

# Licensing Requirements and Occupational Mobility Among New Immigrants in Canada

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# Motivation

- New immigrants face significant occupational displacement
  - 60% of new immigrants worked in a different occupational group than prior to immigration (Statistics Canada 2003).
- Occupational displacement is known to have significant cost
  - Under-utilization of immigrants' skills leads to a loss in annual immigrant earnings of between \$2.4 billion (Reitz 2001) and \$3.2 billion (Conference Board of Canada 2001).
- Occupational licensing requirements are often cited as a major barrier to immigrants' labour market adjustment.

# Research Questions

- What are the occupational trajectories of new immigrants in Canada from pre-migration to the first job post-migration, and to subsequent jobs?
- How do occupational licensing requirements affect new immigrants' post-migration occupational trajectories?

# Immigrant Occupational Trajectories

- New immigrants face significant occupational downgrading when they arrive in the host country (Chiswick, Lee and Miller 2005; Akresh 2006)
- But, immigrants' occupations change with time spent in the country (Green 1999; Frenette, Hildebrand, McDonald and Worswick 2004; Chiswick, Lee and Miller 2005)
- New immigrants' occupational trajectories have been described as being a “U” shaped curve (Chiswick, Lee and Miller 2005)

# Occupational Licensing in Canada

- In Canada, about 20 percent of jobs are regulated.
- Mostly professional occupations, but also some technical and trades.
- Occupations regulated at the provincial level, while immigration is federally regulated.
- Regulatory bodies are self-governed; establish requirements for entry to the occupation and determine standards of practice.

# Effect of Occupational Licensing

- The effect of occupational licensing on disadvantaged workers has been found to be mixed in previous studies
- Challenges affecting new immigrants' access to regulated occupations (Goldberg 2002):
  1. Lack of pre-immigration licensing information
  2. Lack of knowledge of local workplace practices
  3. Lack of occupation-specific language proficiency
  4. Difficulty finding bridging programs and work placements
- **But how do these individuals fare relative to immigrants *outside* of the regulated occupations?**

# Hypotheses

- New immigrants may be especially disadvantaged within regulated occupations since:
  - Licensing process is often long and misunderstood
  - Canadian work experience is usually required
- Or, immigrants may have greater success within regulated occupations since:
  - Licensing bodies use standardized and highly codified criteria for assessing qualifications
  - Often have special arrangements for assessing foreign credentials
- Within unregulated occupations, employers evaluate job applicants on an ad-hoc basis:
  - Subjective and often intangible criteria such as leadership ability or creativity become more important
  - Contacts and social networks become crucial

# Longitudinal Survey of Immigrants to Canada: LSIC (waves 1-3)

- Follows the same group of newly arrived immigrants during their first few years in Canada
- Conducted jointly by Statistics Canada and Citizenship and Immigration Canada
- The target population for the survey consisted of immigrants who: (1) arrived in Canada between October 1, 2000 and September 30, 2001; (2) were age 15 years or older at the time of landing; (3) landed from abroad

# Data Restrictions

- Included respondents who had worked previously in their country of origin and intended to work in Canada
- Between the ages 25-64 years at the first interview
- With these restrictions,  $N = 5,055$

# Outcome Variable: Relative Job Prestige

- Job prestige scores based on the Nam-Power-Boyd scale.
- Created using regression models that took into account level of education and earnings for each occupational title.
- Job prestige scores range from 0-100.
- Scale adapted to 2001 NOC-S codes by Boyd (2008).
- Boyd's prestige scale is matched with LSIC NOC codes for the last job held in the home country, and the main job held in each wave.
- **Relative job prestige** is the difference between the prestige scores of the main job held at each wave (at 6 months, 2 years and 4 years post-migration) and the last job held in the home country.

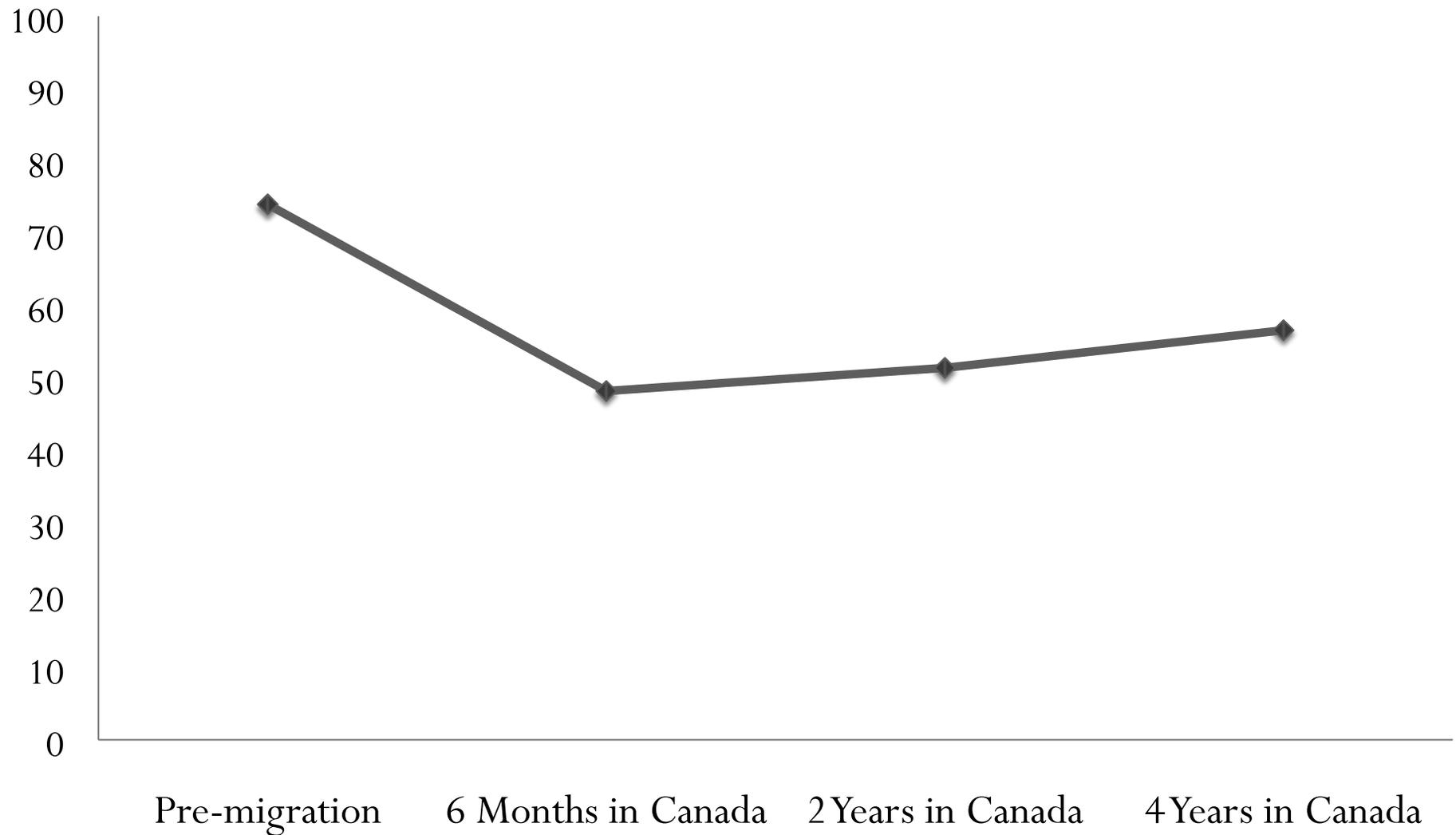
# Explanatory Variable: Occupational Regulation Status

- **Occupational regulation status** of immigrants' pre-migration job.
- Immigrant's pre-migration job title is matched to the regulated status list compiled by the Canadian Information Centre for International Credentials
- Indicates whether occupation is regulated by provincial or territorial law and governed by a professional body in Canada.
- Occupations that are identified as regulated in at least one province/territory are coded as (1).

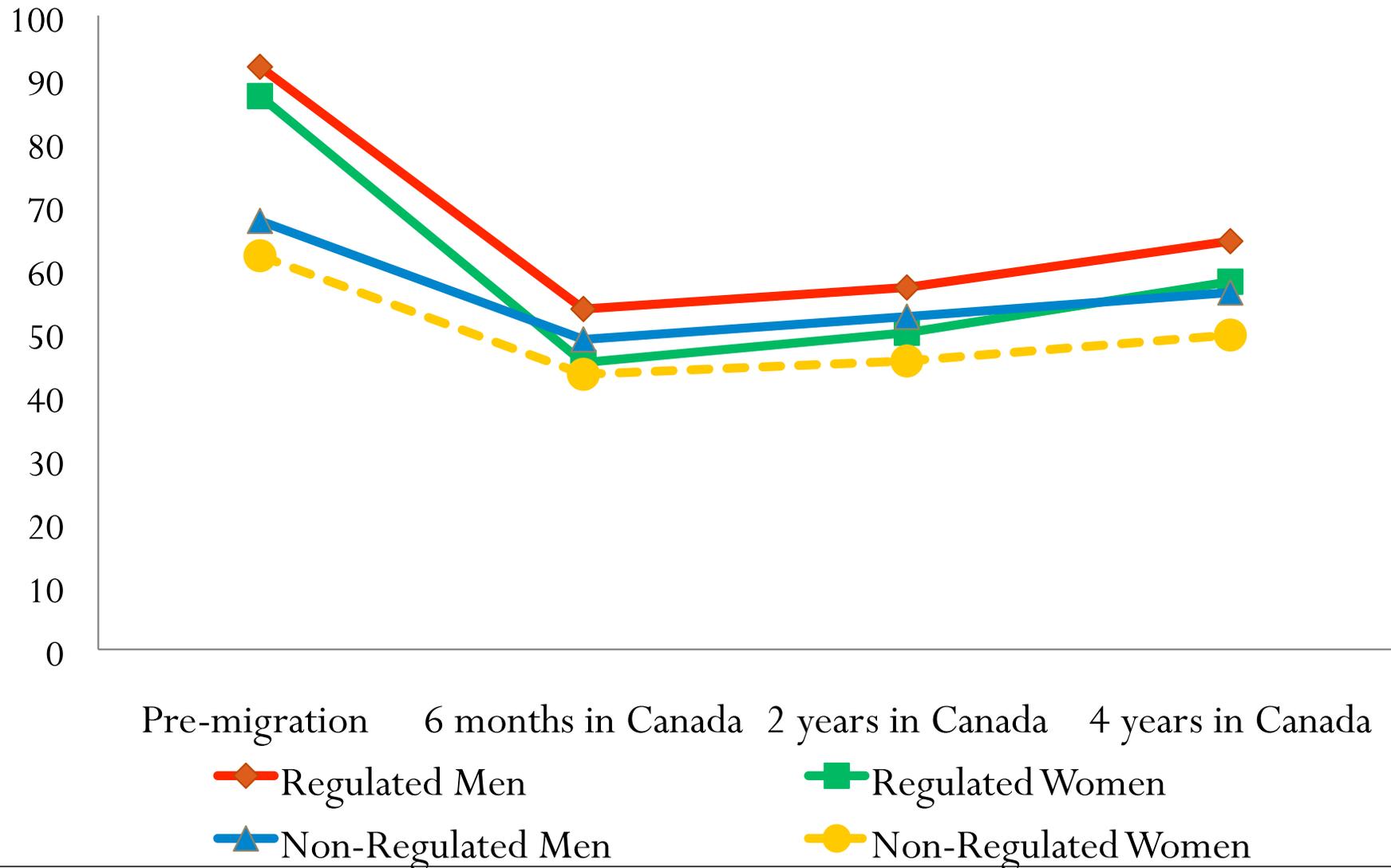
# Control Variables

- Gender
- Age (centered at 25)
- Pre-migration level of education
- Pre-migration occupation
- Region of birth
- Self-reported English/French language fluency
- Post-migration educational activity
- Marital status
- Number of children
- Location of settlement.

# Immigrants' Job Prestige Trajectories



# ...by gender and occupational regulation status



# Correlations Between Pre- and Post-migration Occupational Prestige

		Job Prestige scores (1-100)				
		Prior	Wanted	Wave 1	Wave 2	Wave 3
<b>Job prestige scores (1-100)</b>	Pre-migration job	-	0.652*	0.327*	0.356*	0.399*
	Job wanted in Canada		-	0.314*	0.338*	0.397*
	Main job in wave 1			-	0.785*	0.624*
	Main job in wave 2				-	0.747*
	Main job in wave 3					-

Note: \*  $p < 0.001$ .

# Growth Curve Modeling

- Specialized application for longitudinal data
- Describes and predicts within *and* between-person differences in the time trajectory of a response variable
- Allows for time-varying co-variates
- Allows inclusion of individuals even if they do not have data for all time points.
- Growth model is estimated at 2 levels:
  - Level 1: within-person trajectory of occupational mobility
  - Level 2: between-person differences in occupational mobility are examined

# Growth Curve Model of Relative Job Prestige, Waves 1-3

	Coefficient	Standard Error
Intercept (Average relative job prestige score in wave 1)	-0.289	2.019
<i>Covariate effect on initial relative job prestige score</i>		
Occupational regulation status	-14.389***	1.016
Female	-3.201***	0.871
Age	-0.070	0.056
University educated	0.247	1.007
Professional/Managerial occupation prior to migration	-14.104***	1.054
English/French language fluency	1.661***	0.338
Participating in continuing education course	-2.636***	0.780

*Note:* Age is centered at 25 years; Also controlling for marital status, number of children, country of birth and location of settlement; Significance: \*\*\*<0.01; \*\*<0.05; \*<0.10

## ...Continued: Growth Curve Model of Relative Job Prestige, Waves 1-3

	Coefficient	Standard Error
Slope (Average change in relative prestige job score per wave)	2.290**	1.110
<i>Covariate effect on change in job prestige score</i>		
Occupational regulation status	1.586***	0.478
Female	0.193	0.414
Age	-0.118***	0.028
University educated	1.896***	0.488
Professional/Managerial occupation prior to migration	-0.397	0.499
English/French language fluency	0.080	0.224
Participating in continuing education course	2.723***	0.491
Number of Respondents	4,979	
-2 log-likelihood	99,109.9	

Note: Age is centered at 25 years; Also controlling for marital status, number of children, country of birth and location of settlement; Significance: \*\*\*<0.01; \*\*<0.05; \*<0.10

# Summary

- Immigrants trained in regulated occupations face a significantly greater drop in job prestige when they first arrive in Canada than those outside of the regulated occupations.
- BUT, over time this group progresses at a faster rate than those outside of the regulated occupations.

# Implications

- Once immigrants start the licensing process, they seem to be in a better position to find more suitable work.
- May be able to use the licensing organization to gain information on job search strategies and get access to bridging programs that provide them with Canadian-specific human capital.
- Outside of the regulated occupations, immigrants may not have access to these resources to the same degree and instead rely on informal channels to find suitable work, resulting in slower progression.

# Going Forward

- In 2006, the *Fair Access to Regulated Professions Act* ("FARPA") was enacted in Ontario.
- FARPA requires regulatory bodies to establish clear and objective licensing requirements for foreign-trained applicants.
- Under FARPA, the Office of the Fairness Commissioner (OFC) was established, with a mandate to assess the registration practices of regulated occupations and provide advice to regulatory bodies.
- Manitoba and Nova Scotia have since enacted similar legislation.