



Maytree Policy in Focus

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Abolish the Low-skilled Temporary Foreign Worker Program

- For the first time in its history, in 2007 and 2008 Canada welcomed more temporary than permanent residents.
- The number of temporary foreign workers entering Canada has gone up 71.2% between 2004 and 2008.
- Most of the growth in the Temporary Foreign Worker Program is the result of the Low Skill Pilot Project.
- Temporary residents do not have access to the same supports and services as permanent residents.
- Low-skilled temporary workers cannot apply for permanent residence through the federal immigration system.
- Experience in other countries has demonstrated that similar temporary "guest worker" programs have resulted in the creation of an undocumented underclass.
- The federal government should refocus its policies to ensure the Skilled Worker Program remains the focus of permanent economic immigration to Canada.

Featured Research
SUMMARY

**Adjusting
the
Balance:
Fixing
Canada's
Economic
Immigration
Policies**

*by Naomi
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This report presents data that suggests the Temporary Foreign Worker Program, the Provincial Nominee Programs, and the Canadian Experience Class are growing at the expense of the Federal Skilled Worker Program. It suggests that this could have negative long-term consequences on our economy and society. The report recommends that the federal government articulate a national vision for economic immigration through public dialogue and debate.

The paper also makes a number of specific recommendations for the Temporary Foreign Worker Program including:

1. Eliminate the Low Skill Pilot Project for temporary foreign workers.
2. Monitor and enforce recruitment and working conditions of temporary foreign workers.
3. Strengthen the "labour market opinion" process.

Canada's Immigration Policies Are Moving in the Wrong Direction

Each year Canada welcomes about 250,000 permanent residents who after three years in Canada can apply for Canadian citizenship. These newcomers become part of the fabric of Canadian society, and help to build our labour markets and population. Projections show that net immigration may become the only source of population growth by about 2030 and could account for virtually all net labour force growth by 2011.¹

Traditionally, the majority of permanent residents arrived through the Skilled Worker Class, which evaluates the principal applicant on a point system that gives high marks to those with good language skills, high levels of education and work experience. But there are four trends that are shifting our immigration program away from the federal skilled workers.

Restrictions on Federal Skilled Worker Applications

Research indicates that skilled worker principal applicants have the best long-term economic outcomes of all immigrants to Canada – yet these immigrants are being turned away. In 2008, the federal government limited skilled worker applications to 38 in-demand occupations, and to applicants with offers of pre-arranged employment. As a result, the proportion of permanent residents arriving through this program has dropped to 42% in 2008, from 50% in 2005.

Increase in Provincial Nominee Programs

Federal projections indicate that provincial nominees could completely overtake the Federal Skilled Worker Program within two years.

Provincial Nominee Programs allow provinces to select immigrants for permanent residence based on regional labour market needs. The number of people selected through these programs grew from less than 500 in 1999 to over 22,000 in 2008. These programs have been criticized by some provincial auditors and have never been evaluated. Each program has different criteria and processes, which have been developed in the absence of a national framework requiring any minimum standards. This is despite the fact that as permanent residents, they will have the right to move anywhere in Canada and can apply for citizenship after three years.

1. Statistics Canada. "The Canadian Immigrant Labour Market in 2006: First Results from Canada's Labour Force Survey." *The Daily*, Monday, September 10, 2007. Available at: <http://www.statcan.ca/Daily/English/070910/d070910a.htm>.

New Two-Step Immigration Program

In 2008 the federal government created the Canadian Experience Class. This new class of economic immigrants allows qualifying international students and highly skilled temporary workers to apply for permanent residence from within Canada. This policy makes good sense in terms of welcoming an excellent pool of immigrants.

However, along with the growth of the Temporary Foreign Worker Program, this program could squeeze out the Skilled Worker Class. A two-step process reduces Canada's competitive edge for attracting immigrants and delays services, supports, and access to citizenship that improve their prospects for successful integration to Canadian life. It also devolves the responsibility for the selection and initial settlement of Canada's future citizens to employers and post-secondary institutions, which may not be prepared to – or may not wish to – play this nation-building role.

Increase in Low-Skilled Temporary Workers

In 2002, the government introduced the *Pilot Project for Occupations Requiring Lower Levels of Formal Training*. It allows employers to recruit workers for jobs that require only a high school diploma or on-the-job training. These workers are vulnerable to abuse by employers because of language barriers, lack of knowledge about their rights, limited access to agencies that can help them (especially when they are working in remote parts of Canada), and inadequate enforcement of employment legislation. They are also under pressure to “stick it out” no matter how bad the working conditions because their continued legal presence in Canada is dependent on their employment status, and their families back home rely on the remittances sent to them.

Thousands have been recruited through this pilot, but they cannot apply for permanent residence through the federal immigration system. Experience in other countries has demonstrated that similar “temporary guest worker” programs do not work – workers will stay in the country undocumented if necessary, rather than return to their home countries.

ADJUSTING THE BALANCE: FIXING CANADA'S ECONOMIC IMMIGRATION POLICIES

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This report makes 15 recommendations which are intended to adjust the balance of immigration in favour of permanent skilled worker applicants in the economic stream. Three recommendations focusing on the Temporary Foreign Worker Program are highlighted here.

Recommendation #1: Eliminate the Low Skill Pilot Project for temporary foreign workers.

To increase the pool of workers to fill low-skilled jobs on an ongoing basis, Citizenship and Immigration Canada should increase family class and refugee admissions. Increasing points in the Federal Skilled Worker Program for in-demand occupations particularly in the trades will also broaden the pool of workers.

Those who arrived under the Pilot should be granted permanent residency on a one-time-only basis to avoid the creation of an underclass of undocumented workers.

For the first time in its history, in 2007 Canada welcomed more temporary than permanent residents. Temporary residents do not have access to the same supports and services as permanent residents.

Recommendation #2: Monitor recruitment and enforce working conditions of temporary foreign workers.

While workplace safety and employment standards come under provincial jurisdiction, temporary foreign workers are a federal responsibility. The federal government should therefore provide leadership and support to provinces to help them monitor and enforce the working conditions of temporary foreign workers (including live-in caregivers and seasonal agricultural workers) and to regulate recruitment agencies.

Recommendation #3: Strengthen the “labour market opinion” process.

Before recruiting temporary foreign workers, employers must generally obtain a positive labour market opinion from Human Resources and Skills Development Canada to ensure that the recruitment is warranted. A strong labour market opinion process is essential to protect unemployed and underemployed Canadians and permanent residents. It also ensures that temporary workers do not jump the queue of applicants for permanent residence. The labour market opinion process should be strengthened in the following ways:

- Require employers to search a database of unemployed permanent residents and Canadians, as well as immigrant applicants overseas waiting for permanent residency.
- Provide positive labour market opinions only after the employer’s recruitment practices, training, wages and working conditions have been reviewed and determined not to be a barrier to employing unemployed or underemployed people already in Canada.
- Implement a monitoring system to follow up on employers who were issued positive labour market opinions to ensure the proper treatment of temporary workers and others in the workplace.

While there will always be the need for some highly skilled temporary workers to respond to short-term labour market demands, Canada's priority must be to select future citizens who can meet the nation's long-term economic and social objectives.

Research shows that economic immigrants are most successful when selected for attributes such as education and language that equip them to adapt to a changing economy. The point system should be revised to grant higher points for younger immigrants and trades people. Skilled workers should also be subjected to mandatory English or French language testing. In addition, the federal government should create a database with the resumes of overseas skilled immigrant applicants, which would be searchable by employers before the immigrants arrive in Canada.

The balance of current immigration policies must be adjusted to ensure that national and long-term goals predominate to maximize the benefits to Canada and its immigrants.

Recent Developments

Auditor General Confirms Mismanagement and Lack of Direction

On November 3, 2009, Canada's Auditor General, Sheila Fraser, released her Fall Report containing the chapter *Selecting Foreign Workers Under the Immigration Program*. She found that the priority list for skilled workers is not supported by processes and mechanisms to ensure that it remains up to date, and that the Provincial Nominee Programs have been expanded without formal evaluation. Fraser also expressed concerns about the integrity of the Temporary Foreign Worker Program and the capacity of the federal government to protect temporary foreign workers.

Proposed Regulatory Reforms Insufficient to Protect Workers and Economy

In October 2009, the federal government proposed regulatory changes to help ensure that people aren't recruited to temporary jobs that don't exist, to ensure that the job is truly "temporary" in nature, and to punish employers who have abused the program or their workers. These regulations include :

- A definition of "genuine" for job offers;
- A limit of four years for an individual who wishes to work in Canada (after which period the individual will be ineligible for a work visa for the next six years); and
- a two-year prohibition from hiring a temporary foreign worker for employers found to have provided significantly different wages, working conditions or occupations than promised. Offending employers would have their names posted on a federal government website.

A definition of "genuine" job offers is important, so is punishing bad employers. However, the regulation presumes incorrectly that vulnerable temporary workers will risk their continued employment in Canada by bringing their offending employers to the attention of authorities.

The four-year limit for temporary work will continue to victimize temporary workers without providing an avenue for them to obtain permanent residence, and will not prevent the creation of an undocumented underclass. In addition, it is not clear that this four-year limit will be enough of a disincentive for employers so that they will recruit, hire and train permanent workers instead of relying on an ever revolving group of temporary workers.



About Maytree Policy in Focus

Maytree Policy in Focus, a publication of Maytree, identifies and shares practical research to help inform policy- and decision-making.

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