



POLICY BRIEF

No. 02, May 2021

Rupa Banerjee, Daniel Hiebert

Leveraging human resources for long-term prosperity: Expanding pathways to permanence for lower-skill temporary workers in Canada

EXECUTIVE SUMMARY

Canada welcomes over 350,000 new permanent residents every year and close to 600,000 temporary residents (including international students and temporary foreign workers of various skill levels). Since 2008, about two thirds of individuals “landing” in Canada as permanent residents were already living in the country under temporary status. For the most part, however, pathways to permanent residence have only been available to individuals categorized as “high-skill” workers. Although detailed information on occupational profiles are not available for most temporary foreign workers, we estimate that approximately 300,000 are currently employed in lower-skilled jobs in Canada. For these lower-skill workers, opportunities to transition from temporary to permanent status have been very limited. The pandemic has shown that lower-skill temporary foreign workers are essential for the economy and fulfill long-term needs in sectors with ongoing demand. Several small pilot programs and provincial nominee streams have sought to address these bottlenecks of transition from temporary to permanent status for lower-skilled workers in specific sectors with limited success. The newly announced transition program for 90,000 temporary residents to permanent status is time limited, and faces other challenges.

Below we propose an innovative policy that would offer a long-term solution to this systemic issue and build important resilience and flexibility into the Canadian immigration system. We believe that this policy would be beneficial to Canada on both ethical and instrumental grounds. That is, Canada would extend greater respect for the rights of what are now routinely labelled “essential workers”, and also ensure a greater supply of workers in a number of occupations that may be seen as mundane, but are nevertheless in high demand.

[Economic and Social Development Canada](#) has produced projections of labour market dynamics for the next decade (2019-2028), showing that while the majority of new jobs will be in high-skilled occupations, there will still be substantial demand for lower-skilled workers in a number of fields. Of the projected 656,020 job openings per year, about 211,020 are predicted to be in lower-skill occupations. Significantly, these are sectors of the economy where we can already see disproportionately high numbers

of temporary foreign workers, suggesting that there is a lack of sufficient domestic labour supply for these occupations. While Canada’s temporary foreign worker program has been designed to enable employers to fill temporary needs, many lower-skill temporary workers are employed in jobs with ongoing demand.

The Live-in Caregiver Program (LCP) is an example of a lower-skill temporary worker stream that provided the opportunity to transition to permanent resident status. Immigration, Refugees and Citizenship Canada (IRCC) introduced the LCP in 1992, and has nearly 30 years of experience operating a two-stage program for lower-skilled migrant workers to become permanent residents. Despite many criticisms of the LCP, a very high ratio of the individuals admitted to Canada through this program are employed and economically self-sufficient.

IRCC has also enabled provincial governments to select lower-skill workers through nominee programs and has created two pilot programs that invite temporary workers in the agri-food production sector, and workers with lapsed status in the construction sector, to apply for permanent residence. In April 2021, IRCC also announced its decision to set a one-time quota of 90,000 permanent residence admissions for temporary workers and students currently in Canada; three of the eligible categories of health care workers, and nearly half of the eligible categories of “other essential workers” (out of almost 100) would be classified as lower-skill.

We see these initiatives as promising but emphasize that all of them are limited in scale and tend to be pilot programs with a scheduled end date. We advocate for larger, more durable transition policies for lower-skill workers but note that several concerns must be addressed before they are introduced. Our specific recommendations are as follows:

- 1) Create a sizeable and stable pathway to permanent residence for lower-skill workers by allocating approximately 10-20% of economic Principal Applicant admissions per year towards lower-skilled workers.
- 2) Establish eligibility rules based on factors such as Canadian work experience, language ability, and occupational demand. We recommend Canadian Language Benchmark (CLB) requirement of Level 4 to ensure that applicants have adequate language skills to adapt to life in Canada. The eligible occupational groups must be determined through detailed analysis of labour supply and demand trends. This requires partnerships between the federal government, provinces, municipalities, employers, labour organizations and other stakeholders.

- 3) Invite eligible temporary foreign workers to apply for permanent residence on a “first-come, first-served” basis within specified windows of time to prevent backlogs.

- 4) Continue to operate current temporary foreign worker streams but strictly enforce employment standards, including wages for all temporary foreign workers. Provide information about labour rights, including prevailing wage rates to all temporary foreign workers.

- 5) For occupations deemed to be eligible for transition to permanent status allow open work permits.

- 6) Shield the domestic labour force from deterioration in labour standards as a result of this policy by preventing employers from hiring temporary foreign workers at wages lower than the prevailing wage rate. Enforce this policy through ongoing monitoring.

- 7) Provide eligible temporary foreign workers and their family members access to settlement services and language training when they first enter Canada.

- 8) Design and implement a coherent, persuasive communication plan to inform Canadians of the potential benefits of admitting lower-skill workers as permanent residents.

By designing a thoughtful policy that ensures Canadian employers gain much needed labour, while protecting the rights of workers (both Canadian and foreign), the government can leverage its stock of lower-skill temporary foreign workers to fill demand in essential sectors of the economy and also contribute to the growth of the nation.

About the authors

Rupa Banerjee is Associate Professor of Human Resource Management and Organizational Behaviour at the Ted Rogers School of Management, Ryerson University.

Daniel Hiebert is Professor of Geography at University of British Columbia, with a specialization in issues of public policy.