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NEWS RELEASE

Unrecognized Qualifications and Unutilized Skills Constrain Immigrants' Prospects in Canada

***Institute for
Research on
Public Policy***

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***Remedial action must be taken now since solutions are complex and
require time to implement, study says.***

Montreal – The underutilization of skills is a pressing problem contributing to downward trends in employment and earnings outcomes among immigrants says University of Toronto professor Jeffrey Reitz in a new study released today by the Institute for Research on Public Policy (IRPP.org).

These trends persist despite high and rising educational credentials among recent immigrants, and despite steady levels of fluency in at least one official language.

Overall “foreign-educated immigrants earned \$2.4 billion less than native-born Canadians with formally comparable skills, because they worked in occupations that were below their skill levels,” says Reitz. And “at least two-thirds of their unutilized foreign-acquired skills – worth \$1.6 billion – are in fact transferable to Canada,” he adds.

Reitz reveals two key findings contributing to deteriorating earnings prospects among immigrants. Those who manage to successfully gain access to professional fields often hit a glass-ceiling preventing them from promotion to the more lucrative senior management jobs.

But a lesser-known yet significant observation is that the earnings disadvantages of highly educated immigrants in occupations outside the knowledge sector are actually larger and more financially consequential than those within it. According to the study, the net earnings of immigrant men with bachelors’ or postgraduate degrees in all other occupations outside the knowledge sector are 25 to 34 percent lower than that of native born Canadians with similar education.

The author identifies a number of social problems that could emerge as a result of this rapid decline in immigrants’ outcomes in the Canadian labour market. Among them are increased demands on the social safety net, more widespread public perception of immigrants as a liability or social problem, and political reaction on the part of immigrants themselves.

To address this issue and its associated problems, Reitz proposes a range of necessary institutional innovations:

- ◆ Improve pre- and post-arrival sources of information for immigrants;
- ◆ Give more support to providers of credential assessments and build credential assessment service awareness among employers and immigrants;
- ◆ Subsidize workplace internships and mentoring programs for immigrants;
- ◆ Upgrade human resource management training programs on ethnic diversity issues;
- ◆ Recognize best practices among employers in hiring or integrating immigrants;
- ◆ Implement bridge-training programs to top up immigrants' skills and to fill occupational gaps.
- ◆ Improve society's sensitivity to racial diversity issues.

"Tapping Immigrants' Skills: New Directions for Canadian Immigration Policy in the Knowledge Economy" is the latest *Choices* study to be released as part of the IRPP's Immigration and Refugee Policy series. It is now available on-line in Adobe (.pdf) format on the Institute's website at www.irpp.org.

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Founded in 1972, the Institute for Research in Public Policy (IRPP.org) is an independent, national, nonprofit organization based in Montreal.

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