



Alternatives to the 'Low-Skilled' Pilot Program

Recommendation

The *Pilot Project for Occupations Requiring Lower Levels of Formal Training (National Occupation Classification C and D)* should be abolished.

In its place, Citizenship and Immigration Canada should increase family class and refugee admissions to admit more labour force participants who may be interested in these positions. This could include a brother or sister of a sponsoring relative, provided the individual had a validated job offer.

Adjusting points and processing in the Federal Skilled Worker Program to facilitate and expedite the entry of people in demand occupations (such as trades) and of those with validated job offers will also broaden the pool of permanent workers.

Recommendation Details

In 2009, Canada welcomed more temporary workers (178,478) than it did permanent residents selected as principal applicants under the Federal Skilled Worker, Provincial Nominee and Canadian Experience classes (65,203). In fact, British Columbia, Alberta, Newfoundland and Labrador, Nova Scotia, and the Territories each received more temporary workers than all permanent residents combined to their provinces.

The numbers of temporary foreign workers arriving under the *Pilot Project for Occupations Requiring Lower Levels of Formal Training (National Occupation Classification C and D)*, also known as the "Low Skill Pilot Project," has also grown exponentially from 2,592 in 2002 to a high of 26,333 in 2008. The jobs filled under this category are not necessarily temporary, but rather difficult to fill. They include, for example, positions in hotel cleaning, food services, and meat packing plants.

Some economists see the recruitment of low-skill temporary workers as interfering with market forces which they believe would otherwise result in higher wages, better working conditions, investment in research and development, and the employment of unemployed permanent residents and citizens.¹ The federal government should therefore enhance its labour market opinion process to require that employers first undertake a review of working conditions and wages and make the appropriate improvements, retrain existing staff, and engage local community groups to refer underemployed Canadian residents, before

¹ See for example: Dominique M. Gross and Nicolas Schmitt. "Temporary Foreign Workers and Regional Labour Market Disparities in Canada." *Metropolis British Columbia Working Paper Series*. No. 09 - 05 June 2009. <http://riim.metropolis.net/Virtual%20Library/2009/WP009-05.pdf> (accessed July 19, 2009).

being approved to recruit overseas for temporary workers. However, the best approach would be to abolish the Pilot altogether for the reasons outlined in [Discussion Paper 2](#).

To address local needs for labour that is currently filled by the Pilot, the federal government should explore increasing family class and refugee admissions to admit more labour force participants who may be interested in these positions.

Family reunification is currently limited to parents, grandparents and children. It excludes other family members such as, for example, working age brothers and sisters. A pilot program could be developed to expand the definition of family class to include a sponsor's brothers and sisters with a validated job offer. As permanent residents, they would have rights and access to services to prevent exploitation. This would also expand the number of people who would likely remain in Canada permanently given their family connections.

Government sponsored and privately sponsored refugees are another potential pool of workers to consider. While Canada's refugee program fulfills an important moral and legal obligation to the most vulnerable from around the world, many are ready and able to work in Canada if the appropriate supports are provided. Increasing refugee intake, linking refugees with employers, and providing supports to both will provide opportunities for enhanced integration of the refugees and a loyal workforce for employers.

Adjusting points and processing in the Federal Skilled Worker Program to facilitate and expedite the entry of people in demand occupations (such as trades) and of those with validated job offers will also broaden the pool of permanent workers.

Background

The Temporary Foreign Worker Program was intended to be a limited, controlled and selective program to meet specific labour market needs. The original emphasis was on skilled workers in short supply for temporary jobs in highly skilled industries and two other sectors (live-in caregivers and agricultural workers).

Increasingly, however, the program is being used by employers to fill low and unskilled jobs quickly with people who do not have the minimum points required by the Federal Skilled Worker Program point system. This trend began in 2002 with the launch of the *Pilot Project for Occupations Requiring Lower Levels of Formal Training (National Occupation Classification C and D)*, also known as the "Low Skill Pilot Project". This pilot project allows employers to recruit for positions that usually require only a high school diploma or on-the-job training.

<i>*Temporary residents present on December 1st by yearly sub-status, CIC Facts and Figures</i>	2002	2006	2009
Temporary Foreign Workers	101,174	161,046	282,194
Seasonal Agricultural Worker Program	18,588	21,257	23,437
Live-in-caregiver program	11,997	24,392	38,608
Low-Skill pilot program	1,580	4,957	38,255
Other Temporary Workers	69,009	110,440	181,894

Generally, an employer must make a request to Human Resources and Skills Development Canada (Service Canada) for a labour market opinion that ensures, among other things, that the employer has made an attempt to hire Canadians or permanent residents, that the foreign worker will be paid the prevailing wage rate, and that the recruitment of a foreign worker does not affect a labour dispute. To obtain a labour market opinion, an employer must assume specific responsibilities depending on the occupational group. These include posting the opportunity in the national Job Bank and meeting other advertising requirements. Advertisements must clearly show the job duties, position requirements, wages and working conditions. While employers must offer the prevailing average wage for the position, they are not required to increase the wage they are offering, or to improve working conditions, to attract domestic applicants.

Effective April 2011, [regulatory changes](#) have come into effect that will enhance the scrutiny on the job offer and apply a two-year prohibition on employers who fail to meet their commitment to workers. The impact of these changes will need to be monitored closely. In the absence of increased proactive enforcement on the part of government employment standard officers, the detection of non-compliant employers is dependent on employee complaints. Temporary foreign workers are not likely to complain if the result is loss of employment, or loss of the work permit that allows them to support their families in their home countries. In addition, the regulatory change will limit the length of time that a temporary foreign worker can stay in Canada. After four years, the worker must live outside of the country for four years before being granted another temporary work permit. While this is intended to prevent people from living in Canada with temporary status over long periods of time, it may in fact encourage some temporary workers to remain in the country without legal status.

Discussion

Please visit www.maytree.com/adjustingthebalance or email policy@maytree.com to provide comments.

1. Will the proposed expansion of the family and refugee programs help to meet employer needs for workers in low skilled occupations? How can it be designed to encourage immigrants to smaller centers where many of the low-skilled jobs filled under the current program are found?

About the Discussion Paper Series

In July 2009, Naomi Alboim and Maytree released the paper, *Adjusting the Balance: Fixing Canada's Economic Immigration Policies*. It suggested that federal policy shifts had altered the landscape for economic immigration and that these shifts represented troubling trends that were unlikely to serve Canada well in the long term. For the paper, visit maytree.com/policy-papers/adjusting-the-balance-fixing-canadas-economic-immigration-policies.html.

Since the report was published, the shifts identified have continued. Provincial nominee programs continue to grow rapidly, temporary workers continue to arrive in record numbers, and international students are still perceived as ideal immigrants despite research that suggest skilled workers perform better in the long run. In addition, the federal government has continued to place occupational requirements on the Federal Skilled Worker Program which limit the government's ability to recruit skilled workers with the human capital necessary to adapt to changing labour market needs.

This discussion paper is part of a series that provides updates and commentary on recent immigration policy developments, evaluating recent changes which relate to the recommendations presented in *Adjusting the Balance*. For the entire discussion paper series, visit www.maytree.com/adjustingthebalance.