TEMPORARY FOREIGN WORKERS: AN INTRODUCTION

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The movement into Canada of the foreign-born has been a defining feature of our history. The vast majority of the people involved in this movement have been individuals admitted into Canada with permission to reside here permanently. However, the movement of temporary foreign workers into Canada has existed throughout Canada's history to varying degrees and has grown in importance over the past ten years. Support for immigration has remained high among the Canadian population even when faced with a labour market that has seen a decline across birth cohorts in the earnings of the Canadian-born (Beaudry and Green 2000) and an even larger decline in the earnings of immigrants across recent arrival cohorts (Green and Worswick 2004). Within this broader context of weak labour markets and weak immigrant labour market performance, it is important to evaluate the goals and effectiveness of temporary foreign worker programs (TFWPs) in Canada as well as to gain an understanding of the interactions between the TFWPs and the broader immigration programs. The articles contained in this issue make a number of important contributions to our understanding in this area and raise important questions that need to be considered as public policy towards temporary foreign workers evolves.

Canadian immigration policy has undergone a great deal of innovation in an attempt to improve upon the relatively poor economic outcomes experienced by recent immigrants. These include: 1) increasing the share of immigrants entering under the points system; 2) re-weighting the allocation of points by personal characteristics; 3) the introduction of the Quebec immigrant selection system and the Provincial Nominee Programs (PNPs); and 4) the introduction of the Canadian Experience Class (CEC). While these programs have been introduced for a number of different reasons, they all have a shared goal of improving the labour market outcomes for new (im)migrants in Canada. Coinciding with these extensive policy changes has been the rapid expansion of the movement of the foreign-born into Canada on a temporary basis.

> The following excerpt is taken from the Citizenship and Immigration Canada Website:
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> The federal government's Temporary Foreign Worker Program allows eligible foreign workers to work in Canada for an authorized period of time if employers can demonstrate that they are unable to find suitable Canadians/permanent residents to fill the jobs and that the entry of these workers will not have a negative impact on the Canadian labour market. Employers from all types of businesses can recruit foreign workers with a wide range of skills to meet temporary labour shortages (CIC 2009).

It is clear that the federal government's TFWP is focused on addressing skills shortages in order to facilitate the operation of businesses that would be profitable if resident workers could be hired at the going market wage rate.[1] However, this raises the question of why these labour shortages should exist and especially why they should persist. Within the neoclassical economic framework, when labour demand exceeds labour supply, the wage rate should rise until demand has contracted and supply has increased, leaving them equal. This point is raised by Dominique Gross in her article (see also the article by Karl Flecker). However, it may be the case that the wage would need to rise substantially in order for supply to equal demand, meaning that the commercial enterprise would no longer be viable and no employment would take place in the absence of temporary foreign workers. This is the main economic motivation for a TFWP. However, as Martin points out in his survey of the international experience with TFWPs, the availability of temporary foreign workers will remove the need for the wage to rise and, therefore, may create a situation in which the firms employing temporary foreign workers may grow to be dependent on this supply of foreign labour. The right balance needs to be struck between allowing temporary foreign workers into Canada in order to allow businesses to be viable, while avoiding the existence of a foreign labour supply that would prevent wage rates from naturally rising as demand grows or by allowing companies to become dependent on the relatively cheap source of labour available through the TFWPs.

Clearly, research is needed that attempts to quantify the impact of temporary foreign worker programs on the Canadian economy. Karla Nievas makes an important contribution to this literature. She carries out an investigation of this issue for the case of Canada's Seasonal Agricultural Worker's Program (CSAWP) and the Canadian agricultural industry using methods taken from the literature on the impact of immigration

on the native-born population. Using data from a number of sources, the presence of temporary foreign workers was not found to have any clear effect (either positive or negative) on either local wages or on the quantity of land harvested.

Sweetman and Warman present a review of the different TFWPs in Canada over the past 25 years and evaluate many aspects of these programs from an economic perspective. They argue that the total number of temporary foreign workers in Canada is likely higher than those reported in the official statistics due to the fact that temporary migrants coming into Canada under NAFTA visas are not always documented and included in the official statistics. They cite research indicating that the earnings of temporary foreign workers in Canada are high in relation to those of recent immigrants.

However, the findings of strong average earnings of temporary foreign workers may mask relatively poor outcomes for particular groups of workers. For example, less skilled foreign workers may receive low wages and experience poor work conditions. A number of authors have raised the issue of the restrictive nature of the employment relationship that temporary foreign workers face after arrival in Canada. Delphine Nakache points out that temporary foreign workers cannot work for a new employer without having a new visa issued, which is a risky process that can take time and is in no way guaranteed. This reduces the competitive nature of the labour market for the temporary foreign worker. Unlike a citizen or permanent resident who can accept the best job offer available, a temporary foreign worker is restricted to a single employer. In this context, it would not be surprising to see employers either attempting to reduce the wage being paid to the temporary foreign worker (by reneging on the terms of the original contract) or to cut production costs by reducing the generosity of other aspects of the employment relationship (e.g. lower-quality housing, food, or work conditions).

A number of the articles deal explicitly with the question of whether temporary migrants should have the same rights as citizens and permanent residents (see the articles by Delphine Nakache, Luin Goldring, Denise Helly, Myer Siemiatycki, and Depatie-Pelletier). Key legal issues revolve around whether temporary foreign workers should have: 1) the right to work for a different employer; 2) the right to leave the workplace when not working; and 3) the right to live outside of the workplace. In addition, Siemiatycki argues that unskilled and semi-skilled TFWs deserve the right to become citizens, as is currently possible for skilled temporary foreign workers through the Canadian Experience Class.

These articles make important contributions to this debate. While references by Depatie-Pelletier to "slavery" and the "servile status" of some temporary foreign workers appear to be excessive, there remains a valid issue as to whether temporary migrants should be afforded greater legal rights than they currently receive. In the absence of completely open borders and no distinctions between citizens and non-citizens, foreign workers will always have different rights than those enjoyed by citizens. It is far from clear that a differential set of rights for temporary migrants (or landed immigrants for that matter) represents discrimination. In this ongoing debate on the legal rights of temporary migrants, it will be important to recognize that some limitations on their rights will be needed. However, whenever a right is removed from temporary foreign workers, it is important for Canadian public policy-makers to justify why that right is being removed and to fully consider the implications of this decision on the contractual arrangements between the temporary foreign worker and the employer.

Several of the articles deal directly with the issue of workplace safety and health of temporary foreign workers. Jenna Hennebry discusses health issues related to temporary migration, the poor quality of housing in which some groups of migrant workers are required to live, and the potential impact of these health and safety conditions on the Canadian food system. Sylvie Gravel and Marie-France Raynault raise a number of important questions related to workplace safety and access to compensation for temporary foreign workers injured in the workplace. They note that temporary foreign workers may be reticent to report workplace injuries for fear of dismissal. Patricia Tomic, Ricardo Trumper, and Luis Aguiar report results from a qualitative survey carried out among Mexican migrant workers in the Okanagan Valley. They identify problems associated with the quality of housing and the quality of workplace housing inspections.

These studies raise important issues relating to the regulation of the terms of the employment contract between temporary foreign workers and their Canadian employers. The current system does not appear to provide sufficient inspection or enforcement of the terms of the contract. These stories are disturbing and lead one to the conclusion that these issues must be addressed in order to ensure the successful implementation of temporary foreign worker programs in the future. The costs associated with addressing these concerns need to be factored into any cost-benefit analysis of the impact of TFWPs on the Canadian economy.

While TFWPs and immigration can be thought of as two separate gateways for foreign workers in Canada, there exists a movement linking the two that has broad implications for the design and implementation of these programs. Sophia J. Lowe's article provides an excellent introduction to these issues. She refers to these linkages as "two-step policies," whereby a foreigner enters Canada first as either a temporary foreign worker or as an international student, then uses the experience or education gained in Canada to facilitate the ultimate goal of obtaining landed immigrant status. An obvious example of this is the new Canadian Experience Class, which makes it easier for applicants with previous work experience or education in Canada to become landed immigrants. This pathway to permanency is available only to highly skilled applicants and does not create a linkage between less-skilled temporary foreign workers and the immigration program. It seems likely that a growing number of skilled temporary foreign workers will have the option of receiving landed immigrant status after working for two or more years in Canada. This has the potential to greatly improve the economic outcomes for new immigrants since a greater fraction of the immigrants receiving permanency in the future will have acquired prior Canadian work experience or education. This also means that future temporary foreign workers may choose to come to Canada primarily to acquire landed immigrant status. This further raises the potential benefits for the temporary migrants but also may place them at even greater risk of abuse by employers since they may be even less likely to complain or return to their home country, for fear of missing out on an opportunity to become landed immigrants.

In addition, a clear linkage has developed between TFWPs directing foreign workers to jobs in Manitoba and the Manitoba PNP. As pointed out in the article by the Honourable Nancy Allan, these workers can apply for landed immigrant status after only six months of residence in Manitoba. In the article by Alison Moss, Jill Bucklaschuk and Robert C. Annis, the authors make the case that this structure leads to wide-ranging permanent impacts on the admission of temporary foreign workers into Manitoba since these workers can readily gain landed immigrant status through the PNP then proceed to sponsor spouses and children for landed immigrant status. Given that many of the workers entering through the TFWPs into Manitoba are relatively low-skilled, this seems at odds with the overall Canadian policy of the last two decades, focusing on the human capital approach of selecting highly skilled immigrants through the points system. It also raises the question of whether the Canadian immigration policy governing the selection of economic immigrants is at risk of devolving into a set of inconsistent policies across the federal government and the provinces.

In addition to the articles on Manitoba's experience cited above, this volume contains a number of other articles that shed light on provincial experiences with TFWPs. Castonguay and Benzakour provide an overview of the history of live-in caregiver programs in Canada, with an emphasis on the Quebec experience. In addition, the results from a survey carried out in 2007 of live-in caregivers in Quebec are presented. As well, Robert Vineberg provides a comprehensive review of the history of temporary migration in Canada with a focus on the Prairie Provinces. Finally, the article by Yessy Byl provides insights on the experience of temporary foreign workers in Alberta.

Several of the articles directly explore the implications of TFWPs for the gender composition of temporary migrant inflow to Canada and the implications possible discrimination faced by temporary foreign workers. Heather Gibb points out that just under one third of temporary foreign workers are women, so the expansion of TFWPs has implications for the gender composition of foreign worker inflow into Canada. Ricardo Trumper and Lloyd L. Wong also consider the potential implications of the expansion of the TFWPs in terms of racial and gender discrimination.

A number of other important contributions are made in the articles of this volume. For example, Lyle Tomie provides valuable insights from the perspective of a recruiter of temporary foreign workers. He provides a set of best practices for recruiting companies, identifying both risks and responsibilities.

Given the documented problems of abuse of at least some temporary foreign workers, it is important that monitoring by government agencies be built into the TFWPs and that adequate penalties be introduced for employers who do not uphold their contractual and legal obligations. Yessy Byl makes reference to proposed legislation in Manitoba, which would require recruiters and employers who employ temporary foreign workers to post bonds in order to ensure compliance. This type of policy development appears promising, and movement in this direction may allow for the successful development of TFWPs that greatly reduce the risk of abuse. Meissoon Azzaria also contributes to this debate by outlining steps that Canada could take to protect the rights of migrant workers. Finally, Don DeVoretz proposes an innovative, if somewhat controversial, approach to the allocation of temporary foreign worker visas. His article will serve to stimulate debate on the topic.

The set of articles in this volume provides a tremendous amount of knowledge and analysis on the topic of Canada's Temporary Foreign Worker Programs. Given the rapid increase in the number of temporary foreign workers, it is likely that temporary migration will be a key feature of our overall immigration program for the foreseeable future. The analysis and policy proposals presented in these articles provide an excellent foundation upon which both public policy development and future research can be based. However, many important questions remain unanswered. What is the overall impact of Temporary Foreign Workers Programs on the Canadian economy? Do TFWPs lead to an increase in aggregate employment in the affected industries? Do they slow the growth of wage rates in those industries? Do firms use temporary foreign workers only occasionally or is it the same firms that employ temporary foreign workers year in and year out? How widespread are the cases of abuse and poor working conditions? Are these cases found solely in certain industries? What are the costs associated with these cases and how expensive would it be to resolve these issues? These are only a subset of the questions that should be addressed in future research.

The questions posed to Minister Kenney and the responses to those questions provide valuable insights both into the mechanics of TFWPs in Canada as well as into the underlying motivations for these programs. Taken together, the section provides an excellent platform for new researchers and policy-makers interested in TFW issues. However, many questions remain unanswered. In his response to question 13, Minister Kenney provides two key questions to motivate future research. Moving forward, future research should address these questions and the large number of other research questions raised by the authors of the articles of this volume. New research is very much needed in order to guide future policy development in the area of Temporary Foreign Worker Programs in Canada.

References

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Note

[1] A great deal of information regarding Canada's TFWP can be found at <www.cic.gc.ca/english/resources/publications/tfw-guide.asp>.