VARIATIONS IN SUCCESS OF SUBNATIONAL IMMIGRATION PROGRAMMES

EXPLAINING VARIATIONS IN SUCCESS OF SUBNATIONAL IMMIGRATION PROGRAMMES IN CANADA AND AUSTRALIA

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Abstract

The study explains variations in success of subnational immigration programmes in Canada and Australia. Under these programmes, subnational units have the right to select migrants to meet their regional economic and/or demographic needs.

This study defines success in three ways and uses different data sources and statistical analyses to answer the research questions for both Australia and Canada. First, it is about attracting immigrants to the regions that are not primary destinations for immigrants coming through federal programmes. The research shows that there have been changes in initial settlement patterns of immigrants across Canada and Australia after the introduction of regional immigration schemes. However, Canada was more successful in redistributing immigration flows. Furthermore, in Australia, economic factors played a more prominent role in attracting migrants and explaining variations among subnational units.

The second dimension is immigrant retention patterns. Attracting migrants does not automatically translate into their retention, especially considering possibilities of within-country migration. The study examined factors explaining variations in the retention rate of provincial nominees and skilled workers across Canadian provinces and confirmed the impact of negative economic trends on migrants' retention. In the case of Australia, immigrant retention was measured through migrants' intention to stay in the initial destination. The findings supported the rationale of regional immigration policies for targeting temporary migrants and reliance on sponsor-based streams.

Finally, the third dimension is immigrants' satisfaction with their settlement. The study confirmed that in both Canada and Australia factors from all broad groupings – economic factors, social integration factors, human capital factors, and area level factors – are associated with immigrants' satisfaction with their settlement and the change in satisfaction over time.

The study is the first to compare outcomes across Canadian and Australian subnational jurisdictions. Its findings should be of interest to policy-makers to inform their thinking on regional immigration policies.

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Chapter 1: Introduction

One of the recent trends in immigration policy is regionalization, which aims at shifting migration flows away from the most popular destinations to other regions to spread "the benefits of immigration" (CIC 2001). While immigration remains necessary for many developed countries facing low birth rates, stagnant or declining population, and labour and/or skills shortages, the general picture hides regional disparities within countries. Over the past few decades, migrants have tended to choose the largest cities. For example, in the mid-2000s, around 75% of recent immigrants to Canada reside in Toronto, Vancouver, and Montreal; 54% of newcomers to Australia choose Sydney and Melbourne; and 54% of immigrants in New Zealand settle in Auckland (Wulff et al. 2008: 120). Such a concentration of immigrants is considered to put too much pressure on the infrastructure and services of big cities. On the other hand, while some regions experience dynamic development due to their large cities, other regions have to deal with outmigration and do not receive a sufficient number of immigrants that could fill existing vacancies and potentially generate economic growth. In response, there are a variety of regionalization arrangements for immigration. Among them are subnational or municipal schemes to attract and retain migrants, additional points awarded to immigrants with employment offers outside major metropolitan centres or to those willing to reside outside such centres, community sponsorship programs, and so on (Wulff et al. 2008: 120-21).

The focus of this study is on subnational immigration programmes[1] as the most radical form of regionalization initiatives. Under these programmes, subnational units

[1] In this study, terms 'subnational immigration programmes', 'subnational immigration schemes', 'regional immigration programmes', 'regional immigration schemes' are used interchangeably.

(provinces, territories, states) have the right to select migrants to meet their regional demographic and/or economic needs. The rationale is that subnational authorities possess better knowledge of local conditions, and therefore they could be more successful than central governments in achieving regional development goals. With respect to national goals, subnational programmes would help achieve balanced population dispersion, promotion of economic development and reduction of economic disparities within the country.

Despite the potential to achieve both national and subnational goals, regional immigration programmes have not become a widespread phenomenon. Immigration is traditionally perceived as a sensitive policy area for nation-states and immigration decision-making is still predominantly centralized (Hawkins 1988; Schuck 2009). Canada and Australia are the only countries that introduced subnational immigration schemes. Together with the USA and New Zealand, Canada and Australia form a part of the group of settlement countries. Canada, Australia, and New Zealand have the most similar immigrant selection systems. Unlike them, the USA does not operate the point system of immigrant selection. In its turn, unlike Canada and Australia, New Zealand is not a federation therefore subnational programmes are not an option for this country. Instead, it experiments with local economic development agencies (Spoonley and Bedford 2008; Wulff 2008).

At the national level, Canada and Australia represent the most similar cases. Both are federations, traditional settlement countries with point-based immigration systems, unbalanced population dispersion and unequal economic development across the countries. They have similar national and subnational goals and compete for the same pool of migrants. However, within these similar systems, there are subnational

variations in the outcomes of subnational immigration programmes, as well as there are differences between the two countries. Including both Canada and Australia in the research gives 18 subnational units that are available for comparison. Cross-national comparison of subnational units was chosen as a strategy to improve generalizability of the findings.

Explaining the Introduction of Subnational Immigration Programmes

In Canada, the process of the devolution of powers in immigration was initiated by Québec. Initially, immigration was perceived as a threat to the francophone nature of Québec but negative demographic trends made the Québec provincial authorities pay more attention to the area of immigration policy. The Québec authorities were concerned that the point system for immigrant selection established in the 1960s to satisfy Canadian economic needs lacked any francophone-related provisions (Black and Hagen 1993). Since 1965, together with economic considerations, the Québec government started considering immigration "as a tool to strengthen the francophone nature of Québec society" (Vineberg 1987: 309). After coming to power in 1976, the Parti Québécois showed its determination to obtain more authority in immigration matters. The negotiations between the province and the federal authorities resulted in the Cullen-Couture Agreement of 1978 that stipulated that the federal government and Québec government would jointly participate in the selection of immigrants coming to Québec and that Québec would have a separate set of criteria for independent immigrants. However, it is in 1991 that Québec and Canada signed the accord that allowed the province to control the selection of independent immigrants and their settlement. Since then, the federal authorities can reject

immigrants selected by Québec only in case of threat to the national security or health (Black and Hagen 1993; Kostov 2008).

In Australia, the government of South Australia identified the problem of slow population growth as an obstacle to the economic development of the state and was the first to develop a population policy with immigration as a key element. Initially the state authorities had to work under Australia's Migration Program but the developments in South Australia prompted the devolution of immigrant selection. At the annual meeting in May 1996, Commonwealth, State and Territory Ministers for Immigration and Multicultural Affairs agreed to establish a working party on regional migration, i.e. the Commonwealth/State/Territory Working Party on Migration to Regional Australia and the Less Populated States and Territories (Parliament of the Commonwealth of Australia 2001: 3). Labour and skill shortages were considered a major constraint to economic growth of comparatively less developed regions, and it is the lobbyist efforts of the latter that led to the introduction of State-Specific and Regional Migration (SSRM) visa categories (Hugo 2008).

Thus, in both Canada and Australia, the decline or insufficient growth of population and labour/skill shortages in certain regions, such as Québec and South Australia, pushed subnational authorities for more active involvement in immigrant selection. In both countries, the demographic factor and labour shortages appear to be the most obvious causes of more pro-active immigration policy since immigration is a means to increase the population, especially the working population. Similar developments in Canada and Australia suggest that regional labour shortages that do not coincide with the perceived national needs are likely to generate pressures for the devolution of immigrant selection (Hawkins 1988; Hugo 2008).

According to this logic, the devolution of immigrant selection could have happened much earlier in Canada. Already in the 1960s, the Minister of Industry and Commerce of Manitoba pointed to the need of immigration for both national development and balanced regional growth and to the reality of an uneven distribution of immigrants between the provinces (Hawkins 1988). But it did not lead to any practical steps on the part of the provincial authorities. A potential explanation could be the absence of experienced provincial bureaucracy that could create pressure for the transfer of powers from the central government. In Québec, the situation was different. Already in 1975, the increased professionalization of the Québec Immigration Service staff and its willingness to extend the field of activity beyond just an informational role was one of the reasons for signing the federal-provincial agreement that allowed Québec officers to play advisory role when selecting immigrants intended for Québec (Vineberg 1987). One more explanation of why the devolution did not occur in the 1960s could be the unfavourable environment such as the centralizing tendency in the domain of immigration policy in the post-war Canada. This tendency was supported by the dominant philosophy of "the intelligent and responsible management of affairs from the centre", which was reinforced with such a prosaic reason as "the unwillingness to spend money on public relations and development" (Hawkins 1988: 179).

The push for devolution by Québec was successful because both provincial and federal interests came together. The provincial interest in obtaining powers over immigrant selection aligned with the interest of the federal government to consolidate the Canadian nation by granting Québec the right to select immigrants independently. In view of the threat to the country's unity coming from the Québec referendum, the

federal government was wiling to demonstrate a cooperative spirit (Black and Hagen 1993; Vineberg 1987).

Furthermore, Canada's federal authorities were interested in maintaining the federation as less asymmetrical as possible, thus, encouraging other provinces to get engaged in federal-provincial agreements. Several years after signing the Québec-Canada Accord, subnational immigration programmes became reality nationwide. While in the 1960s Manitoba only acknowledged its specific labour needs, it had the opportunity to address them in the second half of 1990s. In 1996, the Canada-Manitoba Immigration Agreement was signed, which allowed Manitoba to implement a pilot project to recruit sewing-machine operators (Seidle 2013). In 1998, the Provincial Nominee Programme was launched in Canada when Manitoba and Saskatchewan signed immigration agreements with the federal government. A year after, Newfoundland and New Brunswick signed similar agreements. British Columbia signed its immigration agreement with the federal authorities in 1998, but its provincial nominee programme was developed only in 2001. Initially, the immigration agreement dealt with immigrant settlement issues and granted British Columbia the autonomy in administering settlement services. Prince Edward Island and Yukon concluded their agreements in 2001. They were followed by Alberta and Nova Scotia in 2002. The last to join were Ontario in 2005 and Northwest Territories in 2009 (Baglay 2012). Nunavut is the only administrative part of Canada that does not have its own immigrant selection programme. Thus, subnational immigration programmes operate in all ten Canadian provinces and two out of three territories – Québec-Selected Skilled Workers in Québec and the Provincial Nominee Programme (PNP) in all the rest.

The introduction of Provincial Nominee Programmes in Canada and State-Specific and Regional Migration visa categories in Australia in the mid-late 1990s coincided with "the consolidation of neoliberalism in the mid-1990s" (Dobrowolsky 2011). With the end of the era of mass industrialism and Keynesianism, both Canada and Australia went through a series of neoliberal reforms, and the principle of market rationalism became dominant. The devolution of immigration policy was a continuation and reinforcement of the marketization trend (Dobrowolsky 2011; Walsh 2008). Central governments that embraced neoliberal ideology were willing to transfer powers over immigration policy to both subnational authorities and non-state actors, such as the market, the voluntary sector, and the family, to shift responsibility for immigration matters and cut expenditures (Dobrowolsky 2011).

Thus, potentially, several factors contributed to the introduction of subnational immigration programmes: negative demographic trends and labour/skill shortages in certain regions, nation-building and nation-preservation considerations, as well as the logic of neoliberalism.

Statement of the Problem

Subnational immigration programmes were introduced in Canada and Australia but have they had any impact? These programmes are only a couple of decades old but there is already some evidence that they may contribute to changing the immigration landscape of both Canada and Australia (Hugo 2008; Pandey and Townsend 2011). In Canada, the majority of economic immigrants continue to choose Vancouver, Toronto, and Montreal as their destinations. However, this number, which includes both economic immigrants arriving under the federal programme and those

under regional schemes, is decreasing – 80% in 2000, 75% in 2005 and 63% in 2009. Furthermore, initial settlement patterns of federal and regional migrants differ. In the period from 2005 to 2009, 95% of federal skilled workers chose to settle in Ontario, Alberta or British Columbia, while only 36% of regional stream migrants came to these three provinces (CIC 2011: 51-52).

Positive trends in regional settlement of migrants are also observed in Australia. The national share of immigrants coming to the New South Wales decreased from 41.2% in 1991-1996 to 34.1% in 2001-2006, which led to gains for other states. However, the share of Victoria, one more major migrants' destination, grew from 23.6% to 26.1%. Queensland, Western Australia, and South Australia also experienced an increase in the share of new arrivals from 15.1% to 18.5%, from 11.6% to 12.5% and from 4.5% to 5.7% correspondingly. Tasmania saw a small increase from 0.8% to 0.9%, while the share of the Northern Territory was steady at 0.7% and the share of the Australian Capital Territory decreased slightly from 1.6% to 1.5% (Hugo 2008: 137-8). The percentage of immigrants residing outside capital cities (that is, administrative centres of each state/territory in Australia) increased from about 9.5% in 1996 to almost 15% in 2010 (Phillips and Spinks 2012: 39).

Thus, there have been some changes in migrants' initial settlement patterns in Canada and Australia but outcomes vary across provinces, states, and territories. The province of Manitoba in Canada and the state of South Australia in Australia often serve as examples of relatively successful regional immigration programmes in terms of attracting larger numbers of migrants (Baglay 2012; Hugo 2008; Leo and August 2009; Pandey and Townsend 2010). Canada's Atlantic provinces can serve as less successful cases. Similar to the smallest states and territories in Australia, they attract

fewer economic migrants compared to other regions. Furthermore, only 22.9% and 36.6% of provincial nominees that arrived between 2000 and 2008 were still residing in 2008 in Newfoundland and Prince Edward Island correspondingly. Nova Scotia and New Brunswick did better with the retention rate of slightly above 68%. At the same time, more than 80% of nominees were retained in Manitoba and Saskatchewan. In Alberta and British Columbia, the retention rate was more than 95% (CIC 2011: 53-54). Furthermore, British Columbia, Alberta, and Ontario experienced net in-migration of provincial nominees, which raised concerns about integration of nominees initially selected by other provinces (CIC 2011). Since provincial nominees have the status of permanent residents, they have the freedom of settlement anywhere in Canada once they receive residency. Therefore, measures to restrict their movement would not be legal. In their turn, provinces losing their nominees fail to achieve their demographic and economic goals (CIC 2011).

Research Question

This study explains variations in the success of subnational immigration programmes in Canada and Australia. Why do some programmes succeed while others fail to deliver expected outcomes?

Indicators of Success

To answer the research question about variation in success of subnational immigration programmes, it is necessary to define success. For the purposes of this study, success is defined in three ways, which results in several research sub-questions.

1. Initial settlement patterns of immigrants

In the first place, subnational immigration initiatives are supposed to attract migrants to the regions that are not primary destinations for immigrants coming through federal programmes. Canada and Australia are ones of the most attractive countries for immigration. They receive a significant number of applications and migration flows are not likely to stop in the foreseeable future, especially considering the tough economic times the world is going through. For example, Canada faces a huge backlog of applications with the processing time taking up to 8-10 years (CIC News Release, March 26th 2013). Federal programmes attract migrants but are not able to solve the problem of their dispersal across the country. Therefore, subnational schemes can be considered successful if there is an increase in numbers of immigrants that go to the targeted areas rather than traditional destinations. In this regard, two research sub-questions should be addressed:

- Have there been changes in the patterns of initial settlement of migrants after the introduction of subnational immigration programmes?
- Do subnational immigration programmes account for the changes or there are other factors in place?

2. Migrants' retention in their initial destination

Initial settlement of migrants is not a sufficient indicator of success. It would be impossible for regions to achieve their demographic and economic goals if migrants come but do not stay in their intended destination. Therefore, not only attracting but also retaining migrants in their initial destination is essential for the regional immigration schemes to be considered successful. Even if the shift in initial

settlement patterns happens and traditionally less popular immigration destinations start attracting more migrants, this achievement could be undermined by further out-migration. Attracting migrants does not automatically translate into their retention, especially considering possibilities of within-country migration (Hugo 2008; Wulff and Dharmalingam 2008). Attracting migrants is the first stage of the process but it is migrants' retention that poses a more serious challenge to policymakers. It is easier to develop policies to attract migrants than to retain them. Provinces, states, and territories can attract more migrants when federal immigration criteria are more difficult to meet and/or the processing time of applications submitted through federal programmes is long. One more possibility is to reduce the intake of migrants under the federal stream and to channel migration through subnational programmes.

There are concerns that migrants use subnational programmes as a faster and/or easier way to enter the country and have no intention to stay in their intended destination (Leo and August 2009; Pandey and Townsend 2011). They can arrive through regional migration schemes and then leave for big cities like the majority of migrants coming through federal programmes do. While migrants benefit from the new options to enter the country and federal authorities can at least benefit from shifting the burden of processing immigrants' applications to the subnational level and (partially) solving the problem of backlog, subnational units, which are supposed to gain most from the introduction of these programmes, may end up being the main losers.

There is research showing that migrants do not abuse provincial nominee programmes in Canada (Pandey and Townsend 2011). At least, it does not happen at a large scale, and retention rates of migrants coming under nominee programmes are

even higher compared to those of federal economic class immigrants. The exception is the Atlantic provinces where retention rates are similar – and relatively low, i.e. around 62-63% – for both federal and regional migrants (Pandey and Townsend 2011: 507-8). However, the category of retained migrants in this research includes those who paid taxes in the province of initial settlement one year after arrival. Even though, in Canada, provincial nominees have the right of free movement within the country without any obligation to reside in the intended province, one year may not be long enough to draw conclusions about successful retention. The first one or two years are the time when immigrants adjust and decide where to live (Krahn et al. 2005). A migrant arriving already with a job offer is more likely to stay in the intended region at least for a while than to move somewhere else. In Australia, regional stream migrants are required to stay for two years in their initial destination before they can apply for permanent residence. The reasoning is that during the two-year period immigrants get established and develop both economic and social ties and therefore are more likely to be retained.

Immigrant retention is usually measured and reported as a percentage of immigrants who stayed in a particular province/state/territory. For the purposes of this study, immigrant retention is also measured through the intention of an immigrant to stay in the initial destination. This measure not only takes into account the provincial/state/territorial interest in retaining immigrants but also migrants' interest. From the perspective of immigrants, the intention to stay is likely to reflect their relative satisfaction with the immigration process or their perception that this is their best option and they cannot do better anywhere else.

Migrants' retention is an important dimension of the success of subnational immigration programmes because if migrants do not stay in their intended destination, they will not contribute to the regional economy, nor will they help improve regional demographic trends. The insight into the factors that account for migrants' retention would help inform regional immigration policies in terms of developing policy measures to deal with potential out-migration. Thus, this study addresses two research sub-questions:

- What accounts for subnational variations in the retention rate of migrants?
- What explains migrants' intention to move or stay in their destination?

3. Immigrants' satisfaction with their settlement experience

Examining factors that account for migrants' intention to move or stay in their destination would be one step into the direction proposed by Nathaniel M. Lewis (2010) in his critical analysis of the Manitoba provincial nominee programme. The researcher advocates for shifting focus from such "generalized demographic and economic indicators" as, for example, the number of attracted migrants and their employment rate, to migrants' settlement experience. Lewis warns against one dimensional measures of success. According to the researcher, "success should be measured by whether the entire process – which includes transparency of information, cost and ease of settlement, availability of housing, and access to services – is "highly satisfactory" to all parties involved" (Lewis 2010: 257).

Similar to the intention to stay or leave, immigrants' satisfaction with their settlement experience is one more indicator that could inform regional immigration

policies and make them more successful. While immigrants' satisfaction with their settlement is an important indicator in itself, there is also some empirical support for the link between immigrants' satisfaction with their settlement and their retention (Massey and Redstone Akresh 2006). Understanding what accounts for migrants' satisfaction with their settlement experience would be useful for designing better integration policies to increase the likelihood of migrants' retention in their initial destination. Therefore, the following research sub-question should be addressed:

- What accounts for immigrants' satisfaction with their settlement?

Research Design and Methodological Considerations

My study consists of five chapters, i.e. Introduction, three empirical chapters and Conclusion. Each empirical chapter is devoted to each of the three sets of outcomes explained above and uses different data sources and statistical analyses to answer the research questions for both Australia and Canada (Table 1.1).

TABLE 1.1. **Outline of Chapters**

Canada	Australia
Chapter 2. Explaining Variations in Initial Settlement Patterns of Immigrants	
i. Design of subnational immigration programmes. ii. Changes in initial settlement patterns after the introduction of subnational immigration programmes. iii. Factors explaining changes in initial settlement patterns. *Method:* Descriptive statistics *Data source:* Permanent Resident Data System	i. Design of subnational immigration programmes. ii. Changes in initial settlement patterns after the introduction of subnational immigration programmes. iii. Factors explaining changes in initial settlement patterns. *Method:* Analysis of time-series cross-section data *Data source:* Official statistics reports on settler arrivals and on population flows

Chapter 3: Explaining Variations in Immigrants' Retention	
Explaining Variations in the Retention Rate of Skilled Workers and Provincial Nominees in Canada *Method:* Analysis of time-series cross-section data *Data source:* Longitudinal Immigration Database, Canadian Socioeconomic Information Management System, and Canada Censuses	Explaining migrants' decision to move or stay in their destination in Australia *Method:* Multinomial logistic regression *Data source:* Longitudinal Survey of Immigrants to Australia 3, Wave 1
Chapter 4: Explaining Variations in Immigrants' Satisfaction with Their Settlement Experience	
Explaining Variations in Immigrants' Satisfaction with Their Settlement in Canada *Method:* Multilevel linear regression *Data source:* Longitudinal Survey of Immigrants to Canada, Wave1, and Canada Census Profile 2001	Explaining Change in Immigrants' Satisfaction with Their Settlement Experience in Australia *Method:* Multinomial logistic regression *Data source:* Longitudinal Survey of Immigrants to Australia 2, Waves 1 and 2

My research falls into the category of quantitative comparative studies. The area of subnational immigration programmes has been relatively under-researched even when considering case-specific studies, let alone cross-unit comparisons of both Canada and Australia. Subnational immigration programmes differ because regions face different challenges. For example, while Saint John (New Brunswick) and Winnipeg (Manitoba) aim at attracting immigrants, Vancouver (British Columbia) has to search for efficient ways to settle large numbers of immigrants (Leo and August 2009; Leo and Enns 2009). Such studies highlight the unique nature of each case and warn against generalizations. The value of qualitative studies, such as analysis of Manitoba or South Australia cases, is not underestimated. Available qualitative research is indispensable to specify statistical models. They help inform selection of variables and specification of relationships among them (Collier et al. 2010: 508).

Case studies can indirectly contribute to "the establishment of general propositions and thus to theory-building" (Lijphart 1971: 691).

Both qualitative and quantitative comparisons have methodological advantages. Qualitative or small-N research tends to develop "thick" concepts and theories and to focus on the complex causal relationships. On the other hand, quantitative or large-N comparisons are necessary for generalization of conclusions (Coppedge 1999). Respective strengths of quantitative and qualitative methods can be combined to avoid thin generalizations and thick but small-scale causation (Coppedge 1999; Brady et al. 2006). Considering the nature and timeline of the PhD project, a sophisticated mixed-method approach was not feasible at this stage of the research. Nevertheless, the attempt to conduct a large-N comparison and uncover some general patterns not only would help improve generalizability of the findings from existing qualitative research but also present new avenues for further in-depth examination of cases.

Limitations

First, a limitation regarding subnational units selected for the analysis should be mentioned. All of the Australian states and territories, as well as Canadian provinces are included in this study. Two Canadian territories, namely Yukon and Northwest Territories, which also operate nominee programmes, were excluded due to data limitations.

Second, this study focuses only on migrants who are permanent residents or on the path to obtain permanent residency like regional migrants coming under provisional visas to Australia. The recruitment of permanent residents is a distinctive

feature of settler societies such as Canada and Australia. Permanent residents are perceived as future citizens, that is, members of the political community, and not just as a means to address current labour shortages. Therefore, the status of a permanent resident is qualitatively different from the status of a temporary migrant. Temporary migrants, such as temporary workers and international students, can transition to the permanent residency and they do it under federal and regional programmes. Those who transitioned and obtained the permanent resident status are included in the data used in my study.

Third, the ability to fully answer the research questions was dependent on the availability of relevant and comparable data in Canada and Australia. The unavailability of certain data made the intended comparisons a challenge and resulted in some compromises. For, example, the chapter "Explaining variations in initial settlement patterns of immigrants" aims to answer the questions about changes in these patterns and potential factors that account for such changes. In case of Canada, the numbers of both federal and regional immigrants for each province were found and these numbers included all migrants who obtained the permanent resident status. The data made it possible to examine the overall pattern of federal skilled workers and regional migrants together, as well as the pattern of regional migrants separately. While the Canadian data includes immigrants who received their permanent residency visas both onshore and offshore, the Australian data on economic class migrants include only offshore migrants. The assumption of this study, backed by the existing research (Hugo 2008: 136-7), is that initial settlement patterns of onshore migrants in Australia do not differ drastically from patterns of offshore migrants. Still this limitation is worth acknowledging. Furthermore, while the Australian data on all

economic migrants (i.e. both federal and regional) include only the numbers of offshore migrants, the available data on Australian regional migrants include both offshore and onshore numbers. This prevented me from examining which Australian states and territories use regional immigration schemes more intensively, while it was done in the Canadian case.

The chapter "Explaining Variations in the Retention Rate" aims to find out what factors account for variations in the retention rate of migrants and what factors account for immigrants' intention to stay or leave their destination. While the Canadian data made it possible to examine retention rates of both federal skilled workers and provincial nominees, analogous analysis of the Australian case was not possible because the data on migrants' retention rates was not available. The Settlement Database of the Department of Immigration and Citizenship of Australia, which includes all immigrants landed in Australia since 1991, regularly updates information on migrants' location and indicates in which state or territory migrants currently reside but it does not keep the record of migrants' initial destination in Australia. Therefore, it is not possible to track migrants' movements. Instead, the analysis of individual level survey data was chosen for the Australian case due to access to all three longitudinal surveys of immigrants to Australia. One of the surveys included a question about immigrants' intention to stay or leave. While it was not possible to single out a category of regional migrants due to a very small number of such respondents in the survey, the findings regarding the overall category of economic class migrants can be applied to regional migrants who are also economic class, though the specific nature of regional migrants should be taken into consideration.

The same considerations are also true for the chapter "Explaining Variations in Immigrants' Satisfaction with Their Settlement Experience". It was not possible to single out regional migrants because their numbers were too small in both Canadian and Australian data sets. One more challenge was the lack of sufficient variation among respondents' assessment of their life satisfaction in the Australian survey. This prevented me from conducting a cross-sectional analysis, which was the case with the Canadian data. Therefore, a longitudinal analysis of the Australian data was conducted with the focus on the change of immigrants' satisfaction with their settlement experience. Even though the comparison of Canadian and Australian cases in this chapter was not perfect, the longitudinal analysis helped uncover one more dimension, namely the change over time, in the study of factors associated with immigrants' satisfaction with their experience.

The analysis of migrants' retention and their satisfaction with settlement was not strictly comparable between the Canadian and Australian cases; however, it was complimentary. Examining the issue of retention from two different angles not only provided a broader understanding of macro and micro factors that account for variations in retention rate but also produced some similar findings. With regard to migrants' satisfaction, some explanatory factors turned out to be significant in both cross-sectional and longitudinal analysis. Therefore, some factors stood the test of time, data level, and different context (Canada and Australia). This also justifies the approach of cross-national comparison as an effective research strategy to produce more solid findings.

Chapter 2. Explaining Variations in Initial Settlement Patterns of Immigrants

Introduction

The objective of this chapter is to find out whether there have been significant changes in initial settlement patterns of immigrants across Canada and Australia after the introduction of subnational immigration programmes, and if so, whether these relatively recent initiatives account for the changes or there are also other factors in place. In both Canada and Australia, immigrants coming under the federal immigration programmes tend to settle in the largest cities, such as Toronto (Ontario), Vancouver (British Columbia) and Montreal (Québec) in Canada, and Sydney (New South Wales) and Melbourne (Victoria) in Australia (Wulff et al. 2008). Subnational immigration programmes aim to attract immigrants to the regions that are not primary destinations for those coming under federal immigration programmes (Hugo 2008; Cameron 2011; Lewis 2010; Pandey and Townsend 2011).

There is already some evidence pointing to changes in initial settlement patterns in Canada and Australia. In both countries, the share of traditionally popular destinations in the total national intake of migrants tend to decline (CIC 2011: 51-52; Hugo 2008: 137-8). There is also research confirming that it is the introduction of subnational immigration programmes in Canada that is more likely to account for the increase in immigration to certain provinces when controlled for economic factors and the size of immigrant population (Pandey and Townsend 2011). It is reported that regional immigration programmes helped increase the number of migrants' arrivals to Manitoba, New Brunswick, and Prince Edward Island and prevented the decline in immigration flows to Saskatchewan (Pandey and Townsend 2011).

This chapter begins with the analysis of the Canadian case, and, then, the Australian case is examined. In both cases, first, the design of subnational immigration programmes is discussed. Second, I attempt to find out whether changes in initial settlement patterns of immigrants took place and identify Canadian provinces and Australian states/territories that succeeded in attracting economic migrants. Next, reasons behind the changes are analyzed. The concluding part compares the Canadian and Australian cases.

Evaluating the effectiveness for initial settlement of subnational immigration programmes in Canada

The effectiveness of subnational immigration programmes to diversify the settlement patterns of immigrants in Canada is analyzed in several steps. First, the design of subnational immigration programmes is discussed to find out typical uses of regional immigration programs by the provinces. Then, I identify whether there have been changes in initial settlement patterns of immigrants across Canada and which provinces succeeded in achieving their goals. Finally, reasons behind the uncovered developments are examined.

The Permanent Resident Data System (PRDS) was used for the analysis. This data system includes all immigrants landed in Canada in the period of 1980-2010 (both principal applicants and spouses and dependents). It provides numbers of both provincial nominees and federal economic class and indicates initial destinations of migrants. There is no public use of this dataset, but the data is made available in the tables of the report by Citizenship and Immigration Canada (CIC 2012b). The data on all other indicators used in this chapter were taken from Statistics Canada's CANSIM

tables (Canadian Socioeconomic Information Management System, Statistics Canada).

Design of subnational immigration programmes in Canada

TABLE 2.1. **Goals of subnational immigration programmes, as stated in the provincial agreements with Canada**

GOALS	NL	PEI	NS	NB	QC	ON	MB	SK	AB	BC
Economic	x	x	x	x	x	x	x	x	x	x
Minority official language	x	x	x	x		x	x	x	x	x
Demographic					x		x			
Gender equity	x									

Between 1991 and 2005, all Canadian provinces introduced regional immigration programmes to serve their economic needs as the main goal. At the same time, they are also motivated by other considerations. With the exception of Québec, provinces indicate the development of minority official language communities as one of the goals. Québec specifically targets French-speaking migrants. Proficiency in French is at the heart of the Québec immigration programme. The push for the involvement of the Québec authorities in the immigrant selection process was the introduction of the point system for immigrant selection in the 1960s to satisfy Canada's economic needs. The lack of any Francophone-related provisions was a matter of concern for Québec (Black and Hagen 1993). While initially immigration was perceived as a threat to the francophone nature of Québec, negative demographic trends made the provincial authorities change their position and in the diametrically opposite way. Since 1965, immigration started being perceived as a means to strengthen the Francophone nature of Québec. The assumption was that the integration of non-North American immigrants into the Francophone majority would be easier,

compared to the English-speaking Canadian-born population residing in Québec (Vineberg 1987). Since the pool of Francophone migrants is not big enough, Québec also accepts applications from migrants who are not French native speakers but they need to demonstrate certain level of proficiency in French.

Officially bilingual, New Brunswick is interested in the development of both the Francophone and Anglophone communities, as specified in their nominee agreement (Canada-New Brunswick Agreement on Provincial Nominees, January 2005). The rest of the Canadian provinces imply Francophone communities under the term of minority official language communities. While references to the development of these communities may only reflect the bilingual nature of Canada and this goal may be only nominal, there may be some genuine intention at least in some provinces to achieve such a goal. For example, Manitoba has an active Francophone community and Ontario has the largest French-speaking community outside of Québec (Franco-Ontarians). Alberta and British Columbia prioritize economic needs and, thus, highlight economic dimension when referring to minority official language communities. Immigration agreements of British Columbia and Alberta put emphasis on the role of immigration in economic development of minority communities (Agreement for Canada-Alberta Cooperation on Immigration, May 2007; Canada-British Columbia Immigration Agreement, April 2010).

Some provinces have specific demographic concerns and aim at achieving demographic growth through migration. Immigration programmes of Québec and Manitoba explicitly state the objective of receiving the share of immigrants that is equal ("at least proportional" in Manitoba) to their percentage of the Canadian population (Canada–Québec Accord, February 1991; Canada-Manitoba Immigration

Agreement, June 2003). Québec's agreement also includes the right to exceed its share by five percent of the Canadian annual immigration level specifically for demographic reasons (Canada–Québec Accord, February 1991). Manitoba aims at achieving both economic and demographic growth, which explains its more aggressive immigration policy. When obtaining powers over immigrant selection, Manitoba provincial authorities started experimenting with multiple streams. Introduction of community and family-related immigration streams under provincial nominee programmes is supposed to serve the demographic goal (Golebiowska 2008). Such non-economic streams were also introduced in the Atlantic region. Even though Atlantic provinces do not explicitly state their demographic goals in immigration agreements, they experience out-migration of their population and immigration could potentially address the negative demographic trend. Saskatchewan also used to operate non-economic streams. In their turn, Ontario, British Columbia and Alberta attract large numbers of both international and interprovincial migrants and they do not have demographic concerns.

Sometimes, provincial immigration goals can be very specific. Gender equity is one of the objectives of the nominee programme of Newfoundland and Labrador (Canada-Newfoundland and Labrador Agreement on Provincial Nominees, December 2006). According to the provincial agreement (Para 5.2), improving the status of women may serve as the basis for nomination. The province is also committed to producing promotional materials of its nominee programme that positively portray women, particularly in the fields where they have been traditionally under-represented, such as "leadership, trades, engineering and technology" (Para 4.2a).

Differences between provinces lead to differences in the design of provincial immigration programmes. The programmes include multiple immigration streams, which often undergo changes so it is not easy to keep track of them. Table 2.2 represents an attempt to classify them using the information from the official websites of provincial nominee programmes and Québec immigration programme.[2]

TABLE 2.2. **Mapping immigration streams (as of January 10, 2014)**

STREAMS	**NL**	**PEI**	**NS**	**NB**	**QC**	**ON**	**MB**	**SK**	**AB**	**BC**
Skilled Worker	x	x	x	x	x	x	x	x	x	x
Semi-skilled Worker	x	x	x	x	Only skill level C		x	2008-x	x	x
International Graduate	x		Closed			x	x	x	x	x
International Post-Graduate						x				x
International Graduate Retention Incentive Program	December 21, 2010 - closed as of April 1, 2013									
Family Connections/ Support	Cancelled as of May 1, 2012			x						
Family Business Worker			x							
Community Stream			x							
Province Connection							x			
Entrepreneur/ Business/ Investors	Under revision	x	Closed in 2006	x	x	x	x	Under review		x

[2] Newfoundland and Labrador: http://www.nlpnp.ca;
PEI: http://www.gov.pe.ca/immigration/index.php3?number=1014385;
Nova Scotia: http://novascotiaimmigration.com; New Brunswick: http://www.welcomenb.ca/content/wel-bien/en/immigrating_and_settling/how_to_immigrate/new_brunswick_provincialnomineeprogram.html ; Québec: http://www.immigration-quebec.gouv.qc.ca/EN/immigrate-settle/index.html;
Ontario: http://www.ontarioimmigration.ca/OI/en/pnp/index.htm;
Manitoba: http://www.immigratemanitoba.com; Saskatchewan: http://www.saskimmigrationcanada.ca;
Alberta: http://www.albertacanada.com/opportunity/immigrating/ainp.aspx;
British Columbia: http://www.welcomebc.ca/Immigrate/About-the-BC-PNP.aspx

Farmer Stream		Announced in October 2010 - closed as of February 15, 2013	x	x	x	x

Skilled Worker

All provinces accept immigrants under the skilled worker stream. The term 'skilled' covers managerial occupations (skill level O), professional (A) and technical and trade occupations (B). To qualify, an applicant, as a rule, is required to have a job offer from the provincial employer so it is largely an employer-driven stream. Some provinces allow the entry without a job offer. Under the Québec skilled worker stream, a job offer is not mandatory though an applicant can get additional points if s/he has it. Such approach can be explained by the presence of both economic and demographic considerations and the emphasis on the knowledge of French as the main factor of integration into the Québec society. Saskatchewan also accepts applications from skilled workers without a job offer but on a very limited scale. The field of education or training must be in demand in the province. Only 250 out of 7,175 admissions (3.5% of the overall intake) were allocated for the applications without a job offer in 2014 and the threshold had been already reached as of January 10, 2014 (Saskatchewan Immigration, SINP Application Intake Thresholds). The Skilled Worker stream can be used by temporary immigrants already working in a province to transition to the permanent residency. For example, Saskatchewan has introduced Existing Work Permit Sub-Category under Saskatchewan Experience Category for those who have been working in Saskatchewan for at least six months.

Some provinces have introduced streams to target very specific sets of skills. Alberta has Engineering Occupations Category under the Strategic Recruitment

Stream for professionals such as engineers, designers or drafters who reside in Alberta and either currently work or have worked within the last two years in Alberta or on contract for an Albertan employer. British Columbia and Saskatchewan target health care professionals (physicians, nurses, and other health care workers). To qualify under BC 'Health Care Professionals', nominees are required either to have a job offer from or be sponsored by a public health authority. In Saskatchewan, Health Profession Sub-Category is one of the streams under Saskatchewan Experience Category. It differs from BC in a way that it accepts application from health professionals who have been working in Saskatchewan for at least six months.

Semi-Skilled Worker

Until January 2013 when the Federal Skilled Trades Programme was launched (CIC, Fact Sheet – Federal Skilled Trades Program), Canada's federal immigration system had favoured the selection of skilled migrants with university degrees. There had been a mismatch between the profile targeted by the federal programme and regional demands. For example, in 1996, two years before the launch of the nominee programme, Manitoba and the federal government signed the Canada-Manitoba Immigration Agreement, which allowed Manitoba to implement a pilot project to recruit sewing-machine operators (Seidle 2013). With the introduction of nominee programmes, provinces could target immigrants with vocational training.

The category of semi-skilled workers is used in a broad sense here and includes both semi-skilled (skill level C) and low-skilled (D) occupations. Skill level C includes occupations that require high school education and/or job-specific training (e.g. long-haul truck drivers, food and beverage servers), while skill level D includes occupations that require on-the-job training (e.g. cleaning staff and oil field workers)

(CIC, What is NOC?). This stream is open only to temporary migrants already working in a province. All provinces with the exception of Ontario operate this stream. Québec accepts applications only from semi-skilled workers (Golebiowska 2008: 11). The most common requirement of the minimum length of employment is six months (PEI, Nova Scotia, Saskatchewan, and Alberta). British Columbia requires at least nine consecutive months of work experience with a BC employer before applying. New Brunswick requires at least one year of work experience with the same New Brunswick employer prior to submitting an application (New Brunswick PNP, Guide for Skilled Worker Applicants With Employer Support). Newfoundland and Labrador does not specify the period of employment.

Some provinces have introduced this stream on a pilot basis. For example, Prince Edward Island accepts semi- and low-skilled workers under the Critical Worker Stream. It is a pilot program, which targets temporary workers in five occupations: truck drivers, customer service representatives, labourers, food and beverage servers and housekeeping attendants. In Alberta, the Employer-Driven Stream includes Semi-Skilled Worker (Food and Beverage Processing, Hotel and Lodging, Manufacturing, Long-Haul Trucking Industry, and Foodservice Industry – pilot project) (Alberta Immigrant Nominee Programme). Saskatchewan Experience Category includes Hospitality Sector Pilot Project Sub-Category and Long Haul Truck Driver Sub-Category. In April 2012, British Columbia introduced a two-year Northeast Pilot Project to fill vacancies in the growing energy sector in the Northeast Development Region.

The transition of low-skilled migrants from the temporary worker status to permanent residency through nominee programmes raises concerns of deskilling

Canada's immigration pool (Golebiowska 2008; Seidle 2013). In terms of immigration policy objectives, Canada is positioned as the country competing globally for migrants with high human capital, for the most talented and brightest, even if in reality such immigrants may end up being underemployed and their potential being underutilized in the Canadian economy.

International Graduate

Most of the provinces introduced the International Graduate stream for recent graduates from Canadian post-secondary institutions. As a rule, a job offer in a managerial, professional, technical or trade occupation is required (skill level O, A, B, and C). For example, in Alberta, low-skilled level occupations are not eligible. In British Columbia, if a graduate has a job offer in a semi- or low-skilled occupation, a structured plan from the employer is required to show how the employee will move to a skilled-level position.

Graduating from a post-secondary institution in the province of application under the provincial nominee programme can bring some advantages. In Manitoba, graduation from a Manitoba post-secondary school is considered as a proof of connection to the province. However, at least six months of work with a Manitoba employer and a job offer from this employer are still required. Under Saskatchewan Experience Category, Student Sub-Category established a shorter term of work experience in Saskatchewan for graduates from Saskatchewan institutions.

International Post-Graduate

Ontario and British Columbia specifically target recent graduates with advanced university degrees. These applicants do not need a job offer to apply. Ontario runs two streams for graduates from Ontario universities: PhD Graduate

Stream and Pilot Masters Graduate Stream. British Columbia limited the eligibility to graduates from BC universities with a master's or doctoral degree in the natural, applied or health sciences.

International Graduate Retention Incentive Program

Newfoundland and Labrador launched this programme in December 21, 2010 as an incentive to keep international graduates in the province. Such graduates could receive a one-time payment from $1,000 to $2,500 based on the length of their studies in the province (Government of Newfoundland and Labrador, News Release, December 21st 2010). However, applications are no longer accepted as of April 1, 2013.

Family Connections/Support

This stream is called Family Connections in Newfoundland and Labrador and Skilled Worker with Family Support in New Brunswick. A close relative of the family supporter is a non-dependent child, brother, sister, niece, nephew or grandchild. In New Brunswick, to be a supporter, one should have been operating a business in the province for at least 12 consecutive months or have been working in New Brunswick for at least 12 consecutive months (low-skilled occupations are excluded) (New Brunswick PNP, Guide for Skilled Worker Applicants With Family Support).

Family Business Worker

Nova Scotia restricted acceptance through the family-related stream to family business. Close relatives with the work experience and required skills for positions can be hired but low-skilled occupations are excluded (Nova Scotia NP, Family Business Worker).

Community Stream

Nova Scotia runs the Community Identified stream targeting those with strong connections to a Nova Scotia community. Among them are close family relations in the community; resided in the community for extended periods in the past; business connections and activities in the community; significant community connections (Nova Scotia NP, Community Identified Stream Application Guide). Applicants must be skilled workers. Semi-skilled workers may be considered and they need to have a six-month work experience with the Nova Scotia employer supporting the application. Low-skilled workers are not eligible.

Connection Stream

Manitoba focuses on such a criterion as a strong connection to the province to increase chances of retention of its nominees. When evaluating applications from overseas, a connection to Manitoba is a crucial factor. Application will be rejected without a proof of a strong connection to the province (a close or distant relative or a friend living in Manitoba and who could endorse the Settlement Plan, a letter of invitation to apply after being interviewed as part of an MPNP recruitment mission or exploratory visit).

Business Immigration

All provinces have business stream under their immigration programmes. Several provinces have introduced the Farmer Stream: Nova Scotia – the Agri-Food Sector Pilot Stream 2010-2013; the Farm Strategic Recruitment Initiative as part of Manitoba Provincial Nominee Program for Business; Farm Category in Saskatchewan and Self-Employed Farmer Stream in Alberta.

All in all, the eclectic and fluid nature of regional immigration programmes does not hide the divide between the provinces experiencing the need in increasing migrants' arrivals and those without such need. Ontario and British Columbia benefit from migrants' arrivals through the federal skilled migrant programme, as well as from the interprovincial migration. Consequently, their provincial nominee programmes are comparatively more selective. Ontario focuses only on skilled workers and is the only province without a semi-skilled stream. British Columbia does not run a very comprehensive programme either. It introduced several very specific streams.

Smaller provinces – the Central Prairies and the Atlantic region – have been less popular migrants' destinations. They have to think about both attracting and retaining migrants when developing provincial immigration schemes. Therefore, these provinces introduced family- and community-connection streams. Such streams aim to bring qualified workers who have some attachment to the province. Supposedly, this would increase the likelihood of migrants' retention.

Similar to smaller provinces, Québec and Alberta are also interested in increasing migrants' arrivals. Notwithstanding Montreal is a popular immigration destination, Québec is motivated by demographic considerations, unlike Ontario and BC. Alberta has a pragmatic approach. Alberta's growing economy experiences labour shortages and immigration serves as a way to bring labour force in the province.

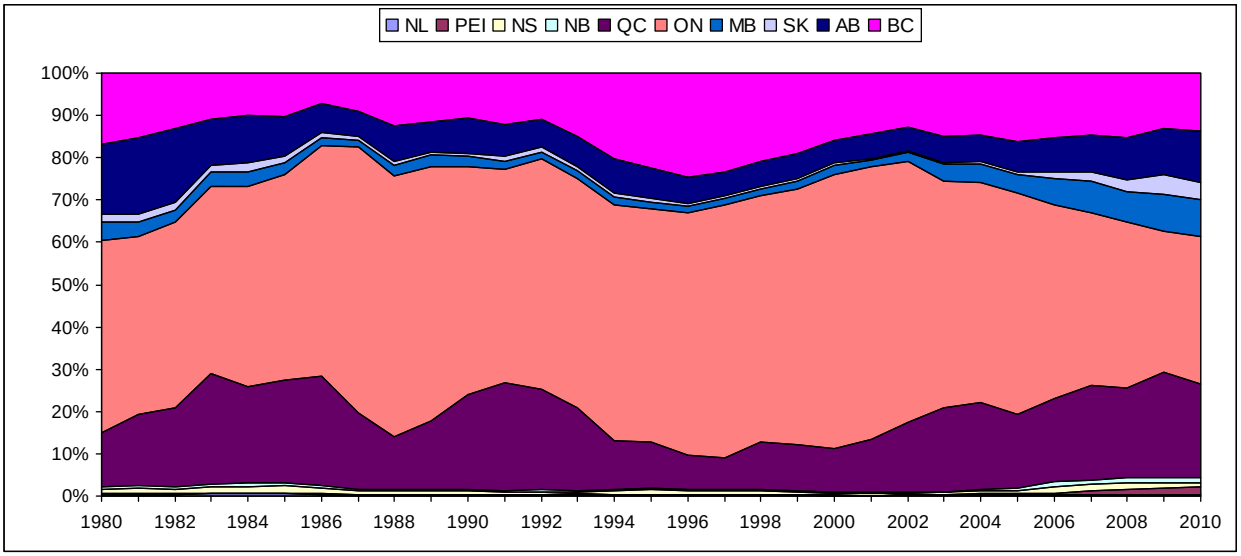
Have there been changes in initial settlement patterns of immigrants across Canada?

Regional immigration initiatives are supposed to achieve redistribution of migrants away from the traditionally most popular destinations to other parts of Canada. Therefore, first of all, the relative distribution of migrants across different provinces was looked at to examine whether there had been changes in the share of the most popular immigrant destinations in Canada's overall intake of skilled workers and provincial nominees (for simplicity, the term of economic migrants was used for these two categories). If the relative share of the most attractive provinces decreased after the launch of regional immigration schemes and the share of other provinces went up, this could be considered as an indicator of successful redistribution of migrants across Canada.

Figure 2.1 shows the share of each province in the overall intake of skilled workers and provincial nominees in Canada throughout the period of 1980-2010. Since shares of the smallest provinces cannot be seen clearly in Figure 2.1, additional Figures 2.2a, 2.2b and 2.2c were created to give a closer look at the trends.

By the end of 2000s, the pattern of distribution of economic migrants across Canada had changed. While such traditional immigrant destinations as Ontario, British Columbia, and Quebec continued to attract the majority of migrants, there was a trend of increasing shares of both the Prairies and, to a smaller degree, the Atlantic provinces in Canada's migrants' intake. Throughout 2000s, the shares of British Columbia and especially Ontario were declining, while the rest of provinces experienced gains. Even though the shares of Québec, Saskatchewan, New Brunswick and Newfoundland did not rise right after the launch of their immigration programmes, the growth happened in these provinces in the early 2000s, and it is in the early 2000s when the share of Ontario started declining sharply.

FIGURE 2.1. **The share of each province in Canada's overall intake of skilled workers and provincial nominees (%)**

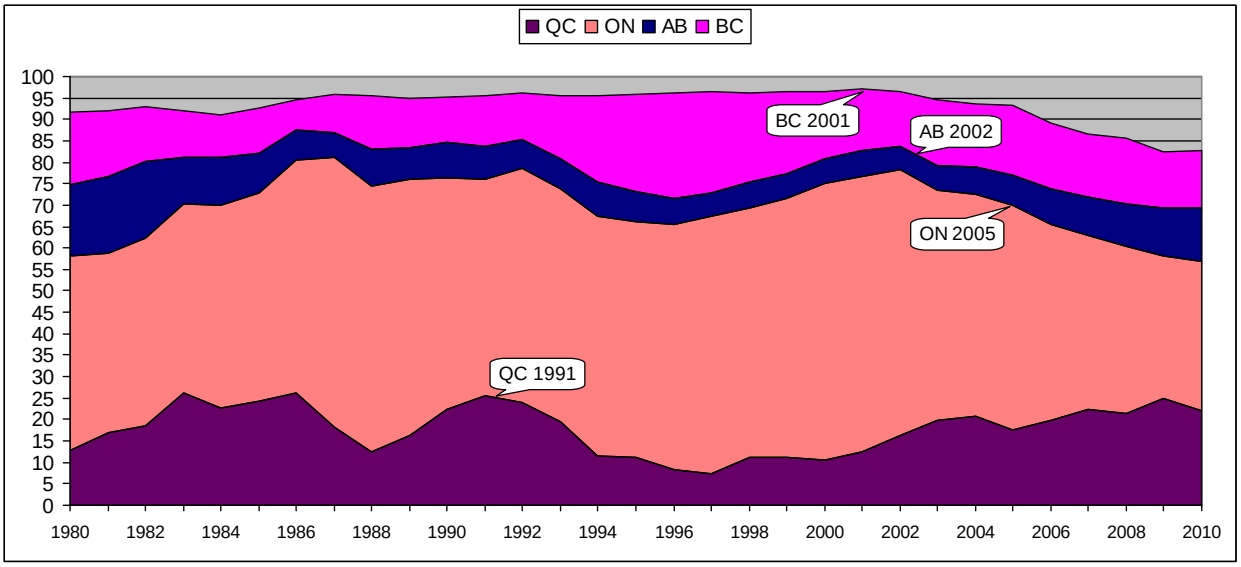


Source: Compiled by author, with data from the Permanent Resident Data System (PRDS)

In the late 2000s, the share of Ontario was visibly at its lowest, while the shares of Manitoba and Saskatchewan were at the peak. Alberta also increased its share but did not reach the level of the early 1980s. Québec had gradually increased its share since mid-1990s, while the share of BC was shrinking.

Figures 2a, 2b and 2c give more details about the changes in the shares of Canadian provinces throughout the period of 1980-2010. Notes indicate the year when provinces signed their first agreements on regional immigration programme.

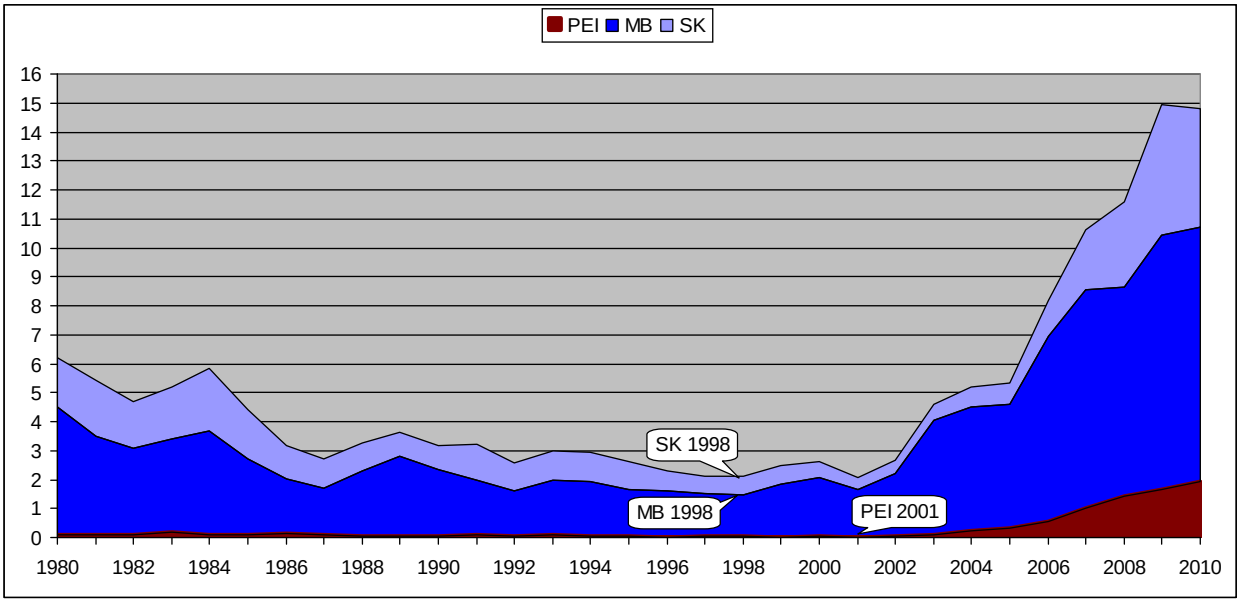
FIGURE 2.2a. **The share of Ontario, Québec, British Columbia, and Alberta in Canada's overall intake of skilled workers and provincial nominees (%)**



Source: Compiled by author, with data from the Permanent Resident Data System (PRDS)

Even though Ontario continued to receive the largest proportion of immigrants, the share of this province decreased from the peak of 65% of Canada's overall intake of economic migrants in the early 2000s to 35% in 2010. While in the 1990s British Columbia accounted for larger percentage of migrants than Québec, since the early 2000s Québec regained its status as the second most popular destination for migrants in Canada. The launch of nominee programmes in Ontario and BC did not reverse the trend of decreasing shares of these provinces but this is not of any concern to them. The nominee programmes of these two traditionally popular immigration destinations do not have demographic goals. Therefore, they do not aim to attract larger numbers of immigrants. Instead, Ontario and BC target quite specific categories of migrants. Demographic considerations played the role in the case of Québec. However, obtaining full authority over migrants' selection in 1991 did not result in the immediate increase of the provincial share. The share of Québec started growing since the late 1990s. In its turn, Alberta experienced a gradual rise of its share after the launch of the nominee programme.

FIGURE 2.2b. **The share of Manitoba, Saskatchewan, and PEI in Canada's overall intake of skilled workers and provincial nominees (%)**

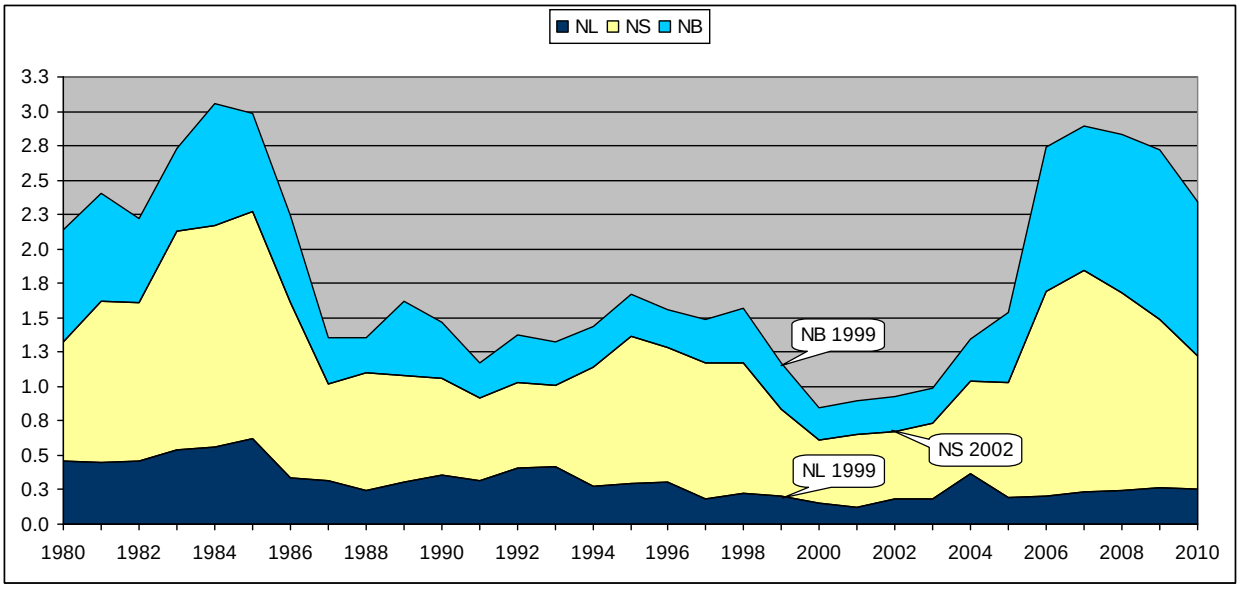


Source: Compiled by author, with data from the Permanent Resident Data System (PRDS)

Manitoba's share in Canada's overall intake of economic migrants went up rapidly after the launch of its nominee programme, and PEI experienced the same trend. Saskatchewan started operating its nominee programme in the same year as Manitoba but initially this did not lead to redistribution in its favour. It took more than five years for Saskatchewan to see increase in its share.

Nova Scotia saw the rapid increase in its share after the introduction of nominee programme, but New Brunswick had to wait for half of a decade to see positive result. The launch of nominee programme seems to have almost no effect in Newfoundland. The share of this province stayed quite stable with a slight increase since the mid-2000s but it never reached the levels observed in 1980s and the first half of 1990s.

FIGURE 2.2c. **The share of Newfoundland, Nova Scotia, and New Brunswick in Canada's overall intake of skilled workers and provincial nominees (%)**



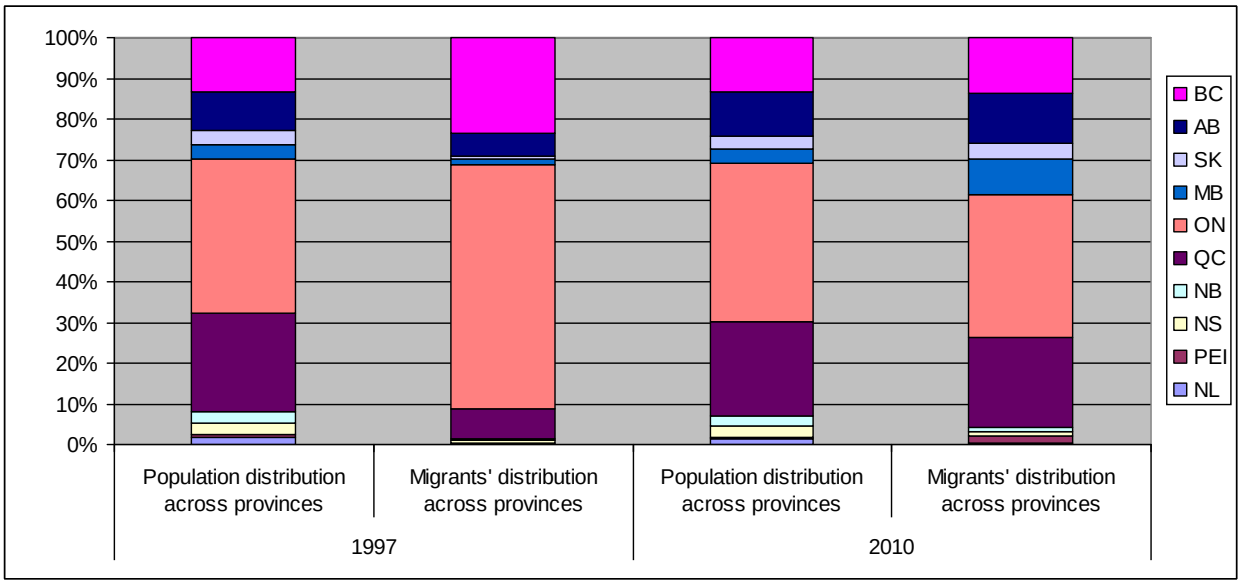
Source: Compiled by author, with data from the Permanent Resident Data System (PRDS)

One more way to highlight the changes in immigration patterns is to compare the share of each province's intake of economic migrants to the share of each province in Canada's population. For example, in their immigration agreements with Canada, both Québec and Manitoba even specified the goal of achieving the immigration levels proportional to their share of Canada's population. Since the focus of the research is economic migrants, the share of labour force could have served as a measure for comparison. However, the share of population was chosen because the immigration data included not only principal applicants and their spouses but also dependents. Two points in time were selected, i.e. 1997, the year before the launch of the provincial nominee programmes, and 2010, the most recent year for which immigration data was available in the IMDB-based report by Citizenship and Immigration Canada (CIC 2012b).

Figure 2.3 shows little change in the distribution of population across provinces between 1997 and 2010 (the first and the third columns). However, the distribution of immigrants across provinces has changed over 13 years (the second and

the fourth columns). In 1997, the distribution of immigrants did not match the distribution of population. However, by 2010, it had become more similar. For example, while the share of Ontario and British Columbia in Canada's intake of economic migrants largely exceeded their shares in Canada's population in 1997, their shares of migrants visibly decreased in 2010. Ontario's share of migrants was even lower than its share of population. The Prairies experienced the reverse trend. Québec achieved the balance. The Atlantic provinces saw slight changes, except for PEI. A close match between provincial shares in the overall intake of migrants and their shares in Canadian population points to the success of attempts to redistribute immigration flows across Canada. Since this change in initial settlement pattern happened during the period after the launch of regional immigration programmes, these programmes seem to have contributed, at least to some degree, to more proportionate distribution of immigrants.

FIGURE 2.3. **The share of each province in Canada's intake of economic migrants and Canada's population (%)**

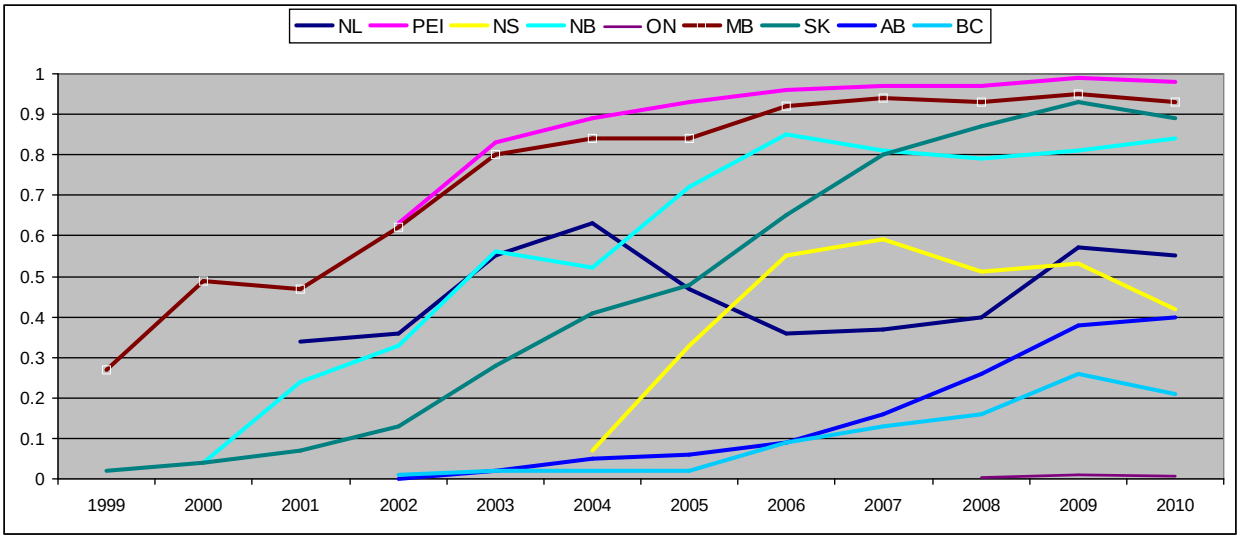


Source: Compiled by author, with data from the Permanent Resident Data System (PRDS) and CANSIM Table 051-0001 – Estimates of population

To find out what provinces use the nominee programme more intensively, the proportion of provincial nominees out of all economic migrants was calculated for each province. If the proportion of nominees in a particular province is close to 0, this means that economic migrants come to this province predominantly through the federal programme. When the proportion is close to 1, this indicates that the absolute majority of economic migrants come to the province under its nominee programme. Québec is excluded from the analysis because this province doesn't have two separate streams of provincial nominees and federal skilled workers. Except for interprovincial migration, 100% of skilled migrants come to Québec under the Québec-selected skilled workers programme.

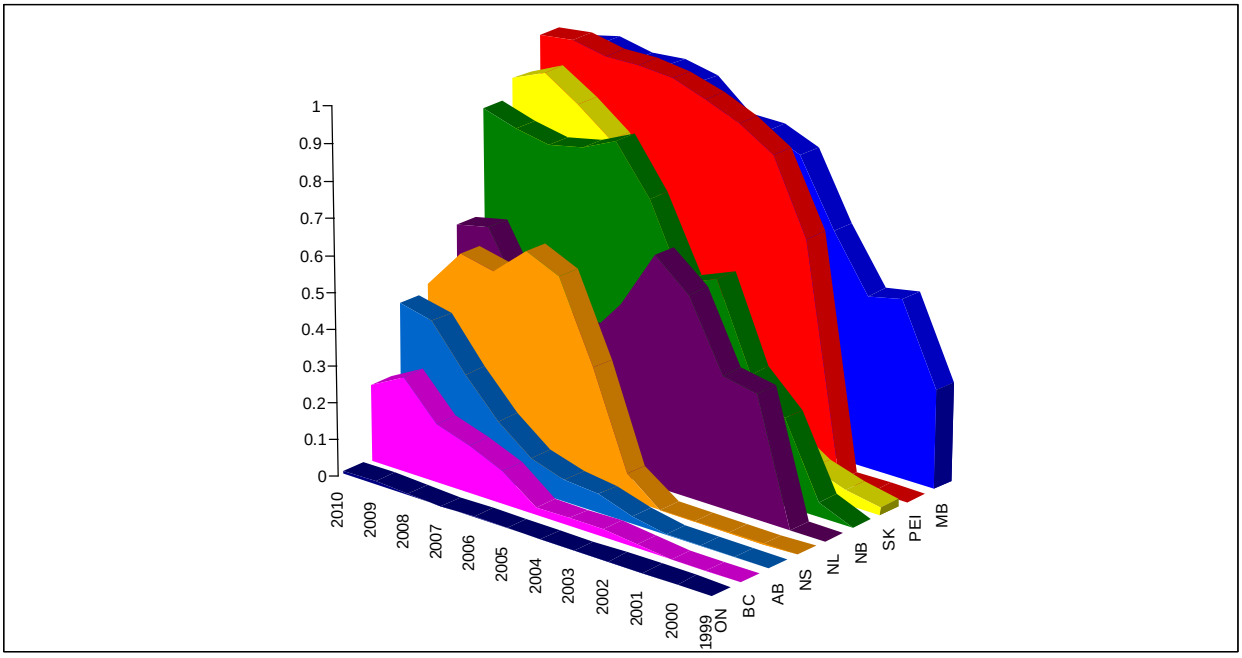
Figure 2.5a and 2.5b show that Manitoba, Saskatchewan, PEI and New Brunswick moved to the model of redirecting their immigration flows to the nominee stream. This trend was especially pronounced in PEI. In the second half of 2000s, almost all economic migrants' arrivals in this province were nominees. Traditionally popular immigration destinations used their nominee programmes less intensively. The proportion of nominees in the intake of economic migrants in Ontario and British Columbia was well below 50%. The proportion of nominees in Ontario was particularly tiny, which reflects the popularity of this province among federal skilled workers, as well as very selective design of the Ontario nominee programme.

FIGURE 2.5a. **Provincial nominees as proportion of all economic migrants**



Source: Compiled by author, with data from the Permanent Resident Data System (PRDS)

FIGURE 2.5b. **Provincial nominees as proportion of all economic migrants**

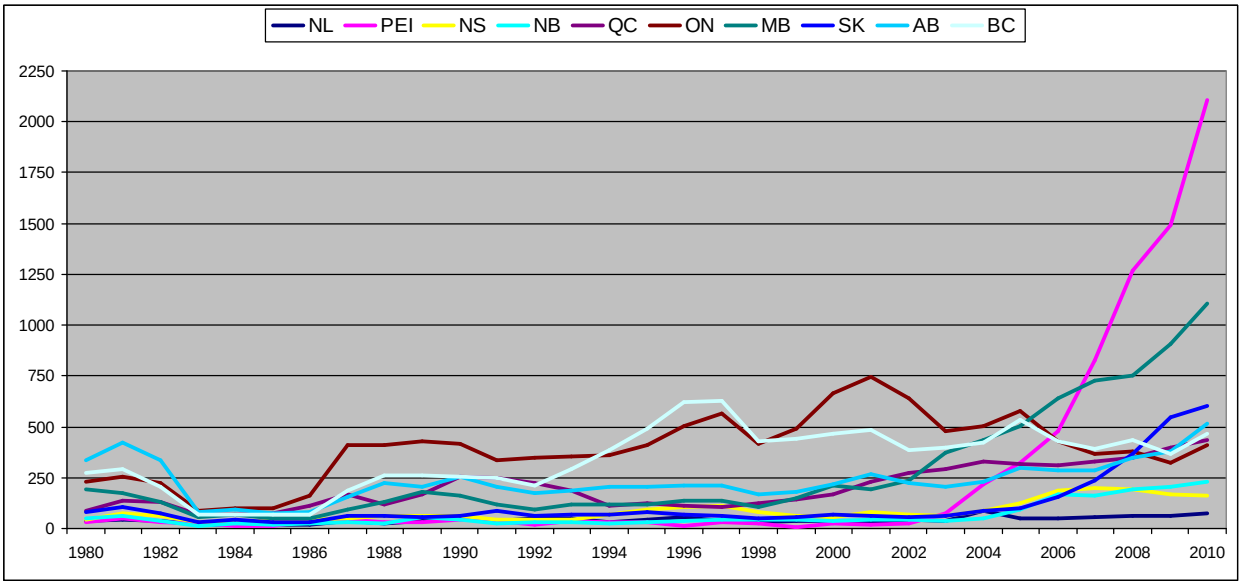


Source: Compiled by author, with data from the Permanent Resident Data System (PRDS)

Since Canadian provinces differ in size of population, the number of economic immigrants destined to each province per 100,000 residents was calculated by using the number of skilled workers and nominees destined to each province and population of each province. Figure 2.6a provides an illustration of changes in each province over

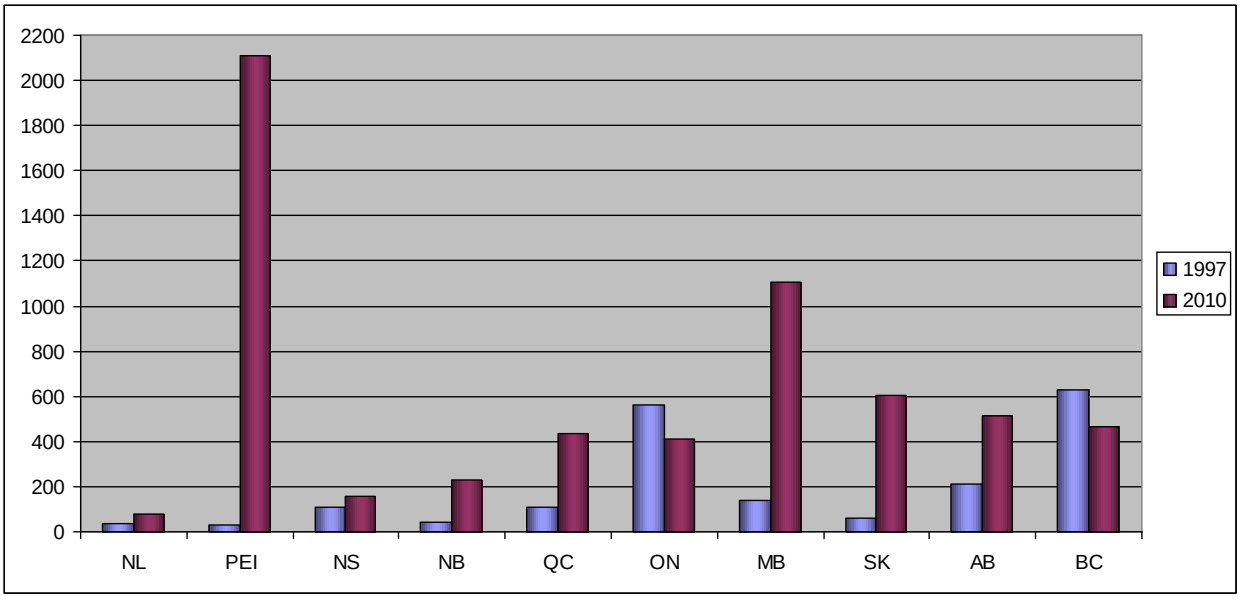
the period 1980-2010. Figure 2.6b compares the number of economic migrants' arrivals per 100,000 residents in each province in two points in time, namely 1997 and 2010. PEI shows steep increase after the launch of its nominee programme. Manitoba and Saskatchewan experienced significant growth as well. Ontario and BC were the only provinces whose numbers declined. Despite some modest increase, the Atlantic region, with the exception of PEI, still had the lowest number of migrants per 100,000 residents among Canadian provinces.

FIGURE 2.6a. **The number of economic migrants destined to each province (per 100,000 residents)**



Source: Compiled by author, with data from the Permanent Resident Data System (PRDS) and CANSIM Table 051-0001 – Estimates of population

FIGURE 2.6b. **The number of economic migrants destined to each province (per 100,000 residents) in 1997 and 2010**



Source: Compiled by author, with data from the Permanent Resident Data System (PRDS) and CANSIM Table 051-0001 – Estimates of population

Do subnational immigration programmes account for the changes in initial settlement patterns of immigrants in Canada?

The patterns just presented suggest that there have been changes in the immigration landscape in Canada after the introduction of subnational immigration programmes. Subnational immigration initiatives are supposed to help distribute migrants more equally across Canada and there have been visible changes in settlement patterns of migrants coming to Canada. There has been some shift away from migrants' traditional destinations such as Ontario and British Columbia to other provinces. While in the late 1990s British Columbia and Ontario used to receive about 80% of all economic migrants coming to Canada, their common share was as low as 48.5% in 2010. Meanwhile, the Prairies experienced growth of their share and accounted for about 25% of Canada's intake of economic migrants in 2010, compared to their common share of about 8% in the late 1990s. The Atlantic provinces also introduced nominee programmes but their results were less impressive. On the one

hand, even slight improvement in immigration indicators can be considered quite an achievement for the Atlantic region. On the other hand, the modest outcomes in this region demonstrate that the introduction of regional immigration schemes does not account exclusively for the change in immigration patterns.

However, a shift away from Ontario and BC mainly toward the Prairies cannot be fully explained by the expansion of nominee programs and greater opportunities for provinces to participate in the selection of their migrants. The impact of the introduction of provincial nominee programmes was not the same for the Prairies and the Atlantic provinces. Therefore, alternative explanations such as changes in regional economies were considered. In the late 1990s - early 2000s, the Canadian economy was on the rise after the period of recession (Baldwin et al. 2004: 7). That was the beginning of a stable and strong GDP growth for Alberta and Newfoundland, as well as Saskatchewan since 2003 (Statistics Canada, Table 384-0002, CANSIM). One more province from the Prairies, Manitoba, was not in the league of Alberta and Saskatchewan. However, in the second half of 2000s, Manitoba's GDP was growing at a pace next only to the national leaders. In their turn, Ontario and Québec experienced slow growth throughout the 2000s. Strong growth in the Prairies and a relative underperformance of Ontario could potentially explain the shift of immigration flows to the Prairies. However, the positive trend in Newfoundland did not result in significant increase in migrants' arrivals in this province.

Over the period of 1980-2010, the Prairies not only had the lowest unemployment rate (Statistics Canada, Table 282-0008, CANSIM), but also the shortest duration of unemployment (Statistics Canada, Table 282-0048, CANSIM). The mid-1980s and the 1990s were the years with the longest duration of

unemployment across Canada. Then, in 2000s, the duration of unemployment went down across Canada with the Prairies recovering faster than other provinces, i.e. already in the late 1990s, which coincided with the launch of provincial nominee programmes. The Atlantic provinces consistently showed the highest unemployment rate in Canada, but they, except for Newfoundland, had shorter duration of unemployment than Ontario, British Columbia, and Québec. Québec and Newfoundland had the longest duration of unemployment. Even though Newfoundland experienced strong GDP growth, it might be the duration of unemployment that played a role in Newfoundland's inability to attract large numbers of economic immigrants. However, there is no strong statistical evidence to confirm this point. The existing research (Pandey and Townsend 2011) did not find a statistically significant relationship between the ratio of economic immigrants to the population and regional economic factors, such as the unemployment rate and the growth rate of per capita income.

Nevertheless, the pattern is suggestive that together with obtaining powers over immigrant selection, strong economies of the Prairies provinces are likely to play the role in attracting larger numbers of economic migrants. A strong economic performance of the Prairies since the late 1990s created an attractive environment, which was not the case of the Atlantic region. The Atlantic provinces had much less to offer in terms of economic opportunities for potential newcomers. That is why the immigration programmes of this region particularly target skilled migrants with family and community ties in their destination province, which would ensure their attraction and retention. The Central Prairies also target such migrants for the same reasons but they have economic advantage as well.

Evaluating the effectiveness for initial settlement of subnational immigration programmes in Australia

The effectiveness of subnational immigration programmes in changing initial settlement patterns in Australia is analyzed in several steps. First, the design of subnational immigration programmes is discussed. Then, the existing research is used to identify in more detail which states and territories have succeeded in increasing their intake of economic migrants and whether there have been changes in initial settlement patterns of immigrants across Australia. Finally, I test the reasons behind the changes by analyzing time-series cross-section data for immigrant initial settlements between 1988/89 and 2010/11.

The Settlement Database of the Department of Immigration and Citizenship of Australia was chosen as a data source. This database includes all immigrants landed in Australia since 1991 and provides information on immigration categories, which helps identify immigrants coming under regional schemes. However, the database includes current location data, that is, it shows the state/territory in which the settler currently resides and not the initial destination. Therefore, multiple official statistics reports were used in order to collect the numbers of arrivals of economic migrants. The data for the chapter come from official statistics reports of the Department of Immigration and Border Protection.[3] As suggested by the Settlement Information Support Team of the Department of Immigration and Border Protection of Australia, the numbers of economic migrants that include both federal and regional streams were taken from the series of reports on settler arrivals (DIMIA 2002a; DIMIA 2005a; DIAC 2011a).

[3] Earlier names are the Department of Immigration and Citizenship (DIAC), the Department of Immigration and Multicultural Affairs (DIMA), the Department of Immigration and Multicultural and Indigenous Affairs (DIMIA).

Settler arrivals include only permanent settlers arriving in Australia. This means that they do not include onshore economic migrants, that is, those economic migrants who obtain their visa while being already in Australia. The number of onshore migrants could be much higher than the number of offshore migrants. For example, in 2010/11, New South Wales had 11,630 settler arrivals (offshore immigrants) and 20,124 onshore immigrants (DIAC 2011b). This leads to underestimating overall immigration flows to states and territories. Furthermore, the distribution of onshore migrants across Australia might not match the distribution of offshore migrants. For example, if a state/territory increased its migrants' population mainly due to onshore migrants while the numbers of offshore migrants were modest, the study would rely only on the numbers of offshore migrants and would not capture the onshore part. This would lead to diminishing the overall success of this state/territory in attracting migrants. Therefore, including onshore immigrants would give a more complete picture of distribution of migrants across states and territories. But considering the availability of the data, the numbers of settler arrivals (offshore migrants) are used in this chapter as the numbers of economic migrants. The numbers of regional migrants are taken from the series of reports on population flows and they include both onshore and offshore regional migrants (DIMA 2000; DIMIA 2002b; DIMIA 2004; DIMIA 2005b; DIAC 2008). The data on population and economic factors were taken from the Time Series Workbooks of the Australian Bureau of Statistics.

Design of subnational immigration programmes in Australia

While in Canada the year of the launch of regional immigration schemes and the types of immigration streams differ from province to province, the State-Specific and Regional Migration (SSRM) initiatives in Australia were introduced at the same time in a centralized way. In Canada, immigration is a shared jurisdiction between the federal and provincial governments, while in Australia, immigration is a federal jurisdiction (Baglay and Nakache 2013). This legal difference explains differences in the arrangement of the introduction of regional immigration programmes in Canada and Australia. Canadian provinces signed immigration agreements with the federal government to obtain powers over selection of migrants. In Australia, it is the federal government that introduced regional immigration schemes, though it was done in consultation with state and territorial governments.

The year of 1996-97[4] was the first full year of the operation of regional immigration programmes in Australia. Each state/territory has the same visa categories under the regional immigration programme. The categories are designed according to four factors that are considered to be mostly important for choosing a destination: location of family members (e.g. Skilled Designated Area Sponsored Category); employment (e.g. State/Territory Nominated Independent Scheme and Regional Sponsored Migration Scheme); business opportunities (e.g. State Sponsored Business Skills and Regional Established Business in Australia categories); and previous residence in a particular area, e.g. pathways for international students (DIMIA 2005b: 41-46). The names of the categories change but they follow along the lines of the indicated four factors. The underlying idea is that such forms of

[4] The year ends on June 30th.

attachment as family ties, arranged employment, established business and previous residence would also solve the problem of further retention of migrants in the regional areas.

In addition to these factors, a residency requirement was introduced for regional stream migrants in the attempt to ensure their retention in their initial destination. Immigrants coming to Canada under the regional stream have been already granted permanent residency and are not restricted in their choice of a geographic location. But regional stream immigrants to Australia are usually required to live for at least two years in the intended state/territory to qualify for permanent residency. For example, the Skilled Regional (Provisional) visa (subclass 489) is a four year visa for skilled migrants who are required to live only in a specified region for at least two years before they can apply for the permanent Skilled Regional visa (subclass 887). However, in the case of support of a regional employer, migrants can obtain the permanent Regional Sponsored Migration Scheme visa (subclass 187) without satisfying the two year residency condition (DIBP 2014).

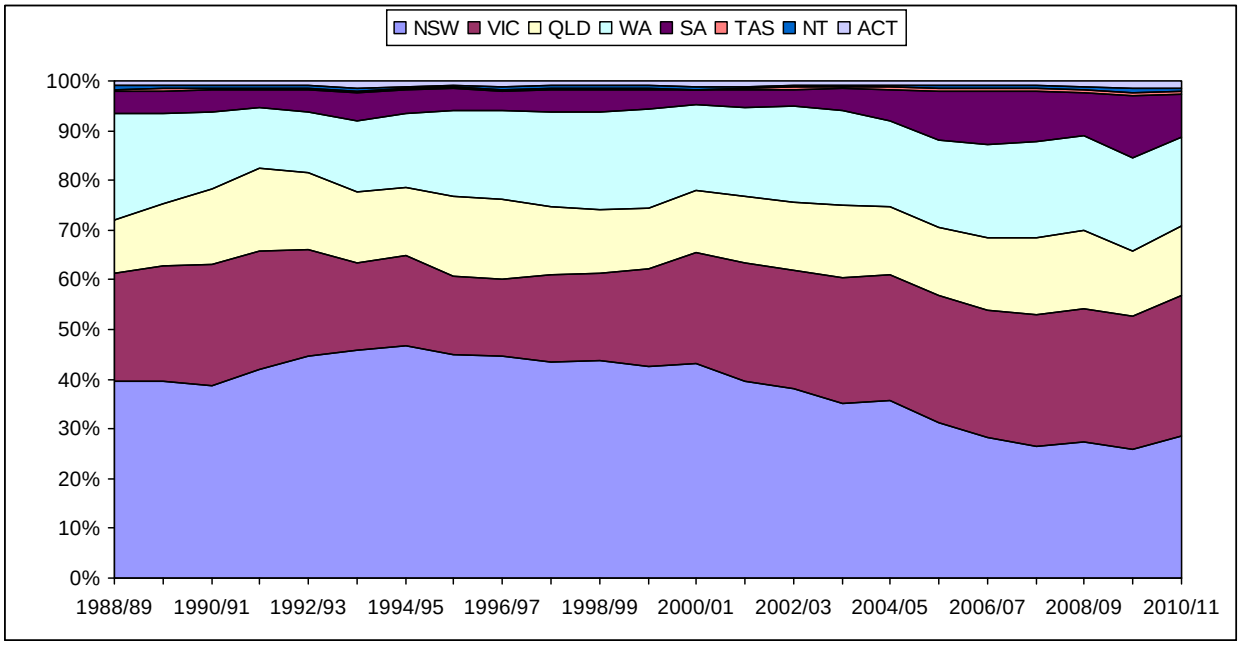
Regional immigration schemes are supposed to attract migrants to the regions that are not primary destinations for immigrants coming through federal programmes. Unlike in Canada, the most popular and already sufficiently populated areas in Australia are not eligible for regional immigration. The areas excluded from the eligibility under regional immigration schemes are Melbourne (Victoria); Sydney, Newcastle, and Wollongong (New South Wales); Brisbane and the Gold Coast (Queensland) (more details in Hugo 2008; Cameron 2011). Perth (Western Australia) was also excluded until September 2011.

Have there been changes in initial settlement patterns of immigrants across Australia?

Regional immigration initiatives aim to redistribute immigrant flows away from the traditionally most popular destinations to other regions of Australia. The relative distribution of migrants across different states was used to find out whether there had been changes in the share of the most popular immigrant destinations in Australia's overall intake of economic migrants (both federal and regional). (Hereafter, the term 'state' is used for any Australian subnational unit, i.e. a state or a territory.) If the relative share of the most attractive states decreased after the launch of regional immigration schemes and the share of other states grew, this could be considered as an indicator of successful redistribution of migrants across Australia.

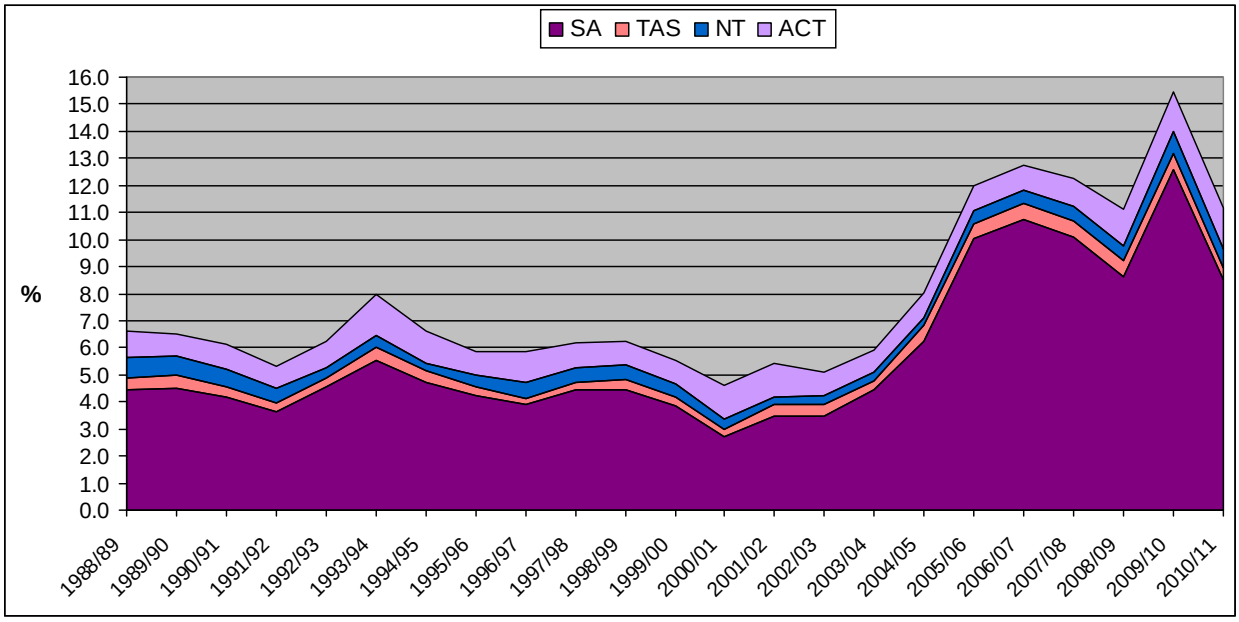
Figures 2.7a and 2.7b shows the share of each state in the overall intake of economic immigrants in Australia throughout the period of 1988/89-2010/11. By the end of the indicated period, there had been visible changes in the distribution of migrants across Australia. The share of New South Wales was decreasing since mid-1990s and reached its lowest levels in the late 2000s. Victoria, another popular immigration destination, increased its share. In the mid-1990s, the share of Victoria in Australia's intake of economic migrants was at almost the same level as the share of Western Australia and Queensland. Furthermore, throughout the second half of 1990s, Western Australia's share was higher than that of Victoria. However, in the 2000s, Victoria experienced growth of its relative share and even reached parity with New South Wales. In the same period, South Australia also quite significantly increased its share.

FIGURE 2.7a. **The share of each state/territory in Australia's overall intake of economic migrants (%)**



Source: Compiled by author, with data from the official reports on Settler Arrivals

FIGURE 2.7b. **The share of less populated states/territories in Australia's overall intake of economic migrants (%)**



Source: Compiled by author, with data from the official reports on Settler Arrivals

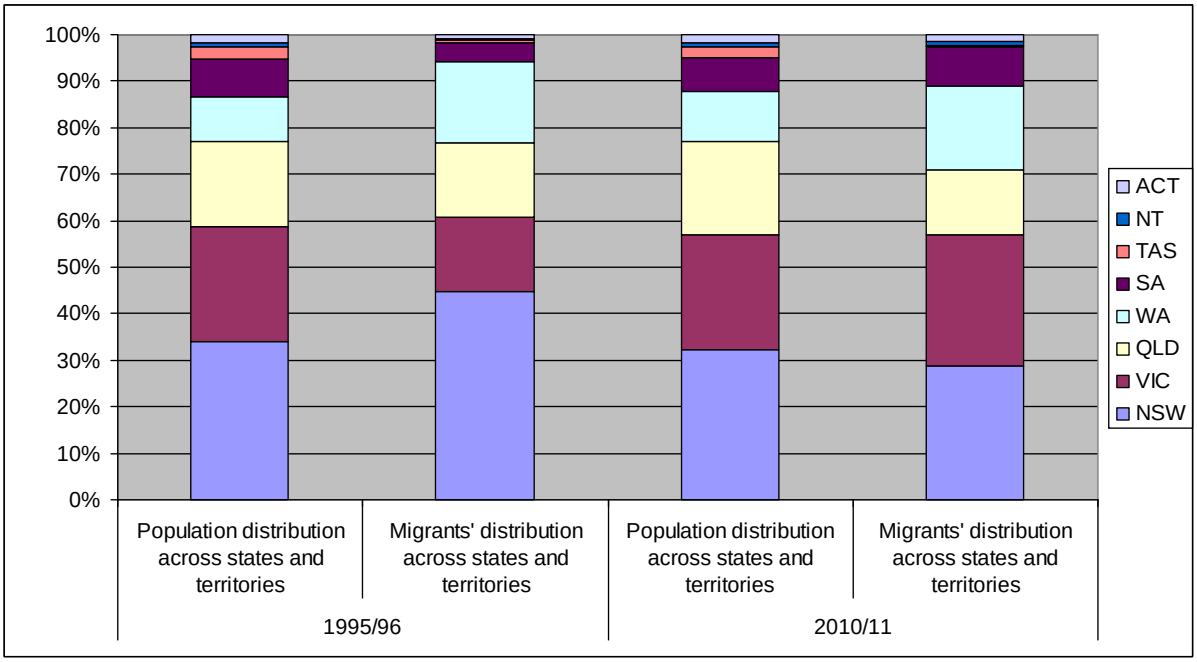
To find out whether immigration levels in states are proportional to their share of Australia's population, the share of each state in Australia's intake of economic migrants was compared to the share of each state in the overall population. Two points in time were selected: 1995/96, the year before the launch of the regional immigration schemes, and 2010/11, the most recent year for which immigration data was available in the report on settler arrivals (DIAC 2011a).

Figure 2.8 shows that the distribution of migrants does not correspond to the distribution of population in both points of time. Nevertheless, the distribution in 2010/11 would be a closer match. In 1995/96, the share of New South Wales in Australia's intake of migrants was much bigger than its share in Australia's population. However, in 2010/11, the New South Wales' share of migrants was slightly lower than its share of the national population. Victoria experienced the reverse trend. Western Australia's share in migrants' intake was much higher than its share in the population in both points of time. Queensland's situation was the opposite and, moreover, its migrants' share visibly shrank. The state that managed to balance its migrants' and population shares by 2010/11 was South Australia. Thus, South Australia reached the target of increasing its share of immigrants to the level of its share of the national population earlier than planned, which was 2014 (Hugo 2008: 133). The shares of Tasmania, Northern Territory and Australian Capital Territory in Australia's intake of migrants also matched more closely their shares in the population in 2010/11.

More proportionate distribution of immigrants could be due to the introduction of regional immigration schemes. These schemes seem to help redistribute

immigration flows away from New South Wales and increase the share of smaller states and territories in Australia's overall intake of economic migrants.

FIGURE 2.8. **The share of each state/territory in Australia's intake of economic migrants and Australia's population (%)**

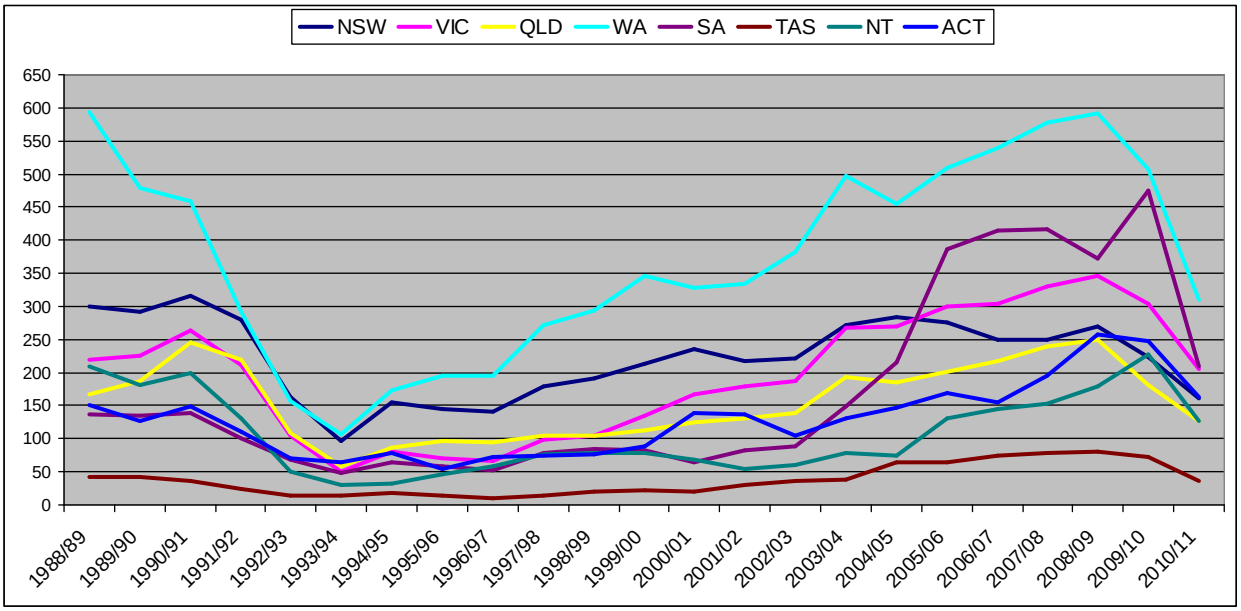


Source: Compiled by author, with data from the official reports on Settler Arrivals and 3101.0 Australian Demographic Statistics (Australian Bureau of Statistics)

Australian states and territories differ in size of population. Therefore, the number of economic immigrants destined to each state/territory per 100,000 residents was calculated by using the number of economic migrants, including regional migrants, destined to each state and population of each state/territory. Figure 2.9a provides an illustration of changes in each state/territory over the period 1988/89-2010/11. Figure 2.9a shows three major trends during the indicated period. First, there was a sharp decline in the ratio of immigrants to population in all Australian states and territories in the first half of 1990s, which was the period of global recession. The year of 1993/94 was the absolute minimum. After the plateau in the years 1994/95-1996/97, some gradual growth took place right after the launch of regional

immigration programmes. Then, the numbers were growing until the late 2000s. The year of 2008/09 was the start of the negative trend. Like in the early 1990s, this decline coincided with the start of the global financial and economic crisis, and the observed negative trend could be attributed to it. Immigration flows tend to decline during periods of global recession (OECD 2009). The state of Western Australia had always enjoyed the highest number of economic immigrants per 100,000 residents. New South Wales was in the second place until 2005/06 when it started experiencing a gradual decline and was surpassed by South Australia and Victoria. South Australia used to be among the states with the lowest migrants to population ratio but it experienced a dramatic increase in mid-2000s. Tasmania had always had the lowest ratio.

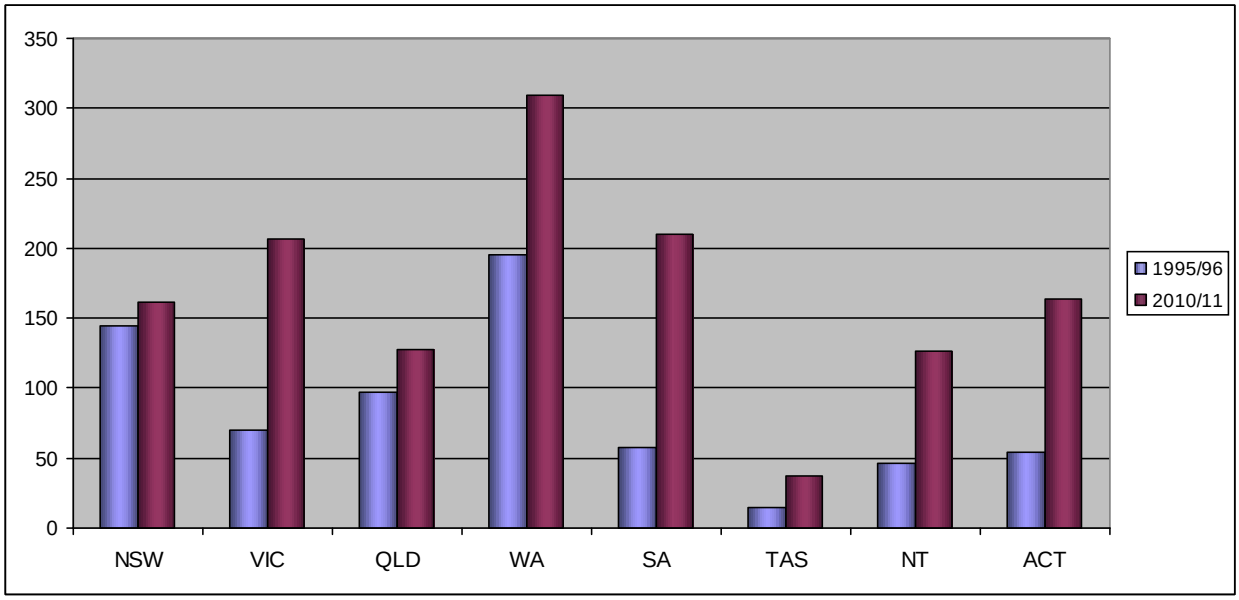
FIGURE 2.9a. **The number of economic migrants destined to each state/territory (per 100,000 residents)**



Source: Compiled by author, with data from the official reports on Settler Arrivals and 3101.0 Australian Demographic Statistics (Australian Bureau of Statistics)

Figure 2.9b compares the number of economic migrants' arrivals per 100,000 residents in each state/territory in two points in time, namely 1995/96, i.e. before the launch of regional immigration schemes, and 2010/11. Despite the declining trend since 2008/09, the numbers in 2010/11 are higher than those in 1995/96 across all Australian states and territories. The difference is the smallest in New South Wales, a traditionally popular migrants' destination in Australia. South Australia experienced an impressive gain.

FIGURE 2.9b. **The number of economic migrants destined to each state/territory (per 100,000 residents) in 1995/96 and 2010/11**



Source: Compiled by author, with data from the official reports on Settler Arrivals and 3101.0 Australian Demographic Statistics (Australian Bureau of Statistics)

To find out what states use the regional immigration schemes more intensively, the proportion of migrants coming under the regional schemes out of all economic migrants should have been calculated for each state. However, it was not possible due to data limitations. The numbers of regional stream immigrants were found for the years 1999/2000-2006/07. These numbers include both offshore and

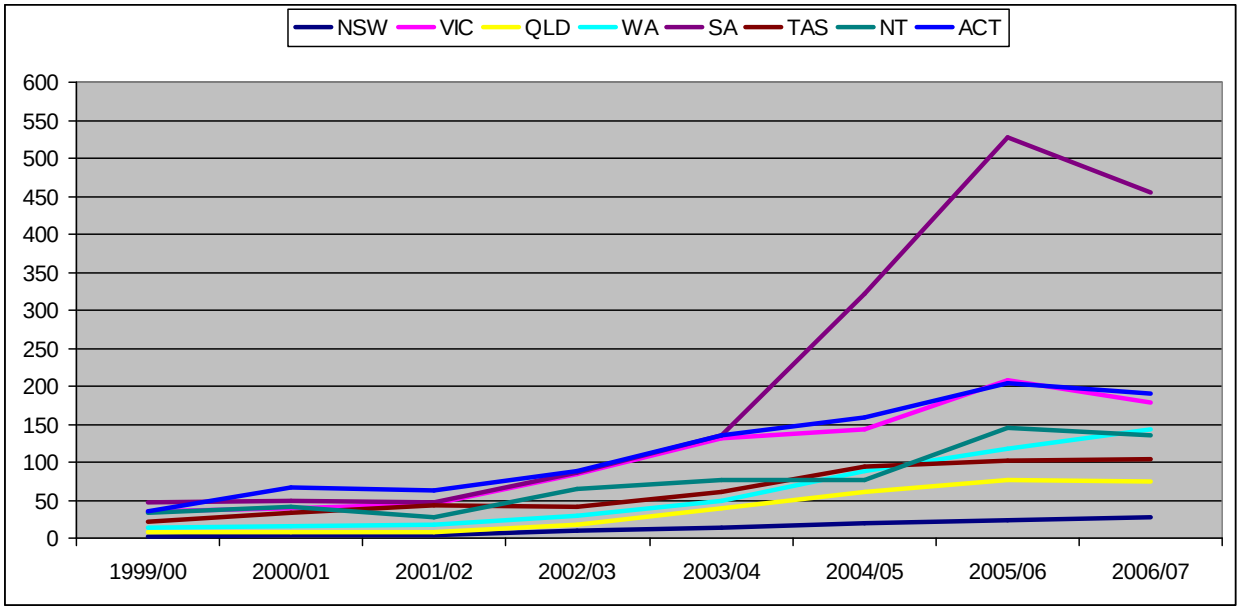
onshore regional migrants, while the numbers of economic migrants used in this chapter include only offshore migrants (federal and regional together). Instead, the number of regional immigrants destined to each state/territory per 100,000 residents was calculated (Figure 2.10). South Australia was the absolute leader among Australian states. It experienced a drastic increase in mid-2000s. New South Wales had the lowest number of regional migrants per 100,000 residents. This state is highly popular among migrants coming through the federal schemes; therefore, it does not have a particular interest in increasing immigration through the regional schemes. In this regard, it is similar to the Canadian province of Ontario.

Unlike New South Wales, the state of Victoria, another popular immigration destination, was receiving much bigger numbers of regional migrants. The authorities of Victoria showed interest in attracting regional migrants. For example, Victoria, together with South Australia, was a major recipient of immigrants under the State/Territory Nominated Independent Scheme during the period between 1997-98 and 2001-02. This scheme allowed a state to nominate an independent applicant (i.e. an applicant without a job offer or family connection in this state) whose skills are in demand. The State/Territory Nominated Independent Scheme was underutilized (Withers and Powall 2003: 20). This could be explained by the preference for connection-based schemes, which shift the responsibility for migrants' settlement to employers and families. The presence of a sponsor, either an employer or a family member, serves as a potential guarantee of a smoother settlement experience. Furthermore, Victoria was the main beneficiary of family-linked immigration categories, under which residents in Australian regions could sponsor skilled close relatives (Withers and Powall 2003: 21). Victoria's higher numbers of family-linked

regional migrants can be explained by the existence of a bigger pool of immigration population in general due to this state's traditional popularity among federal migrants.

In terms of the number of regional immigrants per 100,000 residents, the Australian Capital Territory shared the second-third position with Victoria. And even the Northern Territory and Tasmania were not at the bottom of the ranking. This confirms that regional immigration schemes are used more intensively by the destinations that had been traditionally less popular among federal migrants.

FIGURE 2.10. **The number of regional migrants destined to each state/territory (per 100,000 residents)**



Source: Compiled by author, with data from the official reports on Population Flows and 3101.0 Australian Demographic Statistics (Australian Bureau of Statistics)

Do subnational immigration programmes account for the changes in initial settlement patterns of immigrants in Australia?

There have been changes in initial settlement patterns of immigrants across Australia since the launch of regional immigration schemes. Therefore, the next question to address is whether these schemes account for the changes or there are

other factors in place. A Canadian study (Pandey and Townsend 2011) aimed to explore whether the introduction of regional immigration schemes in Canada (provincial nominee programmes) could account for the increase in immigration to certain provinces. The researchers tested the effect of regional economic factors, such as the unemployment rate and the growth rate of per capita income, but they were not statistically significant. Including the size of immigrant population in the model showed no statistically effect either (Pandey and Townsend 2011). In the same vein, I examined the Australian case.

The number of economic migrants destined to each state per 100,000 residents was chosen as the dependent variable. It takes into account the size of population in each state/territory. The data on the number of migrants come from the series of reports on settler arrivals (DIMIA 2002a; DIMIA 2005a; DIAC 2011a). A limitation here is that settler arrivals include only offshore migrants. Thus, the onshore portion of economic migrants is excluded from the analysis. The number of population in each state was taken from the Australian Bureau of Statistics (ABS, 3101.0 Australian Demographic Statistics, Table 4).

The main hypothesis to be tested is that there is statistically significant and positive relationship between the number of migrants per 100,000 residents and the introduction of regional immigration schemes. A dummy variable[5] was created for the existence of regional immigration schemes. It was coded as "1" for the years when the regional immigration schemes were in place, i.e. the period from 1996/97 to 2010/11. The code was "0" for the rest of the years.

[5] The terms 'dummy variable', 'dummy code' and 'dummy coded variable' are used interchangeably.

Two economic factors were included in the model: unemployment rate in each state (ABS, 6202.0 Labour Force, Table 12) and the growth of gross state product (GSP) per capita (ABS, 5220.0 Australian National Accounts: State Accounts, Table 1). Higher unemployment rate is likely to be associated with lower number of migrants, while higher growth of GSP per capita with higher number of migrants. Lagged variables were created for both economic factors to account for the fact that migrants are likely to be guided by the economic condition in the state during the year before arrival to Australia, similar to the model used by Pandey and Townsend (2011) for Canada. The descriptive statistics can be found in Table 2.3.

TABLE 2.3. **Descriptive statistics**

Variable	Mean	Standard Deviation	Min	Max
Migrants/100,000 residents	174.08	127.72	10.95	592.93
Regional immigration schemes	0.65	0.48	0	1
Unemployment rate, %	6.86	2.22	2.60	12.10
Growth of GSP per capita, %	1.83	1.81	-4.20	5.30

The analysis of time-series cross-section data is used to estimate the strength of association between the number of economic migrants per 100,000 residents and the existence of regional immigration schemes and economic factors. The time-series cross-section design implies that there are a relatively large number of observations over time, while the number of units can be large or small (Beck 2001). The models include eight states/territories and 20 years of observations for each state/territory (balanced models).

The numbers of economic migrants per 100,000 residents differ across Australian states. The units in the dataset are not homogenous. States are fixed units as opposed to some units selected from a distribution. To deal with unit heterogeneity,

fixed effects models were chosen. The models included indicators for all states assuming that each of them had its own average number of migrants per 100,000 residents. A lagged dependent variable was included together with explanatory variables to account for autocorrelation over time (Beck and Katz 1995). The Stata/IC 13 software was used to conduct the statistical analyses using the xtpcse command.

TABLE 2.4. **The number of economic migrants per 100,000 residents**

VARIABLES	(1) Migrants/100,000	(2) Migrants/100,000
Lagged Migrants/100,000 residents	0.668***	0.623***
	(0.0850)	(0.0868)
Lagged unemployment rate	-13.27***	-14.62***
	(3.469)	(3.415)
Lagged growth of GSP per capita	6.169**	6.620**
	(2.635)	(2.699)
Regional immigration schemes	1.761	-8.220
	(17.50)	(17.77)
Victoria (VIC)	1.104	-7.466
	(5.089)	(11.15)
VIC*Regional schemes		10.57
		(12.34)
Queensland (QLD)	-15.86**	-14.92
	(6.271)	(9.675)
QLD*Regional schemes		-4.493
		(9.936)
Western Australia (WA)	36.80**	-14.52
	(16.99)	(18.91)
WA*Regional schemes		75.84***
		(23.71)
South Australia (SA)	6.673	-5.958
	(15.86)	(32.42)
SA*Regional schemes		15.56
		(36.83)
Tasmania (TAS)	-30.43**	-11.69
	(15.33)	(18.78)
TAS*Regional schemes		-32.94**
		(14.06)
Northern Territory (NT)	-50.66***	-45.61**
	(14.63)	(21.17)
NT*Regional schemes		-16.07
		(19.26)

Australian Capital Territory (ACT)	-44.77***	-60.51***
	(13.42)	(20.69)
ACT*Regional schemes		12.36
		(17.04)
Constant	144.6***	170.5***
	(43.56)	(43.99)
Observations	160	160
R-squared	0.894	0.904
Number of id	8	8

Standard errors in parentheses *** p<0.01, ** p<0.05, * p<0.1

The initial model (Model 1 in Table 2.4) showed several statistically significant relationships. Predictably, the lagged dependent variable was significant and positive, which means that higher numbers of migrants per 100,000 residents in the previous year are associated with higher numbers in the current year. Contrary to expectations, the existence of regional immigration schemes did not show statistically significant effects. Unlike in the research by Pandey and Townsend, both economic factors, unemployment and GSP per capita, turned out to be statistically significant. As hypothesized, there was negative relationship between the number of migrants and unemployment rate in the previous year and positive relationship between the number of migrants and the growth of GSP per capita in the previous year. This means that states with high unemployment or low growth of GSP per capita were likely to receive significantly fewer new migrants than other states, which suggests that off-shore migrants consider economic factors when deciding where to settle.

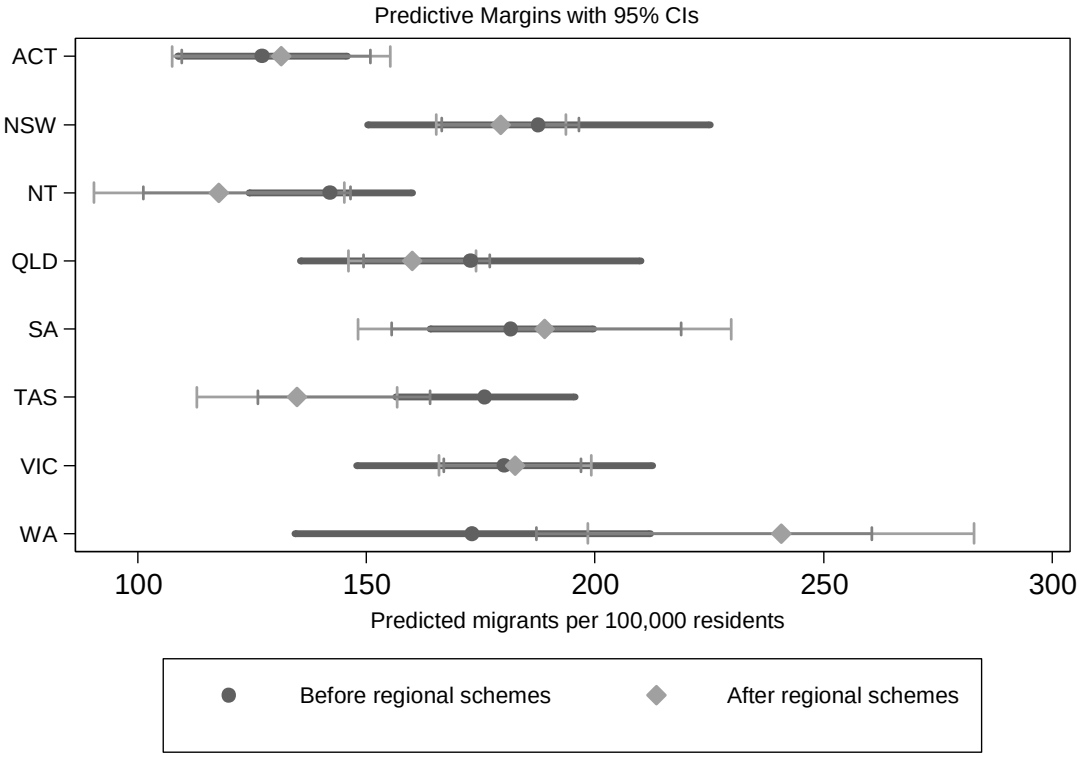
The dummy codes for Victoria and South Australia were not significantly different from New South Wales, which served as the base category. Thus, the number of economic migrants (per 100,000 residents) coming to Victoria and South Australia would not be different from the number coming to New South Wales, all other things being equal. While the lack of difference between New South Wales and Victoria does

not come as a surprise because both states have been traditionally popular immigration destinations, the lack of difference between New South Wales and South Australia is quite unexpected considering that the latter used to have difficulties with attracting migrants. The dummy code for Western Australia was statistically significant and positive, which indicates that the number of migrants coming to this state would be higher than in New South Wales, all else being equal. The dummy codes for the rest of the states were significant and negative, which indicates that the number of migrants coming to these states would be lower than in New South Wales, all else being equal. While being a popular destination for internal migrants, Queensland has not been the leader in attracting international migration flows. The Northern Territory, the Australian Capital Territory, and Tasmania have been traditionally struggling with attracting migration flows.

Model 2 included the interaction terms for the existence of regional immigration schemes and dummy codes for states. This allowed me to see if regional immigration schemes only have significant effects in some states. The effects of the lagged dependent variable and economic factors stayed the same, while some effects of states changed. Queensland was no longer different from New South Wales and the interaction term for Queensland and regional schemes was not statistically significant either. The dummy codes for the Northern Territory and the Australian Capital Territory kept their negative effects and their interaction terms were not statistically significant. While the dummy codes for Western Australia and Tasmania did not show statistically significant effects in Model 2, their interaction terms did. In the case of Western Australia, the effect was positive and even stronger than in Model 1. The interaction term for Tasmania showed negative effect of the same strength as the state

dummy code in Model 1. These findings demonstrate that the introduction of regional immigration schemes may have had positive impact on the number of migrants per 100,000 residents in Western Australia but negative impact in the case of Tasmania. Figure 2.11 illustrates the effect of introduction of regional immigration schemes.[6] The shift to the right, like in case of Western Australia, means that the introduction of regional immigration schemes led to the increase in the number of migrants per 100,000 residents. The shift to the left indicates the reverse trend.

FIGURE 2.11. **The effect of introduction of regional immigration schemes**



This analysis shows that there have been changes in the initial settlement patterns of immigrants in Australia. However, the explanatory power cannot be

[6] To create the margins plot, robust standard errors were used instead of panel-corrected standard errors. The only difference in the model with robust errors was the lack of the interaction effect between the introduction of regional schemes and Tasmania.

attributed only to the introduction of regional immigration schemes. Economic factors play a significant role. For example, unemployment rates were relatively higher in the first half of 1990s across Australia and during that period Australian states received the lowest numbers of immigrants per 100,000 residents.

The benefits to specific states seem to vary as well. Western Australia seems to have benefitted from the introduction of regional immigration schemes, at least as far as offshore migrants are concerned. However, this state always received comparatively larger numbers of economic migrants. Like Manitoba in Canada, South Australia could serve as an example of a relatively successful regional immigration programme. This state visibly increased its share in Australia's intake of economic migrants, as well as the number of arrivals per 100,000 residents. It is South Australia's demographic concerns that led to the introduction of regional immigration schemes in Australia. However, the analysis of time-series cross-section data did not show statistically significant effects of the introduction of regional schemes for South Australia. Potentially, this might be due to the fact that the available data included only offshore migrants while South Australia might have accepted large numbers of onshore migrants under its regional immigration schemes. At the same time, the numbers of immigrants per 100,000 residents in South Australia went up not immediately after the launch of regional schemes in the late 1990s but in the mid-2000s when the unemployment rate decreased.

The three smallest regions, such as Tasmania, Northern Territory, and Australian Capital Territory, showed the most modest gains in terms of migration flows. None of them managed to increase the share in Australia's intake of economic migrants to the level of the share in Australia's population. This is especially the case

of Tasmania. In the 1970s, Australia started undergoing economic restructuring, which had negative impact on the economy of both South Australia and Tasmania. Economic difficulties resulted in negative demographic trends, such as out-migration. However, South Australia was more successful in addressing demographic and economic problems (Beer 1998: 225-7).

One of the favourable factors for South Australia was the eligibility of Adelaide, a big city, for regional migration from the very start of regional immigration programmes. In its turn, Tasmania does not have big cities. The perceived importance of big cities becomes prominent when considering unsuccessful efforts of Queensland and Western Australia to lobby the federal government to exclude Adelaide from the list of eligible places for regional immigration (Hugo 2008). Furthermore, since September 2011, Perth, the capital of Western Australia, has become eligible for regional immigration, while initially it was excluded from the list of eligible areas.

The improved economic situation in the mid-2000s helped attract immigration flows to all of Australia's states and in particular to South Australia but the numbers went down when the global financial and economic crisis started and this reverse trend was again true for all of the states. The crisis led to the revision of the skilled immigration programme by the Australian government in 2008 to make it more demand-driven. Immigrants sponsored by employers have been prioritized (OECD 2009; Cameron 2011). The preference for this type of migrants is based on their better employment outcomes compared to other categories of migrants. For example, in 2010, employer-sponsored migrants had 1% of unemployment rate, 91% of them were in skilled work and 92% worked full-time (DIAC 2011: 98).

As well, the two-step process to permanent residency, when immigrants initially come on a temporary visa, has been used more often (Cameron 2011). This measure increases migrants' dependence on employers and results in a more precarious status of migrants. More intensive use of labour force on temporary visas undermines the long-term demographic objectives of regional immigration programmes aiming at attracting and retaining migrants. Temporary migrants are more easily disposable even when compared to those coming under provisional permanent residency visas, which require two years of residency in the destination region to be eligible for the permanent residency.

Overall, the results of the study should be interpreted with caution because the numbers of economic migrants include only offshore migrants. A significant portion of economic migrants obtain permanent residency while being already in Australia, including for example, international students. Therefore, the direction for further research is to find the data on onshore immigrants over the respective period of time to get more complete understanding.

Conclusion: Canada and Australia Compared

Subnational immigration programmes aim to redirect immigration flows away from the traditionally most popular destinations to other regions. Both Canada and Australia have experienced changes in initial settlement patterns of economic immigrants after the introduction of these programmes. One indicator of successful redistribution of migrants is the decrease of the relative share of the most attractive provinces/states/territories after the launch of regional immigration schemes and the increase of the share of other provinces/states/territories. Both Canada and Australia

experienced redistribution of migrants. However, the outcome was more pronounced in Canada. Regarding the most popular immigration destinations, there was the decrease in relative shares of Ontario and British Columbia in Canada and New South Wales in Australia. However, the relative share of Victoria, another popular Australian state, grew after the launch of regional immigration programmes. Regarding less popular immigration destinations, in Canada, all of such provinces, except for Newfoundland, increased their relative shares though with a varying degree of success. In Australia, among smaller states and territories, only South Australia significantly benefitted from the redistribution of immigration flows. In terms of comparing the share of each province/state/territory in the national intake of economic migrants to the share of each province/state/territory in the national population, both Canada and Australia achieved a more proportionate distribution after the introduction of subnational immigration programmes. However, Canada saw a closer correspondence between the distribution of economic migrants and population.

The introduction of subnational immigration programmes played more important role in changing initial settlement patterns of economic migrants in Canada. In Australia, the role of economic factors turned out to be important. Attracting migrants to Australia is more dependent on economic conditions. This does not mean that economic factors had no impact in Canada or regional immigration schemes were unimportant in Australia. But the analysis of the impact of regional immigration programmes and economic factors on migrants' attraction showed differences between Canada and Australia.

What can explain comparatively more successful outcomes of the introduction of subnational immigration programmes in Canada in terms of migrants' attraction?

Several differences in the design of subnational immigration programmes in Canada and Australia could potentially account for differences in the outcomes. First, regional immigrant selection is more decentralized in Canada. Compared to Australian states and territories, Canadian provinces were granted more powers over immigrant selection. They have more ownership of their immigration programmes and can design and redesign the programmes by creating or eliminating immigration streams according to their needs. Australian states and territories work within the uniform set of regional immigration categories.

More decentralisation in Canada can be due to a shared jurisdiction over immigration matters between the federal and provincial governments. Shared jurisdiction provides a legal ground for provincial claims for more participation in this policy area. Québec also had advantage of using its distinctive status in the Canadian federation to negotiate the agreement that allowed it to control selection of all economic migrants who wish to settle in Québec. Québec was the first to obtain control over immigrant selection and its example impacted the development of regional immigration programmes in other provinces. The federal government had interest in making the federation less asymmetric and was willing to transfer powers over immigration to other provinces. The role of the neoliberal turn in the mid-1990s in the devolution of immigration policy in both Canada and Australia should not be undermined (Walsh 2008; Dobrowolsky 2011). However, this factor does not explain differences between Canada and Australia in the degree of devolution. Instead, constitutional and historical differences between these two countries can serve as a plausible explanation.

Second, in terms of rights and constraints, immigrants coming to Canada under regional immigration schemes do not differ much from those coming under federal programmes. Like federal migrants, regional migrants in Canada are granted permanent residency, while Australia issues provisional visas to regional migrants. Such visas restrict mobility of regional migrants across Australia. As a rule, they are required to live in their destination for two years to obtain the permanent residency visa. Furthermore, the most popular areas in Australia are not eligible for regional immigration while there are no such restrictions in Canada. Therefore, applying under regional schemes would not disadvantage prospective migrants to Canada but regional migrants to Australia would face more constraints.

Attracting migrants is only one dimension of success of subnational immigration programmes. If attracted migrants do not stay in their intended province/state/territory and move somewhere else, such regions will not see demographic and economic benefits they counted on. It is easier to create policies to attract migrants than policies to retain them. Therefore, the analysis of migrants' retention should be conducted to inform potential policy responses. The next chapter aims to shed some light on the issue of migrants' retention.

Chapter 3: Explaining Variations in Immigrants' Retention

Introduction

Subnational immigration programmes were introduced to attract migrants to the regions that are not primary destinations for immigrants coming through federal programmes. As the previous chapter shows, some regions succeeded in attracting larger numbers of migrants. However, attracted migrants will not necessarily be retained. They may decide to move to traditionally popular immigration regions (Hugo 2008; Wulff and Dharmalingam 2008). For example, in Canada, popular immigration destinations such as Ontario, British Columbia, and Alberta, expressed their concerns regarding the inflow of provincial nominees who were selected through nominee programmes of other provinces but then relocated (CIC 2011). In Canada, provincial nominees enjoy the status of permanent residents, and therefore, can change the province of residence if they decide so. But regions will not achieve their economic and demographic goals if migrants come but do not stay in their intended destination. Therefore, it is important to consider potential retention measures. Australia introduced provisional visas for regional migrants to address the retention issue. As a rule, migrants are required to stay in their initial destination for two years to qualify for the permanent residency. Migrants can relocate after obtaining the permanent residency but the assumption is that they will get quite established in their destination region during the two years and, thus, may be less prone to relocation.

There is no evidence of whether the Australian approach is effective. I could not find the data on migrants' retention in Australia. In case of Canada, retention rates of migrants coming under the regional immigration schemes are higher compared to

those of federal economic class immigrants. The Atlantic provinces have relatively lower retention rates of both federal and regional migrants (Pandey and Townsend 2011). The observed variation in the retention rate of provincial nominees across Canada raises an important question about explanatory factors. This topic is currently under-researched.

Manish Pandey and James Townsend (2010) attempted to compare retention rates of federal economic immigrants and provincial nominees in Canada. The researchers used individual-level data and among explanatory factors under consideration were personal characteristics of immigrants (e.g. age, education, source region, etc.), the program of entry to Canada, province of residence and the years of arrival to Canada. The findings show that more educated migrants are more mobile and older migrants are less likely to move. Ontario is more likely to retain migrants compared to other provinces. At the same time, Manitoba is the only province where retention rates of nominees are higher than rates of federal economic class migrants. Compared to migrants who arrived in Canada in the early 1980s, retention rates were lower for those who arrived in the late 1980s and after until the late 1990s when the retention rates improved. The authors suggest that strong labour market conditions during that period could potentially account for the higher retention rates (Pandey and Townsend 2010). One more study (Pandey and Townsend 2011) aims to explore whether the introduction of provincial nominee programmes had negative effect on retention rates of economic migrants. The authors address the concern that migrants may use regional immigration schemes as an easier way to entry Canada and have no intention to stay in their nominating province. The findings indicate that retention rates of migrants did not decrease after the launch of nominee programmes.

Measuring immigrant retention as a percentage of immigrants who stayed in a particular region is only one approach, mainly from the perspective of regions. Another approach is to measure immigrant retention through the intention of an immigrant to stay in the initial destination or move somewhere else. From the perspective of immigrants, the intention to stay is likely to reflect their relative satisfaction with the immigration process or their perception that this is their best option and they can't do better anywhere else. Measuring retention through the intention of an immigrant to stay provides a more nuanced picture because among those who fall into the category of retained there are people who stayed in their initial province/state on the survey day while being willing and planning to move somewhere else. Subnational immigration programmes can be considered successful not only when immigrants actually reside in their initial destination but also when they express willingness to stay there.

In this study, I am using both types of measures – at the macro and micro level – though it varies by case due to data availability. Such approach helps verify not only macro movements but also the individual correlates of those who intend to move. In part, this strategy was also necessary because I had different data sources for Canada and Australia.

Explaining Variations in the Retention Rate of Skilled Workers and Provincial Nominees in Canada

The first part of the chapter attempts to identify factors associated with the retention rate of provincial nominees, as well as of skilled workers across Canadian provinces, and to compare these two immigration streams. The retention rate indicates

what proportion of immigrants resides in their initial destination after a certain period after landing.

Explaining immigrants' retention

Economic factors

Economic factors are likely to play the most important role in the decision of economic immigrants to stay or leave their initial destination. On the one hand, immigrants themselves are supposed to contribute to the economic development of receiving countries or regions. This is especially relevant for those Canadian provinces that have difficulties with attracting and retaining immigrants and experience out-migration of their population in general. However, people migrate in search of better economic opportunities, which are more likely to be found in places with strong economies. In this light, relatively underdeveloped regions are doomed to out-migration unless they find a way to generate economic growth (Citizenship and Immigration Canada 2001; Walton-Roberts 2006). Regions experiencing economic slowdown or stagnation are less likely to retain immigrants.

Stronger labour markets may increase the likelihood of retention. The comparison of migrants landing in Canada in the 1990s and those landing in the 2000s – when Canada's labour market was stronger – showed that the retention rate of the latter was significantly higher (Pandey and Townsend 2010). Considering the subnational level, higher unemployment in some provinces may push migrants to move to other provinces due to the existence of opportunities for within-country migration in Canada.

There is some empirical evidence of the negative relationship between one-year retention rates of economic immigrants (principal applicants) in Canadian provinces and unemployment rates in the landing year, but it is marginally significant (Pandey and Townsend 2011). At the same time, the effect of the growth of GDP per capita in the landing year was not statistically significant (Pandey and Townsend 2011). The researchers observed that the early 1990s were characterized with both the recession in Canada and relatively lower retention rates. Therefore, they decided to examine the explanatory power of the economic factors along with the effect of the introduction of provincial nominee programmes on the retention rates. The authors found out that the introduction of nominee programmes did not result in decreasing retention rates.

Both skilled workers and provincial nominees are economic immigrants who move in search of better jobs and salaries. Therefore, higher earnings are likely to be associated with higher retention rates. Nevertheless, there is no definitive evidence that higher earnings lead to higher probability of retention. The existing research (Pandey and Townsend 2010) shows that nominees generally earn more than federal class migrants, which can be explained by better matching immigrants with jobs under provincial nominee programmes. However, only Manitoba's nominees were more likely to stay compared to the federal class migrants that initially settled in Manitoba. Furthermore, in Atlantic Canada, despite higher difference in earnings between nominees and federal class migrants – and this difference is higher than that in other provinces – the retention rate of nominees was still relatively low (Pandey and Townsend 2010).

Percentage of immigrant population

Immigrants are more likely to be retained in places with a higher percentage of immigrant population because such environment might be more comfortable and welcoming compared to residing in places with predominantly native-born population such as Atlantic provinces. Immigrants from non-English speaking countries tend to settle in big cities, which already have higher percentage of immigrants and, thus, attract new immigrants more easily (Le 2008).

Autonomy in administering settlement services

Migrants are more likely to be retained in subnational units with more autonomy in organizing settlement services because they would be more reflective of provincial specific situation. The relative success of Manitoba's provincial nominee programme is attributed to the autonomy in administering settlement services, such as orientation and labour market access services, language training, etc. While, like other Canadian provinces, Manitoba receives financial transfers from the federal government, it is the provincial authorities that are in charge of designing and providing these services (Baglay 2012; Leo and August 2009).

Large city

Subnational units with large cities have more chances to retain migrants. Over the previous several decades immigrants have shown the preference for settling down in the largest cities. For example, in Canada, immigrants tend to concentrate in Toronto, Vancouver, and Montreal; more than half of immigrants to Australia reside in Sydney and Melbourne; in New Zealand, more than half of immigrants choose Auckland (Wulff et al. 2008).

Large cities are considered to be points of economic growth with more diversified labour markets. Regions without large cities tend to be less developed

(CIC 2001). Thus, such areas would be less attractive for immigrants. The highest mobility of migrants coming to the Atlantic provinces as their initial destination might be associated with the lack of large urban centres (Houle 2007). Relatively small and remote areas experiencing economic growth would be able to attract migrants. For example, the growing energy sector in the Northeast Development Region in British Columbia, the development of the Tar Sands in northern Alberta and mining industry in Australia require labour force to fill vacancies. The question about retention of attracted migrants in these smaller locations remains open but, in such regions like BC and Alberta, migrants may relocate to large cities within the same province, like Vancouver and Calgary or Edmonton. In contrast, the retention of migrants in Australia's Northern Territory may pose a bigger challenge.

In Australia, the main destinations for immigrants are Sydney and Melbourne, which has resulted in the increase of population of two states such as New South Wales and Victoria. The most popular destinations in Canada have been three largest cities, i.e. Toronto, Vancouver, and Montreal, and therefore Ontario, British Columbia, and Québec receive the majority immigrants even without putting any efforts into increasing their numbers. Even after turning into a 'have-not' province in 2009-2010 fiscal year (Department of Finance: Federal Support to Provinces and Territories), Ontario still remains the preferred destination for immigrants, and the Ontario provincial nominee programme aims only at skilled immigrants, i.e. those in managerial occupations, professional and technical and trade occupations (Opportunities Ontario: Provincial Nominee Programme). Ontario is the only province that does not operate a semi-skilled worker stream. Québec traditionally attracts French-speaking migrants, the majority of whom settle in Montreal.

On the one hand, single immigrants tend to prefer large cities (Citizenship and Immigration Canada 2001). Single immigrants are more likely to move to large cities not only for economic reasons but also for more interesting social and cultural life. On the other hand, immigrants coming with their partners and children may also want to reside in a large city, which offers more employment opportunities for their partner and educational opportunities for their children (Hugo 2008). One of the reasons for the relocation of migrants to big cities is the availability of settlement support from their ethnic communities (Wulff and Dharmalingam 2008).

Apart from the biggest cities, large urban areas or second-tier cities are more likely to retain migrants compared to small towns and rural areas (Hyndman et al. 2006; Derwing and Krahn 2008). For example, in Canada, the share of migrants residing in the cities of Western Canada such as Calgary, Edmonton, Regina, and Saskatoon, has increased. Furthermore, the number of immigrants in Calgary and Winnipeg as a proportion of their population is close to that of Vancouver, Toronto, and Montreal, that is around 1% compared to 1.4%, 1.5-2% and 1% correspondingly (Baglay 2012).

Aiming at migrants' dispersal, subnational immigration programmes in Australia do not apply to the most popular destinations for both international and internal migrants. However, Adelaide, a second-tier Australian city and the largest city in the state of South Australia, was included in the list of locations eligible for regional immigration. The eligibility of Adelaide is considered as one of the explanations of a relative success of South Australia's immigration programme (Hugo 2008). It might be due to this logic that Perth, the largest city in the state of Western Australia, has become eligible for regional immigration since September 2011.

Methods

Database

The Longitudinal Immigration Database (IMDB) was used to create the dependent variables – retention rates of skilled workers and provincial nominees – and one independent variable – employment earnings of immigrants. IMDB includes landing records for all immigrants who arrived in Canada since 1980 if they filed at least one tax return since 1982. It provides information on immigration categories, which makes it possible to identify the categories of interests, i.e. provincial nominees and federal skilled workers. The IMDB contains records of where tax returns were filed and therefore allows us to track inter-provincial migrations. Tax returns also help identify the level of income. The database does not include all immigrants but only taxfilers. Nevertheless, the IMDB capture rate for principal applicants in one year after landing is quite high, i.e. about 70% for skilled workers and 80% for nominees. The capture rate for spouses and dependents is about 40% (CIC 2012a). One of the shortages of the IMDB data is that it covers the period of migrants' arrivals from 1980 up to 2008 and 2009 tax year. Thus, this dataset is not helpful in exploring the most recent trends, but it is the best available source. Furthermore, the last two years can help capture at least the early effects of the global financial and economic crisis. There is no public use of the IMDB, therefore, the service from Statistics Canada was requested and kindly provided. In addition, CANSIM tables from Statistics Canada were used to create the majority of independent variables. CANSIM (Canadian Socioeconomic Information Management System) database provides data on a number of topics over time. Statistics Canada's Censuses were also used. Census data cover many topics and is collected every five years.

Measures

Dependent variables: Immigrants' retention rate

Immigrants' retention rates are measured as the number of immigrants still residing in the province of original destination at the end of the next year after landing divided by the total number of immigrants landed in the province. The range is from 0, which indicates that nobody stayed in the province of initial destination, to 1, which means that all stayed.

Statistics Canada provided the number of immigrants at landing under skilled worker and provincial nominee streams per province per year, and how many of them still resided in the province of their original destination at the end of the next year after landing. For skilled workers, the data cover the landing years from 1981 to 2009. For provincial nominees, this period varies depending on the start of the nominee programme in each province.

The first one or two years are the time when immigrants adjust and decide where to live (Krahn et al. 2005). A migrant coming already with a job offer is more likely to stay in the intended region at least for a while than to move somewhere else. In Australia, regional stream migrants are required to stay for two years in their initial destination before they can apply for permanent residence. The reasoning is that during the two-year period immigrants get established and develop both economic and social ties and therefore are more likely to be retained. In Canada, almost 18% of nominees leave their nominating region one year after arrival, 23% after two years and 26.6% after three years. Then the percentage of those leaving increases at a slower pace, namely, it reaches 28.2% after four years and then fluctuates around 31% during the five-seven year period (CIC 2011).

Even though the above numbers do not account for returns to the nominating regions, they still show that two years of residence in the initial destination seems to be a reasonable period to look at. It might be better to chose the three-year period but it would result in calculating three-year averages for independent variables, thus compromising the precision of those measures. The chosen retention rate covers two years maximum for immigrants landed in January and a bit more than a year for those arrived in December. Two-year averages (the landing year and the next year) are calculated for independent variables.

Provincial nominee programmes were launched in different years (Table 3.1). The variation in the start of provincial nominee programmes affects the structure of the data. It is unbalanced because provinces have different number of observations corresponding to the number of years when their nominee programmes had been in force. As well, there are fewer observations in total.

TABLE 3.1. **Variations in the start of regional immigration programmes**

Province	Year
Newfoundland	Newfoundland signed the immigration agreement with the federal government in 1999. The Citizenship and Immigration Committee (CIC) report 'IMDB 2008 Immigration Category Profiles' shows that there were arrivals of provincial nominees to Newfoundland in 2000 but the number is not specified due to privacy considerations. The IMDB data provided by Statistics Canada does not have numbers of nominees for 2000. Thus, there is no observation for nominees in Newfoundland in 2000.
Prince Edward Island	PEI signed the agreement in 2001 and the data is available from 2002.
Nova Scotia	Nova Scotia signed the agreement in 2002 and established its nominee programme in 2003. According to the report published by the Nova Scotia Office of Immigration, 21 nominees (principal applicants) landed in 2003 (Nova Scotia Nominee Program Evaluation Report). The IMDB data is available from 2004 so this year is considered as the first observation for nominees in Nova Scotia.

New Brunswick	New Brunswick signed the agreement in 1999 and the data is available from 2000.
Québec	Québec signed the agreement in 1991 but its provincial immigration programme is not the same as provincial nominee programmes. The IMDB contains some numbers of nominees landed in Québec but those are nominees who were destined to other provinces but actually chose Québec as their destination. Therefore only skilled workers are counted for Québec.
Ontario	Ontario signed the agreement in 2005. The IMDB contains data for nominees in Ontario already since 1999. Like in the case of Québec, the nominee numbers include those who were supposed to land in another province. The CIC report 'IMDB 2008 Immigration Category Profiles' shows numbers for Ontario since 2002: i.e. not disclosed due to privacy considerations for 2002 and 2007, six nominees in 2003, and 0 in 2004, 2005, and 2006. It seems justifiable to consider 2008 as the first year of observation for provincial nominees in Ontario.
Manitoba	Manitoba signed the agreement in 1998 and the data is available since 1999.
Saskatchewan	Saskatchewan signed the agreement in 1998 and the data is available since 1999.
Alberta	Alberta signed the agreement in 2002 and the data is available since 2002.
British Columbia	British Columbia signed the agreement in 1998 and developed its nominee programme in 2001. The CIC report 'IMDB 2008 Immigration Category Profiles' does not disclose numbers of nominees landed in 2001 because they were too small. The IMDB includes numbers for 2001 and several previous years but those were nominees who were supposed to land in another province. It seems most accurate to consider 2001 as the first year of observation for nominees in British Columbia even though the number is small and likely to include nominees who were destined to other provinces.

GDP per capita

This variable was created by dividing provincial GDP in chained (2002) dollars (Statistics Canada, Table 384-0002, CANSIM) over time by population (Statistics Canada, Table 051-0001, CANSIM). As an alternative variable, the two-year average growth of GDP per capita was included in the model but it never was statistically significant so results are not presented.

Unemployment rate

Unemployment rate is the official rate for both sexes 15 years and over (Statistics Canada, Table 282-0086, CANSIM). Additionally, the unemployment rates in the services-producing and goods-producing sector were included as alternative variables (Statistics Canada, Table 282-0008, CANSIM). These more specific unemployment measures might be useful to capture regional economic specifics such as very high levels of unemployment in goods-producing sector in the Atlantic provinces.

Duration of unemployment

Duration of unemployment is measured as the average number of continuous weeks of unemployment for both sexes 15 years and over with a job search performed at least once every four weeks (Statistics Canada, Table 282-0048, CANSIM). The series of data used in the research is the one with duration of unemployment top-coded to 99 weeks. The series started in 1976 when only two digit values could be processed.[7]

Employment earnings

Employment earnings are measured as the average annual earnings of skilled workers and provincial nominees during the next year after landing in each province over time. The variable is measured in increments of 10,000 Canadian dollars (adjusted to 2010 dollars). The next year after landing was chosen because it was likely the first full year of earnings. Since the cohort of immigrants with the same landing year arrived at different points of that year, the average annual earnings during the landing year are likely to cover the period shorter than a year. Nevertheless, the

[7] Another available series based on the new Labour force survey questionnaire doesn't have an upper limit to duration of unemployment but it started only in 1997.

alternative variable measured as the average earnings in the period including both the landing year and the next year was considered. However, when included in the model, it had less explanatory power.

Percentage of immigrant population

Percentage of immigrant (foreign-born) population is measured as the number of landed immigrants in each province over time divided by total population and multiplied by 100%. Since Censuses are conducted every five years and therefore annual data are not available, linear interpolation was employed to calculate the percentage of immigrant population in years between censuses (Census 1981, Census 1986, Census 1991, Census 1996, Census 2001, Census 2006, and Census 2011).

Autonomy in administering settlement services

Provinces that have autonomy in administering settlement services are coded as "1" over the relevant period and those without autonomy are coded as "0". A province is considered to have autonomy if its authorities are in charge of designing and providing settlement services (while funding is provided by the federal government). In contrast, a province doesn't have autonomy if settlement services in this province are administered by federal authorities. Québec has enjoyed autonomy since 1992, British Columbia and Manitoba since 1999. However, in 2012, the federal government announced that it would resume the management of settlement services in British Columbia and Manitoba (CIC News Release, April 12th 2012).

Large city

Large city is measured through the number of large cities in each province over time. Two alternative definitions of a large city were used and, therefore, two variables were created and tested in the model. First, large city was defined as a city

with at least 500,000 residents. Such cities would have larger and more diversified labour markets, educational and cultural opportunities. Second, large city was defined as a census metropolitan area (CMA). CMA is an area that has a total population of at least 100,000 with at least 50,000 residing in the core (Census Dictionary 2011). This alternative variable was included to have more variation in the large city variable in view of relatively small number of cities with more than half a million of population in Canada. The city size was found in Census Profiles (Census 1981, Census 1986, Census 1991, Census 1996, Census 2001, Census 2006, and Census 2011). Linear interpolation was employed to identify the number of cities in years between censuses.

Interprovincial migration

The interprovincial migration of Canadian population is a control variable to examine whether the retention rate of immigrants is associated with patterns of interprovincial mobility of Canada's population in general. This variable is measured through the ratio of in-migrants to out-migrants in each province over time (Statistics Canada, Table 051-0012, CANSIM). The ratio below '1' indicates that a particular province lost more people to other provinces than received. The ratio above 1 indicates that more people moved in a province than left for other provinces.

The data include only economically active population (15-64 year-old). The annual data are presented for the period from July 1st to June 30th while other variables in this research are based on the calendar year from January 1st to December 31st. To align the measure for interprovincial migration with the rest of the data, the period from July 1st of 1980 to June 30th of 1981 was considered equivalent to the year of 1981, and so on.

Table 3.2 presents descriptive statistics.

TABLE 3.2. **Descriptive statistics**

Variable	Mean	Standard Deviation	Min	Max
Retention rate				
Skilled workers	0.73	0.18	0	1
Provincial nominees	0.75	0.25	0	1
GDP per capita, $	29,639	7,497	16,381	52,621
Unemployment rate	9.97	3.74	3.45	20.15
Services-producing sector	6.38	2.18	2.65	12.40
Goods-producing sector	11.46	5.99	2.85	26.75
Duration of unemployment, weeks	17.39	4.28	7.95	31.1
Earnings, $				
Skilled workers	33,361	14,466	0	108,002
Provincial nominees	40,972	25,376	0	139,767
Immigrant population, %	10.80	8.40	1.51	28.45
Autonomy in settlement services	0.14	0.35	0	1
Large city				
At least 500,000 residents	1.00	1.19	0	3
At least 100,000 residents	3.16	3.78	0	15
Interprovincial migration	0.94	0.33	0.41	2.13

Analysis

The analysis of time-series cross-section data is used to estimate the strength of association between the retention rate of skilled workers and economic, social and geographic factors, as well as between the retention rate of provincial nominees and those factors. The time-series cross-section design implies that there are a relatively large number of observations over time, while the number of units can be large or small (Beck 2001). The skilled worker models include ten provinces and 29 years of observations for each province (balanced models). The provincial nominee models include 9 provinces and the number of years varies from two years of observations for Ontario to 11 years for Manitoba and Saskatchewan (unbalanced models). Québec is omitted from the nominee models because of the specific nature of its immigration programme. To immigrate to Québec, skilled workers must apply under the Québec

immigration programme and there is no alternative route via Canada's federal programme. This province targets French-speaking migrants and the Québec authorities had been involved in migrants' selection even before signing the agreement with Canada in 1991.

Canadian provinces as such differ with regard to the retention rates of both skilled workers and nominees. The units in the dataset are not homogenous. Provinces are fixed units as opposed to some units selected from a distribution. Fixed effects models were initially chosen to deal with unit heterogeneity. The initial models included indicators for all provinces assuming that each of them had its own average retention rate. In addition, regional dummy variables were constructed as an alternative. Based on the initial models, as well as theoretical considerations, three regions were identified, namely the Atlantic provinces, the Prairies and the group including the most attractive destinations for immigrants – British Columbia, Ontario, and Québec (British Columbia and Ontario for the provincial nominee models). A lagged dependent variable was included along with explanatory variables to account for autocorrelation over time (Beck and Katz 1995). The Stata/IC 13 software was used to conduct the statistical analyses.

Results

In Table 3.3, Model 1, all provincial dummy codes (Québec was the reference category) were statistically significant and negative. This indicates that the retention rate in Québec would be higher than in other provinces, all else being equal. One possible explanation could be that Québec specifically targets French-speaking migrants. Such migrants might be less inclined to leave Québec for Canada's

Anglophone provinces. Based on theoretical and empirical considerations, provinces were collapsed into groups to further test interaction effects (whether some factors would have effects in particular regions and not across the country). The reference category was the group including Ontario, Québec, and British Columbia. These provinces have traditionally been three most popular immigration destinations in Canada, which makes them different from the other provinces. In addition, Model 2 showed no statistically significant differences between Québec and the other two. All the Atlantic provinces were included in one group because they experience the lowest retention rates of economic migrants in Canada. The remaining provinces formed the Prairies group. The regional dummy variables were statistically significant and negative in Models 3 and 4. Both the Atlantic provinces and the Prairies would have lower retention rates than Ontario, Québec, and British Columbia, all other factors in the models being equal.

Predictably, the lagged dependent variable was statistically significant and positive in all models, which means that higher retention rates in the previous year are associated with higher retention rates in the current year. The retention rate of skilled migrants was also positively associated with the interprovincial migration of Canadian population in general. The interprovincial migration showed statistically significant effects in Models 3, 5-8. When a province receives more interprovincial migrants than loses its own residents to other provinces, it also tends to have higher retention rates of skilled workers. Migrants' earnings were statistically significant and positively associated with retention rates, as hypothesized. In provinces where average earnings are $10,000 higher, the retention rate would be about 0.02 points higher, all other

factors being equal. Higher earnings are likely to reduce the incentive to search for better opportunities somewhere else.

While longer duration of unemployment was associated with lower retention rates (Models 2, 6-8), the unemployment rate was not statistically significant (Models 1 and 3). However, I decided to explore unemployment's effect differently in different provinces and created interaction terms between regions and types of unemployment in Models 5-8. In Model 5, the interaction term between the unemployment rate and Atlantic provinces was statistically significant and negative while the dummy variables for the Atlantic provinces and the Prairies were no longer statistically significant. Thus, higher unemployment rates in the Atlantic provinces result in lower retention rates in this particular region of Canada. The interaction term between the unemployment rate and the Prairies was not statistically significant and, therefore, is not shown in the models. In Models 7 and 8, the unemployment rate was replaced with the unemployment rate in the services-producing and goods-producing sector correspondingly to examine whether the unemployment rate in one of these sectors had particularly strong effects on retention rates in the Atlantic region and/or the Prairies. Once again, the interaction terms between these more specific unemployment rates and the Atlantic provinces were statistically significant and negative. Across the models, the unemployment rate had negative effect on retention rate of skilled workers only in Atlantic provinces. It does not come as a surprise because the Atlantic region has traditionally experienced economic difficulties and out-migration of its population.

Among non-economic variables that turned out to be statistically significant are the large city and the autonomy in settlement services. Contrary to the hypothesis

that a province with more large cities is more likely to retain migrants, the variable for the number of large cities (with at least 100,000 people) had negative effect on the retention rate in Model 1. However, the number of large cities was positively associated with the retention rate in Models 5-8. Models 5-8 also showed support for the hypothesis that the autonomy in organizing settlement services would result in higher retention rate. The effect was substantively significant, i.e. provinces with such autonomy would have the retention rate that is about 0.05-0.06 points higher, all other factors being equal.

TABLE 3.3. **Retention rate of skilled workers**

VARIABLES	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Lagged retention rate	0.366***	0.358***	0.468***	0.463***	0.441***	0.424***	0.435***	0.422***
	(0.112)	(0.110)	(0.0996)	(0.0989)	(0.100)	(0.0993)	(0.100)	(0.0987)
Large cities with at least 100,000	-0.0195**	-0.0134	0.00144	0.00294	0.00539**	0.00854***	0.00857***	0.00822***
	(0.00924)	(0.0102)	(0.00233)	(0.00192)	(0.00240)	(0.00232)	(0.00220)	(0.00274)
Immigrant population	0.0195**	0.0144	-0.000342	-0.000663	2.32e-05	-3.13e-05	5.16e-05	-0.00148
	(0.00924)	(0.00933)	(0.000829)	(0.000826)	(0.000836)	(0.000941)	(0.000936)	(0.000906)
Autonomy in settlement services	-0.0232	-0.0299	0.0159	0.0141	0.0496***	0.0540***	0.0609***	0.0464***
	(0.0218)	(0.0203)	(0.0162)	(0.0156)	(0.0173)	(0.0168)	(0.0177)	(0.0177)
Interprovincial migration	0.0555*	0.0331	0.0530**	0.0453*	0.0770***	0.0690***	0.0593**	0.0608**
	(0.0308)	(0.0266)	(0.0269)	(0.0251)	(0.0277)	(0.0264)	(0.0251)	(0.0258)
Earnings_10,000	0.0286**	0.0284**	0.0187*	0.0164*	0.0236**	0.0233**	0.0197*	0.0250**
	(0.0128)	(0.0125)	(0.0112)	(0.00989)	(0.0118)	(0.0117)	(0.0111)	(0.0120)
GDP per capita (natural log)	-0.0216	-0.112	-0.0316	-0.0565	-0.0305	-0.0832	-0.0673	-0.0627
	(0.0967)	(0.0800)	(0.0544)	(0.0599)	(0.0538)	(0.0590)	(0.0565)	(0.0576)
Unemployment rate	-0.00323		-0.00689		0.00597	0.0195***		
	(0.00890)		(0.00457)		(0.00451)	(0.00628)		
Duration of unemployment		-0.00811**		-0.00592*		-0.00854**	-0.00898**	-0.00740**
		(0.00324)		(0.00313)		(0.00432)	(0.00369)	(0.00344)
Atlantic provinces (ATL)			-0.136***	-0.179***	0.0918	0.122*	0.0791	0.0731
			(0.0324)	(0.0375)	(0.0680)	(0.0694)	(0.0740)	(0.0789)
ATL*unemprate					-0.0188***	-0.0266***		
					(0.00610)	(0.00647)		
Unemployment in services sector							0.0317***	
							(0.00824)	
ATL*UnemSer							-0.0361***	
							(0.0101)	
Prairies			-	-	-0.0312	0.0121	0.0154	-0.0732

(PRA)			0.0914***	0.0936***				
			(0.0295)	(0.0296)	(0.0277)	(0.0498)	(0.0527)	(0.0537)
Unemployment in goods sector								0.0115***
								(0.00365)
ATL*UnemGoods								-0.0197***
								(0.00545)
Newfoundland	-0.259***	-0.326***						
	(0.0691)	(0.0731)						
PEI	-0.233***	-0.320***						
	(0.0675)	(0.0781)						
Nova Scotia	-0.196***	-0.245***						
	(0.0420)	(0.0482)						
New Brunswick	-0.213***	-0.283***						
	(0.0458)	(0.0568)						
Ontario	-0.218**	-0.184*						
	(0.0986)	(0.0980)						
Manitoba	-0.305***	-0.297***						
	(0.0896)	(0.0908)						
Saskatchewan	-0.209***	-0.242***						
	(0.0567)	(0.0474)						
Alberta	-0.330***	-0.288**						
	(0.115)	(0.116)						
British Columbia	-0.423**	-0.339*						
	(0.172)	(0.173)						
Constant	0.660	1.772**	0.746	1.071*	0.556	1.146*	0.994*	1.026*
	(1.072)	(0.877)	(0.560)	(0.651)	(0.540)	(0.620)	(0.591)	(0.623)
Observations	280	280	280	280	280	280	280	280
R-squared	0.603	0.612	0.573	0.576	0.584	0.595	0.590	0.597
Number of id	10	10	10	10	10	10	10	10

Standard errors in parentheses *** p<0.01, ** p<0.05, * p<0.1

Table 3.4 shows retention models for provincial nominees. Like in the models for skilled workers, there was statistically significant and positive relationship between the retention rate of nominees and such variables as the lagged dependent variable, interprovincial migration, the large city, and the autonomy in administering settlement services. Contrary to the hypothesis, higher percentage of migrants' population was associated with lower retention rate of nominees in Models 1, 2, 5-8.

Interestingly, the effect of the unemployment-related variables on the retention rates of provincial nominees was somewhat different compared to skilled workers. In Model 3, unemployment rate showed statistically significant and negative effect on retention rate, which means that higher unemployment rate was associated with lower retention rate. In Models 5-8, interactions between unemployment rate and both the Atlantic provinces and the Prairies were statistically significant but their effects were opposite in these regions. The interaction effect was negative for the Atlantic provinces but it was positive for the Prairies. Once again it points to the profound impact of unemployment in the Atlantic region. In contrast, in the Prairies, higher unemployment rate did not result in lower retention rates, which could potentially be explained by traditionally lower unemployment rate in this region compared to other Canadian regions. At the same time, the dummy variable for the Atlantic provinces was positive but the one for the Prairies turned out to be negative. That is, retention would be higher in the Atlantic provinces than in the reference category (British Columbia and Ontario) and retention in the Prairies would be lower than in the reference category, all else being equal. The duration of unemployment was negative and statistically significant in Model 7, where unemployment rate in services-producing sector was used as an unemployment measure.

TABLE 3.4. **Retention rate of provincial nominees**

VARIABLES	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Lagged retention rate	0.292*	0.291	0.428***	0.576***	0.303**	0.312**	0.352**	0.373**
	(0.176)	(0.183)	(0.155)	(0.108)	(0.132)	(0.137)	(0.142)	(0.149)
Large cities with at least 100,000	0.142***	0.209***	0.0376***	0.0349***	0.0400***	0.0444***	0.0397***	0.0474***
	(0.0403)	(0.0707)	(0.00710)	(0.00710)	(0.00618)	(0.00480)	(0.00453)	(0.00705)
Immigrant population	-0.0854***	-0.0659***	-0.00800	-0.00318	-0.0213***	-0.0231***	-0.0173***	-0.0215***
	(0.0273)	(0.0244)	(0.00542)	(0.00475)	(0.00532)	(0.00506)	(0.00368)	(0.00640)
Autonomy in	2.246***	1.351**	0.156*	0.0987	0.324***	0.344***	0.259***	0.327***

settlement service	(0.706)	(0.624)	(0.0943)	(0.0767)	(0.0985)	(0.0919)	(0.0807)	(0.113)
Interprovincial migration	0.201***	0.157**	0.137***	0.0717**	0.286***	0.268***	0.234***	0.208***
	(0.0423)	(0.0689)	(0.0279)	(0.0361)	(0.0370)	(0.0380)	(0.0455)	(0.0380)
Earnings_10,000	-0.00198	-0.00152	-0.000161	-0.00244	0.00129	0.00173	0.00189	0.000182
	(0.0154)	(0.0163)	(0.0122)	(0.00816)	(0.0125)	(0.0120)	(0.0114)	(0.0135)
GDP per capita (natural log)	1.169**	0.509	0.164	0.0958	0.438	0.461	0.238	0.490
	(0.489)	(0.440)	(0.352)	(0.313)	(0.279)	(0.281)	(0.288)	(0.318)
Unemployment rate	0.0242**		-0.0304**		0.0248	0.0481*		
	(0.0107)		(0.0125)		(0.0175)	(0.0277)		
Duration of unemployment		-0.0152*		-0.0178*		-0.0186	-0.0259**	-0.0126
		(0.00897)		(0.0102)		(0.0137)	(0.0129)	(0.0106)
Atlantic provinces (ATL)			0.0994	0.0159	0.616***	0.662**	0.594**	0.423**
			(0.0608)	(0.0584)	(0.227)	(0.265)	(0.231)	(0.215)
Prairies (PRA)			0.00848	0.0321	-0.117*	-0.204***	-0.212***	-0.193***
			(0.0621)	(0.0502)	(0.671)	(0.0585)	(0.0575)	(0.0716)
ATL*unemprate					-0.0792***	-0.0950**		
					(0.0290)	(0.0378)		
PRA*unemprate					0.0230**	0.0342***		
					(0.0111)	(0.00759)		
Unemployment in services sector							0.0953**	
							(0.0455)	
ATL*UnemSer							-0.152***	
							(0.0558)	
PRA*UnemSer							0.0472***	
							(0.0135)	
Unemployment in goods sector								0.0142
								(0.0120)
ATL*UnemGoods								-0.0413**
								(0.0208)
PRA*UnemGoods								0.0334***
								(0.00900)
PEI	0.665**	0.425**						
	(0.262)	(0.206)						
Nova Scotia	0.862***	0.514***						
	(0.251)	(0.156)						
New Brunswick	0.599***	0.219						
	(0.205)	(0.139)						
Ontario	0.749	-0.747						
	(0.656)	(0.984)						
Manitoba	-0.583	-0.264						
	(0.356)	(0.386)						
Saskatchewan	0.647***	0.254						
	(0.201)	(0.170)						
Alberta	1.198***	0.760**						
	(0.351)	(0.371)						
Constant	-12.48**	-5.025	-1.251	-0.580	-4.349	-4.446	-2.116	-4.646
	(5.246)	(4.553)	(3.728)	(3.394)	(2.959)	(3.075)	(3.134)	(3.426)
Observations	65	65	65	65	65	65	65	65
R-squared	0.801	0.802	0.773	0.756	0.796	0.799	0.789	0.787
Number of id	9	9	9	9	9	9	9	9

Standard errors in parentheses *** p<0.01, ** p<0.05, * p<0.1

Discussion

Overall, several factors account for variation in retention rate of provincial nominee and/or skilled workers. As hypothesized, economic conditions do play a role in immigrants' retention. Provinces that benefit from interprovincial migration of Canadian population are also more likely to retain international migrants. When economic opportunities exist in a particular province, the latter becomes a magnet for interprovincial flows, like Alberta. Immigrants residing in such a province would be less prone to look somewhere else and rather stay in their initial destination to explore local opportunities.

The hypothesis about negative effects of unemployment on retention rate found some confirmation but the results were not consistent across models. The outcome of the retention models for provincial nominees looks similar to the models for skilled workers. Higher unemployment rate was associated with lower migrants' retention in the Atlantic region. However, the retention models for provincial nominees also showed higher average retention in the Atlantic region as reflected in the positive dummy variable. Potentially, compared to skilled workers, provincial nominees are less sensitive to unemployment because they tend to come under sponsorship from the employer, family or community.

On the other hand, most models that include duration of unemployment as one of unemployment measures show that skilled workers and less so provincial nominees are more likely to stay in provinces with shorter duration of unemployment. A possible explanation could be that the unemployment rate as such may not necessarily cause out-migration but longer duration of unemployment could push migrants to search for better employment opportunities somewhere else. In the Atlantic provinces,

the effects of unemployment are stronger because of the combination of chronic high unemployment rate and long duration of unemployment. Overall, the effect of unemployment measures on the retention rate of provincial nominees might be less straightforward because this category of immigrants is less affected by unemployment. Nominees are more likely to have a job upon arrival or when being granted the residency status, thus, they might be more immune to unemployment trend compared to skilled workers.

The association between retention rate and earnings was not straightforward either. While higher salaries are likely to result in higher retention rates of skilled workers, there was no significant relationship between salaries and retention rates of provincial nominees. Provincial nominees often get their nomination based on securing a job offer. Furthermore, the job offer is likely to be related to their qualifications. This would result in relatively attractive employment package, which would be sufficient to start building life in a new country and reduce incentives for moving somewhere else in search of job opportunities. Potentially, this could also explain why migrants' concentration turned out to have negative effect on the retention rate of provincial nominees, but that was not the case of skilled workers. It might be easier for a nominee to secure a better employment package in places with fewer migrants.

Similar to the previous research (Houle 2007), the findings confirmed the hypothesis that a province with more large cities is more likely to retain migrants. Even when immigrants do not settle in the largest cities such as Toronto, Montreal and Vancouver, they would opt for a relatively large urban centre (Newbold 2007) with more employment opportunities for principal applicants and their spouses, educational

opportunities for their children, better access to cultural institutions, healthcare, transportation, and other services. A province with more large cities presents more options for relocation within this particular province or even job opportunities that involve reasonable communing time.

Autonomy in administering settlement services tends to have positive effect on the retention rate of both skilled workers and provincial nominees. The findings look supportive of claims that provincial authorities would be more efficient in managing settlement services than the federal government. Provincial governments are considered to be more knowledgeable of provincial specifics and, therefore, would be able to incorporate this knowledge into design and organization of their provincial programmes for better settlement assistance. The decision of the federal government (in 2012) to deprive British Columbia and Manitoba of autonomy in settlement services administration potentially can result in negative consequences for migrants' integration in these two provinces. This change is more likely to affect Manitoba, which is an example of a province that particularly benefited from acquiring powers over migrants' selection and integration.

Explaining Migrants' Intention to Move or Stay in Their Destination in Australia

The objective of this part of the chapter is to find out what factors account for immigrants' intention to stay or leave their destination. A few researchers have already used the Longitudinal Survey of Immigrants to Canada (LSIC) to study secondary migrations of immigrants in Canada (Houle 2007; Newbold 2007). However, there have not been similar studies in Australia. In my research, I used the

Longitudinal Survey of Immigrants to Australia (LSIA), which is similar to the survey used in the Canadian studies.

Immigrants' Retention in Australian States and Territories

It is hard to estimate how many migrants are retained in Australian states and territories due to the unavailability of such data. To get at least a rough image of inter-state/territorial migrations, three longitudinal surveys of immigrants to Australia (LSIA 1, LSIA 2, and LSIA 3) were analyzed.

The first edition of the survey, LSIA 1, covered immigrants who arrived in Australia between September 1993 and August 1995. Migrants were interviewed three times: approximately six months since arrival (1994-1996), twelve months later (1995-1997), and then two years later (1997-1999). The second edition, LSIA 2, surveyed those who came in Australia between September 1999 and August 2000. Migrants were interviewed twice: six months since arrival (2000-2001) and then twelve months later (2001-2002). The third edition, LSIA 3, surveyed migrants that either arrived or were granted a permanent visa in Australia between December 2004 and March 2005. Migrants were interviewed twice: six months since arrival or obtaining an onshore visa (2005) and then twelve months later (2006). Unlike the first and the second editions of LSIA, the third edition did not include humanitarian stream immigrants. But it included onshore migrants and also those living in regional areas. As well, the minimum age of respondents was increased from 15 to 18 years old.

The crosstabs procedure was used to find out whether respondents stayed in the same state or moved to another state. Only valid responses were counted. Missing data from wave to wave was analyzed separately, and it was quite proportionally

distributed across states, which means that the missing data did not affect the pattern of interstate migration. For example, the second wave of LSIA 3 (2006) lost almost half of the respondents from the first wave (2005). The percentage of the loss varied from 42.1% in the Australian Capital Territory to 51.9% in the Northern Territory. The only exception was the missing data from the first to the third wave of LSIA 1. While the loss of respondents was in the range of 67.5-76.4%, Tasmania lost 58.7% of respondents and Northern Territory lost 81.8%. This disproportionate loss of respondents in Northern Territory potentially could be attributed to higher out-migration, which made it more difficult to track respondents.

Table 3.5 presents counts and percentages of retained respondents in each state, as well as of respondents attracted from other states. The years correspond to the period when respondents were surveyed. The category '6 month retention' stands for the match or mismatch between the intended state of residence and the actual state of residence during the interview in 1994-96 and 2000-01. However, in the third example (2005), this category indicates the match or mismatch between the first state of residence after arrival in Australia and the actual state of residence during the interview. The table also reports the total numbers of respondents in each surveyed period.

TABLE 3.5. **Interstate migration and migrants' retention**

State[8]	6 month retention 1994-96		Settled next year 1995-97		Retained in 3 years 1997-99		6 month retention 2000-01		Settled next year 2001-02		6 month retention 2005		Settled next year 2006	
	Ret, %	Att, % ↑	Ret, %	Att, % ↑	Ret, %	Att, % ↑	Ret, %	Att, % ↑	Ret, %	Att, % ↑	Ret, %	Att, % ↑	Ret, %	Att, % ↑
NSW	1696	66	1820	41	499	23	1206	52	1031	13	3846	190	2062	35
	97.5%	3.9%	98.4%	2.3%	97.5%	4.6%	96.6%	4.3%	98.1%	1.3%	95.3%	4.9%	98.1%	1.7%
VIC	1032	35	1139	27	345	15	719	33	625	12	2679	160	1453	25

[8] NSW – New South Wales, VIC – Victoria, QLD – Queensland, WA – Western Australia, SA – South Australia, TAS – Tasmania, NT – Northern Territory, ACT – Australian Capital Territory

QLD	95.8%	3.4%	97.5%	2.4%	96.9%	4.3%	96.6%	4.6%	99.0%	1.9%	95.7%	6.0%	97.3%	1.7%
	378	32	448	23	151	11	290	15	255	5	1011	118	587	21
WA	94.7%	8.4%	97.0%	5.1%	91.5%	7.2%	96.3%	5.2%	98.5%	2.0%	90.8%	11.7%	98.5%	3.6%
	409	11	494	14	184	10	369	14	332	8	878	57	533	14
SA	96.5%	2.7%	97.2%	2.8%	97.4%	5.4%	96.9%	3.8%	98.8%	2.4%	91.5%	6.5%	98.9%	2.6%
	194	17	233	12	65	2	164	5	143	6	450	38	254	**4**
TAS	89.8%	8.8%	94.7%	5.2%	87.8%	3.1%	90.1%	3.0%	95.3%	4.2%	88.8%	8.4%	96.6%	1.6%
	54	2	57	**1**	23	5	63	**4**	54	**1**	59	10	39	**1**
NT	90.0%	3.7%	90.5%	1.8%	74.2%	21.7%	85.1%	6.3%	93.1%	1.9%	68.6%	16.9%	100.0%	2.6%
	42	4	46	0	8	2	42	6	39	**1**	64	14	38	**2**
ACT	89.4%	9.5%	93.9%	0%	80.0%	25.0%	93.3%	14.3%	97.5%	2.6%	88.9%	21.9%	100.0%	5.3%
	100	6	109	5	31	3	131	11	119	5	138	21	81	13
	86.2%	6%	88.6%	4.6%	77.5%	9.7%	87.9%	8.4%	96.0%	4.2%	85.7%	15.2%	88.0%	16%
Total	4078		4469		1377		3124		2649		9733		5162	

For the most respondents, the intended and actual destination turned out to be the same. More than 95% of respondents from New South Wales, Victoria, Western Australia as well as Queensland in the period of 2000-01, reported the same state as their intended and actual state of residence when surveyed. Queensland was slightly falling behind Western Australia with the retention rate of 94.7% in the period of 1994-96. Furthermore, Queensland surpassed Western Australia in the number of migrants only in the period of 2005. The data are consistent with the known trends in the Australian migration pattern. Even though Queensland has been the most attractive area for interstate movements of Australian population due to life-style and economic opportunities since 1970s, it is only since the early 2000s that Queensland started gaining popularity among immigrants and increasing its immigration share, which had been less than proportional (Hugo 2008: 129).

The respondents from Tasmania and Australian Capital Territory had the highest mismatch between the intended and actual state of residence but still above 85% of the respondents indicated the same state. These two regions traditionally have difficulties with attracting and retaining migrants. When controlled for the immigration category, the mismatch between the intended and actual state of

residence was the highest for the skilled stream respondents, who are more likely to move in search of better opportunities than, for example, family migrants.

Similar results were reported by the respondents who were surveyed in 2005 and asked about their current state of residence, i.e. six months after their arrival or obtaining an onshore visa, and about the state where they first lived in Australia after arrival. The absolute majority of them stayed in their initial state. New South Wales and Victoria showed the highest retention rate of more than 95%. The exception was Tasmania with 68.6% of retained immigrants. Australian Capital Territory retained 85.7% of initial migrants. The retention rate in South Australia and Northern Territories was slightly under 90%.

However, the scale of interstate migrations at the very initial stage of settlement – within the first six months – looks even more modest when controlling for the onshore/offshore status of respondents. Offshore migrants, i.e. those who had landed in Australia six months before being surveyed, showed almost no mobility, except for Tasmania, which lost 20% of migrants to other states. In their turn, the surveyed onshore migrants showed higher levels of mobility. This category of migrants had already resided in Australia before obtaining their permanent residency visa, i.e. the period of their stay in Australia was longer than six months (one third of the LSIA 3 respondents arrived in Australia in 2003 and earlier).

Table 3.5 demonstrates that respondents quite settled within a year after the first round of surveying. The retention rates were very high across all Australian states. However, it is worth acknowledging that there is a large number of missing data in subsequent waves, which could be due to migrations and failure to fill out the form the next time. Even though this number does not vary across states and, thus,

does not affect the patterns, it indicates that there are higher levels of movement and the actual retention is likely to be lower. Relatively higher mobility compared to respondents from the other states was observed in case of Tasmania in 2001-02 and the Australian Capital Territory in 1995-97 and in 2006. A three-year retention rate (the period between 1994-96 and 1997-99) was equally high for New South Wales, Victoria, and Western Australia but a bit lower in Queensland and South Australia compared to the one-year rate. The Northern Territory, Australian Capital Territory, and especially Tasmania had the lowest retention rates. The preferred destinations of interstate migrants were two traditionally attractive states for immigrants to Australia, namely, New South Wales and Victoria. Western Australia and Queensland shared the third rank but the latter was firmly third in 2005.

Retention rates of LSIA respondents are quite high, when compared to the Canadian retention data. However, the Canadian data were more representative of the overall immigrant population because it included all migrants who filed their taxes at least once. The analogous Australian data was not available; therefore, only movements of LSIA respondents were analyzed. Nevertheless, overall, the observed differences between Australian states in retention rates and preferred destinations for interstate migrations are consistent with the known pattern.

Explaining migrants' decision to move or stay

The next part of the chapter aims to explain what individual-level characteristics account for migrants' decision to move or stay in their destination. More specifically, three main groups of factors were singled out: first, economic factors such as employment status, employment in the preferred occupation, and

earnings; second, human capital factors such as education and official language proficiency; third, social factors such as involvement in community activities, family connections and perception of discrimination.

Economic factors

Economic factors matter when immigrants decide whether to stay in their initial destination or to leave. Job availability is one of the main retention factors, in particular for economic migrants. Poor job prospects are likely to encourage migrants to move somewhere else (Derwing and Krahn 2008; Hugo 2008; CIC 2011). Employed migrants are less inclined to move compared to the unemployed (Houle 2007). Immigrants with jobs that correspond to their education and skills would be even more likely to stay. This factor is considered to be particularly important for retaining migrants in second- and third-tier cities (Lewis 2010). In the Australian context, this second- and third-tier status applies to all the cities, except for Sydney and Melbourne.

Immigrants with higher earnings may be more inclined to stay in their initial destination. However, there is no strong research support for this hypothesis. For example, a Canadian study of retention rates showed that higher earnings of provincial nominees, compared to federal skilled workers, did not always result in higher retention rates of nominees (Pandey and Townsend 2010). Furthermore, there is a study (Newbold 2007) showing that low-income households were less likely to make a post-arrival move.

Human capital

Immigrants with higher proficiency in the official language are more likely to stay in their initial destination because such immigrants are more likely to be

successfully employed and more actively engaged in local community. The lack of or insufficient language skills is one of the key factors that explain immigrants' decision to settle in or relocate to places where their ethno-cultural communities live, which are often big cities. For example, provincial nominees in Canada who speak at least one of the official languages are 30% less likely to leave their initial destination than those without language skills (CIC 2011: 56).

While better official language skills increase the likelihood of migrants' retention, higher levels of education translates in higher levels of mobility. More educated migrants are more mobile and are less likely to be retained (Houle 2007; Pandey and Townsend 2010). Among migrants with higher education, those with a Bachelor degree are less likely to leave their nominating province or territory compared to those with a Masters or PhD degree (CIC 2011: 56).

Social connectedness

More involvement in local community activities leads to a higher probability of staying in the initial destination. Social ties play an important role in whether or not immigrants find their immigration experience satisfactory. People who feel attached to the place they live in are less likely to move somewhere else.

Marryann Wulff and A. Dharmalingam (2008) studied migrants' retention through the concept of social connectedness. The authors draw on the research on locational stability pointing to the significant role that local ties play in the decision to migrate. Strong local ties can outweigh potential economic gains from migration. Therefore, migrants that are actively involved in the social life of their new community are more likely to be retained (Wulff and Dharmalingam 2008).

For the purposes of their research, Wulff and Dharmalingam created an index for social connectedness. The index consists of five questions about migrants' participation in local community activities. Such activities may include volunteering, local clubs and association, participation in religious and educational organizations such as churches and schools, etc. Those migrants who participate on a regular basis in at least two activities are included into the category of strong social connectedness. Those who participate in less than two activities or showed no participation at all fall into the category of weak social connectedness (Wulff and Dharmalingam 2008: 152-3). However, social connectedness does not automatically translate into retention. The authors report that 72% of the respondents scored enough to have strong social connectedness (Wulff and Dharmalingam 2008: 153). However, it does not mean that retention rate was also 72%. At the beginning of their article, the authors refer to the problem of retaining immigrants in regional Australia because most of them move from regional areas to big cities thus reproducing the pattern of migrants entering the country under the federal programme. The state of Victoria receives sufficient numbers of immigrants mainly due to the attraction of Melbourne and the attempts to disperse migrants within the state have not been very successful. Only 18% of them stayed in the areas outside Melbourne after one year and a half since their arrival (Wulff and Dharmalingam 2008: 148). To use social connectedness as an indicator of retention is to lose other important factors. Social connectedness is one of the potential factors that account for immigrants' decision to stay or to move out.

On the contrary, it would be hard to build social ties and develop a sense of belonging, if migrants experience discrimination. Higher levels of perceived

discrimination tend to result in lower assessments of life (Houle and Schellenberg 2010). Such unwelcoming environment may push migrants to move somewhere else.

Family connections

Immigrants are more likely to be retained in places where their relatives live. Family migrants are less likely to leave their initial location (Houle 2007; Newbold 2007). Similarly, economic migrants with family ties or coming under specific family streams have been found to be more likely to stay (Golebiowska 2008; Pandey and Townsend 2010). The reason could be not only psychological comfort and warmth but also a potential support or a family safety net.

Family-related immigration streams exist in both Australia and Canada. Unlike traditional family class immigration, sponsorship by a family member aims at bringing highly skilled relatives of Australian citizens and permanent residents (Cameron 2011). However, family-related immigration may result in poorer labour market outcomes of migrants (Pandey and Townsend 2010).

Marital status

Married immigrants are less likely to be retained than singles, while immigrants with children are more likely to stay than singles. Single immigrants might be more satisfied with their economic status in the initial destination since they take into consideration only their own needs, unlike migrating families. However, single immigrants have weaker social ties, are more mobile and prefer large cities (CIC 2001); therefore, they are less likely to be retained. Despite higher probability of satisfying their economic needs, single immigrants are more likely to move to large cities for more interesting social and cultural life. People immigrating with family members may establish closer ties with local communities through activities of their

children and, therefore, would be more inclined to stay. On the other hand, one of the reasons why they might want to leave their initial destination is the lack of jobs for their partner/spouse and educational opportunities for their children (Hugo 2008). Thus, immigrants with accompanying family members are more likely to be retained if the needs of all family members are satisfied to a greater or lesser degree. The pattern of migrating couples is likely to resemble that of single immigrants. Not only do they have weaker social ties, migrating partners face a challenge in finding jobs that would satisfy both of them. Therefore, such immigrants might be even less likely to stay in their initial destination than singles and tend to move to larger cities with more diversified labour markets.

Age of arrival

Older immigrants are more likely to stay, while younger immigrants are more mobile (Pandey and Townsend 2010). Young people are more inclined to change their residence in search of opportunities. Furthermore, they are more likely to move to big cities. Such difference in mobility between older and younger people is true for both native-born population and immigrants, though the latter as a group are relatively more mobile regardless of age.

Methods

Database

The data for analyses come from Wave 1 of the Longitudinal Survey of Immigrants to Australia 3 (LSIA 3). This third edition surveyed migrants that either arrived or were granted a permanent visa in Australia between December 2004 and March 2005. LSIA 3 was chosen because it is the most recent survey. Sample size is

9865 primary applicants of the minimum age of 18 years old (DIBP, Description of the LSIA Sample). 13.8% of the sample had missing data on one or more variables and were excluded from the analysis. The final sample was 8507 respondents. Migrants were interviewed two times: from August to October 2005 to cover the period prior to arrival and the first six months since arrival or obtaining an onshore visa (Wave 1).[9] Since the question about migrants' intention to move was asked only in Wave 1 of the LSIA 3, this wave was used for the analysis.

The dataset includes immigrants' characteristics such as age, gender, composition of migrating units (singles and couples with or without dependent children), region of origin, English proficiency, education, employment outcomes including working in preferred occupation and job satisfaction, earnings, settlement experience such as interactions with neighbours, participation in community activities, location, etc. This dataset was kindly provided by the Department of Immigration and Border Protection of Australia.

Measures

Dependent variable: Intention to move

Migrants' intention to move was measured through a question about whether they intended to move to another city or town in the next twelve months. Respondents had three options, i.e. 'yes' (potential movers), 'no' (potential 'stayers'), and 'don't know' (hesitant). Migrants with no intention to move served as the base category.

There is a reservation regarding the choice of this dependent variable. On the surface, it does not capture the concept of interstate migration because the question is about moving to another city or town. However, the specificity of Australia is that

[9] Participation in the survey was voluntary.

such an intercity movement is very likely to be an interstate movement. Sydney (New South Wales) and Melbourne (Victoria) have remained the most attractive cities for both migrants coming to Australia and those relocating within the country. Even if intercity migration happens without the involvement of these two major cities, it is still likely to be interstate. There are only few large cities in Australia, therefore, if to exclude Sydney and Melbourne, the administrative capitals of each state would be preferred destinations for migration flows. Furthermore, even if the movement happens within a state, it is more likely to be a movement to the administrative capital, contrary to the efforts of Australian policy-makers to disperse migrants from such cities.

Immigration category

One of the new features of the LSIA 3 dataset is that it includes both onshore and offshore immigrants. To account for potential differences between these categories of migrants, a dummy variable for onshore migrants was created with offshore migrants as a reference group. Furthermore, LSIA 3 differs from the previous editions of this survey by including only skilled and family migrants while humanitarian stream was excluded from the sample. A question about sponsorship by a partner or relative was used to refine the category of skilled migrants. Thus, two dummy codes were created for the skilled class, i.e. family-sponsored skilled and unsponsored skilled migrants. Family class was the base category. It is hypothesized that onshore migrants would be less likely to express the intention to move than offshore migrants, and family migrants would be less likely to express such intention compared to skilled migrants.

Economic factors

Two economic factors were included in the analysis. First, the variable for the labour force status was created out of a question about employment status (unemployed and looking for work; employed; and not working and not looking for work) and a question about working in a preferred occupation (yes or no). A question about the use of the highest qualification in job (often, sometimes, and rarely or never) was considered as an alternative to the question about working in preferred occupation. These two questions were highly correlated. After preliminary testing, the question about working in preferred occupation was chosen. Three dummy codes were created: not in labour force; employed in preferred occupation; and employed in not preferred occupation. The unemployed served as a reference category. The research hypothesis is that unemployment migrants would be more inclined to consider moving somewhere else.

Second, the salary variable is primary applicants' gross annual salary from all jobs in Australia. It is measured in Australian dollars in increments of 10,000 (i.e. for example, 10,000 became 1). Interaction terms for salary by immigration category were created to test whether the effects of salary would be different for different categories. Migrants with higher salaries would be more likely to stay in their destination. Presumably, the effects of salary would be more pronounced for unsponsored skilled migrants.

Human capital factors

Human capital factors include migrants' education and language proficiency. The level of education was measured by combining a question whether any educational qualifications were obtained since leaving school (yes or no) and a question about the highest qualification. Three dummy codes were created: advanced

degree (Doctorate and Master's), Bachelor's degree or equivalent (post-graduate diploma, university degree or graduate diploma) and vocational/trades (trade qualification, diploma, certificate). Respondents with no education above school were the base category. It is hypothesized that higher levels of education would be associated with the propensity to move.

Two questions about migrants' language skills were used to measure English proficiency. The first question about what language migrants speak best (English or other) helped identify those with English as their best language. This group served as the reference category. Then, the first question was combined with the second question about levels of English proficiency to create four dummy variables such as 'speak very well', 'speak well', 'speak not well', and 'not at all'. Migrants with higher language proficiency would be more likely to stay.

Social factors

Social factors include perception of racial discrimination and involvement in community activities. Four dummy codes were created to capture levels of perceived racial discrimination in Australia: 'a lot of discrimination', 'some discrimination', 'little discrimination', and 'don't know'. 'No discrimination' was the base category. Higher levels of perceived discrimination would be more likely to result in the intention to move.

The survey includes a series of questions about regular activities attended by migrants, i.e. religious activities, local school activities, sport or hobbies, activities arranged by people from home country and activities arranged by the local community. Only the two latter types of community activities were chosen for the final model. First, a dummy variable for activities organized by people from migrants'

home country was created to test whether regular involvement with diaspora would increase the probability of migrants' retention. Second, a dummy variable for activities organized by local community was created to explore effects of social connectedness on migrants' retention. Religious activities, local school activities, sport or hobbies were excluded based on theoretical and empirical grounds. These activities are of a generic nature and their attendance does not really form a deep sense of social connectedness. Furthermore, the dummy codes were created for each of them and tested but no statistically significant effects were discovered.

Demographic characteristics

Three variables were used to account for demographic characteristics of immigrants: i.e. age, marital status, and children. Two dummy codes were created for the age groups of 36 to 45 years old and 46 years old and over. The base category was the group of 35 years old and younger. Dummy variables were created for singles (those with a partner were the reference group) and migrants with children (those with no children served as a reference).

States and territories

A set of dummy coded variables for Australia's states and territories was created with New South Wales as the base category. It is hypothesized that migrants residing in such popular states as New South Wales and Victoria, as well as, probably, Western Australia and Queensland, would be less likely to express the intention to move.

Sample characteristics are presented in Table 3.6. Almost two thirds of respondents were employed and most of them worked in their preferred occupation. In terms of human capital, 52.4% of respondents had a university education and the

absolute majority indicated high proficiency in spoken English with more than one third speaking English as their best language. The sample was almost equally divided in onshore and offshore migrants. Not only 58.2% respondents came to Australia under the family stream but also one fifth of skilled stream respondents indicated that they had been sponsored by a relative or partner. About 40% of the sample perceived some or a lot of racial discrimination in Australia. A quarter of respondents regularly attended activities organized by people from their home country. Local community activities were attended by 18.8% of respondents. In terms of geographic distribution, respondents predominantly resided in New South Wales and Victoria, i.e. 41.4% and 29.2% correspondingly. The Australian Capital Territory, Northern Territory, and Tasmania were the least popular regions.

TABLE 3.6. **Sample characteristics**

Variable	**M (SD) / %**
Intention to move	
Yes	4.4
Don't know	18.6
No (reference)	77.0
Immigration category	
Onshore migrants	50.2
Offshore migrants (reference)	49.8
Skilled sponsored	8.7
Skilled unsponsored	33.1
Family (reference)	58.2
Economic factors	
Salary (in increments of 10,000 dollars)	2.88 (4.30)
Labour force status	
Unemployed (reference)	14.5
Not in labour force	20.3
Employed in preferred occupation	42.2
Employed in not preferred occupation	23.0
Human capital	
Education	
Advanced degree	15.6
Bachelor degree or equivalent	36.8
Vocational/trades	24.3

High school or less (reference)	23.3
English proficiency	
Best language (reference)	36.0
Speak very well	19.0
Speak well	27.4
Speak not well	15.0
Speak not at all	2.6
Social factors	
Discrimination	
A lot of discrimination	5.9
Some discrimination	33.9
Little discrimination	25.7
No discrimination (reference)	14.7
Don't know	19.8
Involvement in regular activities	
Home country community	24.8
Local community	18.8
Demographic characteristics	
Age	
35 years old and younger (reference)	67.8
36 to 45 years old	20.2
46 years old and over	12.0
Marital status (% no partner)	21.1
Children (% with children)	28.6
States and territories	
New South Wales (reference)	41.4
Victoria	29.2
Queensland	11.6
Western Australia	9.7
South Australia	5.0
Tasmania	0.7
Northern Territory	0.8
Australian Capital Territory	1.6

Results and Discussion

Multinomial logistic regression was used to estimate the strength of association between migrants' intention to move and human capital, economic and social factors. The multinomial logistic regression is employed when dependent variable is categorical and has more than two outcomes. In my study, there are three outcomes, namely, the intention to move, uncertainty and the lack of intention to

move, which was the base category. Thus, Table 3.7 shows two sets of results, i.e., first, what factors account for migrants' intention to move ('Yes'), and, second, what factors account for having doubts about staying in the current location ('Don't know'). To determine whether the proposed statistical model is a good fit to the data, the change in the -2*loglikelihood from the intercept only model (10777.401) to the final model (10076.901) was examined. The two-sided p-value for a chi-square value associated with the difference in -2*loglikelihood (700.500) with the corresponding degrees of freedom (df = 66) was less than 0.001. Therefore, there is statistically significant relationship between the dependent variable and independent variables in the model. Pseudo R-squared was 0.06, which means that the model explains about 6% of variance in migrants' intention to move.

TABLE 3.7. **Migrants' intention to move to another city or town in the next year**

Independent variables	Yes		Don't know	
	B (SE)	Exp(B)	B (SE)	Exp(B)
Intercept	-3.149 (0.290)***		-1.816 (0.156)***	
Immigration category				
Onshore migrants	-0.302 (0.118)**	0.739	0.008 (0.066)	1.008
Skilled sponsored	0.206 (0.209)	1.228	0.613 (0.112)***	1.846
Skilled unsponsored	0.443 (0.150)**	1.557	0.714 (0.085)***	2.041
Economic factors				
Salary10K_cntr	0.037 (0.021)	1.038	-0.050 (0.026)	0.951
Salary10K_cntr*Skilled sponsored	-0.107 (0.075)	0.899	-0.029 (0.044)	0.972
Salary10K_cntr*Skilled unsponsored	-0.068 (0.028)*	0.934	-.057 (0.027)*	0.945
Not in labour force	-0.214 (0.205)	0.808	-0.514 (0.099)***	0.598
Employed in preferred occupation	-0.303 (0.199)	0.739	-0.625 (0.114)***	0.535
Employed in not preferred occupation	0.061 (0.195)	1.063	-0.019 (0.104)	0.981
Human capital				
Advanced degree	0.156 (0.210)	1.169	0.283 (0.108)**	1.327
Bachelor degree or equivalent	0.351 (0.176)*	1.421	0.222 (0.091)*	1.249

Vocational/trades	0.289 (0.180)	1.336	0.035 (0.095)	1.036
English: speak very well	0.219 (0.142)	1.245	0.194 (0.085)*	1.214
speak well	-0.317 (0.154)*	0.728	0.261 (0.079)**	1.299
speak not well	-0.127 (0.207)	0.881	0.197 (0.109)	1.218
not at all	-0.839 (0.607)	0.432	0.007 (0.228)	1.007
Social factors				
Discrimination: a lot	0.855 (0.236)***	2.351	0.337 (0.149)*	1.401
some	0.364 (0.186)*	1.439	0.263 (0.098)**	1.301
little	0.107 (0.196)	1.113	0.034 (0.102)	1.034
don't know	0.050 (0.210)	1.052	0.280 (0.104)**	1.323
Home country community	-0.144 (0.132)	.866	0.021 (0.068)	1.021
Local community	0.325 (0.131)*	1.384	-0.030 (0.081)	0.970
Demographic characteristics				
Age: 36 to 45 years old	0.108 (0.143)	1.114	-0.171 (0.085)*	0.843
46 years old and over	-0.169 (0.195)	0.844	-0.476 (0.114)***	0.621
No partner	0.098 (0.157)	1.103	0.416 (0.080)***	1.516
Children	-0.028 (0.137)	0.973	0.013 (0.077)	1.014
States and territories				
Victoria	-0.137 (0.137)	0.872	-0.112 (0.070)	0.894
Queensland	0.216 (0.166)	1.241	-0.079 (0.100)	0.924
Western Australia	-0.185 (0.198)	0.831	-0.186 (0.111)	0.831
South Australia	-0.579 (0.309)	0.561	-0.354 (0.150)*	0.702
Tasmania	0.946 (0.424)*	2.575	0.119 (0.350)	1.126
Northern Territory	0.636 (0.448)	1.889	-0.051 (0.354)	0.950
Australian Capital Territory	1.009 (0.296)***	2.743	0.199 (0.221)	1.220

*p < 0.05; **p < 0.01; ***p < 0.001

A few factors turned out to be associated with migrants' intention to change the place of residence within the next year (Table 3.7). Onshore migrants are statistically less likely to give a positive answer to the question about whether they intend to move to another city or town. One of the potential reasons is that they spent more time in Australia than offshore migrants and, therefore, by the time of the survey, they had already done some relocation, as confirmed by the analysis of the data from the third Longitudinal Survey of Immigrants to Australia.

The relationship between the intention to move and immigration category was statistically significant only for skilled migrants who were not sponsored by a relative

or partner. While this category of migrants is 1.6 times more likely to indicate the intention to move, compared to the family stream, skilled migrants who were sponsored by a relative or partner were not different from family migrants. This finding is consistent with the hypothesis that both family and skilled immigrants are more likely to stay in proximity to their relatives.

Economic factors, such as employment status and salary, were not statistically significant. However, the immigration category had a moderating effect. The higher the salary unsponsored skilled migrants get, the less likely they would intend to relocate. Unlike sponsored skilled migrants, this group is not sheltered from economic realities and cannot rely on family support. Therefore, earning power matters to independent skilled migrants already at the early stage of immigration to their new country. Immigrants with Bachelor's degree or equivalent are 1.4 times more likely to have the intention to move to another city or town than those with only school education. Migrants who speak English well were less inclined to move compared to those with English as their best language.

There is a statistically significant relationship between the perception of racial discrimination and the intention to move. Compared to migrants who indicate that there is no racial discrimination in Australia, those who perceive that there is a lot of or some racial discrimination are 2.4 and 1.4 times, respectively, more likely to intend to move to a different place. Contrary to the hypothesis that the involvement in local community life would lead to migrants' retention, migrants who regular attend activities arranged by local community are 1.4 times more likely to intend to change their location. Those who regularly attend activities organized by local community get

to know the community better, which might not be necessarily a positive experience. People might realize that they do not fit where they are.

The state or territory of residence had a very strong effect on migrants' intention to relocate. Compared to migrants living in New South Wales, the odds of the intention to move are 2.7 times higher for those residing in the Australian Capital Territory and 2.6 times higher for Tasmania residents. For these two regions, it has been harder to retain their migrants (e.g. Table 3.5). Lifestyle could be a potential reason.

When it comes to the factors that make migrants to express hesitance regarding their intention to move or not, i.e. to give the "don't know" answer, there are some similarities and differences compared to the factors that are associated with the firm intention to move, i.e. the "yes" answer. Not only unsponsored but also sponsored skilled migrants are twice more likely to give the "don't know" answer than family stream migrants. Higher salary would result in lower propensity of unsponsored skilled migrants to question the current place of residence. The effect of salary in general was marginally significant (p-value=0.051). Compared to the unemployed, immigrants who are not in labour force and those who work in their preferred occupation are almost twice less likely to express doubts regarding moving or staying. This shows that professional self-fulfilment is an important consideration for migrants in the labour force. Immigrants with both advanced and Bachelor's degrees are about 1.3 times more likely to express uncertainty than those with school education. This could be explained that highly educated migrants might be more ambitious and more inclined to be ready for new opportunities.

The impact of racial discrimination was similar to that in case of the firm intention to move. However, not only a lot of and some racial discrimination showed statistically significant positive effect but also those migrants who could not give a definitive answer to the question about racial discrimination. Thus, migrants' perception of racial discrimination in Australia had a strong effect on their intention to move to another place. Eradicating racial discrimination is indispensible to make immigrants feel welcome and willing to stay.

The hypothesis about higher mobility of young people (Pandey and Townsend 2010) found confirmation. Compared to migrants of the age of 35 years old and younger, the older migrants, in particular those of the age of 46 and over, are less likely be hesitant about their current city/town of residence. Migrants without a partner are 1.5 times more likely to have an open mind regarding relocation. Residents of South Australia are less likely to express hesitance than those residing in New South Wales.

Overall, the research demonstrates that factors from all broad categories tend to account for migrants' intention to move or stay in their place of residence. The influence of any single group of them – either economic or social factors – should not be overestimated.

Conclusion

For the concluding part of the analysis of migrants' retention, several findings from this chapter need to be highlighted.

First of all, migrants' retention poses more serious challenge to the regions that are mostly in need of immigrants to solve their demographic and economic problems.

Immigrants tend to relocate within the country similarly to the internal migration pattern of the general population. Regions that are popular among internal migrants tend to have higher retention rates of international migrants. In reverse, regions that experience out-migration of their population and try to attract more international migrants to boost their economies are more prone to have difficulties with retaining attracted migrants. This compromises the objectives of subnational immigration programmes and push regions to search for effective solutions.

One of the potential solutions could be accepting more onshore migrants under regional immigration programmes. The findings in this chapter show that onshore migrants, who obtained their permanent residency visa while already living in Australia, tend to be less inclined to contemplate relocation to another city or town. Onshore migrants are considered to be highly desirable because their economic and social integration has already happened by the time they obtain the status of permanent residents. In terms of policy, it is reflected in the widespread use of temporary migration schemes in both Australia and Canada. Immigrants, first, arrive as temporary workers or international students and, then, after a period of time, can apply for permanent residency under regional (or federal) immigration programmes. As well, Australia introduced provisional visas for regional migrants that require two years of residency in the intended destination. Nevertheless, such measures might not resolve the problem of migrants' retention in less popular geographic areas because of internal migration to which onshore migrants are not immune.

In view of one more existing trend to shift settlement assistance to non-state actors (Lewis 2010; Dobrowolsky 2011), introducing schemes for skilled migrants who come with the sponsorship support from their relatives potentially could serve

several goals at once. Immigrants who come under sponsorship from their family members are more likely to be retained, while independent migrants do not have immediate strong attachment to their place of residence, such as family ties. Furthermore, while the salary level would impact unsponsored skilled migrants' intention to leave their place of residence, the effect of the salary factor is not significant for sponsored skilled migrants.

Family-related skilled streams have become quite popular for the purpose to retain migrants in less attractive destinations in both Australia and Canada. For example, Australia operated the Skilled-Australian Linked subclass from 1997 to 1999, the Skilled-Australian Sponsored subclass from 1999 to 2007, and the Skilled-Sponsored subclass from 2007 to 2012, as well as Skilled-Australian Sponsored subclasses for New Zealand citizens and overseas students from 2001 to 2007 within its skilled migration stream. In Canada, the Atlantic provinces and the Central Prairies launched family-related streams under their provincial nominee programmes to address the problem of migrants' retention. In the same vein, these provinces introduced community-related streams. The existence of ethno-cultural community is supposed to increase the probability of staying of those migrants who belong to the community (Derwing and Krahn 2008; Lewis 2010; Pandey and Townsend 2010). The success of Manitoba's nominee programme in terms of attracting and retaining its migrants could be attributed, at least in part, to the use of this stream (Lewis 2010).

To deepen the understanding of the retention from migrants' perspective, factors that account for immigrants' satisfaction with their settlement experience are examined in the next chapter.

Chapter 4: Explaining Variations in Immigrants' Satisfaction with Their Settlement Experience

Introduction

Immigrants' satisfaction with their settlement can be described as a positive judgement or feeling of migrants about their life in a new country. It is one of the indicators of success of immigration programmes. However, immigrants' interest and assessment of their immigration experience get much less attention than demographic and economic indicators, such as the number of attracted and retained migrants, their employment rate, etc. Evaluating levels of subjective satisfaction experienced by immigrants could contribute important information to the assessment of immigration policy (Lewis 2010).

A strong theoretical case can be made that immigrants' satisfaction with their settlement is not only an important indicator in itself but also linked to immigrant retention. From the perspective of immigrants, the intention to stay in their initial destination or to move somewhere else is likely to reflect their relative satisfaction with the immigration process or their perception that this is their best option and they can't do better anywhere else. There is some empirical support for the link between immigrants' satisfaction with their settlement and their retention. Douglas S. Massey and Ilana Redstone Akresh found out that satisfaction of economic immigrants with life in the United States was positively associated with the intention to obtain US citizenship, and the intention to obtain citizenship was positively associated with plans to stay in the US permanently (Massey and Redstone Akresh 2006).

This chapter aims to identify factors that account for immigrants' satisfaction with their settlement experience. The analysis seeks to determine which economic

integration factors, social integration factors, human capital factors, and area level factors are associated with immigrants' satisfaction with their settlement experience in Canada and Australia. While immigrants' satisfaction with their settlement experience is the dependent variable in case of Canada, the change of immigrants' satisfaction with their settlement experience is examined in case of Australia. The change of satisfaction was chosen due to the constraints of the available data. Even though the second edition of the Longitudinal Survey of Immigrants to Australia (LSIA 2) had the question about migrants' feeling about their life in Australia, there was not much variation in responses neither in the first (six months after arrival) nor in the second wave (one year later) of the survey. In this one-year period, even though the majority of immigrants had not changed the level of satisfaction with life in Australia, sufficient numbers of migrants ranked their satisfaction with life lower or higher than a year ago, which allowed me to conduct a longitudinal study instead of a cross-sectional one.

The study has several advantages. First, it draws on large sample sizes of 11,003 immigrants in case of Canada and 2,439 in case of Australia. Second, the chosen datasets contains many individual characteristics of migrants. The rich data sets made it possible to create measures closely reflecting the core concepts of interest. Third, in case of Canada, the study extends the previous research (Amit 2010; Houle and Schellenberg 2010; Lester 2008; Massey and Redstone Akresh 2006) by examining contextual factors.

Considering the practical implications of this research, identifying factors that are associated with immigrants' satisfaction with their settlement experience could be

useful for policy-makers designing immigration programmes, especially in the regions that have difficulties with retaining immigrants.

Explaining Variations in Immigrants' Satisfaction with Their Settlement in Canada

The objective of this part of the chapter is to identify factors associated with immigrants' satisfaction with their settlement experience in Canada. The analysis seeks to determine the extent to which: 1) economic integration factors such as employment and higher earnings, 2) social integration factors, namely, involvement in local life, family connections, 3) human capital factors, such as education and language proficiency and 4) area level factors, such as provinces/regions, immigrant concentration and unemployment rate, are associated with immigrants' satisfaction with their settlement experience in Canada. Individual characteristics, such as age, gender, marital status and household composition serve as control variables.

Explaining immigrants' satisfaction

The existing research that seeks to understand immigrants' settlement experiences tend to examine the role of several groupings of factors, namely: economic factors, human capital, social integration factors and demographic characteristics (Massey and Redstone Akresh 2006; Amit 2010; Houle and Schellenberg 2010).

Economic factors

Immigrants often move in search of better jobs and salaries; therefore higher earnings and fulfilling employment are likely to increase their satisfaction with settlement. While conducting their study of economic migrants in the United States,

Massey and Redstone Akresh (2006) singled out income earned in the US as an important variable; however, their analysis failed to find an association between income and immigrants' satisfaction. Reasons for these null findings could be the timing when income was measured (migrants' earnings from the first US job) and sample heterogeneity (differences in the method of entry – students, temporary workers, etc. – and the status – legal and illegal – before obtaining permanent residency), which likely distorted their estimated association between income and satisfaction. In contrast, using a sample of immigrants enlisted at a common point in time (from the Longitudinal Survey of Immigrants to Canada), Houle and Schellenberg (2010) found a positive association between income and satisfaction among immigrants in Canada four years after arrival. Those with earnings of 40,000 dollars and higher were more likely to be satisfied compared to those with lower and no income (the researchers used a binary variable for satisfaction). This pattern was the same for both personal and household income.

Labour market performance is important not only for skilled and business migrants whose primary motivation is likely to be economic (which includes not only income but also job satisfaction). Working-age family migrants are likely to join the labour force in their new country. Even refugees for whom safety consideration play a decisive role in immigration are likely to be more satisfied when being able to improve their economic well-being (Colic-Peisker 2009). Nevertheless, differences between the classes of immigrants should be examined. All things being equal, family migrants and refugees are likely to be more satisfied groups than economic migrants (Houle and Schellenberg 2010). Family migrants are likely to be more satisfied

because of reunification with their loved ones. In case of refugees, this could be because they moved to a place where there is no threat to their life.

Human capital

Economies of receiving countries are supposed to benefit most from migrants with high human capital, including individuals' knowledge, skills, and competencies (OECD Insights 2007, 29). Higher language proficiency and higher levels of education are supposed to facilitate settlement, including migrants' labour market integration. Immigrants with higher proficiency in the official languages are more likely to have more positive settlement experiences because such immigrants are more likely to be successfully employed and more actively engaged in the local community (Massey and Redstone Akresh 2006; Lester 2008; Amit 2010). In the case of Canada, which is a bilingual country, proficiency in both official languages will be considered nationwide, but in addition, the impact of proficiency in French in Québec will be examined.

However, immigrants with higher education are likely to be less satisfied with their settlement (Houle and Schellenberg 2010; Lester 2008; Massey and Redstone Akresh 2006). In their study of economic migrants in the US, Massey and Redstone Akresh hypothesized that satisfaction would be positively associated with higher education. However, their research showed that immigrants with university degree were the least satisfied. The authors explained it by higher expectations of this category of migrants and their perception of the availability of opportunities in other countries (Massey and Redstone Akresh 2006). However, because migrants often face such problems as language barriers, credential recognition and labour market discrimination upon arrival, they tend to be in jobs that are not commensurate with

their credentials. Thus, the higher educational level of a migrant, the less satisfied s/he is likely to be with an unskilled or low-skilled job. In Canada, there is misbalance between the officially stated needs of the labour market which results in granting more points to permanent residence applicants with more education, and the real labour market opportunities for newcomers when highly educated immigrants work in jobs that are not commensurate with their skills.

Social factors

Social integration factors also contribute to whether or not immigrants are satisfied with their settlement. Strong local ties can outweigh potential economic gains from migration; therefore, migrants that are actively involved in the social life of their new community are more likely to be retained (Wulff and Dharmalingam 2008). Having relatives, friends or similar ethno-cultural community in the country of destination is likely to increase satisfaction with the immigration experience (Houle and Schellenberg 2010; Chow 2007; Lackland Sam 1998). For example, Houle and Schellenberg (2010) reported a positive association between satisfaction and the frequency of contacts with friends: those without friends or who had contacts with friends once a month or less tended to be dissatisfied.

The role of social networks in facilitating migrants' settlement has become more important in view of the existing trend of the devolution of immigration matters from central to regional and local governments and to non-state actors (voluntary sector, family, etc.). Immigrants without attachments such as friends, relatives, ethnic community are more likely to face more problems upon arrival (Lewis 2010; Dobrowolsky 2011). At the same time, there could be positive or negative effects of belonging to an ethno-cultural network depending on the specific ethno-cultural group

and its position in the receiving society (Edin 2004; Akbari 2008; Amit 2010; Zuberi and Ptashnick 2012). In Israel, immigrants from Western countries living in ethnic neighbourhoods are more satisfied with their lives than those living outside such neighbourhoods. But there was not relationship between living in ethnic neighbourhood and life satisfaction in case of immigrants from the former Soviet Union in Israel (Amit 2010). In the Atlantic provinces of Canada, ethnic networks facilitate economic integration of immigrants from Lebanon and the Indian subcontinent but this is not the case for immigrants from African-Francophone countries (Akbari 2008). Thus, the hypothesized positive association between social relationships with individuals from one's own ethno-cultural community and satisfaction should be taken with caution.

Specific factors within a Canadian context

Among specific factors that might impact settlement satisfaction in the Canadian context are province of residence and visible minority status. One of the features of Canada's immigration landscape is the unequal geographic distribution of migrants across the country and post-arrival migration within Canada favouring Ontario, British Columbia and Québec. The hypothesis is that immigrants residing in the most popular provinces would be more satisfied with their settlement. Visible minorities would supposedly be less satisfied with their settlement. Racial minorities tend to integrate into the Canadian society slower than minorities of European background and among the reasons are their experiences of discrimination and inequality (Reitz et al. 2009; Hou and Balakrishnan 1996). Experiencing discrimination negatively affects satisfaction with immigration experience (Houle and Schellenberg 2010; Chow 2007; Vohra and Adair 2000). The study by Houle and

Schellenberg shows evidence in support of this statement. The researchers used Wave 3 of the LSIC which included a direct question about experiencing discrimination. They found a "monotonic decline" in migrants' satisfaction when comparing those who had not experienced discrimination, those who had experienced it sometimes and those who had experienced it most of the time or all of the time (Houle and Schellenberg 2010). In their study of Indian immigrants in Canada, Vohra and Adair found out that higher levels of perceived discrimination were associated with lower satisfaction with life (Vohra and Adair 2000).

Examining statistical interactions can determine the extent to which levels of satisfaction differ for visible minorities across different Canadian provinces. In particular, it is important to examine the case of Québec where the Canadian policy of multiculturalism is not supported. Instead, the province promotes the model of interculturalism, which is based on the vision of a unilingual and ethnically pluralistic political community (Gagnon and Iacovino 2007). However, some research shows that visible minorities - even those born in Québec - tend to feel excluded (Labelle 2004; Labelle and Salée 2001). Despite using the term 'interculturalism', the Québec integration model resembles the French model of assimilation. There is some empirical evidence that visible minority Muslims are less likely to report high life satisfaction in Québec compared to the rest of Canada (Reitz et al. 2009).

Contextual factors

In addition to individual-level factors, contextual variables may affect immigrants' satisfaction with their settlement. It is of interest to study the association between migrants' satisfaction and such variables as unemployment rate and immigrant concentration at the area level. Immigrants are likely to be more satisfied

when residing in places with lower unemployment rate. People migrate in search of better opportunities, which are more likely to be found in places that experience economic growth and have demand for labour. It is easier to find and change jobs when living in areas with lower unemployment. Furthermore, a place with high unemployment could be perceived as a depressive environment. Cities with better labour market performance attract immigrants, which also result in higher immigrant concentration. Does immigrant concentration itself have any impact on migrants' satisfaction? Immigrants might be more satisfied when living in places with a higher concentration of immigrants because they would feel less alienated compared to residing in places with predominantly native-born population.

Methods

Database

The data for analyses come from Wave 1 of the Longitudinal Survey of Immigrants to Canada (LSIC; Statistics Canada 2007) linked with 2001 Canada Census profile data to study area influences in census metropolitan areas (CMAs) and census agglomerations (CAs). The individual-level data for analysis come from the LSIC. The objective of the LSIC was to study over time the settlement experiences of immigrants to Canada. Data for Wave 1 of the LSIC were collected six months after arrival to Canada [10]. In this period, immigrants would have formed their first

[10] The survey sampled immigrants who arrived in Canada between October 1, 2000 and September 30, 2001 and were at least 15 years old at the time of arrival. The survey excludes immigrants who applied for permanent residency from within Canada. A Citizenship and Immigration Canada administrative database of all landed immigrants was used as a sampling frame. A two-stage stratified sampling method was employed. At the first stage, immigrating households were selected through a probability proportional to size method (size refers to size of family), and then one member of the household ("longitudinal respondent") was selected for participation. The month of landing in Canada served as the first stratification variable, thus creating 12 cohorts of immigrants. Then, the intended province of

impression about the country, made efforts to integrate into the Canadian society and/or labour market, as well as spent significant amount of their savings if job searches brought only modest results or was not successful at all. The total sample size for Wave 1 was 12,040 and the collection response rate was 60.5% (Longitudinal Survey of Immigrants to Canada: Microdata User Guide - Wave 3: 46). While the data from Wave 2 or 3 would be a better point from the perspective of policy relevance, due to its larger sample, Wave 1 allowed me to examine impact of contextual factors at the area level, as well as provincial effects. Moreover, besides having a smaller sample, Wave 2 did not have the question about the overall satisfaction with life in Canada (only the question about expectation about life in Canada). This did not allow creating the satisfaction index.

The 2001 Census Profiles data were used for contextual level variables. Considering that interviews with respondents for Wave 1 were conducted between April 2001 and May 2002, the data on unemployment rate and immigrant concentration from the 2001 Census were the most relevant in terms of time period. The level of aggregation was census metropolitan area (CMA) and census agglomerations (CAs). CMA is an area that has a total population of at least 100,000

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destination as stated by the immigrant and the class of immigrant were used as stratification variables within each month. Data were collected in a face-to-face, or telephone interview when a face-to-face interview was not possible, using a computer-assisted interviewing application. Interviews were conducted in one of 15 languages, which cover around 93% of the new immigrants in Canada. Proxy interviews were not allowed, except for the family income questions, which were answered by the person most knowledgeable (PMK). Statistics Canada conducted interviews with immigrants six months, two years, and four years after landing in Canada (Wave 1 between April 2001 and May 2002, Wave 2 between December 2002 and December 2003, and Wave 3 between November 2004 and November 2005 correspondingly). Participation in the survey was voluntary. For Wave 1, immigrants were traced using the Citizenship and Immigration Canada address databases and phone files. The provincial Ministries of Health Address files were considered the best source of tracing since migrants would apply for a health care card within three months after landing. Immigrants received consent to be contacted forms when they got landing visa outside of Canada. The forms were collected by immigration officers at the ports of entry to Canada. However, granting consent to contact them did not guarantee migrants' participation (Dubois and Simard 2002).

with at least 50,000 residing in the core, while CA is a smaller area, which must have a core population of at least 10,000 (Census Dictionary 2011). The Census Profiles dataset was merged with the LSIC using the CMA/CA variable that was present in both datasets.

The sample for analysis includes all immigrants of working age (15-64 year-old) and residing in CMAs and CAs (n = 11,304). Only working-age respondents were selected because they can potentially join the labour force regardless of the immigration category under which they entered Canada, which helps explore whether there are different effects for the skilled class, business class, refugees and family migrants. Respondents whose immigration category was not clearly specified ('other') were excluded from the analysis (50 respondents). 2.5% of the sample had missing data on one or more variables and were excluded from the analysis. The final sample was 11,003. The number of CMA/CAs included in the analysis was 94 with an average of 117 individuals in each CMA/CA.

Measures

Immigrants' satisfaction with their settlement

A composite index was created to measure immigrants' assessment of their settlement in Canada. It was done by adding two questions together: first, about immigrants' overall satisfaction with their experience in Canada and, second, about their expectations about life in Canada. Both questions were measured on a 5-point scale (from completely dissatisfied to completely satisfied and from much worse than expected to much better than expected, correspondingly). Pearson correlation for these two items was significant at the 0.01 level and equal to 0.595. The composite index

was measured on a scale ranging from 0 to 8 with higher values indicating greater satisfaction with the settlement experience.

Economic factors

The economic factors included variables measuring employment and income. The employment variable is a combination of a question about employment status (unemployed, employed, and not in the labour force) and a question on job satisfaction (asking employed respondents to indicate their degree of job satisfaction on a 4-point scale: 'very dissatisfied', 'dissatisfied', 'satisfied' and 'very satisfied'). Three dummy codes were created: not in the labour force; employed and satisfied with work; and employed and dissatisfied with work. Unemployed served as a reference category.

Immigrants' income was measured through pre-tax household income from the labour market in Canada. Six dummy codes were used for income categories with the range of 10,000 dollars: from the category with respondents making less than 10,000 dollars to the category including those making 50,000 dollars or more. 'No income' served as a reference category.

Human capital factors

Human capital characteristics were captured through immigrants' level of education and proficiency in Canada's official languages. Education was measured by a set of dummy coded variables that reflect the highest level of formal education attained outside of Canada. Four dummy codes were created to represent: some high school or high school complete, some college/vocational or completed college/vocational, some university, and university complete (from Bachelor's to Doctorate). Less than some/complete high school served as a reference category.

Two separate questions assessing how well immigrants speak English and French were used to measure immigrants' proficiency in both official languages. Respondents who indicated English or French as their first language and the language most often used at home skipped the corresponding question. E.g. those who indicated English as their first language were asked to assess only their spoken French. Respondents with neither English nor French as their first language were asked to assess both their spoken English and French. Even though the survey included a series of questions on immigrants' language proficiency (speaking, reading, writing), only immigrants' assessment of their speaking ability was chosen for two main reasons. First, verbal communication skills are essential for finding employment, doing studies and interacting with the receiving society. Second, creating an index that includes questions on speaking, writing and reading abilities would lead to overestimating language proficiency of some migrants because more respondents indicated higher language proficiency on the reading and writing items compared to speaking. Originally, the questions were measured on a scale from speaking 'poorly' to 'very well' and also included a category for those who 'cannot speak this language'. Since the association between language proficiency and satisfaction was not linear, five dummy codes were created: 'speak poorly', 'speak fairly well', 'speak well', 'speak very well', and 'first language'. 'Cannot speak' served as a reference category.

Immigration category

A set of 5 dummy coded variables – i.e. family class, skilled principal applicants, skilled spouses/dependents, business principal applicants and business spouses/dependents – was created for immigration category with refugees as the reference group. The category of skilled workers included a few provincial nominees

who are also economic migrants but come under provincial immigration schemes and not under the federal programme. It was not possible to create a separate category for provincial nominees because of their very small size.

Social factors

Social integration factors include community involvement of immigrants and the presence of relatives and friends in their life. Community involvement was measured through the number of organizations or groups that immigrants are involved with. Since the majority of immigrants indicated the lack of involvement, the original variable was recoded into a dummy variable for those who were involved in at least one type of group or organization versus no involvement.

Dummy variables were created for respondents with relatives and friends living nearby. One dummy variable was created for those who had relatives already living in Canada at the time of their arrival and still living in same city as the respondent or an area nearby (reference group was those without such relatives). Another dummy variable was created for respondents who had friends already living in Canada at the time of their arrival and still living in same city as the respondent or an area nearby (reference group was those without such friends). A set of dummy coded variables was used to indicate whether immigrants managed to make new friends after their arrival in Canada. Immigrants without new friends serve as a reference category. Immigrants who made new friends were divided into two categories depending on how many of their new friends belonged to the same ethnic or cultural group as the immigrant. One category – friends of the same ethno-cultural group – includes those who indicated that all or most of their new friends belonged to the same ethno-cultural group as them. The other – friends of different ethno-cultural

group – consists of those who replied that about half, few or none of their news friends belonged to the same ethno-cultural group as them. Having no more than half of friends from the same group seems to be a reasonable indication of a diverse circle of friends.

Two dummy coded variables were created for visible minority respondents and respondents of British origin by combining a question about minority status (visible minority or white) and a question about ethnic origin to single out respondents of British origin. Non-British white immigrants served as a reference category. Since two different questions were used, a few respondents fell in both the category of British origin and the Visible Minority group. To ensure that all categories are mutually exclusive, those persons were coded as visible minority.

Demographic characteristics

Several variables were created to account for demographic characteristics of immigrants. Age was measured in years. Middle-aged migrants tend to have lower levels of life satisfaction than younger and older migrants (Lester 2008; Houle and Schellenberg 2010). A quadratic term was computed to account for this non-linear association between age and satisfaction. Dummy variables were created for females; married – both married and common-law couples were included (those without a partner were the reference group); and households with children (households without children served as a reference).

Province

Finally, a group of dummy coded variables for Canada's provinces was created with Ontario as a reference category. The Atlantic provinces, Manitoba and Saskatchewan were collapsed in one group because of small numbers of respondents.

Considering the francophone nature of Québec, an interaction term was created for French proficiency by Québec residency to examine the association between satisfaction and the level of proficiency in French in Québec. Interaction terms for ethnicity/race by region were created to explore whether visible minorities' perception of their settlement differs across provinces.

Contextual factors

Two contextual factors were selected for the study: unemployment rate and immigrant concentration. First, the population variable in the 2001 Census Profiles, indicating 100% of population residing in CMAs and CAs was singled out. Unemployment rate for each CMA/CA was created by using two Census Profile variables indicating the number of unemployed in each CMA/CA and their total population 15 years and over (20% sample data). The number of unemployed people was divided by the number of people residing in each CMA and CA and multiplied by 100%. To calculate immigrant concentration, the number of immigrants in each CMA/CA was divided by the population size. Percentage of immigrants at the CMA/CA level was measured in increments of 10% (that is, for example, 10% became 1).

Analysis

Multilevel linear regression with individuals (Level 1) nested in CMA/CAs (Level 2) was used to estimate the strength of association between immigrants' satisfaction with their settlement and economic, social, human capital and contextual factors. The MLwiN software (version 2.24) was used to conduct the statistical analyses (Rasbash, J., et al. 2012). Percentage of immigrants and unemployment rate in each CMA/CA were grand mean centered. Sampling weights were standardized

within clusters and used in all the analyses to ensure that the findings are representative of the population of interest.

Results and Discussion

Table 4.1 presents sample characteristics. Ontario was a destination for more than a half of respondents. The Atlantic provinces and the Central Prairies were the least popular destinations. Even though there were 94 CMA/CAs in the analysis, the overwhelming majority of respondents resided in Canada's three largest cities (Toronto, Vancouver, and Montreal). About, 44.4% of respondents were employed and three quarters of them were satisfied with their job. About one third of respondents indicated that their households had no income from the Canadian labour market and another third reported income of less than $10,000. Regarding human capital, 56.3% of respondents had a university degree and 52.2% indicated that they spoke English well or very well. The vast majority of the sample could not speak French. However, when only Québec residents were considered, one third of them spoke French well and 13% indicated it was their first language (not shown). Almost two thirds of respondents were skilled migrants and a quarter came under the family stream. 53% of respondents made new friends who belonged to the same ethno-cultural group as them; about one third made new friends of different ethno-cultural group, and the rest reported not making new friends after their arrival in Canada. 22.5% of respondents were involved in at least one type of group or organization. The majority of respondents (81%) indicated visible minority status.

TABLE 4.1. **Sample characteristics**

Variable	**M (SD) / %**
INDEX Satisfaction & Expectations (scale 0-8)	4.97 (1.71)
Economic factors	
Employment	
Employed satisfied	33.2
Employed dissatisfied	11.4
Not in labour force	28.4
Unemployed (reference)	27.0
Income	
No income (reference)	30.1
Less than 10,000	33.6
10,000-19,999	18.4
20,000-29,999	7.9
30,000-39,999	4.5
40,000-49,999	2.4
More than 50,000	3.1
Human capital	
Education	
Less than high school (reference)	4.2
High school	20.8
College/vocational	14.7
Some university	4.0
University	56.3
Language proficiency: English	
Cannot speak	5.8
Speak poorly	14.9
Speak fairly well	20.5
Speak well	25.5
Speak very well	26.6
First language	6.7
Language proficiency: French	
Cannot speak	76.5
Speak poorly	8.9
Speak fairly well	3.6
Speak well	2.4
Speak very well	6.4
First language	2.2
Immigration category	
Skilled_PA	36.9
Skilled_SD	26.6
Family	24.6
Refugee (reference)	6.3
Business_PA	1.9

Business_SD	3.7
Social factors	
Relatives nearby	45.7
Friends nearby	47.6
New friends	
No friends (reference)	14.2
New friends (same ethno-cultural group)	53.3
New friends (different ethno-cultural group)	32.5
Community involvement	22.5
Demographic characteristics	
Ethnicity/race	
British	1.1
Other white (reference)	17.9
Visible minority	81.0
Age in years	33.73 (10.28)
Sex (% Female)	50.3
Marital status (% Married)	75.4
Children (% Household with children)	48.3
Regions	
Quebec	15.6
Ontario (reference)	57.5
Alberta	7.2
British Columbia	17.0
Other	2.7
Contextual factors	
Immigrant concentration (in increments of 10%)	3.24 (1.19)
Unemployment rate	4.26 (0.52)

The between-CMA/CA difference in immigrants' satisfaction with settlement as indicated from the null model (Table 4.2) was 5.3%, thus individual-level factors account for most of the variation in immigrants' satisfaction with their settlement. Table 4.2 also shows the full model (Model 1), which includes both contextual and individual factors. To account for multiple testing, a more conservative p-value is applied; that is, association was considered statistically significant if p-value <= 0.01.

TABLE 4.2. **Satisfaction with settlement experience**

Independent variables	Null model	Model 1	
		ß	SE
Intercept	5.516 (0.071)	5.424	0.126
Contextual factors			
Immigrant concentration_10		-0.092**	0.036
Unemployment rate		0.036	0.056
Economic factors			
Income: less than 10K		-0.227	0.098
10-19.9K		0.139	0.131
20 to 29.9K		0.259**	0.085
30 to 39.9 K		0.241**	0.080
40 to 49.9 K		0.375***	0.099
50 K or more		0.437***	0.085
Employed (satisfied)		0.618***	0.055
Employed (dissatisfied)		-0.688***	0.057
Not in labour force		0.480***	0.041
Human capital			
English: speak poorly		-0.080	0.063
speak fairly well		0.118	0.084
speak well		0.249**	0.081
speak very well		0.234***	0.052
first language		0.324***	0.084
French: speak poorly		0.178**	0.069
speak fairly well		0.138	0.113
speak well		0.061	0.108
speak very well		0.060	0.177
first language		0.357	0.169
High school		-0.299***	0.086
College vocational		-0.538***	0.131
Some university		-0.302	0.120
University		-0.751***	0.074
Immigration category			
Skilled (PA)		-0.423***	0.085
Skilled (SD)		-0.447***	0.095
Family		0.080	0.087
Business (PA)		-0.104	0.120
Business (SD)		-0.112**	0.040
Social factors			
Relatives nearby		0.032	0.027
Friends nearby		0.017	0.029
New friends (same group)		0.043	0.043
New friends (different group)		0.264***	0.053
Community involvement		0.133	0.054
Demographic characteristics			
British origin		0.130	0.097

Visible minority		-0.070	0.081
Age_cntr		-0.004	0.002
Age_cntr_sq		0.000***	0.000
Female		-0.138***	0.030
Married		-0.097**	0.032
Household with children		-0.100	0.052
Regions			
Quebec		0.198	0.107
Alberta		0.045	0.104
BC		-0.070	0.090
Other		-0.288	0.175
Interactions			
French poorly * Quebec		0.207	0.085
French fairly well * Quebec		0.195	0.155
French well * Quebec		0.172	0.145
French very well * Quebec		-0.209	0.189
French first language * Quebec		-0.472	0.208
Visible minority * Quebec		-0.315***	0.081
Visible minority * Alberta		0.041	0.090
Visible minority * BC		0.042	0.076
Visible minority * Other		0.458**	0.158
Variance (SE) Level 2	0.157 (0.048)	0.000	0.000
Variance (SE) Level 1	2.827 (0.099)	2.301	0.052
-2*loglikelihood (IGLS)	43585.665	41250.423	

**p < 0.01; ***p < 0.001

To assess improvement in Model Fit, the change in the -2*loglikelihood from the null to the final model was examined. The two-sided p-value for a chi-square value associated with the difference in -2*loglikelihood (43585.665 - 41250.423 = 2335.242) with the corresponding degrees of freedom (df = 55) was less than 0.001, which means that there is statistically significant relationship between the dependent variable and independent variables included in the final model. To estimate the percent of variance explained, the total variance from the final model was deducted from the total variance from the null model and then divided by the total variance of the null model (% explained = (2.984 – 2.301)/2.984 = 0.2289). Thus, the final model explains about 23% of variance in immigrant satisfaction.

Labour force integration

Economic factors are strongly associated with immigrants' satisfaction with their settlement. Higher earnings are associated with higher level of satisfaction. There is positive relationship between satisfaction and income starting from the income bracket of $20,000-29,999. While those outside of the labour force are more satisfied than the unemployed, employed respondents assess their settlement experience more positively than the unemployed only when they are satisfied with their job. Immigrants who are employed but dissatisfied with their job report lower levels of satisfaction compared to the unemployed. In comparison with being unemployed, being employed and satisfied with a job and employed and dissatisfied with a job were not only statistically significant ($p < 0.001$ for both) but also among the most substantively important variables. Being employed and dissatisfied with a job had strong negative effect ($b = -0.688$) and being employed and satisfied with a job had strong positive effect on satisfaction ($b = 0.618$). The effect of being outside of the labour force was positive and was equally strongly associated with satisfaction ($b = 0.480$; $SE = 0.041$; $p < 0.001$). Immigrants outside of the labour force do not face labour market challenges, unlike the unemployed and those dissatisfied with their employment. There is research showing that migrants who do not manage to secure a job in their intended occupation within a year after arrival are less and less likely to do so in the future (Grenier & Xue 2011).

Foreign credential recognition

Consistent with previous research, the hypothesized negative association between satisfaction and university education was confirmed and particularly strong in this study ($b = -0.751$). Furthermore, all educational categories – high school,

college/vocational, and university – proved to be negatively associated with satisfaction, compared to those with less than high school education. During the application process, the Canadian immigration system allocates more points to immigrants with higher levels of education. This assumes that those with higher human capital would have a smoother process of integration into the receiving society. However, findings from the present study do not support this assertion. Canada's immigration authorities have indicated a commitment to address this problem by way of foreign credential recognition.

In March 2012, the then Citizenship, Immigration and Multiculturalism Minister, Jason Kenney, proposed to reform the system of credential recognition in such a way that foreign education credentials of the federal skilled stream applicants would have to be assessed by designated organizations before migrants land in Canada (Kenney 2012). The assessment will determine whether the foreign credentials are authentic and equivalent to completed Canadian credentials. (The reform took effect on May 4th, 2013). However, the educational credential assessment does not mean the official recognition of foreign credentials. This procedure is supposed to give immigrants an understanding whether their foreign credentials are likely to be recognized in Canada.

Pre-arrival skills assessment is reported as one of the reasons for better labour market performance of immigrants in Australia (Richardson and Lester 2004). At the same time, Australia has a federal system of credential assessment and the assessment has force in all parts of the country, while in Canada, credentials are examined and recognized by provincial professional bodies. The introduction of the credential assessment system might be less effective in Canada than in Australia because

immigrants would have to go through the process of credential recognition and licensing at the provincial level when they arrive in Canada. Recognition of credentials in one province does not mean their recognition in another. Potentially, Canadian provinces could speed up the process of official recognition of foreign credentials of migrants coming under their provincial nominee programmes. However, so far the emphasis has been on obtaining a job offer to qualify for the entry under the provincial immigration scheme and not on getting credentials recognized to facilitate job search of migrants after their arrival.

Official languages effects

There appear to be divergent language effects. Higher levels of English proficiency were associated with higher levels of satisfaction. The positive effect is especially strong for respondents with English as their first language. This was not the case for French proficiency. The effect of the French proficiency was statistically significant (and positive) only for respondents who speak French poorly, but the magnitude of the effect was relatively small. There was no association between satisfaction and higher levels of French proficiency. One potential explanation could be that in predominantly English-speaking Canada knowledge of French may not confer any particular advantage, at least in the early period after arrival. More surprisingly, the effect of French proficiency was not found among the Québec residents. At the provincial level, Québec aims at attracting migrants with high proficiency in French. French is indispensible to integrate into the Québec society. There is research showing that immigrants with high proficiency in English but poor knowledge of French tend to leave this province (Pandey and Townsend 2010; Golebiowska 2008). The interactions between Québec and French did not show

statistical significance. More research would help explore the effect of French proficiency in Québec and in Canada in general.

Effects of visible minority status

The relationship between satisfaction and visible minority status is not statistically significant but province has a moderating effect. A strong negative relationship exists between satisfaction and belonging to a visible minority in Québec while the relationship between satisfaction and visible minority status in the Atlantic provinces and the Central Prairies is positive. While further research is needed to examine the higher levels of satisfaction reported by visible minorities in Canada's smaller provinces, discovering lower levels of satisfaction of visible minority migrants in Québec is not surprising in view of its distinctive integration policy. Like France, Québec attempts to build a civic nation, which implies that everybody speaking French, regardless of ethnic origin, can be a part of it. However, an important feature of this policy is explicit or implicit emphasis on assimilation. Migrants are expected to assimilate into the receiving community in terms of language and culture. Both in France and Québec, the side effect of this policy has been the feeling of exclusion that certain groups develop because of their ethnic origin. There is qualitative research showing that even Québec-born visible minorities do not fully identify themselves with Québec because they feel that 'whiteness' is a necessary attribute of being a Quebecer (Labelle 2004).

Social integration

Contrary to the theories and actual policies assuming that settlement process would be more satisfactory for immigrants in closer contact with their ethno-cultural community, the study shows support for the integration hypothesis. Living in

proximity to relatives and friends who had already resided in Canada before respondents' arrival does not affect the level of satisfaction with settlement. However, there is statistically significant positive relationship between satisfaction and having new friends from a different ethno-cultural group. Migrants who made new friends in Canada that belong to different ethno-cultural groups tend to be more satisfied compared to those without new friends or those whose circle of friends comes from the same ethno-cultural group. The study speaks in support of a positive effect for 'bridging social capital', based on ethnically diverse networks (Amit 2010; Grenier & Xue 2011). One of the reasons for migrants to move to places where their ethno-cultural community resides is poor language proficiency. Immigrants with higher proficiency in the language of the destination country are less likely to settle in ethnic enclaves (Bauer et al. 2005). One more reason is the availability of settlement support from ethnic communities, including help with employment opportunities (Chiswick et al. 2005; Chiswick and Miller 2005; Bauer et al. 2005; Junankar and Mahuteau 2005; Musterd et al. 2008; Wulff and Dharmalingam 2008). But the research also shows that while it is beneficial at the early stage of settlement, later on, it results in lower proficiency in the official language and poorer labour market outcomes of such migrants.

The study has several limitations. For example, one of the objectives was to examine contextual effects associated with residency; however, the ability to do this was limited by the unequal distribution of immigrants across Canada and their concentration in a few provinces and, in particular in Canada's three largest cities (Toronto, Vancouver, and Montreal). While the sample size was very large, it still did not include enough respondents from the Atlantic provinces and the Central Prairies to

better examine provincial effects. The sample concentration of immigrants in these cities also limited the study of CMA/CA effects. There were also limitations in measurement, including an inability to measure underemployment and discrimination because no questions were asked about these experiences in the first wave of the survey. Finally, this was a cross-sectional study, focused on immigrant experiences during a relatively short 6-month interval after arrival to Canada. The first one or two years are the time when immigrants adjust and decide where to live (Krahn et al. 2005). Those who tend to leave their initial destination, do it during the first several years after landing (CIC 2011: 54-5). From the perspective of immigrant retention, a longer period, for example, two years, could be a better point. Nevertheless, the analysis of immigrants' assessments of life in Canada four years after arrival (Wave 3 of the LSIC) (Houle and Schellenberg 2010) showed similar results in terms of effects of individual-level variables such as, for example, income, immigration category, education at arrival. This means that these are important factors associated with migrants' satisfaction and they are relevant at any stage. One of the interesting avenues for further development of the study would be to take advantage of the longitudinal nature of the LSIC and examine factors associated with the change of immigrants' satisfaction over time.

Explaining Change in Immigrants' Satisfaction with Their Settlement Experience in Australia

This part of the chapter aims to explain what accounts for the change of immigrants' satisfaction with their settlement experience in Australia. Similar to the study of Canada, several groups of factors associated with immigrants' satisfaction were analyzed: 1) economic factors, such as employment status and income; 2) human

capital factors, such as education and language proficiency; 3) social integration factors, namely, involvement in local life and impression of racial and religious discrimination (this variable was absent in the Canadian survey). Individual characteristics, such as age, gender, marital status and household composition served as additional control variables.

Several research hypotheses were tested, most of which were explained in the section on satisfaction among Canadian immigrants. First, finding employment and higher income should lead to an increase in satisfaction with life (Houle and Schellenberg 2010; Colic-Peisker 2009). Second, in terms of human capital, higher proficiency in the official language should bring benefits over time and result in more satisfaction with settlement (Massey and Redstone Akresh 2006; Lester 2008; Amit 2010). However, immigrants with higher education tend to be less satisfied with their settlement (Houle and Schellenberg 2010; Lester 2008; Massey and Redstone Akresh 2006). Third, active involvement in local community life and absence of discrimination would increase the level of satisfaction over time (Houle and Schellenberg 2010; Reitz et al. 2009; Wulff and Dharmalingam 2008; Chow 2007; Vohra and Adair 2000; Hou and Balakrishnan 1996). Reversely a negative change in satisfaction over time would be influenced by decreasing income, becoming unemployed, lower initial human capital, perceived discrimination and lack of community involvement.

Methods

Database

The data for analyses come from Wave 1 and Wave 2 of the Longitudinal Survey of Immigrants to Australia 2 (LSIA 2). The most recent edition of LSIA (LSIA

3) does not have questions about migrants' satisfaction with their life in Australia, therefore, LSIA 2 was chosen for the purposes of this research. LSIA 2 surveyed migrants who arrived in Australia between September 1999 and August 2000. Migrants were interviewed two times: from March 2000 to January 2001 to cover the period prior to arrival and approximately the first six months since arrival (Wave 1) and from April 2001 to March 2002 for the period of 6-18 months since arrival (Wave 2). Sample size in the first wave is 3124 primary applicants. By the second wave, 15.2% of cases were lost and, therefore, sample size was reduced to 2649 primary applicants. Participation in the survey was voluntary. The dataset was kindly provided by the Department of Immigration and Citizenship of Australia.

The sample for analysis includes all immigrants of working age (15-64 year-old) because they can potentially join the labour force regardless of the immigration category under which they came to Australia (n = 2487). 1.9% of the sample had missing data on one variable and were excluded from the analysis. The final sample was 2439 respondents.

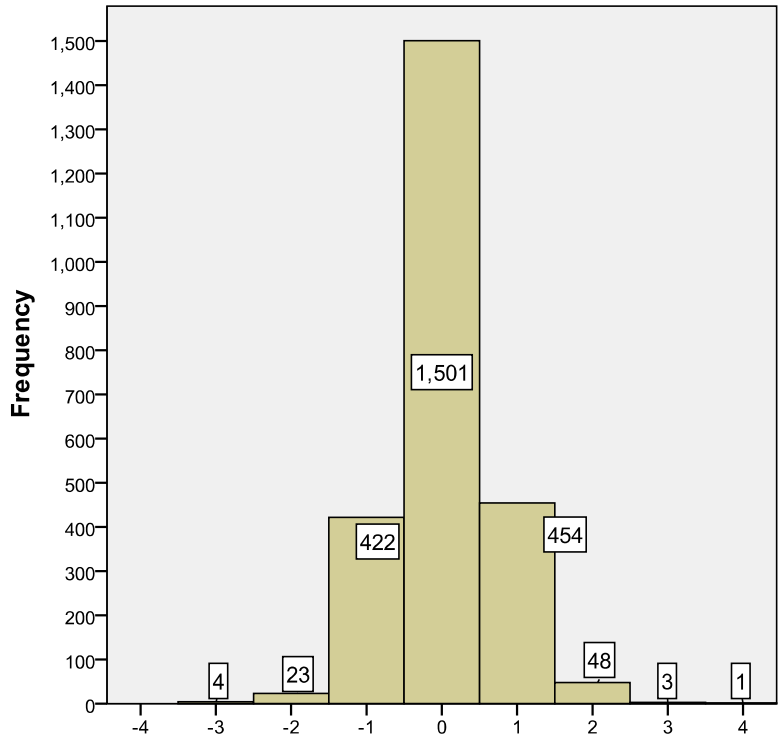
Measures

Dependent variable: Change in immigrants' satisfaction with their life in Australia

The change in immigrants' satisfaction with their life in Australia was measured by using the question about the feeling about life in Australia, all things considered. The question was measured on a 5-point scale (from 'very dissatisfied' to 'very satisfied') and was asked in both the first and second waves of the survey. The initial variables were recoded so that '1' would stand for 'very dissatisfied' and '5' for 'very satisfied'. The dependent variable was created by subtracting the second wave

question from the first wave question. The cases with the value of '0' were coded as no change ('same'), the cases with values below '0' were coded as the change in satisfaction with life to the better ('better'), and the cases with values above '0' were coded as the change to the worse ('worse'). Figure 4.1 shows in detail the frequency of each difference with positive values meaning change to the better and negative values meaning change to the worse. Most respondents changed their response only by one category and very few respondents experienced dramatic changes. Therefore, my strategy best captures the majority of respondents' assessment of their satisfaction. It is worth noting that the change to the worse should not be interpreted as (strong) dissatisfaction with life in Australia because respondents assessed their satisfaction fairly high in both waves of the survey.

FIGURE 4.1. **Change in immigrants' satisfaction with life in Australia**



Economic factors

The economic factors included change in employment status and change in income. The change in employment status was created by using two analogous questions from both waves. Five dummy variables were created: unemployed in both waves, not in labour force in both waves, change from being employed or not in labour force to unemployed, change from being employed or unemployed to not in labour force and, finally, change from being unemployed or not in labour force to employed. Employed in both waves was the base category. The change in income was created by using the questions about total household income in both waves. The questions were measured on an ordinal scale from the lowest income category of $1-8,000 to the highest category of $50,001 or more. There was a category for those with no income, as well as a category for those who did not state their income. The variable for change in income was created by subtracting the second wave question from the first wave question. No change in income was coded as 'same', the cases of increase in income fell into the category 'better', and the cases of decrease in income were coded as 'worse'. Those who did not indicate their income in one of or both waves were coded as 'unknown'. Additionally, a more nuanced variable was created. It included the whole range of categories for each difference in income to capture the effect of change in size of income. Categories with positive values stood for change to the better and those with negative values stood for change to the worse.

As an alternative, a subjective measure of income was created, namely the change in immigrants' perception of amount of money available weekly. In both waves, respondents were asked to describe the amount of money available each week and choose from the following three categories: 'more than enough to meet all basic

needs', 'enough to meet all basic needs', and 'not enough to meet all basic needs'. The variable was created by subtracting the second wave question from the first wave question. No change in the perception of the amount of money available weekly was coded as 'same', improvement in financial situation was coded as 'better', and the cases of a change to the worse were coded as 'worse'. In addition, immigrants' comparison of their household income and expenses during the period between the two interviews was used as one more subjective measure of income. The question was measured on a 5-point scale (from 'much worse off' to 'much better off').

Human capital factors

Human capital factors include immigrants' level of education and their proficiency in English. Education was measured by a set of dummy variables describing the highest formal education level completed before arrival in Australia. Four dummy codes were created: advanced degree, Bachelor's degree or equivalent, vocational/trades, and high school. Less than high school was the base category.

Two questions about migrants' language skills from the first wave were used to measure English proficiency. The question about what language migrants speak best (English or other) helped identify those with English as their best language. This category served as a reference. The question about levels of English proficiency was used to create four dummy variables such as 'speak very well', 'speak well', 'speak not well', and 'not at all'.

Using the data from the first wave helps uncover the impact of migrants' initial human capital on the subsequent change in their feeling about life in Australia. In addition, alternative measures were created to test whether the change in migrants' education level and language proficiency would lead to the change in their satisfaction

with life in Australia. In both waves, there were analogous questions about language proficiency. The first wave had the question about the highest formal education level completed before arrival in Australia and the second wave had the question about current highest formal qualification completed. The variables for the change in language proficiency and education level were created by subtracting the second wave question from the first wave question. Both variables had three categories: no change ('same'), improvement ('better'), and getting worse ('worse').

Immigration category

A set of four dummy coded variables was created for immigration category: humanitarian, skilled-independent, skilled-sponsored, and skilled-other. Family stream served as the reference. The category of skilled-other includes immigrants who came under employer nomination and business skills visas. Unlike skilled-independent and skilled-sponsored, this type of skilled class is not assessed under the point system. There were only a few migrants who arrived under regional immigration schemes therefore it was not possible to single them out in a separate category. They fall either under skilled-sponsored or skilled-other category. In addition, a dummy variable was created for all skilled migrants to test the interaction between this variable and the employment status dummy variables.

Social factors

Social factors include impression of racial discrimination, impression of religious discrimination, and involvement in community activities. Three dummy codes were created for levels of perceived racial discrimination in Australia: 'a lot of discrimination', 'some discrimination', and 'no opinion'. 'Little discrimination' was the base category. The variable for impression of religious discrimination was coded

in the same way. The questions about migrants' impression of both racial and religious discrimination were asked only during the second wave interview. Therefore, it was not possible to create variables for change in impressions. Nevertheless, the answers capture migrants' impressions over the entire period after arrival in Australia and are likely to be influenced by their recent experience.

The second wave of the survey had a series of questions about regular activities attended by immigrants: activities arranged by a religious organization, local school, people from country of origin, local community, as well as sport or hobbies. Dummy codes were created for each of them and tested but almost none of them showed statistical significance. Only regular attendance of activities arranged by people from home country and local community were included in the final model to test two hypotheses of interest. Firstly, regular attendance of activities organized by former compatriots might have effect on change of satisfaction with life in the new country. Secondly, regular involvement in local community activities might increase satisfaction with life.

Demographic characteristics

Demographic characteristics of immigrants included several variables: namely, age, marital status, children, and gender. Age was measured in years. Middle-aged migrants tend to have lower levels of life satisfaction than younger and older migrants (Lester 2008; Houle and Schellenberg 2010). A quadratic term was computed to account for a non-linear association between age and satisfaction with life. A set of dummy coded variables was created to account for the change in marital status: married in both waves, change from married to single, and change from single to married. Single in both waves was the base category. In a similar vein, three dummy

variables were created for the change in children status: resident children in both waves (dependent children of school age/students), change from having such children to their absence, and change from not having such children to their presence. The absence of children in both waves was the base category. As well, a dummy variable was created for females.

States and territories

A set of dummy coded variables for Australia's states and territories was created with New South Wales as the base category. The state of residence during the first wave was chosen to tests the impact of this initial location on change in satisfaction with life.[11] It was not possible to create a more nuanced measure for the change of location due to a small number of respondents who changed their state/territory of residence.

Analysis

Multinomial logistic regression was used to estimate the strength of association between the change in immigrants' satisfaction with their life in Australia and human capital, economic and social factors. Multinomial logistic regression is employed when dependent variable is categorical and has more than two outcomes. Alternatively, ordinal regression could have been used since the dependent variable is of ordinal nature: i.e. change to better, no change, and change to worse. This model was run and the test of parallel lines turned out to be statistically significant (p-value < 0.001). Therefore, the null hypothesis stating that slope coefficients are the same

[11] In addition, a dummy variable was created for those who changed their state/territory of residence within a year after being interviewed for the first time. This variable was tested but it did not turn out to be statistically significant and, therefore, was excluded from the final model.

across response categories was rejected and multinomial regression was chosen for the analysis of the data.

Results and Discussion

Sample characteristics are presented in Table 4.3. About 44% of respondents were always employed and 16.6% transitioned to employment within a year after being interviewed first. Only 2.1% of the sample were always unemployed and about 5% moved to the unemployment status. One fifth of respondents indicated increase in the amount of money available weekly and almost the same number of people reported negative change. The sample has quite high human capital characteristics. 20.5% of respondents had a Bachelor's degree or equivalent and 18.2% had an advanced degree. Almost two thirds of the sample indicated high proficiency in spoken English and 28.3% of them spoke English as their best language. Slightly fewer than 50% of respondents entered Australia as family class. One third of respondents arrived under the skilled class category. More than a third of the sample regularly attended activities arranged by their home country community. A lower number, 19.7%, participated in local community activities. The absolute majority of respondents had impression of little religious discrimination in Australia. Only 2.1% indicated a lot of discrimination. In terms of geographic distribution, the majority of respondents resided in New South Wales and Victoria, i.e. 39.1% and 23.7% correspondingly. Only 1.6% and 2.1% lived in the Northern Territory and Tasmania respectively.

TABLE 4.3. **Sample characteristics**

Variable	**M (SD) / %**
Change in satisfaction with life	
Better	20.5
Same (reference)	61.1
Worse	18.4
Economic factors	
Change in employment status	
Always employed (reference)	43.9
Always unemployed	2.1
Always not in labour force	27.6
Change to employed	16.6
Change to unemployed	4.9
Change to not in labour force	4.9
Change in amount of money available weekly	
Better (reference)	20.0
Same	59.6
Worse	20.4
Human capital	
Education	
Less than high school (reference)	16.9
High school	18.2
Trades/vocational	26.2
Bachelor's or equivalent	20.5
Advanced degree	18.2
English proficiency	
Speak not at all	9.0
Speak not well	26.7
Speak well	21.6
Speak very well	14.4
Best language (reference)	28.3
Immigration category	
Humanitarian class	18.4
Skilled-independent	12.4
Skilled-other	11.5
Skilled-sponsored	10.0
Family class (reference)	47.6
Social factors	
Religious discrimination	
A lot of discrimination	2.1
Some discrimination	19.0
No opinion	10.9
Little discrimination (reference)	67.9

Involvement in regular activities	
Home country community	36.7
Local community	19.7
Demographic characteristics	
Age in years	34.1 (10.0)
Change in marital status	
Always married	66.1
Change to married	5.7
Change to single	2.8
Always single (reference)	25.4
Change in children status	
Always having children	39.8
Change to having children	7.1
Change to no children	1.6
Always no children (reference)	51.5
Gender (% Female)	46.5
States and territories	
New South Wales (reference)	39.1
Victoria	23.7
Queensland	9.9
Western Australia	13.1
South Australia	5.7
Tasmania	2.1
Northern Territory	1.6
Australian Capital Territory	4.8

To determine whether the proposed statistical model is a good fit to the data, the change in the -2*loglikelihood from the intercept only model (4564.482) to the final model (4367.270) was examined. The two-sided p-value for a chi-square value associated with the difference in -2*loglikelihood (197.211) with the corresponding degrees of freedom (df = 78) was less than 0.001. Thus, there is statistically significant relationship between the dependent variable and independent variables in the model. Pseudo R-Squared was 0.04, which means that the model explains about 4% of variance. Several factors turned out to be associated with the change in migrants' satisfaction with their life in Australia in a one-year period (Table 4.4). The factors were not always the same for the change to better and the change to worse,

which once again justifies the choice of multinomial logistic regression over ordinal regression.

TABLE 4.4. **Change in immigrants' satisfaction with life in Australia**

Independent variables	Change to better		Change to worse	
	B (SE)	Exp(B)	B (SE)	Exp(B)
Intercept	-0.460 (0.306)***		-1.969 (0.335)***	
Economic factors				
Always unemployed	-0.112 (0.404)	0.894	0.445 (0.366)	1.560
Always not in labour force	0.087 (0.169)	1.091	-0.029 (0.179)	0.972
Change to unemployed	-0.009 (0.293)	0.991	0.724 (0.243)**	2.062
Change to employed	0.296 (0.156)	1.344	-0.048 (0.182)	0.953
Change to not in labour force	0.095 (0.267)	1.100	0.305 (0.262)	1.356
Money weekly: change to worse	-0.832 (0.171)***	0.435	0.696 (0.193)***	2.007
no change	-0.505 (0.127)***	0.604	0.574 (0.170)***	1.775
Human capital				
Advanced degree	-0.320 (0.211)	0.726	-0.500 (0.222)*	0.607
Bachelor degree or equivalent	-0.041 (0.190)	0.960	-0.277 (0.202)	0.758
Trades/vocational	-0.474 (0.178)**	0.622	-0.401 (0.180)*	0.670
High school	-0.339 (0.181)	0.712	-0.379 (0.186)*	0.684
English: speak not at all	0.327 (0.243)	1.386	0.714 (0.254)**	2.042
speak not well	0.362 (0.178)*	1.436	0.649 (0.193)***	1.914
speak well	0.119 (0.162)	1.127	0.555 (0.174)***	1.742
speak very well	0.043 (0.178)	1.044	0.233 (0.199)	1.262
Immigration category				
Humanitarian class	-0.308 (0.176)	0.735	0.341 (0.177)	1.407
Skilled-independent	-0.452 (0.205)*	0.636	-0.020 (0.214)	0.980
Skilled-other	-0.221 (0.209)	0.802	0.371 (0.219)	1.450
Skilled-sponsored	-0.024 (0.197)	0.976	0.143 (0.221)	1.154
Social factors				
Discrimination: a lot	-0.136 (0.392)	0.873	0.237 (0.362)	1.268
some	0.030 (0.145)	1.031	0.422 (0.142)**	1.526
no opinion	0.203 (0.168)	1.225	-0.017 (0.188)	0.983
Home country community	-0.067 (0.115)	0.935	-0.074 (0.121)	0.929
Local community	0.313 (0.135)*	1.368	-0.037 (0.153)	0.964
Demographic characteristics				
Age	-0.003 (0.006)	0.997	0.002 (0.006)	1.002

Always married	-0.014 (0.143)	0.986	-0.140 (0.147)	0.870
Change to married	-0.115 (0.256)	0.892	-0.217 (0.262)	0.805
Change to single	-0.447 (0.394)	0.639	0.078 (0.336)	1.081
Always having children	0.175 (0.137)	1.192	-0.251 (0.148)	0.778
Change to having children	0.093 (0.220)	1.098	-0.082 (0.236)	0.921
Change to no children	0.345 (0.443)	1.412	-0.042 (0.430)	0.959
Female	-0.059 (0.119)	0.942	0.007 (0.123)	1.007
States and territories				
Australian Capital Territory	-0.827 (0.312)**	0.437	0.346 (0.259)	1.413
Northern Territory	0.144 (0.411)	1.155	-0.354 (0.512)	0.702
Tasmania	-0.211 (0.383)	0.810	-0.075 (0.417)	0.927
South Australia	-0.076 (0.238)	0.927	0.011 (0.250)	1.011
Western Australia	-0.122 (0.179)	0.886	0.084 (0.182)	1.088
Queensland	0.106 (0.186)	1.112	-0.088 (0.209)	0.916
Victoria	0.033 (0.137)	1.034	0.156 (0.143)	1.169
N = 2439				

*p < 0.05; **p < 0.01; ***p < 0.001

Economic integration factors

Economic factors, i.e. the change in employment status and the change in income, had statistically significant effect on the change in migrants' satisfaction with life. Compared to immigrants who always held a job, those who changed their status from being employed or not in labour force to unemployment are twice more likely to become less satisfied with life. At the same time, being unemployed over the entire period in question did not show statistically significant effect on change in satisfaction. The impact of losing a job or not being able to find one when entering the labour market might be more pronounced because of the radical change in the quality of life. On the other hand, those who transitioned from being unemployed or not in labour force to employment are 1.3 times more likely to become more satisfied with life but the effect was only marginally significant (p-value=0.058).

The change in immigrants' perception of amount of money available weekly was strongly associated with the change in satisfaction with life. Compared to

immigrants whose financial situation improved, both those who experienced no change and those who got worse were almost twice as likely to become less satisfied with life in Australia. Reversely, these two categories were almost twice as less likely to feel more satisfied. In both cases the effect was stronger for those who perceived their finances as having got worse.

Three alternative variables, i.e. the ones for the change in total household income and the comparison of household income and expenses, were tested instead of the change in perception of amount of money available weekly. However, the change in amount of money available weekly was preferred. The effects of the more nuanced income variable are presented in Table 4.5. (Table 4.5 shows only the abbreviated results for the purpose of simplification. The model with this income variable included all the variables presented in Table 4.4.)

TABLE 4.5. **Change in immigrants' satisfaction with life in Australia (income effects and interaction effects between immigration category and employment status)**

Independent variables	Change to better		Change to worse	
	B (SE)	Exp(B)	B (SE)	Exp(B)
Income effects				
Unknown income	-0.457 (0.243)	0.633	0.113 (0.302)	1.120
Change to worse (-3)	-0.704 (0.445)	0.495	-0.222 (0.481)	0.801
Change to worse (-2)	-0.748 (0.371)*	0.473	0.049 (0.400)	1.050
Change to worse (-1)	-0.631 (0.300)*	0.532	0.144 (0.342)	1.155
No change	-0.731 (0.247)**	0.482	-0.007 (0.304)	0.993
Change to better (+1)	-0.494 (0.270)	0.610	-0.042 (0.330)	0.959
Change to better (+2)	-0.232 (0.304)	0.793	-0.277 (0.401)	0.758
Change to better (+3) – base category				
Interaction effects				
Always unemployed	-0.116 (0.448)	0.891	0.781 (0.399)	2.183
Always not in labour force	0.159 (0.181)	0.853	0.064 (0.193)	1.066
Change to unemployed	-0.185 (0.309)	0.831	0.692 (0.271)*	1.998
Change to employed	0.007 (0.189)	1.007	-0.147 (0.227)	0.863

Change to not in labour force	-0.267 (0.267)	0.766	0.388 (0.298)	1.474
Skilled class	-0.437 (0.178)*	0.646	0.075 (0.192)	1.078
Skilled*Always unemployed	-0.674 (1.154)	0.510	-19.883 (0.000)	2.317E-9
Skilled*Always not in labour force	0.633 (0.391)	1.883	-0.478 (0.498)	0.620
Skilled*Change to unemployed	-0.277 (1.117)	0.758	0.533 (0.606)	1.704
Skilled*Change to employed	0.764 (0.315)*	2.147	0.457 (0.365)	1.579
Skilled*Change to not in labour force	0.961 (0.553)	2.613	-0.161 (0.607)	0.852

*p < 0.05; **p < 0.01; ***p < 0.001

Compared to immigrants with the biggest increase in income over time, those who saw no change in their income or whose income decreased, except for those with the biggest decrease, were less likely to feel more satisfied with life in Australia. The effect of experiencing the biggest decrease in income was not statistically significant though the strength and direction were similar to the other categories for the decrease in income. The lack of statistical significance might be attributed to a small number of respondents in this category, which made it more difficult to reject the null hypothesis.

Immigration category

Regarding impact of immigration category, skilled-independent migrants are less likely to become more satisfied with life, compared to family class. The skilled-independent category migrants entered Australia through the point system, that is, they did not have a sponsoring relative or employer. Therefore, their settlement experience might be less smooth. Humanitarian migrants are 1.4 times more likely to become less satisfied with life, which might be explained by more vulnerable nature of humanitarian migrants. However, the effect was only marginally significant (p-value=0.054).

The interaction effects between the skilled class and employment status were also examined (Table 4.5). Compared to family and humanitarian class, skilled migrants were less likely to report positive change in their satisfaction with life. However, skilled migrants who had become employed were twice more likely to feel more satisfied. Table 4.5 shows the abbreviated results for the purpose of simplification. The model with these interactions included all the variables listed in Table 4.4.

Human capital factors

Lower human capital is associated with higher propensity to become less satisfied with life in Australia over one-year period. Migrants who could not speak English are twice more likely to report decreased levels of satisfaction compared to those with English as their best language. Migrants who spoke not well or well are 1.9 and 1.7 more likely respectively. There was no statistically significant difference between those with English as best language and those who spoke English very well. As to the likelihood of positive change of satisfaction with life, only migrants who initially spoke English not well are more likely to feel more satisfied with life in one year.

More educated migrants are less likely to become less satisfied with life. However, those with Bachelor's degree were an exception as there was no statistically significant difference between them and those with less than high school education. At the same time, migrants with vocational education are also less likely to become more satisfied. As an alternative to the initial human capital variables, the variables for change in education level and English proficiency were tested but they did not show statistically significant effects.

Social integration factors

The hypothesis about benefits of engagement with local community found some support. Immigrants who regularly attend activities organized by local community are almost 1.4 times more likely to increase their satisfaction with life in Australia compared to those who do not participate regularly in such activities. Such regular participation creates attachment to local community and develops the feeling of belonging.

Since perception of racial and religious discrimination were highly correlated ($r = 0.464$, $p = 0.000$), the model was run, first with the racial discrimination variable and, then, with religious discrimination variable. Contrary to the hypothesis, there was no statistically significant relationship between perception of racial discrimination and change of satisfaction with life, while the effect of religious discrimination turned out to be statistically significant. Therefore, it is religious discrimination that was chosen for the final model. Immigrants who believed that there is some religious discrimination in Australia are 1.5 times more likely to become less satisfied with life, compared to those who referred to little discrimination. At the same time, impression of a lot of discrimination had no statistically significant effect. It might be explained by a very small size of this category, which made it more difficult to reject the null hypothesis stating that there is no relationship between religious discrimination and change in satisfaction with life.

This study failed to uncover relationship between change in satisfaction with life and impression of racial discrimination. However, religious discrimination turned out to have negative impact. To examine this relationship more in depth, the interaction effects between religious identity (Christianity, Buddhism, Hinduism,

Islam, other religions, and no religion) and the perceptions of religious discrimination were tested but there were not statistically significant. However, the interaction between racial discrimination and Islam turned out to be negatively associated with satisfaction with life. While migrants may opt for not getting involved into local community activities and have relatively reserved life, uncomfortable social environment or hostility would not contribute to successful settlement experience.

State/territory effects

Finally, the state or territory of residence had no statistically significant effects except for the Australian Capital Territory. Immigrants who resided in the Australian Capital Territory six months after arrival in Australia are significantly less likely to become more satisfied with life in their new country over a one-year period, compared to those from New South Wales. The research on migrants' intention to move showed that migrants residing in the Australian Capital Territory and Tasmania were more likely to express intention to relocate within the next year. Thus, the Australian Capital Territory consistently comes up as a region evoking less positive associations. Further examination of this case is needed.

Conclusion: Comparing Immigrant Satisfaction in Canada and Australia

The study showed that factors from all broad groupings are associated with immigrants' satisfaction with their settlement experience and the change in satisfaction with settlement. One thing to keep in mind is that the levels of satisfaction with life in Australia were quite high in both waves, therefore, in most cases, the change to the worse did not mean dissatisfaction with life in Australia.

Human capital tends to be an important predictor of migrants' successful settlement in the new country. The assumption that immigrants with more education and higher language proficiency adapt more easily to new economic and social environment justifies immigration policies targeting highly skilled migrants. Both Canadian and Australian immigrant selection strategies allocate a significant share of points to education level and language proficiency during the process of immigrants' selection. However, while positive effect of proficiency in the official language came up in both Australian and Canadian studies, the effect of education is less straightforward. The research on migrants' satisfaction with their life in Canada showed that higher levels of education were associated with lower levels of satisfaction with settlement.

While both Canadian and Australian immigration policy targets the skilled class and highly educated migrants, these categories of migrants tend to be relatively less satisfied with their settlement. The decision of the Canadian government to introduce pre-arrival assessment of foreign credentials does not seem to improve migrants' experience. It will only create additional bureaucratic obstacle and impose additional cost on applicants because the assessment does not mean official recognition of credentials. Furthermore, official non-recognition of foreign credentials is only one form of underutilization of migrants' skills. In those occupations where Canadian licensing is required, receiving official licences does not necessarily result in acceptance by employers (Reitz 2001). Much more important and pressing issue is non-recognition of foreign credentials and foreign work experience by employers and persisting employment discrimination based on immigrant origins and qualifications

and experience from non-English-speaking countries (Reitz 2001; Wagner and Childs 2006).

As hypothesized, economic factors such as earnings and employment status are strongly associated with satisfaction. Considering that migrants were interviewed only six months after landing in Canada, it points to the importance of a relatively quick economic integration for migrants to assess their experience more positively. Not only worsening of financial situation but also the lack of improvement over time leads to higher propensity of becoming less satisfied with life, as the Australian results show. Even though one year is not a long period, immigrants seem to be time sensitive and are hardly willing to wait for improvement for too long. Considering that immigrants are more mobile than an average person, the result might be their further relocation to another part of the country, most likely one of the largest cities, in search of better opportunities.

In the mid-1990s, following the neoliberal turn, central governments in Canada and Australia were shifting immigration-related matters to subnational authorities and non-state actors, such as the market, the voluntary sector, and the family (Walsh 2008; Dobrowolsky 2011). Transferring responsibilities to non-state actors may result in increasing dependence of immigrants on their close and extended families and ethno-cultural communities. There is a potential threat that this dependence might impede migrants' interactions with the receiving society, including other migrants of different ethno-cultural origin. This, in turn, could undermine social cohesion, as observed in European countries highly concerned with the problem of migrants' integration. At the contextual level, immigrant concentration had negative effect on satisfaction though substantively it was not very strong. Together with individual-level social factors, the

findings show that policies pushing newcomers to rely on family and migrant networks are not likely to result in more positive settlement experience.

Family- and community-related streams under subnational immigration programmes aim to facilitate migrants' integration upon arrival through family or community support, that is, transferring responsibility from the state to non-state actors. At the same time, these streams are supposed to solve the problem of migrants' retention. They have potential to successfully address the issue of retention, as the findings from the previous chapter may suggest. However, would it be a short- or long-term success? The findings in this chapter do not support the hypothesis of higher levels of satisfactions of migrants who are surrounded by relatives and friends from the same ethno-cultural group or reside in areas with higher immigrant concentration. Quite the opposite, migrants who are not locked in their ethno-cultural community and have diverse circle of friends tend to be more satisfied with their experience in the new country.

Chapter 5: Conclusion

In both Canada and Australia, subnational immigration programmes were introduced to address negative demographic trends and/or labour/skill shortages, as regional goals, and achieve more balanced distribution of migrants and more equal economic development within the country, as federal goals. The programmes are relatively recent and their contribution to the success of the long-term development goals is too early to assess. But it is already possible to examine whether there have been changes in the immigration landscape in Canada and Australia and the role of the regional immigration programmes in these changes.

There had been already some evidence of changes in immigration patterns after the introduction of subnational immigration schemes (Hugo 2008; Pandey and Townsend 2010; Pandey and Townsend 2011; CIC 2011). The research shows that these programmes had some success in achieving their goals of migrants' redistribution away from traditionally most popular destinations to less attractive regions but the degree of success varied among regions. My study attempted to explain these variations in the success of regional immigration policies.

Initial settlement patterns of immigrants

The first step was to examine variations in programmes' design as a potential explanation for variations in the outcome. Canadian provinces obtained more control over the design of their regional immigration programmes, which resulted in diversity of immigration streams and their combinations across the country, while visa categories for regional immigration in Australia are established at the national level in

consultation with states and territories. Furthermore, Canadian regional migrants are not restricted in their choice of location both in the nominating province and within the country. In Australia, the most popular destinations, for example, Sydney, Melbourne, Brisbane, are not available for regional immigration. As well, Australian regional migrants usually come under provisional visas and are required to live for at least two years in their destination region. Flexibility of Canadian provinces in managing their immigration programmes and the absence of settlement restrictions for Canadian regional migrants can potentially explain a stronger impact that the introduction of subnational immigration schemes had on initial settlement patterns of immigrants in Canada. Overall, Canada was more successful than Australia in redistributing immigration flows within the country (Chapter 2, Figure 2.1, p.34 and Figure 2.7a, p.50). In Australia, economic factors, such as unemployment rate and growth in gross state/territory product per capita, played more prominent role in attracting migrants and explaining variations among states and territories (Chapter 2, Table 2.4, p.59-60).

This study also examined in detail variations within Canada and Australia. Among the most popular immigration destinations in Australia, only New South Wales experienced the decrease in its relative share in the national intake of migrants. However, the relative loss of this state did not exactly result in gains by smaller states and territories. The relative shares of traditionally popular Victoria and Western Australia grew and, among smaller states and territories, only South Australia experienced visible gains (Chapter 2, Figure 2.7a and Figure 2.7b, p.50). Along with economic conditions, the success of South Australia is explained in part by the eligibility of its capital Adelaide for regional immigration. Adelaide is a large city

while Tasmania, Northern Territory and Australian Capital Territory do not have a large city to their advantage. In Canada, the shares of Ontario and British Columbia in the national intake of migrants decreased, which led to relative gains for other provinces. Québec and the Prairies were more successful in attractive larger numbers of migrants compared to the Atlantic region (Chapter 2, Figure 2.1, Figure 2.2a, 2.2b and 2.2c, pp.34-36). Québec differs from other provinces because it targets a specific pool of French-speaking migrants. As well, it has full control over selection of economic migrants while migrants to other provinces can come under both federal and regional programmes. Interestingly, in several provinces such as Manitoba, Saskatchewan, PEI and New Brunswick, regional immigration has almost replaced federal, thus de facto shifting their immigrant selection to the provincial level (Chapter 2, Figure 2.5a and Figure 2.5b, pp.39-40). One more advantage of Québec is Montreal, which is one of the largest cities in Canada and it traditionally attracts migrants. In case of the Prairies, stronger performance of their regional economies, especially in Alberta, facilitated attracting migrants. The Atlantic provinces have dealt with economic difficulties and out-migration for decades and their economic conditions are less conducive to attracting immigration flows. Nevertheless, even the Atlantic provinces experienced gains after the launch of nominee programmes. They particularly targeted skilled migrants with family and community connections, thus creating additional incentives for immigration. Unlike the other Atlantic provinces, Newfoundland experienced economic growth. However, its pattern of migrant attraction does not resemble the one in the Prairies. Furthermore, Newfoundland even falls behind the rest of the Atlantic provinces. Newfoundland represents an interesting case for further examination.

The analysis of initial settlement patterns of immigrants in both Canada and Australia showed that regional immigration policies could be successful in attracting migrants to traditionally less popular destinations. As discussed in Chapter 2 (see pp.42-44 for the discussion of the Canadian case and pp.56-65 of the Australian case), favourable economic conditions such as low unemployment and regional economic growth, as well as big cities would be an advantage in attracting migrant flows. But certain strategies such as family and community-related immigration streams could help increase migrant population too. Even a modest increase would be an achievement for the regions trying to counteract negative demographic trends.

Migrants' retention in their initial destination

Attracting migrants as such will bring no benefits to the regions if migrants do not stay and relocate somewhere else because such migrants would neither join the regional workforce, nor would they contribute to stabilizing or increasing the population in the region. The analysis of the retention aspect of subnational immigration initiatives was more difficult to conduct. There is no data on migrants' retention in Australia, which prevented me from examining the effectiveness of Australian regional immigration schemes in terms of migrants' retention. But Canadian data made it possible to uncover factors associated with variations in the retention rate of both regional and federal migrants. The analysis confirmed that regions experiencing problems with outmigration of their population (measured as interprovincial migration) also tend to have lower retention rates of both skilled workers and provincial nominees, though they count on international migrants to

overcome their demographic and economic problems (Chapter 3, Table 3.3, pp.88 and Table 3.4, pp.81-82).

Negative economic trends are likely to result in post-arrival migrations within Canada. Higher unemployment rates were associated with lower retention rates of skilled migrants but only in the Atlantic provinces. At the same time, negative impact of higher duration of unemployment turned out to have impact across all of the Canadian provinces (Chapter 3, Table 3.3, pp.79-80). The Atlantic region seems to be trapped in a vicious circle. However, the effect of unemployment on the retention of provincial nominees was less prominent, which indicate that some retention considerations had been incorporated in the design of regional immigration schemes (Chapter 3, Table 3.4, pp.81-82). First of all, provincial nominee programmes usually require a job offer, which mitigates the negative impact of unemployment and also create an attachment to the nominating province. Unemployment may still become an issue for migrating couples if the partner of the principal applicant has difficulties with finding a suitable employment. Second, traditionally less popular destinations such as the Atlantic region and the Central Prairies introduced immigration streams with the emphasis on family and community ties to address both the issue of attraction and retention of migrants. For example, immigration strategy of Manitoba is firmly based on the connection to the province whether it is an arranged employment, family or community ties, or previous studies. At the same time, due to the economic growth in Saskatchewan, its provincial immigration policy seems to have become economically motivated, like the strategy of Alberta.

More large cities and autonomy in administering settlement services were also associated with higher retention rates of migrants (Chapter 3, Table 3.3, pp.88-89 and

Table 3.4, pp.90-91). While it would be difficult for provincial authorities to change the situation with the number of cities in the province, the autonomy in administering settlement services potentially could be obtained through the negotiation with the federal government. However, in 2012, the Canadian federal government chose an opposite direction and made decision to centralize the management of settlement services, thus depriving British Columbia and Manitoba of their autonomy.

The issue of migrants' retention in Australia was addressed through restrictive measures. Regional migrants come to Australia on a provisional visa and are required to live for two years in their destination to be eligible for the permanent residency. It would be interesting to examine the effectiveness of this restrictive measure but it was not possible because the Australian data on retention rates do not exist. To get at least some understanding of migrants' retention in Australia, three longitudinal surveys of immigrants to Australia were examined. The respondents did not show high levels of mobility but the Northern Territory, Australian Capital Territory, and Tasmania consistently turned out to have the lowest retention rates. New South Wales and Victoria, followed by Western Australia and Queensland were the preferred destinations for interstate migrants (Chapter 3, Table 3.5, p.96). Small size of the actually relocated respondents did not allow analyzing factors that account for their relocations. However, one of the surveys questioned migrants' intention to move or stay in their destination, which provided an opportunity to examine what encourages migrants to consider relocating.

One of the findings was that onshore migrants are less likely to intend to leave their destination and move elsewhere (Chapter 3, Table 3.7, pp.112-113). This finding supports immigration policies targeting temporary migrants. Both Canada and

Australia increasingly rely on temporary workers and accept international students. Regional immigration schemes in both countries have streams for temporary migrants to transition to permanent residency. Such migrants have already established some connection with the region of residence and are more likely to stay. From the neoliberal perspective of minimizing the participation of the state and shifting responsibilities, these migrants have already integrated to some degree into the community and, therefore, are less likely to require assistance of settlement services. The two-year requirement of provisional residency for Australian regional migrants is also supposed to be the time for migrants to secure roots in the region, which would translate into their further retention. However, more research is needed to understand the pathways of provisional and temporary migrants.

Regional immigration programmes usually require some kind of sponsorship, that is, by regional employer, family or community. The retention assumption of such sponsor-based schemes is supported by the finding that unsponsored skilled migrants are more likely to indicate intention to move compared to family class migrants. Meanwhile, there were no difference between family migrants and skilled migrants sponsored by a family member (Chapter 3, Table 3.7, pp.112-113). The sponsorship requirement is incorporated in the regional immigration schemes but it does not guarantee migrants' retention. For example, in Canada, retention rates of both federal and regional migrants in the Atlantic provinces are lower than retention rates in other provinces. Sponsorship requirement as such would not solve the problem of migrants' retention in economically disadvantaged regions.

More case studies of regions that have been traditionally less popular among migrants and still struggle to attract and retain them would help identify additional

factors to be considered when designing policies. For example, why did the improvement of economic situation in Newfoundland not lead to high retention rates of migrants? Retention rates in Newfoundland were higher in the late 2000s than before but still not at the level of the non-Atlantic provinces. In Australia, migrants residing in Tasmania and the Australian Capital Territory are more likely to intend to relocate. While Tasmania's disadvantage could be explained with economic difficulties, why does the Australian Capital Territory experience problems with migrants' attraction and retention? The Australian Capital Territory also came up when examining factors that account for immigrants' satisfaction with their settlement experience. Immigrants to the Australian Capital Territory are less likely to report a positive change in satisfaction with life over one-year period.

Immigrants' satisfaction with their settlement experience

Immigrants' satisfaction with their settlement experience is one more angle to examine variations in success of immigration programmes. The success is not only when regions manage to attract and retain migrants but also when migrants feel satisfied with their experience in the new country. Understanding the factors that account for migrants' satisfaction could better inform regional immigration policies because satisfaction with settlement is related to migrants' integration and retention. Community-related immigration is supposed to help retain migrants and facilitate their integration process. However, in terms of immigrants' satisfaction with settlement, the Canadian study demonstrates that migrants who have ethnically diverse circle of friends are more satisfied with their settlement (Chapter 4, Table 4.2, pp.138-139). And it is already after six month of residency in their new country. At the contextual

level, immigrant concentration was negatively associated with satisfaction (Table 4.2). These findings speak in favour of settlement policies encouraging integration of newcomers into the receiving society instead of reliance on their communities.

Skilled class and highly educated migrants report lower levels of satisfaction (Chapter 4, Table 4.2, pp.138-139). When the category of skilled migrants was analyzed in more detail in the Australian study, it is unsponsored skilled migrants that were less likely to report positive change in their satisfaction level (Chapter 4, Table 4.4, pp.157-158). This echoes the analysis of migrants' intention to move in Chapter 3 when unsponsored migrants were more likely to intend to relocate (Chapter 3, Table 3.7, pp.112-113).

These cross-national and cross-chapter findings highlight the contradiction in the Canadian and Australian immigration systems, which target highly educated and skilled migrants at the selection stage but lack mechanisms that could help unlock their potential at the settlement stage. Australia's longitudinal study shows that employment has a moderating effect (Chapter 4, Table 4.5, pp.159-160). Skilled migrants who found employment tend to become more satisfied with their life. The Canadian study distinguishes between being employed and satisfied with job and employed and dissatisfied with job. While the former tend to be more satisfied with their settlement compared to the unemployed, the latter are less satisfied (Chapter 4, Table 4.2, pp.138-139). The requirement of an arranged job offer is supposed to be a potential solution and it is widely used to prioritize and select migrants both under regional and federal immigration programmes. At the same time, the increasing reliance on employer sponsorship, as well as family or community sponsorship, and temporary migrants leads to the situation when it is difficult or almost impossible for

independent migrants to immigrate even to such traditional settler countries like Canada and Australia.

Contributions made by the study

My study uses a multi-dimensional theoretical framework to compare outcomes of subnational immigration programmes across Canadian and Australian subnational jurisdictions. It is the first study of this kind, and its findings are novel and provide insights into the factors explaining migrants' initial settlement patterns, retention and satisfaction with settlement.

Several studies discuss the goals of subnational immigration programs in attracting immigrants and results of these schemes (CIC 2011; Hugo 2008; Pandey and Townsend 2010; Pandey and Townsend 2011). However, my study is the first to examine in a great detail changes in initial settlement patterns in both Canada and Australia and the first to explore reasons behind changes in initial settlement patterns in Australia and compare the changes and the reasons across Canada and Australia and between these two countries.

It is the first study that uses the analysis of time-series cross-section data to examine macro level factors associated with the retention rate of federal and regional immigrants in Canada. The factors included in the study are unemployment rate and duration of unemployment, GDP per capita, earnings, immigrant population, autonomy in settlement services, large city, as well as interprovincial migration. Thus, my study complements the existing research by Pandey and Townsend (2010), which mainly focuses on individual-level factors associated with migrants' retention in Canada. My study also extends the existing research on secondary migrations of immigrants in Canada (Houle 2007; Newbold 2007) by being the first to examine

factors that account for immigrants' intention to move or stay in their destination in Australia.

My study also contributes to the understanding of factors that explain variations in immigrants' satisfaction with their settlement experience. It extends the previous research on immigrants' satisfaction (Amit 2010; Houle and Schellenberg 2010; Lester 2008; Massey and Redstone Akresh 2006) by including area level factors such as immigrant concentration and unemployment rate when examining the Canadian case. It is the first study that uses the multinomial logistic regression to examine factors associated with the change in immigrants' satisfaction over time in the Australian case.

Policy implications

The contribution of my study is mainly empirical. Some findings are consistent with assumptions in the design of regional immigration programmes, such as the sponsorship requirement for immigrants to qualify under the majority of regional immigration streams as a measure of migrants' retention. At the same time, several policy implications should be mentioned.

First, deeper decentralization of immigration policy is likely to produce better results in achieving the goals of attracting and redistributing migrants and their further retention. The analysis of initial settlement patterns of migrants in Chapter 2 demonstrates that Canadian regions, which were granted more authority over immigration matters than Australian regions, were more successful in attracting immigration flows. Furthermore, the analysis in Chapter 3 shows that regions with autonomy in administering settlement services tend to have higher retention rates, all

else being equal. Compared to the federal government, subnational authorities have better knowledge of regional needs and would be able to address them more effectively by designing programmes of immigrant selection and settlement and flexibly adjusting criteria to fit their needs.

Second, regions should be focused on fast labour market integration of immigrants to increase chances of their retention and satisfaction with settlement. While the pathways requiring a job offer ensure migrants' employment already upon arrival, this is not the case with other immigration streams. Among them are family- and community-related streams, which are especially popular among regions struggling for attracting and retaining immigration flows. The findings in Chapters 3 and 4 suggest that highly educated and skilled migrants, which are the main targets of both federal and regional immigration programmes, tend to be less satisfied with their settlement and more likely to express intention to relocate or have doubts regarding their place of residence but employment, especially a satisfactory one, has a moderating effect.

Third, regional authorities should not fully shift responsibility over migrants' settlement matters to non-state actors such as communities and families. Even though these sponsoring actors help attract and retain immigrants, as specified in the analyses in Chapters 2 and 3, the findings in Chapter 4 demonstrates that it is the interaction with wider and diverse community that makes migrants more satisfied with their settlement in the new country. Regional authorities should focus on providing extensive language services to help newcomers improve their proficiency in the official language, which is indispensable for both economic and social integration. Furthermore, regional authorities should be more involved in providing migrants with

employment services, e.g. information and consulting, first job placement, which would help reduce migrants' dependence on family and ethno-cultural community networks.

Overall, my research suggests that devolution of immigration policy can be an effective means for accomplishing the national goal of the redistribution of immigration flows across the country and regional goals of migrants' attraction and retention. At the same time, the study shows that while the transfer of authority over immigration matters from the national to subnational level is likely to bring positive effects, the transfer of powers to non-state actors may compromise long-term migrants' integration objectives.

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