



Submission by the

**Canadian Chamber of Commerce**

to the

**House of Commons Standing Committee on  
Human Resources, Skills and Social Development  
and the Status of Persons with Disabilities**

on the

Foreign Qualification Recognition Process

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As Canada's most representative business association, with a network of over 420 chambers of commerce and boards of trade, representing over 190,000 businesses of all sizes in all sectors and in all regions, the Canadian Chamber of Commerce welcomes the opportunity to provide its perspective to this Committee regarding the recognition of foreign qualifications.

Canada is developing a desperate labour shortage and this is a major concern for employers throughout the country. Over the last 40 years, Canada's economy has been driven by labour market growth. However, demographic projections confirm that rapid population growth can no longer be relied on to fuel the economy. In fact, Canada is facing unprecedented demographic challenges: a declining birth rate as well as an aging population. In the next two decades, the number of Canadians over the age of 65 will double while the number of people between the ages of 25 and 64 will only increase by eight per cent. The Baby Boom generation, a significant percentage of the workforce, is rapidly approaching retirement and Baby Boomers are starting to leave work at a degree that far exceeds population and labour growth rates.

Trends indicate that profound changes are also taking place in Canada's labour market, which continues to shift from a resource-based to a knowledge-based economy. In fact, the fastest growing occupations are those in the knowledge sector. As a result of this shift, there is an increased demand for a university education. Immigrants, on average, have higher levels of educational attainment than the Canadian-born population. For example, in 2007, approximately 37 per cent of foreign-born individuals of core working age had a university degree, compared to 22 per cent of the Canadian-born population in the same age group. Yet, the unemployment rate of recent immigrants of core working age, landed between 2002 and 2007, was 11 per cent – double that of the Canadian-born counterparts. Moreover, the unemployment rate of university-educated immigrants was four times that of Canadian-born individuals with a university degree.

It is also a concern that, on average, the quality of employment of recent immigrants is incommensurate with their educational attainment and experience. Only 42 per cent work in their intended occupations. Anecdotes of foreign-trained physicians and engineers driving taxis in Canada abound. Canada's inability to fully integrate recent immigrants into the workforce bodes ill for long-term growth prospects.

Human Resources and Skills Development Canada (HRSDC) has noted that Canada currently loses approximately 30 per cent of new and highly skilled arrivals because they are unable to integrate into the economy and communities. As well, Canada has a complex regulatory structure. These historically weak integration patterns remain systemically persistent and appear to be getting worse. It is in Canada's social and economic interest to see recent immigrants quickly transition to value adding jobs.

To facilitate the quick transition of newcomers to immediate gainful employment, it is essential that the official languages, educational and professional qualifications of potential immigrants assessed by government correspond more closely with the needs of employers.

Language barriers are the single biggest hurdle to the incorporation of recent immigrants into the workforce. The English and French communication skills of many new Canadian jobseekers do not match the needs of the Canadian workplace and the North American business context. Bridging this language gap will require more work in increasing the number of immigrants with the required fluency.

**The Canadian Chamber of Commerce recommends that the government maintain the recently implemented upfront requirement of official language proficiency for application processing, while informing potential skilled immigrants in their countries of origin on how to prepare to meet language requirements.**

A primary factor affecting the successful integration of skilled immigrants is non-recognition of prior experience and qualifications. Foreign credential recognition (FCR) is a major problem. FCR is the process of verifying education, training and job experience obtained in another country and comparing it to the standards established for Canadian professionals. FCR is critical to ensuring economic growth and competitiveness, fostering innovation and improving labour mobility mechanisms.

In Canada, the provinces have a strong role in FCR. Jurisdictional and other complexities make improving FCR a formidable task. FCR for regulated occupations is a provincial responsibility that has been delegated in legislation to regulatory bodies. In each province and territory, the work on integration of immigrants is being done in at least four ministries – those relating to immigration, education, labour market and health.

The provinces and territories are responsible for licensing trades and professions, including a total of over 50 regulated occupations whose qualifications are certified by over 400 regulatory bodies, amounting to roughly 15 per cent of Canada's labour market.

For the other 85 per cent, assessing the qualifications of potential employees is the responsibility of employers. Employers often have insufficient knowledge of the growing panoply of educational institutions where immigrants were trained in their countries of origin, which makes evaluating and recognizing educational achievement an arduous task. Many employers also find it difficult to understand, authenticate and measure the calibre of overseas work experience and relate it to Canadian job requirements. As a result, many businesses prefer to rely on familiar standards of Canadian or U.S. work experience when hiring, putting more immigrants than necessary out of the running.

And when their qualifications are not recognized by employers, immigrants usually lack awareness or knowledge of Canadian labour market standards or of the steps they need to take to have their foreign qualifications recognized.

The institutional complexity comprising multiple authorities and providers that makes FCR daunting to address cannot continue. The pressures of the looming skilled labour shortage and demographic challenges have sharpened the need to accelerate FCR. By the end of this decade, immigrants are expected to account for 100 per cent of net labour force growth in Canada.

Certain government initiatives have aimed to address FCR. For example, the Foreign Credentials Referral Office, launched in 2007, helps newcomers steer through the numerous organizations involved and provides labour market information, job search advice, etc. Similarly, the provinces administer various programs to help immigrants get their qualifications recognized. The government must maintain such programs to bridge the foreign qualifications divide between newcomers and employers.

Enhancing the recognition of educational and professional qualifications and experience, and better cooperation between HRSDC and employers to match government- and business recognized foreign qualification more closely, is imperative to ensuring that newcomers rapidly secure employment that maximizes their long-term professional potential and value-added employment.

The federal-provincial Pan-Canadian Framework for the Assessment and Recognition of Foreign Qualifications aims to facilitate the transition of skilled immigrants from less-than-gainful employment to value-adding jobs. It is an excellent initiative to tackle the problem and must be fully implemented across Canada.

**The Canadian Chamber of Commerce recommends that the Pan- Canadian Framework for the Assessment and Recognition of Foreign Qualifications, which aims to facilitate the transition of skilled immigrants from less-than-gainful employment to value-adding jobs, be fully implemented.**

Greater use of labour market-focused immigration programs, such as the Provincial Nominee Program (PNP) and the Canadian Experience Class (CEC), facilitates better economic outcomes for immigrants. As most immigrants who come to Canada each year are currently not selected under economic programs, pressure to improve FCR and economic outcomes for newcomers persists.

The importance of choosing immigrants whose credentials and skills will most readily be valued by employers in Canada cannot be overemphasized. In particular, processing immigrants with a secured job offer has to be given number one priority.

The barriers faced by recent immigrants provide lessons on how Canada's immigration system may be improved to ensure a more optimal match between the real labour needs of the Canadian economy and the skills and experience-profiles of potential immigrants. It is also essential that the employer-driven orientation of economic immigration be strengthened to ensure that applicants are fully employable. Ultimately, the benefits of immigrants' integration at gainful-employment levels accrue to businesses and society at large and there is also a downside cost borne by the Canadian economy when immigrants find themselves working at less-than-gainful employment levels over the long-run.

The immigration system must, therefore, strike a necessary balance between filling current workforce needs and ensuring that new Canadians possess skills sets and experience that can be readily transferred across jobs and careers in an era when most job growth will take place in the knowledge-based economy. The focus of Canadian immigration must remain skilled immigrants.

Immigration has a key role to play in meeting Canada's labour market needs and building the skilled workforce of the future. An increase in economic immigration to Canada is called for in order to tackle the looming labour shortage and help overcome the FCR problem.

The immigration system has important objectives to achieve economically for Canada. It must ensure that Canadian businesses of all sizes and across sectors continue to have timely access to talented people from overseas with the knowledge and aptitudes they need to bolster their competitiveness and growth.

**To tackle the looming labour shortage and help overcome the FCR problem, the Canadian Chamber of Commerce recommends that economic immigration becomes the priority as Canada looks to recruit the best and brightest from the limited global talent pool.**

For further information, the Canadian Chamber of Commerce report - *Canada's Demographic Crunch: Can underrepresented workers save us?* - may be found at: <http://www.chamber.ca/images/uploads/Reports/2010/Canadas%20Demographic%20Crunch141010.pdf>