

# Facilitating Economic Development Through Employment Opportunities for Migrant Workers

**Anusha Mahendran**

Curtin University, Australia

Anusha.Mahendran@cbs.curtin.edu

**ABSTRACT:** The World Bank for several years has endorsed an agenda of promoting economic development through labour migrant programs in many regions including the Oceanic-Pacific region. Evidence also seems to indicate that the effective facilitation of economic development through labour migrant programs requires appropriate matching of migrant workers to suitable employment opportunities in industry sectors within host countries where there exists relevant vacancies that migrant workers could be matched to and that they would be able to undertake in a meaningful way. As such, the analysis of pertinent labour market data relating to industry sectors experiencing labour shortages within host countries is necessary to accurately identify occupational groups which require an influx of appropriately matched migrant workers to meet labour demand. In addition such labour market data analysis would also enable the extent of the labour shortages across the job categories within the specific sectors to be astutely assessed and evaluated, which is likely to contribute to improving the overall success of the labour migrant policies and programs that are developed and implemented. To this end, this paper provides a summary analysis of the potential employment opportunities for migrant workers within specific occupational groups across relevant industry sectors in potential host countries.

**KEYWORDS:** economic development, employment opportunities for migrant workers

## 1. Introduction

The utilisation of temporary foreign workers as important source of labour to help minimise labour shortages has become common practice in many industry sectors across Canada. Thus there is often a link between increased levels of permanent immigration into Canada by migrant works being associated with expanding employment opportunities within the country. Temporary immigration is often limited to two years in Canada but once in the country, many temporary immigrants find ways of remaining in the country and most commonly this is through the pursuit and securitisation of employment in industry sectors which often experience labour shortages. The policies relating to immigration within Canada have experienced considerable modifications. Some relevant reforms that have occurred in recent times include:

1. An increase in the intake of immigrants entering under the points system
2. Reweighting the points allocation system according to the personal characteristics of applicants
3. Introduction of the Canadian Experience Class which was designed to make it easier for applicants who have completed education or acquired previous work experience within Canada to achieve landed immigrant status and become permanent residents
4. Introduction of the Quebec Immigrant Selection System and the Provincial Nominee Programs (PNPs)

A temporary foreign worker within Canada is defined as an individual who has been issued with a work permit to live and be employed within Canada, by Immigration Canada (Byl 2010). Canada is expected to admit approximately 100,000 immigrants who will qualify under the federal skilled worker program, to work within the country.

Canada's federal skilled worker program provides for the largest single stream of immigration by foreign workers into Canada (Green and Worswick 2004). The federal skilled worker program is centred around a points based metric system of evaluation, where criteria such as the age, adaptability, level of education (including acquired qualifications), language ability and relevant work experience of an applicant are used to assess their likely potential to successfully migrate to and settle in Canada.

Currently, the threshold for admission into Canada stands at 67 points which represents the points score that a foreign applicant must attain in order to be allowed to seek employment opportunities within the country as part of the federal skilled

worker program (Human Resources and Skills Development Canada 2009). With the growth in temporary migration the Canadian Government has moved to speed up the cumbersome process for temporary entry. The critical factor is the so-called Labour Market Opinion (LMO), an assessment of how the recruitment would impact on Canadian residents.

## 2. Provincial Nominee Programs

Each of the Canadian provinces have their own individual provincial immigration programs (known as Provincial Nominee Program (PNP)). These act to promote immigration policies that cater to meet a province's specific needs. This provides the provincial authorities with more influence and control in the identification and selection of particular groups of economic immigrants intending to settle in their respective provinces.

All of the other Canadian provinces, other than Quebec have only been issued with the right to nominate immigrants as part of their migrant intake programs. In the foreseeable future, the numbers of immigrants to be granted permanent residence under a PNP or selected by the Province of Quebec is anticipated to increase.

Under the provincial programs, qualified employers are typically able to nominate prospective workers for an expedited process which, upon receiving approval from the province allows for an application for permanent residence to proceed as part of a processing stream that entirely bypasses the otherwise rather lengthy federal immigration selection process. It is possible for qualified employer sponsored applicants to initially receive short term but renewable work permits that can be processed outside of Canada or in some instances at entry ports. Their application for permanent admission can be processed by provincial authorities and subsequently by federal authorities to complete security checks and medical screenings.

In the other Canadian provinces other than Quebec and Manitoba, the Provincial Nominee Programs (PNPs) generally require an employer to sponsor the application of a foreign migrant worker in order to enable to enter and seek employment opportunities within Canada. In the absence of employer sponsorship which also has government approval, an application is unlikely to be approved or maybe looked over as lower priority, in favour of applications which have received employer sponsored approval.

To be considered as an eligible sponsoring employer, most of the PNP's stipulate that to qualify, employers must exhibit and prove that they have made sufficient effort to offer

competitive remuneration and working conditions to recruit local Canadian workers for the relevant occupations. There are also variations amongst the different Canadian provinces, in the employment terms and conditions that are required to enable the sponsorship of a migrant worker for a specific occupation (Human Resources and Skills Development Canada 2009).

According to PNP guidelines, the position intended to be filled by a foreign worker must comply with the terms of a specific pilot project designed for a specific critical skill shortage as identified within a particular province. Alternatively the position being filled must generally conform to a National Occupation Classification skill level of A, B or O. Pilot programs within the Canadian provinces are generally designed for low skilled workers and often have limited scope. There are also often differences in the pilot projects for low skilled occupations in the various Canadian provinces.

The duration of work permits issued for low skilled occupations is limited to a period of two years and under the current regulation can not be extended. The duration of validity of Canadian work permits issued to skilled workers however can be extended. There are currently discussions being undertaken between the Canadian Federal government and the provincial authorities to enable the duration of work permits issued for low skilled migrant workers to also be extended.

Some Canadian industries such as the construction sector in British Columbia and Alberta's oil sands sector have previously been quite dependent on the Provincial Nominee Program to fill labour shortfalls they have experienced.

The processes involved in facilitating the employment of a temporary migrant worker in Canada generally includes the following:

1. The foreign worker must receive a job offer and enter into an approved contract of employment with an eligible Canadian employer.
2. The foreign worker must prove that they adequately satisfy any requirements (in terms of training/education, qualifications, prerequisite licensing, experience, etc.)
3. The foreign worker is then required to acquire labour market opinion confirmation from Human Resources Development Canada (HRSDC) for some occupations and in the case of some types of workers. The need to obtain a positive labour market opinion from the HRSDC is believed to have been established in order to protect permanent Canadian residents from competition from foreign workers.

Consequently local Canadian employers seeking to hire overseas are generally required to guarantee that a permanent Canadian resident worker can not

be found to fill the relevant vacancy. As part of this process the HRSDC often investigates the availability of permanent residents to fill the position and whether the hiring of foreign workers to fill specific vacancies would be beneficial to existing Canadian permanent residents. The HRSDC is also responsible for ensuring that the rates of remuneration, occupational standards and working conditions for the temporary foreign worker(s) is comparable to what a Canadian permanent resident would be entitled to receive if they were employed in the same role.

However in some instances, the HRSDC also makes additional stipulations. This process may therefore lead to delays in the processing of the foreign worker's application which may last from a couple of days to six months depending on the employer's location and the intended type of occupation. In cases where the HRSDC provides a positive labour market opinion, a work permit may subsequently be issued by the department of Citizenship and Immigration Canada (CIC).

4. The foreign worker must obtain an appropriate work visa, which may entail further processing delays.

### 3. Low Skilled Pilot Project Worker Program

The Low Skilled Pilot Project Worker Program was originally implemented to assist in reducing labour shortages within the construction sector of the Greater Toronto Area. However it has also been successfully utilised by various other industries across Canada including within Alberta's hotel and meat processing sectors. As a temporary admission program for migrant workers the Low Skilled Pilot Project Worker Program has a significantly different scope to the Temporary Foreign Worker program but still follows some similar processes (*Human Resources and Skills Development Canada 2009*).

The Low Skilled Pilot Project Worker Program is generally used by Canadian companies that need positions to be filled by workers, who require minimal education and training and where an ongoing shortage of workers for a designated occupation has been appropriately certified by the local labour market. Work visas for a maximum duration of 24 months are issued on the basis that there is an employment contract between an eligible employer and foreign migrant worker. It is not possible to re-issue these work visas until the migrant worker has returned to their home country for a minimum period of four months.

The process involved in hiring temporary foreign workers as part of the low skilled pilot project is listed below:

1. An eligible Canadian employer must make a job offer and enter into contract of employment with the foreign worker. As part of the employment contract there must be provisions for the Canadian employer to fund the return air fare of the migrant worker and also in some cases provide appropriate housing for the foreign worker.
2. The foreign worker is then required to acquire labour market opinion confirmation from Human Resources Development Canada (HRSDC). This may lead to delays in the processing of the foreign worker's application which may last from a couple of days to six months depending on the employer's location and the intended type of occupation.
3. The foreign worker must obtain an appropriate work visa, which may entail further processing delays deriving from the need for the migrant worker to complete a full medical examination, etc.

#### 4. The Canadian Tourism Industry

The slowing of the Canadian economy which has occurred since the 2008 economic downturn has served to reduce the severity of labour shortages within the country. However as the economy begins to recover more rapidly from the decline that was induced by the global financial crisis, demand for tourism services is likely to grow considerably which will lead to more imbalances between the demand for and supply of labour within the sector, thereby inducing further labour shortages across the industry.

The future projected labour shortages within the Canadian tourism industry are anticipated to be induced by several factors. This includes the fact that demand for labour in the sector is expected to grow during a time when the labour force is tipped to experience significant changes in composition and growth. The predominant labour source which the Canadian tourism sector has relied upon traditionally has been younger workers. In recent times however, there has been a fall in the rate of entry into the labour force of younger workers. This has been combined with increasing competition from other Canadian industry sectors to attract younger workers.

The increased demand for labour that is projected to occur within the Canadian tourism industry over the next twenty-year period is anticipated to likely be induced

by strong growth in expenditure on goods and services within the industry. The food and beverages sector is forecast to record the largest increase in potential demand for labor. According to the forecasts, by 2025 this sector alone could potentially require over 1.2 million full time employees. This thus represents a significant increase from the estimated 908, 000 full time workers who were believed to be employed within the sector in 2006.

**Table 1:** Potential Labor Demand in Specific Sectors of Canada’s Tourism Industry (Jobs)

	<b>2020</b>	<b>2025</b>
<b>Accommodation Sector</b>	282,156	297,129
<b>Food &amp; Beverage Services Sector</b>	1,084,661	1,160,857
<b>TOTAL LABOR DEMAND</b>	1,366,817	1,457,986

Source: *Canadian Tourism Research Institute and the Conference Board of Canada (2010), ‘The Future of Canada’s Tourism Sector: Economic Recession Only a Temporary Reprieve From Labor Shortages’*

As Table 1 above indicates, the largest increase in potential labor demand is forecast to occur in the food and beverage services industry. According to the projections the sector itself could employ over 1.16 million full-year workers by 2025. In the case of the Accommodation sector of the Canadian tourism industry the forecast growth in labor shortages is still significant with a shortfall of more than 297 000 workers projected for 2025.

The figures derived from the projections for the potential growth of labor supply in the Accommodation along with the Food and Beverage services sectors as depicted in Table 2 below, indicate that of the two sectors, the food and beverage services industry is forecast to have the greatest anticipated increase in labor supply over the period from 2020 to 2025.

**Table 2:** Potential Labor Supply in Canada’s Tourism Sector (jobs)

	<b>2020</b>	<b>2025</b>
<b>Accommodation Sector</b>	267,588	274,904
<b>Food &amp; Beverage Services Sector</b>	993,205	1,018,550
<b>TOTAL LABOR SUPPLY</b>	1,260,793	1,293,454

Source: *Canadian Tourism Research Institute and the Conference Board of Canada (2010), ‘The Future of Canada’s Tourism Sector: Economic Recession Only a Temporary Reprieve From Labor Shortages’*

4.1 Potential Labor Shortages in the Tourism Sector

The tourism sector, like many other industries within the Canadian economy is experiencing a trend towards tighter labor markets. The forecasts indicate that the potential labor shortage in the Canadian Accommodation as well as the Food and Beverage sectors is likely to grow to become even greater over the next fifteen year period. The figures also signal that the food and beverage services industry in particular, has the greatest potential to be very vulnerable to labor shortages.

**Table 3:** Potential labor Shortages in Specific Sectors of Canada’s Tourism Industry (Jobs)

	<b>2020</b>	<b>2025</b>
<b>Accommodation Sector</b>	14,568	22,225
<b>Food &amp; Beverage Services Sector</b>	91,456	142,307
<b>TOTAL LABOR SHORTAGES</b>	106,024	164,532

Source: *Canadian Tourism Research Institute and the Conference Board of Canada (2010), ‘The Future of Canada’s Tourism Sector: Economic Recession Only a Temporary Reprieve From Labor Shortages’*



The results of the forecasting as revealed in Table 3, therefore indicate that there will be a considerable increase in the magnitude of labor shortages that are likely to occur within the Food and beverage services sector along with the Accommodation sector in the time span between 2020 and 2025. As a proportion of labor demand, the extent of the labor shortage is anticipated to be most severe within the food and beverage industry, which according to the projected figures could suffer a shortfall of around 142,000 workers by the year 2025.

In the years leading up to the recession of 2008-09, like many other Canadian industries, the tourism sector experienced tight labor markets. Relatively weaker economic conditions since the 2008-09 down turn have therefore served to provide some temporary easing in labor market conditions within the tourism industry. However the results of the projections indicate that labor shortages will increasingly become more significant over the course of the next 15 year period.

There appears to be some consistency across the various regional areas of Canada with regard to the occupations within the tourism industry that are anticipated to experience labor shortages. More specifically potential labor shortages are forecast to be more acute for front line, customer service jobs and more physically demanding occupations such as for example hotel room attendants. In addition the recruitment of suitable workers for these occupations generally requires longer lead times, making the recruiting process more difficult. It also increases the likelihood that less suitable employees with for example inappropriate skills or a lack of sufficient training may be selected to fill these vacancies. It has consequently been reported that as a result of these factors, some vacancies for these positions remain unfilled, particularly in some of the Western Canadian provinces.

As indicated in Table 4 below, the Food and Beverage as well as the Accommodation sectors of the Canadian tourism industry contain the top five occupations that are most likely to face labor shortages over the next 20 year period. The data presented indicates that the most evident shortage of workers is forecast to occur amongst kitchen helpers and food-counter attendants with a shortage of over 33 000 workers forecast for 2020 and almost 50 000 by 2025. Significant labor shortages are also anticipated to occur amongst food and beverage servers over the next 5-15 year period with a shortfall of over 42,000 workers in this role expected by 2025.

**Table 4:** Potential Labor Shortages in Specific Occupations within the Tourism Industry (Jobs)

	2020	2025
<i>Food-counter attendants and kitchen helpers*</i>	33,478	49,564
<i>Food and beverage servers*</i>	27,782	42,655
<i>Bartenders*</i>	5,606	8,784
<b>TOTAL LABOR SHORTAGE</b>	66,866	101,003

\*Note: The figures for these occupations include the combined labor shortages from the food and beverage and accommodation sectors, where applicable.

Source: *Canadian Tourism Research Institute and the Conference Board of Canada (2010), ‘The Future of Canada’s Tourism Sector: Economic Recession Only a Temporary Reprieve From labor Shortages’*

In a survey of tourism industry stakeholders conducted by the Canadian Tourism Human Resource Council, 75% of businesses in the Food and Beverages Sector reported that they anticipated labor related issues to be significant a company constraint over the next three to five year period. Interestingly enough, 63% of businesses surveyed in the study from the Canadian Accommodation sector believed they would experience similar labor impediments over the same time span (Canadian Tourism Research Institute and the Conference Board of Canada 2010).

Substantial labor shortages within the Canadian tourism sector are therefore expected to occur due to an anticipated increase in demand for tourism goods and services, combined with a forecast decline in growth of the Canadian labor force. It thus estimated that by 2025 the Canadian tourism industry may experience a labor shortage to the magnitude of nearly 165,000 workers within its Accommodation and Food and Beverage sub-sectors. In addition, the impending retirement of a lot of workers belonging to the baby boomer generation, the rates of which are to due escalate towards the middle of this decade is likely to further exacerbate the extent of labor shortfalls.

## 5. The Canadian Mining Industry

Based on population projection data from Statistics Canada, over the next decade the number of people in Canada who will be at an age where they can leave the labor force will significantly exceed the number who will enter it. The number of older workers leaving the Canadian workforce is also expected to accelerate from 2011, as the first waves of workers from the Baby Boom generation start to reach retirement age and consequently increasingly begin to exit the Canadian workforce (MITAC 2005).

Strong economic growth was experienced in the Canadian mining sector for the majority of the ten year period leading up to sharp contraction that occurred from September 2008 due to the impact of the Global Financial Crisis. However buoyed by continued strong demand for resources from developing countries such as China, India, Brazil and Russia and also due to the impact of non-metal commodities, considerable economic recovery within the Canadian mining industry occurred (Canadian Tourism Human Resource Council 2009).

Human resources challenges facing Canada's mining industry are likely to significantly adversely affect the potential economic growth of the sector. Although the Canadian mining sector has been successful in recent years in increasing the workforce participation rates of women, older workers, women and immigrants within the mining workforce, it is anticipated that it will become increasingly difficult to sufficiently meet the demand for workers within the industry in coming years. Some of the contributing factors which are believed to be likely to lead to the expected future labor shortages within the Canadian mining industry include the aging workforce and the fact that there is likely to be a lower number of workers available in the labor force. Therefore although the sector has been relatively effective in elevating participation rates amongst previously under-represented groups, it is becoming increasingly evident that the labor shortfalls employers within the sector face will intensify as more older workers retire from the workforce.

The figures outlined in the Table below indicating the future hiring needs for the Canadian Mining sector, reveal that there will be continuous future growth in demand for workers within specific semi and unskilled occupational groups.

Table 5: Cumulative Hiring Requirements for the Canadian Mining Industry – By Broad Occupational Categories and Relevant Mining Occupations

<b>Occupation</b>	<b>2020</b>
Construction trades helpers and laborers	1029
Other trades helpers and laborers	158
Mine laborers	1014
Laborers in mineral and metal processing	2260
<b>Total</b>	<b>4461</b>

Source: Mining Industry Human Resources Council [MIHR] (2010) ‘*Canadian Mining Industry Employment and Hiring Forecasts 2010- A Mining Industry Workforce Information Report*’

Thus the Canadian mining industry’s human resources challenges represent potential impediments to the sector’s future growth and competitiveness. This is confirmed by the fact that the Mining Association of Canada publically identified human resource challenges as one of the top six main issues that the industry has to contend with. Faced with an aging workforce and looming labor shortages, employers within the Canadian mining sector must act proactively in order to best access and maximise all available sources of labor to stand the best chance of effectively addressing these human resource challenges and meet the industry’s future hiring needs.

Long term workforce planning within the Canadian mining industry is more difficult than is the case for other sectors due to the more volatile nature of the mining industry. The highly volatile nature of employment in the mining sector is directly linked to commodity prices and is inversely related to productivity improvements. As a result, the low levels of growth in the Canadian labor force combined with rapidly aging workforce mean that the Canadian mining industry is likely to experience significant labor shortfalls in the coming years and will face considerable challenges in trying to find appropriate workers to fill emerging vacancies.

Immigrant workers consequently represent an important source of labor for many Canadian industries, particularly with regard to meeting their future workforce

requirements. In this respect, immigrant workers are expected to account for a larger proportion of labor force growth in Canada over the next five to ten year period as demonstrated in data derived from relevant population projections.

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