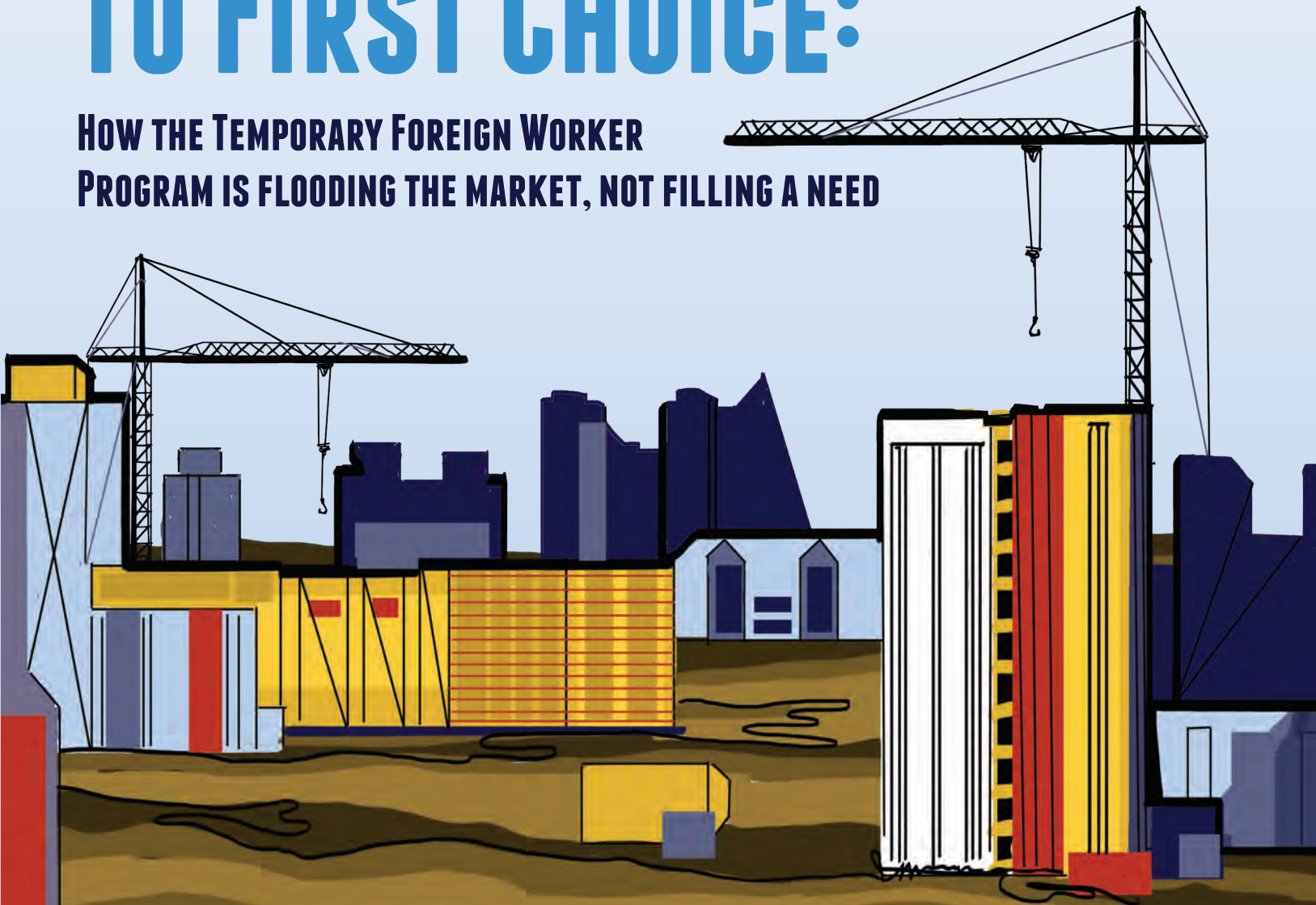




# FROM LAST RESORT TO FIRST CHOICE:

**HOW THE TEMPORARY FOREIGN WORKER  
PROGRAM IS FLOODING THE MARKET, NOT FILLING A NEED**





**IN 2010, ALBERTA'S ECONOMY LOST 8,600 JOBS. AT THE SAME TIME, ALBERTA BROUGHT IN 22,992 TEMPORARY FOREIGN WORKERS.**



## Introduction

**During the recession, Alberta lost tens of thousands of jobs. Yet, we brought in tens of thousands of Temporary Foreign Workers. In 2011, the economy recovered and began creating jobs. But there was a Temporary Foreign Worker present in Alberta for three of every four jobs created.**

**THERE ARE THOUSANDS OF TEMPORARY FOREIGN WORKERS IN ALBERTA - MORE THAN THERE ARE NEW JOBS.**

Over the past four years, Alberta has brought in thousands more Temporary Foreign Workers than jobs created.

This report – the latest in a series by the Alberta Federation of Labour on the Temporary Foreign Worker program – shows there is no need for the TFW program. Thousands of Albertans are out of work or involuntarily working part-time.

The evidence is stark: Alberta employers are bringing in more TFWs than are needed to fill the new jobs the economy is creating. This report shows what we have known for some time: while there are shortages in select few trades or skills, there is no economy-wide labour shortage in Alberta. There is a shortage of people willing to work for less, and that is why Alberta continues to bring in thousands of Temporary Foreign Workers every year, even when the economy sheds jobs.

# ABOUT THE TEMPORARY FOREIGN WORKER PROGRAM

The TFW Program in Alberta exploded during the 2004-2008 oil sands boom.

Prior to 2004, only a select number of employers used the TFW program. It was a little-used stream of the immigration system that brought in some seasonal workers, academics, and specialized trades or professions for short periods of time.

The oil sands boom meant wages had to keep pace with an economy that was lurching ahead – without a plan for labour or skills shortages – and employers wanted a way to contain labour costs.

This is not to say labour costs were the biggest driver of oil sands cost inflation. They weren't. A recent study showed labour costs were responsible for only 24 per cent of cost inflation during the 2004-08 oil sands boom. Most of the reason oil sands projects went wildly over

budget (90 to 300 per cent over budget) – was cost of materials and machinery.

The rapid pace of development was responsible for cost escalation, not workers.

There has never been any concrete evidence – presented by anyone without a vested interest in keeping wages low – that labour shortages were anything more than a few specialized trades and professions with shortages over short periods of time.

But in a time of economic growth, wages must go up.

The only way to defy the laws of economic gravity is to flood the labour market with a supply of workers who are unlikely to demand higher wages, better standards, pensions, or benefits.

# THE LABOUR MARKET OPINION (LMO):

## INTEGRAL TO THE THE TFW PROGRAM

The TFW Program requires employers to receive a positive Labour Market Opinion. The LMO is supposed to be an assessment of market conditions, including evidence of shortages and evidence the employer has looked for Canadians to fill the job.

The LMO is only part of the permit a TFW requires to enter Canada and work legally. However, it is the foundation of an employer's application for a TFW and was originally intended to act as a safeguard against abuse of the program.

In recent years, the Harper Conservatives have made a mockery of the LMO process. They issue positive Labour Market Opinions without requiring employers to demonstrate they've looked for Canadians to fill the jobs. Last year, Harper brought in an "accelerated LMO" – no longer requiring employers to advertise the jobs to

Canadians. While there was little oversight of the previous process, even the pretense of accountability has now been removed.

In this report, we are aware that a work permit is a lengthy process for Temporary Foreign Workers, and that a positive LMO is only part of the process. However, for the sake of brevity, we refer to LMOs as a "work permit" – as they are the foundational document on which all other immigration processes rests for Temporary Foreign Workers, and also represent employers' efforts (however feeble) to assess the labour market and determine whether a Temporary Foreign Worker is required for the job.



# SMALL CITY PROBLEMS

Some small Alberta cities fare better than others in terms of job creation and Temporary Foreign Workers.

Outside Edmonton and Calgary, there were 24,000 Temporary Foreign Workers present in 2011. But the economy in Alberta's smaller centres only created 19,000 jobs. Meanwhile, there were 38,000 unemployed Albertans living outside Edmonton and Calgary.

For example, in Wood Buffalo, where many TFWs are being hired by oil sands construction companies, a Temporary Foreign Worker was present for six of

every 10 jobs created in 2011. The federal government approved a TFW work permit for 9.9 of every 10 jobs created in Wood Buffalo in 2011. Clearly, labour market conditions are not dictating TFW policy.

Outside booming oil sands regions, the situation can be far more stark. Consider Medicine Hat, where the economy has shed more than 10,000 jobs since 2008. The federal government has issued more than 2,000 work permits for TFWs. Every year, the city of Medicine Hat is losing jobs, but hundreds more Temporary Foreign Workers arrive.

**DURING THE RECESSION, 18,500 JOBS WERE LOST IN ALBERTA'S SMALLER URBAN CENTRES. BUT 13,480 TEMPORARY FOREIGN WORKERS ARRIVED.**



# BIG CITY PROBLEMS

## A SNAPSHOT OF CALGARY

Calgary has a reputation as a place where jobs are plentiful.

But the city is home to some of the most compelling evidence that the Temporary Foreign Worker program is a first choice, not a last resort, for employers. Consider these statistics:

- More than one in six (18 per cent) of new jobs created in Calgary between 2008-2011 went to a Temporary Foreign Worker.
- In any given year between 2008-2011, there was a Labour Market Opinion issued for the majority of new jobs created in Calgary.

**IN 2010, 13,300 JOBS WERE LOST IN ALBERTA'S LARGER URBAN CENTRES. BUT 12,965 TEMPORARY FOREIGN WORKERS WERE BROUGHT IN.**



# WHAT ALL THIS MEANS:

## The TFW Program Allows Employers to Defy the Laws of Economic Gravity.

Alberta is allowing companies to defy the laws of economic gravity.

When employers get easy access to vulnerable groups of lower-paid temporary workers, wages and benefits don't have to keep pace with economic growth.

The provincial and federal governments are allowing employers to do something they wouldn't otherwise be able to do.

Conservative governments talk a big game about free markets. But the ever-expanding Temporary Foreign Worker Program lets them meddle in the market on behalf of large employers.

# EVERYBODY KNOWS IT, BUT FEW ARE WILLING TO ADMIT IT:

The TFW Program is a Subsidy to Big Business.

Even a right-wing Fraser Institute economist ad

“The TFW program is effectively a business subsidy that lets frequent users avoid increasing wages to attract workers, invest in training, or automate production to boost productivity.”<sup>1</sup>

Frequent users of the program are big businesses, not mom-and-pop operations. They are construction companies, food service

companies, and low-wage employers like cleaning companies. Increasingly, are oil sands operators and mining companies.

## The Accelerated Temporary Foreign Worker Program: A 15 per cent Gift to Big Business From Prime Minister Harper

The Temporary Foreign Worker program is expanding. Despite the weakening economy, the Harper government recently made it easier for big businesses - those who use the TFW program most often - to bring in TFWs. The new rules

mean companies get the temporary worker permit faster, they don't have to hire there are no Canadians to take to the jobs first, they allow employers to pay TFWs 15 per cent less than the going rate paid to Cana



# THE WAY FORWARD:

## IMMIGRATION, NOT EXPLOITATION

The Temporary Foreign Worker program is not immigration, it is exploitation, and ought to be scrapped.

**LET'S BE CLEAR: THE PROBLEM IS THE TFW PROGRAM,  
NOT THE WORKERS THEMSELVES!**

Canada's immigration system must be overhauled. We must expand the system to make it accessible to lower-skilled immigrants. We must ensure settlement services are available across the country, and that they are relevant to everyone's needs. We must make sure the TFW program does not eclipse the number of permanent residents we accept every year. And we must make good on our international commitments and honour the refugees who come to our country to build a better life.

Canada is at its best when we welcome immigrants of all backgrounds, when we strengthen our diversity, and when we uphold our international reputation by providing immigrants with job training, settlement services, and opportunities to build a good life for themselves and their children.

We need more immigrants. We don't need a failed guest worker program that entrenches exploitation, racism, and poverty.

# WAGES, TRAINING, AND IMMIGRATION: A LOSE-LOSE-LOSE FOR CANADIANS

The TFW program is lose-lose for Canadian workers. It puts downward pressure on wages when they should be going up.

We also lose a whole generation of trained workers. The TFW program relieves big business from their responsibility to invest in training. It puts the onus on government, which has walked away from its responsibility for workforce training. In Alberta alone, we've gutted training budgets. In the meantime, the economy is not adding jobs, we have thousands of involuntary part-time workers, and a 'skills gap.' The answer is for governments both to invest in training and to put pressure on

the private sector to do the same.

Finally, Canadians lose in a more important way: we lose a generation of potential immigrants. The TFW program robs people of the chance to become citizens. Low-skilled Temporary Foreign Workers do not have the chance to become citizens at all.

For the good of a strong, vibrant, diverse society and a sustainable economy, Canada needs immigrants. The Temporary Foreign Worker program should be abolished and replaced by a comprehensive system of immigration and reform.

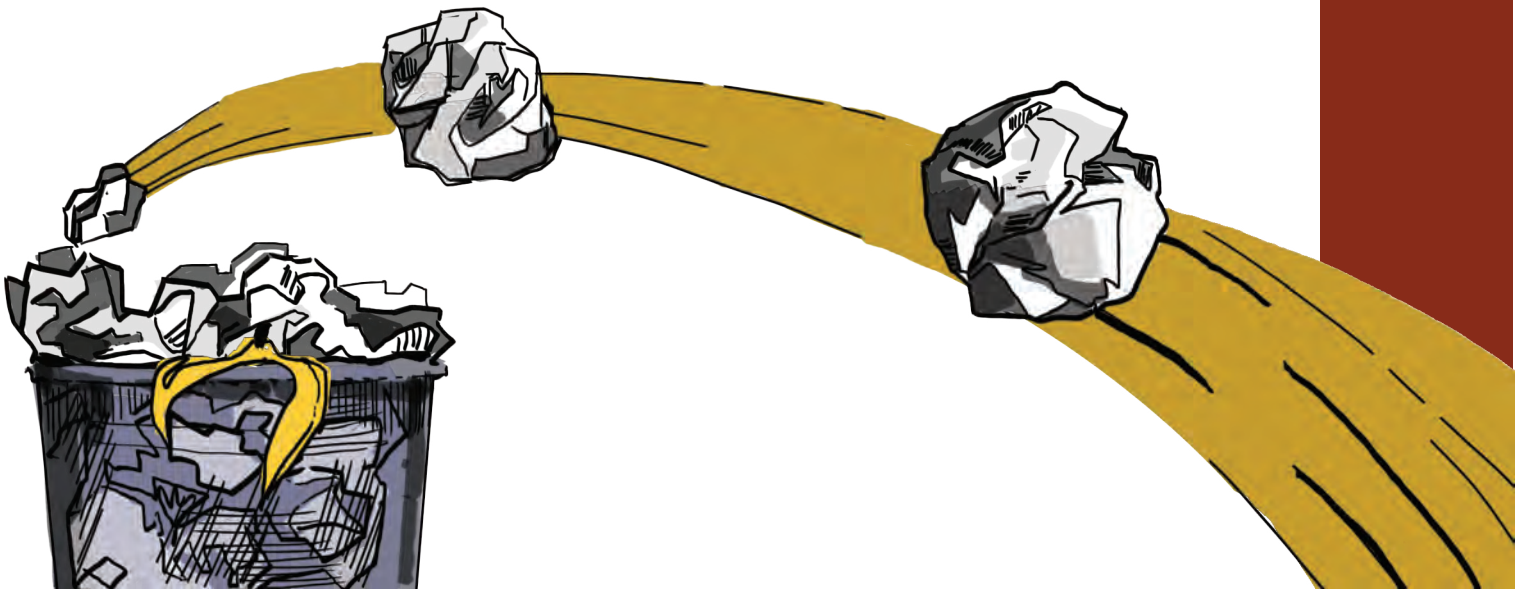


# STOP-GAP MEASURES IN THE MEANTIME: PROVINCIAL NOMINEE PROGRAMS

The TFW program ought to be scrapped. In the meantime, here is what we can do – in Alberta – today:

- Expand the Provincial Nominee Program.
- Protect Temporary Foreign Workers with Stronger Provincial Legislation like they do in Manitoba.
- Invest in regional supports for TFWs.
- Make the provincial TFW Advocate office a relevant, proactive, reliable source of help for Alberta's Temporary Foreign Workers.

There are better ways to handle the TFW program. Manitoba, for example, has led the country with respect to protections for workers, provincial nominee immigration programs serving low-skilled workers, and stamping out illegal, shady employment agencies, brokers, and recruitment consultants who prey on vulnerable temporary workers. Alberta has yet to implement these changes; they are overdue.



# ABOUT THE AFL TEMPORARY FOREIGN WORKER CAMPAIGN

Since 2005, the Alberta Federation of Labour has been leading the national conversation on Temporary Foreign Workers.

We have advocated, researched, and consulted widely on the topic. For several years, the AFL had a Temporary Foreign Worker Advocate on staff. Our efforts have led to two research reports and a wide-ranging consultation and series of recommendations.

Since the AFL began our campaign on behalf of better conditions for Temporary Foreign Workers, our position has remained consistent. We are not opposed to immigration: we strongly believe the Canadian

economy is stronger and more sustainable with expanded and improved immigration, including for lower-skilled workers. We believe the TFW program weakens Canada's reputation as a nation of immigrants, with all of the strengths that diversity and commitment to human rights, that reputation brings. We also believe the TFW program is broken, and the only solution is to scrap it and replace it with comprehensive reforms in the areas of workforce skills, training, and immigration strategies.



# METHODS

Job creation numbers were calculated from Statistics Canada, all employment, broken down by census region (Edmonton, Calgary, Grande Prairie, Lethbridge, Medicine Hat, Red Deer, Wood Buffalo, and 'Other Alberta').

Number of Temporary Foreign Workers – TFWs Present and New Arrivals, were taken from the federal government's Citizenship and Immigration Canada statistics. Regional breakdowns were provided by CIC.

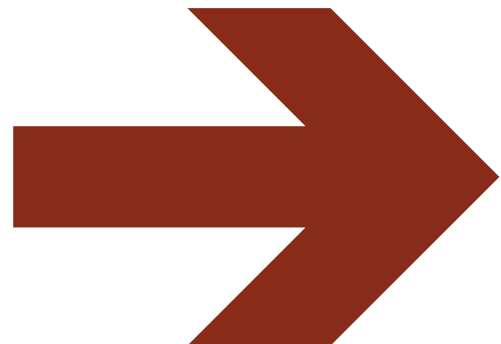
Number of Labour Market Opinions issued was taken from the federal government's Human Resources Services and Development Canada statistics page. Regional breakdowns were provided by HRSDC.

The number of LMOs issued may not precisely match the number of TFWs for a number of

reasons. LMOs may apply for more than one geographic area or an LMO may be granted but no Temporary Foreign Worker may arrive for the position.

An LMO is a work permit for a Temporary Foreign Worker. LMOs represent the federal government's assessment of the labour market in that particular field.

Thousands of work permits for Temporary Foreign Workers are also issued for very small rural centres and towns in Alberta. This suggests the labour market is even further distorted in rural areas. This at least partially explains why it is increasingly difficult for rural districts, counties, and municipalities to build a property tax base, fund infrastructure, keep money and small business in their towns, and for families to stay on family farms if off-farm jobs are scarce.



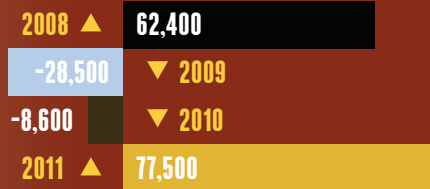


**ON AVERAGE BETWEEN 2008-2011 ALBERTA HAD 2.3  
TFWS FOR EVERY NEW JOB CREATED.**

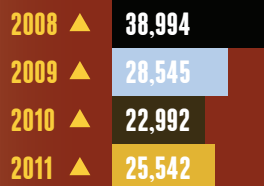


# ALL OF ALBERTA:

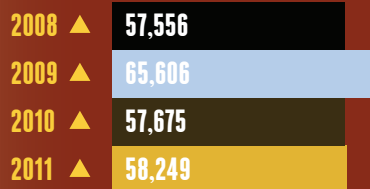
## Net New Jobs Created in Alberta:



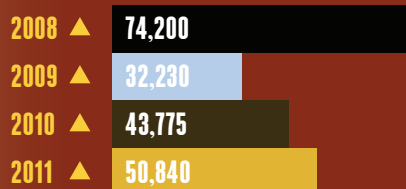
## New Temporary Foreign Workers Arriving:



## Temporary Foreign Workers Present:



## Labour Market Opinions Issued by Harper Government:



## Number of Albertans reporting unemployment (still in labour force):



# A PROVINCE-WIDE SNAPSHOT OF JOB CREATION, TEMPORARY FOREIGN WORKERS, AND UNEMPLOYMENT.

The worst of the recession:

## 2009

- Alberta brought in as many TFWs as jobs were lost: more than 28,000.
- Alberta had twice as many TFWs as jobs were lost.
- 32,230 permits issued; 28,545 jobs lost.

## 2010

- Economy lost 8,600 jobs; AB brought in 22,992 TFWs.
- In the midst of recession, AB has as many TFWs present as during the boom.
- 43,775 permits issued; 8,600 jobs lost.

# A SNAPSHOT OF NEW JOB CREATION, TEMPORARY FOREIGN WORKERS, AND UNEMPLOYMENT IN EDMONTON AND CALGARY.

The worst of the  
recession:

## 2009

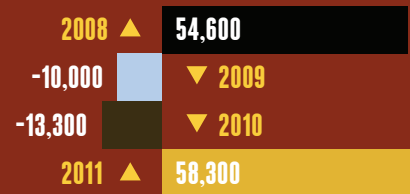
- 15,065 new TFWs arrive;  
10,000 jobs lost.
- 35,898 TFWs present;  
10,000 jobs lost.
- 19,845 permits issued;  
10,000 jobs lost.

## 2010

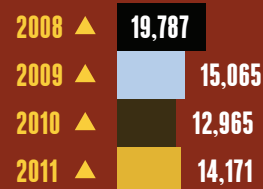
- 12,965 new TFWs arrive;  
13,300 jobs lost.
- 32,893 TFWs present;  
13,300 jobs lost.
- 25,740 permits issued;  
13,300 jobs lost.

# BIG-CITY ALBERTA:

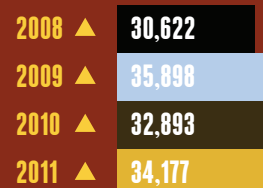
## Net New Jobs Created:



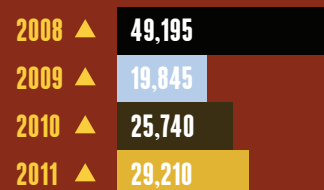
## New Temporary Foreign Workers Arriving:



## Temporary Foreign Workers Present:



## Labour Market Opinions Issued by Harper Government:

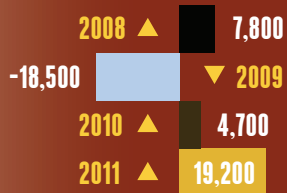


## Number reporting unemployment (still in labour force):

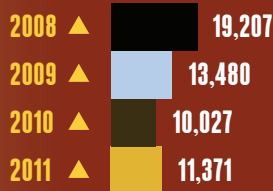


# SMALL-TOWN, RURAL, AND SMALL-CITY ALBERTA:

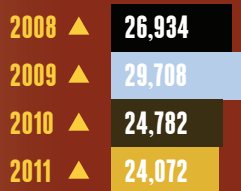
## Net New Jobs Created:



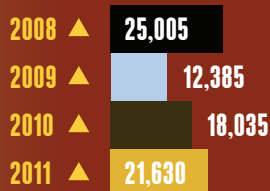
## New Temporary Foreign Workers Arriving:



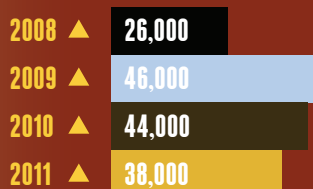
## Temporary Foreign Workers Present:



## Labour Market Opinions Issued by Harper Government:



## Number reporting unemployment (still in labour force):



# A SNAPSHOT OF JOB CREATION, TEMPORARY FOREIGN WORKERS, AND UNEMPLOYMENT IN SMALL-TOWN, RURAL, AND SMALL-CITY ALBERTA.

The worst of the recession:

## 2009

- 18,500 jobs lost; 13,480 new TFWs arrive.
- 18,500 jobs lost; 29,708 TFWs present.
- 18,500 jobs lost; 12,385 permits issued.

## 2010

- 213 per cent more TFW arrive than jobs gained.
- 527 per cent more TFW present than new jobs created.
- 384 per cent more permits issued than new jobs created.



# LABOUR MARKETS AND

# ALBERTA'S REGIONS:

## WHY TEMPORARY FOREIGN WORKERS MATTER TO MUNICIPALITIES

TFWs are restricted to living and working in Alberta for just a few years, so long-term wage and benefit improvements elude them. This keeps standards down for all low-wage workers. For municipalities, stagnant wages at the lowest end of the job market means an erosion of the tax base, fewer homeowners, and less stability for local small business.

Temporary Foreign Workers cannot put down roots in our communities. While most would like to live in Canada as permanent residents, their temporary status means they are likely to send most of their

earnings back to their country of origin. Because they are not allowed to stay in Alberta, they are not going to be buying furniture for newly-purchased homes or having their cars serviced at the local mechanic's shop. They are not investing their money in their local credit union, or taking out a loan for a new vehicle. They do not have disposable income to spend at the local café or sporting goods shop.

**TENS OF THOUSANDS OF TEMPORARY FOREIGN WORKERS NOW LIVE AND WORK IN EVERY CORNER OF ALBERTA.**



Because Temporary Foreign Workers are flooding the labour market, small regional centres are missing out on economic and social development.

Just imagine if Temporary Foreign Workers were coming to Alberta not just to work – but to put down roots and help build our communities.

**Our social, economic, and cultural fabric would be much stronger for it.**

And yet, Temporary Foreign Workers require services. From health care to municipal infrastructure, TFWs are a part of our community. This leads to a situation where – especially in small cities – municipalities are missing out on the benefits of new immigrants, while still guaranteeing services. Municipalities should therefore be deeply concerned about the growth of the TFW program at the expense of permanent immigration.

Lowering wages, thousands of temporary residents, a loss of property tax revenue, a loss of investment in community

business. These are just some of the reasons why the explosion of the Temporary Foreign Worker program in Alberta's regional centres is key to understanding why the program is broken and can only be fixed by scrapping it and replacing it with a system of permanent immigration.

**THEIR PRESENCE HERE MEANS A SOURCE OF CHEAP LABOUR THAT DOES NOT PUT DOWN ROOTS IN THE COMMUNITY.**

Calgary has a reputation as a city where jobs are plentiful.

But the untold story is that much of the new job growth is overshadowed by the arrival of thousands of Temporary Foreign Workers every year.

During the recession, Calgary lost 5,000 jobs but saw the arrival of 8,888 new Temporary Foreign Workers.

The Harper government approved 9,155 work permits for Temporary Foreign Workers while 50,900 Calgarians were unemployed.

Even when Calgary's economy recovered, there were 20,700 jobs created in 2011, and 18,968 Temporary Foreign Workers present.

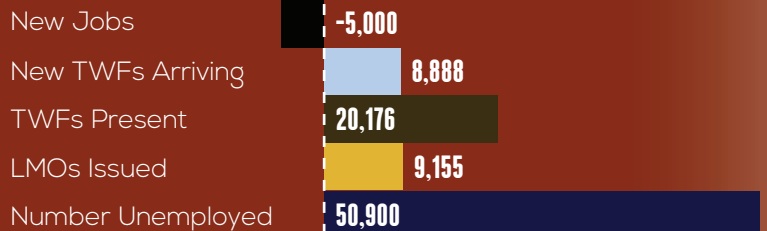
The number of Calgarians working for \$13/hour or less has not changed since 2009. In 2009, 92,000 Calgarians worked for low wages, or 15 per cent of the workforce. In 2011, 94,000 Calgarians worked for \$13/hour or less – still 15 per cent of the workforce. In times of economic recovery and under normal economic circumstances, the number of people working for low wages should be dropping as wages go up.

# CALGARY:

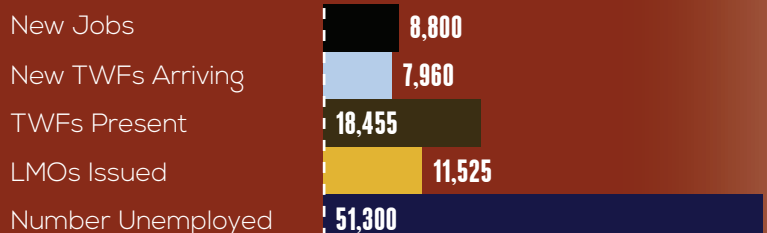
## 2009



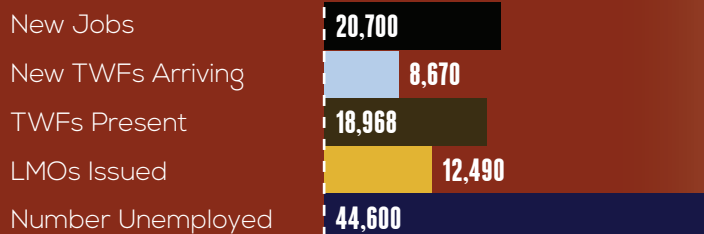
## 2010



## 2011



## 2012



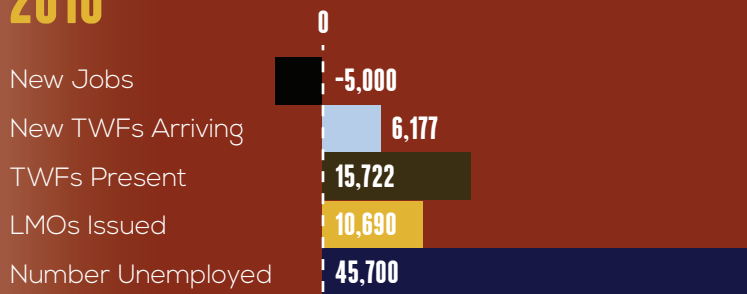
\*Min-Value: -5,000  
\*Max-Value: 51,300

# EDMONTON:

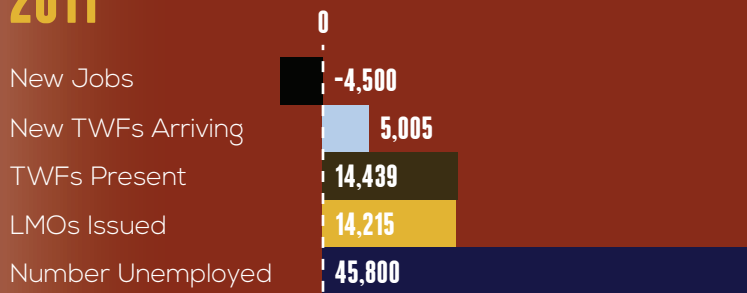
## 2009



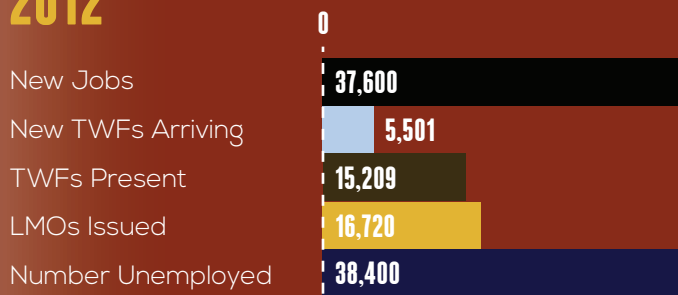
## 2010



## 2011



## 2012



\*Min-Value: -5,000  
\*Max-Value: 45,800

Edmonton had two years of negative job growth during the recession – losing 4,500 jobs in 2009 and 5,000 jobs in 2010.

Yet, large Edmonton employers brought in 6,100 new Temporary Foreign Workers in 2009 and 5,005 new TFWs in 2010.

When the economy recovered and added 37,600 new jobs to the Edmonton economy in 2011, there was a Temporary Foreign Worker present for 40 per cent of those jobs. Meanwhile 38,400 Edmontonians were unemployed.

The number of Edmontonians working for low wages – \$13/hour or less – dropped by only two percentage points since 2009. Wages at the lowest end of the economy, in other words, have remained relatively stagnant.

Red Deer's economy remained relatively immune to the wild swings in job losses through the recession. Red Deer is also home to fewer TFWs as a percentage of the overall workforce than other small cities.

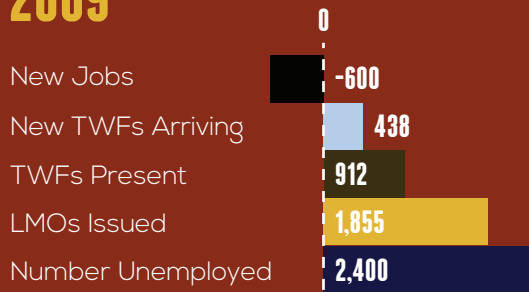
That has not stopped the Harper Government from issuing work permits for big businesses who want to bring in TFWs.

It appears the federal government is handing out LMOs like candy at Halloween, but businesses are not using them.

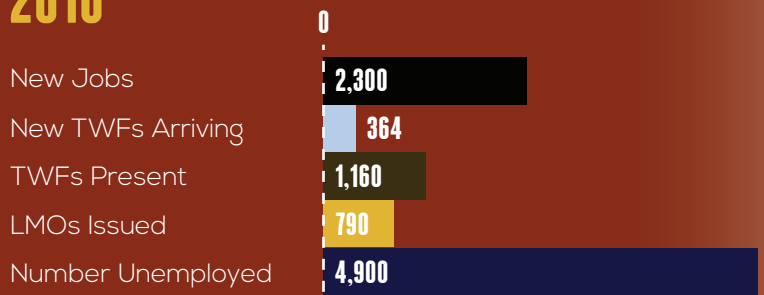
In 2011, the Red Deer economy created 2,600 jobs. And while there was a TFW present for 36 per cent of those jobs, there were permits issued for 47 per cent of the new job growth.

# RED DEER:

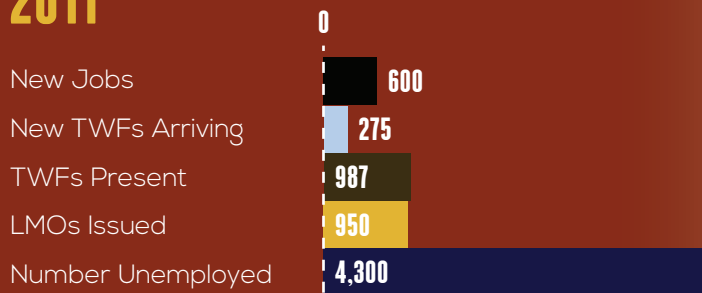
## 2009



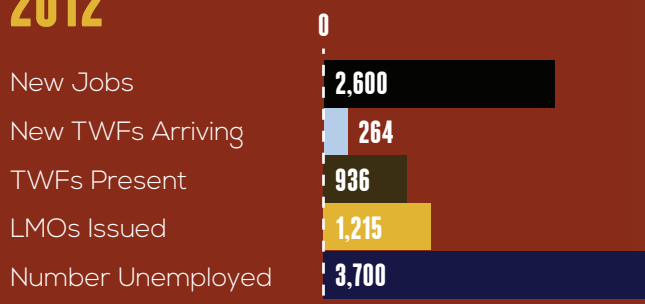
## 2010



## 2011

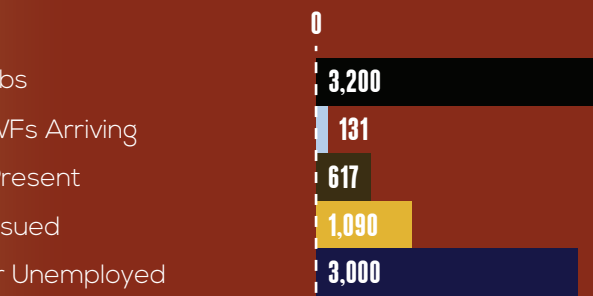
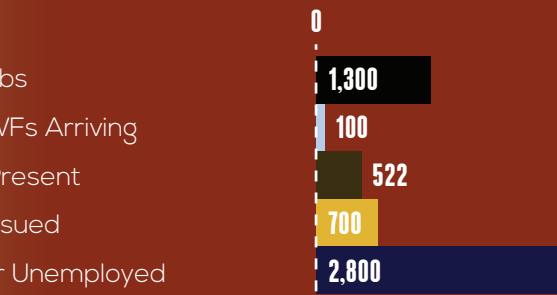
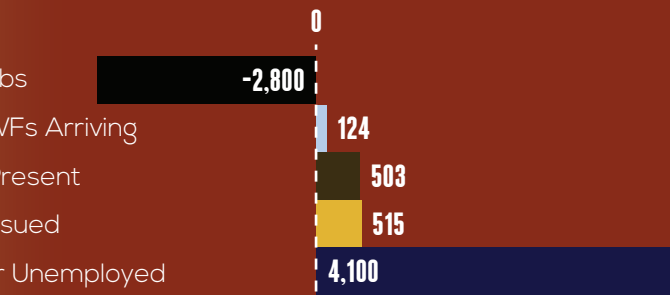
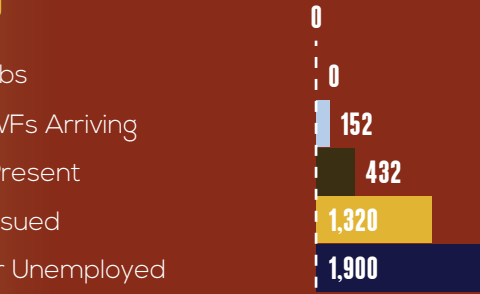


## 2012



\*Min-Value: -600  
\*Max-Value: 4,900

# GRANDE PRAIRIE:



Grande Prairie lost 2,800 jobs during the recession, and did not add all those jobs back to the economy until 2011.

The number of Temporary Foreign Workers continued to grow, however. There was a TFW present for 19 per cent of new jobs created in 2011.

As in other small cities, the Harper government is handing out work permits for TFWs with wild abandon. In 2011, there was a TFW work permit issued for 34 per cent of new jobs created. In other words, employers are choosing not to use their TFW work permits, though the federal government is enthusiastically encouraging the use of TFW labour.

Meanwhile, 3,000 people in Grande Prairie were unemployed in 2011, even as the economy recovered, and 16,600 residents – 16 per cent of the workforce – worked for \$13/hour or less.



Wood Buffalo is home to a high percentage of TFWs as a portion of its workforce. The workforce is approximately the same size as that of Red Deer or Lethbridge, but Wood Buffalo is home to twice the number of TFWs as those cities.

Still, there could be more. Incredibly, the Harper government issued a TFW work permit for 99 per cent of the new jobs created in Wood Buffalo in 2011.

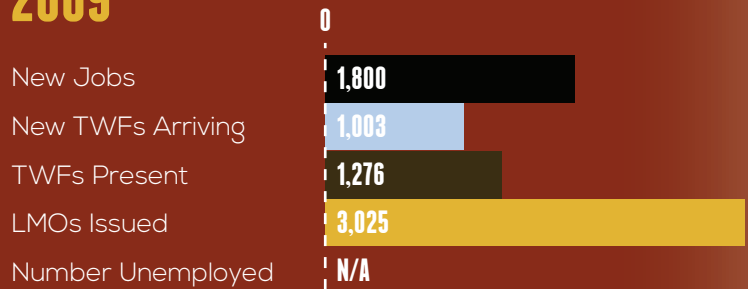
Meanwhile, 2,800 people were unemployed in Wood Buffalo.

Wages at the low end, despite the high cost of living in Wood Buffalo, have not increased for a large number of workers. The number of people earning \$13/hour or less in that region has remained constant for four years. In 2009, 8,200 people earned \$13/hour or less, or 13 per cent of the workforce.

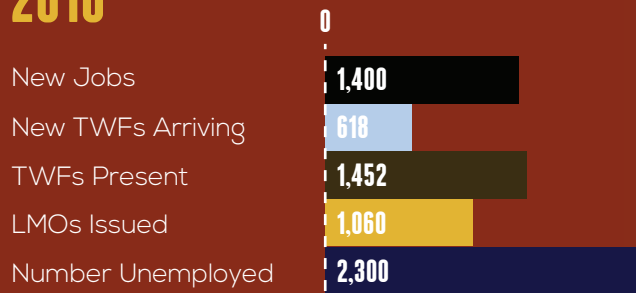
In 2011, it remains 7,800, or 11 per cent of the workforce.

# WOOD BUFFALO:

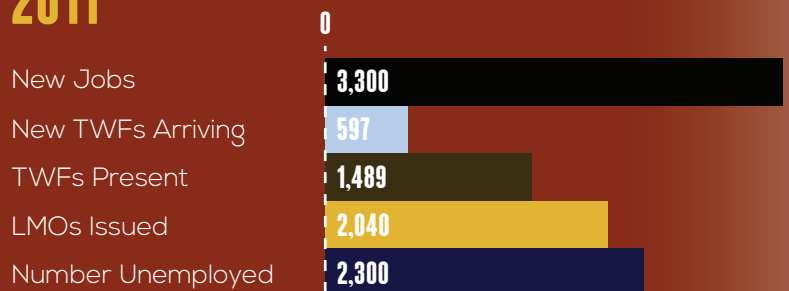
## 2009



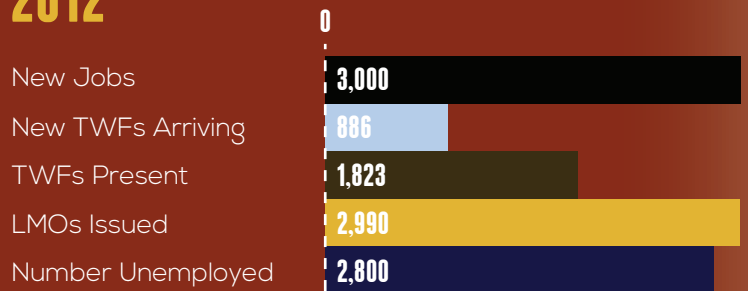
## 2010



## 2011



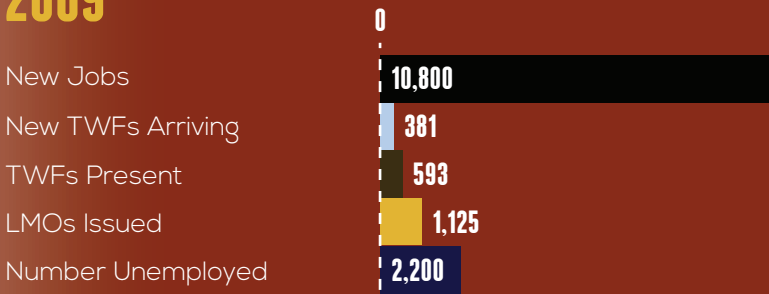
## 2012



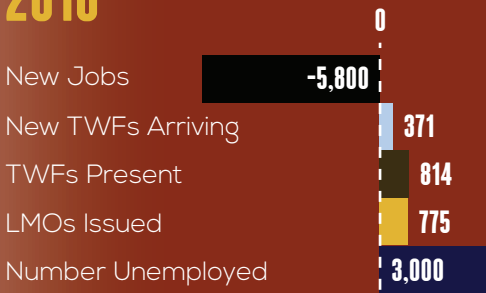
\*Min-Value: 0  
\*Max-Value: 3,300

# LETHBRIDGE:

## 2009



## 2010



## 2011



## 2012



\*Min-Value: -5,800  
\*Max-Value: 10,800

Lethbridge has dropped 5,600 jobs since 2008, but the number of Temporary Foreign Workers in the city has increased by 68 per cent.

Meanwhile, 3,100 people were unemployed in 2011.

A high number of people earn less than \$13/hour, and that number has gone up since 2009.

In 2011, 7,700 of Lethbridge workers were at the lowest end of the pay scale, and in 2009, 6,700 people earned this wage. In other words, the low-wage economy is growing in Lethbridge despite the recovery from recession.

Of all the small cities in this report, Medicine Hat is the most shocking example of negative job growth.

The community has lost more than 10,000 jobs since 2008.

Still, there were 517 TFWs present in 2011 and the Harper government issued more than 1,000 TFW work permits in Medicine Hat, with apparently no regard for the actual state of the economy and job creation.

# MEDICINE HAT:

## 2009



## 2010



## 2011



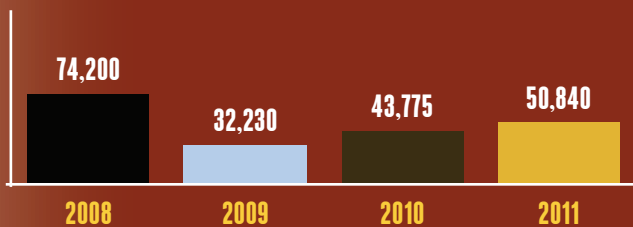
## 2012



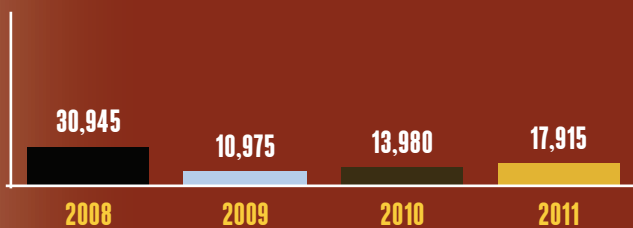
\*Min-Value: -6,000  
\*Max-Value: 2,300

# LABOUR MARKET OPINIONS AND YOUTH UNEMPLOYMENT IN ALBERTA

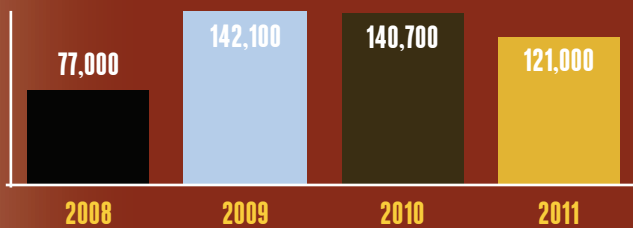
Total Labour Market Opinions Issued:



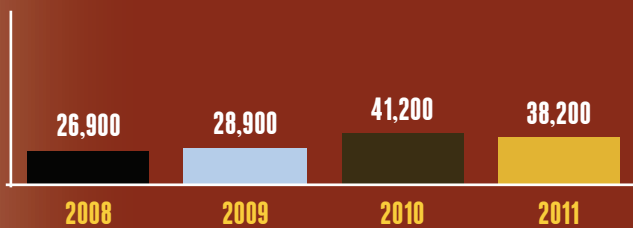
Labour Market Opinions for Unskilled Work  
(Labourers, Retail, Food Service, Hospitality):



Alberta General Unemployment Rate:



Alberta Youth Unemployment Rate (age 15-24):



In 2011, 35 per cent of Labour Market Opinions issued in Alberta were for unskilled work – people working in the retail, hospitality, and food service sectors.

While the Harper government approved 17,915 work permits for unskilled work in 2011, youth unemployment remains stubbornly high in Alberta, at 38,200 individuals under the age of 24.

Youth unemployment in 2011 was higher than it was in 2009, during the depths of the recession.

Meanwhile, the number of workers in Alberta aged 20 to 24 remains effectively unchanged (200,500 workers in 2009; 200,600 in 2011). But the number of young people earning less than \$13/hour has actually increased. In 2009, 54,200 young Albertans earned \$13/hour or less, in 2011, it was 54,800.

Low wages and high unemployment are a growing phenomenon for young people in Alberta.

# CONCLUSION:

## ALBERTA HAS A SHORTAGE OF TRAINING AND APPRENTICESHIP, NOT WORKERS

### 1. ALBERTA DOES NOT HAVE AN ECONOMY-WIDE LABOUR SHORTAGE

Wage suppression lobbyists (Canadian Federation of Independent Business, Merit Contractors, and other front groups for Big Business) and their conservative friends in government like to pump up a labour shortage because it provides a convenient political cover for expanding the Temporary Foreign Worker program. The real motivation behind the TFW program is not a labour shortage, but a desire to drive down wages by flooding the labour market with lower-skilled workers.

### 2. ALBERTA'S BOGUS LABOUR SHORTAGE NUMBERS

Most of us have heard the alarmist claims coming from corporate Canada: Alberta is set to be short hundreds of thousands of workers in the coming decade.

Those figures are based on a bizarre calculation never previously

used in Alberta and not used anywhere else in Canada.

Internal Government of Alberta documents show Alberta has more workers than jobs – and labour market trend predictions clearly show Alberta will have a labour surplus for the foreseeable future.<sup>2</sup>

The problem is that Alberta continues to fail in matching training with the labour market.

### 3. APPRENTICESHIP AND TRAINING

Alberta has a very poor record of investment in training and apprenticeship. Our province lags behind most others in Canada – and certainly behind the rest of the industrialized world – in its approach to worker training and apprenticeship.

Alberta has a tight labour market for some select trades, but they are very select shortages and tend to be short-lived.<sup>3</sup>



## 4. ALBERTA'S DISMAL TRAINING RECORD

The Temporary Foreign Worker Program allows employers to bring in temporary workers – who are already trained – instead of investing in training here in Alberta. Our system lets Big Business off the hook: in any other industrialized country, industry is required to invest in training and apprenticeship. But in Alberta, our government's cozy relationship with employers means we have a broken training system. Employers are not pulling their weight, and the result is a skills mismatch throughout the economy.

## 5. SLASHING TRAINING BUDGETS

Training budgets in Alberta have been slashed by \$22 million since 2009, and apprenticeships took a \$1.6 million cut since 2009 – despite the recession, when it makes sense to invest in training.

## 6. EMPLOYERS NOT PULLING THEIR WEIGHT

In Canada, only 50 per cent of companies who hire tradespeople participate in apprenticeship programs. Industries who rely on skilled labour should be required to invest in it.

# GETTING SERIOUS ABOUT TRAINING AND APPRENTICESHIP:

**If Alberta was serious about solving any existing skills shortages, while making sure good jobs are available to Albertans, we would immediately undertake the following efforts:**

- ▶ Restore budgets to training and apprenticeship programs.
- ▶ Expand Red Seal certification.
- ▶ Institute a 1% payroll tax for training.
- ▶ Allow all trade unions to participate in a Training Trust Fund – allowing them to indenture apprentices.
- ▶ Require, as part of regulatory approvals, a set number of apprentices on large construction work sites, particularly in the fast-growing oil sands sector.
- ▶ Invest in income supports, bursaries, and other forms of student assistance to reduce barriers to apprenticeship training, including specific programs targeted at women, indigenous peoples, people working in declining industries, and youth.
- ▶ Require – by legislation – employers who hire skilled tradespeople to take on apprentices.
- ▶ Provide incentives – via the Employment Insurance or other programs – for Canadians to relocate to Alberta for work in skilled trades.



[www.afl.org](http://www.afl.org)



# AFL Alberta Federation of Labour

## ENDNOTES

<sup>1</sup> Vancouver Sun. Peter O'Neil and Tamara Carmen. January 7, 2013. "Temporary foreign workers: Filling labour gap or depressing wages?" <http://www.vancouversun.com/Temporary+foreign+workers+Filling+labour+depressing+wages/7564651/story.html#ixzz2JyFOAqB6>

<sup>2</sup> Alberta Federation of Labour, July 24, 2012. "Alberta Relying on Bogus Labour Shortage Figures." <http://www.afl.org/index.php/Press-Release/alberta-relying-of-bogus-labour-shortage-figures.html>

<sup>3</sup> Certified General Accountants Association of Canada. July 24, 2012. "Skilled Labour Shortages Sporadic and Short-Lived." [http://www.cga-canada.org/en-ca/MediaCentre/MediaReleases/2012/Pages/ca\\_mdr\\_2012-07-24.aspx](http://www.cga-canada.org/en-ca/MediaCentre/MediaReleases/2012/Pages/ca_mdr_2012-07-24.aspx)