

Adaptive Integration into the Canadian Labour Market:
The Case of Entrepreneur and Skilled Worker Immigrants

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ABSTRACT

The literature review on immigrant's self-employment activities has limited the debate around the leading factors to this type of activity. Much research on the subject has tried to answer the question 'what are the determinant characteristics to become self-employed?' In addressing that question researchers have focused on the relative value of the block mobility thesis and the ethnic enclave theory. This focus created a research gap; researchers have ignored how self-employment may be used by immigrants as an alternative or complementary strategy for accessing a new labour market. Using the Longitudinal Immigration Database, this research explores, using survival regression analysis, the extent to which immigrants adopt different labour market strategies following their admission to Canada. More specifically, it examines their rate of access to labour market activities, the length of time they stay in specific type of labour market activities and the determinant factors for such events.

The findings of this research demonstrate that 27 per cent of the economic immigrants, who were admitted to Canada between 1990 and 2008, are likely to rely on paid and self-employment activities simultaneously over time. This finding reinforces the need to analyse self-employment activity as a concurrent activity to paid employment. The regression analysis results on the concurrent activities imply that immigrants admitted under the self-employed category are more inclined, than the other economic immigrants, to rely on the two types of activities when integrating into the Canadian labour market. The findings of this thesis indicated that the traditional theories on self-employment activities are inadequate to explain concurrent self-employment activities and paid employment activities. There is a need to develop contemporary theories around this new concept of concurrent labour market activities that would take into consideration self-employment and employment theories as well as immigrants' adaptive integration capacity.

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DEDICATION

À vous mes chers parents qui représentez mon histoire passée.

Et à toi Jean qui représente mon histoire d'amour.

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CHAPTER 1: INTRODUCTION

1.1 Introduction to the Issue

Since the 1950s, there have been significant research and publications about immigrant entrepreneurs in North America. Many of these publications provided explanation in terms of what characteristics will lead an immigrant to become an entrepreneur or not. The two most prevalent/established theories have been the blocked mobility and the immigrant enclave theories. Not only did these two theories align the debate around whether immigrants are driven or attracted to entrepreneur activities, but they have also limited the field of study to explaining the rate of entrepreneurship for non-immigrant, immigrants and specific ethnic group, or at best, the transition from employment activities to entrepreneurial activities (or vice versa). By ignoring that immigrants can be employed and self-employed (or own a business) simultaneously, previous studies on integration into the Canadian labour market have not taken into account an important part of labour market strategies. As of today, no research has tried to explore or explain a different labour market strategy that would consider entrepreneurial and employment activities as complementary ones.

The Canadian immigration system aims to give Canada a major competitive advantage and is thus deemed to be fundamental to Canada's growth. Canada is one of the few countries in the world to have a comprehensive immigration policy in place to admit (or not) immigrants. That immigration policy includes an identification of the specific categories of eligible candidates and specific selection criteria, as well as annual plans detailing the targeted numbers for each category on a yearly basis. Perhaps not surprisingly, the thinking of academic researchers has been influenced by the fact that Canada's immigration categories are mutually exclusive (i.e., one person can be admitted as permanent resident under one immigration category only). Studies on labour market integration of new immigrants have tended to formulate research questions around the individual immigration categories.

This thesis focuses on the labour market integration of immigrants who landed in Canada between 1990 and 2008. In this study, the term “labour market strategies” is or refer to the type of economic activities immigrants engage in and the duration of their labour market activities. It includes both paid and self-employment activities and the duration of those two types of labour market activities.

The concept of ‘immigrant entrepreneurship’ used in this thesis is based on Kloosterman and Rath (2003 p.5): “The construction of the very concept of ‘immigrant entrepreneurship’ and its particular way of statistical explication is located, hence at the intersection of partly idiosyncratic national processes of the social construction of immigrants, and the social construction of self-employment. This fundamental lack of a sound uniform conceptual and statistical base of immigrant employment that can be applied across countries also implies that truly international comparative research on this topic is still not feasible.” Without a common definition of the concepts ‘immigrant entrepreneurship’, research on the subject uses interchangeably the two words of ‘immigrant entrepreneur’ and ‘immigrant self-employed’ to refer to the concept. Therefore, in this thesis, the terms ‘immigrant entrepreneur’ and ‘immigrant self-employed’ are used interchangeably when referring to labour market integration activities but not used interchangeably when referring to immigration categories.

1.2 Research Problem

As mentioned earlier in this chapter, the debate on immigrant labour market behaviours has been expressed in various ways. For example, the characteristics of success for immigrant entrepreneurs have been assessed using different indicators (self-employment income, employment income, number of businesses created, number of employees, etc.) leading to confusing results. The debate has also tried to determine whether immigrants are entrepreneurs by choice or by circumstance. For instance, studies with different approaches have tried to explain immigrant labour market behaviours either in term of personal aptitudes or in terms of economic opportunities. The debate also questions whether the Canadian immigration program still needs an entrepreneur immigration category, given that some immigrants end up being entrepreneurs or self-employed through other immigration categories or that some other

immigrants from the entrepreneur category simply close their enterprise once their conditions are met.

The literature on self-employment indicates that ethnic minorities and immigrants in particular are more inclined toward self-employment than the rest of the Canadian population. Much research on the subject studies self-employment as a dichotomised outcome, ignoring how self-employment may be used by immigrants as alternative or complementary strategies in the labour market. Immigrants could be self-employed and employed simultaneously. The key questions this project tries to answer are:

- ▶ What are the strategies that immigrants adopt when integrating into the Canadian labour market?; and
- ▶ What is the rate of access to labour market activities for immigrants (i.e., how long does it take for an immigrant, following their admission to Canada, to access employment, self-employment and concurrent types of labour market activities), how long do they stay in a specific type of labour market activity, and what are the determinant factors for these events?

1.3 Thesis Outline

Chapter two provides an historical perspective on the Canadian Immigration Policy and its economic components. This chapter presents how immigration policies have evolved since the since the introduction of the point system in 1967 to the introduction the *Immigration and Refugee Protection Act* (IRPA) in 2001. Although there were other immigration statutes that were enacted between the introduction of the point system in 1967 and the 2001 immigration statute, this chapter focuses only on those two periods as major changes were introduced.

Chapter three introduces the critical review of the relevant literature in the area of immigrant entrepreneurship. Four major approaches have been used to try to explain immigrant labour market behaviours. This research will address two serious criticisms of these approaches, one methodological and one conceptual.

Chapter four presents a suitable methodology for the study of entrepreneurship given the challenges identified in the preceding chapters. It introduces the statistical analysis that is the most appropriate for the study. Chapter five presents the data sources used, the population under study and the method for measuring the adaptive strategies for labour market integration.

Chapters six and seven present the analysis and findings of the study. Chapter six presents the transition analysis to labour market activities, examining the transition to employment and self-employment simultaneously in comparison to non-simultaneous activities. This specific focus to simultaneous labour market activities is a novel way to analyse immigrant entrepreneurship. Chapter seven provides possible explanation for these transitions.

Chapter eight presents a summary of the findings, the contributions of this thesis to the field of immigrant entrepreneurship and the recommendation for future research as well as the policy implications.

CHAPTER 2: IMMIGRATION POLICY: AN HISTORICAL PERSPECTIVE ON THE ECONOMIC COMPONENTS

2.1 Introduction

Canada is one of the few countries in the world that has an active program for permanent immigration. More than 20.6 per cent of the Canadian population is foreign born, representing the highest proportion of foreign-born population among the G8 countries (Statistics Canada, 2013). Indeed, Canada has a longstanding tradition of admitting immigrants in its country: The first immigration policy was embodied in a statute enacted in 1869, two years after Confederation. Several immigration statutes were enacted in subsequent decades, the most recent of which was the *Immigration and Refugee Protection Act* (IRPA) enacted in 2001.

The objective of the first *Immigration Act* was to stipulate who could and who could not immigrate into, work in, study in or visit Canada. Since its introduction in 1869, several immigration statutes were enacted in order to address population and economic growth. Canada used primarily to address family reunification, economic development and labour market shortages, as well as to respect its humanitarian tradition.

Prior to 1962, the Canadian immigration system embodied discriminatory and racist principles. People not coming from European countries or the United States had limited access to Canada. During the intensive immigration period, from 1947 to 1957, the barriers to immigration were slowly eased, allowing not only for unsponsored refugees and displaced persons to immigrate to Canada, but also for people from countries with prospective immigrants who were racially and culturally different than the majority of immigrants who had been admitted into Canada in previous decades.

For the analytical purpose of this thesis, one of the most important immigration policy initiatives was the establishment of a point system in 1967, intended to eliminate, or at least minimize,

prejudice and discrimination in the selection of independent immigrants. Since 1967, the Canadian immigration program has been based on non-discriminatory principles. It is depicted as a universal immigration program not only because people from all countries are assessed using the same selection criteria, but also because it prohibits discrimination based on nationality or race for all categories of immigrants.

This chapter identifies and explains the different immigration categories under the Canadian immigration system and how they have evolved from the introduction of the point system in 1967 to the 2001 *Immigration and Refugee Protection Act* (and its regulations from 2002 to 2008). The chapter reveals that the immigration categories have been and continue to be mutually exclusive; consequently one person can be admitted as permanent resident in Canada under one immigration category only. This is part of the reason that policy researchers focussing on labour market integration of new immigrants, tend to formulate research questions around the individual immigration categories.

2.2 The 1967 Immigration Regulations

Prior to 1967, the *Immigration Act* gave discretion to the Governor-in-Council to prohibit or limit the admission of persons on different grounds such as: nationality, citizenship, ethnic group, occupation, geographic area of origin; peculiar habits, modes of life; incompatibility related to Canadian climate, economy, labour, or health; and potential incapacity to be assimilated, to fulfil Canadian citizenship's roles and responsibilities in a realistic timeframe following admission (Freda Hawkins, 1988: 102). This legislative framework enabled government officials to determine the kinds of immigrants that would be allowed entry into Canada. The selection criteria were defined under the 'admissible' class. Under the 1952 *Immigration Act*, there were two admissible classes of immigrants to Canada: the independent class and the sponsored or dependent class. In addition to those two classes, there were also 'prohibited classes'¹.

¹ The prohibited classes included, among others, the "mentally handicapped", the "homosexuals" and some ethnic groups.

The Independent class included the ethnic preferred immigrants (i.e., British subjects by birth or by naturalization in the United Kingdom, citizens from France born in France or in Saint-Pierre and Miquelon, the United States, Australia, New Zealand or the Union of South Africa and citizens of Ireland). People coming from those world areas did not face any barriers to be admitted in Canada as long as they had sufficient settlement funds². In addition to the ethnic preferred immigrants, immigrants could be admitted under the 'Independent' if they were selected by immigration officers to work in primary industry. Very often, they were selected in consultation with the Canadian National and Canadian Pacific Railways to access, utilize and transport natural resources and build infrastructure projects. The selection criteria included age, language proficiency, education, demand in Canada for the intended occupation, existence of arranged employment, and personal suitability. These criteria were seen as assets rather than requirements or prerequisites. Any citizens coming from Western European countries could apply provided they could secure employment prior to departure from their country of origin or could prove that they had sufficient financial means to become self-employed after arrival.

People admitted under the sponsored or dependent class included relatives of any Canadian citizen. In order to be eligible, those who wanted to immigrate to the country had to be sponsored by a Canadian citizen relative. Only husband, wife or unmarried children could be sponsored provided that their Canadian sponsor had secured sufficient funds. Such policies were seen as discriminatory and racist practices given that permanent resident did not have the same rights in terms of sponsorship as their Canadian citizen counterparts.

2.2.1 Introduction of the point system

In 1962, major policy changes relating to *Immigration Act* were announced to the public. This period of reform led to the *White Paper on Immigration* (Manpower and Immigration Canada, 1966). This exercise took place at a time when the Canadian economy was undergoing significant technological changes and the unemployment rate in Canada was very high. The concerns at the time focussed on the impact of immigration on Canadians, particularly young people, the unskilled and the poorly educated given that there were fewer opportunities in the labour market

² The 1952 legislation expanded its preferred classes to include family reunification of Asian Canadian citizens and their relatives abroad as well as annual quotas for additional countries of origins such as India, Pakistan and Ceylon.

for unskilled and semi-skilled workers. As a result, the workforce needed training to keep up with technological changes and the people looking for employment did not have adequate skills and education to address the new labour market needs. In order to address the changing labour market needs, immigration policy had to be reviewed in order to ensure the selection of more qualified immigrants.

The intent of this paper was to put forward recommendations on how many and what types of immigrants Canada should be admitted and from which countries. Specifically, the White Paper was seeking answers to the following key questions: 1) “Who specifically should be permanently admissible to Canada; and who should not?” and 2) “What measure of selection and control are required to distinguish between the two categories fairly and effectively [...]?” (Manpower and Immigration Canada, 1966, p. 6)

The *White Paper on Immigration* recommended principles and parameters for a new immigration policy. Although the white paper reiterated the traditional reasons for supporting immigration (i.e., increased national population and economic growth), it also expressed that the time had come to consider eliminating the discriminatory principles underlying the Canadian immigration system. The authors also highlighted the vulnerability of unskilled and semi-skilled workers in a more complex industrialized and urbanized society and raised concerns about the significant increase of the unskilled labour force. As a result, the white paper proposed that the government narrows the sponsorship program in order to admit more independent immigrants with skills required in the Canadian labour market. Following this change to admit more skilled immigrants rather than sponsored immigrants, there was a need to introduce a more formal points system for the selection.

One year after the White Paper, new immigration regulations were introduced that specified, for the first time, the precise selection criteria for the admission of immigrants in Canada. Those regulations were designed, in part, to eliminate discrimination on various grounds, including race, from the immigration policy. Canada was the first of the major immigrant receiving countries to eliminate its racist and discriminatory immigration policy. However, United States eliminated the

'national origins quota system' and replaced it with a 'preference system' that focused on immigrants' skills and family relationships in 1965. Much later, in 1978, the United States implemented non-discriminatory measures comparable to those implemented by Canada in 1967. Australia abolished its racist policy in 1973 by announcing that all applicants would be treated equally when granting citizenship. Like Canada, both Australia and the United States were shifting their immigration selection criteria to be more consonant with economic conditions and labour market demands.

With the new points system, immigrants were being assessed against specific criteria such as age, education or training, employment opportunities in Canada (defined as occupational demand or arranged employment), degree of fluency in English or French and the existence of family members in Canada. More importance was also given to the microeconomic factors through what was known as the occupational or labour market demand system. The points awarded for specific occupations were continuously revised to align them better with specific labour market needs. As mentioned above, other major immigrant-receiving countries, such as Australia and the United States, also made changes to their immigration policy designed to attract and admit more the economic immigrants. With the movement toward a global economy, the nature of the demand for immigrants has changed. Countries are much more predisposed to recruiting and selecting immigrants with higher human capital and are now competing to attract the brightest and the most talented immigrants to support their economic development and growth.

2.3 The 2001 Immigration and Refugee Protection Act

In 2001, the Canadian government passed the *Immigration and Refugee Protection Act* and implemented its regulations in 2002. These regulations adjusted the selection criteria. The new selection criteria place greater emphasis on human capital characteristics as opposed to occupational ones. The new selection system was design to respond to the dynamic labour market associated with a knowledge-based and global economy. Among other things, the new selection system aimed at improving the economic success of economic immigrants.

Immigrants' outcomes in terms of economic integration have started to deteriorate since the late 1970s. Many researchers have studied the economic integration of immigrants (Abbott and Beach, 1993; Frenette & Morissette, 2005, Green & Worswick, 2010; Picot 2008; Picot & Sweetman, 2005; Sweetman 2010). This body of literature indicated that immigrants' earnings declined in the 1980s and 1990s compared to the 1970s. Although Canada had been admitting immigrants who had higher levels of education, the earnings of immigrants were below those of the Canadian born population.

Thus, the Canadian government reviewed its immigration policy for the purpose of developing a new model for the selection of the immigrants. Specifically, for the economic class, the objective was to focus the selection of immigrant based on their ability to succeed in Canada over the long term. In the document entitled *Not just numbers – A Canadian Framework for Future Immigration* (Robert Trempe, 1997, p.56) recommended to the Minister of Citizenship and Immigration the following underlying principles for Canada's economic immigration program:

“Prosperity: Increasing economic benefits to Canada through the creation of employment and wealth.

Stability: Using economic immigration as a long-term tool to smooth out variations in the markets for labour and capital, and for goods and services.

Competitiveness: Raising the level of skills and resources of our pool of human capital to ensure our ability to sell goods and services internationally.

New Technology: Attributing value to technological knowledge as an important factor of economic growth.

Global investment: Removing the obstacle and barriers to attracting global capital required to develop new products and services to ensure growth and expansion.

Modern Pioneers: Identifying the individuals with a high degree of self-sufficiency who will contribute to the Canada's future economic success.”

These factors guided the development of the new economic immigration policies. In 2001, the new immigration statute was enacted (its regulations were implemented one year later):

Immigration and Refugee Protection Act (IRPA). IRPA sets out multiple economic objectives for Canada's immigration program (as per Sections 3.1 and 3.2):

“3.1 (a) to permit Canada to pursue the maximum social, cultural and economic benefits of immigration;

(b) to enrich and strengthen the social and cultural fabric of Canadian society, while respecting the federal, bilingual and multicultural character of Canada;

(b.1) to support and assist the development of minority official languages communities in Canada;

(c) to support the development of a strong and prosperous Canadian economy, in which the benefits of immigration are shared across all regions of Canada;

(d) to see that families are reunited in Canada;

(e) to promote the successful integration of permanent residents into Canada, while recognizing that integration involves mutual obligations for new immigrants and Canadian society;

(f) to support, by means of consistent standards and prompt processing, the attainment of immigration goals established by the Government of Canada in consultation with the provinces;

(g) to facilitate the entry of visitors, students and temporary workers for purposes such as trade, commerce, tourism, international understanding and cultural, educational and scientific activities;

(h) to protect public health and safety and to maintain the security of Canadian society;

(i) to promote international justice and security by fostering respect for human rights and by denying access to Canadian territory to persons who are criminals or security risks; and

(j) to work in cooperation with the provinces to secure better recognition of the foreign credentials of permanent residents and their more rapid integration into society.

(2) The objectives of this Act with respect to refugees are:

- (a) to recognize that the refugee program is in the first instance about saving lives and offering protection to the displaced and persecuted;
- (b) to fulfil Canada's international legal obligations with respect to refugees and affirm Canada's commitment to international efforts to provide assistance to those in need of resettlement;
- (c) to grant, as a fundamental expression of Canada's humanitarian ideals, fair consideration to those who come to Canada claiming persecution;
- (d) to offer safe haven to persons with a well-founded fear of persecution based on race, religion, nationality, political opinion or membership in a particular social group, as well as those at risk of torture or cruel and unusual treatment or punishment;
- (e) to establish fair and efficient procedures that will maintain the integrity of the Canadian refugee protection system, while upholding Canada's respect for the human rights and fundamental freedoms of all human beings;
- (f) to support the self-sufficiency and the social and economic well-being of refugees by facilitating reunification with their family members in Canada;
- (g) to protect the health and safety of Canadians and to maintain the security of Canadian society; and
- (h) to promote international justice and security by denying access to Canadian territory to persons, including refugee claimants, who are security risks or serious criminals.

IRPA also defines three major groups of permanent residents: economic, family and protected persons.

2.3.1 Refugees and persons in the need of protection

This group represents Convention Refugees and other individuals in similar situations selected at a visa office abroad. It also includes people already in Canada who have been accepted as a Convention Refugee or person in need of protection by the Immigration and Refugee Board (IRB). In addition, it represents people who are already in Canada and for whom a Pre-Removal

Risk Assessment has concluded they needed protection. This class represented 8.84 per cent of the total immigrants who landed in 2008 (Citizenship Immigration Canada, 2009).

2.3.2 Family Class

Family Class immigration is comprised of foreign people sponsored by Canadian Citizens or Permanent Resident family members or close relatives. In 2008, the family class accounted for 26.51 per cent of the total landings for that year.

2.3.3 Economic Class

The economic class consists of three categories: the federal skilled worker category, the business immigration category and the provincial nominee category³. In 2008, 60.29 per cent of immigrants admitted to Canada were from the economic class. Applicants in those three categories are assessed through selection criteria related largely to their knowledge or skills and other abilities that could contribute to the labour markets of the Canadian economy.

This dissertation focuses on the business immigration category. The objective of this program is to attract immigrants who have business experience and who will contribute to the development of a strong Canadian economy. Applicants can apply under one of the three sub-categories: entrepreneurs, investors⁴ and self-employed persons.

The objective of the **Entrepreneur Program** is to attract experienced business persons who will own and actively manage businesses in Canada in order to stimulate the economy and create jobs. To qualify as an entrepreneur, applicants must have had at least 2 years of admissible managing enterprise experience within the five years prior to their application. They must also have

³ In 2013, which is outside of the scope of this research, the following economic categories were added: federal skilled trades, the Canadian experience class and the start-up visa pilot.

⁴ Note that Citizenship and Immigration Canada temporarily stopped accepting Entrepreneur applications on July 2011 and Investor applications on July 2012.

controlled a percentage of the enterprise capital and have to have legally obtained a minimum net worth⁵ of \$300,000. In order to maintain their permanent residence, entrepreneur immigrants must meet specified terms and conditions. They must control a minimum of one third of the admissible enterprise, actively manage the admissible enterprise in Canada for at least one year (during their first three years following their arrival) and create at least one additional full-time job equivalent in the admissible enterprise for a Canadian citizen or a permanent resident other than a family member. In 2008, immigrants admitted to Canada under this immigration category accounted for 0.69 per cent of the total admissions.

The entrepreneur program has been criticised for not meeting its stated objectives. Glover and Si Sim (2001), for example, argued that some immigrants use this entrepreneur program as a gateway to Canada: once their terms and conditions are fulfilled, they close their business. Another study (Ley, 2000), indicated that immigrants with the lowest income are those from the business category. However, Ley's findings have to be used cautiously due to the fact that the expectations for business immigrants are not related to the earnings of employment income, but rather the expectations are related to the creation of businesses and jobs. In addition, when analysing their total income, only net income was considered, although the gross income provides a better indication of the performance of the business activity. Whereas those analysts focused on the value of the business immigration program and some of its problems, this dissertation is designed to describe and understand the specific labour market strategies adopted by business immigrants when entering the labour market.

The objective of the **Self-Employed Person program** is to attract self-employed person in the athletics or cultural sector and self-employed farmers. To qualify as self-employed persons, applicants must have a minimum of two years of relevant experience in self-employment activities related to the cultural activities or athletics or in the management of a farm. In addition, immigrants in this category have to demonstrate their ability and intention to create their own employment and to contribute to the Canadian economy by operating a farm, or by contributing

⁵ As per Section 88.1 of IRPA, net worth "means the fair market value of all of the assets of the entrepreneur and their spouse or common-law partner minus the fair market value of all their liabilities".

to the cultural or athletic life of Canada. In 2008, immigrants admitted to Canada under this immigration category accounted for 0.20 per cent of the total admissions.

The final category under the business immigration program is the **Investors program**. Its objective is to attract experience business persons and capital to Canada. Similar to the entrepreneur program, to qualify as an investor, applicants must have had at least two years of admissible business experience within the five years prior to their application. They must also have controlled a percentage of the business capital and have legally obtained a minimum personal net worth of \$1,600,000. In addition, they are required to have made an investment of \$800,000⁶ in Canada. In 2008, immigrants admitted to Canada under this immigration category accounted for 4.13 per cent of the total admissions.

In addition to having to qualify as an entrepreneur, a self-employed person or an investor, business immigration applicants have to be assessed against five selection criteria and a point system to determine if they are able to become economically established in Canada. The selection criteria include: education, experience, age, ability in English and/or French and adaptability. Points are awarded for each criterion. Since 2002, the minimum pass mark has remained 35 points out of 100. Nevertheless, the Minister of Citizenship and Immigration Canada has the authority under IRPA to change the minimum number of points required for business immigration categories. The following factors are to be considered for such a change: 1) the number of applicants being processed under the specific categories; 2) the number of admissions targeted by Parliament each year; and 3) the prospects of establishing in Canada given the economic factors and other relevant factors.

To reiterate, in addition to the business immigration program (which includes the entrepreneur, investor and self-employed person categories), there are two additional economic categories: the federal skilled worker and the provincial nominee program categories. Prior to the

⁶ This sum of \$800,000 is paid by the investor to the Minister of CIC and is guaranteed by the provinces that will use it for job creation. The funds are not refundable for a five year period beginning on the day a permanent resident visa is issued.

implementation of IRPA, **the Federal Skilled Worker Program** included points for specific occupations in addition to other human capital components⁷. Under IRPA (and for the period covered for this study), in order to be selected under the skilled worker immigration category, applicants must have had at least one year of continuous paid employment in the category of skill type 0 or skill level A or B of the Canadian National Occupational Classification (NOC)⁸. This employment experience must have occurred in the 10 years preceding their application. In addition to this employment experience, applicants must demonstrate that they have sufficient funds for settling in Canada (unless they have an arranged employment offer with an employer in Canada). Just like the business immigration program, once applicants have been assessed for these initial requirements, they are evaluated against the six selection factors: education, language, employment experience, age, arranged employment and adaptability. The pass mark for the federal skilled worker applicants is much higher than the one for the business immigration applicants; originally set at 75 points but subsequently lowered to 67 out of 100 points. The main objective for the federal skilled worker program under IRPA has been to attract immigrants who i) have the capacity to establish themselves economically in a dynamic labour market and in a knowledge-based, global and complex economy and ii) who could respond to changing labour market needs. In 2008, immigrants admitted to Canada under this immigration category accounted for 41.95 per cent of the total admissions.

The final category to be presented is **the Provincial Nominee Program**. The objectives of this category are to provide provinces with a mechanism to respond to local economic needs and to increase the benefits of immigration to their provinces. This program gives the opportunity to participating provinces to nominate potential immigrants that meet their specific provincial needs. Hence, this immigration program and the other economic-based immigration programs have very similar objectives. In 2008, immigrants admitted to Canada under the provincial nominee program accounted for 9.07 per cent of the total admissions.

⁷ For more information on the comparison between the selection of federal skilled workers under the different regimes (pre-IRPA and IRPA) see, <http://www.cic.gc.ca/english/pdf/research-stats/FSW2010.pdf>

⁸ Skill type 0 includes management occupations, skill level A includes occupations that require a university diploma and skill type B includes occupations that require college, vocational education or apprenticeship training.

Each year, the Canadian government determines the appropriate level of immigration for Canada and the desired mix between the three main immigration classes (economic, family and protected persons). Under IRPA, each year the Minister of Citizenship and Immigration Canada tables an *Annual Report to Parliament on Immigration*. This report presents the immigration levels (i.g., the target numbers for each category and the overall target) for the subsequent year, as well as the number of immigrant admitted in the various categories in the previous year. In order to develop this plan, Citizenship and Immigration Canada consults with many stakeholders (including, other government departments, public stakeholders, provinces and territories), and considers the economic needs for Canada, as well as its family reunification and humanitarian commitments. Before being submitted to Parliament, this plan is presented to cabinet members who then decide on the appropriate level and mix. Therefore, the number of immigrant admitted every year per category is not necessarily a reflection of the demand to immigrate to Canada. The number of immigrants admitted under a specific immigration category is based on a pre-determined number deemed appropriate for Canada.

In summary, this chapter explained that the Canadian government has enacted detailed immigration policies that allow eligible people from all countries to settle in Canada for different purposes. In addition to its humanitarian and family reunification objectives, the Canadian government admits immigrants who can make a contribution to the Canadian economy either through their investment, establishment of new businesses, creation of new jobs, or by addressing short or long term labour market needs. The primary objective of this research is to examine the strategies used by immigrants admitted under the entrepreneur, self-employed or skilled worker categories. More specifically, the research question is: what are the strategies that immigrants adopt when entering into the Canadian labour market? This chapter has provided background information needed to better understand the findings presented in the analytical chapters.

CHAPTER 3: THE CRITICAL REVIEW OF THE RELEVANT LITERATURE

As mentioned in the introduction, the debate question around entrepreneurship has focused on whether immigrants are driven or attracted to entrepreneurship. In limiting the debate to this aspect, the literature on entrepreneurship has failed to address an important part of the labour market strategies: the fact that immigrants can be both employed and self-employed simultaneously. The following chapter provides an overview of four different approaches that have been used in the analysis of immigrant entrepreneurs. These approaches base their explanations of self-employment and entrepreneurship in terms of psychological, ethnocultural, host society environment, or a combination of the last two elements.

3.1 Immigrant Entrepreneurship: Psychological Approach

The success of immigrant entrepreneurship is sometimes explained as an outcome of specific personality traits (Cantillon, 1955; McClelland, 1961; Gass, 1977; Kets de vries, 1977; Wilken, 1979; Brockhaus, 1986; Begley & Boyd, 1987). Immigrant entrepreneurship is believed to be influenced by personal aptitudes, such as risk-taking capacity, the ambition inclination and the desire for independence. Light and Rosenstein (1995) refers to this approach as the *elite theory*, which suggests that personal abilities of the endowed individuals enable them to be successful in business. If entrepreneurs were "special" or different in aptitude and traits, personality tests would be able to distinguish entrepreneurs from others. However the findings from various studies (Brockhaus, 1982; Chell, Harworth & Brearley, 1991) suggest that there is no relationship between personality tests and the success of an enterprise. They also suggest that variables such as risk-taking capacity and the desire for independence do not distinguish successful enterprises from unsuccessful enterprises. Finally, they contend that successful entrepreneurs actually have psychological profiles that are similar to unsuccessful entrepreneurs. Therefore, this approach provides limited insight into entrepreneurship activities since only one the psychological traits of an individual are considered. Authors using this approach have tried to explain what personal characteristics are leading to successful entrepreneur and have dichotomized the subject into who is successful and who is not.

3.2 Immigrant Entrepreneurship: Ethnocultural Approach

Rather than putting emphasis on the personality or psychological traits of individuals, the second approach focuses on to the cultural values cultivated in a specific ethnic milieu. This approach is rooted in the Weberian model (Weber, 1956) that suggests Puritanism encouraged its believers to engage in entrepreneurship, and that the protestant ethic promoted the spirit of capitalism.

Implicit in this approach is the assumption that mature capitalism created a sense of entrepreneurship in the workforce in which entrepreneurship is culturally encouraged and embodied. Weber's thesis suggested that the performance of entrepreneurs is associated to the characteristics of the Protestant culture. Weber extended this theory by examining other religious groups in India and concluded that the caste system as well as the family system were also influencing entrepreneurial activities. Therefore, it is suggested that culture strongly influences entrepreneurial activities, and that people are culturally induced to entrepreneurship.

Advocates of this approach stress the critical importance of the ethnocultural milieu in cultivating values and beliefs that are conducive to entrepreneurship behaviours (Min & Jaret, 1985).

Researchers suggest that people learn their ethnic group's values, beliefs, motivations and skills in the process of socialisation (Woodrum, 1985; Cochran, 1965; Min, 1984) and prosper in entrepreneurship if their group's values, beliefs, motivations and skills encourage business activities. Much of this literature concludes that entrepreneurship is indeed culturally determined, asserting that traditional values and cultural background serve to explain entrepreneurship (Light 1972; Waldinger 1986; Light and Bonacich 1988; Li 1992, 1997; Light and Rosenstein 1995).

Some researchers argue that some ethnocultural groups have particular characteristics and values, such as frugality, that encourage entrepreneurship and that different ethnocultural groups ascribe to such values (Petersen, 1973; Wu, 1983; Min & Jaret, 1985). However, others argue that some ethnocultural groups value entrepreneurial activities more than other ethnocultural groups (Dana, 1993; Ray, McMullan, Momjian & Ko 1988; Shapero, 1984). Their research findings indicate that people from India, Armenia, United States, China, Greece, Israel and Lebanon are more inclined towards entrepreneurship.

However, cultural theory on its own has serious limitations. Critics suggest that the Weberian approach “omits the structural conditions which encourage or inhibit the persistence of cultural values that affect attitudes toward entrepreneurial achievement” (Dana, 1997 p. 56). Research on ethnic entrepreneurs in the U.S. (Light & Rosenstein, 1995; Portes & Bach, 1985) has found that entrepreneurs in some ethnocultural groups, such as Cubans and Koreans for example, did not typically engage in entrepreneurial activities when they immigrated to other countries. It has been suggested that the business activities of such ethnocultural groups are more closely associated with structural conditions rather than just ethnocultural factors. It has further been argued that barriers in the labour market often lead immigrants to entrepreneurship activities and that this occurs independently of their cultural characteristics (Light, 1979; Light & Bonacich, 1988; Min, 1984).

3.3 Immigrant Entrepreneurship: Marginal Response Strategy

The criticisms of the cultural approach constitute the arguments put forth in favour of the third approach. This approach focuses on the marginal status of minorities to explain how minorities develop as entrepreneurs to compensate for their marginal status. (Hagen, 1962; Geertz, 1963; Ladbury, 1984). Hagen highlighted that even non-Protestant groups were beginning to have more ‘Puritan behaviours’, that is, to be engaged in entrepreneurship. Arguing that "Puritan dogma is no longer persuasive" (p.17), he tried to explain how non-Protestant groups were also engaged in entrepreneurial activities. Hagen argued that the key to this change "is the perception on the part of the members of some social group that their purpose and values in life are not respected by groups in the society whom they respect and whose esteem they value" (1962 p. 185). He analysed how group behaviour and social network interacted in the context of entrepreneurship in society. According to his findings, many visible minority groups were over represented in entrepreneurship. His explanation for this was that minority groups feeling oppressed or deprived create their own adaptive mechanism in entrepreneurship for economic survival.

A variant of this approach is the social blockage thesis or blocked mobility which argues that structural factors block the advancement of ethnic minorities in the mainstream economic markets. Through the migration process, immigrants will lose some of their human capital

resulting from the inability to speak the dominant language, the non-recognition of foreign credentials, the loss of a network, the lack of the knowledge of the new country's laws, etc. Some of these human capital losses can be regained over time, but it will certainly impact the initial access to labour market activities. At the same time, there is a form of discrimination toward immigrants from the host society, which can lead to a permanent loss of human capital. As a result, ethnic minorities are forced to enter into entrepreneurship activities as a last resort. In this view, immigrants have limited occupational choices and are thus forced into self-employment. Therefore, entrepreneurship is not seen as a successful activity but rather as an alternative to underemployment and becomes a sign of ethnic disadvantage and lower social position in a society. This theory suggests that enterprise creation is one opportunity for economic mobility for immigrants, and thus immigrants are more inclined toward entrepreneurial activity than the native born who have more opportunities for advancement. (Beaujot et al, 1994; Bonacich and Modell, 1980; Li, 1992, 1997; Mata & Pendakur 1999; Portes 1987; Portes and Zhou, 1996; Waldinger, 1986). The case of ostracised racial minorities, such as Asian immigrants, is often used to illustrate this theory (Ong, 1981; Helly, 1987; Li, 1998). In opposition with the ethnocultural approach, this marginal status approach argues that various ethnic groups who engage in entrepreneurial activities do not all have cultural values that encourage entrepreneurship. Therefore they engage in this type of activity as a last resort rather than a first choice.

Entrepreneurship can then be seen as an adaptive response strategy to marginality. Using this approach alone, however, one cannot explain why some non-marginal entrepreneurs engaged in this activity and why the minority groups are not all entrepreneurs. For example, according to Jenkins (1984), in Northern Ireland entrepreneurship activities are dominated by the majority Protestant population. On the one hand, this could be explained by the Weberian approach which argues that since entrepreneurship is culturally determined, it is a desirable behaviour where cultural groups are attracted to entrepreneurial behaviour. On the other hand, another explanation lies in the approach of marginal response behaviour which argues that minority groups engage in entrepreneurship because societal structures marginalise them and therefore they are pushed into entrepreneurship activities. Both of these approaches have been well documented and cited, although they have generally been seen as competing theories. However, a growing body of research literature suggests that it is imperative to consider multiple factors and, therefore, to

consider ethnocultural elements in addition to workforce mobility blockage to have a better understanding of entrepreneur's behaviour (Light, 1979; Light & Rosenstein, 1995; Light & Bonacich, 1988; Li, 2000, Li, 2001).

3.4 Immigrant Entrepreneurship: Ethnocultural Milieu and Marginality Response

Approach

The fourth approach takes into account the interaction of ethnocultural milieu and marginality in host societies, and it has been called “Ethnicity-Enhanced Adaptive Response Behaviour” (Dana, 1997 p. 58). According to Light's study (Light, 1972) on Japanese entrepreneurs, a cultural explanation was not an option. He contended that cultural explanations confused what should be seen as an adaptive behaviour. He indicated that culture on its own is not an important indicator in explaining entrepreneurship, but the ethnic milieu of an ethnic group is more relevant. His conclusion was that a group's access to resources (for example, an ethnic enclave is an ethnic resource) influences its entrepreneurship activities. This fourth approach is also called the interactive model, suggesting that entrepreneurship is not influenced by only one factor. Rather, entrepreneurship is influenced by two complex dimensions: the opportunity structure and the characteristics of an ethnic group (Waldinger and Aldrich 1990).

In the early 1970's more theses emerged in the literature. One describes the role of the Chinese as an intermediary between the Black community and the White community in the United States (Loewen, 1971). Since the Black community didn't have the resources established in terms of their own services and stores, and those found in the White community were not comfortable doing business in their neighbourhood, the Chinese entrepreneurs occupied the middleman role in those particular niches. Another theory had to do with the solidarity thesis, which contends that the capacity to run a business is determined by the internal capacity of a group (Light, 1972). Based on these two theories, Bonacich (1973) developed her middleman minority theory that argued that big corporations leave niches in some soft sectors of the economy and those niches are opportunities for entrepreneurs to exploit.

The ethnic enclave thesis may be placed under this approach. This theory suggests that immigrants are attracted to ethnic business because of comparable returns. For example, Light (1972) argued that when the initial market for immigrant business emerged in the ethnic community, immigrants were in the best position to identify specific needs and preferences for their community. Many authors argued that ethnic enclaves are important resources to the establishment of immigrant businesses and to their survival (Light, 1972; Bonacich, 1973; Aldrich & McEvoy, 1984; Auster & Aldrich, 1984; Light & Bonacich, 1988; Brenner, Célas & Toulouse, 1992; Sander & Nee, 1996).

A more recent study (Li, 2001c) suggested that not all Chinese Canadians are self-employed for the same reasons. The author presents the “social blockage thesis” and the “ethnic enclave thesis” as central arguments. Those two theses could be seen as contradictory since the first argues that immigrants are driven to self-employment (self-employment represents their last resort) and the second argues that immigrants are attracted to self-employment (self-employment represents their first choice). However, the results of his study suggest that both of these theses are valid. The author concludes that Chinese Canadians have various reasons for engaging in self-employment.

3.5 Conclusion

The four approaches described above attempt to explain the set of factors influencing immigrant entrepreneurship. It seems clear that no single set of factors can fully explain immigrant entrepreneurship; multiple explanations are needed. Furthermore, none of these approaches has tried to explain employment and entrepreneurship as concurrent activities but only as competing activities. The fourth approach (Ethnocultural Milieu and Marginal Response Approach) allows for more possible explanations than the other ones since it takes into account the interaction between the ethnic group environment and the circumstances in society. However, three important aspects are still ignored under this approach and need to be considered for a better understanding of the complexity of immigrant entrepreneurship:

- ▶ Employment and self-employment are not mutually exclusive activities, the status is not a dichotomous one (employed or self-employed). One person can be employed and self-employed simultaneously;

- ▶ Not all immigrants within the same ethnic-group-environment and the same circumstances in a society become self-employed; and
- ▶ Immigrants from different ethnic backgrounds, and therefore with different social and cultural capital, also become self-employed.

3.6 Importance of this study

The three aspects detailed above can be regrouped into two major criticisms of traditional approaches to explaining immigrant entrepreneurship. The first is *methodological*, referring to the fact that all of the research on entrepreneurship has looked at this issue in terms of competing activities rather than complementary activities. Immigrant might have other strategies for economic integration when entering the labour market. The second major criticism is *conceptual*. Immigrants in the same context do not all have the same behaviour regarding entrepreneurship. These findings amplify the important need to investigate all strategies in place regarding the establishment of immigrant and their participation in the Canadian labour market.

In order to address the methodological criticism, this research proposes to investigate immigrant business and self-employment by taking into consideration the different labour market strategies⁹. Therefore, this dissertation investigates the phenomena of a multiple status: being an employee and self-employed (or entrepreneur) concurrently. This approach will allow an analysis as to why some immigrants employ different strategies when entering into the Canadian economy.

In order to address the conceptual criticism, this dissertation will analyse the labour market behaviour discussed (being self-employed/entrepreneur, or employed, or self-employed/entrepreneur and employed simultaneously) by taking into account the various immigration categories. It is expected that there will be some differences in the labour market strategies in relation to the immigration categories. For example, immigrants from the federal skilled worker category have been selected in order to address structural long-term or current

⁹ How the different strategies can be identified and measured are presented in the methodology section.

labour market needs, whereas immigrants admitted under the two business categories have been selected in order to stimulate the Canadian economy through business activities.

CHAPTER 4: RESEARCH METHODOLOGIES AND EMPIRICAL FRAMEWORK

4.1 Introduction

This study aims to measure the rate of access to and the rate of exit from different labour market activities. More specifically, the focus is on determining the rate of access (or exit) to specific labour market activities and the determinant factors for these events. Survival regression was used to estimate the occurrence or non-occurrence of a transition (e.g. access to self-employment or paid employment activities) over a particular period.

In survival regressions, a transition denotes an event or a change in status that takes place at a specific point in time. The observation period corresponds to the difference between the time the event takes place and time zero, that is, the time at which people first become at risk of experiencing the event. For the purposes of this study, as regards the analyses on the rate of access to employment (paid or self-employed, as the case may be), time zero corresponds to their arrival in Canada. For the analyses on exit from a labour market activities, however, time zero corresponds to the beginning of the first employment period (whether paid or self-employed or both simultaneously). The time the event takes place is defined as the first occurrence over time in either paid, self-employed or both activities simultaneously since they arrived in Canada.

The way the Longitudinal Immigration Database¹⁰ is structured, the smallest unit of measurement that can be used is a year and, therefore, the unit of time used will be years. The information pertaining to the economic activities of each of the immigrants for each unit of time (i.e., for each year) is available. However, it is impossible to know when paid or self-employment is accessed by all of the immigrants in the IMDB because some immigrants will not experience the event during the observation period (i.e., during the 19 years covered by the study) and other subjects could be removed from the database without having experienced the transition (referred to as truncation cases or censored cases). Since a key goal of this thesis is to find out whether or not the immigrants access the labour market (through paid employment, self-employment or

¹⁰ See section 5.2 for detailed description on the Longitudinal Immigration Database.

concurrent paid and self-employment activities) throughout the period after their admission to Canada, it is necessary to set time parameters for the observation, given that the period could go on indefinitely. It is important, therefore, to allow for alternatives for those who are in a state of truncation – a state comprising all respondents who, due to time or an unexpected withdrawal, have been removed from the observation system without having experienced the event in question.

Accordingly, the dependent variable is the probability that an immigrant, at risk for each unit of time (t), will experience a transition during a given interval of time (Allison, 1991; Cleves, Gould & Gutierrez, 2002; Tabachnick & Fidell, 2001). This probability is recalculated at each unit of time that the at-risk population diminishes. In this calculation, immigrants who experience a transition are treated differently than those who are censored.

More specifically, the dependent variables for this study are 1) *probability over time of accessing employment activities (whether paid or self-employment or both concurrently)*; and 2) *the probability, for those having accessed a type of activity, of exiting the employment activity for each unit of time that occurs.*

4.2 Research Methodology: Introduction to Survival Table

The survival table is the ideal tool for describing transitions occurring over time. It enables an estimation of the number of immigrants exposed to the risk of experiencing the transition in question for each point in time or unit of time. There are two basic concepts in survival table estimates (or survival probability), *the risk group* and *the hazard rate*. **The risk group** corresponds to all the immigrants who can experience the transition at a specific point in time. By definition, the size of the risk group is variable. At the outset (i.e., at time zero), the risk group equals the total number of immigrants under study (and available in the database) and, the more time passes, the more this number falls to the point that it can reach zero. Since we are studying transition to the labour market, four censored (truncated) cases are possible : (a) the observation period ends before the immigrant experiences the event; (b) the immigrant experiences the event in question; (c) at a specific point in time, the immigrant disappears from the database

permanently (for the entire observation period); and (d) at a given point, the person disappears from the database temporarily but resurfaces n years later, having either the same status or a different status.

Case (a) does not present a problem: the individual is assigned a length of stay equal to the time under observation and the observation is considered truncated from that point forward. Case (b) does not present a problem since it represents the direct focus of our study: the length of stay up until the transition will be calculated. Nor does case (c) present a problem: the person will simply not be considered in the survival table estimates (will be considered a truncated or censored observation) from the moment when the person disappears from the database. However, it does provide information for the entire period when that person was present. Case (d) is more difficult in that there is a period during which the person's behaviour relating to the labour market is unknown. This can be resolved by choosing a conservative approach to observing individuals up until they first disappear, and treat them as permanently disappeared after that, as in case (c). However, in the analysis pertaining to duration in a type of labour market activity, persons who are absent during the year following the access to the first employment and who eventually return (case (d)) are not studied, because those observations would be considered truncated from the outset. Each time that an individual escapes observation in one of these four ways, the risk group decreases by one.

The second basic concept is the *hazard rate*, which corresponds to our dependent variable. This rate gives us the odds or probability of experiencing the transition in question for each unit of time that transpires throughout the observation period. Consequently, this rate will vary according to time. The following table contains information used to calculate the hazard rate. With the Kaplan-Meier method, the probability is estimated at each unit of time that an immigrant experiences the transition. The first column in Table 4.1 presents the units of time (in years). The second column indicates whether immigrants experienced the transition or have been censored (truncated) at this unit of time. For example, if the focus is on determining the rate of access to self-employment activities, the word *Transition* indicates that immigrants have started to access self-employment activities in year two.

Table 4.1: Sample survival table calculation with the Kaplan-Meier method

Unit of time (year)	Status	# of cases remaining before unit of time	# of cases remaining after unit of time	Probability of survival	Cumulative probability of survival
02	Transition	10	9	9/10	(9/10)=0.90
08	Transition	9	8	8/9	0.9*(8/9)=0.80
10	Censored	8	7		0.80
12	Transition	7	5	5/7	0.8*(5/7)=0.57
14	Censored	5	4		0.57
16	Transition	4	3	3/4	0.57*(3/4)=0.43

It does not necessarily mean that immigrants were not active in the labour market prior to year two since they could have accessed employment activities in year one – which will be analysed when determining the rate of access to employment activities. The word Censored, as indicated previously, refers to all respondents who, on account of time or of an unexpected withdrawal, have been removed from the observation system without having experienced the event in question. In other words, it refers to immigrants i) who have disappeared/died prior to the end of the period of observation. In this example, they would have disappeared from the study ten years after starting to be observed; or ii) for which, on account of time, it was not possible to follow them any longer than 10 years, i.e., the end of the period of observation was reached. The third column gives the total number of immigrants remaining before the unit of time in question, while the fourth indicates the number of immigrants remaining after this unit of time. To estimate the probability of survival at a specific time (i.e., a specific year), one must divide the number of immigrants remaining after the unit of time in question by the number of immigrants having survived up to the previous unit of time. For example, the probability of not having accessed first self-employment for the first two years is estimated at 0.90, since of the 10 immigrants still present up to the second year, only 9 survived after this unit of time.

In this example, the second person to have accessed first self-employment is observed at year 8. The probability of not experiencing the event after eight years is 0.89 (i.e., 8/9). To calculate the

cumulative probability of survival after year 8, one must multiply the probability of survival until year 8 (0.90) by the probability of survival at year 8 (0.89). Accordingly, for all the immigrants who have not experienced the event or been removed from the survey before year 8, the cumulative probability of survival is 0.80 at year 8. Thus, it can be said that in the eighth year of observation, 80 per cent of the immigrants had not accessed first self-employment. It should be pointed out that the probability is not estimated when the immigrants are truncated, since they do not change at that point – only the number of cases being observed decreases.

In short, the survival table represents the proportion of immigrants who experienced no change in status, for each unit of passing time. It is recalculated on the basis of the risk group at each unit of time and indicates, in this case, the proportion of immigrants who have not yet experienced a first employment (either paid or self-employed). Although initially composed of all the immigrants in the database, the risk group subsequently shrinks over time according to the truncations noted earlier. At time 0, 100 per cent of the population studied has not experienced the event. The more time passes, the more the percentage falls. The percentage of the risk group that has not experienced the event is therefore recalculated at each unit of time, since some immigrants will experience the event and others will escape observation. Thus, for each unit of time it is possible to measure the proportion of immigrants who have accessed a first employment (paid or self-employed, as the case may be).

4.2.1 An example of a Survival Table

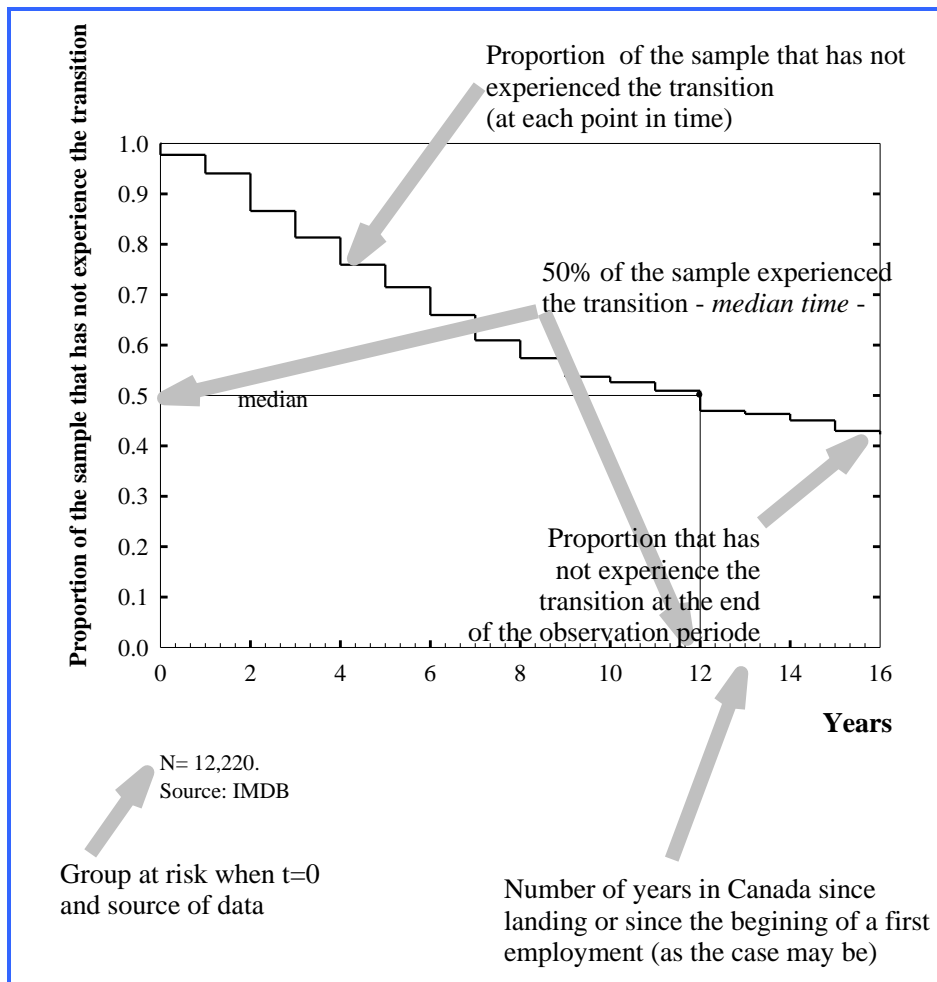
For example, in the case of **an exit from employment activities**¹¹, it is only those immigrants who have already accessed an employment activity who would be at risk of experiencing this transition (see Figure 4.1). A second important parameter to be determined is the starting point for the observation; in our example, we are studying the access to a second type of employment (paid employment) from the beginning of this first self-employment spell (year 0).

This survival table indicates the probability of undergoing a transition at each time point. The graphic representation of this table is the survival curve, which shows the proportion of

¹¹ This being an imaginary example, it is not based on real numbers.

“survivors” in a given state (for example first employment, at year 1, 2, 3, etc.). The figure below shows that a number of cases who accessed paid employment while maintaining self-employment seemed to have occurred in year 0. In fact, this is because our time scale is relatively crude (using years as its unit of measurement) and, as a result, cannot reflect transitions occurring between years 0 and 1.

Figure 4.1: Example of a Survival Table



4.3 Research Methodology: Introduction to Survival Regression

Since we seek to explain why some immigrant access paid or self-employment faster than others, and still others do not access it at all for the entire 19 years of observation, the most appropriate analytical method for our purposes is survival regression (also known as life history analysis or event history analysis).

This method is the most appropriate since it allows the study of events that take place over time and takes explicit account of time when examining the rate of access for the various transitions and the associated variables. Thus, it allows the inclusion of dynamic independent variables (i.e., variables whose values fluctuate over time), and static variables. In addition, it enables the analysis of the effect of the independent variables on probability of transition from one state to another; this probability is recalculated at each “t” unit of observation time. In this way, survival regression shows us the determinants of a dependent variable as well as the meaning and strength of this relationship.

There are several models possible for this method. The one used in this study is the Cox semi-parametric model. This model is frequently used in the social sciences, its main advantage being that it is not necessary to establish parameters for the basic risk in advance. The cumulative proportion surviving at end for each of the immigrants follows its own hazard function or hazard rate, which refers to some extent to probability – for each unit of time – of experiencing the transition.

Model equation:

$$\mathbf{h(t) = h_0(t) e^{bx}}$$

In this equation, **h(t)** indicates the probability of transition at each unit of time (or hazard function). It bears repeating that this probability takes into account truncations, presented in the section dealing with survival tables. Thus, it takes into account not only those immigrants who have experienced the event in question, but also all those who have not experienced the event during the observation period and all those who have escaped observation before the end of the period.

This hazard rate is therefore an estimate, recalculated at each unit of time, that takes account of truncations, of the probability that an immigrant (who has not experienced the event at the beginning of this time point) will experience the event during the time point in question. Since this rate indicates the probability of transition for each unit of time, it can assume a different value for each “t” unit of time. This is the type of analysis used in the present study.

The hazard rate will vary according to two elements. The first element influencing the rate is the base risk rate or the implicit effect of time or the rate at which the change in state occurs when there are no $h_0(t)$ controlled variables. This rate is not linked to the variables; it is simply the *implicit influence of time*. It is not “fixed” in advance – it has the advantage of not having to be specified.

The second element is the influence of the e^{bx} independent variables. Where:

- "e" equals the base of the natural logarithm (natural constant: 2.718).
- "b" denotes the regression coefficients (between each of the independent variables and the dependent variable).
- "x" denotes the values of the independent variables.

The second element, the influence of the independent variables, takes the following form:

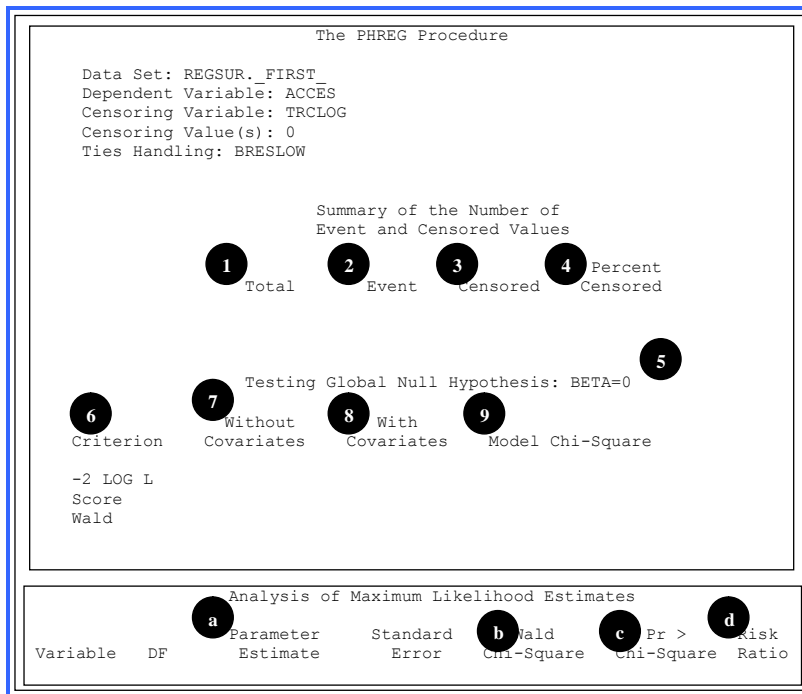
$$e^{bx} = e^{(\sum_i b_{x_i} + \sum_i b_{z_i}(t))}$$

The bx part is represented by two components: the first is the sum of the static independent variables ($\sum_i b_{x_i}$), while the second is the sum of the dynamic independent variables ($\sum_i b_{z_i}(t)$).

4.3.1 An Example of a Survival Regression Model

The first part of Figure 4.2 contains information on the general model being tested, that is, the model including all of the variables selected for analysis. This first part of Figure 4.2 gives no information on the explanation of each of the independent variables. The first information obtained with the survival regression is: a summary of the total number of immigrants studied **(1)**; the number of immigrants who have experienced the event at the end of the total observation period **(2)**; the number of immigrants who were truncated for one of the reasons listed in the section on survival tables **(3)**; the percentage of truncated immigrants **(4)**.

Figure 4.2: Example of Survival Regression Model



Next, a parameter indicates that it is the null hypothesis (5) that is being tested. According to the null hypothesis, all the coefficients equal zero. What we want to show is the opposite, that there is at least one coefficient that does not equal zero. The information that follows indicates three chi-square alternatives (6); only the $-2 \log l$ is used for the analyses that follow. The model without the independent variables (7) indicates the maximum number of possible theoretical explanations for the dependent variable. The model including the independent variables (8) indicates what remains to be explained once the independent variables have been added. The model chi-square (9) corresponds to the difference between the model without independent variables and the model with the independent variables. Based on this information, it is possible to calculate the explanation percentage for the overall model tested (which equals the quotient of the model chi-square divided by the model chi-square without the independent variables, with this quotient then multiplied by 100 to obtain a percentage). This chi-square is calculated based on the degree of freedom, and their statistical probability is obtained. This test is analogous to the **F test** in the linear regression models. For the analyses that follow, the confidence threshold used is 95 per cent. If the probability of the log likelihood is below 0.05, one concludes that there is at least one coefficient that does not equal zero.

The second part of Figure 4.2 contains information on each of the independent variables included in the analysis. The first piece of information obtained is the *parameter estimate (a)*, which indicates the contribution of the independent variable for each time point. This parameter indicates whether the variable has a positive or negative influence on the unexplained variable, all other things being equal (i.e., when all the other variables in the model have a fixed value). The coefficients of the other variables cannot be compared to one another, since they are dependent on the scale of measurement for each of the variables, unless two values have the same scale.

Another important element is the Wald chi-square (**b**), which tests the null hypothesis that states that the coefficient equals zero and that there is no relationship between the variable in question and the dependent variable. If the chi-square probability (**c**) is lower than or equal to the chosen threshold (threshold of 95 per cent $p=0.05$), the null hypothesis that there is no relationship between the two variables will be rejected. The Wald chi-square corresponds to the quotient of the parameter estimate divided by the standard error, everything squared ($\chi^2_{\text{wald}} = (B / S.E.)^2$). This chi-square represents the sole contribution of each of the explanatory variables and the relative weight of each of the variables included in the model. The various chi-squares of the independent variables can be compared in a model. The higher the chi-square, the greater the independent variable's importance in the theoretical explanation of the general model. However, the summation of all the Wald chi-squares does not correspond exactly to the model's general chi-square ($\chi^2 - 2 LL$); in bivariate regressions, it is more appropriate to interpret the model's general chi-square ($\chi^2 - 2 LL$).

The antilog (**d**) of the value of the coefficient indicates (for each unit of the independent variable) the factor of increase or decrease of the quotient (of the probability that the event will occur at each unit of time: "t"). For example, if we have a coefficient of 0.799, this gives us an antilog of 2.22^{12} ; for each increase of 1 over the variable having a coefficient of 0.799, the hazard function will be multiplied by 2.22. Which is to say that an immigrant is 2.22 times more likely to experience the transition (the event in question at each unit of time)¹³. And for a negative

¹² $e^{0.799} = 2.22$

¹³ When all the other variables in the model are controlled.

coefficient (using the same example), with a coefficient of -0.799, we get an antilog of 1/2.22 (or 0.45). The base hazard function will be divided by 0.45¹⁴. An individual will be 0.45 times more likely to experience the transition more quickly¹⁵.

4.4 Empirical Framework

Once the rate of access has been determined through the mean of survival tables, the next step is to determine the set of factors influencing these accesses. The objectives of this study are first to identify the set of factors determining the rate of access to first employment (whether self-employed, paid or both simultaneously), and second to identify the set of factors determining the duration of such labour market activities. Accordingly, the dependent variables are:

- a) Probability over time of accessing paid employment;*
- b) Probability over time of accessing self-employment;*
- c) Probability over time of concurrent participation in paid and self-employment activities;*
- d) Probability over time of exiting paid employment;*
- e) Probability over time of exiting self-employment;and*
- f) probability of not receiving both paid and self-employment income concurrently anymore.*

The dependent variables *a*), *b*) and *c*) are indicators of the rate with which immigrants join the labour market (according to the type of work, either paid, self-employed or both simultaneously), while the dependent variables *d*), *e*) and *f*) are indicators of immigrants' adaptability on the labour market. The population at risk, for dependent variables *a*) to *c*), comprises immigrants from the economic immigration category, aged 18 and over, principal applicants, who arrived in Canada between 1990 and 2008. In all, 604,105 immigrants meet these criteria. In the case of the population at risk for dependent variables *d*) to *f*), there is the added condition of having accessed employment (either paid, self-employed or both concurrently) activities.

¹⁴ If preferred, the probability can be calculated in terms of percentage, $(0.799 - 1) * 100 = -20\%$; the immigrant in question will thus have 20% less chance of experiencing the event more quickly.

¹⁵ When the antilog is smaller than one, the variable in question diminishes the probability that the event will take place. Whereas when the antilog is greater than one, the variable in question increases the probability that the event will take place.

The time the event takes place is defined as the first occurrence over time in either paid, self-employed or both activities simultaneously since they arrived in Canada. In other words, how many years following immigrants' admission to Canada does it take prior to declaring employment earnings?

4.5 Independent Variables

The independent variables fall into two categories of characteristics: those associated with the individual (gender, age, education, knowledge of the official languages on arrival in Canada); and those associated with immigration (country of last permanent residence, immigration category and year of arrival in Canada).

4.6 Conclusion

Bearing in mind of the research questions developed in the previous chapter, right type of analysis had to be selected for this situation. Survival regression allows conducting a dynamic study of labour market access and duration on the part of new immigrants since it takes into account the implicit effect of time. Subsequently, we defined the parameters of the model selected, namely the Cox model (semi-parametric), which is frequently used in the social sciences. This chapter explained the concept of survival tables and survival regression analysis and presented the empirical framework.

CHAPTER 5: SOURCES OF DATA

5.1 Introduction

Most of the traditional data sources used to study the Canadian immigration population, such as Statistics Canada's censuses, do not distinguish between the different immigration categories of admission; therefore, researchers using those traditional data sources study the immigration population as if there is no difference between the immigration categories. However, as indicated in chapter two, the Canadian Immigration system has various immigration categories that relate to different policy objectives. As such, refugees are admitted for humanitarian reasons, while economic class immigrants are admitted to meet specific economic needs. As a result, when using the traditional data sources, it is impossible to fully understand the labour market behaviour of the immigrants from specific immigration categories and even more difficult to measure the impacts of the outcomes of immigration policies and programs.

The current chapter provides a description of the data sources used to perform all statistical analysis; it introduces the Longitudinal Immigration Database (IMDB). In addition, it offers an overview on the key characteristics of the population under review, prior to performing statistical analysis. Two profiles are presented, the socio-demographic profile and the economic profile. The socio-demographic profile presents the distribution of the population by immigration categories, cohorts, gender, age groups, education levels, knowledge of Canadian official languages and world area of last permanent residence.

The economic profile provides an overview of immigrants' labour market integration according to key performance economic indicators. These indicators are: the incidence of employment earnings, the level of employment income, the incidence of self-employment, the incidence of employment insurance, and the incidence of social assistance. This description is provided for individuals selected in the analysis – that is, entrepreneurs, self-employed and skilled worker immigrants who were principal applicants, of 18 years of age or older, who were admitted to

Canada between 1990 and 2008 and who have filed at least one tax report during that same period.¹⁶

5.2 Data sources

The Longitudinal Immigration Database (IMDB) combines administrative records on immigration and taxation activities into a comprehensive dataset on labour market behaviour of the landed immigration population in Canada. This database was created to respond to a need for a reliable source of data to monitor the performance and impact of the immigration program and policy.

The IMDB links information from the immigration admission files (often called the landing files which includes information from the visa) and the tax income files (from the T1 form) for immigrants who landed in Canada between 1980 and 2008¹⁷. The *landing files* have demographic variables; immigration program variables; and personnel characteristics. *Tax income files* also have demographic variables, labour market information and some government transfers data. The information contained in this database permits an analysis of longitudinal labour market activities as well as an assessment of the efficacy of the immigration program regarding immigrant selection (such as immigration classes). However, people who own an enterprise do not necessarily have to file a T1 form unless they draw income from it. Therefore, it is logical to assume that some entrepreneur activity is absent from the database.

Immigrants in the IMDB are somewhat different from the entire population of immigrant admitted over the period. Immigrants who do not file tax returns (such as children) or for whom the linkage between the immigration and tax system failed are absent from the database¹⁸. As a result, this data base is essentially a census of all immigrant tax filers.

¹⁶ For the remaining part of this thesis, this group will be referred to as ‘immigrants’ or ‘unit of analysis’.

¹⁷ The IMDB is updated annually with a two year lag. In addition, in 2012 a major revamp of the database took place. The current study uses and describes the legacy version of the IMDB.

¹⁸ The capture rate varies between approximately 80 and 90 per cent, depending on the cohorts.

5.2.1 Detailed information from the landing files

As indicated above, the landing files provide demographic variables (age, sex, marital status, country of birth, citizenship, last permanent residence, mother tongue, and intended destination in Canada), immigration program variables (immigration class, landing year, special program code, principal applicant code, intended province of destination, family status, etc.), and personal characteristics (intended occupation, knowledge of official language and education). All of these data are collected at the time of visa issuance and remained intact regardless of the year of observation. The following sub-sections present the variables that were used in this study.

Demographic Data

Age at admission: This is a calculated variable, derived from the year of birth of the permanent resident. It is the difference between the year of birth and year of landing. This study focuses on immigrants who are 18 years and older at time of admission, given that the main interest is in labour market behaviour.

Sex: This variable represents the permanent resident's gender. There are two categories: male and female.

Country of last permanent residence¹⁹: This variable contains the code of the country of last permanent residence (e.g., the last country where the permanent resident has resided on a permanent basis for one year or more). For the purpose of this research, the countries have been regrouped by world areas. Under this regrouping, there are now 18 categories rather than 248.

Immigration Program Data

Cohort of admission: Indicates the calendar year the permanent resident was admitted in Canada (this variable is also called the landing year). This study considers all cohorts between 1990 and

¹⁹ For more details on the list of countries, refer to Annex I.

2008. The main reason motivating that decision is the desire to maintain a file that is of a manageable size. As presented in the next sections of this chapter, there are more than 600,000 individuals (representing more than four billion observations) when limiting the scope of this study to those 19 cohorts.

Immigration categories: Although Canada has multiple immigration categories; this study focuses on immigrants admitted under the entrepreneur, self-employed and federal skilled worker categories. The aim is to identify the strategies adopted by these immigrants when entering into the Canadian labour market. As indicated in Chapter 2, those immigrants have been selected to contribute to the Canada's economy and have all been assessed against specific selection criteria deemed appropriate for their immigration category. As such, immigrants admitted under the federal skilled worker category have higher human capital associated with the Canadian workforce. Whereas immigrants admitted under the business immigration categories have higher capitals needed for entrepreneurial activities. Under the federal skilled worker category, the key human capital factors are the previous work experience, education, knowledge of official languages, etc. In the case business immigration categories, the main human capital factors are the business experience and the personal net worth. Focusing on those three immigration categories,²⁰ the expectation is that immigrants with higher level of human capital will have faster access to the labour market activity for which they were selected and for a longer period of time.

Personal Characteristics

Knowledge of Canadian official languages: This variable reflects the permanent resident's self-rated ability to speak one or both of Canada's official languages. There are four categories of language abilities: English only; French only; both English and French; and neither language. It is important to note that this is a self-declared variable.

Educational qualifications: This variable indicates the permanent resident's highest level of education achieved prior immigrating to Canada. There are 9 categories: No education at all;

²⁰ Chapter 2 presented a comprehensive description of those immigration categories.

Secondary education or less; Formal trade certificate, diploma or apprenticeship; Other non-university certificate or diploma; Some university education, but no degree; Bachelor's degree; Some post-graduate studies, but no degree; Master's degree; and Ph.D.

5.2.2 Detailed information from the tax files

The tax files provide demographic variables (province of residence for each tax year, postal code, marital status, etc.), labour market variables (employment earnings, self-employment earnings, investment, etc.), and government transfer data (such as welfare since 1992). Since all variables coming from the tax files are for the year the data were collected, the value on these variables can change from year to year. As noted earlier, the following sections present only variables that will be used in this study.

Labour Market Data²¹

Employment Income: This variable represents the sum of all paid-employment income (taken from all the T4 slips). It includes all wages, salaries and commissions for a given year. It does not include any deduction, self-employment and other income (such as scholarships, artist's grants, amounts from an amateur athlete trust, alimony or support income, limited partnership income, etc.).

Most studies of immigrants' performance focus on paid employment in the labour market. Concepts for measuring and studying employment are very well established in the labour market literature. Definitions and interpretations are understood. There is also remarkable consistency across many data sources – whether referring to Census data, the Survey of Labour and Income Dynamics, the Labour Force Survey, the Longitudinal Administration Database or the IMDB.

Self-Employment Income: This is a calculated variable; it represents the sum of all sources of income earned from self-employment. Sources of self-employment income are: business,

²¹ All earnings and benefits information were adjusted according to the Consumer Price Index (CPI) to account for inflation, thus they are all in constant dollars (base 2008). Adjusting all earnings and benefits will allow for comparison across the different years.

commission, farming, fishing and professional. There are two measures to self-employment income: gross and net income.

The gross measure indicates the entire income of the tax filer's unincorporated enterprise, that is before any costs or expenses are being deducted. If there are multiple owners, each partner reports the income of the whole operation. Therefore, gross self-employment income is a reflection of what is in the 'hands of the business'. It can be interpreted as the level of economic activity of the business.

The net measure represents the tax filer's share of income (either their gain or their loss) from an unincorporated enterprise after costs and expenses are being deducted. These deductions range from the direct costs of operating the business to the less tangible expenses that are allowed as write-offs for accounting and tax purposes. These deductions alone can make the interpretation of net income difficult. While the direct costs (such as rent and equipment) involve paying out sums of money; that is not always the case with the indirect costs such as depreciation or deferred income or expenses. If there are multiple owners, each partner reports their own share (of income or loss). Therefore, net self-employment income is a reflection of what is in the 'hands of the individual'. This measure is more difficult to interpret. A value of \$1,000 on net self-employment income can be someone who had a small contract of \$3,000 and was able to include some deduction (for a value of \$2,000). It can also be someone who had a contract of a value of \$1,000 with no deduction. Finally, it can represent an unincorporated enterprise with a gross value of \$200,000 of gross self-employment income which is deducting direct and indirect costs for a value of \$199,000 for that fiscal year. In addition, the value of this measure can be negative.

As mentioned, most immigrant performance studies focus on employment activities, a consistent measure. In comparison to employment income, the net self-employment income is a more difficult concept to measure and understand. Measurement and interpretation can be particularly challenging and definitions of net self-employment income can vary across information sources and from study to study based on the same data source. There is more room for interpretation with less concrete measurement compared to employment income. Self-employment does not

include people who are owners of incorporated businesses. In addition, those unincorporated enterprise owners may choose to take a salary from their business or declare investment gains related to their business activity – and this can alter the perception of their economic activities or contributions. It is therefore challenging to define appropriate measures of performance for self-employment and business income.

Given the challenges related to the self-employment incomes and the variation in the interpretation of the net measure, this study will use the gross self-employment income as an indicator of the level of economic activity of the business that immigrants are involved in. It should be kept in mind that, at best, this represents only a portion of immigrants engaged in business activities.

Employment insurance is an income provided to employees who are experiencing paid employment income interruptions. Employment insurance income is also available for individuals who have stop working for reasons related to health, injuries, pregnancy, or adoption.

Social Assistance Benefits is an income designed to provide income for a family or for single people who have difficulty meeting the cost of basic requirements. This type of income is provided when all other financial resources are exhausted. This type of income support was introduced in 1992.

Different dependent variables will be used in this study. These dependent variables include transition to and from paid, self-employment and concurrent paid and self-employment activities. These dependent variables will be created using the employment income and the gross value of self-employment income.

5.2.3 Coverage

This database is a longitudinal census of immigrant taxfilers; therefore, no sampling technique was needed. As indicated previously, the taxfile information is integrated in the IMDB as a result

of a link between the landing files and the tax files. Any permanent residents who landed in Canada between 1980 and 2008, who have filed at least one tax record between those two years and for which there was a successful individual match is included in the IMDB. However, individuals cannot be linked for more than 16 years. At that point, Statistics Canada drops them for all subsequent years. A representativeness analysis on immigrants in the IMDB was performed (Ministère des affaires internationales, de l'immigration et des communautés culturelles, 1994) which indicated that the IMDB is representative of tax filer immigrants but not of the entire immigrant population.

The use of this database is subject to privacy and confidentiality constraints in order to avoid the release of personal information. Confidentiality rules have been developed to minimize such risks. Among those rules, only aggregated statistics can be published and are subject to random rounding. In addition, there is automatic suppression of any statistics with a value below five.

5.3 Profile of Immigrants' Socio-Demographics – Population

The following section provides a description of the socio-demographic characteristics of the population under review. The total number of entrepreneurs, self-employed and skilled worker principal applicant immigrants, of 18 years of age or older, who were admitted to Canada between 1990 and 2008 and who filed at least one tax return during that period is 604,175 (see Table 5.1)²². The relative number of immigrants per cohort starts to increase in 2000; 7.51 per cent of the total population under study were admitted on that year and reached a peak in 2001 (50,930 or 8.43 per cent). In other words, the distribution of immigrants has not been constant over time, the largest share of the economic class population were admitted to Canada in 2001. Whereas the smallest share of economic class immigrants were admitted in the early 1990s, which was the beginning of an economic downturn. This larger and smaller proportion of economic class immigrants is a reflection of economic class immigrants landing in Canada (Citizenship and Immigration Canada, 2009: 4).

²² The total number of immigrants under study varied between 603,975 and 604,185 because of missing values on some characteristics and the random rounding routine imposed by Statistics Canada to ensure the privacy and confidentiality of information released.

5.3.1 Profile of the Population by Immigration Categories

The following table (see Table 5.1) presents a profile of the population by immigration categories. One significant aspect to notice is the high proportion of skilled worker immigrants (566,405 skilled workers on a total of 604,180 or 93.7 per cent) compared to immigrants admitted under the entrepreneurs and self-employed categories (4.7 and 1.6 per cent respectively).

Contrary to the numbers presented for the overall population, where there were higher proportions of immigrants landing in the 2000s, the proportion of entrepreneur immigrants admitted was higher in the 1990s (from 1992 to 1996 more specifically). The proportion for this group started to decline in 2000 and continued to decline until more recent years.

The proportion of self-employed immigrants is somewhat similar; Canada admitted proportionally more immigrants from that category in the mid-1990s followed by a continuous decline. In contrast, the federal skilled worker immigration category presents a different pattern; Canada admitted proportionally fewer skilled workers in 1990s compared to the 2000s.

The distribution of the population by immigration categories indicates that there are fewer women admitted under the entrepreneur and self-employed categories (12 and 20 per cent respectively) compared to the federal skilled worker one (27 per cent).

Immigrants admitted under the federal skilled worker category are almost all (93 per cent) between 25 and 49 years old – they are the younger group in this study. Immigrants admitted under the entrepreneur category are the oldest: 22 per cent of immigrants under that category are between 50 and 64 years old at time of admission and 68 per cent are between 35 and 49 years old. Immigrants admitted as self-employed have a wider range in term of age distribution: 20 per cent are between 25 and 34 years old; 58 per cent are between 35 and 49 years old; and 19 per cent are between 50 and 64 years old.

Table 5.1: Description of the Population by Immigration Categories – Percentages

Characteristics	Ent. (%)	Self (%)	FSW (%)	Overall (%)	Total (N)
<i>Cohorts</i>					
1990	7.12	4.27	3.09	3.30	19,930
1991	5.95	4.21	2.28	2.48	14,975
1992	9.50	6.14	2.26	2.66	16,055
1993	10.70	7.70	2.79	3.24	19,565
1994	8.98	6.61	3.44	3.75	22,645
1995	7.88	6.82	4.20	4.41	26,655
1996	8.24	10.04	5.10	5.32	32,170
1997	7.70	9.83	5.92	6.06	36,640
1998	4.90	6.30	5.02	5.03	30,415
1999	4.86	6.87	5.92	5.88	35,540
2000	5.01	6.40	7.66	7.51	45,400
2001	4.79	5.93	8.65	8.43	50,930
2002	3.55	5.25	7.71	7.47	45,155
2003	2.25	3.80	6.62	6.37	38,475
2004	1.94	2.86	6.87	6.58	39,735
2005	2.08	2.39	7.14	6.82	41,235
2006	2.18	2.24	5.62	5.41	32,685
2007	1.44	1.35	5.09	4.86	29,385
2008	0.92	0.99	4.63	4.40	26,590
<i>Total %</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>
<i>Total #</i>	<i>28,165</i>	<i>9,610</i>	<i>566,405</i>	<i>604,180</i>	<i>604,180</i>
<i>Gender</i>					
Male	87.79	80.11	72.84	73.7	445,000
Female	12.21	19.89	27.16	26.3	159,185
<i>Total %</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>
<i>Total #</i>	<i>28,165</i>	<i>9,605</i>	<i>566,415</i>	<i>604,185</i>	<i>604,185</i>
<i>Age Groups</i>					
18 – 24 years old	0.25	1.88	3.52	3.34	20,190
25 – 34 years old	9.87	19.90	51.34	48.90	295,485
35 – 49 years old	67.74	57.92	42.70	44.10	266,485
50 – 64 years old	21.60	19.48	2.31	3.49	21,060
65 years old and more	0.53	0.83	0.13	0.16	955
<i>Total %</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>
<i>Total #</i>	<i>28,165</i>	<i>9,600</i>	<i>566,410</i>	<i>604,175</i>	<i>604,175</i>
<i>Level of Education</i>					
No Education	0.41	1.09	0.59	0.59	3,585
Secondary or less	46.09	30.30	6.05	8.30	50,145
Formal Trade/apprenticeship	9.16	19.00	6.21	6.55	39,575
Non-University Diploma	9.39	15.88	9.70	9.79	59,125
Some University – no degree	5.24	5.83	3.42	3.54	21,415
Bachelor degree	24.29	19.47	47.26	45.70	276,400
Some post-grad. educ. – no degree	0.87	1.25	2.70	2.6	15,680
Master degree	3.82	5.67	19.65	18.7	112,945
Doctorate degree	0.73	1.51	4.41	4.19	25,305
<i>Total %</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>
<i>Total #</i>	<i>28,160</i>	<i>9,600</i>	<i>566,410</i>	<i>604,175</i>	<i>604,175</i>

Characteristics	Ent. (%)	Self (%)	FSW (%)	Overall (%)	Total (N)
<i>Country of last permanent residence</i>					
North America	0.82	4.85	1.73	1.74	10,500
Central America	0.32	0.57	0.77	0.75	4,515
Caribbean and Bermuda	0.30	0.52	1.76	1.67	10,090
South America	1.90	1.62	2.77	2.71	16,375
Western Europe	4.67	22.84	7.74	7.84	47,345
Eastern Europe	0.71	3.92	9.86	9.33	56,390
Northern Europe	2.10	9.59	4.08	4.08	24,625
Southern Europe	0.57	1.67	2.46	2.36	14,230
Western Africa	0.28	0.42	1.12	1.07	6,470
Eastern Africa	0.50	0.57	1.01	0.98	5,925
Northern Africa	2.38	1.46	6.42	6.14	37,155
Central Africa	0.09	0.00	0.24	0.23	1,400
Southern Africa	0.68	1.82	0.96	0.96	5,775
West Central Asia & Middle East	17.18	9.23	12.15	12.34	74,535
Eastern Asia	59.07	34.67	24.60	26.36	159,250
South-east Asia	1.94	1.82	6.14	5.87	35,470
South Asia	6.29	3.86	15.45	14.83	89,605
Oceania	0.21	0.57	0.74	0.72	4,320
<i>Total %</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>
<i>Total #</i>	<i>28145</i>	<i>9590</i>	<i>566240</i>	<i>603,975</i>	<i>603975</i>
<i>Knowledge of Can. Off. Lang.</i>					
English	46.08	60.61	63.23	62.40	376,920
French	1.90	3.90	6.19	5.95	35,970
Both	3.21	6.19	17.59	16.7	101,140
Neither	48.81	29.29	12.99	14.9	90,155
<i>Total %</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>
<i>Total #</i>	<i>28,160</i>	<i>9610</i>	<i>566415</i>	<i>604,185</i>	<i>604,185</i>

These three groups also differ in terms of level of education achieved prior to immigrating to Canada. The immigrants admitted as skilled workers have higher levels of education compared to the other two categories – 74 per cent had obtained at least a Bachelor degree. It is the exact opposite proportion for the self-employed where 28 per cent had obtained at least a Bachelor degree or 72 per cent had no university degree. For the entrepreneurs, the proportion with at least a Bachelor degree is slightly higher (30 per cent) compared to self-employed. Those two categories have a larger proportion of immigrants admitted with a secondary level or less (entrepreneurs: 46 per cent; self-employed: 31 per cent; and skilled worker: 7 per cent). As expected, immigrants admitted as self-employed have more trade, apprenticeship and non-university diploma compared to the other two groups (self-employed: 35 per cent; entrepreneur: 18 per cent; and skilled worker: 16 per cent).

A large proportion of entrepreneur immigrants (59 per cent) last resided in Eastern Asia area: this is the largest proportion. The second source area for the entrepreneur immigrants is West Central Asia and Middle East, with 17 per cent. The self-employed immigrants are not as concentrated as the entrepreneurs. Although some also came from the same two areas (Eastern Asia: 35 per cent; and West Central Asia and Middle East: 9 per cent), a significant proportion came from Western and Northern Europe (23 and 10 per cent respectively). The skilled worker immigrants are even less concentrated. The largest proportion of skilled worker immigrants also last resided in Eastern Asia (25 per cent), followed by South Asia (15 per cent), West Central Asia and Middle East (12 per cent) and Eastern Europe (10 per cent).

Almost half of immigrants (49 per cent) admitted as entrepreneurs did not have any knowledge of either English or French when they landed in Canada. Although this proportion is lower for self-employed immigrants (29 per cent), it is still significantly high compared with the skilled worker population (15 per cent). On the positive side, the table also indicates that 87 per cent of the skilled worker immigrants have some knowledge of the Canadian official languages (either English, French or both). This proportion is higher than the entrepreneur immigration category (51 per cent) and the self-employed immigration category (71 per cent).

5.3.2 Profile of the Population by landing year and tax year

The Table 5.2 indicates the proportion of immigrants, ever present in the IMBD, filing a tax return according to cohorts, tax years and immigration categories. The values of the 2008 cohort are not presented as only one year of observation is available and included in the calculation. By default, 100 per cent of immigrants who have ever filed a tax return will have done so in 2008 tax year.

One can observe multiple patterns in Table 5.2. There are 19 years of observation for the 1990 cohort, 18 years of observation for the 1991 cohort, 17 years of observation for the 1992, etc. This means that we are starting to lose some observations from the 1990 cohort in 2006 because of Statistics Canada's rule on the number of years data on one individual can be kept on the

record. That explains the low percentage in tax year 2006 (for the 1990 cohort, and in tax year 2007 for the 1991 cohort). Moreover, on the year of admission, there are always fewer immigrants filing a tax report. This number increases in the first few years and start to decline gradually. This is true regardless of the immigration categories. However, the decline is important; there are sometimes more than 20 percent difference between the highest percentage and the lowest one in a given cohort. The 1990s' cohorts are more affected by this than the more recent ones.

There are multiple potential factors that could explain this finding. The first one could be simply the fact that people stop filing tax report at one point while remaining active in the Canadian labour market (having an incorporated business is an example). A second explanation could be that immigrants are living in Canada and working overseas without filing a Canadian tax report. A third possible explanation could be that immigrants became older and retired and do not see any advantages for them in filing a tax report. A third possible explanation could be that immigrants left the country. A fourth possible explanation could be that people died. At this point those are only hypotheses; this study does not attempt to validate any of them. In general, the federal skilled worker immigrants tends to report slightly more than the immigrants admitted under the entrepreneur and self-employed categories.

A second pattern that can be observed is that five year after being admitted, the proportion of immigrants filing a tax return varies between 83 per cent and 89 per cent for the three immigration categories (with only a few exceptions).

Table 5.2: Proportion of Immigrants filing a tax return by cohorts, tax years and immigration categories

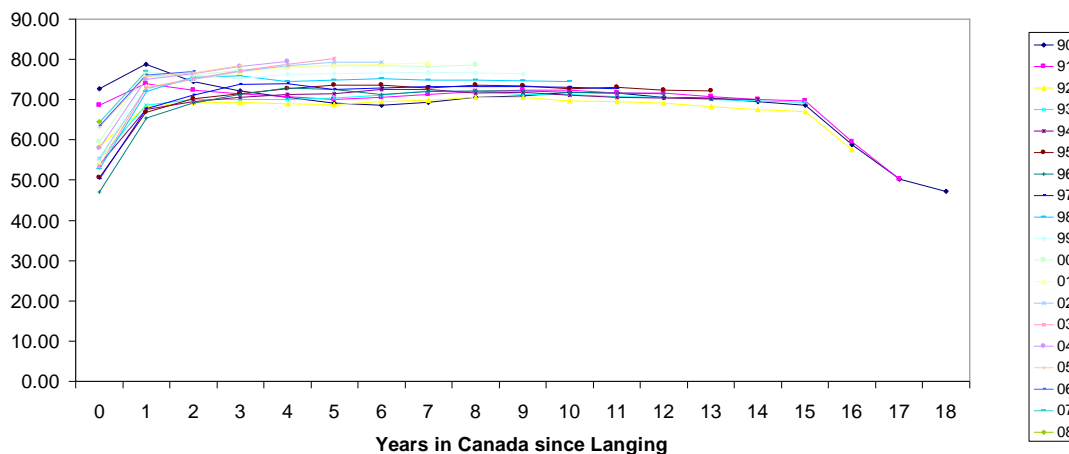
Cohorts	Imm. Cat	Taxation years																		
		1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
1990	Ent	61.85	79.55	83.54	85.29	83.79	80.55	77.81	74.31	70.57	68.58	66.75	65.75	66.58	63.09	62.59	64.84	23.69	11.47	8.23
	Self	67.07	84.15	87.8	86.59	85.37	81.71	79.27	76.83	74.39	71.95	70.73	70.73	73.17	70.73	69.51	70.37	20.73	9.64	6.1
	FSW	77.5	87.55	87.87	87.44	84.67	81.47	78.16	75.84	73.9	72.73	71.67	71.44	72.26	69.94	70.15	70.64	15.19	5.6	4.11
1991	Ent		61.49	80.9	85.67	85.37	82.93	79.64	74.63	71.04	68.96	67.76	65.67	65.97	63.88	63.28	64.78	63.58	22.39	10.15
	Self		60.49	80.25	83.95	86.42	82.72	80.25	79.01	75.31	74.07	73.75	72.5	71.6	69.14	68.75	70	70	24.69	12.35
	FSW		77.67	88.13	87.86	86.58	83.67	80.06	77	74.36	73.17	71.77	71.31	72.15	69.78	69.02	69.72	69.37	14.93	5.43
1992	Ent			64.3	85.23	87.85	86.52	83.93	81.31	76.26	73.27	70.97	68.97	69.48	66.85	66.1	68.79	66.85	65.92	22.8
	Self			66.95	85.47	84.62	85.47	82.91	78.63	75.21	72.65	70.94	70.09	70.94	68.97	69.83	70.09	70.09	70.09	22.03
	FSW			77.99	89.17	88.15	86.31	82.99	79.23	75.72	73.8	72.15	71.65	72.23	69.78	69.43	70.04	69.39	68.92	14.58
1993	Ent				67.16	84.88	87.38	87.38	83.89	80.4	76.58	73.59	71.93	71.59	68.94	67.44	68.94	67.77	67.11	66.61
	Self				73.65	86.49	87.16	83.78	83.11	78.38	75	70.95	70.75	70.95	67.57	66.89	68.71	66.89	66.67	66.67
	FSW				80.04	89.72	89.22	86.9	84.47	80.82	77.97	75.77	74.4	74.5	72.16	72	72.26	71.59	71.16	70.86
1994	Ent					70.36	85.94	87.72	85.54	83.53	79.8	76.44	74.51	74.31	70.16	68.97	70.16	68.97	67	66.6
	Self					70.87	85.04	85.83	86.61	85.71	81.75	80.31	78.74	78.74	76.38	74.6	76.19	74.6	75.4	73.81
	FSW					79.8	89.91	88.83	87.21	83.62	80.54	77.18	75.3	75.23	72.15	71.71	72.5	71.71	71.25	70.59
1995	Ent						74.32	86.26	86.68	84.23	82.17	78.6	75.9	75	70.72	68.92	70.72	68.69	67.12	66.22
	Self						67.94	83.08	85.38	85.38	84.62	82.31	81.4	80.77	75.97	74.42	75.97	74.42	73.64	72.87
	FSW						79.56	88.41	88.24	86.45	83.82	80.33	77.05	76.57	73.43	72.51	73.69	72.48	71.58	70.87
1996	Ent							70.04	85.34	85.56	83.84	82.11	79.31	78.66	74.78	72.84	74.95	72.57	70.69	70.04
	Self							65.28	81.25	83.33	82.29	81.77	80.1	80	76.19	75.13	75.79	74.74	74.21	73.3
	FSW							76.51	87.26	87.42	86.39	83.73	79.98	78.93	75.1	73.82	74.86	73.83	72.62	72
1997	Ent								75.58	86.64	86.87	85.48	84.56	82.72	78.57	76.5	74.88	73.96	72.12	70.51
	Self								73.02	86.24	87.23	86.7	84.04	84.04	79.79	78.07	77.66	75.94	75	74.47
	FSW								80.78	89.11	88.93	87.78	85.35	84.16	79.73	78.25	77.53	76.04	74.73	73.73
1998	Ent									77.9	88.77	87.68	87.68	86.96	82.61	80.8	79.71	77.17	76.45	76.09
	Self									75.21	86.78	88.33	88.33	88.33	84.17	82.5	81.67	79.83	77.97	78.15
	FSW									83.84	91.1	91.15	89.85	88.92	84.1	81.67	80.63	78.94	77.59	76.69
1999	Ent										78.83	90.15	90.11	91.21	85.71	84.67	83.58	80.66	79.49	78.39
	Self										71.97	88.55	90.08	90.84	86.26	85.38	86.92	84.62	84.5	82.81
	FSW										82.56	92.18	91.91	92.24	88.08	85.07	82.97	80.64	78.79	77.03
2000	Ent											80.14	89.72	92.53	89.72	87.23	86.12	83.33	82.21	81.14
	Self											72.36	88.52	92.62	89.26	88.43	88.33	86.78	84.03	82.05
	FSW											86.48	92.89	93.52	90.82	88.87	86.62	83.77	81.65	80.06
2001	Ent												81.48	92.22	88.89	87.04	87.04	84.81	82.59	81.11
	Self												76.32	91.23	89.47	88.6	89.38	86.73	83.04	80.36
	FSW												87.08	92.98	91.46	90.74	89.63	87.23	84.53	82.39
2002	Ent													86.5	90.5	91	90.5	90	86.5	84

Cohorts	Imm. Cat	Taxation years																		
		1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
	Self													79.21	85.15	90.1	90	89.11	86	86
	FSW													86.54	89.61	90	90.87	89.04	86.45	84.28
2003	Ent														79.53	89.68	92.86	90.55	89.76	87.4
	Self														75.34	86.3	88.89	90.28	88.89	86.11
	FSW														82.7	88.75	90.93	91.89	90.42	87.74
2004	Ent															79.82	88.99	90.83	88.99	89.91
	Self															76.36	89.09	89.09	92.73	90.91
	FSW															82.74	89.19	91.15	91.65	90.79
2005	Ent																77.78	88.89	92.31	92.24
	Self																76.09	87.23	91.3	93.48
	FSW																81.58	89.19	91.72	93.33
2006	Ent																	78.05	91.8	93.5
	Self																	81.4	95.35	97.67
	FSW																	83.82	91.81	94.3
2007	Ent																		83.95	95.06
	Self																		76.92	92.31
	FSW																		87.76	96.6

5.4 Profile of Immigrants' Economic Performance – Population

The indicators of immigrants' economic performance presented in this section include the incidence of employment income, the level of employment income, the incidence of self-employment, the level of gross self-employment income, the incidence of both sources of income simultaneously (employment and self-employment income), the incidence of employment insurance benefit and the incidence of social assistance.

Figure 5.1: Percentages of Immigrants reporting employment income by years since landing and cohorts.

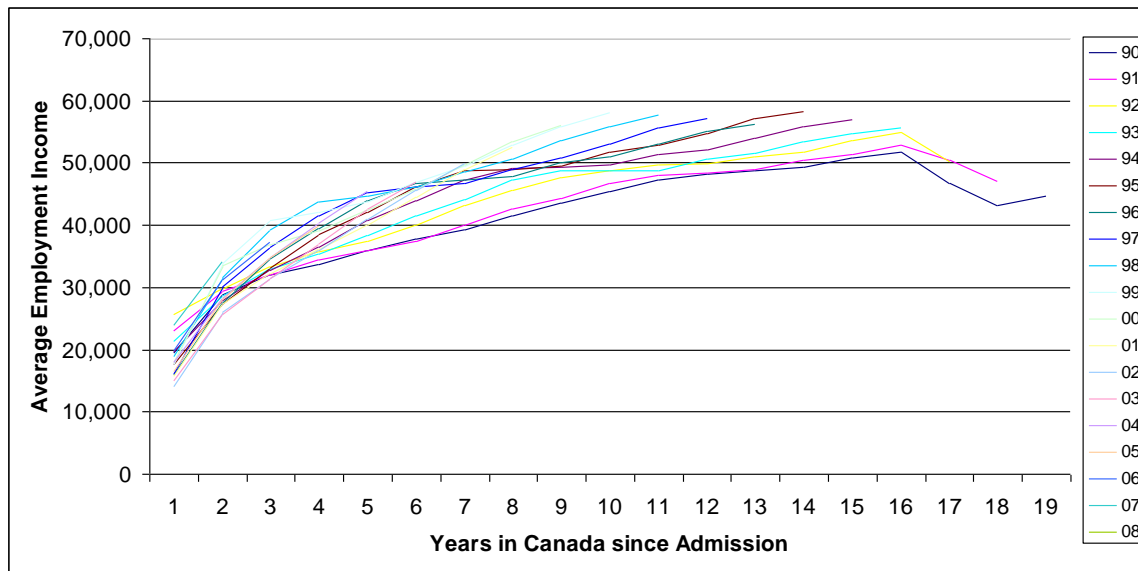


The Figure 5.1 presents the percentage of immigrants reporting **employment income** by cohorts and by years since landing. The cohorts' trends indicate that the percentages of immigrants reporting employment income are not significantly increasing or decreasing over time. The observed differences are seen between the cohorts for the year 0. As indicated in the table below, the percentages of immigrants reporting employment income on the landing year range from 47 per cent in the 1996 cohort to 73 per cent in the 1990 cohort – which correspond to a 26 percentage points difference. In addition, the 2000s cohorts are steadily reporting higher percentages compared to the 1990s cohorts (with the exception of the 1999 cohort).

Figure 5.2 indicates the **average employment income** of immigrants by years since landing and by cohorts. The average employment income tends to double between the year 0 and the last year

of observation for a given cohort. While the 2000s²³ cohorts start with a lower average employment income compared to the cohorts of the 1990s, they are surpassing 1990s cohort rapidly. The 1992 cohort started with the highest average employment income (\$25,700), on the fourth year following the migration, this average augmented to \$37,500. The 2002 cohort started with the lowest average employment income (\$14,100) and four years after landing this average increased to \$41,000.

Figure 5.2: Average employment income by years in Canada since landing and cohorts



5.4.1 Profile of Immigrants' Economic Performance by Immigration Categories

The focus of this sub-section is on the economic performance of immigrants by immigration categories. For easier presentation and discussion, the following section will look only at immigrants' income at a specific point in time (i.e., at tax year 2008). The 2008 tax year was selected because it is the latest information available. The 1990, 1991 and 2008 cohorts will not be analyzed in this section because 1990 and 1991 represents the 17th and 18th year of observation and many cases were dropped to fulfil Statistics Canada's rule on privacy and confidentiality and the 2008 cohort has only one year of observation and it can thus be an incomplete year. As indicated previously, all earnings and benefits information were adjusted according to the

²³ With the exception of the 2007 and 2008 cohorts that have the highest employment income of all cohorts for the first year (and second year for the 2007). However, it is difficult to say if this pattern will remain after the first two years given the insufficient time of observation for those cohorts.

Consumer Price Index (CPI) to account for inflation (2008 base). Adjusting all earnings and benefits will allow for comparison across the different years.

The Figure 5.3 shows whether the incidences of employment income differ by immigration categories in 2008 tax year. As indicated, the percentages of the immigrants admitted under the federal skilled worker category reporting employment income are much higher (between 68 and 81 per cent) than the other two immigration categories. Immigrants admitted as entrepreneur or self-employed reported similar incidences, under 50 per cent.

Figure 5.3: Percent of immigrants reporting employment income by cohorts and immigration categories – Tax year 2008

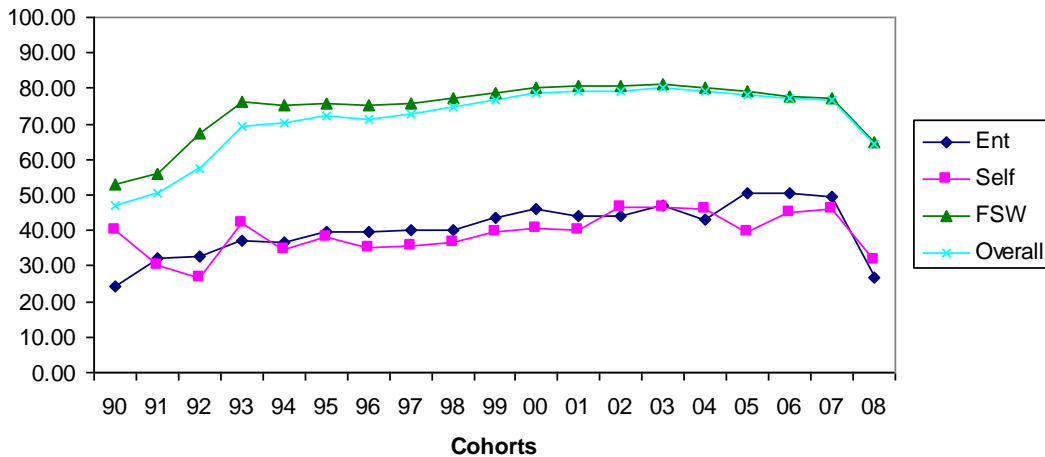
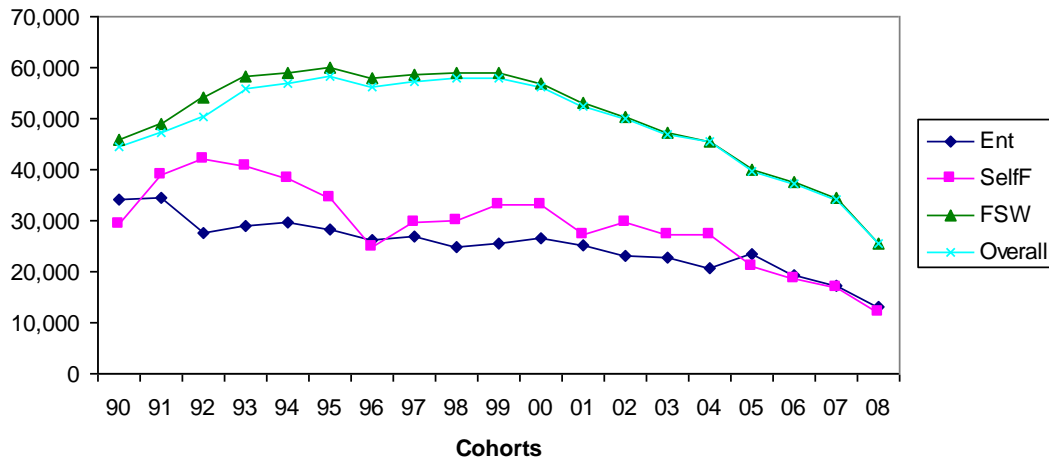


Figure 5.4 describes the average employment income reported by immigration categories in tax year 2008. Immigrants admitted as federal skilled workers report much higher employment earnings compared to the other two immigration categories – this applies to all the cohorts under observation. They report twice as much employment income compared to the entrepreneurs and close to one and a half more than those admitted under the self-employed category.

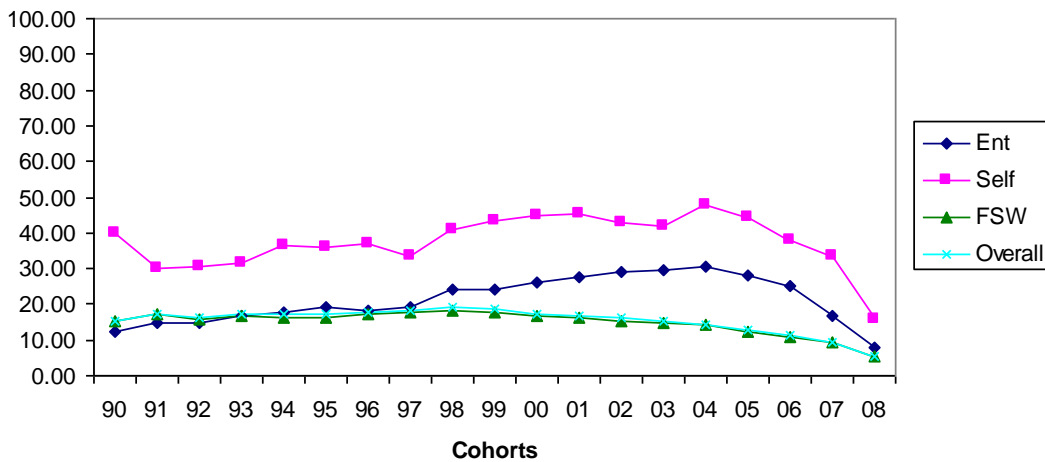
Figure 5.4: Average employment income by cohorts and immigration categories – Tax year 2008



The longer immigrants have been in the country, the higher is their average employment income – this is true for all the immigration categories. The 2006 cohort shows an average employment income below \$20,000 for immigrants admitted as entrepreneurs or self-employed and is a little lower than \$40,000 for immigrants admitted under the federal skilled worker category. Those same averages increase to \$29,000 for entrepreneur; \$40,700 for self-employed; and \$58,400 for the federal skilled workers immigrants who have been in the country for 15 years.

The Figure 5.5 presents the percentages of immigrants reporting self-employment income by cohorts and immigration categories in tax year 2008. As demonstrated, immigrants admitted as entrepreneurs and self-employed reported self-employment incidences of 20 and 38 per cent one year after landing while the federal skilled worker immigrants reported incidence of 9 per cent for those who have been in the country for the same length of time.

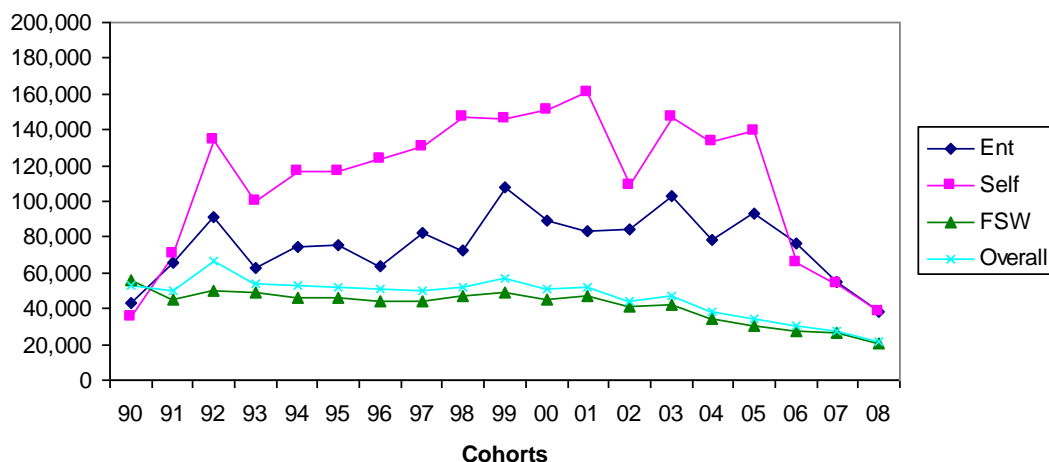
Figure 5.5: Percent of immigrants reporting self-employment income by cohorts and immigration categories – Tax year 2008



One of the key noticeable trends on the Figure 5.5 is the lower fluctuation of the incidence rate for the federal skilled worker immigration category (oscillation from 11 per cent to 18 per cent) compared to the fluctuation within the other two immigration categories (moving from 15 per cent to 30 per cent for the entrepreneur category and moving from 31 per cent to 48 per cent for the self-employed immigration category). These results also indicate that immigrants admitted under the self-employed category have higher incidence rate of self-employment income compared to the other groups.

In the first few years following their admission in Canada, entrepreneurs and self-employed immigrants are reporting higher self-employment incidence compared to the ones who have been in the country for a lengthier period. Entrepreneurs and self-employed immigrants from older cohorts (i.e., immigrants who have been in the country for a longer period) are reporting lower incidences of self-employment income. The opposite trend is noticed for the federal skilled worker immigrants. Older cohorts (i.e., federal skilled worker immigrants who have been in the country for a longer period) have higher incidence of self-employment income compared to more recent federal skilled worker immigrants. Immigrants admitted under the two business immigration categories had lower incidence rate

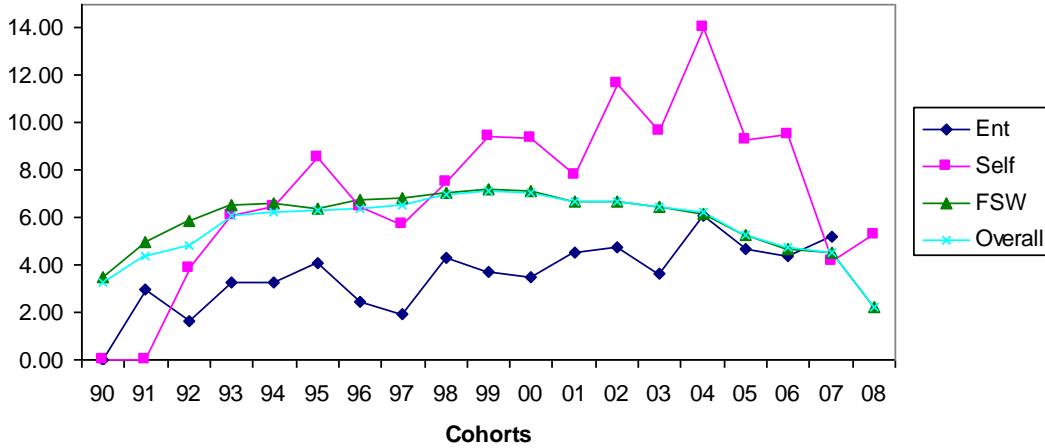
Figure 5.6: Average gross self-employment income by cohorts and immigration categories – Tax year 2008



The Figure 5.6 presents the average gross self-employment income by cohorts and by immigration categories in 2008. Immigrants admitted as self-employed not only report higher incidence of self-employment income, but they also report superior gross self-employment income (ranging from \$65,600 to \$160,700). Immigrants who have been admitted as self-employed in the 1998, 1999, 2000 and 2001 report greater averages of gross self-employment income compared to other cohorts and to other immigration categories.

The average of gross self-employment income increases for federal skilled worker immigrants as their time in Canada lengthens (the average is \$27,000 for those who have been in the country for two years and \$50,200 for those who have been in the country for sixteen years). No such pattern is noticeable for the two business immigration categories. Immigrants admitted as entrepreneur present fluctuating averages of gross self-employment income (ranging between \$63,000 and \$108,200). As mentioned in the previous chapter, this income is a reflection of what is in the hands of the business rather than what is in the hands of the individual. It is a reflection of the level of economic activity of the business in which immigrants are involved. As a result, the main observation is that immigrants admitted under the self-employed category are involved in businesses that have higher level of economic activities compared to the federal skilled worker immigrants and to the entrepreneurs.

Figure 5.7: Percent of immigrants reporting both source of income simultaneously (employment and self-employment) by cohorts and immigration categories – Tax year 2008



The Figure 5.7 presents the percentages of immigrants reporting the two sources of income concurrently by cohorts and by immigration categories in the tax year 2008. Among the 1990s cohorts, the immigration category that reports generally higher incidences of employment and self-employment concurrently is the federal skilled worker one. However, the trend is different for the 2000 cohorts where immigrants admitted under the self-employed category have higher incidence rated. Although the incidence of employment and self-employment concurrently is the lowest for immigrants admitted as entrepreneur, the percentages are even lower for those who have been in the country for a longer period (i.e., the early 1990s' cohorts).

While the percentages for the entrepreneurs decrease with the length of time in the country, the percentages of federal skilled worker immigrants reporting both sources of income simultaneously increases slightly. As the time in the country lengthens, the percentages slightly increase and reach a peak nine years after being admitted.

Figure 5.8: Percent of immigrants reporting employment insurance benefits by cohorts and immigration categories – Tax year 2008

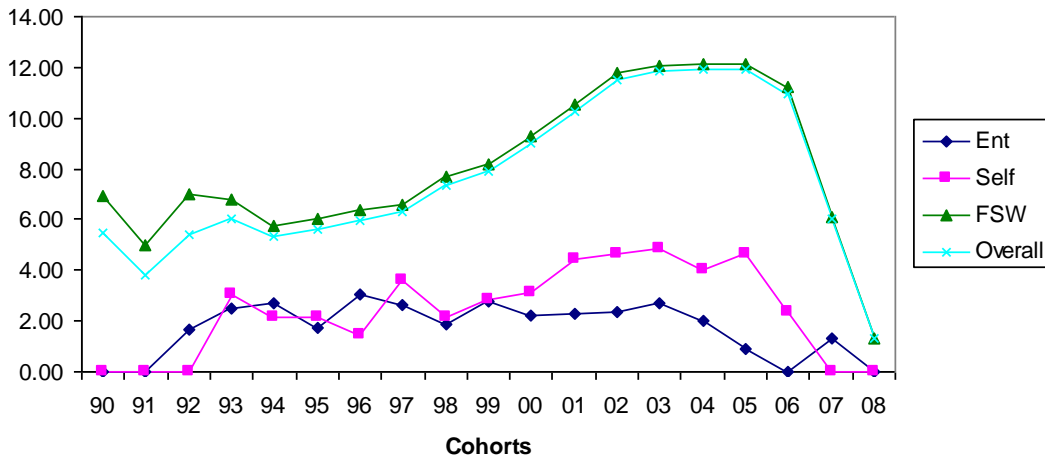
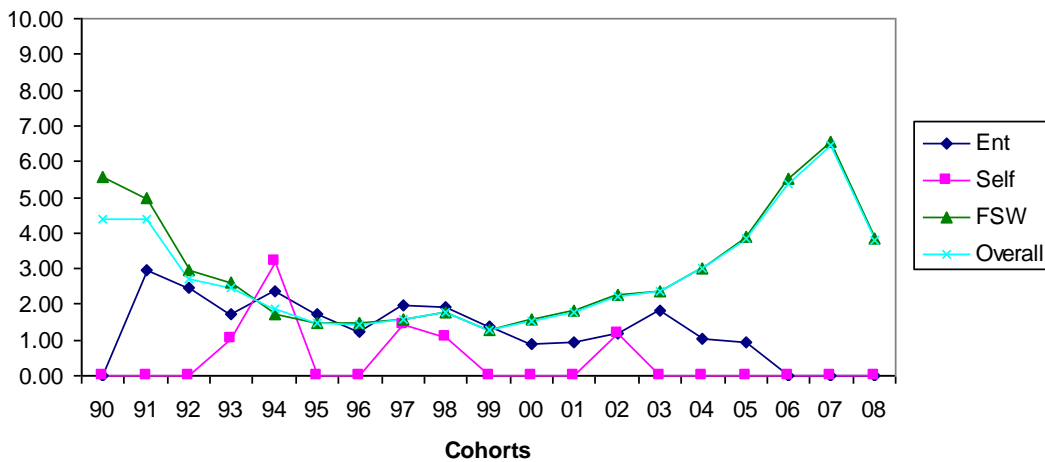


Figure 5.8 indicates that it was generally immigrants admitted as federal skilled workers who had been in the country for less than six years who reported higher incidence of employment insurance in 2008. The incidence of employment insurance for immigrants admitted as federal skilled worker decreases as their length of time in Canada augments. The percentages for immigrants admitted as entrepreneurs remained stable (around 2 per cent). The employment insurance usage rates reported by immigrants admitted under the self-employed category fluctuate over time without presenting any noticeable trend.

Figure 5.9 presents the incidence of social assistance in 2008 by cohorts and immigration categories. As demonstrated, the percentages are low for all immigration categories. However, the federal skilled worker immigrants tend to have higher incidence of social assistance in 2008 compared to immigrants admitted under the other immigration categories.

Figure 5.9: Percent of immigrants reporting social assistance benefits by cohorts and immigration categories – Tax year 2008



5.5 Conclusion

As demonstrated in this chapter, the IMDB is a longitudinal statistical data source that allows for the studying of the labour market behaviour, such as paid employment activity, self-employment activity or the transition from one type to the other. Not only does it allow a study of dynamic labour market activities, but it is also possible to take into consideration 1) the different immigration categories, such as entrepreneur, self-employed or skilled worker immigrants; 2) the cohorts; and 3) the status within the family (for the principal applicant). It is also possible to take into consideration variables such as level of education, country of last permanent residence, age, sex, knowledge of Canadian official languages, etc.

As identified in this chapter, the unit of analysis for this study includes principal applicant immigrants admitted under the entrepreneur, self-employed and skilled worker categories, of 18 years of age or older who landed in Canada between 1990 and 2008 and who have filed at least one tax report during that same time period. This chapter provides a comprehensive socio-demographic and economic profile of the population under review. A comparison between the overall description and the description by immigration categories was essential since the immigration categories differ significantly one from another. This chapter presented the

distribution of immigrants by cohorts, immigration categories, gender, level of education, age at landing, country of last permanent residence and knowledge of Canadian official languages.

Immigrants admitted as federal skilled worker immigrants are generally younger, more educated, more knowledgeable about the Canadian official languages, and they also come from more diverse countries compared to the immigrants admitted under the entrepreneur and self-employed categories. In addition, although there is an unbalanced distribution of immigrants by gender, there are more women admitted under the federal skilled worker category compared to the other two categories.

This chapter also provided some insight on whether the economic performance of immigrants differs by immigration categories. The federal skilled worker immigrants reported higher percentages of employment income as well as higher level of employment income. However, the average amount of dollars earned increases with the length of time in the country for all three immigration categories.

Immigrants admitted as self-employed reported higher incidence of self-employment income as well as higher level of gross self-employment income, followed by the entrepreneur and then the federal skilled worker immigration categories. However, this chapter also demonstrated that the percentages of immigrants admitted as self-employed and entrepreneurs reporting self-employment incidence decreases with the length of time in Canada. The federal skilled worker immigrants show a reverse trend; the percentages of federal skilled worker immigrants who have been in the country for a shorter period is lower than the percentages of those who have been in the country for a larger period of time.

Regarding the incidence of concurrent paid and self-employment activities in 2008 tax year, among the 1990 cohorts, immigrants admitted under the federal skilled worker category reported higher incidence of concurrent activities. Whereas for the 2000 cohorts, the incidences of concurrent activities was higher for immigrants admitted under the self-employed category.

Finally, the findings relating to the employment insurance and social assistance indicated that federal skilled worker immigrants have higher incidence compared to the business immigrants. However, the findings also indicate very low reliance on those programs (lower than ten per cent for employment insurance and lower than six per cent for social assistance).

CHAPTER 6: TRANSITION ANALYSIS

6.1 Introduction

As indicated in the previous chapters, the prevailing debate question has focussed on whether immigrants are driven or attracted to entrepreneurship. This study addresses a gap in the current literature by exploring a different labour market strategy that immigrants can adopt: being employed and self-employed simultaneously. Hence, this chapter explores to what extent immigrants adopt this hybrid type of labour market strategy. Specifically, this chapter examines the speed of access related to and the duration of different labour market activities and describes the transition to and duration of paid employment and self-employment as concurrent activities in comparison to non-concurrent activities.

The questions this research aims to answer are: whether or not immigrants access concurrently paid employment and self-employment activities following their admission to Canada and, if so, what is the survival rate for such activities. In addition to this new research question, this chapter will also describe the rate of access to employment and self-employment activities separately (as opposed to simultaneously). Accordingly, the dependent variable is the probability that an immigrant, at risk for each unit of time (t), will experience a transition during a given time period. More specifically, the transitions under study are the rates of access to and the duration of: self-employment activities, paid employment activities, and access to both of these types of activities simultaneously.

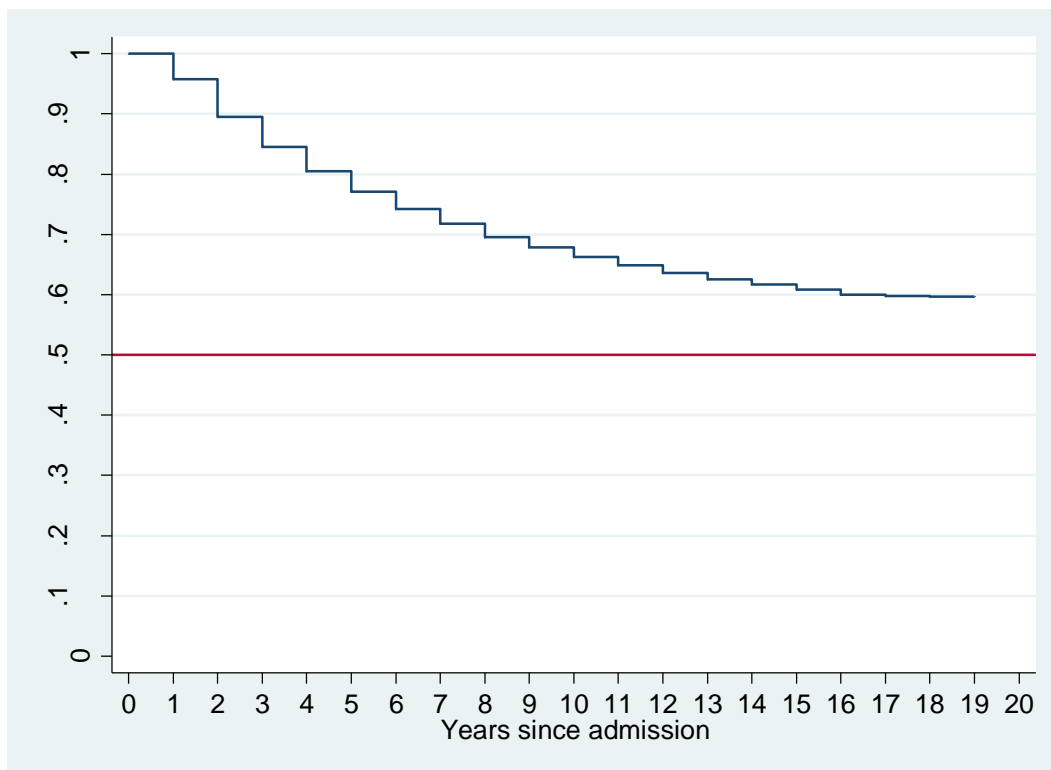
6.2 Access to Self-Employment Activities

Figure 6.1 presents the estimated proportion of immigrants accessing self-employment activities over time. In this case, the group at risk of accessing self-employment activities is comprised of the total 604,105 immigrants (the population under study). These 604,105 immigrants are susceptible to start self-employment activities as soon as they are admitted in Canada. As shown on the survival table, at time of admission (or time zero), there are 100 per cent of immigrants who have not accessed self-employment activities or zero per cent of immigrants who have accessed self-employment activities. This proportion tends to increase over time: two years after

landing, the estimated proportion of immigrants accessing self-employment activities increased to ten per cent; four years after landing it reached 19 per cent; six years after landing, one quarter of the economic immigrants under study (25.77 per cent) had accessed self-employment activities. At the end of the observation period (19 years after admission), this estimated proportion represented 40.36 per cent of the population under study. In this case, the median time to accessing self-employment was never reached.

As mentioned in the previous chapter, the steeper the slope is, the greater is the probability of transition. This survival curve indicates that immigrants have a higher risk of transition at the beginning of the episode and that risk decreases over time. For each of the first five years, the proportion of transitions is about four per cent. This means that half of those who have accessed self-employment have done so in the first five years.

Figure 6.1: Survival Table – Access to Self-Employment Activities

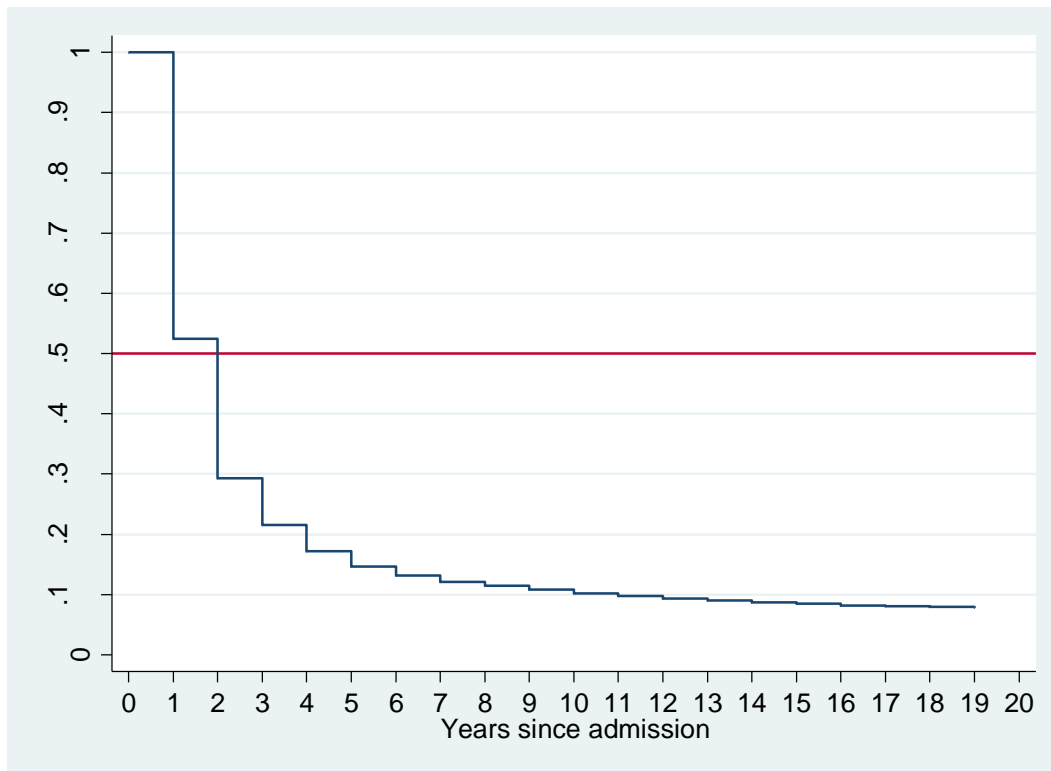


Source: IMDB
N: 604,105

6.3 Access to Employment Activities

Figure 6.2 presents the estimated proportion of immigrants accessing paid employment activities over time. Again, the entire population under study (i.e., the 604,105 immigrants) are susceptible to start paid employment activities as soon as they are admitted in Canada. The survival curve indicates that at time of admission (or time zero) there are 100 per cent of immigrants who have not accessed paid employment activities or zero per cent of immigrants who have accessed paid employment activities. In this case, the slope is much steeper, indicating a much greater probability of transition. In other words, immigrants have a higher probability of accessing paid employment activities than accessing self-employment activities. This survival curve indicates that immigrants have a higher risk of transition at the beginning of the episode and that risk decreases over time. In this case, the median time to accessing paid employment is two years. Only one year after being admitted to Canada, 47.54 per cent of the immigrants will have accessed paid employment activities. The cumulative proportion of immigrants accessing paid employment reaches 70.71 two years after admission and 85.3 per cent five years after admission. At the end of the observation period (i.e., 19 years after admission), the estimated proportion of immigrants who have accessed paid employment activities represents 92.14 per cent.

Figure 6.2: Survival Table – Access to Employment Activities



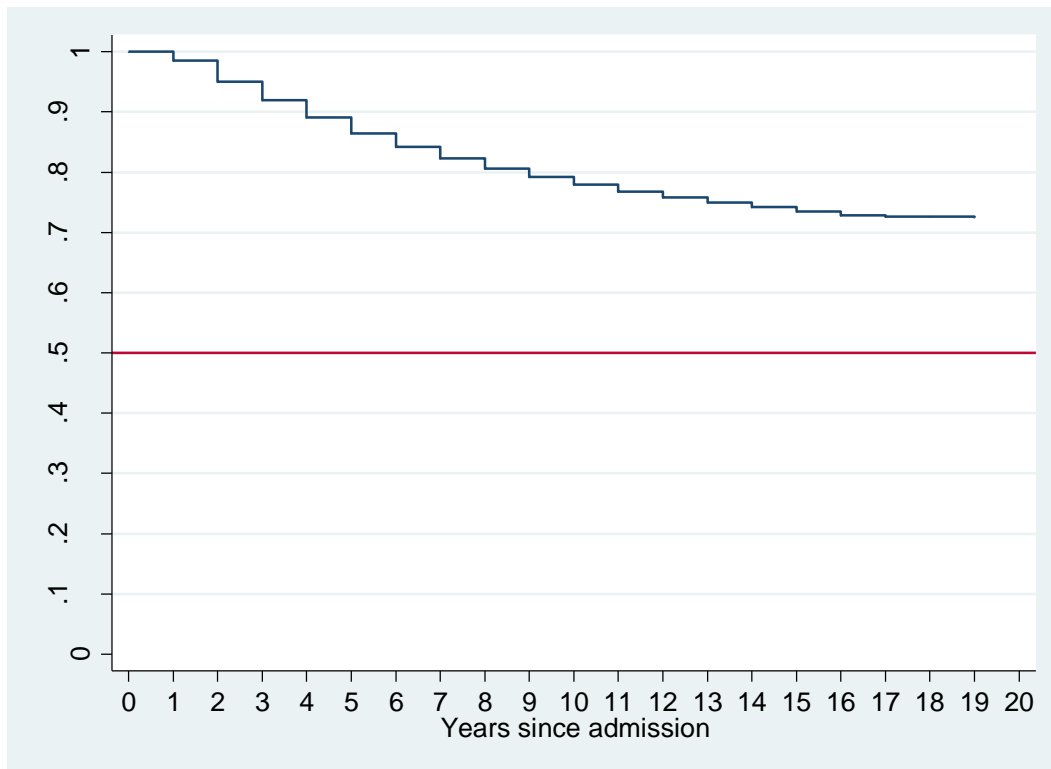
Source: IMDB
N: 604,105

6.4 Access to Concurrent Paid and Self-Employment Activities

Figure 6.3 provides a visualization of the risk of experiencing concurrent paid and self-employment activities, presenting the estimated proportion of immigrants accessing concurrent paid and self-employment activities over time. Again, the entire population under study (i.e., the 604,105 immigrants) are susceptible to start concurrent paid and self-employment activities as soon as they are admitted in Canada. The survival curve indicates that, at time of admission, there are zero per cent of immigrants who have accessed concurrent paid and self-employment activities. The slope of this survival curve is rather flat, indicating a much lower probability of transition. In other words, immigrants have a lower probability of accessing concurrent paid and self-employment activities rather than non-concurrent activities. Again, the 604,105 immigrants are susceptible to experience concurrent paid and self-employment activities as soon as they are admitted in Canada. At time of admission, there are 100 per cent of immigrants who have not accessed concurrent paid and self-employment activities or zero per cent of immigrants who have accessed concurrent paid and self-employment activities. This proportion slowly increases over

time: two years after landing, 4.91 per cent of the immigrant experienced concurrent paid and self-employment activities; four years after landing the estimated proportion of immigrants accessing concurrent paid and self-employment activities is at 10.95 per cent; 13 years after migrating to Canada, one quarter of the economic immigrants under study (25.02 per cent) had accessed concurrent paid and self-employment activities. At the end of the observation period, this estimated proportion represented 27.42 per cent of the population under study.

Figure 6.3: Survival Table – Access to Concurrent Paid and Self-Employment activities



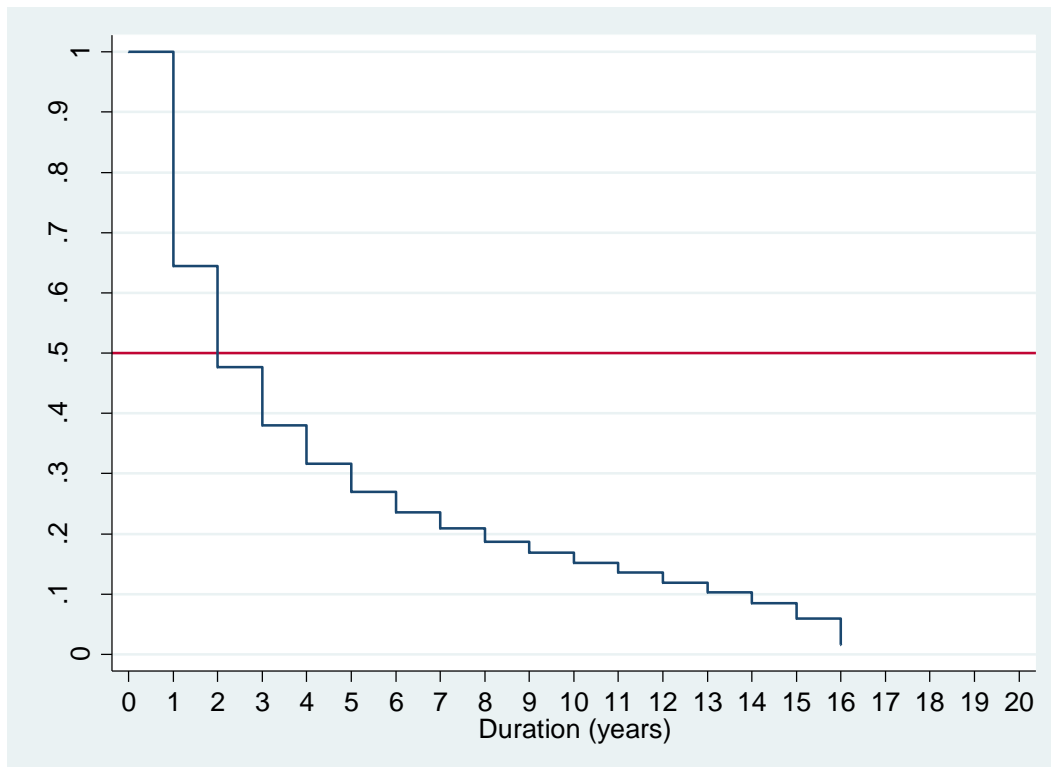
Source: IMDB
N: 604,105

6.5 Duration of Self-Employment Activities

As mentioned in the previous chapter, the survival table can also be used to illustrate the probability of exiting the different labour market activities. Section 6.2 to section 6.4 of this chapter presented the survival tables on the access to different labour market activities. Figure 6.4 presents the probability of exiting self-employment activities over time for those who have accessed self-employment activities. The group at risk of exiting self-employment activities is

comprised of the total 160,300 immigrants who have accessed self-employment activities. These 160,300 immigrants are susceptible to exit self-employment activities as soon as they have accessed it. The slope of the survival curve is steep indicating a high probability of transition. In other words, immigrants have a high probability of exiting self-employment activities. This survival curve also indicates that immigrants have a higher risk of transition at the beginning of the episode and that risk decreases over time. In this case the median time to exit self-employment is 2 years (52.34 per cent). Five years after having accessed self-employment activities, 73.07 per cent of the immigrants will exit self-employment activities. At the end of the observation period, 98.42 per cent of immigrants who have accessed self-employment activities will exit this type of labour market activity. This survival table suggests that the probability of accessing and remaining in self-employment activities for the entire period of observation is very low (1.58 per cent).

Figure 6.4: Survival Table – Duration of Self-Employment Activities

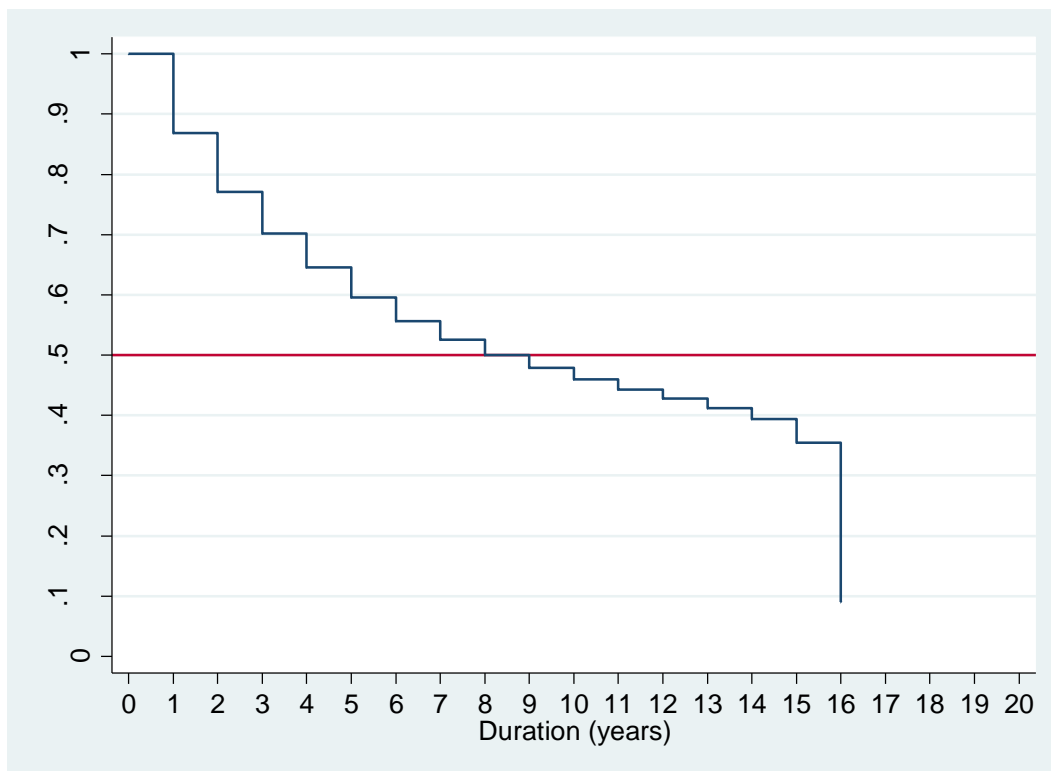


Source: IMDB
N: 160,300

6.6 Duration of Employment Activities

Figure 6.5 presents the estimated proportion of exiting paid employment activities over time for those who have accessed paid employment activities. There are 493,965 immigrants susceptible to exit paid employment activities as soon as they have accessed it. The slope of the survival curve presented in Figure 6.5 is steep indicating a high probability of exiting paid employment activities but not as steep as the slope for the self-employment activities. In other words, immigrants have a higher probability of exiting self-employment. This survival curve also indicates that immigrants have a higher risk of transition at the beginning of the episode, more specifically in the first two years following the access to paid employment activities, and that risk decreases over time.

Figure 6.5: Survival Table - Duration of Paid Employment Activities



Source: IMDB
N: 493,965

The median time to exit paid employment activities is 9 years (52.08 per cent. Five years after having accessed paid employment activities, 40.39 per cent of the immigrants will exit paid

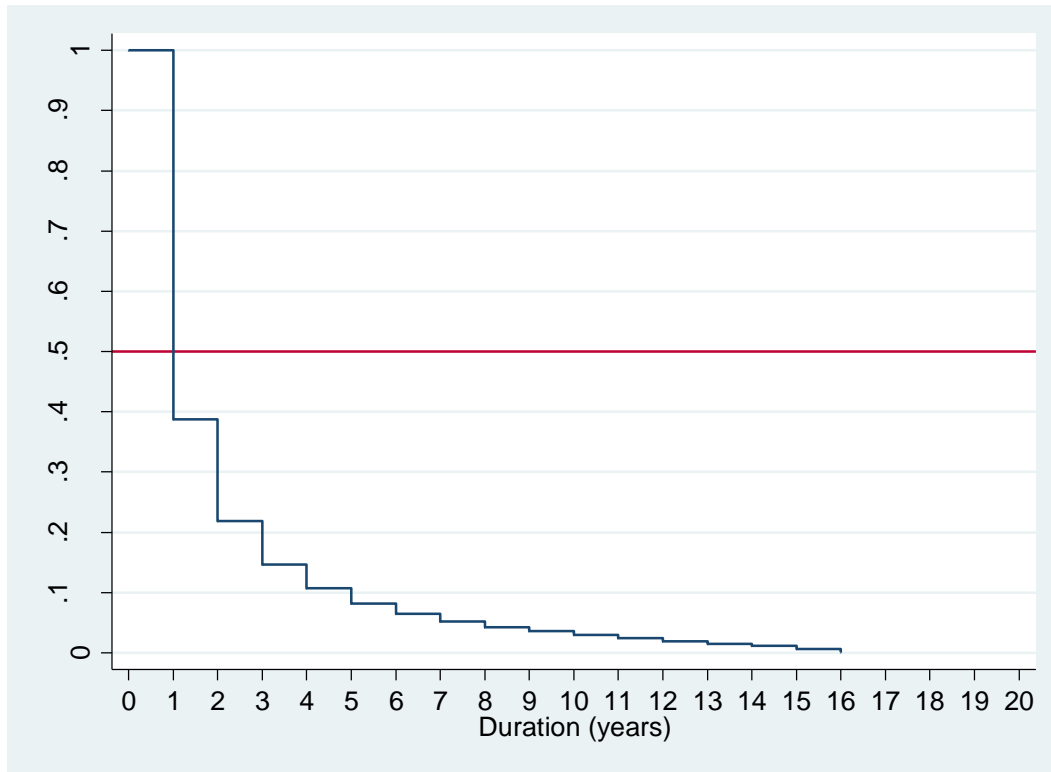
employment activities. At the end of the observation period, 90.98 per cent of immigrants who have accessed paid employment activities will exit this type of labour market activity. This survival table suggests that the probability of accessing and remaining in paid employment activities for the entire period of observation is low (9.02 per cent).

6.7 Duration of participating in both Employment and Self-Employment Activities

Concurrently

Figure 6.6 presents the estimated proportion of immigrants who have access concurrent paid and self-employment activities over time exiting this type of labour market activity. The population at risk under this survival table is comprised of all immigrants who have accessed concurrent paid and self-employment activities. There are 101,810 immigrants susceptible of experiencing this transition. The survival curve indicates that at time zero, there are zero per cent of immigrants who have exited the concurrent labour market activities. The slope of this survival curve is very steep, indicating a much higher probability of transition. In other words, immigrants have a higher probability of exiting the concurrent labour market activities. The median time to exit concurrent labour market activities is one year (61.20 per cent). This proportion slowly increases over time: two years after accessing concurrent labour market activities, 78.12 per cent of the immigrants exited this type of labour market activity; five years after, the estimated proportion of immigrants exiting concurrent labour market activities is 91.86 per cent; Almost all immigrants at risk will exit concurrent paid and self-employment activities after 12 years (98.05 per cent). At the end of the observation period, this estimated proportion represented 99.92 per cent of the population under study. This survival table indicates that the risk of remaining in concurrent labour market activities (i.e., being concurrently employed and self-employed) for longer than eight years is below five per cent.

Figure 6.6: Survival Table - Duration of participating in Employment and Self-Employment Activities Concurrently



Source: IMDB
N: 101,810

6.8 Conclusion

The multiple survival tables presented in this chapter allowed visualizing the risk of experiencing different labour market activities. These tables presented the access to and the duration of different labour market activities. Relating to the access to labour market activities, the figures 6.1, 6.2 and 6.3 indicated that immigrants have a lower probability of accessing concurrent paid and self-employment activities rather non-concurrent activities over the 19 years following their admission to Canada. The vast majority (92 per cent) of the 604,105 immigrants under study, will access paid employment activities, and will do so fairly rapidly (70 per cent will have done so two years after their admission to Canada). In comparison, just under half of the immigrants (40 per cent) have accessed self-employment activities over the 19 years. The probability is not as high as for paid employment activities, for each of the first five years; the proportion of transitions is about four per cent. Lastly, just over one quarter of the immigrants (27 per cent) will have concurrent paid and self-employment activities. Although, this probability is much

lower than the other two, it suggests an important labour market strategy that one quarter of the immigrants adopt when entering into the Canadian labour market.

Relating to the duration of the different labour market activities, the figures 6.4, 6.5 and 6.6 indicated that immigrants tend to use various labour market strategies. The survival tables on duration suggest that the probability of accessing and remaining in paid employment activities, self-employment activities, and concurrent paid and self-employment activities are all low. However, the survival curve representing the paid employment activities is not as steep as the other two, suggesting a somewhat lower probability of exiting paid employment activities. In addition, these figures indicated that immigrants have a higher probability of exiting more rapidly concurrent labour market activities (paid and self-employment activities) and self-employment activities. The median time to exit these activities is one and two years respectively, whereas the median time for exiting paid employment activities is nine years.

These results suggest that immigrants have various labour market strategies when integrating into the Canadian labour market. The findings confirm that, to a large extent, immigrants do access paid and self-employment activities as non concurrent activities. In addition, the study also confirmed that the body of literature on the subject of entrepreneurship has ignored a significant labour market strategy: concurrent paid and self-employment activities. The next section discusses the determinant factors that could explain those different labour market strategies.

CHAPTER 7: SURVIVAL ANALYSIS – UNDERSTANDING IMMIGRANT LABOUR MARKET ACTIVITIES

7.1 Introduction

The objective of the previous chapter was to demonstrate whether or not immigrants adopt a previously unexamined labour market strategy, namely, being employed and self-employed concurrently. It was also confirmed that the current literature on entrepreneurship omitted this strategy when addressing labour market integration of new immigrants. The findings from the previous chapters indicated that over one quarter of the population under review will access paid and self-employment activities concurrently. However, more than half (61 per cent) of those immigrants who will access this concurrent activity, will stop being concurrently employed and self-employed only one year after the first access. The objective of this chapter is to provide an insight into these transitions, not only providing an explanation to the access and the duration in concurrent labour market activities, but also to the non-concurrent activities as a comparison.

As a first step, this chapter will examine what set of factors will increase or decrease the access to paid employment activities, self-employment activities or both type of activities concurrently. As a second step, this chapter will examine what variables influence the duration of these labour market activities. Lastly, this chapter will provide a comparative analysis of the different models.

7.2 Survival Regressions: First Access to Labour Market Activities

Table 7.1 provides the results of three multivariate survival regression models: i) access to paid employment activities (columns 2 and 3); ii) access to self-employment activities (columns 4 and 5); and iii) access to both paid and self-employment activities concurrently (columns 6 and 7). Multiple variables were included in these models, including the immigration category, immigration cohort, gender, age at landing, education, knowledge of official languages and region of last permanent residence. As indicated in Chapter 4, one way to interpret the parameters presented in Table 7.1 and Table 7.2 is to see whether the variable has a positive or negative influence on the dependant variable, all other things being equal (i.e., when all the other variables in the model have a fixed value). In other words, the parameter indicates whether the

characteristics increase or decrease the probability of making a transition from the current status over time.

7.2.1 First access to paid employment activities

Regression results of Table 7.1 indicate that the **immigration category** has an impact on the first access to paid employment activities. Immigrants admitted to Canada under the entrepreneur or self-employed immigration categories have a lower probability over time of accessing paid employment activities than their federal skilled worker counterpart. **Men** are more likely to access paid employment than women. With respect to the variable **age at admission**, the results demonstrate that the older immigrants are at the time of entry to Canada, the lower their probability of accessing paid employment activities.

The **immigration cohort** can be used as a proxy indicator of the economic conditions of Canada. Findings suggest that the immigration cohort may reflect difficulties immigrants encounter in the job market. As indicated in the Chapter 6, immigrants admitted in the 1990s seem to have more difficulties in the Canadian labour market. The 2000s' cohorts started with a lower average employment income compared to the 1990s' but their income surpassed those of the 1990s cohort rapidly. Survival Regression results show that immigrants admitted in the 1990s are less likely to access first paid employment rapidly in comparison to the 2000s cohorts. Coefficient parameters vary between -0.27 to -0.49, whereas those of the 2000s vary between -0.14 to -0.30.

Education also affects the probability of accessing paid employment. Immigrants with a trade certificate, those who are holding a non-university diploma and those with a doctorate degree have a higher probability of accessing paid employment than the reference category (i.e., immigrants who have completed up to 13 years of schooling without obtaining a trade certificate). Whereas immigrants with some university education (but no diploma) have a lower probability of access to paid employment compared to the reference category.

The coefficients for the variable ‘**knowledge of Canadian official languages**’ indicate that immigrants with no knowledge of Canadian official languages have a higher probability of accessing paid employment compared to those immigrants with some knowledge of English, French or both.

Finally, the Table 7.1 shows that the probability of accessing paid employment activities is higher for those immigrants from Southern Africa and Southeast Asia and lower for immigrants from other world regions (with the exception of immigrants from Northern Europe, Eastern Africa and Oceania where there is no statistical differences with immigrants from North America).

Table 7.1: Survival Regression Results on First Access to Labour Market Activities

Characteristics	Access to Paid		Access to Self		Access to Both	
	Coef.	Sig.	Coef.	Sig.	Coef.	Sig.
Immigration Category (Ref. Federal Skilled Worker)						
Entrepreneur	-0.54082	****	0.47959	****	-0.26284	****
Self-Employed person	-0.74074	****	0.87482	****	0.13656	****
Immigration Cohort (Ref. 2008)						
1990 Cohort	-0.26917	****	-0.55744	****	-0.64260	****
1991 Cohort	-0.33021	****	-0.55600	****	-0.65171	****
1992 Cohort	-0.37908	****	-0.56439	****	-0.64287	****
1993 Cohort	-0.36844	****	-0.48712	****	-0.54303	****
1994 Cohort	-0.40736	****	-0.49680	****	-0.55020	****
1995 Cohort	-0.44206	****	-0.50503	****	-0.58956	****
1996 Cohort	-0.49221	****	-0.47696	****	-0.60244	****
1997 Cohort	-0.43112	****	-0.46229	****	-0.60545	****
1998 Cohort	-0.33722	****	-0.39859	****	-0.52441	****
1999 Cohort	-0.29678	****	-0.37455	****	-0.47569	****
2000 Cohort	-0.24834	****	-0.39625	****	-0.48539	****
2001 Cohort	-0.29139	****	-0.38041	****	-0.49687	****
2002 Cohort	-0.29774	****	-0.41739	****	-0.51925	****
2003 Cohort	-0.30941	****	-0.39903	****	-0.51227	****
2004 Cohort	-0.26643	****	-0.39363	****	-0.50395	****
2005 Cohort	-0.24405	****	-0.42276	****	-0.55597	****
2006 Cohort	-0.18392	****	-0.36577	****	-0.48807	****
2007 Cohort	-0.13940	****	-0.28894	****	-0.35681	****
Gender (Ref. Women)	0.10125	****	0.29661	****	0.27591	****
Age at landing (Ref. 18 to 24 years)						
25 to 34 years old	-0.10468	****	0.01439		-0.03473	*
35 to 49 years old	-0.26712	****	0.07548	****	-0.10010	****
50 to 65 years old	-0.66042	****	-0.19041	****	-0.67402	****
65 years and older	-2.28735	****	-1.24396	****	-2.42	****
Education (Ref. Completed up to 13 years of schooling)						
Trade certificate	0.01775	*	0.12481	****	0.18125	****
Non-university diploma	0.02909	****	0.14914	****	0.25074	****

Some-university (no diploma)	-0.02646	*	0.15899	****	0.24371	****
Bachelor's degree	0.00471		0.13843	****	0.25420	****
Some Post-Graduate (no diploma)	0.00032		0.08886	****	0.23050	****
Master's degree	-0.01185		0.09096	****	0.20286	****
Doctorate	0.06065	****	-0.06829	****	0.15951	****
Knowledge of official languages (Ref. Neither)						
English	-0.05553	****	0.01642	*	0.01955	*
French	-0.14363	****	-0.39579	****	-0.41813	****
French and English	-0.10817	****	-0.27760	****	-0.27864	****
Region of last permanent residence (Ref. North America)						
Central America,	-0.14816	****	-0.27494	****	-0.21914	****
Caribbean and Bermuda	-0.11954	****	-0.50370	****	-0.43118	****
South America	-0.12656	****	-0.30219	****	-0.21251	****
Western Europe	-0.07835	****	0.00195		-0.04832	*
Eastern Europe	-0.13336	****	0.23064	****	0.25285	****
Northern Europe	0.02203		-0.20208	****	-0.17105	****
Southern Europe	-0.07577	****	-0.10749	****	-0.05448	*
Western Africa	-0.08205	****	-0.26424	****	-0.22817	****
Eastern Africa	-0.01414		-0.44828	****	-0.34886	****
Northern Africa	-0.39568	****	-0.45429	****	-0.54165	****
Central Africa	-0.11021	***	-0.25361	***	-0.23802	**
Southern Africa	0.06268	***	-0.05550	*	0.03277	
Middle East	-0.47751	****	0.00495		-0.27286	****
East Asia	-0.34613	****	-0.46499	****	-0.59363	****
Southeast Asia	0.12195	****	-0.84796	****	-0.68336	****
South Asia	-0.08634	****	-0.14079	****	-0.18226	****
Oceania	0.00496		-0.18778	****	-0.13977	**
N	604,105		604,105		604,105	
Event	526,650		175,015		111,950	
Df	52		52		52	
Likelihood ratio	47,359.9313***		22,837.1126***		15,142.6973***	
* p<0,05						
** p<0,01						
*** p<0,001						
****p<0,0001						

7.2.2 First access to self-employment activities

Columns four and five of Table 7.1 provide regression results of the probability of accessing self-employment activities over time. All the variables included in the model influence the access to self-employment activities; however, their effect is not the same as on paid employment activities. With respect to the **immigration category**, immigrants admitted to Canada under the entrepreneur or self-employed category are more likely to access self-employment activities at any given point in time. **Age at admission** also influence access to self-employment activities.

Immigrants who were aged between 35 and 49 years old at time of admission have a higher probability of accessing self-employment activities compared to those immigrants aged between 18 and 24 years old. Immigrants who were older (i.e., 50 to 65 years old or 65 years or older) at admission time have a lower probability of accessing self-employment activities as compared to the reference group (18 to 24 years old). **Education** also affects the probability of being self-employed over time. All levels of education increase access to self-employment activities with the exception of immigrants with 13 years of schooling or less or immigrants who have a Ph.D. Immigrants who know **English** are more likely to access self-employment activities. Survival regression results also show that immigrants from **Eastern Europe** and immigrants from North America are more likely to access self-employment activities than immigrants from other world regions. With respect to **gender** and **immigration cohorts**, the relationship is the same as the one on paid employment activities: the probability of accessing self-employment activities is higher for men and lower for immigrants admitted in the 1990s.

7.2.3 First access to concurrent paid and self-employment activities

The last two columns of Table 7.1 present survival regression results of the probability of accessing paid and self employment activities concurrently. These results indicate that all the characteristics in the model affect this event, with the exception of the world area of the Middle East. The findings also show that the majority of the characteristics negatively affect the concurrent access to both types of labour market activities. Conversely, only a few characteristics positively affect this transition. More specifically, immigrants admitted to Canada under the self-employed immigration category, men, education, immigrants who have a knowledge of English (marginally with a significance level of 0.0466) and those immigrants coming from Eastern Europe all have a higher probability of accessing both paid and self-employment activities simultaneously. All other characteristics negatively affect the access to both types of activities simultaneously.

7.3 Survival Regressions: Labour Market Activities Duration

Table 7.2 provides the results of three multivariate survival regression models: i) duration of paid employment activities (columns 2 and 3); ii) duration of self-employment activities (columns 4 and 5); and iii) duration of concurrent participation in paid and self-employment activities

(columns 6 and 7). As in the previous section, multiple variables were included in these models, including the immigration category, immigration cohort, gender, age at landing, education, knowledge of official languages and region of last permanent residence.

7.3.1 Duration of paid employment activities

The first two columns of Table 7.2 show the results of the survival regression on the duration of paid employment activities. In terms of **immigration category**, the results indicate a higher probability of exiting paid employment activities among entrepreneurs and self-employed immigrants. Immigrants **admitted in the 1990s** also have a higher failure rate on paid employment activities. Those immigrants admitted in the 2000s are also likely to exit paid employment activities but their parameter coefficients are somewhat smaller. **Women** have a higher probability of exiting paid employment activities more rapidly than men. **Age at admission** influences the duration of paid employment activities. Immigrants who are older at admission have a higher probability of exiting paid employment activities more rapidly. The **education** variable also affects the duration of paid employment activities. Immigrants who have a master degree and those immigrants who have some university (but no degree) are more likely to exit paid employment activities compared to the reference category or those with a trade certificate. Immigrants who have **knowledge of French** are less likely to maintain their paid employment activities compared to those immigrants who have knowledge of English or those immigrants who have no knowledge of official languages. Lastly, the Table 7.2 shows that the probability of exiting paid employment activities is lower for all the world regions except for Central America, Middle East and East Asia for which there was no statistical differences with immigrants coming from North America.

Table 7.2: Survival Regression Results on Duration of Labour Market Activities

Characteristics	Duration of Paid		Duration of Self		Duration of Both	
	Coef.	Sig.	Coef.	Sig.	Coef.	Sig.
Immigration Category (Ref. Federal Skilled Worker)						
Entrepreneur	0.53508	****	0.02630	****	0.10036	****
Self-Employed person	0.45270	****	-0.46823	****	-0.10676	****
Immigration Cohort (Ref. 2008)						
1990 Cohort	1.29580	****	0.64095	****	0.29467	****
1991 Cohort	1.31531	****	0.64298	****	0.28916	****
1992 Cohort	1.25810	****	0.62552	****	0.30782	****
1993 Cohort	0.96063	****	0.52623	****	0.26921	****
1994 Cohort	1.08314	****	0.55266	****	0.28052	****
1995 Cohort	1.06475	****	0.55918	****	0.27774	****
1996 Cohort	1.07635	****	0.55757	****	0.28469	****
1997 Cohort	1.05552	****	0.54917	****	0.27644	****
1998 Cohort	1.02375	****	0.53571	****	0.29609	****
1999 Cohort	1.00619	****	0.52130	****	0.29333	****
2000 Cohort	0.95587	****	0.50511	****	0.29068	****
2001 Cohort	0.91492	****	0.47301	****	0.28371	****
2002 Cohort	0.88806	****	0.46602	****	0.25795	****
2003 Cohort	0.78680	****	0.41976	****	0.25981	****
2004 Cohort	0.70169	****	0.37327	****	0.23698	****
2005 Cohort	0.57782	****	0.32676	****	0.22700	****
2006 Cohort	0.39212	****	0.26681	****	0.17864	**
2007 Cohort						
Gender (Ref. Women)	-0.03123	****	-0.06983	****	0.02015	*
Age at landing (Ref. 18 to 24 years)						
25 to 34 years old	-0.11918	****	-0.05228	***	-0.00797	
35 to 49 years old	-0.18096	****	-0.20871	****	-0.03530	*
50 to 65 years old	0.12058	****	-0.15620	****	-0.01606	
65 years and older	0.51092	****	0.00783		0.27077	
Education (completed up to 13 years of schooling)						
Trade certificate	-0.02592	**	-0.03934	*	-0.02735	
Non-university diploma	-0.00922		-0.00939		-0.03120	*
Some-university (no diploma)	0.08565	****	0.05372	**	-0.02063	
Bachelor's degree	0.01213		0.07030	****	-0.02344	
Some Post-Graduate (no diploma)	0.02155		0.10355	****	-0.04164	
Master's degree	0.07595	****	0.10445	****	-0.04332	**
Doctorate	-0.00754		0.15248	****	-0.14416	****
Knowledge of official languages (Ref. Neither)						
English	-0.04223	****	0.02334	*	-0.04797	****
French	0.09351	****	0.01872		0.02352	
French and English	0.01227		0.06457	****	-0.02162	
Region of last permanent residence (Ref. North)						
Central America,	-0.22133	****	0.15919	****	0.13868	**
Caribbean and Bermuda	-0.30684	****	0.19976	****	0.13069	***
South America	-0.33260	****	0.14433	****	0.13801	****
Western Europe	-0.16000	****	-0.09734	****	0.07438	**
Eastern Europe	-0.30918	****	-0.02732		0.10680	****
Northern Europe	-0.25403	****	0.05255	*	0.10582	****

Southern Europe	-0.36070	****	0.03707		0.11431	****
Western Africa	-0.16016	****	0.21062	****	0.13530	**
Eastern Africa	-0.41593	****	0.16311	****	0.07906	
Northern Africa	-0.03703	*	0.05971	*	0.13874	****
Central Africa	-0.09930		0.20295	*	0.05476	
Southern Africa	-0.42298	****	0.07950	*	0.13285	***
Middle East	0.01213		0.07656	**	0.15277	****
East Asia	-0.00817		0.06390	**	0.19017	****
Southeast Asia	-0.76545	****	0.18292	****	0.06558	*
South Asia	-0.13952	****	0.18151	****	0.16724	****
Oceania	-0.03417		0.15352	****	0.12308	**
N	493,965		160,300		101,810	
Event	241,420		120,605		91,665	
Df	51		51		51	
Likelihood ratio	26,799.2456****		3,783.5532****		507.7395****	
* p<0,05						
** p<0,01						
*** p<0,001						
****p<0,0001						

7.3.2 Duration of self-employment activities

Although the failure rate in self-employment activity is fairly high (50 per cent after two years), there are some characteristics that influence a longer duration. The immigration category has a significant impact on self-employment activities duration. Immigrants admitted to Canada under the self-employed category have a lower probability of exiting self-employment activities than immigrants admitted under the federal skilled worker and entrepreneur immigration categories. Similarly to the regression results obtained for paid employment activities, immigrants **admitted in the 1990s** also have a higher failure rate on self-employment activities. Those immigrants admitted in the 2000s are also likely to exit self-employment activities but their parameter coefficients are again smaller. **Women** have a higher probability of exiting self-employment activities as compared to men. Immigrants who were **between 18 and 24 years old** at time of admission are more likely to exit self-employment activities at any point in time. Immigrants with a trade certificate have a lower probability of exiting self-employment activities whereas immigrants who have higher level of education have a higher probability of exiting self-employment activities. With respect to the **knowledge of official languages**, immigrants who have some knowledge of English or immigrants who have some knowledge of both English and French have a higher self-employment failure rate than those who have no knowledge of official

languages. The region of last permanent residence also impacts the probability of exiting self-employment activities. Immigrants from Western Europe are the only ones who have a lower probability of exiting self-employment activities compared to the reference group. In other words, immigrants from Western Europe are more likely to remain in self-employment activities for a longer period of time.

7.3.3 Duration of both paid and self-employment activities

The last two columns of Table 7.2 present survival regression results of the probability of not receiving both paid and self-employment income simultaneously after a first access to this type of activities. The results indicate that only a few characteristics increase the duration of being paid and self-employed simultaneously. More specifically, immigrants admitted under the self-employed immigration category, men, immigrants who were aged between 35 and 49 years old at admission, immigrants who have a non-university diploma or those with a master or PhD degree and immigrants who have knowledge of English are characteristics that lower the exit rate. The remaining statistically significant variables of the model decrease the duration of being simultaneously paid and self-employed. Hence, immigrants admitted under the federal skilled worker or the entrepreneur programs, all immigrants admitted prior to 2007 (even more so for the 1990's cohorts), and immigrants from all world areas are less likely to remain in paid and self-employment activities concurrently for a longer period of time.

7.4 Alignment with the theory

Several theoretical points can be developed about the empirical relations reveal in sections 7.2 and 7.3. The following section provides such explanations.

7.4.1 Theoretical Explanation: Paid Employment

The findings on the access to paid employment activities suggest that immigrants admitted under the **federal skilled worker category** have greater probability of having paid employment compared to immigrants admitted under the business immigration category (entrepreneur and self-employed programs). The findings on the duration also indicate that federal skilled worker immigrants have a lower probability of exiting employment activities. These findings are not surprising as skilled worker immigrants have been selected in order to address structural long-

term market needs or current labour market needs. It is thus expected that they would be active in the Canadian labour market fairly rapidly and on a continuous basis. On the other hand, immigrants admitted under the business immigration category (entrepreneur and self-employed programs) have been selected in order to stimulate the Canadian economy through a business activity and would be expected to have a lower probability of accessing paid employment activities. This is consistent with the human capital theory, as federal skilled worker immigrants were selected based on criteria favourable to the Canadian workforce.

Very much aligned with the literature on immigrants' employment activities, again with the **human capital theory**, the current findings indicate that: i) younger immigrants will have a faster access to and a longer duration in employment activities; and ii) those immigrants with higher level of education have higher probability of accessing employment activities. The exception is immigrants with some university but with no diploma who have lower probability of accessing employment. This can be explained by the fact that they may not be qualified tradespersons and they may not have a specific expertise. Regarding the duration in employment activities, immigrants who have completed up to 13 years of schooling or those with a trade certificate will have a longer continuous duration in employment. Given their lower human capital, they tend to stay longer in employment activities rather than experiencing self-employment activities or concurrent paid and self-employment activities which require higher human capital.

Macro-economic conditions²⁴ have been identified in the literature as an influencing variables for the different labour market strategies. The Canadian labour market conditions in the 1990s were more difficult and hence less favourable for the Canadian workforce compared to those in the 2000s. 1990 marked the beginning of a recession period in Canada, and this made it difficult for immigrants to find employment (Citizenship and Immigration Canada, 2012). As a result, if we accept that the immigration cohort is a proxy of the economic conditions in Canada,

²⁴ Among the structural conditions is the state of the economy at the time of arrival of immigrants.

immigrants admitted during the 1990s have a lower probability of accessing employment activities and a higher probability of exiting more rapidly.

One would expect that having some **knowledge of the Canadian official languages** would allow immigrant to find employment more rapidly and to have a longer continuous duration than if they do not have any knowledge of Canadian official languages. However, the current findings suggest the opposite; those with no knowledge of official languages access more rapidly and remain in continuous employment activities longer. This could be explained by the fact that, since immigrants have to survive economically, those who are more vulnerable may take available jobs as opposed to searching for an employment related to their credentials and experience.

Immigrants from South Africa and Southeast Asia have higher probability of accessing employment activities more rapidly than immigrants from North America. The literature on employment activities and visible-minority groups (Hum & Simpson, 1999; Pendakur & Pendakur, 1998; Baker & Benjamin, 1997) indicates that immigrants belonging to visible-minority groups face discrimination in the Canadian labour market, and consequently, they have significantly lower earnings compared to white Canadians. Although the current findings may be surprising at first given the literature on visible minority, the more rapid access to employment activities could be explained by the fact that these two visible-minority groups are willing to take any job following their arrival to Canada and this would also explain the lower earnings. Regarding the duration, immigrants from North America tend to remain in continuous employment activities for a longer period.

7.4.2 Theoretical Explanation: Self-Employment

As expected, the findings on the access to self-employment activities indicate that immigrants admitted under the **federal skilled worker category** are less likely to access self-employed activities compared to immigrants admitted under the business immigration category (entrepreneur and self-employed programs). As explained in Chapter 2, immigrants admitted under the entrepreneur and self-employed categories have been selected to stimulate the

Canadian economy through the creation of a business or through self-employment activities. These findings suggest that certain immigrants access self-employment activities by choice. Immigrants admitted under the entrepreneur or self-employed categories have decided to be active in the Canadian labour market through self-employment activities even before being admitted to the country. In addition, immigrants admitted under the business immigration categories have higher capitals needed for entrepreneurial activities, including the business experience and personal net worth. This also explains why business immigrants access self-employment activity more rapidly and, in the case of immigrants admitted as self-employed, remain in that type of activity for a longer period of time. These findings are aligned with the original intention of the program: to select immigrants who have the intention and capacity to be self-employed in Canada.

However, why do immigrants admitted under the entrepreneur category have not a higher probability of remaining longer in this type of activity? Glover and Si Sim (2001) have suggested that immigrants admitted under the entrepreneur category use this program simply as a means to be admitted to Canada without a real intention of continuing to operate a business once their terms and conditions are fulfilled. These findings suggest that there are individual characteristics, beyond the sense of belonging to an ethnic group and the structural conditions, which may explain why immigrants engage in self-employment activities.

Macro-economic conditions: Many research studies indicate that structural conditions influence the probability of entering into self-employment activities. Good economic conditions provide more business opportunities and favour the establishment of entrepreneurial activities. The current findings suggest that the macro-economic conditions in the 1990s (which was the start of an economic downturn) also negatively impacted the access to and the duration in self-employment activities. Immigrants **admitted during the 1990s** have a lower probability of accessing and remaining in self-employment activities than those immigrants admitted in the 2000s as good economic conditions favour opportunities for business activities.

Strongly aligned with the literature suggesting that higher human capital will increase the probability of being self-employed, the current findings indicate that: **younger** immigrants and those with **higher level of education** have higher probability of being self-employed, with the exception of immigrants holding a doctorate degree who have a lower probability of accessing self-employment. This could be explained by the fact that immigrants with a doctorate may have a highly specialized profession and therefore are less likely to be self-employed. Relating to the duration, younger immigrants (those between 18 and 24 years old) tend to adopt different labour market strategies. These young immigrants are comprised of relatively inexperienced worker/self-employed persons and this explains this short duration in self-employment activities. More educated immigrants have a higher rate of exiting self-employment activities, presumably because they have more transferable skills and knowledge to adapt to a changing labour market.

The findings on **knowledge of official languages** may appear to be somewhat confusing. The current findings indicate that immigrants with knowledge of both official languages and/or those with knowledge of only French have a lower probability of accessing self-employed more rapidly than those immigrants with English or no knowledge of the official languages. These findings suggest that having some English knowledge increases the access to self-employment activities. Effectively, one would assume that being able to communicate with the larger population is essential in order to establish a business. Perhaps surprisingly, findings also indicate that those immigrants who lack any knowledge of official languages are more likely to be involved in self-employment activities. However, this finding is aligned with the block mobility theory which suggests that, through the migration process, immigrants will lose some of their human capital, such as the ability to speak the dominant language, and that this will in turn have a negative impact on the initial access to paid employment. As a result, immigrants are forced to enter into entrepreneurship activities. In other words, immigrants with less human capital will have greater challenges accessing the labour market and may turn to self-employment activities as a strategy to survive economically.

Similar findings are seen for the duration in self-employment activities. Immigrants with no knowledge of English and French tend to have a longer continuous period of self-employment

activities compared to those immigrants who have some knowledge of English or both English and French. The impact of this variable on the duration could be explained by the fact that immigrants who do not have knowledge of Canadian official languages are not able to find employment precisely because of their lack of knowledge of Canadian official languages and are therefore forced to stay in self-employment activity for self-preservation. On the other hand, immigrants who have some knowledge of English or both English and French are more mobile and can therefore, adapt to a changing labour market.

The findings showed that immigrants from **Eastern Europe** are more inclined toward self-employment activities than those from all other countries, followed by immigrants from **North America**. In addition, immigrants from Western Europe are more likely to remain longer in self-employment activities, followed by immigrants from North America. (There is no statistical difference between Eastern Europe and North America). Li (2001 p.1124-1125) has suggested that Canadian immigrants who immigrated from specific Europe regions and from the United States have conditions which are favourable to self-employment. His findings indicated that, since immigrants from those countries are more likely to be white and less likely to have developed immigrant enclaves, “there are conditions which are conducive to self-employment besides the enclave effect and the block mobility effect”. He suggested that in order to be self-employed in Canada, there is a minimum of resources required and those immigrants from Europe and United States would have the knowledge and resources required given the proximity of their country. This includes a good understanding of Canadian institutions and markets, sufficient financial resources, experience and higher capital (investment and human).

7.4.3 Theoretical Explanation: Concurrent Paid and Self-Employment

Findings on the access to concurrent paid and self-employment activities indicate that the majority of the characteristics under review negatively affect the access to and the duration of concurrent paid and self-employment activities. Only a few characteristics positively affect the access to and the duration of concurrent paid and self-employment activities: being admitted under the self-employed immigration category, gender, education and world region prior to immigration. Immigrants admitted under the **self-employed category** are more likely to be

employed and self-employed simultaneously and to remain in this type of labour market activities. There are very specific criteria that allow admission under this category: immigrants have to demonstrate their ability and intention of creating their own employment in Canada and must contribute to the Canadian economy by either operating a farm in Canada or by contributing to the cultural or athletics life of Canada. Aside from the farming stream, the other two streams (cultural and athletics) can be very broad, including the following professions: hockey player, soccer player, photographer, journalist, musician, etc. Therefore, it would not be surprising that a self-employed immigrant would concurrently access paid and self-employment activities. For example, a musician could have multiple contracts to play in pubs in the evening but also have a paid employment during day time. In other words, immigrants admitted as self-employed may rely on paid employment revenue to complement their principal revenue (i.e., their self-employment revenue).

The findings on education show that only those immigrants who have completed up to 13 years of schooling are less likely to access and are the least likely to have a longer duration in concurrent paid and self-employment activities. The results indicate that immigrants with a lower level of education not only have a lower probability of access to employment or self-employment as non concurrent activities but also to concurrent activities. Immigrants with lower level of education face challenges when entering into the Canadian labour market. These findings suggest that higher human capital increases the probability of being employed, self-employed or both concurrently and that lower human capital decreases this probability.

An interesting question is why would **Eastern European** be more inclined toward concurrent paid and self-employment activities? Since they already have been cited as successful self-employed person in the literature, one possible hypothesis is that they own an unincorporated business and are able to pay themselves a salary, thus identifying them as accessing paid and self-employment activities concurrently, as opposed to needing to complement their self-employment revenue with a concurrent employment revenue. Unfortunately, the current analysis does not allow for a much finer analysis to confirm or inform this hypothesis.

Regarding the duration, immigrants from all world areas have a shorter duration in concurrent paid and self-employment activities compared to immigrants from North America.

CHAPTER 8: SUMMARY AND CONCLUSIONS:

8.1 Introduction

The purpose of this study has been to examine to what extent immigrants adopt different labour market strategies following their admission to Canada; and more specifically, to determine the rate of access to labour market activities for immigrants, the length of their stay in specific types of labour market activity and the determinant factors for such events.

The literature review on immigrant's self-employment activities has limited the debate to the leading factors contributing to this type of activity. Much research on the subject aimed to investigate the determinant characteristics to becoming self-employed and to determine whether the block mobility thesis and the ethnic enclave theory prevails. For that purpose, researchers have compared immigrants who became self-employed with those who did not, studying the immigrant's labour market strategy in a dichotomised way. This focus created a research gap; researchers have ignored how self-employment may be used by immigrants as an alternative or complementary strategy for accessing a new labour market. Since the findings of this research demonstrated that a little more than 25 per cent of the population under review is likely to adopt such a strategy, this has reinforced the need to analyse self-employment activity as a concurrent activity to employment activity.

The IMDB is a longitudinal data source that allowed for the study of the labour market behaviour over time. Given the richness of the information within this database, it was possible to examine the access to and the duration of paid employment activities, self-employment and the concurrent activities. Not only did the IMDB make it possible to study the labour market activities in a dynamic fashion, but it also made it possible to take into consideration the immigration categories under which immigrants were admitted, their immigration cohort, and other key characteristics.

With such detailed information, three main statistical analyses were performed: basic descriptive analysis, survival tables and survival regressions. The population under review consisted of immigrants admitted under the entrepreneur, self-employed and skilled worker immigration categories, 18 years of age or older, who landed in Canada between 1990 and 2008 and who had filed at least one tax report during that same time period. The descriptive analysis indicated that immigrants admitted under the entrepreneur and self-employed immigration categories were generally older, less educated, had less knowledge of Canada's official languages and came from less diverse countries when compared to the skilled worker immigration category. In addition, there were fewer women being accepted under the business immigration categories compared to the federal skilled worker category.

8.2 Summary of the Findings Regarding Income Sources for Immigrants

In term of their economic profile, immigrants admitted as self-employed reported a higher incidence of self-employment income, as well as a higher level of gross self-employment income in 2008, followed by immigrants admitted under the entrepreneur and the skilled worker categories. The percentage of immigrants admitted under the business immigration categories who reported self-employment income decreased with the length of time in Canada. The highest percentage for both categories was in the fourth year following their admission, which seems to coincide with the date that the terms and conditions are terminated (i.e., immigrants admitted under the entrepreneur category have conditions to respect within their first three years in Canada). This suggests that there is a misuse of the program in that immigrants may not have the intention of pursuing business-type activities once they have fulfilled their requirements during the first three years. In other words, immigrants admitted under the entrepreneur category may plan to stop their entrepreneurial activities as soon as their terms and conditions are removed. However, the findings for immigrants admitted as skilled workers show a reverse trend: the percentage of skilled worker immigrants reporting self-employment income increased with the length of time in Canada.

With regard to the incidence of concurrent paid and self-employment activities, the trends vary by time of arrival and immigration categories. Federal skilled worker immigrant who had been in

Canada for a longer period of time had a higher incidence of concurrent activities. However, for immigrants admitted under the self-employed category, those who had been in Canada for a shorter period of time had a higher incidence of concurrent activities.

Finally, the analysis of the economic profile of immigrants allowed for an investigation of their reliance on employment insurance and social assistance. The findings indicated that the incidence rates were generally low for all immigration categories. Federal skilled worker immigrants had a higher incidence rate for these two economic indicators in 2008 (compared to the business immigration categories) although their incidence rate tended to decrease over time.

8.3 Summary of Findings on Strategies Adopted by Immigrants

The following section presents a summary of the key findings on the strategies that immigrants adopt when entering the Canadian labour market. Three specific labour market integration strategies were examined: access to and duration of paid employment activities; access to and duration of self-employment activities; and access to and duration of concurrent labour market activities. The results of the current research demonstrate that the access to concurrent labour market activities (paid and self-employment activities) is a labour market strategy adopted by 27 per cent of economic immigrants when entering the Canadian labour market. Although immigrants adopted this hybrid strategy to a lesser degree than other strategies (i.e., 92 per cent adopted non-concurrent paid activities and 40 per cent adopted self-employment activities), the percentage is still significant since approximately one economic immigrant out of four adopt such a strategy.

While economic immigrants have accessed concurrent paid and self-employment activities, the duration of continued concurrent activity is very short as 50 per cent of the immigrants who had accessed such activity exited after only one year. These findings suggest that this labour market strategy of concurrent paid and self-employment activities is very volatile. Immigrants do not tend to use this strategy on a continuous basis; they do not remain in both types of activity for a long continuous period of time. Only a few characteristics positively affected the access to and the duration in concurrent paid and self-employment activities: being admitted under the self-

employed category, being a woman, being more educated and coming from an Eastern European country.

The current findings set the ground for a new generation of theories on the subject of immigrant self-employment activities.

As described in previous chapters, the four traditional approaches to self-employment limited the debate around why immigrants are driven or attracted to self-employment. Among the most established theories were the Block mobility and ethnocultural theses. The first thesis argues that restrictive opportunities in the Canadian labour market drive immigrants into self-employment, whereas the second theory suggests that immigrants are culturally induced to entrepreneurship.

The findings of the current dissertation suggest that while the traditional theories of immigrant entrepreneurship have helped to explain self-employment activities in the past, they do not adequately account for concurrent self-employment and employment activities in the current Canadian economy.

The current findings suggest that researchers need to revisit the meaning of self-employment activity in today's global economy and knowledge-based environment. Researchers should not take for granted that self-employment is a dichotomous phenomenon. This new understanding of self-employment as a concurrent activity suggests that self-employment is not as clearly defined as previously envisaged.

Given these considerations, researchers also need to revisit the potential explanation of self-employment activities to include some of the employment theories in the debate. One such theory that could be considered is the human capital theory (Becker, 1964), given how the self-employment and employment activities overlap.

8.4 New Contribution to the Field and Recommendations for Future Research

This thesis contributes to the field of Sociology from both an empirical and a theoretical perspective. In terms of its empirical contribution, it was demonstrated in the literature review that previous research had not considered the concurrent (paid and self-employment) activities when analysing the different labour market strategies. However, the current study demonstrated

that this strategy was significant, as one quarter of the economic immigrants will adopt it as they enter the Canadian labour market. Although this strategy is somewhat considerable given the probability of access over time, the duration is extremely short for the majority of immigrants (i.e., 61 per cent will exit after one year and 78 per cent after two years).

In terms of its theoretical contribution, the findings of this thesis indicated that the traditional theories on self-employment activities are inadequate to explain concurrent self-employment activities and paid employment activities. There is a need to develop contemporary theories around this new concept of concurrent labour market activities that would take into consideration self-employment and employment theories as well as immigrants' adaptive integration capacity.

The present research does not claim to have done a comprehensive examination of the subject; more research is needed to better understand the dynamic between the different labour market strategies. Future work on the subject could improve the regression model used for this study by including other controlling variables such as provincial unemployment rates over time and previous employment income. In addition, future work could also focus on the sequence of events over time and their duration. Most importantly, it would be crucial to document and analyse qualitatively all of these events, since qualitative analysis allows for a more in-depth understanding.

8.5 Policy Implications

A better understanding of the entrepreneurial activities of economic immigrants is of particular policy interest, given that enough time has passed to allow for an analysis of the implementation of the 2002 immigration policies as well as the current hiatus in the intake of entrepreneurs while the program is being redesigned. The current findings suggest that the business immigration categories are experiencing some serious challenges as immigrants admitted under these categories are not achieving the expected results set by the Canadian government.

There is a disconnect between the socio-demographic characteristics of immigrants admitted under the two business categories examined in this dissertation and the conducive factors to entrepreneurial activities. This suggests that higher human capital favours entrepreneurial activities. As demonstrated in Chapter 5, business immigrants are typically older at admission time (compared to skilled worker immigrants), they have lower levels of education and almost half of them do not speak either of Canada's official languages.

Immigrants admitted under the self-employed and entrepreneur categories have been selected under the premise of being able to create their own employment or their own business in Canada and not under the premise of participating in the labour force. The current findings indicate that up to 50 per cent of immigrant entrepreneurs and up to 47 per cent of the self-employed immigrants have reported employment income in 2008 in comparison to a maximum of 28 per cent and 44 per cent reporting self-employment income in the same tax year. This lower proportion of business immigrants reporting self-employment income suggests that the program may not be meeting its original objectives. Evidently, while the policy may have changed over time, the policy outcomes have not. This is evident in the fact that federal skilled worker and entrepreneur immigrants of the early 1990s cohort (from 1990 to 1996) had very similar (low) incidence of self-employment activities in 2008 (in the range of 16 per cent). Moreover, the findings indicated the 2004 cohort had the highest incidence rate and the percentages slowly decreased thereafter. In other words, entrepreneur immigrants tended to be engaged less in self-employment activities beyond the fourth year following their arrival, suggesting that once they have met their terms and conditions, they have less incentive to remain in this type of activity. Finally, although the regression analysis indicated that immigrants admitted under the two business immigration categories are more likely to access self-employment activity, the regression results on the duration indicated that entrepreneurs have a higher probability of exiting than staying in this type of activity.

These findings show how economic immigrants from different immigration categories can adopt different labour market integration strategies which do not necessarily align with the programs' objectives. This, in turn, suggests that, in a global competitive environment, prospective economic immigrants have options (in terms of the country of destination and in terms of the

immigration categories) and can make decisions based on these options and their human capital. However, once in Canada, their capacity to adapt to the Canadian labour market will vary based on their socio-demographic characteristics.

Given all of these challenges, the Government of Canada should take into account the different strategic behaviours of immigrants and analyse the full impact of these behaviours on the existing policy of the entrepreneur and self-employed immigration categories, as there are many unintended program impacts.

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ANNEXE I: LIST OF COUNTRIES OF LAST PERMANENT RESIDENCE

1) North America

461	United States
521	Greenland
531	Saint Pierre and Miquelon

2) Central America

501	Mexico
541	Belize
542	Costa Rica
543	El Salvador
544	Guatemala
545	Honduras
546	Nicaragua
547	Panama
548	Panama Canal Zone
549	Central America - NOT ELSE STATED

3) Caribbean and Bermuda

601	Bermuda
602	Jamaica
605	Trinidad and Tobago
610	Barbados
620	Anguilla
621	Antigua and Barbuda
622	Bahamas
624	Cayman Islands
625	Dominica
626	Grenada
627	Montserrat
628	Nevis
629	Saint Kitts and Nevis
630	Saint Lucia
631	Saint Vincent and the Grenadines
632	Turks and Caicos Islands
633	Virgin Islands, British
650	Cuba
651	Dominican Republic
652	Netherlands Antilles
653	Guadeloupe
654	Haiti

655	Martinique
656	Puerto Rico
657	Virgin Islands, U.S.
658	Aruba
699	West Indies – NOT ELSE STATED

4) South America

703	Argentina
709	Brazil
711	Guyana
721	Chile
722	Colombia
723	Peru
724	Uruguay
725	Venezuela
751	Bolivia
752	Surinam
753	Ecuador
754	French Guiana
755	Paraguay
799	South America – NOT ELSE STATED
912	Falkland Islands

5) Western Europe

011	Austria
012	Belgium
013	Luxembourg
022	France
024	Germany, Federal Republic of
031	Netherlands
041	Switzerland
046	Germany
086	Liechtenstein
087	Monaco

6) Eastern Europe

042	Union of Soviet Socialist Republics
014	Czechoslovakia
015	Czech Republic
016	Slovakia
018	Estonia
019	Latvia
020	Lithuania

026	Hungary
033	Poland
051	Belarus
055	Moldova, Republic of
056	Russian Federation
059	Ukraine
083	Bulgaria
088	Romania

7) Northern Europe

001	United Kingdom
017	Denmark
021	Finland
032	Norway
040	Sweden
085	Iceland

8) Southern Europe

025	Greece
028	Italy
030	Malta
034	Portugal
035	Azores
036	Madeira
037	Spain
039	Canary Islands
043	Croatia
044	Yugoslavia
047	Slovenia
048	Bosnia and Hercegovina
061	Serbia and Montenegro
062	Serbia
063	Montenegro
070	Macedonia
081	Albania
082	Andorra
084	Gibraltar
089	San Marino
090	Vatican City State

9) Western Africa

160	Benin
164	Gambia

165	Ghana
166	Guinea
167	Guinea-Bissau
169	Ivory Coast
170	Liberia
173	Mali
174	Mauritania
176	Niger
177	Nigeria
180	Senegal
181	Sierra Leone
187	Togo
188	Burkina Faso
911	Cape Verde
915	Saint Helena

10) Eastern Africa

111	Malawi
112	Zambia
113	Zimbabwe
130	Tanzania, United Republic of
132	Kenya
136	Uganda
154	Burundi
161	Ethiopia
162	Eritrea
172	Madagascar
175	Mozambique
179	Rwanda
182	Somalia
183	Djibouti
902	Mauritius
903	Réunion
904	Seychelles
905	Comoros
906	Mayotte

11) Northern Africa

101	Egypt
131	Algeria
133	Morocco
135	Tunisia
171	Libya
184	Western Sahara

185	Sudan
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12) Central Africa

151	Angola
155	Cameroon
156	Chad
157	Central African Republic
158	Congo, The Democratic Republic of the
159	Congo
163	Gabon
178	Guinea, Equatorial
914	Sao Tome and Principe

13) Southern Africa

121	South Africa
122	Namibia
152	Lesotho
153	Botswana
186	Swaziland

14) West Central Asia and Middle East

045	Turkey
049	Armenia
050	Azerbaijan
052	Georgia
053	Kazakhstan
054	Kyrgyzstan
057	Tadjikistan
058	Turkmenistan
060	Uzbekistan
206	Israel
208	Lebanon
210	Syria
213	Occupied Palestinian Territory
221	Cyprus
223	Iran
224	Iraq
225	Jordan
226	Kuwait
231	Saudi Arabia
252	Afghanistan
253	Bahrain
263	Oman

265	Qatar
273	Yemen
274	Yemen, People's Democratic Republic of
280	United Arab Emirates

15) Eastern Asia

198	Macau Sar
200	Hong Kong (SAR)
202	China
203	Taiwan
204	Hong Kong
207	Japan
257	Korea, North
258	Korea, South
261	Macao
262	Mongolia

16) Southeast Asia

222	Indonesia
227	Philippines
241	Myanmar
242	Malaysia
246	Singapore
255	Brunei
256	Cambodia
260	Laos
267	Thailand
270	Vietnam
271	North Vietnam
916	East Timor

17) South Asia

201	Sri Lanka
205	India
209	Pakistan
212	Bangladesh
254	Bhutan
264	Nepal
266	Sikkim
268	Tibet
901	Maldives

18) Oceania

305	Australia
339	New Zealand
341	Nauru
342	Papau New Guinea
343	Papau
801	Fiji
821	Southern Antarctic Territories
822	New Caledonia
823	Vanuatu
824	Salomon Islands
825	Solomon Islands
826	Tuvalu
830	Commonwealth of the Northern Mariana Islands
831	Kiribati
832	Guam
833	Marinas
834	Marshall Islands
835	Micronesia, Federated States of
836	Palau
840	Cook Islands
841	Wallis And Futuna
842	Pitcairn
843	Samoa, American
844	Samoa
845	French Polynesia
846	Tonga
899	Ocean - NOT ELSE STATED
