

**WHO GETS IN?  
A SUB-NATIONAL COMPARATIVE STUDY OF  
IMMIGRANT INTEGRATION  
IN BRITISH COLUMBIA AND BAVARIA**

by

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B.A., Chemnitz University of Technology, 2006

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## **Abstract**

Successful integration of immigrants into the labour market is not only crucial for maintaining immigrants' livelihood, but more generally to secure social cohesion and a sense of belonging. Recent research in this area has provided a broad theory base for categorizing countries according to their integration approach. While this study builds on these findings, the focus lies on investigating labour market participation of immigrants on the sub-national level. Specifically, this study investigates settlement outcomes in British Columbia, Canada, and Bavaria, Germany. The results indicate similar participation rates of immigrants in British Columbia with the exception of income levels. Immigrants in Bavaria, however, lag behind in all areas of labour market integration vis-à-vis the non-immigrant population. The key for understanding these different developments is found in the larger context of the host countries' experience with previous immigration, integration policies and the institutions of the labour market as well as immigrants' background.

**Keywords:** Immigration, integration, labour market, policies, sub-national level, institutions.

To my family,  
whom I love very much.

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## Glossary

BLSD	Bayerisches Landesamt für Statistik und Datenverarbeitung Bavarian Statistics Office
BSASFF	Bayerisches Staatsministerium für Arbeit, Sozialordnung, Familie und Frauen – Bavarian Ministry for Labour, Social Issues, Family and Women
BC Stats	British Columbia Statistics
BY	Bavaria
CME	Coordinated Market Economy
CIC	Citizenship and Immigration Canada
FCRO	Foreign Credential Referral Office
HRSDC	Human Resources and Skills Development Canada
IPRA	Immigration and Refugee Protection Act
ISAP	Immigrant Settlement and Adaptation Program
LINC	Language Instruction for Newcomers to Canada Program
LME	Liberal Market Economy
MAELMD	Ministry of Advanced Education and Labour Market Development (BC)
MIPEX	Migrant Integration Policy Index
SC	Statistics Canada

# **1 Introduction**

## **1.1 Importance and Goal of this Study**

The phenomenon of migration and questions surrounding why people decide to relocate has occupied scholars from a wide range of disciplines. A topic within the field of migration, which has been receiving scholarly attention more recently, is the integration of immigrants into host societies, with a particular focus on investigating newcomers' participation vis-à-vis the non-immigrant population (Givens 2007, 68). Questions of integration are also becoming more important for public policy making in post-industrial countries, as immigration is often used as a strategy to offset the consequences of changing demographic structures, and addressing labour shortages. In order to avoid the high economic and social cost of non-integration, which manifests itself in high unemployment rates or poor living conditions of immigrants, the importance of implementing legal and institutional structures for integration is uncontested. The new trend to ethnic diversification among the immigrant population furthermore draws special attention to specific integration needs of individual cultural and ethnic groups. Some of the latest integration research shows that it is not necessarily the immigrant population as a whole that is not satisfactorily integrated, but that difficulties in participating equally in society often affects specific ethnic minorities (Woellert et al. 2009: 36f; Kymlicka 2009: 2).

Along with introducing integration policies comes the need to monitor them in order to understand the consequences of certain choices and to replace or refine strategies

with the goal of better outcomes. This study focuses on investigating how well immigrants integrate into the labour market as compared to the non-immigrant population in British Columbia, Canada, and Bavaria, Germany. According to the appraisal of the host countries experiences with previous immigration, the immigration and integration policies currently in place, as well as the examination of labour market institutions in Germany and Canada, it is expected that immigrants in BC integrate better into the labour market than immigrants in Bavaria. Measures for analyzing labour market integration outcomes are provided by five indicators, (1) educational attainment levels, (2) participation, employment and unemployment rates, (3) employment frequencies in four economic sectors, (4) self-employment levels, and (5) income differentials between immigrants and non-immigrants. The results of the data evaluation confirm the assumption that the immigrant workforce in BC performs better than immigrants in Bavaria, as the integration indicators show that immigrants in BC participate at similar rates in the labour market as non-immigrants, but are affected by decreasing income levels. In Bavaria, on the other hand, immigrants are disadvantaged in all areas investigated, most apparently in terms of educational levels and unemployment rates. Consequently, the discussion focuses on low labour market participation of immigrants in Bavaria and decreasing wage levels of the immigrant population in British Columbia. In addition, self-employment as a labour market integration tool is investigated, as it can be a significant means for immigrants to elude restricting requirements such as work experience in the host country or discriminatory tendencies. It must be pointed out that the chosen approach does not aim at distinguishing which system does better at integrating immigrants, but rather to assess which factors influence and determine immigrants' performance, and what can be done to improve integration outcomes.

The novelty of this study lies in the method of analysis, which combines the scrutiny of past and current immigration structures as well as immigrants' characteristics with a path-dependent institutional approach. It will be argued that integration success is to a large extent determined by immigrants' educational attainment levels, and that integration levels vary according to countries of origin, as the ethnic background variable has a strong effect on language proficiencies. Furthermore it is found that national structures of integration policies are substantially influenced by past experiences with immigration and the importance attached to the presence of immigrants' presence in that country. Finally, the character of labour markets (flexible and open vs. rigid and regulated) has a decisive impact on immigrants' access to jobs.

## **1.2 Methodology**

Four essential factors frame the methodology of this study: the focus on labour market integration, the sub-national case study approach, the choice of integration indicators and the data and data limitations. These elements are outlined in the following sections.

### **Focus**

While labour market integration constitutes only one part of further social and cultural as well as political integration, this study specifically addresses economic integration because it is often referred to as the first and most crucial step in the integration process, enabling immigrants to function as autonomous citizens (OECD 2007: 32). Studies investigating the impacts of economic and cultural factors in regard to the integration of immigrants in the Netherlands have further shown that labour market factors play a leading role and have greater impact than any other policies. This finding

seems self-evident, as employed immigrants are clearly closer to the host society because they learn and use the language more frequently and are more strongly embedded in social and cultural networks than are those immigrants without a job. Furthermore, migrants with jobs contribute to a positive public image of immigrants, which plays a crucial role in certain countries, such as Germany (Dayton-Johnson et al. 2007, 53).

### **Case Study**

The present study is based on the comparisons of labour market outcomes of immigrants by drawing on policy analysis and selected labour market indicators of two distinct regional entities. The first regional entity is British Columbia, a province in a traditional immigration country with a multicultural approach to integration and a liberal market economy. The second point of interest is Bavaria, a *Bundesland* (or federal state/province) in the Federal Republic of Germany, and serves as an example of a newer immigration country with an assimilationist approach to integration and a coordinated market economy.

These two cases were chosen for several reasons. Canada and Germany have approached issues of immigration and integration in substantially different ways, applying unique strategies for achieving the goal of integration. Drawing on results from two different cases will provide valuable information on the effects of different policy choices, and the influence of different structural settings on the success of the economic integration of immigrants. In spite of the differences, the chosen cases share many structural similarities. First, both Canada and Germany are highly industrialized countries facing similar socio-economic problems due to demographic developments. Hence, both countries see immigration as an important measure for countering the growing problem



of an increasing age-related dependency rate and the pressure it is putting on the welfare and pension systems. Second, Canada and Germany view immigration as a strategy to alleviate skilled labour shortages to fit the growing demand of their highly developed industries. Other similarities concern the political structure of the selected countries regarding the ‘power-sharing’ between federal and provincial levels. Both Canada and Germany are federal systems, placing decision-making of specific policy areas and its implementation into the hands of the provincial governments. Although immigration policy in Germany remains in the decision-making domain of the federal government, implementation of citizenship and integration measures are at the discretion of the provincial governments. Similarly, the Agreement for Canada–British Columbia cooperation on immigration of 2004 allows BC greater flexibility in planning immigration levels in coordination with the federal level, and reaffirms primary provincial settlement and integration responsibilities.

The sub-national method is essential for a study like this because integration is a policy area where local approaches are important, and measures on this level interact directly with the labour market. As both Bavaria and British Columbia have considerable influence in integration policy making and implementation, a national approach could not account for regional differences in both policy and labour market characteristics (OECD 2007: 213; Biles 2008: 157). A sub-national study can also account for specific distributions and structures of immigrant groups on the provincial level, as they are quite different between regions. Both British Columbia, a province of Canada, and Bavaria, a state of Germany, have the highest proportion of immigrants nationally (Zietsma 2006: 10; Woellert 2009: 57). A national approach would, in this case, underestimate the impact of immigrants. In addition, both cases show the most favourable economic and labour

market conditions as compared to other provinces in the country, which provide different opportunities for immigrants than economically more isolated regions (Zietsma 2006: 14, 16; Woellert 2009:58). Therefore, the sub-national approach can mitigate national-level bias, making the measurement of variables more accurate (Snyder 2001). Finally, sub-national comparative studies provide a solid foundation for building theories that address and explain specific political and economic problems, syndromes and transformations of the research object (Snyder 2001: 98, 100f).

### **Measuring Integration**

Assessing integration levels of immigrants is not an easy task, because all areas of society are closely linked and influence each other, making it hard to pinpoint specific indicators. In addition, the choice of indicators is limited by the availability of nationally comparable data. In an effort to cover all significant aspects of labour market integration while remaining as focused as possible, this study applies two levels of measurement. The core of the evaluation is based on key labour market indicators. In order to place the analysis of labour market outcomes into the larger context, immigrants' and host countries' characteristics are also investigated.

To assess the level of integration into the labour market, this study draws on five indicators<sup>1</sup>. First, educational attainment levels provide a good general sense of immigrants' human capital. Second, participation, employment and unemployment rates give an overview of how well immigrants are performing on the labour market with relation to that country's non-immigrant, in terms of general participation as well as the ability or inability to secure jobs. Third, employment frequency in different economic

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<sup>1</sup> The significance of each indicator is discussed in more detail in Chapter 6.1.

sectors is a helpful variable, as it reflects the types of jobs immigrants take on, indicating similar or uneven distribution of immigrant and non-immigrant labour in specific industries. In addition, the level of self-employment rates indicates how strongly immigrants depend on non-salaried income sources, and also allows immigrants' access to credit to be assessed. Finally, income differentials between immigrants and non-immigrants reflect the availability of better-paid jobs to immigrants, or can also indicate the presence of discrimination. Together, these indicators provide a good basis for assessing how well immigrants perform in comparison to the host population, and allow conclusions to be drawn regarding the integration level of newcomers in the specific polity.

In order to interpret the outcomes measured by the economic indicators as a reflection of economic integration, both the societal structures and the characteristics of immigrants are investigated in a second step. The analysis of the host country institutional structures includes a market and state dimension, assessing the structures of the economy and their effect on labour markets, as well as the political dimension of analyzing policies concerning immigration, integration and citizenship. To gauge the access of immigrants to the labour market, a closer look is taken at institutional dynamics in Coordinated Market Economies and Liberal Market Economies. The examination of immigration and citizenship regulations, on the other hand, provides information on the legal position of immigrants in the host country and the extent to which they can participate in public life on an equal basis with non-immigrants. In addition, integration policies indicate host countries' priorities in regard to the settlement of immigrants, and reveal specific measures implemented to help immigrants adapt to the new setting. For

the purpose of policy evaluation, this study draws on the so-called Migrant Integration Policy Index (MIPEX), a set of indicators developed to compare integration-relevant policies established in EU countries as well as three non-EU countries, among them Canada. Finally, as integration success is determined not only by institutional settings, it is also important to analyze the demographic and structural characteristics of immigrants, as well as the host countries' previous experience with and attitude towards immigration.

### **Data**

The statistical data for this study was collected from several sources. Economic indicators as well as data on the characteristics of immigrants in British Columbia were derived from Statistics Canada and British Columbia Statistics, using Canadian census data as well as annual survey data for BC. The data for immigrants in Bavaria was taken from the yearly micro census made available through the Bavarian Statistics Office (*Bayerisches Landesamt für Statistik und Datenverarbeitung - BLSD*), as well as from the database of the Federal Ministry of Labour (*Bundesagentur für Arbeit - BA*). Further data was derived from analytical studies conducted by the Bavarian ministry responsible for the integration of immigrants, the Ministry of Labour, Social Issues, Family and Women (*Bayerisches Staatsministerium für Arbeit, Sozialordnung, Familie und Frauen - BSASFF*). As far as possible, the data stems from the years 2001 and 2006.

The main limitation of this study is posed by the nature of the data, as neither the Canadian census nor the German micro census data allow the same immigrant cohorts to be traced over time. Therefore, the change in outcomes between 2001 and 2006 does not apply to the same persons; new immigrants who arrived in the meantime are included but return migrants excluded. Hence it might well be the case that the performance of new

arrivals did to some extent influence the overall outcomes. More detailed studies on labour market integration should consequently use panel data to avoid any unnecessary variance. For Germany, the German Socio-Economic Panel (GSOEP), and for Canada, the Longitudinal Immigration Database (IMDB) could provide such panel data.

In addition to the limitations posed by the data of this study, there is also a difference in the conceptualization and definition of certain immigrant groups in Canada and Germany. As these key concepts have a great impact on the statistical registration of immigrants and therefore also the data evaluation, the next section briefly defines the following terms: immigrant, immigrant of the second-generation, guest worker, ethnic Germans, and persons with migratory background.

### **1.3 Key Concepts**

#### **Immigrants and Second-generation Immigrants**

Generally speaking, an immigrant is anyone not born in the host country, but who moved there after birth. Typically, immigrants are referred to as such until they become citizens of the country, which often happens as soon as an immigrant is legally entitled to do so. In countries following the *ius soli* principle of citizenship (such as Canada), children of immigrants are by birth citizens of the country their parents immigrated to, and are not statistically recorded as immigrants. Until recently, this was not the case in Germany, as nationhood is based upon the *ius sanguinis* principle, allowing German citizenship only to be passed on between German parents and their children. Therefore, there is a large stock of second-generation immigrants that are still statistically recorded as immigrants, even though they were born in Germany.

A second issue in regard to the data selection must be mentioned. Due to the long-term nature of integration, this study focuses only on immigrants with permanent residence status. Consequently, the data and analysis do not include immigrants admitted to Bavaria and British Columbia on a temporary basis. Similarly, refugees are not included in this study, as they are not targeted by mainstream integration measures in place for immigrants with permanent status (OECD 2007: 212; Biles 2008: 146). In addition, refugees are less likely than regular immigrants to know the host country's language and might be affected by trauma, which influences the settlement experience (Wilkinson 2008: 152). Therefore refugees represent a special case, and must be investigated in a separate study.

### **Guest Worker**

Guest worker is a term coined in Germany, and refers to the immigrant labourers recruited in Mediterranean countries (Turkey, Italy, Spain, Portugal, Greece and Morocco) between the 1950s and 1970s, in order to offset labour shortages in the manufacturing industries after the war. As it was expected that these workers would leave after the termination of their 'appointments', this term clearly reflects the perceived temporary nature of their sojourn. Since many of these workers did not leave Germany after the recruitment stop in 1973, and only a minority has become citizens, the term is still used today (Meier-Braun 2002: 33ff).

### **Ethnic Germans**

The so-called *Federal Law of Expellees* (Bundesvertriebenengesetz) of 1953 refers to ethnic Germans as minorities of German ancestry from Russia and other former Soviet countries, Poland, Rumania, Slovakia, the Czech Republic, Hungary and former

Yugoslavia. According to the German Basic Law (Article 116), ethnic Germans are German regardless of whether they possess German nationality. Under the *Federal Law of Expellees*, ethnic Germans have the right to return to Germany together with family members who are not of German ancestry and apply for German citizenship within three years of their date of entry (Woellert et al. 2008: 9, 17). As most ethnic Germans have never lived in Germany before, and in most cases do not speak German, they are eligible for special integration measures, such as language classes, support with retraining as well as help with finding employment and suitable housing upon their arrival in Germany. Until 2005, ethnic Germans were not statistically registered, because they were officially German. This was widely considered a problem, because it was hard to monitor their integration success (Woellert et al 2008: 16, 91). A challenge to data collection is posed by the differentiation between ‘regular’ immigrants and ethnic Germans. In the data used for this study, the present analysis does not take into account ethnic Germans, although they are technically immigrants.

### **Persons with Migratory Background**

In the view of the different categories and statistical registering of immigrants in Germany, the broader term of ‘migratory background’ is meant to include all persons who either immigrated themselves or are of ‘immigrant descent’. Therefore, this term includes not only first-generation, non-naturalized immigrants, but also includes immigrants who have become German citizens, for example, second-generation immigrants or ethnic Germans. While this term has been widely used for quite some time, it was not until 2005 that persons with migratory background were statistically differentiated from traditional Germans, because the statistical surveys until then did not

register the place of an individual's parents' birthplace (Woellert et al. 2009: 91). In this study, this category was avoided as much as possible, because it is less compatible with the immigrant definition used by Statistics Canada. In some cases, however, it was not possible to gain the necessary information for 'regular' immigrants, which is why in some sections the data refers to persons with migratory background (e.g. educational attainment of immigrants in Bavaria, Chapter 6.2.1).

The sections above have explained the methodological approach taken for this study, and briefly addressed key peculiarities of conceptualizing and statistically registering immigrants in Germany. Before discussing the concept of immigrant integration in more detail in Chapter 2, the following section outlines the plan for the thesis.

#### **1.4 Plan for the Thesis**

In order to properly identify the reasons for the mixed integration levels detected by the data evaluation (Chapter 6) in Bavaria and British Columbia, sections 1.2 and 1.3 of this Chapter outline the underlying methodology, data and key concepts that will be referred to during the course of this project. Second, theoretical observations are made on the concept of integration, explaining its general meaning and investigating different research that has been conducted regarding the ability to classify countries according to their integration efforts (Chapter 2). Third, a review of past immigration to Canada and Germany, current demographic structures of the immigrant population, as well as a brief summary of the political debates leading up to the present integration frameworks will help conceptualize the different approaches pertaining to the settlement strategies prevalent in British Columbia and Bavaria (Chapter 3). After clarifying important



developments that have substantially influenced the general perception the host country holds towards immigrants and its concept of integration, the observations that follow relate to the policies governing immigration, integration and naturalization in Canada and in Germany. These policies are all crucial in forming the integration framework in which immigrants can move; as immigration policies regulate access to the country as well as the prerequisites for long-term residency, and integration policies set the groundwork for the means available to immigrants to help them settle (Chapter 4). In the sections that follow, the different structures and institutions of the German and Canadian economies are investigated. While a Coordinated Market Economy is prevalent in Germany, Canada can be characterized as a Liberal Market Economy. These institutionalized structures provide fundamentally different labour market frameworks that have a great impact on how easy or hard it is for immigrants to find access to jobs, and are therefore crucial to understanding labour market integration of immigrants (Chapter 5). Following the elaborations on institutional structures governing integration policies and labour markets, the results from the data collection are presented (Chapter 6). Three of the most pertinent integration outcomes, namely the low overall labour market integration of immigrants in Bavaria, decreasing income levels of newcomers in British Columbia, and the importance of self-employment for the integration project are subsequently discussed (Chapter 7). Finally, the conclusion revisits the observations and inferences made, and puts them into perspective (Chapter 8).

## **2 Defining ‘Integration’**

Before discussing specific integration developments and outcomes in Bavaria and British Columbia, it is necessary to first identify the scope of the term ‘integration’. After a preliminary discussion of what integration means in the context of ensuring equal participation of immigrants and non-immigrants in society, this chapter looks at two distinct expectation structures of host countries towards immigrants in their endeavour to integrate, namely the assimilationist and the multicultural approaches. Further, the importance of policies as tools for influencing integration is discussed, and different scholarly attempts to classify countries according to their integration approach are outlined.

The term ‘integration’ can be understood both as a process and as a final state or condition. While the process of integration evolves according to factors influencing it, e.g. specific policies such as anti-discrimination policies, social surrounding and individual goals, this process is expected to reach the end objective of positive integration. The process of integration can be described as successful when no visible differences exist between the non-immigrant, and the immigrant population regarding the societal participation in the host country (Werner 1994: 95). Positive integration as a condition implies that immigrants enjoy fair and equal access to central institutions of society and are regarded as equal citizens. Most important for social standing are equal access to education, occupational training and the labour market, as well as the possibility

to influence policy making by participating politically through the passive and active right to vote, through political parties or by means of self-organization.

As equal participation in society involves different spheres of public life, integration does not mean that immigrants are incorporated into “the society” as a whole, but integrate into different spheres to a different degree (Häußermann/Kapphan 2008: 17). Four major spheres include economic integration into the labour market, social integration through language proficiency, equal living conditions and education, cultural integration through inter-ethnic friendships and marriages as well as a general sense of belonging, and finally, political integration through participation in political organizations and naturalization. Integration can therefore also be described as the incorporation into different sub-systems, which means that each individual is integrated to a different degree into different systems. Classifying overall integration or lack thereof on a linear scale is hence not productive; instead, one must look at differing degrees of integration on a multi-dimensional level, as immigrants might be integrated better in one sphere and less well in another. Such a breakdown enables levels of incorporation to be scrutinized in a certain area, e.g. in the economic sphere, by defining specific indicators to measure the degree of participation (Häußermann/Kapphan 2008: 17f).

The integration process not only involves different societal fields but is also dependent on different actors. On the one hand is the receiving society which accommodates the newcomers, and on the other the immigrants who seek to be integrated. For the integration process to be successful, it is vital that both sides are willing to contribute (Doomernik 1998: 4). It is essential, therefore, that the host society recognizes the benefits of integration and actively supports these endeavours through

targeted policies and an effort to limit prejudices and discrimination. In return, it is expected that immigrants adapt to the new surroundings. Both the German and Canadian governments, for example, require that immigrants be willing to learn the official language and respect and abide by the constitution and its laws (BAMF 2009a, Kenny 2009). Apart from these basic requirements, the host society may or may not expect newcomers to also adapt culturally. These different processes are circumscribed by the concepts of assimilation and multiculturalism.

## **2.1 Assimilation and Multiculturalism**

The basic premise of assimilation is that newcomers are incorporated into society by giving up their cultural, linguistic and social characteristics and fully adapting to the host society's social traits (Castles/Miller 2009: 247; Park 1928). This concept was first developed by sociologists of the Chicago School in regard to the integration of immigrants to the USA, and remained the dominant concept governing the study of integration from the 1920s until the late 1960s. Acknowledging the inability of this theory to explain 'resurgences' of ethnicity and the persisting inequalities between races, later approaches took a more diversified approach. Another theoretical approach, segmented assimilation, contends that there is no single process leading to the assimilation of immigrants into one dominant culture, but rather assimilation into different existing cultures such as the white middle class, the inner-city underclass or the ethnic immigrant community (Portes 1995). Similarly, the multidimensional assimilation model suggests that immigrants move through different social structures. With social structures, Gordon (1964) refers to social relationships such as the membership in, e.g. a children's play group, or the municipal choral society (Gordon 1964: 31f). This

perspective focuses mainly on these social and cultural relationships, which naturally change over time, and fails to give due consideration to institutional structures such as labour markets, political and educational structures to account for hindrances in the social movement of immigrants, assuming that all assimilation gravitates towards middle class cultural patterns (Schmitter-Heisler 2000: 80). Acknowledging the main criticism of the assimilation model, namely that it focuses too much on an ethno-centric society and disregards a growing multicultural reality, the most prominent scholars on assimilation, Alba and Nee (1997), call for a rehabilitation of the concept and argue that a revised model is open for a mixed view of culture and acknowledges that minority cultures are absorbed into the mainstream.

While the idea of assimilation assumes a gradual gravitation towards one single dominant culture, multiculturalism postulates the exact opposite. Within the framework of multiculturalism, immigrants participate equally in society without giving up their distinctive culture, language or religion. Cultural minorities are seen not only as equal to more dominant cultures, but also as contributors to an overarching culture (Harles 2004: 224). Two noteworthy strands of multiculturalism have developed. The first version is most notably practiced in the USA, where cultural diversity is accepted but not seen as a reason to be protected under the law. The second strand is an official public policy, whereby the state secures equal rights for minorities through policy action. Official multicultural policy was first introduced in 1971 in Canada, and later also instituted by other countries, such as Australia, the UK, the Netherlands and Sweden (Castles/ Miller 2009: 248f).

The Canadian rationale for its multicultural policy is to assist and encourage the integration of immigrants, thus functioning as an integrative strategy. This policy is often praised as having made Canada the most successful country with regard to the integration of immigrants. High naturalization rates, expanding demand for English and French courses by immigrants, increasing inter-ethnic marriage and a lack of ethnic-based parties are used as barometers for this success (Kymlicka 1998: 19f). Despite widespread praise for Canadian multicultural policies, there has also been substantial criticism from intellectuals. One prominent argument contends that multiculturalism encourages immigrants to hold on to the traditions of their homeland by adapting a “mentality of division” instead of opening up to the mainstream culture. Hence, the official policy of multiculturalism is accused of denying the existence of a Canadian culture, and therefore fails to integrate newcomers into the social fabric of Canada (Bissoondath 1994: 135ff).

In the European context, it has been argued that there is a disconnect between official policies pertaining to multiculturalism and the public opinion. A study of Germany and France, for example, shows that public measures contradict public disapproval of multiculturalism (Kastoryano 2002: 10). Further research has demonstrated that countries with official multicultural policies do not necessarily produce better integration outcomes. A comparative study of the Netherlands and Germany shows that Germany, which can be categorized as an ethno-centric country, scores higher in terms of employment and educational prospects than the Netherlands (Thränhardt 2000: 173f). In regard to the extent to which multiculturalism policies have developed, several authors have argued that since the 1990s, many European countries have been moving away from multicultural approaches to integration and are returning to a more

assimilationist approach (Favell 2001, Brubaker 2001, Ireland 2004). This argument is strengthened by Patrick Ireland, who studied Germany, Belgium and the Netherlands, and found that these countries are moving away from cultural pluralism to policies that he calls “liberal multiculturalism” (Ireland 2004: 222f). By using the term liberal multiculturalism, he refers to policies ensuring the equality for minorities that can be ‘phased out’ once improvements have occurred.

As the discussion above shows, the nature and perception of what multicultural policies stand for can be quite different, thus providing ground for controversial discussion. While there seems to be wider public support of policies pertaining to multiculturalism in Canada, Western European countries are showing a gradual move away from multicultural policies towards a more assimilationist approach. Both multiculturalism and assimilation are concepts closely connected to inter-ethnic relations, with the goal to regulate these relationships. The following excerpt discusses the more general implications of policies in regard to regulating integration.

## **2.2 Policies as Tools for Integration**

Integration policies are implemented to allow immigrants equal access compared with non-immigrants to all fields of society, i.e. the economic as well as cultural and social life. Integration policies are largely influenced by immigration policies, as the latter determine who gets into the country, under what conditions. It has been argued that successful integration is only possible if the inflow of immigrants is regulated (Hammar 1985: 272f). This position can be justified by the claim that liberal democratic states have a responsibility to ensure stable living conditions for all residents and support for those in need, whether they are citizens or not. It is therefore essential to set limits to immigration

numbers, because it is impossible to distinguish beforehand whether a person will be dependent on state support, which might strain public budgeting. Regulation is also vital to maintaining a general consensus of integration support for newcomers already in the country. While the argument for regulation seems reasonable, it is difficult to determine a specific limit to immigration after which support from the population diminishes, or public expenditure becomes excessive. The limits set by governments therefore seem less justifiable by objective criteria, but are a result of the states' self-perception (Doomernik 1998:7).

In addition to determining how many people are granted access to a country, immigration policies also define the legal status of immigrants. This in turn affects integration policies, because the amount of time a newly arrived immigration applicant is allowed to stay is in direct relation to the amount of integration support the immigrant is eligible for. While a permanent resident may be granted access to all resources, immigrants under the refugee class might need to wait until their claim is processed before they can attend language classes. Temporary workers, on the other hand, are more likely to be denied any sort of access to integration measures. Other restrictions can be imposed, according to the time the immigrant has been living in the country. If an immigrant wishes to bring his family to the host country, there might be a minimum number of months or years that this immigrant must demonstrate that he can support himself and a family, before family reunification is granted. In terms of the right to work, refugees might have to wait a specific amount of time before they are eligible to earn a livelihood. All of these factors are determined by the legal status the immigrant acquires through immigration, and can have a considerable effect on the development of a sense of



belonging (Doomernik 1998: 7). Depending on the above-mentioned states' self-perception, immigration policies might be more restrictive or more liberal, conveying to immigrants a message of acceptance or deterrence.

When discussing integration policies, a distinction must be made between two policy dimensions: policies geared towards specific societal sectors, e.g. the labour market, and policies directed at disadvantaged persons, whether these policies are designed to support disadvantaged persons in general or specifically immigrants (Doomernik 1998: 7). Among the policies in specific sectors of society, regulations pertaining to the labour market are the most common, as economic security has a strong influence on how well immigrants do in other areas of society. The level of income, for example, determines the affordability of housing, which in the worst case could lead to segregation and impede on the mobility of workers to their workplace. Income in some countries also influences the type of school parents can afford for their children, impacting the future prospects of their offspring. More generally speaking, financial security strongly affects living conditions and the individual's sense of purpose. From the perspective of the state, high unemployment is not only costly, but also means a waste of human capital. Other areas of specific societal policies relevant to integration are education, occupational training, health care and housing (Doomernik 1998: 8).

All of the above-mentioned policy areas can represent either indirect integration policies targeting marginalized persons in general, or direct integration policies, focusing on immigrants in particular. Examples for indirect integration policies are measures geared toward the unemployed, offering retraining and other support for entering or re-entering the labour market, housing schemes for improving the housing substance, or

infrastructural policies with the aim of developing better mobility or access to public institutions. It is important to note that while these policies are designed for both immigrants and the host population, insufficient knowledge about specific opportunities, as well as a lack of awareness of one's rights, can considerably hamper the access to such schemes.

In contrast to indirect integration policies, direct policies are aimed specifically at immigrants' incorporation into society. Typical policies in this category are language classes and skills training or recognition schemes, enabling the immigrant to access the host country's labour market. Other direct policies might be geared towards increasing political participation. This sort of policy could give non-nationals the right to vote, or provide structures and institutions through which immigrants can voice claims or concerns. Some countries also support specific measures for retaining the immigrants' culture and religion.

A final area important for integration is anti-discrimination legislation. Again, policies can be direct or indirect. Direct anti-discrimination policy involves defining discrimination as an offence under the constitution or civil law, while indirect policy means that the host country officially recognizes anti-discrimination legislation in international law. While it is extremely difficult to prove discrimination, such policies have a substantial symbolic value (Doomernik 1998: 9).

Immigration and integration policies not only have a significant impact on the integration process of immigrants, they also reflect to a large extent the ideological position of a country when it comes to state control, the economy, or issues of immigration and integration. To this end, several authors have attempted to build

frameworks for classifying countries according to their immigration, integration and naturalization policies. The following section will describe the most important of these contributions.

### **2.3 Integration Regimes**

In their extensive review of policies in democracies, Castles/Miller (2003) identify three broad policy approaches towards ethnic minorities. The first category is differential exclusion or the 'guest worker' model, which applies to Germany, Austria and Switzerland. As labour migrants were expected to leave the country after a certain amount of time, immigrants were temporarily integrated into certain societal structures, primarily the labour market, while access to political participation and citizenship was denied. This policy approach was in effect mainly between the 1950s and the 1970s, when these countries were actively recruiting temporary labour. While some of these policies, such as restrictive naturalization regulations, are still in place today, others pertaining to family reunification and the acquisition of secure resident status have been relaxed. The second category is assimilation, which can be observed in France, Great Britain and the Netherlands. Due to their colonial history, these countries grant immigrants from former colonies citizenship, making permanent residency and family reunification generally accessible. The third approach is described as multiculturalism, and is predominant in so called 'classical immigration countries' such as the United States, Canada, Australia and Sweden. States in this category have implemented policies encouraging permanent residency and family reunification, and treat legal immigrants as future citizens. While Castles/Miller's (2003) approach enables countries to be categorized roughly according to their immigration and citizenship policies on ethnic

diversity, the model neglects to consider several key countries, and is not in step with recent policy developments (Freeman 2007: 124).

In a somewhat similar approach exploring traditions of citizenship and nationhood, Brubaker (1992) studies Germany and France. His categorization of two incorporation typologies takes a path-dependency approach, describing the ‘ethno-cultural’ and ‘civic territorial’ model. The ethno-cultural model describes the close tie of cultural membership and citizenship, making it difficult for immigrants, who are not by birth members of the dominant culture, to become naturalized. On the other hand, the civic-territorial model does not link citizenship to place of origin, but requires regard for the law as prerequisite for becoming a citizen. This approach is valuable as it points out two things. First, immigration and citizenship laws have a great impact on other policies, in this case integration policies. Second, it shows that modes of incorporation are deeply rooted in cultural and historical traditions, which are quite resistant to change. However, it cannot explain newer policy developments concerning citizenship and immigration law, with Germany moving towards a more liberal conceptualization of citizenship and acknowledging itself as an immigration country, while France has been shifting towards recognizing the cultural contribution of individual ethnic groups (Soysal 1994, 61).

Koopmanns et al. (2005) take up Brubaker’s (1992) approach, and broaden it with a cultural dimension on a continuum of cultural monism to cultural pluralism. This expansion includes the ability to categorize polities according to the level of group rights they extend to cultural minorities. While cultural monism describes the expectation to assimilate completely into the dominant culture, cultural pluralism recognizes different cultures in policy making. Within this two-dimensional space the authors situate four

conceptualizations of citizenship: assimilation, segregation, multiculturalism and universalism. Like previous models, this framework points out the strong influence of institutions in the accommodation of cultural non-members, but allows for more flexibility regarding policy changes pertaining to minorities. A drawback of this concept is, however, that it applies only to citizens and their rights and does not discuss immigrants who have not become naturalized.

Unlike the models described above, Soysal's (1994) categorization of incorporation regimes looks specifically at the integration policies. The framework she uses categorizes according to the locus of action (state or society) and how the state is organized (centralized or decentralized). In terms of action, Soysal distinguishes the main actor involved in the incorporation of immigrants, which can either be the state itself, or society. In the first case, the state is responsible for any service that is provided for integration, while in the second case, the absence of highly bureaucratic state structures puts society (associations, labour markets) at the forefront of incorporation. In the second case, the organizational configuration of the polity comes into play. In centralized systems, all policies are top-down, and in decentralized systems local authorities take an active role in making decisions and implementing policies concerning immigrant integration. This typology produces four models, namely the static (France), corporatist (Sweden and the Netherlands), liberal (Switzerland, GB) and fragmented (Gulf States<sup>2</sup>) models. Soysal's framework is appealing as it allows categorization according to responsibilities and state structures. However, this approach is designed primarily for

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<sup>2</sup> e.g. United Arab Emirates, Saudi Arabia, Bahrain, Oman and Qatar.

Western European countries and cannot classify certain countries as just one specific type, but must categorize them as ‘mixed’ systems.

Entzinger (2000) takes a different approach in an attempt to categorize integration strategies. With reference to the above models, he points out that focusing too much on ideological issues misses what happens in reality. As an example he names France and Germany, which despite major ideological differences, show similar integration processes. Entzinger (2000) therefore suggests a typology according to public policy objectives and implementation options (105). Six integration policy options are suggested, which are framed by two dimensions. The first dimension pertains to different domains of society, the most important being the political domain, the social and economic domain, and the cultural domain. While legal-political policies are defined as citizenship rules, the cultural domain refers to whether a society accepts ethnic minority formation or expects total assimilation. The socio-economic policy domain determines the labour market and welfare access for immigrants of different categories (refugees, temporary workers, skilled workers). The second dimension “[...] refers to the way in which the post-immigration settlement process is perceived by the surrounding society and the public authorities.” (Entzinger 2000: 105). This dimension sets the definition of immigrants in terms of their membership, either as a part of an immigrant community or as individuals. Accordingly, the policies will take the form of a group or individual approach. The advantage of Entzinger’s model is its flexibility. As pointed out above, some models are too rigid to accommodate policy changes and leave no other option than to categorize specific countries as a whole.

Freeman (2007) argues somewhat similarly, contending that there is no such thing as national models or abstract typologies of incorporation models. Instead he suggests that incorporation frameworks are partly deliberate, partly 'accidental' and can be reconstructed by looking at four specific elements, the state, the market, welfare, and culture. The policy outcomes are different modes in particular domains (as opposed to distinct 'modes of immigrant incorporation') within individual states, and the overall outcome being a mixed bag not fully assimilationist, pluralist or multicultural. Nevertheless, Freeman (2007) detects four 'syndromes', the first being defined by its open immigration and citizenship practices, liberal political economies and welfare states, as well as a laissez-faire or formal multiculturalism approach (US, Canada, Australia). The second 'syndrome' includes social democratic or corporatist welfare countries with a moderately open immigration and citizenship regime, coordinated market economies and formal settlement policies uneasily embracing official multiculturalism (Sweden, the Netherlands). The third set of countries are open to labour migration, have coordinated market economies and corporatist welfare systems, discourage access to citizenship and are reluctant to accept permanent settlement (Germany, Austria, Switzerland). Finally, Freeman (2007) describes a fourth set of countries, which until recently lacked any sort of formal immigration programs but have alternately condoned irregular migration or have recruited foreign labour. These countries have had restrictive citizenship policies, liberal political economies and welfare states, and no policy on assimilation or multiculturalism, although they are close to having a de facto policy of differential exclusion (Greece, Portugal, Spain) (Freeman 2007: 138).

After determining different efforts of categorizing integration regimes, one can argue that models trying to label entire countries as implementing a specific integration mode are helpful in providing a broad overview of the different approaches which exist. For studying the underlying ideology and nuances of integration policies it is important, however, to dissect the policy making process according to different domains of society, i.e. the market, the state and the nation.

This chapter outlined different aspects of integration, what the concept means, how it can vary according to host populations' expectations towards immigrants (i.e. their perception of nationhood) and the way in which the integration process can be influenced by policies. Further discussion pertained to the question of how different integration strategies can be categorized, outlining several attempts at grouping whole countries together according to their approach, or by investigating different fields of society separately. In order to discern the developments that have taken place in Bavaria and British Columbia regarding immigrant settlement, the following chapter delves into a brief history of immigration in these places, describes the current composition of the immigrant population and outlines important political debates on the issue of immigration and integration in Germany and Canada.



### **3 Past and Current Approaches to Immigration and Integration**

Both Germany and Canada have strongly relied on substantial amounts of foreign workers to fill labour shortages over the past decades. However, while Canada always regarded immigration as a part of nation building and welcomed new arrivals to become a part of Canadian society, Germany treated immigration as a temporary remedy to economic demand for a long time and only recently acknowledged that increased efforts were necessary to improve immigrants' social and economic circumstances. Evidently, the significance a host country attaches to the presence of immigrants greatly impacts policy approaches towards integration. Therefore, this chapter looks at past immigration developments, outlines the current demographic composition of immigrant populations and discusses major political debates that have shaped the integration rhetoric in Germany and Canada. Chapter 4 will subsequently highlight present policies relevant for the settlement of immigrants.

#### **3.1 Germany and Bavaria**

The end of the Second World War marked the beginning of newer immigration history in Germany. Since then, Germany has become one of the major immigration countries in the world. Nevertheless, it took legislators until 2005 to officially recognize this fact, and to implement integration legislation. The following sections highlight the context out of which this latest change occurred, by looking at relevant immigration developments since the 1950s as well as the associated political debates.

### 3.1.1 Immigration to Germany

Four major immigration waves have shaped the current immigrant fabric in Germany. The first wave began in the 1950s<sup>3</sup> with the recruitment of ‘guest workers’ and lasted until 1973. In a second wave beginning in the mid-1970s, family members followed the labour migrants of the first wave. The third wave of immigration consisted of asylum-seekers arriving from the 1970s until today. Since the 1990s Germany has experienced a fourth wave of highly skilled workers (Bommes2006: 143).

With the post-war economic boom in Germany developing its full potential by the mid-1950s, came the necessity to recruit foreign labour, as the domestic supply was not sufficient (Obendörfer 2005: 12). Hence, additional labour force was secured through bilateral agreements between Germany and several Mediterranean countries Portugal, Spain, Italy, Yugoslavia, Greece and Turkey. The labour contracts were extended with the basic assumption that they would be ‘rotational’, meaning that the labour migrants would return to their home countries after a specific amount of time and would be replaced by other workers (Castles/Miller 2003: 193). After the oil crisis of 1973, however, this recruitment scheme was immediately halted. Despite all beliefs that the ‘guest workers’ would return home, most labourers remained in Germany. The guest workers have had the highest influence on today’s immigrant fabric, because they are to date the main drive for the immigration of family members (Bommes 2006: 148f). This

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<sup>3</sup> For the sake of completeness it should be mentioned that there was a considerable influx of expellees, refugees and ethnic Germans that entered the territory of what we today call Germany after 1945. Due to special political measures implemented for these population groups, as well as an increasingly prosperous economy in Germany, these ‘repatriates’ were considered fully integrated by the end of the 1950s (Bommes 2006: 147). Until today, there is a steady inflow of ‘ethnic Germans’ who, upon arrival to Germany, are entitled to German citizenship and therefore are not registered as immigrants (chapter 1.3 Key Concepts, page 9) Other immigrant groups that will not receive any mention in this study are seasonal workers, contract labourers as well as illegal immigrants whose numbers have increased since the 1990s, as these groups are not included in the regular statistical immigration data because of their legal status is ‘temporary’.

development had been politically unintended. In an effort to encourage immigrants to leave, the German government granted special bonuses for repatriation until the mid-1980s (Doomernik 1998: 41).

Today, family reunification is largely determined by intra-ethnic marriages of the second and third generation of immigrants. Statistical registration of this immigration movement proves to be difficult, however, as nationality has become an unreliable statistic due to growing numbers of naturalizations. Another indicator that can be useful is the number of visas extended for family reunification purposes. This number has been rising steadily since the 1990s, reaching levels of 70,000 to 80,000 per annum. About one third of all family reunification visas are granted to persons from Turkey, making them the largest non-EU immigration group (OECD 2007: 200). Despite such information and the knowledge that intra-ethnic marriages have become a driving force of self-supplementation of immigrant groups in Germany, overall, very little is known about these movements (Bommes 2006: 156f).

The influx of asylum seekers since the mid-1970s until the early 1990s characterizes the third stream of immigration. Unlike most other EU countries, Germany was hesitant to make the asylum law more restrictive in order to adapt to European requirements. This reluctance resulted from the perceived political responsibility to not forget the violent Nazi regime and the victims who had found refuge in other countries (Bommes 2006:155f). Before the amendment of the asylum law in 1993, which then had become a European necessity, the influx of asylum seekers reached its peak in 1992 with over 400,000 entrants. After the legal changes, however, refugee numbers plummeted to around 50,000 per year, reaching the level of the mid-1980s. The majority of asylum

seekers come from former socialist countries as well as Eastern and South-Eastern European countries, and only a small number from Third World countries (Bommes 2006: 155).

Although the recruitment ban of 1973 has never been lifted, special exceptions have been made to grant work permits under the so-called ‘ordinance on exceptional regulations from the recruitment ban’ (*Anwerbestoppausnahmeverordnung ASAV*), mainly targeting highly skilled workers, students as well as seasonal workers. It is noteworthy that while the ASAV is deemed an exception, the yearly immigration numbers under this regulation reached up to 350,000 in the years 2000 until 2003, which is statistically quite relevant (Bommes 2006:157). The most prominent attempt to attract information and communication technology (ICT) specialists from non-EU countries was done by the introduction of the ‘Green Card Initiative’ in 2000, cutting red tape to allow for a faster work permit approval. By 2003, only 14,876 experts had entered the country out of an expected quota of 20,000, which led to lengthy political debates about its success and justifiability (Kolb 2005, 2f). Reasons mentioned in connection with its failure were the declining ICT sector in 2002/2003, the reluctance of certain companies to pay equal wages and health compensations, as well as very emotional public debates about the necessity for ‘importing labour’ (personal communication with Huber, H., June 11, 2008).

There is no doubt that the influx of different immigrant groups as outlined above has had an effect on the overall composition of the population. The following sections discuss in more depth the demographic shift that has occurred through immigration, looking at the development of immigrant shares, the places of origin and lengths of stay.

### **3.1.2 Immigrant Demographics**

#### **Immigrants in Germany**

Immigration has changed the population composition in Germany substantially. Since 1951, the proportion of immigrants grew from 1%, to 1.2% in 1961, to 5.6% in 1971, 7.5% in 1981 and has stabilized at around 9% since 1996. Out of the total population, about 7.2 million are immigrants (BAMF 2008). Taking the population with a migratory background into account (see Chapter 1.3), the number increases to about 20% of the total population in Germany (Woellert et al. 2008: 12, 16).

Over the course of immigration since the mid-1950s, there has also been a big change in terms of age and gender distribution. By 1971, the proportion of under 21 year olds reached about 40% of the total migrant population, and since the mid-1970s the number of under 30 year olds has stabilized at around 50%. On the other end of the age scale, also the proportion of immigrants 65 years and older has increased to 10%. Consequently, the rate of working age males (15-65 years of age) has dropped to two thirds of the total male immigrant population, while the female working age proportion has stabilized at about 50%. Overall, this means that the socio-demographic composition of immigrants is becoming more balanced and self-sustaining (Mammey/Schwarz 2002: 199; Castles/Miller 2009: 108).

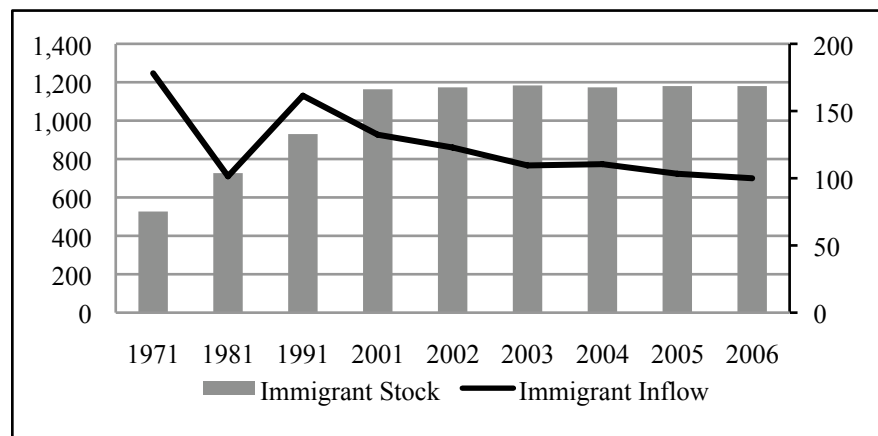
Regarding the nationality of immigrants, the largest proportion comes from Turkey (25%), followed by Italy (7.8%), Poland (5.7%), former Serbia and Montenegro (5.2%), Greece (4.3%) and Croatia (3.3%). Overall, 65% of immigrants originate from non-EU countries, while 35% are EU citizens (BAMF 2008).

## Immigrants in Bavaria

### Immigrant Shares of the Total Population, Stock and Inflows

In terms of immigrant shares, Bavaria shows a slightly different development than the national level. While the proportion of immigrants was slightly lower than the level in Germany from 1971 (4.9%) until 1991 (8%), the share surpassed the national proportion of 8.9% in 2001, when it reached 9.4% of the total population, and has remained stable since. These numbers are reflected in the development of the immigrant stock, which grew until 2001, when it reached 1.8 million, and has stayed stable until today (see Figure 1, below). In contrast, immigrant inflow overall has been declining since 1971, from 178 thousand to 100 thousand in 2006 (per annum). Figure 1 clearly shows the sharp decline in yearly influx between 1971 and 1981, as a reaction to the guest worker recruitment stop. After 1981, however, immigration increased again up until 1991 due to family reunification.

**Figure 1: Immigrant Stocks and Inflow in Bavaria 1971 – 2006 (in thousands)**



Sources: Bayerisches Landesamt für Statistik und Datenverarbeitung (2008a), (2007d), (2003).

### Places of Origin and Length of Stay

Similar to the national level, Turkish immigrants constitute the largest share of the foreign population in Bavaria with 21%, followed by the countries of former Serbia and

Montenegro (7.6%), Italy (7.4%), Greece (5.5%), Croatia (4.8%), Poland (4.3%) and Bosnia and Herzegovina (4.2%). As is the case in Germany overall, 35% of all immigrants are EU citizens (EU 24). Taking all citizens of European countries together, they make up for 83% of foreigners in Bavaria, leaving Asia with 10%, the Americas with almost 4% and Africa with only 2.5% shares of the immigrant population. In terms of lengths of residency, it is interesting to see that two thirds have lived in the province for more than ten years, with the proportion of immigrants living in Bavaria for over 30 years constituting the largest amount (22%), while just over one fifth have lived in Bavaria between four to ten years. Only about 10% have been living in the province for one to four years, and just about 4% have resided in Bavaria for one year. This shows that immigration tends to be permanent. It also points out that a large amount of immigrants have not decided to naturalize despite having lived in Germany for a long time.

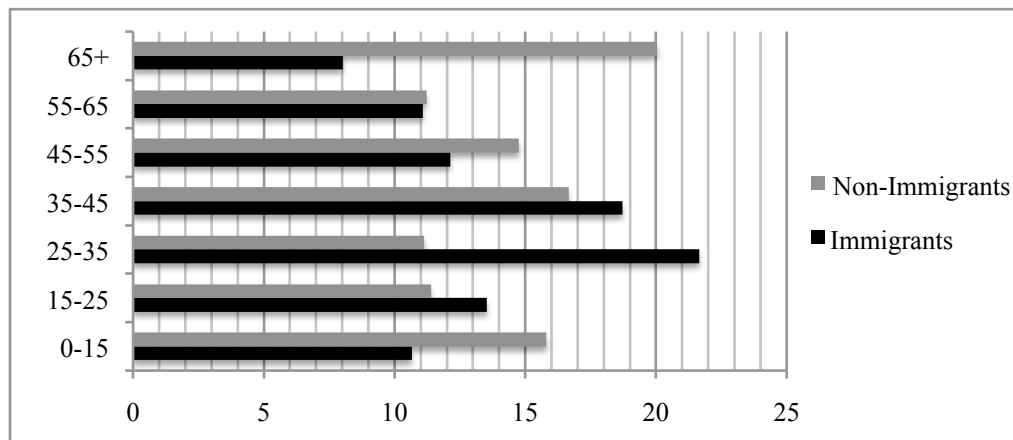
#### **Age Structure of the Immigrant and Non-immigrant Population**

Another distinctive fact about the immigrant population is their age structure. As Figure 2 (below on page 36) shows, half of the population is in the core working age of 25 to 55 years, about one quarter is under the age of 25, and just 8% of the immigrant population is over 65 years of age. The age distribution of the non-immigrant population is quite different. While the proportion of persons under the age of 25 is similar to the immigrant population, the share of people of working age is 10 percentage points lower at 42%. At the same time, the age group of people over 65 years makes up for almost 20% (Figure 2).

The significance of this comparison is that a substantially higher proportion of immigrants are in their core working age, while at the same time a substantially lower

share of persons are over the age of 65. This translates into the immigrant population being closer to the ideal self-sustaining ‘age pyramid’. The German population, on the other hand, is on average a lot older with less younger people being able to support them in their higher age. On the other hand, this data shows that immigrants are moving towards a similar structure regarding the fertility rates of the non-immigrant population, which are declining.

**Figure 2: Age Structure of Immigrants and Non-Immigrants in Bavaria, 2006 (in %)**



*Sources:* Bayerisches Landesamt für Statistik und Datenverarbeitung (2007a), (2007b).

The changing demographic composition of the population also led to the beginning of a discussion among the political elite about the implications of immigration to Germany. While this discourse started with the introduction of the labour recruitment program in the 1970s, it did not substantially change until recently, when it became increasingly evident that questions of immigrants’ social inclusion had been neglected. The following discussion of the political debates in Germany leading up to a new immigration act outlines the most important arguments made in regard to the importance of immigration to the economic and social development in Germany.



### 3.1.3 Political Debates

The beginning of the 21<sup>st</sup> century marked a watershed in German migration, integration and citizenship policy making, when a number of reforms and new laws came into effect from 2000 until 2008<sup>4</sup>. The remarkable change in rhetoric from a mainly protectionist to a slightly more liberal view can be attributed to the national government change in 1998, with the Red-Green coalition taking over power. To aid the discussions a special commission (Süssmuth Commission) was installed to provide policy options. The commission was headed by the former parliamentary president Rita Süssmuth (CDU) and consisted of representatives of parliamentary parties, the United Nations High Commissioner for Refugees (UNHCR), churches, employers, workers and specialists on asylum law and demographers (Meier-Braun 2002: 103).

The main issues discussed by the new government were labour migration, family reunification and questions surrounding integration measures. Debates mainly took place between the governing Red-Green coalition (SPD and Grüne) and the largest opposition party, the Christian Democratic Union (CDU/CSU), and driven by the ‘liberal paradox’ of immigration. The contradiction results from the fear of additional labour market competition and the population’s immigration resentment on the one side and the economic, demographic, humanitarian and legal need allow for more immigration on the other (Kruse 2008: 173). The main view of the Conservative Party was that immigration should be limited, because of high non-immigrant unemployment rates, the inability of the market to absorb more immigrants and the already poor labour market performance of immigrants. This position was mainly stimulated by the cost argument, contending that immigrants benefit more from the social welfare system than Germans, which encourages

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<sup>4</sup> A more detailed discussion of the specific contents of these reforms and laws follows in chapter 4.1, p. 54.

more immigration. The second argument was framed by the national identity question, which was specifically driven by discussions about the Muslim community in Germany. The conservatives tended to talk about immigrants, religion and issues of national security in one breath, and at one point proposed specific integration measures for the Muslim (Kruse 2008: 169).

On the other side of the debate, the social democrats called for an adequate response to the demographic change in Germany and pushed for better integration measures for immigrants. Their arguments were mainly substantiated by the skills shortage in Germany and the need to find sustainable solutions for the social security system (Meier-Braun 2002: 93). In response to the Conservative's opinion on the cost of immigrants, the Social Democrats and Greens put forward the substitution argument which contends that immigrants are more likely to work in labour market segments that Germans do not want to work in, thereby enabling non-immigrants to take on jobs in more highly paid sectors. For this reason, immigrants might be more reliable on transfer payments because their living standards are below the average level. In terms of the integration of immigrants, the red and green parties emphasized the need for higher participation of immigrants in society, especially in educational and occupational terms, and called for more substantial integration measures than merely language classes. They also pointed out the need for a 'dialogue of religions' in order to sensitize the public for the equality of cultures (Kruse 2008: 170).

The results of the above outlined debates, which resulted out of the development of a new Immigration Act (*Zuwanderungsgesetz*) in 2004, were not as far reaching as one might have expected. In the field of labour migration, the original proposal for a

regulative point system allowing for a permanent solution was abandoned in favour of the ad-hoc system with special regulations for labour market shortages. This outcome disregards the demographic challenges Germany is facing and makes it difficult for certain industries to attract specialists. In terms of family reunification, the maximum reunification age remained at sixteen years, even though the commission proposed eighteen years. This makes it harder for families to be brought together. Despite an unprecedented general consensus for the implementation of comprehensive integration measures, the result was only an institutionalization of language classes for designated groups. Critics point out that language alone does not constitute a long term integration solution, which should include measures pertaining to equal access to education and qualification, the labour market, housing and clearer legal rights (Kruse 2008: 173ff).

Overall it can be argued that a discussion on migration and related issues was long overdue, and in general opened up channels for further debate. Furthermore, the measures taken signal a move in the right direction. Nevertheless, the scope of the new legislative results lacks fundamental reorientation and long-term solutions. Furthermore intense and lengthy debates have diminished the hopes of further reforms any time soon. Proposed reasons for this stalemate pertain to the nature of the discussion on national identity, which is traditionally a favourite topic of the Conservatives (Kruse 2008: 172; Koopmans et al. 2005: 2). Far reaching cleavages in the perception of who belongs to the society, who is welcome and what politics can do in order to foster a sense of togetherness slow down an objective discussion. Additionally, the permanent state of election campaigning makes it easy for parties to politicize the issues of migration, which in turn aggravates reaching solutions. In conclusion one can say that only an objective, goal-oriented debate

will allow for more sustainable solutions in migration policy making in Germany (Kruse 2008: 175).

This section highlighted the four major immigration phases, and discussed the impact these had on the population in Germany. In addition, the outline of the political debate leading up to the new immigration act has shown that the introduction of simpler residency regulations as well as an official dedication to integration was not easy to achieve.

## **3.2 Canada and British Columbia**

In contrast to the difficult relationship both the political elite and population in Germany has with issues pertaining to migration and integration, Canada as a so-called ‘immigrant nation’ has traditionally taken quite a different approach to immigration. This does not mean, however, that the immigration discourse has avoided controversy. This section highlights the most important stages of Canadian immigration history, draws a picture of the current state of immigrant demographics, and outlines some of the issues of the immigration debate in Canada.

### **3.2.1 Immigration to Canada**

Four distinct immigration phases can be distinguished in Canada’s newer immigration history, which differ largely in terms of influx numbers, types of immigrants, their educational levels and the geographic areas they settled in. The first phase began with the Confederation of Canada in 1867 and lasted approximately until 1900. The second phase extended from 1901 until the beginning of World War I, the third period of immigration took place between the World wars 1915 to 1945 and finally

the fourth phase beginning after World War Two until today (Report of the Royal Commission on Bilingualism and Biculturalism 2004: 3, Li 2003: 17).

During the first phase of immigration to Canada, the immigrants primarily originated from Britain and France. Other nationality groups consisted of Poles, Germans and Scandinavians, and to some extent Asian. Overall, about 8% of immigrants were non-British, non-French, non-native Indian and non-Inuit. This period was characterized by the Canadian government's *laissez-faire* philosophy towards immigration in an effort to accelerate the settlement of the prairies and the West. While the British and French settlers were predominant in the East, other Europeans mainly accomplished the settlement in the Prairies. Some Germans reached British Columbia during this phase together with Asians, who had entered Canada from California during the gold rush. In addition, almost 16,000 Chinese labourers were brought from Hong Kong and Canton to work on the Canada Pacific Railway between 1881 and 1884 (Li 2003: 17f; RRCBB 2004: 4ff).

The second immigration phase between 1901 and 1914 marked the highest level of immigration relative to Canada's total population. Immigration peaked in the two years before World War I at 5.3% of total population, as opposed to 1% in the 1890s. During this 14-year period, almost three million immigrants entered the country, mainly because of the gold rush in the Yukon, and the completed coast-to-coast railway, increasing the immigrant population to 22% by 1911. The main places of origin in this period were Germany, increasingly Central and Eastern Europe, as well as Southern Europe. The mounting number of immigrants from outside Britain and France was slowly changing the composition of population in Canada, and by 1921, almost 15% of Canada's

population was non-British, non-French, non-native Indian or non-Inuit. Mirroring the government's disapproval of Asian immigrants, a so-called 'head tax' of \$100 was introduced in 1900, and increased to \$500 in 1903. As in the previous phase, Asians mainly settled on the West coast, and engaged in farming, fishing, logging and mining. Between 1905 and 1908 about 5,000 East Indians arrived in British Columbia, working mainly in railroad construction as well as in the logging and lumbering industries. Despite the increasing settlement of the West coast, most immigrants settled in the prairies to cultivate land (Li 2003: 18f; RRCBB 2004: 6-9)

After a phase of an unprecedented high level immigration, the period between the two World Wars saw a much lower influx, although higher immigration rates were recorded after 1923. However, these numbers never reached the pre World War I level and slowed down considerably during the Depression, which had led the Canadian government to restrict immigration to some extent, mainly targeting immigrants from Asia. Nevertheless, the non-British, non-French, non-native Indian and non-Inuit population rose to 18% by 1931. Interesting about this phase is that although the settlement to the prairies continued, urban settlement became increasingly important. Many immigrants of this period settled in industrial centres in northern Ontario and Quebec, and to a lesser extent the West (Li 2003: 21; RRCBB 2004: 9-12).

The fourth immigration phase, starting after World War II, saw substantial changes in the nature of newcomers. Due to increasing industrial growth after the war, the demand for more highly skilled labourers grew. In order to induce a more educated influx of immigrants, a universal selection system was adopted in 1967, which had two major impacts. First, the newly arriving immigrant population was more educated and

skilled immigrants than previous cohorts. Second, the new regulations of 1976 had moved away from denouncing racial origin as a burden to immigration. Consequently, the number of immigrants from non-European countries, specifically Asians and East Indians, began to increase. In the period between 1980 and 2000, for example, over 50% of immigrants originated from Asia. Overall, the main characteristics of immigrants in this last period are the wider variety of ethnic origins, social classes and occupations. Finally it must be mentioned that the majority of immigrants continue progressively moving to the urban areas of Montréal, Toronto and Vancouver, making these cities the epicentres of Canada's diversity (Li 2004: 21f; RRCBB 2003: 13ff).

The overview of the most important phases of immigration shows that a considerable shift in the composition of the immigrant, and therefore also the total population in Canada, has taken place. In the following sections, the current state of the immigrant population in Canada and British Columbia is discussed in more detail.

### **3.2.2 Immigrant Demographics**

#### **Immigrants in Canada**

In 2006, the immigrant population represented 19.8% of the total population. The biggest change within the immigrant population is the increase of visible minorities, initiated by an amendment to immigrant regulations in the 1960s, allowing for larger intakes of immigrants from Asia and Africa. While the visible minority population made up 2% of the total population in 1961, this rate increased to 4.7% in 1981 and 9.7% in the year 1991. Population projections predict that by 2017, the amount of visible minorities could reach up to 20-25%, and almost half of the populations of Vancouver and Toronto (Statistics Canada 2007b: 7; Beaujot 1999: 104f; Cardozo/Pendakur 2008: 14). In 2006,

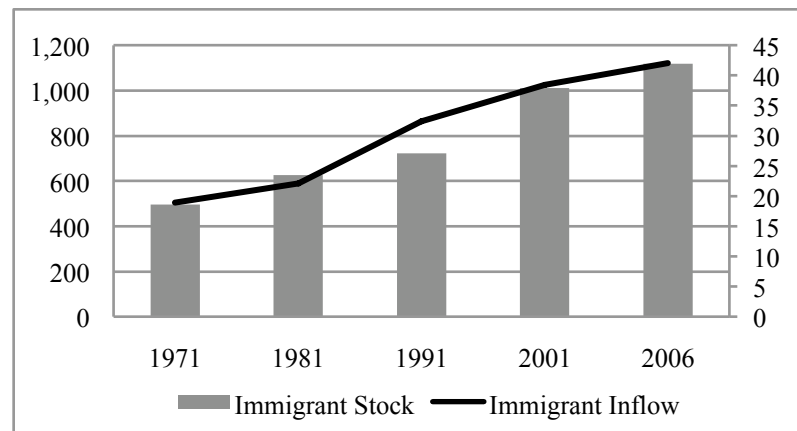
almost 60% of newcomers to Canada were Asian (including China, South Asia and the Middle East), while 16% were European (down from 60% in 1971) and 10% were from Central and South America (SC 2007b: 9). This shift has major implications on the demographic composition of the population in Canada. As the visible minority population tends to be younger and have a higher fertility rate in turn means that they make up for a larger proportion of the labour force. Therefore, Canadian employers especially in metropolitan areas will have to rely more heavily on Aboriginal and visible minorities to fill labour force requirements (Cardozo/Pendakur 2008: 10).

### **Immigrants in British Columbia**

#### **Immigrant Shares of the Total Population, Stock and Inflows**

In British Columbia, the share of immigrants compared to the total population is substantially higher than the Canadian average. In 2006, the immigrant population accounted for 27.5% of the total population, up from 22.7% in 1971. This trend is demonstrated in Figure 3 (below) showing a steady inflow of immigrants between 1971 and 2006, which also translated in a steady increase of the stock of immigrants in British Columbia.

**Figure 3: Immigrant Stocks and Inflow in British Columbia 1971-2006 (in thousands)**



Source: BC Stats (2009), (2008)



### **Places of Origin, Length of Stay and Landing Classes**

Similar to the immigrant origin distribution on Canadian level, 50% of the immigrant population in British Columbia is of Asian origin. Of these, 28% are from China, Hong Kong and Taiwan, 12% from South Asia and 10% from Southeast Asia. Europeans contribute to the second largest group with 31%, while Americans (USA) are represented at a rate of 5%. Other immigrant groups from the Middle East, Africa and Oceania each account for about 3% of the total population (SC 2007b).

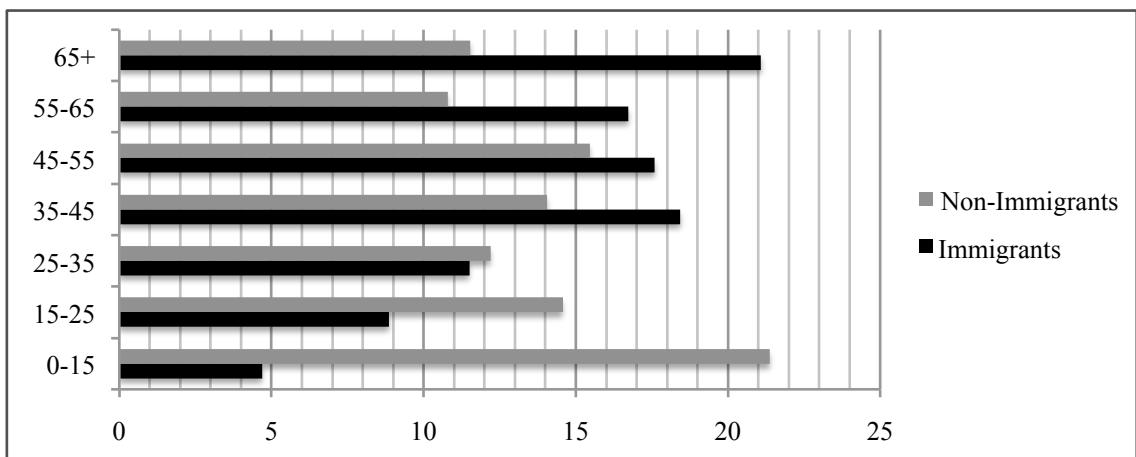
Regarding the length of stay in British Columbia, almost 70% of immigrants have lived in British Columbia for over ten years. More than one sixth has resided in BC between five and ten years, and one tenth arrived between one and five years ago. Only 5% of the foreign population in British Columbia are non-permanent residents (SC 2007b).

Looking at the proportions of the classes of entry, it becomes evident that the majority of immigrants come through the economic class (61%). Second largest reason for immigration is family reunification (32%) followed by refugees (5%). Over the course of the last 25 years one can see that the economic class has gained importance in BC. While only 27% of immigrants came on the grounds of economic reasons in 1985, this figure more than doubled until 2006. Entries due to family reunification, however, have dropped 20% between 1985 and 2006 when the number reached 32%. A similarly drastic decline shows the proportion of refugees entering BC. While refugees accounted for 15% of all immigrants in 1985, the number has shrunk to 5% in 2006 (BC Stats 2007).

### Age Structures of the Immigrant and Non-immigrant Population

As mentioned above, there are some distinct differences between the immigrant and non-immigrant populations in terms of age distributions. Figure 4 (below) demonstrates that the proportion of core working age persons is higher among the immigrant population (47.5%) than the non-immigrant population (41.7%) (SC 2007a). A simple explanation for the higher proportion of working age persons among the immigrant population is the age regulation of the point system, which favours immigrants between 21 and 49 years (Sweetman 2005: 33). It is surprising, however, that the rate of people over the age of 65 years is substantially higher among immigrants (21%) than non-immigrants (14%). This difference might be attributable to family reunification. Equally unexpected is the low share of children and young adults in the immigrant population (14%) compared to the non-immigrant population (36%) (SC 2007a). One explanation might be that children born to immigrants in Canada are registered as Canadians, as they can acquire citizenship at birth.

**Figure 4: Age Structure of the Immigrant and Non-Immigrant Population in British Columbia 2006 (in %)**



Source: SC (2007a).

The discussion above has pointed out the most important characteristics of the immigrant population in Canada and British Columbia. One distinct feature of past immigration has been the increasing numbers of economic immigrants. Not surprisingly, this group features most prominently in the political debates about immigration and integration in Canada. In the following, this debate is outlined in more detail, including a short discussion of the public opinion on these issues.

### **3.2.3 Political Debates**

The Canadian immigration debate on the policy level is first and foremost framed by self-interest, assuming that immigration must be beneficial to the country. From this premise two main issues crystallize in the immigration discourse, the first pertaining to numbers and the second to effectiveness. To a lesser extent the debate also includes questions of diversity and humanitarianism (Li 2003: 163, 182). While the main justification of immigration in the public discourse is also economic, the public seems to be more concerned with the social and cultural integration of immigrants (Jedwab 2008: 211). The following section lays out the main issues and arguments of the political and public immigration debate.

The first substantial question within the immigration debate is connected to the relevance of immigration to the Canadian population increase and the maintenance of economic growth. This expansionist view contends that immigration is necessary in order to ensure labour force growth and income maximization. Central to this argument is the current demographic development in Canada, with a decreasing replacement rate and increasing dependency ratio. Therefore it is necessary to rely on immigration as a source for population growth in order to warrant the balance of the social insurance system, and

to remain competitive on the international market (Li 2003: 68f). Critics, however, question the stipulation of a population on replacement level and bring forward that a post-industrial society could increase its productivity solely on the basis of technological advancements. Another argument put forward is the limited absorptive capacity of Canada, and the negative impact immigration can have on its environmental sustainability (Li 2003: 72f). Despite the opposition against the expansionist view, there seems to be a general consensus on the policy level that immigration is necessary to sustain the population and productivity level in Canada.

A question remains, however, about how effectively immigration can be used to achieve these goals, which is strongly related to immigrant selection policies. In this respect, Canada enjoys a worldwide reputation for the ability to balance its immigration law with the economic and demographic components as well as with its commitment to humanitarianism. Nonetheless, the immigration policy debates tend to focus on immigrants of the economic-class, who are selected on the grounds of their human capital and investment capacity. In contrast, only little discussion is directed towards family class immigrants and refugees, who are unsolicited and of lesser economic value (Li 2003: 167; Bauder 2008: 290). It has been argued that so called ‘self-selected’ immigrants often lack language and other skills to be successful in Canada, and are therefore more reliant on government sponsored settlement programs, which are costly. The bottom line of this argument is that family-class immigrants and refugees are considered to a large extent as financial burden to Canada (Li 2003: 168). This utilitarian perspective became increasingly obvious in the discussions beginning in the 1990s leading up to the revision of the *Immigration Act*, which was replaced by the *Immigration*

*and Refugee Protection Act* in 2002. It has been pointed out that the two different objectives outlined in the latter, pertaining on the one hand to immigrants and on the other to refugees, can lead one to suspect that these two programs are intended for two different purposes. Indeed the benefits listed in terms of regular immigrants are worded as maximizing social, cultural benefits of immigration, to support minority languages and to reunite families. However, no benefits are outlined for the refugee program. A similar rhetoric was expressed in the Auditor General's report in 2000, which pointed out that immigrant selection criteria should be improved to increase the benefits of immigration for the Canadian economy (Bauder 2008: 295). Overall it appears that issues of the economic class dominate the immigration discourse. This utilitarian perspective does not only dominate the policy debate on immigration. It is also widely accepted in the public and popular discourse, as well as among researchers, despite the additional humanitarian duty outlined in the *Immigrant and Refugee Protection Act* (Li 2003: 98).

As mentioned above, there is a wide public consensus on the positive impact of immigration for Canada, which is mainly attributed to the need for skilled workers and to some extent labourers. However, the public discourse is divided on the issue of social and cultural integration. This cleavage is exemplified in an Ipsos poll conducted in 2007, which found that 58% of Canadians agree that immigrants, specifically minority groups, should try to adapt more to Canadian culture, while 38% expressed the desire to encourage Canadians to accept minority customs and language (Jedwab 2008: 221). The main barriers to integration are seen to be of linguistic and cultural nature, and to a lesser extent economic and social concerns (job availability, housing, racism). Consequently, when asked what immigrants should do to integrate, language acquisition was the first

response, followed by social and community involvement, while the adoption of Canadian values and norms are not frequently mentioned (Jedwab 2008: 223). In terms of the role of the state in integration matters, 87% think the government is important, and 70% agree with policies pertaining to integration. However, less than 50% believe that the government is doing enough to foster a sense of belonging in immigrants, which is perceived as one of the biggest challenges of integration (Jedwab 2008: 225f).

In contrast to the policy debate, research on public opinion reflected in the media during the policy debate on immigration from 1996 until 2004 shows that the humanitarian aspect of immigration is reported on consistently, and was not negatively influenced by the events of 9/11. Nevertheless, the dangers arising from immigration is the most frequently discussed issue and has influenced the discourse negatively. Questions of cultural ‘enrichment’ and ‘conflict’, on the other hand, were barely reported on. It is suggested that this might reflect a general consensus that immigration and multiculturalism is not perceived as problematic (Bauder 2008: 306f).

In conclusion it can be remarked that the policy discourse focuses mainly on benefits of immigration, while the public is more concerned with the humanitarian aspect as well as the integration of immigrants. It seems quite surprising that the public seems to be concerned about different aspects of immigration and integration, and calls into question the influence of the public discourse on policy making.

This chapter outlined the historical perspective of immigration to Germany and Canada, discussed the distinctive features of the immigrant populations in these countries and summarized the most important issues discussed on the political and public level regarding immigration and the settlement of newcomers. It has become clear that it took a

considerable amount of time and effort for German politicians to agree on a more liberal approach towards immigration, and to realize that the socio-economic situation of immigrants needed more attention. In Canada, on the other hand, there has always been a consensus on the economic benefit of immigration; in fact, the focus of the economic impact has always been central to the debate. In contrast to Germany, discussions on national identities did not lead to a stalemate in Canada, but rather resulted in the adoption of multicultural policies, which will be discussed in more detail in the following chapter. Overall it is evident that Canada and Germany have experienced immigration quite differently, which reflects not only onto political debates, but also on immigration and integration legislation more generally. These observations lead to the following assumptions:

- (H<sub>1</sub>) Immigrants in BC integrate better into the labour market than immigrants in Bavaria because
  - (a) Canada as a traditional immigration country has historically been more welcoming towards immigrants;
  - (b) Canadian immigration policy and the political debates surrounding immigration issues has traditionally focused on economic immigrants who are assumed to integrate more easily due to their high social capital.
- (H<sub>2</sub>) Immigrants in Bavaria have a harder time assimilating into the labour market because
  - (a) German society seems less open towards immigrants, as it has been assumed until recently that immigration was a temporary remedy against labour shortages. This attitude is also reflected in the latest political debates regarding immigration, and has prevented a fundamental reorientation of immigration legislation geared towards long-term solutions.
  - (b) permanent immigration from non-EU countries to Germany is restricted to family reunification, and is overall less regulated than in Canada. Consequently, there is no selection according to human capital.

After investigating the historical perspective of immigration in Germany and Canada, the following chapter outlines current policies linked to immigration and the integration of immigrants. Specifically, policies regarding immigration, integration and naturalization (access to citizenship) are scrutinized.



## **4 Policies Governing Immigration, Integration and Naturalization**

This chapter reviews and evaluates German and Canadian policies pertaining to immigration, integration and naturalization. The assessment of these three policy clusters is vital for understanding the greater context of integration, because immigration policies determine who can enter the country. Immigration policies therefore reveal a lot about the characteristics of immigrants, e.g. what their country of origin is, how skilled they are, and what age group they belong to. The analysis of integration policies in Germany and Canada then shows how the federal and provincial governments respond to the specific needs of the immigrant population. Policies defining eligibility for citizenship are a further barometer for measuring the willingness of a host country to fully integrate immigrants into society, as the requirements reveal a great deal about the accessibility to nationality.

These three policy areas shaping the larger integration project are then evaluated using the Migrant Integration Policy Index (MIPEX). Specifically, four policies are investigated in Chapter 4.3: long-term residency, labour market access, anti-discrimination and access to nationality. This appraisal is helpful for gauging the overall response of Canada and Germany to integration, and discloses areas where policies need to be adjusted to meet ‘best practice’ as outlined by EU Directives and Council of Europe Conventions. Consequently, this evaluation allows an assessment to be made of how well immigrants are integrated into the labour market, leads to the formulation of hypotheses.

## 4.1 German Policies and their Implementation in Bavaria

### 4.1.1 Immigration

Immigration to Germany is regulated by the *Residence Act (Aufenthaltsgesetz)* and the *Freedom-of-Movement Act (Freizügigkeitsgesetz/EU)*. While the *Residence Act* is applicable to third-country nationals, the latter applies only to EU citizens. Both laws are part of the *Immigration Act (Zuwanderungsgesetz)*, which was adopted on July 30, 2004, and came into force on January 1, 2005, replacing the *Foreigners Act (Ausländergesetz)*.

As discussed in Chapter 3, the *Immigration Act* was adopted after lengthy discussions on what kind of immigration Germany should accept. Despite the recommendations made by the Süßmuth Commission regarding a point system regulating economic immigration in favour of skilled workers, this concept was not integrated. Consequently, there is no official German policy concerning a rule-based assessment of immigration. The *Residence Act* does, however, define who is allowed to live in Germany.

There are six categories codified in the *Residence Act* regulating sojourn: short-term visit, education, employment, family reunification, humanitarian reasons, or special circumstances (i.e., when a former German national loses his or her citizenship). While the visa for a short-term visit is only valid for three months, the education category allows foreign students to stay in Germany up to six years for their studies and apply for a one-year extension with work permit after successful completion of their degree. In terms of employment, there are four possibilities allowed for working in Germany. The first option applies to unskilled labour. This alternative is only possible through bi-lateral agreements between Germany and a second country, and has basically not been applied

since the recruitment stop in 1973, with the exception of short-term seasonal labour arrangements. The second option applies to highly skilled labour<sup>5</sup>. For this stream, there are no set immigration quotas, and the decision to grant work permit lies in the authority of the Federal Employment Agency (*Bundesagentur für Arbeit*). Although the federal government decides whom to grant access on a human-capital-based selection system, the *Länder* can veto individual applications under certain circumstances (Bommes/Kolb 2005: 17). There are two further programs within the highly skilled stream, an employer-driven selection program, and a sector driven program. The employer-driven selection applies only to multi-national corporations based in Germany, and grants work permits to company employees in a simplified procedure. The sector-driven program, on the other hand, is determined by labour shortages in specific economic sectors. Under this program, the government has sole authority to set quotas. The most prominent case of this program was the green card for ICT specialists, where the maximum number of applicants was by far overestimated, and hence deemed a failure (Bommes/Kolb 2005: 14-16). As a general rule, highly skilled workers are granted an unrestricted work permit together with entitlement to permanent residency. Finally, work permits are also granted to self-employed immigrants, on the condition that they can prove their financial security, and in the case of exceptional economic interest in such a business. Immigrants coming to Germany on a self-employment permit receive temporary residency only (*Immigration Act*).

The legislation on family reunification allows direct family members, spouses and dependent children up to the age of sixteen, to enter Germany. Typically, the recently

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<sup>5</sup> Highly skilled labour is defined by the federal government as academics, teachers in senior positions and specialists with significant experience and above-average salaries (Bommes/Kolb 2005: 16).

immigrated family member is eligible for a work permit if the main applicant is eligible to work, or the marriage has existed legally in Germany for the past two years. This new regulation is a considerable improvement, as labour market access was previously very limited<sup>6</sup> for immigrant spouses, who had followed the main applicant to Germany. The situation also improved substantially for refugee claimants, who are now eligible to work after a one-year waiting period under the new law (OECD 2007: 209f).

Two significant changes were introduced in the *Residence Law*, both of which have made the system more accessible and understandable. First, four residency statuses were replaced by two categories, a temporary (*Aufenthaltserlaubnis*) and permanent (*Niederlassungserlaubnis*) one. This change also made the issuing of separate work permits unnecessary. Work permits are now granted in line with the purpose of residency. An additional amendment was made to the administration of work permits, which is now handled by foreigners' agencies (*Ausländerbehörde*) on the municipal level, eliminating the involvement of several agencies and long waiting periods (BAMF 2009b, OECD 2008: 109).

Due to the free-movement agreements within the European Union, the regulations described above apply only to non-EU citizens. For administrative purposes, EU-specific policy was integrated into the *Immigration Act*. Accordingly, all EU citizens (there are some exceptions in place until 2011 for the newer accession countries of Central and Eastern Europe) have the right to live and work where they wish in the EU (BAMF 2009b).

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<sup>6</sup> Before a labour permit was issued, spouses generally had to wait one year after entering Germany, and then pass 'labour market testing', to prove that they were not dependent on social welfare, and had a basic knowledge of German (OECD 2007: 209).

A close look at of the German immigration legislation reveals two things. On the one hand, it shows that immigration is regulated only on an ad hoc basis responding to skills shortages, and applies only to certain skilled or highly skilled occupations, which are not specifically regulated. On the other hand, immigration is not regulated at all, due to EU-wide policies and the requirement to allow for immigration on the grounds of humanitarian and family reunification purposes. While critics have pointed out that a clear immigration regulation (such as the Canadian point system) would have helped to attract more skilled immigrants from non-EU countries, the current legislation in turn requires a good integration framework in order to incorporate those immigrants who do come, or have already lived in Germany for longer periods of time, even if they do not belong to the very desirable highly skilled workers. The following section looks at the integration measures implemented by the German and Bavarian governments.

#### **4.1.2 Integration**

Although Germany only recently recognized itself as an immigration country, some integration structures were in place before the amendment of the *Residence Act*. Those measures, however, were of reactionary and incidental nature, implemented only after specific needs became apparent. Furthermore, the approach was not clear in terms of distribution of responsibilities, as different tasks were split between different government agencies. It was not until 2004, when a legal basis for the promotion of the integration of immigrants was codified in the *Residence Act* that the way was paved for comprehensive measures at the federal level (OECD 2007: 208ff).

## **Legal Framework**

The new law specifically places the need to integrate immigrants as a central responsibility into the hands of the federal government, explicitly the Ministry of the Interior (*Innenministerium*). This ministry is responsible for developing the general guidelines for integration, and can delegate specific tasks to other ministries. For example, the Federal Office for Migration and Refugees (*Bundesministerium für Migration und Flüchtlinge - BAMF*) is responsible for the design of the new integration courses and citizenship tests, while the Ministry of Labour and Social Issues (*Bundesministerium für Arbeit und Soziales - BAS*) is in charge of the labour market integration. (Beauftragte der Bundesregierung für Migration, Flüchtlinge und Integration 2007: 15).

Sub-national governments also play a major role in regard to integration policy. Specifically, the *Länder* are responsible for the education of immigrant children, the execution of federal integration laws, and the co-financing of federal and local integration measures (OECD 2007: 213). In Bavaria, the Ministry for Labour, Social Issues, Family and Women (BSASFF) is responsible for co-ordinating integration measures. Semi-public welfare services, non-governmental organizations and local authorities then execute these measures (e.g. the Red Cross, migrant organizations and Chambers of Commerce).

## **Measures Pertaining to Language Training**

Integration measures in Germany focus on the four major areas of language training, social integration, education, and vocational training. Language training is the primary focus of German integration policy, receiving the bulk of federal and sub-national government funding. Although language classes have been provided to ‘foreign

workers' since 1974, those focused only on specific migrant groups such as ethnic Germans and humanitarian migrants, and were provided only upon unemployment. Under the new system, the so-called integration courses cover 600 hours of language classes and 30 hours in 'orientation courses' about German history, culture and politics, and are open to all immigrants with a permanent status. The new language instruction regulations are less restrictive and therefore reach more immigrants. Migration research has shown that language proficiency is the most important factor for a positive integration into the labour market and society (OECD 2008: 111). The goal of 'self-sufficient language knowledge' set by the integration course does not seem adequate for labour market needs. Consequently, the Ministry of Labour and Social Issues introduced a new system of vocation-specific language courses. These classes, however, are geared only towards unemployed migrants that have worked in Germany, and again exclude some immigrants, especially the recent arrivals with good qualifications (OECD 2007: 216).

### **Measures Pertaining to Social Counselling and Career Guidance**

Provision of social counselling to migrants (*Migrationserstberatung*) is the second main focus of German integration policy. As in the case of language classes, social counselling had been provided to immigrants since the 1950s by welfare services, but was geared toward specific groups. Since 2005, social counselling is meant to complement the integration courses, and is accessible to all immigrants for up to three years after their arrival. These services provide an analysis of the individual's skills and can result in individual integration plans. The main goal of this counselling process is to

familiarize immigrants with the services available to them, and minimize their dependency on welfare assistance (OECD 2007: 218f).

### **Measures Pertaining to Education**

As education is essentially the responsibility of the provinces, no comprehensive program exists on the federal level. Measures on the provincial level pertaining to equal access to education for migrant children focuses mainly on linguistic training, as language fluency is a main determinant of success at school. In Bavaria, there are several programs currently in place for immigrant children. The first program targets the development of German language skills for children transferring from kindergarten to school, and provides ongoing language classes for school children. Second, as of 2008/2009, the youth social work program will be extended, providing extra support for immigrant children in their school environment. Third, the so-called “Come With Us” program which started in the autumn of 2008, provides intercultural training for teachers, in order to better address immigrant children’s needs. Another program beginning in September 2009 foresees the expansion of all-day education and a reduction of class sizes. Finally, there will be increased focus on extending language classes and other courses offered (e.g., child raising in the German environment) to immigrant parents (BSASFF: 2008).

### **Measures Pertaining to Vocational Qualifications**

Integration measures geared towards the development of vocational qualifications is the only strategy directly linked to labour market integration. These measures are targeted at immigrant youth, supporting them in their transfer from school to work. While the programs in this category are aimed at supporting young immigrants, all other



immigrants are eligible to access regular labour market programs provided by the Federal Employment Agency only, however, if they have a work permit (OECD 2007: 217f).

On the federal level, there are several programs that support specific immigrants, as well as others designed for all young people entering the work environment. The 'Fit For Work' program has been modified to meet immigrant youths' needs in their endeavours to find a company in which complete their vocational training. This program encourages and supports Turkish-German vocational training associations in providing apprenticeship positions, and also provides networking opportunities for immigrant youth within chambers of commerce. In terms of general labour market integration policies, there are several programs supporting youths with learning deficiencies or wish to earn high school diploma.

While there are no immigrant youth-specific programs in Bavaria, immigrant youths are eligible to take part in certain general measures. These programs are geared towards youths who did not find a job or vocational training placement after high school, and they also provide extra schooling and training possibilities (BSASFF: 2008).

#### **Other Bavarian Integration Measures**

In their ten-point program, the Bavarian government defined their main goals and programs for integration. Apart from the programs mentioned above, there are a number of other intended integration goals, such as to encourage immigrants to join German clubs and associations and to open the public service to immigrants. Finally, the Bavarian government wishes to involve non-governmental organizations more strongly in integration work, and planned to award 'integration prizes' to persons and associations particularly engaged in integration support (BSASFF: 2008).

It can be concluded that the integration policies on the national and sub-national levels focus mainly on language training, which has been opened to all immigrant groups with the introduction of the *Residence Act* in 2005. Additional integration support is provided through individual counselling, informing immigrants of the options available to them. This ‘initial immigration counselling’ has the goal of easing integration into German society. It is available to all types of immigrants, but must be taken advantage of within three years of arrival. Children and youths enjoy a variety of immigration strategies, mainly pertaining to early language training and support through transfer stages from kindergarten to school and later into the work environment. For immigrants past their job training stage, work-specific language courses are available through the Federal Employment Agency. However, these classes are only accessible only to immigrants who are unemployed and have previously held a job in Germany. Apart from general measures available to all unemployed persons in Germany, there are no labour market integration programs specifically designed for immigrants.

### **4.1.3 Naturalization**

In Germany, naturalization is seen as the completion point of successful integration, by which immigrants demonstrate their identification with and loyalty toward the country. Until recently, however, naturalization was not possible for non-German nationals, as citizenship was only transferable according to the *ius sanguinis* principle. This provision was liberalized with the amendment of the *Nationality Act* in 1999, which came into force January 1, 2000 (Bundesministerium des Inneren 2009). Under the new act, children born to non-German parents in Germany, automatically receive German citizenship. The provisions attached require the individual to decide between the ages of

18 and 23 whether to keep German citizenship and give up any second nationality, or keep the foreign nationality and lose the right to German citizenship. The other way to become German for immigrants not born in Germany is to become naturalized. In order to qualify, immigrants must fulfill certain statutory requirements, such as a minimum of eight years residency in Germany, proof of German skills, the ability to earn their own livelihood, and no criminal record (Cyrus/Vogel 2005: 20). Finally, a citizenship test must be successfully completed. Since 2008, there is a comprehensive test for all of Germany.

Dual nationality is generally not allowed (there are exceptions, particularly for EU citizens). This provision allows certain categories of immigrants, who have renounced their primary nationality in order to become German, to regain their now second nationality after being naturalized. Persons who reacquire their original citizenship will, however, lose their German nationality without an official bureaucratic act. It is estimated that about 10,000 Germans mainly of Turkish origin are affected by this regulation (Cyrus/Vogel 2005: 21). Reasons for this behaviour are generally related to inheritance rights, which are lost in the case of the renunciation of Turkish citizenship. After the introduction of the amendments, naturalization figures rose substantially until 2001, when they reached a high of 2.5%. Since then, naturalization rates have fallen to 1.8% in 2006. Compared to other Western European countries, the naturalization rate is quite low, as immigrants to Austria naturalize at a rate of 3.2% (2006), immigrants to Belgium at 3.5%, and immigrants to France and the Netherlands naturalize at a rate of 4.2% (2006) (OECD 2008: 354). Reasons for these low figures are the language requirements and the obligatory renunciation of the first citizenship. Overall, the highest

naturalization rates are found among the Turkish population, followed by immigrants from Serbia and Montenegro and among Poles (Koopmanns et al. 2005: 39; Preuß 2009: 2; Özcan 2007: 5).

## **4.2 Canadian Policies and their Implementation in British Columbia**

### **4.2.1 Immigration**

The most significant change in Canada's immigration policy occurred in the early 1960s, when regulations were implemented to end the previously apparent racial discrimination against non-European immigrants. At the same time it became evident that the Canadian economy not only need more immigration in general, but also more highly educated and qualified workers. However, large numbers of low-skilled and uneducated immigrants were coming from Southern Europe, who were seen as a problem for the economy and a burden on the welfare system. In response, a point system was introduced in 1967, ranking immigrants according to criteria pertaining to education, skills and resources. Consequently, immigration patterns substantially changed from mainly lower-skilled Europeans after World War II, to more educated Asians from the late 1960s onward (Whitaker 1991: 18f; Li 2003:22f).

Although the basic tenets of the point system were not changed, a new *Immigration Act* was introduced in 1978. This act was more liberal in that it widened its immigration goals from mainly economic gains, to also stressing the need to facilitate family reunification and to fulfil Canada's legal obligations with respect to refugees, upholding the humanitarian tradition of the country. Under the new regulations, family members and refugees were given highest processing priority (Green/Green 2004: 121). Further important amendments to the immigration law were made in the 1980s, when the

‘economic class’ was expanded to include business immigrants defined as entrepreneurs, self-employed and investors. While the loci shifts of the 1980s already pointed towards the increasing importance of the economic benefits of immigration, this focus became even clearer in the early 1990s, when the *Immigration Act* was passed. The 1992 act devolved more authority to the newly founded department of Citizenship and Immigration, including the power to set limits on immigration and turn away applicants after targets were reached.

The latest legal changes occurred with the *Immigration and Refugee Protection Act* (IRPA), replacing the *Immigration Act* in 2001. The new act strongly emphasizes the economic benefits as well as the social and cultural boundaries of immigration, and distinguishes three main classes eligible for permanent immigration, the economic class, the family class and the refugee class (Green/Green 2004: 124; Li 2004: 26; Art. 12 IRPA). Of these groups, only the economic class is screened by the point system that tests mainly for education, experience and knowledge of official languages. Further points can be acquired based on age, the presence of a job offer, and adaptability<sup>7</sup>. In order to be accepted, the applicant must reach a minimum of 67 out of 100 points (CIC 2006). Apart from permanent immigration, temporary permits are available under temporary work programs and the student program. Although these programs are not affected by the points system, labour market testing<sup>8</sup> does apply for the temporary work programs which are generally tied to a specific employer and province (OECD 2008: 159). The federal government, taking into account economic developments while upholding commitments

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<sup>7</sup> Adaptability is assessed according to the level of the accompanying spouse’s education and work experience in Canada, as well as whether or not the applicant has family members residing in Canada.

<sup>8</sup> Labour market testing involves skills assessment, an evaluation of the need for specific skills, the availability of Canadian workers, as well as wage levels.

to support family reunification and ensuring humanitarian objectives, sets the yearly immigration target range. In addition, the federal government is also responsible for determining entry requirements and the screening of received applications (CIC 2008: 10-13).

Over the past decade, the provinces were increasingly awarded more influence in determining numbers and specific traits of immigrants, in order to fit their labour market needs. These power-sharing agreements manifest themselves in the so-called Provincial Nominee Programs (PNPs), and allow for faster processing of skilled labour because applicants do not have to fulfill the point system requirements. In British Columbia, the PNP priority is determined by identifying key sectors and certain trades in need of qualified workers. Prospective employees and employers submit a joint application, which is screened by Citizenship and Immigration Canada (Elrick 2007: 3; MAELMD 2009d). As an exception to the rule, the quota for the PNP is set in mutual agreement between the federal government and British Columbia (CIC 2008: 18).

Other recent changes pertaining to permanent immigration involve faster processing of the skilled worker category and the creation of the ‘Canadian Experience Class’. This class allows temporary skilled workers and foreign students with a Canadian degree to extend their stay provided they have Canadian work experience. Both amendments were undertaken to increase the number of skilled immigrants (OECD 2008: 234). Finally, the Foreign Credential Referral Office (FCRO) was established to help internationally trained immigrants assess their skills and have them recognized in Canada. These offices have been set up not only in Canada, but also in major countries of origin in Asia (CIC 2009).

In the past sixty years, Canadian immigration policy has passed through several distinctive immigration policy phases. Immigration in the 1950s was a policy tool for providing labour to settle and cultivate land. In the 1960s and 1970s, immigration was used to fill occupational gaps, as Canada's training institutions were not fully developed, but there was a demand for certain skills. The 1980s was a decade when the aim of immigration was to offset demographic changes, and in the 1990s, the level of education was put at the forefront of immigration requirements (Green/Green 2004: 127, 135). Accordingly, the numbers of different immigrant classes has undergone considerable shifts as well. In 1968, just after the point system was introduced, 74% of immigrants were of the economic class, while 26% were family members. By 1985, the family and refugee figures rose to 47% and 20% respectively. This situation reversed in favour of economic immigrants starting in the 1990s. In 2005, they represented up to 60% of immigration, while the family class shrank to 24% and the refugee class to 13% (Verbeeten 2007: 8; BC Stats 2007).

#### **4.2.2 Integration**

Official settlement assistance by the Canadian government has been delivered to newcomers since 1974. Before the 1970s, the settlement of immigrants was left to those responsible for bringing immigrants to Canada, such as the Canadian National Railway and the Hudson Bay Company. Other service providers were voluntary agencies and immigrants themselves. It was generally believed that immigrants would find efficient help in the mainstream services available for Canadians. With an increasing ethnic diversification, however, the operation of settlement programs was mandated to the federal government (CIC 2001: 4f).

## **Legal Framework**

The main responsibility for settlement and integration services lies in the hands of three federal departments: Citizenship and Immigration Canada (CIC), Canadian Heritage, and Human Resources and Skills Development Canada (HRSDC). Within this mandate, there are two distinct areas of responsibility. CIC is responsible for the initial settlement of immigrants during the first phase of the process, assisting with specific programs. There are four programs directed at newcomers, the Language Instruction for Newcomers to Canada Program (LINC), the Immigrant Settlement and Adaptation Program (ISAP), the Host Program, and Refugee Programs. In contrast, Canadian Heritage and HRSDC work within a more general policy framework for long-term integration, by fostering awareness for multiculturalism and employment equity programs, aimed at all people living in Canada (Biles 2008: 148, 153). Eligibility for settlement support is limited to permanent residents, but can include non-immigrant live-in caregiver workers who may then apply for a permanent status from within Canada. Refugee claimants are excluded from settlement services until a positive determination regarding their status is made. In general, only adults are eligible for language training, as the education of children is a provincial responsibility. Once a permanent resident begins a language class, he or she can use this service for three years (CIC 2001: 8).

Through intergovernmental agreements, settlement responsibility can be exercised partially or fully by the provinces and territories. In 1998, the federal government negotiated a substantial agreement with British Columbia (*Agreement for Canada-British Columbia cooperation on immigration*), transferring full responsibility for settlement delivery to the province. While CIC still holds the authority of designing programs and provides funding, the provincial government must decide how many persons are in need



of these services and who will do the program delivery. In addition to the standardized settlement services, the province holds discretionary power in policy areas such as housing, education and health (Biles 2008: 157ff).

The settlement delivery itself is realized through so-called service provider organizations, which are mainly not-for-profit, non-government or private organizations. In order to be awarded with service delivery, these organizations must apply through a formal process, and must fulfill certain guidelines and benchmarks outlined by each program. In British Columbia, the Requests for Proposals (RFPs) are held province-wide on a yearly basis. Funding for service delivery is usually granted on a yearly basis, with an option to be extended for an additional two years upon satisfactory performance (personal communication with Naizghi, A., June 23, 2008).

### **Measures Pertaining to Language Training**

Language instruction is the core of Canadian settlement service, and is provided through Language Instructions for Newcomers to Canada Program (LINC). Classes are delivered through provider organizations, training participants in functioning independently in educational, social and employment settings. Similar to Germany, concerns had been expressed that the level of these courses are not sufficient for preparing highly skilled immigrants for the labour market. In response, the Enhanced Language Training Initiative was created, addressing more directly and intensely work environment components. A recent evaluation has shown that these efforts have substantially improved language and job finding skills. This program has also enabled immigrants to be mentored and build social capital networks (CIC 2008: 40; Biles 2008: 142, 145).

### **Measures Pertaining to Social Integration**

The Immigrant Settlement and Adaptation Program (ISAP) funds organizations that support the integration of immigrants in the community. ISAP provides the widest range of settlement services within the CIC settlement framework, including reception services at points of entry, referral services which help newcomers orient themselves concerning resources such as schools, banks, shops and health, as well as information and orientation help in tackling everyday life. Other services offered comprise translating and interpretation help with legal, health, employment and educational matters, counselling services and settlement workers in schools. The host program matches immigrants with Canadian volunteers, enabling immigrants to practice language skills, learn about the Canadian society and build a social network. For this program, CIC provides funding for organizations that train and match mentors with newcomers. In an effort to prepare immigrants better before they arrive to Canada, CIC introduced the Canadian Orientation Abroad Program (COA) in 1998. The COA provides general information on living in Canada, including climate, cost of living, employment, civic rights and responsibilities and human rights (Biles 143ff; CIC 2001: 10).

### **Measures Pertaining to Labour Market Integration**

Labour market integration support is provided through services and policy initiatives of all three federal departments involved in settlement work. The ISAP's employment-related services help newcomers with job search strategies, resume-writing, interview techniques and telephone follow-up. As credential recognition is seen as a major hurdle immigrants face when coming to Canada, the Foreign Credential Referral Office (FCRO) was launched by the CIC in 2007. The FCRO provides information and

referral services for immigrants, “[...] to help foreign-trained workers succeed and put their skills to work in Canada more quickly” (CIC 2009). While the FCRO is managed by the CIC, the actual service is provided by HRSDC through its Service Canada centres. This task-sharing exemplifies credential recognition as a key cross-government concern. Other initiatives of a mainly policy-development nature are undertaken by Heritage Canada. One of these initiatives led to the creation of Capacity Canada, which gathered and shared best practices across the country (Biles 2008: 151).

Although the federal government has undertaken efforts to tackle the credential recognition issue, the main responsibility for professional accreditation lies with the provinces. In British Columbia, the Ministry of Advanced Education and Labour Market Development (MAELMD) has developed the Skills Connect for Immigrants Program (SCIP). This program assesses skills, qualifications and experiences, and provides support for enhancing the skills immigrants bring to British Columbia. Further, the SCIP provides career assessment planning and offers workplace opportunities. As is the case with other settlement services, SCIP functions via delivery organizations (MAELMD 2009b). Apart from credential recognition for skilled professions, the International Credential Evaluation Service (ICES) evaluates foreign academic degrees and determines equivalent Canadian and British Columbian levels. The accreditation of certain tertiary education degrees in nursing, medicine and engineering, however, must be evaluated by professional or trade associations (MAELMD 2009c). Finally, the BC International Qualifications Program (IQP) provides financial contributions to projects which “[...] remove barriers that prevent skilled immigrants from fully utilizing their skills, knowledge and experience within the BC economy” (MAELMD 2009a).

### **General Policies for Long-term Integration**

In addition to specific settlement programs, the Canadian federal and provincial governments have implemented several legal regulations in an effort to guarantee equal treatment of all residents of Canada and to support a long-term accommodation of diversity. The first post-war legal initiative pertaining to diversity is the *Bill of Rights*, passed by the federal government in 1962. In this document, human rights were recognized in the context of diversity, and paved the way for opening immigration to non-Europeans. Other important regulations followed, such as the *Canadian Human Rights Act* in 1977, and the *Canadian Charter of Rights and Freedoms* in 1982. Both act and charter specifically address the multicultural nature of Canadian society and codify the duty to remove discrimination based on race, origin, age or sex and allow for the freedom of religion. Important in the context of labour market integration is the *Employment Equity Act* of 1986, which specifically addresses equal treatment of visible minorities, women, people with disabilities and Aboriginal peoples (Cardozo/Pendakur: 2008: 31).

Another key piece of legislation in the context of integration, which has gained international attention, is the Canadian *Multiculturalism Act*. Although previous policies pertaining to multiculturalism have recognized diversity as fundamental to Canada, this act passed in 1988, turned multiculturalism from a right into law. Through this act, all levels of government as well as society are obliged to treat everybody equally, regardless of their place of origin, culture or religion, and to value diversity. Apart from encouraging and supporting the civic participation of all Canadians, this act requires all governmental departments and agencies to implement multiculturalism as it applies to their mandate (Cardozo/Pendakur 2008: 31ff). In addition to federal efforts, the provinces

have also addressed multiculturalism in the context of their own experiences with diversity. In British Columbia, the *Multiculturalism Act* of 1993 officially recognizes the diversity of the BC population, encourages respect for its multicultural heritage, promotes racial harmony and fosters the creation of an all-integrated society.

Similar to the German integration framework, settlement in Canada is guided primarily guided by language training. Support is also delivered in the form of information on institutional structures, such as the education, health and banking systems. Other counselling options range from legal to health advice, as well as the provision of translation services. Together, these structures provide recent immigrants with a wide range of support for integrating into Canadian society. In terms of labour market integration, help is provided through the development of job-finding strategies, and credential recognition services on federal and provincial levels. Despite these efforts, it is questionable whether they are sufficient in aiding immigrants to enter the labour market. While credential recognition services focus on providing information on the value of achieved skills levels as well as guidance on how and where to receive additional training to fit Canadian standards, they do not provide immigrants with timely and cost-effective solutions. Such solutions could entail job, internship and mentorship programs, as well as international reciprocity arrangements regarding the recognition of degrees and training certificates (Chinese Canadian National Council: 2007).

More generally speaking, the Canadian official policy of multiculturalism has attracted worldwide attention, and has been praised as one of the most successful models for integrating immigrants. Although it cannot be disputed that these policies do provide a substantial legal framework against discrimination and have contributed to a relatively

tolerant society in terms of diversity, one must keep in mind the criticism that have been brought forward. In this context it has been argued that while multicultural policies support the maintenance of minority cultures, it is believed that such behaviour can also divide the society into segregated sub-groups, hence failing to build a coherent society.

### **4.2.3 Naturalization**

As a country of immigration, Canada takes a proactive approach towards the political integration of immigrants, encouraging citizenship both in terms of naturalization and broader civic engagement. The *Citizenship Act* of 1977 defines the regulations and requirements towards immigrants to become Canadian. To qualify, immigrants must be 18 years or older and must have been a permanent resident for at least four years. During the four years before the citizenship application, the immigrant must have lived three years in Canada, and may not have been convicted of a criminal offence. Applicants between the ages of 18 and 54 must prove their knowledge of one official language, their knowledge of their rights and responsibilities as Canadian citizens, as well as some familiarity with Canadian history, geography and political system in a naturalization test (CIC 2007). For children and youths under the age of 18, less strict conditions apply regarding length of permanent residency and length of stay in Canada, given that at least one of their parents is Canadian or is in the process of applying for Canadian citizenship. Persons over the age of 55 need not pass the language test. Children born in Canada acquire Canadian citizenship upon birth (*ius soli* principle) (Anderson/ Black 2008: 52).

The right to dual citizenship was introduced in the *Citizenship Act* in 1977. The Canadian government has been promoting dual citizenship as a sign of Canadian

tolerance and multiculturalism. Consequently, reports of dual nationality have significantly increased between 1981 and 1996, reaching a level of 16% of the total population (Bloemraad 2004: 401, 421). However, dual citizenship does not go uncontested in Canada. The latest debate about whether to grant dual citizenship arose in the context of the 2006 military conflict in Lebanon between Israeli and Hezbollah forces, when 15,000 Lebanese-Canadians were evacuated at the cost of several million dollars. The controversy was fuelled by the fact that more than half of the rescued people returned to Lebanon once the conflict had ended. This led critics to argue that they were not loyal to Canada, and regarded Canadian citizenship as a kind of 'reinsurance' for times of crises. Despite some discussion about changing regulations concerning dual citizenship, it is expected that no fundamental changes will be made to the legislation (Elrick 2007: 6).

Notwithstanding critical voices, it has been argued that it is precisely the liberal policy on dual nationality that has catapulted Canada significantly ahead of other traditional immigration countries in terms of naturalization rates. In 2001, 84% of those eligible to become Canadian did so, while Australia shows a rate of 75% and the United States 40%. Allowing for dual citizenship could therefore help foster Canadian nation-building and the integration of the non-Canadian born, strengthening the state rather than undermining it (Bloemraad 2004: 422).

### **4.3 Assessing Integration Policies with MIPEX**

While Chapters 4.1 and 4.2 outlined specific and general policies in place for supporting immigrant settlement in Germany and Canada, the following sections will scrutinize and compare the policy outcomes with the help of the Migrant Integration

Policy Index (MIPEX) results. MIPEX is a framework for measuring integration policies in 25 EU countries as well as in Canada, Norway and Switzerland. These measures were developed by a group of specialists from universities, research institutes, think tanks, foundations, NGOs and equality bodies, and aim at providing an assessment tool for policy areas that are critical for immigrants to integrate into host societies (Niessen et al 2007).

A total of 140 policy indicators are embedded in six strands with four dimensions each (see Appendix A, Appendix Table 1). While MIPEX covers a total of six strands, only the following four are relevant for this study: long-term residence, labour market access, anti-discrimination policies and access to nationality. The dimensions typically monitor eligibility (e.g., eligibility for long-term residence), conditions, security and rights associated with a specific status. For each indicator, a maximum of 3 scores can be issued. The score for each dimension is an average of its indicators' scores; the average scores of the four dimensions of each strand equal the strands' score. Finally, the strands' scores are averaged for each country. The 1-3 scale is then converted to a 0-100 scale, 100% representing best practice. This final score allows for a country's overall ranking.

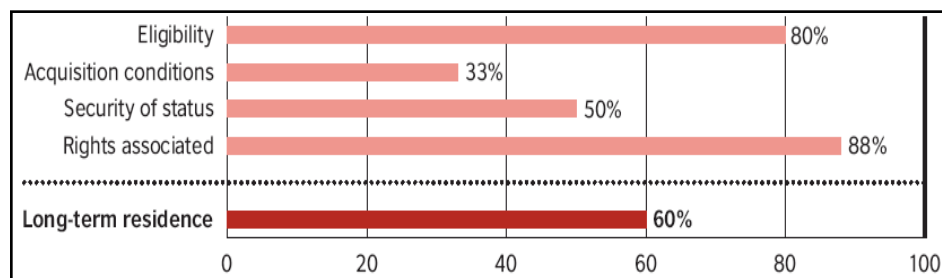
#### **4.3.1 Long-term Residence**

For the long-term residency strand, Canada reaches 60% and Germany 53% out of 100% for best practice (see Figure 5 and Figure 6 below). Canada therefore is an example for slightly favourable conditions, and Germany represents half way to best practice. In terms of eligibility for long-term residence, Canada achieves the second most favourable policy standards in MIPEX. However, since the procedure to attain permanent residency is relatively long and expensive, and the passing of an oral test in one official



language is required, the acquisition conditions for permanent residency are coded as slightly unfavourable in Canada. In order to secure permanent residency, immigrants to Canada must uphold the original requirements also during unemployment, which receives only ‘half way to best practice’ results. The loss of status can occur if the immigrant is considered a threat to national security. A favourable result was achieved in terms of the rights associated with permanent residency, which guarantee equal access to employment, healthcare, housing and social security. Immigrants under this category are allowed to stay in the country after retirement. Problems identified in this dimension are the different procedures with which credentials are recognized (Niessen et al. 2007)

**Figure 5: Long-term Residence Canada**

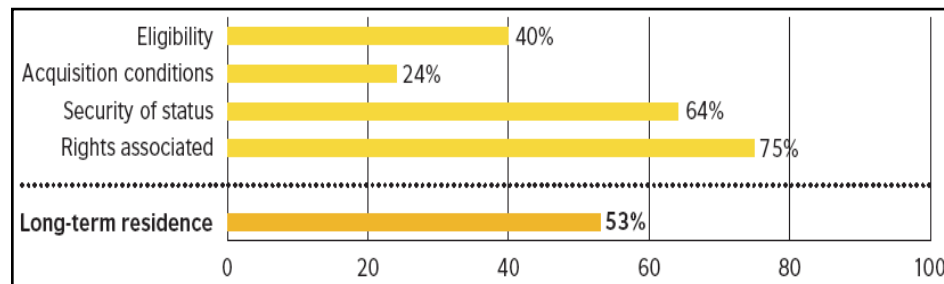


Source: Niessen et al. 2007: 35

As Figure 6 below shows, the conditions are slightly less favourable in Germany than in Canada. This is due to the fairly rigorous acquisition conditions immigrants must meet to be able to gain permanent residency (high income, high-level language testing and knowledge about German society), as well as relatively long period of habitual residence in Germany before being eligible for long-term residency. Once this status has been reached, however, immigrants enjoy a stable status, which is renewable. To achieve a better score in this dimension, Germany would have to allow permanent residents to leave the country for more than one year while maintaining their status. In terms of rights associated with permanent residency, the holders of this status have the same access to

social security measures as nationals. Improvements to the rights situation could be made by allowing immigrants with permanent status to move freely between other EU countries (Niessen 2007).

**Figure 6: Long-term Residence Germany**



*Source:* Niessen et al. 2007: 77

The main reason why Germany shows less favourable conditions in regard to long-term residency regulations than Canada is due to stricter eligibility criteria (tougher language testing). However, it must be pointed out that in Canada permanent residency is mostly a precondition to enter the country, giving Canada the chance to ‘pick’ those immigrants that have proven their ability to integrate economically (skills) and socially (family in Canada) from the onset. Germany, on the other hand, typically grants permanent residency only after the immigrant has proven to be able to integrate by living and working in Germany for a certain amount of time. It is therefore assumed that overall permanent residents in Canada will do better in terms of employment, because their higher skill levels and networks are already established when they arrive.

### **4.3.2 Labour Market Access**

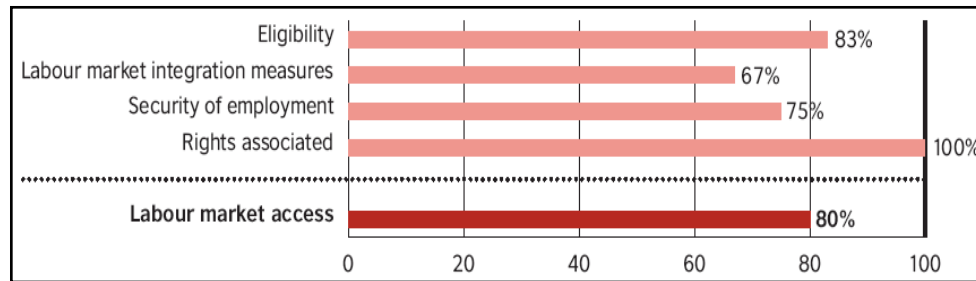
The discussion of German and Canadian policies regarding labour market integration policies in Chapters 4.1.2 and 4.2.2 has shown similar approaches regarding language training. Other targeted areas in Germany are specific support structures for

immigrant youth for vocational training, as well as general integration policies for disadvantaged youths in general. Canada, on the other hand, concentrates on credential recognition services, both on federal and provincial levels, with the goal of providing information for immigrants on their options.

Despite the relatively extensive support structures for immigrant youth in Germany, Canada scores a more favourable level in terms of labour market access. This circumstance is mainly attributable to fair, timely and cost-efficient procedures for achieving work permits in Canada. Another large difference exists in terms of the rights associated with a work permit (security of employment). While a worker in Canada can change his or her work permit to fit another employer or industry before the end of the first year of legal employment, an immigrant worker in Germany must wait three years.

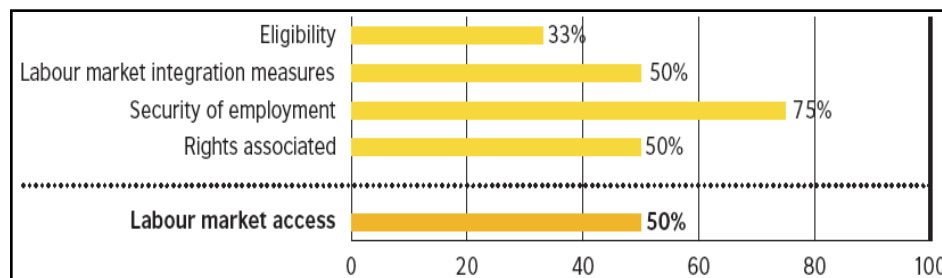
In terms of labour market integration measures, Canada also reaches a higher level due to the existence of comprehensive guidelines regarding credential recognition on national level, which are missing in Germany. Canada and Germany score equally badly in terms of not granting equal access to vocational training to third country nationals, or implementing other limiting conditions. As Figure 7 and Figure 8 below show, both countries reach the same moderate level in terms of security of employment. In this regard, Germany could reach best practice, if renewable work permits were possible for all residency statuses except for seasonal workers. Canada, on the other hand, would have to allow for more flexibility in terms of the possibilities for workers in the event that they have been terminated. (Niessen et al. 2007)

**Figure 7: Labour Market Access Canada**



Source: Niessen et al. 2007: 32

**Figure 8: Labour Market Access Germany**



Source: Niessen et al. 2007: 76

According to the MIPEX evaluation of labour market access policies, Canada provides more flexible work permit conditions and more substantial help with credential recognition than Bavaria. It is therefore assumed that immigrants to British Columbia will show higher employment and lower unemployment ratios vis-à-vis the non-immigrant population than Bavaria.

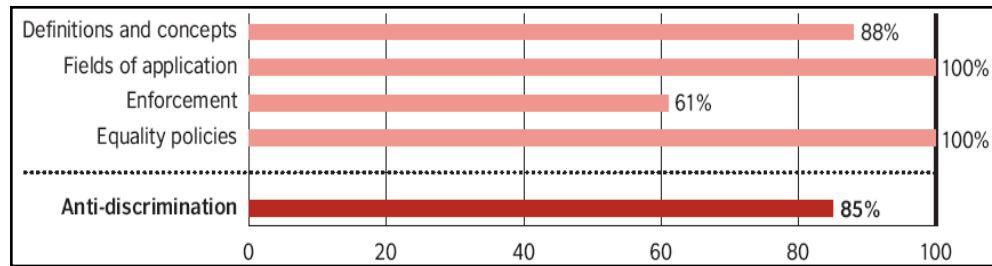
### 4.3.3 Anti-discrimination

Indicators in the field of anti-discrimination legislation reveal the extent to which laws and regulations define discrimination (i.e., on the grounds of religion, ethnicity and nationality), the areas of life they are extended (e.g., employment, education, housing and healthcare), whether or not victims are encouraged to bring their case forward and to what extent equality safeguarding bodies and the state can engage in the proceedings. Overall, anti-discrimination regulations are favourable for immigrants in Canada, while

Germany is only half way to meeting best practice. Figure 9 below (p. 82) points out that Canada reaches best practice in the field of application and policies, which has mainly to do with the extensive policies of multiculturalism as well as legislation pertaining to equal treatment in all fields of society. Germany fares less well in these areas. One main reason is the lower prevalence of anti-discrimination measures in the field of education and housing. Furthermore, freedom of speech, association and assembly is only granted along race and ethnicity lines and not to religious groups. In terms of policies and the involvement of specialized agencies and the state, there are no affirmative action measures taken by the latter. Furthermore, the state does not take a leading role in fostering public dialogue on issues of discrimination.

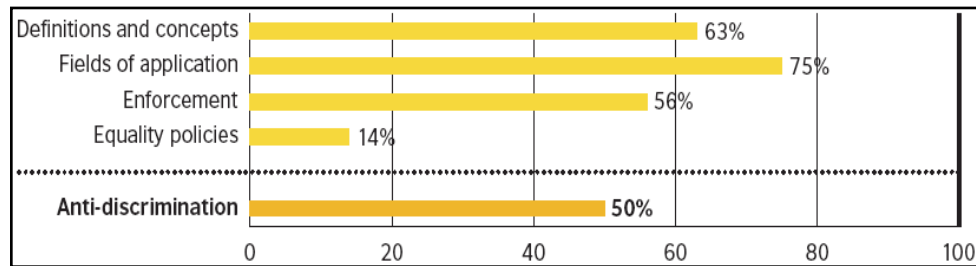
Anti-discrimination enforcement is slightly more favourable in Canada because of further reaching financial sanctions against the perpetrators found guilty of material and mental damage due to discrimination. Also, more extensive arrangements concerning negative measures for the prevention of further offences are in place in Canada (Niessen et al. 2007). These more favourable results for Canada lead to the assumption that immigrants will be less discriminated against in the labour market than in Germany. Consequently it is expected that immigrants can access jobs more easily in British Columbia, and therefore show better labour market performance than immigrants in Bavaria.

**Figure 9: Anti-discrimination Legislation Canada**



Source: Niessen et al. 2007: 36

**Figure 10: Anti-discrimination Legislation Germany**



Source: Niessen et al. 2007: 78

#### 4.3.4 Access to Nationality

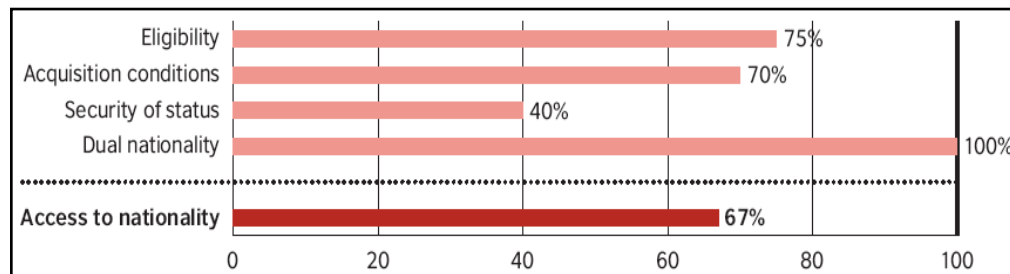
According to MIPEX measures, the access to nationality is more favourable in Canada, which reaches the rate of 67% (slightly favourable), than in Germany at 38% (slightly unfavourable). The most apparent factor in this calculation is the possibility for immigrants to Canada to retain their original nationality, in addition to being granted Canadian citizenship. This is only possible in exceptional circumstances in Germany.

Regarding eligibility requirements for naturalization in Germany and Canada, immigrants to both countries must pass language and citizenship tests. However, these tests ask for proof of more extensive language abilities and more detailed knowledge of rights and the political system in Germany than Canada. Furthermore, German law requires a higher amount of economic resources in order to qualify for naturalization,

while Canada has no such regulation. Finally, the costs associated with naturalization are higher in Germany than in Canada.

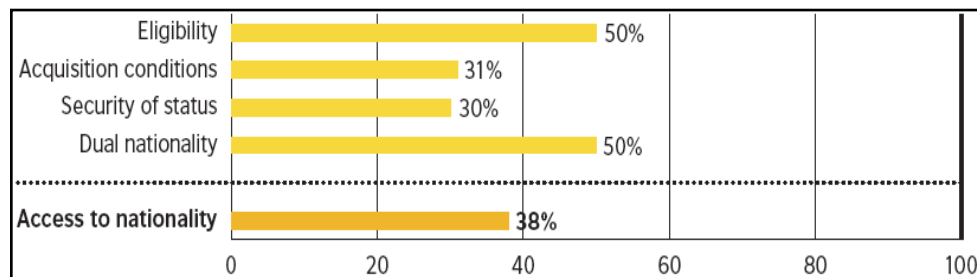
As citizenship can be revoked at any time in the event that the naturalized immigrant poses a serious threat to national security, the security of status is slightly unfavourable in both countries. Additionally, German authorities do not take into consideration the consequences of the retraction of German citizenship for the family, and do not take into account any personal circumstances, age or time of residence of the person in question. (Niessen et al. 2007)

**Figure 11: Access to Nationality Canada**



Source: Niessen et al. 2007: 36.

**Figure 12: Access to Nationality Germany**



Source: Niessen et al. 2007: 78.

While policy conditions for long-term residence, labour market and anti-discrimination policy indicators can be directly connected to issues of labour market participation of immigrants, it is harder to establish such a link in regard to access to nationality. Nonetheless it is believed that the fairly easy access to nationality in Canada

together with substantially higher naturalization rates is a sign of overall contentment with living conditions and standards. Consequently, immigrants to Canada might be more willing to invest in skills and other non-monetary provisions for improving living conditions than immigrants to Germany.

According to the MIPEX measures, Canada does much better in all areas of integration than Germany, ranking highest in the realm of anti-discrimination policies, access to nationality and labour market access (see Appendix B, Appendix Figure 1 and Appendix Figure 2). In comparison to the other 26 countries rated by MIPEX, Canada holds fifth place together with Finland, leaving Germany far behind at 14<sup>th</sup> place (see Appendix B, Appendix Table 2). It should be mentioned, however, that Germany outdoes Canada in terms of political participation, ranking seventh out of 28, while Canada only ranks the 18<sup>th</sup> rank. This result is achieved by Germany because some local and regional governments consult with migrants on policies affecting them most, and give migrant associations many funding options. Nonetheless, both countries are far from reaching best practice, with Canada scoring 67% (slightly favourable) and Germany only 53% (halfway to best practice) (Niessen et al. 2007).

As Canada reached substantially higher MIPEX rates than Germany, it is assumed that immigrants in British Columbia will perform better vis-à-vis non-immigrants than in Bavaria. The advantage of the Canadian integration system is mainly supported by the preliminary selection of immigrants, the availability of credential recognizing schemes and better enforcement of anti-discrimination legislation. Taken together, these structures create better labour market access conditions for immigrants in British Columbia, which



probably leads to higher participation, and lower unemployment rates of immigrants than in Bavaria.

In sum, this chapter has outlined the immigrant integration policy frameworks in Germany and Canada, highlighting who can enter the respective host countries under what conditions, investigating integration policies and discussing the access to citizenship. It has been shown that the German immigration system is quite complex and lacks clear legislation in regard to immigration quotas and immigration requirements. The Canadian immigration system, on the other hand, sets out clear immigration targets and chooses a large proportion of its immigrants according to the point system. It can therefore be argued that Canada is better prepared for the yearly influx of immigrants, as both the authorities and immigrant settlement organizations know how many immigrants will be admitted under what class. In addition, the further-reaching anti-discrimination legislation in Canada as well as the credential recognition scheme lead one to suspect that the absorptive capacity of the labour market is greater than in Germany, leading to better labour market performance of immigrants in British Columbia. To recapitulate, the findings in this chapter produced the following hypothesis:

- (H<sub>3</sub>) Immigrants in BC integrate better and faster into the labour market than immigrants in Bavaria due to
  - (a) clearer immigration legislation, allowing for pre-selection of those immigrants with higher skill sets and social capital;
  - (b) higher status security of permanent residents to BC;
  - (c) more flexible work permit conditions and more support with credential recognition;
  - (d) stricter anti-discrimination regulations in Canada and BC;
  - (e) easier access to citizenship in combination with higher naturalization rates in BC than in Bavaria, the latter reflecting overall contentment with living conditions.

After having in depth discussed in depth the political and legal frameworks pertaining to immigration and integration, the following chapter shifts the attention to institutions of the labour market. The main interest lies in detecting and describing structures in the economy that affect the labour market integration of immigrants.

## 5 Structures and Institutions of Labour Markets

As previous chapters have outlined, policies are designed to influence the integration process under the terms determined by the polity. However, policies are not the only framework guiding immigrants in their integration efforts. In addition to politically motivated provisions, labour market integration is also strongly determined by the existing structures and institutions of the economy, and more specifically of labour markets. Therefore it is vital to take into consideration what determines these institutions and what effects they have on immigrants trying to enter the labour market. For this purpose, Hall and Soskice's (2001) *varieties of capitalism* approach proves to be very helpful in distinguishing these institutions.

Hall and Soskice (2001) work with the premise that national political economies are actor-centred, meaning that the economy is a product of choices that were made by specific actors. While these actors may be individuals, companies, producer groups or governments, 'Western' political economies are mainly firm-driven, as companies are the nuclei where decisions such as technological change are made that impact the overall economy. In their efforts to develop "[...] *core competencies* or *dynamic capabilities* [...]" (Hall/Soskice 2001: 6), firms constantly face co-ordination problems in five major spheres: industrial relations with trade unions and other companies, vocational training and education, financing, inter-firm relationships with clients and suppliers, as well as in employer-employee relationships.

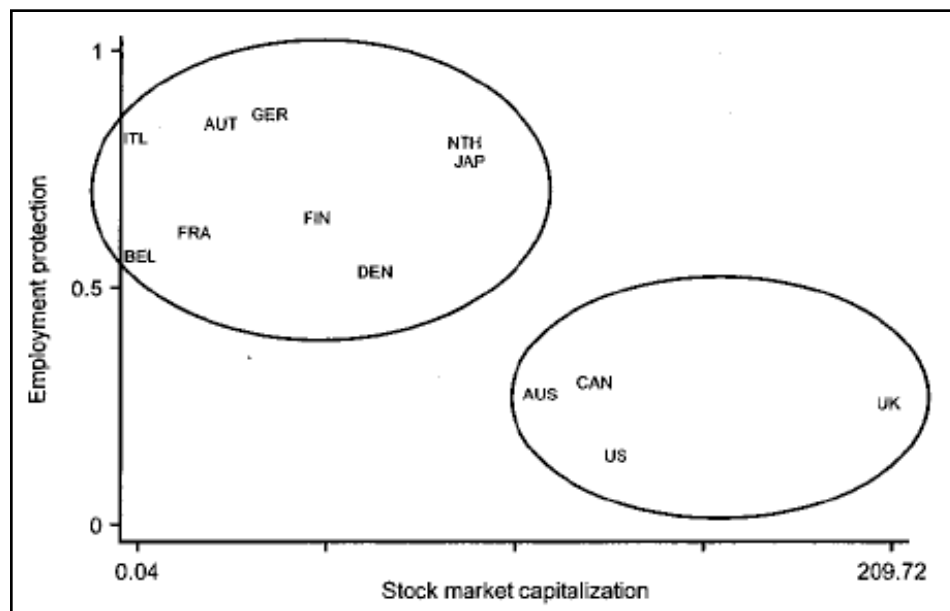
From this observation follows a second, namely that companies solve co-ordination problems with the support of institutional frameworks of the political economy they operate in. According to Hall and Soskice (2001), two major economies can be distinguished, the so-called Coordinated Market Economies (CMEs) and the Liberal Market Economies (LMEs), which appear at opposite ends of the spectrum, in terms of the presence of market and non-market institutions (Hall/ Soskice 2001: 8). In their efforts to solve co-ordination problems, firms in CMEs depend on non-market relationships, which allow for strategic interaction among other firms and actors, to build collaborative relationships and exchange information. Companies in LMEs, on the other hand, operate within hierarchies and competitive market arrangements, determining their supply and demand according to calculations framed by neoclassical economics. Their relationships to other companies are guided mainly by competition and formal contracting, and involve limited collaboration outside business matters.

As these two economic frameworks created substantially different economic institutions (namely non-market vs. market institutions), the behaviour of the actors within these frameworks is also substantially different in all five spheres. For example, long-term employment is possible in CMEs, because company financing can be secured by investment that is not solely dependent on the company's balance sheet. Instead, investors rely on institutions that monitor the company's track record, which assures them that it is safe to invest. Therefore, companies in CMEs can rely on 'patient capital' that allows for long-term investments, and are able to retain employees even during economic downturns. On the contrary, fluid labour markets are more effective in systems where resources are readily available to start a new production line, in which case a

firm's demand for labour must be met fast. As these institutional complementarities do not occur randomly but in clusters along the liberal-coordinated divide, it is possible to distinguish nations according to their practices (Hall/Soskice 2001: 18, 22).

Figure 13 exemplifies this distinction by plotting selected OECD countries according to the amount of employment protection and stock market capitalization. In general, six large OECD countries can be associated with LMEs (Australia, Canada, New Zealand, Ireland, United Kingdom and the United States), and ten with CMEs (Austria, Belgium, Denmark, Finland, Germany, the Netherlands, Sweden, Switzerland and Japan) (Hall/Soskice 2001: 20f).<sup>9</sup>

**Figure 13: Varieties of Capitalism**



Source: Hall/Soskice (2001): 19

<sup>9</sup> A further six countries are not clearly distinguishable, but do show similar traits among themselves. France, Greece, Italy, Portugal, Spain and Turkey are referred to as 'Mediterranean'. These countries are characterized by large agrarian sectors and recent histories of state intervention, and show non-market institutionalism in the area of corporate financing, while labour relations are determined by liberal arrangements (Hall/Soskice 2001: 21).

According to the differentiation between the two frameworks, Germany is categorized as CME, while Canada is referred to as an LME. In the following sections, these two frameworks will be further scrutinized in regard to their effect on the operation of firms and on immigrants trying to enter the labour market. After a brief discussion of the relevant institutions, the effect of the institutional framework on hiring practices, tenure rates and wages will be outlined.

## **5.1 Coordinated Market Economies**

Due to the regulated nature of the economy in CMEs, firms operating in this framework depend heavily on supportive institutions for solving co-ordination problems. The major players acting in these institutions are employer associations, trade unions, shareholder networks and other legal or regulatory bodies, which facilitate information sharing and reduce uncertainty about the behaviour of other actors. A closer look at the five institutions will illuminate the extent of non-market co-operation between these actors.

### **5.1.1 Spheres and Institutions in CMEs**

One typical feature of CMEs is the reliance on a highly skilled labour force to run specialized production. This leads to a co-ordination problem stemming from the need for a training system that fulfills both the training needs of companies and industry, while at the same time individuals have to be reassured that the time and effort they invest to achieve these skills will lead to employment. Hence, CMEs usually have extensive training systems in place. In Germany, the dual vocational system<sup>10</sup> is publicly subsidized

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<sup>10</sup> Theoretical training takes place in schools, while the applied skills are learnt and trained in specific firms.

and supervised by employers' associations and unions to ensure industry-wide standards. Firms are required to offer training opportunities proportional to the size of their overall workforce, in order to ensure that the training fits the companies needs, and more importantly, to prevent free-riding and 'skill poaching'. This system further ensures that graduates are equipped with industry-wide skills and therefore also able to find employment in companies other than the one in which they were trained. A result of this system is that employers strive to retain employees for longer periods of time, as they have invested a large amount into the training of not only industry-wide, but also company-specific skills. This factor leads to another dilemma, which is solved by the means of extensive industrial relations (Hall/Soskice 2001: 25).

In order to keep employees within the company and to encourage them to invest in ongoing development of their skills, employers must provide incentives. To this end, standardized wages and employment security are negotiated between employers and employees represented in employers' associations and unions usually on an industry-wide (Hall/Soskice 2001: 24f). This achieves two goals, as it increases the likelihood that employees will remain with the same company by providing the worker with a certain level of job security. There are usually further structures on the company level represented by work councils. These councils provide further protection against arbitrary layoffs or changes in working conditions.

Since there is a limited amount of labour movement between companies that would ensure technology transfer, inter-company relations provide a channel for exchanging information on new technologies and production techniques. Companies therefore work closely together with business associations and public officials to

accumulate a certain base knowledge on newest developments, which is then accessible to other companies in the industry (Hall/Soskice 2001: 26).

A further important factor in enhancing production is the design of the internal structure of firms. Here employers have to rely on their employees to communicate suggestions or concerns regarding improvement options. This usually translates into a larger inclusion of employees in company decisions. Typically, top managers do not have the same amount of discretion over company arbitrations, as is the case in LMEs (Hall/Soskice 2001: 24). Instead, shareholders, employee representatives, suppliers and customers might be involved in such decisions, increasing the importance of information sharing and thereby establishing monitoring networks.

A final feature of CMEs is the financing system. Here, funding is not solely reliant on the publicly available performance data of companies. Of higher importance is the overall reliability and reputation of a company, which is typically monitored through networks linking managers and technical personnel inside and outside of companies that provide investors with a 'track record' of the overall performance. Hence, investments are usually made on a long-term basis, which in turn enables better long-term planning for firms and at the same time translates into higher job security for workers (Hall/Soskice 2001: 22f).

Although the institutions of CMEs were created for reasons other than to merely insure a highly skilled labour force and relatively high levels of employment security, it is these two factors that have a substantial impact on labour relations. The following section investigates the influence of these structures on important areas of the labour market and detects possible effects on the integration efforts of immigrants in Germany.



### **5.1.2 Institutional Effects on Integration Efforts of Immigrants in Germany**

Four labour market aspects are of particular importance when seeking employment: hiring processes, tenure rates, wages and gender equality. As outlined above, Germany can be classified as coordinated economy that stresses specific skills, and is characterized by a relatively high number of employer-employee regulations aimed at ensuring specific wage standards and employment security.

Consequently, the hiring of employees in specialized industries depends on each individual's set of skills, which typically should have been acquired in the host country. For immigrants this means that they could have acquired this knowledge by having gone through the German vocational training. If the immigrant arrived past his or her vocational training age, the result is likely to be skill downgrading or lower recruitment probability, as it is often difficult for employers to assess a migrant's potential productivity (Böhmer et al. 2007: 6). The lack of language abilities reinforces the loss of human capital.

While this applies to jobs that require specific skills, it is less so for the case for un- or lower skilled jobs, where hiring practices typically are characterized by profit maximization strategies. Although this means less job discrimination against immigrants, a second glance reveals that the price to be paid is a discounting of human capital (Kogan 2007: 59). It is therefore further assumed that the occupational distribution of immigrants is not comparable to that of non-immigrants, as immigrants tend more strongly to occupy jobs in lower sectors, especially the service sector.

A second influential factor on hiring practices in Germany is the high level of employment security. This means that hiring and firing is connected with high

administrative costs, raising the threshold at which an employer might be willing or able to hire a new employee, or let one go. While the likelihood of being hired, given the same skill set, might be as high for immigrants as for Germans, immigrants face the additional issue of discrimination.

The rigid nature of CME labour markets and the value of specific skills also influence tenure rates. In general one can safely assume that once employment has been secured, the probability of keeping this job for a longer period of time is quite high in Germany, due to strict employment security regulations. This naturally also applies to immigrants, as all persons working in Germany enjoy the same labour rights.

The institutions of industrial relations have helped create a large and complex system of wage regulation across industries, assuring that same skill levels are rewarded equally in terms of wages (Esteves-Abe et al. 2001: 177). These regulations apply not only to skill-specific industries, but also to un- or low skilled jobs. Conversely, the wage differentials between immigrants and non-immigrants are not expected to be significant (Werner 1994: 106).

In sum it is expected that problems connected with the integration process into the labour market are somewhat compounded for immigrants, due to strict regulations not only concerning skill sets and levels, but also because of high employment security conventions in Germany. Once access has been gained, however, wage gaps and tenure rates should be relatively similar. These equal standards probably do not apply to occupational gender segregation, as CMEs tend to show higher gender gaps in general. Discrimination is a further issue that immigrants most probably will encounter when trying to access the labour market.

## **5.2 Liberal Market Economies**

In contrast to CMEs, LMEs rely mostly on market relations to address their co-ordination problems. Hence, firms in LMEs like Canada focus on formal contracts and competitive markets to structure their relationships between other companies and their employees. In terms of skill sets, LMEs rely on general skills of workers, and companies try to minimize the power of employee associations in order to maintain higher flexibility in adapting to market fluctuations (Thelen 2001: 72). In order to discern the differences between LMEs and CMEs in regard to the integration success of immigrants into the labour market, the following sections look at general modes of operation in the five different spheres; education and training system, industrial relations, internal structures, financing modes and inter-company relations. Subsequently the main implications of these spheres for immigrants will be discussed.

### **5.2.1 Spheres and Institutions in LMEs**

In LMEs, institutions offering formal education carry out vocational training. This is the case because companies in these economies are hesitant to invest in industry-specific training due a lack of institutions which regulate training responsibilities and standards. Therefore the focus lies on general skills transferable to different settings within an industry. General skill sets are vital in fluid labour market where tenures tend to be relatively short, as they keep workers flexible and adaptable to new work environments. For employers this system is also attractive, as high levels of general education cut the cost of further training. Such in-house training in marketable skills is sometimes offered to employees, but not to the extent of apprenticeship training as in CMEs. Although the model of general skill acquisition works well in LMEs, this

circumstance leaves some firms short of employees with highly specialized skills (Hall/Soskice 2001: 30). It should also be mentioned that there is evidence of higher investment in post-secondary education in LMEs in order to compensate for modest stocks of firm-specific skills. This seems to be the case especially in the United States and Canada, where a weak vocational training system coincides with a very advanced post-secondary education system. College education is therefore often seen as insurance against an uncertain labour market (Estevez-Abe et al. 2001: 172).

Highly fluid labour markets in LMEs are complementarities to free market regulations, and the lack of regulatory institutions. Hence, wages are controlled mainly by market competition (Hall/Soskice 2001: 30). Unlike in CMEs where trade unions have a greater influence on wage levels and the negotiation of working conditions, managers hold most of the control over the company and its employees in LMEs, especially including the discretionary power to hire and fire. Such flexibility of course allows for a more rapid response to changing market conditions, and is the main reason for the moving away from macroeconomic steering and employment policies as found in LMEs (Thelen 2001: 71).

Labour market flexibility has also facilitated a higher degree of technology transfer among companies through the movement of scientists and engineers from one firm to another. In general, however, inter-company relations in LMEs are based on formal contracts and standard market relationships. Therefore market races, whose winners can profit from licensing their new technology to other firms, set the standard of innovation (Hall/Soskice 2001: 30f). This might also explain the more extreme battle for the smartest and brightest scientists, or the highly educated in general, who are attracted

by LMEs with favourable working conditions and high salaries. Such a trend is also observable in regard to highly specialized trade skills, as countries such as Canada have introduced special immigration regulations for persons with skill sets needed in Canada (e.g. Temporary Foreign Worker Program).

The success of companies in terms of innovations is vital for their financial security, as firms receive investments according to the value of their shares and balance sheets, and less according to their long-term reputation, as is the case in CMEs. Hence, LMEs are also more susceptible to hostile take-overs when market values of companies decline. Such behaviour is less conceivable in CMEs due to strict market domination regulations (Hall/Soskice 2001: 27f).

While LMEs depend less on non-market institutions and have shown a tendency toward deregulation since the 1980s, they are not completely free of institutional regulation, as the market alone cannot solve all co-ordination problems. In such systems, macroeconomic policies and constructed hierarchies provide a framework for coordinating firm endeavours. Despite some regulation, labour markets in LMEs are more fluid and flexible than in CMEs, and workers are equipped with general skills in order to adapt quickly to new work environments. LMEs therefore set quite different premises for immigrants than CMEs. These conditions and their consequences for labour market integration are investigated in the following section.

### **5.2.2 Institutional Effects on Integration Efforts of Immigrants in Canada**

The importance of general skills for success in the labour market also applies in Canada. Consequently it could be assumed that immigrants, who to a large extent have been granted permanent residency because of their skill sets, might not face the same

difficulties as immigrants to Germany, because employers require general skills and provide necessary company-specific training for their employees. This assumption is strengthened by the fact that the Canadian government has made considerable efforts to install credential recognition services on the federal and provincial levels, in order to facilitate skill transfer and combat skill degradation (Biles 2008: 154, CIC 2009). Immigrants in the economic stream should therefore be able to access jobs closer to their skill level more easily and with less additional training. This might be less applicable to immigrants of the family and refugee classes, as they tend to be less educated than 'economic' immigrants (Beaujot 2003: 79).

Despite the relatively optimistic assumption of equal labour market access, another factor must be included into the equation, and that is work experience, specifically, Canadian work experience. In order to balance out the lack of specific skills, 'on the job' experience is important for Canadian employers (Ayedemir/Skuterud 2005: 651). As immigrants mostly come to Canada without having gained work experience in Canada, they might still find it hard to find a job matching their skill set. A further barrier to the labour market is language ability. Notwithstanding the work experience and language barrier, it is assumed that immigrants to Canada profit from a more balanced occupational distribution than immigrants to Germany.

Due to the flexible nature of the Canadian economy which goes hand in hand with a lower rate of employment security regulations as compared to Germany, hiring and firing does not imply the high opportunity costs that it does in Germany (Hall/Soskice 2001: 30). Hence, employers in Canada are more willing to hire workers in spite of a lack of information regarding their suitability and productivity levels. Furthermore,

employment equity regulations are intended to ensure that jobseekers are not discriminated against on the grounds of their place of origin, race, age or gender (Cardozo/Pendakur 2008: 31). Immigrants should therefore have less trouble finding a job in Canada than immigrants to Germany. While a fluid labour market might work to the advantage of immigrants, this flexibility also implies shorter tenure rates, and therefore a higher probability of losing a job faster than in Germany, where strict job security measures are in place.

As wages in LMEs are determined mainly by supply and demand rather than by wage bargaining, there is less security of equal wage levels for immigrants as compared to non-immigrants (Hall/Soskice 2001: 30). It is therefore assumed that immigrants probably earn less in the same jobs as Canadians. The only leverage might be provided by employment equity regulations, assuming that the level of discrimination is negligible. In conclusion, the flexible nature of Canada's labour market should not only allow for faster labour market integration of immigrants, but also for more equal distributions in terms of occupations along economic sector and gender lines. However, easier access to the labour market probably comes at the cost of wage losses for immigrants and a generally lower tenure rate than in Germany.

This chapter investigated mechanisms and structures of CMEs and LMEs, which have a substantial influence on labour market access. It is shown that in CMEs the labour market is highly regulated in terms of educational requirements as well as employment and wage security. In LMEs, on the other hand, the labour market is more flexible. Consequently, there are lower amounts of, or no formal institutions administrating wage levels across different industry sectors and employment security standards. These

observations lead to the following hypothesis regarding the labour market access of immigrants in BC and Bavaria:

- (H<sub>4</sub>) Immigrants in BC can access the labour market more easily than immigrants in Bavaria due to
  - (a) the focus on general skill sets of employers in LMEs, allowing employees to acquire company specific skills on the job. Employers in CMEs, on the other hand, require specific skill sets, making it necessary that immigrants complete training in the host country.
  - (b) the lack of employment security and subsequent lower opportunity costs of hiring in BC;
  - (c) higher employee turnover, as there is less institutional support protecting workers against lay-offs.
- (H<sub>5</sub>) Wage levels are more equally distributed between immigrants and non-immigrants in Bavaria than in BC because of the substantial influence of trade unions in the wage bargaining process in CMEs.

In order to test these hypotheses as well as the hypotheses outlined in Chapter 3 and 4, the following sections evaluate the data collected for this study. Subsequently, Chapter 7 discusses the most evident findings and revisits the posed hypotheses.



## **6 Assessing the Labour Market Integration of Immigrants**

Integration into the labour market is decisive for immigrants' full social participation in the host countries. In order to evaluate immigrants' settlement process, previous chapters have examined the wider contexts immigrants face in their integration efforts. These include the previous immigration experiences of the host countries, and culminate in current political discussions surrounding immigration and settlement. Further, analysis of the effects of integration policies and economic theory on labour market participation has established a basis for estimating how well immigrants are doing on the labour markets in Bavaria and British Columbia. It is the goal of this chapter to explain briefly the relevance of each indicator upon which the labour market evaluation in the following chapter builds, and to analyze empirical data with which the actual economic participation of immigrants in Bavaria and British Columbia can be appraised and compared.

### **6.1 Integration Indicators**

Five indicators provide information for evaluating the integration success of immigrants in the Bavarian and British Columbian labour markets: (1) educational attainment, (2) participation, employment and unemployment rates, (3) employment by sector, (4) self-employment rates, and (5) income. The significance of each of these indicators needs to be briefly explored for the results of the main analysis that follow.

### **Educational Attainment**

It is obvious that educational attainment is a determining factor for the overall human capital of an individual. Especially in advanced economies, the level of education has a significant impact upon success in the labour market (ILO 2003: 439). Therefore, educational attainment also plays a vital role in the integration process of immigrants, as it impacts the type of jobs they can enter and hence also affects wage levels. This is the case not only for newcomers who have completed their education outside the host country, but evidently also for the children of immigrants, as it reflects their future labour market prospects (Doomernik 1998: 14). Due to data limitations, a distinction between first and second-generation immigrants can only be undertaken for persons with migratory background in Bavaria. Apart from investigating schooling and training levels, a further distinction will be made according to the place of origin, as levels of education differ greatly along nationality lines.

### **Participation, Employment and Unemployment Rates**

Participation rate is an important measure for labour market evaluation, as it reflects the proportion of the working age population that is economically active, and is calculated by the number of persons in the labour force as a percentage of the working age population. The labour force includes both the employed and the unemployed actively searching for employment and does not count persons on parental leave, senior citizens and other persons who are not able or willing to find work. While some sources include all persons above the age of 15 in the working age population for the calculation of the labour force, this study limits the working age population to the persons between the ages of 15 and 65. As participation rates vary widely between gender and age groups,

it is necessary to have a closer look at such a breakdown. Women in general have lower participation rates than males, as they leave and enter the labour market to give birth and raise children, or choose to not enter the labour force at all. In developed countries, there is a clear trend towards a diminishing gender gap. Participation levels also vary between age groups. While labour force activity among the young (15-25 years) reflects the availability of educational facilities, activity among older cohorts allows for conclusions to be drawn regarding attitude towards retirement and the extent of social safety nets for the retired (Burkert/Walter 2008: 19; ILO 2003: 51f.).

Information on the extent of labour market integration is provided by the employment rate, as it reflects the proportion of the population that holds a job. The employment rate is defined as the percentage of the working age population that is employed. Similar to the participation rate, there can be considerable employment rate variations according to gender and age groups, which makes such a differentiation necessary. In general, employment levels between males and females are closer than it is the case with participation rates, because women usually have lower unemployment rates (Burkert/Walter 2008: 19; ILO 2003: 87f.).

Probably the best-known labour market indicator is the unemployment rate, which is calculated by the number of persons without employment as a percentage of the labour force (employed and unemployed). The unemployment rate of an economy therefore is a measure of its unutilized labour supply, or expressed differently, is an indicator of the failure to find work (ILO 2003: 285). In order to distinguish social groups that are specifically affected by unemployment, it is useful to differentiate between age and gender groups as well as between different places of origin. For this study, data on

participation, employment and unemployment rates was collected for the years 2001 and 2006, in order to compare outcomes over time.

### **Employment by Sector**

The employment by sector indicator usually divides types of jobs into the three sectors of agriculture, industry and services (ILO 2003: 139). Since the countries investigated in this study can be classified as highly developed countries, it is necessary to add a fourth group, the quaternary sector, to include business, finance and management jobs (for a complete list of job groupings used in this study, see Appendix C, Appendix Table 3). While such a distinction is typically used to determine broad shifts in employment, hence distinguishing development levels of countries, this indicator can be applied to investigate whether immigrant and non-immigrant employment rates are distributed equally among sectors. In the case of equal distribution, immigrants find similar access to all types of jobs as compared to non-immigrants, and therefore enjoy equal labour market participation. On the contrary, one could find immigrant employment is 'clustered' in manufacturing (second sector) or service (third sector) jobs. Such a result would indicate that immigrants either have lower educational attainment levels, or that their credentials are not being recognized. Overall this would mean that immigrants are disadvantaged on the labour market.

### **Self-employment Rates**

As with the employment by sector indicator, status of employment rates (wage and salaried workers, self-employed, contributing family workers) provide information on the developmental level of a country. For example, a high proportion of wage and salaried persons in an economy signifies an advanced development, as major industries

absorb a large proportion of workers (ILO 2003: 115). Nonetheless, self-employment provides a means to avoid unemployment and provide for one's livelihood. In terms of a relatively equal distribution of self-employment rates between immigrants and non-immigrants, two conclusions can be drawn. First, similar self-employment rates are an indicator that immigrants have gained substantial knowledge of the business industry in their new country of residence and enjoy similar access to credit compared to non-immigrants. This can be seen as an indicator for a positive integration process. Second, high self-employment might also indicate an attempt to escape structural entry barriers to the labour market (OECD 2006: 52f). In order to interpret results correctly, a more substantial information base on the situation in the individual economies is essential.

### **Income Levels**

The income of an individual or household comprises wages, income through interest and rental property as well as transfer payments and disability or other health related compensation payments. Overall, income is essential for maintaining a livelihood. The comparison of income levels between the immigrant and non-immigrant population serves as a good indicator for estimating standards of living and equal participation in society, as income determines the affordability of housing, the level of education for children and more generally financial security. For this study, the median income level will serve as the income indicator, as this was the only measure available for Bavaria. Contrary to the average, the median income reflects the income that occurred most often within a population.

## **6.2 Results**

The interplay of many forces on the labour market makes it necessary to measure economic integration by the means of indicators explaining direct outcomes (participation, employment, unemployment rates; employment by sector distribution; self-employment rates; income levels) as well as other factors influencing employability (educational attainment levels). After having explained the significance of these indicators in Chapter 6.1, the following sections present the findings of the data evaluation.

### **6.2.1 Educational Attainment**

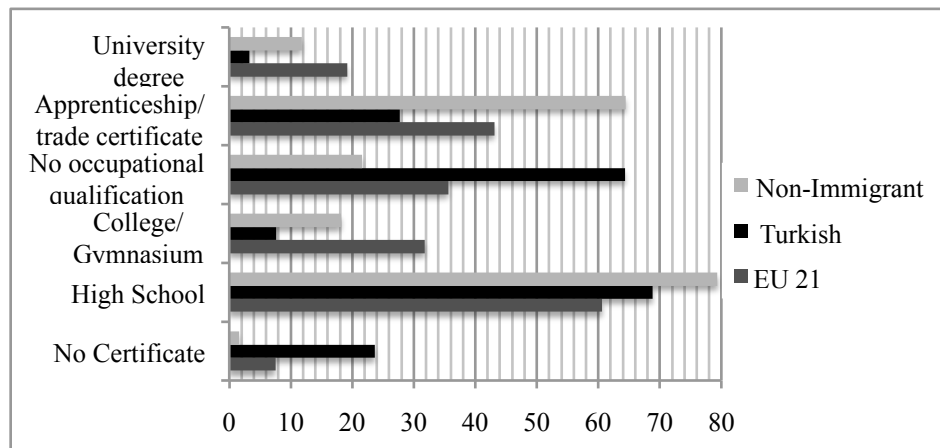
#### **Bavaria**

As educational attainment levels of immigrants in Bavaria vary greatly between different groups, it is essential to not only differentiate between the first and second-generations, but also between immigrants from the two major immigrant sending regions, the EU and Turkey. Due to data limitations, this indicator includes all persons with a migratory background.

Overall, there is a big gap between immigrants and non-immigrants in terms of no educational attainment and the successful completion of apprenticeship training. While 10.8% of all immigrants do not have high school certificates and 39.5% are without occupational qualification, non-immigrants make up for 1.6% and 21.6%, respectively. In terms of the attainment of trade certificates, 64.4% of non-immigrants complete training successfully, leaving immigrants far behind at 44.6%. Simultaneously, immigrants attain slightly higher levels of *Gymnasium* diplomas (granting access to university) and university degrees. However, it is mainly the EU immigrants who drive these positive results, whereas Turkish immigrants have the highest levels of not finishing high school

at 23.7% and 64.3% without a trade certificate, and lowest levels of ongoing training (apprenticeships/university). Only 27.7% of the Turkish population receives an apprenticeship certificate, and a mere 3.3% complete a university degree (see Figure 14, p. 107). Despite these negative results for the Turkish population, the second generation is showing much better outcomes, with less school drop-outs (5.4%) and more youths gaining a trade certificate (59.9%) (see Table 1 and Table 2, pp. 107 and 108).

**Figure 14: Educational Attainment Levels of Non-Immigrants, Turkish and EU-21 Immigrants in Bavaria 2005 (in %)**



Remark: EU 21 refers to all current EU 27 countries except for Bulgaria, Romania, Poland, Slovakia, the Czech Republic and Hungary.

Source: BSASFF (2009).

**Table 1: Educational Attainment Levels of Immigrants and Non-Immigrants in Bavaria and British Columbia 2005 (in %), I**

		No Certificate*	High School	College/ Gymnasium
BY	Immigrant 1st Gen	11.5	63.5	24.7
	Immigrant 2nd Gen	5.4	71.9	22.4
	Immigrant Total	10.8	64.4	24.7
	Non-Immigrant	1.6	79.3	18.2
BC	Immigrant	18.9	24.0	14.8
	Non-Immigrant	20.5	29.8	11.7

\* for BC school and occupation

Remarks: For BY, percentages are split between school and occupational attainment; For BY, High School includes Haupt- and Realschule; BC data lists highest certificate/degree; BY: Immigrants as related to persons with migratory background.

Sources: BSASFF (2009), SC (2008b).

**Table 2: Educational Attainment Levels of Immigrants and Non-Immigrants in Bavaria and British Columbia 2005 (in %), II**

		No Occupational Qualification	Apprenticeship/ Trade Certificate	University Degree
<b>BY</b>	Immigrant 1st Gen	41.2	42.5	13.9
	Immigrant 2nd Gen	26.6	59.9	11.3
	Immigrant	39.5	44.6	13.6
	Non-Immigrant	21.6	64.4	11.8
<b>BC</b>	Immigrant	-	9.3	25.5
	Non-Immigrant	-	11.7	16.0

*Sources: BSASFF(2009), SC (2008b).*

### **British Columbia**

In British Columbia, educational attainment levels are distributed more evenly between immigrants and non-immigrants. Although immigrants lag behind slightly in terms of attaining high school diplomas and trade certificates, fewer immigrants drop out of high school, and larger proportions receive college diplomas and university degrees. This gap is especially obvious for the latter, with over 25% of immigrants having completed a university degree versus 16% of the non-immigrant population (see Table 1 on p. 107, and Table 2 on p. 108).

While the overall picture reflects relatively similar education levels, a closer look at different ethnic backgrounds reveals interesting tendencies. The most obvious finding is that East and Southeast Asians (Chinese, Korean, Japanese and Filipino) have university degrees at double the rate of non-immigrants, with Koreans reaching highest percentages at over 40% (see Table 3, p. 109). The participation in college programs is also more popular among immigrants, especially for Japanese immigrants (25.6%) and immigrants of no visible minority group (almost 20%), who receive diplomas twice as often as non-immigrants. In contrast, immigrants of visible minority groups show less



interest in apprenticeship training. This seems to be the case especially for immigrants from Korea, who complete vocational training at the lowest rate of 2.6%. Finally, the very high rate of South Asians with no certificate also attracts attention. At almost 30%, this group shows a three times higher rate of school drop-outs than the Filipino and Korean populations (around 10%), and six times higher than the Japanese (almost 5%).

**Table 3: Highest Certificate/Degree for Selected Immigrant Groups and Non-Immigrants in British Columbia 2005 (in %)**

	Non-immigr.	Average immigr.	Not a visible minority <sup>1</sup>	Chinese	South Asian <sup>2</sup>	Filipino	Korean	Japanese
No certificate	20.5	18.9	15.4	21.2	29.9	9.0	10.9	4.7
High School	29.8	24.0	22.4	25.4	27.3	19.2	23.8	22.8
College	11.7	14.8	19.4	11.2	10.3	13.2	8.6	25.6
Trade certificate	11.7	9.3	14.6	4.2	6.1	7.7	2.6	6.5
University degree	16.0	25.5	22.3	29.5	19.4	36.3	43.2	32.1

Remarks: <sup>1</sup> Not a visible minority: Includes respondents who reported 'Yes' to the Aboriginal identity question; (Question 18) as well as respondents who were not considered to be members of a visible minority group;

<sup>2</sup> Southeast Asian: For example, 'Vietnamese', 'Cambodian', 'Malaysian', 'Laotian', etc.;

<sup>3</sup> South Asian: For example, 'East Indian', 'Pakistani', 'Sri Lankan', etc..

Source: SC (2008f).

## 6.2.2 Participation, Employment and Unemployment Rates

According to economic participation data of the years 2001 and 2006 for Bavaria and British Columbia, the overall situation worsened for immigrants in Bavaria, while in British Columbia, immigrants have seen some improvements regarding participation, employment and unemployment rates. In the following, these three indicators are outlined and further details regarding gender, age groups and countries of origin are discussed briefly.

## **Bavaria**

As expected, participation and employment rates of immigrants in Bavaria are lower than the rates for non-immigrants. Although both participation and employment rates have risen for non-immigrants between 2001 and 2006, they sank for immigrants, widening the gaps between these groups. Despite the general deterioration of the situation for immigrants, the current participation rate of immigrant males (83.9%) is practically equal to that of non-immigrant males (83.4%) (see Table 5, p. 112). However, this comes at the cost of a widening gap between immigrant and non-immigrant women, both in terms of participation and employment rates, with gaps of 10% and 15% respectively (see Table 6, p. 112).

The disadvantage experience by immigrants in the Bavarian labour market is further exemplified by unemployment rates, with immigrants having more than double the unemployment rates (13.3%) of non-immigrants (5%). While both immigrant men and women are affected similarly by unemployment overall, immigrants suffer disproportionately from rising unemployment rates. As unemployment rates rose by 0.4% between 2001 and 2006 for non-immigrants, the rate has increased by over 3% for immigrants over the same period.

Especially vulnerable are immigrant youth (ages 15 to 25), who show lowest participation and employment, and highest unemployment rates. Again, male immigrants do better with employment rates 8% higher than females (almost 40%) of the same age group in 2006 (see Appendix D, Appendix Table 4 and Appendix Table 6). Astonishing is the fact that female youth participation rates are substantially lower than male youths (almost 20%). This, however, can probably be explained by the fact that young women

go to school longer (see Appendix Table 4 though Appendix Table 7). Another age group is affected more strongly by lower employment rates, namely the 55 to 65 year olds. Although the gaps between immigrants and non-immigrants do not get wider, employment rates are second lowest in this age group. On the other hand, immigrant males of the age groups 25 to 35 and 35 to 45 are structurally the closest to non-immigrant males of the same age groups. This becomes especially evident with the unemployment rates of 35 to 45 year olds immigrants, which lie at 6.7%, only 1.5% lower than non-immigrants of the same age group (see Appendix Table 4).

In terms of the correlation between unemployment rates and place of origin, it is helpful to distinguish between EU and non-EU citizens. As demonstrated in Appendix Table 8 and Appendix Table 9, EU citizens' unemployment rates lie substantially lower than the average immigrant unemployment rates. Whereas immigrants from Turkey (19.2%) and Morocco (20.2%) are worst off, immigrants from Great Britain (9.8%) and France (11.7%) fare quite well in terms of unemployment rates (all rates for April 2004). Comparing unemployment rates over time, it again becomes obvious that the situation of immigrants has become worse (see Appendix Table 8 and Appendix Table 9).

**Table 4: Labour Market Participation of Immigrants and Non-Immigrants in Bavaria and British Columbia 2001 and 2006 (in %)**

		Participation-rate		Employment-rate		Unemployment-rate	
		2001	2006	2001	2006	2001	2006
BY	Immigrant	73.3	72.1	66.1	63.0	10.2	13.3
	Non-Immigrant	75.4	77.2	71.9	74.1	4.6	5.0
BC	Immigrant	71.7	73.8	65.8	69.3	8.3	6.1
	Non-Immigrant	78.2	78.5	71.4	73.9	8.7	6.0

*Sources: BLS (2007c); SC (2008e).*

**Table 5: Labour Market Participation of Immigrant and Non-Immigrant Males in Bavaria and British Columbia 2001 and 2006 (in %)**

		Participation-rate		Employment-rate		Unemployment-rate	
		2001	2006	2001	2006	2001	2006
BY	Immigrant	85.2	83.9	76.8	73.6	9.8	13.0
	Non-Immigrant	82.3	83.4	78.7	80.4	4.4	5.4
BC	Immigrant	78.2	80.4	71.9	76.1	8.0	5.4
	Non-Immigrant	82.5	82.2	74.6	77.2	9.5	5.9

Sources: BLSD (2007c); SC (2008e).

**Table 6: Labour Market Participation of Immigrant and Non-Immigrant Females in Bavaria and British Columbia 2001 and 2006 (in %)**

		Participation-rate		Employment-rate		Unemployment-rate	
		2001	2006	2001	2006	2001	2006
BY	Immigrant	60.7	60.0	54.4	52.0	10.7	13.9
	Non-Immigrant	68.3	70.9	65.0	67.7	4.9	6.3
BC	Immigrant	65.8	67.9	60.1	63.2	8.6	7.0
	Non-Immigrant	73.9	74.9	68.2	70.4	7.8	6.0

Sources: BLSD (2007c); SC (2008e).

### British Columbia

For immigrants to British Columbia, the labour market situation has improved substantially between 2001 and 2006. The participation, employment and unemployment gaps have narrowed down to 4.7%, 4.6% and 0.1% respectively, reflecting an almost equal labour market access of immigrants (see Table 4 above on page 111). As is the case in Bavaria, however, women do less well, lagging about 7% behind non-immigrant women's participation and employment rates. In terms of unemployment rates, however, the separation only amounts to 1%.

The overall improvement is especially visible for both immigrant and non-immigrant youth (ages 15 to 25), as their unemployment rates have fallen by 5%.

Proportionally, young immigrant women have benefited most, as their unemployment rate fell to 11.9% in 2006 as opposed to 12.5% for young males. Despite this positive aspect, it should be mentioned that the overall unemployment rates in 2006 was at 5.4% and 7% for male and female immigrants, which means that youths are still the most disadvantaged group regarding unemployment outcomes (see Appendix Table 10 through Appendix Table 13).

In terms of participation and employment rates, however, it is the age group of 15 to 25 year olds that shows the smallest gaps between male and female immigrants, indicating that many might be in training. As in Bavaria, males aged 15 to 25 in BC also show the lowest participation (54.8%) and employment rates (48%) vis-à-vis any other immigrant male age groups, with the average lying at 80.4% and 76.1% respectively (see Appendix Table 10). For immigrant women, on the other hand, the lowest participation (50.8%) and employment rates (47.5%) are found in the age group of 55 to 65 year olds (see Appendix Table 11).

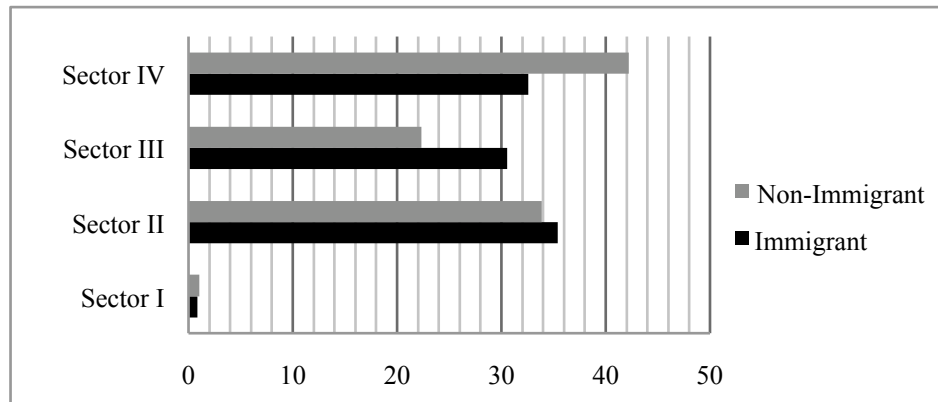
Investigating unemployment rates along ethnic lines, members of non-visible minorities (4.4%) and Japanese (4.2%) show the lowest rates, closely followed by Filipinos (4.6%). Surprisingly, Koreans have the highest unemployment rate with 9.5%, although this group was found to have the highest share of university graduates. Other groups with high unemployment rates are members of the Arab ethnicity (8.4%), as well as South Asians (8.3%) (see Appendix Table 14 and Appendix Table 15). Finally, it remains to be mentioned that the lowest participation rates are to be found among the non-visible minority group at 53.6% and Koreans at 55%, with the average immigrant participation rate being at 59.8%. The highest participation rates, on the other hand, are

found among the members of the Black minority (73.6%) and Latin Americans (75,7%). Both groups also show the average immigrant unemployment rates at around 6%.

### 6.2.3 Employment by Sector

In Bavaria, the primary sector can be neglected in the employment distribution investigation, as it is of little importance in terms of employment opportunities both for immigrants and non-immigrants. As Figure 15 exemplifies, 1.4% more immigrants work in the secondary and 8.2% more in the tertiary sector than non-immigrants, while in the quaternary sector, 10% more non-immigrants find employment.

**Figure 15: Employment by Sector for Immigrant and Non-Immigrant Employees in Bavaria 2006 (in %)**



Source: BLS (2007c).

Comparing the employment by sector data of 2006 to the data of 2001, it becomes clear that 10% of immigrant workers lost jobs in the mining, construction and utilities sector due to structural changes in the economy, which is traditionally the sector with the highest immigrant employment (see Appendix D, Appendix Figure 3). Hence, 4.6% of ‘freed’ work force was absorbed by the service sector, while a smaller percentage of 3.6% found employment in the banking and insurance sector (see Table 7 below). On the other hand, only 3.5% of the non-immigrant population lost their jobs in the secondary

sector during the same time period, and out of this loss 1.4% each relocated to the third and fourth sectors. These numbers point out that employment opportunities are not equally distributed between immigrants and non-immigrants, which becomes especially obvious when looking at employment distributions in the third and fourth sectors.

**Table 7: Employment by Sector for Immigrants and Non-Immigrants in Bavaria and British Columbia 2001 and 2006 (in %)**

		Agriculture, Forestry, Fishing		Mining, Construction, Utilities		Hospitality, Commerce, Retail		Banking, Insurance, Publ. Admin.	
		2001	2006	2001	2006	2001	2006	2001	2006
		<b>BY</b>	Immigrant	0.0	0.8	45.1	35.4	25.9	30.5
	Non-Immigrant	0.9	1.0	37.4	33.9	20.9	22.3	40.8	42.2
<b>BC</b>	Immigrant	3.7	3.2	17.3	16.6	31.7	32.0	44.6	46.2
	Non-Immigrant	4.5	3.7	17.2	17.8	31.8	31.0	44.6	46.5

Remarks: Numbers for BY only include employees, who were employed during the period of data collection; Numbers for BC include employed, self-employed and family workers.

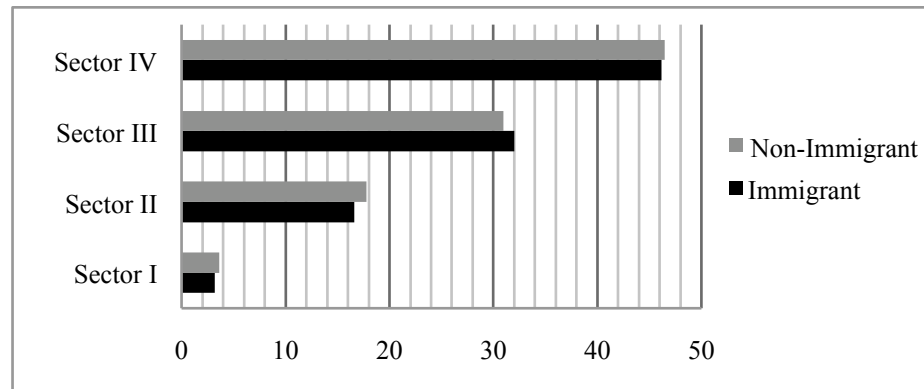
Sources: BLS (2002b, 2007c), SC (2008d).

### British Columbia

In British Columbia, employment gaps in the four sectors amounts to a maximum of 1.2% (secondary sector), demonstrating a very equal distribution of employment opportunities across sectors for immigrants and non-immigrants (see Figure 16 below). Other than in Bavaria, the secondary sector hardly declined between 2001 and 2006 in BC (a maximum loss of 0.7% immigrant employment) (see also Appendix D, Appendix Figure 4). However, it must be mentioned that this sector provided for less employment from the onset (17% versus an average of 40% employment in Bavaria). Therefore the secondary sector was not as strongly affected by economic restructuring as in Bavaria. In British Columbia, the third and fourth sectors are traditionally of greater importance, with

the latter providing for the most employment opportunities (see Table 7 above and Figure 16 below).

**Figure 16: Employment by Sector for Immigrants and Non-Immigrants in British Columbia 2006 (in %)**



Source: SC (2008d).

#### 6.2.4 Self-employment

##### Bavaria

Overall, self-employment rates have gone down by 1.9% between 2001 and 2006 in Bavaria. This decrease is especially evident in the case of non-immigrants, who are 2.4% less likely to run their own business. The situation is quite different for immigrants, however, who have increased their self-employment activity. In order to get a better idea of the developments among immigrants, it is necessary to differentiate between EU and non-EU citizens. While self-employment has risen by 1% for EU citizens, 2.4% more non-EU citizens have opened their own business (see Table 8 below). Despite the more drastic growth for non-EU citizens, this population group is only half as often self-employed as EU citizens. In sum, the distribution of self-employment rates between non-immigrants and immigrants from EU and non-EU countries is quite uneven, with the highest rates for immigrants from EU member states at almost 20%, followed by non-immigrants with almost 14% and finally non-EU immigrants being self-employed at a



rate of 10%. Taking all immigrants together, however, self-employment rates are quite similar, if slightly lower than for non-immigrants’.

**Table 8: Self-employment Rates in Bavaria 2001 and 2006 (in %)**

	Total	Immigrants from			Non-immigrants
		Total	EU member states	Non-EU countries	
2001	15.5	10.6	18.3	6.5	16.1
2006	13.6	13.3	19.3	8.9	13.7

Remark: Self-employed include helping family members.  
*Source:* BLS (2007c).

### British Columbia

In British Columbia, overall self-employment has decreased slightly by 0.2% since 2001, affecting immigrants slightly more (-0.3%) (see Table 9 below). With self-employment rates of 13.2% for non-immigrants and 17.1% for immigrants, BC’s figures are comparable to rates of non-immigrants (13.7%) and to those of immigrants from EU member states (19.3%) in Bavaria. Furthermore, the gap between immigrants’ and non-immigrants’ activities is similar in BC (3.8%) to the gap between Germans and non-EU immigrants (3.8%) in Bavaria. The differences in shares are larger between Germans and EU immigrants (5.6%), however. Despite these similarities, it is clear that the non-EU immigrants in Bavaria are clear outliers when it comes to self-employment, with EU immigrants lying on the other side of the extreme.

**Table 9: Self-employment Rates in British Columbia 2001 and 2006 (in%)**

	Total	Non-Immigrants	Immigrants
2001	14.5	13.4	17.4
2006	14.3	13.2	17.1

Remark: Figures include self-employed unincorporated and incorporated.  
*Source:* SC (2008a)

## 6.2.5 Income

In 2005, the distribution of net median income between immigrants and non-immigrants in Bavaria and British Columbia was quite similar, leaving immigrants with approximately 80% income as compared to non-immigrants. This low result becomes even more drastic when viewed in comparison to earlier income levels in British Columbia. As Table 10 shows, the median income level of immigrants in 2000 was at 92.8% of the net median income of non-immigrants, meaning that immigrant incomes fell by 13.9% relative to non-immigrants within five years. The main reasons for this development were falling immigrant incomes (-2,153 CAD) at the same time as median incomes of non-immigrants rose (+1,720 CAD).

**Table 10: Net Median Income of Immigrants and Non-Immigrants in Bavaria 2005, and British Columbia 2000 and 2005 in CAD**

	Immigrants		Non-immigrants	
	rate	raw	rate	raw
BY	79.74	21,114.00	100.00	26,479.44
BC (2005)	78.97	21,373.00	100.00	27,063.00
BC (2000)	92.83	23,526.00	100.00	25,343.00

Remarks: Income in BY converted to CAD at exchange rate level of 2005;  
Income rates for immigrants in BY reflect rates for persons with migratory background.  
Sources: BSASFF (2009), SC (2008c).

The data evaluation of the labour market indicators has shown three significant results. First, immigrants in Bavaria are insufficiently integrated into both the education system and the labour market. Second, immigrants in British Columbia show similar participation in the labour market as compared to the non-immigrant population, but are affected disproportionately by income deterioration. Third, self-employment among immigrants in British Columbia and among immigrants from EU member states in Bavaria is higher than among non-immigrants. These three findings are discussed in more detail in the following chapter.

## 7 Discussion

The data evaluation provided proof that in British Columbia, labour market access was similar for immigrants and non-immigrants, the only difference being deteriorating wage levels and slightly unfavourable conditions for women. In Bavaria, on the other hand, immigrants achieve lower educational levels and show lower participation and employment rates, while being unemployed twice as often as Germans. Further, there is a clear gap between the employment by sector opportunities for immigrants, non-EU immigrants are self-employed at a substantially lower rate than EU immigrants, and finally, immigrants are similarly disadvantaged in terms of wage levels as immigrants in BC.

It is the goal of this chapter to discuss the most significant issues immigrants face while trying to integrate into the labour market in BC and Bavaria. Specifically, the impact of low educational levels of immigrants in Bavaria on labour market outcomes (participation, employment, unemployment and employment by sector, income) is illuminated. A second focus lies on the discrepancy between relatively equal labour market participation and an increasing wage gap for immigrants in BC. In addition, self-employment structures will be further investigated, and the significance of founding one's own business to foster the integration progress discussed.

In the process of providing explanations for the above issues, the assumptions made regarding the labour market integration levels of immigrants will be revisited and evaluated. The five hypotheses posed are clustered into three groups. While  $H_1$  and  $H_2$

are related to the impact of host countries' experience with previous immigration, H<sub>3</sub> addresses the correlation between integration policies (as evaluated by MIPEX) and labour market integration. The influence of labour market structures in CMEs and LMEs on the economic performance of immigrants is outlined in H<sub>4</sub> and H<sub>5</sub>:

- (H<sub>1</sub>) Immigrants in BC integrate better into the labour market than immigrants in Bavaria because
  - (a) Canada as a traditional immigration country has historically been more welcoming towards immigrants;
  - (b) Canadian immigration policy and the political debates surrounding immigration issues has traditionally focused on economic immigrants who are assumed to integrate more easily due to their high social capital.
- (H<sub>2</sub>) Immigrants in Bavaria have a harder time assimilating into the labour market because
  - (a) German society seems less open towards immigrants, as it has been assumed until recently that immigration was a temporary remedy against labour shortages. This attitude is also reflected in the latest political debates regarding immigration, and has prevented a fundamental reorientation of immigration legislation geared towards long-term solutions.
  - (b) permanent immigration from non-EU countries to Germany is restricted to family reunification, and is overall less regulated than in Canada. Consequently, there is no selection according to human capital.
- (H<sub>3</sub>) Immigrants in BC integrate better and faster into the labour market than immigrants in Bavaria due to
  - (a) clearer immigration legislation, allowing for pre-selection of those immigrants with higher skill sets and social capital;
  - (b) higher status security of permanent residents to BC;
  - (c) more flexible work permit conditions and more support with credential recognition;
  - (d) stricter anti-discrimination regulations in Canada and BC;
  - (e) easier access to citizenship in combination with higher naturalization rates in BC than in Bavaria, the latter reflecting overall contentment with living conditions.

- (H<sub>4</sub>) Immigrants in BC can access the labour market more easily than immigrants in Bavaria due to
  - (a) the lack of employment security and subsequent lower opportunity costs of hiring in BC;
  - (b) higher employee turnover, as there is less institutional support protecting workers against lay-offs.
- (H<sub>5</sub>) Wage levels are more equally distributed between immigrants and non-immigrants in Bavaria than in BC because of the substantial influence of trade unions in the wage bargaining process in CME.

## **7.1 Causes of Low Educational and Labour Market Performance of Immigrants in Bavaria**

As the data results for Bavaria in the previous chapter have shown, there is not only a large discrepancy between the labour market performance of immigrants and non-immigrants, which confirms hypotheses H<sub>2</sub> through H<sub>4</sub>, but also between the performance of the first and second generation of immigrants, as well as between different places of immigrants' origins. For this reason, the causes for low performance in educational and labour market terms can be found by investigating these different spheres.

A study conducted by Söhn (2008), which tested the probability of ethnic Germans and immigrants of the first generation reaching a high school diploma found that the success was mainly determined by the scope of integration policies, the education level of the immigrants' parents, by the family size and to a lesser extent by the age at which the immigrant entered the country. Since ethnic Germans profit from special language training measures directed specifically at them, they are found to be generally more successful at achieving at least a high school certificate than 'regular' immigrants. An additional significant determinant was found to be the level of education of the immigrants' parents, as this factors into achievable wage levels and hence influences the

affordability of extracurricular learning support, or in the worst case, may lead to social stigmatization in the case of poverty (Söhn 2008: 12). The family size has an impact insofar as it was statistically proven that parents with more than three children spend less time discussing educational matters, such as homework with their children. Lower support from parents therefore is seen to translate directly into lower success rates at school for their children. Finally, this study found that the younger the immigrant was at his or her arrival to Germany, the more likely it was that this immigrant would achieve at least a high school diploma (Söhn 2008: 11f, 23f).

Similar results were found by a study investigating educational attainments of the second immigrant generation. In their study, Kristen/Granato (2007) provide evidence for the low performance of Turkish and Italian children in the German school system, determining that the most influential factor is the educational level of their parents. This finding is highly correlated to the ‘peculiarity’ of the German multi-tiered secondary educational system that strongly relies on parental support in the educational development of their children (OECD 2007: 226). Since it is not the rule that children attend school all day, parents are responsible to check on the daily progress of homework and other school projects. Understandably, this can be quite challenging for parents who are unfamiliar with the school system and lack the necessary language proficiency to support their children in the same way as German parents (Doomernik 1998: 53). Overall, the significance of this study is that it distinguishes the social surrounding in which immigrants grow up as being the main determinant of educational success, and less the ethnic background of immigrants (Kristen/Granato 2007: 5, 19). In addition to these possible reasons, Doomernik (1998) points out that the educational system in Germany

suffers from ethnic stereotyping, resulting in an underlying, and often unintended discrimination of immigrant children (Doomernik 1998: 57).

As educational attainment is found to be one of the strongest predictors of labour market success in Germany, it is vital for immigrants to participate in ongoing training past the high school level. However, such goals are difficult to attain in the context of apprenticeship training especially for immigrants, as the German apprenticeship system is characterized by an increasing lack of training opportunities. At the same time, the requirements in terms of final high school grades are increasing due to the technical advancement of many jobs (Burkert/Kindermann 2008: 16). Low educational levels are therefore substantial barriers to apprenticeship access for immigrants.

Another explanation for immigrants' lower occupational outcomes is the uncertain legal situation in which many second-generation immigrants find themselves, confirming the assumptions made in hypothesis H<sub>3</sub>(b). The lack of legal stability, which is necessary to make unequivocal decisions for a long-term career planning and career development decisions, therefore often hampers the opportunities immigrant youths see for themselves (Doomernik 1998: 53). Consequently, young immigrants of the second generation often choose to enter regular paid employment as soon as possible, or decide to begin careers with shorter or easier training requirements. While this might be a successful strategy in the short term, in the long run these types of jobs are less likely to allow for upward mobility and are marked by lower wage levels (Burkert/Kindermann 2008:17; OECD 2007: 231).

In addition to structural access barriers to training opportunities, evidence indicates that immigrants are also affected by unfavourable recruitment practices, as

suggested in H<sub>3</sub>(d). While it is hard to prove ‘discrimination rates’, an ILO-sponsored experimental test investigating hiring procedures was carried out in a number of OECD countries, among them also Germany (see Simeone 2005). Results indicate that one in three immigrant applicants is affected by ‘selective elimination’, diminishing their chances to secure a position. Such findings can be supported by the fact that anti-discrimination measures are not the main focus of German integration policy, and there is currently a lack of effective anti-discrimination legislation. Although Germany adopted an EU anti-discrimination directive, this law does not impose sanctions but merely encourages employers to offer jobs at an equal rate to immigrants than to non-immigrants (OECD 2007: 235f; Doornik 1998: 58). Lacking language proficiency further exacerbates access barriers, as language mastery is found to be one of the major carriers of human capital. For example, if a young immigrant is not able to handle the linguistic demands of an interview, the probability of not being hired, or, losing employment at a later stage, is higher. While such a link can be upheld for young immigrants entering the labour market, it was found that for older immigrants seeking employment, language proficiency was not the decisive determinant, but rather their occupational qualifications (Burkert/Kindermann 2008: 17; OECD 2007: 230).

In the context of Bavaria being a coordinated market economy, the main implications for the labour market integration of immigrants are threefold. First, the lack of skill-specific training of immigrants limits their access to the labour market, which confirms hypothesis H<sub>4</sub> (c). This lack of training, which can be the result of compounded access to training opportunities or of the choice to access regular employment without training, limits upward occupational mobility. While the latter factor might not be readily



visible because immigrants can start off with higher wage levels than apprentices if they enter regular jobs before further training, in the long run the lack of professional training significantly inhibits the possibility of moving into higher positions (OECD 2007: 231). As educational upward mobility is so strongly linked to social background, educational attainments of immigrants' descendants, and with it also their occupational qualification levels, is only expected to improve very slowly and over several generations (Kristen/Granato 2007: 19)

Second, the structural disadvantage of immigrants in terms of education and training results in lower wage levels. Research has shown that immigrants in the long run earn about 70-80% of what Germans do (Doomernik 1998: 49; Lang 2005: 1). Reasons for these results are mainly to be found in lower human capital, especially since it was shown that experience gained outside of Germany was not favourable to increasing wage levels. Apart from these findings, Lang (2005) was able to estimate the 'assimilation' period of wage adaptation as up to 28 years. While these explanations do not confirm hypothesis H<sub>5</sub>, which assumed that immigrants in Bavaria are more likely to be paid equal wages as compared to non-immigrants than immigrants in BC, the above finding does underscore the necessity for immigrants to achieve school certificates and other training or degrees in the host country. The main reason that H<sub>5</sub> could not be confirmed is attributable to the data, which did not allow further conclusions to be drawn on sector-specific wage level differentials between immigrants and non-immigrants.

The third implication of Bavaria being a CME is that lower professional qualification in a coordinated market economy increases probabilities of unemployment, which is proven to be chronically higher for immigrants in Germany since the 1980s

(Burkert/Kindermann 2008: 21; Doornik 1998: 49, 57). The data in Chapter 6 also confirms a trend towards an increasing unemployment gap between the immigrant and non-immigrant populations. Therefore hypothesis H<sub>4</sub> (a) can be confirmed also.

On the basis of these findings and the data presented in Chapter 6, it is evident that immigrants to Bavaria are not sufficiently integrated into the labour market. Furthermore, many of the assumptions made on the basis of the evaluation of integration policy measures and the labour market structures in Germany can be verified. This applies also to the hypotheses regarding the policies pertaining to long-term residence (H<sub>3</sub>(a), (b)), labour market access (H<sub>3</sub>(c)) and anti-discrimination (H<sub>3</sub>(d)) which were ranked fairly low under the MIPEX assessment (see Chapter 4.3). It has clearly been shown that the insecure status of immigrants regarding their residence and work permits leads to a lack of the very stability that is necessary for long-term employment planning, which especially affects second-generation immigrants.

In regard to labour market institutions, the assumption about labour market access can also be confirmed (H<sub>4</sub>(a), (b)). In view of highly regulated skill requirements and occurrences of discrimination, immigrants face considerable difficulties because of lower educational levels, and the mere fact that they are not of German heritage. The restricted labour market access particularly affects immigrant youth and women. On the other hand, the hypothesis regarding equal tenure rates (H<sub>4</sub>(c)) cannot be confirmed by the empirical findings of this study, as the data did not allow for any further analysis. Similarly, the assumption that immigrants are paid equal wages (H<sub>5</sub>) through industry-wide wage regulations cannot be verified, as the dataset did not include the necessary breakdown across different industries. In more general terms, it was nonetheless found that

immigrants are disadvantaged in regard to income. While disadvantages in this respect can partly be explained by the discrimination variable, lower wages and thus incomes could be the result of lower educational levels.

Despite the negative assessment of immigrants' integration into the Bavarian labour market, evidence suggests that the second generation of immigrants is doing slightly better than the first generation in terms of educational attainment and occupational training. Acknowledging that the overall key to integrational success lies in educational attainment, integration measures must address equal access to education, adequate language training and the securing of stable legal status. Integration policies must be effectively geared towards immigrant children and youth, especially in view of the fact that young immigrants of the second generation are still struggling to find access to the labour market. The necessity for an increased focus on immigrant youth gains further importance because, demographically speaking, this sector of the population is gaining statistical significance. In view of the federal governments' recent pledge to taking integration seriously, as well as increasing integration activities from both the federal and Bavarian levels supporting young immigrants in their endeavours to succeed at school and secure training opportunities, one can be cautiously optimistic about the future development of immigrants' integration into the Bavarian educational system, labour market and society. It is safe to say that a paradigm shift is taking place among the political elite and different societal levels, acknowledging that the former 'guest workers' are no longer guests but permanent members in German society. Nonetheless, it must be kept in mind that sustainable integration takes time, possibly requiring several generations to take root, and cannot be expected to happen overnight.

## 7.2 Explaining Decreasing Income Levels of Immigrants in British Columbia

The data collected for this study has shown that, unlike in Bavaria, immigrants to British Columbia are comparatively well integrated into the labour market, with the exception of income levels, confirming hypotheses H<sub>1</sub>, H<sub>3</sub>, H<sub>4</sub> and H<sub>5</sub>. According to the results presented in Chapter 6, median immigrant income in BC fell from 92% to about 80% of non-immigrants' income between 2001 and 2006. This finding is indeed not a new one, and has been at the centre of discussions featuring issues of immigrant labour market performance ever since declining earnings for immigrants became statistically apparent in the 1980s<sup>11</sup> (Reitz 2005: 3; Sweetman 2005: 9; OECD 2006: 107). In view of substantive wage deterioration affecting immigrants for the past decades, the question arises as to what determines this trend, especially since more recent cohorts are characterized by increasingly rising education levels. Four major causes have been detected as having influenced this development. First, a general decline of entry-level wages both for non-immigrants and immigrants alike, second, declining language proficiency levels of immigrants, third, declining returns on immigrants' non-Canadian education, and fourth their lack of Canadian work experience.

Although wage deterioration has affected immigrants more severely than non-immigrants especially since the 1990s, Picot (1998) has found that the recession of 1981 impacted previously well-established wage-earning profiles. Since then, younger cohorts have suffered disproportionately from lower wages. This development suggests that declining immigrant wages are not solely determined by immigrants' characteristics

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<sup>11</sup> Most of the research conducted on this issue refers to immigrant earnings or wages, and not to income, as this study does. Seeing that four-fifths of that income is composed of employment earnings, the data used here can be seen as representative for the following argument (SC 2008g: 3).

alone, but also by more general labour market processes. While the general wage decline has affected all workers, it must be pointed out that the implications are quite different for immigrants, who are consequently pushed into poverty at higher rates than non-immigrant labour market entrants (Reitz 2007: 46).

While general labour market developments are proven to have an impact on the deteriorating wages of immigrants, the main causes are connected to immigrants' characteristics. About one-third of the wage decline can be attributed to the deteriorating knowledge of Canada's official languages since the 1970s (Ayedemir/Skuterud 2005). As noted earlier, beginning in the 1970s, major shifts of immigrants' countries of origin took place, with Asian immigrant numbers increasing while the number of European settlers declined. Since this shift was largely completed by the end of the 1980s, the largest losses in wages occurred prior to 1980. Nonetheless, even after this period wages continue to be lower than the level of formal education would lead one to expect, especially because educational levels continue to rise (Reitz 2007: 48). Also connected to the country of origin variable is the issue of ethnic discrimination. Sweetman (2005) points out, however, that discrimination is not merely connected to visible characteristics, but quite possibly to the more complex concept of acculturation. He shows that while the earnings gap between visible minority immigrants and Canadian-born visible minorities is comparatively low, there is evidence suggesting that an age increase produces higher cleavages. This discrepancy is most pronounced among immigrants who were older than 35 at the time of their arrival (Sweetman 2005: 8).

A further variable influencing declining wages is the lower return on immigrants' non-Canadian education. Schaafsma/Sweetman (2001) show that immigrants who arrive

in Canada at a fairly young age and are educated in Canada enjoy similar or even higher returns on their education as compared to the Canadian-born, while immigrants with a non-Canadian education experience significantly lower returns. Additionally, the country of origin produces a further cleavage, with immigrants from the US, Northern Europe and Australia showing higher returns than other, mainly Asian countries (Sweetman 2005: 50). Overall, Reitz (2001) calculated that between 1981 and 1996, immigrants' education was devalued by the Canadian labour market by 3%. Adding the loss of return due to more rapidly rising non-immigrant educational levels, the decline of the educational value for immigrants accounts for about one-third of the total wage decline (Reitz 2007: 50). This deterioration has a major impact on the job selection of immigrants. Because of the difficulties immigrants face in having their educational level recognized, their access to occupations, especially so-called 'knowledge occupations'<sup>12</sup> is severely limited. Consequently, highly educated immigrants often find themselves working in lower skilled occupations than Canadians with comparable degrees (Reitz 2007: 51). In addition to the self-imposed human capital devaluation<sup>13</sup>, research also shows that immigrants, if they find a suitable job, are on average paid less despite comparable educational levels. According to Reitz (2007), net earnings are 12-16% lower for immigrant men in knowledge occupations, and even 25-34% lower for all other occupations (Reitz 2007: 52).

To reflect a balanced representation of research done in this area it must be mentioned that some scholars disclaim the importance of the devaluation of the education

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<sup>12</sup> Knowledge occupations are characterized by a high percentage of employees with university degrees (Reitz 2007: 51).

<sup>13</sup> Self-imposed in the sense that immigrants might choose to take on a job below their educational level instead of investing time and money in retraining.

variable on the overall wage decline. The main argument brought forward in this context is the fact that the lower returns on immigrants' education have been proven to be stable over the past 20 years, and therefore did not contribute to a substantial loss in wage levels (Sweetman 2005: 9; Ayedemir/Skuterud 2005). Acknowledging that the return on non-Canadian education might have only declined minimally since the mid-1980s, it is important to address this issue as it produces a structural disadvantage for immigrants in their endeavours to find a job at their level of expertise.

Unlike the different opinions on the importance of the education variable, there exists unanimous agreement among scholars regarding the declining value of immigrants' foreign experience, which is found to have had the biggest impact on overall wage decline for immigrants. Aydemir/Skuterud (2005) find that the declining value of foreign work experience makes up to 25 to 50% of the overall entry earnings decline for immigrants, affecting both men and women. However, this decline seems to have a greater impact on immigrants from non-traditional countries than on European immigrants (Aydemir/Skuterud 2005: 668). While it might be comparatively easy to determine the declining value of pre-Canadian experience, distinguishing its causes is more challenging. To this end, Reitz (2007) suggests that employers might be placing special value on work experience in the Canadian labour market. Seeing that Canada is a classical liberal market economy, this explanation is feasible, as employees are expected to acquire general skills, which they can 'modify' in each individual job setting according to the needs of the employer. While this demand is sufficient in the Canadian labour market setting, it becomes problematic if, as described above, immigrants take on jobs of lower skill levels, despite their higher education. During this time, immigrants gain

Canadian work experience, but their experience in their field of expertise does not increase, resulting in a further decline in their original human capital.

In sum, the data and institutional evaluations of existing policies and labour market structures have confirmed hypotheses H<sub>1</sub>, H<sub>3</sub>, H<sub>4</sub> and H<sub>5</sub>, as it was shown that immigrants to British Columbia are less affected by unequal access to the labour market per se. Nonetheless, immigrants do have problems with finding jobs that match their educational levels, and are disadvantaged in terms of income levels. Overall, however, and in contrast to immigrants in Bavaria, who are disproportionately affected by lower employment and higher unemployment rates as well as an unequal distribution along occupational lines, immigrants to British Columbia participate in the labour market at similar rates to non-immigrants.

While the empirical results for British Columbia portray similar labour market activity of immigrants and non-immigrants, these numbers mask the fact that immigrants are often employed in jobs that do not match their skill sets. The problem immigrants in BC face is therefore not connected to the security of their status, nor to the lack of anti-discrimination legislation, as is the case in Bavaria. In fact, newcomers to BC face more 'hidden' barriers connected to the transferability of their credentials in the form of non-Canadian degrees and experience, which becomes visible only when looking at their income levels vis-à-vis non-immigrants.

From this perspective, the MIPEX results fail to hint at possible integration problems, as they portray rates relatively close to best practice. It is undeniable that Canada has established clear and achievable requirements for attaining permanent residency status, a work permit and citizenship (H<sub>3</sub>(b), (c), (e)), as well as a substantive



policy framework for ensuring equal treatment of all persons regardless of their social or ethnic background (H<sub>3</sub>(d)). Furthermore, the aim of the FCRO is to ensure that foreign credentials are assessed fairly (H<sub>3</sub>(c)). However, it seems these rules and regulations were implemented to avoid any further necessity for state intervention. This becomes especially apparent when looking at the immigration point system, as it was introduced to augment human capital coming into Canada, and led by the assumption that the immigrants' 'social capital' would provide them with the prerequisites to integrate successfully into the labour market (H<sub>3</sub>(a)) (Triadafilopoulous 2006: 88). Despite the assumptions of the self-integratory power of human capital, it has been shown that one of the main problems immigrants face in their integration efforts is the lack of recognition of their foreign experience and degrees (Reitz 2007: 54).

In terms of the assumptions made in relation to the 'liberal' structure of the Canadian labour market, most can be confirmed as well. The first hypothesis (H<sub>4</sub>(a)) relates to the advantage of immigrants in BC in regard to the focus on general skill sets, as opposed to the necessity of specific skills in Bavaria. While employers might be more open to acknowledge foreign training and degrees in BC, the analysis of the situation of immigrants in the Canadian labour market has shown that despite this advantage, immigrants' access to jobs is impaired due to the lack of Canadian work experience and language abilities. Further, it was assumed that the fluid labour market in Canada would make it easier to access jobs, as the opportunity costs for hiring and firing are relatively low (H<sub>4</sub>(b)). At the same time, such flexibility also implies shorter tenure rates (H<sub>4</sub>(c)). While H<sub>4</sub>(b) can be confirmed by the data presented, no clear statement can be made regarding tenure rates, as the extent of empirical evidence does not allow any conclusions

on this. Nonetheless the final hypothesis (H<sub>5</sub>) can be confirmed also, as it was assumed that there is a substantial gap in wage levels between immigrant and non-immigrant groups in BC, because there are no industry regulations ensuring equal payment of all workers.

In conclusion to the assessment of the labour market integration of immigrants to British Columbia, it can be stated that the main problem immigrants are experiencing is the difficulty in finding jobs suitable to their educational levels. Although measures have been introduced to support immigrants in attaining recognition of their credentials, as well as to address additional language training needs, these structures are only helpful to skilled workers and apply less to immigrants of the family reunification and refugee stream. Apart from the necessity to broaden the integration approach, the government could play a leading role in orchestrating tighter interaction between the responsible institutions controlling credential assessment, such as employers, unions, licensing bodies and post-secondary educational institutions, to ensure clear and equal standards. Furthermore, the government could provide useful guidance by fostering a dialogue between the accrediting institutions and representatives of immigrants' interests, to discuss how the process could be improved to ensure highest profitability for both employers and employees. Finally, special programs such as mentoring and internship programs and bridge-training initiatives to 'top-up' immigrants' skills would provide immigrants with timely and cost-effective opportunities, allowing them to expand their expertise to fit the Canadian labour market.

### **7.3 The Significance of Immigrants' Self-employment for the Integration Project**

Although immigrants in British Columbia and Bavaria face quite different problems when trying to enter the labour market, empirical evidence shows that newcomers in both sub-national entities are disadvantaged in comparison to their non-immigrant counterparts when it comes to employment opportunities and income equality. One possible channel for alleviating disadvantages to immigrants that has been receiving increased scholarly attention is self-employment. While some authors are divided on the question of whether immigrant entrepreneurship is merely used as a way to circumvent limited labour market access or chosen for reasons of self-realization, there is a broad consensus in the literature that entrepreneurship serves as a mechanism to both avoid unemployment and to integrate into the labour market (Li 1997; Block et al. 2008; Constant/Zimmermann 2004; OECD 2007).

As the data has shown in Chapter 6, self-employment rates are significant in both regional entities investigated, with about 13% of immigrants in Bavaria choosing entrepreneurship, while in British Columbia this rate is as high as 17%. In both the German and Canadian settings, self-employed immigrants earn considerably more than salaried workers, placing self-employed immigrants at the top echelons of the income distribution, while employees are placed at the lower end (Li 1997; OECD 2007: 233; Block et al 2008: 2). Despite these similar features between Bavarian and British Columbian immigrant entrepreneurs, some developments vary, as do the institutional framework for supporting self-employment.

In Bavaria and in Germany as a whole, self-employment among immigrants has increased considerably since the mid-1980s. In fact, immigrant entrepreneurship has

augmented at a faster rate than for Germans, leading to similar rates between both groups. Block et al. (2008) further show that the economic return for self-employed immigrants is substantially higher than for their non-immigrant counterparts, which may be another reason for the steadily increasing self-employment rates. A closer look at the distribution of self-employment rates between immigrants of different origins, however, reveals that immigrants from EU countries run their own businesses at double the rate of non-EU immigrants. The relatively low self-employment rates for the latter can be attributed partially to their limited access to entrepreneurship imposed by the pre-2005 regulations connected to the temporary residency status, which is assumed to affect about one-third of all immigrants. Despite some improvements under the new *Residence Act*, the scope of the authorities' discretion to grant the permit to self-employment is not clear yet (OECD 2007: 234).

A further issue hampering immigrants' access to entrepreneurship is the limited access to information. Two groups are specifically being provided with information regarding access to financial credits and other support structures, namely university students and the unemployed through the Federal Employment Agency (Block et al. 2008: 8f). Seeing that self-employment is an important channel leading immigrants out of unemployment, and more generally speaking, functioning as an integration tool, it might be sensible to expand information offers to graduates of lower educational levels (Constant/Zimmermann 2004: 25). In addition, self-employment barriers towards non-EU immigrants should be reconsidered, as it is evident that such efforts would increase the labour market integration of this group, possibly also diminishing the education disadvantage of non-EU immigrants at the same time.

Unlike in Bavaria, self-employment rates for immigrants in British Columbia have decreased slightly between 2001 and 2006 (see Table 9, page 117). Another difference is that immigrants in British Columbia are more likely to be self-employed than non-immigrants. In 2006, 14.3% of non-immigrants were self-employed, while immigrants owned their own business at a rate of 17.1%. Two reasons factor into the higher immigrant rate of self-employment. The first, most obvious reason, pertains to the disadvantages especially ethnic minorities encounter in the open market. Accordingly, immigrants established their own businesses to compensate for lower income levels, as compared to non-immigrants. The second reason, which is discussed in more length in the literature, is linked to the success of ethnic entrepreneurship. Here, two main causes seem to have fostered this achievement: first, that these businesses fill a service gap by meeting particular needs of the immigrant population, and second, that cultural endowment facilitates financial mobilization for ethnic businesses (Li 1997; Waldinger et al. 1990; Light/Rosenstein 1995). In sum it is difficult to assess which of the two broader reasons foster immigrant entrepreneurship, though one might suspect that the limited economic returns for salaried immigrants is the driving force.

In terms of immigrant entrepreneurship support, the scope of the service provided seems to address the demand. An interesting new feature in this respect is that some NGOs have included entrepreneurship coaching in their regular immigrant support services. This new development is worth mentioning because first, Kwak/Hiebert (2007) show that not-for-profit organizations are becoming actively engaged in the market economy. Second, they provided evidence suggesting that, contrary of the argument to some critics, immigrants do not necessarily demand more state support for their integration, but instead embrace the limited extent of state intervention. Immigrants do,

however, want fair access to jobs and see the solution in clearer credential recognition guidelines and regulations (Kwak/Hiebert 2007: 31).

Evidently, self-employment is an important means for immigrants to escape unemployment and discrimination, and therefore functions as an own tool for labour market integration. However, it has once again become clear that even self-employment is more difficult to achieve for immigrants in Bavaria, due to legal restrictions mainly affecting non-EU immigrants. Hence, it is suggested that service provisions be expanded in Bavaria, in order to address a broader immigrant base. By contrast, immigrants in British Columbia not only enjoy unrestricted access to entrepreneurship, they are also able to profit from new business coaching services, which are provided, albeit at a fee, through the general settlement services.

The empirical results of this study show that immigrants in Bavaria and British Columbia face a variety of problems when trying to integrate into the labour market of their host countries, and therefore they also show varying success rates. This chapter outlined the underlying reasons for the differing degree of integration, and elaborated on possible remedies. In the concluding remarks, these results are set into the larger institutional and historical context of the integration project.

## 8 Conclusion

The goal of this study is not to determine which polity outperforms the other in terms of integration success. Rather, it is shown that institutional frameworks ( $H_3$  to  $H_5$ ) as well as the host countries' experience with immigration ( $H_1$  and  $H_2$ ) determine the integration project. By factoring the larger context into the equation, the distinct policy approaches become more apparent, as do the different integration outcomes. From this standpoint then, it is possible to distinguish further options to improve the situation for immigrants.

In their unique historical contexts, Germany and Canada have experienced and treated immigration quite differently. It has been shown that in Canada immigration has always been a substantial part of nation building (confirming hypothesis  $H_1(a)$ ). Over the years, the open labour market as well as an increased opening of the immigration system in combination with Canada's well-known and influential model of multiculturalism has led to favourable conditions for immigrants settling there. In addition, the clear set of immigration rules known as the point-system has provided Canada with an increasing stock of skilled workers, who not only expand Canada's human capital base and fill needed skill gaps in the labour market, but were also assumed to integrate 'themselves' with the help of their social capital (hypothesis  $H_1(b)$ ). Nevertheless, the Canadian government also established an integration framework to accommodate immigrants' initial orientation needs, as well as their language deficiencies.

Despite the generally favourable integration conditions for immigrants in Canada and British Columbia, the empirical evidence of this study has shown that immigrants are disproportionately affected by falling income levels, resulting in a widening gap between immigrants and non-immigrants. The main causes are connected to falling language proficiency levels, and more importantly to deteriorating returns for their non-Canadian education and work experience. Consequently, the Foreign Credential Referral Office was established in 2007, in order to support immigrants in assessing their skills. Although the provision of information on the transferability of training certificates and degrees is helpful, it is questionable whether these measures are sufficient. Additional support could take the form of mentoring and internship programs, where immigrants get the chance to learn about the Canadian system and can also assess where they might need further training. In this regard the government, and especially provincial governments, could play an important role in coordinating a dialogue between the responsible institutions of accreditation and immigrants' interest groups, as the provincial governments are well informed about the labour market structures and demands in their region.

Acknowledging that immigration will play an important role in Canada and British Columbia also in the future, it is important to address the problem and its underlying reasons as quickly as possible. Denying any further responsibility will only increase the frustration immigrants experience when they cannot find jobs suited to their educational levels, and also means that the Canadian labour market is missing out on significant human capital. Finally, skilled immigrants might choose to go elsewhere, in which case Canada loses this potential altogether.



In Germany, the context is a rather different one, as Germany has until recently referred to itself as a ‘non-immigration’ country. The great number of immigrants recruited to meet unskilled labour shortages in the advent of the oil crisis, were referred to as ‘guest workers’, affirming the expected temporary nature of their stay (confirming hypothesis H<sub>2</sub>(a)). However, these immigrants remained in the country, despite the increasing difficulties they were facing on the labour market. As many immigrants who arrived before the recruitment stop were low skilled, they suffered disproportionately from economic restructuring in the 1980s, which hit the manufacturing industries in particular. Due to the highly regulated labour market, it was difficult for these workers to find new jobs, because they lacked the necessary training to move into different professions.

In addition, German immigration legislation does not provide clear regulations in regard to yearly intake numbers and is primarily restricted to family reunification in the case of non-EU immigration, though there are some exceptions (e.g. the green card initiative). As many of non-EU immigrants under the family reunification class arrive from Turkey and are less educated, it is harder for them to find employment. Overall, both non-EU immigrants who arrived before the recruitment stop as well as newer immigrants tend to be educated at a lower level than the average non-immigrant in Germany. As a consequence, economic integration of these population groups is slower and more difficult than for more highly skilled immigrants (hypothesis H<sub>2</sub>(b)).

The second generation is currently facing the problem of restricted access to apprenticeship training and further post-secondary education, as they tend to underperform in high school. Reasons to be mentioned in this context are the high

dependability of educational success on the social background of students, as well as the complexity of the German educational system. Another cause for the unfavourable labour market situation of immigrants of non-EU origin is that German immigration legislation was until recently very complicated and made it hard for immigrants to gain permanent residency, let alone German nationality. Furthermore, German anti-discrimination legislation lacks sufficient measures for actively prohibiting discriminatory behaviour of employers.

Notwithstanding the non-integratory tendencies of immigrants on the labour market in Bavaria in particular, and in Germany as a whole, the second generation of immigrants is showing slight improvements in terms of educational and professional attainments. In addition, a paradigm shift led the German government in 2004 to adopt the so-called *Residence Act* which enshrined the task of integration as a state responsibility, and introduced a comprehensive integration framework. Apart from federally managed ‘integration courses’, which comprise language classes as well as general information about German society and the legal framework, Bavaria has been active in drawing up special measures for immigrant children, youth and even parents. This integration support aims at early language training in kindergarten, provides measures aiding immigrant youth transferring from high school into apprenticeship programs, and aims at helping parents to acquire language training as well as parenting advice.

Overall, the integration level of especially non-EU immigrants in Bavaria remains critical, and it is expected that improvements will only happen gradually given the nature of difficulties immigrants face. Nonetheless it can be concluded that the long overdue

paradigm shift, combined with recent improvements of second-generation immigrants' performance are a step in the right direction. Although it remains to be seen to what extent the legal changes in residency and naturalization regulations are leading to improvements in the legal security of immigrants, the amendment of the *Residence Act* signalled an irreversible move towards a willingness to better integrate immigrants, accepting that immigrants are a part of German society.

This study has shown that immigrants in both Bavaria and British Columbia face a variety of obstacles when attempting to integrate into the labour market. These barriers are attributable not only to premature integration policies, but to a considerable extent are determined by the larger context of the host countries' experience with immigration, immigration policies and with the institutional frameworks of the labour market. For this reason the initial position of immigrants in the integration project is quite different, as are the outcomes and policy responses. Nonetheless, the key to improving immigrants' situation in each of these provinces is to be found in the policy approach, as it not only sets the groundwork for reform, but also sends an important message to immigrants and non-immigrants alike. Here, provincial governments in particular can play an important role, as it is on the regional level where the specific needs of immigrants become apparent and labour markets are defined.

# Appendices

## Appendix A: MIPEX Integration Indicators

Appendix Table 1: MIPEX Strands, Dimensions and Indicators

Strand	Dimension	Indicators
Long-term residence	Eligibility	Required time of habitual residence, disregarding work activity
		Required time in legal employment or self-employment
		Is time of residence as a pupil/student counted?
		Is time waiting for an asylum decision counted for refugees?
		Periods of absence allowed previous to granting long-term residency status
	Acquisition conditions	Integration conditions (average)
		Economic resources requirement
		Insurance requirement
		Length of application procedure
		Cost of application and/or issue of permit or renewal
	Security of status	Duration of validity of permit
		Renewable permit
		Periods of absence allowed after granting of status
		Grounds for withdrawal
		Factors taken into account for protection against expulsion
		Groups precluded from expulsion
		Legal guarantees and redress for withdrawal, non-renewal, expulsion order
	Rights associated	Residence right after retirement
		Access to employment and self-employment
		Access to social security, social assistance and healthcare, and housing
Recognition of academic and professional qualifications		
Freedom of movement and residence within the EU		
	Simultaneous holding of a long-term permit in more than one member state	

<b>Strand</b>	<b>Dimension</b>	<b>Indicators</b>
Family reunification	Eligibility	Eligibility for legal residents
		Eligibility for the sponsors spouse and registered partner
		Eligibility for minor children
		Eligibility for dependent relatives in the ascending line
		Eligibility for dependent adult children
	Acquisition conditions (for sponsor and/or family members)	Integration conditions (average)
		Accommodation requirement
		Economic resources requirement
		Length of application procedure
		Cost of application and/or issue of permit or renewal
	Security of status	Duration of validity of permit
		Grounds for rejecting, withdrawing or refusing to renew status
		Factors taken into account before refusal or withdrawal
		Legal guarantees and redress for withdrawal, non-renewal, expulsion order
	Rights associated	Right to autonomous residence permit for partners/children reaching majority
		Right to autonomous residence permit for other family members having joined the sponsor
Access to education and training for adult family members		
Access to employment and self-employment		
Access to social security, social assistance and healthcare, and housing		
Access to nationality	Eligibility	Years of residence for ordinary naturalization of first generation immigrants
		Years of residence/marriage required for naturalization of spouses of nationals
		Years of residence required for partners/cohabitantes of nationals
		Acquisition of nationality for second generation immigrants (born in country)
		Acquisition of nationality for third generation immigrants (born in country)
	Acquisition conditions	Average integration conditions
		Requirements for oaths, declarations or ceremonies
		Economic resources requirement
		Health insurance requirement
		Criminal record requirement
		'Good character' requirement
		Maximum length of application procedure set down in law
		Cost of application and/or issue of nationality title

Strand	Dimension	Indicators
Access to nationality	Security of status	Grounds for refusing or withdrawing citizenship
		Time limits for withdrawal as prescribed in law
		Legal prohibitions against withdrawal that would lead to statelessness
		Factors taken into account before refusal or withdrawal
		Legal guarantees and redress in case of withdrawal
	Dual nationality	Requirement to renounce/lose foreign nationality upon naturalization
		Dual nationality for children of third country nationals (non-EU) born in the country
Political participation	Electoral rights	Right to vote in national elections
		Right to vote in regional elections
		Right to vote in local elections
		Right to stand for elections at local level
	Political liberties	Right to association, including political, for foreign residents
		Membership in political parties
	Consultative bodies	Average for national level
		Average for regional level
		Average capital city
		Consultation of foreign residents in city (not capital) with highest proportion of foreign residents
	Implementation policies	Active policy of information on political rights by national level (or regional in federal states)
		Public funding or support of immigrant organizations on national level
		Public funding or support of immigrant organizations on regional level
		Public funding or support of immigrant organization on local level in capital
Funding/support of immigrant organizations in city (not capital) with highest proportion of foreign residents		
Anti-discrimination	Definitions and concepts	Racial/ethnic, religious, nationality discrimination definitions all three grounds*
		Discrimination by association & basis of assumed characteristics on three grounds
		Anti-discrimination law applies to the following persons & bodies
		Public incitement to violence/etc; public threats/defamation; instigating
	Fields of application	All three grounds covered in employment and vocational training
		All three grounds covered in education (primary and secondary)
		All three grounds covered in social protection including social security
		All three grounds covered in social advantages
		All three grounds covered in access/supply of goods & services like housing

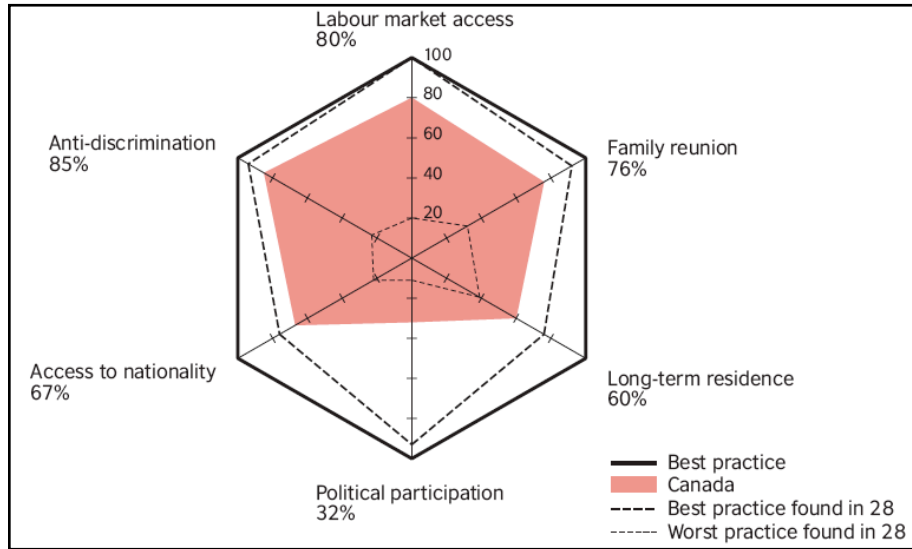
<b>Strand</b>	<b>Dimension</b>	<b>Indicators</b>
Anti-discrimination	Enforcement	All three grounds covered in access/supply of goods & services like healthcare
		Access for victims, irrespective of grounds of discrimination, to all procedures
		Access for victims on grounds of race/ethnicity, religion, and nationality
		Average length of procedures (judicial civil and administrative procedures)
		Shift in burden of proof in all procedures
		Protection against victimization in all relevant sectors
		State assistance for victims
		Powers of legal entities with a legitimate interest in defending the principle of equality to assist victims
		Range of sanctions available in discrimination cases
		Discriminatory motivation treated as aggravating circumstance for all three grounds
	Equality policies	Mandate of Specialized Equality Agency on all three grounds
		Powers of Specialized Agency to assist victims
		Legal standing of Specialized Agency in different procedures
		Power of Specialized Agency to instigate proceedings and investigations
		State obligation on information dissemination and social/civil society dialogue
		Mainstreaming equality policies
		Restriction of freedom of association/assembly/speech to combat racism permitted
Labour market access	Eligibility	Renewal of third-country nationals' (TCN) work permits
		Equal access as EU nationals to employment except public authority
		Equal access as EU nationals to self-employment
		Procedures for recognition of academic & professional skills & qualifications
	Security of employment	Renewal of work permits
		Termination of contract is reason to revoke/refuse renewal of work/residential permit
	Labour market integration measures	Equality of access to vocational training/study grants
		Measures to further integration in the work place
		State facilitation of recognition of skills and qualifications
	Rights associated	Membership in trade unions & work-related negotiation bodies
Changes in third-country nationals' working status/permit		

\* Race/ethnicity, religion/belief, and nationality

Source: adapted from Niessen et al. (2007), pp. 189 f.

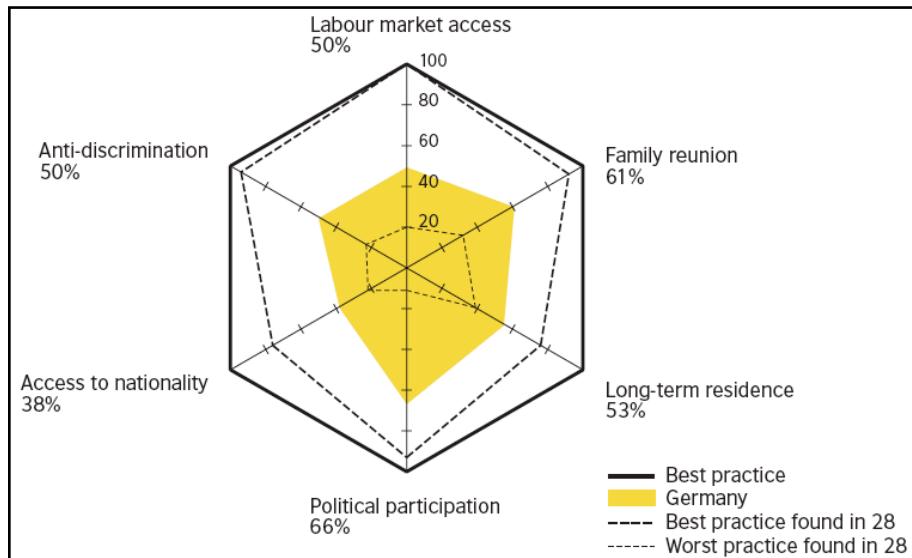
## Appendix B: MIPEX Key Findings

Appendix Figure 1: Overall MIPEX Results Canada



Source: Niessen et al. 2007: 32

Appendix Figure 2: Overall MIPEX Results Germany



Source: Niessen et al. 2007: 74.



**Appendix Table 2: Key Findings for the 28 MIPEX Countries**

				Labour market access	Family reunion	Long term residence	Political participation	Access to nationality	Anti-discrimination
1	SE	Sweden	88	100	92	76	93	71	94
2	PT	Portugal	79	90	84	67	79	69	87
3	BE	Belgium	69	75	61	74	57	71	75
4	NL	Netherlands	68	70	59	66	80	51	81
5=	FI	Finland	67	70	68	65	81	44	75
	CA	Canada	67	80	76	60	32	67	85
7	IT	Italy	65	85	79	67	55	33	69
8	NO	Norway	64	70	66	72	86	39	54
9	UK	United Kingdom	63	60	61	67	46	62	81
10	ES	Spain	61	90	66	70	50	41	50
	EU-15		60	64	59	61	60	48	66
11=	SI	Slovenia	55	60	71	63	15	41	79
	FR	France	55	50	45	48	52	54	81
	LU	Luxembourg	55	45	50	48	84	45	56
	28	MIPEX 28	54	58	58	60	46	44	59
14=	DE	Germany	53	50	61	53	66	38	50
	EU-25		53	56	57	59	43	43	58
	IE	Ireland	53	50	50	39	59	62	58
16	CH	Switzerland	50	75	43	51	55	44	33
17=	HU	Hungary	48	40	50	50	29	36	85
	CZ	Czech Republic	48	50	58	63	41	50	27
19	EE	Estonia	46	75	61	61	30	26	23
20	LT	Lithuania	45	55	68	47	12	38	48
21=	PL	Poland	44	25	66	67	14	45	46
	DK	Denmark	44	40	36	67	55	33	33
	EU-10		44	45	55	57	20	37	48
23	MT	Malta	41	30	66	65	19	29	38
24=	SK	Slovakia	40	55	38	51	14	40	44
	GR	Greece	40	40	41	60	14	25	58
26=	AT	Austria	39	45	34	55	34	22	42
	CY	Cyprus	39	40	32	47	18	36	60
28	LV	Latvia	30	20	42	51	11	25	33

Source: Niessen et al. 2007: 3.

## Appendix C: Economic Sector Classification

Appendix Table 3: German and Canadian Economic Sector Classification

German Economic Sector Classification (2003)		North American Industry Classification System (2002) (433A)	
Sector	Position	Description	Description
I	A	Agriculture and Forestry	Agriculture, Forestry, Fishing and Hunting
	B	Fisheries	
II	C	Mining	Mining and Oil and Gas Extraction
	D	Manufacturing Industry	Manufacturing
	E	Utility Industries (energy and water)	Utility Industries
	F	Construction	Construction
III	G	Wholesale Trade and Retail	Wholesale Trade
			Retail Trade
	H	Hospitality Industry	Accommodation and Food Services
	I	Transportation and Communication Industries	Transportation and Warehousing
			Information and Cultural Industries
IV	J	Finance and Insurance Industry	Finance and Insurance
	K	Real Estate Business	Real Estate and Rental and Leasing
			Professional, Scientific and Technical Services
			Management of Companies and Enterprises
	L	Public Administration	Public Administration
	M	Education Sector	Educational Services
	N	Health Care, Veterinary Care and Social Assistance Sector	Health Care and Social Assistance
	O	Other Public and Private Services (Waste Management, Entertainment)	Arts, Entertainment and Recreation
			Administrative Support, Waste Management and Remediation Services
	P	Private Households	
	Q	Exterritorial Organizations and Corporations	
			Other Services (Except Public Administration)

Sources: BLS 2007c; SC 2008d.

## Appendix D: Labour Market Outcomes of Immigrants in Bavaria and British Columbia

**Appendix Table 4: Labour Market Participation of Immigrant and Non-Immigrant Males in Bavaria According to Age Groups 2006 (in %)**

Age	Male					
	Participation rate		Employment rate		Unemployment rate	
	Immigrant	Non-Immigrant	Immigrant	Non-Immigrant	Immigrant	Non-Immigrant
Total 15-65	83.9	83.4	73.6	80.4	13.0	5.4
15-25	58.2	59.3	47.8	54.6	<i>18.0</i>	8.0
25-35	93.1	92.1	81.7	87.9	12.3	4.4
35-45	95.2	97.4	84.8	92.9	6.7	5.2
45-55	93.2	94.6	82.2	89.6	10.3	5.4
55-65	66.7	65.1	55.6	61.1	11.1	6.7

*Italic: n < 10;*

*Source: BLS (2007c).*

**Appendix Table 5: Labour Market Participation of Immigrant and Non-Immigrant Males in Bavaria According to Age Groups 2001 (in %)**

Age	Male					
	Participation rate		Employment rate		Unemployment rate	
	Immigrant	Non-Immigrant	Immigrant	Non-Immigrant	Immigrant	Non-Immigrant
Total 15-65	85.2	82.3	76.8	78.7	9.8	4.4
15-25	65.8	62.6	57.9	59.5	/	/
25-35	93.2	94.0	86.4	91.2	/	/
35-45	93.2	97.6	87.4	94.8	/	/
45-55	95.1	93.7	85.4	98.9	/	/
55-65	65.8	55.5	52.1	49.9	/	/

Remarks: / data not available.

*Source: BLS (2002a), (2002b).*

**Appendix Table 6: Labour Market Participation of Immigrant and Non-Immigrant Females in Bavaria According to Age Groups 2006 (in %)**

Age	Female					
	Participation rate		Employment rate		Unemployment rate	
	Immigrant	Non-Immigrant	Immigrant	Non-Immigrant	Immigrant	Non-Immigrant
Total 15-65	60.0	70.9	52.0	67.7	13.9	6.3
15-25	32.4	53.7	39.4	49.6	17.4	7.5
25-35	58.7	81.4	51.9	76.7	6.4	6.2
35-45	68.6	83.6	60.2	79.0	6.2	5.7
45-55	71.6	81.6	61.7	76.5	13.8	5.9
55-65	48.4	47.3	31.3	43.5	25.8	7.7

*Italic: n < 10;*

*Source: BLSD (2007c).*

**Appendix Table 7: Labour Market Participation of Immigrant and Non-Immigrant Females in Bavaria According to Age Groups 2001 (in %)**

Age	Female					
	Participation rate		Employment rate		Unemployment rate	
	Immigrant	Non-Immigrant	Immigrant	Non-Immigrant	Immigrant	Non-Immigrant
Total 15-65	60.7	68.3	54.4	65.0	10.7	4.9
15-25	52.6	57.8	46.2	54.8	/	/
25-35	60.2	82.9	54.7	79.7	/	/
35-45	69.7	82.4	62.9	79.3	/	/
45-55	69.8	77.9	61.6	74.3	/	/
55-65	40.9	36.6	34.1	33.1	/	/

Remarks: / data not available.

*Source: BLSD (2002a), (2002b).*

**Appendix Table 8: Share of Unemployed Immigrants from Selected Countries of all Unemployed Immigrants in Bavaria and Germany, April 2004 (in %)**

Unemployment rates of immigrants												
TOTAL	From EU member states								From Non-EU member states			
	TOGETHER	of which are from						TOGETHER	of which are from			
		France	Greece	GB	Italy	Portugal	Spain		Former Yugoslavia	Morocco	Turkey	
BY	18.5	14.7	11.7	17.8	9.8	17.4	13.9	11.1	19.9	14.6	20.2	19.2
Ger	23.0	15.4	6.5	18.9	13.7	19.2	15	13.5	25.9	17.3	23.6	25.9

These rates are only in a limited fashion comparable to the official rates, as the above numbers include only employees who are obliged to pay social insurance plus the unemployed. This means that the reference population (denominator) is smaller and therefore the rate is higher than if it included all employees plus the unemployed.  
*Source:* Bundesagentur für Arbeit (2004b).

**Appendix Table 9: Share of Unemployed Immigrants from Selected Countries of all Unemployed Immigrants in Bavaria and Germany, April 2002 (in %)**

Unemployment rates of immigrants												
TOTAL	From EU member states								From Non-EU member states			
	TOGETHER	of which are from						TOGETHER	of which are from			
		France	Greece	GB	Italy	Portugal	Spain		Former Yugoslavia	Marocco	Turkey	
BY	16.0	12.1	9.5	14.2	9.1	13.9	11.3	10.0	17.5	10.7	17.2	16.4
Ger	21.8	15.1	13.1	16.7	12.7	16.7	13.5	12.4	24.4	14.2	19.1	23.6

These rates are only in a limited fashion comparable to the official rates, as the above numbers include only employees who are obliged to pay social insurance plus the unemployed. This means that the reference population (denominator) is smaller and therefore the rate is higher than if it included all employees plus the unemployed.  
*Source:* Bundesagentur für Arbeit (2004a).

**Appendix Table 10: Labour Market Participation of Immigrant and Non-Immigrant Males in British Columbia According to Age Groups 2006 (in %)**

Age	Male					
	Participation rate		Employment rate		Unemployment rate	
	Immigrant	Non-Immigrant	Immigrant	Non-Immigrant	Immigrant	Non-Immigrant
Total 15-65	80.4	82.2	76.1	77.3	5.4	5.9
15-25	54.8	68.0	48.0	60.4	12.5	11.2
25-35	89.1	91.3	84.5	86.5	5.3	5.3
35-45	90.9	91.7	86.9	87.9	4.4	4.1
45-55	87.2	89.2	83.5	85.2	4.3	4.5
55-65	70.9	69.5	67.3	65.7	5.1	5.4

Source: SC (2008e).

**Appendix Table 11: Labour Market Participation of Immigrant and Non-Immigrant Males in British Columbia According to Age Groups 2001 (in %)**

Age	Male					
	Participation rate		Employment rate		Unemployment rate	
	Immigrant	Non-Immigrant	Immigrant	Non-Immigrant	Immigrant	Non-Immigrant
Total 15-65	78.2	82.5	71.9	74.6	7.1	9.5
15-25	47.7	66.3	40.0	55.2	16.1	16.8
25-35	86.8	91.2	79.0	82.3	9.1	9.8
35-45	88.5	92.2	82.1	85.3	7.1	7.4
45-55	85.7	89.8	80.2	83.8	6.4	6.6
55-65	68.0	66.3	63.1	61.1	7.1	7.8

Source: SC (2008e).

**Appendix Table 12: Labour Market Participation of Immigrant and Non-Immigrant Females in British Columbia According to Age Groups 2006 (in %)**

Age	Female					
	Participation rate		Employment rate		Unemployment rate	
	Immigrant	Non-Immigrant	Immigrant	Non-Immigrant	Immigrant	Non-Immigrant
Total 15-65	67.9	74.9	63.2	70.4	7.0	6.0
15-25	56.1	68.5	49.5	61.4	11.9	10.5
25-35	75.9	82.2	69.7	77.0	8.2	6.3
35-45	76.1	83.2	71.2	79.0	6.5	5.0
45-55	74.4	81.6	70.5	78.3	5.3	4.1
55-65	50.8	54.4	47.5	52.3	6.5	3.9

Source: SC (2008e).

**Appendix Table 13: Labour Market Participation of Immigrant and Non-Immigrant Females in British Columbia According to Age Groups 2001 (in %)**

Age	Female					
	Participation rate		Employment rate		Unemployment rate	
	Immigrant	Non-Immigrant	Immigrant	Non-Immigrant	Immigrant	Non-Immigrant
Total 15-65	65.8	73.9	60.1	68.2	8.6	7.7
15-25	51.1	65.7	42.9	56.1	16.2	14.6
25-35	73.9	81.5	66.9	75.2	9.5	7.8
35-45	73.6	82.1	67.6	77.0	8.1	6.2
45-55	72.6	80.0	67.7	76.1	6.7	4.8
55-65	46.2	48.9	42.7	46.2	7.5	5.5

Source: SC (2008e).

**Appendix Table 14: Employment Indicators of Non-immigrants, Immigrants and Selected Visible Minority Groups in British Columbia 2006 (in%)**

	Participation rate			Employment rate			Unemployment rate		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Total non-immigrants	68.7	73.3	60.7	64.6	68.9	56.9	5.9	5.9	6.3
Total immigrants	59.8	65.9	54.3	56.1	62.4	50.5	6.1	5.3	7.0
Not a visible minority <sup>1</sup>	53.6	59.6	47.9	51.2	57.3	45.5	4.4	3.9	5.0
Total visible minorities	64.0	70.4	58.5	59.5	66.0	53.8	7.1	7.0	8.0
Chinese	57.2	62.8	52.4	52.9	58.4	48.1	7.6	7.0	8.1
Korean	55.0	62.8	48.0	49.7	55.6	43.0	9.5	8.8	10.0
Japanese	63.2	75.0	58.2	60.5	72.4	55.6	4.2	3.5	4.5
Southeast Asian <sup>2</sup>	72.2	78.7	66.6	66.2	73.5	59.9	8.3	6.7	10.0
Filipino	77.1	80.9	74.6	73.5	76.8	71.3	4.6	5.0	4.4
South Asian <sup>3</sup>	68.3	76.5	60.7	63.5	72.7	55.0	7.1	5.0	9.4
Arab/ West Asian	66.3	74.0	57.7	60.7	68.8	51.7	8.4	7.0	10.4
Latin American	75.7	84.4	68.8	71.2	80.2	64.0	6.0	5.0	7.0
Black	73.6	78.4	67.9	68.8	73.5	63.1	6.5	6.3	6.9

<sup>1</sup> Not a visible minority: Includes respondents who reported 'Yes' to the Aboriginal identity question (Question 18) as well as respondents who were not considered to be members of a visible minority group.

<sup>2</sup> Southeast Asian: For example, 'Vietnamese', 'Cambodian', 'Malaysian', 'Laotian', etc.

<sup>3</sup> South Asian: For example, 'East Indian', 'Pakistani', 'Sri Lankan', etc.

Source: Source: SC (2008e).



**Appendix Table 15: Employment Indicators of Non-immigrants, Immigrants and Selected Visible Minority Groups in British Columbia 2001 (in%)**

	Participation rate			Employment rate			Unemployment rate		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Total non-immigrants	68.5	73.6	63.5	62.6	66.7	58.6	8.6	9.4	7.7
Total immigrants	58.6	64.7	53.0	53.7	59.5	48.5	8.2	7.9	8.6
Not a visible minority <sup>1</sup>	55.0	61.4	48.9	51.5	57.5	45.9	6.3	6.3	6.2
Total visible minorities	61.5	67.4	56.3	55.5	61.2	50.5	9.7	9.2	10.2
Chinese	53.5	58.7	48.9	48.5	53.3	44.2	9.4	9.3	9.5
Korean	53.9	59.1	49.3	48.2	53.2	43.8	10.6	9.9	11.3
Japanese	65.3	76.3	59.7	61.4	72.3	55.8	5.9	5.2	6.5
Southeast Asian <sup>2</sup>	66.2	72.7	60.3	57.9	64.1	52.3	12.5	11.8	13.3
Filipino	76.3	78.9	74.7	71.7	73.8	70.4	6.1	6.4	5.8
South Asian <sup>3</sup>	69.0	72.7	61.4	62.3	64.1	54.4	9.7	11.8	11.3
Arab/ West Asian	64.6	70.6	57.6	54.5	61.7	46.1	15.6	12.6	19.9
Latin American	70.7	79.7	62.8	62.2	70.8	54.4	12.2	11.1	13.3
Black	72.1	79.4	63.7	64.1	70.4	56.6	11.1	11.1	11.1

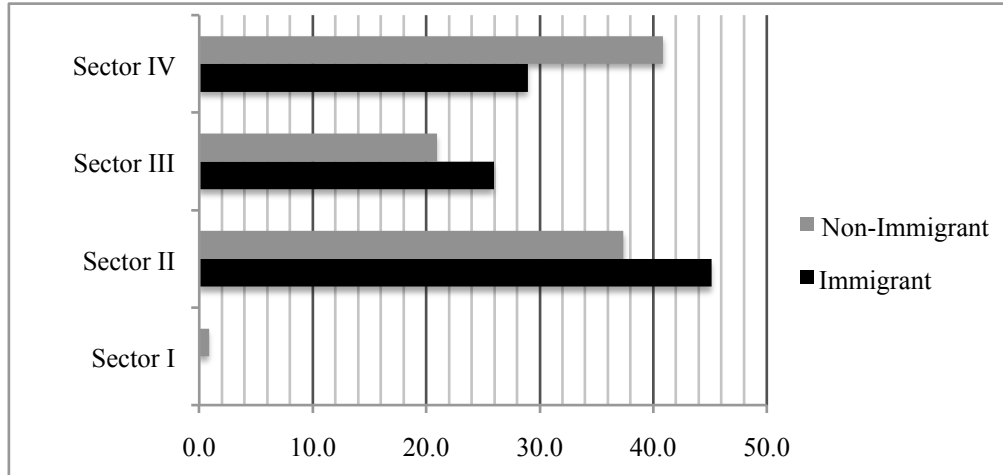
<sup>1</sup> Not a visible minority: Includes respondents who reported 'Yes' to the Aboriginal identity question (Question 18) as well as respondents who were not considered to be members of a visible minority group.

<sup>2</sup> Southeast Asian: For example, 'Vietnamese', 'Cambodian', 'Malaysian', 'Laotian', etc.

<sup>3</sup> South Asian: For example, 'East Indian', 'Pakistani', 'Sri Lankan', etc.

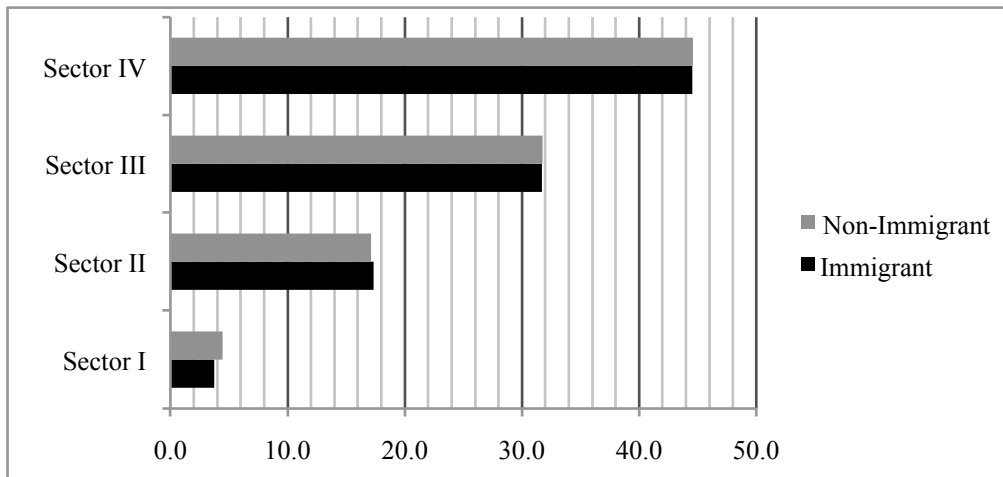
Source: Source: SC (2008e).

**Appendix Figure 3: Employment by Sector for Immigrants and Non-Immigrants in Bavaria 2001 (in %)**



Source: BLSD (2002b).

**Appendix Figure 4: Employment by Sector for Immigrants and Non-Immigrants in British Columbia 2001 (in%)**



Source: SC (2008d).

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