

Temporary foreign worker program lowers wages, thwarts training, economists say

By Tavia Grant

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The growth of Canada's temporary foreign worker program has created distortions in the labour market, from downward pressure on wages in some sectors to acting as a disincentive to train workers, economists say.

Documents obtained by *The Globe and Mail* this week show 33,000 employers, spanning all sectors, have used the program in recent years.

The huge uptake, which totalled more than 330,000 foreign workers last year, has likely suppressed wages in some industries, such as retail and construction, and affected opportunities for youth and immigrants, labour market experts say. And the rush to use foreign workers has created problems on the training front.

"Canada already has an abysmal record on training and this is another incentive not to train existing workers," said Robert Fairholm, partner and economist at the Milton, Ont.-based Centre for Spatial Economics. "Not training people who are here can be very detrimental because we're hollowing out skills in the country ... and that has the potential for big negative long-term consequences."

Mr. Fairholm said the program needs to be pared back. "I think it's run amok." But he and others don't want to see the TFW program scrapped, saying it's valuable to bring in highly skilled people who share their knowledge.

There is plenty of underutilized labour in Canada. The country's jobless rate as a whole is 7.2 per cent, but the broadest measure of unemployment – which includes the unemployed, part-time workers who'd prefer to be full-time and discouraged people, is 11.2 per cent, Statistics Canada figures show.

Underemployment is particularly acute among young people and immigrants, who have likely been most affected by the growth in temporary foreign workers. Young people, newcomers and the aboriginal population are "the groups most affected by the influx of TFWs" since their connection to the labour market is more tenuous, and they are thus "first to be pushed out," said Jason Foster, an industrial relations expert at Athabasca University who's written a paper on the topic.

Plus, he added, these groups are more likely to be found in the sectors, such as restaurants, hotels, retail and construction, where the TFW influx has been strongest.

Just four in 10 skilled immigrants are working in jobs commensurate with their skills and training, a portion that hasn't improved in recent years, said Ratna Omidvar, president of the Maytree Foundation who has long argued the TFW needs to be fixed in favour of permanent immigrants who settle, pay taxes and integrate in Canada.

"What's happening to the other six [in 10]? With very little effort one could reach out to them."

Montreal-based pilot Tanguy Castric was laid off from a Canadian airline last fall, and applied to Sunwing and CanJet. Despite 18 years of experience and related qualifications flying large-sized aircraft, he didn't even land an interview. At around the same time, the two firms were bringing in dozens of temporary foreign workers, according to information obtained by the Air Line Pilots Association.

He later found himself moving from one city to another in Pakistan on a contract with an airline there. It wasn't an easy decision to

leave his family behind, missing his baby son's first birthday and first Christmas. And it was stressful.

On his first flight, from Lahore to Dubai, the flaps failed and so did a reverser, causing a hair-raising landing.

In Peshawar, he was told not to leave his hotel.

He felt he didn't have much choice taking the job, however, if he wanted to keep his skills fresh.

"It's hard to understand," said Mr. Castric, now back in Canada with his girlfriend and baby. "I'm not angry about the companies" that employ foreign workers, he said, "and I'm not angry at the people coming here. I'm angry about the government letting this happen. I pay taxes in Canada, and I believe that I deserve some rights."