

UNIVERSITY OF WATERLOO

PUBLIC ECONOMICS

ECON 341

Analysis of the Social Risks faced by Newcomers to
Canada

1 Abstract

This paper analyzes the Social Risks that Newcomers face when they immigrate to Canada. These risks include unemployment, exclusion from society, and education for the children of immigrants. Canada attracts more prospective immigrants than the government plans on admitting, which challenges the policy makers to make sure that immigration to Canada is ensuring Canadas benefit in the long run and addressing the economic and population growth concerns. Meanwhile, there is not enough focus on the settlement of the newcomers, which leads to negative consequences.

The following paper analyzes the paper published in 2003 called Social Risks for Newcomers to Canada:Issues Respecting The Role Of Government In Ontario. The social risks mentioned in the paper are still relevant towards immigrants with some other policies which were not in effect prior to 2001, the year when the data to conclude this study is taken from. In the paper written below, these policies are addressed along with their effects on newcomers to Canada.

The different policies and impacts of it are discussed in this paper, and the change in various issues such as employment, change of policy, attitudes towards immigrants, and education of children of immigrants are discussed further. The tools used to carry out this analysis are also discussed. The limitations and difficulty in carrying out this analysis are listed at the end.

2 Introduction

There are many social risks faced by newcomers to Canada, especially the racial minority groups. They include risks related to employment, social exclusion in the community, and education for the children of the immigrants. There are various policies implemented by the government to avoid the risks faced by newcomers. Even then integration of the immigrants into the Canadian society is one of the biggest challenges the government of Canada encounters.

Immigrants face racial disadvantages and discrimination in terms of higher unemployment rates and negative attitudes in the workplace as some Canadian born see immigrants as posing economic threat.¹ Racial minority immigrants also face lower earnings compared to their European counterparts or native-born Canadians. Their qualifications are discounted in the workforce and they have to work odd jobs that are below their level of qualification. It then leads to an increasing rate of poverty within the immigrants.

Immigrants are also a target of social exclusion from the rest of the community. They tend to cluster together in particular neighbourhoods and do not gain exposure to the rest of the community, therefore are unable to integrate into the Canadian society.

As for education of the children of the immigrants, despite the discrimination they face in the schools and its curriculum, the educational attainment is higher for children of the immigrants than the native-born Canadians.

The importance of this paper is significant as immigration has been a key factor in the development of Canadian economic, social, and political issues. It is important to look at the government's role in helping immigrants as the immigration policies in Canada focus more on immigration selection than the settlement and integration

of immigrants in Canadian society. Canada is highly reliable on its immigrants for economic and population growth, and should increase its aid towards newcomers in order to ensure an efficient labour market growth. It is important to help immigrants in reaching their full potential and skills for economic gain, for humanitarian reasons and to continue enriching Canadian culture and society. ²The difficulties faced by immigrants are not difficulties faced by a certain group of people, but difficulties faced by Canada as a nation. Therefore, these concerns should be addressed to ensure Canada is more prosperous of a nation in terms of having a larger economy, a larger domestic markets for goods and services, and greater clout for the country in dealing with other nations in matters that ultimately affect Canadas economic bargaining position. ³Therefore a strong immigration system is important with significant policies which are beneficial both for the immigrants and Canada as a country.

3 Literature Review

The emphasis of this paper is on newcomers and how they face social risks related to employment, integration into the society, and the education of their children. This paper is published almost a decade ago on May 30, 2003 and uses the information from years prior to 2001. Ever since 2001, there have been significant changes in the society and immigration policy of Canada that are not accounted for in this paper.

The Immigration and Refugee Protection Act came into effect on June 28, 2002 and replaced the 1976 Immigration Act. The effects of the IRPA were still not as significant to be noted in this study and therefore did not impact the conclusion of this paper. The modification in the Interim Federal Health Program (IFHP) by Jason Kenney recently on June 30, 2012 is also not accounted for in this paper. The effects of the attack on the World Trade Center have not been fully recognized on the immigration process by the end of 2002 and are not included in this paper. The number of immigrants has fluctuated ever since due to different policies, and there is a change of dynamics within the racial minority. Also there are no accounts of the effectiveness of any of the policies mentioned in the paper.

At the time this paper is written 36.8 percent of the 2001 population was visibly minority immigrants and it rapidly increased to a 42.86 percent in 2006 and is still increasing. Toronto will soon turn into a majority-minority state since the projected minority population increase in Toronto by 2031 is 78%.

The paper also states Immigration policy itself has moved toward emphasis on refined immigrant selection and away from direct support for immigrants after arrival.

⁴This statement is relevant because ever since 2001, there have not been much reforms on the services provided directly to immigrants, but the immigration policy has been

reformed to get more skilled immigrants from around the world to increase human capital. The government has recently modified the Immigration policy by putting a cap on Federal Skilled Workers to reduce the backlog and has developed an Action Plan for faster immigration. It is evident that the government is focusing on "who" to get to the country, rather than "how" they will settle once the immigrants reach Canada as newcomers.

There are many risks faced by the newcomers and one of the biggest social risks immigrants face is the risk related to employment. The negative attitudes at the workplace of people who are threatened by immigrants taking over their jobs might be one of the obstacles faced by immigrants at their workplace. Also established immigrants have more difficulty finding jobs reflecting their educational attainment in 2006 than in 1991.⁵ Also, recently the natives are gaining more post secondary education than they have in the past, giving the immigrants competition in the labour market. They also seem to get preference over the immigrants. This causes loss of earning or employment for immigrants and affects their well being. The typical immigrant with a university degree changed over the 15-year period (see Immigrants to Ontario with University Degree in Appendix). Compared with 1991, recent immigrants in 2006 were, on average, older, more likely not to have English or French as their mother tongue, and more likely to be from South or East Asia. In 1991, despite the relative predominance of those areas of origin, immigrants with a university degree tended to be from a more diverse set of countries. Today's immigrants are also more likely to be members of a visible minority.⁶

The Immigration and Refugee Protection Act came into effect on June 28, 2002, replacing the Immigration Act of 1976. The paper does not calculate for the new policy of backlogging immigrants, which has an effect on the economy of Canada. Chart 1 displays the affect of the introduction of amendments to the Immigration

and Refugee Protection in Budget 2008.⁷ It has removed the obligation of processing most categories of applications. Imposing this amendment has helped the Canadian government reach their immigration goals: reduced wait times for applicants and increased labour market responsiveness. The government is also introducing Action Plan for Faster Immigration, which once again will help in quicker immigration for individuals. From these above policies, it can be seen the paper is relevant in the section of suggesting that the government is focusing on attracting the immigrants more than their settlement once they reach Canada. Since Canada is placing a cap on immigration, the immigration rates have dropped leading to decrease in population growth (see Change in Economic Immigrant landing in Canada in Appendix).

There is a sharp drop in immigration after 2001 as between 1980-2001, the immigrant landing to Canada rose to a high of 59.3% but since 2001, it has declined to a 42.4% in 2009 (see Changes in Ontario Immigrants by category). This could be one of the effects of the attack on the World Trade Center on Canadas Immigration, where their policy got strict and they accepted fewer immigrants than the previous years. Later in the years, the population growth got smaller due to the cap on immigration introduced by the Immigration Minister. The declining rate of approval for immigration can be seen in Table 1 in Appendix.

The backlogging in Federal Skilled Worker application has helped in reducing the amount of immigrants Canada receives every year but it has made it difficult to match workers with the skills in demand in the Canadian economy and dampened Canadas attraction as a destination. Further, as one witness stated, until you get rid of the backlog, you're not going to be able to manage the immigration program effectively.⁸

Post 9/11, there have been many accusations on Canada as not having a strict immigration policy and allowing anyone into the country. After the attack on the

World Trade Center, about two-thirds of the population voted on Canada being too lenient with their enforcement of immigration laws. In the fall of 2001, in the aftermath of 9/11, Parliament passed into law An Act to amend the Criminal Code, the Official Secrets Act, the Canada Evidence Act, the Proceeds of Crime (Money Laundering) Act and other Acts, and to enact measures respecting the registration of charities, in order to combat terrorism.⁹ It also led to privacy issues for some people because according to the new policy, information could be shared between the RCMP and Revenue Canada. The stricter policies and warrants resulted in longer wait times between the US and Canadian borders, which became an obstacle in the free flows of goods between the two countries, hindering economic growth. All these stricter policies led to even more negative attitudes towards the minorities as Islamophobia spread throughout the nation and led to severe social risks for minorities more than ever. It increased racism and discrimination both at workplaces and school alike towards the minorities. The unemployment rates have fluctuated quite a bit, with a downward slope in the past year in Ontario. There are policies focusing on anti-racism but after the 9/11 attack, discrimination took a new face called Islamophobia and native-born Canadians or European immigrants were intimidated by the minorities and preferred to maintain distance from visible minorities.

Immigrants also face the social risk of exclusion. They tend to stick together in the same neighbourhood and not integrate into the Canadian society. It also becomes a negative form of segregation and divides the area into a visible minority and native-born Canadians. Although some programs are offered for easier transformation like Language Training, Immigrant Settlement and Adaptation Program, Resettlement Assistance Program, The Host Program and Immigrant Loans Program, they are not easily accessible and further makes it harder for immigrants to integrate into the Canadian society.

There are many policies for which are still similar from when this paper was published. The policies include the Immigrant Selection based on points, which allow highly skilled individuals to immigrate to Canada. There are also settlement services provided to the immigrants which are still the same like LINC(Language Instruction for Newcomers to Canada) and Ontarios Newcomer Settlement Programs (ONSP).

Another important social risks immigrants face is the access to healthcare. Immigrants come to Canada in good health as seen in table 3.2, as they have to pass the health test before they can get a visa to Canada. But over time, their health deteriorates as seen in table 3.1 in the Appendix. Newcomers face risks to their health as they get stressed with lack of employment and their struggle to integrate into the society. Compared to long time immigrants and Canadian born natives, their obesity level is lower as seen in table 3.3.

There have been efforts to help immigrants get a job through programs like Job Quotas Repeal Act. The law believed that employers should adopt quotas for the hiring of minorities. It also lead to reverse racism where other qualified individuals were not landing jobs because of not being a minority, even if they had equal or higher qualifications.

Another risk newcomers face is racial profiling during a crime scene. It is a widespread belief that minorities are often involved with crimes and are accused of committing them. Though the regression analysis in the Analysis section it can be seen that the effect of visible minorities immigrating to Canada has a negative impact on the crime rate.

The children of the immigrants may face racism and discrimination in school and its curriculum, but they have a higher level of education than the native-born Canadians.

4 Analysis

There were various approaches used to analyze the results of the data found on immigration and its policies. The following data was used in the analysis.

year	popgrwth	crime	minimgrtn	unemrt	urimgrt	brncan
2006	133062	756006	44217	6.37	6.91	6.12
2007	115445	726995	41901	6.4	7.38	5.88
2008	115051	705715	41345	6.47	7.39	6.04
2009	105423	690180	42656	8.91	10.49	8.23
2010	116572	666393	45535	8.73	10.33	8.05
2011	105015	637139	47697	7.86	8.87	7.41
2012	101179	.	.	7.9	8.8	7.47

Firstly, a regression analysis was carried out using the equation,

$$unemrt = \beta_0 + \beta_1 urimgrt + \mu \quad (1)$$

It analyzed the impact on unemployment rate in Ontario from the unemployment rate of newcomers in Ontario. The results displayed that one unit of unemployment rate of newcomers has a positive impact on the unemployment rate. It can be seen below. The resulted equation is $unemrt = 1.00 + 0.7583urimgrt$

reg unemrt urimgrt						
Source	SS	df	MS	Number of obs = 7		
Model	7.1801783	1	7.1801783	F(1, 5) = 230.99		
Residual	.155420821	5	.031084164	Prob > F = 0.0000		
Total	7.33559912	6	1.22259985	R-squared = 0.9788		
				Adj R-squared = 0.9746		
				Root MSE = .17631		
unemrt	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
urimgrt	.7583147	.0498944	15.20	0.000	.6300572	.8865723
_cons	1.001743	.4340238	2.31	0.069	-.1139506	2.117437

Then we performed the regression analysis using the equation,

$$crime = \beta_0 + \beta_1 minimgrtn + \mu \quad (2)$$

It analyzed the impact of visible minorities immigration on the crime rate in Ontario. The regression concluded that the immigration of visible minorities actually has a negative impact on the crime rate, which means that minorities do not encourage crime. The regression can be seen below. The resulted equation is crime = 1195610 - 11.36 minimgrtn

. reg crime minimgrtn						
Source	SS	df	MS	Number of obs = 6		
Model	3.7752e+09	1	3.7752e+09	F(1, 4) = 2.88		
Residual	5.2488e+09	4	1.3122e+09	Prob > F = 0.1651		
Total	9.0240e+09	5	1.8048e+09	R-squared = 0.4183		
				Adj R-squared = 0.2729		
				Root MSE = 36224		
crime	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
minimgrtn	-11.35835	6.696496	-1.70	0.165	-29.9508	7.234102
_cons	1195610	294293.3	4.06	0.015	378521	2012699

The last regression performed was the one using the equation,

$$popgrwth = \beta_0 + \beta_1 minigrtn + \mu \quad (3)$$

It analyzed the impact of visible minority on the population growth in Ontario. The results displayed that the impact of visible minority on the population growth is negative. It is possible since the enforcement of the cap on immigrants has lead to a negative impact to population growth. It can be seen as follows. The resulted equation is $popgrwth = 14171.7 - 0.6396 minigrtn$

reg popgrwth minigrtn						
Source	SS	df	MS	Number of obs = 6		
Model	11974066.4	1	11974066.4	F(1, 4) =	0.09	
Residual	508298971	4	127074743	Prob > F =	0.7742	
				R-squared =	0.0230	
				Adj R-squared =	-0.2212	
Total	520273037	5	104054607	Root MSE =	11273	

popgrwth	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
minigrtn	-.639688	2.083901	-0.31	0.774	-6.425523	5.146147
_cons	143171.7	91581.92	1.56	0.193	-111100.4	397443.9

Further analysis were made using the figures like bar graphs and line graphs in Appendix A. The commands used for the above regression are given below.

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clear
log using "/Volumes/FALL 2012/Fall 2012/Econ 341/Paper.log", text replace

use "/Volumes/FALL 2012/Fall 2012/Econ 341/341.dta"

count

drop if unemrt ==.
drop if urimgrt ==.
drop if brncan ==.
drop if popgrwth ==.

count

reg unemrt urimgrt
reg crime minimgrtn
reg popgrwth minimgrtn

```

5 Conclusion

Overall the paper published in 2003 had points that are still relevant in Ontario but it did not take into consideration the impacts of various policies that were implemented after 2002 since the data collected is from years prior to 2001. The attempt to find trends from the 1960s until now on various topics like visible minority immigrants, European descent immigrants, GDP per year, population growth per year, crime rate per year, but it was not possible since the census sites only had information for some criteria but not for all for all the years. It was also hard to run a unbiased regression analysis as there were not enough data points to run it. Therefore it was hard to identify a trend using all those categories.

Other problems faced were that it is difficult to assess the effectiveness of a policy and there are no analysis carried out in that area to evaluate a policy.

The paper is written with data collected in 2001 and therefore does not reflect the changes of policy due to the attack on 9/11 and neither does it account for the recent changes in immigration policy in regards to having a cap on immigrants and tightening Canadas refugees policy as well.

The impact of 9/11 is suffered by the individuals wanting to immigrate to Canada. Also new policies were introduced after 2001 in order to cap the number of immigrants Canada was letting in. Some of the policies listed in the paper are still in effect, though new policies and regulations have definitely shaped the face of immigration drastically in the past decade.

6 Appendix

Figure 3.1 Self-Reported Health Status among Newcomers Arriving in 2000 and 2001 at Six Months, Two Years, and Four Years after Immigration, Toronto

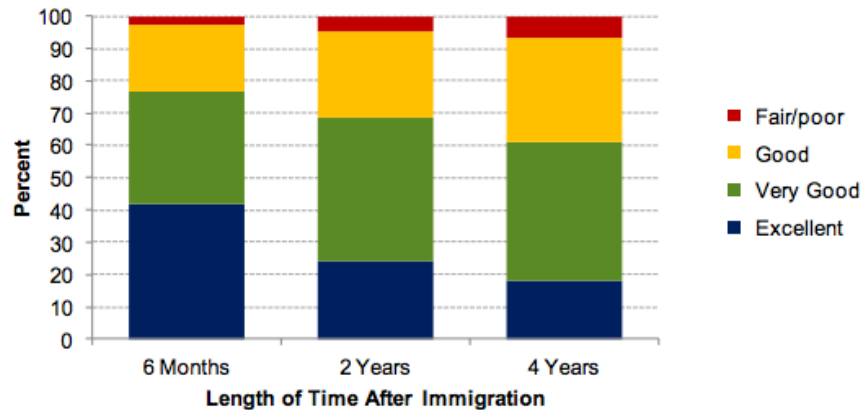


Figure 3.2 "Fair" or "Poor" Self-Reported Health Status among Newcomers, Longer-Term Immigrants, and Canadian-Born Residents, Toronto, 2001 to 2008 Combined[†]

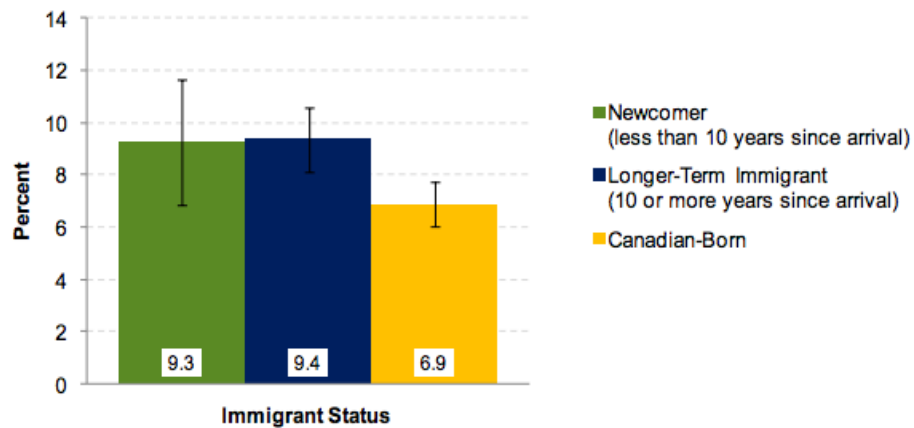
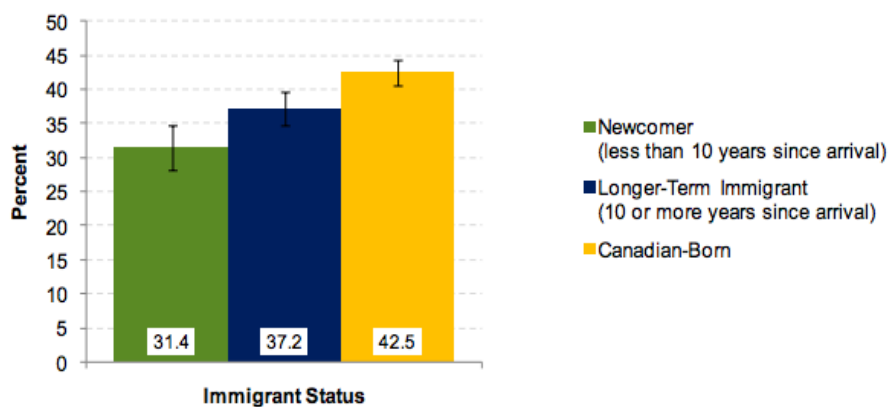


Figure 3.4 Overweight and Obesity among Newcomers, Longer-Term Immigrants, and Canadian-born Residents, Toronto, 2001-2008 Combined[†]



Immigrant Landings by Province (% of total landings)

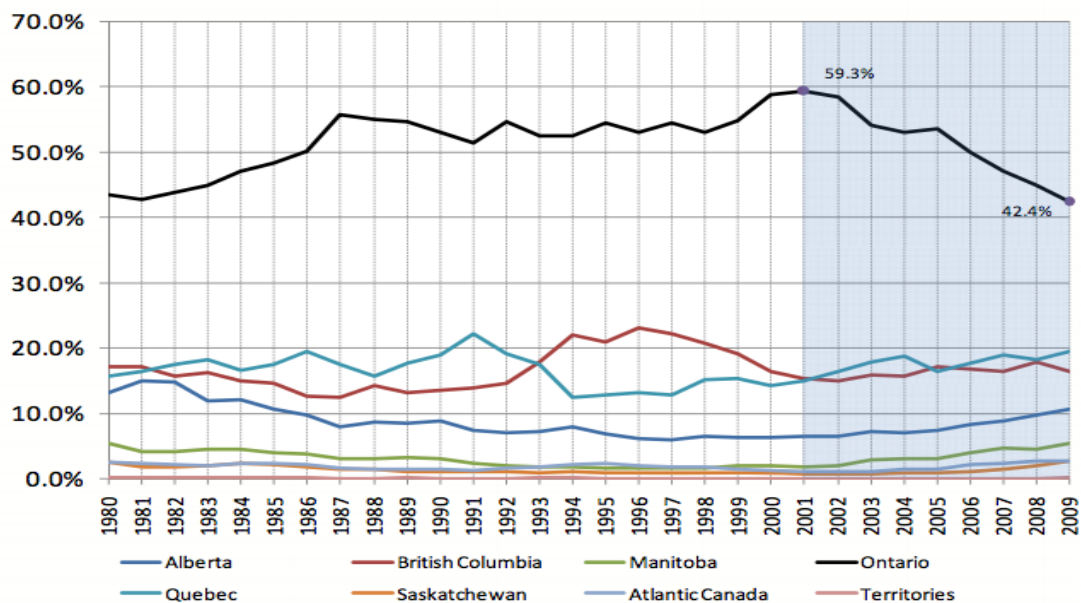
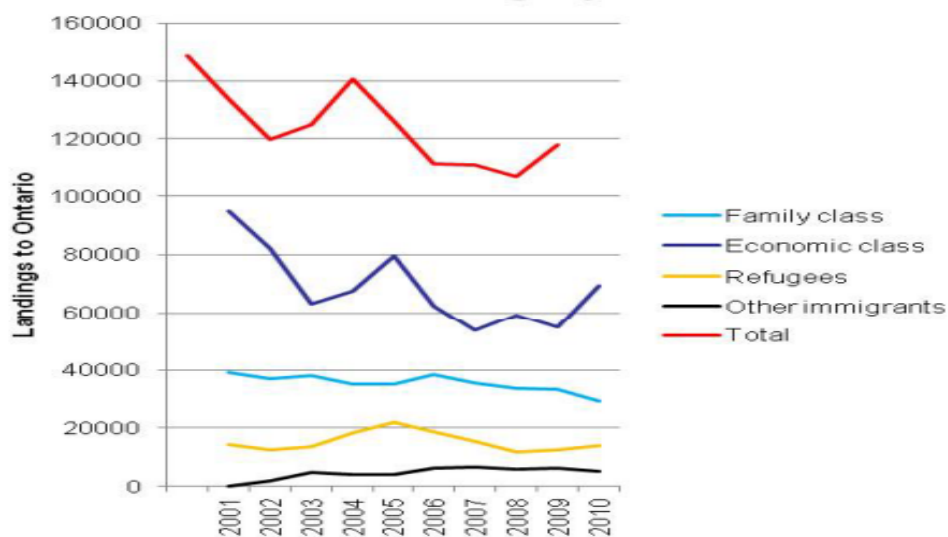


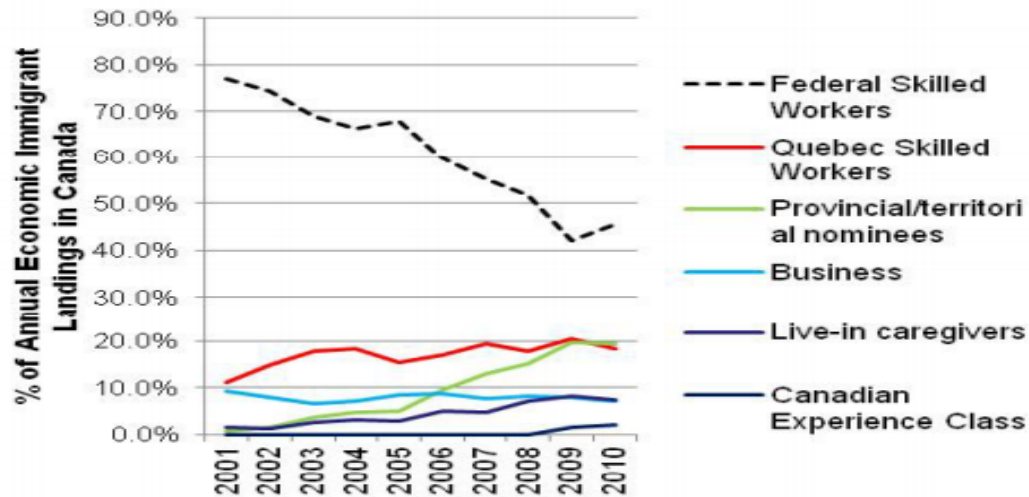
Table 1: Permanent Resident Applications Received and Approval Rate ⁶

	2006	2007	2008	2009	2010	Average	Rounded
Applications received	424,265	458,175	452,874	421,442	424,282	436,208	435,000
Applications processed (excluding withdrawals)	352,571	36,407	339,659	437,278	408,366	374,856	375,000
Applications withdrawn	30,986	23,104	27,870	50,964	41,285	34,842	35,000
Applications approved	258,755	252,387	249,606	267,015	281,087	261,770	260,000
Applications denied	93,816	84,020	90,053	170,263	127,279	113,086	115,000
Approval rate	73%	75%	73%	61%	69%	70%	70%

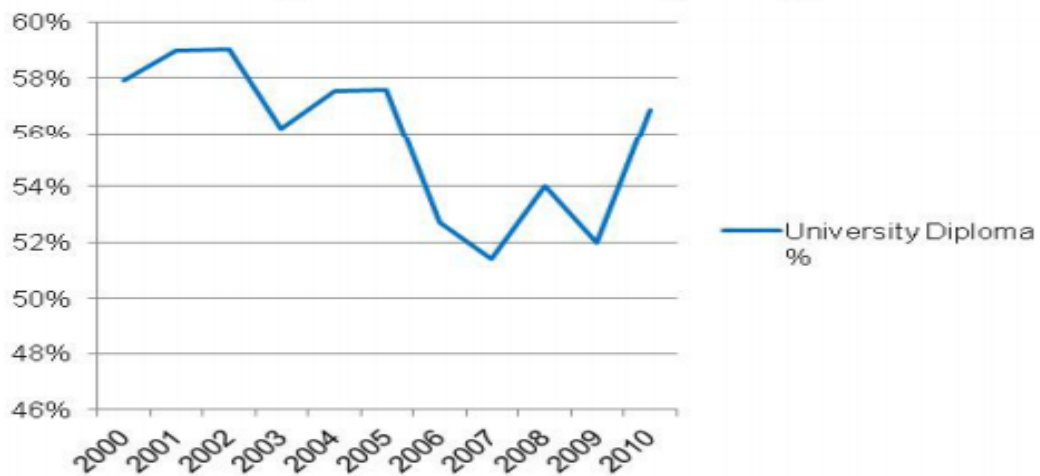
Changes in Ontario Immigration by category



Change in Economic Immigrant Landings in Canada



Immigrants to Ontario (ages 26 to 64) with University Degree



7 References

The figures and data for the regression are taken from the following sources:

"Health Status of Immigrants in Toronto." Web. Nov/28/2012 ¡http://www.toronto.ca/health/map/pdf/global_city/health_status.pdf > .

Palacio, Nelson. "Major Trends in Ontario Immigration." Oct/25 2011.Web. ¡<http://www.workforcedev.ca/userfiles/file/Stats%20and%20Trends%20in%20Ontario%20Immigration.pdf>¿.

"Statistics Canada." Web. Nov/25/2012 ¡<http://www.statcan.gc.ca/start-debut-eng.html>¿.

¹Reitz, Jefferey. "Social Risks for Newcomers to Canada: Issues Respecting the Role of Government in Ontario." (2003)Print.

²Wayland, Sarah. "Legal and Policy Barriers for Newcomers to Canada." 2006.Web. Nov/21/2012 ¡<http://www.cfc-fcc.ca/doc/LegalPolicyBarriers.pdf>¿.

³Reitz, Jefferey. "Social Risks for Newcomers to Canada: Issues Respecting the Role of Government in Ontario." (2003)Print.

⁴Reitz, Jefferey. "Social Risks for Newcomers to Canada: Issues Respecting the Role of Government in Ontario." (2003)Print.

⁵Galerieau, Diane. "Immigrants' education and required job skills." ProQuest. 2009.Web. Nov/26/2012 ¡<http://search.proquest.com.proxy.lib.uwaterloo.ca/docview/213990396?accountid=14906>¿.

⁶Galerieau, Diane. "Immigrants' education and required job skills." ProQuest. 2009.Web. Nov/26/2012 ¡<http://search.proquest.com.proxy.lib.uwaterloo.ca/docview/213990396?accountid=14906>¿.

⁷"Annual Report to Parliament on Immigration." Citizenship and Immigration Canada. 2011.Web. Nov/27/2012 ¡<http://www.cic.gc.ca/english/pdf/pub/annual-report-2011.pdf>¿.

⁸Tilson, David. "Cutting The Queue: Reducing Canada's Immigration Backlogs and Wait Times". Feb 2012.Web. Nov/25/2012 ¡http://publications.gc.ca/collections/collection_2012/parl/XC64-1-411-02-eng.pdf¿.

⁹Adelman, Howard. "Canadian Border and Immigration Post 9/11." Jstor. 2002.Web. Nov/27/2012 ¡<http://www.jstor.org/discover/10.2307/4149524?uid=3739448uid=2129uid=2uid=70uid=3737720uid=4sid=21101395121763>¿.