FOREIGN CREDENTIALS: THE TOOLS FOR RESEARCH

ABSTRACT

This article looks at recent flows of immigrants to Canada and the challenges associated with foreign credential recognition (FCR). It then reviews the national data sources used to examine the issues related to FCR, highlighting the way in which the Longitudinal Survey of Immigrants to Canada will provide new insights.

Over the past decade, roughly 1.2 million immigrants arrived in Canada intending to work. In fact, approximately 50% of immigrants who arrive in Canada each year are destined to enter the labour market in a wide range of occupations with various educational and credential requirements. In the past ten years, of immigrants who have arrived with the intention to work, one-third had professional qualifications (31%), primarily in engineering and computing, while an additional 4% were aiming for managerial work. Approximately 22% intended to pursue other occupations, concentrated in technical skilled trades and other sales and services. The remainder (43%) had unknown intended occupations as this information is not required for their admission to Canada.

Despite their credentials and labour market intentions, recent immigrants to Canada are not performing as well as previous arrivals. Traditionally, immigrants outperformed Canadians in the labour market, but patterns have changed. Incidence of low-income among recent immigrants rose from 24.6% in 1980, to 35.8% in 2000, with a peak of 47% in 1995. By contrast, low-income rates among the Canadian-born population fell from 17.2% in 1980 to 14.3% in 2000 (Picot and Hou 2003, based on Census data).

Poor labour market conditions affected entry-level earnings of immigrants and new Canadian-born entrants during the early- to mid-1990s, but additional factors are behind the continued inferior results for immigrants. Research to date suggests that a *low return to foreign credentials is one of several challenges to the economic integration of immigrants*. In addition, other difficulties faced by new cohorts of immigrants may include lack of Canadian work experience, lack of skills or lower quality of education, lack of informal networks, language challenges and discrimination.

Difficulties related to the recognition of foreign credentials are largely based on two confounding issues. First, employers may have limited information on many immigrant source countries, especially when it comes to the quality of educational institutions, the curriculum of their academic programs, and the relevance to the Canadian labour market of the skills imparted to the students by these institutions. In reaction to this, employers may adopt a risk-averse attitude by giving preference to domestically educated workers in their hiring decisions. Second, foreign education credentials may differ from Canadian credentials in terms of quality. For instance, foreign credentials may be of lower quality due to inferior instruction relative to Canadian institutions. In this case, the title of an educational degree is the same, but the worth in Canada is lower for foreign-earned credentials.

Complicating the issue is that employers' associations, sector councils, or provincially organized occupational groups are key players in the credential recognition process. Regulation is a provincial jurisdiction: governments regulate professions and trades to mitigate risks to public health and consumer protection. Workers cannot practice their profession or trade without licensure from the provincial regulatory authority, even if they have already been deemed qualified to practice and licensed in another country (or Canadian province).

Analysis of occupational data shows that immigrants have been overrepresented relative to the Canadian workforce in many regulated occupations (such as engineering occupations). According to the 2001 Census, 85% of Canadians work in non-regulated occupations (e.g., without licensing requirements), while workers in regulated professions and trades make up 15% of the Canadian labour market. In contrast, among the immigrants who landed in Canada in the ten-year period between 1996 and 2005 and whose intended occupation is known, the proportions were 66% in non-regulated occupations and 34% in regulated occupations.

The extent to which various factors are related to credential recognition problems is not well understood. Factors may include: newcomers' lack of knowledge about how to have skills recognized,

STAN KUSTEC, EDEN THOMPSON AND LI XUE[1]

Stan Kustec and Eden Thompson are members of the Research and Evaluation Branch at Citizenship and Immigration Canada. Li Xue is a doctoral student at the University of Ottawa.

Table 1: Immigration by labour market intention

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
					Number					
Managerial (Skill level 0)*	3,626	3,305	2,592	2,865	3,915	4,873	4,142	3,923	5,793	8,455
Professionals (Skill level A)	28,569	31,224	26,010	32,780	42,345	46,705	41,775	37,967	37,422	37,597
Skilled and technical (Skill level B)	24,102	23,214	16,255	14,497	16,710	18,248	16,526	13,391	13,823	15,150
Intermediate and clerical (Skill level C)	7,828	7,096	5,234	5,065	6,622	6,931	5,862	5,682	5,751	6,178
Elemental and labourers (Skill level D)	1,109	1,037	759	880	1,118	1,152	905	772	648	804
Occupational skill level identified	**65,234**	**65,876**	**50,850**	**56,087**	**70,710**	**77,909**	**69,210**	**61,735**	**63,437**	**68,184**
New workers: - 15 years of age or older	50,130	42,587	37,964	42,757	48,262	51,849	47,522	54,444	59,811	67,979
Industrial codes: - 15 years of age or older**	3,283	2,864	1,794	1,709	1,698	1,631	1,229	1,142	1,,156	1,415
Intending to work	**118,647**	**111,327**	**90,608**	**100,553**	**120,670**	**131,389**	**117,961**	**117,321**	**124,404**	**137,578**
Not intending to work***	**107,425**	**104,711**	**83,590**	**89,408**	**106,793**	**119,251**	**111,086**	**104,031**	**111,420**	**124,658**
Total	**226,072**	**216,038**	**174,198**	**189,961**	**227,463**	**250,640**	**229,047**	**221,352**	**235,824**	**262,236**

* Occupational skill level based on National Occupational Classification (NOC).

** This category includes economic immigrants in the business immigrant category who have declared their industry of activity, in lieu of their intended occupation.

*** This category includes children under 15 years of age, students 15 years of age or older, retirees and other non-workers.

Source: Administrative data from Citizenship and Immigration Canada (Permanent Resident Data System, PRDS)

employers' lack of knowledge about foreign credentials themselves, and a lower quality of foreign credentials relative to domestic qualifications versus market barriers caused by professional association protectionism and broader societal discrimination.

Tools for understanding the foreign credential recognition issue

To fully understand the immigrant integration process and challenges associated with foreign credential recognition, we need to be able to piece together an immigrant's pre-migration information (e.g., intended occupation, occupation prior to coming to Canada, education prior to landing, certifications) with their post-arrival information (e.g., actual occupation, education obtained since landing) and their labour market outcomes (e.g., earnings, participation, employment, unemployment). Information on the place in which one received their highest level of education is seen as essential for research examining the labour market integration of immigrants to determine if immigrants who obtain their credentials in other countries are able to apply these skill sets in Canada.

A variety of national data sources administered by Citizenship and Immigration Canada (CIC) and Statistics Canada are used by researchers to examine the foreign credential recognition trajectory. While the data sources identified in the diagram below are not an exhaustive list,

Figure 1: National data sources and the foreign credential recognition trajectory

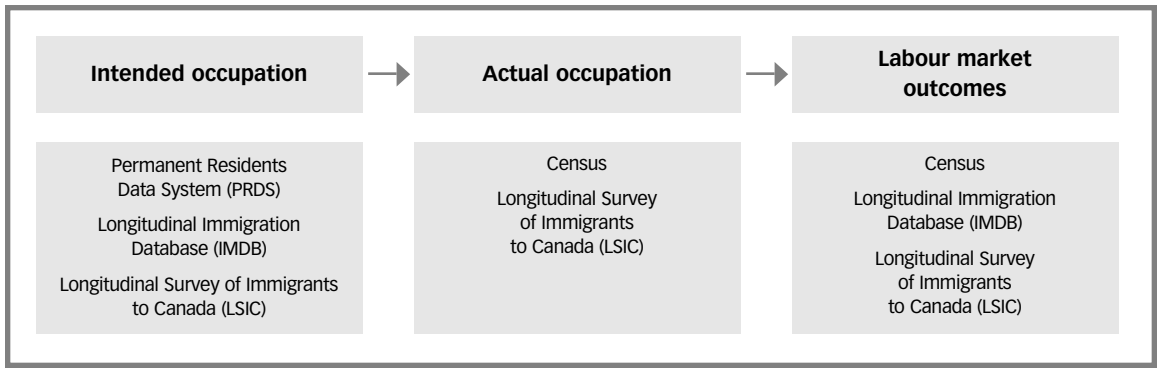

Table 2: Immigration by labour market Intention

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
	Percentage distribution									
Managerial (Skill level 0)*	1.6	1.5	1.5	1.5	1.7	1.9	1.8	1.8	2.5	3.2
Professionals (Skill level A)	12.6	14.5	14.9	17.3	18.6	18.6	18.2	17.2	15.9	14.3
Skilled and technical (Skill level B)	10.7	10.7	9.3	7.6	7.3	7.3	7.2	6.0	5.9	5.8
Intermediate and clerical (Skill level C)	3.5	3.3	3.0	2.7	2.9	2.8	2.6	2.6	2.4	2.4
Elemental and labourers (Skill level D)	0.5	0.5	0.4	0.5	0.5	0.5	0.4	0.3	0.3	0.3
Occupational skill level identified	**28.9**	**30.5**	**29.2**	**29.5**	**31.1**	**31.1**	**30.2**	**27.9**	**26.9**	**26.0**
New workers: - 15 years of age or older	22.2	19.7	21.8	22.5	21.2	20.7	20.7	24.6	25.4	25.9
Industrial codes: - 15 years of age or older**	1.5	1.3	1.0	0.9	0.7	0.7	0.5	0.5	0.5	0.5
Intending to work	**52.5**	**51.5**	**52.0**	**52.9**	**53.1**	**52.4**	**51.5**	**53.0**	**52.8**	**52.5**
Not intending to work***	**47.5**	**48.5**	**48.0**	**47.1**	**46.9**	**47.6**	**48.5**	**47.0**	**47.2**	**47.5**
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

* Occupational skill level based on National Occupational Classification (NOC).

** This category includes economic immigrants in the business immigrant category who have declared their industry of activity, in lieu of their intended occupation.

*** This category includes children under 15 years of age, students 15 years of age or older, retirees and other non-workers.

Source: Administrative data from Citizenship and Immigration Canada (Permanent Resident Data System, PRDS)

they have been instrumental in developing the current evidence base surrounding foreign credentials.

Administrative data collected by CIC at time of landing – the Permanent Resident Data System (PRDS) – includes pre-migration information such as intended occupation, years of schooling, level of education, self-assessed knowledge of an official language, employment status (e.g., arranged employment), category of admission, and other demographic variables (e.g., age, gender, country of origin). The Longitudinal Immigration Database (IMDB) combines the information from the administrative landing records (PRDS) with an immigrant's subsequent annual tax records, thereby covering labour market outcomes information such as employment earnings, earnings from self-employment, Employment Insurance benefits, and government transfer income.

The Census is the data source most commonly used in research on immigrants, and it provides a snapshot of the current characteristics of the Canadian population every five years, including actual occupation, current education level, field of study, labour market outcomes (e.g., earnings, participation, employment, unemployment), and low-income status. Statistics Canada will begin release of 2006 Census results in March 2007, and for the first time the survey will include information on where (country/province/territory) an individual obtained his or her highest level of education.

The three data sources described above provide a snapshot of a limited range of information on the immigrant settlement experiences, with no one source following the full foreign credential recognition trajectory and how the associated integration experiences influence each other. An exception to this is the Longitudinal Survey of Immigrants to Canada (LSIC).

Longitudinal Survey of Immigrants to Canada

The LSIC was designed to study the process by which new immigrants adapt to or integrate into Canadian society, including the timing of stages of the integration process, as well as the factors that influence integration. By examining a newcomers' progress over time toward the fulfilment of a wide range of integration goals, the LSIC allows researchers and policy-makers to go beyond existing descriptions of immigrant integration outcomes to an examination of the means by which newcomers achieve these outcomes, and some explanation of these outcomes – in essence, the "how" and "why" dimensions. LSIC is based on interviews with newcomers at specific intervals after arrival. Wave 3 was based on interviews four years after landing, and Statistics Canada is expected to release this final wave of LSIC data in Spring 2007. Wave 2 was conducted two years after landing, and Wave 1 was conducted six months after landing; these data are already available.

The LSIC permits examination of the "how" and "why" behind the credentials recognition process by providing pre-migration information such as the immigrant's occupation prior to coming to Canada, intended occupation, education and credentials received prior to arriving in Canada, plans for assessment of credentials, detailed information on

Table 3: Employment difficulties, by immigration category – Wave 1

	Immigration category					
	Family Class	Skilled workers Principal Applicants (PA)	Skilled workers Spouses and Dependants (S&D)	Refugees	Others	All immigrants
Immigrants who tried to find employment	27,069	51,877	27,352	4,661	5,045	116,695
Immigrants reporting difficulties finding a job						
Number	15,209	39,613	20,625	3,139	2,668	81,518
Percentage of immigrants who tried to find a job	56%	76%	75%	67%	53%	70%
Most serious difficulty (selected types)						
Not enough job experience in Canada	21%	28%	27%	19%	17%	26%
Qualifications or work experience outside Canada not accepted	15%	28%	24%	12%	12%	24%
Language problems	33%	13%	24%	44%	35%	22%

Source: Longitudinal Survey of Immigrants to Canada – Wave 1 (2001).

Table 4: Employment difficulties, by immigration category – Wave 2

	Immigration category					
	Family Class	Skilled workers Principal Applicants (PA)	Skilled workers Spouses and Dependants (S&D)	Refugees	Others	All immigrants
Immigrants who tried to find employment	20,523	38,237	23,769	5,890	4,871	93,290
Immigrants reporting difficulties finding a job						
Number	12,248	28,051	16,605	4,169	2,788	63,860
Percentage of immigrants who tried to find a job	60%	73%	70%	71%	57%	68%
Most serious difficulty (selected types)						
Not enough job experience in Canada	25%	27%	28%	26%	23%	27%
Qualifications or work experience outside Canada not accepted	11%	24%	20%	10%	15%	19%
Language problems	21%	9%	18%	30%	16%	15%

Source: Longitudinal Survey of Immigrants to Canada – Wave 2 (2003).

the credentials received outside Canada, and plans for studying in Canada. The survey collects post-arrival information such as the immigrant's actual occupation, the education or training taken after arrival, the impact of receiving further education or training, problems obtaining education or training, and sources and types of help the immigrant received. The trajectory is completed with the inclusion of information on their labour market outcomes, such as earnings, participation, employment (all jobs since arrival), and unemployment. The LSIC allows for the examination of the credentials recognition process by gender and immigrant category of admission (e.g., skilled worker principal applicants, skilled worker spouses and dependants, family class, refugees, etc.), by place of schooling, by profession, and the extent to which labour market integration approaches change over time.

Results from the first two waves of the LSIC indicate that foreign credential and skill recognition is the major hurdle for newcomers in the Canadian labour market. The LSIC shows that two years after landing, more immigrants had secured employment and more immigrants had made steps towards working in their intended fields and higher-skilled employment than had been the case six months after landing. However, the results indicate that immigrants face challenges finding employment in a new labour market, and they identify the types of difficulties immigrants face in finding a job. Consistent with Wave 1 results (Table 3), Wave 2 interviews (Table 4) found that foreign experience and qualifications, as well as limited job experience in Canada posed difficulties for immigrants. Among all immigrants, 27% said that "not enough job experience in Canada" was the most serious difficulty faced in finding employment, with 19% saying that the fact that their "qualifications or work experience [from] outside Canada [were] not accepted" was the most serious difficulty. This was especially the case for skilled worker principal applicants, with 27% claiming "not enough job experience" and 24% claiming that the fact that their "qualifications or work experience [from] outside Canada [were] not accepted" were the most serious difficulties in finding employment in Canada.

The full three waves of LSIC data will provide information needed to understand the factors that help or hinder immigrants as they navigate the foreign credential recognition landscape in Canada, including the timing and type of help sought and received by the immigrant with regards to training or finding employment in Canada.

Conclusion

Foreign credential recognition is a complex issue. As such, developing the evidence base upon which policy can be developed requires detailed information on the scope of the problem and on the affected population. Precise occupational and labour market data on recent immigrants is crucial. In particular, information that links an immigrant's intended occupation to their actual occupation after arrival is needed to help explain labour market outcomes and the steps that are taken to verify credentials. This type of information is essential if we are to understand how foreign credentials compare with Canadian credentials in terms of labour market outcomes.

It is important that the data sources available to research the issue not be looked at in isolation, but rather be seen as a complementary body of information. A variety of national data sources administered by CIC and Statistics Canada are used by researchers to examine the issues surrounding foreign credential recognition, including the PRDS, IMDB, and the Census. The LSIC is expected to provide new insights into a wide range of issues surrounding foreign credential recognition when information becomes available from all three waves of interviews, as the survey uniquely provides information on the full trajectory of the settlement process among new arrivals.

Recent modifications have also been made to Canada's Labour Force Survey (LFS), which will add to the evidence base relevant for understanding the issues surrounding foreign credential recognition. In the future, the survey will include an immigrant identifier that will allow for timely reporting on labour market characteristics for the immigrant population. Statistics Canada is expecting to release this important immigrant-related enhancement to the Labour Force Survey in May 2007.

Note

[1] The views expressed in this article are those of the authors and do not reflect those of Citizenship and Immigration Canada or the Government of Canada.

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JIMI
1-17 Humanities Centre
University of Alberta
Edmonton, AB T6G 2E5
Canada
Tel: (780) 492-0635
Fax: (780) 492-2594
Email: jimi@ualberta.ca
Web Site: http://jimi.metropolis.net