



Chambre de commerce
du Montréal métropolitain
Board of Trade of Metropolitan Montreal

IMMIGRATION PLANNING IN QUEBEC FOR 2012-2015

Brief presented by
the Board of Trade of Metropolitan Montreal

May 18, 2011



INTRODUCTION

The Montréal business community takes a great interest in the issue of immigration, as it sees access to skilled labour as one of the essential factors for business growth. This is why the Board of Trade of Metropolitan Montreal has been getting involved in concrete efforts, in partnership with Emploi-Québec and Quebec's Ministère de l'Immigration et des Communautés culturelles (MICC).

Immigration is to a great extent a Montréal issue. The vast majority – almost 87% – of immigrants are found in the Montréal metropolitan area.¹ The proportion of immigrants in the total population of the CMA of Montréal (21%) is far greater than that seen province-wide (12%).

With the aging population, if nothing is done, Quebec can expect a relative decline in its pool of workers. This situation is exacerbated by our weak performance in school retention (30% of 20-year-olds have not completed high school) and the university graduation rate (Montréal ranks 29th out of 31 major North American cities for population with a university degree). The metropolitan area's businesses will therefore need a great deal of highly skilled labour to meet the growing needs of a knowledge-based economy. Against this backdrop, establishing effective, optimal immigration planning is of strategic importance for the prosperity of Quebec and Montréal.

The situation is even more worrisome given that the population of Quebec is aging faster than elsewhere in Canada. Increasing immigration volume in Quebec is essential if we want to support our prosperity in the longer term. This increase must, however, be done in a context where we effectively integrate immigrants to the labour market. The current high rate of unemployment among this population clearly shows that we do not take advantage of their full economic potential, and our priority should be improving their selection and integration.

In light of these considerations, the Board of Trade believes that immigration planning² in Quebec for 2012-2015 should follow two major directions:

- 1. Improving the selection and integration of immigrants to achieve better alignment between their skills and the job market's needs;**
- 2. Increasing the number of immigrants to bridge labour needs.**

This brief first describes the current status of immigrants on the Quebec job market. It then proposes measures to improve their selection and their integration. Finally, it argues for pursuing a policy that will increase the volume of immigration in Quebec.

¹ VILLE DE MONTRÉAL. March 2010. *La population immigrante dans la région métropolitaine de Montréal.*

² We address only economic immigration in this brief.

THE BOARD OF TRADE'S RECOMMENDATIONS

IMPROVE THE SELECTION PROCESS FOR IMMIGRANTS TO IDENTIFY CANDIDATES WHO WILL BEST INTEGRATE TO THE QUEBEC JOB MARKET

- Focus on immigrants under 30
- Significantly increase the share of immigration for professions in high demand
- Favour immigrants whose skills are recognized in Quebec
- Increase the share of economic immigrants in the "businessperson" category

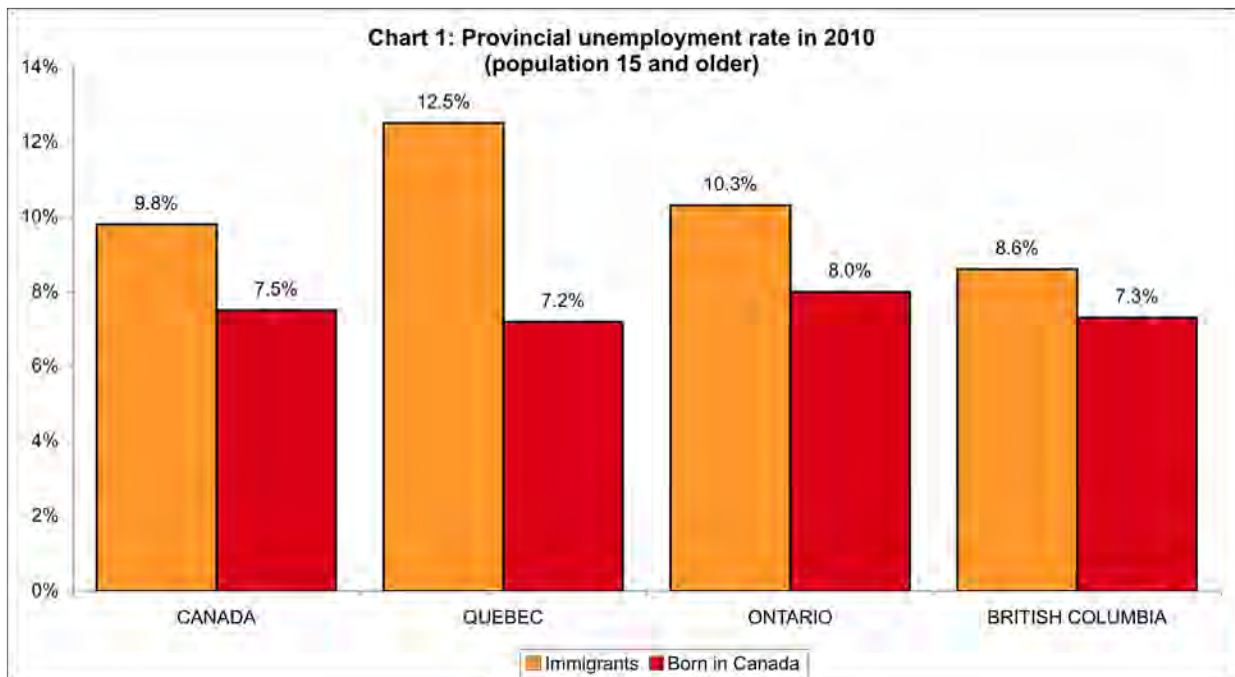
REINFORCE MEASURES TO IMPROVE THE INTEGRATION OF IMMIGRANTS ONCE THEY HAVE ARRIVED IN QUEBEC

- Support initiatives that encourage contact between local businesses and organizations and unemployed immigrants
- Maintain and expand mentoring programs for new immigrants
- Improve the language skills of immigrants
- Improve recognition of foreign skills
- Conduct awareness-raising campaigns both for society in general and for immigrants to promote greater mutual awareness

INCREASE THE NUMBER OF IMMIGRANTS TO MEET LABOUR NEEDS

I. STATUS REPORT ON IMMIGRANTS ON THE QUEBEC JOB MARKET

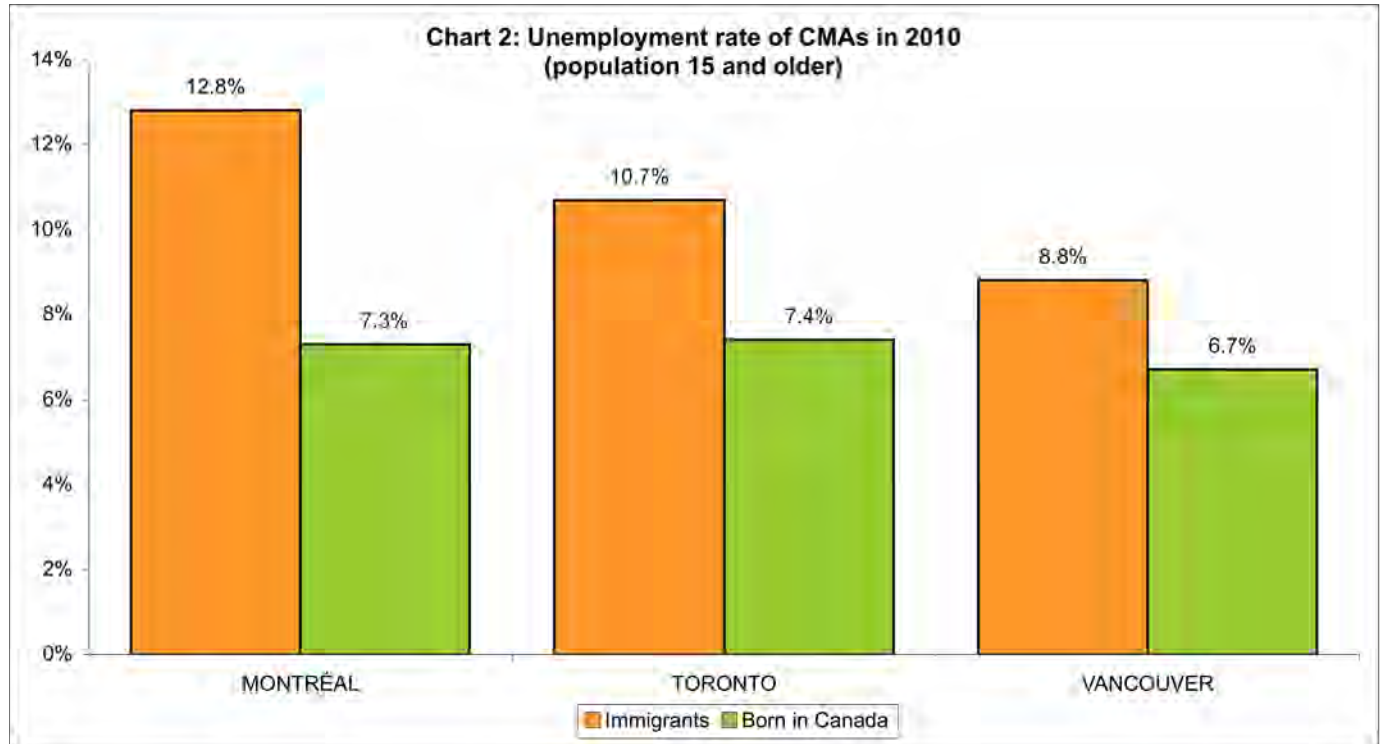
Since most of the main facts are already familiar, we will provide only a brief overview of them. Harmonious integration to the host society occurs in large part through successful integration to the job market. And yet, a number of studies have shown that the integration of immigrants to the Quebec job market has deteriorated since the 1980s, and the discrepancy between the unemployment rate among immigrants and that of people born in Canada is much greater in Quebec than in Ontario, British Columbia and the rest of Canada.³



Source: Statistics Canada

As shown in chart 1 above, the difference between the unemployment rate among immigrants and that of people born in Canada is 5.3 percentage points in Quebec, and only 2.3 points in Ontario and all of Canada. A similar gap arises in comparing the Montréal metropolitan area to other Canadian census metropolitan areas (CMA). In Montréal, the unemployment rate among immigrants is 5.3 percentage points higher than that of people born in Canada, compared with 3.3 points in Toronto and 2.1 in Vancouver. One of the consequences of this situation is that many immigrants move on to other Canadian provinces after a few years in Quebec.

³ BRAHIM BOUDARBAT AND MAUDE BOULET. 2010. *Immigration au Québec: Politiques et intégration au marché du travail*.



Source: Statistics Canada

While Quebec and Montréal have greater difficulty integrating immigrants to the job market than the rest of Canada, the situation is even worse for the population aged 25 to 54. The gaps between the unemployment rate among immigrants and people born in Canada for Quebec and Montréal are even greater for this age group than for the entire active population 15 and older. The unemployment rate among 25- to 54-year olds is 13.3% in Quebec, while it is only 9.7% and 10.3% in Ontario and British Columbia respectively.

We should note, however, that the difference in job market performance between immigrants and those born in Canada – both for Quebec and for the other provinces – tends to drop the longer the immigrant stays. In 2006 in Quebec, the employment rate among immigrants who arrived before 1991 was 78.9%, while it was 73.2% for those who arrived between 1991 and 1995, 72.4% for those who arrived between 1996 and 2000, and 58.2% for immigrants who arrived between 2001 and 2006. This probably reflects the fact that local work experience and a better command of the language and culture promotes better professional integration in the host country.

It is also possible that societies with an overall higher unemployment rate tend to have greater difficulty quickly integrating new immigrants to the working world. This would result from a natural tendency among employers to hire local workers first. Local workers also have a better developed network to

identify unfulfilled needs. From this point of view, the recent relative upturn in the job market in Quebec – compared with the rest of Canada – is an omen of a marked improvement in the employment rate among immigrants. To leverage this trend, it is important to put in place – or step up – efforts to strengthen the networks of immigrant workers. In the case of new immigrants, we have to move faster to put them in contact with the business community.

Finally, we should note that while an education helps immigrants find a job, as it does in the general population, it does so to a lesser extent. A person born in Canada who obtains a university degree reduces the risk of unemployment by more than half, whereas an immigrant reduces it by only around a quarter (see table on next page). Recognition of foreign degrees partly explains the difference between the two categories.

**Unemployment rate among the entire population, immigrants and the population born in Canada, 15 years and older
Quebec, 2010**

	Total	Total immigrants accepted	Population born in Canada
Total, all levels of education	8.0	12.5	7.2
Without degree, certificate or diploma	16.1	20.8	15.6
High school studies completed	8.6	15.6	7.8
High school studies completed, partial post-secondary studies	9.0	14.9	8.1
Post-secondary certificate or diploma	6.3	11.9	5.7
Without high school diploma	9.8	0.0	9.4
With high school diploma	6.0	11.7	5.4
University degree	4.9	9.4	3.2
Bachelor's degree	5.1	9.9	3.5
Graduate university degree or certificate	4.3	8.6	2.4

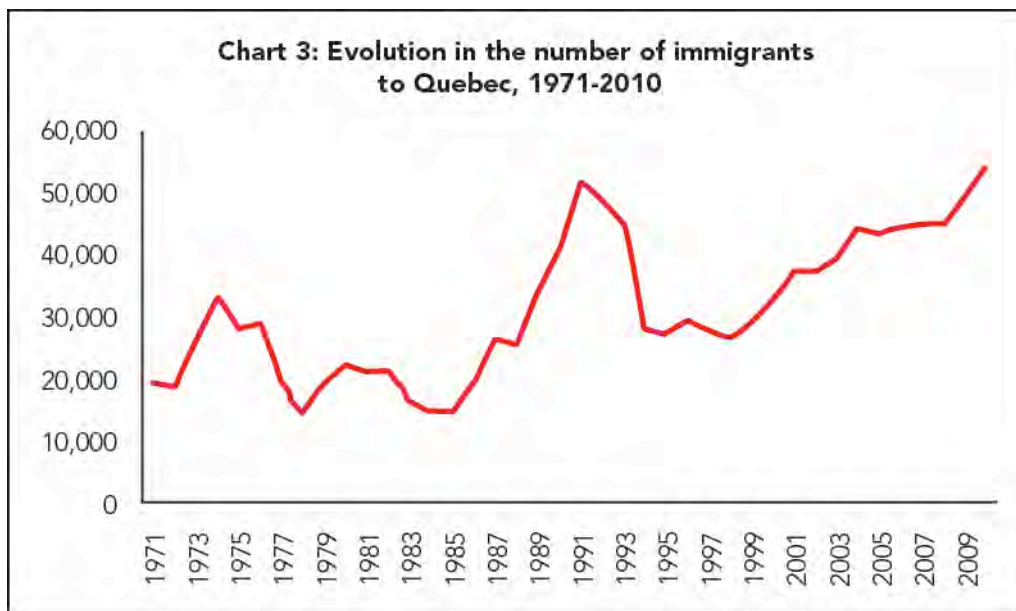
0.0 = Data not available

Source: Statistics Canada, Labour Force Survey, MICC special compilation.

In short, it is clear that immigration has not reached its full potential in Quebec. It is therefore essential that planning by the Ministère de l'Immigration et des Communautés culturelles prioritize the professional integration of immigrants in a context of a relative and temporary stabilization in the volume of immigration. The recent creation of an "international component" in Emploi-Québec's online job service – which allows people with a Québec Selection Certificate to submit their application even before they arrive in the province – is a good example of a promising initiative.

II. IMPROVE THE SELECTION PROCESS FOR IMMIGRANTS TO BETTER IDENTIFY CANDIDATES WHO WILL BEST INTEGRATE TO THE QUEBEC JOB MARKET.

Since 1991, Quebec has been the only province that decides on the volume of immigrants it receives, establishing its own selection criteria and choosing its candidates for economic immigration. In general, as chart 3 below indicates, the volume of immigration has grown over time,⁴ and an increasingly large proportion of it is economic in nature. To the extent that this type of immigration is more likely to contribute to the economic development of Quebec, we encourage the Ministère de l'Immigration et des Communautés culturelles to increase the share of economic immigration. In 2010, around 69.6% of immigration to Quebec was economic in nature, so we believe that a rate of 70% should be the new minimum threshold.

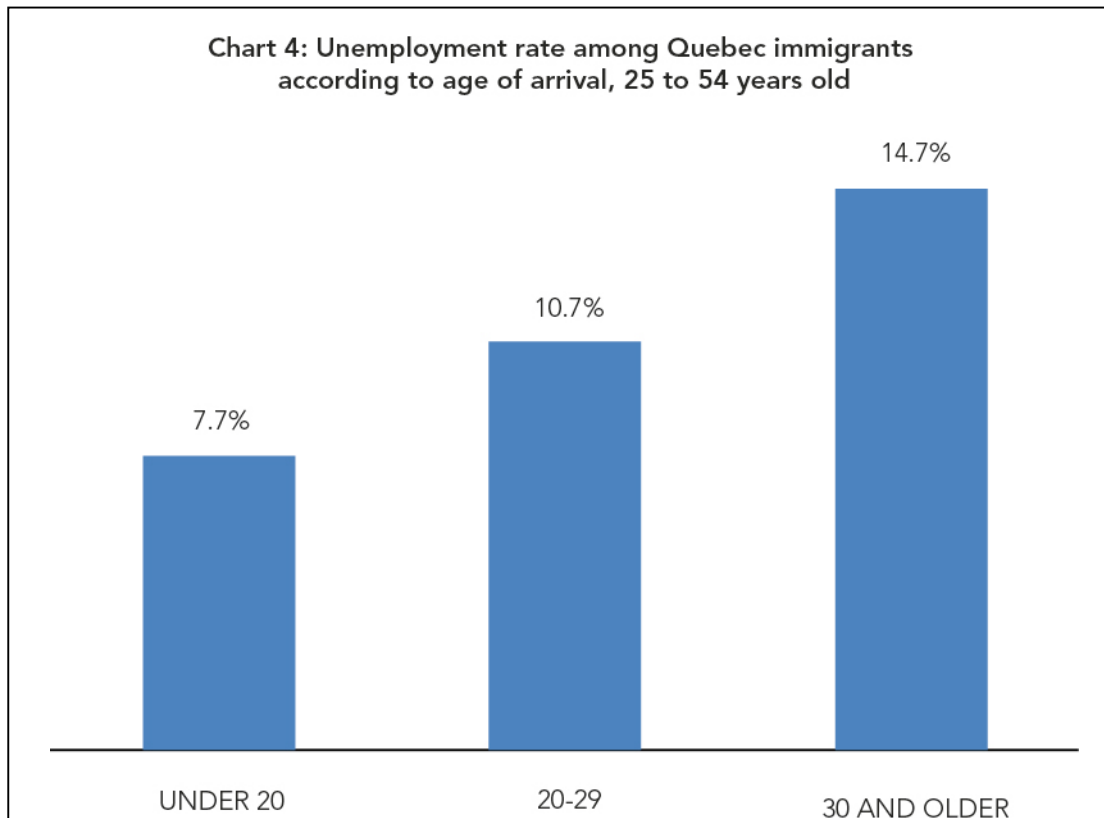


Source: MICC

Since the beginning of the decade, Quebec and Canada have favoured recruiting skilled immigrants. Those who come to Quebec are therefore more and more educated and increasingly speak French as well as English. Yet their professional integration is still more difficult in Quebec than in other Canadian provinces. With a view to reversing this trend and improving Quebec's performance in integrating immigrants to the working world, we make the following recommendations, which are in part based on a study of best practices in certain OECD countries:

⁴ MINISTÈRE DE L'IMMIGRATION ET DES COMMUNAUTÉS CULTURELLES, *La planification de l'immigration au Québec pour la période 2012-2015*.

1. Focus on immigrants under 30. As chart 4 below indicates, immigrants who arrive younger more easily find a job compared with those who arrive later in life.⁵ A study of Australia's performance in immigration (compared with Canada) shows that the proportion of immigrants from 35 to 45 increased in recent years in Canada, to the detriment of those under 35.⁶ Furthermore, the data about the employment rate in Quebec clearly shows that the gap between people born in Canada and immigrants is much narrower among young people. We therefore encourage the MICC to make more effort to select younger immigrants.



Source: BRAHIM BOUDARBAT AND MAUDE BOULET (CIRANO), 2010

2. Significantly increase the share of immigration for professions in high demand.

Immigrants with skills related to professions in high demand will have an easier time finding a job. The Ministère de l'Emploi et de la Solidarité sociale has already estimated that there will be more than 740,000 jobs⁷ available in Quebec by 2014. We therefore have to try to focus on

⁵ BRAHIM BOUDARBAT AND MAUDE BOULET (CIRANO), 2010, *Immigration au Québec: Politique et intégration au marché du travail*.

⁶ ANDREW CLARKE AND MIKAL SKUTERUD. 2010. *Why do immigrant workers in Australia perform so much better than in Canada? Is it the immigrants or their Labor markets?*

⁷ Press release from the Ministère de l'Emploi et de la Solidarité sociale, January 2001, <http://communiqués.gouv.qc.ca/gouvqc/communiqués/GPOF/Janvier2011/28/c6071.html>.

potential immigrants with skills that are compatible with our anticipated labour needs. Furthermore, since the beginning of the last decade, Australia has been awarding bonus points to professions in high demand⁸, which goes a long way to reducing the performance gap between immigrants and people born in Australia. To identify professions that will be in high demand in Quebec in the coming years, the Government of Quebec should work closely with the various metropolitan clusters in Montréal, because they are in a position to draw up a profile of specialized workers who will be both the most in demand and the most likely to integrate effectively to the working world. Montréal International is already making efforts of this sort by helping attract qualified foreign workers to the city. For its part, the Board of Trade can help better identify the needs of businesses, particularly small business.

3. Favour immigrants whose skills are recognized in Quebec, in particular former international students who obtained a degree here and skilled temporary workers.

Foreign students are a strategic group for immigration. They are young, they have a degree from Quebec recognized by employers, they have mastered at least one of the official languages and they are already familiar with the values of our society. It is therefore easier to integrate them to the labour market. Retaining these students should be a priority for the MICC, which could set the objective to increase their proportion among economic immigrants.

The MICC should also encourage retaining skilled temporary workers. Not only do they already have a job in Quebec, but their skills are also more readily recognized by local employers.

The MICC has also undertaken measures to facilitate awarding a Quebec Selection Certificate to foreign students who have studied here as well as skilled temporary workers. It is important to pursue these measures, which will definitely help match the skills of immigrants with the requirements of Quebec employers. It is also important to better promote these programs to immigrants and employers.

Finally, it is important to mention that Quebec selects its immigrants based on their human capital. The candidates recruited most often have university degrees and professional experience in their field. Nevertheless, once they land on the Quebec job market, immigrants realize that employers generally attribute less value to skills acquired abroad than they had anticipated. This is particularly the case for immigrants from certain regions such as Asia, Africa and South

⁸ LESLEYANNE HAWTHORNE. 2008. *The impact of economic selection policy on labour market outcomes for degree qualified migrants in Canada and Australia.*

America. We therefore ask the MICC to make greater effort to select skills from these regions that are most likely to be recognized by Quebec businesses.

- 4. Increase the share of economic immigrants in the “businessperson” category.** Business immigration – which includes investors, entrepreneurs and self-employed workers – represents only a small share of economic immigration, around 6.6% in 2010. Furthermore, according to MICC, “80% of admissions of businesspeople in 2010 came from the investor immigrant program.” According to a survey by the Fondation de l’entrepreneurship, Quebec is the province where the proportion of the population with entrepreneurial aspirations is the lowest, trailing the Atlantic Provinces and Ontario.⁹ Quebec also ranks last among Canadian provinces in terms of the proportion of business owners.¹⁰ Therefore, encouraging the immigration of self-employed workers as well as investor immigrants could help improve Quebec’s performance in business creation.

In conclusion, even if a more effective selection system helps us recruit the candidates most likely to integrate effectively to our society, the successful integration of immigrants is still not guaranteed. The Government of Quebec must also pursue – and even strengthen – measures that promote the integration of immigrants to Quebec.

⁹ According to a survey conducted among Canadian entrepreneurs by the Fondation de l’entrepreneurship, in partnership with the Business Development Bank of Canada, *Canadian Entrepreneurship Status 2010*. September 28, 2010.

¹⁰ Ibid

III. REINFORCE MEASURES TO IMPROVE THE INTEGRATION OF IMMIGRANTS ONCE THEY HAVE ARRIVED IN QUEBEC

There are major social and economic costs to ineffectively integrating immigrants, both for the immigrants and for the host society. Difficulty finding a job that matches their skills inevitably affects the motivation of immigrants and with time results in a self-depreciation of their skills. It is therefore essential to properly equip immigrant workers once they arrive in Quebec to reinforce the measures that facilitate interaction between them and Quebec employers. Furthermore, since a major portion of the immigrant population is in the Montréal metropolitan area, we ask the MICC to pay particular attention to the city's needs in its policies. The formula used by Emploi-Québec in creating its Conseil emploi métropole is a good example of a metropolitan approach.

With a view to improving the integration of immigrants once they have arrived in Quebec, we recommend the following:

- 1. Support initiatives that encourage contact between local businesses and organizations and unemployed immigrants.** Once immigrants arrive in Quebec, they often need help identifying local businesses in their field. As for businesses, they often have difficulty recognizing or evaluating the skills of immigrant candidates. Given this, organizations that act as bridges between immigrant workers and businesses are very useful. Their role is to facilitate professional meetings between employers and immigrants who are looking for a job, through a variety of measures such as internships in companies and networking activities. For example, the Board of Trade of Metropolitan Montreal has put in place a program developed in partnership with Emploi-Québec the goal of which is to organize workplace internships, professional meetings and networking activities between Montréal organizations and qualified immigrants. Since 2008 this program, called *Interconnection*, has made possible over 630 internships one to four weeks long. Such initiatives clearly promote a better alignment and interaction between immigrants and businesses, which is essential to their integration. It is therefore important to strengthen support for and increase this type of program in Quebec.
- 2. Maintain and expand mentoring programs for new immigrants.** In addition to internship programs and activities of a professional nature, mentoring for new immigrants, through well-established networks in their cultural community, can also facilitate integration by giving them greater knowledge of social networks, providing local professional references and increasing their understanding of the business culture of the host country. These mentoring programs make it possible to personally guide, advise and support new immigrants in their professional efforts. This

type of program therefore helps immigrants find jobs and also helps them better integrate socially. The MICC should therefore further support mentoring initiatives so that they can reach more new immigrants.

- 3. Improve the language skills of immigrants.** As mentioned earlier, to the extent that greater proficiency in French is often required for more skilled employment, the government should continue to offer new immigrants French courses. We believe that this is essential to promoting their professional advancement. The Board of Trade already offers the *French in the Workplace* program, which allows companies to offer free French courses in the workplace. These sorts of initiatives should be maintained and expanded to allow immigrant workers to be fully proficient in French, thereby increasing their employability.

We should also note that the MICC has entered into an agreement with the Alliance française worldwide to offer immigrants French courses before their arrival. These courses also address topics that help convey Quebec's values. This is an excellent initiative that should be reinforced, because French taught before immigration is a success factor for integration.

Finally, it may be wise to consider a minimum grasp of English (as a second language) for certain types of jobs. Skilled jobs often require at least basic knowledge of English. A number of studies have shown that greater proficiency in a number of languages used in the host society results in better professional integration.

- 4. Increase recognition of foreign skills.** The Government of Quebec has already undertaken efforts to recognize skills acquired abroad. The agreement between Quebec and France for the mutual recognition of professional qualifications is a good example. Another inspiring example is Projet i3 for the integration of immigrants in computer science, developed jointly by the Ministère de l'Immigration et des Communautés culturelles, the Leaders Diversité network, Réseau ACTION TI - Montréal, and TECHNOCompétences. This project promotes recognition by peers and mentoring in the field of information technology.

These sorts of initiatives should be stepped up in Quebec because too many workers educated abroad find themselves with degrees and professional experience not recognized in Quebec. This situation leads to a less than optimal use of human capital among immigrants. The Government of Quebec should therefore increase its efforts to facilitate the evaluation and recognition of degrees and other credentials, as well as professional experience acquired outside the country. This effort should be done in partnership with the different stakeholders in the professional

settings in question, in particular professional orders. It could even include short, flexible training programs to help immigrant workers obtain or complete the equivalence of their degrees.

5. Conduct awareness-raising campaigns both for society in general and for immigrants to promote greater mutual awareness. Immigration is a source of innovation, creativity, wealth and cultural diversity. While our society is generally well aware of this, many Quebec companies still appear reluctant to hire immigrants. We encourage the government to pursue and step up its awareness-raising campaigns to encourage companies to look to international talent to meet their labour needs. MICC's current campaign, entitled "Toutes nos origines," is a good example of this sort of measure.

Special efforts should be made in regions of Quebec that will have the greatest labour needs and where there are a limited number of immigrants. To facilitate the professional and cultural integration of immigrants, they need to be better distributed throughout the province.

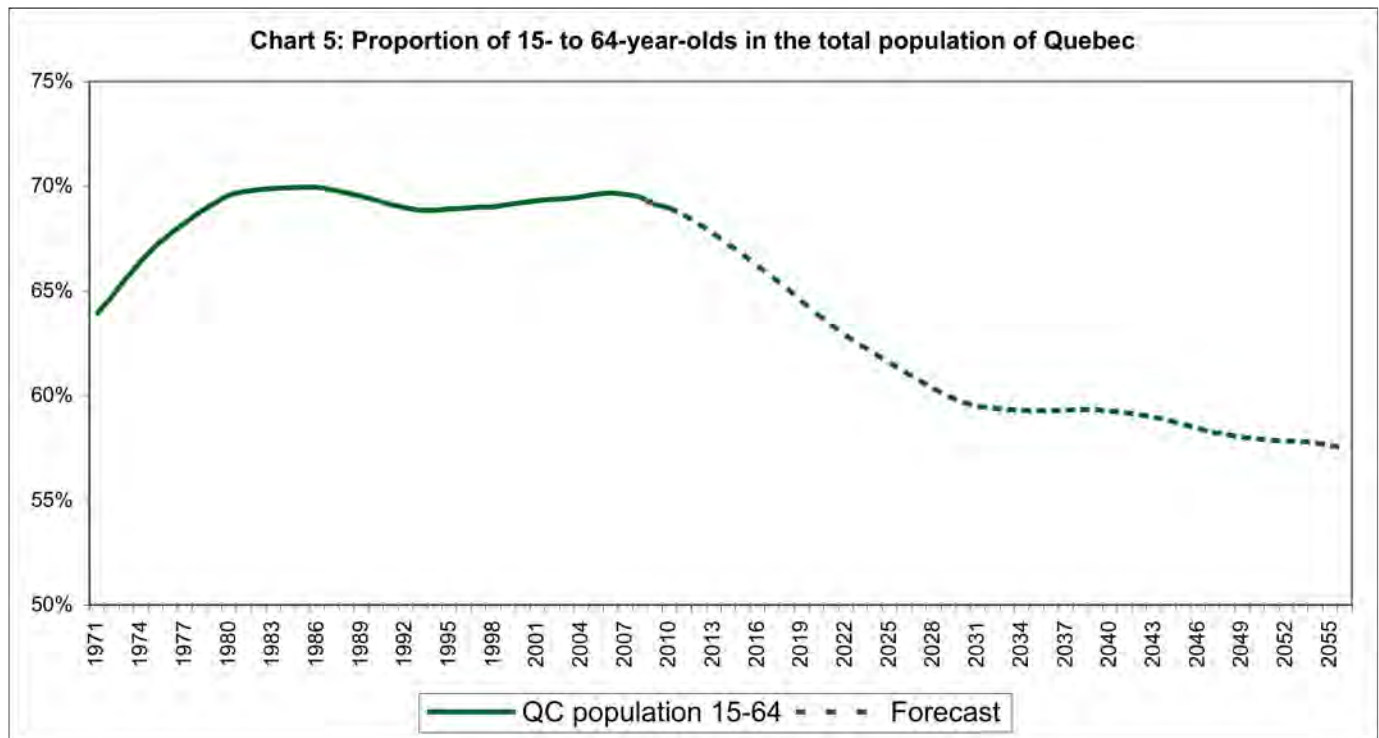
It is also important to raise awareness among Quebec employers of the importance of offering immigrants their first job experience. Having initial work experience in their field is an important first barrier to overcome. After that, it is much easier for immigrants to find another job.

We also encourage the MICC to pursue its financial aid program for integrating immigrants to the workplace. These programs encourage companies to hire immigrants and help them gain professional experience in Quebec, thereby increasing their employability. Furthermore, we salute the MICC's initiatives as part of *Défi Montréal* intended to encourage the integration of immigrants to Montréal.

IV. INCREASE THE NUMBER OF IMMIGRANTS TO MEET LABOUR NEEDS

1. Quebec is seeing an aging population and a relative decline in its pool of potential workers.

The aging of the population is both more pronounced and faster in Quebec than elsewhere in Canada.¹¹ The proportion of the population between 15 and 65 has been dropping since 2007, and the Institut de la statistique du Québec anticipates that this downward trend will continue for the entire forecast period of 2006 to 2056. This means that there will be fewer and fewer workers to support the economically inactive population (those under 15 and over 64). Chart 5 below effectively illustrates this phenomenon.



Source: Statistics Canada

While the population of Quebec will continue to increase over this period, this growth will mainly be attributable to the cohort of those 65 and older, i.e. a population that will in large part be retired. The relative drop in people 15 to 64 among the total population of Quebec will therefore considerably affect the economic growth of the province as well as its standard of living.

¹¹ INSTITUT DE LA STATISTIQUE DU QUÉBEC. *Perspectives démographiques du Québec et des régions, 2006-2056. Édition 2009.*

2. Impact of the aging population on the standard of living in Quebec and Montréal

Standard of living	Labour productivity	Intensity of work	Employment rate	Demographic profile
$\frac{\text{GDP}}{\text{Per capita}}$	$= \frac{\text{GDP}}{\text{Hours worked}}$	$\times \frac{\text{Hours worked}}{\text{Number of jobs}}$	$\times \frac{\text{Number of jobs}}{\text{Population 15 and older}}$	$\times \frac{\text{Population 15 and older}}{\text{Total population}}$

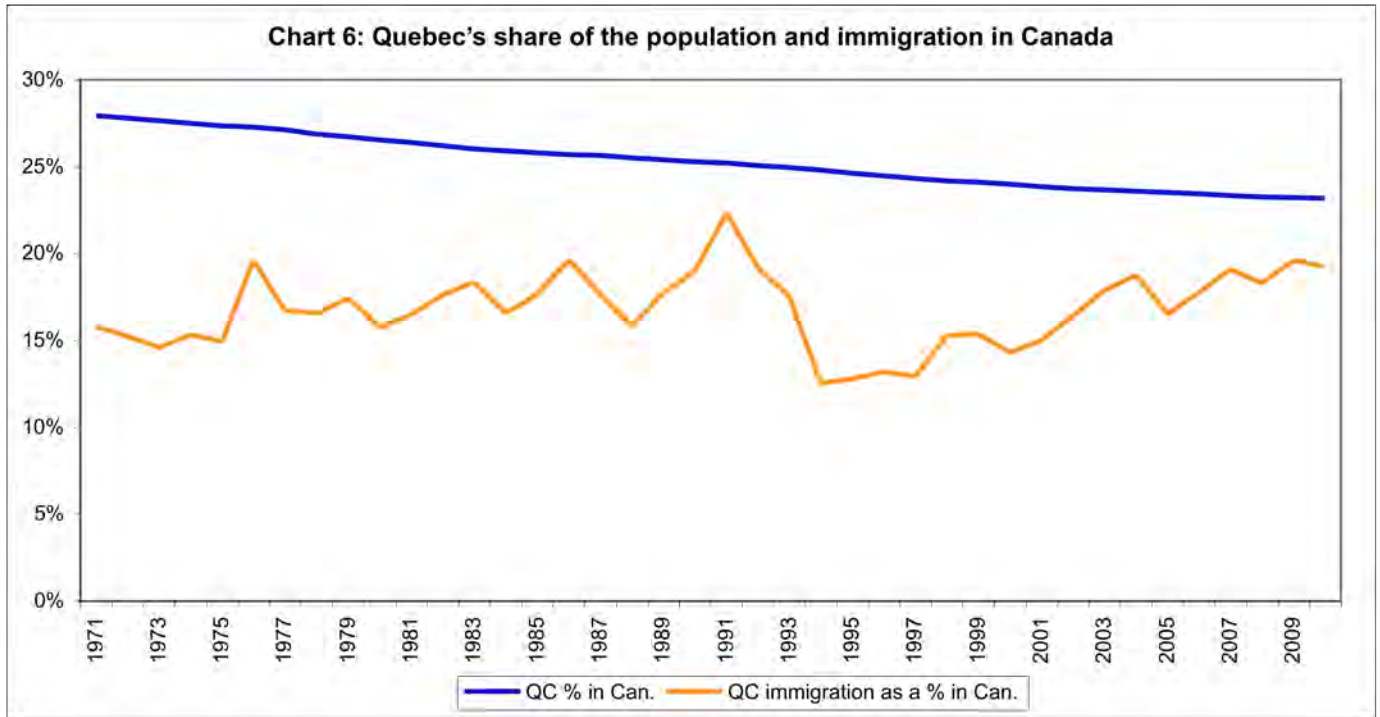
Source: Centre for Productivity and Prosperity, HEC Montréal

The above equation effectively illustrates the direct link between demographics and a society's standard of living, particularly with regard to its active population. Furthermore, current demographic forecasts for Quebec indicate that, starting in 2029, the natural growth (births) of the province will become negative, which means that total population growth will rest solely on immigration.

This is even truer for Montréal, as already, since 2006, the growth in the active population is solely attributable to immigration. This situation is due to the fact that the very large majority – almost 87% – of the immigrant population lives in Montréal.¹² The growth and development of the Montréal metropolitan area will therefore rest in large part on an increase in the number of immigrants in the coming years.

¹²VILLE DE MONTRÉAL. March 2010. *La population immigrante dans la région métropolitaine de Montréal.*

3. Quebec's demographic weight in Canada is in decline



Source: Statistics Canada

For over 40 years, Quebec's demographic weight within Canada has been dropping. It was around 28% in 1971, and it is 23% today. Furthermore, during this same period, Quebec has been receiving a number of immigrants well below its relative weight within Canada. Quebec's share of immigration in Canada has varied from 12% to 22%. From this perspective, a relative increase in the volume of immigrants in Quebec could help slow Quebec's demographic decline and thereby increase its competitiveness.

For all of these reasons, **the Board of Trade supports the Government of Quebec gradually increasing the volume of immigrants, while improving our capacity to integrate them to the work environment and regularly measuring our performance as to their selection and integration. To accomplish this, a temporary stabilization during 2012-2015 may be necessary.**

CONCLUSION

For the business community, Montréal's cultural and linguistic diversity is a major asset. It is a guarantee of our openness to the world, our competitiveness and our innovation. Immigration is an effective way to maintain this diversity. It helps position Montréal as an international, outward-looking city. One of the best arguments in favour of immigration is precisely that: open, diverse societies are more creative and innovative. Studies abound to support this. Immigration stimulates innovation and contributes to the cultural enrichment of Quebec and its largest city.

Obviously Quebec society holds a special cultural and linguistic place in North America. As a result, questions about immigration and integration must be posed differently. Since Quebec has to open the door to immigration and international talent to ensure its future prosperity, it is in its best interest to do so keeping in mind the importance of effective integration of immigrants – economically as well as culturally and linguistically.

From this perspective, we support the Government of Quebec's proposal to achieve a relative stabilization in the volume of immigrants admitted during 2012-2015, to place more emphasis on integrating immigrants. Once integration is improved, we believe it is important to increase the volume of immigration. Given our economic and demographic challenges, more immigration – but also more effective immigration – can only benefit our society.