

Credential Recognition and Equal Opportunity for Immigrants in Canada

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Executive Summary

Upon arriving in Canada, immigrants and racialized minorities can experience persistent labor market disadvantages, although many have high levels of educational attainment. These examples of labour market discrimination are harmful to economic efficiency, as Canada is not utilizing the skillset of its residents, as well as having negative effects on social cohesion and equality. The existing anti-discrimination laws currently in place are not sufficient to address this problem: this brief recommends proactive enforcement of existing laws and the reform of the credential recognition system.

Problem Definition and Context

Despite formal legislation, ethnic minorities and immigrants still face persistent wage and employment gaps in Canada. The cause of this issue varies, and is heavily case dependent. One significant challenge is so-called “ethnic penalties” in employment. In a 2009 study, roughly 1000 resumes were sent to job postings in Toronto. The goal of the study, which was led by economist Philip Oreopoulos, was to attempt to understand why immigrants admitted to Canada based on skill (Oreopoulos 2009) were struggling in the labor market. The study concluded that resumes for English-named applicants received up to three times more requests for interviews compared to applicants with Chinese, Indian or Pakistani names. These results, along with other studies (Banerjee, Reitz, and Oreopoulos 2018) point to a distinct trend of institutionalized racism in the Canadian workplace. Other explanations can include credential discounting or network based exclusion. The research cited above shows that the people affected by labour market discrimination are recent immigrants, visible minorities or professionals with foreign credentials. This data points to a policy contradiction: Canada selects highly skilled and educated immigrants, but underutilizes them in the workforce.

Analysis of Existing Policies

One of the strategies already in place to try and address this issue is federal and provincial anti-discrimination law. Examples at the federal level include the Canadian Human Rights Act, and provincial human right codes across the provinces. The strength of this strategy is the existence of legal recourse: racial discrimination in the workplace is explicitly prohibited in the Canadian Human Rights Act. However, this legislation is not without its weaknesses. The system for reporting workplace racism is complaint-driven, with the burden of proof being placed on the individual reporting the incident. At the time of this brief, the Canadian Human Rights Commission reports page has a disclaimer reporting extended wait times due to extremely high amounts of reports (CHRC 2026). Another strategy used to try and integrate skilled

immigrants is credential recognition. Federal and provincial credential assessment bodies exist in order to provide skilled immigrants with information and options for transferring or bridging existing credentials to the Canadian workplace. However, these regulatory bodies are often fragmented across the nation, with independent boards and commissions leading to extended wait times and increased expenses, often expected to be paid for by the immigrant. Another piece of federal legislation in place to attempt to foster diversity in the workplace is the Employment Equity Act. The Employment Equity Act features mandatory data collection requirements for employers in the governmental and private sectors, ensuring that employers are reaching their legal obligations to racialized minority groups (CHRC 2016). While this Act is helpful, it is largely limited to federally regulated employers, and does not have effective enforcement mechanisms.

Policy Options and Recommendations

A possible solution to the labour market discrimination is a shift from a complaints-based approach to anti-discrimination law to a proactive auditing system that also encompasses the hiring process. While racism is certainly an issue in the workplace for employees of racialized minorities, the existing Canadian legislation does not have adequate response mechanisms for reported racism in the hiring process. An increase in funding for human rights commissions as well as randomized audits as an enforcement tool have the potential to decrease the racism and discrepancies in the hiring numbers in the Canadian labour market. Possible downsides to this solution include employer resistance as employers are not likely to be pleased with the potential for increased auditing, as well as the political sensitivity involved with cases dealing with racism and discrimination. Another option for reducing early-stage discrimination in the hiring process is anonymous or name-blind hiring. This involves removing information like addresses, names, and immigration status from resumes in order to address bias at an early stage. This solution, however, does not address bias in interviews, nor does it prevent employers from screening out applicants with foreign qualifications. This brief recommends a combined approach, increasing anti-discrimination audits and standardizing the national credential framework. This solution addresses the hiring process discrepancies, while increasing immigrant's ability to accurate information about their credentials and helping employers understand that those who meet the new standardized screenings are qualified experts in their profession. Implementation challenges for this solution include provincial jurisdiction and administrative costs. The challenge of standardizing credential recognition is large, but the benefits are twofold: highly skilled immigrants can clearly assess their status in the Canadian workplace, which will incentivise high-quality candidates, as well as increasing employer awareness surrounding the qualification and professionalism of applicants with foreign credentials.

Conclusion

In the modern Canadian workforce, labour market discrimination is harmful to the economy and national and social unity. The current policies lack enforcement measures, and do not do an

adequate job explaining the credential based system Canada uses to applicants or employers. As Canada continues to rely on skilled immigration for economic growth, a proactive approach to discrimination is necessary. Addressing the issue with increased funding for enforcement and a standardised credential recognition system is an effective way to ensure Canada remains equitable for all and economically competitive on the world stage.

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