

New measures to control Temporary Foreign Worker Program insufficient

By **Sergio R. Karas**

Law360 Canada (September 4, 2024, 12:40 PM EDT) -- The recent announcement regarding the Temporary Foreign Workers Program (TFWP) is a small step towards addressing a pressing problem.

On Aug. 26, 2024, the federal government unveiled a set of changes to the TFWP aimed at reducing the number of temporary foreign workers in the low-wage stream. These measures include the refusal to process Labour Market Impact Assessments in metropolitan areas with unemployment rates of six per cent or higher, rolling back the number of foreign workers to 10 per cent in a workplace and reducing the maximum employment duration from two years to one year. Exceptions to the new policy include jobs in food security, construction and health care. In addition, as of Aug. 28, 2024, visitors are barred from applying for work permits from inside Canada, an allowance that was made as a result of the COVID-19 pandemic.



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While these changes are a step in the right direction, they are insufficient in addressing the large number of temporary residents in Canada. The real problems lie not only in the excess of temporary foreign workers brought from overseas but also in the ballooning number of international students, post-graduation work permit holders and asylum claimants. The measures announced will only scratch the surface and will fail to make an impact on the severe housing crisis and deteriorating labour market conditions. More comprehensive reforms and greater oversight to detect fraud in the TFWP are also necessary to truly make a difference in this growing problem.

The TFWP was created to fill gaps in the labour market for jobs that Canadian workers could not or would not take. However, an over-reliance on temporary foreign workers, especially in the low-wage sector, has led to a major labour market dislocation. Since the government's announcement of the TFWP relaxation in 2022 — Canada's attempt to address labour shortages as a consequence of the COVID-19 pandemic — the unemployment rate among Canadians has increased steadily. According to a recent Statistics Canada Labour Force Survey published June 5, 2024, 1.4 million Canadians are

struggling with unemployment, which reflects a 3.1 per cent increase from just the previous month. The TFWP, which was supposed to be a “solution” to labour shortages, has quickly become a problem because employers are relying on foreign workers rather than training Canadians.

As the number of foreign workers grew in the low-wage stream, young Canadians, especially students, who rely on low-wage or entry-level jobs have found themselves unable to find work. The Labour Force Survey also reveals that the employment rate for returning students aged 15 to 24 is at its lowest since June 1998 (outside of June 2020, during the first year of lockdown). Meanwhile, data released by Statistics Canada on June 19, 2024, reports that the number of temporary residents, including foreign workers, international students and asylum claimants, has more than doubled from approximately 1.3 million in 2021 to almost 2.8 million as of mid-2024.

It is crucial not to overlook how the surge in international students contributes to the job market problems. Statistics Canada reveals that over the last three years, the number of Study Permits has more than doubled. As per government policy, international students can work up to 20 hours per week and unlimited hours during the winter and summer holidays. This means that while international students are not included in the count of foreign workers, they do, however, intensify competition in the job market.

The influx of international students is also straining affordable housing, as former immigration minister Chris Alexander acknowledged in an article published by the Macdonald Laurier Institute on May 15, 2024, “... it is fairly clear that large numbers of international students have driven rents upward in many cities while new construction of single-family, multi-family or student rental units has not nearly kept pace with demand ...”

On Jan. 22, 2024, the government announced a cap to the intake of international students at around 364,000 — an approximately 35 per cent decrease from 2023 — which seemed a reasonable step. However, an analysis of data by Statistics Canada shows that these projections are overly optimistic as the number of temporary residents continues to grow, increasing by 131,810 in the last two quarters of 2024.

The increasing number of international students has also resulted in a significant rise in open Post-Graduation Work Permits (PGWP). According to a report from Immigration, Refugees and Citizenship Canada (IRCC) released on May 24, 2024, the number of PGWP holders has increased by 214 per cent from 2018 to 2023, and they now make up 26 per cent of the International Mobility Program. Although IRCC has introduced new restrictions to decrease the number of PGWPs, such as excluding study programs that are part of licensing arrangements, these measures may not substantially reduce the PGWP population or their access to the job market.

The authorities must urgently address the problem of international students making asylum claims and abusing the refugee determination system with their unfounded claims to stay in Canada. An article from Kitchener CTV News on March 28, 2024, reported a 324 per cent increase in international students applying for asylum at Conestoga College using their Study Permits to enter and remain in Canada. As of June 2024, there are 218,593 asylum claimants in Canada awaiting a decision on their status, according to recent data from IRCC. These numbers are overwhelming the system.

The unsustainable increase of temporary residents is worsened by a system prone to fraud. On Aug. 27, 2024, an article by the *Toronto Star* highlighted that government officers were instructed to bypass fraud prevention measures when reviewing applications for temporary foreign workers. The ignored checks included, verifying the hiring with employers, confirming the license status of lawyers and consultants acting as third parties and clarifying key information including overtime, vacation and benefits. This raises obvious concerns about increased fraud and abuse in the program.

The measures announced are an incomplete remedy to deal with the overwhelming influx of temporary residents. To alleviate the strains on the labour market and affordable housing we must consider reforms to all temporary resident programs. This involves a comprehensive review of policies governing study permits, PGWPs, visitor visas and asylum claimants. Measures should include reducing the number and redirecting a significant portion of international students to programs that have market demand, imposing a strict cap on the annual issuance of study Permits, and preventing visitors and students from making asylum claims after obtaining visas to enter Canada. Further, it is imperative to maintain the integrity of the vetting process to ensure that

foreign workers come to Canada for legitimate employment opportunities. Canada must urgently implement effective strategies to prevent further deterioration of the labour and housing markets.

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