**Express Entry a Timely Solution to Canada’s Foreign Worker Shortage?**

On June 20th, 2014 , in quick response to public criticism over Canada’s Temporary Foreign worker program (TFWP) scandal involving McDonalds Corporation [[1]](#endnote-1) very significant restrictions were announced in a joint press conference by the Minister of Economic and Social Development Jason Kenney and Immigration Minister Chris Alexander. These changes will affect many companies ability to hire skilled workers on a temporary basis. The changes will also affect the role Filipinos will play in Canada’s economic system. These TFW restrictions were announced at a time when the shortage of skilled workers in Canada has reached an all-time high with an expected shortage of one million skilled workers anticipated by 2020.[[2]](#endnote-2)

Even throughout the TFW media controversy, the government of Canada has consistently upheld the absolute necessity of using the tool of immigration to address severe Canadian immigration shortages**. Canada still does have a desperate need for foreign workers**.[[3]](#endnote-3) Although it is true that the government’s new restrictions on temporary foreign workers coincided with public concerns and a perceived threat to Canadian job security, the changes also coincide perfectly with an underappreciated, underreported aspect of Canada’s immigration policy transformation. The Canadian government understands the economic dangers posed by the impending worker shortage, and is moving to eliminate the traditional choice available to skilled workers of whether to come to Canada either short term or long term, by attempting to force the later option.[[4]](#endnote-4) By offering the NEW Express Entry system as an innovative alternative in the face of severe temporary foreign worker restrictions, the Canadian government is betting they will succeed. The restrictions on temporary foreign workers may be misunderstood as restrictive by Filipinos, but in actuality the move favoring skilled worker Permanent Resident (PR) applicants through the new Express Entry database over temporary workers is expected to open immigration doors to Filipinos to more easily acquire Canadian citizenship.

The following is an overview of the new restrictions affecting Temporary foreign workers. Following this overview are examples of **the jobs affected by restrictions on temporary workers will be still be accessible under the new Express Entry system, so long as the applicant opts for the choice of Permanent Residency rather than temporary foreign worker status.**

Under the new TFW rules, jobs in Canada are now divided into two main categories “**high wage jobs**” and “**low wage jobs**”.[[5]](#endnote-5) These job categories are determined by the prevailing wage for the occupation (by region) being compared to the median wage of each individual province (factoring in the rate of pay for all occupations).[[6]](#endnote-6) “Low wage jobs” ( a title that is somewhat misleading), is NOT a minimum wage job nor is it even close in many cases. It is simply a job that lands you somewhere in the bottom half (according to hourly wage) of all earners province wide (bankers, lawyers and doctors included). The median wage in Alberta for example is listed as $24.23 CAD (or about 970 pesos hourly), while the minimum wage in Alberta is only $10.20 (or about 410 pesos hourly). This means that if your job in Canada earns as high as 960 pesos an hour (over double the minimum wage) it is still considered a “low wage job”. Under the new regulations low wage jobs are now subject to a ten percent (10%) maximum quota of foreign workers per business establishment, and such workers can now only stay in country for two years.

A small motel in British Columbia (a province which faces a documented severe tourism/hospitality staff shortage[[7]](#endnote-7)) with a staff size of ten persons is strictly limited to the ability to hire ONLY ONE temporary foreign worker. Chefs in the Vancouver area earn on average $ 17.15 hourly [[8]](#endnote-8) (well below the median provincial wage of $21.79)[[9]](#endnote-9) , thus subjecting this occupation , in the Vancouver area to the 10% quota restriction.

But wait doesn’t British Columbia’s tourism industry desperately need Chefs? Aren’t these new Federal restrictions, as the provinces are suggesting, paramount to economic sabotage? Quite the contrary, the Federal government’s new Express Entry system seeks to provide a long term cure, rather than a temporary band-aid for the problem of labour shortage by offering qualified skilled workers the option to stay in Canada permanently, betting that they will take advantage of it. Express Entry candidates are nominated by employers based on need, and because they will come to Canada as Permanent Residents they are completely exempt from the quota system affecting “low wage jobs, even if they are nominated to fill such a position.[[10]](#endnote-10)

**“High wage jobs”** are also affected by the new restrictions. High wage jobs are jobs that pay higher than the regional median wage (positions in which the hourly rate is in the top half of earners). High wage jobs make up about 75% of the 140 occupations listed as the most urgently undermanned occupations currently listed under the Federal Skilled Trade and Federal Skilled Worker immigration streams (welders, medical staff, accountants , construction personnel are all good examples).[[11]](#endnote-11) With this statistic in mind it goes without saying that **COMPANIES STILL NEED FOREIGN WORKERS!** Under the new restrictions for “high wage jobs” no quota exists, but companies have to submit a **“transition plan”** with each application that demonstrates the company has a plan in place to reduce the number of foreign workers (increase the percentage of Canadians **OR Permanent Residents**) in a timely fashion. Companies will be held accountable for failing to live up their own plans, their progress in this regard will be regularly audited which could result in fines as high as $ 100,000 or an outright ban accessing the TFW program all together. This is another example of how the Canadian government is forcibly steering companies towards nominating qualified individuals in the new Express Entry database, a process that will result in the skilled worker coming to Canada as a Permanent Resident rather than as a temporary worker.

The new restrictions placed on temporary foreign workers by the Canadian government certainly does not spell the end of foreign labour coming to Canada. What is happening rather is that the Canadian government is progressively changing its approach to managing its worker shortage problem in favor of a long term rather than a short term solution and plans to use Express Entry for these purposes. Generally speaking the Express Entry system is a better match for Filipino would be migrants who by and large seek a long term solution to improving living conditions and economic prosperity rather than short term overseas work. What remains to be seen however is if it provides a better solution to Canadian employers.

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[www.thecanadanetwork.com](http://www.thecanadanetwork.com)

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1. <http://www.cbc.ca/news/canada/british-columbia/mcdonald-s-accused-of-favouring-foreign-workers-1.2598684> [↑](#endnote-ref-1)
2. <http://business.financialpost.com/2014/06/25/jason-kenney-canada-skilled-workers/>

<http://www.theglobeandmail.com/globe-debate/where-did-all-our-skilled-workers-go/article14909494/>

<http://www.parl.gc.ca/content/hoc/Committee/411/HUMA/Reports/RP5937523/humarp09/humarp09-e.pdf>

et al. [↑](#endnote-ref-2)
3. Ibid. [↑](#endnote-ref-3)
4. <http://www.cic.gc.ca/english/resources/publications/rpp/2014-2015/> [↑](#endnote-ref-4)
5. <http://www.esdc.gc.ca/eng/jobs/foreign_workers/reform/restrict.shtml> [↑](#endnote-ref-5)
6. <http://www.esdc.gc.ca/eng/jobs/foreign_workers/reform/tables.shtml#h2.3> [↑](#endnote-ref-6)
7. http://www.bcbusiness.ca/tourism-culture/bcs-tourism-industry-faces-labour-shortages [↑](#endnote-ref-7)
8. <http://www.jobbank.gc.ca/LMI_report_bynoc.do?lang=eng&noc=6241&reportOption=wage> [↑](#endnote-ref-8)
9. http://www.esdc.gc.ca/eng/jobs/foreign\_workers/reform/tables.shtml#h2.3 [↑](#endnote-ref-9)
10. <http://www.esdc.gc.ca/eng/jobs/foreign_workers/reform/overhauling_TFW.pdf> [↑](#endnote-ref-10)
11. <http://www.cic.gc.ca/english/resources/publications/employers/federal-skilled-trades-program.asp> [↑](#endnote-ref-11)