

Policy Memo: Canada's immigration and integration policies: A multi-national evaluation of labour market integration of skilled immigrants

Prepared by Oliver Schmidtke in collaboration with Mirko Kovacev and Beatrice Marry,
University of Victoria¹

Summary

Contemporary western societies are highly dependent on securing and utilizing the skills and human capital of immigrants. Their economic innovation and prosperity critically depend on attracting and keeping well-trained immigrants. However, with formerly unknown degrees of mobility and a growing international competition on a global scale, Canada needs to improve its strategies to recruit highly skilled immigrants and to integrate them into the labour market. Canada must position itself as a competitor for immigrants in the global market with innovative and effective policy initiatives. Only through a host of such initiatives targeting skilled newcomers will Canada be able to secure the benefits of immigration, reduce its socio-economic costs and remain a primary destination for trained migrants from around the world.

“In the new, global knowledge economy of the 21st century prosperity depends on innovation, which, in turn, depends on the investments that we make in the creativity and talents of our people. We must invest not only in technology and innovation but also, in the Canadian way, to create an environment of inclusion, in which all Canadians can take advantage of their talents, their skills and their ideas.”

– *Jean Chretien, former Prime Minister of Canada*

1. Introduction

Canada and Europe share a similar fundamental demographic and socio-economic challenge in the 21st century. They are confronted with the ageing of society and, as a result, the growing dependency on immigration to sustain their social systems, their work force and their competitive economy in a globalizing environment. In particular, modern knowledge societies are highly dependent on the influx of highly skilled immigrants and their successful integration into the labour market. Within the next ten years, access to skilled labour will emerge as one of the most acute problems particularly in the most productive sectors of the economy.

The effects of the aging of the Canadian labour force are far-reaching: In 2001, about 50% of the labour force was between the ages of 37 and 55; by 2011, half of this group

¹ This policy workshop will be able to draw on the results of a three-year international research project focusing on Canada, Great Britain, Germany and Turkey. See <<http://culturalcapital.uvic.ca/>>.

will be over 55 and 18% over 60. The Conference Board of Canada predicts one million skilled job vacancies in the next 20 years (Bloom & Grant 2001). In Canada, immigration now accounts for 60% of total population growth, a figure that is likely to rise in the next decade to 100%. Immigration has become the central dynamic in both population and labour force growth.

Canada is one of most successful countries to use labour migration as a means of responding to labour market requirements and demographic changes. Over the past decades, its immigration and integration policies have been designed to optimize the effects of immigration by refining the recruitment process for economic migrants, allowing immigrants an effective entry into the labour market and generating an overall positive social and political environment for their integration (legally supported by legislation on multiculturalism, anti-discrimination and equity standards). In this respect, inclusion in the labour market has been seen as a primary requirement for integration.

European countries and the EU are currently engaged in developing more pro-active immigration and integration policies. The European Commission recently published its “Green Paper on an EU approach to Managing Economic Migration,” with the distinct goal to target more aggressively highly skilled migrants. In the attempt to reform immigration policies, Canada’s Point System and modes of recruiting economic immigrants are often perceived as models (adopted, for instance, in the UK and in the form of the Green Card Initiative in Germany), and Europe is likely to become an increasingly attractive competitor for highly trained migrants. The integrated market and the labour force mobility in the EU member-states are likely to put Europe on the map as a key player in the global market. The European Commission is currently negotiating the allocation of substantial funds to integration (2007-2013) and working towards a European immigration and asylum policy. In addition, initiatives in the US and in particular in Australia suggest that Canada will have to defend more actively its position as one of the primary targets of highly trained migrants.

2. The challenge of integrating highly skilled migrants into the labour market

In spite of the fact that the recruitment system is predominantly oriented towards the “fit” of immigrants into the Canadian economy and society, labour market integration has become more difficult over the past 15 to 20 years. According to a study conducted by Statistics Canada, 70% of immigrants settling in Canada in 2000 and 2001 had trouble entering the work force:

Insufficient access to qualified jobs

- While immigrants to Canada are increasingly better trained and more experienced in terms of their professional experiences in their host societies, they often find themselves in un- or under-qualified jobs (Frenette & Morrisette 2003). The “transferable skills” of migrants are often not utilized, and migrants see no alternative but to accept positions/jobs that are not at par with their actual skill level (Reitz 2005). In a recent study, Jeffrey Reitz comes to the conclusion that, due to its not utilizing the qualifications of immigrants properly, the Canadian economy suffers an annual loss of about \$2 billion (Reitz 2001, 350). The loss of income for immigrants compared to that of the Canadian born population stands at an estimated \$2.4 billion per year (Reitz 2005, 3; Wanner 2001).

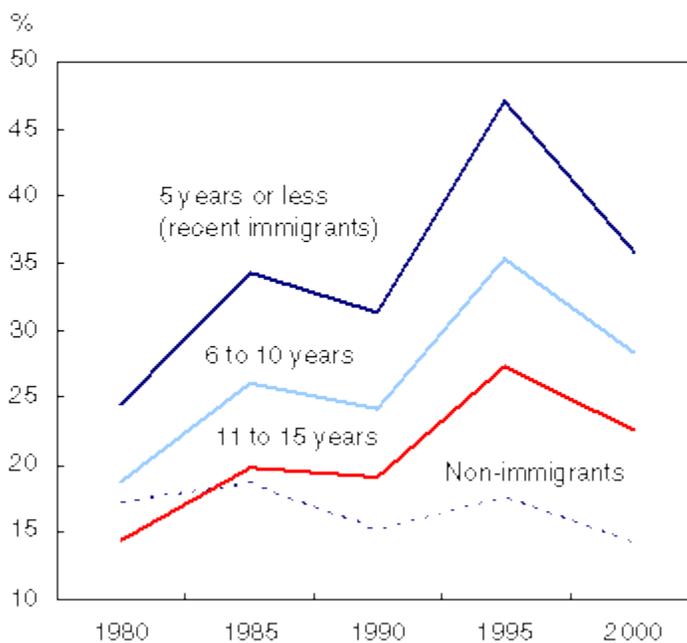
Growing gap in income levels between immigrants and Canadian-born population

- While the person who immigrated in 1980 received an income 23% more than the Canadian average, the person who immigrated in the mid-1990s earned 20% less than the average Canadian-born individual. Over the past thirty years, the starting salary for immigrants has dropped continuously. For male immigrants between 25 and 54 years of age, the real income actually fell over this period (from \$40,100 to \$33,900) (Aydemir and Skuterud 2005).

Immigrant-specific poverty in urban centres

- According to a 2003 Statistics Canada report, Low Income Rates (LICO) can be found among 47.0% (1995) and 35.8 % (2000) of immigrants who have lived fewer than six years in Canada (for the Canadian population, this rate was 19.1% and 15.6% in 1995 and 2000, respectively). Although the low income rate among new immigrants has dropped over the past years, the gap between the average immigrant income and that of the Canadian-born population remains very high when compared with figures from the 1980s.

**Low-Income rates of Immigrants by number of years
In Canada**



Highly skilled immigrants have also been affected by this development. A primary problem is the access to an entry job close to their occupational education and experience in their country of origin. The result is a widespread underutilization of skills and the loss of human capital in the forms of experience and qualifications. As the following table (somewhat surprisingly) shows, migrants have major problems re-entering professional fields with qualifications that would seem to be internationally transferable (management, natural sciences, *etc.*). Migrant women are more severely affected by the underutilization of skills.

Table: Major occupation groups of immigrants before and after arriving in Canada, 2001

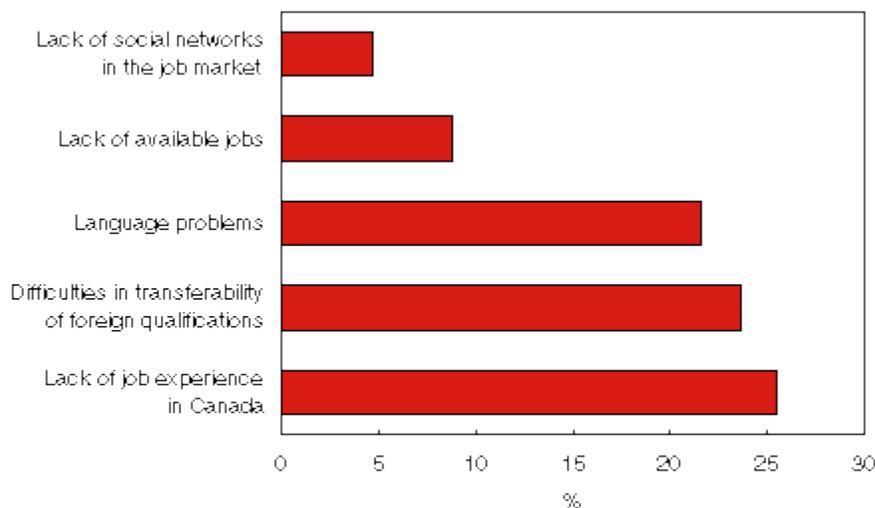
Occupation groups	Men		Women	
	Before arriving	After arriving	Before arriving	After arriving
	Number			
Immigrants with occupations before and after arriving in Canada	39,700	43,800	22,300	28,300
	%			
Management occupations	12.7	4.4	8.0	2.6
Occupations in business, finance and administration	8.1	9.8	25.3	17.9

Natural and applied sciences and related occupations	38.6	18.8	16.8	6.8
Health occupations	3.5	1.8	10.0	4.2
Occupations in social science, education, government service and religion	7.3	4.8	17.6	6.2
Occupations in art, culture, recreation and sport	1.8	1.0 ^E	3.8	1.8
Sales and service occupations	10.2	24.9	12.1	37.3
Trades, transport and equipment operators and related occupations	9.9	10.4	0.7	2.7
Occupations unique to primary industry	3.6	1.8	1.3	2.6
Occupations unique to processing, manufacturing and utilities	4.1	22.3	4.4	17.9

Source: Longitudinal Survey of Immigrants to Canada, 2001.

Immigrants themselves identify the following difficulties in entering the labour market (see Graph 5). Ironically, the three most important difficulties listed reflect those standards which served as the basis on which many of them were selected by the Point System in the first place (access to Canada for economic immigrants generally depends on their training, job experience and language abilities).

Graph: The most serious difficulties immigrants experienced when entering the labour force, 2001



Source: Longitudinal Survey of Immigrants to Canada, 2001.

1) Main obstacles to a successful labour market integration of migrants

Individual and structural barriers and the recognition of foreign credentials

Individual barriers

- a. Professional migrants have difficulties fulfilling the entry requirements of their occupational field
- b. Canadian work experience is absent
- c. Lack of knowledge of labour market regulations and of how to enter the labour market (assessment of credential, applications, interviews, *etc.*)
- d. Language skills (knowledge of English/ French)
- e. Soft skills missing (in terms of cultural codes and modes of communication)
- f. Lack of access to (social support) networks

Structural barriers

- a. The **recognition and assessment of credentials** (and educational titles), which is often perceived by immigrants as a lengthy, obscure and arbitrary process (Basran and Zong 1998; Salaff, Greve & Li Ping 2002).
- b. **Regulation of professions** (competing and unclear competencies, professional regulatory bodies as gate-keepers), often resulting in forms of systemic exclusion. In addition, “occupational disadvantages” arise as professional migrants’ educational accomplishments cannot be easily transferred or utilized to their advantage.
 - i. Interviews conducted with employers reveal that they often encounter frustration in dealing with regulator agencies. According to Derwyn Sangster (2001), employers in Ontario felt that “the licensing processes were too restrictive.” Concerns were also raised about whether provincial licensing bodies would cooperate with the provincial credential assessment agency when it came to the examination of credentials. Essentially, two agencies could perform the same tasks. The idea of creating a database to which all credential assessment agencies could have access was also raised. Publicity and promotion for the assessment agencies are at times absent or non-existent (Sangster 2001).
- c. **Lack of social networks** in the host country
 - i. Interviews conducted with professional migrants reveal that migrants have difficulties establishing social networks again. Often migrants do not establish contacts within the wider community; frequently government agencies are the only source of assistance. Accessing these services widely depends on the individual’s place of residence and the individual’s knowledge about their availability.

d. Discrimination against migrants (racism)

- i. Over the past decades, Canada has been successful in banning blatant forms of racism from public life. Yet hidden discrimination against ethnic minorities continues to play a role in the labour market (Li 2003). Migrants who do not get a job because of their (ethnic) background may be told they lack requisite skills or qualifications.
- ii. Evidence that Canadian-born workers are preferred/ given preference over migrants; “ethnic biases” are present among Canadian employers. Employers might not hire someone because he or she has a certain ethnic background.
- iii. Part of discrimination: lack of Canadian experience, not “fitting in”; “cultural competence” among migrants may be missing. For example, migrants might not possess certain values or “behavioral norms” found within the Canadian labour market (Bauder and Cameron 2002).
- iv. Migrants are often subject to exploitation and receive a considerably lower income than that of Canadian-born workers.

e. Lack of information on the Canadian credentials recognition process among professional migrants prior to their coming to Canada

f. Returns on foreign education

- i. Skilled migrants do experience different returns on education, depending on where the education was received and the quality of that education. The returns on education for migrant experiences are related to – and can have an impact on – the recognition of migrants’ credentials (Sweetman 2004; Watt & Bloom 2001).
- ii. It has been indicated that migrants who receive a Canadian education generally integrate more easily into the labour market.

2) Policy recommendations

The following policy recommendations are developed both on an ongoing in-depth study of the Canadian case and by relating the Canadian experiences to initiatives and best practices in European countries. These recommendations target various stakeholders in the process:

- Government agencies
- Community-based service providers
- Educational institutions
- Business community/ employers
- Individual immigrants

Each of these addressees of public policies is discussed separately below, focusing on the stakeholder’s specific challenge and need for action:

Government agencies	
Problem	Policy recommendation
<p>Assessment of academic credentials.</p> <p>There are too many institutions, agencies, provincial regulatory bodies involved that do their “own” assessment of credentials (“Balkanized system”).</p> <p>There is no system in place for immigrants to appeal a decision regarding the evaluation of their credentials.</p>	<ul style="list-style-type: none"> • A simpler and more coordinated system of evaluating foreign credentials and work experiences is needed. A more centralized federal <i>Credential Recognition Program</i> – as envisioned by the last and current government is paramount. Governments could assist in making the Alliance of Credential Evaluation Services of Canada stronger. • A joint initiative of HRSDC, regulatory bodies and employer organizations should work toward an international database of comparable or equivalent degrees and professional credentials as well as requirements regarding work experience, language training, <i>etc.</i> • The creation of an Ombudsperson’s office on the assessment of credentials and access to professions is desirable.
<p>Coordination between various levels of governments and ministerial jurisdictions (CIC implements policies of recruiting skilled immigrants; HRSDC is responsible for resource development; and provincial governments are responsible for education, training and occupational regulatory bodies). As a result, a patchwork of insufficient programs</p>	<ul style="list-style-type: none"> • Improve operational coherence between levels of government and ministerial jurisdictions by developing a coherent strategy to support the labour market entry of immigrants (such as the Internationally Trained Workers Initiative). • CIC and HRSDC need to work jointly in consultation with the main stakeholders (migrant organizations, industry associations) to improve services for trained immigrants. • Representatives of urban centres should be

exists.	more involved in federal immigration policy making (improved federal-municipal relations in the form of joint planning sessions, <i>etc.</i>).
Lack of effectiveness of programs for skilled immigrants/ no sustained and long-term funding strategy (many initiatives are ad-hoc and very time-limited).	<ul style="list-style-type: none"> • A more systematic approach to assisting highly skilled immigrants is needed in terms of both strategic planning and funding (labour market integration should be made a priority of settlement services). • Generate and provide access to occupation-specific “bridging programs” that would help migrants to learn skills that they might not have. These could include academic, language, technical skills; practices in the Canadian labour market (Alboim 2002; Interview with TRIEC). • Of particular importance would be programs allowing migrants access to Canadian work experience through sponsored internships, apprenticeship and training programs, temporary positions, <i>etc.</i> • Governments could provide financial support for language training specific to the labour market. Educational institutions and employers in turn could administer/ manage it. Improve continuity (funding) and accessibility of these programs.
Anti-discrimination measures only partly effective.	<ul style="list-style-type: none"> • More pro-active and comprehensive enforcement of equity and anti-discrimination in collaboration with civil-society organizations is needed. These measures need to target specifically employment and access to employment. Legal provisions need to be actively enforced (the Netherlands has been spearheading positive actions in this respect). Employers should be required to monitor and report on the composition and experience of their workforce in terms of accommodating ethnic-cultural diversity. On-the-ground institutions that institutionalize a mechanism of ensuring equal opportunity and that provide a complaint procedure need to be strengthened.

Community-based service providers	
Problem	Policy recommendation
<p>CIC does not provide services directly to immigrants to Canada. It relies on a system of collaboration with more than 200 community-based organizations. Funding settlement services in particular for the more targeted programs for labour market integration is highly competitive and often only short-term.</p>	<ul style="list-style-type: none"> • Short-term programs need to be balanced with long-term initiatives that allow for an effective infrastructure and productive forms of cooperation among organizations.

Educational institutions	
Problem	Policy recommendation
<p>Educational institutions often do not have the opportunity a) to properly assess foreign credentials and b) to cater to the needs of skilled migrants in terms of their acquiring the skills needed in the Canadian labour market.</p>	<ul style="list-style-type: none"> • Educational institutions should be provided with funding for programs designed to help skilled migrants enter the labour market (including a strong emphasis on training on the job, internships, <i>etc.</i>). Such bridging programs should become institutionalized at universities in major cities. • Student loan programs offered by governments (provincial and federal) could be expanded so that skilled migrants have better access to them. Governments could also cooperate more closely in this regard (the Maytree Foundation). • Programs need to be developed to facilitate the transition of foreign students from the university system to employment.

Business community/ employers	
Problem	Policy recommendation
<p>Employers are not familiar with foreign prior work experience and professional credentials.</p> <p>Employer confidence in assessment of academic credentials and work experience is low.</p>	<ul style="list-style-type: none"> • <i>Prior Learning Assessment and Recognition (PLAR)</i>. Currently some universities offer PLAR. “Competency-based assessments” are also available; however, the drawback is that these assessments are expensive for all parties involved, and many employers have their own assessments. Governments could step in to provide incentives for more cooperation between various stakeholders and a greater utilization of these assessment techniques (Alboim <i>et al</i> 2005).

	<ul style="list-style-type: none"> • Development of “competency-based assessment tools.” Such tools (such as exams, on-job demonstration of skills) could be created and expanded upon. Educational institutions and regulatory/ licensing bodies could create such assessment tools with the help of governments (the Maytree Foundation).
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Individual immigrants	
Problem	Policy recommendation
<p>Knowledge about and access to settlement services is limited. Settlement services are not focused enough in facilitating immigrants’ labour market integration.</p> <p>Knowledge about the evaluation of credentials in Canada is sparse, and immigrants often feel “lost” as to how to proceed once they come to Canada.</p>	<ul style="list-style-type: none"> • Settlement services need to be reformed to supplement general services (such as language training) with more specialized programs targeting the workplace (professionally specific language courses, communication skills, internships, mentoring,² etc.) • Information about access to labour market, credential assessment, etc., should be made available to immigrants in their countries of origin (through a database/ internet portal with detailed information on requirements to be met in Canada). A “self-assessment of credentials,” website should be created to allow migrants to assess their credentials. This would help migrants determine some of the hurdles they might need to overcome and what they could expect in their host country (the Maytree Foundation, Sangster 2001). • According to Alboim and the Maytree Foundation, the same (or similar) web portal could also serve to begin the process to “match Canadian practitioners with skilled immigrants from the same occupation,” which would be formally accomplished through the establishment of a <i>mentorship</i> program (Alboim 2002). • Also, the evaluation of language and other skills can start before migrants migrate. Training could also be provided (D’Alessandro 2004).

² See as a good example an initiative in Toronto: <<http://www.TheMentoringPartnership.com>>

Conclusions

Labour market integration of highly skilled immigrants has been a neglected policy area in Canada. With the sophisticated recruitment strategy of the point system came the assumption that once these carefully selected immigrants were in the country, the transition into the labour market would unfold almost automatically. Yet the reality is different: Canada loses many of these highly trained immigrants to other countries (in particular the US) because opportunities for labour integration often prove to be highly restrictive. The assessment of foreign work experiences, the transferability of foreign credentials, the lack of language and soft cultural skills, as well as insufficient information and experience on behalf of Canadian employers are among the most important hurdles to an immigrant's finding employment in Canada. Often newcomers to Canada face unemployment or employment in less qualified fields, and their potential for Canadian society and economy is seriously underutilized. As the last census data indicates (showing declining income levels for more recent cohorts of immigrants in Canada), established settlement programs have not been able to address this challenge effectively.

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