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The Impact of Economic Selection Policy on Labour Market Outcomes for Degree-Qualified Migrants in Canada and Australia

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Diversity, Immigration and Integration / Diversité, immigration et intégration

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This series comprises individual *IRPP Choices* and *IRPP Policy Matters* studies on Canadian immigration policy and its challenges, and also on other countries' immigration and refugee policies. Issues discussed in this research program include the relationship between sovereignty and economic integration, security and border control, and reconciliation of economic and humanitarian objectives.

Cette série comprend des études *Choix IRPP* et *Enjeux publics IRPP* qui portent sur la politique canadienne d'immigration et ses nouveaux défis, mais également sur les différentes politiques d'immigration et de protection de réfugiés partout au monde. Les questions abordées dans ce programme de recherche touchent aux rapports entre souveraineté et intégration économique, sécurité et contrôle des frontières, conciliation des objectifs économiques et humanitaires.

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The Policy Context

Economic migration trends

Global migration is a defining phenomenon of the early twenty-first century. Migration embraces every category of people – skilled and unskilled, family member and refugee, legal and illegal, permanent and temporary. Temporary people movement is rising markedly. The relative accessibility of one immigrant-receiving country may lower the number of immigrants seeking to enter another. Given the dynamism of these trends, the few nations with active[1] immigration programs are constantly obliged to modify their entry policies, while encountering "difficulties in harnessing their immigration programs to achieve diverse and often incompatible policy goals...to utilise immigration selection procedures to ensure positive outcomes in a diverse range of policy areas: economic development, human resource development, population and foreign affairs" (Stahl, Ball, Inglis and Gutman 1993, xiv).

Canada and Australia are global exemplars of nation building through government planned and administered economic, family and humanitarian migration programs. By 2005, Australia had the world's highest percentage of foreign-born residents (24.6 percent of the population, representing over 240 nationalities), followed by Canada at 19.2 percent and the United States at 11.7 percent (Miller 2005). Over the past decade, both Canada and Australia have placed extraordinary emphasis on the recruitment of migrants with skills (Organisation for Economic Co-operation and Development [OECD] 2006, 2008). In 2004, Canada selected 133,746 people in the economic category – in particular, it took substantial numbers of points-tested principal applicants (PAs) qualified in the professions. Skilled migrants

* This IRPP Choices is an abridged, revised and updated version of a study commissioned by Statistics Canada, Citizenship and Immigration Canada, and Human Resources and Social Development Canada, entitled "Labour Market Outcomes for Migrant Professionals: Canada and Australia Compared" (Hawthorne 2007a). Like all papers in the series, it has been peer reviewed by two anonymous referees.

constituted 59.6 percent of the total planned intake (224,346 people) at this time, far exceeding the targets set for family (51,500 to 56,800) and humanitarian (30,800 to 33,800) entrants. By 2005, the number of economic migrants to Canada had risen to 156,310 (counting business immigrants and provincial/territorial nominees), and an estimated 138,193 were due to arrive in 2006 (Cardozo and Guilfoyle 2007; Citizenship and Immigration Canada 2007). The proportion of economic migrants selected by Australia in 2004-05 was virtually identical to that selected by Canada (58 percent), including 77,800 applicants out of a permanent migrant/humanitarian intake of 133,000 people.

Australia's preference for economic migrants has remained dynamic, with targets of 97,500 achieved for 2005-06 and 2006-07, and 102,500 set for 2007-08 — the largest in the country's history (Birrell, Hawthorne and Richardson 2006; Australia, Department of Immigration and Citizenship 2007a, 2008). Canada's current immigration program allocates 138,257 places for economic migrants out of a total annual quota of 240,000 to 265,000 (reduced to about 57 percent), including 67,000 places for skilled workers, 22,000 for provincial nominees and up to 12,000 for those in the new Canadian Experience Class (Mamann 2007). It is important to note here the decreasing proportion of landed immigrants derived from OECD nations by both countries, a trend associated with the growing problem of overqualification (OECD 2008).[2]

In March 2007, Canada's first release of 2006 Census data confirmed the significance of migration to the country's population growth and economic development in a context where "[i]mmigration and an unprecedented economic boom in Alberta fuelled a population surge in the country that outpaced every other G8 industrialized nation from 2001 to 2006, including the United States" (Weeks and Leong 2007, 1). Between 2001 and 2006, Canada's population grew by 1.6 million, despite a declining fertility rate of 1.5 — close to two-thirds of this a consequence of recent migration. The impact of migration flows was striking in Toronto, Montreal, Vancouver and to a lesser extent Calgary, with 90 percent of all national growth concentrated in cities (O'Neil 2007). According to Brean,

> Of the 1.2 million international immigrants over the five year census period, fully half went to Ontario. Roughly 44% of immigrants to Canada are female, a proportion that has been increasing by about one percentage point a year. The 10 largest source countries are, in order: China, India, Philippines, Pakistan, United States, Colombia, United Kingdom, South Korea, Iran and France...Canada plans to admit between 240,000 and 265,000 immigrants in 2007. Of those about 60% are to be economic class, meaning skilled workers, 25% family class, and 15% protected persons. (2007, A4)

Differences in Canadian and Australian economic migration policy, 1999 to the present

Within this context, Canada competes for economic migrants with Australia and other Western nations, as well as with select parts of Africa, Asia and the Gulf States. In the recent period, to address the needs of their knowledge economies, Canada and Australia have:

- Prioritized economic migration
- Diversified immigrant source countries and skill levels
- Utilized points systems designed to improve selection objectivity while maximizing employment outcomes
- Strengthened regional initiatives to encourage more geographically dispersed settlement patterns through policy input and expanded settlement options
- Enhanced scope for two-step migration (the transition from temporary to permanent status)
- Attempted to minimize program abuse through the introduction of more coherent and transparent selection systems

While both Canada and Australia use points-based selection criteria designed to support economic category development and growth (based on a system devised by Canada in the 1970s), it is essential to note the sharp divergence in the strategies used that has emerged in the past decade. According to a recent paper,

> The human capital model...has dominated Canada's selection of skilled migrants — endorsed in its most recent migration review (2002), and standing in sharp contrast to Australia's intensification of screening for select employment attributes. While education level matters for principal applicants, field and place of qualification do not, in a context where labour market demand is seen as hard to predict and 'individuals can expect to have several careers over their working lives.' According to Hiebert (2006) the prevailing Canadian view is that 'well-trained flexible individuals...who have experience in the labour force' should be able to 'adapt to rapidly changing labour market circumstances.' In consequence 'general' rather than 'specific' competence is sought — Canadian selection criteria admitting PAs with limited host country language skills, non-recognised qualifications, and in fields of minimal labour market demand on an equal basis to those with more immediately sought after attributes. (Birrell, Hawthorne and Richardson 2006; 130-1)

While Canada's *Immigration and Refugee Protection Act, 2002* (IRPA) heralded economic selection changes, in the view of a number of senior Canadian officials interviewed for this study it represented a lost opportunity to re-examine the fundamentals and grapple with global realities (though views do vary on this). Key IRPA modifications included:

- Heavier weighting for educational qualifications (to a maximum of 25 points), with years of schooling taken into account and several bonus points for doctoral-level degrees
- Reduced points for work experience (a measure designed to encourage the entry of recent tertiary-educated graduates)
- Increased points for host-country language ability
- Extension of the age range for which points are awarded (up to age 53)
- Modest capacity for temporary entrants to shift to permanent resident status in the context of a clear preference for permanent migration (Citizenship and Immigration Canada 2002)

Despite such innovations, after the IRPA all foreign credentials were still treated as equal to each other for selection purposes — the certainty of differential recognition rates in Canada notwithstanding (OECD 2007; Kustec, Thompson and Li 2007). There was no mandatory requirement for host-country language testing or defined levels of English/French competency, with self-assessment by applicants still allowed. Substantial points were still allocated to work experience (close to one-third of the total required), despite research evidence confirming "very substantial decline in the economic return to pre-Canadian labour market experience" (particularly when gained in non-OECD nations) (Sweetman 2004, 8; OECD 2008; Aydemir and Skuterud 2005). For a comprehensive comparison of Canada's and Australia's points systems in 2005, see the appendix, which also includes further details of the selection criteria of the United Kingdom and New Zealand.

Over the past 10 years, Australia, in marked contrast to Canada, has largely abandoned the human capital model for selecting economic migrants (though some vestiges remain). From 1980 to 1996, researchers had consistently identified inferior labour market outcomes for professionals from non-English-speaking-background (NESB) source countries. Between 1986 and 1991, 91,193 degree-qualified migrant professionals arrived in Australia, in addition to the 39,239 migrants who arrived with diplomas. By 1991, the overseas-born constituted 49 percent of Australia's mechanical engineers, 48 percent of its electrical/electronic engineers, 43 percent of its computer professionals and 40 percent of its doctors — and the proportions in other key professions were rising. Within one to five years of arrival, however, just 30 percent of these degree-qualified migrants were employed; few diploma holders from the same migration period found work in any profession (Birrell and Hawthorne 1997). Labour market outcomes remained disappointing for many migrants long settled in Australia: just 41 percent of 1981-85 and 49 percent of 1986-91 degree-qualified arrivals found professional work, and NESB workers were invariably disadvantaged.

The election of Australia's Liberal government under John Howard in 1996 coincided with a profound selection policy shift from altruism to pragmatism (Hawthorne 2005). While Australia's family and humanitarian migration intakes were endorsed for serving broad social purposes, high and persistent unemployment among recently arrived skilled migrants was perceived to undermine the effectiveness of the economic migration program — one explicitly devised in 1988 to support Australia's economic development (Committee to Advise on Australia's Immigration Policy 1988).

Jettisoning the former Labor government's strategy as "out of balance and out of control," the incoming government aimed to "return the balance in the program to one that is in the national interest." In stating its determination to change economic selection, the Department of Immigration and Multicultural Affairs defined six key attributes that make "a good skill[ed] applicant," most notably, "obtaining a job soon after arrival that uses their skills...becom[ing] quickly established...not requir[ing] benefits," while "quickly mak[ing] a positive contribution to the Australian economy, labour market and budget" (Ruddock 1996, 1).

From 1996 to 1999, Australia's Department of Immigration and Multicultural Affairs systematically reviewed and transformed its economic selection process, abolishing social security benefits for migrants in the first two years after their arrival and actively "selecting for success" from among principal applicants. Following a preliminary audit conducted in 1997-98, the department initiated a major review to evaluate the effectiveness of the points test (Australia, Department of Immigration and Multicultural Affairs 1999, vii). In the decade since,

Australia has sought early and positive employment integration rates from the program — given that results at six months are strongly correlated with long-term labour market performance (Birrell, Hawthorne and Richardson 2006). To facilitate this process, the review drew on two definitive databases: the Longitudinal Survey of Immigrants to Australia (LSIA) (based on a representative sample of 5 percent of migrants/refugees from successive cohorts of 1990s migration); and a comparative analysis of employment outcomes for migrant professionals from a variety of countries/regions of origin (based on 1996 Census data).

In line with the review's findings, since 1999 an increasing number of principal applicants at perceived risk of delayed or deskilled employment in Australia have been excluded from economic migration at point of entry through rigorous expansion of premigration English-language testing (extended to family-skill categories), mandatory credential assessment and a range of additional modifications to the points selection process. Key Australian policy initiatives have included:

- Allocation of greatest points weighting to "the core employability factors of skill, age and English language ability" based on the establishment of "minimum threshold standards" for each of these aspects (Australia, Department of Immigration and Multicultural Affairs 1999, 12)
- Additional points weighting for occupations in demand, along with degree-level qualifications related to specific (rather than generic[3]) professional fields
- Allocation of bonus points for former international students with credentials recently completed in Australia (a minimum of one and subsequently two years)
- Abolition of age-related points for applicants aged 45 and over and English-language points for applicants possessing less than "vocational" levels of English
- Allocation of further bonus points for those with recent continuous Australian or international experience in a professional field, for those with a "genuine job offer" in an occupation in demand, for those with a spouse satisfying economic application criteria, for those bringing "a high level of capital with them to Australia" (AUD$100,000 or more) and for those sponsored by close Australia-based relatives (Australia, Department of Immigration and Multicultural Affairs 1999)

Australia's recently completed 2005-06 economic migration review (the most extensive since 1988) has confirmed the effectiveness of these policy initiatives in delivering superior labour market outcomes (Birrell, Hawthorne and Richardson 2006). To fine-tune the program further, additional measures were introduced (starting in September 2007) related to enhanced English-language ability, level of domestic labour market demand and work experience of former international students (who, by 2005, constituted 52 percent of economic migrants).

Comparative economic migration labour market outcomes: recent data

How do the results of Australia's decisive economic migration policy change compare with the outcomes of Canada's human capital selection model? A decade ago, labour market integration rates for economic migrants to Canada and Australia were virtually identical: about 60 percent of principal applicants secured some form of work six months after their arrival. Since then, Australia's outcomes have dramatically improved while Canada's have stood still. This is despite the near-identical economic cycles of the two countries, and the fact that they are equivalent settlement sites for degree-qualified migrants across all immigration categories (economic, family and humanitarian), as demonstrated by the 2001 Census analysis.

Major gains have been achieved in Australia by traditionally disadvantaged groups. Employment rates within six months of arrival for principal applicants from Eastern Europe rose from 31 percent to 79 percent between 1993-95 and 1999-2000, compared to 57 to 76 percent for migrants from the Philippines, 56 to 73 percent for those from India and 45 to 61 percent for those from China. The negative impacts of older age and female gender have been greatly reduced. According to the most recent available data (May 2006), 83 percent of principal economic applicants are now employed in Australia within six months of arrival, with 60 percent immediately using their credentials and skills. Their salary levels have risen astronomically. Their average weekly wage is now AUD$1,015, compared to AUD$769 for Australian graduates in their first full-time job (Birrell, Hawthorne and Richardson 2006).

In Canada, by contrast, wage outcomes have worsened to the point where it may take 20 to 30 years for principal economic applicants to achieve parity (if they ever do) with comparably qualified Canadians (Frenette, Green and Picot 2004; Pendakur and

Pendakur 1998, 2004; Reitz 2004; Aydemir and Skuterud 2005). As summarized in a recent study, economic migration is newly associated with entrenched disadvantage: "[B]y the early 2000s, skilled class entering immigrants [to Canada] were actually more likely to enter low-income and be in chronic low-income than their family class counterparts, and the small advantage that the university educated entering immigrants had over, say, the high school educated in the early 1990s had largely disappeared by 2000, as the number of highly educated rose. What did change was the face of the chronically poor immigrant; by the late 1990s one-half were in the skilled economic class, and 41% had degrees (up from 13% in the early 1990s)" (Picot, Hou and Coulombe 2007, 5-6).

This study investigates a range of data relevant to this issue. The research was based on the following definitive Canadian and Australian data sets and supported by extended interviews with 32 key Canadian informants:[4]

- Immigration arrival statistics for degree-qualified migrants in 10 professional fields — allowing definition of the scale of inflows of skilled migrants to Canada and Australia within the economic and assisted family streams, compared to all other immigration categories
- 2001 Census data — allowing analysis of the extent to which Canada and Australia offer similar employment opportunities for degree-qualified migrants (across all immigration categories), as well as the factors associated with positive versus negative labour market outcomes[5]
- The Longitudinal Survey on Immigrants to Canada (LSIC), the Immigration Database (IMDB) and the Longitudinal Survey on Immigrants to Australia (LSIA) data — allowing comparison of labour market integration rates for points-tested economic principal applicants between 1994-95 and 2000-01 in order to assess the influence of Canadian and Australian policy differences on labour market outcomes (the latest Australian LSIA data, to May 2006, is also provided)

The study focuses on recent immigrants with degree- rather than diploma-level credentials. In analyzing their labour market experiences, it is important to affirm that Canada and Australia have had remarkably similar economic cycles in the past decade. While the average annual growth in real gross domestic product from 1991 to 1996 was 1.7 percent for Canada compared to 3.0 percent for Australia, from 1996 to 2001 it was 3.8 percent for Canada compared to 3.9 percent for Australia. In the course of the decade, real GDP rose annually on average by almost identical rates in each country (2.8 percent in Canada; 2.7 percent in Australia). From 1996 to 2001, 69.5 percent of Canada's population was employed, compared to 69 percent of Australia's, with an average annual employment growth of about 0.2 to 0.3 percent in each country. Unemployment rates were also similar: Canada averaged 8.1 percent; Australia averaged 7.4 percent. Such comparability provides an excellent base for a contrasting policy study. According to Richardson and Lester, from an economic perspective, Australia and Canada "look very alike": "Whereas Australia's economy did perform well during the decade to 2001, it was only during the 1991-1996 period that Australia's growth was superior to that of Canada. During the 1996-2001 period, during which migrants [included in both countries' longitudinal and census surveys] arrived and were looking for employment, both economies performed equally well. Thus [any] superior labour force performance of migrants to Australia...cannot be explained simply in terms of economic performance" (2004, 10).

I should briefly note four additional methodological issues here:

- While the findings of this study shed light on important policy choices, the terms of reference of the initial report on which it is based did not extend to policy recommendations on economic migration, which therefore cannot be provided here.
- Employment outcomes rather than earnings levels are the primary focus of the analysis to follow, given that the former are the measure more commonly used in Australia.
- In line with census and LSIC/LSIA practice, the International Labour Organization's (ILO) definition of "employment" was used throughout, except in relation to Australia's LSIA 3 outcomes (where "main activity" rather than the more generous ILO definition of employment was used to assess the proportion of newly arrived migrants in significant work).[6]
- Careful categorization at the start of the study ensured direct comparability of degree- and diploma-level qualifications between Canada and Australia,[7] as well as field of qualification and level of employment, based on expert advice from Statistics Canada.

Canada's and Australia's Selection of Degree-Qualified Migrants

Recent migration in the professions: landed immigrants

The past decade has seen a vast inflow of degree-qualified professionals to both Canada and Australia with credential levels far exceeding those of previous cohorts. From 1996 to 2001, 37 percent of all migrants to Canada possessed degrees, compared to 21 percent of pre-1991 arrivals and 22 percent of 1991-96 arrivals. The credential level of these intakes surpassed that of migrants to Australia, where 26 percent of 1996-2001 arrivals held degrees, compared to 17 percent of pre-1991 migrants and 24 percent of 1991-96 migrants.

In terms of numbers, by the time of the 2001 Census, Canada's population included 978,139 degree-qualified migrants and 758,589 migrants with post-secondary diplomas or certificates, compared to Australia's 570,905 degree-qualified migrants and 270,183 diploma-qualified migrants. From 1996 to 2001, newly arrived migrants were more than twice as likely as the Canadian-born to be degree-qualified (37 percent compared to 15 percent). Similar patterns were evident in Australia (26 percent compared to 14 percent), and the trend was appearing in a growing number of OECD nations (OECD 2006, 2008) (see tables 1a and 1b).

This credential superiority of recent migrants in relation to the native-born applied to women as well as men. Male migrants to Canada were far more qualified than females (41 percent of males held degrees, compared to 33 percent of females); but both genders exceeded the credential norm of the Canadian-born (15 percent of Canadian-born males held degrees, compared to 16 percent of females). In Australia, by contrast, recently arrived females were virtually identical in terms of education levels to migrant males (25 percent of

Table 1a
Educational Attainment[1] among Canadian- and Foreign-Born Adults,[2] by Period of Arrival, 2001 (percent)

	Period of arrival	Degree/higher degree	Post-secondary diploma or certificate	Post-secondary, no diploma or certificate	High school or less	All (*N*)
Canadian-born[3]		15.0	19.0	20.1	46.0	16,009,426
Foreign-born[4]	Before 1991	20.8	19.9	18.7	40.7	2,657,064
	1991-96	22.1	17.1	18.5	42.3	719,443
	1996-2001	36.6	14.9	14.2	34.3	726,880
Foreign-born total		**23.8**	**18.5**	**17.9**	**39.8**	**4,103,387**
Total						20,112,81

Source: 2001 Census (Canada).
[1] Includes those with a bachelor's or a higher degree.
[2] Includes adults aged 15 to 64.
[3] Includes those born outside Canada to Canadian parents.
[4] Excludes nonpermanent residents (employment authorization, student authorization, minister's permit or refugee claimants).

Table 1b
Educational Attainment among Australian- and Foreign-Born Adults,[1] by Period of Arrival, 2001 (percent)

	Period of arrival	Degree/higher degree	Diploma/advanced diploma/ certificate IV	Skilled vocational	Other	All (*N*)
Australian-born		13.7	7.6	13.3	65.4	8,765,927
Foreign-born[2]	Before 1991	16.6	8.5	13.1	61.8	2,231,809
	1991-96	23.9	9.3	8.6	58.2	308,835
	1996-2001	26.1	10.6	7.2	56.1	483,700
Foreign-born total		**18.9**	**8.9**	**11.7**	**60.5**	**3,024,344**
Total						11,790,271

Source: 2001 Census (Australia).
[1] Includes adults aged 15 to 64.
[2] Excludes those for whom birthplace or year of arrival is unknown.

females and 27 percent of males held degrees). (As we shall see, the gender of skilled migrants is an issue with significant employment ramifications.)

The recent sustained entry of tertiary-qualified migrants has a clear potential to impact the professions in Canada and Australia. To inform future policy formation, the current study assessed factors associated with greater or lesser rates of economic integration for degree-qualified migrants in seven vocational fields (including virtually all of the major regulatory professions in Canada and Australia as well as information technology):

- Information technology (IT)
- Engineering
- Architecture and building
- Medicine
- Nursing
- Teacher, education
- Accounting

For contrastive purposes, employment outcomes for migrants were also examined in three generic credential fields, since there is strong representation of these in contemporary migration flows: rest of management, commerce; society and culture, creative arts; natural and physical sciences.

By 2001, Canada and Australia were home to very high proportions of foreign-born professionals in all 10 qualification fields, constituting approximately

Table 2a
Canadian- and Foreign-Born Professional[1] Workforce, by Field and Period of Arrival, 2001 (percent)

Vocational/credential field	Canadian-born[2]	Foreign-born[3]	Foreign-born by period of arrival			All (*N*)
			Before 1991	1991–96	1996–2001	
Information technology	49.1	50.9	19.4	9.4	22.1	109,292
Engineering	49.6	50.4	21.9	8.7	19.8	287,723
Architecture and building	51.3	48.7	23.7	9.2	15.9	76,749
Medical studies	64.7	35.3	20.9	5.5	8.8	208,140
Nursing	76.6	23.4	15.3	3.5	4.6	91,337
Teacher, education	84.8	15.2	11.4	1.8	2.1	515,503
Accounting	64.7	35.3	19.0	6.8	9.6	152,245
Rest of management, commerce	72.7	27.3	14.7	5.0	7.6	384,653
Society and culture, creative arts	75.7	24.3	15.5	3.6	5.2	1,106,842
Natural and physical sciences	64.5	35.5	19.9	5.8	9.8	312,154
Other	77.8	22.2	11.9	3.8	6.5	129,420
Total	**71.0**	**29.0**	**16.4**	**4.7**	**7.9**	**3,374,057**

Source: 2001 Census (Canada).
[1] Includes those with a bachelor's or a higher degree.
[2] Includes those born outside Canada to Canadian parents.
[3] Excludes nonpermanent residents (employment authorization, student authorization, minister's permit or refugee claimants).

Table 2b
Australian- and Foreign-Born Professional[1] Workforce, by Field and Period of Arrival, 2001 (percent)

Vocational/credential field	Australian-born	Foreign-born[2]	Foreign-born by period of arrival			All (*N*)
			Before 1991	1991–96	1996–2001	
Information technology	51.2	48.8	27.4	7.2	14.2	69,694
Engineering	52.2	47.8	27.7	8.5	11.6	136,454
Architecture and building	66.3	33.7	22.3	4.4	7.0	32,554
Medical studies	54.2	45.8	30.1	5.8	9.9	47,251
Nursing	75.9	24.1	19.2	2.2	2.7	137,949
Teacher, education	80.2	19.8	15.2	1.8	2.8	285,971
Accounting	64.2	35.7	23.4	4.6	7.7	100,923
Rest of management, commerce	64.4	35.6	20.1	5.0	10.5	218,339
Society and culture, creative arts	68.8	31.1	20.5	3.6	7.0	405,391
Natural and physical sciences	62.6	37.4	23.8	5.4	8.2	145,453
Other	71.2	28.8	19.4	3.6	5.8	189,175
Total	**67.7**	**32.3**	**21.0**	**4.2**	**7.1**	**1,769,154**

Source: 2001 Census (Australia), 2001 Census (Canada).
[1] Includes those with a bachelor's or a higher degree.
[2] Excludes those for whom birthplace or year of arrival is unknown.

half of all degree-qualified workers in engineering (50 percent in Canada, 48 percent in Australia), IT (51 percent in Canada, 49 percent in Australia), architecture and building (49 percent in Canada), and medical studies (46 percent in Australia) (see tables 2a and 2b). The proportion of 1996-2001 arrivals in select occupations was striking, most notably in Canada in the fields of IT (22 percent of the total IT workforce), engineering (20 percent), and architecture and building (16 percent). The suddenness of these inflows clearly posed some risk of "flooding the market," as had occurred in Australia in the field of engineering from 1986 to 1993 (Hawthorne 1994). The concentrations of professional migrants entering Australia were somewhat lower, with key clusters located in the fields of IT (14 percent), engineering (12 percent), rest of management, commerce (11 percent), and medical studies (10 percent).

It is also important to note the high number of degree-qualified arrivals in nonvocational fields — in particular, there were 268,963 migrants with society and culture or creative arts degrees in Canada (all periods) and 126,077 in Australia.[8] As we shall see, possession of generic rather than vocationally linked qualifications is consistently associated with inferior labour market outcomes for migrants, particularly in the first five years after arrival (Birrell and Hawthorne 1997, 1999).

The immigration category of recent migrant professionals

According to Citizenship and Immigration Canada, 85,363 engineers arrived in Canada between 1991 and 2003 as principal applicants under the two primary economic categories: 90 percent as "skilled workers" (equivalent to the "independent" category in Australia) and 10 percent as "assisted relatives" (equivalent to the "skilled Australia-linked" category).[9] Of the total 95,285 engineers who arrived in Canada during this period, just 10 percent (9,922) were accepted under the non-economic family or humanitarian programs. We see the same pattern in IT, with 91 percent of degree-qualified arrivals selected in points-tested economic categories. In principle, if Canada's economic selection strategy is effective, such migrants should have an excellent chance of securing work, particularly once they are established.

By contrast, teachers, nurses and doctors often entered Canada through non-economic categories from 1991 to 2003: 37 percent of teachers were in economic categories and 63 percent in family/humanitarian categories; 38 percent of nurses were in economic categories and 62 percent in family/humanitarian categories; 58 percent of doctors were in economic categories and 42 percent in family/humanitarian categories. It seems reasonable to assume that such migrants would experience greater difficulty securing appropriate work in Canada, given that they did not undergo premigration screening by means of points-tested criteria.

Temporary migration flows and domestic employer preferences

While this study is primarily concerned with employment outcomes for landed immigrants (in both Canada and Australia), it is important to acknowledge that most professional fields are also characterized by strong temporary worker flows — a process that provides insight into domestic employer preference.

Between 1991 and 2003, 2,063,022 temporary foreign workers reached Canada, including 443,799 in 2001-03 alone. Teachers (66,435) and engineers (38,572) dominated these flows, but there were also numerous arrivals in the field of management and commerce (65,505). While many professionals entered for relatively short stays, 2004 data provided by Human Resources and Social Development Canada (HRSDC) showed the planned arrival the following year of 7,437 additional sponsored foreign workers, including 2,545 doctors (34 percent), 2,362 engineers (32 percent) and 890 nurses (12 percent). The 2005 data on planned arrivals indicate that this momentum was sustained, particularly in the fields of medicine (2,926 workers), mechanical engineering/technology (1,498 workers), university professors (878 workers) and nursing (738 workers) (HRSDC 2005, 2006).

From 2003 to 2004, the number of temporary workers residing in OECD nations increased by 7 percent (about 1.5 million people) (OECD 2006). In line with this, high levels of temporary skilled migration also prevail in Australia, with demand for workers varying significantly by field and period (McDonald, Khoo and Hugo 2005; Birrell et al. 2005). There were 40,124 long-stay visas issued to temporary workers for the period 2003-04 — a rise of 6 percent over the previous year. Computing professionals[10] dominated in the employer-nominated categories (17 percent), followed by nurses (12 percent), managers (11 percent) and accountants (3 percent) (Australia, Department of Immigration and Multicultural and Indigenous Affairs 2005, 67-8). More recent data show 202,195 long-term arrivals in 2004-05, of whom 158,311 were students and 48,000 were temporary work-

ers (with a substantial number qualified in the professions) (Australia, Department of Immigration and Multicultural and Indigenous Affairs 2005). Demand for short-term migration remains strong — in 2006-07, for example, Australia selected 5,500 medical and 2,500 nursing temporary migrants to meet urgent workforce shortages.

Intakes such as this directly reflect employers' preferences; in Canada, as in Australia, they are largely employer-driven (OECD 2006). In selecting temporary workers, employers signal to government the types of migrants they deem most immediately employable. "The process generally starts when HRSDC receives a request for a temporary foreign worker from an employer. There are no numerical limits/quotas. Employers may hire temporary foreign workers in any occupation provided that the job offer meets a set of standard criteria. Employers recruit

Table 3
Number of Permanent Economic Immigrants to Canada, by Country/Region of Birth and Period of Arrival, 1991–2003

Category	Country/region of birth	Period of arrival			Total
		1991–96	1996–2001	2001–03	
Skilled worker (principal applicants)	China	16,215	42,739	25,711	84,664
	India	5,723	18,159	12,680	36,561
	Philippines	16,199	5,606	3,928	25,732
	Pakistan	2,432	12,666	556	21,054
	Hong Kong	9,537	4,653	351	14,541
	UK/Ireland	6,042	3,833	1,995	11,870
	Taiwan	2,510	6,256	999	9,764
	Lebanon	4,409	1,683	1,608	7,700
	US	3,370	2,395	875	6,639
	South Africa	1,556	1,560	698	3,814
	Malaysia/Singapore	1,069	698	450	2,216
	Australia	551	415	220	1,185
	Iraq	428	783	481	1,692
	Indonesia	133	581	423	1,136
	New Zealand	283	159	131	572
	Vietnam	252	189	115	555
	Other Europe	32,531	38,555	21,274	92,360
	Other Africa and Middle East	15,541	24,429	18,910	58,879
	Other South/Central America	12,498	9,588	7,249	29,334
	Other Asia/Pacific	5,937	10,874	6,718	23,528
	Not stated	264	192	42	497
Subtotal		**137,476**	**186,009**	**110,809**	**434,293**
Assisted relative (principal applicants)	Hong Kong	11,477	5,961	304	17,741
	China	3,812	4,578	2,120	10,509
	India	3,594	4,969	2,969	11,531
	Philippines	4,246	3,489	1,936	9,670
	Pakistan	1,092	3,166	1,878	6,135
	UK/Ireland	1,933	1,067	386	3,385
	Taiwan	1,030	2,012	249	3,290
	Lebanon	1,582	467	389	2,437
	Vietnam	1,263	150	22	1,434
	South Africa	528	510	158	1,195
	Malaysia/Singapore	523	245	128	896
	Iraq	309	368	160	837
	US	194	101	16	310
	Australia	34	23	2	58
	New Zealand	15	8	8	30
	Indonesia	94	109	63	265
	Other Europe	8,054	3,186	1,571	12,810
	Other Africa/Middle East	3,826	4,196	2,532	10,554
	Other South/Central America	4,609	2,079	1,142	7,830
	Other Asia/Pacific	2,738	2,335	1,405	6,478
	Not stated	195	103	6	304
Subtotal		**51,143**	**39,118**	**17,438**	**107,699**
Total		**1,294,607**	**1,046,001**	**575,696**	**2,916,304**

Source: Compiled by author based on landed immigrant arrivals data provided by Citizenship and Immigration Canada, 2005.

foreign workers who are seen as appropriate candidates for [the] company regardless of country of origin" (Aceytuno 2004, 9).

Over time, Canadian and Australian employers have demonstrated a marked preference for English- and (in the case of Quebec) French-speaking background professionals ("language" also being a proxy for perceived similarity in education systems). Between 1991 and 2003, for instance, the primary source countries for the 2,063,022 temporary foreign workers selected to enter Canada were the United States (14 percent), the UK/Ireland (4 percent), Australia (2 percent) and the Philippines (2 percent),[11] along with France and Mexico (the latter mainly providing agricultural workers). By 2006, the US was supplying 16,841 (15 percent) of the total of 112,658 foreign workers selected, compared to the 13,933 (12 percent) supplied by Mexico, 8,681 (8 percent) by France, 8,529 by the Philippines (8 percent) and 7,442 (7 percent) by Australia. (The comparable 2005 figures were: the US, 17 percent; Mexico, 13 percent; the UK/Ireland, 8 percent; Australia, 8 percent; and France, 7 percent [Hiebert 2006, 2007].) Primary temporary workers for Australian employers in recent years have come from the UK/Ireland (35 percent), India (10 percent), the US (7 percent) and South Africa and Japan (5 percent each) (Australia, Department of Immigration and Multicultural and Indigenous Affairs 2005).

As shown in table 3, there is now a major disconnect between the top recent source countries of economic migrants and employer choice in Canada. From 1991 to 2003, the main countries of origin of landed skilled workers in Canada were China, India, the Philippines and Pakistan (all of whom have experienced a relatively lower rate of success at securing professional work). From 2001-02 to 2005-06, when the LSIC was administered, the top three PA source countries were China, India and Pakistan, while English-speaking-background (ESB) migration had decreased to negligible levels (Schellenberg and Maheux 2007).

The decline of English-speaking professional migration to Canada

Australia differs markedly from Canada in maintaining strong ESB migration (from the UK/Ireland, South Africa, New Zealand, the US and Canada) while also expanding and more effectively screening its dominant flows from China and India. After the proportion of ESB migrants decreased from 38 percent to 20 percent in 1991-96, it reverted to 28 percent in 1996-2001 due to persistent evidence of the inferior labour market integration rates secured by select NESB groups. By 2003-04, the UK/Ireland (22 percent), India (13 percent), China (9 percent) and South Africa (6 percent) were Australia's major source countries for economic migration. By 2005-06, the figures were: India, 19 percent; China, 18 percent; the UK/Ireland, 16 percent; and Malaysia, 4 percent (Birrell, Hawthorne and Richardson 2006; Australia, Department of Immigration and Multicultural and Indigenous Affairs 2005).

In contrast, Canada has recently selected minuscule numbers of degree-qualified ESB migrants as landed immigrants: just 7 percent in 1991-96 and 5 percent in 1996-2001, compared to 25 percent a decade or more earlier (before 1991) (see table 4). The extent to which Canada's and Australia's migration systems have diverged on this score is worth highlighting for select professional fields. From 1996 to 2001, for example, just 6 percent of doctors, 4 percent of nurses, 2 percent of engineers and 2 percent of IT professionals migrating to Canada were derived from ESB source countries. This was in contrast to, respectively, the 30 percent, 43 percent, 22 percent and 18 percent in these fields migrating to Australia. The latest indications suggest that the flow of English-speaking migrants to Canada will remain slight (Hiebert 2006).

This poses a significant policy question. Are ESB professionals attracted to Australia rather than to Canada, or is there some current policy impediment to their selection that did not exist before 1991? It is worth noting here that New Zealand's economic selection system now prioritizes ESB migration: the UK is the source of 49 percent of all New Zealand's economic migrants; South Africa, 12 percent; and the US, 4 percent (Bedford 2006). Such professionals, by definition, migrate from nations that have tertiary training systems and technological development levels similar to those of Canada and Australia. They encounter fewer barriers related to credential recognition, the relevance of past work experience or possession of host-country language ability for the knowledge economy (a context where sophisticated communication is viewed as vital). In the past decade, such issues have increasingly become the focus of Canadian research as labour market outcomes for economic migrants have deteriorated and critics have questioned the human capital model (see, for example, Picot and Hou 2003; Thompson and Worswick 2004; Sweetman and McBride 2004; Ferrer, Green and Riddell 2004; Reitz 2005; Sweetman 2004, 2005, b; Hiebert 2006; Picot, Hou and Coulombe 2007).

While governments frame economic migration policy, employers retain the power to offer or withhold work. Rightly or wrongly, as we have seen, patterns of temporary worker selection demonstrate the strength of employer preference for high-level host-country language ability, similar education systems and a perceived capacity to integrate at high speed.

within the first five years after arrival, given virtually identical economic cycles?

In brief, this study found that Canada and Australia represent highly comparable settlement sites for foreign-trained professionals (see tables 5a and 5b on pp. 16-17):

- Degree- and higher-degree-qualified migrants enjoyed a substantial labour market advantage in both countries relative to migrants with diploma-level credentials — a finding that strongly affirms contemporary economic migration priorities.
- In general, degree-qualified migrants secured professional employment at double or more the rate of migrants who were diploma-qualified, although outcomes for diploma-level migrants were somewhat better in Australia.
- By 2001, 65 percent of degree-qualified 1996-2001 arrivals had secured work of some kind in Canada, compared to 66 percent of these arrivals in Australia.
- Overall, 29.8 percent of recent degree-qualified migrants in Canada had secured professional positions within five years of arrival, compared to 31.4

Table 4
Proportion of Degree-Qualified Immigrants from English-Speaking-Background (ESB) Countries, by Select Vocational Field and Period of Arrival, Canada and Australia, 2001

	Canada			Australia		
	Degree-qualified immigrants	ESB countries[1]		Degree-qualified immigrants	ESB countries[2]	
Period of arrival	*N*	*N*	%	*N*	*N*	%
Before 1991						
All fields	537,565	136,280	25	347,815	131,803	38
Engineers			15			24
Doctors			27			30
Nurses			25			56
Information technology			2			21
1991–96						
All fields	154,160	11,477	7	70,702	13,999	20
Engineers			3			11
Doctors			13			22
Nurses			5			38
Information technology			3			11
1996–2001						
All fields	257,714	12,762	5	116,986	32,777	28
Engineers			2			22
Doctors			6			30
Nurses			4			43
Information technology			2			18

Source: 2001 Census (Canada), Statistics Canada and Australian Bureau of Statistics.
[1] UK/Ireland, South Africa, Australia, New Zealand and the US.
[2] UK/Ireland, South Africa, Canada and the US.

Employment Outcomes for Degree-Qualified Migrants: The 2001 Census

Labour market integration rates for 1996–2001 arrivals

The 2001 Census allows assessment of the degree of similarity between Canada and Australia as settlement sites for otherwise comparable degree-qualified migrants (in all immigration categories — economic, family and humanitarian). How quickly and at what level do recent arrivals secure work in each country

percent in Australia. In Canada, 5.0 percent had switched to administrative or managerial work, compared to 7.6 percent in Australia; substantial numbers in both nations also clustered in lower-skill positions.

- Unemployment was a greater problem in Canada than in Australia: 14.7 percent of 1996-2001 degree-qualified Canadian arrivals remained out of work, compared to 7.8 percent of Australian arrivals.
- Australia, by contrast, had larger numbers of recent degree-qualified arrivals categorized as "not in the labour force" (typically applying themselves to learning English or securing credential recognition): 26.2 percent of 1996-2001 Australian arrivals, compared to 20.4 percent of Canadian ones. This almost certainly reflects Australia's sustained investment in language and labour market training programs since the mid-1980s — a strategy currently receiving impressive funding and attention in Canada (Reitz 2005; Orme 2007; Alboim and Cohl 2007; Lemay 2007; Cardozo and Guilfoyle 2007).
- As noted earlier, migrants to both Canada and Australia holding trade/vocational qualifications also performed well; their employment rates were similar to those of degree-qualified migrants in every period of arrival. For example, in Canada, 65 percent of degree-qualified 1996-2001 arrivals had secured work by 2001, compared to 62 percent of migrants with post-secondary diplomas. The outcomes for Australia were 66 percent employment within the first five years for degree-qualified migrants, compared to an impressive 73 percent for those in skilled vocational fields. This finding supports the contemporary policy decisions made in each country to elevate the level of trades-qualified migration.

Unlike the Australian Census, the Canadian Census allows analysis of employment outcomes for recent and long-established migrants by degree type. In brief, highly superior outcomes were secured by migrants holding a master's degree or a Ph.D. in Canada in all arrival periods. By 2001, 61 percent of pre-1991 arrivals with higher degrees had secured professional positions, compared to 45 percent of arrivals with bachelor's degrees. The comparable rate for 1991-96 arrivals was 53 percent (versus 31 percent), and for 1996-2001 it was 44 percent (versus 24 percent). These findings were reasonably similar to figures for the Canadian-born: 64 percent of those holding master's degrees or Ph.D.s had professional positions by 2001, compared to 52 percent of those with bachelor's degrees. Furthermore, higher-degree-qualified migrants were less likely to be out of the workforce. Canada's awarding of bonus points for higher education is thus a sound policy decision. However, possession of a graduate degree had minimal influence on unemployment levels, and Canadian-born professionals with similar credentials also outperformed migrants across all arrival periods.

The significance of birthplace to immigrants' employment outcomes

To what extent does birthplace influence employment outcomes when migrants seeking host-country employment are degree-qualified? The Census provides unambiguous insight on this question, strongly affirming employer preferences as previously described in relation to temporary workers (see page 11).

The primary source countries for economic principal applicants to Canada in 2001-03 were: China, 22 percent; India, 12 percent; Pakistan, 6 percent; and the Philippines, 5 percent. (To compare, the UK/Ireland accounted for just 2 percent.) When major regions of origin are also considered, the top eight source countries/regions for economic PAs in this period were: China, 21.7 percent; Northwestern Europe, 17.8 percent; Other Africa[12]/Middle East, 16.7 percent; India, 12.2 percent; Other South/Central America, 6.5 percent; Other Asia/Pacific, 6.3 percent; Pakistan, 6.1 percent; and the Philippines, 4.6 percent.

As we shall see, recent changes in the source countries for immigrants (all categories) drawn on by both Canada and Australia had a negative impact on employment outcomes. Degree-qualified 1996-2001 arrivals to Canada from the following countries/regions were most likely to have secured professional work by 2001: South Africa (70 percent of migrants working in their own or another profession); Australia/New Zealand (over 66 percent); UK/Ireland (63 percent) and Northwestern Europe (59 percent); and the US (58 percent) (see table 6a, p. 18). The rank order for 1996-2001 arrivals securing early professional employment in Australia was virtually identical: UK/Ireland (60 percent); South Africa (58 percent); US/Canada, 48 percent; and Northwestern Europe (46 percent) (see table 6b, p. 18). The corresponding rate for New Zealand is 48 percent (not shown).

In both Canada and Australia, the likelihood of recent degree-qualified migrants securing professional work within five years of arrival dropped substantially among other birthplace groups, with many arrivals at risk of severe skills discounting (tables 6a and 6b). Similar migrants faced the greatest level of disadvantage in each country: those from Iraq, Taiwan and Other North and Southeast Asia ranked lowest in terms

Table 5a
Labour Market Outcomes of Canadian- and Foreign-Born Adults,[1] by Educational Attainment and Period of Arrival, Canada, 2001 (percent)

Foreign-born[2]	Educational attainment	Employment					Unemployed	Not in labour force	Total[3]	All (*N*)
		Professional	Administrative/ managerial	Associate professional	Other	Employed subtotal				
Before 1991	Degree	49.0	9.5	5.8	18.3	82.7	4.1	13.2	100.0	552,971
	Post-secondary with diploma	20.2	9.4	11.0	38.6	79.2	5.1	15.7	100.0	527,585
	Post-secondary no diploma	8.7	8.5	5.7	52.2	75.1	6.3	18.7	100.0	496,080
	High school or less	3.8	6.6	2.4	50.8	63.6	5.3	31.1	100.0	1,080,428
1991–96	Degree	36.4	7.4	7.1	25.8	76.7	7.9	15.4	100.0	159,059
	Post-secondary with diploma	13.8	6.6	9.8	43.9	74.0	8.6	17.4	100.0	122,945
	Post-secondary no diploma	5.1	5.0	5.1	49.5	64.7	11.0	24.4	100.0	133,181
	High school or less	1.8	3.5	1.9	47.1	54.3	8.7	37.1	100.0	304,248
1996–2001	Degree	29.8	5.0	6.3	23.8	64.9	14.7	20.4	100.0	266,109
	Post-secondary with diploma	10.3	5.1	7.1	39.0	61.5	13.0	25.5	100.0	108,059
	Post-secondary no diploma	4.9	3.8	3.8	44.6	57.1	12.9	30.0	100.0	103,199
	High school or less	1.6	2.4	1.4	39.5	44.8	10.6	44.6	100.0	249,514
Canadian-born[4]										
	Degree	53.8	9.4	5.1	16.5	84.8	3.8	11.4	100.0	2,395,918
	Post-secondary with diploma	19.4	8.2	12.7	40.9	81.1	5.5	13.4	100.0	3,042,529
	Post-secondary no diploma	7.6	6.8	5.8	55.4	75.6	8.5	16.0	100.0	3,215,110
	High school or less	3.3	4.8	2.5	50.4	60.9	8.2	30.9	100.0	7,355,870

Source: 2001 Census (Canada)

[1] Includes adults aged 15 to 64.

[2] Excludes nonpermanent residents (those with employment authorization, student authorization or a minister's permit, or refugee claimants).

[3] Totals may not add up to 100 due to rounding.

[4] Includes those born outside Canada to Canadian parents.

Table 5b
Labour Market Outcomes of Australian-[1] and Foreign-Born Adults,[2] by Educational Attainment and Period of Arrival, Australia, 2001 (percent)

Period of arrival	Qualification level	Employment					Unemployed	Not in labour force	Not stated	Total[3]	All (*N*)
		Professional	Administrative/ managerial	Associate professional	Other	Employed subtotal					
Foreign-born[4]											
Before 1991	Degree	48.9	11.0	8.7	15.5	84.1	3.1	12.7	0.1	100.0	370,659
	Diploma	22.5	8.4	15.3	31.4	77.6	4.2	18.0	0.1	100.0	189,987
	Skilled vocation	3.5	6.3	9.3	56.4	75.5	5.0	19.2	0.3	100.0	291,548
	Other	3.9	3.9	6.8	42.1	56.7	5.4	36.8	1.0	100.0	1,379,682
1991-96	Degree	39.7	8.2	8.4	22.3	78.6	5.1	16.0	0.2	100.0	73,776
	Diploma	15.7	5.1	11.2	38.9	70.9	6.6	22.2	0.3	100.0	28,817
	Skilled vocation	3.2	4.0	9.1	62.4	78.7	6.0	14.8	0.4	100.0	26,637
	Other	3.5	2.1	4.1	37.4	47.1	8.5	43.3	1.1	100.0	179,632
1996-2001	Degree	31.4	7.6	6.2	20.7	65.9	7.8	26.2	0.3	100.0	126,470
	Diploma	13.5	4.9	7.4	30.8	56.6	8.2	34.9	0.3	100.0	51,379
	Skilled vocation	3.6	4.0	9.3	56.1	73.0	7.8	19.0	0.4	100.0	34,603
	Other	3.4	2.2	3.7	31.2	40.5	8.7	49.4	1.3	100.0	271,269
Australian-born											
	Degree	55.1	11.9	8.4	12.1	87.5	2.1	10.2	0.1	100.0	1,198,252
	Diploma	25.0	9.0	17.0	30.6	81.6	3.3	14.9	0.1	100.0	663,727
	Skilled vocation	3.2	7.3	9.3	63.1	82.9	4.3	12.6	0.2	100.0	1,167,578
	Other	3.7	4.6	6.8	45.6	60.7	6.3	32.1	0.8	100.0	5,736,370

Source: 2001 Census (Australia).

[1] Excludes those born in New Zealand, although there is substantial two-way population movement between the two countries. Close to 10,000 degree-qualified New Zealanders arrived in Australia between 1996 and 2001.

[2] Includes adults aged 15 to 64.

[3] Totals may not add up to 100 due to rounding.

[4] Excludes those for whom birthplace or year of arrival is unknown.

Table 6a

Labour Market Outcomes for Degree-Qualified Migrants Who Arrived in Canada in 1996–2001, Ranked According to Employment in Their Own Profession by Birthplace,[1] 2001 (percent)[2]

Country/region of birth[3]	Own profession	Other profession/ managerial	Any work, subtotal	Unemployed	Not in labour force	All (*N*)
South Africa	39.5	30.5	86.6	5.2	8.2	1,992
Australia/New Zealand	29.9	36.5	80.0	6.3	12.1	855
US	26.5	31.0	76.1	5.3	18.6	5,696
UK/Ireland	25.8	37.3	83.2	5.5	11.3	4,219
Northwestern Europe	25.0	33.8	80.0	7.9	12.1	8,701
Hong Kong/Malaysia/Singapore	19.1	22.1	65.1	11.2	23.8	6,436
Central/South America	17.9	19.0	68.1	13.8	18.1	11,803
Eastern Europe	17.7	22.6	70.5	13.8	15.7	31,622
Southeastern Europe	16.0	20.1	67.3	16.7	16.1	6,710
China	14.9	20.7	58.3	18.7	23.0	48,952
Other Middle East/North Africa	14.3	19.1	56.6	21.2	22.2	16,059
India	12.2	18.9	71.5	12.8	15.7	29,059
Other South/Central Asia	11.5	16.8	60.5	16.6	23.0	35,659
Taiwan	10.3	18.0	44.9	14.5	40.6	7,955
Iraq	8.8	15.5	50.6	20.7	28.7	2,116
Philippines	8.3	10.3	77.1	9.1	13.8	17,869
Other	15.5	21.6	65.0	14.8	22.9	22,010
Total migrants						**257,714**
Canada[4]	**34.0**	**29.6**	**84.9**	**3.8**	**11.4**	**2,295,198**

Source: 2001 Census (Canada).

[1] Table shows top 16 birthplaces.

[2] Excludes all original cells where the number of unweighted observations in the sample was fewer than five.

[3] Excludes nonpermanent residents (employment authorization, student authorization, minister's permit or refugee claimants).

[4] Includes those born outside Canada to Canadian parents.

Table 6b

Labour Market Outcomes for Degree-Qualified Migrants Who Arrived in Australia in 1996–2001, Ranked According to Employment in Their Own Profession by Birthplace,[1] 2001 (percent)

Country/region of birth[2]	Own profession	Other profession/ managerial	Any work, subtotal	Unemployed	Not in labour force	All (*N*)
South Africa	33.5	24.9	75.6	3.8	11.1	6,008
UK/Ireland	30.6	29.2	78.3	3.3	10.3	19,418
US/Canada	23.1	25.0	66.3	3.7	20.8	7,351
Northwestern Europe	21.7	24.5	63.1	4.8	23.8	6,223
Southeastern Europe	18.0	13.9	58.3	10.9	21.4	2,871
Hong Kong/Malaysia/Singapore	17.9	12.4	48.0	8.5	37.2	6,966
India	15.5	14.1	61.4	9.9	18.7	12,656
Eastern Europe	14.4	14.1	57.4	9.9	26.5	2,825
Other South/Central Asia	14.1	9.4	52.0	9.9	25.2	7,166
China	12.7	11.0	50.2	9.0	32.6	10,541
Other Middle East/North Africa	11.3	11.6	46.1	12.0	30.3	3,391
Central/South America	11.2	11.1	55.7	7.5	26.6	2,217
Philippines	11.2	6.5	61.4	7.3	23.2	5,751
Iraq	9.3	3.0	30.4	24.1	33.0	1,230
Taiwan	8.1	9.4	32.8	5.8	53.7	1,527
Other	14.7	10.4	50.9	8.6	32.0	20,845
Total migrants						**116,986**
Australia[3]	**34.1**	**24.0**	**79.0**	**2.5**	**8.6**	**1,233,651**

Source: 2001 Census (Australia).

Note: Totals may not add up to 100% due to rounding up.

[1] Table shows top 15 birthplaces.

[2] Excludes those for whom birthplace or year of arrival is unknown.

[3] Includes those born in New Zealand, who are not counted as migrants to Australia, although there is substantial two-way population movement between the two countries. Close to 10,000 degree-qualified New Zealanders reached Australia between 1996 and 2001. This movement is reflected in the table, given New Zealanders' important contribution to Australia's skilled workforce.

of work access, with the worst employment rates being experienced by the Lebanese in Canada and the Vietnamese in Australia (not shown). Large numbers of degree-qualified migrants from the Philippines, India, Vietnam and Other South/Central Asia secured employment only by taking low-skill positions — a significant migration policy issue, given the scale of current migration from these regions.

Differential tertiary training systems

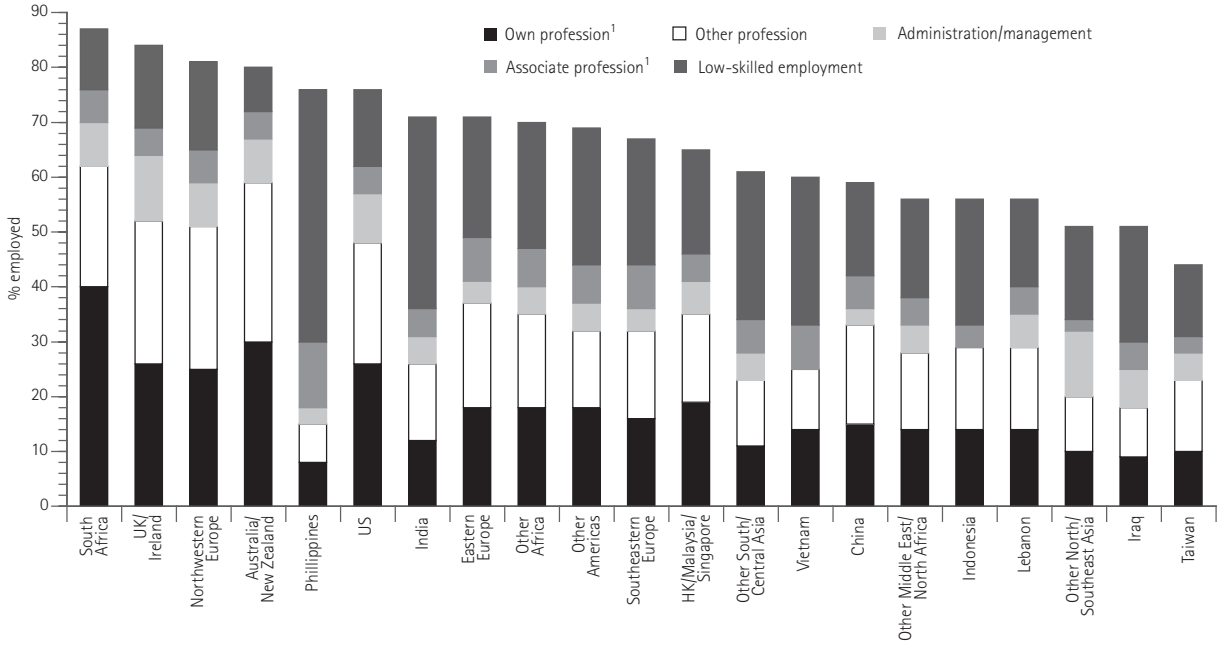
While racism and systemic barriers seem certain to influence these outcomes (Guo 2007; Goldberg 2007), it is important to note that degree-qualified migrants from Commonwealth nations with British-based education systems fared relatively well in both Canada and Australia. Professionals from Hong Kong, Malaysia and Singapore, for example, had reasonable outcomes: in Canada, they were far more likely to secure work in their own professions than similarly qualified Indian arrivals (19 percent versus 12 percent) (see figure 1).

There has been growing debate in Canada and Australia in the recent period concerning the presumed neutrality of human capital, with a focus on the factors influencing the transferability of education and other human capital attributes between radically different systems (Sweetman and McBride 2004; Ferrer, Green and Riddell 2004; Sweetman 2004, 2005). It is thus relevant to note that the latest available global rankings suggest a substantial gulf between the calibre of tertiary institutions in developed nations and in developing ones, correlated with length of academic tradition and availability of resources. In 2006, for example, the well-regarded Shanghai Jiao Tong University ranking system (viewed as relatively unbiased) categorized the top 500 world institutions. It identified:

- 207 in Europe (overwhelmingly located in Northwestern Europe), including 43 in the UK and 40 in Germany
- 196 in the Americas — 167 in the US, 22 in Canada and just 7 in all of Central and South America (including 1 in the top 150)
- 92 in the Asia-Pacific — 32 in Japan, 16 in Australia, 14 in China (none ranked in the top 150, and with 2 of the top-ranked 4 institutions located in Hong Kong), 9 in South Korea, 7 in Israel, 5 in New Zealand, 5 in Taiwan, 2 in Singapore and 2 in India (neither ranked in the top 300)
- 5 in Africa — 4 in South Africa and 1 in Egypt; no other African or Middle Eastern country was listed (Institute of Higher Education, Shanghai Jiao Tong University 2006)

Very comparable patterns were evident in the *Times Higher Education Supplement* Top-200 universities lists (2005; 2006), and in the 2005 Top-100-Asia-Pacific University rankings (Institute of Higher Education, Shanghai Jiao Tong University 2005). These data suggest

Figure 1
Employment Outcomes of Degree-Qualified Migrants Who Arrived in Canada in 1996–2001, by Country/Region of Origin, 2001



Source: 2001 Census (Canada).
[1] See note 1 in table 7.

that the quality of higher education is highly variable in the contemporary economic migrant source countries of Canada and Australia — the ranking of Indian institutions being particularly low, with just 2 listed in the top 500. In medicine, for instance, schools have proliferated globally in the past 30 years, principally in Asia (India, China and the Philippines) and Africa. By March 2005, 1,981 courses were listed by the *International Medical Education Directory* across 170 nations, with half of them in 10 countries (Foundation for Advancement of International Medical Education and Research 2005). Minimal data, however, are available concerning the calibre of curricula and clinical training, student selection and the length of training in many Asian and African degree programs (Boulet et al. 2005).

Perceived educational quality powerfully influences the decision of employers to hire professional staff, despite the undoubted intellectual and adaptive capacity of incoming migrants. Adams maintains that "[a]s the number of foreign-trained professionals in Canada increases, professional bodies are faced with an eclectic array of practitioners with training that may differ substantially from our own. There is no guarantee that they possess the skills, background and approach deemed essential by practitioners in Canada" (2007, 15). In dealing with the unknown, regulatory bodies and employers typically adopt risk-averse strategies. According to Kustec, Thompson and Li, "The extent to which credential recognition problems result from a lack of knowledge on newcomers' part on how to have skills recognised, a lack of knowledge on employers' part of foreign credentials, a lower quality of foreign credentials relative to domestic qualifications, versus market barriers caused by professional association protectionism, or broader societal discrimination, is not well understood" (2007, 26).

Despite such barriers, it is encouraging to note that the 2001 Census analysis confirmed outcomes to be fairly positive for degree-qualified migrants in both Canada and Australia. A total of 31.4 percent of recent migrants with degrees were employed in their own or some other profession by 2001 in Australia, compared to 23.5 percent of migrants with bachelor's degrees and 43.9 percent with master's degrees in Canada. Among 1996-2001 arrivals in Australia, 7.6 percent had found managerial or administrative work, compared to 5.2 percent with bachelor's degrees and 4.6 percent with master's degrees in Canada. In terms of outcomes by birthplace, a range of recently arrived degree-qualified migrants had performed better in Canada than in Australia. For example, 25.0 percent of Northwestern European migrants were employed in their own profession in Canada by 2001 (compared to 21.7 percent in Australia), 19.1 percent from Hong Kong/Malaysia/Singapore (compared to 17.9 percent), 17.9 percent from Central/South America (compared to 11.2 percent), 14.9 percent from China (compared to 12.7 percent). However, the percentage of degree-qualified migrants from India employed in their own profession was higher in Australia (15.5 percent) than in Canada (12.2 percent). Factoring employment in other professions or managerial positions into the analysis intensified this pattern (see tables 6a and 6b).

Overall, however, newly arrived degree-qualified migrants from disadvantaged birthplace groups reported lower unemployment levels in Australia than in Canada at a time when national unemployment rates for the native-born with degrees were 4 percent in Canada and 2 percent in Australia. The unemployment rate for migrants from Other Middle East/North Africa was 21 percent in Canada (compared to 12 percent in Australia), 19 percent for China (compared to 9 percent), 17 percent for Other South/Central Asia (compared to 10 percent), 17 percent for Southeastern Europe (compared to 11 percent), 15 percent for Taiwan (compared to 6 percent), 14 percent for Eastern Europe (compared to 10 percent) and 13 percent for India (compared to 10 percent) (see tables 6a and 6b).

Many birthplace groups in Canada and Australia had high proportions of members categorized as not in the labour force — most notably, migrants from Taiwan, other North and Southeast Asia, Indonesia, Lebanon and Iraq. Substantial numbers of these migrants, it seems fair to presume, were learning English or French or repositioning themselves to enter the labour market by following a program of study related to achieving credential recognition (Hawthorne 2007b).

Length of residence and employment outcomes

In line with the research literature, superior employment outcomes were achieved by long-established degree-qualified migrants in both Canada and Australia (defined as resident 10 years or more in the host country). Encouragingly, this pattern included initially disadvantaged groups, whose unemployment rates more nearly approximated host country norms. For example, by 2001 ESB migrants who had been in Canada 10 years or more had achieved representation in the professions that was equal or superior to the Canadian-born. As in Australia, South Africans represented the most elite migrant group overall, with 87 percent of South African migrants working, compared to 85 percent of the Canadian-born, and a high 71 percent were occupying professional or managerial positions (compared to 64 percent of the Canadian-

born). Select Asian groups had also achieved representation in the professions equivalent to the Canadian-born, including those from Vietnam and Hong Kong, Singapore and Malaysia, with those born in Indonesia and China also faring well. Good rates of access to the professions had been achieved by other visible minority groups, including migrants from Other Middle East/North Africa — all had better representation in their own and other professions than migrants born in Eastern and Southeastern Europe, India, other parts of Asia, Taiwan and the Philippines.

Contemporary research, however, challenges the persistence of this pattern in Canada in the future (Thompson and Worswick 2004; Picot, Hou and Coulombe 2007). Moreover, long-established degree-qualified migrants in Australia have achieved higher levels of employment in their own professions than those in Canada: most notably, those qualified in Hong Kong/Malaysia/Singapore (34 percent in Australia, compared to 25 percent in Canada); Other South/Central Asia (27 percent, compared to 18 percent); India (26 percent, compared to 18 percent); Southeastern Europe (24 percent, compared to 20 percent); and Iraq (18 percent, compared to 14 percent). This gives credence to the view that visible minorities experience greater disadvantage in Canada, despite the fact that 1996-2001 arrivals from a range of such groups had less initial access to their professions in Australia.

Australia's lower unemployment rates may reflect major investment in language and employment settlement services for disadvantaged groups — a strategy now strongly endorsed by Canada, and supported by a very impressive level of funding (Reitz 2005; Alboim and Cohl 2007; Hawthorne 2007b). By the early 1990s, Australia had developed the world's most comprehensive settlement services for skilled migrants, located primarily in Sydney and Melbourne (the major immigrant-receiving sites). English courses were free, and migrants were paid to take them, supported by immediate access to social security benefits. The Australian government simultaneously invested heavily in employment and credential recognition bridging programs, supported by payment of additional incentive allowances. As early as 1992-93, $AUD99.7 million was being spent per year on specialist labour market programs for NESB professionals, in addition to $AUD110.6 on English-language instruction, and a further $AUD42.2 million was channelled through the technical education sectors (Hawthorne 2005, 1994). Ten different models of bridging courses had been developed for engineers, addressing, for instance, specific labour market disadvantages such as nonrecognition of credentials, lack of computer training, the need to acquire field-specific English language terminology or lack of local industrial experience. Despite fewer economic migrants now requiring such courses, this level of funding has been maintained (Australia, Department of Immigration and Citizenship 2007b).

The influence of domestic labour demand by field on absorptive capacity

General employment patterns aside, to what extent does supply and demand in specific professions influence labour market integration for recent degree-qualified migrants? A number of immigrant-receiving nations affirm the value of factoring in domestic demand — for example, the US Independent Task Force on Immigration and America's Future has recommended to Congress the introduction of "a new provisional category designed to allow workers meeting long-term labor market needs to transition from an initially temporary to a permanent immigration status" (Migration Policy Institute 2006; Abraham and Hamilton 2006).

Australia restored labour demand as a key selection criteria as of 1999, following a decade of evidence showing outcomes for skilled migrants to be strongly affected by domestic supply (Birrell and Hawthorne 1999). By July 2005, Australia's Migration Occupations in Demand List (MODL) had become the critical determinant of economic selection of migrants, including which principal applicants could avoid regional entry and enjoy unconstrained locational choice. Based on twice-yearly labour market analyses, 20 points are allocated to PAs in high-demand fields[13] (one-sixth of the total points required). MODL applications have risen dramatically as a consequence, from 9 percent of all skilled PAs in 2003-04 to 42 percent in 2004-05. Within the current environment this favours the selection of accountants, nurses, doctors and select tradespeople — fields characterized by sustained labour undersupply (Birrell, Hawthorne and Richardson 2006).

Canada, by contrast, does not factor employment demand by field into its economic selection process, reflecting:

- A national commitment to achieving 1 percent annual population growth (designed to nation-build while offsetting an aging population)
- The time lags inherent in the immigrant selection and arrival processes
- The difficulty of accurately predicting labour market demand by field
- The adoption of a human capital model of economic immigration based on the presumed flexibility of skilled migrant workers (Beach, Green and Reitz 2003)

Table 7
Change in the Number of Employed Persons, by Major Occupational Group, Canada, 1991–2001

Occupational groups	1991	1996	2001	% Change (1996–2001)
Professionals[1]	2,272,752	2,504,848	3,030,278	17
IT	79,594	162,687	264,426	38
Engineering[2]	98,536	108,686	133,269	18
Architecture and building	57,467	53,152	63,307	16
Medical studies	50,910	52,573	57,745	9
Nursing	239,833	238,071	236,213	-1
Teacher, education	520,944	548,788	557,157	2
Accounting	102,222	112,893	161,797	30
Rest of management and commerce	666,905	693,153	928,443	25
Society and culture, creative arts	352,895	409,989	469,446	13
Natural and physical sciences	37,228	41,741	54,766	24
Administration/management	1,108,973	1,095,475	1,330,424	18
Associate professionals[1]	862,662	833,049	1,092,200	24
Tradespersons	1,929,099	1,833,422	2,063,760	11
Clerical, sales and service workers	4,888,605	5,151,787	5,126,599	0
Production and technical workers, labourers	1,516,770	1,516,659	1,643,668	8

Source: 2001 Census (Canada).

[1] The terms "professional" and "associate professional" are based on equivalent occupations in NOC codes (Canada) and ASCO codes (Australia). For example, an engineer (who usually has a minimum 4-year qualification) is categorized as "professional," while a technologist (usually with a 2-3-year diploma) is categorized as "associate professional." A registered nurse is categorized as "professional" while a licensed practising nurse is categorized as "associate professional."

[2] The 2001 Census distinguishes between computer engineers (included in "engineering") and software engineers ("information technology") while in 1991 and 1996 both are included in "engineering."

This policy may merit reconsideration, though the challenges of predicting labour demand are clear. Alternatively, as Sweetman suggests, the solution may lie in "letting employers have greater input into the [selection] process by, for example, allocating more points in the immigration system for pre-arranged employment" (2005, 17). Either way, analysis of 2001 Census data for each country suggests a definite correlation between labour market demand and employment outcomes for recent degree-qualified arrivals, as exemplified by the five case studies examined below. It is important to acknowledge here the differences among occupations and between the two countries in employment growth and/or decline in select professional fields between 1996 and 2001 (see table 7 for Canada):[14]

- Information technology: +38 percent in Canada; +61 percent in Australia
- Engineering: +18 percent in Canada; -34 percent in Australia
- Nursing: -1 percent in Canada; +59 percent in Australia[15]
- Medical studies: +9 percent in Canada; -17 percent in Australia
- Accounting: +30 percent in Canada; +5 percent in Australia
- Teacher, education: +2 percent in Canada; -14 percent in Australia (see table 7)

Engineering

By 2001, 145,012 degree-qualified migrant engineers had been accepted by Canada, including 56,871 from 1996 to 2001 (constituting 19.8 percent of the total engineering workforce) (table 8). An additional 31,043 engineers migrated between 2001 and 2003, making engineering the primary professional field in Canada for recent arrivals. Demand favoured these engineers' employment; there was an 18 percent growth in professional engineering positions from 1996-2001, in marked contrast to the decline then evident in Australia. The great majority (90 percent) of 1991-2003 engineers had also been selected as economic migrants, and this involved the screening of their employment-related attributes.

Within this favourable context, new labour market entrants to Canada performed far better than their counterparts in Australia, despite their large numbers. Of recent ESB engineers arriving in Canada, 66 to 75 percent had secured some form of professional or managerial work by 2001, compared to 39 to 51 percent of all recently arrived engineers — a remarkable outcome in the light of local regulatory hurdles (Lemay 2007). Reflecting the significance of country of qualification, however, results were inferior for recently arrived engineers from India and Eastern Europe (19 percent were employed in engineering in Canada, compared to 9 percent and 8 percent, respectively, in Australia), Iraq (16 percent, compared to 6 percent), Other Middle

Table 8
Labour Market Outcomes for Degree-Qualified Migrant Engineers Who Arrived in Canada in 1996–2001, by Country/Region of Birth (percent)

Country/region of birth[1]	Employed				Unemployed	Not in labour force	All (*N*)
	Own profession	Other profession/ managerial	Other work	Subtotal			
UK/Ireland	25.2	48.7	12.6	86.5	~	~	633
US	17.6	48.4	11.9	77.9	~	~	392
South Africa	19.0	56.2	0.0	75.2	~	~	215
Australia/New Zealand	~	75.3	0.0	75.3	~	~	81
Southeastern Europe	15.1	24.9	35.1	75.1	12.8	12.13	2,074
Eastern Europe	19.2	23.8	31.7	74.7	12.9	12.4	10,280
Northwestern Europe	17.4	53.1	13.9	84.3	8.2	4.55	1,110
India	19.0	30.9	33.0	82.9	9.6	7.49	4,933
Other South/Central Asia	15.9	22.3	31.2	69.4	17.1	13.53	7,632
Hong Kong/Malaysia/Singapore	16.7	29.3	17.2	63.2	11.7	20.9	817
China	12.0	24.4	23.5	59.8	21.0	19.17	15,234
Taiwan	8.3	20.8	18.8	47.9	16.9	31.38	1,020
Philippines	5.3	14.2	58.7	78.2	11.4	10.38	2,844
Iraq	15.6	27.0	17.6	60.2	14.4	17.6	572
Other Middle East/North Africa	14.9	23.7	24.2	62.8	22.1	15.09	3,566
Central/South America	20.5	30.4	28.3	79.2	9.3	11.54	2,190
Other	17.8	34.7	22.4	74.9	20.2	15.6	3,278
Total migrants							**56,871**
Canadian-born[2]	**27.9**	**45.1**	**15.2**	**88.2**	**3.7**	**8.1**	**142,774**

Source: 2001 Census (Canada).
~ number of observations in sample (unweighted observations) is fewer than five and is therefore excluded.
[1] Excludes nonpermanent residents (employment authorization, student authorization, minister's permit or refugee claimants).
[2] Includes those born outside Canada to Canadian parents.

East/North Africa (15 percent, compared to 6 percent), China (12 percent, compared to 8 percent) and the Philippines (5 percent, compared to 6 percent). Many such engineers had struggled to secure professional or subprofessional status – a serious issue, given the dominance of migrants from these source countries in contemporary Canadian flows (Canadian Council of Professional Engineers 2004).

As shown, outcomes were infinitely worse in Australia, where a contracting employment situation in engineering gave rise to a problem of labour oversupply similar to what had occurred a decade earlier. Within a low-demand context, employers became highly discriminatory toward migrant engineers, particularly those trained in parts of the Middle East and Asia (Hawthorne 1994).

Information technology

In information technology, 55,630 degree-qualified workers had migrated to Canada by 2001. Those who arrived between 1996 and 2001 represented 22.1 percent of the total IT workforce (24,192) (table 9); in Australia, the corresponding figure was 14.2 percent (see table 2b). An additional 9,320 IT professionals reached Canada between 2001 and 2003, 91 percent of them selected in the major economic categories. Until 2001, dynamic IT demand existed in both countries, facilitating the swift absorption of most recent arrivals. In Australia, 9,528 degree-qualified IT professionals were accepted from 1996 to 2001. Over this period, in virtually every birthplace group examined, the proportion of recent IT migrants working in their own profession was double or triple the standard employment outcome of recent degree-qualified migrants from the same source countries in all fields. Clearly, employers willingly overlooked perceived deficits in prior training or language ability due to their need for IT workers (see figure 2).

Very positive outcomes also prevailed for 1996-2001 arrivals in Canada in the IT sector: 57 percent of recent immigrants from Eastern Europe had secured professional work in their fields by 2001 (compared to 63 percent in Australia); 49 percent of those from Southeastern Europe (compared to 68 percent); 43 percent of those from Hong Kong/Malaysia/Singapore (compared to 27 percent); 37 percent of those from India (compared to 34 percent); 41 percent of those from China (compared to 36 percent); 38 percent of those from Other Middle East/North Africa (compared to 37 percent); 37 percent of those from South/Central Asia (compared to 46 percent); and 32 percent of those from the Philippines (compared to 42 percent).

Table 9
Labour Market Outcomes for Degree-Qualified Migrants in Information Technology Who Arrived in Canada in 1996–2001, by Country/Region of Birth (percent)

Country/region of birth[1]	Employed				Unemployed	Not in labour force	All (*N*)
	Own profession	Other profession/ managerial	Other work	Subtotal			
UK/Ireland	57.9	12.4	0.0	70.3	~	~	308
US	40.6	28.7	0.0	69.2	~	~	169
South Africa	~	0.0	0.0	0.0	~	~	85
Australia/New Zealand	~	0.0	0.0	0.0	~	~	35
Eastern Europe	57.4	9.7	14.1	81.2	11.3	7.5	3,710
Southeastern Europe	48.9	11.4	0.0	60.3	~	~	446
Northwestern Europe	46.4	25.6	9.0	80.9	4.6	8.8	718
India	37.2	11.0	22.7	70.9	12.4	15.5	1,802
Other South/Central Asia	37.0	12.3	23.2	72.4	15.9	10.8	2,399
Hong Kong/Malaysia/Singapore	42.7	10.4	19.3	72.4	11.0	13.4	819
China	40.9	10.6	14.4	65.9	20.3	13.7	8,109
Taiwan	28.5	4.6	13.3	46.4	22.0	29.5	664
Philippines	31.8	7.0	27.4	66.2	14.9	9.5	531
Iraq	~	0.0	0.0	0.0	~	~	116
Other Middle East/North Africa	38.4	17.6	7.7	63.7	20.6	14.6	1,783
Central/South America	45.2	10.4	13.8	69.4	14.6	10.6	991
Other	31.4	25.3	13.6	70.2	16.1	16.2	1,506
Total migrants							**24,192**
Canadian-born[2]	**44.9**	**30.4**	**14.1**	**89.3**	**4.1**	**6.6**	**53,613**

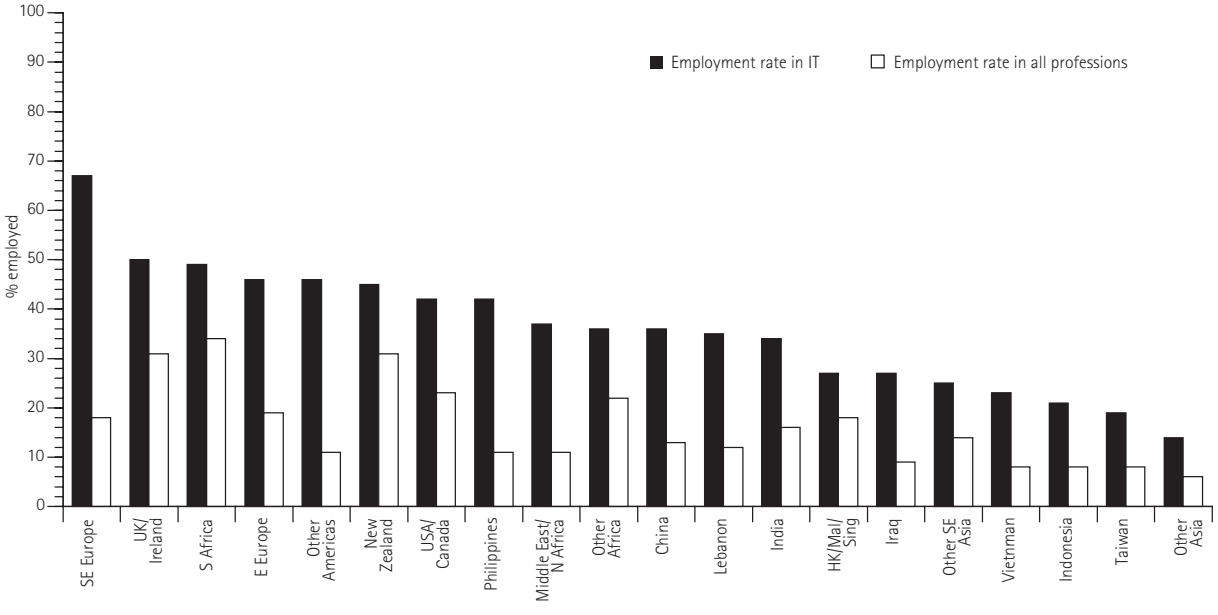
Source: 2001 Census (Canada).

~ number of observations in sample (unweighted observations) is fewer than five and is therefore excluded.

[1] Excludes nonpermanent residents (employment authorization, student authorization, minister's permit or refugee claimants).

[2] Includes those born outside Canada to Canadian parents.

Figure 2
Own-Profession Employment Rates of Recent[1] Degree-Qualified Immigrants in Information Technology and All Fields, by Country and Region of Birth, Australia



Source: 2001 Census (Australia).

[1] 1996-2001 arrivals.

Nursing

Sustained demand had a similarly beneficial impact on employment outcomes for recently arrived nursing and medical professionals in Australia, despite the existence of significant regulatory barriers in both professions. Currently, 5,500 internationally educated nurses are brought in by Australia each year (half as landed immigrants, and half as temporary workers), along with 6,500 medical graduates (5,500 of them on a temporary basis in order to meet regional workforce shortages). Demand constantly outstrips supply (Hawthorne, Hawthorne and Crotty 2007; Hawthorne 2001, 2002).

By 2001, virtually every category of the 3,100 permanent migrant nurses arriving in 1996-2001 had performed well in Australia — a process greatly facilitated by the provision of free government-supported credential recognition bridging programs (Hawthorne 2002). A very high proportion of UK/Ireland nurses (73 percent) had secured professional nursing work, together with an extraordinary 66 percent of nurses from India and from Hong Kong/Malaysia/Singapore, 63 percent from South Africa, and 49 percent from Other South/Central Asia. This pattern applied even to nurses qualified in China — 52 percent were professionally employed within five years of arrival (in marked contrast to typical employment outcomes for degree-qualified Chinese migrants).

The contrast with outcomes for internationally educated nurses in Canada was stark, in a context where 4,462 degree-qualified nurses had migrated in the previous five years, but growth in professional degree-qualified positions was minimal (-1 percent) (table 10). Labour market barriers in Canada were severe, exacerbated by the selection of 62 percent of these nurses in non-economic categories. Just 22 percent of recently arrived Indian nurses had found work in their field by 2001 (compared to 66 percent in Australia), 22 percent of Filipino nurses (compared to 35 percent), and 32 percent from Northwestern Europe (compared to 45 percent). Large numbers of nurses arriving from China in 1996-2001 remained unemployed (28 percent) or categorized as not in the labour force (25 percent). These outcomes are a serious concern, given the scale of nurse arrivals to Canada from such countries in recent years (the Philippines dominating with 2,160 nurses).

Table 10
Labour Market Outcomes for Degree-Qualified Migrant Nurses Who Arrived in Canada in 1996-2001, by Country/Region of Birth (percent)

Country/region of birth[1]	Employed				Unemployed	Not in labour force	All (*N*)
	Own profession	Other profession/ managerial	Other work	Subtotal			
UK/Ireland	~	0.0	0.0	0.0	~	~	56
US	31.3	0.0	0.0	31.3	~	~	135
South Africa	~	0.0	0.0	0.0	~	~	26
Australia/New Zealand	~	0.0	0.0	0.0	~	~	28
Southeastern Europe	~	0.0	0.0	0.0	~	~	103
Eastern Europe	8.7	0.0	0.0	8.7	~	~	49
Northwestern Europe	32.2	0.0	0.0	32.2	~	~	81
India	22.2	0.0	25.4	47.6	~	~	178
Other South/Central Asia	13.5	0.0	31.2	44.7	14.0	35.1	460
Hong Kong/Malaysia/Singapore	~	0.0	0.0	0.0	~	~	30
China	~	0.0	0.0	0.0	28.1	24.6	182
Taiwan	~	0.0	0.0	0.0	~	~	126
Philippines	21.8	2.7	51.2	75.6	7.6	15.1	2,160
Other Middle East/ North Africa	~	0.0	0.0	0.0	~	~	58
Central/South Americas	~	0.0	34.3	34.3	~	~	189
Other	27.2	2.7	51.2	81.0	7.6	15.1	600
Total migrants							**4,462**
Canadian-born[2]	**56.3**	**16.9**	**12.1**	**85.3**	**2.3**	**12.4**	**69,987**

Source: 2001 Census (Canada).
~ number of observations in sample (unweighted observations) is fewer than five and is therefore excluded.
[1] Excludes nonpermanent residents (employment authorization, student authorization, minister's permit or refugee claimants).
[2] Includes those born outside Canada to Canadian parents.

Medicine

International medical graduates (IMGs) in Australia also achieved extremely positive outcomes, in the context of growing labour force undersupply. (The 2001

Census data showing a 17 percent decline in the number of medical positions underestimates the real level of demand, given that Australia was having to bring in 6,500 temporary resident doctors each year, despite little growth in permanent medical positions.) Within the past decade the strength of workforce demand has in fact subverted credential requirements in Australia — as the most recent study on this issue confirms, 78 percent of recently arrived IMGs were employed in the medical field, though only 41 percent had secured full accreditation (Hawthorne, Hawthorne and Crotty 2007).[16]

By 2001, the majority of IMG 1996-2001 arrivals from South Africa and the UK/Ireland had moved seamlessly into medical work in Australia. Their rates of professional employment came close to or exceeded those of Australian-born medical graduates (the three preregistration exams presented minimal barriers). Doctors qualified in India (66 percent), Hong Kong/Malaysia/Singapore (59 percent) and Taiwan (57 percent) had similarly high medical employment rates in the first five years of arrival. By contrast, recently arrived China-qualified doctors fared appallingly (just 5 percent were working in medicine by 2001), while doctors from Eastern Europe (24 percent), the Philippines (33 percent), Southeastern Europe and Other Middle East/North Africa (36 percent) and Other South/Central Asia (39 percent) fared somewhat better.

As noted, Australia needs to bring in 6,500 temporary physicians per year. In the context of lower demand and more rigorous regulatory requirements, foreign-born doctors in Canada experienced far more negative outcomes (although those resident 10 years or more did as well as IMGs in Australia). This problem was exacerbated by the fact that 42 percent of IMGs were selected through non-economic categories. Just 3 percent of Filipino doctors had secured medical work by 2001, compared to 4 percent from China, 8 percent from Eastern Europe, 11 percent from Iraq, 12 percent from Other South/Central Asia (probably predominantly Pakistan), 19 percent from India and 31 percent from Hong Kong/ Malaysia/Singapore. The level of medical skills discounting in Canada was severe: of the 21,799 IMGs who had migrated within the previous five years, 3,587 were from China and 3,052 were from Other South/Central Asia (table 11).

Table 11
Labour Market Outcomes for Migrant Medical Graduates Who Arrived in Canada in 1996–2001, by Country/Region of Birth (percent)

Country/region of birth[1]	Employed				Unemployed	Not in labour force	All (*N*)
	Own profession	Other profession/ managerial	Other work	Subtotal			
UK/Ireland	47.5	26.3	0.0	73.8	~	~	272
US	45.6	24.8	0.0	70.5	~	~	330
South Africa	80.6	0.0	0.0	80.6	~	~	388
Australia/New Zealand	60.4	0.0	0.0	60.4	~	~	49
Southeastern Europe	10.3	11.6	21.7	43.5	16.6	32.4	419
Eastern Europe	8.0	14.5	31.5	54.0	23.0	23.0	2,137
Northwestern Europe	35.8	23.5	14.2	73.6	6.3	13.0	477
India	18.9	9.1	31.5	59.5	13.0	22.6	1,604
Other South/Central Asia	12.4	12.7	25.9	51.0	17.0	32.0	3,052
Hong Kong/Malaysia/Singapore	30.7	13.5	12.0	56.2	~	~	271
China	4.3	25.5	26.8	56.6	12.6	30.7	3,587
Taiwan	11.2	27.7	16.8	55.8	9.7	31.7	500
Philippines	3.0	7.3	67.2	77.4	6.9	15.7	1,612
Iraq	10.9	0.0	0.0	10.9	25.6	50.2	232
Other Middle East/North Africa	15.0	13.9	15.4	44.3	18.0	36.1	1,714
Central/South America	12.2	15.0	19.6	46.8	16.5	29.6	717
Other	14.3	11.7	38.7	64.7	13.2	30.5	1,031
Total migrants							**18,392**
Canadian-born[2]	**65.7**	**13.1**	**9.9**	**88.7**	**2.2**	**2.2**	**134,659**

Source: 2001 Census (Canada).
~ number of observations in sample (unweighted observations) is fewer than five and is therefore excluded.
[1] Excludes nonpermanent residents (employment authorization, student authorization, minister's permit or refugee claimants).
[2] Includes those born outside Canada to Canadian parents.

It is important to acknowledge that C$75 million has recently been allocated by Health Canada to bridge 1,000 medical migrants and 800 nursing migrants into employment. The aim is to offset the wastage and professional disadvantage afflicting the 21,799 migrant doctors who arrived in the 1996-2001 Census period (Baldacchino, Chandrasekere and Saunders 2007; Bourgeault 2007; Dauphinee 2007). In a period of growing health workforce migration (OECD 2007), this is a timely investment in immigrant labour market integration.

Table 12
Proportion of Degree-Qualified Migrants in Subprofessional[1] Employment in Canada, by Country/Region of Birth, Vocational/Credential Field and Period of Arrival (percent)

Period of arrival	Vocational/ credential field	UK/ Ireland	South Africa	India	Hong Kong/ Malaysia/ Singapore	China	Philippines	Eastern Europe
Before 1991	Information technology	12.2	19.0	20.3	17.2	20.9	25.9	15.3
	Engineering	15.2	14.5	29.3	17.4	21.4	60.4	32.4
	Medicine	8.8	5.6	14.4	8.3	19.5	65.1	19.6
	Nursing	11.4	23.4	32.9	17.9	18.1	28.2	27.8
	Society, culture, creative arts	26.8	26.3	55.5	40.0	40.4	55.6	38.3
1991-96	Information technology	10.7	9.5	26.3	20.0	12.5	41.9	8.3
	Engineering	12.0	26.3	34.2	20.1	24.3	71.8	30.8
	Medicine	6.2	3.7	37.6	20.0	43.4	74.2	33.1
	Nursing	16.2	20.3	29.0	16.1	30.4	52.5	36.8
	Society, culture, creative arts	31.4	31.9	67.9	43.9	36.5	62.1	42.7
1996-2001	Information technology	17.0	28.5	28.3	22.3	16.7	37.1	15.2
	Engineering	17.2	18.2	35.7	27.2	29.0	65.5	40.0
	Medicine	16.6	8.6	41.9	28.6	38.7	79.7	39.6
	Nursing	27.3	0.0	55.3	44.1	41.5	60.8	30.6
	Society, culture, creative arts	28.6	21.1	63.2	39.4	39.5	69.6	39.6

Source: 2001 Census (Canada).
[1] Subprofessional employment refers to all work classified as other than professional and managerial.

Generic degrees

To what extent does possession of a generic rather than a vocational degree affect employment outcomes at a time when substantial numbers of such degree holders are being selected? The figures for 1996-2001 include 57,556 migrants to Canada qualified in society, culture and creative arts (compared to 28,377 to Australia); 30,591 qualified in the natural sciences (compared to 11,927); and 29,234 qualified in management/commerce (compared to 22,926).

Regrettably, inferior labour market outcomes were experienced by degree-qualified migrants holding generic degrees in both countries. In Canada, for instance, even pre-1991 UK/Ireland arrivals had a 27 percent risk of subprofessional employment if qualified in society, culture and creative arts, compared to a 15 percent risk in engineering, 12 percent in IT, 11 percent in nursing and 9 percent in medicine. Comparable rates of subprofessional employment for pre-1991 arrivals from China were 40 percent if qualified in society, culture and creative arts, compared to 21 percent in IT or engineering, 18 percent in nursing and 19.5 percent in medicine (table 12). Substantial numbers of migrants qualified in society, culture and creative arts as well as in management and commerce had slipped into clerical, sales or service positions (22 percent). Less than half had secured any form of professional or managerial work (44 percent), compared to 61 percent of doctors, 59 percent of IT professionals, 50 percent of engineers and 48 percent of nurses. While there appeared to be less risk of skills discounting for immigrants qualified in the natural and physical sciences, far fewer were employed in any profession than was the norm in vocational fields. This phenomenon similarly influenced the level of opportunity for the Canadian-born with generic qualifications; the Australian data showed identical trends.

Policy-makers should be aware that disproportionate numbers of generically qualified migrants will fail to secure professional or managerial work, despite their pos-

session of degrees, and regardless of length of settlement. This form of credential also significantly worsens outcomes for degree-qualified females, older migrants and those from non-English-speaking backgrounds.

The impact of gender on employment outcomes

To what extent does the gender of degree-qualified migrants influence employment outcomes in both Canada and Australia? This is a significant issue, given the growing participation of women in economic migration and their disproportionate qualification in traditionally "male" fields such as engineering (OECD 2008).

According to a mid-1990s study, until the 1980s, the "role of women in international migration was largely unrecognised...[Their] economic and social contributions were considered trivial or non-existent because when women migrated, they were routinely viewed as dependents of male migrants or as passive participants in migration" (Lee 1996, 6-7). Indeed, there was a "taken-for-granted view" that women were "the appendages of either protective males or the patriarchal state" (Fincher et al. 1994, 150).

The past decade, however, has seen rising female participation in economic migration — a process facilitated by women's access to education, employment and contraception, as well as immigrant-receiving nations' establishment of nondiscriminatory entry policies. In 1976, fewer than 15 percent of the 146,400 Asian workers who left their countries to work overseas were female. By the early 1990s, the feminization of Asian labour movements was pronounced, with the majority of Asian temporary migrants being female (particularly those from the Philippines, Indonesia, Sri Lanka and Thailand). An increasing proportion of such women have sought employment throughout Asia, the Middle East and select Western countries as "nurses, doctors, teachers and secretaries — the feminized occupations," despite the persistent image of women as unskilled workers or "trailing spouses" (Lim and Oishi 1996, 26). Few governments to date have examined this feminization of skilled migration flows in terms of labour market outcomes, though academics have demonstrated a growing interest (see, for example, Hugo 1990; Boyd 1992a, 1992b; Boyd, DeVries and Simkin 1994; Fincher et al. 1994; Zlotnik 1995; Lee 1996; Yeoh and Khoo 1998; Hawthorne 1996, 2001).

The analysis of the 2001 Census undertaken for this study confirmed that degree-qualified migrant women had secured very different employment outcomes compared to men. It is thus essential to examine this briefly, given that 33 percent of all female migrants to Canada from 1996 to 2001 were degree-qualified, compared to 41 percent of males (the comparable figures for Australia are 25 percent and 27 percent).

In Canada, female migrants (in all immigration categories) performed significantly worse than migrant males in the same age group and field and worse than the Canadian-born of either gender. For example, 66 percent of recent migrant female IT professionals had secured professional or managerial work by 2001, compared to 71 percent of migrant males, 78 percent of Canadian females and 81 percent of Canadian males (table 13a). The comparable figures for engineering were 51 percent versus 62, 72 and 80 percent; for architecture and building, 45 percent versus 58, 74 and 83 percent; for medicine, 62 percent versus 81, 87 and 93 percent; and for accounting, 54 percent versus 68, 83 and 87 percent. Employment outcomes were even worse for migrant women holding generic

Table 13a
Professional/Managerial Employment among Recent Immigrants by Gender and Vocational Field, Canada, 2001 (percent)

Vocational field	Immigrants 1996–2001		Canadian-born	
	Female	Male	Female	Male
Information technology	66	71	78	81
Engineering	51	62	72	80
Architecture and building	45	58	74	83
Medicine	62	81	87	93
Accounting	54	68	83	87
Management and commerce	49	61	68	73

Source: 2001 Census (Canada).

Table 13b
Professional/Managerial Employment among Recent Immigrants by Gender and Vocational Field, Australia, 2001 (percent)

Vocational field	Immigrants 1996–2001		Australian-born	
	Female	Male	Female	Male
Information technology	57	67	67	78
Engineering	38	57	67	75
Architecture and building	47	58	65	68
Medicine	72	87	89	95
Accounting	49	67	71	78
Management and commerce	n.a.	n.a.	n.a.	n.a.

Source: 2001 Census (Australia).

degrees. In management and commerce, for instance, 49 percent of migrant females had secured professional or managerial work, compared to 61 percent of migrant males, 68 percent of Canadian females and 73 percent of Canadian males.

Highly comparable trends were evident for women who had recently migrated to Australia. For example, 57 percent of migrant female IT professionals had secured professional or managerial work, compared to 67 percent of migrant males, 67 percent of Australian females and 78 percent of Australian males. The figures for engineering were 38 percent (far worse than in Canada) versus 57, 67 and 75 percent; for architecture and building, 47 percent versus 58, 65 and 68 percent; for medicine, 72 percent versus 87, 89 and 95 percent; and for accounting 49 percent, versus 67, 71 and 78 percent. As in Canada, outcomes were inferior for migrant women qualified in generic fields (table 13b).

On a more positive note, the study found that young, recently arrived migrant women in Australia had approximated or exceeded male migrants' professional integration rates across a range of fields. Furthermore, they had achieved higher professional or managerial employment levels than comparable males in the natural and physical sciences, medicine, nursing, education, and management and commerce, with near equivalence in all other fields examined. Within this context, gender-related outcomes merit careful policy monitoring by the Canadian and Australian governments.

The impact of age on employment outcomes

To what extent does age at time of migration affect employment outcomes for recent degree-qualified professionals? Australia awards no economic points for applicants older than 44, while Canada deducts two points per year for PAs who are 50 and over. Is this policy decision justified by the Census analysis (in all immigration categories)? The answer is yes.

Age significantly influenced employment outcomes for 1996-2001 degree-qualified arrivals, although this pattern was mediated by level of demand by field. In both Canada and Australia, native-born recent graduates enjoyed greater access to work in every profession examined than 1996-2001 migrant arrivals (of all ages). Outcomes by age and gender were most similar to native-born workers for migrants from ESB source countries (UK/Ireland, US, Australia/New Zealand, Canada and South Africa), in addition to those from Northwestern Europe. Degree-qualified male migrants aged 25 to 44 fared best in Canada and Australia, outperforming the older age group (45 to 64 years) and doing infinitely better than newly arrived young graduates (aged 15 to 24 years; see the next section). Of the recently arrived 25-to-44-year-old male graduates from UK/Ireland in Canada, for example, 75 percent had secured work in their own or another profession by 2001, compared to 57 percent of 45-to-64-year-olds (the comparable figures for Australia were 74 percent and 67 percent).

A recent OECD analysis confirmed that young, overseas-qualified graduates, by contrast, faced catastrophic levels of labour market rejection if they did not come from ESB source countries (OECD 2006). For example, just 9 percent of young foreign-born accountants had found work in their field in Canada within the first five years of arrival, compared to 8 percent of engineers, 11 percent of commerce graduates, 16 percent of teachers and 22 percent of IT professionals (table 14). The comparable figures for Australia were: accounting, 20 percent; teaching, 26 percent; commerce, 5 percent; and IT, 16 percent. Given a choice between degree-qualified locals or new migrant graduates of identical age, Canadian and Australian employers emphatically preferred the former — this at a time when Canada was characterized by a more difficult employment context for young graduates.

The value of host-country degrees to employment outcomes

The Census confirmed that it is highly advantageous for young, degree-qualified migrants to possess host-country rather than overseas degrees. This finding affirms Australia's growing selection of "onshore" (that is, former international student) applicants (Birrell, Hawthorne and Richardson 2006; Birrell 2008). Length of residence in the host country mattered, however, as employers sought a high degree of acculturation.

Young migrants with local degrees residing in Australia between 5 and 10 years achieved less positive outcomes than those residing in Australia 10 years or more. For example, 77 percent of Australian-born new accounting graduates had secured work in 2001 compared to 70 percent of overseas-born local graduates resident 10 years or more, and just 55 percent of 1991-96 arrivals. Overall employment rates for 1991-96 arrivals with Australian degrees were 34 percent for youth born in UK/Ireland, 39 percent for those born in Eastern Europe, 38 percent for Other Middle East/North Africa, 34 percent for Northwestern Europe, 31 percent for India and Other South/Central Asia, 28 percent for the Philippines, 26 percent for Hong Kong/Malaysia/Singapore and 19 percent for China.

This trend is confirmed by the most recent Australian data (May 2006). Of recent economic migrants with Australian degrees (in all fields), 83 percent had found work within six months – an excellent rate. However, just 46 percent of young graduates were immediately using their professional credentials to work, compared with 63 percent of older offshore applicants (the latter had 82 percent employment rates). New graduates with Australian degrees were also paid less than offshore migrants (drawing annual salaries of AUD$33,000, compared to AUD$52,500). Weekly earnings were correspondingly lower (AUD$641, compared to AUD$1,015), and job satisfaction was less (44 percent of former international students liked their work, compared to 57 percent of recent offshore migrants) (Birrell, Hawthorne and Richardson 2006).

Table 14
Labour Market Outcomes of Recent Canadian- and Foreign-Born Graduates,[1] by Period of Arrival and Vocational Field, 2001 (percent)

Vocational field	Origin	Period of arrival	Own profession	Any employment	Unemployed
Nursing	Canadian-born		17	82	9
	Foreign-born	Before 1991		53	
		1991-95		41	
		1996-2001		67	
Teaching	Canadian-born		30	80	9
	Foreign-born	Before 1991	19	67	10
		1991-95	9	38	
		1996-2001	16	35	13
Accounting	Canadian-born		46	79	7
	Foreign-born	Before 1991	44	75	7
		1991-95	33	60	10
		1996-2001	9	41	16
Medical studies/medicine	Canadian-born		25	58	9
	Foreign-born	Before 1991	16	48	7
		1991-95	17	51	10
		1996-2001			18
Information technology	Canadian-born		40	71	13
	Foreign-born	Before 1991	38	65	11
		1991-95	33	55	18
		1996-2001	22	50	19
Engineering	Canadian-born		22	67	14
	Foreign-born	Before 1991	20	58	13
		1991-95	20	49	19
		1996-2001	8	44	19
Architecture and building	Canadian-born		29	68	14
	Foreign-born	Before 1991	33	33	20
		1991-95	17	32	20
		1996-2001		33	
Society, culture and creative arts	Canadian-born		10	73	13
	Foreign-born	Before 1991	6	61	17
		1991-95	3	55	17
		1996-2001	4	50	16
Rest of management and commerce	Canadian-born		17	75	12
	Foreign-born	Before 1991	15	70	11
		1991-95	11	52	15
		1996-2001	11	53	12
Natural and physical sciences	Canadian-born		6	65	13
	Foreign-born	Before 1991	6	60	11
		1991-95	2	57	15
		1996-2001		40	18

Source: 2001 Census (Canada).

[1] For methodological purposes it is assumed here that 15-24-year-old degree-qualified migrants who arrived in Canada and Australia prior to 1996 would have completed their degrees in their host country, rather than their country of origin. (Please note that cell sizes for both Canada and Australia are sometimes very small in this part of the analysis, in particular for 1996-2001 arrivals.)

The Canadian data confirmed the existence of a tougher overall entry market for new graduates. For each cohort of young migrant graduates examined, the level of professional employment was lower than it was for those who had resided in the country longer, despite possession of a Canadian degree,[17] which conferred a definite advantage (table 14). For example, 46 percent of recent Canadian-born accounting graduates had found work in their field, compared to 44 percent of foreign-born residents who had graduated in Canada and who had resided in the country for 10 years or more, and 33 percent of those who had lived in Canada between 5 and 10 years. As was the case in Australia, far lower employment outcomes were experienced by newly arrived young graduates qualified overseas. Just 6 percent (not shown) of such migrants qualified in medicine or medical science found work in their fields in Canada in the first five years, compared to 8 percent of those in engineering, 9 percent of those in accountancy, 22 percent of those in IT and 4 to 11 percent of those in generic fields. As in Australia, the combination of recent foreign training and minimal work experience sharply reduced local employer interest.

The impact of location on employment outcomes

The impact of location on employment outcomes was found to be minimal in the 2001 Census analysis. Toronto attracted by far the largest number of degree-qualified immigrants arriving in Canada between 1996 and 2001 — 381,232 (compared to 141,245 for Vancouver, 112,234 for Montreal, 56,911 for Quebec City, 52,020 for Ottawa-Hull and 257,816 for the rest of Canada) — although Vancouver had received a disproportionate number of skilled migrants in terms of overall population share (see Schellenberg 2004).

In virtually every census metropolitan area (CMA) examined, the best labour market integration rates were secured by 1996-2001 migrants from source countries favoured by Canadian employers when selecting temporary foreign workers: degree-qualified arrivals from the UK/Ireland, the US, South Africa, Australia/New Zealand and Northwestern Europe (table 15a).

Table 15a
Birthplaces of Degree-Qualified Migrants with Employment Rates of 75 Percent or More, by Select Census Metropolitan Area, 1996-2001 Arrivals, Canada, 2001 (percent)

Country/region of birth	Toronto	Vancouver	Montreal	Quebec City	Ottawa-Hull	Rest of Canada
UK/Ireland	86	85	81		84	82
Northwestern Europe	86	82	84	77	81	83
Australia/ New Zealand	82	79			78	79
South Africa	85	84				87
US	85	84	80	82	80	82
Central/South America	84	76	75		81	81
Philippines	83	79				83
Hong Kong/Malaysia/Singapore	79				85	81
India	79	79			77	77
Eastern Europe	80	76	75		77	78
Southeastern Europe	80	75			77	79

Source: 2001 Census (Canada).

Table 15b
Birthplaces of Degree-Qualified Migrants with the Lowest Employment Rates,[1] by Select Census Metropolitan Area, 1996-2001 Arrivals, Canada, 2001 (percent)

Country/region of birth	Toronto	Vancouver	Montreal	Quebec City	Ottawa-Hull	Rest of Canada
India				31		
Other South/Central Asia	70	68		38		68
China	68	63	49	37		
Taiwan	64	47	48		63	55
Eastern Europe				52		
Iraq	71	30	50		39	64
Other Middle East/North Africa					72	67
Australia/New Zealand			50			
South Africa					66	

Source: 2001 Census (Canada).
[1] The table shows the four birthplaces with the lowest employment rates.

As table 15b shows, certain birthplace groups of recently arrived degree-qualified migrants were the least likely to have found any form of work in the CMAs examined, with strikingly poor employment outcomes for select birthplace groups in Montreal, Quebec City and Vancouver (although they had a lower risk of poor employment outcomes in Toronto and the rest of Canada). It is important to note the numerical importance of some groups who were among the least likely to be employed in the stated CMA, but also happened to belong to the top-four arrival groups for each location in 1996-2001:

- Toronto — Other South/Central Asia (42,264) and China (33,887)
- Vancouver — China (17,857) and Taiwan (11,554)
- Montreal — China (9,390)

Identical trends were found in the impact of location on employment outcomes in Australia.

Employment Outcomes for Economic Principal Applicants

The migration context

Having demonstrated with the 2001 Census analysis that there are minor differences in employment outcomes for most recent degree-qualified migrants to Canada and Australia (in all immigration categories), this study will now assess the extent to which Australia's divergence from the human capital model of economic selection had resulted in improved economic outcomes.

Canada's and Australia's economic migration programs include a range of subcategories, with variable terms and conditions. For the purposes of the current study, the two numerically dominant and most directly equivalent subcategories were selected for all data analysis; both are points-tested:

- The "skilled worker" category for Canada and the "independent" category for Australia — where PAs are selected wholly on the basis of their perceived capacity for labour market integration, including the potential to use their skills at an appropriate level (points allocated on the basis of attributes such as qualification level, prior work experience, age, etc); and
- The "assisted relatives" category for Canada and the "concessional family/skilled Australia-Linked" category for Australia — where PAs require slightly lower points for eligibility, given selection on the basis of relationship to family members established in the host country, in addition to the allocation of points (as above) related to their perceived capacity for labour market integration.

Three longitudinal data sources were used:

- The Longitudinal Survey of Immigrants to Australia (LSIA), based on recurrent interviews, commencing six months after arrival, with a representative sample (5 percent) of migrants and refugees entering Australia, administered to date three times (LSIA 1 in 1993-95, LSIA 2 in 1999-2000 and LSIA 3 in October 2005)
- The Longitudinal Survey of Immigrants to Canada (LSIC), based on recurrent interviews with a representative sample of migrants and refugees to Canada conducted six months, two years and four years after arrival (LSIC 1 was administered in 2000-01)
- The Longitudinal Immigration Database Canada (IMDB), a semilongitudinal database that tracks individual migrants through tax returns from their first year of filing. For this study, analysis of data for recently arrived economic migrants who had filed their first returns in 1994-95 and in 1999-2000 (up to a year after arrival) was used, facilitating comparison with LSIA 1 and LSIA 2 data for similar vintages of degree-qualified migrants. By definition, the IMDB provides indicative rather than identical data.

The research assessed employment patterns of recently arrived economic PAs in their first 6 to 12 months of residence in Canada and Australia[18] — a far more immediate time frame than that accessible through 2001 Census data, and one that is highly predictive of longer-term outcomes (Birrell, Hawthorne and Richardson 2006). Key findings from this analysis are summarized in turn below.

Employment outcomes for economic migrants to Canada and Australia were comparable in the mid-1990s, but only those of Australian economic PAs had greatly improved by 1999-2000

Following the significant changes to migration selection criteria that were introduced in Australia in 1999, independent migrants' employment rates within six months of arrival had surged from 57 percent in 1993-95 to 81 percent in 1999-2000. Unemployment had dropped, and labour market participation rates had increased. Excellent employment gains were also evident for the concessional family category (rising from 46 percent to 69 percent). By contrast, in Canada, where immigrants' education levels were higher but the source countries were rapidly diversifying, there

appeared to have been a slight decline in employment rates for skilled workers (from 64 percent in 1994-95 to 60 percent in 2000-01, with assisted relatives faring much worse (dropping from 57 percent in 1994-95 [IMDB approximation] to just 36 percent in 2000-01).

Outcomes have continued to improve for PAs in both economic categories in Australia in the past five years: LSIA 3 data for 2005 confirm that 83 percent of independent PAs have found work within six months (as have 72 percent of comparable Australian-sponsored migrants); 12 percent of economic PAs were unemployed, and just 5 percent were not in the labour force — a marked improvement since 1999-2000, when the corresponding rate was 15 percent.

Levels of employment and job satisfaction had substantially improved for economic PAs in Australia since the mid-1990s; select outcomes were also improving in Canada

In line with Australia's generally superior employment outcomes, professional/managerial positions proved more accessible to independent migrants in Australia, the rates rising from 55 percent in 1993-95 to 60 percent by 1999-2000. Concessional family rates, however, remained comparable to those in Canada (reflecting these migrants' lower points requirement): just 32 percent of the employed found high-skilled positions by 1999-2000. At that time, 85 percent of employed independent PAs also stated they were actively using their credentials within six months, compared to just 64 percent of concessional family workers (a modest improvement over 1993-95).

The latest available Australian data, for 2005, confirm that 63 percent of all independent arrivals were using their qualifications to work, compared to 49 percent of the Australian-sponsored. This is a positive outcome, given that the figures now include substantial numbers of recently graduated international students. (Comparable data were not available for Canada.)

The data confirmed job satisfaction to be good but static for concessional family PAs in Australia — about 45 percent for both 1993-95 and 1999-2000. By contrast, independent PAs had become increasingly satisfied with their positions: in 1999-2000 61 percent claimed to "love or really like" their work, compared to 50 percent six years earlier. Data for 2005 confirmed this generally positive result: 57 percent of independent migrants liked their work and 31 percent considered it "okay," compared to 50 and 37 percent, respectively, of offshore Australian-sponsored migrants and 44 and 40 percent of former international students (the latter were far more likely to be working in less-skilled positions, given their new graduate status).

Data categorizing the type of positions secured by employed economic PAs in Canada were not provided in LSIC 1. However, IMDB data suggested that positive trends occurred from 1994-95 to 1999-2000: 32 percent of skilled workers had managerial or professional work by the mid-1990s, compared to 54 percent by the end of the decade. Growth in professional/managerial positions from 22 to 36 percent also occurred for assisted relatives. The IMDB does not provide job satisfaction data; however, LSIC 1 demonstrated that 73 percent of skilled workers in Canada were "positive" about their employment by 2000-01, along with 70 percent of assisted relatives. LSIC data confirmed that two years after arrival, 84 percent of those in work were satisfied with their employment.

Salaries had risen markedly for economic PAs in Australia by 1999-2000, but not for those in Canada

In Australia, weekly earnings also greatly improved for employed independent PAs between 1993-95 and 1999-2000: 57 percent earned AUD$674 or more, compared to just 39 percent six years earlier. By 1999-2000, 76 percent of employed independent migrants were earning more than the median wage (AUD$154), along with 63 percent of concessional family migrants. Growth in income was also positive for concessional family workers, with the proportion of PAs in this category earning above the median wage rising from 23 to 34 percent. While trend data for Canada were not available, earnings at the time of LSIC 1 (2000-01) were significantly lower in Canada than in Australia: 33 percent of skilled economic migrants were paid C$618 or more per week, compared to just 11 percent of employed assisted relatives.

Australian data for 2005 reveal that income levels rose even higher after 1999-2000 (in stark contrast to the trend now evident in Canada): 65 percent of independent PAs were earning over AUD$674 per week; their average weekly wage was an extraordinary AUD$1,015. This compared to 46 percent of offshore Australian-sponsored PAs (who earned an average weekly wage of AUD$779) and 40 percent of onshore former international students, who were new graduates lacking professional experience (they averaged AUD$641 per week, but this will likely increase over time).

Employment outcomes had also improved for economic PAs in Australia for all birthplace groups, including those that were typically disadvantaged

As established by the Census data analysis, select developing-country birthplace groups were at risk of

severe labour market disadvantage in both countries (in all immigration categories). The Australian data, however, confirmed tremendous gains in early employment outcomes for such migrants when screened by the new selection criteria, with more recent economic PAs proving far more acceptable to employers than their previous birthplace counterparts. This was a very encouraging finding.

In 1993-95, for example, 85 percent of UK, 76 percent of South African and 73 percent of Northwestern European economic migrants were employed within six months of arrival. This compared to 56 percent of economic migrants from India, 53 percent from Hong Kong/Malaysia/Singapore, 45 percent from China, 42 percent from the Middle East/North Africa and 31 percent from Eastern Europe (table 16a). By 1999-2000, this Australian disadvantage gap had largely closed: 86 percent of UK, 89 percent of South African and 83 percent of Northwestern European PAs were working within six months, compared to 73 percent from India, 72 percent from the Middle East/North Africa, 68 percent from Hong Kong/Malaysia/Singapore, 61 percent from China, and 79 percent

Table 16a
Short-Term Employment Rates[1] among Newly Arrived Principal Economic Applicants, Pre- and Post Immigration Reform,[2] by Birthplace, Australia

Country/ region of birth	1993-95 arrivals (%)	1999-2000 arrivals (%)
UK/Ireland	85	86
South Africa	76	89
Northwestern Europe	73	83
Eastern Europe	31	79
Philippines	57	76
India	56	73
Hong Kong/Malaysia/ Singapore	53	68
China	45	61
Middle East/North Africa	42	72
North, Southeast, Central Asia	40	77

Sources: LSIA1 (1993-95) and LSIA2 (1999-2000).
[1] Rate of employment within six months of arrival.
[2] The reforms were introduced in 1999.

Table 16b
Short-Term Employment Outcomes[1] of Newly Arrived Principal Economic Applicants, by Birthplace, Select Years, Canada (percent)

	1994		1999		2000-01	
Country/region of birth	Employed	Other	Employed	Other	Employed	Other
UK/Ireland	86.9	13.1	88.7	11.3		
US	89.5	10.5	83.0	17.0		
South Africa	76.7	23.3	81.6	18.4		
Australia/New Zealand	84.6	15.4	100.0	0.0		
India	71.8	28.2	78.9	23.7	76.1	23.9
Pakistan	56.5	43.5	59.6	40.4	65.8	34.2
Hong Kong/Malaysia/Singapore	38.5	61.5	53.1	46.9		
China	72.9	27.1	57.3	42.7	48.0	52.0
Taiwan	37.5	62.5	24.7	75.3		
Philippines	78.0	22.0	83.2	16.8	84.1	15.9
Vietnam	67.7	32.3	62.5	37.5		
Indonesia	66.7	33.3	66.7	33.3		
Lebanon	52.5	47.5	46.3	53.7		
Iraq	58.8	41.2	44.7	55.3		
Iran					49.2	50.8
Romania					69.9	30.1
Russia					63.6	36.4
Sri Lanka					81.3	18.7
South Korea					32.6	67.4
Morocco						
Other Africa/Middle East	57.6	42.4	54.8	45.2		
Other Europe	61.4	38.6	65.2	34.8		
Northwestern Europe						
Eastern Europe						
Southeastern Europe						
Other Asia/Pacific	58.7	41.3	49.7	50.3		
Other South/Central America	74.5	25.5	74.1	25.9		
Other countries					61.5	38.5
Not stated	25.0	75.0	40.0	60.0		
Total	**64.2**	**35.8**	**62.0**	**38.0**		

Source: IMDB and LSIC.
[1] Employment status within six months of arrival.

from Eastern Europe (the improved outcomes for Eastern European arrivals are particularly notable).

In Canada, improved labour market integration rates were also achieved by economic PAs from the UK (87 percent in 1994-95, rising to 89 percent in 1999-2000 based on IMDB data), from the Philippines (78 percent, rising to 84 percent in 2000-01), from India (72 percent, rising to 76 percent) and from Pakistan (57 percent, rising to 66 percent). However, far more variable labour market integration rates remained the norm for other economic PA groups: 53 percent from Hong Kong/Malaysia/Singapore were employed in 1999 (compared to 39 percent in the mid-1990s) and 48 percent from China in 2000-01 (apparently declining from 73 percent). These outcomes almost certainly reflected nonrecognized credentials, as well as Canadian employer wariness regarding the calibre of foreign training systems and applicants' ability to speak French or English (see table 16b).

Australian labour market integration rates had markedly improved for both male and female economic PAs, as well as across all age groups

Australia's changed economic selection criteria have diminished both female and male economic migrants' disadvantage to a high degree: employment rates for female PAs rose from 49 to 71 percent between 1993-94 and 1999-2000; comparable male rates were only slightly higher (rising from 53 to 78 percent). By contrast, female economic PAs in Canada appeared to have experienced employment decline in this period (assuming comparability between the LSIC and the IMDB). The 2000-01 employment rate for female immigrants six months after arrival was 55 percent, compared to 63 percent in 1994-95. For male immigrants, the rates were 62 and 65 percent. This finding is problematic, given the increasing flow to Canada of female immigrants with relatively high qualifications, as demonstrated in the previous analysis (OECD 2008).

Age-related selection changes have also been beneficial to Australia. By the late 1990s, older migrants (44 years and older) were receiving no economic category points for age at all. This change is associated with very positive outcomes (older applicants are now obliged to score high on other employment-related measures). By 1999-2000, 77 percent of 25-to-44-year-old economic PAs had secured work in Australia within six months, compared to 70 percent of 15-to-24-year-olds and 59 percent of 45-to-64-year olds. These results for older workers are noteworthy: their employment rate nearly doubled within six years (reflecting their premigration screening for credential recognition, English-language ability and other employer-desired attributes that offset the disadvantage typically associated with older age) (see table 17).

Canada continued to accept substantial numbers of economic PAs over 45 years of age from 1991 to 2003, despite some decline in this trend. However, Canadian

Table 17
Short-Term Employment Outcomes[1] among Newly Arrived Economic Principal Applicants, by Age, Select Years, Canada and Australia (percent)

Canada						
	1994		1999		2000-01	
Age group	Employed	Other	Employed	Other	Employed	Other
15-24 years	78.8	21.2	76.4	23.6	80.4	19.6
25-44 years	64.9	35.1	62.5	37.5	60.7	39.3
45-64 years	51.6	48.4	50.3	49.7	50.2	49.8
All	**64.4**	**35.6**	**62.1**	**37.9**	**60.0**	**40.0**

Australia				
	1993-95		1999-2000	
Age group	Employed	Unemployed/ not in labour force	Employed	Unemployed/ not in labour force
15-24 years	54.7	45.3	69.6	30.4
25-44 years	53.3	46.7	77.1	22.9
45-64 years	32.1	67.9	59.4	40.6
All	**51.9**	**48.1**	**75.8**	**24.2**

Sources: Canada — IMDB and LSIC: Australia — LSIA.
[1] Employment status within six months of arrival.

employers strongly favoured young skilled workers in all three periods examined: 80 percent of 15-to-24-year-olds were employed in 2000-01 (in all fields, compared to 79 percent in 1994), 61 percent of 25-to-44-year-olds (compared to 65 percent) and 50 percent of 45-to-64-yearolds (compared to 52 percent). This policy issue may be worth examining.

Externally validated host-country language screening was associated with greatly improved work outcomes

As has been established by many reports, facility in the host-country language(s) is a critical determinant of employment outcomes in knowledge economies, an issue not examined with 2001 Census data, given the notorious unreliability of self-reporting.[19]

According to two recent Canadian studies, host-country language ability is "the particular form of human capital that seems to matter most," while "the higher...an immigrant's official language capability, the greater the employment and earnings opportunities" (Thompson and Worswick 2004; Hiebert 2006). An identical trend is evident in Australia. A series of labour market reports on economic migrants have confirmed the inferior employment outcomes achieved by NESB migrants, despite their possession of generally higher qualifications. NESB workers secured worse outcomes at every age, with recessions rendering them particularly vulnerable in terms of employment. They had difficulty converting overseas credentials into appropriate-status work, locating this work in the fields for which they were qualified and securing adequate earnings. By 1981, it had been demonstrated that poor English-language competence "doubled the probability of [males] being unemployed"; with unemployment predictors including English-language ability, birthplace, period of residence in Australia and country in which formal qualifications had been gained (Australia, Bureau of Labour Market Research 1986, 86). By 1989, poor English-language ability was considered to represent "an awesome and devastating barrier" at every stage of the employment life cycle in Australia (Australia, Office of Multicultural Affairs 1989, 39). Moreover, the Australian evidence up to 1994 demonstrated that as the education level increased, "the labour market position of immigrants vis à vis the Australian-born systematically deteriorate[d]" (Wooden 1994, 230).

Comparable trends are evident in Canada, demonstrating that the higher an immigrant's official-language capability, the greater that person's employment and earnings opportunities (see, for example, Citizenship and Immigration Canada 1998; Chiswick and Miller 2000a, 2000b). Analyzing the effect of language literacy on earnings based on national data, a recent Canadian study stated that

> immigrants and the native born appear to obtain the same return for their literacy skills. We argue that this does not support a discrimination explanation for immigrant-born earnings differentials. Immigrant shortfalls in literacy can account for about one-half of the earnings gap between university educated immigrants and similarly educated native-born workers. However, low returns to foreign acquired experience have a larger impact in the differential and those low returns are not related to literacy differences. Thus, low literacy among immigrants is an important input to understanding immigrant-native born earnings differentials but is not the dominant explanation. (Ferrer, Green and Riddell 2004, 3)

Increasingly, the argument is made that migrants cannot take their place in the knowledge economy without spoken and written fluency in the host-country language(s). Host-country language facility also interacts with other labour market attributes, such as gender (Boyd, De Vries and Simkin 1994); and in communicative professions such as medicine, nursing, teaching and engineering, it is regarded as critical (see, for example, Hawthorne and Toth 1996; Pawlikowska-Smith 2000; Centre for Canadian Language Benchmarks 2002). Canada's medical, nursing and engineering regulatory bodies, for example, have now all identified high-level English/French language ability as an essential entry requirement for professional practice.

To what extent are these language-related findings confirmed by the longitudinal data analysis, now that Australia has mandated externally validated pre-migration English-language assessment for economic PAs while Canada continues to allow for English/French self-assessment?[20]

The LSIA showed a marked recent increase in the proportion of economic PAs using English well or very well in Australia (45 percent in 1993-95, compared to 73 percent in 1999-2000). The employment gap between immigrants with high-level and low-level English was also vast by 1999-2000: 73 percent of the former secured work, compared to just 41 percent of the latter (table 18). The LSIA further allows us to assess English-language ability for recent immigrants by gender. Female economic PAs selected by Australia had matched or exceeded comparable males

Table 18
Short-Term Employment Outcomes among Newly Arrived[1] Principal Economic Applicants, by Language Ability, Various Survey Years, Canada and Australia (percent)

Canada							
		1994		1999		2000-01	
Language	Level	Employed	Other	Employed	Other	Employed	Other
English		64.6	35.4	62.9	37.1		
French		65.6	34.4	62.3	37.7		
English and French		64.7	35.3	62.9	37.1		
Neither		62.3	37.8	52.9	47.1		
English and/or French	Knows very well/well					61.5	38.5
	Knows not well/ not at all					50.8	49.2
All		**64.5**	**35.5**	**62.2**	**37.8**	**60.0**	**40.0**

Australia					
		1993-95		1999-2000	
Category	Level	Employed	Unemployed/ not in labour force	Employed	Unemployed/ not in labour force
English	Knows very well/well	44.5	55.5	73.1	26.9
	Knows not well/ not at all	28.1	71.9	40.9	59.1
All		**39.8**	**60.2**	**71.1**	**28.9**

Sources: Canada — IMDB and LSIC: Australia — LSIA.
[1] Employment status within six months of arrival.

in terms of host-country language ability: 93 to 98 percent of female independent PAs spoke English well or very well, despite somewhat lower rates in the concessional family category. This seems certain to have contributed to the positive employment outcomes reported by females.

Australia's 2005-06 skilled migration review confirmed the critical association between independently assessed English-language ability and the speed with which migrants integrated into the labour market: 89 percent of economic PAs with English as their "only or best" language were employed within six months of arrival, compared to 86 percent of those who spoke English "very well," 76 percent of those who spoke it "well" and 59 percent of those who spoke it "not well." PAs with the best command of English were also the most likely to be using their professional qualifications to work (61 percent, compared to 60, 44 and 37 percent), and they were most likely to be employed in professional or managerial positions.

The LSIC data confirmed that migrants with knowledge of English and/or French were highly advantaged in terms of access to employment. Given the lack of language levels for LSIC and IMDB data, however, it was not possible to make more meaningful comparisons in relation to this over time.

Improved employment outcomes for economic migrants were found in major migration settlement locations in both countries

In line with the 2001 Census data, employment outcomes for economic PAs varied across the Australian locations analyzed: by 1999-2000, 81 percent had secured work within six months of arrival in Sydney, compared to 73 percent in other Australia and 70 percent in Melbourne; there were markedly better outcomes in each location than there were in 1993-95. Similarly, analysis of the longitudinal data confirmed that economic PAs located in Toronto (65 percent) and in other Canadian CMAs (69 percent) had better immediate employment outcomes than migrants settling in Vancouver (56 percent) or Montreal (just 38 percent).

Welfare dependence had also declined among economic PAs in both countries

Welfare dependence had virtually disappeared in Australia for independent and concessional family immigrants by 1999-2000, reflecting government policy barring access to welfare in the first two years of arrival. While in 2005, 12 percent of economic PAs were categorized as unemployed after six months of arrival, these people would have been ineligible to receive benefits. In Canada, reliance was also very low for other skilled worker and assisted relative PAs in 2000-01 (just 8 percent of households).

Conclusion

As established by the Census data analysis, Canada and Australia are highly comparable settlement sites for degree-qualified migrants (in all immigration categories). However, economic immigrants perform indisputably better in Australia: their employment outcomes within six months of arrival are also strongly correlated with longer-term labour market integration rates (Birrell, Hawthorne and Richardson 2006). Compared to their counterparts in Canada, far greater proportions of new immigrants in Australia secure positions fast, gain professional or managerial status, earn high salaries and use their credentials to work. In the process, unprecedented numbers are avoiding the labour market displacement typically associated with select birthplace, language, age and gender groups. The latest available Australian data (released in May 2006) confirm the ongoing benefits of recent policy refinements.

In redesigning its economic selection criteria in 1999, the Australian government affirmed the program's original intent: to select economic migrants who can make an immediate contribution to the economy by employing their skills at an appropriate place in the labour market. Parallel goals were to reduce skills wastage among recent arrivals and to reduce the level of government investment required to support their labour market adjustment needs (by the mid-1990s, this amounted to some AUD$250 million of annual federal funding for employment, credential recognition and English-language bridging programs, and even this was inadequate).

The transformation of Australia's economic migration program was viewed as legitimate and essential, given that in Australia, government frames policy but employers retain the power to offer or withhold work. The previous model of selection had proven to be flawed: it delivered PAs lacking the knowledge economy attributes employers sought (sophisticated English-language ability, recognized credentials and qualification in fields associated with buoyant labour market demand).

Since 1999, in consequence of research findings, perceived "employability" has determined PAs' capacity to proceed with economic migration to Australia. In terms of credential recognition, PAs qualified in regulated fields have been required to apply for pre-migration screening by the relevant Australian national or state licensing bodies (typically, a three-month postal process). This strategy is designed to avoid years of forced labour market displacement due to nonrecognition of skills. Given the existence of niche economies, priority processing has been granted and up to 20 bonus points awarded to applicants qualified in high-demand fields, a measure clearly associated with beneficial outcomes. In recognition of the importance of host-country language ability, candidates have been required to achieve vocational- or higher-level scores on the independently administered International English Language Testing System (or an approved equivalent), administered internationally and monthly by the British Council for a modest fee. The standard is not draconian: the minimum for economic eligibility is defined as "Has partial command of the language, coping with overall meaning in most situations, though is likely to make many mistakes. Should be able to handle basic communication in own field" (English for International Opportunity 2007).

It is essential to note that in terms of overall impact, these policy changes from 1999 have not discouraged or distorted skilled migrant flows to Australia. Intakes of economic immigrants increased to 97,500 in 2005-06 from 77,800 in 2004-05 (they were a third that level in the mid-1990s); the 2007-08 target has since been raised to 102,500. Racial and ethnic diversity have been maintained: in 2006-07, the top five source countries were the UK (18 percent), India (15 percent), China (11 percent), Malaysia (4 percent) and the Philippines (3 percent). Two years earlier, the top 10 were India (19 percent), China (18 percent), the UK (16 percent), Malaysia (4 percent), the Philippines (3 percent), Indonesia (3 percent), Hong Kong (3 percent), Korea (3 percent), Sri Lanka (3 percent) and Singapore (2 percent). Rather than diminishing ethnic diversity, Australia's changed selection criteria have resulted in applicants being far more effectively screened.

In terms of Australia's changed selection framework, it is important, finally, to highlight the positive employment gains achieved by traditionally disadvantaged groups (see table 16a). While the labour market integration of economic PAs from all source countries had improved by 1999-2000, in the case of economic PAs from Eastern Europe, the Middle East/North Africa, India, the Philippines and China, the scale of change had been dramatic. For example, 79 percent of economic PAs arriving from Eastern Europe had found work within six months of arrival

by 1999-2000, compared to 31 percent in 1993-95. The comparable rate for the Philippines was 76 percent (versus 57 percent), with further gains being reported by the time the LSIA 3 was conducted in October 2005. Impressive employment rates had also been achieved by other at-risk groups, including women of all ages and older skilled migrants.

Many former international students had become economic migrant program participants by 2005 (accounting for 52 percent of the total). By definition, such migrants had paid out of their own pockets to meet Australian employers' English-language and credential needs, thus supporting the development of the country's education export industry. Their selection as economic migrants was not viewed as ethically problematic, despite the international debate on this issue. Parents, rather than source countries, had financed these students' tertiary education, with scholarship holders systematically excluded from selection. From an ethical perspective, the recruitment of mature-age professionals who have been fully trained abroad could seem less defensible, even though this has been the recruitment norm in Canada and Australia for many years. Finally, it is important to acknowledge that Australia's skilled migration review uncovered emerging problems in relation to international student flows, most notably a degree of institutional compromise on training quality and acceptable English-language standards (Birrell, Hawthorne and Richardson 2006; Hawthorne 2007b; Birrell, Healy and Kinnaird 2007; Watty 2007).

Since September 2007, decisive steps have been taken to address this issue. Former international students are no longer exempt from English-language testing because it is impossible for the Department of Immigration and Citizenship to police education providers' academic entry and progression standards. For all economic migrants, the International English Language Testing Scheme (IELTS) band 6 has been declared the threshold competence score in the four language skills — significantly up from band 5[21] (there are 9 bands in all). Liberalized access to postcourse visas will allow former international students an additional 18 months' stay (if required) to gain work experience, improve their English-language skills or undertake a "professional year" related to their field of study. Only passport holders from the UK, Ireland, the US, Canada and New Zealand will be exempt from English testing on transition to economic migration. Significant bonus points will also be awarded to proficient English speakers (25 points for candidates rated IELTS 7 or above), now a major determinant of selection. The practices of education providers will be better monitored — in particular, those providers operating in the fast-growing, migration-driven vocational training sector. More migration points will be awarded to graduates of Australian institutions who have completed postgraduate programs: most notably, those possessing doctoral degrees (25 points) or three-year qualifications (15 points) (Australia, Department of Immigration and Citizenship 2007a).

Such steps are viewed as essential to maintaining the integrity of Australia's skill migration program. In terms of language measures, they are justified by the review's finding that English-language ability is the major determinant of professional employment outcomes: "We conclude that in most dimensions of labour market success, the key is to have a level of English language competence that enables the respondent to report that they speak English at least 'very well'...[Those who do not] were much more likely to be unemployed; about half as likely as those with better English to be employed in a job commensurate with their skills; and about twice as likely to be employed in a relatively low skilled job" (Birrell, Hawthorne and Richardson 2006, 86-7).

It is beyond the scope of this paper to conclude with policy recommendations, since the mandate of the report on which it is based (as commissioned by Citizenship and Immigration Canada, Statistics Canada and Human Resources and Skills Development Canada) was to compare labour market outcomes for degree-qualified professionals in Canada and Australia based on the available statistical evidence. At the same time, the study demonstrates the extent to which labour market outcomes are amenable to influence by policy change, given the sustained benefits flowing to Australia, following its skilled migration reform undertaken in 1999.[22]

The impact of Canada's *Immigration and Refugee Protection Act* will be assessed at a later date. Important Canadian initiatives are also underway in relation to foreign credential recognition, the transition of former international students and temporary workers to economic migration (the "Canadian experience" class) and the growth of the Provincial Nominee Program (Citizenship and Immigration Canada 2008; Hawthorne 2007b). Major sums are currently being invested to address labour market barriers for skilled migrants, including well-targeted language and labour market interventions. Alongside such measures, introduction of mandatory premigration English/French-

language assessment may seem warranted for economic PAs, with threshold levels of ability set and test results externally validated. Furthermore, it could make sense to re-evaluate the proportion of points allocated to premigration work experience in a context where "[v]irtually all of the decline in immigrant entry earnings since the 1980s can be explained by a combination of: (1) a change in the source country composition and associated factors including English and French language skills and discrimination, (2) a fall in the return to pre-Canadian labour market experience, and (3) a general fall in new [labour market] entrant earnings" (Sweetman 2005, 8).[23] Recently, the federal government proposed changes to the *Immigration and Refugee Protection Act* to modernize the immigration system and make it more responsive to Canada's labour market needs. Under the proposed changes, the minister would get the authority to identify priority occupations and issue instructions to officers to enable rapid acceptance of applicants with skills and experience that correspond to employers' needs.

In an increasingly competitive global environment where governments promote economic migration to support national development goals, the stakes will remain high for both economic migrants and Canada. As established by a recent Statistics Canada review, "If immigrants [escape] low income in their first year, the likelihood of entry in subsequent years [will fall] dramatically to below 10 percent." However, "by the early 2000s, skilled class entering immigrants [to Canada] were actually more likely to enter low-income and be in chronic low-income than their family class counterparts, and the small advantage that the university educated entering immigrants had over, say, the high school educated in the early 1990s had largely disappeared by 2000, as the number of highly educated rose. What did change was the face of the chronically poor immigrant; by the late 1990s one-half were in the skilled economic class, and 41% had degrees (up from 13% in the early 1990s)" (Picot, Hou and Coulombe 2007, 5-6).

Given that newly arrived migrants are more than twice as likely as the Canadian-born to possess degrees, it seems essential to redress this skills wastage.

Appendix

Points Tests for Economic Category Migrants, Canada, Australia, New Zealand and the United Kingdom, 2003–05

Attribute	Canada (2003)	Australia (2005)	New Zealand (2004–05)	United Kingdom (2005)
Skill	• Master's or Ph.D.: 25 points[1] • 2 or more bachelor's degrees or trade credential (22 points) • 2-year university degree or trade credential (20) • lower-school/post-school qualifications (5-15)	*Only for officially recognized credentials* • Occupation-specific training (60 points) • General professional occupations (50 points) • Other general skilled occupations (40 points)	*Only for officially recognized credentials* • Master's or Ph.D. (55 points) • Trade/tertiary (50 points)	• MBA from one of the world's top 50 schools (65 points) • Ph.D. (30 points) • Master's (25 points) • Bachelor's (15 points) • Trades or professional qualifications, to be assessed based on equivalency to the above UK qualifications (TBA)
Age	• 21-49 (10 points) • For each year over 49 or under 21 (deduct 2 points)	Points only awarded to those aged 18-44 • 18-29 (30 points) • 30-34 (25 points) • 35-39 (20 points) • 40-44 (15 points)	Points only awarded to those aged 18-55 • 20-29 (30 points) • 30-39 (25 points) • 40-44 (20 points) • 45-49 (10 points) • 50-55 (5 points)	• Under 28: 5 points
Host-country language ability	• Level of ability in English and/or French (2-24 points) • Not essential for skill migration and no obligation for external validation	• Competent English IELTS[2] 6 average (20 points) • Vocational English, IELTS 5 average (15 points)	*No points* • Since November 2002, IELTS 6.5 average is a prerequisite for skill PAs	*No points* • Applicants are asked to rate their English ability as "good-vocational" or "very good/competent" on the eligibility assessment form, but no advice is given on how such information might be used (if at all)
Host-country qualifications	• Minimum of 2 years of academic study in Canada (5 points)	• Ph.D. (15 points) • Master's or honours degree (10 points)[3] • Degree, diploma or trade qualification (5 points)[4]	• At least 2 years of study in New Zealand (10 points)	n.a.
Recent work experience	• Up to 4 years' work experience in a skilled (though not specific) occupation (up to 21 points) • Additional threshold requirement of 1 year's full-time work experience in a field on the National Occupation List	*Offshore applicants* • If experience relates to nominated 60-point occupation (10 points) • If experience is in any 40-, 50- or 60-point occupation (5 points) • 12-24 months of experience essential, depending on specific skill category *Onshore applicants* • Work experience waived for applicants with recent Australian qualifications	*Skilled work experience* • More than 12 months (60 points) • Less than 12 months (50 points) • Current job offer (50 points) Plus • 10 years of relevant work experience (30 points) • 8 years (25 points) • 6 years (20 points) • 4 years (15 points) • 2 years (10 points)	• Graduate-level job – depending on qualification level, age of applicant and calibre of experience (25-50 points)
Achievement in the field	n.a	n.a.	n.a.	• Exceptional (25 points)[5] • Significant (15 points)

Appendix (cont'd)

Points Tests for Economic Category Migrants, Canada, Australia, New Zealand and the United Kingdom, 2003–05

Attribute	Canada (2003)	Australia (2005)	New Zealand (2004–05)	United Kingdom (2005)
Recent earnings	n.a.	n.a.	n.a.	(Based on an earnings assessment conducted in the past 12 months in the country of origin)[6] Category A – more than 28 years • £250,000 (50 points) • £100,000 (35 points) • £40,000 (25 points) Less than 28 years • £60,000 (50 points) • £40,000 (35 points) • £27,000 (25 points) Category E • £2,350-£21,875 (25-50 points)
Occupational demand	• Permanent or temporary job offer in Canada (10 points) • Minimum 1 year's work experience in Canada (5 points) • Arranged employment in Canada (5 points)	• If the nominated occupation is on the MODL[7] with a job offer (20 points) • If the occupation is on the MODL, but there is no job offer (15 points)	• See bonus points (below); from 2006, 3,000 additional skill places are reserved for applicants with NZ jobs or job offers, with work-to-residence permits reduced from 2 years to 6 months	• General practitioner recognized to work in the UK (50 points)
Regional links	n.a.	• Has lived and studied for a minimum of 2 years in regional Australia (5 points)[8]	• See bonus points (below)	n.a.
Spouse's skills	• Education level (3-5 points)	• If spouse's age, English-language ability, work experience, field and qualifications satisfy selection requirements (5 points)	• Qualification (10 points)	• Undergraduate or higher (10 points) • Vocational or professional qualification equal to degree (10 points) • Current or previous graduate-level work experience without qualification (10 points)
State/territory sponsorship	• Select Provincial Nominee Programs in place and expanding	• If applicant is sponsored by an authorized state or territorial body (10 points)	n.a.	n.a.
Relationship	• 5 points	• If applicant is sponsored by a spouse or close relative (15 points)	• 10 points	n.a.
Bonus points	n.a.	• For either capital investment, Australian work experience or fluency in the community language (5 points)	• Qualification in a growth area (10 points) • Qualification in a skills-shortage area (10 points) • Job, job offer or spouse job offer in skill-shortage area or select region (5-10 points)[9]	n.a.

Appendix (cont'd)

Points Tests for Economic Category Migrants, Canada, Australia, New Zealand and the United Kingdom, 2003–05

Attribute	Canada (2003)	Australia (2005)	New Zealand (2004–05)	United Kingdom (2005)
Bonus points (cont'd)	n.a.	n.a.	• Extended work experience in skill-shortage area or select region (5-15 points) • 2-6 years of NZ work experience (5-15 points)	n.a.
Points required	• 67 points	• 120 points[10]	• Eligibility (100 points), then selected by ranking • From 2006, applicants securing 140 points or more are automatically accepted	• 65 points

Notes:

[1] Applicants are also required to have at least 17 years of equivalent full-time study.

[2] International English Language Testing System.

[3] Honours degree to be achieved at the upper-secondary level or higher and at least two years of Australian accredited study.

[4] A minimum of 2 years of academic study in Australia; from September 2005, a minimum of 16 months of academic study if the summer semester is included.

[5] "Exceptional achievement" is defined as that of "a tiny number of people who are right at the top of their profession."

[6] Income differences by country are controlled for by 5 categories. This example relates to high-income countries including Australia.

[7] Migration Occupations in Demand List.

[8] "Regional Australia" is defined as including state capitals with low populations — for example, Adelaide and Hobart.

[9] Defined as "outside Auckland."

[10] Fewer points are required for select regional migration schemes — in some cases, 100.

Notes

This paper is based on a study commissioned in 2004 by Statistics Canada, Citizenship and Immigration Canada and Human Resources and Social Development Canada entitled "Labour Market Outcomes for Migrant Professionals: Canada and Australia Compared" (Hawthorne 2007a). I would like to acknowledge the funding support of these bodies and to thank them for granting permission to release an abridged, revised and updated version of the report as an IRPP publication. I also appreciate the statistical assistance provided by Graeme Hawthorne (University of Melbourne), Yuri Ostrovsky and Jessie-Lynn McDonald (Statistics Canada) and Sebastien Vachon and Stanley Kustec (CIC); and the project support of Garnett Picot (Statistics Canada), Elizabeth Ruddick (CIC) and Louis Grignon (HRSDC).

1 This refers to countries that choose to actively seek to expand population and/or recruit migrants by a range of immigration program means.

2 The OECD defines an overqualified individual as one who "hold[s] a job that requires lesser qualifications than one that would theoretically be available at his education level" (OECD 2008). See tables 6a and 6b for quantification of the prevalence of this in Canada and Australia, compared to other member nations, circa 2000.

3 "Generic qualifications" are defined for the purpose of this study as those not immediately correlating to a professional field of practice (for example, a BA or B.Sc.).

4 Comprehensive methodological detail for the study is provided in the full Citizenship and Immigration Canada (CIC) report (Hawthorne 2007a), available by request from CIC. Extended interviews were conducted with 32 policy-makers (from CIC and Human Resources and Social Development Canada); researchers (from selected universities as well as Statistics Canada); language and bridging course providers; key personnel in engineering, nursing and medical regulatory bodies (in Ottawa, Toronto and Vancouver); and staff of the nonprofit foreign credential evaluation organization World Education Services. All were selected for their expertise related to labour market outcomes for migrant professionals.

5 For confidentiality reasons, Statistics Canada suppressed small cell counts (less than 5) in the data provided. This procedure was slightly different from other analyses of the census data, where the number of small cell counts suppressed was either less than 5 or less than 10, depending upon the analysis. Therefore, numbers in this report will differ from numbers obtained in other reports where the less-than-10-cases-per-cell rule was used. It is also important to note that Statistics Canada supplied us not with actual figures but with percentages.

6 The aim in doing this for the LSIA 3 was to avoid counting only part-time work as a positive employment outcome — for example, for international students.

7 The educational attainment codes that were used in this study were: 1) Ph.D./master's; 2) bachelor's degree or university certificate above a bachelor's degree; 3) college/university certificate or diploma/advanced diploma/diploma/Certificate IV; 4) no college/university certificate or with diploma/skilled vocational; 5) elementary — secondary/other.

8 These are estimates calculated on the basis of percentages provided in tables 2a and 2b. See note 5 for more details.

9 All information on Canadian immigration flows is derived from the author's analysis of data provided by Citizenship and Immigration Canada in 2005; comparable data was provided by Australia's Department of Immigration and Multicultural Affairs.

10 Employer demand for temporary computing professionals remained high in 2003-04, accounting for 2,808 new arrivals. By September 2006, reflecting further demand for experienced professionals, six IT fields had also been reinstated on Australia's Migration Occupations in Demand List (20 bonus points) for the selection of landed immigrants.

11 Most Filipino temporary workers have entered Canada to date through the low-skill, employer-driven live-in caregiver category. In December 2007, CIC informed me that this category has been rapidly expanding; workers are required, and CIC can facilitate their transition to permanent resident status. Filipino professionals selected as economic category principal applicants have a very different employment trajectory from those entering through low-skill schemes. Many appear to be of minimal interest to Canadian employers of high-skill workers, and their skills are often seriously discounted due to barriers related to language and credential recognition requirements.

12 "Other Africa" excludes data from South Africa in the Census analysis. Data also had to be aggregated for a range of source countries to allow for meaningful statistical analysis — for example, Hong Kong/Malaysia/Singapore data were aggregated for these comparable Commonwealth Asian source countries. Please see appendix A in the full report for detail on regional categorizations (Hawthorne 2007a).

13 It is challenging to establish an effective methodology for predicting labour market demand by field. Established in 1999, the MODL was designed to factor labour market demand back into selection and to target "occupations or specialisations that are in widespread, persistent and ongoing shortage" in fields "sufficiently large that increased entry by [skilled migrants] would not lead to surpluses in the Australian labour market." The federal Department of Employment and Workplace Relations (DEWR) was charged with providing expert advice in relation to demand and with preparing a list to be updated once (now twice) per year. In formulating the MODL, DEWR assesses the scale of Australian labour market demand in occupations with 1,500 positions or more, leaving the needs of smaller occupations to be addressed by the Employment Nomination Scheme. Skill levels — as designated by degree, diploma or trade qualifications — are expected to be reasonably high. Supply profiles by field are developed by drawing on labour market surveys, graduate employment outcomes, current and future growth trends (including demographic

shifts), variations in employment demand by state and studies of the ease with which advertised vacancies can be filled (factoring in the source and perceived standard of recent appointees). Key criteria for inclusion of an occupation on the MODL include evidence of a national demand for it (based on DEWR's "skills in demand" research); the skill level of the occupation and the existence of an Australian assessment authority; employment size of the occupation; unemployment rate of the occupation; employment growth in the occupation; and the persistence of skill shortages (Australia, Department of Immigration and Multicultural Affairs 2006, chap. 3).

14 Please note that the Australian Census favours the recording of "highest qualification" in terms of field. Given this, where postgraduate qualifications have been secured (for example, an MBA), the original vocational field will not be counted (for example, engineering or IT).

15 This level of growth would have been influenced by sustained nurse migration to Australia (by comparison, nurse migration levels to Canada were low). It would also have been boosted by the number of diploma-qualified local nurses attaining bachelor's degrees (a growing trend since 1986).

16 It is a demand-driven anomaly that temporary resident IMG arrivals are permitted to work in Australia immediately, bypassing all credential examinations, while landed immigrant IMGs are required to take these exams. New South Wales, the major immigrant-receiving province, does not even seek information on the Australian Medical Council examination status of IMGs (Hawthorne, Hawthorne and Crotty 2007).

17 The Census data do not give us precise detail on this score. However (as stated in the methodological explanation), it is reasonable to deduce this based on arrival date and date of qualification.

18 Please see section 8 of the full report for methodological detail (Hawthorne 2007a). It is important to note here that LSIC and LSIA data were collected six months after arrival, compared to IMDB data, which were collected within the first year. Some additional caveats related to direct comparability are noted in section 8.

19 Analyses of census and other data in Australia confirm migrants may overestimate or underestimate their host-country language ability, with no evidence that self-reporting is a reliable measure, or one that correlates with employer expectations of performance.

20 Please note that 14 percent of migrants in Canada state that French is their first or second language at point of migration. However, substantial numbers may encounter employment problems if they settle outside Quebec.

21 Speaking, listening, reading and writing — the threshold score must be reached on independently validated language tests in all four skills.

22 The merits of the Australian model have recently been acknowledged by the UK as a major influence on its newly designed skill migration scheme from 2008.

23 For more on the discounting of labour market experience, see also Boudarbat and Boulet (2007).

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The Impact of Economic Selection Policy on Labour Market Outcomes for Degree-Qualified Migrants in Canada and Australia

by Lesleyanne Hawthorne

Résumé

Le Canada et l'Australie sont des références mondiales en matière de développement national soutenu par des programmes d'immigration économique, familiale et humanitaire planifiés et administrés par l'État. En 2005, l'Australie comptait la plus forte proportion au monde de citoyens nés à l'étranger (24,6 p. 100 de la population), devant le Canada (19,2 p. 100) et les États-Unis (11,7 p. 100). Depuis 10 ans, les deux pays privilégient le recrutement d'immigrants qualifiés (environ 60 p. 100 des immigrants, dont une grande majorité sont diplômés). Dès 2001, cette stratégie avait transformé des secteurs clés (ingénierie, technologies de l'information, architecture/bâtiment), où les immigrants représentaient environ la moitié des travailleurs qualifiés. Vu l'ampleur du phénomène et la demande internationale de travailleurs qualifiés, la situation d'emploi des immigrants économiques est devenue un enjeu politique majeur.

Cette étude poursuit deux objectifs. Premièrement, analyser et comparer les taux d'intégration au marché du travail des nouveaux immigrants diplômés de *toutes catégories* dans leurs cinq premières années au Canada et en Australie. Selon les recensements de 2001, les deux pays affichent sur ce plan un bilan presque identique. Parmi ces immigrants arrivés au Canada et en Australie de 1996 à 2001, respectivement 65 et 66 p. 100 avaient trouvé un emploi en 2001 (un emploi professionnel pour 30 et 31 p. 100 d'entre eux). Leur pays d'origine, leur âge, leur sexe et la demande par secteur ont eu une incidence décisive. Au Canada par exemple, ce sont les immigrants de l'Afrique du Sud, de l'Australie, de la Nouvelle-Zélande, du Royaume-Uni, de l'Irlande, de l'Europe du Nord-Ouest et des États-Unis qui étaient les plus susceptibles d'avoir trouvé un emploi professionnel (tout comme en Australie). Cette probabilité de succès était beaucoup moindre pour les immigrants provenant d'ailleurs. Plusieurs nouveaux arrivants des Philippines, de l'Inde, du Vietnam et d'autres pays d'Asie du Sud et centrale n'avaient trouvé que des emplois peu spécialisés. Un problème réel vu l'importance de ces groupes parmi la nouvelle immigration économique.

L'étude vise ensuite à évaluer la situation d'emploi des immigrants *économiques* à la lumière du cycle économique semblable des deux pays. Or depuis quelques décennies, d'importants écarts sont apparus entre les deux systèmes de sélection. Le Canada a maintenu un modèle fondé sur le capital humain et accepté des demandeurs principaux aux aptitudes linguistiques limitées et aux qualifications et titres de compétences non reconnus dans des secteurs à faible demande.

À l'inverse, l'Australie, depuis 1999, a exclu les immigrants économiques qui auraient eu peu de chances de trouver un travail correspondant à leurs qualifications. En se basant sur des résultats de recherche, elle a étendu les tests de connaissances linguistiques, augmenté les exigences relatives aux titres de compétences et accordé des points de bonification aux professions en forte demande. La sélection fondée sur le capital humain avait révélé ses lacunes en retenant des demandeurs principaux dépourvus des aptitudes recherchées par les employeurs. Depuis, les anciens étudiants internationaux participent massivement au nouveau programme (52 p. 100 en 2005). En principe, ils ont financé leurs efforts pour satisfaire les employeurs australiens : jeunes et acculturés, ils possèdent une solide connaissance de l'anglais et des titres de compétences pleinement reconnus.

Dans quelle mesure ces nouveaux critères ont-ils amélioré la situation d'emploi en Australie par rapport au Canada, car même si les gouvernements élaborent les politiques d'immigration, ce sont les employeurs qui ont le pouvoir d'offrir ou de refuser du travail ? Les données disponibles révèlent que, depuis 10 ans, les immigrants économiques diplômés ont nettement mieux réussi en Australie. Ils sont plus nombreux à trouver rapidement du travail, à occuper des emplois professionnels ou de direction, à toucher des salaires élevés et tirer profit de leurs titres de compétences. Dans la foulée, un nombre record d'immigrants économiques ont évité les déplacements et la surqualification. Ces changements n'ont ni entravé ni perturbé les flux migratoires, le nombre d'immigrants économiques ayant augmenté de 77 800 en 2004-2005 à 102 500 en 2007-2008. On a aussi maintenu la diversité ethnique et raciale. Surtout, la situation d'emploi des immigrants traditionnellement désavantagés, y compris ceux d'Europe de l'Est, de l'Inde, des Philippines et de la Chine, s'est grandement améliorée. Et tout indique que cette réussite australienne est le fruit de l'intervention politique.

Au Canada, d'importantes initiatives sont en cours en vue d'améliorer la reconnaissance des titres de compétences, la transition vers l'immigration économique des anciens étudiants internationaux et des travailleurs temporaires, et de permettre l'expansion du Programme des candidats des provinces. Des investissements majeurs sont également consentis à l'élimination des obstacles rencontrés par les immigrants qualifiés, y compris en matière de cours de langues et de formation d'appoint. Autant de mesures éclairées à l'heure où de nombreux immigrants qualifiés risquent davantage que les cohortes précédentes de vivre de faibles revenus. L'enjeu de l'immigration économique restera donc très élevé dans l'actuelle économie du savoir, pour les premiers intéressés comme pour l'ensemble du pays.

Summary

The Impact of Economic Selection Policy on Labour Market Outcomes for Degree-Qualified Migrants in Canada and Australia

by Lesleyanne Hawthorne

Canada and Australia are global exemplars of nation-building through government planned and administered economic, family and humanitarian migration programs. By 2005 Australia had the world's highest proportion of foreign born (24.6 percent of the population), followed by Canada at 19.2 percent and the US at 11.7 percent. Over the past decade both countries have placed extraordinary emphasis on recruiting skilled migrants (around 60 percent of total number, with the great majority holding degrees). By 2001 this strategy was transforming select professional fields, with migrants representing approximately half of all degree-qualified workers in engineering, information technology, and architecture/building. Given the scale of these arrivals, plus unprecedented global competition for skilled workers, the employment outcomes for economic category migrants has become a major policy issue.

The current study has two aims. First, it seeks to examine and compare labour market integration rates in the first five years of arrival for *all categories* of recently arrived degree-qualified migrants in Canada and Australia. Analysis of 2001 Census data finds the two countries to be near identical. By 2001, 65 percent of degree-qualified 1996-2001 migrants had secured work in Canada, compared to 66 percent in Australia. And 30 percent had found professional positions in Canada, compared to 31 percent in Australia. Migrant source country, labour market demand by field, age and gender powerfully influenced such employment outcomes in both countries. For example, recent Canadian immigrants from South Africa, Australia and New Zealand, UK/Ireland, Northwestern Europe, and the US were the most likely to have secured professional work. A near identical pattern prevailed in Australia. In both countries, the chances of securing professional work dropped markedly for other birthplace groups. Large numbers of degree-qualified migrants from the Philippines, India, Vietnam and other South/Central Asia had found only low-skilled work – a significant policy issue given the prominence of these groups among recent economic arrivals.

The second aim of the study is to assess *economic* migrants' labour market outcomes in Canada and Australia, in the context of similar economic cycles. In recent decades, major policy differences have emerged between Canada and Australia in terms of points-based selection. Canada has maintained a human capital model of selection – its economic program admitting principal applicants with limited host-country language ability, nonrecognized credentials and qualifications in fields that have weak labour market demand. By 2006, China, the Philippines, India, Pakistan and Korea were the primary economic category source countries, despite major potential labour market barriers and a clear Canadian employer preference for temporary foreign workers from the USA, France, Australia and the UK.

Since 1999, Australia, in contrast, has used research evidence to exclude economic category applicants at risk of poor employment outcomes at point of entry, by considerably expanding pre-migration English language testing and mandatory credential assessment, and awarding bonus points for high-demand occupations. In Australia's experience the human capital model of selection had proven flawed – delivering principal applicants lacking the attributes employers sought. Since then former international students have become important participants in the program (52 percent by 2005). In theory, such students have financed their own efforts to meet domestic employers' demand: they are young and acculturated, and they have advanced English language ability and fully recognized credentials.

To what extent have Australia's revised selection criteria transformed employment outcomes relative to Canada's, in a context where governments frame migration policy but employers retain the power to offer or withhold work? Based on analysis of available longitudinal data, the author finds degree-qualified economic migrants have performed indisputably better in Australia than in Canada in the past decade. Far greater proportions of newcomers in Australia secure positions fast, achieve professional or managerial status, earn high salaries and use their professional credentials in work. In the process, unprecedented numbers of economic migrants have avoided labour market displacement and overqualification. These policy changes have not discouraged or distorted migration flows – the number of economic migrants increased from 77,800 in 2004-05 to 102,500 in 2007-08. Racial and ethnic diversity has been maintained. Most importantly, employment outcomes have dramatically improved for traditionally disadvantaged groups – including economic migrants from Eastern Europe, India, the Philippines and China – as a result of more effective screening. The Australian experience suggests such outcomes are highly amenable to policy intervention.

Important Canadian policy initiatives are now underway to improve foreign credential recognition, the transition of former international students and temporary workers to economic migration, and to expand the Provincial Nominee Program. Major sums are being invested to address labour market barriers for skilled migrants, including language and bridging courses. These are timely initiatives, given that many skilled migrants are more likely now to face chronic low income and poverty than did previous cohorts. In the knowledge economy, the stakes are high, both for economic migrants and for the nation.