

# Intelligence MEMOS



From: Parisa Mahboubi and Tingting Zhang  
To: Canadian Immigration Watchers  
Date: September 6, 2023  
Re: **OUR UNDEREMPLOYED ECONOMIC IMMIGRANTS: HOW TO STOP WASTING TALENT**

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Canada consistently fails to fully utilize immigrants' skills, which limits efforts to address labour-market needs and costs the economy.

Economic immigration is Canada's largest and most popular admission category. To make it more responsive to the labour market, Canada recently launched a [category-based selection](#) that prioritizes shortage-plagued occupations, such as those in [healthcare](#) and science, technology, engineering and mathematics ([STEM](#)) fields.

But Canada's consistent failure to properly deploy foreign-educated immigrants remains, particularly for recent immigrants. They still experience [persistent](#) skills underutilization even in the newly targeted occupations.

In 2021, more than [25 percent](#) of all working-age immigrants with a foreign bachelor's degree or higher worked in jobs that only required a high-school diploma or less.

And only three in five internationally educated health care professionals [worked](#) in health-related occupations, according to a study this summer.

While admitting more immigrants in targeted occupations can help combat some chronic labour shortages, addressing underutilization issues is even more important.

Unresolved obstacles include regulatory, language and cultural barriers, non-recognition of foreign credentials and work experience, lack of Canadian experience, and discrimination.

To better integrate economic immigrants, provincial governments need to work with regulatory bodies to streamline foreign-credential and work-experience recognition. Some provinces are already moving in the right direction. For example, eight provinces [offer](#) practice-ready assessment programs for internationally trained family physicians.

But although this program can help speed up the credential recognition process, uptake is low and not open to all physicians. For example, only [50](#) applicants will be accepted this year in Ontario. Provinces should expand this program based on the outcome evaluation and consider a similar program for other regulated professions.

Provinces can also learn from abroad. For example, Australia offers four assessment [pathways](#) for international medical graduates to register to practice. It has also taken several [actions](#) to reduce red tape and expedite the assessment and registration process. The [changes](#) include increasing senior staff and cutting the processing time for initial risk assessments, fast-tracking admission of practitioners from trusted countries, and reviewing standards and requirements.

Professional Engineers Ontario recently removed the requirement of Canadian work experience for qualified foreign engineers. This change is a welcome strategy for other regulated professions and provinces to follow.

In addition, investing more in bridging programs such as [Canada Work Experience](#), which connects immigrants with experienced professionals in their respective fields through experiential learning, internship, or unlicensed opportunities, can help immigrants understand local job markets. It also allows them to learn Canadian workplace culture and gain Canadian experiences and new skills.

Governments need to support programs focusing on employable skills and develop targeted job-matching programs to connect employers and immigrants. They also need to educate employers on the benefits of hiring immigrants and encourage them to hire recent immigrants.

Organizations with more ethnic and cultural diversity are 36 per cent more likely to outperform their competitors in profitability, according to a 2021 McKinsey [report](#). According to a Toronto Region Immigrant Employment Council's survey, 80 percent of GTA [employers](#) who intentionally hire immigrants noticed a positive impact on their organization.

Raising awareness of, enhancing access to, and encouraging participation in employment services, language learning resources and bridging programs [help](#) provide better and faster labour-market integration of newcomers. Between 2016 and 2020, only [8.5](#) percent of economic principal applicants accessed federally funded employment and community connection programs, far lower than the 46-percent average for all classes.

According to a survey in 2021, only [8 to 9](#) percent of skilled newcomers who used employment services learned about the available services from government offices (e.g., upon arrival at the border). Immigration officials need to actively reach out to newcomers, educate them about employment assistance services and improve the usage of pre-arrival employment services.

Better use of immigrant skills and integration of this talent are becoming more crucial as this country welcomes more skilled immigrants to fill gaps in the labour force and support the economy. Their prosperity means generations of benefits to come.

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*A version of this Memo first [appeared](#) in The Globe and Mail.*