Immigrants and Precarious Employment
Brief Two

Immigrants and Precarious Work

Who is more likely to have a precarious job?

We have used our Immigrants and Precarious Work Survey to identify some of the causes of precarious work. The Survey looked at work experiences during a newcomer's first year in Canada and in 2005, the year of the survey. The Index of Precarious Work (IPW) pulls together a complex set of factors to assess the precariousness of a job. See Brief One for more details. In Brief Two we look at the likelihood of a newcomer scoring high or low on the IPW. (A high score means that his or her job is very precarious.) As a result, we can find out who is more likely to work a precarious job. We can learn about the demographic, social and institutional factors that make different groups more or less precarious. We also look at how precarious jobs affect a person's well being (see Box 1). Finally, we summarize our key findings and identify some of the implications of this research.

How are immigrants faring in the new economy labour market?

As of 2006, more than 40% of workers in Ontario worked in low wage service jobs. Only 28% of workers in Ontario were members of unions in 2007. In the 1990s and early 2000s, newcomers had more schooling and skills than previous groups of immigrants. And yet they have not fared as well as their predecessors in terms of employment and earnings. They also make much less than native-born Canadians. In short, there is a growing sense that newcomers to Canada are not doing well in the job market.

Explaining immigrant labour market outcomes

Policy makers and researchers use different approaches and focus on different factors to explain why immigrants in Canada face such difficult challenges when it comes to finding decent work. We have grouped these explanations into four types, alongside relevant variables:

- Individual and human capital variables: age, sex, region of origin, education, and language proficiency in an official language

- Household and social network variables: total household size, number of dependents 12 and under, number of friends and family in Toronto when individual arrived, and quality of advice received from organizations

- Contextual and policy factors: years in Canada, immigration status, and changes in immigration status.

- Broader economic and labour market factors: labour market conditions, unemployment rate at time of arrival, particular occupations/sectors, and past experiences of precarious work.

One of our goals is to test these competing explanations against the information we gathered in our survey.

We wanted to see how different factors affect the likelihood that an immigrant will work in a precarious job. In the survey we asked for information about the kind of work that workers had before they migrated. We also gathered information about the jobs they had during their first year in Canada, and then in 2005, the year of the survey. We used logistic regression modeling to test what factors predict the likelihood of a worker falling into a higher or lower category on the IPW. We developed two regression models: one for early work experiences in Canada (see Box 2) and one for current work (see Box 3). We present some of our findings in this Brief. For details on the logistic regression results please refer to the Appendix at the end of this Brief.

Box 1

Precarious work is not good for well-being

- People who had precarious jobs during their first year in Canada were more likely to experience job strain. Job strain can involve chronic pain, harassment, or even work that is dangerous.

- Fifty percent of people reported working with chronic pain. 30% of respondents reported doing work that was dangerous. Close to 45% of those surveyed experienced harassment during their first year of work in Canada.

- Many respondents also experienced income insecurity. Just over 44% of respondents paid more than 30% of their income in rent. Almost half (46%) of those working precarious jobs were unable to put aside any savings.

- Precarious workers tended to feel socially isolated. They considered they had no one to turn to in times of crisis.

Summary of Key Findings

1) Precariousness in early work has lasting and negative effects on current work

People who had precarious jobs during their first year in Canada were more likely to have them in the year of the survey. Labour research tends to treat the amount of years a newcomer spends in Canada as an important predictor of labour market outcomes. The idea is that with time in Canada immigrant workers will find stable work, and work that is matches their skills and education. But we found that the amount of time that immigrants spent in Canada did not guarantee them a pathway to decent work. This finding provides hard data to support what has been widely reported in anecdotes: in the new economy labour market a person's first job in Canada lays the foundation for later work opportunities. Precarious work in the short term has a long-term – and negative – impact on workers.

2) Education and selective immigration policies are not a safeguard against precarious work

Immigration policy assumes that selecting highly educated immigrants will lead to successful labour market incorporation. This is based on the belief that immigrants (and other workers) with higher levels of education will have the skills to work in a knowledge economy, and that the labour market will match these workers with decent jobs – jobs that are stable, secure and pay a living wage. Recent research finds that there is little relation between an immigrant's education and what he or she earns. The skills and education of immigrants remain under-utilized. We, too, have found that a person's education – whether it is obtained in the home country or Canada – does not predict the quality of the job he or she will get. In short, higher levels of education do not protect newcomers from precarious work. This applies to their early jobs and their later ones. Newcomers with higher levels of schooling face precarious employment over the long term, as do those with less education.

3) Language competence matters

Immigrants who are competent in English were more likely to have more decent work at the time of the survey. This is the only human capital variable that is consistently significant in the two regression models. Although education does not provide a pathway to decent work, competence in English does. This finding raises questions about how immigrants achieve language competence and about the effectiveness of specific programs (such as ESL and Business English courses). We explore the topic in the next brief.

4) The impact of household factors and social networks on precarious work is mixed.

The size of a respondent's social network upon arrival was not significant for explaining the likelihood of precariousness during early work or respondent's current job. Working with co-nationals was also not significant in explaining current IPW. However, family size and household composition are important predictors of precarious work. Social networks in the form of institutional contacts do make a difference. On the one hand, people who did any kind of volunteer work were less likely to have precarious jobs. On the other hand, receiving what was later seen as bad advice from organizations, contacts or friends during one's early settlement period was associated with having a precarious job early on. This highlights the ad hoc manner in which newcomers receive information.

5) Immigration status matters

We found that an immigrant's legal status at the time of his or her arrival in Canada had a lasting effect on future jobs. Those who arrived in Canada with temporary residence status and with no work permit tended to wind up in precarious jobs. So, too, did people with a temporary work permit and whose status *remained* temporary. These included students, tourists, refugee claimants, and temporary foreign workers. Even the people who eventually

got permanent status were at an increased risk of holding a precarious job. But people who arrived in Canada with permanent residence status were better off. This key finding shows that the legal status of a newcomer has an impact on the kind of jobs he or she will get. It also shows that the temporary status of a newcomer has lasting and negative effects. People who enter Canada through temporary foreign worker programs including the Live-In Caregiver Programme are predicted to remain in precarious jobs even after they acquire permanent residence.

Implications for improving labour market outcomes and a decent work agenda

Policymakers need to look at the factors that push immigrants into precarious work when they first arrive in Canada. Working to reduce these factors should help to improve the well being of these newcomers. Making jobs less precarious and more decent by improving work conditions would also contribute to this objective.

Immigration policy in Canada needs to be changed, too. In particular, the emphasis on human capital, in the form of education, needs to be reconsidered. Recent policies that admit low-skilled workers on a temporary basis could be modified so as to admit immigrants with wider skill and education levels.

We should also push for early and effective language training in English or French, with appropriate support to ensure widespread access. These policies may help to create a better environment in which newcomers can get decent work.

The paths to permanent residence must be clear as well. This will help newcomers to obtain jobs. Some of the recent policy changes which allow students and others to become permanent residents based on their Canadian Experience may be a step in the right direction. But the scope of such this policy shift would need to be greatly expanded to include more newcomers in more categories.

Programs and services aimed at the early settlement of immigrants play a critical role in a worker's success. We need to create opportunities for newcomers so that they do not need to take the first available job that comes their way. Such opportunities would have long-term benefits for newcomers and society. Newcomer job readiness must also include knowledge of workplace rights. Timely and strategic investment should be made to ensure newcomers can move into decent work right away. Immigrant workers who start in precarious jobs are unlikely to move into decent jobs.

In terms of future studies, researchers need to look at the jobs of an immigrant at different points in time. Data on the indicators of precarious work need to be collected, along with information on factors associated with it, and be available in a single or linkable dataset(s). Such data would allow researchers to track workers as they attempt to get better jobs. This can be done by adding to existing surveys. Surveys that already collect related data (on the labour force, for example) would be strengthened by the inclusion of more detailed immigration and IPW variables. Surveys that focus on immigrants could be enriched by adding work-related variables. Although these options present challenges, it is important to have appropriate data, about immigrants and non-immigrants, in order to track and compare their experiences.

Box 2

Predictors of Precarious Jobs in Early Work

- An immigrant's education level in the country of origin had no impact on his or her IPW category.

- Region of origin is a statistically significant predictor of precarious early work. Immigrants from the Caribbean had an increased likelihood of having precarious jobs, compared to those from Latin America.

- Respondents with large and small social networks upon arrival in Canada were just as likely to be in precarious jobs.

- The quality of advice received during early settlement was a significant predictor of precarious work. Respondents who reported receiving bad advice were more likely to have precarious jobs during their first year in Canada.

- Newcomers who arrived without a work permit (e.g. students, refugee claimants) had a greater likelihood of working in precarious jobs.

- Occupation is a significant predictor. Respondents in construction occupations were most likely to have precarious jobs in early work.

- Those who arrived between 1995 and 2005 were more likely to have precarious jobs than those arriving between 1990 and 1995.

Box 3

Predictors of Precarious Jobs in 2005

- Individual-level and human capital factors are weak or inconsistent predictors of precarious or decent work.

- Number of years in Canada is not a statistically significant predictor of work precariousness.

- Early work experience in Canada is a critical predictor of subsequent experience. Persons with precarious early work were at increased risk of their current job also being precarious, regardless of individual level factors such as time in Canada and education.

- Women are more likely than men to be in precarious forms of employment.

- Higher competence in English is associated with a lower likelihood of precarious work.

- Respondents in larger households are more likely to work in a precarious job.

- Volunteer work lowers a respondent's likelihood of having a medium or high IPW score.

- Respondents whose immigration status *remained* temporary and persons with temporary status and work permits who then received permanent status were at increased risk of having precarious work than those who entered and remained permanent residents.

- Immigrants who work in construction and trades, as well as those in unskilled clerical work are more likely to have precarious jobs than those in other occupations.

Sources and Resources

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Appendix

Variable Definitions for Brief 2 Regression Tables

Dependent Variables:

Categorical Early work IPW: The unstandardized early work IPW was used to construct a three-way categorical variable of Low (0,1), Medium (2,3), and High precariousness (4,5,6)

Categorical Current work IPW: The unstandarized current work IPW was used to construct a three-way categorical variable of Low (0,1,2), Medium (3,4,5), and High precariousness (6,7,8)

Independent Variables:

Individual and Human Capital
Sex: Man (1), Woman (2)
Age at arrival: Age the year they immigrated to Canada

Region of origin: (1) Latin America, includes Dominican Republic and Cuba, but not Brazil, (2) English-speaking Caribbean

Years of education in home country: A continuous count of total number of years of education in country of origin

Total years of education: A continuous count of total number of years of education in the country of origin and since immigrating to Canada

English competence rating: A scale constructed based on self-reported competence with writing a business letter, filling out government forms and/or a job application, and making a verbal complaint or request at work

Household and Network Factors

Total household size: Sum of all family members residing in the household at the time of the interview

Presence of children 12 and under: A dummy yes-no variable that identifies whether any children under the age of 12 reside in the household

Size of social network on arrival: A sum of the number of people, including friends and family that they knew in Toronto when they first arrived

Works with co-nationals: A dummy yes-no variable that indicates whether the respondent works mainly with co-ethnics and/or co-nationals. The survey question is: *In the course of your work, would you say you mainly deal with other people from the Caribbean / Latin America?*

Volunteer work in last 12 months: A dummy variable where yes (1) means respondent had undertaken volunteer work on a regular basis in the twelve months preceding the interview, and no (0) that the respondent has not done volunteer work.

Received bad advice from organizations: Count of all sources of advice that respondent considered bad, where advice was inaccurate or damaging. The survey question is: *Describe your experiences with any organization or individual that made things difficult for you or gave you bad advice?*

Contextual and Policy Factors

Years in Canada: Number of years living in Canada since immigration. Does not include pre-settlement visits

Immigration status at entry: Three category variable includes: (1) Permanent resident; (2) Work authorization (e.g. refugee claimant, temporary worker visa, live-in-caregiver, international student); (3) No work authorization

Macro-economic and labour market conditions

Period of arrival: Categorical variable with two periods, (1) 1990-1995 and (2) 1995-2004

Worked in field during first year: Did the respondent work in their occupation at any point during their early work experience in Canada where early work refers to the first year of work

Occupation: Five occupational categories collapsed from NOCS coding

Unemployment rate for year of arrival: Refers to the number of unemployed persons expressed as a percentage of the active labour force. The unemployment rate was calculated for the year of the survey (2005) for the Toronto Census Metropolitan Area (CMA). For more information see Statistics Canada, 'Historical labour Force Review, 2002,' Catalogue no. 71F0004XCB.

Early work IPW: Early work is defined as the respondent's first year of work in Canada. The early work Index of Precarious Work (IPW) is standardized and ranges from zero to one, where zero means an absence of indicators of precarious work and one is the presence of all indicators of precarious work. The IPW for early work has six indicators including: Not unionized, no contract (verbal, short-term), terms of employment (day labour, home-based, seasonal, temp agency, unpaid family worker, part-timer, short-term contract, self-employed), predictability of schedule (can never plan schedule in advance), basis of pay (piece-work, for the job or contract), and paid in cash some or all of the time

Categorical Early work IPW: See above
Current work IPW: The current work Index of Precarious Work (IPW) is standardized and ranges from zero to one, where 'zero' refers to an absence of indicators of precarious work and 'one' a presence of all indicators of precarious work. The IPW for current work has eight indicators including: unionization, contract type, terms of employment, predictability and control over schedule, basis for pay, benefits, place of work, and cash payment.
Categorical Current work IPW: See above

Mismatch between education and current job requirement: A three category variable was constructed based on NOCS skill levels and respondent's educational attainment (degree and years). The three categories include: 1) *No mismatch* where there is a correspondence between the respondent's education and NOCS skill level for the job; 2) *Overqualified* where the respondent education is higher then the NOCS skill level assigned to the job; and 3) *Underqualified* where the respondent education is lower then the NOCS skill level assigned to the job. For more information please refer to http://www.statcan.gc.ca/daily-quotidien/081222/dq081222b-eng.htm

Logistic Regression for Early Work IPW

The dependent variable is Categorical Early Work IPW, which has three categories: Low, Medium, and High precariousness (see variable definitions for details). Logistic regression estimates the probability that an event will or will not occur based on a given set of independent variables. In this case the logistic regression model estimates the probability that a respondent will fall into a higher rather than a lower category of the IPW. Statistically significant <u>categorical predictors</u> are interpreted in relation to the reference category for each variable where the reference category is the lower ordered category (e.g. where 1 = male and 2 = female, the lower ordered category is male). If a categorical predictor is statistically significant and the sign is positive (+) it means that a respondent with this characteristic (e.g. being Caribbean in comparison to the reference category Latin American, not having work authorization in comparison to the reference category permanent resident) has a statistically significant impact on the likelihood of falling into a higher category of the IPW. If the sign is negative (-) then it is the absence of the reference category for the predictor (e.g. arriving between 1990-1995) that will result in a greater likelihood of falling into a higher IPW category. Statistically significant <u>continuous predictors</u> (e.g. counts, sums) are also interpreted as increasing or decreasing the probability of falling into a higher IPW category. If the sign of the predictor is negative (-), the statistically significant variable decreases the likelihood of falling into a higher IPW category. If it is positive (+) it increases this likelihood. If a variable is not significant (has an empty cell in the table), it means it has no statistically significant effect on the outcome variable.

Explanatory factors	Significance	Sign
Individual and human capital		
Sex – reference category is male		
Age at arrival		
Region of origin – reference category is Latin American	√	**+**
Years of education in home country		
Networks and Institutions		
Size of social network on arrival		
Received bad advice from organizations	√√	**+**
Contextual and Policy Factors		
Immigration status at entry		
No work permit compared to permanent resident	√√	**+**
Temporary work permit compared to permanent resident		
Macro-economic and labour market conditions		
Period of arrival - reference category is 1990-1995	√	**-**
Worked in field during 1st year		
Occupation		
Clerical compared to managerial / professional		
Elementary sales and services compared to managerial / professional		
Construction and trades compared to managerial / professional	√	**+**
Processing and manufacturing compared to managerial / professional		

N = 289
Max re-scaled R-square = 0.1797
√√ significance: p ≤ .01 level (highly significant)
√ significance: p ≤ .05 level (significant)

Logistic Regression for Current Job IPW (2005)

The dependent variable is Categorical Current Job IPW, which has three categories: Low, Medium, and High precariousness (see variable definitions for details). Logistic regression estimates the probability that an event will or will not occur based on a given set of independent variables. In this case the logistic regression model estimates the probability that a respondent will fall into a higher rather than a lower category of the IPW. Statistically significant <u>categorical predictors</u> are interpreted in relation to the reference category for each variable where the reference category is the lower ordered category (e.g. for sex 1 = male and 2 = female, the lower ordered category is male). If a categorical predictor is statistically significant and the sign is positive (+) it means that a respondent with this characteristic (e.g. being a woman in comparison to being a man, or doing volunteer work) has a statistically significant likelihood of falling into a higher category of the IPW. If the sign is negative (-) then it is the absence of the reference category for the predictor (e.g. not having a child under 12 in the household) that will result in a greater likelihood of falling into a higher IPW category. Statistically significant <u>continuous predictors</u> (e.g. counts, sums) should also be interpreted as increasing or decreasing the probability of falling into a higher IPW category. If the sign of the predictor is negative (-) the variable decreases the likelihood of falling into a higher IPW category. If it is positive (+) it increases this likelihood. If a variable is not significant, it means it has no statistically significant effect on the outcome variable.

Explanatory Factors	Significance	Sign
Individual and human capital		
Sex – reference category is male	√√	**+**
Age		
Region of origin – reference category is Latin American		
Total years of education in home country & Canada		
English competence rating	√√	**-**
Household and networks		
Total household size	√√	**+**
Presence of children 12 and under	√√	**-**
Size of social network on arrival in Canada		
Works with co-nationals		
Volunteer work in last 12 months	√√	**-**
Contextual and Policy Factors		
Years in Canada		
Change in immigration status		
From precarious to stable compared to remained stable	√	**+**
Remained precarious compared to remained stable	√√	**+**
Macro-economic and labour market conditions		
Unemployment rate for year of arrival		
Occupation		
Clerical compared to managerial / professional	√√	**+**
Elementary sales & services compared to managerial / professional		
Construction & trades compared to managerial / professional	√√	**+**
Processing & manufacturing compared to managerial / professional		
Early work IPW	√	**+**
Mismatch between education and current job requirement		
Over qualified compared to no mismatch		
Under qualified compared to no mismatch		

N = 293
Max re-scaled R-square = 0.3178
√√ significance: p ≤ 01 level (highly significant)
√   significance: p ≤ 05 level (significant)

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