The Increasing Reliance on Temporary Foreign Workers in B.C. Trades

> Prepared by Sas Consulting for the International Union of Painters and Allied Trades - District Council 38

August 2024

Introduction

Canada's Temporary Foreign Worker programs are undergoing long-overdue scrutiny. A recent report from a United Nations Rapporteur concluded the program was a "breeding ground for contemporary forms of slavery" and criticized the unequal set of rights and protections for temporary workers due to their immigration status and restrictions on their ability to change employers.ⁱ Workers in B.C.'s building trades are no stranger to the abuse and exploitation temporary workers often face—stolen wages, unpaid overtime, intimidation, threats of deportation and other barriers to speaking out or joining a union. They also know firsthand how employers abuse the program, relying on increasing numbers of vulnerable temporary workers to cut their labour costs, actively suppressing wages across the industry in the process.

In June 2024, the BC Building Trades (BCBT) released a report detailing how the temporary foreign worker program became a permanent fixture of B.C.'s construction sector and how it distorts the labour market across eleven different trades.ⁱⁱ This report furthers that analysis by looking at government data on three additional trade sectors in B.C. —Plasterers, drywall installers and finishers and lathers; Glaziers; and Painters and decorators (collectively referred to as the "finishing trades").

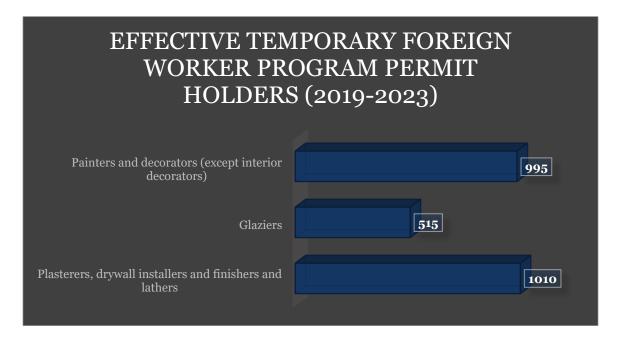
Key Findings

- Temporary workers represent a significant share the workforce in each of these three trades. In 2023, for example, temporary work permits accounted for a stunning 15.1% per cent of the glazier workforce in B.C., 7.6% of the plasterers, drywall installers and finishers and lathers, and 3.3% of the painters and decorators.
- Some 2520 temporary workers were approved to work across the three specified trades in B.C. between 2019 and 2023. This includes 995 painters and decorators, 515 glaziers, and 1010 plasterers, drywall installers and finishers and lathers.
- Over the last five years (between 2019 and 2023) the number of temporary work permits has been increasing across the finishing trades.

Negative Impact of Temporary Foreign Worker Programs

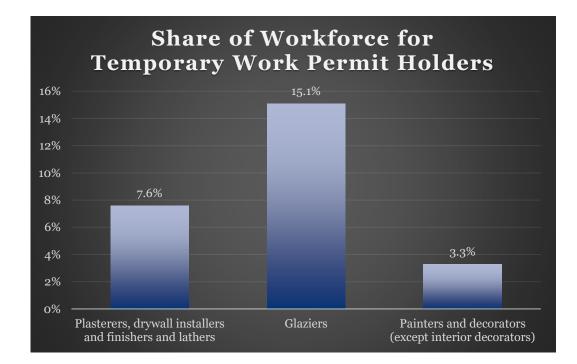
The Government of Canada publishes monthly updates on the number of active temporary work permit holders in each province, broken down by occupation.ⁱⁱⁱ In June 2024, the BCBT found that over 7100 temporary work permits had been issued across eleven trades between 2019 and 2023, thereby exceeding the number of tradespeople that were admitted to B.C. as permanent residents.^{iv} According to government data, an additional 2,520 temporary workers were approved to work in the finishing trades during that same time period (Table 1). This includes 995 painters and decorators, 515 glaziers, and 1010 plasterers, drywall installers and finishers and lathers brought in through both the Temporary Foreign Worker Program (TFWP) and the International Mobility Program (IMP).

Table 1



While TFWs represent 2.1 per cent of the workforce across Canada, they are disproportionately prevalent in B.C. construction, making up 4.7 per cent of the workforce.^v Temporary worker permits issued through both the TFWP and the IMP represent an even more significant share of the B.C. workforce in the three finishing trade categories. In 2023, for example, temporary workers accounted for a stunning 15.1% per cent of the glazier workforce in B.C., 7.6% of the plasterers, drywall installers and finishers and lathers, and 3.3% of the painters and decorators (Table 2).^{vi}

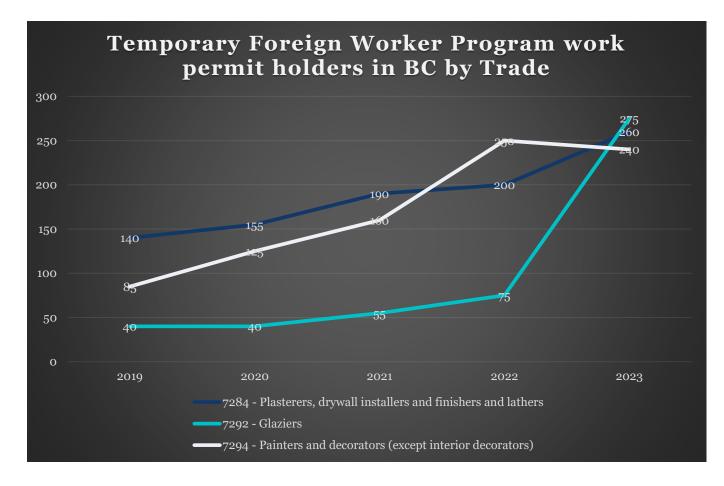
Table 2



"In 2023, temporary workers accounted for a stunning 15.1% per cent of the glazier workforce in B.C., 7.6% of the plasterers, drywall installers, finishers and lathers, and 3.3% of the painters and decorators"

The vast majority of permits in these three trades were issued through the TFWP, with a much smaller share through the IMP — a stream ostensibly targeted towards knowledge economy sectors and where no labour market impact assessment is required. Between 2019 and 2023, the number of temporary worker permits effective through the TFWP increased across each of the three trades. The trendlines (Table 3) demonstrate how employers in B.C. are increasingly relying on this lower cost temporary labour where abuse and mistreatment of workers is rampant.

Table 3



Conclusion

Canada's immigration system is characterized by a deliberate reliance on problematic temporary worker schemes rather than permanent immigration. Unscrupulous employers exploit the system to the detriment of workers, their families and communities. Not only does this approach to meeting construction demand sanction unequal working conditions and trampled rights for migrant workers, it has a negative impact on domestic construction workers and the B.C. labour market through wage suppression.

The International Union of Painters and Allied Trades, District Council 38 reiterates the BCBT's call for major reforms to address this worsening situation for workers. The BCBT recommends that:

- 1. THE FEDERAL GOVERNMENT conduct an independent and transparent audit to investigate problems, abuse and mismanagement of the International Mobility Program (IMP) and the Temporary Foreign Worker Program (TFWP). Until this audit is complete, there should be a prohibition of activity on B.C.'s constructions trades through the IMP and the TFWP.
- 2. THE FEDERAL GOVERNMENT update temporary worker program requirements and revise the definition and methodology for determining the prevailing wage (tied to Investment Tax Credit); formalize construction unions' role in labour supply verification and require a training plan and history of apprenticeship before employers are issued Labour Market Impact Assessments (LMIA)
- 3. THE FEDERAL GOVERNMENT work with Canada's Building Trades Unions (CBTU) and contractors on a special Group of Employer initiative to support the construction of infrastructure projects of strategic importance to the national economy.
- 4. THAT THE FEDERAL GOVERNMENT facilitate the entry of more permanent immigrants into the Building Trades through the Express Entry System in order to contend with labour force pressures. This should be done through the FSTP, PNP, and CEC, as well as through the expansion of pilot programs to regularize out-of-status construction workers.
- 5. **EMPLOYERS** not be allowed to apply for LMIAs without a strong history of participating in the apprenticeship system and an up-to-date training plan.
- 6. THE B.C. GOVERNMENT work in tandem with the BCBT to better target workers as part of PNP trades worker draws and ensure these workers have a path to a well-paying career and union membership.

Endnotes

ⁱTomoya Obokata, Final Report of the Special Rapporteur on contemporary forms of slavery, including its causes and consequences, August 2024: <u>https://www.undocs.org/Home/Mobile?FinalSymbol=A%2FHRC%2F57%2F46%2FAdd.1&Language</u> <u>=E&DeviceType=Mobile&LangRequested=False</u>

ⁱⁱ Jonathan Sas, Help Wanted: How Canada's immigration system has failed to address the construction labour shortage in B.C., June 2024, <u>https://bcbuildingtrades.org/wp-content/uploads/2024/06/BCBT-Immigration-report-June-3-2024-FINAL.pdf</u>

ⁱⁱⁱ Temporary Residents: Temporary Foreign Worker Program (TFWP) and International Mobility Program (IMP) Work Permit Holders – Monthly IRCC Updates

^{iv} Jonathan Sas, Help Wanted: How Canada's immigration system has failed to address the construction labour shortage in B.C., June 2024, <u>https://bcbuildingtrades.org/wp-content/uploads/2024/06/BCBT-Immigration-report-June-3-2024-FINAL.pdf</u>

^v Custom data provided to author by Statistics Canada and based on the Non-permanent resident file, Longitudinal worker file, 2023 vintage.

^{vi} Workforce data for each trade were taken from estimates by the Canada Job Bank's Labour Market Information Job Profiles on August 6, 2024. See: <u>https://www.jobbank.gc.ca/trend-analysis/search-occupations</u>

For questions related to the data and analysis, contact Jonathan Sas (Jonathan.sas@gmail.com).