

The Over-Education and Under-Employment of Immigrants in Canada

Issue Statement: In light of Canada's reliance on immigration to fulfill labour market needs, further reform is needed to address inequities embedded in the immigration system and labour market.

Over-Education: "A mismatch between an employee's level of education and normal job requirements."

Under-Employment: "A mismatch between the skills that employees have and those they use in a job."

1 Categories of Immigrants

In 2018, Statistics Canada reported that 321 049 individuals immigrated to Canada.

- Economic Immigrants
- Temporary Foreign Workers
- Refugees



2 Express Entry Point System

92 231 people immigrated through the Express Entry program in 2018. A maximum of 600 points are allocated in each category.

Core Skills

- Age
- Level of education
- Official language proficiency
- Skills transferability
- Spouse/common-law partner factors

Additional Skills

- Canadian education
- Valid job offer
- Provincial/Territorial nomination
- Family member that is Canadian
- Strong French language skills

3 Labour Market Characteristics*

	TOTAL POPULATION	LANDED IMMIGRANTS	CANADIAN BORN
UNIVERSITY EDUCATED	36.2%	49.7%	29.8%
LABOUR FORCE PARTICIPATION RATE	87.4%	84.8%	89.0%
UNEMPLOYMENT RATE	4.7%	5.5%	4.3%

*Data gathered from Statistics Canada, pertains to individuals aged 25-54 from 2019

4 Key Considerations

Over-Education of Immigrants

- The education-occupation match rate declined among immigrants between 2001 and 2016.
 - In 2016, 37.7% of university-educated recent immigrants worked in jobs requiring high school education at most.
 - Only 16% of Canadian-born youth were in the same situation.
- University-educated immigrants accounted for substantially more growth in unskilled employment than high-skilled employment.

Employment Equity Act

- Employers are obligated to implement employment equity by ensuring their workplace is demographically representative of the Canadian workforce.
- The Employment Equity Act: Annual Report 2018 found that "racialized minorities have reached or exceeded their proportionate representation."
 - Employers are predominantly hiring Canadian-born workers as opposed to recent immigrants.

5 Policy Options

Expansion of Language and Education Programs



- Expand existing English and French language education programs to address language barriers among new immigrants.
- Incentivize organizations to recruit future employees from English and French language education programs.

Competence-Based Assessment and Streamlined Credential Recognition



- Incentivize employers and licensing bodies to implement competence-based assessments in their hiring and accreditation processes to eliminate potential for discrimination.
- Develop a streamlined process for credential recognition and implement a public awareness campaign on new developments.

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 These options are not recommended because they ignore the fact that nearly half of recent immigrants are university educated. A comprehensive strategy will address the systemic discrimination at the root of the labour market.

6 Policy Recommendation

Combat Industry Discrimination

- Incentivize companies to hire recent immigrants through the Employment Equity Act.
- Implement public awareness campaign on the benefits of hiring recent immigrants.
- Create workplace discrimination hotline to increase accountability of employers.
- Allocate additional funding to promote diversity and combat systemic discrimination faced by recent immigrants.

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 This option is recommended because it addresses the discrimination that prevents recent immigrants with the same level of education and experience as their Canadian-born counterparts from being hired in the labour market.