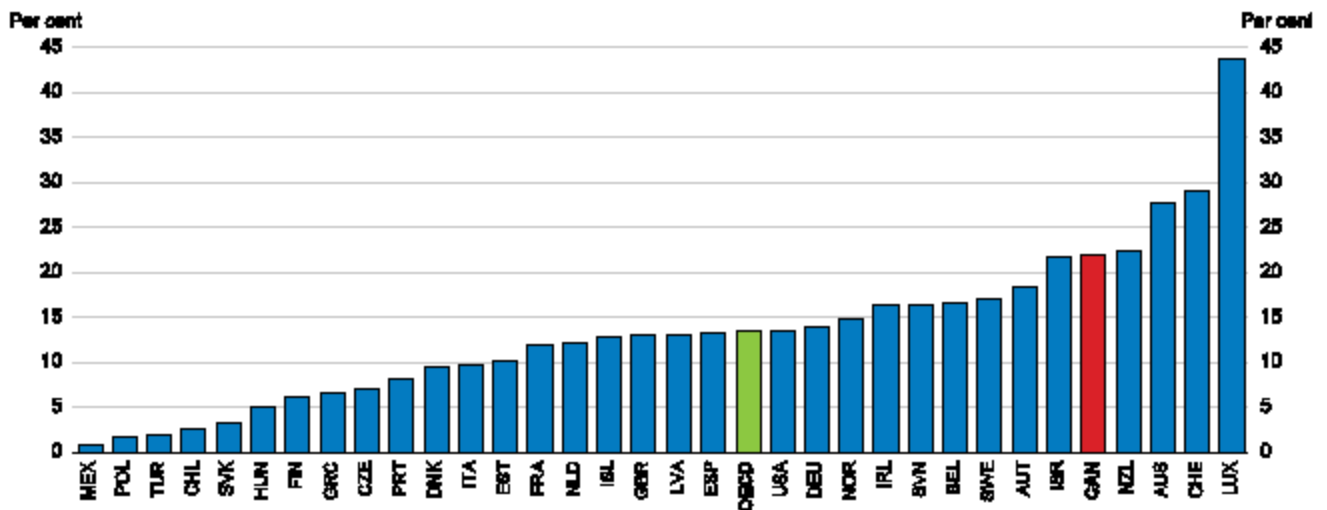


Enhancing labour-market integration of immigrants in Canada

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Canada has long taken in more immigrants relative to its population than most other countries. Immigration policy in Canada aims to promote economic development by selecting immigrants with high levels of human capital, to reunite families and to respond to foreign crises and offer protection to endangered people. Economic immigrants, who are selected for their skills, are by far the largest group. The immigration system has been highly successful and is well run. Outcomes are monitored and policies adjusted to ensure that the system's objectives are met. Immigrants and their children are better integrated in Canada based on a variety of indicators than in most other countries. Immigrants selected for their skills earn substantially more than other immigrants, indicating that selection is succeeding in identifying immigrants with the greatest potential for labour market integration.

Figure 1. Immigrant share of the population
Share of the foreign-born in the total population, 2015¹ or latest year available

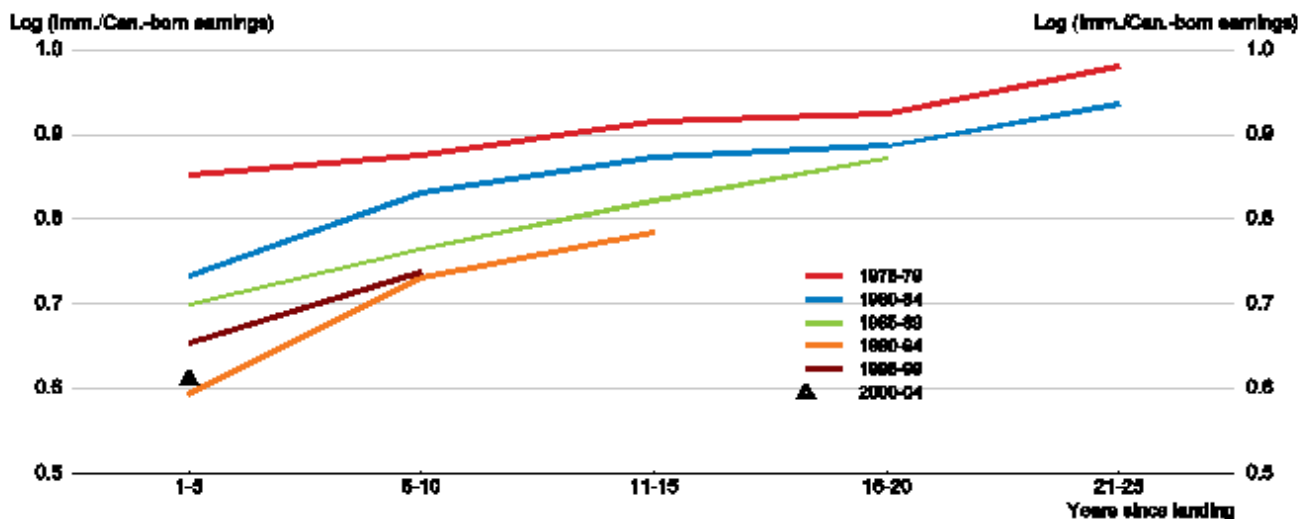


1. 2016 for Canada.

Source: OECD, *International Migration and Economic Outlook* databases; Statistics Canada, 2016 Census Program.

A problematic development is that immigrants' entry earnings fell sharply relative to those of the comparable native-born in recent decades. Important causes of the fall include weaker official language skills and a decline in the returns to pre-immigration labour market experience.

Figure 2. Predicted male immigrant earnings¹ relative to those of comparable Canadian-born
Full-time, full-year male workers,² by years since landing, 1975-2004



1. Predicted values based on a model.

2. Aged 16 to 64.

Source: G. Picot and A. Sweetman (2012), "Making It in Canada - Immigration Outcomes and Policies", *IRPP Study*, No. 29, April, Figure B1.

In response, immigration policy has been changed to select immigrants with better earnings prospects. More are selected for their human capital, and greater weight has been given to official language competence, age (inversely related to foreign work experience) and Canadian work experience. Recently, the selection system was overhauled with the introduction of Express Entry, which only invites candidates with the highest point scores to apply for permanent residence and gives employers a greater role in selection. The system would be still more effective if more weight were given to skilled Canadian work experience in selection and applications from candidates with skilled work experience and a relevant job offer were processed before others.

Canada also has an extensive array of programmes that facilitate integration. The Targeted Employment Strategy for Newcomers facilitates foreign-credentials recognition and helps immigrants gain Canadian work experience in their profession. Bridge programmes, which help with post-secondary credentials recognition in regulated occupations, and mentoring programmes, which help immigrants overcome underrepresentation in high-quality jobs by developing professional networks, have proved effective and should be expanded. The federal government's settlement programmes are extensively used but it is not clear whether utilisation patterns reflect differences in needs or availability. There are large differences in efficiency of government language programmes, pointing to possibilities for reorganisation to improve outcomes.

References:

OECD (2018), OECD Economic Surveys: Canada 2018, OECD Publishing, Paris.