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Spousal Characteristics and the Selection of Economic Immigrants

Keir Armstrong
and
Christopher Worswick

Department of Economics, Carleton University

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Canada

* Corresponding author: christopher.worswick@carleton.ca, 613-520-2600 (3776).
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Executive summary

A growing number of OECD countries have skilled immigration programs with a fundamental goal of selecting immigrants who will integrate quickly into the receiving country labour market and have labour market earnings that are commensurate with their human capital. While this policy goal has received considerable interest in the economics literature, far less attention has been devoted to the more specific question of whether to incorporate a married applicant's spouse's characteristics into the decision to admit a Principal Applicant (PA). This is surprising given that a number of immigrant point systems allocate points based on the characteristics of the applicant's spouse. Incorporating spousal characteristics into immigrant selection rules raises a number of methodological issues that need to be considered when devising an optimal point system. To date, we are not aware of any attempts in the economic literature to analyze this topic.

We describe examples of immigration point systems which allocate points based on spousal characteristics (Canada's Federal Skilled Worker Program, the Quebec selection system and the Australian point system). Next, we review the literature on the selection of skilled immigrants with a focus on papers differentiating between the performance of skilled worker PAs and their spouses.

In the final part of our analysis, we develop an economic model based on the immigrant selection model of Kugler and Sauer (2005) that has been extended to consider the covariance between the skills of the PA and the skills of the spouse. A number of different point systems are considered which can be differentiated based on whether and how the spouse's skill level is a factor in determining the PA's admission. We show that including the spouse's skill level can raise the average skill level of both the PAs and the spouses but that this will reduce the size of the immigrant intake. We also argue that including the spouse's skill level can reduce the likelihood of spouses being admitted with very low levels of skill (likely due to language) who are unlikely to integrate effectively into the Canadian labour market. Finally, we describe how our model could be extended and then used with actual applications data to help develop an optimal selection system with the goal of maximizing the average skills levels of immigrants admitted (Skilled Worker PAs and their spouses) for a given level of annual intake in the program.

1. Introduction

The growth of economic immigrant selection streams around the world raises the natural question of how best to select immigrants who are likely to be economically successful in the receiving country. While this broad question has received considerable interest in the economics literature, far less attention has been devoted to the more specific question of whether to incorporate the applicant's spouse's characteristics into the decision to admit the principal applicant. This is somewhat surprising given that a number of immigrant point systems allocate points based on the characteristics of the applicant's spouse. However, incorporating spousal characteristics into immigrant selection rules raises a number of methodological issues that need to be considered when devising an optimal point system. To date, we are not aware of any attempts in the economic literature to analyze this topic. Our paper represents a first attempt at considering whether spousal characteristics should be factored into the admission decisions. While we are not able to make definitive statements based on our research to date, we develop a general economic framework through which these questions can be considered.

It is important to note that in the discussion of this paper, we are not distinguishing between individuals who are married and those who are in a common law relationship. Consequently, in instances when we refer to the principal applicant's spouse, the PA and spouse could either be married or in a common law relationship. We should also note that the discussion of the specific parameters of the point system refer to the Federal Skilled Worker (FSW) entry stream as it is currently being implemented.

In Section 2, we present a brief overview of the ways in which immigrant receiving countries allocate points in the selection to the spousal characteristics of immigrants admitted under point systems. In Section 3, we provide a survey of the limited literature on this topic. In Section 4, we present a stylized economic model that could be applied to the question at hand and develop an empirical framework that could be used to evaluate how effective a point system is likely to be both with and without accounting for spousal characteristics. In Section 5, we discuss how the theoretical framework could be used to carry out simulations on administrative immigrant data derived from applications as a way to evaluate the effectiveness of different potential point systems in terms of selection of principal applicants with accompanying spouses who are likely to be successful in the labour market of the receiving country. Section 6 presents concluding remarks and suggestions for future research.

2. Point systems and spousal characteristics

In 1967, Canada was the first country to adopt a point system to select economic immigrants. The allocation of points was based on the personal attributes of the principal applicants (see, McWhinney, 1998, for a historical overview of the allocation of points to different personal attributes of the principal applicant). However, more recently, with the introduction of the adaptability points to the Canadian point system, an applicant's point score no longer only depends on the applicant's characteristics but now also depends to a certain extent on the characteristics of the spouse.

The Federal Skilled Worker Program (FSWP) admitted 88,785 individuals (both principal applicants as well as accompanying spouses and dependents) into Canada in 2011. A total of 248,751 individuals immigrated to Canada that year under all programs. In order to enter Canada under the FSWP, a principal applicant (PA) must apply under the points system, which assigns the PA points according to factors such as education, work experience, language ability, age, adaptability, etc. Out of a total 100 possible points, a PA must receive a score of at least 67 points in order to be eligible to immigrate to Canada.

2.1. Current Canadian point system

The Federal Skilled Worker Program (FSWP) was recently revamped (implemented May, 4, 2013). A new minimum language proficiency (Canadian Language Benchmark 7) for the principal applicant has just been introduced in order for the applicant to be considered for landed immigrant status. In addition, there are work experience and education requirements (either Canadian or approved foreign education) before an application will be assessed against the points grid.

In addition, the importance of language proficiency has been emphasized through raising the points for language from 16 to 28 and points in the second official language have been reduced from 8 to 4. Also, there will be an increased emphasis on younger workers with a shift in the full points age range from 21–49 to 18–35. There will also be a new credential assessment as part of the selection process. Non-government organizations will authenticate both the applicant's education and employment credentials.

An applicant can receive up to 10 points under the adaptability criteria based on his/her spouse's: (i) language level (up to 5 points), (ii) past study in Canada (up to 5 points), (iii) work experience in Canada (5 points), and (iv) presence of relatives in Canada (up to 5 points). It should be noted that an applicant could receive all of these points based on his/her own characteristics so there are scenarios in which the spouse may have these characteristics but this has no effect on the points total for the applicant. However, there are also scenarios in which the principal applicant does not have Canadian work experience, did not study in Canada, does not have pre-arranged employment in Canada, and does not have relatives in Canada while his/her spouse has worked in Canada and/or has studied in Canada. Under this scenario, the applicant could gain a maximum of 10 points that the applicant would not have received had s/he been single at the time of application.

An important change related to the recent FSWP changes relates to the allocation of points under the adaptability section of the points grid. Spousal points for adaptability are now assessed based on language skills rather than on education. Five points are awarded for CLB of 4 or higher. One can think of this change as a movement away from a pure human capital model of incorporating spousal skills towards a language capital model of spousal skills. In principle, both

will be strong predictors of a spouse's likely labour market success. However, language skills could be thought of as more of a minimum criterion in the sense that any level of education may not be of much use in the receiving country's labour market without at least good (if not very good) language skills.

2.2. Quebec points grid

In addition, the Quebec selection grid for skilled workers also allocates up to 16 additional points based on the characteristics of the applicant's spouse. The applicant can receive up to 3 points for the spouse's education, 4 points for the spouse's area of training, 3 points for the spouse's age, and 6 points for the French language fluency. However, a key difference with the Quebec point grid relative to the federal grid is that the point threshold is higher for married applicants in Quebec—42 points for single applicants and 50 points for an applicant with a spouse (or common-law/conjugal partner).¹ A differential cut-off makes sense given that the total number of possible points has been increased. The maximum number of points the PA can receive is 107 if the PA immigrates without a spouse, and 123 if the PA immigrates with a spouse. We will discuss this issue in the model selection section below.

2.3. Australian points grid

While Canada was the first country to use a point system to select economic immigrants, other countries, such as Australia and New Zealand, have also followed this approach. In particular, the Australian points grid can reward more points to a principal applicant based on his/her spouse's characteristics. Consequently, it is worth reviewing their approach to this issue.

Prior to submitting an application to be assessed against the Australian points grid, an applicant must satisfy a number of criteria:

- i) Be less than 50 years old
- ii) Have a proficiency in the English language assessment at greater than level six
- iii) Be applying in a nominated occupations field
- iv) Pass a skills assessment in that field
- v) Pass a health assessment
- vi) Undergo a character assessment

If an applicant meets these requirements, they must score at least 60 points on the skills points test. Points are awarded based on age, language, skilled employment history, education, the applicant's partner's skills, among others. The primary applicant's partner, who must apply on the same visa, is assessed based on age, English language proficiency, and relevant skills, to a maximum of 5 points. This represents a modest set of additional points but nonetheless does raise the issue of whether it is appropriate to factor spousal characteristics into the decision to allow the PA to immigrate.

¹ The threshold varies according to whether there are accompanying children and whether the PA has family in Quebec. However, in each case the difference in the threshold between a PA immigrating without a spouse and a PA immigrating with a spouse is 8 points.

3. Literature review

Relatively little research within economics has focussed on the issue of how best to select economic immigrants when the applicant is married and the spouse will also be migrating to the receiving country. The vast majority of research in economics has focussed on the labour market outcomes of immigrants.² There has also been interest in understanding the family dynamics in the immigrant adjustment process. A number of studies have looked at whether immigrant married couples pursue family strategies in terms of their post-migration human capital investment and labour supply behaviour. The Family Investment Hypothesis (originally suggested by Long, 1980) states that immigrant spouses (usually women) take on jobs that have relatively little growth potential but provide for the family in the short run while the PAs (usually men) invest in human capital acquisition, with a greater long run payoff. The idea is that the spouse subsidizes the principal applicant's human capital investment.³

Sweetman and Warman (2010) is the study that most closely relates to the issue of economic selection of immigrants and its implications for the labour market performance of both the PA and the spouse. They compare the labour market outcomes of PAs and their spouses under the FSWP using data from the Longitudinal Survey of Immigrants to Canada (LSIC). They are interested in understanding how well the Canadian point system selection grid predicts the labour market outcomes of the spouses of PAs. In particular, they are interested in the extent to which the points of the FSWP principal applicant are correlated with the spouse's labour market outcome. If the correlation is very high then selecting the married couple based on the PA's characteristics will in general be as effective as a similar selection rule based on both the PA's characteristics and the spouse's characteristics.

Sweetman and Warman create four comparable groups in the LSIC data: Skilled Worker PAs; Skilled Worker spouses; "other" spouses (of non-Skilled-Worker economic immigrants); and Family Class immigrants. They conclude that the point system does identify Skilled Worker PAs who have the best labour market outcomes among the four groups studied. They find no statistical difference between labour market outcomes of male and female Skilled Worker PAs. Comparing Skilled Worker PAs with Skilled Worker spouses, they find that the spouses have somewhat fewer points, and both Skilled Worker PAs and Skilled Worker spouses have much higher education levels than the Canadian population as a whole. However, the Skilled Worker spouses' labour market outcomes are not as strong as would be predicted based on their characteristics and the associated points that would have been awarded had they been assessed under the point system.

The fact that Skilled Worker applicants have similar economic outcomes to their spouses indicates that selecting on perceived skills of the PAs will lead to spouses with relatively better economic outcomes. However, the relationship between the PA's skills and the spouse's skills is not perfect, which means that there exists the potential for Canada to benefit, in terms of higher average labour market outcomes of all FSWP immigrants (PAs and spouses combined), by incorporating the spousal characteristics into a point system. However, it is not clear what is the best way to do this. In the section below, we present an economic framework that could be used to address these issues. We consider both a traditional point system where only the PA's attributes are taken into account and then consider a number of ways in which the spouse's characteristics could be incorporated into the point system.

² See, for examples, Chiswick (1978), Borjas (1985, 1995), and Borjas and Friedberg (2009) for the U.S., and Baker and Benjamin (1994), McDonald and Worswick (1998), Aydemir and Skuterud (2005), and Green and Worswick (2012) for Canada.

³ See, for examples, Baker and Benjamin (1997), Worswick (1996, 1999), Blau et al. (2003), Cobb-Clark, Connolly and Worswick (2005), Cobb-Clark and Crossley (2004) and Basilio, Bauer and Sinning (2009).

4. An economic model of immigrant selection incorporating spousal characteristics

In this section, we consider a human capital point system for the selection of economic immigrants and then consider how it can be effectively extended so as to improve the skill level of the incoming immigrants through incorporating both the principal applicant's human capital as well as his/her spouse's human capital.

We start by employing the theoretical framework of Kugler and Sauer (2005) who studied the re-licensing behaviour of international medical graduates migrating from the former Soviet Union to Israel between 1989 and 1993. Following Kugler and Sauer, we assume that the skill level of potential immigrants to Canada under the FSWP can be represented by a random variable, η , where η is drawn from a distribution $F(\bullet)$ with support $[\underline{\eta}, \bar{\eta}]$.

Next, we make a number of simplifying assumptions. First, we assume that the variable, η , reflects the productivity of the potential immigrant in the Canadian labour market as represented by labour market earnings; therefore, it represents both innate ability but also human capital as valued in the new labour market setting. Next, we assume that the lower bound on η is zero—i.e., $\underline{\eta} = 0$. Finally, we assume that the point system is both: (i) defined solely based on labour market productivity and (ii) is defined as an index over the support of η , which is now $[0, \bar{\eta}]$.

4.1. A human capital point system that ignores marital status

We begin by assuming that all potential immigrants are unmarried and that all of the immigrants selected will migrate to the receiving country without accompanying spouses or dependents. We can consider what the expected skill level of the immigrants who clear the point system selection. Assuming a threshold of η^* , the expected earnings of an immigrant admitted under the point system would be

$$\mu_p \equiv E(\eta|\eta \geq \eta^*) = \int_{\eta^*}^{\bar{\eta}} \eta f(\eta|\eta \geq \eta^*) d\eta > \int_0^{\bar{\eta}} \eta f(\eta) d\eta \equiv \mu, \quad (1)$$

where μ is the unconditional mean of η , $f(\bullet)$ is the (unconditional) density of η , and $f(\eta|\eta \geq \eta^*)$ is the conditional density of η .

4.2. A human capital point system that incorporates spousal characteristics

In reality, some immigrants are single but many are married and bring with them spouses who may or may not enter the labour market but, at least under the Canadian FSWP, would have the same right to work and become Canadian citizens as PAs. In this sub-section, we consider the extreme case of all potential PAs being married. To differentiate between the two individuals within each married couple, we refer to them as person 1 and person 2. The skills distribution for person 1 is identical to the skill distribution from Sub-section 4.1, so that $\eta_1 \equiv \eta$. A natural question relates to how to think about the skill distribution of person 2. We argue that each individual in a married couple will in general have similar skills levels (due to what is commonly known as “assortative mating”), but will not have identical skill levels. In addition, we define person 1 as the person with the higher skill level within the married couple. To capture this, we assume that person 2’s skill can be expressed as

$$\eta_2 \equiv \eta - \varepsilon, \quad (2)$$

where ε is a mean-zero random variable with a distribution function $G(\bullet)$ and support $[0, \bar{\varepsilon}]$ and mean of λ . We can think of ε as a measure of the skill mismatch across the individuals in a given married couple. The smaller is ε , the smaller is the difference between the two spouses in terms of their skills. For simplicity we assume that η and ε are independent random variables.

Next, consider two scenarios. First, a human capital point system similar to the one in Sub-section 4.1 is applied to the selection of immigrants with the understanding that the PA’s spouse can enter the country. Second, we consider an equivalent human capital point system but where both spouse’s characteristics are applied in the decision to admit the married couple.

4.2.1. Selection based on principal applicant characteristics

If the point system selection of Sub-section 4.1 is applied, then the expected skill level of PAs admitted is μ_p and the expected skill level of their spouses is

$$\mu_s \equiv E(\eta - \varepsilon | \eta \geq \eta^*) = \int_{\eta^*}^{\bar{\eta}} \eta f(\eta | \eta \geq \eta^*) d\eta - \int_{\eta^*}^{\bar{\eta}} \varepsilon f(\eta | \eta \geq \eta^*) d\eta = \mu_p - \lambda < \mu_p. \quad (3)$$

This indicates that the accompanying spouses will have lower average skills than the PAs, which is driven by the fact that person 1 is defined to be the person with higher skill and we assume will also be the PA.⁴ This latter assumption makes sense in the context of a human capital point system where there is no advantage for the lower skill spouse to be the person applying since they are less likely than the higher skill person to meet the point threshold, η^* .

⁴ Note that we have used the independence of ε and η to simplify the equation.

4.2.2. Selection based on characteristics of both the principal applicant and the spouse

Next, assume that the point system is expanded so that the skill level of each person in a married couple is incorporated into the decision rule. There are a number of ways that this could be done but we focus on a point index defined as the sum of the two persons' skill levels within the married couple then apply the criterion that the couple are admitted if their point total is at least as large as $2\eta^*$. This can be expressed as

$$\eta + \eta - \varepsilon \geq 2\eta^* , \quad (4)$$

which can be simplified to

$$\eta \geq \frac{\varepsilon}{2} + \eta^* . \quad (4')$$

In this case, the expected skill level of the PA is

$$\mu_{pc} \equiv E(\eta | \eta \geq \frac{\varepsilon}{2} + \eta^*) = \iint_{\varepsilon/2 + \eta^*}^{\bar{\eta}} \eta f(\eta | \eta \geq \frac{\varepsilon}{2} + \eta^*) g(\varepsilon) d\eta d\varepsilon > \int_{\eta^*}^{\bar{\eta}} \eta f(\eta | \eta \geq \eta^*) d\eta \equiv \mu_p . \quad (5)$$

This inequality follows from the fact that the lower bound of the integral over the distribution of η is now higher meaning that some of the least skilled PAs admitted under the original point system are now excluded since, in each case, the average of his/her skill level and his/her spouse's skill level does not meet the threshold, η^* . Therefore, the average skill level of the PA is higher under this family-based selection since the PA is always the more skilled person in the married couple and selection is based on the average skill level of the couple being higher than the threshold value.

The expected skill level of the spouses admitted to the new country can be expressed as

$$\begin{aligned} \mu_{sc} &\equiv E(\eta - \varepsilon | \eta \geq \frac{\varepsilon}{2} + \eta^*) = \iint_{\varepsilon/2 + \eta^*}^{\bar{\eta}} (\eta - \varepsilon) f(\eta | \eta \geq \frac{\varepsilon}{2} + \eta^*) g(\varepsilon) d\eta d\varepsilon \\ &= \mu_{pc} - \iint_{\varepsilon/2 + \eta^*}^{\bar{\eta}} \varepsilon f(\eta | \eta \geq \frac{\varepsilon}{2} + \eta^*) g(\varepsilon) d\eta d\varepsilon . \end{aligned} \quad (6)$$

Next, we can compare this to the expected skill level of spouses under a point system that ignores spousal characteristics (defined in (3)) to show that

$$\mu_{sc} = \mu_{pc} - \iint_{\varepsilon/2 + \eta^*}^{\bar{\eta}} \varepsilon f(\eta | \eta \geq \frac{\varepsilon}{2} + \eta^*) g(\varepsilon) d\eta d\varepsilon > \mu_p - \int_{\eta^*}^{\bar{\eta}} \varepsilon f(\eta) d\eta = \mu_p - \lambda = \mu_s . \quad (7)$$

The inequality follows from the fact that $\mu_{pc} > \mu_p$ (from equation (5)) and the fact that the first integral in (7) (the one that is subtracted from μ_{pc}) must be closer to zero than λ , the unconditional expectation of ε . The intuition for this result is that the family selection rule, implicit in this family based point system, excludes couples where the spouse has very low skill levels. In contrast, the point system from Sub-section 4.1 ignores the spouse's skill level.

In summary, the couple-based human capital point system leads to an increase in the average skill level of both the PAs and the spouses. However, the total number of immigrants expected to be admitted will be smaller under the couple-based selection regime based on average skill level. The reason for this is that couples are being excluded partly because the PA's skill level is now too low but other couples are being excluded because the spouse's skill level is too low. This issue needs further consideration but a simple way to think about making this switch from a PA-oriented system to a couples-oriented system could be to admit more single individuals who met the individual points requirement that $\eta \geq \eta^*$. However, more work needs to be done on this issue using an expanded model that incorporates both married immigrants and single immigrants.

This couple-based point system is similar to the approach taken in the Quebec point system in the sense that additional points are allocated on the basis of spousal characteristics but the threshold is raised. Next, we will adjust the model to match more closely the FSWP point grid where additional points are allocated for spousal characteristics but the threshold is unchanged.

4.2.3. Selection with bonus points for spouse's characteristics

Instead of comparing the average skill level of the married couple to the point standard, we instead define a point system where the PA's skill level plus bonus points based on the spouse's skill level are compared to the point threshold:

$$\eta + \alpha(\eta - \varepsilon) \geq \eta^* , \quad (8)$$

where α is the weight placed on the spouse's points and we would expect $\alpha < 1$ and likely quite small (based on international practice reviewed above). This can be rewritten as

$$\eta \geq \frac{\alpha\varepsilon}{(1+\alpha)} + \frac{\eta^*}{(1+\alpha)} . \quad (8')$$

Comparing this to (4') we see that it is similar but not equivalent. In the extreme case of $\alpha = 0$ this model is equivalent to the point system without spousal characteristics. In the other extreme of $\alpha = 1$, the index is equivalent to the couple selection model but the threshold is the same as in the simple principal applicant model of Sub-section 4.1. This approach tends to favour couples where both the PA and the spouse have relatively low skill levels since the PA gains an advantage from being married (which a single person would not receive) but does not face the relatively difficult hurdle of having the average of their skill levels being compared to the points threshold.

4.2.4. Minimum threshold model for the spouse:

An alternative approach to couple selection, that does not appear to have been implemented in existing point systems for immigrant selection, involves a threshold for the spouse's skill level. Consider the case of the model in Sub-section 4.1 augmented to have a second "hurdle" such that

$$\eta - \varepsilon \geq \delta\eta^* , \quad (9)$$

where $1 > \delta > 0$. Due to the assumed covariance between the spouse's skill and the PA's skill, this method will raise both the expected skill level of PAs as well as raise the expected skill level of the spouses.

Another way to interpret this approach would be a model with a minimum threshold for language skills for the spouse. The Canadian point system has very recently moved in this direction by replacing bonus points for spousal education for bonus points for spousal language fluency. Very low values of skill (or large ε) for the spouse could often be due to very poor language fluency in the receiving country language(s). This could be reasonably common in cases where the education of the PA may be similar to the education of the spouse and their fluency in their native language may be very similar but it may be that the PA also has high fluency levels in the language(s) of the receiving country but the spouse may not. A point system that incorporates minimum language fluency for the spouse could lead to much better economic outcomes for immigrants by preventing the admission of PA/spouse couples where the spouse has very weak language fluency.

5. Further extensions and applications of the theoretical framework

The model and analysis presented above should be thought of as exploratory. We see this as a basic framework that could be applied to the specific point system for a receiving country so that policy analysts could carry out meaningful policy simulations using real data on skilled immigrant applications. The skill variable could be defined in terms of the points allocated to each skill dimension under the point system and the underlying empirical distributions of the PA skills ($F(\bullet)$) and the spouse's skills ($F(\bullet) - G(\bullet)$) could be estimated using the actual immigration applications data. Using the applications data in this way could allow for a rigorous analysis of different specifications of a point system depending on whether spousal characteristics are incorporated and, if they are, how they are incorporated.

Future work in this area should consider the implications of spousal points on the likelihood of accepting single applicants. Our view is that this decision should be based on the approach that leads to the highest per capital skill level of the entering immigrants (for a given size of annual intake). For example, approaches that give married applicants an advantage due to the skills of the applicant's spouse that lead to a drop in the average skill level of admitted immigrants (due to a shift from highly skilled single admissions towards less skilled admissions of married PAs and spouses) should be avoided.

A key advantage that we see in the family approach is that it has the potential to eliminate the admissions of extremely low skill applicant, likely due to very poor skill in the receiving country language(s). This particular group of spouses are likely to have very poor labour market outcomes and are likely to find it exceedingly difficult to integrate socially outside the community of others immigrants from their source countries.⁵

⁵ An important factor to incorporate into any analysis is the expected improvement in language fluency with time in the new country. We abstract from this issue in the stylized model of this paper, but if language fluency can be attained quickly, then excluding applicants with spouses who have very weak language skills may be unnecessary. However, our expectation is that for these spouses, attaining a good level of language fluency in the receiving country's language(s) is not likely without expensive language training after migration.

6. Concluding remarks

We have both reviewed the literature on the selection of economic immigrants and presented a preliminary theoretical analysis of the implications of factoring the characteristics of both the Principal Applicant (PA) and the spouse into the immigrant selection decision. Our analysis indicates that incorporating the characteristics of the spouse into the selection decision of the principal applicant is likely to lead to a more skilled inflow of skilled immigrants who are likely to have better labour market outcomes in the receiving country. We have presented a theoretical framework for thinking about the relationship between the principal applicant's characteristics (especially human capital) as well as the characteristics of the spouse. A number of types of human capital point systems have been applied to this theoretical framework. In each case, the positive correlation between the skills of the PA and his/her spouse has implications for incorporating the spouses' skills into the point system selection. Specifically, point systems that make it more difficult for PAs with relatively less skilled spouses to immigrate have, on average, higher skilled PAs selected.

We have also provided insights into how our framework can be applied to immigration applications data in order to carry out simulations of different potential point systems. We believe that the next stage of the analysis in this area should be a series of simulations designed to develop a point system that maximizes the expected labour market outcomes of all Skilled Worker immigrants (PAs and spouses) through the optimal selection of the PAs based on the characteristics of both the PAs and spouses.

However, a number of these issues need to be considered before such an analysis can be carried out. In particular, a point system that accounts for spousal characteristics would need to be designed so that single applicants can still be admitted and are likely at the margin to have equal expected skills to the average skills of the married PAs and spouses. In addition, consideration needs to be given to whether a single PA should automatically be able to sponsor a future spouse after migration. If this is allowed then this would make a single applicant under the point system somewhat less desirable in expected terms relative to a married PA since the single PA's future spouse would not need to be considered under the point system.

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