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## Immigrants subsidize us by \$55 billion per year

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*In the fight for equality, one of our major continuing challenges is the many employment barriers which still exist for our newer immigrants. These immigrants are, more often than ever, highly qualified professionals and business executives who find it very difficult to obtain equivalent employment in Canada. Encouraged to immigrate to Canada, they come with high expectations which are only too frequently dashed.*

- Ontario Chief Justice Roy McMurtry

WHEN NOT dispensing justice or running the court administration, or even while doing it, the former red Tory attorney-general of Ontario worries a great deal about the injustice of inequities caused by prejudice and outright racism.

He used a recent speech to the Harmony Movement, the Toronto-based cross-cultural non-profit national group, to sound a warning about the growing neglect of highly talented recent immigrants in Mike Harris' Ontario.

Yet when we hear of PhDs driving taxis, we tend to shrug: What else is new? Didn't new arrivals always start off low and worked their way up? Didn't many have to abandon their professions and start all over again?

Yes. But there is something new.

We are getting far more educated and qualified immigrants than ever. Yet we are leaving them on the margins far longer.

The situation is worse for visible minorities. Much of it has to do with racism. But not all.

The Canadian-born are better-educated. So we no longer need the foreign professors or engineers to the extent we once did.

Also, economic restructuring has made employers lean and mean - and narrow-minded. If they think they need a specialist to turn screws, they want a specialist to turn screws. No longer do they hire a bright generalist and have him or her find a niche in the workplace.

Jeffrey Reitz codified all this in a study last year. Other experts have as well. This year the sociology professor at the University of Toronto's Centre for Industrial Relations is teaching at Harvard University, where he has produced a new, startling study. It measures the cost of not using immigrant talents to the full.

What's the dollar value of this "brain waste?" To the immigrants themselves? To the economy? About \$55 billion a year!

Reitz arrived at that eye-popping figure by taking the total annual immigrant earnings, as per the last census, and comparing them to those of similarly educated and trained Canadian-born workers doing similar jobs.

He tracked how immigrants get disadvantaged or just plain robbed.

- Their education, skills and experience are not up to Canadian standards. Or presumed not to be. In the first, the discounting is justified; in the second, not.
- Even when deemed good, immigrants' skills are under-utilized.

- When used, their skills are not compensated at the same rate as the native-born.

Immigrants thus end up earning less than what they should, based on their productive potential. Non-whites among them do worse.

"Blacks from Africa and the Caribbean, plus Chinese, South Asians, Filipinos, and other Asians earn between 15 and 25 per cent lower than most immigrants of European origins," Reitz writes.

The federal Canadian Race Relations Foundation has come to a similar conclusion. In a report last week, it said that non-white immigrants get only 78 cents for every \$1 earned by white immigrants.

Let's think that non-Europeans should get less because they may be less qualified, Reitz has a clarification: "These differences in earnings exist both for highly-skilled and low-skilled immigrants."

Do the disadvantages disappear by the second generation? Not quite for non-whites.

"The data show very significant racial disparities in earnings among the native-born."

For blacks, the disadvantage is as bad as for immigrants. To many an employer, a black person born and raised in Scarborough is the same as an immigrant fresh off the boat.

The disadvantage is not as stark for Canadian-born Chinese and South Asians, but still "substantial and significant."

Having worked his way through all of the above, Reitz asked: What if immigrant qualifications, in education and experience, were compensated the same way as for Canadian-born workers?

He found that:

- Immigrant men would have earned \$82.3 billion in 1996, not the \$47.9 billion they did.
- And immigrant women would have earned \$47.1 billion, not just \$26.1 billion.

Adding up the difference, Reitz arrived at the total immigrant earning disadvantage of \$55 billion a year. Of that, he attributed between \$10.5 billion and \$14.4 billion to under-utilization of skills, and the rest to the fact that immigrants are paid less for work of equal value.

The former is a net loss to the Canadian economy, the latter to the immigrants.

While immigrants have historically served as a source of cheap labour, fuelling profits and dampening inflation, Reitz's study quantifies the phenomenon.

"This is definitely discrimination. It certainly is hugely unfair."

Reitz is aware that those who don't want to be convinced won't be - people with deeply ingrained anti-immigrant attitudes, or economists who believe that workers are worth only what the employers pay them, period.

He also knows that his calculations are a guesstimate, open to argument. "The truth may lie somewhere between zero and \$55 billion. But it's closer to the latter.

"We can debate it. But let's not dismiss it, as many people do. It's a lot of money. After all, which group of Canadians would want to have that kind of cash taken away from them?"

Thursday: The dirty details of discrimination

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