing market? Are they able to access suitable affordable housing? If not, what barriers do they face and what are possible solutions?

**IMPORTANCE:**

Despite increasing numbers, there is little research about the experiences of African refugees in Canada. For those arriving in Metro Vancouver, housing is a crucial component of settlement and integration. By providing an overview of the housing challenges African refugees face and identifying gaps in available services, the study expands the knowledge base upon which improved settlement policy and service provision may be built. Given Metro Vancouver's expensive housing market, high levels of homelessness, and consistently low vacancy rate, the report's insights into the experiences of a particular group of racialised newcomers will remain relevant as immigrants and refugees are likely to face increasing challenges in the future.

**RESEARCH FINDINGS:**

Due to a complex combination of factors, including lack of affordable housing, discrimination, low incomes, and long application processing times, African refugees are facing a housing availability and affordability crisis in Metro Vancouver that forces them to accept substandard housing that is unsuitable, inadequate, and unaffordable. These unstable conditions are both symptomatic and generative of other problems, including poverty, debt, hunger, and a high risk of homelessness. Outcomes can be improved by increasing the provision of appropriate housing-related settlement services and taking steps to address the economic marginalisation of African refugees.

**IMPLICATIONS:**

The report makes seven key policy recommendations:

1. Provide intensive orientations on arrival for at least two weeks, including accompaniment.
2. Speed up processing times, especially family reunification, refugee determination, and the provision of work/study permits for Refugee Claimants.
3. Waive the repayment of CIC travel loans for GARs.
4. Expand the availability of subsidised and affordable housing to refugees on arrival.
5. Raise RAP rates.
6. Expand ISAs' mandate and funding so they can effectively assist refugees with housing.
7. Provide Transitional Housing where refugees can live for up to five years with extra support.

## WORKING PAPER 09-03

## WHY DO SKILLED IMMIGRANTS STRUGGLE IN THE LABOR MARKET? A FIELD EXPERIMENT WITH SIX THOUSAND RÉSUMÉS

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**RESEARCH QUESTION:**

Why do recent immigrants to Canada struggle in the labour market, especially among those that arrive under the "Point System"?

**IMPORTANCE:**

Policy makers are concerned about the lack of immigrant assimilation because it suggests that recent immigrants are not integrating well into the high-skilled labor market, despite effort to attract immigrants who will. This raises questions about the role immigration plays in providing Canada with a source of highly skilled individuals to boost economic

growth. It also has important implications for the use of government transfer programs, such as social assistance and child tax benefits, as well as for income tax revenues.

### **RESEARCH FINDINGS:**

Thousands of simulated resumes were sent in response to online job postings across multiple occupations in Toronto. Resumes were constructed to plausibly represent recent immigrants under the point system from the three largest countries of origin (China, India, and Pakistan), and Britain, as well as non-immigrants with and without ethnic-sounding names. Resumes varied randomly based on name, education (foreign or local), experience (foreign or local), language fluency, and extracurricular activities. The study produced three main findings: 1) Interview request rates for English-named applicants with Canadian education and experience were more than three times higher compared to resumes with Chinese, Indian, or Pakistani names with foreign education and experience (5 percent versus 16 percent), but were no different compared to foreign applicants from Britain. 2) Employers valued experience acquired in Canada much more than if acquired in a foreign country. Changing foreign resumes to include only experience from Canada raised callback rates to 11 percent. 3) Among resumes listing 4 to 6 years of Canadian experience, whether an applicant's degree was from Canada or not, or whether the applicant obtained additional Canadian education or not had no impact on the chances for an interview request. 4) Canadian applicants that differed only by name had substantially different callback rates: Those with English-sounding names received interview requests 40 percent more often than applicants with Chinese, Indian, or Pakistani names (16 percent versus 11 percent).

### **IMPLICATIONS:**

Policies that target more immigrants already with Canadian experience, or that help recent arrivals find initial work related to their previous experience, may increase labour market assimilation. If employers discriminate based on name intentionally, more enforcement of the Human Rights Act may be required to minimize this activity. If name-based discrimination is unintentional, avoiding accidental tendencies of favoring native Caucasian candidates may lead to better hires, while ethnic applicants also gain. Further research is needed to investigate why employers are less interested in interviewing candidates with foreign-sounding names.

WORKING PAPER 09-04

INDIA-CANADA TRADE AND IMMIGRATION LINKAGES: A CASE OF REGIONAL (DIS)ADVANTAGE?

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**RESEARCH QUESTION:**

How effectively do national governments utilize the skills of immigrants to enhance trading relations with their source countries? How does the policy and regional context inform this process?

**IMPORTANCE:**

Literature on the role of transnational entrepreneurs argues that immigrants can become the “new Argonauts” of the global economy and create cross-regional trading relationships based on their cultural familiarity with multiple national contexts. Saxenian (2006) has clearly found this is the case with foreign-born US-educated technology entrepreneurs who exploit their knowledge and links with Silicon Valley in order to expand research and production to sites overseas. The lesson from Saxenian’s study on the “new Argonauts” is that immigrant populations who combine cultural and technical know-how can be a massive asset to their adoptive country with regard to economic development. This paper will examine how policy can help or hinder such practices, and how particular national and regional contexts shape the nature and success of immigrant transnational entrepreneurs.

**RESEARCH FINDINGS:**

This paper reports of the first part of a comparative international study on the relationship between trade and immigration in the case of Canada-India relations. Subsequent papers will report on the Australia-India case. The research examines the perceptions of traders and government and trade officials with regard to how they interpret the links between immigration and trade. The research highlights how specific immigration networks between India and Canada, and various Canadian policy contexts have been seen to restrain the successful development of India-Canadian relations.

**IMPLICATIONS:**

The need for greater integration and analysis of the sometimes competing relations between immigration and trade policy has to be acknowledged in the context of India-Canada relations in order for the trade relationship to improve in line with that of similar countries like Australia. Certain obvious areas of concern are higher education linkages including international student recruitment, as well as a more concerted effort to acknowledge and exploit the special relationship Canada already possesses with Punjab. Recent developments indicate British Columbia is pursuing this route.

## WORKING PAPER 09-05

## TEMPORARY FOREIGN WORKERS AND REGIONAL LABOUR MARKET DISPARITIES IN CANADA

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**RESEARCH QUESTION:**

Do temporary foreign workers have an impact on the Canadian labour market? Specifically, **has the TFW program adversely affected labour market prospects for long-term residents by maintaining a wide distribution of unemployment rates across provinces?**

**IMPORTANCE:**

One often cited advantage of temporary foreign worker (TFW) programs is that they allow employers to fill excess demand in low unemployment areas without too long delays at the going wage, thereby avoiding the risk of slowing down economic growth. At the same time, adjustment in wages across regions is seen as an efficient way to allocate labour and regulate labour market imbalances spatially. Canada has always experienced high unemployment variations across provinces and factors such as EI characteristics, provincial minimum wages or social spending have been identified as contributors to these differences. However, in recent years, Canada has experienced a particularly prosperous period and yet there has been little change in relative unemployment rates across provinces. At the same time, the TFW program underwent substantial changes such as its extension to low-skill workers and a continuous relaxation of hiring conditions for employers. The implications of expanding the TFW program is then a trade off between avoiding a slowdown

in some local economies and preventing wage adjustment that stimulate inter provincial mobility and convergence of unemployment rates.

#### **RESEARCH FINDINGS:**

The main result of the paper is that the recent extension of the TFW program to low-skilled individuals has indeed had detrimental effects on the spatial adjustments of labour markets in Canada. The inter-provincial adjustment mechanism through wage and mobility has been slowed down by the expansion of the temporary foreign worker program to unskilled occupations in 2002 and the more relaxed hiring rules. Hence, the policy change has had a long-term impact on the labour market perspective of resident workers.

#### **IMPLICATIONS:**

The TFW program is accompanied by a labour market test, but clearly the costs imposed on employers through the conditions for obtaining an LMO have not been high enough to encourage them to attract workers from high unemployment provinces before applying for authorisation to hire temporary foreign workers. A higher cost for access to TFWs such as a higher application fee would have decreased the discrepancies in provincial unemployment. Some countries like Singapore do have fee for use policies for TFWs to avoid long-term adverse effects on the national market.

#### WORKING PAPER 09-06

#### REGIONALIZATION BC 2008: REGIONALIZATION AND RURAL IMMIGRATION IN BRITISH COLUMBIA

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#### **RESEARCH QUESTION:**

What does regionalization of immigration look like in British Columbia and across Canada? What are the social factors and policy directions that have lead to the intensification of settlement in the Lower Mainland and the need to regionalize immigration in BC? What channels lead (im)migrants to urban vs. rural locations?

**IMPORTANCE:**

National and provincial concern with the intense concentration of immigrants in the gateway cities of Vancouver, Toronto, and Montréal is coupled with a desire for the geographic dispersal of immigrants in order to share growth and opportunity with smaller centres so they too can benefit from Canada's immigration vision. The overall goal of this project is to develop a better understanding of the complexity of regionalization in British Columbia (BC) and to develop recommendations and opportunities for community-based solutions that will attract and retain immigrants. We review factors underlying immigrant decisions about destination, settlement, and leaving rural regions or small towns.

**RESEARCH FINDINGS:**

We identify gaps in the literature related to the conditions under which the social inclusion of immigrants thrives in rural communities and find that settlement resources in regions of low immigration must come first if we expect newcomers to settle and stay in these areas. BC strongly encourages settlement outside of Vancouver and Victoria, and since 2007 monies have been directed toward new and expanded initiatives aimed at supporting welcoming and inclusive communities for immigrants. Through this project, we identify a troubling contradiction between the use of the points system for permanent residence and the temporary foreign workers programs in British Columbia and beyond. The points system indirectly encourages metropolitan settlement and creates an unintended push for immigrants to move to urban areas by prioritizing highly skilled, educated, business owners, and others likely drawn to urban centres for immigration to Canada over those with different skills and education who might be drawn to non-metropolitan regions. Also, the Canadian government encourages entry as temporary foreign workers (TFW), particularly agricultural, service, and construction workers. The skills possessed by some of these workers potentially attract them to rural, northern, and/or non-metropolitan areas but the

programs often stipulate and enforce temporariness, which reinforces social exclusion and discourages social integration.

**IMPLICATIONS:**

Immigrants select a place to settle based on several factors, such as a warm and welcoming community, locally accessible immigrant services, and educational, cultural and economic opportunities. One size does not fit all in terms of approaches to regionalization—there is no typical rural or small town reality. The percentage of rural dwellers varies across provinces and among rural areas while differences among rural areas and regions carry important implications for public policy aimed at rural development. Additionally, from a human rights perspective, we encourage a focused examination on the permanence associated with urban settlement and the temporariness associated with temporary foreign workers that is increasingly associated with rural settlement in British Columbia in particular, and Canada in general.

WORKING PAPER 09-07

CONSTRUCTION WORKERS' PERCEPTION OF TEMPORARY FOREIGN  
WORKERS IN METRO VANCOUVER

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**RESEARCH QUESTION:**

What is construction workers' perception of the impact of temporary foreign workers on their economic well-being and specifically on their labour market opportunities?

**IMPORTANCE:**

The Canadian Temporary Foreign Worker (TFW) Program has requirements concerning wage and job conditions for hiring abroad to ensure there is no adverse effect on local workers. Specifically, the wage offered to TFWs must be the same as the one received by local workers. Basic economic theory predicts, however, that such a requirement is likely to affect short- and long-term economic prospects of resident workers: Pay raises may be delayed and pension benefits diminished accordingly. However, in case of a true shortage of labour, the hiring of temporary foreign workers may prevent delays or cancellation of projects, thereby maintaining economic growth at a higher rate. If employers were compelled to attract workers from within Canada, wages would have to rise and employment would grow less quickly, but already employed workers would see their financial prospects improve. The literature on the public perception of immigrants and

the labour market shows that degrees of negative perception vary with workers characteristics. Hence, a temporary foreign worker program such as the one in place in Canada can generate negative perceptions from some employed resident workers and result in resentment and possibly discriminatory attitudes in the workplace in industries experiencing labour shortages.

**RESEARCH FINDINGS:**

The results of a survey of resident construction workers in Metro Vancouver show that a large minority of them consider financial prospects and job competition altered by the presence of TFWs. They also believe TFWs do not have adequate language or training skills. As expected, the degree of negative perception varies with personal characteristics:

Younger workers and those with lower skill levels tend to feel more vulnerable to the presence of foreign workers.

However, resident workers also greatly overestimate the size of the temporary foreign workforce, which has been shown to be a factor enhancing negative perception.

**IMPLICATIONS:**

There are strong doubts among construction workers about the ability of TFWs to fill labour shortages without adversely affecting the local workforce. Some responsibility for such perception lies in the lack of information and/or mistrust that the TFW program functions as it should. Hence, two issues that should be considered to improve perception are: first, to develop tools to advertise vacancies within the industry circles and not just generally in the region before requesting TFWs so that resident workers are aware of job opportunities; and second, improve monitoring of foreign workers' employment conditions through policies such as advising services (like in Alberta) where TFWs can check their situation against the program's requirements.

## WORKING PAPER 09-08

## THE ECONOMIC INTEGRATION OF IMMIGRANTS IN METRO VANCOUVER

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**RESEARCH QUESTIONS:**

What is the extent of labour market participation, the level of employment earnings, and the utilization of social assistance among immigrants to the Metro Vancouver area? How do these figures vary among immigrants who come from different parts of the world and through different admission categories?

**IMPORTANCE:**

Nearly all of the studies examining the economic consequences of immigration to Canada are conducted using census data and executed at the scale of the whole country. In this study, information from the Longitudinal Immigrant Database (IMDB) has been compiled about the economic participation of immigrants living in Metro Vancouver who landed in Canada between 1989 and 2004. The IMDB is built from a combination of the admission records of Citizenship and Immigration Canada and information from the tax records of immigrants (the confidentiality of individual tax files has been fully protected). It therefore provides an accurate record of the characteristics of immigrants at the time of their arrival in Canada and their subsequent economic activity. This is essential information for understanding the impacts of Canada's (and British Columbia's) immigrant selection system at the scale of everyday life in the metropolitan region.

**FINDINGS:**

The level of economic participation varies a great deal between groups. As would be expected, Principal Applicants admitted to Canada through the Skilled Worker category (based on the points system) were most likely to find employment and earned the highest wages of any group. Their success, however, is largely determined by their proficiency in an official language *at the time of their arrival in Canada*, illustrating the salience of communication as the "bottom line" in the Vancouver job market. After language, level of education is the next most important factor shaping economic outcomes for this and other groups. The economic situation of most other admission groups was less favourable and rather similar. This is surprising, as one might expect Refugees to be faring worse in the labour market than, for example, Family Class immigrants, or the spouses of Skilled Workers, but this is

not the case. In fact, Business Class immigrants appear to face the highest hurdles in Vancouver's economy, more so than Refugees. Variations in the economic situation of immigrants from different parts of the world are also significant. Again, surprisingly, the least well-off group in Metro Vancouver's labour market are those coming from Eastern Asia, the largest group in the region. Finally, the utilization of social assistance among immigrants is much lower than that for the British Columbia population as a whole, except for Refugees (though it is not particularly high even for that group).

#### **IMPLICATIONS:**

This study highlights the importance of language in the Canadian immigrant selection system. If current selection policies are maintained, greater effort should be devoted to language training for newcomers. The study also shows that the selection system is operating largely as it was designed to do. That is, the points system appears to be effective in admitting immigrants who are employable and economically self-sustaining. Results for Refugees are better than expected, however, while those for Business Class immigrants are worse. The latter program should be carefully evaluated to assess whether it is meeting its objectives.

WORKING PAPER 09-09

CITIZENSHIP, CO-ETHNIC POPULATIONS AND  
EMPLOYMENT PROBABILITIES OF IMMIGRANTS IN SWEDEN

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#### **RESEARCH QUESTION:**

The aim of this paper is to explore the link between citizenship and employment integration of immigrants in Sweden controlling for a range of demographic, human capital, and municipal characteristics such as city and co-immigrant population size.

#### **IMPORTANCE:**

Looking at citizenship and employment from a policy perspective, what are the implications of tightening up citizenship acquisition requirements? Our contention is that given citizenship's apparent link to employment prospects, tightening up citizenship regulations may result in decreased employment opportunities for immigrants in receiving countries. This could have the effect of actually increasing social welfare costs.

**FINDINGS:**

We find that acquisition of citizenship makes a real difference to the probability of obtaining employment. Foreign-born men and women who acquire citizenship are far more likely to be employed than those who do not.

We find that the impact of the co-immigrant population is particularly important for immigrants from Asia and Africa, immigrant groups that also have the lowest employment rate. Thus, for these immigrants, the co-immigrant population may serve as an employer of last resort, buffering the impact of possible discrimination by the majority population. It could also be an indicator of a lack of linguistic integration, which effectively locks immigrants out of the majority labour force.

**IMPLICATIONS:**

In a country where the barriers to non-citizens are relatively few, why might citizenship help in employment prospects? Spence (1973) argues that observable characteristics act as signals to employers about the potential risk of hiring new employees. Within this context, citizenship may act as a signal to employers about an immigrant's commitment to remaining in Sweden. Hiring a citizen thus reduces transaction and risk costs to employers because they can be more certain that the new employee will remain in the position.

## WORKING PAPER 09-10

## SOCIAL CAPITAL AND LABOUR MARKET OUTCOMES FOR SOUTH ASIA BORN IMMIGRANTS IN CANADA

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**RESEARCH QUESTION:**

The role of social capital in impacting labour market outcomes in terms of employment, job search, sectors of employment and earnings with reference to South Asia born immigrants in Canada.

**IMPORTANCE:**

Studies on the role of social capital impacting labour market outcomes with reference to South Asian immigrants in Canada are scanty. Such studies validate the role of social capital in economic theory and in framing socio-economic policies for immigrants. This could help them integrate in the labour market of the host country.

**RESEARCH FINDINGS:**

1) Social capital helps South Asia born immigrants in gainful employment and in search for jobs. ii) Social capital is not a significant determinant in explaining variations in earnings. iii) The role of social capital is sensitive to the method of estimating it. iv) The primary survey undertaken (though not a representative one), corresponds with the results of quantitative analysis. v) Data set(s), more extensive in coverage are necessary for disaggregated, gender wise analysis of immigrants from different source countries.

**IMPLICATIONS:**

The research confirms that social milieu contribute to the understanding of economic phenomena and reaffirms that economic studies should include human attributes and institutional characteristics of a society. There are implications regarding conceptual framework of social capital, its types, and methods of estimation as they influence the study and interpretation of such an economic phenomena. Some more empirical studies based on wider data base are required to confirm the role of social capital in economic theory and policy formation. In order to let immigrants integrate better in the labour market, existing policies in Canada need to be revised in the context of country/region of origin so as to be appropriate and demand side inclusive.

## WORKING PAPER 09-11

## THE INTEGRATION AND INCLUSION OF NEWCOMERS IN BRITISH COLUMBIA

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**RESEARCH QUESTIONS:**

How is the system of settlement services for newcomers structured in British Columbia, and how has that system changed in the past decade? What kinds of services are offered to new immigrants, and by whom? What role do non-government organizations (NGOs) play in service delivery and how has this been changing? Finally, what are the major gaps in the settlement service system?

**IMPORTANCE:**

Around the world, Canada is seen as a model of immigrant integration, but the jurisdictional complexity of the Canadian system is rarely understood by people outside the country and, we believe, even by most Canadians. Actually, the system is so complex that it can be bewildering to newcomers. Given that hundreds of millions of dollars are

spent each year in Canada to facilitate immigrant integration, it is important to take stock of how the system works in British Columbia and, particularly, to think about possible gaps in service.

#### **FINDINGS:**

There have been profound changes in jurisdiction for settlement services in BC. Since 1998, money has been transferred from Ottawa to the provincial government, which has coordinated settlement services for all newcomers, with one exception (the federal government continues to provide direct support for Government Assisted Refugees during their first year in Canada). The BC government signs contracts with NGOs to provide most settlement services. Shortly after taking over this responsibility, following the 2001 election, the province entered into a period of fiscal austerity and instituted neoliberal reforms in all areas of its administration, including settlement services. This led to a period of tension in the sector, characterized by intense effort to provide effective services with limited funding. The situation was particularly difficult in the crucial area of language training. However, in the middle of the current decade, there was a substantial increase in funds transferred from Ottawa to BC for settlement services, and this initiated a period of substantial new investment in this sector, which has led to the introduction of many innovative programs involving a much closer partnership between the state and NGOs. There has also been a shift toward a new sensibility in the way that integration is conceptualized, with more emphasis placed on the receiving society to become more “welcoming” to newcomers. Nevertheless, despite this new investment, several important gaps remain: Temporary Workers do not (yet) have access to settlement services; housing assistance is not included as a core service offered to newcomers; the system has not yet fully adjusted to the increasingly complex needs of refugees; and the capacity of the settlement service system to measure its own effectiveness is limited.

#### **IMPLICATIONS:**

From an academic point of view, the study adds to our knowledge of neoliberalism by showing that, under certain circumstances, there can be major investment in social programs despite an overall climate of fiscal austerity. It also reveals a significant shift in the way that integration is conceived by the state. From a practical point of view, the study indicates three critical issues that are not adequately addressed in the current system and also the difficulty of assessing the effectiveness of the system.