

The AMSSA 'Migration Matters' series has been created to inform and support settlement service providers and key stakeholders across British Columbia. The series covers a wide range of topics and highlight important facts and trends from across Canada and BC. Our goal is to assist organizations in navigating the rapidly changing landscape of the BC settlement sector.*

Reforming Canada's Temporary Foreign Worker Program

On June 20, 2014, Citizenship and Immigration Canada (CIC) announced a series of changes to the Temporary Foreign Worker Program (TFWP). Data from Employment and Skills Development Canada (ESDC) suggests that the TFWP was not being used to fill 'immediate and acute' skills and labour shortages as intended, but instead as a permanent solution to meet labour demand.¹ This issue of Migration Matters examines these changes to Canada's TFWP, and how they might impact BC.

Temporary Foreign Worker Program Divided in Two

The overhaul of Canada's TFWP represent the most significant changes to the program since it was introduced in 1973.² The former Temporary Foreign Worker Program has been divided into two distinct programs:

1. Temporary Foreign Worker Program (TFWP)
2. International Mobility Program (IMP)

Changes to each of these programs also include:

- A new labour market test & increased application fees;
- new employer regulations/requirements, and;
- additional enforcement mechanisms.³

Approximately half of the streams that previously fell under the umbrella of the TFWP are now classified as streams within the International Mobility Program (see Fig. 2 and Fig. 3).⁴

No new streams have been created. Prior to these reforms, the Temporary Foreign Worker Program encompassed all foreign workers streams, while now it only includes those streams that require a Labour Market Impact Assessment.

In 2013, 62% of those who entered Canada through the TFWP would now be classified as entering through the International Mobility Program.⁵

Figure 2 – TFWP Entries by Stream (2003, 2008, 2013)⁶

Entries by Temporary Foreign Worker Program Streams (Workers who require a labour market test, LMIA)			
Stream	2003	2008	2013
Information Technology Workers	1,050	3,190	29
Other High Skilled Workers	21,969	31,992	27,643
High Skilled Total	23,019	35,182	27,672
Live-in Caregivers	5,007	11,848	4,671
Seasonal Agricultural Workers	18,698	24,188	27,566
Low Skilled Pilot Programs	2,326	25,660	23,414
Other Low Skilled Workers with LMO	2	4	0
Low Skilled Total	26,033	61,700	55,651
Other workers with an LMO Total	142	349	417
Temporary Foreign Worker TOTAL	49,194	97,231	83,740

Figure 1 – Contrasting the TFWP with the IMP⁷

Temporary Foreign Worker Program	International Mobility Program
Employer requires LMIA*	No LMIA required*
Based on demand to fill specific jobs	Not based on employer demand
Lead department ESDC	Lead department CIC
No employment reciprocity	Based largely on reciprocity
Employer-specific work permits	Generally open work permits
Primarily low-skilled workers	Primarily high-skilled workers
Primarily from developing countries	Primarily highly developed countries
Program of last and limited resort	Programs deemed to be in the national economic and cultural interest

* Labour Market Impact Assessment (LMIA): A test performed by ESDC to assess the impact of hiring a foreign worker on Canada's labour market.

A Case for Reform: Employer Abuse of the TFWP and Growth of Low-Skilled Streams

A significant number of the reforms focus on restricting employer access to the TFWP to curb abuse of the program, particularly in low-skilled fields. The Low-Skilled streams doubled in size between 2003 and 2013, from 26,000 to over 55,000 entries per year.⁸ Following the June 20th reforms, all employers now face more strict regulations when hiring TFWs.

Figure 3 – IMP Entries by Stream (2003, 2008, 2013)⁹

Entries by International Mobility Program Streams (Workers who do NOT require a labour market test, LMIA)			
Stream	2003	2008	2013
NAFTA	11,680	15,567	19,806
Other International Arrangements	4,071	3,800	8,267
International Arrangements Total	15,751	19,367	28,073
Reciprocal Employment	20,944	44,623	58,939
Spouses / Partners	3,491	9,856	15,251
Research and studies	3,373	6,221	15,791
Other Canadian Interests	9,193	12,286	17,875
Canadian Interests Total	37,001	72,986	107,856
Other workers without LMO Total	985	1,149	1,604
International Mobility TOTAL	53,737	93,502	137,533

1. ESDC, 'New Requirements for Employer Compliance', December 2013. Available at: <http://ow.ly/ACE9e>.

2. Canadian Business, 'A simple way to fix Canada's Temporary Foreign Workers program', May 2014. Available at: <http://ow.ly/ACEov>.

3, 4, 5. ESDC, 'Improving Clarity, Transparency and Accountability of the Temporary Foreign Worker Program', July, 2014. Available at: <http://ow.ly/ACF2I>.

6. ESDC, 'Canada - Entries of Temporary residents not subject to LMIA by sub-status 2002-2013', July, 2014. Available at: <http://ow.ly/ACFzL>.

7. ESDC, 'Improving Clarity, Transparency and Accountability of the Temporary Foreign Worker Program', July, 2014. Available at: <http://ow.ly/ACF2I>.

8, 9. ESDC, 'Canada - Entries of Temporary residents subject to LMIA by sub-status 2002-2013', July, 2014. Available at: <http://ow.ly/ACFHD>.

Labour Market Impact Assessment (LMIA) replaces Labour Market Opinion (LMO)

The new TFWP requires *all* employers to complete a Labour Market Impact Assessment (LMIA) before being able to bring temporary foreign workers to Canada. LMIAs are issued by ESDC and assess the likely impact that hiring a TFW will have on the Canadian labour market. The new LMIA:

- Costs \$1,000 instead of \$275 per application;
- Will not be processed for positions that require little or no education or training in regions where the unemployment rate is 6% or higher;
- Will reduce the maximum duration of low-skilled work permits from 2 years to 1 year;
- Has an expedited 10-day processing time for the highest-demand occupations (skilled trades), the highest-paid occupations (top 10 percent), or for the short-duration work periods (120 days or less).¹⁰

To obtain an LMIA, employers must now provide information on the number of Canadians that applied for their available job, the number of Canadians the employer interviewed, and an explanation if Canadian applicants were not hired.¹¹

Other Changes to the TFWP¹²

Cap on Low-Skilled TFWs: Employers with more than 10 employees can no longer have more than 30% of their workforce comprised of TFWs. This cap will decrease to 20% by July 1, 2015, then to 10% by July 1, 2016.

Length of Stay Reduced: The duration that low-wage stream TFWs are allowed to remain in Canada may soon be reduced. The current limit is 4 years.

Transition Plans: Employers looking to hire high-wage TFWs must now submit how they intend to transition to a Canadian workforce as part of their LMIA application.

Enforcement

One in four employers using the Temporary Foreign Worker Program will now be inspected each year, which will be funded primarily by the \$1,000 LMIA fee. Inspections will follow tips, high-risk employers, and random audits. Employers found to be in violation of the rules are now subject to fines of up to \$100,000, based on the severity of the violation.¹³

International Mobility Program

The IMP includes all streams of work permit applications that do not require an LMIA. According to CIC:

“By exempting some foreign nationals from needing a labour market impact assessment before being able to work in Canada, the IMP aims to provide competitive advantages to Canada and reciprocal benefits to Canadians.”

“Reciprocal Employment” is the largest stream of the IMP, with nearly 54,000 entries in 2013 through International Experience Canada (IEC). IEC, commonly known as a “Working Holiday Visa”, allows youth from other countries to visit Canada on a short-term open work permit, and vice versa.¹⁴

Employers hiring workers through the IMP will be required to submit the job offer to CIC. To monitor employers and ensure the integrity of the system, the reforms include the implementation of a new employer compliance system.¹⁵

Impact of Reforms on British Columbia

A number of BC industries have voiced concerns that the reforms will have serious economic repercussions on their sectors by creating too many financial and bureaucratic barriers to the labour market.¹⁶

For example, the TV/film industry has appealed to CIC to remove the \$1,000 LMIA fee when hiring a foreign actor.¹⁷ In addition, many rural communities rely on foreign doctors who are often independent contractors. With no companies ready to pay the fees and complete the paperwork, reports suggest that the recruitment of foreign doctors will be more difficult.¹⁸

Figure 4 – Entries of Foreign Workers to BC and Canada, 2013¹⁹

Program Name	2013 Entries			
	BC #	BC %	Canada #	Canada %
IMP	34,443	72%	137,533	62%
TFWP	13,649	28%	83,740	38%
TOTAL WORKERS	48,092	100%	221,273	100%

Some research has suggested that the use of foreign workers has maintained a wide distribution of unemployment across regions (e.g. 4.9% in Northeast BC compared to 7.1% in Thompson Okanagan).²⁰ In the long term, restricted access to foreign labour may reduce regional differences in unemployment, both within and across provinces.²¹

10, 11, 12. ESDC, ‘Restricting Access to the Temporary Foreign Worker Program’, July 2014. Available at: <http://ow.ly/ACJMN>.

13. ESDC, ‘Increasing the Number and Scope of Inspections’, July 2014. Available at: <http://ow.ly/ACJHo>.

14, 15. ESDC, ‘Reforming the International Mobility Programs’, July 2014. Available at: <http://ow.ly/ACJTD>.

16, 17. CBC News, ‘Temporary Foreign Worker changes raise ire of film, TV industry’, July 2014. Available at: <http://ow.ly/ACIUh>.

18. The Globe and Mail, ‘Tightening of foreign worker rules affecting supply of doctors’, July 2014. Available at: <http://ow.ly/ACIN6>.

19. CIC, ‘Preliminary tables – Permanent and temporary residents, 2013’, July 2014. Available at: <http://ow.ly/ACK6g>.

20. BC Statistics, ‘Employment and Unemployment Rates by Industry and Development Region’, July 2014. Available at: <http://ow.ly/ACJ5S>.

21. Dominique Gross, ‘Temporary Foreign Workers and Regional Labour Market Disparities in Canada’, June 2009. Available at: <http://ow.ly/ACJaY>.

