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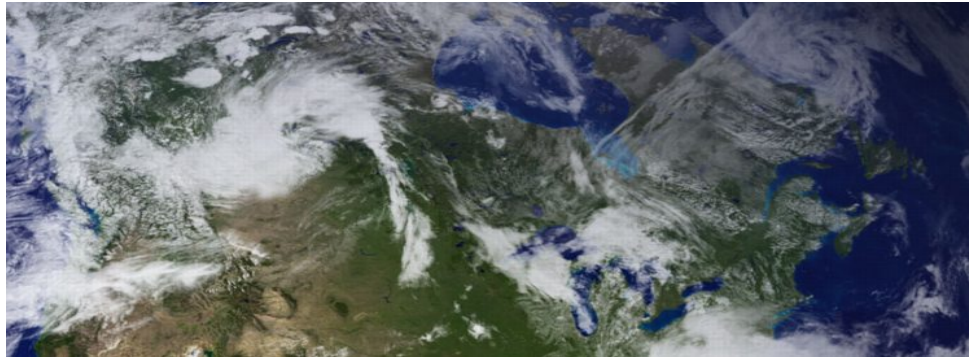
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[The Strange Economics of the Temporary Foreign Worker Program](#)

Posted by Andrew Jackson under [temporary workers](#).
September 27th, 2007
Comments: none

I and David Green from UBC have commented on this topic before. A key question is why we have a program to bring in temporary workers at the prevailing wage, rather than let rising real wages signal job opportunities and appropriate adjustments in the job market. Bringing in so-called unskilled temporary workers is of concern if such a program works to undermine the potential for real wage growth and better conditions in low wage jobs – and there are, of course, also a host of concerns about the pay and treatment of temporary foreign workers given their extreme dependence upon a single employer.

<http://www.progressive-economics.ca/2007/07/09/more-on-the-strange-economics-of-temporary-foreign-workers/>

On September 24, Minister of Human Resources Solberg announced a new tweak to the program. In BC and Alberta, approval will be given even more rapidly – within 3 – 5 days – for employer applications in 12 designated occupations, which include four occupations in the hospitality industry (hotel desk clerks and room attendants, food and beverage servers and food counter attendants.) To be eligible to participate in the pilot, the employer must state that they have made reasonable efforts to recruit Canadian residents at the prevailing wage, and “meet the minimum acceptable working conditions for the occupation.” As before, there is no requirement to show that higher than prevailing wages have been offered in an attempt to recruit.

There is no doubt that wages have been rising quite fast in the hospitality industry in Alberta, but the case for serious and demonstrable labour shortages in BC as a whole seems much less compelling. The most recent data from StatsCan’s Survey of Employment, Earnings and Hours (July 2006 to July 2007) show that average weekly earnings for accommodation and food workers in BC rose by 3.3%

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from \$327.08 to \$338.02, while average hourly wages of hourly paid accommodation and food workers were up by 4.0%, from \$11.02 to \$11.46. With BC inflation running at 1.3% real wages for workers in this low wage sector are rising, but not dramatically, and by no more than one might deem desirable to close wage differentials and to address the issue of poverty, including among many recent immigrants.

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