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## NEWS RELEASE

### ***Study Reveals Low Returns on Immigrants' Foreign Education and Experience***

***Institute for  
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***Overcoming some of the causes, especially those that stem from market failures, will require government leadership and intervention***

**Montreal** – Canada continues to accept large numbers of skilled immigrants every year, the majority of whom now come from non-European countries, but their foreign-acquired education and work experience is significantly discounted, says a new study released today by the Institute for Research on Public Policy (IRPP.org).

The study reveals that the return on a year of foreign work experience is only about one-third of what Canadian-based experience provides in terms of higher earnings. And foreign education provides returns that are about 30 percent less than the returns to education obtained in Canada.

Authors Ross Finnie (Queen's University), Naomi Alboim (Queen's University) and Ronald Meng (University of Windsor) explain that it is very important "to take into account the source of immigrants' education and experience to better understand their economic integration into the Canadian labour market." For instance, they find that combining Canadian education with foreign education makes the latter worth more in the Canadian labour market. Moreover, they find no evidence that the education and work experience immigrants acquire in Canada after their arrival is discounted.

The results of the study indicate that it is important for governments to help overcome the information problems experienced by Canadian employers who do not know the value of foreign work experience and education. In terms of specific policy options, the authors focus on three core areas: academic credentials, occupational competencies and language skills.

They call for greater government leadership and intervention to

- Support the strengthening of the Alliance of Credential Evaluation of Canada, an umbrella group for credential assessment services
- Introduce incentives to encourage post-secondary institutions, regulatory bodies and employers to develop and use competency-based assessment tools
- Introduce incentives to encourage employer sector councils and occupational regulatory bodies to develop sector-specific language tests
- Establish bridging programs to address skill gaps

Finnie, Alboim and Meng conclude that there is “a need for all players to work together in order to deal more effectively and more efficiently with these complex issues.” They call on the three levels of government, educational institutions, employers, unions, regulatory bodies, academic credential assessment services and immigrant settlement agencies, as well as skilled immigrants and their associations, to pool their expertise and resources to address this problem.

“The Discounting of Immigrants’ Skills in Canada: Evidence and Policy Recommendations” is the latest *Choices* study to be released as part of the IRPP’s Immigration and Refugee Policy research program. It is now available on-line in Adobe (.pdf) format on the Institute’s Web site, at [www.irpp.org](http://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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