



The Labour Mobility of International Workers – The Canadian Perspective

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A Changing Environment

- Canada's favourable position in the global economy is attributable to high economic and employment growth largely driven by a highly educated, adaptable and mobile workforce
- The Government of Canada (GoC) has developed three primary human capital objectives in order for Canada to remain competitive in the global knowledge-based economy:
 - ⇒ Increase labour quantity;
 - ⇒ Strengthen labour quality; and
 - ⇒ Improve labour market efficiency



Human Capital is key to Canada's economic and social well-being

For the economy

- Drives productivity, innovation, investment and growth vital to competing in Knowledge Based Economy

For society

- Fosters cohesion by facilitating the integration of marginalized groups and promoting a sense of shared citizenship, leads to civic and community involvement, positive intergenerational effects

For individuals

- Learning and skills are key to sustained employment, higher wages, better social and health outcomes and active participation in society; also contribute to the adaptability of individuals in dealing with technological change

For employers

- Knowledge, talent and creativity are the raw materials of innovative and competitive enterprises





Powerful forces are driving changes to our labour market creating new challenges and opportunities

- **Labour force growth is slowing as the population ages** and baby boomers retire putting more importance on labour supply
- **Globalization** is exposing Canadian firms to new sources of competition and new pressures to innovate (e.g., China, India, Brazil)
- **Technological change** means skills demands are rising and changing across the spectrum of jobs and requiring that workers continually update their skills and knowledge
- Changing **world demand for energy and other commodities** is creating skill shortages in some regions and sectors (e.g., oil and gas in Alberta)



Human capital is key to economic growth and social success

- ***Achieving economic and social goals for the future will require a forward looking and integrated human capital agenda:***
 - a highly skilled and mobile labour force that can respond to, and drive, the economy.
 - an efficient and inclusive national labour market that contributes to the growth and prosperity of all regions of Canada.
 - a learning system that is responsive to the diverse and changing needs of learners and employers and that promotes a culture of lifelong learning.
 - a flexible labour market that promotes high growth sectors and supports individuals, sectors, and communities in adapting to change without leaving Canadians behind.



Labour Market Efficiency is key to Canada's economic opportunities agenda

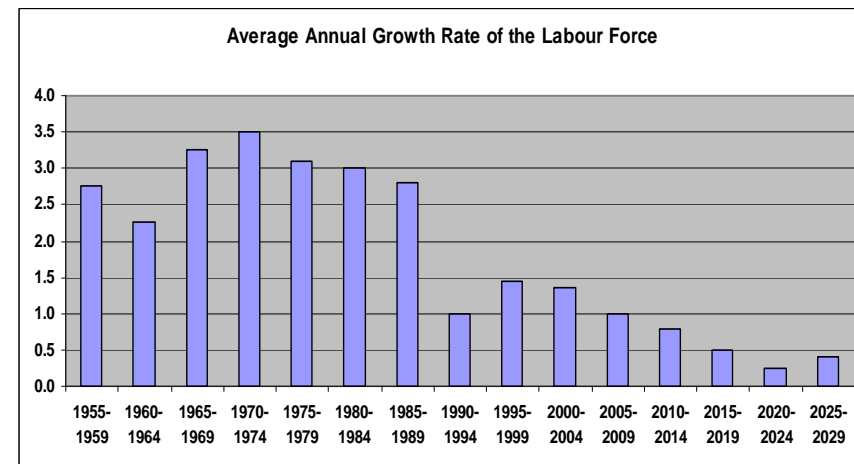
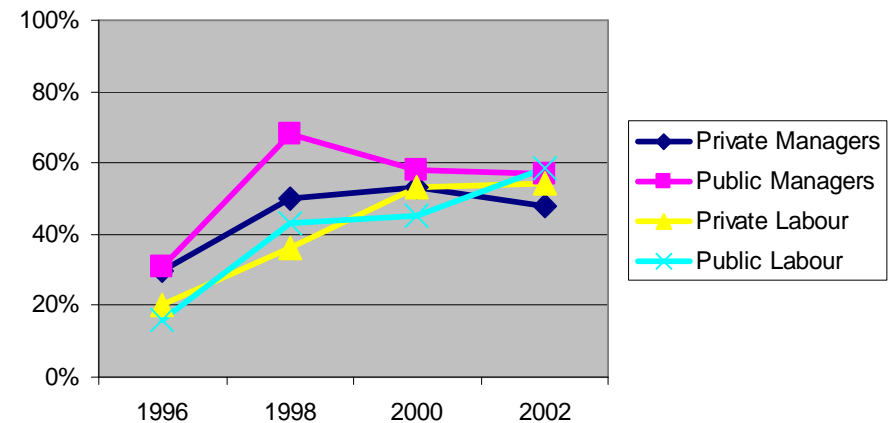
- To enable domestically and internationally-trained professionals to contribute at their maximum potential, the GoC must improve labour market inefficiencies by removing barriers to full labour market participation
- The GoC has improved both domestic mobility and immigrant labour market integration with 2 key instruments: The Foreign Credential Recognition Program and Chapter 7 of the Agreement on Internal Trade



Supply and Demand Issues

- Impending labour shortages that cannot be met by Canada's domestic labour force are compelling Canadian employers to re-think human resource strategies.
 - ➔ Businesses are becoming innovative and more strategic in their hiring practices
- Despite concentrated efforts to remove labour market inefficiencies and the prospect of critical shortages, internationally-trained professionals continue to face barriers
- The most pronounced of these are:
 - ➔ Lack of Canadian work experience;
 - ➔ Non-recognition of foreign credentials; and
 - ➔ Insufficient language proficiency.

Shortage of Skilled Workers
A serious problem – on the rise





Immigrants as part of the solution

- Immigrants from around the world continue to select Canada as a top destination.
 - ➔ In 2005, Canada welcomed 262,236 immigrants, 60% of which, arrived in the economic class category
- Unlike the less-skilled immigrants arriving before the introduction of the points-based selection system, those arriving after 1970 have possessed relatively high educational levels.
 - ➔ The 2001 census shows that of immigrant workers arriving in the most recent 5-year period, 43.9 percent of men and 37.5 percent of women had a bachelor's degree or higher
- Immigrants currently make up about 20 percent of the Canadian workforce. Over the next 10 years, immigration is expected to contribute 17% of all new entrants into the labour market; the remaining 83% of new entrants will be Canadian-born school leavers



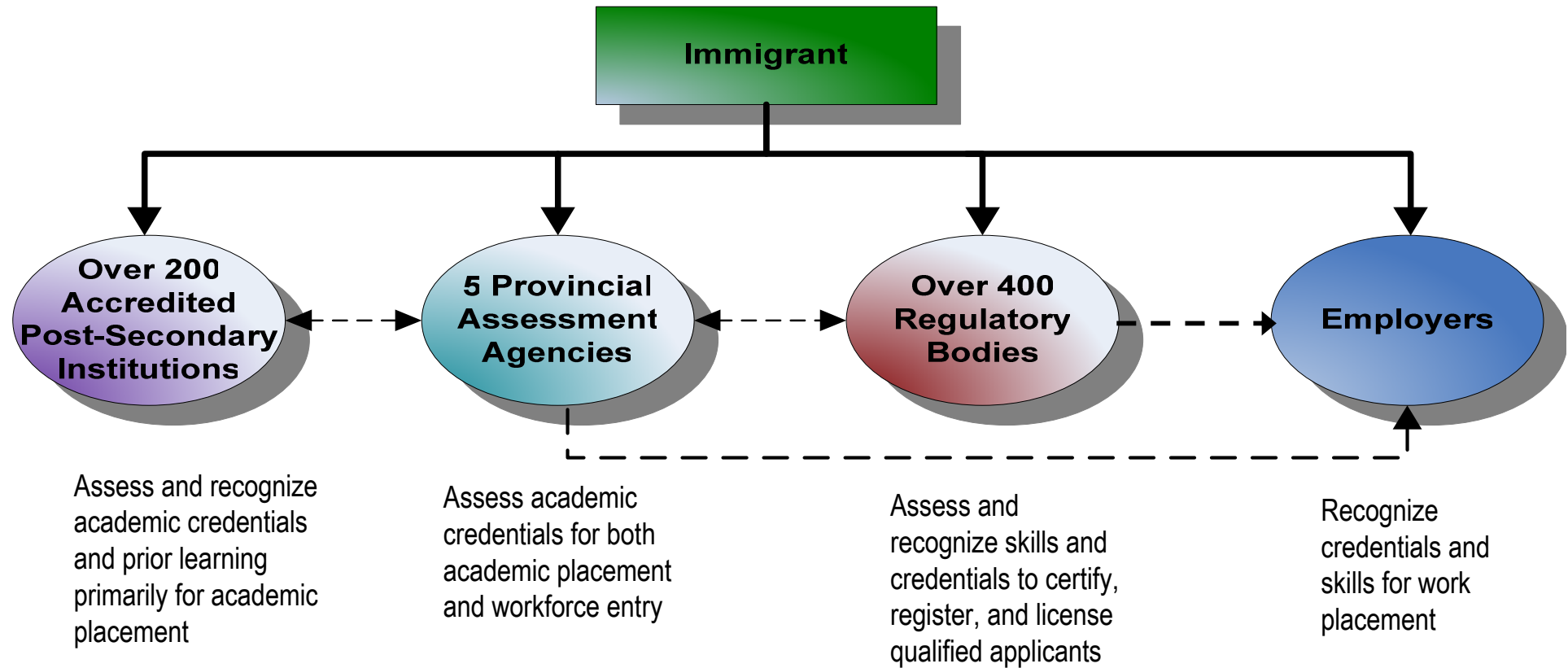
Understanding Foreign Credential Recognition (FCR)

- **Immigrants often arrive in Canada assuming they will be able to quickly find work in their chosen profession or occupation not understanding the immigration system and the labour market are not linked**
 - May not know they need to have credentials assessed or become licensed
 - Many skilled immigrants are not qualified to Canadian professional standards and cannot qualify without considerable study and/or training particularly in higher skilled occupations, e.g. health sector
- **There are gaps in the capacity of institutions to assess the qualifications of immigrants**
 - Some regulators have very limited capacity to understand and process applications for licensure for skilled immigrants
 - Regulators of the same occupation in different provinces regularly arrive at different conclusions in assessing the same credential earned abroad
- **FCR is a complex file due to jurisdictional roles and responsibilities**
 - Provinces and Territories are responsible for licensing most regulated professions which is delegated in legislation to regulatory bodies
 - GoC is responsible for licensing for federally regulated professions (e.g. transportation)
 - Post-secondary education institutions, provincial assessment agencies and employers also responsible for assessment and/or recognition of credentials

Immigrants need to integrate into the Canadian labour market and ensure portability of credentials if needed



Who assesses and recognizes credentials in Canada?



Provinces and Territories hold key levers for credential assessment and licensing for the trades and most regulated occupations



GoC is trying to assist with consistent recognition and licensing practices...

- FCR Program Objectives:
 - ➔ Provides strategic and financial support to provinces, territories, partners and stakeholders to develop foreign credential assessment and recognition processes that are fair, accessible, consistent, transparent, and rigorous in targeted regulated and non-regulated occupations and sectors
- Program funds projects to bring about systemic change in credential assessment and recognition processes
 - ➔ Does not provide services directly to immigrants
- \$68 million (CND) allocation over six years (2003-2009)
- A number of projects that are currently underway through the FCR Program will contribute to removing barriers to inter-provincial mobility

...so mobility of the foreign trained is efficient and effective



The Agreement on Internal Trade (AIT) works towards fostering labour mobility in Canada

- In Canada, provincial and territorial governments have responsibility for setting occupational standards and entry requirements for most regulated professions and the trades. Historically, differences in occupational standards and requirements have created barriers for regulated workers who wish to practice in another part of the country
- Agreement on Internal Trade
 - **Overall AIT objective:** remove and eliminate barriers to the free movement of persons, goods, services and investments within Canada and to establish an open, efficient and stable domestic market
 - **AIT covers ten sectors:** Procurement, Investment, **Labour mobility (Chapter 7)**, Consumer – related measures and standards, Agriculture and food products, Alcoholic beverages, Natural resources processing, Transportation, Environmental protection, Communications
 - Signed in 1994 by all Premiers and the Prime Minister with implementation beginning in July 1995
 - General supervision of the Agreement is by the Committee on Internal Trade
 - Implementation, administration and assessment of Chapter 7 (Labour Mobility) have been assigned to the Forum of Labour Market Ministers (FLMM)



How AIT Works...

- Purpose of Chapter 7 is to enable any worker qualified in an occupation in one jurisdiction to have access to employment opportunities in other provinces or territories.
 - ➔ All Canadian workers are covered, especially those practicing a regulated trade or profession
- Eliminate residency requirements and unnecessary fees and delays for registration
 - ➔ Mutual recognition for qualifications of workers already qualified in other P/Ts
 - ➔ Reconciliation of differences in occupational standards; and
 - ➔ Accommodation mechanisms to help workers acquire any additional competencies they may need owing to jurisdictional differences
- Under Chapter 7 (Labour Mobility) of AIT, governments agree to the following:
 - ➔ Eliminate barriers to labour mobility and
 - ➔ Seek and ensure compliance by regulatory authorities who oversee the professions



Mutual Recognition Agreements (MRAs): Key to removing barriers in regulated professions

- Under the AIT, regulatory bodies for each regulated profession must compare their occupational standards and requirements, determine common elements, reconcile differences and grant recognition based on the outcomes of this comparison.
 - ➔ Where there is a high level of commonality in the standards and requirements across jurisdictions, immediate recognition should occur for workers who have already met one province's standards and requirements
- The outcomes of this process are documented in a MRA or similar protocol which jurisdictions negotiate, sign and agree to abide by
- To date, over 40 of 50 professions have developed MRAs. However, there is variation in the thoroughness, currency and coverage of these MRAs



How is FCR Related to Labour Mobility?

- There is a clear role for the federal government to work with provinces and territories to remove inter-provincial barriers to labour mobility that decrease the efficiency and the responsiveness of the Canadian labour market
- Improving the recognition of foreign credentials is necessary to ensure that internationally-trained professionals are able to move between provinces and territories to where jobs are located
- Recent federal/provincial announcements will address labour mobility barriers imposed by jurisdictional boundaries and help to improve licensing procedures for internationally-trained professionals:
 - ➔ The Alberta and British Columbia *Trade, Investment and Labour Mobility Agreement* (TILMA), 2007
 - ➔ Ministerial Committee on Internal Trade establishing a Chapter 7 compliance deadline for April 2009
 - ➔ FLMM call for commitment on mutual recognition of foreign credentials of professionals



What is the GoC doing to improve FCR and Mobility?

Canadian Agency for the Assessment and Recognition of Credentials

- HRSDC and the GoC are currently exploring the development of a national agency to help new Canadians have their credentials and skills assessed and recognized, ideally prior to arriving in Canada
- The goals of the Agency are to improve and speed up the assessment of international credentials and experience for immigrants to Canada
- The establishment of an Agency will support faster and more effective entry of immigrants into the Canadian labour market
- The Agency will build on current federal and provincial activities and progress to-date



What is the GoC doing to improve FCR and Mobility?

AIT Action Plan

- The 2006/2007 Labour Mobility Action Plan intends to improve the recognition of regulated workers and enhance labour mobility by:
 - ➔ Securing a greater degree of compliance of Chapter 7
 - ➔ Increasing awareness of Chapter 7 among both regulatory bodies and workers and
 - ➔ Developing improved and broader reporting methods to demonstrate mobility progress