

Temporary Foreign Workers

In 2010, 182,276 temporary foreign workers (TFWs) entered Canada, compared to just 110,861 in 2002. Combined with those TFWs still in Canada last year, there is reported to be close to 500,000 TFWs working in Canada today.

BC takes a disproportionately large share of the temporary workers, with just under 50,000 arriving in 2012 — or close to a quarter of the national total — even though BC only has about 13 percent of the population. In BC, there are currently more than 70,000 workers under the Temporary Foreign Worker Program.

The TFW Program was originally designed to attract skilled employees, agricultural workers and live-in caregivers to address temporary labour shortages. More recently, the program has shifted to providing a new supply of less-skilled workers for the food and beverage, construction, and retail industries.

“There was no evidence of any particular labour shortage in those occupations at the time,” said Jason Foster, an Athabasca University academic coordinator who has researched the program’s transformation. “It was simply a matter of trying to provide these employers with other labour supply options in terms of how to address their labour concerns.”

While economic theory would suggest that employers should increase wages to incent workers to enter the workforce or move to their worksite, the use of the TFW Program provides a ready supply of workers, such that employers are not required to adjust wages to meet the demands of the Canadian labour market.

Foster said Western Canada’s economic boom during the early 2000s did result in labour shortages in certain industries, such as construction, but the trend was not universal. When the global recession hit in 2008, the expected drop-off in temporary foreign workers never happened.

50,000 TFWs

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of Canada



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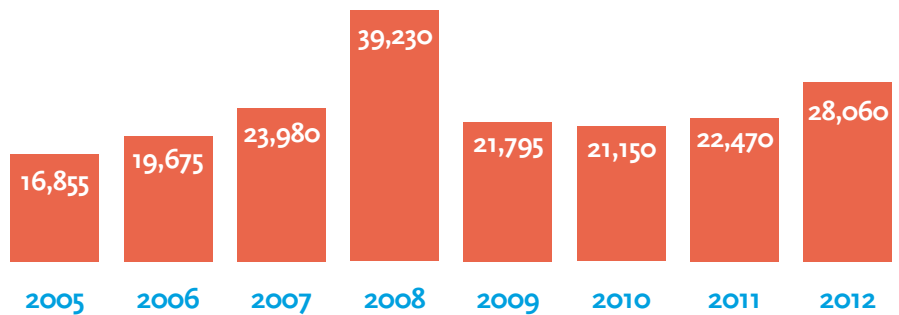
Sample of accelerated LMOs approved in BC in 2012

- Altamont Child Development Centre
- Acr'teryx Equipment Inc.
- Aritzia Clothing
- BC Guide Dog Services
- Burger King
- Casey's Neighbourhood Pub
- Chatters Hair Salon
- Hello Kids Childcare Centre
- Icebreaker Merion Clothing
- Lethbridge Liquor
- Lululemon Athletica
- Mac's Convenience Store
- Manzini Animal Hospital
- Maple Ridge Centre for Child Care
- Mountain Equipment Co-op
- Plenty of Fish Media
- Sandman Hotel and Suites
- Tim Horton's
- Public Sector**
- Interior Health Authority
- Providence Health Care
- Provincial Ministry of Labour and Citizen Services
- BC Children's Hospital
- School District #36 (Surrey)
- Vancouver Community College
- Vancouver Coastal Health Authority

Temporary Foreign Workers are beholden to the company they work for because their work permit—and thus their “right” to be in Canada—is employer-specific.

They do not have the right to switch jobs if they are treated poorly, or receive a better offer from another local employer. If they raise concerns about safety or working conditions, they are often sent home.

Approved Labour Market Opinions in BC



Myth: The TFW Program is being used as it was intended—to find employees for hard to fill positions primarily in high-skill and professional categories.

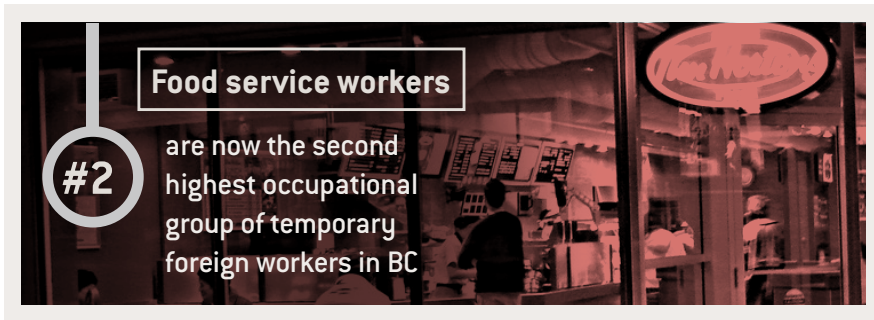
Fact: The TFW Program is presently being used by employers to bring in a supply of less-skilled, low-wage workers. This is not how the program was originally designed and is a departure from the statistics of the early years of the program. In its initial two years, an average of 6.2 percent of the approved Labour Market Opinions (LMOs) in BC were in the low-skill category.

Today, low-skill makes up 25 percent of the approved LMOs.

	2005	2006	2011	2012
Low Skill	285 / 2.9%	1,860 / 9.5%	5,805 / 25%	6,740 / 25%
High Skill	10,765 / 64%	11,330 / 58%	12,015 / 53%	14,295 / 51%

Myth: Companies are using TFWs to fill jobs that British Columbians don't want.

Fact: Of the 750 BC companies that received approval on accelerated labour market opinions (ALMOs) in 2012, many were in childcare centres, clothing stores, hair salons, hotels, and neighbourhood pubs. These are companies that would traditionally provide employment for young-workers and middle-class workers.



Myth: Temporary foreign workers are at the ends of the employment spectrum: mostly agricultural and domestic workers or high-skill tradespeople and professionals.

Fact: While “harvesting labourers” is the occupational group with the highest number of TFWs, the second is food service workers with close to 3,500 positions in BC, while truck drivers rank fourth at 1,140.

Top occupational groups with temporary foreign workers in BC, 2012		
Rank	Occupational Group	Number
1	Harvesting labourers	4,290
2	Food service: food counter attendants, kitchen helpers, cooks	3,410
3	Babysitters, nannies, parents' helpers	3,390
4	Truck drivers	1,140
5	Nursery and greenhouse workers	1,100
6	Actors and comedians	850

Myth: Temporary foreign workers are mostly in Northern BC or remote communities.

Fact: Half of BC's 28,060 approved LMO positions are in Vancouver.

Locations of employment of temporary foreign workers in BC, 2012		
Rank	Location of Employment	Number
1	Vancouver	14,010
2	Kelowna	1,550
3	Abbotsford	1,400
4	Victoria	990
5	Fort Nelson	745

Economics of TFWs

In his 2013 paper “Economic Implications of Recent Changes to the Temporary Foreign Worker Program,” Carleton University researcher Chris Worswick writes:

“When firms are unable to hire a particular type of worker at the market wage rate, it can be said that demand exceeds supply; this puts upward pressure on current wages. One could think of this as a situation where firms offer higher wages to induce workers to work for them as opposed to working for another employer. The other firms would also be expected to raise their wage offer.

This upward movement of the wage rate will tend to reduce labour demand for this type of worker, as some firms will want to hire fewer of these works at the now higher wage (and likely hire other types of workers or invest more in capital instead): it will also increase the labour supply as some of the workers in the economy with the skills needed may be willing to work at the now higher wage. Neoclassical theory predicts that this process should continue, with the wage rising until labour demand equals labour supply and the skill shortage no longer exists.”

A limited, tightly monitored Temporary Foreign Worker program can be of benefit in Canada if it is designed for work in an occupation or industry that is facing a short-term increase in demand.

Recommendations

WE ENDORSE

the CLC proposal to the federal government, and ask the BC government to do the same.

A system of support for temporary foreign workers in BC is needed.



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Recommendations to the Government of BC

- Advocate for the elimination of approval of LMOs in lower-skill categories until the program is reviewed with a goal to ending distortions in the labour market, namely depressing wages and eliminating the signal to young workers to train in growth industries and occupations.
- Establish a program of support system for TFWs, similar to Manitoba, which would include:
 - A registry of TFWs in BC;
 - Support and advice for TFWs in BC; and
 - Investigation of allegations of employer abuse of the TFW Program and TFW workers.
- We endorse the Canadian Labour Congress proposal to the Government of Canada and ask the BC Government to do the same.

Recommendations to the Government of Canada

- Allow migrant workers in all streams, the right to join a union;
- Broaden migrant workers' access to permanent residency status;
- Establish a transparent public registry and licensing system for employers, brokers and immigration consultants accessing the TFW Program;
- Require objective and transparent proof of shortages including evidence of hiring, training and retention of available members of the provincial workforce; and
- Require the posting of a significant financial bond which can be used to compensate migrant workers who suffer employment standard and contract violations.

The British Columbia Federation of Labour speaks for the over 500,000 members of our affiliated unions, from more than 1,100 locals, working in every aspect of the BC economy. The BCFED, as it is most commonly known, has a long and proud history of fighting for the rights of all working people. The goals of the BCFED are best exemplified by its slogan: *"What we desire for ourselves, we wish for all."*

www.bcfed.ca

