

1-1-2008

# Provincial Immigration Policies: The Case of Ontario's Pilot PNP

Radostina Pavlova  
*Ryerson University*

Follow this and additional works at: <http://digitalcommons.ryerson.ca/dissertations>

 Part of the [Other Political Science Commons](#)

---

## Recommended Citation

Pavlova, Radostina, "Provincial Immigration Policies: The Case of Ontario's Pilot PNP" (2008). *Theses and dissertations*. Paper 118.

This Major Research Paper is brought to you for free and open access by Digital Commons @ Ryerson. It has been accepted for inclusion in Theses and dissertations by an authorized administrator of Digital Commons @ Ryerson. For more information, please contact [bcameron@ryerson.ca](mailto:bcameron@ryerson.ca).

**PROVINCIAL IMMIGRATION POLICIES: THE CASE OF ONTARIO'S  
PILOT PNP**

by

Radostina Pavlova, MA, University of Toronto, 2004; BA, American University in  
Bulgaria, 1999

A Major Research Paper  
presented to Ryerson University

in partial fulfillment of the requirements for the degree of

Master of Arts  
In the Program of  
Immigration and Settlement Studies

Toronto, Ontario, Canada, 2008

© Radostina Pavlova 2008

**Author's Declaration**

I hereby declare that I am the sole author of this major research paper.

I authorize Ryerson University to lend this paper to other institutions or individuals for the purpose of scholarly research.

---

Signature

I further authorize Ryerson University to reproduce this paper by photocopying or by other means, in total or in part, at the request of other institutions or individuals for the purpose of scholarly research.

---

Signature

# **PROVINCIAL IMMIGRATION POLICIES: THE CASE OF ONTARIO'S PILOT PNP**

© Radostina Pavlova 2008

Master of Arts  
Immigration and Settlement Studies  
Ryerson University

## **ABSTRACT**

This paper explores the involvement of provincial governments in the selection, recruitment and settlement of immigrants to Canada, focusing on Provincial Nominee Programs (PNPs). Taking as a case study the pilot PNP that the province of Ontario launched in 2007, it asks the question: what are these expanding and increasingly popular programs accomplishing for Canada's immigration project that the federal immigration program isn't? The study argues that PNPs have been able to overcome some of the shortcomings of federal policy of immigrant selection through matching immigrants with jobs, involving receiving communities and institutions in the integration process, bringing immigrants in a relatively short timeframe, and leading to more balanced geographic distribution of immigrants while attracting immigration to provinces and areas unpopular with the general immigrant stream.

Key words: immigration, Canada, provincial nominee, geographic distribution of immigrants, labour market needs

## Table of Contents

I.	Introduction	1
II.	Research Question	2
III.	Hypothesis	2
IV.	Research Methods and Sources	4
	a) Literature review	4
	b) Statistical and government data sources	5
	c) Interviews	6
V.	Literature Review	7
	a) The Role of the Provinces in Canadian Immigration Policy	7
	b) The Human Capital of Immigrants	9
	c) The Economic Integration of Immigrants	10
	d) Settlement Destination Choices and Economic Outcomes	16
	e) Immigrant Distribution: Dispersal, Mobility and Retention issues	19
VI.	The Expansion of Provincial Nominee Programs	23
VII.	The Ontario Pilot Provincial Nominee Program	25
	a) Creation	25
	b) Description	26
	c) Purpose and Potential	29
	d) Challenges and Future Outlook	34
VIII.	The Experience of Other Provinces	36
	a) Manitoba	37
	b) Nova Scotia	44
	c) Quebec	48
IX.	Discussion and Conclusion	53
X.	Appendices	58
XI.	References	62

## List of Tables

Table 1 Provincial Nominees by Province or Territory, 2001-2005	24
Table 2 Economic class Immigrants 1997-2006	38
Table 3 Out-migration rates of recent immigrants from CMA	41
Table 4 Immigrants' Perceptions of Settlement - First Year in Canada	43
Table 5 - Characteristics of immigration program	52

List of Appendices

<i>Appendix A</i> Recruitment Email	58
<i>Appendix B</i> Interview Questions	59
<i>Appendix C</i> Written Consent Form	60

The intense global competition to attract and retain skilled immigrants requires a proactive, well-planned and effective immigrant selection and integration policy. In Canada, recent debates on the declining earnings of immigrants compared to the native-born, unfilled labour-market needs, long-standing issues of immigrants' highly uneven geographic distribution and their difficulties in finding suitable employment, have provoked criticism of the current immigration system. Some critics have voiced the view that unless the current immigration selection model – a human-capital based point system - changes and adapts to meet better Canada's demographic and economic needs for immigrants, the sustainability of the immigration program will be threatened (Reitz, 2005).

Increasingly, Canadian immigration policy is adopting a more regionalized and market-responsive approach. Since the 1990s, most provinces in Canada have established regional-level immigration programs through which provinces are able to recruit and select immigrants. The number of people recruited through these programs has increased rapidly – from 1275 in 2000, to 4,418 in 2003 and 13,336 in 2006 (Citizenship and Immigration Canada, 2006b) and even Ontario, the main destination of most immigrants to Canada, has developed a pilot Provincial Nominee Program (PNP). The trend of expansion and proliferation of these programs, which are often employer-driven and closely linked to labour-market needs, indicates that there are substantial needs in the realm of immigration policy that the federal program cannot meet, leaving gaps which provincial-level programs seek to fill.

## **RESEARCH QUESTION**

The goal of this paper is to answer the question: What are Canadian regional immigration policies and programs – such as Provincial Nominee Programs (PNPs) – accomplishing? It investigates the reasons why PNPs have been adopted by most provinces and why they are expanding, identifies the gaps in federal-level immigration policy and examines the PNPs previous experience and potential to fill these gaps.

## **HYPOTHESIS:**

The nature of the immigrant selection program of the Canadian government, combined with the characteristics of the Canadian labour market, institutions and labour force, creates a situation whereby large numbers of new immigrants with similar skills and educational backgrounds are clustered in areas of intense competition for a limited number of knowledge-based positions, and where institutional and community support for their integration is lacking. At the same time, particular communities that are outside of the large urban areas as well as particular sectors of the economy that need workers with skills that are not necessarily seen as part of the human capital paradigm, continue to experience unmet labour-market and demographic needs. As well, the slowness and the lack of flexibility of Canada's federal immigration program make it difficult to respond to emerging and changing needs.

My hypothesis is that because provinces suffer from the shortcomings of the federal immigration program, they have put in place provincially-managed programs to fill their needs. Adopted thus to address these needs that the federal policy cannot meet, PNPs have the potential to 1) improve economic outcomes through facilitating a match between qualified immigrants to employers with particular labour needs, thereby helping immigrants overcome issues like credential recognition and competitive labour market; (2) respond better to labour-market needs by bringing in immigrants whose skills set may not qualify them through the point system but are nevertheless needed in the Canadian economy, which is not entirely knowledge-based and relies on a supply skilled trades people; (3) improve regionalization of immigration and, as an effect, capitalize on the advantages that immigrants appear to have when they settle outside of large urban areas; (4) involve communities, organizations and governments in the integration of immigrants, speeding up and facilitating the acquisition of official language knowledge and the creation of formal and informal networks.

The focus of this paper is limited to economic immigrants and the findings and analysis in it do not pertain to refugees and family-class immigrants. Also, it makes the assumption that good economic outcomes represent a major part of successful immigrant integration, and are desirable and beneficial for both newcomers and for the Canadian society and economy more generally.

## **RESEARCH METHODS AND SOURCES**

### **Literature review**

To situate the issue of provincial immigration policies in context and to add an academic perspective to the more practical aspect of the discussion that deals with policy choices and outcomes, this study includes a review of recent literature related to the topic. The literature reviewed is organized according to several themes: the powers and activities of provincial governments in Canadian immigration policy, both at present and within a historical context; the human capital paradigm of skilled immigrant selection on which the federal point system is based; the economic integration of immigrants in recent decades; settlement patterns of immigrants and their concentration in large metropolitan centres, and the issues of attracting and retaining immigrants in selected areas.

There is a substantial body of literature on the economic outcomes of immigrants, especially in the context of declining income levels and difficulties in the labour market that recent cohorts have experienced. The literature review here is a brief overview of some of the main recent works on this topic as an in-depth analysis that this complex issues deserves is beyond the scope of this study. Recent literature does not tend to critically examine the human capital model of immigrant selection; instead, the discussion of immigrants' educational and language qualifications focuses in most cases on the economic outcomes for newcomers and touches on the issue of whether human capital characteristics translate into economic gains. While immigrant settlement patterns were discussed in the literature of previous years in the context of the overconcentration of immigrants in large cities, the discussion was mostly factual and demographical, with little attention paid to the implications of these settlement patterns. Some very recent

works (see Bernard, 2008) examine the differences in economic outcomes for immigrants by the size and the type of the area where they settle, and are discussed at more length here as they bear directly on the issue of provincial programs' potential to improve economic outcomes for immigrants through influencing settlement patterns. Finally, existing historical accounts of Canadian immigration and summaries of legal provisions inform of past and present roles and responsibilities of provincial governments in immigration policy. The amount of research dedicated specifically to the goals, outcomes and the potential of provincial-level immigration programs is limited, and this papers intends to fill this research gap.

### **Statistical and government data sources**

This study uses recent Statistics Canada data as well as statistics from Citizenship and Immigration Canada, and from the provincial governments of Ontario, Manitoba, Quebec and Nova Scotia. Data from the 2006 Census are used to show the present level of concentration of recent immigrants in large urban areas as well as the rates of immigrant out-migration for the selected provinces. Tables from the Labour Force Survey were used in the discussion of immigrant employment and unemployment by province. Wave I tables from the Longitudinal Survey of Immigrants to Canada (LSIC) are the source of information on immigrants' perceptions of their settlement experience, for, comparatively Canada, Ontario, Quebec, Manitoba/Saskatchewan and the Atlantic provinces. Numbers of provincial nominees by province and as a proportion of all immigrants were obtained from CIC's yearly publications *Facts and Figures*. For some

of the provinces discussed, statistics on provincial immigrants available on the respective ministries' websites are also included.

## **Interviews**

A small number of interviews with provincial government officials were conducted in the months of March and April, 2008, either in person or by email. The criterion for selection was be the position the subject occupied in the bureaucracy and whether it related to provincial-level immigration programs in terms of their design or implementation. Recruitment was carried out mainly by identifying subjects through information available on governmental websites, and sending a recruitment email describing the research study and soliciting participation (Appendix A), and a written consent form (Appendix C). The data collection tool used was a questionnaire consisting of 8 questions related to provincial-level immigration programs more generally, and PNPs in particular (Appendix B). When administered in person, the questions represented a qualitative, semi-structured interview lasting between 30 and 60 minutes. They were open-ended and while they were planned in advance, there was no rigid structure or order; thus they allowed the pursuit of topics that were raised by the respondent (Babbie & Benaquisto, 2002).

As a research method, conducting interviews was necessary especially for the part of this paper that focuses on Ontario. Since the Ontario's Provincial Nominee Program is very new, statistical or other secondary data to show what it is accomplishing are not available. For this reason, discussing the PNP with officials who are responsible for developing and implementing it and are knowledgeable of its role and goals and who

have a view of what it has accomplished so far, was the best way to study the topic at this point in time.

## **LITERATURE REVIEW**

### **The Role of the Provinces in Canadian Immigration Policy**

The Constitution Act of 1867 accorded joint responsibility for immigration to the federal and the provincial governments (Kelley and Trebilcock, 1998). Based on Section 95 of the Canadian constitution and through the Immigration and Refugee Protection Act, and federal-provincial agreements, federal and provincial governments in Canada share the responsibility for immigration policy- making and implementation. Section 95 clearly states that provincial legislatures “may make laws...in relation to immigration into the province” and that those laws will be recognized as long as they are “not repugnant to any Act of the Parliament of Canada” (Murrey, 2008).

Provincial involvement in Canadian immigration policy is not a new phenomenon. Even before confederation, in the 1830s and the 1840s, there were differences in the taxation rules and amounts, and in the approaches to immigrant reception among the pre-confederation colonies (Kelley and Trebilcock, 1998). Provincial governments often engaged in their own promotion overseas – a practice that was discontinued in 1874 when, to avoid duplication, promoting immigration abroad became a solely federal responsibility (Kelley and Trebilcock, 1998). Another example of provincial involvement in immigration was the provision of homesteads, and the application of different eligibility criteria for their allotment (Kelley and Trebilcock,

1998). Some provincial immigration policies were concerned with the exclusion rather than the attraction of immigrants: British Columbia's efforts to discourage Asian immigration led its government, in the early 20<sup>th</sup> century, to pass its own resolutions and statutes, preventing Asian workers from working on public projects (Kelley and Trebilcock, 1998). The British Columbia Immigration Act also required certain levels of education and language proficiency that effectively represented a ban on Indian immigrants (Kelley and Trebilcock, 1998). In the 1980s, many provinces became interested in the perceived economic benefits that immigration would bring to them, and increased their participation in the federally-coordinated business immigration program, with some establishing promotional offices abroad (Kelley and Trebilcock 1998). Provincial governments also participated extensively in the preparation of the Five-Year Immigration Plan of 1990, though the consultations were an instance when the federal government asserted over the provinces its constitutional powers in the area of immigration by refusing Ontario's demands for increased federal funds to help meet the settlement needs of the increased size of immigration that the Plan envisioned (Kelley and Trebilcock 1998).

Canadian provinces are legally able to sign formal agreements related to immigration with the federal government (Clément, 2003). Provincial governments that have signed such agreements can nominate immigrants according to regional and local economic needs (House of Commons, 2003). However, the federal government has the final word in the immigration selection – it can reject an immigrant nominated by a province on medical, security or other, discretionary grounds. The numbers of nominees are determined through negotiations between the province and the federal government.

Quebec has a larger degree of autonomy in immigration policy than any other province: under the Canada-Quebec Accord, the province of Quebec is fully responsible for the selection of all of its skilled immigrants (House of Commons, 2003).

### **The Human Capital of Immigrants**

According to American economist Gary Becker, one of the main developers of human capital theory, individuals' human capital, such as formal education or qualifications acquired through training, translates into higher earnings and increased productivity (Becker, 1993). Thus the concept of human capital implies that spending money and efforts on the acquisition of these qualifications and knowledge should be considered an investment that will benefit economically both the individual and the national economy.

Canada selects the majority of its economic immigrants through the federal skilled workers program which evaluates potential newcomers on the basis of their education, knowledge of official languages and previous work experience in a professional or skilled type of occupation. Because of the importance it places on these characteristics, the point-based selection system essentially picks those candidates that, according the human capital framework, can be expected to perform well and contribute to the Canadian economy. The principles of the human capital paradigm and its applicability to immigrant selection in Canada are seldom questioned. In fact, even proponents of a more restrictive immigration policy and those fearful that immigrants are not making a sufficient contribution to the Canadian economy argue in favour of applying the human capital selection criteria more strictly and reducing the number of

immigrants in the family class because they are not subject to the selection criteria (Iverson, 2008; Francis, 2002). Both supporters and critics of the present skilled immigration program assume that the skills and education required by the point system are easily transferable and are conducive to economic success.

The literature on immigrant selection raises the question of whether to recruit immigrants who already possess needed skills and qualifications or to bring in individuals who are presumably able to learn new skills quickly and adapt. Historically, Canada's immigration policy has been driven by economic self-interest: since 1867, it has been consistently based on self-interest and immigrants were recruited with specific goals in mind: to populate the prairies, to build a railroad or to fill shortages in the labour market (Kelley and Trebilcock, 1998). This economic self-interest prompted the creation of policies that brought in immigrants who would immediately alleviate existing job shortages; the policies were altered to reflect changing labour market needs. The human capital model of immigration policy appears, upon initial examination, to be a departure from the historic tendency of the government to tailor the size and kind of immigration inflow to the economic imperatives of the time, as it does not have a connection to a particular project such as building a railroad, and does not adjust periodically to changing labour market needs. However, if we accept the idea that the economy of today is a knowledge-based economy then recruiting immigrants with relevant human-capital characteristics can be seen as a response to the new economic needs of Canada (Reitz, 2005) and not necessarily as a step towards building a learning society.

Lorne Foster (1998) advocates the idea of selecting immigrants with transferable skills. He is critical of Canada's experience responding to the demands of the labour

market through bringing in the “huddled masses” according to selection criteria favoring “industrious” immigrants (Foster, 1998). The importing of immigrants with particular skills and education – such as engineers and IT specialists in recent years – instead of those who are capable of learning the skills needed at a particular point in time, is an example of the opposition between a “value-added system” and a “value-generating” system (Foster, 1998). Foster calls the former approach “designer immigration” and argues that current policies are out of date in that while Canada has changed from being an industrial society to a learning one, with an economy based on knowledge, the manner of selecting skilled immigrants has changed little since the days when the “industrious” ones were welcome, however, the kind of industry and skills set needed has altered (Foster, 1998). Because skills become obsolete in an ever-changing economy, selecting immigrants in this way rather than cultivating immigrant skills, can threaten the advancement of Canadian society (Foster, 1998). To Foster, the ability of a country to develop and further the skills of immigrants after they arrive is more crucial to future advancement than the precise targeting of needed worker skills (1998). The paradigm of economic reciprocity between immigrants and recipient country that underlies Canada’s policy reveals that the preoccupation with the economics of immigration and the myth of the positive connection between immigration and economic prosperity – following the idea that migration of people is equivalent to the migration of capital - have persisted through the decades and centuries of immigration history (Foster, 1998).

Institutional factors related to changes in the labour market and the transition to a knowledge economy put additional barriers to the utilization of immigrant skills (Reitz, 2005). The knowledge-based economy itself possesses characteristics that make it

difficult for immigrants to prosper economically as knowledge occupations increase and educational requirements rise (Reitz, 2005) while the assessment of immigrant qualifications remains problematic. Changes in recruitment and hiring practices are increasing the difficulties of immigrants to gain access to knowledge occupation jobs; the majority of management positions in particular are filled by professional rank employees and not by qualified immigrants (Reitz, 2005). Additionally, institutional barriers such as employers' lack of access to information about the real meaning of credentials acquired from educational institutions in other countries and to comparable performance assessments of immigrants hinder the effective integration of highly skilled immigrants (Reitz, 2005). The main problem with Canada's immigrant selection paradigm may thus be that it selects immigrants with high educational and skill levels but does not achieve its goals due to the underutilization of these skills caused by the characteristics of the knowledge economy and aggravated by the lack of appropriate institutional mechanisms for the assessment of these skills (Reitz, 2005).

The educational qualifications of immigrants have been increasing in the last several decades while the economic outcomes have steadily declined (Reitz, 2005). According to Reitz, the main reason for declining economic performance of immigrants and the inadequate underutilization of their skills are institutional factors and the lack of mechanisms for economic integration (2005). In his opinion, the education of incoming immigrants is relevant but "does not contain all the elements required in the Canadian context" – elements that the institutional framework establishes (Reitz, 2005). He does not question the sufficiency or the type of skills these immigrants typically possess or the human capital criteria according to which they are selected but focuses on the

mechanisms – or the lack of such mechanisms - in the Canadian labour market to integrate these skills (Reitz, 2005). The weakness of the human capital theory as applied to immigrant policy, according to him, is that it assumes employers are capable of assessing immigrants' credentials (Reitz, 2005). Reitz implies that the human capital model of immigrant selection is, in itself, appropriate but argues that it is its application in the Canadian institutional context that causes poor economic outcomes for immigrants (Reitz, 2005).

### **The Economic Integration of Immigrants**

A lot of recent research has focused on the declining economic performance of Canadian immigrants during the last couple of decades. Most authors agree that immigrants of the 1990s and later have fared worse economically than previous cohorts (see Bernard, 2008; Reitz, 2005; Picot and Sweetman, 2005; Frenette and Morissette, 2003). One estimate of the economic loss incurred by the underutilization of immigrants' skills amounts to \$2.4 billion – the amount shown in the 2001 Census as the difference between the earnings of immigrants and Canadian-born with comparable skills (Reitz, 2005).

A common way of measuring of the economic integration of immigrants is by comparing their earnings to those of the Canadian-born. Frenette & Morissete (2003) analyze census data to determine that, on average, the real annual incomes of all recent<sup>1</sup> male immigrants declined by 7% in the period from 1980 to 2000; by comparison, they

---

<sup>1</sup> For the reference year 1980, the study defines recent immigrants as those who arrived in Canada between 1975 and 1979. Similarly, for the reference year 2000, recent immigrants are defined as those who arrived in Canada between 1995 and 1999 (Statistics Canada, <http://www.statcan.ca/Daily/English/031008/d031008a.htm>)

rose by 7% for their Canadian-born counterparts. The incomes of immigrant women increased but at a slower rate than those of Canadian women (Frenette & Morissette, 2003). It is also taking longer, if it happens at all, for immigrants to close this income gap and “catch up” with the native-born. The traditional pattern of economic assimilation whereby the earnings of immigrants and non-immigrants eventually even out, does not seem to be taking place with immigrant cohorts after the 1970s (Picot and Sweetman, 2003). Immigrants who arrived in the 1980s were earning about 85% of the amount that non-immigrants were making, and the incomes of those who arrived in the early 1990s were about 70% as high as the incomes of the Canadian-born, without indications that the gap would be closed after 20 years since arrival (Picot and Sweetman, 2003). Another indicator of economic outcomes is the incidence of low-incomes. In this respect, immigrants have also fared poorly: the percentage of immigrant families whose incomes were below the low-income cutoff level was 24.6% in 1980, and 35.8% in 2000 (Picot and Sweetman, 2003). In comparison, non-immigrants’ incidence of low-income decreased from 17.2% in 1980 to 14.3% in 2000 ((Picot and Sweetman, 2003). These statistics compare immigrants with all Canadian-born; if a comparison was made between immigrants and non-immigrants with similar characteristics (such as education, age, marital status and region, for example), then the income gap becomes even larger (Picot and Sweetman, 2003).

While earnings and low-income levels are important indicators of economic integration, they only provide information about those immigrants who are employed, ignoring both unemployment and income from sources other than employment, such as government transfers and self-employment (Picot and Sweetman, 2003). Recent results

from the Labour Force Survey showed that, on the national level, immigrants aged 25 to 54 who had landed in Canada between 2001 and 2005 had an unemployment rate of 11.5%, more than double than that of Canadian-born which was 4.9% (Zietsma, 2007). This group had higher educational levels than their native-born counterparts who were surveyed, yet, while for the Canadian-born having a university degree significantly decreased the likelihood of being unemployed, for immigrants, education made little difference (Zietsma, 2007). Immigrants who had been in the country for 5 to 10 years had an unemployment rate of 7.3%, still a lot higher than the rate of non-immigrants, and established immigrants who had been in the country for more than 10 years approached closely the unemployment rate of the Canadian-born (Zietsma, 2007).

The reason for this decline in economic outcomes cannot be explained by a decline in immigrants' human capital. The share of all male recent immigrants who were employed full-time and had university education rose from 22% in 1980 to 44% in 2000 (Frenette & Morissette, 2003). Some authors have suggested that one reason that immigrants are not doing as well as native-born Canadians is that the educational levels of Canadians have risen, and have increased in value (Reitz, 2005) causing immigrants to lose a competitive advantage in a market where employers are increasingly seeking advanced education for occupations that did not previously require degrees (Reitz, 2005). Picot and Sweetman (2005) determined that, of the several most commonly considered explanations, the change in the linguistic, racial and cultural characteristics of immigrants related to new source countries accounted for one-third of the difference in economic performance, declining returns on foreign work experience was the second important

reason, and a general decline in income for all new entrants in the Canadian labour market was also important.

It is beyond the purpose and scope of this paper to examine in any more depth the issue of economic integration even though it is quite possibly the most crucial immigration matter on the current social agenda. From the perspective of exploring the potential of provincial-level immigration programs to improve the economic outcomes of immigrants through regionalization, the differences in economic integration of immigrants by the size of populated area where they settled deserve attention, and they are discussed in more detail next.

### **Settlement Destination Choices and Economic Outcomes**

Overwhelmingly, in Canada's recent immigration history, new immigrants have settled in large metropolitan areas. Ninety-four percent of all immigrants who came to Canada between 1991 and 2001 settled in the country's Census Metropolitan Areas<sup>2</sup> (Heizs, 2006). According to the 2006 Census, 94.9% of all immigrants live in large urban communities (a census metropolitan area or a census agglomeration). For recent immigrants – those who landed between 2001 and 2006 – the corresponding percentage was 97.2% (Statistics Canada, 2007). This share was significantly larger than that of the Canadian-born who live in urban communities, 77.5% (Statistics Canada, 2007). Immigrants are much likely than non-immigrants to live in one of the three largest cities in the country: 75% of immigrants live in Toronto, Montreal and Vancouver, compared

---

<sup>2</sup> According to Statistics Canada's definition, a CMA/CA is an "Area consisting of one or more neighbouring municipalities situated around a major urban core. A census metropolitan area must have a total population of at least 100,000 of which 50,000 or more live in the urban core. A census agglomeration must have an urban core population of at least 10,000."

to 34% of all Canadians aged 20 or older (Bernard, 2008). As for small towns and rural areas, 1 in 5 Canadian-born live in areas with a population of 15,000 or less, while only 1 in 40 immigrants does (Bernard, 2008).

Lareya (2003) observed that immigrant earnings reached the levels of native-born Canadians faster in smaller cities than in Toronto, Montreal and Vancouver, and suggested that Canada should promote settlement in “second-tier” cities to ensure a sound immigrant dispersal policy. More recently, in his work on the comparatively successful economic integration of immigrants settling in smaller urban and in rural areas, Andre Bernard (2008) put forward the idea that poor economic outcomes for immigrants who settle in large urban centers may be, to a large extent, a reflection of the problems encountered in metropolitan areas. He found that the economic integration of immigrants in less urbanized (mid-sized) areas was faster than in the large cities: while immigrants in metropolitan areas experienced an initial income gap of 37% and were still 22% behind in four years, they were able to surpass the initial 14% gap in small areas within four years and earn 2% more than the Canadian-born within that period (Bernard, 2008). Immigrants experienced an even greater advantage in small towns and rural areas, earning, on average, 4% more than Canadians in their first year after settlement and 19% more after four years (Bernard, 2008).

For the Canadian-born, living in a large urban area is associated with higher incomes (Bernard, 2008) while immigrants experience poverty more often if they live large cities (Kazemipur & Halli as cited in Reitz, 2005). Immigrants do better in small towns and rural areas, however – they had median incomes that were 12% higher than those of immigrants living in very large urban areas, and the difference between the

incomes of immigrants in small urban areas and very large urban areas was 16% (Bernard, 2008).

According to Bernard (2008), the better economic performance of immigrants in smaller areas has little to do with immigrant characteristics and is more likely due to dynamics specific to large urban areas. Immigrants fare better in smaller areas whether or not they possess human capital characteristics such as official language knowledge and education, and regardless of other characteristics like country of origin (Bernard, 2008). Immigrants that would score low on a human-capital scale because of having high-school or lower education and/or no knowledge of official languages are at a much lesser disadvantage in less urbanized areas than they are in large cities (Bernard, 2008). Refugees in particular integrate quite quickly in small areas – in fact, their incomes surpass those of Canadian-born living in the area after only one year (Bernard, 2008). Skilled immigrants experienced difficulty integrating economically in the large urban areas, regardless of their educational level while having a university degree for immigrants in all immigrant classes was associated with the achievement of income parity very quickly, within the first four years (Bernard, 2008). An explanatory factor for the better pay-off of education in less urbanized areas may be the fact that in those locations the Canadian-born population is relatively less educated in comparison to those living in large cities (Bernard, 2008). Lack of official language knowledge upon arrival put immigrants in smaller areas at a lesser disadvantage than was the case in large cities – their earnings quickly caught up with those of the Canadian-born, possibly because they learned English or French faster in areas made up predominantly of speakers of one of the official languages (Bernard, 2008).

Country of origin differences are an important side of the equation. While a large share of immigrants living in small urban areas come from Europe and the US – unlike in big cities where recent immigration is mostly from Asia – economic outcomes by country of birth were slightly better for immigrants *not* coming from Europe, the US or Oceania (Bernard, 2008). This contradicts, at least as far as non-metropolitan areas are concerned, the theory that the declining economic performance of immigrants can be explained by the change in source countries away from the traditional sources such as the United Kingdom and Europe. Country of origin seemed related to immigrant economic performance only in the large urban areas where only immigrants from Europe, the US and Oceania achieved income parity relatively quickly (Bernard, 2008). In smaller urban areas and in rural areas, statistical analysis controlling for country of origin showed that country of origin had little or no impact; if anything, immigrants from Europe, the US and Oceania did slightly worse on average (Bernard 2008).

### **Immigrant Distribution: Dispersal, Mobility and Retention issues**

The realization of the benefits of attracting immigrants to smaller cities and towns and attempts to devise strategies for achieving this goal are not new. As early as the 1970s, there were concerns about the concentration of population in Canada's large urban centres and about immigrants' tendency to settle there. The Green Paper of 1974 recommended that the federal government design policies that would induce immigrant settlement in "designated areas" outside of large cities (Kelley and Trebilcock, 1998). One of the concerns with the concentration of immigrants had to do with fears of ethnic concentration and racial tensions, provoked by the changing composition of the

immigrant population that resulted from removing ethnic origin restrictions from immigration policy in the 1960s (Kelley and Trebilcock, 1998).

The increasing concentration of immigrants in Toronto and Vancouver has provoked a good deal of regional economic development policy attention, and smaller communities in rural areas, especially those that are experiencing declining populations, have been making efforts to attract immigrants in order to boost the local economy (Bernard, 2008). The federal government has also acknowledged that a more even geographic distribution of immigrants is desirable (Bernard, 2008). A recent initiative of Citizenship and Immigration Canada to assist immigrant receiving communities is the publication of a guide, entitled *Attracting and Retaining Immigrants: A Tool Box of Ideas for Smaller Centres*, designed to help these communities devise their own immigrant attraction and settlement strategies (Citizenship and Immigration Canada, 2008). Small towns and rural areas in particular need immigrants. As Canada's distribution of immigrants is highly uneven, immigration is failing to alleviate the problems of rural areas and smaller towns suffering from depopulation and labour shortages; at the same time, Montreal, Toronto and Vancouver are struggling to accommodate the large numbers of immigrants who settle there (The Metropolis Project, 2003). Attracting immigrants to localities outside of major urban areas is often seen as an opportunity to improve economic outcomes for the receiving communities. However, some economists have argued that regional economic problems cannot be solved through immigration and that immigration policy should be limited to social and cultural goals (Niessen & Yongmi, 2005). Though it would be unreasonable to expect immigrant inflows to have a dramatic effect on the state of the national economy, immigrants could boost the

economy on the local level, especially in remote and underpopulated areas. In the longer term, successfully integrating immigrants into the labour market through an immigration policy with a regional economic focus would lead to increased population, production and consumption, and would thus encourage growth.

Because immigrants to Canada have full mobility rights within the country guaranteed by the Canadian Charter of Rights and Freedoms, government policies can only influence long-term settlement patterns if they take into consideration both attracting immigrants to an initial area of settlement and the ability to retain them there. The choice of initial destination is a very important factor for subsequent long-term settlement. A 2005 Statistics Canada study found that in the period from 1976 to 2000 the movement of immigrants from their initial destination was small, even for immigrants whose initial destination was determined by the government as was the case with many refugees (Statistics Canada, 2005). It is then reasonable to expect that immigrants who arrived at a particular locality and were immediately integrated into the labour market will likely remain at the initial destination for a longer period of time.

The involvement of receiving communities is instrumental in the successful integration of immigrants (The Metropolis Project, 2003), and likely plays an important role in their retention. Among the institutional factors that affect immigrant integration are labour and ethno-cultural organizations, as well as cooperation among the levels of government (Reitz, 2005). Currently, immigration policies are designed to discourage the direct involvement of the government in settlement and integration matters (Reitz, 2005), limiting this role to funding settlement agencies. The provincial-federal agreements are a step in the desired direction of cooperation (Reitz, 2005). Many of Canada's PNPs

provide an opportunity for communities to recommend immigrants and help ensure that these communities are committed to the successful integration of newcomers. The availability and type of settlement services and programs depends on the demand for them created by new immigrants – many rural communities that currently lack such services are ready and willing to provide them should they receive a significant number of immigrants (Lam 38). The challenge of breaking the closed circle of too little immigration due to a lack of settlement services, and a need of immigrants to justify their provision, would require the government not only to direct immigration to a locality but to invest in infrastructure and integration support as well.

Formal and informal networks with Canadian-born that immigrants to small areas are bound to develop as there are fewer other immigrants, are quite possibly a critical factor in faster economic integration, even though the lack of established ethnic communities may have other negative impacts (Bernard, 2008). The degree to which existing ethnic communities and networks influence destination choices and re-location is contested (McDonald 2003; The Metropolis Project, 2003), but most research suggests that they play some role. An immigration selection policy that takes into account ethnic and cultural factors would thus be more effective in the retention of immigrants at the destination location. As well, family unification and the ability to sponsor relatives would be effective in this respect: it has been determined that policies that attempt to attract immigrants to locations other than the main “gateway cities” work best when ethnic group concentration and familial ties are respected (Statistics Canada, 2005).

Empowering communities to select immigrants based on cultural and linguistic backgrounds is a more controversial issue. On one hand, having common characteristics

with the receiving community is beneficial for the immigrants' integration. On the other, the danger exists that selection may become limited to immigrants of preferred ethnic or racial backgrounds, and immigration policy may take on a discriminatory turn. For instance, according to a 1994 study, some small-town and rural communities in Manitoba were concerned with "cohesion": the inhabitants of three-quarters of the 77 rural communities in Manitoba studied stated that they preferred immigrants of a particular (mostly European) background as they would fit in easily and would require fewer resources to integrate (Lam, 1994). Quebec, although not openly selecting immigrants based on ethnic origin, has specific targets by region. Its immigration plan for 2005-7 set the goal to attract, for instance, 5900 skilled workers from Eastern Europe, 6850 from Western Europe and 2200 from the Middle East (Côté, 2006).

## **THE EXPANSION OF PROVINCIAL NOMINEE PROGRAMS**

The trend of developing and implementing provincial-level immigration programs intensified in 2005: Saskatchewan's agreement with the federal government was renewed and expanded, British Columbia and Nova Scotia also extended their agreements, and the first Canada-Ontario immigration agreement was signed. (Annual Report to Parliament on Immigration, Citizenship and Immigration Canada, 2006). By September 2006, the federal government had signed bilateral agreements with eleven provinces and territories.

So far, the number of immigrants who have arrived in Canada through the Provincial Nominee Programs has been a small share of total immigration, but the growth of these programs has been impressive: the number of participants increased by 65% in

2002 alone (House of Commons, 2003). In 2005, the number increased by close to one-third, reaching 8,047, Manitoba accounted for more than half (4,619) and other provinces such as Nova Scotia, New Brunswick, Saskatchewan and Alberta also increased their intake (Annual Report to Parliament on Immigration, Citizenship and Immigration Canada, 2006). CIC's 2007 national target for provincial nominees was 13-14,000 nationally (Annual Report to Parliament on Immigration, Citizenship and Immigration Canada, 2006). In 2005, immigrants through PNPs came from the following the top five countries of origin: the Philippines, Germany, South Korea, the United Kingdom and China (Annual Report to Parliament on Immigration, Citizenship and Immigration Canada, 2006). These immigrants were employed in a vast range of occupations in many different sectors, with the leading occupation, skilled welders, accounting for only 6%.

<b>Table 1 - Provincial Nominees by Province or Territory, 2001-2005*</b>					
	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
Newfoundland and Labrador	35	38	37	171	85
Prince Edward Island	-	10	44	141	204
Nova Scotia	11	-	-	64	326
New Brunswick	71	105	146	161	438
Quebec	5	-	16	36	26
Ontario	97	138	267	280	483
Manitoba	972	1,530	3,116	4,048	4,619
Saskatchewan	41	73	173	323	468
Alberta	19	24	178	426	609
British Columbia	24	206	441	598	789
Yukon	-	-	-	-	-
<b>Total</b>	<b>1,275</b>	<b>2,127</b>	<b>4,418</b>	<b>6,248</b>	<b>8,047</b>

Source: 2005 Immigration Overview, *The Monitor*, 2006, Issue 2, Citizenship and Immigration Canada  
 \*The above statistics for Provincial Nominee by province or territory were the most recent published by CIC; 2006 numbers cited elsewhere in this paper are from provincial government sources.

## **THE ONTARIO PILOT PROVINCIAL NOMINEE PROGRAM**

### **Creation**

For the Ontario government, its pilot PNP is a major shift in its role in immigration policy – it is no longer a spectator and a recipient of the immigrants it brings, but an active participant in it (Government Official, 2008). The legal basis for the Ontario Provincial Nominee Program was laid in November, 2005, with the signing of the Canada-Ontario Immigration Agreement. The agreement, a first in the relationship between the province and the federal government to outline a comprehensive program for partnership in the area of immigration, included a commitment on the part of the federal government to invest \$920 million in the settlement and integration of newcomers to Ontario over the following five years, in recognition of the fact the province receives the lions share – more than half – of all newcomers to Canada (Government of Ontario, 2008). It also stipulated that Ontario would launch a Provincial Nominee Program within the following twelve months, along with a temporary foreign worker program, in order to allow the province to identify and recruit immigrants that would satisfy its economic and labour markets needs, similar to the programs in place in most other provinces in the country (Government of Ontario, 2008). The Ontario PNP should not be seen solely or mainly as an initiative of the provincial government as during the negotiations of the Canada-Ontario Immigration agreement, Citizenship and Immigration Canada played a leading role in creating the program (Government Official, 2008). As a large proportion of newcomers end up in Ontario one way or another, the province had little reason to put effort into increasing these numbers (Government Official, 2008), unlike other provinces

with demographic concerns. The Ontario PNP was created after many years of careful consideration, in line with the provincial government's long-standing concerns with settlement outcomes and the desire to assist the settlement process of newcomers (Government Official, 2008).

### **Description**

The Ontario PNP program has two broad categories – the Multinational Investor Category and the Employer Category. The first category, for which 50 nominations were reserved in the first year of the program, is open to foreign companies which plan to invest at least \$10 million and create 25 or more full-time jobs in Ontario (Ministry of Citizenship and Immigration, 2008). The Employer Category includes the following streams: Professional, open to workers in 8 occupations in the health sector and 2 occupations in the higher education sector; Skilled Worker, comprising 5 occupations in Manufacturing and 5 in Construction, and the International Student stream which allows foreign students with a job offer in any highly-skilled occupation (NOC 0, A or B in the National Occupational Classification) to be nominated for permanent residency (Ministry of Citizenship and Immigration, 2008). To qualify, employers must have a specified minimum of gross revenue; have business premises in Ontario where the nominees will work, employ a certain number of full-time staff and have been in operation for at least 3 years (Ministry of Citizenship and Immigration, 2008).

The Ontario Provincial Nominee Program is entirely employer-driven and individuals cannot apply directly to the PNP to be nominated (Government Official, 2008). The employers participating in the program may or may not have already recruited

a person; usually the provincial government gives them up to 60 days to find a worker after application (Government Official, 2008). The Ontario PNP is business-oriented, as opposed to individual- (immigrant) focused (Government Official, 2008). Applications for the program are only made available to nominees after the employer application has been approved, in order to ensure that only potential immigrants with secured jobs will apply (Government Official, 2008). The small number of immigrants that the program brings in, especially compared to the size of the immigrant inflow that Ontario receives, makes the potential economic gain for the province negligible, demonstrating that helping the economy is a lesser goal than serving the needs of individual employers (Government Official, 2008). While the Ontario PNP brings in immigrants for particular job openings, it does not provide a job-matching service – the province does not recruit immigrants for employers and does not offer positions to potential newcomers (Government Official, 2008)<sup>3</sup>.

Unlike some other provincial-level immigration programs, Ontario's PNP does not contain an explicit human-capital element in its eligibility requirements, and it is thus a greater departure from the paradigm of federal immigrant selection policy. However, the professional stream brings in immigrants to Ontario that likely possess the human capital characteristics that those coming through the federal skilled worker program do, even though the PNP does not explicitly require or reward them (Government Official, 2008). Tests or language requirements are not part of the PNP selection process, but the individuals must be job-ready, with the required qualifications, registration in applicable

---

<sup>3</sup> Job-matching is not outside of scope of all provincial immigration policy, however – for instance, British Columbia's program Health Match BC is a recruitment services provided by the provincial government that matches physicians with existing job opportunities in the province and guides them through the processes of licensing and immigration ("About Health Match BC". Retrieved March 22, 2008 from [http://www.healthmatchbc.org/HMBC\\_page.asp?pageid=655](http://www.healthmatchbc.org/HMBC_page.asp?pageid=655) )

professional bodies, and the level of language knowledge that the employer considers sufficient for performing the job (Government Official, 2008). The immigrants coming through the skilled trades' stream, on the other hand, would likely not qualify through the federal skilled worker program as they would not meet the language and education requirements; construction workers in particular are penalized by the point system's selection criteria (Government Official, 2008).

The International Student stream of the Ontario PNP is also labour-market oriented, as students are must obtain job offers to be eligible (Government Official, 2008), but this is the component of the Ontario PNP that is closest to selecting immigrants with high levels of human capital. Since February, 2008, students from all Canadian universities, rather than Ontario-based only, have been eligible. The student component of the Ontario PNP is also helping direct immigrants – or, rather, retain them by providing them with permanent resident status – to second-tier cities. For instance, one region that will benefit form this aspect of the program is the Waterloo-Kitchener area. According to Kitchener-Conestoga Member of Provincial Parliament (MPP) Leeanna Pendergast, the Pilot Provincial Nominee Program “is helping to spread the benefits of immigration in this region and across the province” (Hafeez, 2008), contributing to the expected population growth of an area whose higher education institutions attract a significant number of international students every year. While the international student component of the Ontario pilot PNP seeks to utilize the human capital of these potential immigrants - Ontario immigration minister Cole underlined the importance of retaining “the best and the brightest” in order for them to contribute to Ontario’s social and economic life (Hafeez, 2008) - the requirement that these students

have a job offer from an Ontario employer, for a job related to their field of study, in order to qualify for the program demonstrates that the focus is more on filling labour market needs rather than on retaining individuals with transferable skills.

The leading source country for provincial nominees in Ontario so far has been Portugal, largely for workers in the construction industry (Government Official, 2008). As it is entirely employer-driven, the Ontario PNP does not contain a stream for selection by a community – ethnic and otherwise – or for family involvement in the selection and nomination of immigrants (Government Official, 2008). However, while the program is not geared toward communities, it does not preclude community participation, and because some sectors are dominated by ethnic groups, the employers could select a majority of workers from the same ethnic background (Government Official, 2008).

### **Purpose and potential**

#### *Satisfying employer needs*

The stated goal of Ontario's PNP is to “help employers [...] succeed” by allowing them to apply for approval to fill full-time job positions by bringing in immigrants or hiring newcomers - temporary workers and foreign students - who are already in Ontario (Ministry of Citizenship and Immigration, 2008). The Ontario PNP addresses the issue of limited employer access to the immigration system, and fulfills the province's specific labour market needs that the federal system, concerned with Canada as a whole, cannot address (Government Official, 2008). It has been recognized at the federal level that a national skilled immigration program cannot satisfy all provincial needs, and that some of those needs are better addressed by regional stakeholders

(Government Official, 2008). For this reason, the federal government has facilitated the creation of all provincial immigration programs supports their implementation (Government Official, 2008). Oriented towards individual immigrant applications, the point-system leaves employers with very limited opportunities to interact with the federal immigration program (Government Official, 2008). The Ontario PNP gives employers access to the immigration system and allows them to keep a temporary worker who is already in Canada, or to recruit somebody from overseas (Government Official, 2008).

#### *Ensuring employment*

From an immigrant perspective, the main positive outcome of the Ontario PNP so far has been that all nominees are guaranteed permanent full-time jobs that pay a decent or prevailing wage (Government Official, 2008). Because it does not tie immigration to employment, the federal system inherently allows for the unemployment of newcomers to happen, unlike PNPs, which are able to prevent it (Government Official, 2008). It can be expected that under the PNP the economic outcomes in the first year of settlement will be better than those of immigrants to Canada generally, as nominees do not have to face the common obstacles of unemployment, credential recognition and insufficient language knowledge that many of the immigrants who come through the national skilled worker program experience (Government Official, 2008).

#### *Avoiding the backlog*

The success of a labour-market driven immigration program depends on short processing times so that the recruited candidates can fill the open positions in a timely

manner. The professional stream (but not the skilled trades sub-stream) of the Ontario PNP selects immigrants with occupations and training that would have enabled them to qualify under the federal skilled worker program (Government Official, 2008). For this reason, and assuming that many people are already in the federal pool, the PNPs can be means for Citizenship and Immigration Canada to deal with the backlog of immigrant applications (Government Official, 2008).

Presently, the federal government has to handle multiple demands as it is responsible for the processing of all classes of immigrant applications (Report of the Standing Committee on Citizenship and Immigration, House of Commons, 2003). Eighty percent of the applications for the federal skilled immigrant program are currently processed in 68 months<sup>4</sup>. CIC has an obligation to review every application, which contributes to creating a backlog of thousands of cases (Iverson, 2008), while PNPs can limit the number of applicants and expedite the process.

The Ontario PNP is designed in a way to prevent a backlog: the small number of applicants, controlled through the restriction of only accepting applications from nominees if the employer's application has been approved, is the provincial government's strategy to manage processing times and avoid a backlog (Government Official, 2008). CIC's collaboration and commitment to prioritize the processing of PNP applications ensures faster processing times (Government Official, 2008). The current processing times through the Ontario PNP are within the 9-12 months range, sometimes as short as 6 months (Government Official, 2008). The PNP can physically bring workers to Canada even faster: nominees can apply for a work permit while waiting for their permanent

---

<sup>4</sup> For latest processing times, see <http://www.cic.gc.ca/english/information/times/international/index.asp>

residence application to be processed, without needing to obtain a labour market assessment for the job, as is the case with work permit applications generally (Government Official, 2008).

### *Flexibility*

From an institutional point of view, provincial immigration policies can be more flexible and responsive than the federal program. It is difficult to alter the federal immigration policy according to the varied and changing labour market needs of the country's regions (Government Official, 2008). On one hand, being a national program with a heavier bureaucratic apparatus, it cannot respond quickly enough to these changing needs in the way that PNPs can (Government Official, 2008). On the other hand, the legal framework on which federal immigrant selection is based, the Immigration and Refugee Protection Act (IRPA), imposes restrictions on CIC and requires accountability from the department as to the design and implementation of immigrant selection programs, while provincial governments enjoy more freedom in this respect (Government Official, 2008). Finally, the federal government needs to be uniform in its national programs which makes it difficult to take into account that needs vary from province to province (Government Official, 2008), and has made necessary the use of temporary worker programs.

### *Distribution*

The issue of some areas benefiting from immigration more than others is neither new nor unique to Canada (Government Official, 2008). The Ontario PNP is doing its

part in the overall effort of the government to spread immigration more evenly, mainly through its regionalization component which allots 50% of all PNP spaces to employers outside of the Greater Toronto Area (GTA) (Government Official, 2008). Employers outside of the GTA also need to meet lower thresholds in terms of revenue and number of employees to qualify, and can request more positions to be filled through the PNP than those within the GTA (Government Official, 2008). Though these measures aim at encouraging employers from areas other than Toronto to apply, it is ultimately the immigrant's choice where to ultimately settle (Government Official, 2008). Because immigrants to Canada, once they are permanent residents, enjoy full Charter rights, including mobility rights within the country, any policy designed to attract and retain them to particular areas must be incentive-based rather than restrictive.

The Ontario PNP is set up in way that gives it the potential to produce a more even distribution of immigrants throughout the province, and the ability to exercise influence over their settlement outside of large urban areas (Government Official, 2008). However, for the PNP to be successful in this respect, it would be necessary to educate business communities and individual employers in smaller areas about the opportunities that are available through the program (Government Official, 2008). Retaining immigrants in smaller communities would require more than a job offer – unless the receiving communities are truly welcoming, providing the necessary social and institutional support for an immigrant's integration in Canadian life, there would be little stopping newcomers from moving to the Toronto area after being fast-tracked to Canada through the PNP, perhaps, in some cases, after acquiring Canadian work experience in the community of initial settlement (Government Official, 2008).

## **Challenges and Future Outlook**

The danger exists with PNPs generally that immigrants could use them as a faster way to Canada, ultimately settling where they have family or where they think they would have greater economic opportunities (Government Official, 2008). While immigrants not settling in the province that nominated them through a PNP would be a loss of resources for the nominating province (Government Official, 2008), Ontario is less likely than other provinces to incur this loss and has, in fact, been the recipient of some of others provincial nominees. Citizenship and Immigration statistics show that many nominees from other provinces settled in Ontario in the years prior to the launch of its PNP – the numbers grew from 97 in 2002 to 483 in 2005 (Citizenship and Immigration Canada, 2006), likely reflecting the growth of PNPs in other provinces. Perhaps the establishment of an Ontario PNP will reduce in-migration of other provinces' nominees, as they would be able to apply directly for immigration to Ontario. However, the lack of a stream in Ontario's PNP that would facilitate the immigration of people with family or community ties – as Manitoba's PNP, for example, offers – leaves open the possibility that immigrants will still use other province's PNPs as way to settle in the areas where they have those ties within Ontario. The checks performed by the federal authorities aim at minimizing abusing PNPs. CIC has the right to refuse admission to nominee candidates selected by a province on the grounds of close family in another province or other indicators that the applicant does not intend to settle in the province that nominated him or her (Government Official, 2008).

One of the main challenges for the Ontario government is to prevent the Provincial Nominee Program from replicating the federal immigration program and becoming its competitor (Government Official, 2008). This is an ongoing concern, especially with changes in the federal policies, such as the planned introduction of a new immigrant class – the Canadian Experience class, allowing temporary residents with Canadian education and work experience to apply for permanent residence (Immigration News Service) - which could possibly be too similar to the International Student stream in the Ontario PNP (Government Official, 2008). As well, selecting occupations for the list of approved professions is challenging for the government of Ontario: on one side, business groups and lobbies pressure for the inclusion of their sector, on the other, professional bodies and unions can be protective of their members and be fearful of the competition by new workers brought in through the PNP (Government Official, 2008).

In the future, the Ontario PNP will likely grow in volume of immigrant intake but the direction it will take is yet to be determined (Government Official, 2008). The program, at this point, is still seen as an experiment to some extent, and is referred to as a “pilot” everywhere in the government’s documents (Government Official, 2008). The first year of the Ontario PNP is, in a way a “pilot within a pilot” – an evaluation will be conducted after this first year of the 3-year pilot PNP, to see if it is meeting established goals, and fulfilling the needs it was designed to fulfill (Government Official, 2008). The results from its pending evaluation will determine its future; this evaluation, in congruence with the criteria set in Annex C of the Canada-Ontario Immigration Agreement, will include feedback from both employers and nominees as to the economic

outcomes of the program, and an estimate of the value-added it has contributed (Government Official, 2008).

## **THE EXPERIENCE OF OTHER PROVINCES**

The next section explores the experiences with provincial-level immigration programs in three other provinces, Manitoba, Nova Scotia and Quebec, focusing on recruitment and selection, economic outcomes for immigrants, retention, and geographic distribution. The goal of this comparison is to identify successful practices as well as challenges and setbacks so that recommendations for Ontario can be made on the basis of the lessons learned elsewhere.

Manitoba has a significant history of provincial-level immigration policy, and its Provincial Nominee Program, by far the largest in scope in Canada, is an excellent example of an immigration program driven by the both demographic and labour market needs; it also often seen as the success story among PNPs. Nova Scotia is an interesting case for comparison because its need for immigration, like Manitoba's, is driven by demographic and labour market concerns, but economy has been much weaker, causing a general out-migration flow; therefore, successes in immigrant retention and economic integration of its provincial nominees would more likely be due to the program itself than to general economic conditions in the province. Quebec's immigration policy is worthwhile studying in the context of discussing provincially-managed immigration programs as it enjoys the highest degree of autonomy in the federation, and has its own system of skilled immigrant selection. Its experience would indicate whether the level of

government responsible for immigration has an impact on the outcomes for immigrants, or the characteristics of the policy itself are the determining factor.

## **Manitoba**

The first bilateral agreement between Manitoba and the federal government was signed in 1980, and its scope was limited to meeting the needs of refugees (Clément, 2003). Subsequent agreements expanded the scope of provincial responsibility, and the agreement that is currently in force, the Canada-Manitoba Immigration Agreement signed in 2003, gives the province increased responsibilities for nominating and integrating immigrants. The main goal of Manitoba's immigration policies is to bring in skilled workers to communities across the province in order to satisfy demographic and labour market needs (Manitoba Labour and Immigration, 2006). Currently, the Provincial Nominee Program of Manitoba has five streams: International Students, Strategic Recruitment, Employer Direct, Community Support, Family Support and a general stream (Manitoba Labour and Immigration, 2006). Through looks at human capital qualities of potential immigrants, through its general stream, which accords points for education, age, language proficiency and other factors that the federal system requires from skilled workers as well, and responds directly to labour-market needs through the employer stream, which is very similar to Ontario's employer-oriented PNP. It also involves communities in selection – a community member, group or organization can submit an affidavit of support for an applicant who meets the general stream criteria,

which the provincial governments considers equivalent to family-like support (Government of Manitoba, 2008).

**Table 2 - Economic class Immigrants 1997-2006**  
**Source: CIC, Facts and Figures 2006**

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Nova Scotia</b>	2,333	1,572	1,005	1,022	989	765	733	999	1,223	1,774
<b>Quebec</b>	11,434	13,049	14,006	16,361	21,938	23,055	23,555	26,665	26,291	25,952
<b>Ontario</b>	71,091	51,825	61,155	83,080	95,091	82,133	63,170	67,600	79,558	62,635
<b>Manitoba</b>	1,957	1,394	1,918	2,547	2,337	2,680	4,079	4,999	5,724	7,375

#### *Recruitment and Retention*

Community-based immigrant recruitment is a distinctive feature of Manitoba's provincial immigration program. Manitoba gave communities the opportunity to recruit immigrants even prior to the establishment of its Provincial Nominee Program. In 1997, the "Winkler Initiative" pilot project, a collaboration of the City of Winkler, the Winkler and District Chamber of Commerce and the provincial government, brought to the province immigrants based on local needs (Silvius, 2005). The 50 German families who were recruited first integrated successfully, both in social and economic terms, and made the experience of Winkler and example to follow for other rural immigration initiatives (The Metropolis Project, 2003). In 1998, the Provincial Nominee Program was created, expanding the opportunities for bringing newcomers to the area, and close to 2000 immigrants settled there between 1998 and 2004, of which most were Russian-German, German or Kanadier - Mennonites (Silvius, 2005). The "keen and active interest" of the receiving community has been instrumental in the successful settlement of immigrants in rural areas in Manitoba (Silvius, 2005). The welcoming communities, as well as the

opportunity to speak German in the new country, were among the main factors for seeing the immigration experience in a positive way (Silvius, 2005) and, likely, for remaining in the area on settlement.

Community links have also played an important role in the initial recruitment of immigrants – connections between those who had already arrived and potential immigrants overseas provided immigration incentive, settlement support and exchange of valuable information (Silvius, 2005). Overall, Manitoba has been very successful in increasing immigration to the province: between July 2005 and 2006, Manitoba's population grew by 3.1 people per 1,000 mainly because of its record-high number of immigrants for this period, 8,900 (Statistics Canada, 2006). Only four years after the launch of Manitoba's PNP, the number of immigrants accepted through it had grown four times – from a cautious beginning of 200 principal applicants to 1000 (Clément, 2003). In 2006, Manitoba received 6661 provincial nominees - half of all PNP immigrants in Canada, and about two-thirds of the province's total immigration for the year (Manitoba Labour and Immigration, 2006). Off-shore recruitment through promotional events in places like the Philippines, Europe and South America had been a part of Manitoba's immigrant recruitment strategy since 1997 (Silvius, 1997).

Early on, Manitoba recognized the risk of potential immigrants using PNPs to get into Canada while avoiding the federal selection system and responded to the challenge by investing in infrastructure to be able to meet the settlement needs of incoming provincial nominees (Clément, 2003). Manitoba has managed to retain a very high percentage of its immigrants: according to a Citizenship and Immigration Canada survey, the province retained 90% of its 2001-2 PNP participants (House of Commons, 2003).

Importantly, the retention rate of immigrants in Manitoba has increased with the launch and progressive expansion of the PNP: for the period between 1981 and 1991, it was only 68%, less than Alberta's (74%) and British Columbia's (79%); the retention rate for Quebec was 71% (Citizenship and Immigration Canada, 2006a). The Manitoba PNP has been effective in retaining and integrating immigrants because it has allowed the province to establish selection criteria that match its community and economic needs (Clément, 2003). Out-migration rates for recent immigrants calculated from 2006 Census data show that less than 4% of new immigrants left Winnipeg within their first five years in Canada – a rate lower than the median of close to 7% for all CMAs<sup>5</sup> (Statistics Canada, 2007).

### *Distribution*

Manitoba has had some success in the dispersal of immigrants throughout the province and over time, the trend has changed in favour of dispersal: in the 1980s and early 1990s - before Manitoba was able to select immigrants – about 90% of the province's immigrants chose the capital city (Lam, 1994). After the implementation of the PNP, in 2004, over 20% settled outside of the Winnipeg area, in places such as Winkler, Steinbach, Altona and Stonewall (Manitoba Labour & Immigration, 2006). In 2006, 76% of the immigrants chose a community other than Winnipeg (Manitoba Labour & Immigration, 2006). Immigrants recruited through the PNP tended to settle outside of Winnipeg to a much greater extent than other immigrants, and, in 2003, three quarters of them were planning to remain in the city they were living in for at least another five years (House of Commons, 2003). Rural communities in Manitoba have typically had

---

<sup>5</sup> Data at the provincial level, which is a better retention indicator as there are differences between CMA and non-CMA areas, was not yet available at the time of the writing of this study.

difficulties retaining immigrants and have failed to prevent professionals from migrating to urban areas (Lam, 1994). A 1994 study of 77 rural Manitoban communities revealed that community leaders believed that rural needs would be better identified and served if the province was able to exercise more control over immigration (Lam, 1994); they felt that the provincial government would understand better the needs of communities under its own jurisdiction and would be able to provide better settlement and integration services (Lam, 1994). The study also found that matching immigrants to economic needs and cultural characteristic of rural communities was seen as crucial (Lam, 1994).

**Table 3 - Out-migration rates of recent immigrants from Census Metropolitan Areas  
Immigrant status: Immigrated to Canada from 2001 to 2006**

<b>CMA</b>	<b>Recent immigrant out-migration rate</b>
Halifax	<b>12.25%</b>
Montréal	<b>2.66%</b>
Toronto	<b>1.79%</b>
Winnipeg	<b>3.63%</b>
Non-CMA	<b>14.05%</b>

**Average CMA recent immigrant outmigration rate = 7.68%**

**Median CMA recent immigrant out-migration rate= 6.87%**

Source: Statistics Canada, 2006 Census

#### *Economic Integration*

Immigrants living in Manitoba – like the Canadian-born in the province - were more likely to be employed than those living elsewhere in Canada (Zietsma, 2007). Immigrants who landed between 2001 and 2006 in Manitoba had the highest employment rates in the country compared to their counterparts elsewhere, and the second-lowest unemployment rate, after Alberta (Zietsma, 2007). The provincial nominee program, by matching immigrants to employment, is likely partially responsible for these high employment rates (Zietsma, 2007). Winnipeg fared well in a comparison with 11 Census Metropolitan Areas: immigrants who had arrived between 1996 and 2006 had the highest

employment rate among all 11 CMAs, and the gap in employment between the native-born and the recent immigrants was smaller in Winnipeg than in any of the 7 other mid-sized CMAs (Zietsma, 2007).

Manitoba's Provincial Nominees have been very successful in their economic integration: in 2003, 94% of the principal applicants who had arrived in 2001 and 2002 were employed and 60% were working in the professions they had intended to practice (House of Commons, 2003). Manitoba's track record of nearly full employment of its Provincial Nominees indicates that the optimal immigration program, in terms of immigrant economic outcomes, may be one that is able to directly provide newcomers with the opportunity to work in their professions. The results from Wave 1 of the Longitudinal Survey of Immigrants to Canada show that Manitoba's newcomers were generally more satisfied with their immigration experience than immigrants elsewhere in Canada: over 84% found their personal experience in Canada satisfactory, compared to an average of 72.7% for the country (Statistics Canada, 2003). Manitoba's immigrants were also more likely to identify help from family as a factor for their successful settlement than the average immigrant, and less likely to point out employment as an obstacle (Statistics Canada, 2003) The last two tendencies are likely explained by the existence of the family support and community classes in the Manitoba PNP as well as the support for finding employment prior to arrival for the employer direct PNP stream.

**Table 4 - Immigrants' Perceptions of Settlement –  
First Year in Canada**

	Canada	Atlantic provinces	Quebec	Ontario	Manitoba and Saskatchewan
<b>All immigrants <sup>1</sup></b>					
<b>Total (number)</b>	164,200	1,200	24,700	93,400	4,000
	%	%	%	%	%
<b>Satisfaction with personal experience in Canada so far</b>					
Satisfied or completely satisfied	72.7	88.8	74.7	70.5	84.2
Neither satisfied nor dissatisfied	17.8	F	17.2	18.0	11.6
Dissatisfied or completely dissatisfied	9.5	F	8.0	11.5	4.2 <sup>E</sup>
<b>Rating of experiences in Canada</b>					
Better than expected	36.2	40.4	39.2	34.5	51.8
About what was expected	39.7	41.8	34.1	39.5	39.7
Worse than expected	24.1	17.9 <sup>E</sup>	26.7	25.9	8.5 <sup>E</sup>
<b>Decision to come to Canada</b>					
Would make the same decision again	91.0	96.4	93.1	90.2	95.1
<b>Selected most useful things done to help settlement</b>					
Being with family or help from family	26.7	15.4 <sup>E</sup>	27.5	25.6	37.0
Being with friends or help from friends	10.1	F	10.2	9.9	4.8 <sup>E</sup>
Finding or help finding employment	11.0	19.2 <sup>E</sup>	7.6	10.5	14.1 <sup>E</sup>
Finding or help finding a place to live	6.5	F	2.4 <sup>E</sup>	6.9	10.8 <sup>E</sup>
Opportunity to further education	5.6	F	6.1	5.5	4.2 <sup>E</sup>
<b>Selected most useful things that could have been done to help settlement</b>					
Employment or better employment	21.4	24.9 <sup>E</sup>	30.8	20.1	16.5
Opportunity to improve English or French	11.4	F	12.1	9.4	11.2 <sup>E</sup>
Employment in field of training or work experience	8.9	F	12.0	9.7	9.7 <sup>E</sup>
Information or help finding a job or more suitable job	6.9	F	4.4	8.3	5.5 <sup>E</sup>
Settlement information or advice (excluding job information)	7.6	20.1 <sup>E</sup>	7.8	7.3	6.9 <sup>E</sup>
Acceptance of experience or credentials	5.1	F	3.1	5.5	7.5 <sup>E</sup>

Don't know, refused and not stated excluded from percentage calculations.

Due to rounding, percentages may not add up exactly to 100.

1. Includes family class immigrants, skilled workers, business immigrants and provincial nominees of the economic class, refugees and other immigrants landed from abroad.

E Use with caution.

F Too unreliable to be published.

Source: Statistics Canada, Longitudinal Survey of Immigrants to Canada, 2001.

## **Nova Scotia**

The first Canada – Nova Scotia Agreement on Provincial Nominees was signed in 2002, and the nominee program was launched in July, 2003. The agreement was modified in 2007, to remove restrictions on the number of nominees and to enhance cooperation between the federal and the provincial governments in promotional activities abroad (Citizenship and Immigration Canada, 2007a). Nova Scotia’s provincial immigration program has both demographic and economic: it aims at counteracting declining population trends and addressing labour market needs at the same time (Citizenship and Immigration Canada, 2007a).

Presently, the Nova Scotia PNP has four active streams:<sup>6</sup> Skilled Worker, Family Business Worker, International Graduate and Community-Identified Stream. The first three of these streams are employer-driven - to be accepted, an immigrant’s application under these categories needs to be supported by an employer through a full-time, permanent job offer (Government Official, 2008). None of the categories in Nova Scotia’s PNP requires that potential immigrants have specific human-capital type skills or characteristics.

A unique element of the Skilled Worker stream in Nova Scotia, which is not present in Ontario’s or Manitoba’s PNPs, is the expectation that employers make a “genuine effort” to recruit Canadian citizens or permanent residents before submitting a request through the PNP (Nova Scotia Office of Immigration, 2008). This is perhaps a reflection of the concern that the province may have for retaining all workers, not just

---

<sup>6</sup> The Economic Stream which targeted experienced managers and entrepreneurs and provided them with a six-month contract for a managerial position, is not currently accepting applications as a re-design is planned for 2008 (<http://novascotiainmigration.com/en-page1090.aspx>).

immigrants, given the tendency of a westward, job-driven movement that Atlantic Canada's labour force has experienced in recent years.

Another distinctive feature of Nova Scotia's PNP is the high level of involvement in the settlement process that is expected from nominating employers – family or otherwise - and communities. The PNP gives priority to those employer applicants who are able to demonstrate that they will provide settlement support to immigrants (Nova Scotia Office of Immigration, 2008). Many employers help with integration by allowing newcomers to take language training programs on the job or allowing time off to improve their language skills (Government Official, 2008).

The community-driven stream allows mandated organizations to identify individuals with established community ties and nominate them for permanent residence. Immigrants are nominated through this stream only if they do not meet the requirements of any other stream of the PNP. The list of the mandated organizations includes many regional development agencies, some municipalities and francophone and Acadian community organizations (Nova Scotia Office of Immigration, 2008), making Nova Scotia an example of a province where all levels of government are involved in immigrant recruitment and selection. (Government Official, 2008). Regional development authorities play an active role in the community-identified stream and some go to immigration fairs on behalf of employers in their community to help recruit skilled workers (Government Official, 2008)

### *Recruitment and Retention*

Nova Scotia has, so far, received few provincial nominees – 64 in 2004, 326 in 2005 and 863, almost 300% increase in 2006 which represents nearly half of all immigrants to the province for that year (Nova Scotia Immigration Office, 2005; Citizenship and Immigration Canada, 2006). As the province has not been very successful in bringing in significant numbers of immigrants, special efforts are being made in this respect such as campaigns for overseas recruitment, soon to be conducted in cooperation of the government and businesses (Government Official, 2008).

Retaining immigrants in the province is a paramount concern of the Nova Scotia government; unlike Manitoba, Nova Scotia's record in this regard has been quite disappointing (Nova Scotia Immigration Office, 2005). The way to retain them, according to the provincial government, is to ensure that they find appropriate work (Nova Scotia Immigration Office, 2005). In 2005, the Nova Scotia government calculated the provincial retention rate of immigrants at 40%, quite a low number, and stated that its goal was to increase it to 70% (Nova Scotia Immigration Office, 2005). Statistics on inter-provincial migration of immigrants from the 2006 Census, show that the out-migration rate of recent immigrants to Halifax was just over 12% - a rate that is still relatively high compared to the median CMA out-migration rate of 6.87% (Statistics Canada, 2007). It is not known how the Nova Scotia Immigration Office calculated the retention rate; however, one partial explanation for the difference between the 40% rate and that for the Halifax CMA derived from Census numbers, can be the much lower retention capacity of communities outside of the CMA.

### *Distribution*

In 2005, 58% of Nova Scotia's provincial nominees settled outside of the Halifax metropolitan area (Nova Scotia Immigration Office, 2005) – a relatively dispersed pattern compared to immigration settlement in the province generally, as over 70% of the immigrants living in Nova Scotia who came to Canada between 1991 and 2006 were living in the Halifax Census Metropolitan Area (Statistics Canada, 2007). These numbers indicate that provincial nominees settled outside of Halifax to a much greater extent than other immigrants. The provincial government of Nova Scotia would like to see geographic distribution of immigrants throughout the province but it is also aware that employment opportunities may not be as plentiful as in the central or capital regions (Government Official, 2008). The PNP of the province does not contain special provisions, such as Ontario's, that encourage employers from communities outside of major cities to nominate immigrants, and is, therefore, passive in relation to influencing the geographic patterns of immigrant settlement.

### *Integration and Economic Outcomes*

Not finding employment is seen as the major factor for immigrant loss, and the provincial government of Nova Scotia is attempting to ensure that newcomers find jobs (Government Official, 2008). Immigrants to the Atlantic Provinces, taken collectively, ranked exceptionally high in terms of satisfaction with their immigration experience in the first year, according to the Longitudinal Survey of Immigrants to Canada – 88.8% were either satisfied or very satisfied (Statistics Canada, 2003). They were also the provincial immigrant group that, more than others, pointed out that finding or help

finding employment was among the main factors that contributed to their successful settlement (Statistics Canada, 2003). In terms of employment rates, immigrants to the Atlantic Provinces, taken together, had strong labour market performance, recent immigrants did not lag far behind the Canadian-born (Zietsma, 2007). These findings are significant if we keep in consideration that the economies and the labour markets in the Atlantic provinces have been weaker than those in Ontario and in the West – immigrants' success in Nova Scotia cannot be attributed to generally favourable economic conditions. However, it is difficult to determine the role of the provincial immigration program in achieving these outcomes as, unlike the case of Manitoba, the immigrants recruited through the Nova Scotia nominee program represented a much smaller fraction of the total immigrant inflow to the province.

## **Quebec**

Quebec's independent immigration policy was created in response to the perceived inadequacy of the federal immigration program in addressing its needs (Grenier, 2003). In the 1960s, when fertility rates in Quebec started to drop significantly, it became clear that immigration was needed to maintain population levels (Grenier, 2003) and that recruiting French-speaking immigrants would be the main means to maintain Quebec's language and culture. The Department of Immigration of Quebec was created in 1968, and with the landmark Cullen-Couture Agreement of 1978, Quebec was able to administer its own point system for immigrant selection (Grenier, 2003). The Canada-Quebec agreement, signed in 1991, replaced the Cullen-Couture Agreement, and added to the right of the province to select independent immigrants and refugees the

responsibility to provide settlement services, which was backed by a guarantee of federal funding (Foster, 1998). This current agreement between Quebec and the federal government is the most comprehensive in Canada: it allows Quebec to determine its desired number of immigrants, to select them (except for family class and refugees), and to provide settlement and integration services.

### *Goal and Selection criteria*

The goals of Quebec's immigration policy are, above all, demographic, linguistic and cultural. Its main concerns are attracting immigrants with particular characteristics, retaining them in the province, and integrating them into francophone society. The 2005-7 plan of the Quebec immigration ministry identified target immigration levels by country of origin, age, skills and language knowledge (Côté, 2006). Quebec's selection criteria for skilled workers mimic those of the federal immigration program in the requirements for education and professional experience though it places more importance on education (Foster, 1998). Like the federal selection criteria, points are awarded for an offer of employment and having family in Canada, but these make up a small portion of the overall evaluation (in addition, the length of time that elapses from submitting an application to the actual arrival of an immigrant through the federal system and, to a lesser extent, Quebec's, likely undermines the validity of a job offer). Thus, Quebec selects permanent workers mainly on the basis of human capital characteristics. However, the requirement of knowledge of French may not be guided solely by an interest in immigrants with high human capital as much as the imperative to bring in French-

speaking newcomers in order to maintain the linguistic balance the province in favour of French.

#### *Recruitment and Retention*

Quebec has succeeded in attracting a significant number of immigrants, although it is well behind other large provinces, such as Ontario and British Columbia. The number of all immigrants settling in Quebec has been increasing steadily in the last ten years, from 29,797 in 1996 to 43,308 in 2005 (Citizenship and Immigration Canada, 2005). Looking at economic immigrants only, we can see a similarly increasing trend, from less than 12,000 in 1997 to about 25,000 each year since 2003 (Citizenship and Immigration Canada, 2006b). The goal of the Quebec government for 2007 was to attract 48,000, with a preference for younger persons who speak French (Côté, 2006).

The total rate of immigrant retention for the province of Quebec was 71% for the period between 1981 and 1995 (Citizenship and Immigration Canada, 2006a). The CMA out-migration percentage for Montreal, only 2.66%, shows a very high retention rate for recent immigrants. According to Jean-Francois Liseé, Quebec has been successful in retaining francophone immigrants in particular; those who leave the province soon after immigrating are mainly English-speaking allophones (Liseé, 2001).

#### *Distribution*

Quebec has not been successful in distributing immigrants evenly throughout the province. Most of the provincial immigrant population, 88%, lived in Montreal in 2003, an all-Canada high for a provincial largest city (The Metropolis Project, 2003). Although Census data from 2001 showed that while there has been a slight increase in immigration

to areas outside of Montreal, the concentration of immigrants there has remained high (The Metropolis Project, 2003). Data from the 2006 Census showed that 70% immigrants who landed between 2001 and 2006 settled in the Montreal CMA (Statistics Canada, 2007).

Since 2001, Quebec has tried to settle new immigrants outside of Montreal, through its “Regionalization of Quebec” policy (Laryea, 2003). This regionalization strategy planned to recruit immigrants with profiles that would match particular regions and communities, attempt to facilitate their integration there, and provide financial incentives (The Metropolis Project, 2003). The province also holds information sessions in Montreal to encourage recent immigrants to move to other regions (The Metropolis Project, 2003). Since 2004, the Quebec provincial government has developed plans for cooperation with different regions and municipalities in the province, in order to facilitate the settlement of newcomers to these areas (Ministère de l’Immigration et des Communautés culturelles, 2008).

### *Economic Outcomes*

Quebec’s immigrants seem to be experiencing difficulties in their economic integration and their labour market outcomes are worse than those of immigrants in other provinces. The employment rates of immigrants to Quebec were lower than the national average for immigrants, for all of the periods of immigration, and the gaps between Canadian-born and immigrants were wider than elsewhere (Zietsma, 2007). In 2006, immigrants to the province who had landed between 2001 and 2005 had an unemployment rate of 17.5%, three times higher than that of the Canadian-born in

Quebec (Zietsma, 2007). Among the factors that may partially explain these results is likely the tendency of immigrants to Quebec to attend school rather than start working immediately after landing (Zietsma, 2007), though it is possible that some of them enroll in school because they are having difficulty finding work. The perceptions of Quebec’s immigrants regarding their settlement experience in Canada, according to the LSIC results, confirm indications that their integration is more problematic than that of their counterparts in other provinces. Close to 30% found their experience in Canada worse than expected; many indicated that lack of employment and lack of help finding employment had hindered their integration (Statistics Canada, 2003). Of the provinces compared here, the attitudes of immigrants to Ontario are most similar to those of Quebec’s, though they are somewhat less negative in most categories. As the vast majority of immigrants to Ontario have arrived through the federal program, and Quebec’s immigration policy mirrors the national one in its selection criteria, the similarities of the immigrant experience in the two provinces may indicate that certain problems may be inherent in the immigrant selection policy itself.

**Table 5 - Characteristics of immigration program**

	Canada	Nova Scotia	Quebec	Ontario	Manitoba
	Skilled worker program	Provincial nominee program	Permanent worker program	Provincial nominee program (pilot)	Provincial nominee program
<b>Human Capital</b>	●		●		●
<b>Employment Link</b>		●		●	●
<b>Community involvement</b>		●			●
<b>Regionalization component *</b>			●	●	

\*While Quebec’s immigrant selection policy does not have regionalization components, a separate governmental initiative attempts to spread out more evenly the immigrants who already in the province. Manitoba’s community-identified stream can be linked to regionalization as it has led to immigrant settlement in smaller towns and rural areas.

## **DISCUSSION AND CONCLUSION**

The above examination of provincial-level immigration practices and experiences confirms the hypothesis that provincial policies attempt aim to addresses gaps left by the federal immigration program. This tendency is most pronounced in the area of employment: immigrants to Canada selected through the skilled worker program (and Quebec's permanent worker program) are experiencing problems in their labour-market integration. Provincial-level programs that are employer-driven surmount the institutional and other labour market obstacles by linking employers and newcomers. This is the main objective of Onatrio's PNP at the moment, and, given the experiences of Manitoba and Nova Scotia, it is likely to be successful in improving immigrant economic outcomes. The poor economic outcomes of immigrants to Quebec indicate that even if the immigration policy is determined and carried out provincially rather than federally, without the element linking newcomers and employer, economic outcomes are not likely to be good. It is the content of the policy rather than the governmental level responsible for it that matters most; and within this content, strategies to secure employment are the crucial element.

The second aspect of the hypothesis, the idea that PNPs are successful in meeting labour market needs by bringing in immigrants who possess skills that are needed in the trades and the non-knowledge industries rather than those with human capital characteristics, is only partially supported by the evidence. On one hand, as demonstrated by Ontario's provincial immigration goals and experience, PNPs are certainly an avenue

for workers who may not otherwise qualify to come to Canada as permanent residents, and for employers in industries such as construction to recruit the labour. However, the fact that many nominees would qualify through the federal system, and Manitoba's successful experience with selecting and integrating immigrants chosen for human capital characteristics, show that there isn't a substantial between the two types of immigrants. Meeting labour-market needs and selecting immigrants with human capital can go hand-in-hand, as demonstrated by Ontario and Manitoba, and PNPs have been able to improve the utilization of immigrants' human capital. Both the federal immigration program and Quebec's permanent workers program are flawed not because the selection process focuses on human capital characteristics, but in their assumption that immigrant skills are immediately transferable. Provincial Nominee Programs that match workers to employers curb the problem of skills transferability which the human capital paradigm takes for granted.

Third, while it was established that there are benefits for immigrants, as well as for receiving communities, from settling in areas outside of the large urban centres, the achievements of the provincial-level programs in terms of regionalization have been limited so far, in spite of the numerous initiatives undertaken by both the provinces and the federal government. Ontario's PNP stands out in its regionalization strategy by providing specific incentives for employers outside of the Greater Toronto Area. For this goal of more even immigrant distribution to be achieved, the province should look beyond initial settlement and consider the retention factors that other provinces – such as Nova Scotia - have identified in their efforts to prevent immigrant outflow from the province. In particular, the involvement of employers in the settlement process that Nova

Scotia has benefited from would likely improve the chances of the Ontario PNP to improve regionalization. Manitoba has attracted immigrants to smaller towns and rural areas through the family and community support streams of its PNP – following the example of Winkler, other smaller towns such as Morden and Altona have used the PNP to bring in immigrants with established community ties (Silvius, 2005). Overall, PNPs have the potential of influencing the settlement patterns of immigrants but long-term even distribution would depend on how successful the social and economic integration of immigrants is in the area of settlement.

The involvement of communities in immigrant selection and integration helps the settlement process and is also useful when particular needs – for example, cultural and linguistic – have to be met through immigration. Manitoba’s immigration program has used this approach, successfully, for the recruitment and settlement of German-speaking immigrants, for example, and Nova Scotia is both aiming at fulfilling the demographic needs of its Francophone and Acadian communities and uses communities as one more pillar of support for immigrant integration. For Ontario, adding a community-identified stream to the PNP could be particularly useful with respect to its official-language communities whose vitality has been an ongoing concern.

Finally, one important aspect of the initial premise of this paper was refuted by the research: the assumption that provinces establish PNPs mostly on their own initiative, as alternatives to the federal program, and the implied idea that perhaps provincial-level policies could substitute for the federal one in the future if they are, indeed, more effective. The Ontario PNP, which was examined in more detail in this paper, aims at complementing, rather than duplicating the federal system; it is also not meant to be a

solution to all problems that the immigration system may have, and it is not intended to compete with or replace the federal system which remains the main program for achieving Canada's immigration goals (Government Official, 2008). As demonstrated by the case study of the Ontario PNP, the federal government, through Citizenship and Immigration Canada, is involved in the creation and invested in the expansion of PNPs and they are consequently joint – if not CIC-led – initiatives rather than provincially-crafted programs. The federal government recognizes that there are gaps left by its immigration program and goals that it is not achieving. PNPs do fulfill these goals – but they are national-level goals, aligned with CIC priorities as much as they are important at the provincial level. Provincial policies complement the federal program and make it achieve its goals at a regional level and this is the reason why CIC actively supports and sometimes is involved in the creation of PNPs. As well, through PNPs the federal government uses the shared jurisdiction in immigration for offloading administrative and organizational duties to the provinces.

In conclusion, the two levels of immigration programs in Canada – federal and provincial – represent two ways of selecting immigrants that are complementary rather than opposing alternatives or substitutes. The provincial initiatives are in a way a component of the national immigration policy that are proving effective in addressing some the needs that are difficult to fulfill by the federal policy. They provide the federal program with the flexibility that it is lacking because it is not designed to respond to the changing labour-market needs, for instance, but rather has a broader paradigm. A hypothetical situation in which all immigrants are selected provincially, through a more individualized and market-responsive approach, would involve the risk of not bringing

sufficient numbers to ensure that Canada's demographic needs are met, lack of consistency among provincial programs, and the dilution of Canada as a brand to attract potential immigrants. Nevertheless, the fact that many Provincial Nominee Programs are expanding, shows that, in the future, the mix of programs within the national policy may well be geared towards a closer connection with employment opportunities and may include more regionalization initiatives. But it appears that, to obtain good outcomes of immigration policies, the content of immigration policy is far more important than which level of government is designing and implementing it. Further research is needed to explore immigration policies from the point of view of immigrants who have gone through either program, federal and provincial, and from the perspectives of employers and receiving communities, to determine more precisely their needs and the most appropriate mix of immigration policies programs that can fulfill those needs.

## ***Appendix A - Recruitment Email***

Hello,

My name is Radostina Pavlova and I am a graduate student in Ryerson University's Immigration and Settlement Studies program. I am currently writing my major research paper for the program, on the topic of provincial-level immigration programs, focusing more specifically on Ontario and its pilot Provincial Nominee Program. My goal is to find out what these programs are accomplishing – for Canada and for immigrants - and to produce research that would be useful for future policy-making in the area of immigration.

The reason for which I am contacting you is that I wanted to kindly request your participation in my research, in your capacity as a [job position] at [department or organization]. This participation will involve an interview of several questions about provincial-level immigration policies and their role in immigrant selection and integration. The interview will take up to 30 minutes to complete and can be done over the phone, in person or by email, according to your preference.

Attached is a written form of consent which I would kindly ask you to sign, should you agree to participate in my research. You can mail the form to me at the address below, or, if I conduct the interview with you in person, submit it to me at the time of the interview and retain a copy for yourself.

Please respond to this email let me know whether you would agree to participate in my research.

Thank you very much. I appreciate your time and consideration.

Radostina Pavlova  
[radostina.pavlova@ryerson.ca](mailto:radostina.pavlova@ryerson.ca)  
Phone: 416-588-2942  
Mailing address:  
828 Bloor Street West, apt.2  
Toronto, ON  
M6G 1M2

## ***Appendix B – Interview Questions***

How do you see the role of the provincial government in immigrant selection, recruitment and settlement?

How does the provincial immigration program differ from the federal one in its goals and approaches?

Why was the Provincial Nominee Program launched?

What are the successes of the Provincial Nominee Program so far?

What challenges have been encountered in the implementation of the PNP?

What is the future direction of the PNP?

Who are the immigrants recruited through the PNP – can you provide general information on their educational and professional background and region or country of origin?

How important is geographic distribution of immigrants in the province and what role does the PNP play in influencing their settlement patterns?

Is there another person whom you would recommend for me to contact, to discuss provincial immigration policies and programs?

## ***Appendix C – Written Consent Form***

### **CONSENT FORM Ryerson University**

You are being asked to participate in a research study. Before you give your consent to be a volunteer, it is important that you read the following information and ask as many questions as necessary to be sure you understand what you will be asked to do.

**Study Title:** *Regionalization of Canadian Immigration Policy: Ontario's Pilot Provincial Nominee Program*

**Investigator:** Radostina Pavlova, graduate student, Immigration and Settlement Studies MA program, Ryerson University

**Purpose of the Study:** My goal is to find out what provincial-level immigration programs and policies are accomplishing for Canada and for immigrants to Canada, to inform future policy-making.

#### **Description of the Study**

As part of my study, I will discuss provincial immigration policies with officials who are responsible for developing and implementing them, who are knowledgeable of their role and goals and who have a view of what it has accomplished so far. I will also interview representatives from organizations advocating immigrant economic integration. Your participation will involve an interview of several questions about provincial-level immigration policies and their role in immigrant selection and integration. The interview will take up to 30 minutes to complete and can be done over the phone, in person or by email, according to your preference. Personal interviews will be conducted at a secure location, in a meeting room or office at your work premises, or, if such a location is not available, at a secure location on the premises of Ryerson university.

**What is Experimental in this Study:** None of the questionnaires used in this study are experimental in nature. The only experimental aspect of this study is the gathering of information for the purpose of analysis.

**Compensation, incentives and benefits:** You will not receive any incentives, compensation or benefits for participation in my research.

#### **Confidentiality:**

The interview will not be audio- or video- recorded. I will use written notes to which only I will have access and which I will store in a secure (locked) location in my home, for the period of six months after the completion of the study.

The interview will not involve any personal questions. I will not reveal your name, job title or organization unless you specifically request me to do so. I will use codes to protect your identity and data. If desired, I will provide you access to the final research report and will take out any or all of your contributions upon your request.

**Risks or Discomforts:** Potential risks or discomforts associated with the study can result from asking you to provide your views on matters that are related to your professional duties. You can choose not to answer any or all questions or to discontinue the interview at any point.

**Voluntary Nature of Participation:** Your participation is completely voluntary and the relationship between your organization and Ryerson University will not be affected in any way, whether you chose to participate or not.

**Questions about the study:**

For further information you may contact my research supervisor:  
Arthur Ross, Department of Politics and Public Administration, Ryerson University  
Phone: 416-979-5000, ext. 6184  
[alross@politics.ryerson.ca](mailto:alross@politics.ryerson.ca)

**Agreement:**

Your signature below indicates that you have read the information in this agreement and have had a chance to ask any questions you have about the study. Your signature also indicates that you agree to be in the study and have been told that you can change your mind and withdraw your consent to participate at any time. You have been given a copy of this agreement.

You have been told that by signing this consent agreement you are not giving up any of your legal rights.

\_\_\_\_\_  
Name of Participant (please print)

\_\_\_\_\_  
Signature of Participant

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Investigator

\_\_\_\_\_  
Date

**References:**

Becker, G.S. (1993). *Human Capital: A Theoretical and Empirical Analysis with Special Reference to Education*. Chicago: University of Chicago Press.

Bernard, A. (2008). *Immigrants in the Hinterlands*. Catalogue no.:75-001-XWE. Ottawa: Statistics Canada.

Citizenship and Immigration Canada. (2008). Government of Canada joins partners in launching Tool Box to help attract immigrants to smaller communities. Retrieved March 3, 2008 from

<http://www.cic.gc.ca/ENGLISH/department/media/releases/2008/2008-02-01.asp>

Citizenship and Immigration Canada. (2007). *Statistical Information: Applications Processed at Canadian Visa Offices*. Retrieved March 31, 2008 from

<http://www.cic.gc.ca/english/information/times/international/02a-skilled-fed.asp>

Citizenship and Immigration Canada. (2007a). *Canada and Nova Scotia Sign New Immigration Agreement*. Retrieved March 21, 2008 from

<http://www.cic.gc.ca/english/department/media/releases/2007/2007-09-19.asp>

Citizenship and Immigration Canada. (2006). 2005 Immigration Overview. *The Monitor*, Issue 2. Retrieved March 28, 2008 from

<http://www.cic.gc.ca/english/resources/statistics/monitor/issue13/05-overview.asp>

Citizenship and Immigration Canada. (2006a). Strategic Plan to Foster Immigration to Francophone Minority Communities. Ottawa: Citizenship and Immigration Canada.

Citizenship and Immigration Canada. (2006b). Facts and Figures 2006: Immigration Overview – Permanent and Temporary Residents. Retrieved March 15 from

<http://www.cic.gc.ca/english/resources/statistics/facts2006/index.asp>

Citizenship and Immigration Canada. (2005). Facts and Figures 2005: Immigration Overview – Permanent and Temporary Residents. Retrieved March 15 from

<http://www.cic.gc.ca/english/resources/statistics/facts2005/index.asp>

Clément, G. L. (2003). The Manitoba Experience. In C. Beach, A. Green & J. Reitz. (Eds.) *Canadian Immigration Policy for the 21st Century*. Montreal: McGill-Queens University Press.

Côté, E. (2006, October 27). Qui établit les objectifs d'immigration . *La Presse*.

Foster, L. (1998). *Turnstile Immigration: Multiculturalism, Social Order and Social Justice in Canada*. Toronto: Thompson Educational Publishing, Inc.

Francis, D. (2002). *Immigration: the Economic Case*. Toronto: Key Porter.

Frenette, M., & Morissette, R. (2003). *Will They Ever Converge? Earnings of Immigrants and Canadian-born Workers over the Last Two Decades*. Catalogue no.:11F0019MIE2003215. Ottawa: Statistics Canada,

Government of Manitoba. (2008). Provincial Nominee Program. Retrieved March 10, 2008 from <http://www.gov.mb.ca/labour/immigrate/pnp/index.html>

Government of Ontario. (2008). *Canada and Ontario Sign Historic Immigration Agreement*. Retrieved March 20, 2008 from <http://ogov.newswire.ca/ontario/GPOE/2005/11/21/c7702.html?lmatch=&lang=e.html>

Government Official, 2008. Ontario. Interview with official. March 30, 2008.

Government Official, 2008. Ontario. Interview with official. March 29, 2008.

Government Official, 2008. Nova Scotia. Email communication. March 26, 2008.

Grenier, G. (2003). In C. Beach, A. Green & J. Reitz. (Eds.) *Canadian Immigration Policy for the 21st Century*. Montreal: McGill-Queens University Press.

Hafeez, W. (2008, February 13). PNP to Include Visa Students. *The Cord Weekly*.

Retrieved March 18, 2008 from

[http://www.cordweekly.com/cordweekly/myweb.php?hls=10034&news\\_id=1489](http://www.cordweekly.com/cordweekly/myweb.php?hls=10034&news_id=1489)

Heisz, A. (2006). *Canada's Global Cities: Socio-economic Conditions in Montreal, Toronto and Vancouver*. Catalogue no.:89-613-MIE – No.010. Ottawa: Statistics Canada.

House of Commons. (2003). Standing Committee on Citizenship and Immigration. *The Provincial Nominee Program: a partnership to attract immigrants to all parts of Canada: report of the Standing Committee on Citizenship and Immigration*. Ottawa: Canada Parliament

Immigration News Service (2007, November 9). *Canadian Experience Class*

*Immigration to be Introduced in 2007*. Retrieved March 10, 2008 from

<http://www.migratenow.ca/articles/112.asp>

Iverson, J. (2008, March 13). Migrant Backlog Targeted. *The National Post*, pp. A1, A6.

Kelley, N., & Trebilcock, M. (1998). *The Making of the Mosaic: A History of Canadian Immigration Policy*. Toronto: University of Toronto Press

Lam, Y. L. J. (1994). *Economic Development and Immigrant Employment Opportunities in Rural Manitoba*. Brandon, MB: Brandon University.

Laryea, S. (2003). Comments. In C. Beach, A. Green & J. Reitz. (Eds.) *Canadian Immigration Policy for the 21st Century*. Montreal: McGill-Queens University Press.

Liséé, J.F. (2001). Invest in Quebec's Uniqueness. *Inroads* (10), 167-184.

Manitoba Labour and Immigration. (2006). *Manitoba Immigration Facts: 2006 Statistical Report*. Winnipeg: Manitoba Labour and Immigration.

McDonald, J. T. (2003). Location Choice of New Immigrants to Canada: The Role of Ethnic Networks. In C. Beach, A. Green & J. Reitz. (Eds.) *Canadian Immigration Policy for the 21st Century*. Montreal: McGill-Queens University Press.

The Metropolis Project. (2003). *The Regionalization of Immigration*. Metropolis Conversation Series.

Ministère de l'Immigration et des Communautés culturelles. (2008).

<http://www.micc.gouv.qc.ca/fr/index.asp>

Ministry of Citizenship and Immigration. (2008). *Ontario's Pilot Provincial Nominee Program: an Overview*. Toronto: Ministry of Citizenship and Immigration.

Murrey, D. (2008, February 21). Provincial Governments Should Use Their Constitutional Powers On Immigration. Canada Free Press. Retrieved March 12 from <http://canadafreepress.com/index.php/article/1966>

Nova Scotia Office of Immigration. (2008). Nova Scotia Nominee Program. Halifax: Government of Nova Scotia.

Nova Scotia Office of Immigration. (2005). *The Nova Scotia Nominee Program The First Two Years: A Status Report*. Halifax: Government of Nova Scotia.

Niessen, J Yongmi Schibel, Y. (Eds). (2005). *Immigration as a Labour Market Strategy - European and North American Perspectives*. Brussels: the Migration Policy Group.

Picot, G., & Sweetman, A. (2005). *The Deteriorating Economic Welfare of Immigrants and Possible Causes: Update 2005*. Catalogue no.: 11F0019MIE2005262. Ottawa: Statistics Canada.

Reitz, J.G. (2005). Tapping immigrants' skills: new directions for Canadian immigration policy in the knowledge economy. *Choices 11* (1), 3-14. Montreal: Institute for Research on Public Policy.

Silvius, R. (2005). Rural Development Institute Working Paper #2005-8: Manitoba Rural Immigration Community Case Studies, Winkler. Brandon: Rural Development Institute, Brandon University

Statistics Canada. (2006). Canada's Population. Ottawa: Statistics Canada.

Statistics Canada. (2007). 2006 Census of Population. Ottawa: Statistics Canada.

Statistics Canada. (2003). Longitudinal Survey of Immigrants to Canada. Ottawa: Statistics Canada.

Zietsma, D. (2007). *The Canadian Immigrant Labour Market in 2006: First Results from Canada's Labour Force Survey*. Catalogue no.: 71-606-XIE2007001. Ottawa: Statistics Canada.