

## **Recruiting “Human Talents”: Lessons for Canada’s Policy-Makers**

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In this discussion, I will address the precarious status of fairly recent economic migrants – skilled workers and the business class – in Canada. Precariousness is a dilemma for the migrants themselves, in unsatisfactory economic achievement and future prospects, the details of which are familiar to us from many studies. But precariousness, or at least vulnerability, exists also for Canada, because *especially* in a transnational, neo-liberal age, not only are immigrants particularly motivated to follow economic gradients, but they are also increasingly able to do so. In this presentation I will briefly comment on Canada’s success in the selection of economic immigrants, and say more on our growing difficulties in retention. I’ll argue that these difficulties are becoming more acute in a transnational, neo-liberal context.

The fiscal crisis of the state and a growing conservative consensus gave rise to a so-called neo-liberal policy regime in western nations from the 1980s onwards. Keynesian economic policy was dismantled and the welfare state rolled back in favour of freer trade, contracting out, private solutions and market disciplines. Though somewhat later than Britain and the United States, we in Canada are fully implicated in this transition process. While neo-liberalism is currently engaging its own global crisis, it is not at all certain that present state intervention in the economy will lead to any renewal of social redistribution. While bailing out GM or the financial sector may be associated with social reform as well -- most clearly in the case of health care reform in the United States under the Obama Administration – this is not necessarily the case. In many countries the major form of public redistribution will likely be higher taxation!

## **The Immigration Market Place**

This historic context is relevant to our present discussion, because neo-liberalism has touched every area of economic and social policy including immigration. **The first point I want to make is to underline the growing marketisation of immigration policy,** notably the rising importance of economic imperatives in immigrant selection. This trend is most visible when we look comparatively through time and across space. Consider in Canada the steady shift in selection priorities toward economic migrants following the establishment of the three legs of family reunification, economic migration and humanitarianism in the immigration reforms of the 1960s. The economic category accounted for 39 percent of immigrant landings in Canada in the 1980s, rose to 49 percent in the 1990s, and is up to 58 percent in 2000-2008; in contrast the family class has fallen from 38 percent to 35 percent and most recently to 27 percent, while the refugee category has diminished from 18 percent to 15 percent and finally to 12 percent (unweighted averages from CIC 2007a); in the preliminary statistics for 2008, economic migrants account for 60 percent of landings while the humanitarian class has fallen below 9 percent.

The trend clearly shows the commitment to economic objectives steadily surpassing the social goals of family reunification and the humanitarian response to refugee crises. To use the term commonly employed in Singapore, Canadian policy has steadily moved toward the selection of “human talents”. Indeed, rather like Singapore, we have a two-stream immigration policy, differentiating between the desired “human talents” who are on track to receive citizenship privileges, and the fast-growing temporary migration streams who have fewer rights and for whom eventual citizenship is a more elusive goal - though the Canadian Experience Class and other initiatives may blur these boundaries. But in general, and true to neo-liberal policy overall, it is the self-sufficient immigrant who is more highly valued, while the temps are a flexible labour force with few claims on the nation.

This point becomes crystal clear when we examine the Business Immigration Program – as I have done in some detail (Ley 2010). With its heyday in the 1990s, the BIP has brought over 400,000 immigrants to Canada between 1980 and 2008. The formalisation of the entrepreneur stream in 1978, and the addition of the investor stream in 1986, coincided with the emergence of neo-liberalism and the BIP’s neo-liberal mandate could not be clearer: “The Business Immigration Program seeks to attract experienced business people to Canada who will support the development of a strong and prosperous Canadian economy “ (CIC 2007b). With the BIP, rather than human capital, it is financial capital and entrepreneurial experience that are credited in the selection process. The BIP welcomes *homo economicus*, that rational economic optimiser whom the anthropologist Aihwa Ong (2003: 9) has identified as the “most worthy citizen” of a neo-liberal age. Not merely self-supporting, the business immigrant has both the skill and the wealth to add value, to create jobs for others, and provide tax revenues for the state. The business option became popular with wealthy migrants from Hong Kong, Taiwan, and to a lesser degree, South Korea. These three sources accounted for 53 percent of business immigrants from 1980-2001, with over 30 percent originating in Hong Kong alone.

Not surprisingly in a marketised world, there is considerable global competition for economic migrants, both business immigrants and skilled workers. Some 30 nations around the world have business immigration programmes, intended to entice footloose entrepreneurs and investors to re-locate their transformative energies and re-boot flagging national economies in receiving countries (Tseng 2000). Lloyd Wong (2003) talks about ‘the global immigration marketplace’ for business immigrants, with Canada in a competitive struggle to attract candidates against rival programmes in Australia, New Zealand, and to a lesser degree, the United States, the United Kingdom and Singapore. In this marketplace Canada’s trawling has filled the largest net, outperforming the second-ranking Australian programme by a ratio of over three to one up to the early 2000s (Wong 2003).

Competition is no less marked for skilled workers. Immigrant-receiving countries like Canada, Australia and the United States have historically been successful in

recruiting this group, but other competitors are now making their pitch (Salt and Millar 2006). The Migration Policy Institute in the US identified “The Recession-Proof Race for Highly Skilled Migrants” as no. 2 in its top ten migration issues of 2008. The European Union is harmonising its recruitment of skilled workers through a new ‘blue card’ programme that will position it more advantageously in ‘the global war for talent’ (Collett 2008), while India and China are leading other Asian countries in repatriating their skilled workers from North America and Europe to their own expanding economies and rising labour needs for skilled workers (Iredale et al 2002).

### **The Canadian Advantage**

**The second point I wish to press home here is that Canada has been successful for a range of reasons in attracting economic migrants.** Multiculturalism, an inclusive and legislated commitment to cultural diversity, and generally positive attitudes toward immigration compared to other countries – all these are well-known internationally and favour the Canadian brand in the immigration marketplace. There are other advantages. Proximity to, and close trade relations with, the United States offers market access, including for some the option of onward migration to the US from a Canadian point of arrival. Among the business immigrants I have interviewed Canadian quality of life looms large – by which they typically mean a generally unpolluted nature, at least compared to Asia, and the quality and accessibility of public services, notably education.

For this same business group we should also add forgiving entrance criteria; the last time I looked, out of a maximum of 100 total points across seven criteria, an entrepreneur or investor class applicant passed with a score of only 35 points (CIC 2007b). The low threshold has meant that entry in the business class could be assured even if an applicant had no post-secondary education, and spoke neither English nor French. And if business immigrants who landed as entrepreneurs failed to achieve business success according to their terms and conditions, the default

policy response has been forgiveness rather than penalties. The long waiting list among economic migrants may point to limitations of government capacity in immigrant selection, but these long lists also underline the attractiveness of the Canadian brand.

### **Canada's Vulnerability: Retention**

I want now to move to the much more vexed issue of retention, and make my third point: **it is one thing to attract migrants, but it is something else to retain them and here I sense Canada's track record is weaker and increasingly vulnerable.** In the remainder of this presentation I will address this important theme.

Just as Canada, like other nations, has become more pragmatic and marketised in its migration policy, so the same ideology is also being internalised by immigrants, especially economic migrants. It is important here to realise that we are moving, indeed have moved, into a new immigration regime. The old paradigm of immigrant arrival, assimilation, naturalisation, and permanent settlement is now joined by the more flexible labour strategy of **transnationalism**, multiple and short-term movements between two or more countries. Recognising this trend, the Global Commission on International Migration reported back to the United Nations in October 2005: 'The Commission concludes that the old paradigm of permanent migrant settlement is giving way to temporary and circular migration' (Global Commission on International Migration 2005: 31). As transaction costs fall and the global circulation of information about economic opportunities is steadily enhanced there is less commitment to any one location. In addition access to dual or even multiple passports almost guarantees shared, and thereby weakened, loyalties. Barriers to mobility have dropped substantially.

What I am suggesting is that as neo-liberal values reach deeper into society globally, so migrant households engage in a sort of comparative shopping, taking advantage of cheaper travel and more abundant information to make rational decisions.

Economic gradients will matter increasingly, and old values such as a sense of belonging or just inertia will matter less. We should not blame immigrants for this single-mindedness, for they are only repeating the same values that are institutionalised by national governments. It is relevant in this light to notice the results of a survey of 1500 immigrants of all immigrant entry classes that we undertook in Vancouver earlier this decade (Hiebert and Ley 2006). On a whole range of transnational indicators -- including the amount of travel to and from their home country, the sending of remittances, the existence of a business or property in their home country -- the greater the extent of transnational activities among immigrants living in Canada, the more likely they were to say that they never, or only occasionally, thought of themselves as Canadian. Relationships across every indicator were statistically significant – more transnational contact was always associated with a diminished sense of Canadian belonging.

With a more lubricated response to opportunities in other countries, it then becomes absolutely pivotal in a discussion about immigrant retention to ask the question about the economic success of immigrants in Canada. The answer as you all know is decidedly mixed, at best. It was interesting to discover, in my research with business immigrants, that even in the 1990s they had limited expectations of economic success here. Indeed a notable enigma emerges from their landing cards. Among all business immigrants who landed between 1980 and 2001, only 62 percent of those aged 20-64 planned to work in Canada, considerably lower than the level for all immigrants (76 percent), and especially for skilled workers (85 percent). Moreover, surveys showed that although they entered through the business streams, economic prospects in Canada did not motivate them. They were here for the education of children, for 'passport insurance', and for quality of life – but not for economic opportunities. A survey of 90 business entrepreneurs in Vancouver showed that only 13% nominated economic prospects as the factor that triggered their move to Canada; more important to the group were quality of life, children's education, geopolitics, and family reunification (Ley 2006).

There is something bizarre about the fact that immigrants landing on a business visa were in fact reluctant to undertake business in Canada. This was apparent early on to visa authorities. We were told by the Hong Kong Consulate General that immigration officers realised to their surprise in the early 1990s they were servicing well-qualified applicants for immigrant status who had *no real desire to live in Canada* (Ley 2010). Quite simply, business opportunities were much better in East Asia. A phrase commonly heard in the Cantonese community in the 1990s was “Hong Kong for making money, Canada for quality of life”. As privileged wealthy migrants, transnationalism allowed them to establish a trans-Pacific social field that accessed both money and quality of life. With the rise of the fragmented astronaut family, primary business interests were retained in East Asia while the rest of the family lived in Vancouver, San Francisco, Sydney or Auckland, where they undertook some limited economic activity or else moved into early retirement with passive investment. It is in this light that we can understand the extraordinary paradox first noticed in the 1996 Census that residents in East Asian immigrant neighbourhoods with million dollar houses were declaring incomes below the poverty line (Ley 2010). When foreign assets were not factored in, their Canadian incomes were meagre. Corroborating evidence concerning the off-shore location of real wealth was the strenuous resistance based in those same communities in the last half of the 1990s to the full disclosure of foreign assets in Canadian tax returns.

As long as off-shore income flows were sustained, and not taxed, and savings lasted, then life in Canada could be economically sustained. But if any of these conditions changed, or if the astronaut lifestyle became too emotionally demanding, return to East Asia became likely. It was a fine balance, with retention always uncertain. Opposition among established business and political elites in British Columbia to foreign assets disclosure repeatedly made the case that the legislation would prompt departures from Canada and block new arrivals of wealthy families from East Asia. Indeed departures did rise appreciably after 1996, and new arrivals fell precipitously, though several other factors could have been at play, including initial

optimism about the 1997 handover, and then the need to consolidate assets in East Asia with the abrupt financial crisis at the end of that year.

From many interviews conducted with immigrants from Hong Kong and Taiwan it is perfectly apparent that they had been correct in anticipating meagre economic returns in Canada (Ley 2010). Return to Hong Kong was almost always a movement along an economic gradient, as we discovered when we interviewed returnees there. The return trip was precipitated by economic underachievement in Canada, or else had been pre-planned to continue running an ongoing business in East Asia. In the words of one focus group participant in Hong Kong:

Talking about the advantages of Canada, life there is more comfortable. There's more fresh air, better outdoor opportunities. I think all of these cannot beat one thing: that is business and employment opportunities in Hong Kong. Many people returning to Hong Kong had to be tolerant of smaller houses and dirty air, because there is more opportunity in making money and doing business.

A fuller life history is presented by a second Hong Kong returnee. In the words of Simon, a focus group participant in Hong Kong:

We've been there [Canada] for over 12 years. I've always been flying back and forth. I was an astronaut for about four or five years when we first moved to Vancouver. After that I decided to move to Vancouver permanently. So I sold my business in Hong Kong and moved...But now I'm back here by myself. I'm working in Hong Kong while my family members are staying in Vancouver. I've been struggling in the past years in Vancouver to make a living. Unfortunately, the failed business and the economy have taken away my confidence. The money I've brought to Canada has shrunk a lot. I thought it would last until my wife and I both pass away. Now I realise that it can't...

You see the pattern here: Canada for quality of life, but Hong Kong for making money. Interestingly many of these returnees in Hong Kong are serial movers across the Pacific and will plan to return to Canada upon retirement, when they have accumulated their nest egg in East Asia.

Perhaps more serious than the failure to retain these first generation migrants is the loss of their children, Canada-educated and high achievers. As we know there are over 200,000 Hong Kong residents with Canadian passports, and many of them are young adults. Simon's son is among them:

Now my son likes Canada, but he would like to come back to Hong Kong after his university education. He said that it's difficult to find a job in Canada.

Actually he prefers to live there.

Interviews with young Chinese-Canadian graduates working in Hong Kong raised the same theme over and over again:

Everything is good in Canada except for job opportunities. The living standard is so good but the job opportunities are getting worse and worse.

The loss of these talented, bilingual young graduates is a serious brain drain for the Canadian labour market. With their facility in English and one or more Chinese dialects they could be economic brokers between Canada and greater China, but instead they have followed the economic gradient back to Hong Kong. Research by Devoretz, Ma and Zhang (2002) has shown that returnees to Hong Kong have higher levels of education and also higher incomes than those who remain in Canada.

To what extent may we generalise from these Hong Kong results? With no immigration exit data – which would be useful -- we can only infer departures from Canada from proxy sources, whether transnational, return or onward migration to a third country. Perhaps the most complete analysis is Aydemir and Robinson's 2006 study for Statistics Canada, using the Immigration Data Base, where they impute either short-term or long-term absences from Canada from failure to file consecutive tax returns. They consider only working-age men, and their overall conclusion is striking: "It is clear that a substantial part of migration to Canada is temporary" (2006: 21). A quarter of immigrant tax-filers in 1989 were subsequently "long-term" absentees from the files. Hong Kong and to a lesser degree the United States are exceptional cases: *Forty* percent of working age male arrivals from Hong Kong did not remain in the data base for more than a single year, evidence of an extraordinary wastage rate. But pronounced losses were also

recorded among “those entering through the business class or skilled class category for source countries in general” (2006: 7). In other words appreciable seepage out of Canada occurred among economic migrants regardless of their source country, though rates were of course variable from country to country.

I'll end my presentation by a short review of what we know about return or transnational movement to Mainland China, important because this decade the PRC has been the largest single source for skilled workers entering Canada, notably engineers and IT professionals. Both China and India are major producers of skilled workers to Canada, but both are industrialising fast, and have become destinations for return migration. Among the incentives for return are new high technology science parks where R & D facilities match those available in North America or Western Europe, together with western-style consumer lifestyles (Luo et al. 2002; Chacko 2007).

Interviews by Sin Yih Teo (2007) with Chinese skilled workers in Vancouver tell a familiar story. Despite high levels of human capital, they are significantly under-employed in Canada; scientists and engineers commonly have factory and menial service jobs. The barriers appear to be, in no special order, the familiar trio: problems with foreign credentials, less than satisfactory English, and the desire of employers for Canadian experience. Teo's interviews show real resolution among many migrants to make their Canadian residency work, but at the same time growing exhaustion as they struggle with de-skilling. “We compare ourselves”, says one, “skilled immigrants who have come to Canada – to agricultural workers who come to Guandong [province] to do those kinds of work” (Teo 2007). Another skilled worker commented that working in Canada was similar to the Cultural Revolution when educated urban dwellers were sent to the country for hard labour and reform. A third observed: “If you have a very good job, [Canada] is heaven. If you have no job then it is hell. It is not better than going back to China”. Among this sample of 80 skilled workers, Teo identified “Quiet courage amidst despair”. The model of transnationalism among this young PRC group sees children sent home to be looked after by grandparents or babysitters in China, so that both partners can work in one or more jobs, or go back to school. But in light of their circumstances fewer

that one-third of those that Teo interviewed have decided for sure on long-term settlement in Canada. They will stay to complete residency requirements for citizenship despite circumstances some call “immigration prison”, but then they will re-assess the situation.

## Conclusion

I hope my argument here is clear. Canada is seeking skilled or wealthy economic migrants but so are many other advanced societies. In an era of neo-liberal globalisation, with the dismantling of barriers, transnational labour like capital readily follows economic gradients. Comparative shopping in the global immigration marketplace identifies the range of economic opportunities. While Canada’s brand successfully draws immigrants to Canada, are the internal barriers to their economic success compromising their retention? The answer clearly is yes. Immigration numbers from China and India are both down substantially since 2005; is word getting back there about the limits to economic success in Canada?

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