

The transformation of Canada's temporary foreign worker program

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Abstract

Despite repeated efforts to curtail its size, we show that Canada's Temporary Foreign Worker (TFW) Programs have undergone a transformation since 2000, in which TFWs now account for nearly three percent of total Canadian employment – a six-fold increase – and are increasingly skilled, employed on long-term permits, and likely to transition to permanent residency (PR). While TFW entries that are labour market tested appear to be meeting genuine labour shortages, 85 percent are exempt from labour market tests (LMTs) and the growth in LMT-exempt permits has exceeded the growth in TFWs who transition to PR status. We argue that the system requires greater transparency in identifying the locations and occupations of TFWs with LMT-exempt permits and in tracking their PR transition rates.

Author Bios

Ian O'Donnell is a PhD candidate in the Economics Department at Western University. He holds a Master's degree in Economics at the University of Toronto and a Bachelor of Mathematics from the University of Waterloo.

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