

# Do employers in Atlantic Canada value immigrants' human capital different from rest of Canada?

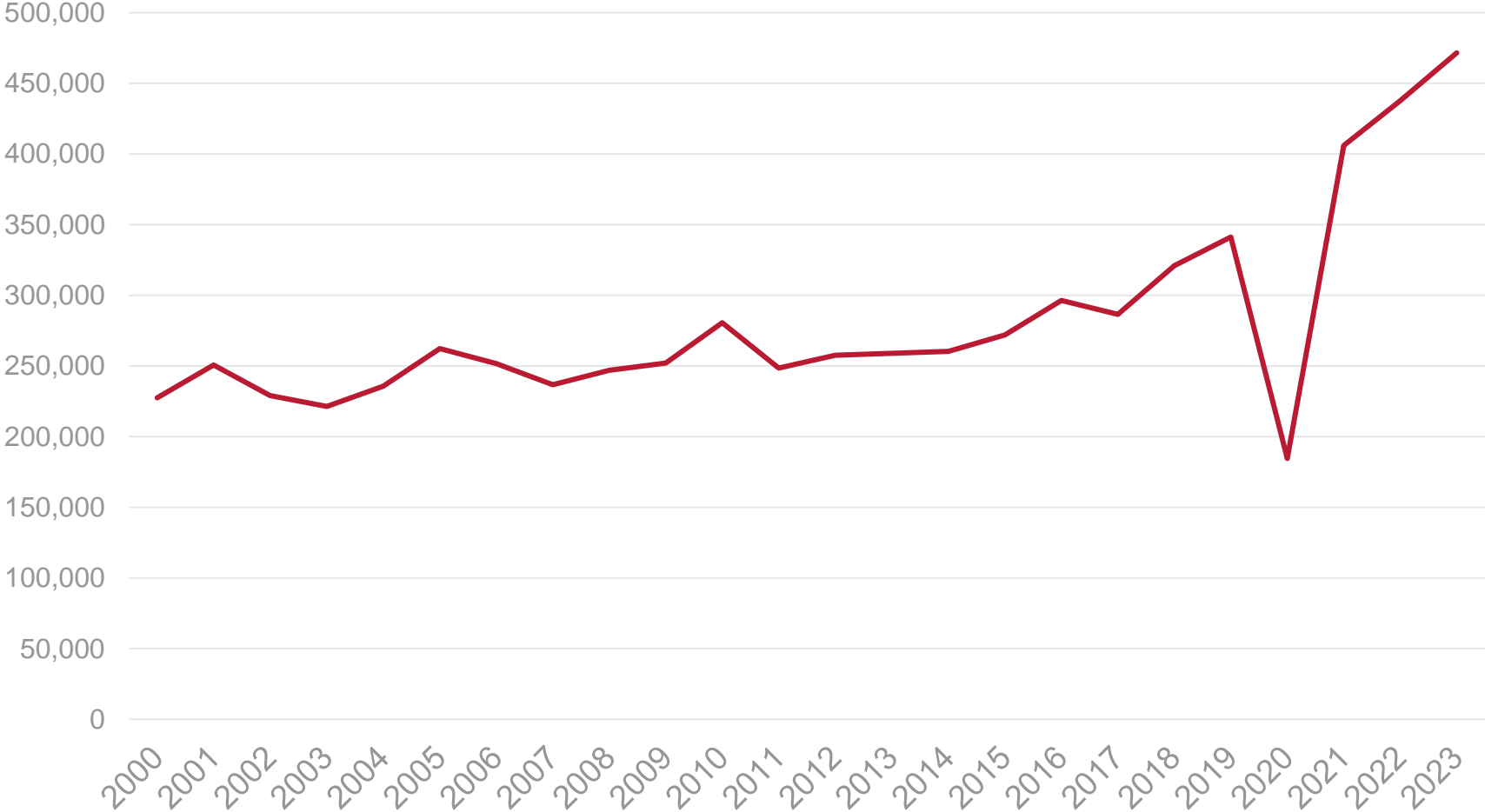
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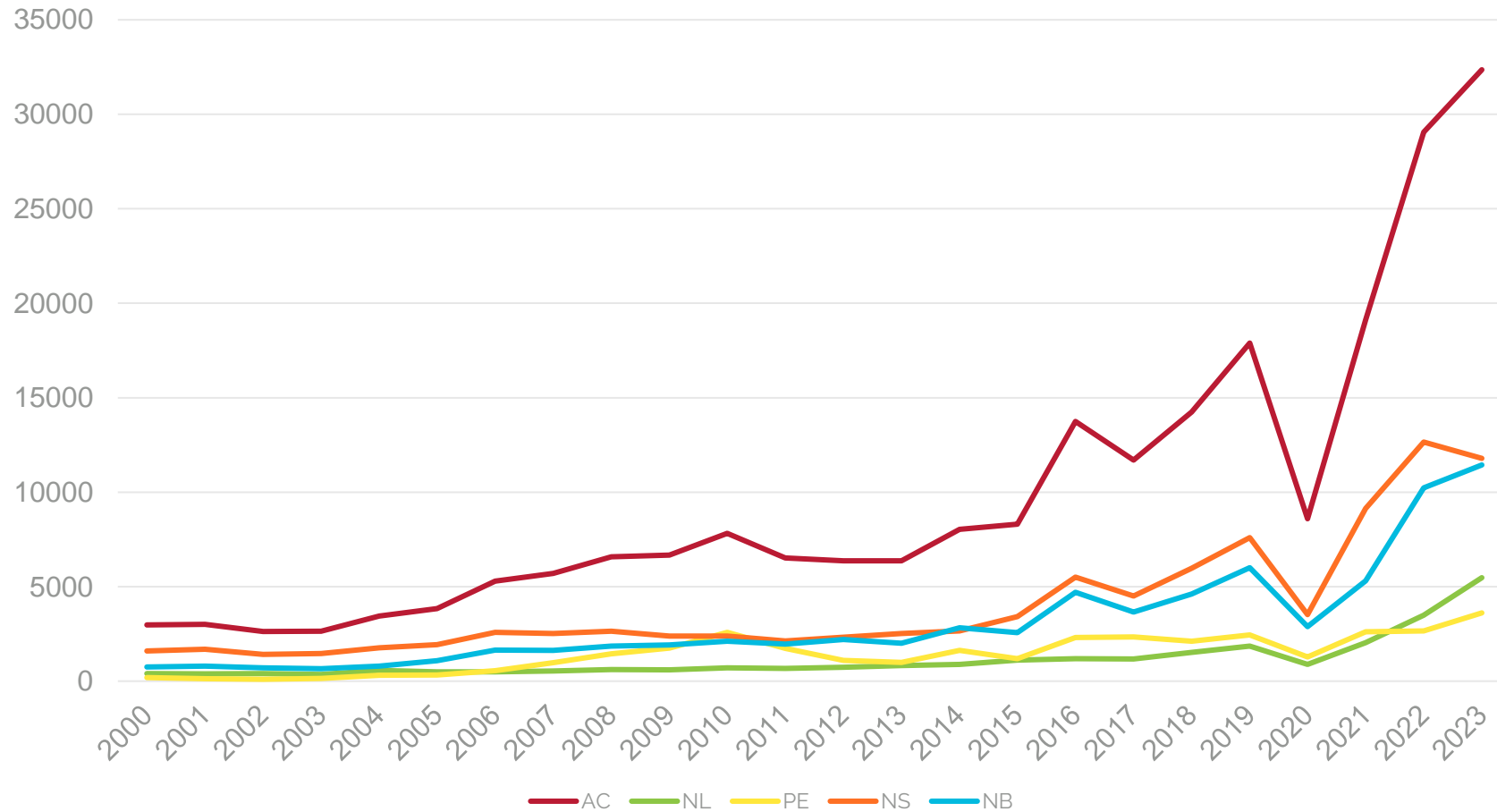


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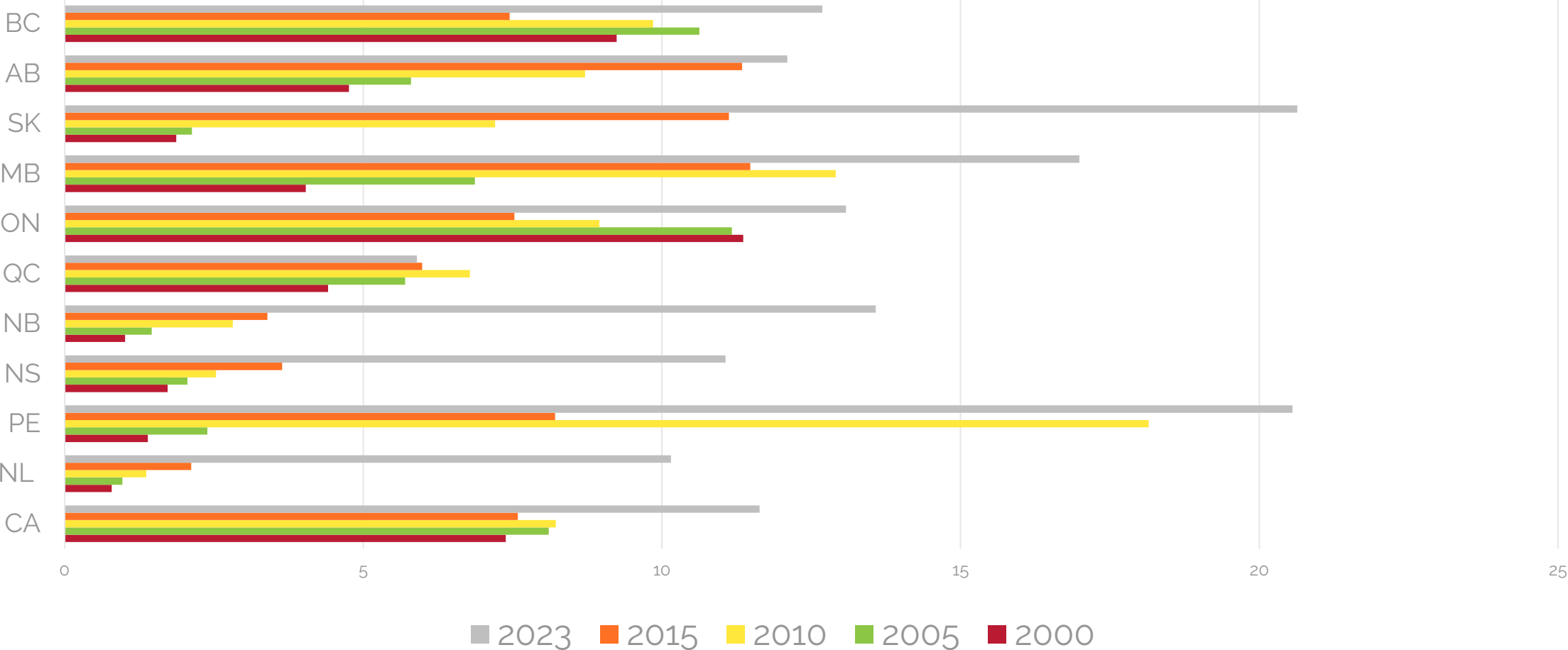
# Permanent resident arrivals in Canada



# Permanent resident arrivals in Atlantic Canada



# Immigrant arrival rates (per thousand), Canada and Provinces



# Top five source countries of immigrants

Source Country	2011		2021		2022	
	Number	Rank	Number	Rank	Number	Rank
Philippines	35,775	1	12,470	3	22,070	5
China, People's Republic of	28,925	2	30,665	2	31,815	2
Afghanistan	..		..		23,735	3
India	26,500	3	126,495	1	118,095	1
United Kingdom and Overseas Territories	3,180	4	..		..	
Nigeria	..		..		22,085	4
Iran	..		6,135	5		
United States of America	1,210	5	8,865	4	..	
Total Five Countries	95,590		184,630		217,800	
Other	153,115		221,370		275,184	
Total Arrivals	248,705		406,000		492,984	

## Two principles in locational choice

- Most immigrants will gravitate towards larger provinces and urban areas.
- Many factors influence choice of specific location for settlement, including economic, social, and cultural considerations.

# Two different theoretical perspectives in locational choice

- Persistence of established locations
- Emergence of new locations.

# Persistence of established locations

- Social and cultural networks that help mitigate some information disadvantage that newcomers have.
- Presence of ethnic goods.
- Settlement service organizations (SPOs) that reduce search costs of availing settlement services (such as language training and employment search).



# Emergence of new locations

- Private sector investments due to competitive advantages or government policy initiatives.
- Specialized high-tech sectors such as in high-tech or natural resources.
- Centralization of certain jobs such as meat packing, fish processing and poultry processing. They may not fit well into established service-based large urban economies and neighbourhoods.

# Emergence of new locations

- New migrant settlement areas may also result from the sponsorship or deliberate recruitment of newcomers.

# Evidence on immigrant credential returns in Atlantic Canada versus Rest of Canada

## Why there may be a difference ?

- Employers' lack of knowledge of the relevance of immigrant credentials and work ethics
- Employer's lack of experience in hiring immigrants
- Employers' lack of understanding of the Canadian credential evaluation procedures



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# Sample means

Variable	Rest of Canada	Atlantic
Employment income (\$)	18,160	16,447
CERB benefit (\$)	7,524	7,475
Age at Immigration	26.14	24.10
Year since Immigration	21.62	13.35
Number of weeks worked	28.8	28.91
Male	0.46	0.48
Married	0.63	0.69
Studied in Canada	0.47	0.45
With university education	0.54	0.51
Knowledge of first official language - Neither English nor French	0.01	NA
Atlantic Provinces	0.01	0.01
Provincial sectoral GDP (\$ million)	80.64	23.55

## Evidence on immigrant credential returns in Atlantic Canada versus Rest of Canada

Human capital variable	National	Atlantic
Study in Canada	5%	ND
University degree	3%	ND
Foreign experience	0.30%	ND
Canadian experience	0.80%	ND

## Regionalization policy

- Addresses the disproportionate numbers of immigrants settling in larger, densely populated areas and provides support to smaller and rural areas facing demographic and economic challenges.
- Fits in the set of government strategies aimed at maintaining a regional balance in national economic development.
- Helps prevent the economic and social consequences of the failure of private markets.



# Regionalization policy- components

- Attraction
- Settlement
- Retention.



# Regionalization policy- Attraction

- Aimed at attracting human capital
- Parallels with attracting business capital

# Regionalization policy- Settlement

- Important to establish a settlement service network due to lack of immigrant networks in smaller areas.
- Principal elements for initial settlement of immigrants: information, language training, employment, financial stability (including financial assistance, banking, credit cards), cultural integration, social and emotional support, health and housing.



# Regionalization policy- Settlement

Rationale for government's role:

Private markets less motivated to provide the above elements of settlement

Free-rider problem (associated with information)

Positive externalities (associated with other elements)

In smaller areas, SPOs face an additional challenge in that they need substantial resources and expertise to apply for, and obtain, government funding.



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# Regionalization policy- Retention

Retention is embedded in attraction, hence government policy plays a role

# Govt policies in Atlantic Canada

## 1. Atlantic Immigration Pilot Program (AIPP) - 2017:

- The AIPP was introduced in 2017 to address labor market needs in the Atlantic Provinces by facilitating the immigration of skilled workers, intermediate-skilled workers, and international graduates.

## 2. Provincial Nominee Programs (PNPs) Enhancements:

- Various enhancements and changes to the PNPs across Atlantic Provinces have occurred over the years. These programs allow provinces to nominate individuals for permanent residence based on their ability to contribute to the local economy.

## 3. Express Entry System - 2015:

- The introduction of the Express Entry system in 2015 has had implications for immigration across Canada, including the Atlantic Provinces. The system prioritizes candidates based on factors such as age, education, work experience, and language proficiency.