

Jonathan Blaine Musings

Marketing and business management leader in Fortune 100, private equity and non-profit organizations, publishes thoughts about integrated marketing, tactics, successes and anything else that springs to mind.
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Canadian Government's stealth anti-immigration policy endangering country's economic future


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“Temporary Foreign Worker” program an unethical industry cash cow that suppresses wages across Canada and increases unemployment; new “Canadian Experience” requirement is roadblock for skilled immigrants

At heart, I am a capitalist. I could not have survived many years in extremely competitive US markets and industries without that strength. However, I also believe in ethics and taking care of people. Ethical and sustainable capitalism is what, in my mind, defines Canada and being Canadian. Or, at least, it used to. This column started off as an update to one from a year ago, but current news events provide a good reason for a dedicated article.



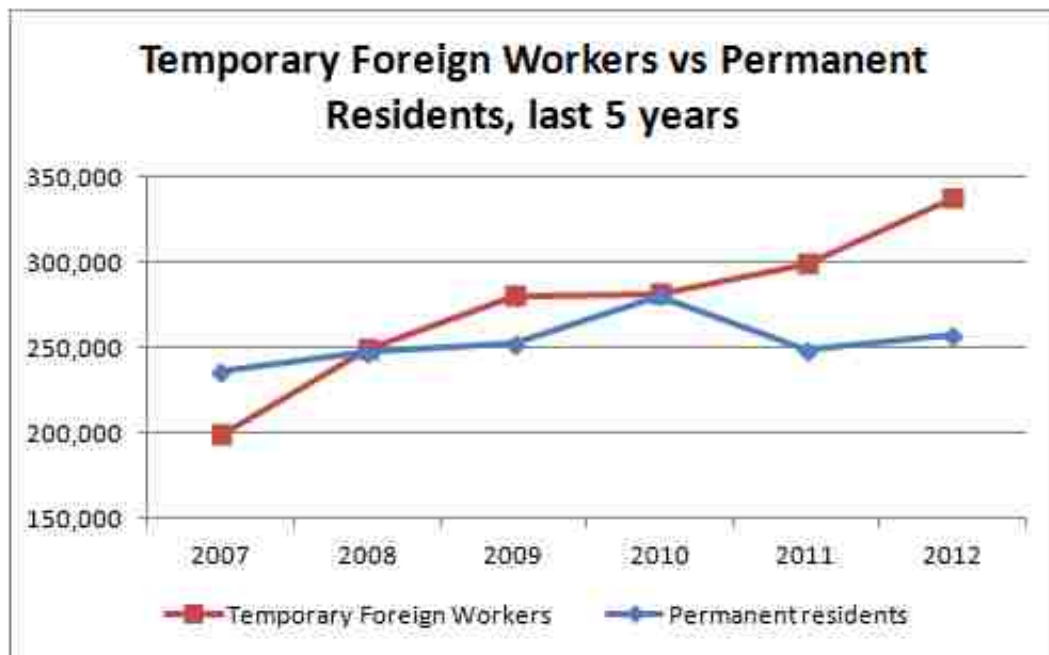
Government horse hockey?

Apparently, my crystal ball was extremely clear in April 2012 when I wrote in [“Canadian Government to accomplished and educated immigrants: Keep Out!”](#) that the current Conservative government might have a “stealth anti-immigration policy.” I surmised that following the cancellation of over a quarter million “skilled worker” immigrant applications. Then, last August, the Canadian feds quietly published new regulations that require new immigrants to jump through language and “Canadian Experience” hoops before being eligible to become permanent residents. Temporary foreign workers have no such hurdle to leap. We’re not talking citizenship here; the US, for example, requires English proficiency and knowledge of American history and government to obtain citizenship, but not resident alien status. **This type of restriction is a slap in the face to every potential Canadian immigrant on the planet, especially those who are highly educated, successful and qualified.**

[CERIS – The Ontario Metropolis Centre](#) in Toronto sponsored an academic paper on “Canadian Experience” concerning this particularly Canadian brand of subtle, “acceptable” and institutionalized discrimination and released it this past March. The report’s principal investigator was [Dr. Izumi Sakamoto](#) of the University of Toronto. This is an exhaustive study on the subject, quite a disquieting read, and mirrors in academic terms much of what I discussed here a year ago. You may download it at: [“An overview of discourses of skilled immigrants and ‘Canadian experience:’ An English-language print media analysis”](#)

An October 2012 CERIS blog article also tackles this subject: [“Major step-back on Canadian immigration system – Only those with ‘Canadian experience’ need apply.”](#) An excerpt:

Over the past ten years, Canada has increasingly admitted more foreign workers under temporary foreign work programs (now numbering over 300,000 [in the country presently]) while introducing ways to scrutinize who is worthy of permanent residence. The new changes to the Federal Skilled Workers Program solidify this pattern of providing employers easy access to “flexible” labour, while limiting (new immigrants) rights and barring most from establishing themselves in Canada. – CERIS, October 10 2012



Growing Disparity in Canadian Temporary Foreign Workers vs. Immigrants; unofficial figures show there are actually 500,000 TFW in Canada, which dwarfs the 338,000 official number.

Meanwhile, the country has been renting foreign workers by the boatload and allowing Canadian companies to displace Canadian employees, and even forcing the “getting fired” worker to train the temporary foreign worker who’s taking his or her job. The recent news surrounding the Temporary Foreign Worker program (RBC Royal Bank, et al), has cast a light on this ugly side of the current Canadian government’s extreme pro-industry immigration policy. **These “rent-a-workers” are apparently nothing more than cheap and disposable labour for Canadian business. The TFW program as it exists now, even after the arguably ill-conceived 2013 duct-taped reboot, raises Canadians’ and legal immigrants’ unemployment, discourages future-driven and innovative German-style industry-government-education partnerships and artificially suppresses wages across the country and several industry sectors.**

In the only alleged “booming” province of Alberta, 75% of all new jobs are going to these rented transplants according to the Alberta Federation of Labour (see: [Temporary foreign worker rules get revamp](#); Edmonton Journal, April 30 2013). The Federation reports that Alberta’s economy actually lost 8,600 jobs in 2010, but almost 23,000 foreign workers were allowed in. I don’t need to crack open my old MBA textbooks to figure out the negative macro and micro economics issues with that math.

Immigration Minister Jason Kenney’s much-ballyhooed changes are just Smoke and Mirrors Public Relations to avoid the issue and keep things “business as usual:”

Kenney’s new rule ending the wage differential between foreign and domestic workers is welcome. So is the provision that only English or French can be used as a job requirement. So is the suspension (which should have been a termination) of fast-tracking foreign worker visas, a process that Ottawa let get out of hand. But his other changes are a PR exercise to placate outraged Canadians. - [Temporary foreign worker flood to continue](#); Haroon Siddiqui, Toronto Star, May 2

The entire TFW system needs to be scrapped and / or completely rewritten. In light of current economic conditions affecting every corner of Canada, it must be extremely targeted by profession and restricted in numbers with effective and stringent regulation, similar to the original intent of the US’ H-1B program,

which was enacted to fill gaps in highly specialized areas of employment. **Pouring a Tim Hortons coffee or flipping a burger is certainly not that.** The new US Senate immigration and border security bill, if passed, will allow guest and agricultural workers for some lower-skilled occupations (mainly to help stop the flow of illegal immigration) but not allow them to work where there is greater than 8.5% local unemployment and will never displace American workers; Canada has no such restriction. It must not be a back door to easily get into the country and get in line ahead of “real” immigrants, as it largely is now. Nor must it be a cash cow for industry like it is today.

The Canadian program starkly contrasts to the program in the US; since Barack Obama’s election, temporary foreign worker visas — especially for IT people from India [due to Uncle Sam suspecting visa fraud on the part of Indian consulting firms](#) — are much harder to get in some fields, which favours US citizens and legal resident aliens. And, the US — a country roughly 10 times the size of Canada — allows in only 65,000 workers each year. Canada — with 215,000 allowed in to the country in 2012 — effectively has no limit. If the Canadian program was allowed in the US, that would be 2,150,000 foreign workers, not 65,000; 33 times more than now allowed. *Imagine the uproar!*

The current Canadian Intra-company Transfer system is also rife with abuses at foreign companies based in countries that are riddled with corruption and where “verifiable” credentials can be bought for a few dollars (or rupees or rubles).

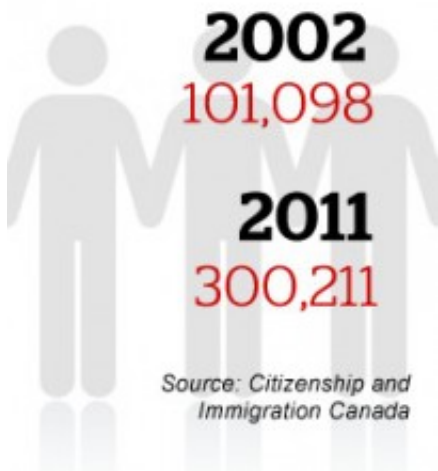
The Huffington Post published an article yesterday that peels numerous layers off the onion with many irrefutable facts: [Temporary Foreign Workers In Alberta: Report Shows Flood Of TFW As Jobs Disappear, Wages Fall](#). Excerpt:

THE HUFFINGTON POST
CANADA 

What was intended to be a tool aimed at preventing economic retreat and loss of revenue due to labour shortages has become a go-to solution for companies to artificially keep labour costs down, according to a new report. The Temporary Foreign Workers Program has evolved into an effective tool used by corporations to increase their profit margins.

“The evidence is stark: Alberta employers are bringing in more TFWs than are needed to fill the new jobs the economy is creating... labour market conditions are not dictating TFW policy.” – Alberta Federation of Labour report

Temporary foreign workers in **Canada**



As the Huffington Post article points out:

- Youth unemployment has not improved since the recession. For example, employment levels have been going sideways in Alberta, and are now higher — at 14.5% — than a year ago nationally, while related wages have been going down. Canada's youth is its future, but young men and women are being victimized and set up for failure by corporate greed and government collusion.
- Rural and small-city and town Alberta has lost thousands of jobs, but thousands more temporary workers have moved in.
- 213% more temporary workers have been allowed into the province than there have been jobs created. Simple math shows that Canadian workers are being displaced.

There can be no doubt that this profiteering on the backs of low-paid, and reportedly sometimes abused, foreign workers and the displaced Canadians they replace is not limited to Alberta, but is a Canada-wide phenomenon that has been approved at the highest levels in many corporations, both domestic and foreign-based. The winking and nodding federal government is risking the country's and its people's economic futures in favour of short-term corporate profits.

UPDATE June 4, 2013

Toronto Star editorial page editor emeritus Haroon Siddiqui, who is a member of the Order of Canada, apparently agrees. In his June 2 "[Fire Jason Kenney and freeze immigration](#)" column, he writes:

Just about everything he has touched — and he touches a lot as minister for immigration and citizenship — is in chaos. The entire system is mired in scandalous delays. Crucially, different elements of it are working at cross-purposes.

About 1.3 million Canadians don't have jobs. Another million are underemployed or have given up looking for work. The unemployment rate for the young is twice the national average, though they are the most educated in our history.

Yet Kenney has kept bringing 250,000 and more immigrants every year. Many of them can't find jobs, either. Their unemployment rate is twice the national rate. Of those who do have jobs, three in four are not working in their fields — not using the education and skills for which they were selected as immigrants.

This is Stephen Harper's Republican economic theology at work — supply businesses with cheap and pliant labour, even as our corporations remain among the lowest spenders in the industrialized world on recruitment, retention, training and skills development.

I agree that Kenney should resign or be fired and his entire program scrapped. Canada is getting a bad name amongst hopeful immigrants while the immigration system has become only a supply of cheap labour for Canadian companies. Even extreme right wing Republicans in the US would be proud of his efforts, and that's saying something.

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