



LESSONS IN LEARNING

More education, less
employment: Immigrants
and the labour market

October 30, 2008

Nearly one out of five Canadian residents was born outside of Canada¹ and approximately two-thirds of Canada's population growth results from net international migration.² Only Australia, where immigrants represent 24% of the population, has a greater percentage of immigrants than Canada (18%).³ Immigration is a major factor in Canada's economic growth, but successful transitions into the Canadian labour market remain elusive for many immigrants, whose skills, knowledge and experience are too frequently under-utilized.

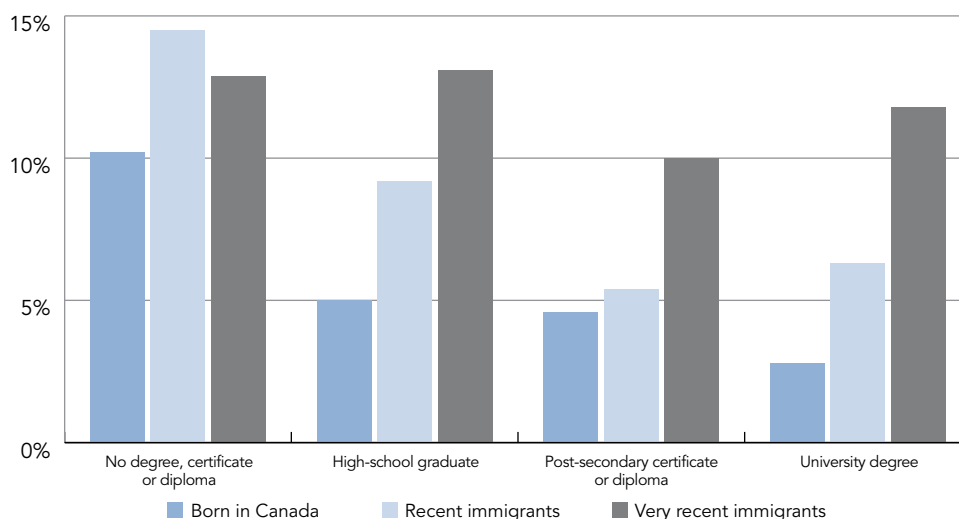
Educational attainment and employment among immigrants

As a consequence of Canada's immigration policy¹, immigrants to Canada have higher educational attainment than native-born Canadians (see Figure 1). Very recent immigrants are more than twice as likely to possess a university degree and are four times more likely to have a graduate degree than native-born Canadians.²

Despite their educational assets, recent and very recent immigrants suffer lower employment and higher unemployment rates than Canadians with similar levels of education (see Figures 2 and 3). Immigrants also earn less than their Canadian-born counterparts. Data from the 2006 census reveal that, among recent immigrants, men earn 63 cents and women earn 56 cents for every dollar earned by their Canadian-born counterparts. These income disparities are growing over time: in 1980, both male and female recent immigrants earned 85 cents on the dollar, relative to their native-born counterparts.⁴

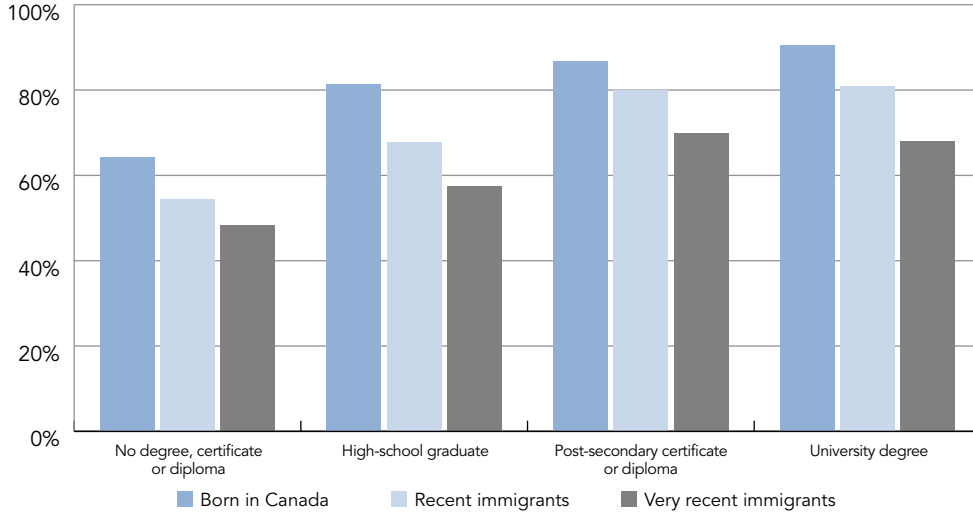
Labour-force outcomes change over time as immigrants become more established and acquire Canadian experience and/or credentials. As a result, it is important to distinguish between recently arrived and more established immigrants. In the following discussion, **very recent immigrants** include those who have been in Canada for less than five years. **Recent immigrants** are those who have been in Canada between five and 10 years. **Established immigrants** have been in Canada for more than 10 years.

Figure 1:
Educational attainment among immigrants and non-immigrants across age groups



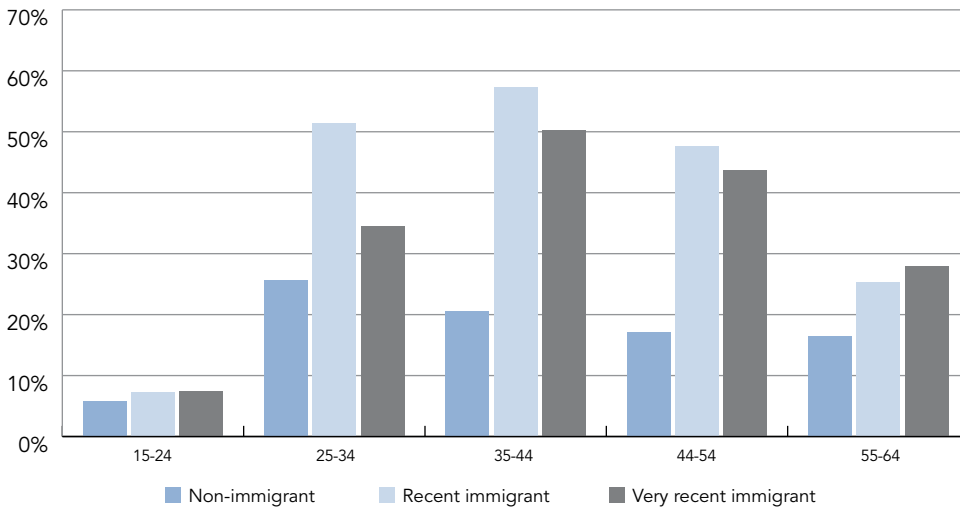
Source: Statistics Canada, 2006 Census: Data Products.

Figure 2:
Employment rates among immigrants and non-immigrants



Source: Statistics Canada, 2006 Census: Data Products.

Figure 3:
Unemployment rates among immigrants and non-immigrants



Source: Statistics Canada, 2006 Census: Data Products.

As a consequence of their labour-market difficulties, immigrants are much more likely to live in poverty than non-immigrants. In 2000, low-income rates were twice as high among recent immigrants as among non-immigrants, and three times as high among very recent immigrants. Low-income trends are growing

steadily worse among immigrants, while improving among other vulnerable groups in Canada. For example, between 1980 and 2000, low-income rates fell among seniors and among single-parent families (by 12.5 and 16 percentage points, respectively) while rising among immigrants (by 11.3 and 9.7 percentage points among very recent and recent immigrants).⁵

Immigrants identify several obstacles that impede their entry into the labour market. These barriers include language skills; lack of Canadian work experience; failure to receive credit for work experience in other countries; and problems related to the recognition of foreign credentials.⁶

Other obstacles, such as racism and discriminatory practices, have also been identified. For example, while immigrants are most likely to use print and electronic media to learn about job prospects, employers are more likely to rely upon existing networks, internal promotion and recruiters. Internal networks serve existing workplace cultural norms, putting immigrants unfamiliar with those cultural norms at a disadvantage.⁷ While these practices can be problematic for job-hunting immigrants, recent research suggests that English (or French) language and literacy skills and recognition of foreign credentials and experience present the largest impediments to successful transitions into the Canadian labour market.⁸

The language and literacy obstacles encountered by immigrants to Canada are well documented. For example, the results of the 2003 International Adult Literacy and Skills Survey revealed that 32% of immigrants have very low literacy skills, compared to just 10% of native-born Canadians. Further analyses suggest that immigrants' literacy difficulties are primarily the result of inadequate English- or French-as-a-second-language skills.⁹

Immigrants from English-speaking countries, where educational institutions are similar to those in Canada, are more likely to work in their chosen professions than immigrants from non-English-speaking nations.¹⁰ Immigrants from non-English-speaking countries may have difficulty in providing documentation, and foreign educational institutions may be deemed inferior to domestic institutions. A world ranking system developed by Shanghai Jiao Tong University illustrates the problem. Of the 500 universities ranked, fewer than 20% were in the Asia Pacific and only five were in Africa (four of which were in South Africa).¹¹

Employers and regulatory agencies also face challenges in evaluating foreign work experience. Foreign work experience is often gained in a radically different context than in Canada, particularly where technology is involved. For example, many foreign-trained engineers have the equivalent education and work experience as technicians in Canada.¹²

Over time, the labour-market gap between immigrants and native-born Canadians diminishes.¹³ For established immigrants, employment rates and earnings are similar to non-immigrants. Nonetheless, as Canada faces growing competition for skilled immigrants, it is important to ease the transition into the Canadian labour force for new immigrants.

Lessons in Learning: Removing obstacles to the successful integration of immigrants into labour markets

Language education

Immigrants often require two kinds of language education. Some immigrants need to improve their basic literacy skills and others require technical language directly related to the workplace.

In 2003–2004, the federal government announced funding of \$20 million annually for five years for Enhanced Language Training (ELT) to improve language training, including job-specific language training programs. The ELT funding augmented \$140 million provided for adult language-education programs for 50,000 adult immigrants outside of Quebec.¹⁴

The federal funding is available to partner groups that provide matching funds (at least 50% of program costs). These programs may feature internships, temporary or permanent work-placement opportunities, and mentoring programs.

Foreign credential recognition

Obstacles that thwart or delay immigrants in gaining recognition of foreign credentials are among the frustrations most often cited by immigrants to Canada.¹⁵ Credential recognition is spread among a number of bodies, most under provincial jurisdiction, including post-secondary institutions, self-regulatory professional organizations, sector councils and employers.¹⁶ No fewer than fourteen federal departments are involved with efforts to reduce the obstacles faced by immigrants with foreign-issued credentials.¹⁷

Efforts to remove barriers related to foreign credentials focus on the need to verify that both education and work experience from other countries meet established standards for Canadian workers.

There are five objectives to the Foreign Credential Recognition Program (FRC) established in 2003.¹⁸

1. Fair: equitable treatment for persons having their credentials assessed.
2. Accessible: persons wishing to have credentials assessed will have access to services.
3. Coherent: processes to assess and recognize credentials should be countrywide and recognition in one province should mean recognition in all provinces.
4. Transparent: individuals will know processes prior to arrival in Canada and will know what to do if they don't meet requirements.
5. Rigorous: high standards for competence, preserving quality service and public safety.

Foreign credential recognition tends to focus on sectors in which there is a shortage of workers. Under the Foreign Credential Recognition Program, efforts have been undertaken to improve processes for licensing doctors, nurses, and other health-care professionals, including pharmacists, laboratory technologists, radiation technologists, physiotherapists and occupational therapists. With funding of \$75 million, the program goal is to facilitate the assessment of 1,000 physicians, 800 nurses and 500 other health-care workers over five years.¹⁹

Other initiatives have been directed to some of the 85% of professions that are non-regulated, including tourism, software technology, textiles and aviation maintenance. A 2004 program, for example, was designed to develop a national system of credential assessment for aviation workers.

Internationally, other approaches to foreign credential recognition have been adopted. For example, Australia gives priority to immigrants who meet Australian certification standards. In contrast, Canada gives equal priority to educated immigrants regardless of whether they meet the standards for Canadian credentials on the assumption that well-educated immigrants will be able to adapt to the Canadian labour market over time. The Australian approach appears to be successful: immigrants to Australia enjoy higher earnings than immigrants to Canada relative to native-born workers. Whereas 60% of immigrants to Canada work in their skill area within six months of arrival, the figure in Australia is 80%.²⁰

Assisting prospective immigrants in making informed decisions

In 2005, the federal government funded the Going to Canada website, a portal that provides prospective immigrants with an authoritative source of information about Canada's labour market, Canadian culture, educational opportunities, credential recognition, and language and communications skills.²¹

The portal was developed by the federal government in cooperation with the provinces, territories, municipal governments and communities, learning and educational associations, employers, occupational associations and agencies that assess foreign credentials. Prospective immigrants accessing the portal will be better informed of both the supports and barriers that immigrants to Canada encounter upon arrival in the country. Most provinces and territories have also developed websites that provide immigrants with information about labour markets, credential recognition and language-training programs. Links are provided to various governmental and non-governmental agencies that can assist immigrants in deciding on a Canadian destination prior to arriving in Canada or assist in job placement after arrival.

The obstacles to employment encountered by immigrants have significant implications for Canadian society. One of the goals of Canadian immigration policy is to enable Canada to achieve and maintain a competitive economic advantage. If well-educated and skilled immigrants are unable to find employment that makes use of their talents, Canada's economic interests are not well served and Canada's reputation as an egalitarian society that welcomes newcomers is jeopardized.

- ¹ The high levels of educational attainment by immigrants are a result of the requirements for admission to Canada for skilled-worker immigrants. Principal skilled workers applying for admission to Canada are admitted on the basis of criteria that include level of education, knowledge of one of Canada's official languages, and labour-market factors. Levels of educational attainment are lower for persons admitted to Canada for the purpose of family unification (family-class immigrants) and as refugees.
- ² Although spouses and dependents of skilled-worker immigrants are not admitted on the basis of these criteria, members of these immigrant categories also have high levels of educational attainment.

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