INTEGRATING NEWCOMERS INTO THE CANADIAN LABOUR MARKET

ABSTRACT

As the Canadian population is aging, immigration is perceived as an increasingly important componant of Canada's strategy to build a durable, internationally recognized economy. Although immigrants arriving in Canada today have never been as educated, they nonetheless experience difficulty with the process and outcomes of integration in the workplace, resulting in an underutilization of skills and experience. In the present document, we describe the education and skills of new immigrants in Canada. We also examine some of the challenges and obstacles to integration in the workplace, and underline examples of measures that governments, employers, unions and immigrant servicing organizations need to face in order to facilitate integration in the workforce.

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Immigration is taking on an increasingly important role as a source of labour and skills in the Canadian job market. Canada's growing reliance on immigration as a source of labour and skills is happening at a time when our "near-retirement" population is growing rapidly, with the stage set for a large and potentially rapid exit of retiring workers; when the demand for skills is likely to increase as businesses compete in the knowledge economy;[1] and when 90% of business and labour leaders describe the shortage of skilled workers as either a moderate or serious problem facing the Canadian economy and labour market[2].

To be sure, there are many actions on many fronts that are required to successfully meet the current and future skill requirements of Canada's economy and labour market. Educational institutions continue to supply large numbers of creative and skilled workers, and workplaces have a role in the on-going learning and skills development of all employees. Immigration nevertheless has an important role, as it has throughout Canada's history, in helping to meet the nation's labour force requirements.

The good news is that highly educated and highly skilled immigrants are coming to Canada, and can make an important contribution to a skilled workforce. The not so good news is that many immigrants are experiencing difficulties with both the processes and outcomes of labour market integration, resulting in an underutilization of skills and experience. In this paper, we describe the education and skills characteristics of newcomers to Canada, examine some of the barriers and challenges to labour market integration, and highlight examples of the ways in which governments, employers, labour, and immigrant servicing organizations are facilitating labour market integration.

Immigration as a Source of Skills

Immigrants enter Canada through one of three basic categories. Of the 701,000 immigrants to Canada in the three years ending in 2003, more than one-half (59%) entered through the *economic class*. This class includes skilled workers (and their dependents) who are selected on the basis of the knowledge, skills and experience deemed necessary and appropriate for Canada's labour market. It also includes investors, entrepreneurs and self-employed immigrants. About 201,000 immigrants (29% of total) came to Canada to join close family members. Refugees made up about 11% of immigrants coming to Canada between 2001 and 2003.

The mix of education levels among new immigrants in part reflects the selection process and basic goals of Canada's immigration system. To qualify as a skilled worker, for example, principal applicants must have a minimum of one year of full-time work experience in a managerial, professional, technical or other skilled occupation as outlined by Canada's National Occupational Classification system. In addition, skilled worker applicants are evaluated by a point system which takes into consideration level of education, official language proficiency, amount of work experience; age, whether the applicant has arranged employment, and adaptability, which includes such things as spouse's level of education.

Given these requirements, it is not surprising that 90% of applicants under the skilled worker immigration stream have post-secondary educational credentials (Table 1). This is more than twice

Table 1

Percent with Post-secondary Education, by Immigration Stream, Application Status and Gender*

Immigration Stream	Status and Gender	% with Post-secondary Education
SW (Skilled Worker)	Male Applicants	94
SW	Female Applicants	90
SW	Female Dependents	68
BUS (Business Class)	Male Applicants	62
BUS	Female Applicants	62
SW	Male Dependents	54
FAM (Family Class)	Female Applicants	44
Canadian-born Males		43
Canadian-born Females		43
FAM	Male Applicants	41
BUS	Female Dependents	34
RFG (Refugee)	Male Applicants	33
RFG	Female Applicants	29
RFG	Female Dependents	19
FAM	Male Dependents	18
FAM	Female Dependents	18
BUS	Male Dependents	17
RFG	Male Dependents	13

* Table based on immigrant landings in 2000, 2001 and 2002.
Source: Citizenship and Immigration, Facts and Figures 2002.
Data for Canadian born men and women from 2001 Census.

the proportion observed among Canadian-born men and women. Even the so-called "dependents" of skilled workers possess levels of educational attainment above the average for Canadian-born men and women. Analysis of Census data shows that recent immigrants (arriving in Canada in the last ten years) with post-secondary education are more likely than the Canadian-born population to have majored in the physical sciences, engineering and trades (43% compared to 33%).

In addition to the skills and knowledge gained through education, many immigrants have practical work experience. Sixty percent of immigrants intending to work upon arrival in Canada have previous work experience. Applying the standards of Canada's National Occupational Classification System, 84% of newcomers with employment experience had occupations that usually require a university degree, college education or apprenticeship training. Very few immigrants with work experience – just 2% – were in occupations requiring no formal education.

Newcomers in the Workforce

During the 1990s, Canada's total labour force increased by 1.4 million, with 70% of this increase attributable to the 978,000 immigrants who arrived in Canada during the decade and joined the country's workforce.[3] Canada's reliance on immigration for labour force growth is up sharply from the 1980s, and in the coming decade is expected to account for all of the country's net labour force growth.

All industry sectors rely on immigration as a source of labour, but the degree of this reliance varies considerably. At the top of the list is the manufacturing sector. Out of 19 major industrial groupings, manufacturing is most likely to employ immigrant labour. In that sector, 27.4% of the employed workforce is foreign-born, while nearly one out of ten (9.4%) is a recent immigrant (last 10 years). Among more narrowly defined industry sectors such as clothing manufacturing, or computer and electronic products manufacturing, immigrants make up an even greater share of total employment (57% and 39% respectively).

Canada's reliance on immigration for labour force growth is also notable across industry sectors. In manufacturing for example, newcomers accounted for all of that sector's net labour force growth between 1991 and 2001. Other sectors such as health and social services, where 75,000 recent immigrants accounted for 24% of that sector's net labour force growth, the reliance on immigration is lower, but still appreciable. In yet other sectors such as construction, the total labour force actually declined by about 13,000 or 1.4% even though nearly 33,000 recent immigrants joined that sector's labour force.

Given the growing role of immigration as a source of labour and skills, it is important that newcomers to Canada be able to use their skills and experience to their full capacity in the Canadian labour market. Currently however, newcomers often face barriers which prevent this from happening.

Barriers to Full Participation

Time and again, in discussions with immigrants, employers, labour, governments and non-governmental partners, three main barriers to labour market integration are identified: assessment and recognition of foreign credentials and experience; the need for higher levels of occupation-specific language skills; and, a lack of complete, coherent and authoritative information on Canada and its labour market.

While Canada's immigrants are more highly educated than ever, research shows they are also finding it harder than ever to enter into the labour market and those who do are not using the skills and education they acquired abroad to its full capacity. This leaves many newcomers to Canada unable to find themselves a fulfilling place in the economy and the broader Canadian society.

Assessment and Recognition of Foreign Credentials

Assessing and recognizing the credentials of internationally trained and educated professionals is the process of comparing the education and job experience obtained abroad to the standards established for Canadian professionals. It is a complex task that requires cooperation from federal, provincial and municipal governments, regulatory bodies, post-secondary institutions and employers. Multiply these variables by the sheer volume of degree, diploma and credential granting institutions worldwide that would need to be assessed and the undertaking becomes almost immeasurable. Typically, for regulated professions, this responsibility has been delegated by provincial or territorial legislation to regulatory bodies. This can exacerbate the frustration of immigrants who may be unfamiliar with the governmental

and regulatory workings of Canada and find themselves unable to navigate a perceived jurisdictional quagmire.

Communications Abilities in Either Official Language

While most newcomers to Canada arrive with some proficiency in at least one of Canada's official languages, 66% of employers[4] cite a lack of occupation-specific language proficiency as an obstacle to hiring immigrants. This can leave immigrants able to communicate in social contexts, but unable to fully exploit the skills they possess in the workforce. It also leaves employers at a disadvantage when trying to acquire the skills and competencies needed for their businesses. Some large enterprises have the capacity to offer enhanced language training to immigrants who already possess the technical skills they need, however, most do not. Many employers recognize that employing immigrants can be advantageous to a workplace – the ability to serve immigrant clients in their native tongue, navigating new export markets, bringing new and diverse perspectives to the workplace are but a few of the advantages employers have identified – but insufficient technical communication skills make integrating them into the workforce a difficult task.

Need for Accurate, Authoritative Information on Canadian Society and Labour Market

Long before a potential immigrant sets foot on Canadian soil, an accurate picture of what awaits them upon arrival is needed. Many expect that because they were selected based upon the skills they possess, that the labour market will be ready and waiting for them. Unfortunately, all too often this is not the case. The reality of a labour market that may be unable to recognize their credentials, or perhaps no longer need their expertise, can leave newcomers feeling marginalized and impede their integration into the broader Canadian society. Giving prospective immigrants an accurate and authoritative picture of immigration entry requirements, information on where jobs exist, and specific regulated occupational requirements will assist immigrants with their transition to Canada. After the long and difficult process of relocating to Canada, some immigrants find themselves unable to fully participate in the society they have worked so very hard to join.

Work in Progress

While the Government of Canada has an important role to play in helping immigrants overcome the barriers to entry in the labour market facing immigrants, it cannot do it alone. During a series of consultations organized by Citizenship and Immigration Canada (CIC) and the Canadian Labour and Business Centre (CLBC), it was made very clear that the employers, unions, provinces, territories, regulatory bodies, post-secondary institutions and immigrant serving organizations are making progress to overcome the challenges.

The Ontario Division of the Canadian Manufacturers and Exports (CME) released *Take a Look at What's Working*[5] in an effort to help its members share their experiences of hiring and integrating foreign-trained personnel. Companies like 3M Canada have established processes to assess prospective employees. Their comprehensive testing, interviewing and role-playing help to evaluate a candidates' levels of literacy, numeracy and other relevant skills. In addition, they offer support for individuals seeking to upgrade their language skills and education through tuition reimbursement.

While the ultimate responsibility for assessment and recognition of foreign credentials lies elsewhere, the Government of Canada is playing a facilitative role with provinces and terri-tories and providing strategic leadership to foster the development of consistent, national approaches to this important issue. Human Resources and Skills Development Canada (HRSDC) is the federal department responsible for the Government of Canada's Foreign Credential Recognition (FCR) program. The program will work with all stakeholders to enable internationally educated workers to fully use the skills they possess as they contri-bute to Canada's economic and social development. Improving the processes for recognizing foreign credentials will help immigrants integrate more rapidly into the Canadian labour market and get the Canadian work experience they need to succeed in Canada. At the same time, Canadian employers will gain access to a broader pool of talented workers. The government is providing $68 million over six years to implement the FCR program and to fund organizations that are aimed at improving FCR processes in Canada. Ultimately, this investment will ensure that FCR processes across the country are equitable, accessible, nationally recognized, transparent and uphold the high standards Canadians expect from their workforce.

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Early progress is being made in regulated occupations. Federal and provincial governments are working with key medical community stakeholders to improve procedures for licensing internationally educated doctors so that we can strengthen the health-care system and increase the supply of doctors. And similar work is underway to speed the recognition process for internationally educated nurses and other health-care professionals, including pharmacists, medical laboratory technologists, medical radiation techno-logists, physiotherapists and occupational therapists. On the engineering front, the Canadian Council of Professional Engineers is developing tools to more quickly and efficiently integrate international engineering graduates into the Canadian labour market. HRSDC is also playing a leading role in facilitating FCR in non-regulated occupations in sectors such as aviation maintenance and tourism.

In 2003-2004, Citizenship and Immigration Canada (CIC) launched the Enhanced Language Training (ELT) initiative. The 2003 budget allocated $5 million per year for this initiative and an additional $15 million per year was allocated in the 2004 budget for a total of $20 million per year over five years to help it expand to reach approximately 20,000 immigrants annually through partnerships with provinces, territories, employers, and non-governmental organizations. Permanent residents, accepted refugees and individuals granted temporary resident permits to facilitate their early admission to Canada are eligible for training under this initiative.

ELT funding will help our partners develop and deliver labour market language training, including profession-specific language training. The initiative will provide higher levels of language training to help meet the needs of immigrants who enter the country with basic or intermediate English or French skills but need higher levels of language ability that will enable immigrants to find and retain jobs commensurate with their qualifications and skills. In addition to this, lower and intermediate levels of language training will be developed and delivered in smaller centres that may not otherwise have the capacity to support those services.

The Government of Canada has also committed to working in collaboration with provinces and territories to expand the existing Going to Canada Web. The Going to Canada–Immigration Portal (GTC–IP) will provide seamless on-line information and services from a variety of government and non-government sources to help immigrants make informed decisions about coming to Canada and better prepare them, before they arrive, for integration into the Canadian labour market and society. It will also continue to facilitate their integration after they arrive in Canada.

Citizenship and Immigration, Health, Human Resources and Skills Development, International Trade, Industry and Foreign Affairs Canada are partnering with the provinces and territories to coordinate information and services from national, provincial, territorial and municipal governments, communities, settlement service organizations, learning and educational associations, the employer community, occupational associations, and organizations that assess foreign credentials. The GTC-IP will provide targeted information, services and tools on Canada's labour market; educational system; culture; regions and communities; learning opportunities to meet gaps in qualifications; international credential assessment and recognition; job search and job search training; language assessment and training; Canadian orientation; and immigrant and employer stories. Provinces and territories have already helped develop a plan for the content and structure of the portal. This will allow for a coordinated approach to delivery that will provide a truly global picture of the Canadian labour market landscape.

Labour market integration is a complex issue that requires a coordinated approach from governments, employers, unions, regulatory bodies, post-secondary institutions and immigrants themselves. While there have been successes to date, much work remains to be done. By investing in solutions to the challenges or foreign credential assessment and recognition, enhanced language needs and a lack of availability of comprehensive information about its labour market Canada will be better poised to compete in the global marketplace. Immigration is a key part of Canada's strategy to build a sustainable, world-class economy by investing in people; policies and programs that help newcomers fully contribute to the labour force benefits immigrants and all Canadians.

Notes

1 Managerial and professional occupations requiring university, college or apprenticeship training account for 74% of new employment over the past decade.

2 CLBC Viewpoints Survey: *Skills and Skill Shortages.*

3 Canada's reliance on immigration for labour force growth is greater than – but not dissimilar to – that of the United States. Between 1990 and 2000, 50% of U.S. labour force growth was due to immigration. See *Immigrant Workers and the Great American Job Machine: The Contributions of New Foreign Immigration to National and Regional Labour Force Growth in the 1990s.* Andrew Sum, Neeta Fogg, Paul Harrington. Northeastern University, Center for Labor Market Studies.

4 From the CLBC Handbook on Immigration and Skills Shortages (p.17).

5 http://www.cme-mec.ca/shared/upload/on/reference_piece.pdf