

# Immigration policy should foster new Canadians, not temporary workers

By Armine Yalnizyan

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There was an outpouring of criticism a few weeks back when Disney, that most iconic of American companies, moved to replace a number of its homegrown techies with low-cost temporary foreign workers. The company was forced to beat a hasty retreat following an outpouring of criticism.

Around the same time, amid all the commentary about where America is headed, blogger and finance professor Noah Smith turned his eyes north and gave Canada a mighty shout-out in a column for Bloomberg titled “Canada, Tomorrow’s Superpower.”

Prof. Smith rightly pointed out that immigration policy is one of the fundamental Canadian strengths that bode well for our future. But in his haste to explain what’s right about our policies, he skipped over the part of the story where we’ve begun to ape something that’s wrong about the American way: a growing reliance by business on temporary “guest” workers.

Canada’s immigration reforms have pivoted from family reunification to economic immigration, with a focus on new permanent residents who have high educational skills and/or high net worth.

Most people don’t realize that our intake of foreign workers has almost doubled since 2006 – right through the recession, amid rising unemployment rates and with no recovery for young workers.

Almost all of our net new immigration growth is driven by the escalating use of temporary foreign workers, rather than permanent economic migrants.

Canadian businesses have turned to these workers for a variety of reasons, including

legitimate shortages in certain pockets of the labour market, inadequate workplace training and a desire to cut costs.

The Disney story that so riled Americans is almost a perfect mirror image of a 2013 story that alarmed Canadians about practices at the Royal Bank of Canada and other big banks. We’ve since learned that the hiring of temporary foreign workers is routine in the finance sector and beyond.

The distinction between policies that encourage permanent or temporary newcomers is critical to Canada’s future and the future of a world dogged by aging populations.

All the advanced industrialized nations are aging. Japan is first, but South Korea, China and virtually all of Europe are close behind. Canada is among the most rapidly aging societies because of our postwar baby boom.

Our labour shortages are currently limited to booming pockets of the economy, but they will become endemic as boomers begin to retire in droves, which will happen long before the robots take over. In the meantime, economic migrants are becoming the tail that wags the dog of economic development and the evolution of nations.

Recently, the United Nations Refugee Agency noted that 59 million people were displaced in 2014 by violence and persecution, the highest number of displacements on record, and the fastest single year of growth. These numbers do not include the displacement of peoples because of climate change, which is a growing phenomenon as well. Nor do they include rising numbers of international students and professionals who go abroad to seek greater opportunity.

Pushed or pulled, human beings are on the move as never before. So is capital.

For the past three decades, nations have tried to become magnets for money, in the hopes of drawing investments that create growth and jobs. For the next three decades, nations with aging populations will need to be magnets for both capital and labour, just to maintain standards of living.

The stakes are high. We are establishing the terms of the game for decades to come, for migrant workers and citizens alike.

There is perhaps no more fundamental test of policy success or failure than how labour-force needs will be met in the coming years.

Will newcomers be invited in as guest workers or as citizens in the making? This is a new issue

for Canada, and an increasingly contentious one.

Numerous policy announcements meant to quell concerns have done little to change the trends. No one has answered the core question: Why are temporary foreign workers good enough to work, but not good enough to stay?

Prof. Smith is right – Canada has the potential to become a superpower, a country the world regards with respect and envy for its economic, social and political strength.

But it won't get there by relying on the permanently temporary.

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