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Based on the 2006 Census, Statistics Canada reported, "Earnings disparities between recent immigrants and Canadian-born workers increased not only during the two previous decades, but also between 2000 and 2005." Why is this happening and can we expect the trend to slow or to continue?

In the pre-1980 period the empirical evidence on the highly skilled immigrant- Canadian born earnings gap suggested an optimistic story with the initial substantial earnings gap upon immigrant arrival disappearing after 12-15 years. The economic story that explained this gap convergence was the immigrant's acquisition of local human capital including language and specific skills applicable in the Canadian labor market coupled with a gradual diminution in local employer discrimination. The post 1990 growth in the earnings gap between highly skilled immigrants and the Canadian-born does not require a unique explanation as we can appeal to the same forces which historically closed the gap now acting perversely to widen the gap. Growth in "credentialism" and a pre-occupation with local labor market experience coupled with persistent employer discrimination has led to a deskilling of the more recent highly skilled immigrant arrivals as they either exit the labor market or remain underemployed or unemployed. My research on the employment outcomes of the post-1991 highly skilled immigrant co-hort from the former Soviet Union is instructive. Interviews stress the difficulty of entering the Toronto labor market in the first year or two as these highly skilled immigrants face language barriers which when overcome produce meager paying jobs as employers still raise credential issues or lack of appropriate job experience. Without a resolution to these latter issues it would be the rare skilled immigrants in the 21st century to Canada who would replicate the optimistic story of past immigrant's in the earnings catch-up story.