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TEMPORARY FOREIGN WORKERS IN BRITISH COLUMBIA

Canada has a long tradition of attracting immigrants to become permanent residents. Immigration built the country and is the foundation for much of the growth in the post WWII era. The context for international migration, however, is changing and being reshaped. The globalization of labour markets, instant access to information from around the world, greater connectivity and reduced transportation costs, and the expansion of trade have all made international migration a possibility for a larger share of the world's population than in the past. The result is a significant increase in the volume and types of movement between many jurisdictions. While permanent population movements still dominate migration patterns to advanced countries, there are now greater numbers of temporary movements for work and education-related reasons. While Canadian international migration policy remains focused on permanent settlement, the shifting global landscape, an aging domestic workforce, a large number of major projects in the pipeline, the growing need for highly specialized skills, and regional labour disparities all point to a greater role for temporary workers in B.C. in many sectors.

Temporary Foreign Workers: Some Background

Under the federal government's Temporary Foreign Worker (TFW) program, employers from all types of businesses can recruit foreign workers with a wide range of skills. Employers are able to hire eligible foreign workers on a temporary basis if they can demonstrate an inability to find suitable Canadians or permanent residents to fill the jobs, and that bringing the workers to Canada will not have a negative impact on the Canadian labour market.

There are a number of different avenues or categories for temporary foreign workers to come into the country. Most occupations require a labour market opinion (LMO) from federal officials. In this case employers help with the process by obtaining a LMO from Human Resources and Social Development Canada (HRSDC). The LMO confirms that a particular job cannot be filled or performed by a Canadian resident, and also that the employer can fill the job with a foreign worker.

Some occupations, however, do not require a LMO or may have work permits approved more quickly. The main exceptions for "standard" LMOs are information technology workers, live-in caregivers and business people.



Trade agreements to which Canada is a party also supersede immigration policies, so that under Chapter 16 of NAFTA, certain citizens of the United States and Mexico can gain quicker, easier temporary entry into Canada to conduct business or undertake investment activities. Business people covered by NAFTA do not need a labour market opinion. NAFTA applies to four specific categories of business people: business visitors, professionals, intra-company transferees, and traders and investors.

Business visitor is a separate category with separate requirements. Business visitors do not require a work permit. A professional must: be qualified to work in one of the more than 60 professions listed in Chapter 16 of NAFTA (some examples are: accountant, computer systems analyst, engineer, management consultant and technical publications writer) and have pre-arranged employment with a Canadian enterprise.

An intra-company transferee must: have worked continuously for at least one year in the preceding three years for the same or affiliated employer in the United States or Mexico, be transferred to Canada to work temporarily for the same or an affiliated employer, and work in a capacity that is managerial, executive or that involves specialized knowledge.

A trader or an investor must be seeking to carry out substantial trade in goods or services, mainly between Canada and his/her country of citizenship, or conduct substantial investment activities in Canada, in a supervisory or an executive capacity, or in a capacity that involves essential skills.

The Temporary Foreign Worker Program is managed jointly by Citizenship and Immigration Canada (CIC) and Human Resources and Skills Development Canada. Under the Constitution, the federal and provincial governments have concurrent jurisdiction over immigration matters. The shared responsibility has fostered a long tradition of cooperation between the federal and provincial governments. As recently as 2010, the BC government and the federal government signed the Canada-British Columbia Immigration Agreement. Its stated purpose is “to further strengthen the long-term partnership between Canada and British Columbia with respect to immigration. It defines the respective roles and responsibilities of Canada and British Columbia relating to Immigrants, Temporary Residents and sponsors...” The Agreement includes a series of Annexes to further define the provincial roles and responsibilities in applicable policy/program areas. Given the growth in demand for TFWs in British Columbia since 2002, the Annex on TFWs identifies areas of cooperation between Canada and British Columbia and includes four key pilot projects:

- eliminate the need for employers to apply to HRSDC for a LMO in occupations that have experienced prolonged labour shortages and require workers on an ongoing basis;
- allow employers to submit a LMO whereby a foreign worker can be employed by more than one employer, within the same occupation, while satisfying the requirements of HRSDC and CIC;



- allow a foreign worker to complete the provisional licensing requirements while working and gaining experience in British Columbia;
- expand eligibility for open work permits to eligible spouses and working-aged dependents (aged 18-22) of TFWs.

In 2007, the time that low-skilled workers are permitted to stay in Canada was extended from one to two years. Recent changes also provide for a maximum cumulative allowable duration of four years in which a temporary foreign worker can work in Canada. After this a foreign worker is not be eligible to work in Canada for four years. The live in caregiver program is also extended from one year to 3.25 years.

Employers utilizing the program should note that there is a significant amount of scope for longer periods of employment. Among other things, the four-year cumulative duration does not apply to TFWs entering under any of the following occupations or categories:

- temporary workers in managerial or professional occupations;
- TFWs who have applied for permanent residence and have received a Provincial Nominee Program certificate, an approval in principle letter for the Live-in Caregiver Class, or a positive selection decision under the Federal Canadian Experience Class or Canadian Experience Class;
- TFWs who are employed under an international agreements such as NAFTA or the Seasonal Agriculture Program;
- TFWs who are exempt from the Labour Market Opinion process;
- entrepreneurs, intra-company transferees, researchers and academics.

Recent History

The data confirms that there has already been a shift in federal immigration policy. While Canadian immigration policy is still tilted towards attracting permanent residents, the number of temporary workers admitted into the country has climbed sharply in recent years. For many years annual entries of TFWs hovered around 100,000. In 2004 the numbers started to rise, and by 2009 the number of temporary workers entering Canada each year had almost doubled. The impact of extending permits to two years is also evident in the number of foreign workers present on December 1 of each year. When the maximum stay was one year, the stock of temporary workers was generally below the number of workers permitted each year (reflecting the fact that some temporary workers did not stay a full year). With the extension to two years for some lower skill categories, the stock of temporary workers has expanded so that there are now 100,000 more TFWs residing in Canada than are permitted to enter each year.

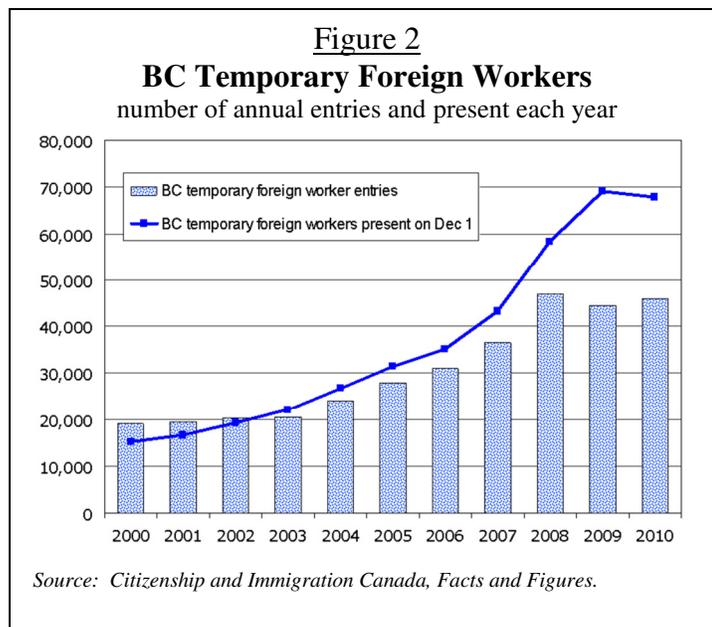
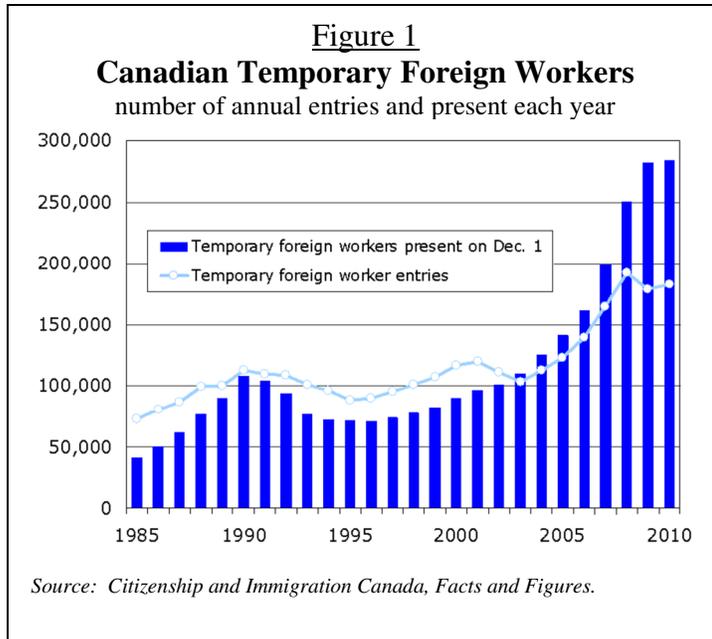


Not surprisingly, the number of temporary workers in BC has also risen. Back in 2002 about 20,000 temporary workers came to BC each year. This number has increased steadily to around 45,000 annually and, with the extension of permits, the stock of foreign workers in BC now sits at around 70,000. The number of TFWs in the province has jumped by 250% since 2002; in comparison, the stock of temporary workers for all of Canada increased by 180% over the same period. In response to stronger employer demand, and reflecting the agreements reached with the federal government, BC's share of temporary workers coming to Canada has grown from 16% to 25% over the past decade.

A Diverse Group

The skill level and settlement patterns of TFWs are diverse. Reflecting the targeted nature of the program, a range of skilled workers is admitted on a temporary basis. As shown in the accompanying table, 4.6% of all TFWs living in BC in 2008 were admitted to fill Managerial occupations. Another 11.5% were Professionals. Skilled and Technical workers accounted for 12% of TFWs. Various lower skilled occupations in the Intermediate and Clerical and Elemental and Labours categories accounted for 22% and 4.6% respectively.

Within the Professionals group, there were 652 registered nurses temporarily in BC in 2008, making them the top occupation in that category, followed closely by university professors (622). In the Skilled and Technical Category, cooks were the leading





occupation (1,067). And in the Skill Level C group there were 8,052 baby sitters and nannies, making this the largest stated occupation in any skill category.

Skill Level	number	share (%)
Level 0 – Managerial	2,702	4.6
Level A – Professionals	6,703	11.5
Level B – Skilled & Technical	7,241	12.4
Level C – Intermediate & Clerical	13,279	22.8
Level D – Elemental & Labours	2,686	4.6
Level not stated	25,481	43.7
Total*	58,307	100

Source: BC Ministry of Advanced Education and Labour Market Development, Labour Market and Immigration Division, Fact Sheet January 2010
* includes another 215 TFWs counted in a separate category

The settlement location of TFWs is also fairly widespread. With more than half of BC’s workforce located in the Greater Vancouver area, it is not surprising that more than half of all TFWs are residing there as well. Still, a total of 27,129 or 40% of all TFWs in 2008, were living in areas outside of the province’s main urban centres. This is a significant share that suggests TFWs are helping to address regional labour shortages. In contrast, permanent immigrants overwhelmingly settle in the Greater Vancouver region. In recent years about 85% of all permanent immigrants have chosen to reside in Metro Vancouver. Another 7% live in Abbotsford and Victoria, meaning that very few end up settling in smaller rural areas where labour shortages are expected to be the most intense in the future.

Area	number	share (%)
Abbotsford	465	0.7
Kelowna	1,053	1.6
Vancouver	38,505	56.8
Victoria	603	0.9
Rest of BC	27,129	40
Total	67,755	100

Source: Citizenship and Immigration Canada Facts and Figures 2010.

Concluding Thoughts

It may seem somewhat unusual to be discussing temporary foreign workers at a time when the unemployment rate is still elevated and the job market, according to some indicators, is still quite soft. But notwithstanding the existence of some overall labour market slack, we are already seeing indications that some regional labour markets are tight and certain occupations are in high demand. The downturn in the labour market is also one of the reasons why engaging temporary foreign workers can be an effective way to meet labour market requirements. The program is driven by employer demand, and is designed to fill identified labour shortages where no suitable Canadian workers or permanent residents are



available (or prepared to do the work available). When there is excessive demand during a boom period, or if an employer requires a particular skill set in short supply in the local market, workers flow into the province. They are permitted on a temporary basis, and as the data show, when conditions change fewer foreign workers are allowed in and a proportion of the existing stock of TFWs return home.

Another benefit of the temporary worker program is it can be a path to permanent immigration. Workers can come to Canada to help meet the country's labour market needs while becoming familiar with the culture and working and living environment, before making a potentially costly decision to move here permanently.

Looking ahead, labour market projections examined by the Business Council indicate that regional labour shortages will intensify over time. It is also clear that managers, health care workers (including nurses), trades people, and engineers, among other occupations, will be in short supply in the coming years. Given the flexibility of the TFW program, including BC's capacity to shape and influence it, stepped-up use of temporary foreign workers will be one element, and perhaps an increasingly important one, of a broader strategy to address future labour and skill shortages in British Columbia.

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