

Article

Foreign nationals working temporarily in Canada

by Derrick Thomas

June 8, 2010



The following standard symbols are used in Statistics Canada publications:

- . not available for any reference period
- .. not available for a specific reference period
- ... not applicable
- 0 true zero or a value rounded to zero
- 0^s value rounded to 0 (zero) where there is a meaningful distinction between true zero and the value that was rounded
- ^p preliminary
- ^r revised
- x suppressed to meet the confidentiality requirements of the *Statistics Act*
- E use with caution
- F too unreliable to be published

Foreign nationals working temporarily in Canada

by *Derrick Thomas*

Introduction

Like many countries, Canada grants foreign nationals the right to remain and work here temporarily. The number of individuals admitted annually on a temporary basis has been growing faster than the number of permanent immigrants. Some of these non-permanent residents are admitted under the Temporary Foreign Worker Program expressly to fill jobs in Canada. Others are admitted temporarily in order to study in Canada, as refugee claimants or under special temporary resident permits. Students and youth on exchange programs, claimants and holders of other permits are sometimes permitted to work while in Canada in order to support themselves or gain practical experience in their field of study.

Many non-permanent resident workers are restricted to a particular occupation, location or employer. Working in a specified job or location is often a condition of their admission. They may not be able to pursue other opportunities or react to changes in labour market conditions. There is some concern that the inability to change employment may adversely affect their working conditions or remuneration vis-à-vis those of other workers.¹ For instance, issues have been raised with respect to female temporary migrants who perform domestic and caregiving work outside their country of origin.²

This article explores the characteristics of non-permanent resident workers who were enumerated in the 2006 Census of Canada (see “What you should know about this study” for more information). It looks at the countries from which non-permanent resident workers came

and the skills they brought to Canada. This article also examines how these workers were involved in the Canadian economy and determines if the compensation they received for their work was commensurate with the compensation received by comparable permanent residents.

What you should know about this study

While over 112,000 of the non-permanent residents enumerated worked in Canada at the time of the 2006 Census, the primary focus of this article is the over 94,000 enumerated non-permanent residents who worked full time (more than 30 hours per week). Comparisons are made with Canadian-born workers, established immigrants or foreign-born permanent residents (arrived before 2001 or more than 5.5 years before the 2006 Census), and recently arrived immigrants (arrived in 2001 or later, i.e., within 5.5 years of the census).

Reference is made to each of the last four census periods reflecting approximately 15 years of Canadian workforce history. The focus is on the past decade and especially on the most recent census in 2006. Demographic and human capital characteristics are compared across groups and over time. Special emphasis is placed on occupations, industries of employment and earnings.

Differences in age, gender, education and weeks worked, among other things, could easily explain any difference in earnings between non-permanent residents and other workers. Thus, a multivariate human capital model is used to ensure that all measurable factors are considered when earnings per week are compared. Since the census asks only about earnings in the previous calendar year, earnings information pertains only to those who also worked full time in 2005. Weekly earnings are computed by dividing annual earnings by the number of weeks worked. Earnings information is available for about 73,000 non-permanent residents.

Although there is some undercounting of the non-permanent resident population, the census is the only source of comprehensive socio-economic information about what temporary residents are doing and earning in Canada (see "Coverage of temporary residents in the Census of Canada"). It is also the only data source that allows for comparisons with permanent residents.

More non-permanent residents enumerated in 2006 than in any previous census

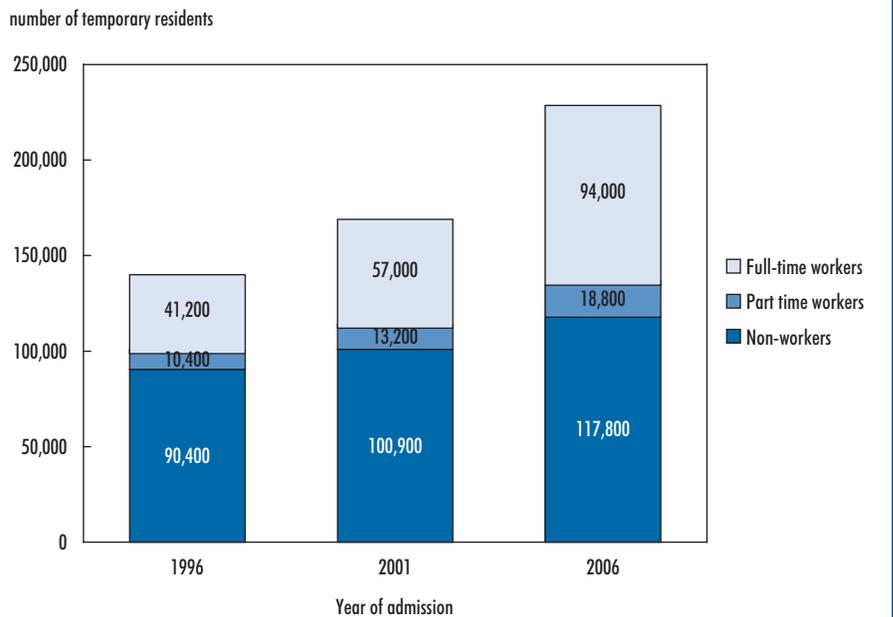
In 2006, the census enumerated about 265,000 non-permanent residents—more than in any previous census. About 230,000 were 15 years of age or older—an increase of nearly 60% between 1996 and 2006 (Chart 1). Among the adult non-permanent resident population, over 112,000 were working in Canada on Census Day, an increase of 118% from 1996. Of these, about 94,000 were working full time (30 hours a week or more)³. While they constitute less than 1% of all full-time workers in Canada, non-permanent residents play an important role in the labour market in some regions, sectors and occupations.

Census data are supported by data from Citizenship and Immigration Canada (CIC), which show that the number of persons who come temporarily to Canada to work is the fastest growing segment of the temporary resident population (Chart 2).⁴

Temporary workers are admitted to the country in order to address specific labour shortages in Canada, to facilitate the transfer of staff within multinational companies and to fulfil Canada's obligations under international trade agreements.⁵ While administrative data from Citizenship and Immigration Canada are not strictly comparable to census data, both indicate that there are a growing number of non-permanent residents working in Canada.⁶

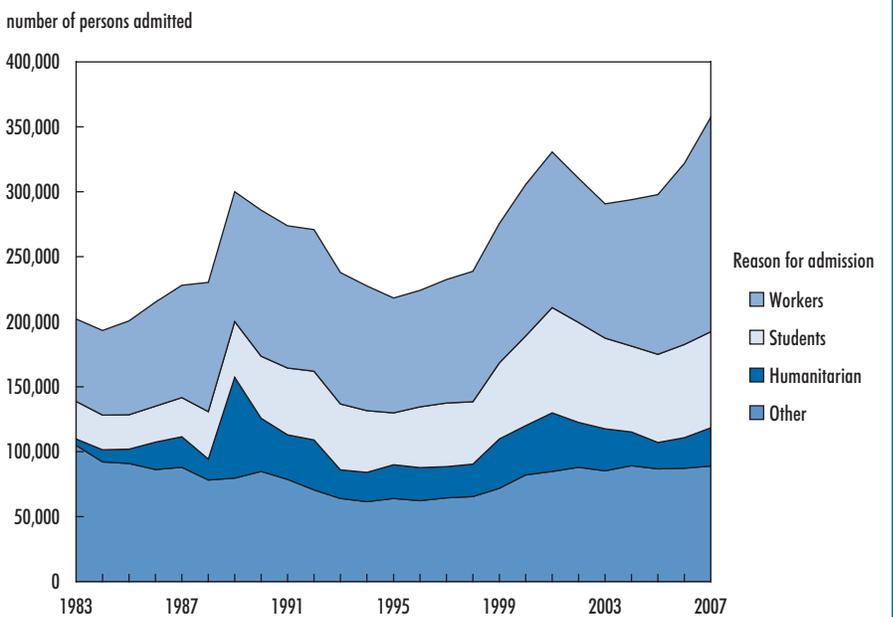
The increase in the number non-permanent residents working in

Chart 1 According to the census, full-time workers are the fastest growing segment of the temporary resident population



Source: Statistics Canada, Census of Population, 1996, 2001 and 2006.

Chart 2 The number of temporary foreign workers admitted to Canada has been rising faster than the number of people admitted temporarily for other reasons



Source: Citizenship and Immigration Canada, Facts and Figures, 2007.

Canada may be a result of increased labour market requirements during the economic expansion which ended in the latter part of 2008. According to CIC data, the number of non-permanent residents who entered Canada in 2008 (399,523) exceeded the number of permanent immigrants of all types landed that year (247,243).⁷ The Temporary Foreign Worker Program was the fastest growing component of non-permanent admissions. CIC data indicate that there have been three consecutive years of double-digit growth.⁸ Recent figures indicate numbers have continued to increase modestly even into the recent economic downturn.⁹

Part of a global trend

Canada is not alone in relying on temporary residents to address some of its labour market requirements. There has been global growth in temporary worker programs in many Organisation for Economic Co-operation Development (OECD) countries.¹⁰ For instance, the admission of temporary workers, treaty traders and intra-company transferees to the United States more than doubled between 1996 and 2006. Including family members, it stood at 2.3 million in 2006, larger than the number of permanent immigrants landed in that year.¹¹ Temporary admissions now outnumber permanent resettlements in Australia as well.¹² Among all OECD countries, the temporary migration of foreign workers has increased by 4% to 5% per year since 2000.¹³ Associated with this trend has been a movement toward migration driven by employer requests or job offers as opposed to government macro-policy.¹⁴

Temporary worker programs are attractive because they enable countries to quickly address labour market needs in an expanding economy without the increased costs associated with maintaining unemployed workers during a downturn¹⁵—the costs associated with social and economic integration

are also reduced. Additionally, temporary programs for workers and students can serve as a way of screening and selecting permanent immigrants.

There are also benefits for countries that supply this labour. For example, temporary worker programs may help deal with excess labour supply and provide capital in the form of funds sent back to the home country. These programs also help workers gain human capital and help with the transfer of technology.¹⁶ Employers are also keen on temporary worker programs.¹⁷ These programs allow companies access to wider labour markets and give multinationals more flexibility to transfer staff from country to country.

Non-permanent resident workers also benefit through the money and experience they acquire. Some may qualify to immigrate to Canada permanently. Their willingness to participate in the programs is evidence of the anticipated benefits. Temporary worker programs are often described as 'win-win' strategies.¹⁸ In 2005, the Global Commission on International Migration recommended, "...carefully designed temporary migration programmes as a means of addressing the economic needs of both countries of origin and destination."¹⁹

Canada is a signatory to several agreements that allow for the freer movement of temporary workers. They include the North American Free Trade Agreement (NAFTA), the General Agreement on Trade in Services (GATS), and the Asia-Pacific Economic Cooperation Forum. Under NAFTA, traders and investors, intra-company transferees, business visitors and specific categories of professionals are processed more easily. The GATS provides for liberalized trade in services including the movement of professionals and technical experts. The Seasonal Agricultural Workers Program (SAWP) between Canada, Mexico and a number of Caribbean countries provides for the expeditious

movement of farm workers. Canada's Live-in Caregiver Program provides for the temporary movement of caregivers and child care workers to Canada from abroad.

Access to the labour market is conditional for most temporary residents

An effort is made to ensure that temporary workers do not compete with permanent residents for jobs. Employers are often required to have a positive Labour Market Opinion (LMO) from a local office of Human Resources and Skills Development Canada (HRSDC) before recruiting a temporary worker from abroad. The LMO attests to the fact that no permanent resident is available for the job, that fair market wages are paid, and that provincial labour standards are met.²⁰ Employers are exempt from obtaining an LMO if they are recruiting persons in certain occupations that are covered by NAFTA and GATS.²¹ Additionally, in some regions the process is expedited for certain occupations known to be in high demand.

Some non-permanent residents, notably refugee claimants, obtain open work permits allowing them to move about in Canada and accept virtually any job without restriction. Other non-permanent residents, usually those coming from abroad specifically to work, receive closed permits that may restrict the type of job they hold, the location where they work and/or the specific employer for whom they work. Students may also be confined to work on campus or in areas related to their studies. About two-thirds of temporary residents with the right to work in Canada between January 2006 and December 2008 were restricted in some way as to their occupation, location and/or employer.²²

Non-permanent residents admitted to Canada under the Temporary Worker Program can bring spouses and close family members with them provided they can demonstrate the financial capacity to support these

family members while in Canada. However, non-permanent residents working in low-wage jobs may not be able to meet this requirement. Some domestic workers and live-in caregivers are, moreover, explicitly prevented from bringing dependants with them.

Non-permanent residents who have permits to work in Canada have the same labour rights and access to health and social programs as other workers in Canada. However, labour standards, employee rights and access to social programs differ according to the province or territory of work²³ and most social programs and many jurisdictions require a minimum period of work or residence in order to qualify for benefits. As a result, some non-permanent residents may not qualify for unemployment, health and social assistance benefits.

Finally, a fundamental difference for non-permanent residents working in Canada is that these workers do not have the right to live permanently in Canada. Work permits and other temporary residence permits are issued for specific reasons and for a fixed period of time. Permit holders may have to leave the country if their reasons for being in Canada are no longer valid or their permits have expired.

Non-permanent residents working full time come from Asia, the United States and the United Kingdom

Many non-permanent residents who worked full time in Canada and were enumerated in the Census of 2006 came from Asian countries (Table 1) and were not unlike permanent immigrant workers who also often came from Asia. However, the countries of origin within Asia differed slightly. While the Peoples Republic of China and India were the top two source countries for Canada's permanent immigrants, the Philippines supplied the greatest number of enumerated non-permanent residents who worked in Canada (Chart 3).

Table 1 Full-time workers by immigration status and place of birth, 2006

Place of birth	Full-time workers		
	Established immigrants	Recent immigrants	Non-permanent residents†
	percentage		
United States	4.0*	2.5*	9.1
Mexico/Central America	2.5*	2.1*	6.2
Caribbean	6.5*	3.4*	4.4
South America	4.6*	5.6	5.3
United Kingdom/Republic of Ireland	9.9*	2.9*	6.2
West Europe	15.2*	4.5*	10.7
East Europe	10.1*	11.2*	4.7
Africa	5.8*	10.0*	8.1
West Asia	5.1	7.2*	4.9
South Asia	10.9*	21.3*	9.9
South East Asia	11.6*	11.0*	15.9
East Asia	12.5*	17.1*	11.5
Other	1.5*	1.4*	3.0

† reference group
 * statistically significant difference from reference group at p < 0.05
 Source: Statistics Canada, Census of Population, 2006.

According to census data, the proportion of non-permanent residents working full time in Canada whose country of birth was in South East Asia, Latin America or South Asia increased over the 10 years leading up to 2006. While they remain important source areas, the United States, Europe and the Caribbean have declined in relative importance (Table 4).

Many temporary residents who worked in Canada came from developing countries. Around 63% of those enumerated in the 2006 Census came from countries with a per capita Gross Domestic Product (GDP) of less than half that of Canada's (Table 2).²⁴

Many non-permanent workers were members of a visible minority group. In all, over 62% were members of at least one visible minority group. Almost 14% of non-resident workers indicated that they were Filipino, 11% indicated they were South Asian, 9.7% indicated they were Latin American

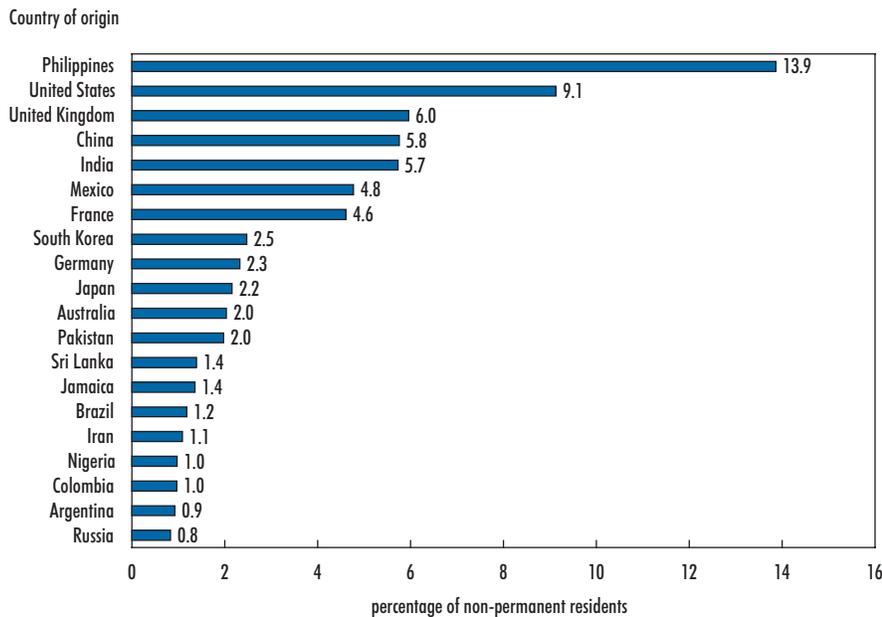
and 9.6% indicated they were Black (Table 3).²⁵

Non-permanent residents just as likely to speak an official language as newly arrived immigrants

The 2006 Census data indicate that non-permanent residents who worked full time in Canada were less likely to speak an official language than were the Canadian-born or established immigrant workers (those who arrived prior to 2001). They were very similar to recent immigrants in terms of official language ability. However, non-permanent residents were a little more likely to speak English than were recent immigrants (Table 1).

Unlike recent immigrants, many non-permanent resident workers reported English as their mother tongue. Tagalog and Spanish were frequently mentioned by non-permanent resident workers as their mother tongue.

Chart 3 The Philippines, followed by the United States and the United Kingdom, were the most common countries of origin for non-permanent residents



Source: Statistics Canada, Census of Population, 2006.

Table 2 Select characteristics of full-time workers, by resident status, 2006

Select characteristics	Full-time workers			
	Canadian-born	All immigrants	Recent immigrants	Non-permanent residents†
	in years			
Mean age	40.4*	43.6*	36.3*	35.1
	percentage			
Female	43.1*	42.4*	40.3	41.0
Visible minority	2.9*	55.4*	73.1*	62.7
Born in low GDP country	0.0*	60.0*	83.6*	62.8
Married	64.2*	73.2*	75.4*	59.6
City or town dweller	77.3*	94.3*	97.2*	92.1
University degree	20.6*	29.7*	51.0*	46.1
Postsecondary certificate	40.0*	36.4*	24.6*	26.7
Speaks English	86.9*	95.2*	90.5*	91.2
Speaks French	35.4*	16.3*	16.9	17.5
No official language	0.0*	2.3*	5.6	5.7
Works in non-official language	1.3*	15.0*	21.0	21.2
	in hours			
Mean hours worked per week	43.7*	43.8*	43.1*	44.8

† reference group

* statistically significant difference from reference group at $p < 0.05$

Source: Statistics Canada, Census of Population, 2006.

In 2006, both non-permanent residents and recent immigrants who held full-time jobs were more likely than established immigrants to use a language other than French or English regularly or most of the time at work.

Most reside in towns and cities

Non-permanent resident workers live in the most populous areas and in the largest markets. According to the 2006 Census almost half (47%) lived in Ontario, about 18% lived in Quebec, 16% lived in British Columbia and 12% lived in Alberta. The proportion that lived in Alberta doubled between 1991 and 2006, such that by 2006 non-permanent resident workers comprised 1% of the full-time workforce in that province (Table 5). According to CIC, the number of temporary work permits issued to persons in or destined for Alberta increased fourfold between 2001 and 2007. The very low unemployment rate in Alberta in 2006 (3.4% or half the national rate in 2006) may have been a factor in the demand for these workers.

Almost one-third of non-permanent resident workers lived in the census metropolitan area of Toronto in 2006, about 15% lived in Montreal, 12.5% lived in Vancouver, 5.5% in Calgary and 3.7% in Edmonton (Chart 4).

While the majority of enumerated non-permanent resident workers lived in towns and cities in Canada, they were slightly more likely to live in less populated settings than were immigrants (Table 2). This likely reflects the influence of special programs for temporary agricultural workers.²⁶

Interestingly, some smaller cities have a relatively large proportion of temporary workers. For example, in Leamington, a well-known vegetable growing area in Ontario, almost 1 in 10 full-time workers were non-permanent residents. In Canmore, a growing resort area in Alberta, just over 2% of the full-time workforce was made up of non-permanent resident workers.

Some non-permanent resident workers have an ongoing connection to Canada

Temporary work permits issued by Citizenship and Immigration Canada vary in their duration. The average validity period for all the work visas valid on Census Day 2006 was about 16 months. CIC guidelines indicate that visas allowing holders to work for up to 3 years can be issued to intra-company transferees and professionals covered under the NAFTA and GATS agreements. Refugee claimants can be issued work visas valid for up to 2 years. Many workers have permits that are limited to 1 year. Youth on exchange programs are often limited to 6 months. Extensions can be granted, however, and 2006 Census data indicate that 29% of enumerated non-permanent resident workers resided in Canada 5 years before the census date. Over 77% had been in the country at least 1 year (Chart 5).

While it is possible that some of these full-time workers could have left and returned to Canada at some point during the 5 years, the data indicate an ongoing connection to Canada.

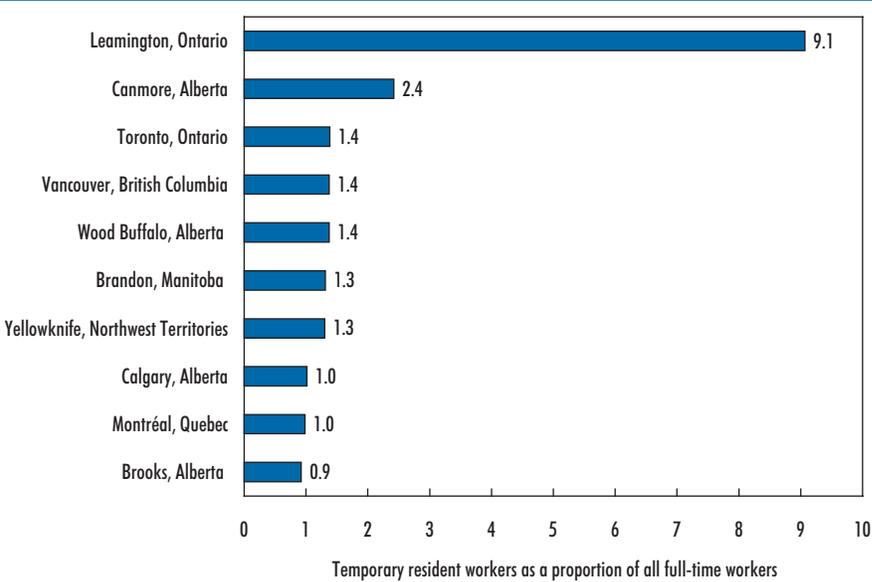
Many non-permanent residents change status, becoming permanent residents. In fact some programs are explicitly designed to facilitate the permanent immigration of persons admitted temporarily to work or study. The recently established Canadian Experience Class²⁷ is one example. Refugee claimants may also become permanent residents if their claims are accepted. According to 2006 Census data, over 30% of the workers who became landed immigrants between 2001 and 2006 had lived in Canada before the 2001 Census.

They are younger than permanent residents

Temporary residents who work full time have been younger than Canadian-born and immigrant workers in every census since they were first identified in 1991 (Table 4).

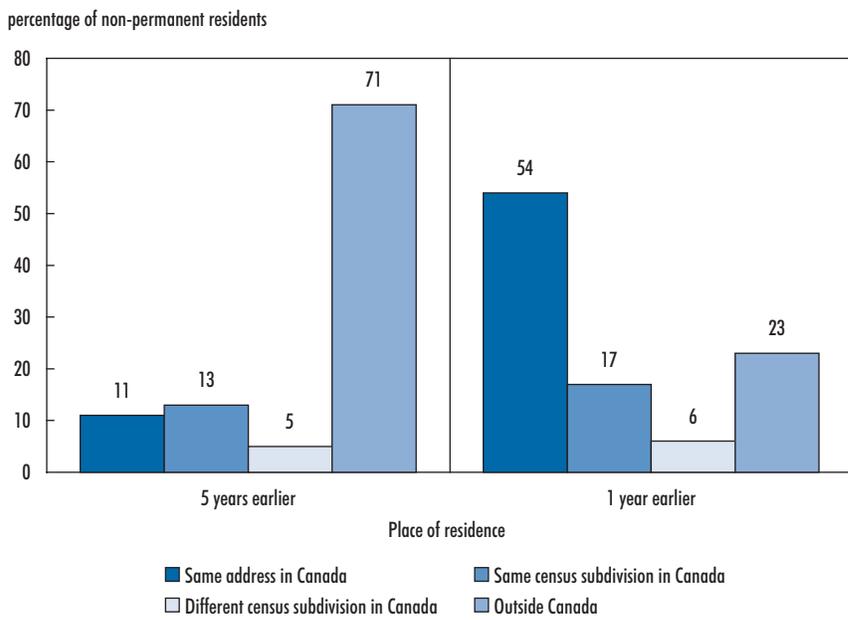
The mean age for temporary residents who worked full time in

Chart 4 Non-permanent residents working full time made up 9% of all full-time workers in Leamington, Ontario in 2006



Note: Includes only temporary residents working full time.
Source: Statistics Canada, Census of Population, 2006.

Chart 5 Almost 30% of non-permanent residents have been in Canada at least 5 years



Source: Statistics Canada, Census of Population, 2006.

the census reference week was just over 35 years. They were, on average, about 5 years younger than the Canadian-born population working full time and about 8 years younger than all immigrant workers. Female temporary residents who worked full time in 2006 were younger than their male counterparts.

While the majority of full-time workers in Canada are male, female participation rates have been rising steadily. By 2006, 43% of all full-time workers in Canada were female. In the same year, 40% of temporary residents working full time were female (Table 4). On the whole, women are not overrepresented among temporary workers, although they dominate certain occupations.

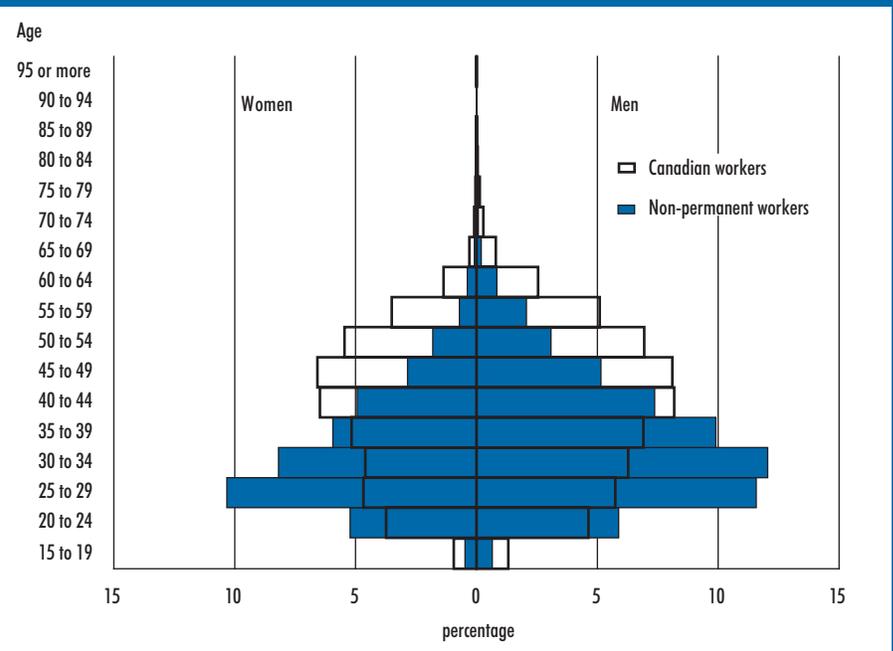
Many are university-educated

In 2006, non-permanent resident workers enumerated in the census had higher levels of education than Canadian-born and established immigrant workers. While non-permanent resident workers were more likely to have postsecondary education in general, they were also more likely to have a bachelor's degree or a degree above the bachelor level (Chart 7). Over the long term, there has been an increase in the educational qualifications of non-permanent residents working in Canada. The percentage of non-permanent residents with degrees increased from 24% in 1991 to 46% in 2006 (Table 4).

According to the 2006 Census, over one-third (38%) of permanent residents who worked full-time in Canada had no postsecondary training. This was true for 27% of non-permanent residents who worked full time.

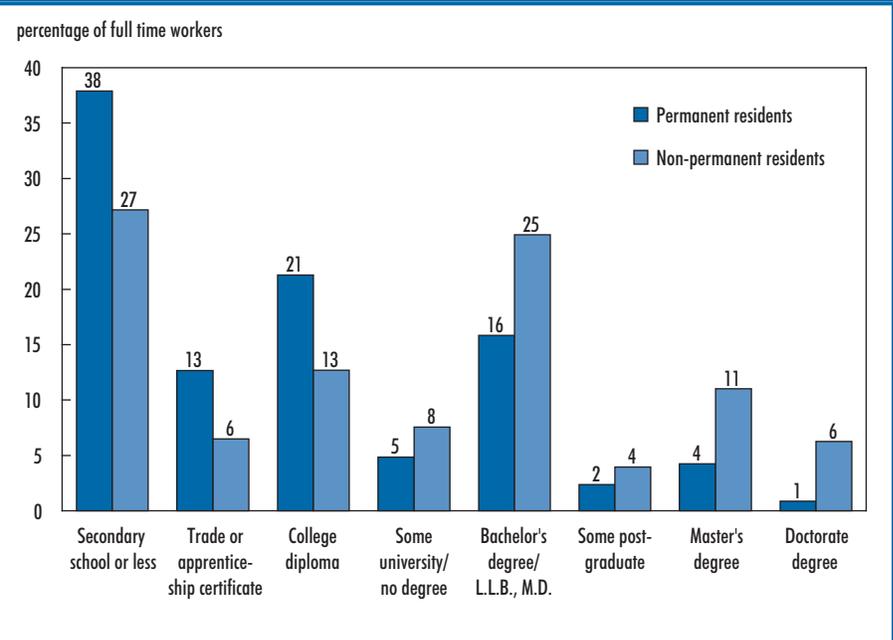
While non-permanent resident workers were more likely to have higher levels of education than Canadian-born or established immigrants in the labour force, they were not quite as well educated as Canada's most recent immigrants. About one-half (50.9%) of full-time workers who had become permanent

Chart 6 Non-permanent resident workers are younger than the workforce as a whole



Source: Statistics Canada, Census of Population, 2006.

Chart 7 Non-permanent residents working full-time are more likely to have a university degree than permanent residents working full time



Source: Statistics Canada, Census of Population, 2006.

Table 3 Full-time workers by population group and immigration status, 2006

Population group	Full-time workers			
	Canadian-born	All immigrants	Recent immigrants	Non-permanent residents†
	percentage			
Arab	14.0*	64.1*	18.8*	3.1
Black	24.3*	61.3*	11.4*	3.1
Chinese	15.6*	69.7*	13.2*	1.5
White	88.7*	9.9*	1.1*	0.3
West Asian	3.9*	71.8*	22.0*	2.4
East Asian	12.1*	67.2*	18.7	2.1
Latin American	9.2*	67.5*	17.1*	6.2
Korean	10.3*	63.5*	20.8*	5.4
Japanese	60.9*	24.9*	7.5*	6.7
Filipino	9.5*	65.9*	18.2*	6.5

† reference group

* statistically significant difference from reference group at $p < 0.05$

Source: Statistics Canada, Census of Population, 2006.

residents within the five years preceding the 2006 Census held a university degree, compared with 46% of temporary resident workers.

Reflecting the countries from which they came, temporary workers were more likely to have received their education outside Europe, the United States, Australia or New Zealand. They were very like recent immigrants in this respect.

They worked in a variety of jobs

Non-permanent residents enumerated in the census were found in a wide variety of occupations. The jobs they held were, in part, a reflection of the particular temporary foreign worker program under which many entered the country. As a consequence, the occupations held by non-permanent residents differ from those of other full-time workers.

The most common occupations held by non-permanent residents reflect a combination of skilled occupations which typically require a great deal of formal training and comparatively unskilled occupations which do not require such training. For example the occupation 'nannies and parents' helpers' has accounted for the largest single share of non-permanent resident workers since 1991. In 2006, over 9% of all non-permanent residents who worked full time were occupied as nannies and parents' helpers compared to less than 1% of full-time workers in general (Chart 8). Farm workers, housekeepers and cleaners were also common occupations for non-permanent residents.

Conversely, non-permanent residents were also frequently employed as postsecondary teaching and research assistants. Over 6% held these jobs in 2006, more than twice the proportion recorded in 1991. Many of these individuals were in Canada to study as well as work. Almost two-thirds of the non-permanent residents working full time as teaching or research assistants indicated in the 2006 Census that they had attended an educational

Table 4 The proportion of non-permanent residents who work full time, by select characteristics, select years

Characteristics	Non-permanent residents who work full time			
	1991	1996	2001	2006†
	in years			
Mean age	32.9*	34.4*	35.3	35.1
	percentage			
Female	44.6*	38.2*	36.8*	41.0
City or town dweller	94.4*	92.5*	91.7*	92.1
University degree	24.5*	36.8*	40.5*	46.1
Married	50.8*	57.5*	61.2*	59.6
Speaks English	90.9*	89.8*	88.7*	91.2
Speaks French	13.1*	17.4*	18.5*	17.4
No official language	5.8*	6.2*	7.2*	5.7
Visible minority	68.1*	54.6*	52.6*	62.7
	in hours			
Mean hours worked per week	43.2*	45.3*	45.0	44.8

† reference group

* statistically significant difference from reference group at $p < 0.05$

Source: Statistics Canada, Census of Population, 1991, 1996, 2001, 2006.

Table 5 Percentage of non-permanent residents working full time in the provinces and territories, select years

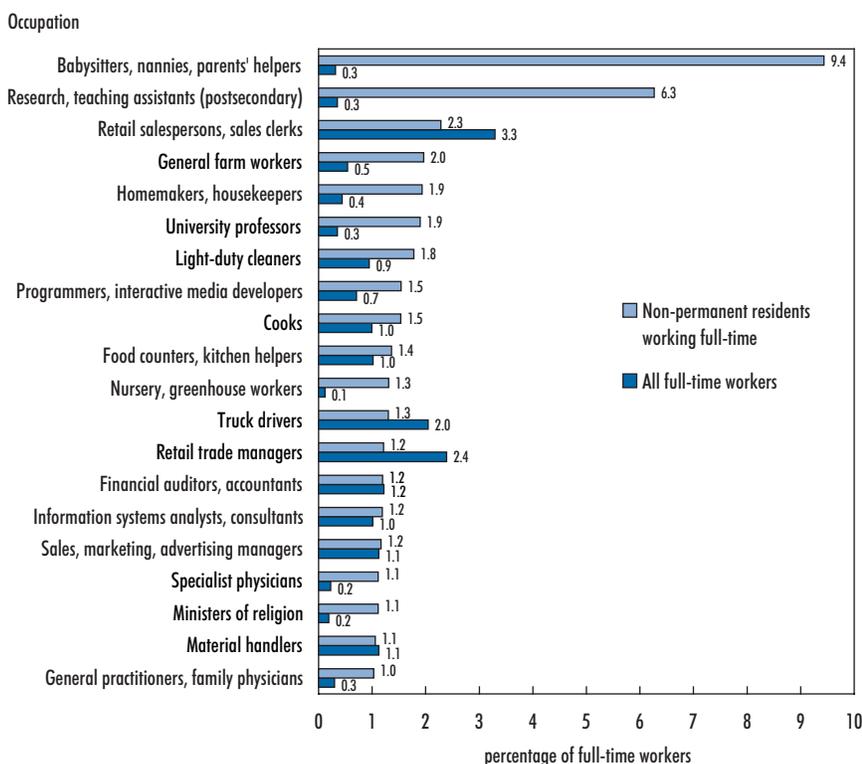
Province and territories	Non-permanent residents working full time			
	1991	1996	2001	2006†
	percentage			
Newfoundland and Labrador	0.3*	0.7*	0.5*	0.4
Prince Edward Island	0.1*	0.1*	0.2*	0.1
Nova Scotia	0.6*	0.9*	1.1*	0.8
New Brunswick	0.6*	0.9*	0.8*	0.8
Quebec	16.3*	20.1*	18.6*	17.8
Ontario	60.1*	45.8*	48.5*	47.3
Manitoba	1.5*	2.1*	2.2*	2.4
Saskatchewan	1.1*	1.7*	1.5*	1.5
Alberta	6.9*	8.0*	10.9*	12.6
British Columbia	12.4*	19.5*	15.6*	16.0
Territories	0.6*	0.2*	0.2*	0.3

† reference group

* statistically significant difference from reference group at $p < 0.05$

Source: Statistics Canada, Census of Population, 1991, 1996, 2001, 2006.

Chart 8 Non-permanent residents working full time were more likely to be nannies or teaching and research assistants than all full-time workers



Source: Statistics Canada, Census of Population, 2006.

institution at some point since September 2005.

The number of non-permanent residents employed as computer programmers, university professors, scientists and medical doctors has also grown. While most non-permanent residents continue to be employed in low-skilled work, the proportion employed in more skilled occupations has increased somewhat. This may be a result of international trade agreements such as NAFTA and GATS, which allow for the easier movement of professionals.

Education is an important determinant of occupation for all workers, but the jobs of non-permanent residents do not always reflect their training. As expected, almost all non-permanent residents who worked as professors, research assistants and teaching assistants had a university degree. The same was true for over 72% of computer programmers. Not surprisingly, 85% of general farm workers had no education beyond high school.

Less predictably, about 82% of non-permanent residents who worked as nannies had a postsecondary certificate of some type and about 43% had a university degree. In 2006, 85% of non-permanent resident housekeepers and 55% of cleaners had completed postsecondary training. Comparatively few permanent residents employed in these occupations had postsecondary training. For example, about 6% of full-time nannies born in Canada had a university degree.

There were differences in occupations between men and women. The jobs held by men tended more often to be commensurate with their educational qualifications. Over 94% of the non-permanent residents who worked as nannies and parents' helpers were women, while almost 92% of farm workers were men. About 75% of those who worked as cleaners and 88% of housekeepers were women. At the same time, 71% of university professors and 86% of computer programmers were men.

While non-permanent residents make up a small percentage of the overall full-time workforce, they constitute a large proportion of certain occupations. As of the census reference week in 2006, over one in five of those employed full time as a nanny or parent's helper was a non-permanent resident (Chart 9). Over 13% of postsecondary teaching and research assistants, 9% of harvesting labours, 8% of nursery workers and 6% of physicists and astronomers were non-permanent residents.

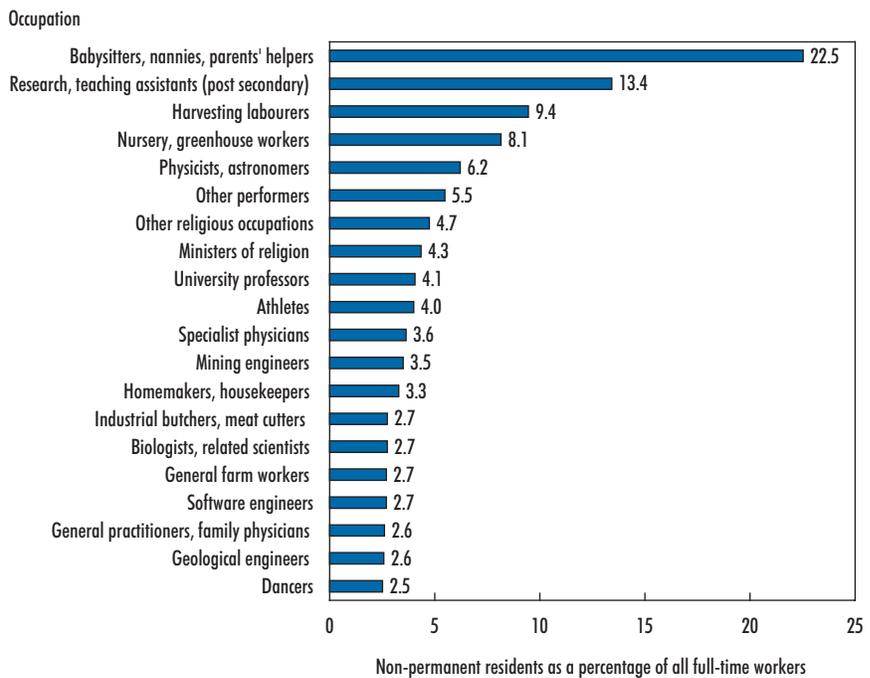
A larger proportion of non-permanent resident workers are employed in private households and universities and on farms

The industries in which they work are related to the occupations held by non-permanent residents. They were much more likely to work in private households, universities and on farms than other full-time workers. They were also employed by religious organizations more often. Both non-permanent residents and recent immigrants were overrepresented compared to other workers in restaurants, hospitals, computer services, architecture and engineering services, the accommodation industry and in meat processing plants.

According to census data, about 22% of workers employed full time by private households were non-permanent residents in 2006 (Chart 10). Along with recent immigrants, they also made up a large proportion of the relatively small number of workers employed by international and foreign governments and institutions based in Canada (each made up about 13% of those working in these industries).

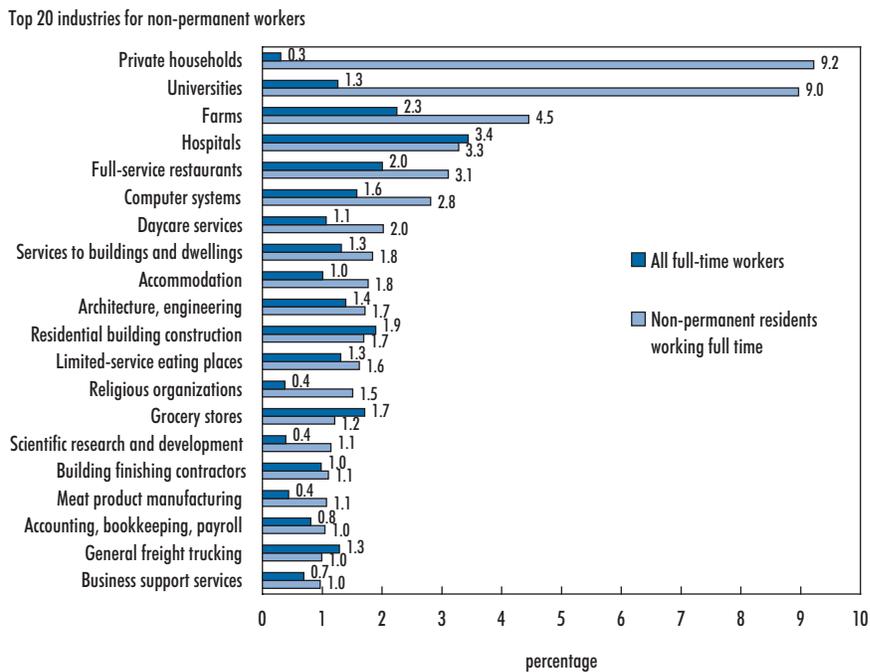
Non-permanent residents enumerated in the census were more likely to work at the location where they live. Almost 12% worked and lived in the same place compared to 6% of other workers. Live-in caregivers probably account for a large share of those who work and reside in the same place.

Chart 9 More than one in five full-time babysitters or nannies were non-permanent residents



Source: Statistics Canada, Census of Population, 2006.

Chart 10 Private households and universities were the top two industries for non-permanent residents



Source: Statistics Canada, Census of Population, 2006.

Non-permanent residents working full time have lower weekly earnings than other full-time workers

On average, the weekly earnings of non-permanent residents who worked full time were lower than those of Canadian-born workers and established immigrants. However, the average weekly earnings of non-permanent residents working full time exceeded those of more recent immigrants (those who landed between 2000 and 2005). This may be because a larger proportion of non-permanent residents are recruited to fill specific vacancies. They know their credentials will be accepted, have prearranged employment, and commence work on arrival. Permanent migrants may take time to find employment. Once established however, permanent immigrants outperform non-permanent residents in terms of earnings.

While the median employment incomes of non-permanent residents working full time are the lowest when compared to the Canadian-born, recent immigrant and established immigrants, there is a large degree of income diversity among non-permanent workers. Non-permanent residents working full time are found at both ends of the income continuum. For example, about 5% of non-permanent residents earned \$3,000 dollars or more per week in 2005.²⁸ Only about 2.5% of the Canadian-born, 2.7% of established immigrants and 1.4% of new immigrants who worked full time earned that much. At the same time, 46% of non-permanent residents who worked full time earned less than \$500 per week. This was the case for only 23% of the Canadian-born, 25% of established immigrants and 42% of new immigrant workers.

Earnings are influenced by many factors. On average, older experienced workers earn more than younger workers, those with higher levels of education earn more than those with less education and men generally earn more than women.

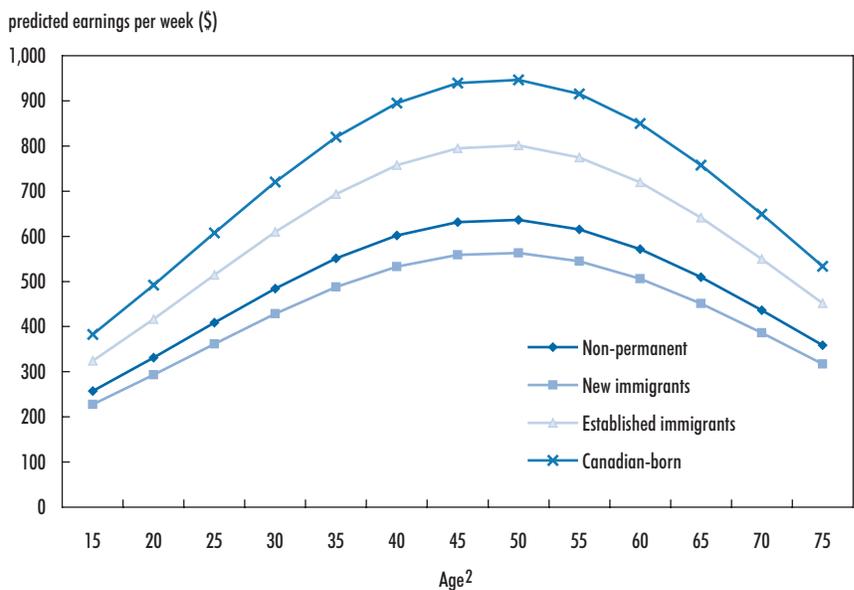
Differences along these dimensions must be carefully controlled when groups are compared. However, the earnings differential between non-permanent residents and permanent residents persists even when gender, age, marital status, education, official language ability, location and place of birth are the same. For example, analysis shows that, based on 2006 Census data,²⁹ a 40-year-old married female non-permanent resident with a postsecondary certificate who worked full time and lived in a city could expect to earn about \$602 per week while an equivalent Canadian-born woman could expect to earn about \$895 (Chart 11).

Education generally produces higher earnings, however while returns to education are positive for non-residents working in Canada, they are not as large as the returns to education earned by permanent residents. Returns to education were also negatively affected for those whose country of origin had a per capita GDP of less than one-half that of Canada. That is, the extra amount

earned by a full-time worker with a university degree compared to a worker who had only a high school education was considerably less for non-permanent residents from low-GDP countries. For example, a typical worker with a university degree born in Canada or another high-GDP country earned about \$672 more per week than an equivalent full-time worker with no more than a high school education. However, the education premium for a worker with a university degree decreased by 24% if that person was a non-permanent resident (Chart 12). For a non-permanent resident who was born in a country with a low per capita GDP, the education premium was 74% lower than that of a Canadian-born full-time worker.

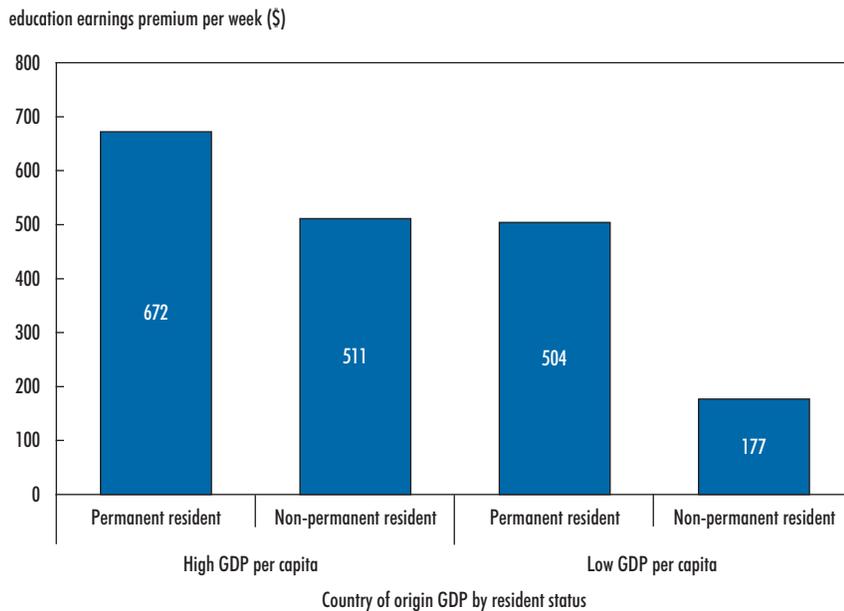
A large part of the explanation for the lower wages of non-permanent residents working full time is related to the occupations in which they work. Many were employed in occupations that are associated with low remuneration. For example, among the occupations listed in the

Chart 11 Non-permanent residents earn substantially less than Canadian-born persons and established immigrants¹



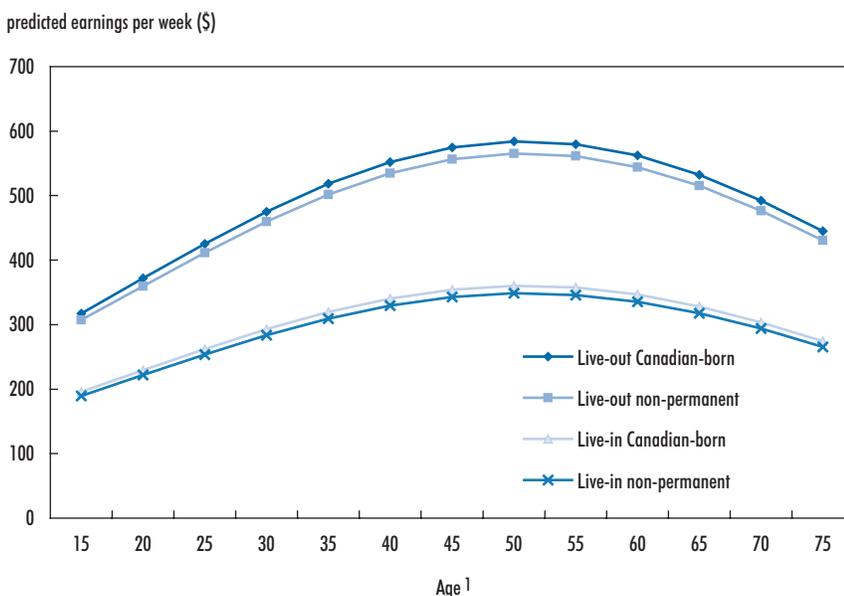
1. Figures are for urban women who speak English and have a postsecondary education.
 2. Age on Census Day.
 Source: Statistics Canada, Census of Population, 2006.

Chart 12 Returns to education for non-permanent residents are lower than for other workers especially if they come from a low GDP country



Source: Statistics Canada, Census of Population, 2006.

Chart 13 Earnings for domestic workers are similar for Canadian-born and non-permanent residents once live-in situations are considered



1. Age on Census Day.

Source: Statistics Canada, Census of Population, 2006.

National Occupational Classification (NOC) for 2006, “Babysitters, Nannies and Parents’ Helpers” had the lowest average earnings per week—this was, coincidentally, the most common occupation for non-permanent workers. Four of the top ten occupations in which non-permanent residents worked were in the bottom 5% of occupations in terms of average remuneration. It is important to note, however, that even within occupational groupings non-permanent residents typically earn less than the Canadian-born and established immigrant workers. This may be because they are more likely to hold entry-level or junior positions within the occupation, but explanations for the gap may differ across occupations.

For example, when only those employed as caregivers (e.g., nannies), housekeepers, cleaners and cooks are considered, the earnings gap between non-permanent residents and other workers becomes smaller (Chart 13). If comparisons are limited to looking at only those who work and live in the same place, the weekly earnings of non-permanent residents are almost equivalent to those of the Canadian-born.

The difference in earnings is largely explained by the distribution of non-permanent domestic workers and Canadian-born domestic workers across live-in and non-live-in positions. In 2006 about one-third of all non-permanent residents in domestic occupations worked at and lived in the same location. This was true for only 7% of Canadian-born workers, 5% of established immigrants and under 7% of new immigrants in the same occupations. It may be that the room and board provided to live-in help accounts for differences in reported earnings. Under Canada’s Live-in Caregiver Program, temporary visas are issued to persons willing to live and work in the homes of Canadian residents.

Coverage of temporary residents in the Census of Canada

Since 1991 the census has explicitly collected information from persons born abroad who are not permanent residents and who are not citizens, but who nonetheless live in Canada.³⁰ Although every attempt has been made to enumerate non-permanent residents, factors such as language difficulties, the reluctance to complete a government form or to understand the need to participate may have affected the enumeration of this population. Non-permanent residents are thought to be under-represented in the Census of Canada. The undercount might be substantial. Program data maintained by Citizenship and Immigration Canada (CIC) indicate that the number of persons legally entitled to reside and work in Canada on Census Day 2006 was about one-third higher than the number enumerated in the census. However, census information on non-permanent residents is not directly comparable with the data used by CIC to administer the immigration program.

The census is a cross-section of the Canadian population. In Canada, the most recent census was on May 16, 2006. All households in Canada were ostensibly included. Every fifth household received the 2B form (long form) which contained questions on immigration status. The form stipulates that persons in Canada temporarily to work, attend an educational institution or as refugee claimants are to be included in the census. Non-permanent residents are identified in census data by a process of elimination. They are those Canadian residents who were born abroad, who have never been landed or granted permanent resident status and are not Canadian citizens. The 2B form is a rich source of social, demographic and economic information on individuals and their circumstances. It contains information not only on the occupation, but also on for example, the earnings, hours of work, place of work and language of work for each person enumerated.

CIC's visitor information system contains a record of every permit issued allowing a person to temporarily reside, work or study in Canada. Among the information in the system are the reasons for granting permits and their validity period. The system also contains information about the

precise occupation or place of employment for those who hold restricted or closed work permits. Some persons hold overlapping permits, for instance, one entitling them to work and another entitling them to go to school. However, it is possible to classify persons according to their **main** permit or reason for being in Canada and obtain a count of persons who have the right to reside in the country on a given day. It is not usually possible, however, to know if a permit holder with the right to reside in Canada actually resides in the country. In order to avoid some of the administrative burden associated with renewals, CIC grants permits for longer rather than shorter periods, subject to eligibility.³¹ Many persons no doubt leave Canada before their permit has expired, for example, at the end of their academic year or job.

Discrepancies between the number of non-permanent residents enumerated in the census and the number who held valid permits on Census Day according to CIC data, can be explained in a number of ways. As mentioned, some persons with the right to reside in Canada may not actually live in the country. Many non-permanent residents may not understand that they should complete a census form because they do not perceive that Canada is their usual place of residence. In addition, those residing in work camps may not receive forms or be visited by enumerators. Others may mistakenly identify themselves as immigrants.

Some of the differences in census data with respect to the persons covered by CIC programs can be anticipated. One is a seasonal bias. The census reflects a given day in May while non-permanent residents enter and leave Canada over the entire year. The census likely undercounts agricultural workers who come chiefly from Mexico and the Caribbean at harvest time. It likely also undercounts the number of students and professors who may leave after the academic year. Some of the biases are unknown. The census nonetheless represents the only source of information about non-permanent residents on many socio-economic dimensions. For example, it contains information on actual as opposed to intended occupation as well as earnings. It also allows comparisons with Canadian-born and immigrant workers.

Summary

Non-permanent residents make up a small but growing share of Canada's workforce. They come from a wide variety of countries. Most are young and the majority, male. They come to Canada for a number of reasons, under a variety of programs and constitute a diverse group. Most settle in the census metropolitan areas of Ontario, Quebec and British Columbia. However, the number destined for Alberta has been growing faster than elsewhere in the country. They are more often located in less densely occupied areas than new permanent immigrants.

Non-permanent residents working in Canada can be found in both unskilled and highly skilled occupations. Women who are non-permanent residents and work full time are most often found in caregiving and domestic work. In 2006, most women in these occupations were from the Philippines. Non-permanent resident men, especially those from Mexico, Central America and the Caribbean, were more often employed in the agricultural industry.

On the other hand, temporary workers from high-GDP economies such as the United States and Europe were more likely to be working as university professors, postsecondary teaching and research assistants, computer programmers and senior managers.

In general, non-permanent resident workers earn less than Canadian-born workers and established immigrants. These differences can largely be explained by the combination of different occupations in which non-permanent residents work as well as their countries of origin. International disparities in wealth and earnings are such that well-educated persons from low-GDP countries may find it to their advantage to accept unskilled temporary work in Canada. Additionally, some non-permanent residents accept low-wage jobs as a means to gain Canadian work experience which can help them become permanent residents,

allowing them to benefit from access to the wider labour market.



Derrick Thomas is a senior analyst with Social and Aboriginal Statistics Division, Statistics Canada.

1. House of Commons Canada. (May 2009). *Temporary Foreign Workers and Non-status Workers*. Report of the Standing Committee on Citizenship and Immigration.
Choudry, A., Hanley J., Jordan, S., Shragge, E., and Stiegman, M. (2009). *Fight Back, Workplace Justice for Immigrants*. Fernwood.
The U.N. *Convention on the Protection of Rights of Migrant Workers*, which took effect in 2004, reflects concerns about the situation of workers outside their countries of citizenship/permanent residence.
2. U.N. Committee on the Elimination of Discrimination Against Women, General Recommendation No. 26, on women migrant workers, December 5, 2008.
3. Earnings information is available for approximately 73,000 of them who also worked at a full-time job in 2005.
4. The precise program or type of visa under which non-resident foreign nationals remain and work in Canada cannot be determined from census data. Many individuals from other countries continue to study and make refugee claims here and many receive permission to work to allow them to support themselves or to pursue jobs related to their studies.
5. Citizenship and Immigration Canada. *Annual Report to Parliament on Immigration*, 2008.
6. Under the *Immigration Refugee Protection Act (IRPA)* of 2002, some non-resident workers no longer require a permit. Conference speakers, entertainers and sports teams, for example, are no longer documented.
7. Citizenship and Immigration Canada. (2009). *Facts and Figures: Immigration Overview, Permanent and Temporary Residents*, 2008.
8. Citizenship and Immigration Canada. *Annual Report to Parliament on Immigration*, 2009.
9. Citizenship and Immigration Canada. (2009) "Quarterly Administrative Data Release" <http://www.cic.gc.ca/english/resources/data-release/2009-Q3/index.asp>. Accessed April 24, 2010.
10. Ruhs, M. and Philip M. (2008). "Numbers vs. rights: Trade-offs and guest worker programs." *International Migration Review*. Vol 42, no. 1.
Basok, T. (2007). "Canada's Temporary Migration Program: A model despite flaws." *Migration Information Source*. www.migrationinformation.org/issue_nov07.cfm.
U.N. Department of Economic and Social Affairs. (2004). "Temporary migration and its relation to trade in services." Chapter V. *World Economic and Social Survey 2004*.
11. Department of Homeland Security. (2006). *Yearbook of Immigration Statistics, 2006*.
12. Hugo, G. (2004). "Temporary migration: A new paradigm of international migration." Research Note No. 55. Parliamentary Library, Department of Parliamentary Services, Commonwealth of Australia.
13. Abella, M. (2006). *Policies and Best Practices for Management of Temporary Migration*. Population Division, Department of Economic and Social Affairs, United Nations Secretariat.
14. Chaloff, J. and Lemaitre, G. (2009). *Managing Highly Skilled Migration: A Comparative Analysis of Migration Policies and Challenges in OECD countries*. OECD Social, Employment and Migration Working Papers No. 79.
Martin, P. (2005). *Managing Labour Migration: Professionals, Guest Workers and Recruiters*. Population Division, Department of Economic and Social Affairs, United Nations Secretariat. United Nations Expert Group Meeting on International Migration and Development.
15. Abella; Hugo; Basok.
16. World Bank. (2005). *Global Economic Prospects 2006: International Implications of Remittances and Migration*.
17. Muia, F. (2006). *Employer Perspectives on International Labour Migration and Development*. International Organization of Employers. www.ioe-emp.org.
18. Agunias, D. R. (2006). *From A Zero-Sum to a Win-Win Scenario? Literature Review on Circular Migration*. Migration Policy Institute.
19. Global Commission on International Migration. (2005). *Migration in an Interconnected World: New Directions for Action*. Report of the Global Commission on International Migration. <http://www.gcim.org/attachements/gcim-complete-report-2005.pdf>.
20. Citizenship and Immigration Canada. *How to Hire a Temporary Foreign Worker: A Guidebook for Employers*. www.cic.gc.ca/English/resources/publications/ftw-guide.asp

21. The list can be found in Citizenship and Immigration Canada's *Foreign Worker Manual* (FW1 5.26.). www.cic.gc.ca/english/resources/manuals/fw/fw01-eng.pdf
22. Citizenship and Immigration Canada. (2009). *Facts and Figures, 2008*. www.cic.gc.ca/english/resources/statistics/facts2008/index.asp
23. Citizenship and Immigration Canada. *Temporary Foreign Workers –Your Rights and the Law*. www.cic.gc.ca/english/resources/work/tfw-rights.asp.
24. CIA World Factbook. (2008).
25. It is possible to identify as a member of more than one population group. The figures are for those who mentioned the group as one of those to which they belonged.
26. The census is conducted in May. Very few crops in Canada are harvested at that time. A census conducted later in the growing season might identify more temporary agricultural workers.
27. Citizenship and Immigration Canada. *Canada Welcomes Newcomers: The Canadian Experience Class*. www.cic.gc.ca/english/resources/publications/cec.asp.
28. Earnings in the census are collected for the previous calendar year.
29. The census asks about earnings over the previous calendar year. The 2006 Census asked about earnings in 2005. Only full-time workers who had also worked mostly full time for at least one week in 2005 could be included. See the box *What You Should Know About this Study*.
30. The temporary residents captured in the 1991 Census were somewhat atypical given the large refugee movement and backlog clearance program at the time.
31. Citizenship and Immigration Canada. (2008). *Foreign Worker Manual*. P. 84.