TEMPORARY MIGRATION AND LABOUR MARKET RESPONSIVENESS IN THE PRAIRIE PROVINCES

ABSTRACT

This article provides an overview of the role of temporary migration as a component of the broader labour market in the Prairie Provinces. It also looks at the links between temporary and permanent migration in the context of today's Western economy and labour market.

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Canada's labour market has been evolving, but in recent years the pace of change has accelerated. In recent history, Canada's labour market challenge had always been how to employ Canada's surplus of workers entering the labour market each year. This was driven largely by a number of factors:

- The large number of servicepersons returning to the labour force at the end of World War II;
- The huge increase in the labour force participation rate of women in Canada, which increased from 23.4% in 1953 to 57.5% in 1993 (Basset 1994);
- The Baby Boom;
- High levels of immigration.

Throughout the post-war period all of these factors led to high levels of unemployment. Therefore the domestic labour market was able to meet all but certain specialized needs, and those could be met by immigration. Furthermore, in the pre-air travel days, temporary migration was almost non-existent.

Even prior to the introduction of the Temporary Foreign Workers Program (TFWP), the points system was a policy response to a time when government struggled with a surplus of labour in Canada. To be admitted, permanent residents other than family members needed an occupation in high demand or an approved job offer, or both. In the words of the 1966 *White Paper*, "If those entering the work force, whether native-born or immigrants, do not have the ability and training to do the kinds of jobs available, they will be burdens rather than assets…[and]…the need for unskilled workers is declining." (Minister of Manpower and Immigration 1966: 8) The *White Paper* went on to opine that the "national effort to improve the employability and the productivity of the work force should not be offset by immigration policy, as it would be if a large proportion of immigrants were unskilled." (*Ibid*: 9)

The current TWFP came into effect with the introduction of Employment Visa regulations on January 1, 1973, and was designed to be an exceptional response to unique needs. As the *Green Paper* of 1974 noted, the regulations were to "protect the Canadian labour force against the unwarranted use of foreign labour." (Minister of Manpower and Immigration 1974b: 186). Unemployment rates in the 1970s were considered to be high compared to the 1940s and 1950s (Gower 1992). Therefore, Temporary Foreign Workers (TFWs) could only come to Canada if they were filling a high-skilled position and if the prospective employer had established that *no* Canadian residents were able and willing to do the job (*Ibid.*)

The bar was high because politicians and policy-makers wanted it that way – at least in most cases. There were, however, early on, some exceptions:

- On a reciprocal basis – the Student Working Holiday Programs;
- The Seasonal Agricultural Workers Programs (Caribbean, 1966, and Mexico, 1974);
- The Live-in Caregivers Program (1981).

However, beginning in the late 1990s and accelerating into the first years of this decade, there has been a huge change in the Canadian labour market (Statistics Canada 2008):

- Baby boomers are starting to retire;
- Until 2009, the Canadian economy had been booming (especially in the West);
- Canadians are increasingly better educated and unwilling to take low-skill jobs;
- Immigrants are also increasingly better educated and, therefore, less likely to take low-skill jobs.

Migration and the Prairies labour market

Today, we need to look at the labour market as a whole before focusing on temporary migration. In the three Prairie Provinces, as of February 2009, despite the onset of a recession, national employment rates are the highest in Canada, ranging from 66.6% in Manitoba to 71.6% in Alberta, and unemployment is the lowest in the country – at 4.3% in Manitoba and 4.2% in both Saskatchewan and Alberta (Statistics Canada 2008). While most forecasters see an increase in unemployment in 2009, it is expected that while the national unemployment rate will rise to about 8%, the rates for the Prairie Provinces will remain well below that figure, somewhere in the range of 4.8% to 5.8% (Statistics Canada 2009).

In 2006, the robust Alberta economy had a net gain of 63,000 interprovincial migrants; almost 21,000 immigrants arrived and over 22,000 TFWs were in the province – some 100,000 people on a population of 3.2 million. With natural growth, this represented a growth rate of almost 3% per year and skilled jobs still go wanting in Alberta (Alberta 2007). When the economy recovers, this level of demand for skilled workers will likely resume.

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Overall, in the last decade, while immigration to the Prairie Provinces has more than doubled from less than16,000 in 1998 to over 40,000 in 2008, the number of TFWs has more than quadrupled from about 11,000 in 1998 to over 67,000 in 2008, with 85% of the total in Alberta (CIC 2008c, 2008d, 2009b, 2009c). While these numbers will likely fall in 2009, TFWs will continue to play an important part of the Prairie labour force.

Government responsiveness to the Prairies labour market

In a Prairies labour market of over 3,300,000, immigrants and TFWs will never be an answer to all the requirements. Retraining Canadians, developing the job skills of Aboriginal youth and encouraging older workers to stay in or return to the labour market must all be pursued. However, policy-makers have been slow to abandon the "we're here to protect jobs for Canadians" mentality and even slower to modify policies designed to keep foreign workers out of the Canadian labour market. While the regulations pursuant to the *Immigration and Refugee Protection Act* (IRPA), approved by Parliament in 2001 and implemented in 2002, changed the test administered by Service Canada to issue Labour Market Opinions (LMOs) that approve the hiring of foreign workers from the "no Canadians to do the job" to the "employment is likely to result in a neutral or positive effect on the labour market in Canada" test (*Immigration and Refugee Protection Regulations* 2002), Service Canada procedures remain, for the most part, the same.

So what happened on the ground? Local pressures started arising in the 1990s; in particular, shortages of nurses in Manitoba resulted in a large-scale TFW movement. This was handled exceptionally but was justified as nurses were skilled workers.

Ironically, the first challenge to the ban on low-skill TFWs was created as a result of the growing shortage of sewing machine operators (SMOs) in the Winnipeg apparel industry. This industry was booming as a result of the Canada-U.S. Free Trade Agreement but was destined – in a few short years, as a result of the Uruguay Round of Negotiations of the World Trade Organization (WTO) and China's accession to the WTO – to transform itself by off-shoring the manufacturing and focusing on high-skilled jobs related to design, product development, supply chain management and marketing. But in 1994-1995, the industry needed sewing machine operators and was not about to accept "No" for an answer when TFWs from the Philippines were ready and willing to meet their needs.

The apparel industry in Winnipeg mobilized its political clout and gained the support of the Manitoba government which, in turn, lobbied the federal government: the Sewing Machine Operator Pilot project was born. As often has been and is the case, government responded with a pilot. It was born among misgivings but its success encouraged Manitoba and other provinces in pressing for regional tools to meet local labour market needs. The Provincial Nominee Program (PNP) was the result. This program allows provinces and territories to "nominate individuals for an immigration visa on the grounds that they meet economic needs of the province." (CIC 2004). The connection between the PNP and TFWs is very important. Many provincial nominees start off in Canada as TFWs and others approved as provincial nominees overseas are allowed entry as TFWs while their PNP application is being processed.

The experience of the apparel industry in Winnipeg was noted by other industries. This was particularly the case with companies undertaking large oil sands projects and in the meat packing industry. Human Resources and Skills Development Canada was under pressure to respond and allow low-skilled workers to come forward as TFWs.

Again the response was a pilot – the low-skill pilot, now redesignated the "Pilot Project for Occupations Requiring Lower Levels of Formal Training (NOC C and D). In 2002, the pilot was introduced and was restricted to one-year work permits; at the end of the period, workers had to leave the country for four months before re-applying for a Canadian work permit. In February 2007, the period was increased to two years; however, workers must still leave Canada for four months at the end of work permit (CIC 2007).

The requirement to leave Canada is a policy response to the repugnance towards guest worker programs. This repugnance is a long-standing element of Canadian immigration policy, succinctly and eloquently enunciated in the 1974 *Green Paper*:

> It is the Government's firm intention to see to it that policy with respect to the admission of non-immigrants for employment remains in harmony with Canada's manpower strategy and national social objectives. There are sobering lessons in this field to be drawn from the experience of others. In the post-war period western European countries have resorted on a giant scale to the importation of "guest workers."…The majority fill jobs that citizens of these nations regard as "undesirable," and their working and living conditions are frequently substandard. Having often left their families at home, and alienated from the communities whose prosperity they serve, these workers are enmeshed in a system that exacts a heavy toll of social distress and antagonism. The arguments are compelling for Canadian policy scrupulously avoiding any step that might lead to comparable difficulties here (Minister of Manpower and Immigration 1974a).

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Yet TFWs have a place in the economy. In 2004, Canada and Alberta agreed that TFWs destined for the oil sands projects ought to receive priority processing. Major meat packers in the West, such as Lakeside Packers in Brooks, Alberta and Maple Leaf Foods in Brandon, Manitoba, rely extensively on TFWs and immigrants (Annis and Yeager Boave 2008). Similarly, the hospitality and retail industry in Alberta has come to rely on TFWs to fill their needs, as workers are attracted to well-paying jobs in the petroleum industry. Even in the Northwest Territories, diamond cutters and polishers from Armenia and other countries have been brought in as TFWs to meet the labour market demand. Furthermore, if the Mackenzie River pipeline goes ahead, this will create another major demand source for TFWs in Canada's North.

In this context, provincial governments are expecting more from the federal government. The federal government has responded in part by establishing joint federal-provincial Temporary Foreign Worker Working Groups, consisting of representatives of Citizenship and Immigration Canada, Service Canada and the responsible provincial ministry. On the Prairies, the first was created in Alberta in 2006, followed by Manitoba in 2007 and Saskatchewan in 2008.

In addition, Service Canada has implemented "Regional Occupations under Pressure" lists to reduce the time employers need to recruit and hire TFWs. Employers wishing to recruit TFWs for occupations found on a Regional Occupations under Pressure list need only conduct minimum advertising efforts rather than the more comprehensive recruitment efforts usually required under the Temporary Foreign Worker Program (TFWP). However, employers will still need to satisfy all other TFWP requirements. On the Prairies, there are such lists for Alberta and Manitoba (HRSDC 2008a).

As pressure mounts, the federal government is seeking ways to respond. Recently, the government permitted foreign students to work in off-campus jobs, and foreign post-secondary students are now allowed to work for three years after graduation (CIC 2008c). Finally, the Canadian Experience Class (CEC), implemented in 2008, now allows TFWs who have been in Canada legally and have acquired two years of work experience and foreign graduates who have worked for at least a year after graduation in an area related to his/her studies to apply for permanent residency from within Canada (CIC 2008a). However, the Canadian Experience Class is limited to high skills (NOC 0, A and B) (HRSDC 2008b).

At this point, the only way for a low-skill foreign worker to apply for permanent residence is via a provincial nominee program. And many provinces are not keen on being the only "relief valve." Nonetheless, they are responding to the demand. For example, in Manitoba, a TFW with an ongoing job offer can apply for the Manitoba PNP after six months in Manitoba (Manitoba Department of Labour and Immigration n.d.).

The future role of temporary migration in the labour market

So what's next? The federal government has offered the provinces the possibility of adding a TFW annex to their federal-provincial agreements. Such an annex would formalize the provinces' role in approaches to the recruitment of TFWs and may well allow provinces to determine categories of TFWs who would be exempt from labour market opinions. The Canada-Alberta Immigration Agreement includes a TFW annex (added in 2009) and we can expect this to be of interest to Manitoba and Saskatchewan as well (Agreement for Canada-Alberta Cooperation on Immigration 2007).

However, the Low Skill Pilot Project is about to pose challenges. It was in early 2007 that the first two-year work

permits were issued, so the first participants will see their work permits expire in early 2009. Some will want to leave but some will go underground. Some employers will not want to lose their investment in productive workers and will apply pressure to keep these workers. Specifically, they will pressure the provinces to accept the temporary workers as provincial nominees, and the federal government to change its procedures in order to allow lower-skilled workers to apply under the CEC.

In addition, the increasing number of TFWs in Canada is a challenge to Canada's longstanding position that those we allow to come to Canada will be allowed to stay, become permanent residents and, in time, citizens, if they so choose. The Low Skill Pilot Project challenges this model. The reality is that while employers seek workers, when government responds, either through temporary or permanent immigration, what Canada gets is human beings and their families.

Also, there is concern that workers in low-skilled occupations are most vulnerable to abuse by unscrupulous employers. There is no question that compliance resources are needed at the provincial and federal levels to ensure that working and wage conditions are respected. Furthermore, there is concern that low-skill workers are most vulnerable to economic downturns and, therefore, should not be permitted to become permanent residents and, possibly, future public charges. But is this part of the old paradigm?

If low-skilled jobs are going unfilled in huge numbers and demographic trends suggest that this will only get worse, is the low-skilled worker actually becoming a rather secure part of the Canadian labour market? Are we also perhaps perpetuating a premise that low-skilled workers always remain low-skilled? Experience has shown that, once in Canada, many low-skilled workers take steps to upgrade their skills or learn new ones.

Returning to the Sewing Machine Operator pilot in Winnipeg, the apparel industry that employed some 8,000 workers as recently as 1999 (Manitoba Department of Intergovernmental Affairs 1999) now employs a little more than half that number (Marshall, Guèvremont and Pronovost 2007, Statistics Canada 2008).[1] Employment in the clothing industry in Canada peaked in 2001 and has fallen dramatically since then for the reasons noted earlier. Except in specialty niches, such as extremely high quality fashions and military uniforms, most production has been moved off-shore (Wyman 2005).

So where are the SMOs? Some were in their late 30s and 40s when they arrived in Canada and are now happy to retire. Others, however, have acquired new skills and moved on. Some have stayed in the sewing business but moved to furniture manufacturing, sewing upholstery in another industry, which is very important to the Manitoba economy. They are *not* unemployed or on welfare. The worries that they would become a burden on social services never materialized.

Similarly live-in caregivers – also low-skilled TFWs who have the ability to transition to permanent resident status – have by a large margin established successfully.

The Canadian Experience Class is the natural extension for skilled temporary foreign workers wishing to make a seamless transition to permanent residence. It has been welcomed by TFWs and by foreign students who qualify, by the employers who hire them and, in the West, by the provinces and territories who appreciate that, in the long term, there will again be a desperate need for workers.

Policy and research challenges

So in the face of the experience of Winnipeg's SMOs and of live-in caregivers across the country, there appears to be a need for more research and analysis to inform policy-makers, prior to their coming to a viable policy response, as to the question of what to do with our so-called low-skilled temporary foreign workers.

And, what of the low-skilled TFWs whose work permits are about to expire? Not all will want to stay. Many of the oils sands workers are part of an international labour force that moves from one high-paying mega-project to another and have no intention of staying.

But what about those low-skilled workers who want to stay? Before we pronounce a categorical "No way," we need to objectively examine whether or not our fear that they are too vulnerable to stay permanently and settle successfully is, or is not, well-founded, and make sound policy decisions on the basis of this analysis.

The current economic "crisis" may well provide policy-makers with the empirical evidence required to make these important decisions.

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Note

[1] Nationally, the number of sewing machine operators declined by 32.7% to a total of 37,800 nationally from 2001 to 2006.

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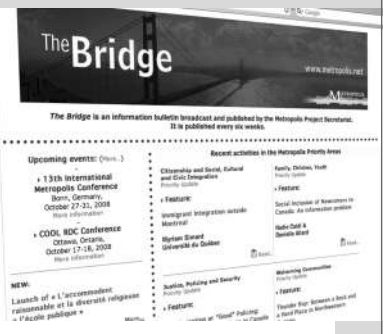

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