

University of Sussex
Sussex Centre for Migration Research

Temporary Foreign Workers in Alberta's Oil Sector

Working Paper No 54

Katherine de Guerre
University of Sussex

February 2009



University of Sussex
Sussex Centre for Migration Research

Abstract

Alberta is currently in the midst of the largest economic growth ever recorded by a Canadian province, with growth rates challenging China's. This is due to increases in oil exploration and production. With all economic upswings, come challenges, and Alberta is currently experiencing an urgent labour shortage. The Alberta Government and Alberta's oil companies have gone global in their search for labour and the number of temporary foreign workers (TFWs) coming to Alberta is vastly increasing. Through a case study analysis of TFWs in Alberta's oil sector, this paper will examine the growth of temporary foreign worker programs (TFWPs) in Alberta. The objective of the paper is to explore the interests, perspectives, and actions of employers, governments, and unions in regard to Alberta's TFWP. This will be analyzed in a context of global TFWPs and international labour migration. The paper concludes that globalization of labour is actively occurring in Alberta through a new geography of recruitment. The paper will demonstrate that oil companies are not the leading force behind international recruitment for labour, as might be expected, but that the primary leader in international recruitment for TFWs is the Alberta Government.

Introduction

Alberta, Canada is currently experiencing a labour shortage of a scale unprecedented in Canada. This is due to massive levels of economic growth (Alberta's economy expanded by 6.9% in 2006, the best performance of any province since 1993) from the increases in the oil and gas industry (Harding and Chase, 3 May 2007). In Alberta, one in six employees is employed directly or indirectly in the energy sector, and as a whole the province added 86,000 jobs in 2006¹ (Harding, 18 July 2007). The Alberta Government predicts that over the next decade Alberta will add approximately 400,000 jobs, with a shortage of over 100,000 workers (AEII, 2007). As a result, the Alberta Government and oil companies are turning to temporary foreign workers (TFWs) as a key part of the solution to labour shortages. The number of TFWs in Alberta has increased in the last two years, with 15, 172 people granted temporary work permits for Alberta in 2006 (CIC, 2007). This was over a 30% increase of the number of TFWs admitted to Alberta in 2005, and these numbers are predicted to increase (CIC, 2007).

Labour has become a central topic in Alberta's media and a primary concern for

oil companies. Companies and organizations are creating new strategies and policies to deal with the 'manpower' problem. Key terms utilized to describe the situation, such as 'manpower', 'labour crunch', and 'economic immigration', illustrate how the issue is currently viewed in Alberta: as an economic deterrent to progress. Research is abundant on the topic of 'how to solve the labour problem', but at present there is little reflection on what is happening in Alberta, particularly in terms of implications of temporary foreign worker programmes (TFWPs), long term planning, and globalization.

The objective of this paper is to explore the case of temporary foreign workers in Alberta's oil sector. The paper is divided into three chapters: the first is theoretical looking at temporary migration, the second an empirical chapter that looks at the case study of TFWs in Alberta's oil sector, and the third chapter synthesizes the theoretical and empirical work to draw conclusions regarding temporary foreign workers in Alberta's oil sector.

Temporary Migration

Globally, temporary migration is on the rise (OECD, 2004: 71). Migration in search of work is not a new world phenomenon, but international migration in the form of guest worker or TFWPs is a product of 20th Century nation states and national border

¹ The population of Alberta is 3, 242, 824 people (Alberta Municipal Affairs and Housing. Available at: www.municipalaffairsandhousing.gov.ab.ca).

restrictions (Martin, Abella, and Kuptsch, 2006: 6, from Torpey, 1999). Temporary migration can be divided into different categories, such as skilled or unskilled workers, and guest worker programmes versus seasonal worker programmes. Skilled worker programmes are the emphasis of many industrialized countries and many industrial state governments are easing restrictions on visas and entry for skilled migrants (OECD, 2004; Economist, 2006). “The Talent War” and the “Battle for Brainpower” (Economist, 2006) demonstrate the perception of a global skills shortage and many governments are working to recruit and attract the highly skilled, which is viewed as politically legitimate (Hollifield, 2004: 902).

The unskilled, on the other hand, have far more difficulties in getting visas and gaining legal entry for work as the level of restrictions on unskilled workers is higher than for skilled workers in most industrial states. Unskilled workers are not viewed as desirable by states and are generally recruited to fill jobs that nationals are unwilling to do, otherwise known as the 3-D jobs: dirty, dangerous, and difficult (Martin, Abella, and Kuptsch, 2006: 83). The general means of legal access for the unskilled is therefore through guest worker programmes and seasonal programmes. Guest worker programmes provide a worker with a work permit, generally for a particular job with a particular employer, and allow them to stay for a certain period of time (generally one or more years). Seasonal programmes only permit a worker to stay for a few months, such as during harvesting time, but generally allow migrants to reapply each year. An example of this is Canada’s Seasonal Agricultural Workers Programme, where workers come to Canada for up to eight months of the year, and on average come for seven consecutive years in a row, while some will continue on the programme for upwards of 20 years (Basok, 2002). The focus of this paper is on unskilled guest worker programmes, not seasonal programmes, which will be referred to as TFWPs.

The main rationale for guest worker programmes is a perceived labour shortage, which can be relative: reflecting the economic cycle, or absolute: lack of qualified personnel (OECD, 2004: 86). Martin (2003) declares that globalization, foreign policy concerns, cross-border commuting, and cultural exchanges or development assistance are other rationales for various guest worker programmes around the world (8). The key rationale examined in this paper is labour shortages viewed within a context of globalization.

The two largest guest worker programmes to date were the American *Bracero* - Strong Arms - programme and the German guest worker programme of 1955-1973. Both of these programmes were large scale, employer driven, based on unemployment rates, and assumed that the rotation principle bringing migrants in and out of the state would be honoured and effective (Martin et al, 2006:; 86-87). Initially, both countries regarded their policies as successful, and it was not until the end of the programmes that policy failures became evident (Castles, 2004: 853). The *Bracero* programme was abruptly ended in the 1950’s (Hollifield, 2004: 895) and in 1973, partly due to the ‘oil crises’ Germany’s guest worker programme was ended (Castles and Miller, 2003: 72). These programmes left a legacy of the problems of guest worker programmes and most infamously led to the statement, ‘nothing is more permanent than temporary migration’. Both guest worker programmes resulted in large-scale immigration from guest workers in terms of number of people immigrating, but it is important to note that the vast majority of guest workers did return to their countries of origin (Martin, 2003).

In the 1990’s, a new wave of guest worker programmes began in industrialized states, which are very small compared to the old programmes (Martin, Abella, and Kuptsch, 2006; Castles and Miller, 2003: 101). States have shifted to a number of micro-programmes that each aim to fill specific job vacancies in a particular sector (Martin, 2003). For instance, America now has over

20 different nonimmigrant worker programmes (Martin, 2003). Overall the new policies do not differ extensively from the historical programmes, except that they are stricter on length of stay, family reunification, and prohibit settlement (Miller and Martin, 1982). Castles and Miller (2003) state, "Somehow, policies that were generally viewed as regressive and discriminatory in the 1960s and 1970s could be viewed as innovative and progressive after 1990" (101).

The ILO and the UN (United Nations) have both made efforts to protect the rights of international migrant workers. The ILO Migration for Employment Convention, 1949 (No. 97) - 47 ratifications - and Migrant Workers Convention, 1975 (No. 143) - 23 ratifications - both provide measures for the protection of migrant workers (ILO, 2007- website). The UN Convention on the Protection of all Migrant Workers and Members of their families entered into force on 1 July 2003, but only has 22 ratifications, most of which are from emigrant countries (Martin, 2003: 30). These documents have served to provide a vision of ethical international standards, however, they are not applied by most countries with migrant worker programmes and have no means of enforcement. In effect, a migrant worker is subject to a vulnerable position, as by leaving their home state they give up their rights as citizens when they migrate. Most host countries argue that migrant workers are subject to the laws for migrant workers in that state, providing that they are in the state with legal status. The protection of migrant workers is not clearly defined and agreed upon at an international level, as demonstrated by the lack of receiving countries convention ratifications, which reinforces the vulnerability of migrant workers.

It is not difficult to see that TFWPs are highly contested in the current era (Ruhs, 2005: 1). Proponents of TFWPs argue that they can be beneficial to all involved and contend that TFWPs are ethical and highly desirable in liberal democracies when designed with innovative policies that avoid

past policy failures (Ruhs, 2005; Weinstein, 2002; Martin, 2003). Opponents of TFWPs make the case that TFWPs are unethical in a liberal democracy, violate the human rights of workers, are capital and elite driven, do not benefit the receiving society as a whole, and are not necessary as other policies can be utilized (Bartam, 2005).

The support or opposition of TFWPs is affected from the position in which one views TFWPs. Ruhs and Chang (2004) state that at the core of TFWPs is the issue of migrant's rights potentially conflicting with national's rights and national identity (72). Thus the implementation of TFWPs becomes a balancing of rights. Generally the rights of the migrant worker are secondary to the rights of the nationals, which follows the nation state world system wherein the prime responsibility of states is to their citizens.

Problems of Temporary Foreign Worker Programmes

Historical and contemporary migrant worker programmes are face many problems. This section will focus on three specific problems that are reoccurring within the literature as problematic to TFWPs and provide some alternatives and solutions to policies that have continually plagued these programmes. The first is the tethering of migrant workers to a particular job and a particular employer, the second is the issue of dependence, and the third is the issue of the commodification of migrant workers. Although the section does not examine these issues in depth, it has aimed to provide an overview. The next section will take these points into consideration in the discussion of a theoretical best practices approach to TFWPs.

Tethering of Temporary Foreign Workers

The tethering of TFWs to a particular job and a particular employer is inherently problematic as it makes migrant workers vulnerable to abuse and places them in a situation with limited agency. Almost all TFWPs enforce this policy and the migrant is tied to the job and employer listed on their work permit (Ruhs, 2005b: 5). The only known exception to this policy is the

United Kingdom's highly skilled workers programme, which demonstrates the difference in treatment of high skilled and low skilled workers (Ruhs, 2005b: 5).

The fundamental problem with this policy is that it inbreeds migrant vulnerability. First, it prevents migrants from being able to 'vote with their feet' and find another job if their employer is abusive, as a citizen or landed immigrant would be able to do (Weinstein, 2002: 230). Second, the tethering of migrant workers can lead to systemic abuses as migrant workers are forced into company loyalty as a matter of law (Weinstein, 2002: 230). Thus, a preference for migrant workers may emerge among employers as the cost for their loyalty is far less than of a local employees (Weinstein, 2002: 230).

Employers are reluctant to change this policy as they may lose their employee prior to recouping their recruitment costs (Ruhs, 2005a: 214). Ruhs suggests that as an alternative employer's could create an organized collective recruitment policy for the sector where there is a shortage and allow migrants to move freely within the sector (2005a: 214). This would allow migrants greater freedom, and employers to recoup their recruiting costs (Ruhs, 2005a: 214). It would also minimize external effects on the receiving society, which would be dealing with the abuses of the migrant workers, and the sending society in terms of decreasing difficulty of entry and dealing with the abuse of their nationals.

Dependence

There are two types of dependence that can be identified and differentiated. First, dependence occurs when migrant workers, as well as their families, communities, and home countries, become dependent on their foreign wage and resist policy changes that might reduce emigration opportunities (Martin, 2003: 10). This type of dependence has been a key reason for historical guest worker programmes lasting longer and growing larger than policy makers anticipated (Martin, 2003: 10). Although the focus of this paper is on receiving states, this type of dependence

needs to be central to policy maker's awareness as it illustrates how the needs of migrants and sending states can impact the TFWP overall.

A second view of dependence occurs when a structural dependence arises within the receiving society on the employment of migrant workers and the low wages that often prevail in sectors with high migrant worker employment. Based on economic theory, migrant workers precise way of benefiting the host economy is by driving wages down and increasing profits for employers (Weinstein, 2002: 230). Thus, it is common that migrant workers are concentrated in certain sectors, generally jobs that locals do not want to do, and wage depression occurs in those sectors (Weinstein, 2002: 230; OECD, 2004: 84). A good example of this, is the Gulf States, such as Saudi Arabia, where locals have no interest and shun the jobs on the ground in the oil sector, which are essentially all completed by TFWs competing for the positions and driving down wages (Woodard, 1998).

Ruhs (2005a) argues that this type of structural dependence and labour market distortions occurs due to "the failure of many existing and past TFWPs to offer employers the right incentives to recruit migrant workers" (214). This is based on the argument that nation states have an obligation first and foremost to their citizens and to reduce dependence is for governments to implement policies so that hiring locals is more attractive to an employer than hiring TFWs (Martin, 2003: 28, Ruhs, 2005a: 214). Policies must therefore, protect citizen's rights to preferential access to the labour market, ensure that the receiving country derives net benefits from the policy, and prevent immigration from adversely affecting national order (Ruhs, 2005a: 208-209).

Martin (2003) and Ruhs (2005a) suggest that an employer paid fee or levy should be implemented that is high enough to provide employers with an incentive to look for other options first (28; 215). This would deter the hiring of TFWs, as employers

would want to save the levy and encourage employers to look for alternatives such as mechanization of the production process, or outsourcing (Martin, 2003: 28; Ruhs, 2005a: 214). The only country that operates a somewhat comparable policy is Singapore, where the government charges 'foreign worker levies' for the hiring of migrant workers in particular sectors (Ruhs, 2005a: 214). The fees could then be used for funds to generate enforcement, integration, and for other purposes related to the TFWs (Martin, 2003: 28). Thus, such a fee could be utilized to cover the administration costs of the programme and therefore reduce the externalities incurred by the government and host society, as Weinstein identifies as a key problem (2002: 233).

A second option to protect the rights of the nation states citizens is to provide direct compensation to local workers. This could occur through a fee as mentioned above, or through union membership (Ruhs, 2005a: 215). In Australia, the government consults with local interest groups and the public regarding the size and intake of migrants (Ruhs, 2005a: 215). In order for a TFWP to be successful, governments should be negotiating with unions and the public, and this would be one method for gathering support.

Commodification of Temporary Foreign Workers

A key problem with TFWPs is that migrants are regarded as stocks, that is, instead of ordering 50 t-shirts from a country, one is ordering 50 migrants. This is evidently a problem, as migrants are not commodities, but people who have agency and rights. These assumptions led to the belief that migrants were available to come or leave at the whim of the employer. In practice, migrants perspectives change with time, some may apply to stay permanently in the host country and apply for family reunification, others may stay illegally, and some may return as the programme anticipates (Ruhs, 2005a: 216). It is essential, however, that policy makers account for these distortions, but maintain

a focus on the temporariness of the programme (Ruhs, 2005a: 216).

One method to encourage returns would be financial payments for return. This could include the migrant receiving their social security payments once they have returned home (Ruhs, 2005: 216; OECD, 2004: 85). The OECD argues that it is inequitable to require TFWs to pay into social security programmes from which they will receive little or no benefit. Thus, if these payments are not given to the migrant upon return then an option is that they are paid to the families or communities at home while the migrant is working in the receiving state (2004: 85). In this instance employers could be responsible for providing a bonus to those who complete their work term. In any case, incentives and enforcement mechanisms are needed to facilitate to return of migrants to their home countries once they have completed their work permit (Ruhs, 2005: 216).

Theoretical Best Practices Approach for Temporary Foreign Worker Programmes

The Global Commission on International Migrations report of 5 October 2005 lays down a framework of characteristics for best practices of guest worker programmes (Martin and Martin, 2006: 5). The key characteristics include:

- “fully inform migrants of their rights and obligations,
- allow them to change jobs in receiving countries,
- have governments enforcing laws that regulate contractors, employers and others involved in moving workers over borders and employing them” (Martin and Martin, 2006: 6).

This creates a good starting point for international best practices that is being promoted by an international organization in the field of migration, but as noted from the various problems with TFWPs above, I would argue is not in-depth enough to create a model of best practices.

Ruhs (2005a) states that five key elements are needed to create a balanced approach

to migrant worker programmes, and three key policies are needed to support this approach. The key elements of such an approach include:

1. “an open, transparent discussion of all economic, social, cultural and other impacts of international migration for migrants and non-migrants in receiving and sending countries;
2. the acknowledgement of the need for national policymakers to give at least some preference in their policy decisions to the interests of citizens;
3. the recognition that the interests of migrant workers need to be actively protected and promoted, including both migrants’ rights and economic welfare, two factors that may sometimes conflict;
4. the responsibility of receiving countries to make their labour immigration policies development-friendly’ for sending countries, and,
5. the need to avoid policy contradictions by aligning the objectives of labour immigration policies more closely with those of international trade and investment policies.”

Three policies are needed:

1. “some freedom of movement for labour migrants in the receiving country’s labour market;
2. regulation of employers’ costs of migrant workers by setting flexible work permit fees, and,
3. mixed incentives-enforcement measures to encourage the return of migrants on expiry of their work permits.”

Ruhs model provides depth and his balanced approach to TFWPs incorporates lessons learned from past problems with TFWPs. Ruhs model thus will be taken as a theoretical model of best practices. It will be utilized for comparing how the case

study of TFWs in Alberta’s oil sector meets the best practices noted here.

Temporary Foreign Workers in Alberta’s Oil Sector

The Alberta Boom

Alberta is currently experiencing the highest levels of economic growth ever recorded by any Canadian Province (Statistics Canada, 2006). The boom has been termed ‘North America’s biggest resources boom since the Klondike gold rush’ by the Financial Times (Simon, 8 May 2007) and is making headlines around the world. The basis for the boom is Alberta’s oil sands, as an increasing number of multinational and national companies expand their oil productions in Alberta. The reserves are distributed among three primary fields; Athabasca, Cold Lake, and Peace River, as illustrated in Figure 2 (appended).

In June 2006, 69% of all possible oil sands leases were still available (Alberta Energy, 2007). In 2006, Alberta’s oil sands were expected to produce one million barrels per day of oil sands product (RIWG, 2006). This is expected to increase to three million barrels per day in 2010, and possibly four million barrels per day by 2015 (RIWG, 2006). The Athabasca oil sands - the largest and most developed reserve - remains at the centre of the growth. Currently, in this region, there are nine companies operating, seven projects under construction, and 31 planned projects that are in regulatory or planning phases, as shown in the yellow and green in Figure 3 as appended (RIWG, 2006).

Prior to 2003, Canada did not feature as a key region of crude oil production (Falola and Genova, 2005: 4). In 2003, Canada and the United States Department of Energy Information Administration changed the definition of what constitutes Canadian crude oil reserves, resulting in Canada having the second largest proven reserves of crude oil - Saudi Arabia has the first - in the world (Reynolds, 2005: 53). This change in definition was initially quite contentious, but has now been internationally accepted. Previously, Alberta’s reserves were considered too

costly to extract and refine² and therefore were not counted in international oil stocks. With the increases in oil prices, technological improvements, increased concerns regarding global supply, the fact that only 26% of world oil leases are open to private companies, and the volatile political situations surrounding much of the world's oil, Alberta's oil sands have become economically viable and profitable. This has resulted in the unprecedented boom currently occurring in Alberta and with all resource based economic upswings comes a need for labour.

Research Design and Methodology

The purpose of the research was to gather an understanding of the current situation regarding labour shortages and TFWs in Alberta's oil sector. The research for the study consisted of three parts: first, a literature review was conducted of publicly available policy documents on labour issues in Alberta; second, interviews were conducted with representatives of oil companies; and third, a content analysis was conducted on two print media sources: *The Calgary Herald*³ and *The Globe and Mail*. In addition, the researcher attended a one-day seminar in Calgary, Alberta hosted by the

Alberta Ministry of Employment, Industry, and Immigration on "How to Hire Foreign Workers", which provided a government perspective and approach to labour issues and TFWs in Alberta.

A literature review was conducted of policy reports and documents to gather information on different perspectives on the case study in Alberta. The documents that were reviewed included sources from the Government of Canada, the Government of Alberta, The Alberta Federation of Labour,

the Construction Association of Alberta, Action Canada, The North-South Institute, and oil company's websites.

Interviews were initially intended to form the basis of the research, but access to interviews on the topic was heavily guarded. In total, 18 people were contacted for interviews from two unions, three recruiting companies, and 12 oil companies. Seven representatives from oil companies accepted to participate in the interviews. The interviews were conducted in July and August 2007.

The content analysis was conducted to supplement the information already gathered and to provide further context and representation into the case as a whole. Two newspapers were utilized for the content analysis; *The Calgary Herald* and *The Globe and Mail*. The content analysis of the two newspapers was based on a key word search using Proquest Search engine through the Canadian Newsstand Core database from the calendar year of 27 July 2006 to 27 July 2007. In *The Calgary Herald* the keyword search included 4 terms: "foreign workers", "temporary workers", "labour shortage", and "recruiters". The same keywords were used for *The Globe and Mail*, but "Alberta" was added to each keyword search to make the searches relevant to the case study. In total there was 554⁴ articles retrieved through the searches in *The Calgary Herald* and 56 in *The Globe and Mail* (See Appendix A for the keyword breakdown of each newspaper). After reviewing the articles 119 distinct articles from *The Calgary Herald* and 20 distinct articles from *The Globe and Mail* were deemed relevant to the case study.

Labour Needs in Alberta's Oil Sands

According to basic economics the three factors of production are land, labour, and capital. In any resource-based industry, capital and labour flow towards the resource to meet the development demands. Oil has always prescribed to this

² The oil sands are bitumen reserves, which is oil and sand blended together and must undergo an expensive refining process to separate out the oil.

³ *The Calgary Herald* is a CanWest Mediaworks Publications Inc. newspaper. CanWest publishes *The National Post*, *The Edmonton Journal*, *Vancouver Sun*, *Victoria Times Colonist*, *Regina Leader*, *Saskatoon StarPhoenix*, *Montreal Gazette*, *Ottawa Citizen*, *Windsor Star*, *DOSE*, *Vanouver Island Newspapers*, and *VANNET newspapers*, representing a major media cartel in Canada.

⁴ This number is calculated from adding the number of results from each search category. Therefore, there is likely potential that the same article may be counted more than once to achieve this total.

model, with labour flowing to oil centres such as the Gulf, Iran, Nigeria, Venezuela, and Texas in the 1970s and migrants today continue to provide the majority of labour in the Gulf (Harris, 2003: 4464).

Alberta's experience has not been an exception as the present levels of migration can only be challenged by the settling of the wild west in the 1800s. In 2006, net inter-provincial migration to Alberta reached a record high for any province in Canada at 57, 105 people (Pereira et al., 2007: 4). Fort McMurray, the city for the oil sands, has been a beacon for Canadians from the Atlantic Provinces, such as Newfoundland and Labrador, where high unemployment rates have ensued since the 1980's. Fort McMurray's population is now largely comprised of inter-provincial and international migrants. For example, the population of Fort McMurray is comprised of 17% Newfoundlanders, the largest population of Newfoundlanders outside of Newfoundland (Wood Buffalo, 2006). Labour has flowed to Fort McMurray and to Alberta to meet the demands of the oil industry, and with the proposed future expansion, these numbers are expected to increase.

In the oil sector different phases of development require different labour needs. The four basic phases of the process are pre-construction, construction, operations, and reclamation. Labour needs peak in a projects construction phase, and then decline in the operations phase. With the current number (31) of new projects proposed in Alberta, shortages are occurring and are anticipated in the skilled trades needed for the construction phases.

Current projections from Alberta Human Resources and Employment state that from 2006-2016 Alberta's labour market will grow by 400,000 people, with a potential labour shortage as large as 109,000 people (AEII, 2006). In June 2007, the unemployment rate for Alberta was 3.3%, the lowest of any province in Canada, and below the national unemployment rate of 6.1% (Statistics Canada, 2007). The Statistics Canada unemployment data does

take into account all sectors, not only the oil industry, however, it is important to note that the oil industry is the primary driver of growth in Alberta.

Temporary Foreign Worker Programmes in Alberta, Canada

As a federalist state, Immigration is under federal jurisdiction in Canada, but provincial bodies work in cooperation with Citizenship and Immigration Canada (CIC) on migration issues to their province. The overall laws are thus set by federal jurisdiction, but the details vary among provinces as each province negotiates its own specific programmes with the Federal Government. In Alberta, two Federal Ministries are involved in the process of admissions of TFWs; Human Resources and Skills Development Canada (HRSDC), and Citizenship and Immigration Canada (CIC), and two Provincial Ministries are involved in the process; Alberta Advanced Education and Technology (AAET), and Alberta Employment, Immigration, and Industry (AEII). HRSDC issues Labour Market Opinions (LMOs), which are completed to ensure that temporary workers will not be taking jobs from Canadians, and that there is a labour shortage and need for the worker (Alberta- Canada, 2007). As of June 2007, the process for acquiring a LMO in Alberta required a minimum of 12-weeks (Wilderman, 2007)⁵. CIC issues work permits to temporary workers that are needed to gain entry into Canada. AAET assesses the qualification of international trades people to determine if they meet Alberta's journeymen standards⁶. Finally, AEII jointly runs the foreign worker hotline with HRSDC, and administers the Provincial Nominee Programme (PNP) - the process by which a temporary migrant can become a permanent citizen. All of these bodies sit on a Federal-Provincial Working Group on Temporary Foreign Workers in Alberta,

⁵ People that do not require a LMO include: Workers covered under international agreements, entrepreneurs and intro-company transferees, participants in exchange programmes, co-op students, spouses, academics and students, religious workers, and an other category.

⁶ Education is under Provincial jurisdiction in Canada, thus journeymen standards vary by province.

along with the Alberta Ministry of Agriculture, Food and Rural Development, where the objective is to identify priorities and new approaches for meeting the labour shortages in Alberta.

In general, a TFW can come to Canada under one of the following schemes:

- Skilled Worker programme
- Low-Skilled Worker programme
- International Student programme
- North American Free Trade Agreement (NAFTA)

These schemes are further divided by occupational classification in Alberta for skilled workers and low-skilled workers. The classification system determines 'regional occupations under pressure', which means that employers of these particular occupations are permitted to undergo one week recruitment process, versus the normal requirement of four weeks recruitment. The LMO process takes a minimum of three months, and at current it is estimated that companies should estimate twelve months from initiating the process to hire a TFW to the arrival of the worker (Interviewee, 2007). In July 2007, the TFWP was amended and a low-skilled worker can now receive a work permit for up to a maximum of three years, versus a previous two-year long work permit.

A specific work permit process has also been established for oil sands construction projects in Alberta⁷ through a Memorandum of Understanding (MOU) between HRSDC, CIC, and Alberta Learning. The objective of this agreement is to assist employers in the oil sands in meeting their labour needs for skilled tradespeople and to provide a clarification of the roles of each stakeholder. The MOU provides Federal and Provincial recognition of the labour shortages in

⁷ Other sectors with a specific work permit process are: foreign academics, seasonal agricultural workers, construction and manufacturing workers, film and entertainment workers, live-in caregivers, and pilot projects for occupations requiring at most a high school diploma or job specific training (Canadian Institute for Recognizing Learning, 2005: 21).

Alberta and makes a commitment to work with companies on addressing these issues.

The magnitude of the use of TFWs in Alberta has increased over the past two years. Table 1 illustrates the number of TFWs admitted to Alberta from 1997- 2006. It must be noted that these statistics include both skilled and unskilled TFWs coming to Alberta. On average, 50 percent of Alberta's TFWs are unskilled, which is the focus of this paper.

Table 1: Annual Flow of Foreign Workers into Alberta⁸

Year	Number	% Increase/Decrease from previous year
1997	7, 473	—
1998	7, 869	5.1
1999	7, 900	0.4
2000	8, 870	11.0
2001	9, 246	4.1
2002	8, 252	-12.0
2003	7, 710	-7.0
2004	8, 621	10.6
2005	10, 417	17.3
2006	15, 172	31.4

These numbers are expected to continue to increase.

The Alberta Government

In December of 2006, Alberta Premier Ralph Klein retired after 13 consecutive years as the leader of the Conservative Party of Alberta and Ed Stalmach became the leader of the Conservative Party and the Premier of Alberta. Stelmach created the new Ministry of Employment, Immigration, and Industry (AEII). A key objective of AEII is

⁸ Citizenship and Immigration Canada. "Foreign Worker Overview." *The Monitor*. First and Second Quarter 2006. Available at: www.cic.gc.ca. Accessed on: 18 August 2007.

to promote 'economic immigration' as a government strategy to alleviate pressures on the labour force and ensure Alberta's continued economic success (Olsen, 2007). This is part of the 'Value- Added' Strategy and the *Securing Tomorrow's Prosperity* strategy, both of which contribute to Alberta's labour strategy (Olsen, 2007).

Alberta's 10-year labour force strategy is based on attracting, developing, and retaining workers (Olsen, 2007). The attraction component is based on immigration and labour mobility. This is encompassed in the 'Made in Alberta Immigration Strategy', which is based on four objectives:

- Improvements to the TFWP and the Provincial nominee programme,
- A new immigration agreement with the federal government,
- Increased settlement services,
- And improved recruitment and attraction initiatives (Olsen, 2007).

The Foreign Worker recruitment and marketing strategies are based on a combination of regional strategies (ie: Europe), emigration fairs, jobs fairs, trade shows, and reconnaissance missions. Regional strategies include developing profiles on countries within that region to determine the type of workers available, the level of skills, and if a reconnaissance mission is worthwhile. If it is determined worthwhile a reconnaissance mission occurs to determine if recruitment from that country is a viable possibility. To date, Alberta has conducted reconnaissance missions in the Ukraine, Poland, Philippines, Korea, and Taiwan, and recruitment is now being planned for Ukraine, Korea, Philippines, and Taiwan. The reconnaissance mission to Poland revealed that Poland itself is undergoing a labour shortage, so recruitment has not be planned in Poland at this time. Some recruitment missions have already occurred in Europe. As an example, in February 2007, the Alberta Government attended job fairs across Germany in an effort to attract workers to come to Alberta. Similar fairs

have been held in the UK and Romania, and are planned for France, Belgium, Taiwan, Korea, and Russia. Country profiles are being developed by AEII for Venezuela, USA, Brazil, Puerto Rico, Peru, Mexico, China, and India with the expectation of reconnaissance and recruitment missions to follow (Langlois, 2007).

The Alberta Government is taking an active lead in international recruitment for the province. The objective is to work with employers to identify needs, and the province is acting as a liaison to find supplies of workers to meet those demands. Once the province finds workers, they notify employers, who attend the recruitment fairs with the Government and select their own employees. The model appears to work well to assist employers in finding workers and prevent or limit the need for employers to look to third party recruiters to find international workers. For the employer, it ensures a quality of worker that may not occur with recruiters and allows the employer to gather an understanding of where these workers are coming from. For the workers, there is assurance that there is a secure job with an employer they have met, versus the risks associated with third party recruiters, who, unbeknownst to the worker may be acting illegally.

This model has not occurred in Alberta or elsewhere in Canada in the past. Unlike, with Canada's Seasonal Agricultural Workers Programme, bilateral agreements with other countries are not being signed, as this is a provincial level engagement, not a federal level engagement. It does raise questions as to what role sending governments can play in this arrangement and what protections they can put into place for their emigrating workers? At present, it does not appear as though sending countries have any power, except to permit or not permit active recruitment in their country, if they even have this capacity.

The Federal Government

The Federal Government has jurisdiction and control of the admission of temporary work permits for Alberta. The Government of Alberta and Alberta employers have been

pushing for an opening of the TFW procedures in Alberta to make the process more efficient and accessible. The Federal Government has worked to improve access to the programme by opening an office to deal with TFW applications in Calgary in October 2006 (O'Donnell, 16 Nov. 2006). In addition, the Federal Government has reduced the recruitment process from one month to a week for occupations that are listed as 'under pressure'. These initiatives demonstrate that the Federal Government is working to improve access to the TFWP for Alberta employers.

Oil Companies

Oil companies are increasingly concerned about labour costs and shortages in Alberta. In July 2007, the break-even price for a barrel of oil increased to \$54.00 per barrel, from \$45.00 per barrel in July 2006 (Dutta, 4 July 2007). The increase is primarily from increases in labour costs and material costs (Dutta, 4 July 2007). Neil Camarata, Vice-President of Oilsands for Petro-Canada stated, "Our two biggest worries were [are] keeping a handle on cost and getting workers to build the facilities" in regards to the planned 2008 construction of Petro-Canada's \$26 billion Fort Hills project (Dutta, 29 June 2007). Oil companies need to ensure a secure workforce within a certain price range to maintain profitability.

All of the individuals interviewed stated that their organizations were concerned about labour. Each organization felt that they were able to get the staff required at the moment, but recruitment processes were taking longer, were more competitive and the interviewees were concerned about the future. Only one of the interviewees currently had TFWs on site, but five others stated that they were considering using TFWs in the future.

From the interviews it appears that five key areas emerged that affect the interests of a company and how they perceive the issue of TFWs: The first is the defining of skilled versus unskilled workers; the second is the relationship between oil companies and their contractors in regards to TFWs; the third is related to language, safety and

recruitment costs, and the trade-offs that may occur among these three issues; the fourth key issue is recruitment, and whether recruitment is based in-house at the company or operates through recruiting companies; and the fifth is cultural integration challenges and concerns.

The defining of skilled versus unskilled workers is becoming a blurring categorization in terms of trades positions. Skilled workers and unskilled workers fall into different immigration categories as defined by CIC. Skilled workers are able to apply for permanent residence, whereas unskilled workers can only be in to Canada as TFWs. At present, a skilled worker according to CIC includes occupations such as engineers, geologists, or financial experts (CIC, 2007). Trades are classified as unskilled, yet, to be a tradesperson requires education, an apprenticeship and experience. As a result, the 'professionalization' of the trades is becoming an increasingly prevalent term, as is the term 'skilled trades' to recognize that these occupations are skilled (Sankey, 17 March 2007). From the perspective of oil companies skilled tradespeople are becoming a comparable asset to the 'more traditionally' skilled professions, as skilled tradespeople are essential to ensuring the success of a project.

Oil companies, however, still fundamentally differentiate between skilled professions and skilled trades in a similar manner to CIC. Skilled professions are offered full recruitment and relocation packages that allow them to move their families and access to numerous benefits. Skilled trades are only granted the TFW permits for themselves, live in camp, and are not given the benefits 'packages'. The degree to which this differentiation is a factor of CIC policies or oil company policies is unknown. It will be interesting to see in the future, as the demand and competitiveness for skilled trades increases, if oil companies and CIC will redefine this area of work and place it within the skilled worker category to meet the growing needs of oil companies.

The second area that emerges regarding the employment of TFWs is the relationship between the oil company and their contractors. All oil companies contract out their construction work to construction companies, who are thus responsible for hiring and training employees. However, all contractors on a site are responsible for following the safety regulations and policies of the oil company. Therefore, if it is the policy of an oil company that TFWs are not permitted on site, then all of their contractors must follow this policy. It is important for an oil company to trust and utilize good contractors to ensure their safety record and to meet their targets and deadlines. Additionally, in terms of corporate social responsibility oil companies must accept any wrongdoings by a contractor as their own.

An example of this is in April 2007; two Chinese TFWs were killed when a roof that they were working on collapsed on Canadian Natural Resources Ltd. (CNRL) Horizon project site. The deceased were not employed directly by CNRL, but by international contractors hired by CNRL. Although CNRL was not the direct employer, they came under immediate media and public scrutiny, which resulted in critics calling for a review of the TFWP in Alberta and specifically on the CNRL Horizon site (CTV, 25 April 2007). This example demonstrates the importance of the relationships between contractors and the oil company and how a contractor represents the oil company and the company's reputation within the media.

The result of the relationship between oil companies and contractors is two fold: first, contractors are looking towards the oil companies for direction in regards to policies and procedures around TFWs, and second, umbrella agreements are being produced between construction companies, the oil companies, and the Alberta Government in terms of hiring TFWs. This places the onus of TFWs back onto the oil company, even though they are not directly employing the TFW. Contractors face the day-to-day operations with the TFW, but oil companies are responsible for the larger

site-wide policies that direct how the contractors can operate with TFWs on site.

The costs of labour and on-site safety are both essential concerns to oil companies and are sometimes traded off against each other in the hiring of TFWs. In Canada, it is law to pay a TFW the same wage that a Canadian would be paid for a particular job. Cost, thus refers to the recruitment costs of bringing an individual to Canada. One interviewee stated that it is more expensive to recruit skilled trades from the Philippines than from China. Recruitment costs from China are the least expensive as there are agencies in China looking to export workers that have ties to agencies in Canada looking to import workers. In addition to lower recruitment costs, the process is faster with China due to the organization of the agencies in China.

The issue of safety ties fundamentally to the issue of language, and if TFWs speak English. In regards to language, there are two options- first is the requirement that all workers read, speak, and fully comprehend English, the second, is that the crew lead read, speaks, and fully comprehends English and the language of the crew. In essence, the crew lead acts as an interpreter for the crew. One of the interviewees stated that the first scenario is currently the policy of their organization, however, due to labour shortages they may have to change their policies and implement the second scenario if they cannot find enough workers. The second scenario presents numerous challenges and questions, such as manageable crew sizes, all signs and safety information in the workers area being translated, and the risks associated with not having an interpreter in close proximity when needed. There is a preference for the first scenario, however, employers fear if this will continue to be possible.

The trade-off between safety and cost thus occurs in regards to the language issue. According to one interviewees experiences, workers from the Philippines are more expensive to recruit than workers from China, however, workers from the

Philippines are fluent in English, whereas Chinese workers are not. Thus, if the choice is China, cost is prioritized over language/safety issues.

The final issue is recruitment, and if recruitment is occurring in-house or through third party recruiting companies. Recruitment is becoming more important to corporations as competition for workers increases. Most oil companies have internal recruitment teams that focus on attracting skilled workers (engineers, geologists, financial officers) to their organization. In some circumstances the recruitment teams are also in charge of working to find skilled trades workers, often classified as unskilled workers.

This is where recruitment of workers becomes an interesting facet in that this can be the responsibility of the oil company, the contractor, or a third party recruiting company. In Calgary, *The Calgary Herald* has reported that recruitment fraud is an increasing problem in the city (Beaubien, 27 June 2007). Numerous companies are emerging in the area of foreign recruitment, and many are not certified agencies (Cryderman, 1 July 2007). Recruitment companies are offering promises of good jobs and wages in Canada, and even more, the opportunity to immigrate to Canada and for family reunification. These allegations are not entirely false, but the number of workers to receive the opportunity to stay in Canada is small.

In Canada, it is illegal to charge an individual to come to work in Canada. Employers have reported that they are receiving proposals where companies are blatantly stating that there is no charge to the company and that the individual will incur all of the costs included with coming to Canada (conference, 2007). Fraudulent recruiting companies are charging individuals \$15,000 - \$20,000 to come to Canada, and when these individuals arrive they find they do not have a job (Beaubien, 27 June 2007). Third party recruiting companies add another level to the issue and are an additional responsibility for oil companies to manage.

A final issue that half of the respondents identified as being concerned about was cultural integration. International workers require an additional level of cultural integration policies and support compared to Canadian workers. Those concerned mentioned the challenges of culture shock and adaptation, and how this can impact worker productivity and job satisfaction. Those who were not concerned generally had experience working with international workers and felt the challenges could be overcome.

Although oil companies are not heavily utilizing TFWs at present, they are on the radar and companies are starting to develop strategies and policies that incorporate TFWs. It was stated by every employer that there is a preference for skilled trades workers with Canadian experience, and that employing TFWs was an option to only be utilized when recruitment in Canada was unsuccessful. The need for workers is not yet acute enough to have oil companies recruiting internationally en masse, but labour forecasts suggest that the peak shortages will occur in 2010. Thus, the use of TFWs is justified here from a position of acute labour shortages in the skilled trades across Canada. The prediction is that employers will start to seriously look internationally and in the near to immediate future one interviewee stated that contractors are anticipating that up to 40% of their staff will be TFWs. These numbers suggest a need for solidifying policies and ensuring sound recruitment for the protection of workers rights.

Unions

Throughout history unions have been fundamental in achieving workers rights, such as increased wages, safety and rights at work:

“Unions reduce wage inequality, increase industrial democracy and often raise productivity...in the political sphere, unions are an important voice for some of society’s weakest and most

vulnerable groups, as well as for their own members.” (Freeman and Medoff, 1984: 5).

In Canada, union membership has been decreasing: in 2006, 25.2% of the civilian labour force were unionized, compared to 28.4% in 1991 (HRSDC, 2007).

In Alberta, the largest representative of unions is the Alberta Federation of Labour (AFL), which represents 31 unions and nearly 125,000 workers from across the province (AFL, 2003). Two other significant unions are the Alberta Buildings Trades Council (ABTC), representing 16 trade unions with 22 locals and over 48, 000 union members, and the Christian Labour Association of Canada (CLAC), representing approximately 15,000 members in Alberta (Klaszus, 2007).

On the issue of TFWs, the AFL and ABTC are opposed to the government’s current policies. Both unions have contested the TFW policies through writing letters to AEI Minister Iris Evans. The AFL has started a campaign against the use of TFWs in Alberta, and has hired a lawyer to assist TFWs in need. The AFL has established a toll-free line for TFW to call their lawyer when they are being mis-treated by employers or need assistance (CBC, 25 May 2007). The new post was overwhelmed with calls from workers who have cases such as illegal deductions from their cheques and broken promises from employers (CBC, 25 May 2007). The ABTC, has appealed to their senator and put pressure on the government to re-evaluate TFW policies in Alberta (ABTC, 13 July 2007).

CLAC, on the other hand, has supported TFW policies. At present, CNRL has TFWs on its Horizon site. In 2004, when in the planning stages of their \$6 billion Horizon operations north of Fort McMurray, CNRL made a deal with the Government of Alberta to invoke a special status under the Alberta Labour Relations Code that is rarely utilized (Klaszus, 2007). Division 8 of the Labour Relations Code, which has not been invoked since 1989, “allows a company to negotiate a single collective agreement with

a single union to cover all employees on the site, regardless of their union affiliation” (Klaszus, 2007). In order to be approved for such status the project must be “significant to the economy of Alberta” and the provincial cabinet must decide that the arrangement is “in the public interest” (Klaszus, 2007). In 2005, CNRL and CLAC made a deal that all workers on the Horizon site (6,000 plus) would be represented by CLAC, regardless if they have a membership to a different union or are non-unionized (Klaszus, 2007). Workers did not ratify the agreement; it was simply enforced.

This agreement has come under great criticism from the AFL, and the media. The AFL views the agreement between CLAC and CNRL as ‘union-busting’ by both the Alberta Government and CNRL (AFL, 2006). The AFL argues that there are enough unionized workers in Alberta to fill the jobs, and if there are not, the AFL has union networks across Canada and can find qualified workers for the positions (AFL, 2006). From the perspective of the AFL, the labour shortages do not require TFWs and if a company, such as CNRL, chooses that option, it is only in an effort to lower wages and create a compliant non-unionized workforce.

The AFL has started a campaign against TFWs in Alberta and as part of the campaign produced a report entitled *Beyond Chicken Little: Understanding the need for measured reforms to Alberta’s system for skills training* (2006). The report includes a list of 19 recommendations and argues that ‘the sky is not falling’ and employers, government, and the media have misdiagnosed the problem. First, without the oil sands, which accounts for \$72, 959 million out of a total \$124, 299 millions of projects in Alberta, there would be no labour shortage. Therefore, one of the problems is not labour, but the pace of development, which the Alberta Government could control through staggering development permits/approvals. The argument of ‘out of control’ development in Alberta is being raised by environmental organizations such as the Pembina Institute, the Sierra Club, Friends

of the Earth, and Greenpeace, and indigenous peoples across the province.

A second issue is that of inter-provincial mobility for skilled trades. The Red Seal Certificate allows skilled trades to work inter-provincially in Canada, but at present, the Red Seal Secretariat says that only 16% of skilled tradespeople in Canada have the accreditation. Skilled tradespeople are unemployed in other Canadian provinces, but cannot work in Alberta without the Red Seal certification. This pegs the question posed by the AFL, why look internationally, when nationally workers are available and only require support for accreditation?

A third problem posed by the AFL is the apprenticeship programme in Alberta for skilled trades. The AFL quotes that approximately only 50% of tradespeople are completing apprenticeships, with over 40% citing their non-completion due to not having enough work. To complete an apprentice under the current programme, one needs to complete a certain number of hours of work. If one is laid off or cannot find the work, then they cannot complete the programme. The AFL argues that addressing the problems with the apprenticeship programme would increase the number of skilled tradespeople in Alberta and reduce the need for TFWs.

The points raised by the AFL are worthy of exploration and discussion. As the largest representative of unionized workers in Alberta, the AFL's opposition to TFW demonstrates that the majority of unionized workers in Alberta do not support government policies. The AFL protested CNRL's 2006 annual general meeting with signs that read "*Immigration YES Temporary Foreign Workers NO*", illustrating their point that TFW policies are unethical and workers should not be treated that way, they should be offered immigration status and full rights in Canada. The dissent and validity of the arguments of the AFL pose questions as to the legitimacy of the Alberta Governments active international recruitment programmes and raise questions as to if a common ground can exist between the different parties.

An Analysis of Alberta's Temporary Foreign Worker Programme

The final section of this paper will synthesize the empirical case study with the theoretical explorations of the first chapter of the paper. First, it will examine the problems with Alberta's TFWs, looking at the three categories identified in the first chapter of the paper: tethering of migrants, dependence, and commodification of workers. Then the chapter will move to view Alberta's TFWP in comparison to the theoretical best practices approach to TFWs as identified by Ruhs. Finally, recommendations will be put forth for improvements to the program.

Problems with Alberta's Temporary Foreign Worker Programme

Tethering of Temporary Foreign Workers

In Alberta, a TFW receives a work permit for one employer, for one job, in one specific location. Not only are workers tied to an employer, they are tied to a specific wage, in a specific post, in a specific location. Thus, if an employer wants to offer a TFW a promotion, they cannot do so without filing a LMO and receiving approval for that worker to receive a change in position. If a construction company has employed a TFW and finishes the project ahead of schedule in Calgary, but still has work for the TFW in Edmonton (located approximately 350km north of Calgary) the same employer for the same position cannot transfer the worker to the Edmonton location until a new LMO has been approved for the position in Edmonton. Finally, if the TFW loses their job for any reason, and finds a new job, they cannot actually get that job until the company has completed a LMO for them, which again, is a process that takes a minimum of three months. That individual is then left unemployed for three months or longer, even though there may be companies willing to hire them.

Alberta's TFWP tethers migrants and leaves them vulnerable to exploitation. Due to the requirements for LMOs, if a worker has a conflict with their employer and leaves the position, they are risking three months wages and homelessness. The system can

lead to abuse as that level of risk is not affordable for the majority of TFWs. This is a violation of core labour standards in that workers are placed in a situation where they do not have the right of 'voting with their feet'.

As stated previously, Ruhs has suggested that as an alternative, employers could create an organized collective recruitment policy for the sector and allow TFWs to move freely within that sector. In Alberta, to implement this suggestion, The Government of Canada, who is primarily responsible for administering the TFWP, would have to give consent to allow for transferable work permits among different employers. In the oil sector, or the construction sector, this type of idea could be effective if administered by an organization such as the Alberta Construction Association, an organization that acts as an umbrella organization to represent the interests of the all construction companies that are members in Alberta. It would also be a suggestion to ensure union support for such positions.

Dependence

There is no evidence to suggest that the Alberta Government or the Federal Government is accounting for the first type of dependence, when migrants, their families, communities, and home countries become reliant on foreign wages. As stated previously, policy makers must be aware of these risks and account for them in the design of TFWPs. Alberta needs to take accountability for dependency situations that it could be creating.

To recap from the previous section of the paper, Ruhs (2005a) argues that structural dependence and labour market distortions occur due to "the failure of many existing and past TFWPs to offer employers the right incentives to recruit migrant workers" (214). This is an area where Alberta's policy has succeeded. As demonstrated by the interviews, all seven respondents stated that there is preference for skilled workers with Canadian experience. The first preference is for local workers, then out of province workers, then foreign workers in

Canada's oil sector. TFWs have not driven down wages from an employer's perspective in Canada as it is a requirement of the government that TFWs receive the same wage that a Canadian worker would receive. Thus, for employers, it is significantly more expensive to hire TFWs compared to nationals due to the additional recruitment, travel, training, and regulatory costs. The AFL, would counter to argue that TFWs do drive down wages as they take work away from unionized workers.

An employer paid fee is not in effect from the government, except for the fees that an employer has to pay to apply for an LMO and the TFW permit. These fees should act to cover the administration costs of the programme, thus reducing the cost to the local society, as Weinstein (2002) stated as a concern. Employers do incur, or at least should incur if acting legally, costs for utilizing TFWs, however, these costs do not go to benefit society at large. The implementation of a fee to government, such as is utilized in Singapore, should be explored by the government.

The Government of Alberta and the Government of Canada do not provide direct compensation to local workers or consult with workers, interest groups, unions, or the general public regarding their TFW policies. This is an area where the Government could improve. The strong opposition to the programmes from Alberta's unions, which represent a large proportion of workers in Alberta, should be heard in regards to their opinions on these policies. In addition, the government is increasing the numbers of TFWs being brought into Alberta, but are not increasing infrastructure and services to ensure that the additional population is provided for and not affected by these policies. The government could therefore improve in the area of consultation and protecting the rights of local citizens.

Commodification of Temporary Foreign Workers

At present, the terms utilized and the approaches taken in Alberta suggest that

TFWs are viewed as stocks that can be brought in or out as required. The attitude that the rotation principle will be honoured and effective is cited by Martin, Abella, and Kuptsch (2006) as a key failure of the historical TFWPs. The viewing of migrants as a commodity that follows the rules is a key problem with Alberta's TFW program at present. Martin (2003) has stated that it is essential to account for distortion in TFWPs, and Ruhs (2005a) has emphasized the importance of incorporating migrant agency and rights into the design of TFWPs, yet the degree to which this is currently occurring in Alberta appears minimal.

One methodology recommended by Ruhs (2005a) for achieving this is to recognize that some TFWs will want to stay and to provide routes for TFWs to become permanent residents. In some ways this has been achieved in Alberta's TFWP. For instance, the Provincial Nominee Programme (PNP) allows employers to nominate TFWs for permanent immigration status to Canada. However, only skilled workers can be nominated, or specific semi-skilled workers. At current, the semi-skilled workers that can be nominated are: food and beverage processing industry, hotel and lodging industry, manufacturing industry, and trucking industry (Rupil, 2007). Even if an employer nominates a TFW there is no guarantee they will be accepted. Thus, although the PNP exists, its application is specific and limited to certain individuals and sectors. The ability of the PNP to account for distortion in all TFW fields is therefore limited.

A recommended method by Ruhs (2005a) to encourage returns is to implement financial payments for return. Currently, it is not government policy to enforce that a payment must be paid on a worker's return, and is left to the discretion of the employer if they choose to do so or not. In addition, TFWs are required to pay Canadian income tax, Canada pension payments, and unemployment insurance, none of which are paid out on their leave from the country. The OECD argues that not refunding the worker for these payments, for which they receive little or no benefit, is inequitable

(2004). Canada should consider refunding TFWs for their pension payments, unemployment insurance, and their income tax payments as a financial incentive to return to their home country. The implementation of financial return benefits will assist in making the rotation principle more effective and would signify the acknowledgement of the agency of workers.

International Best Practices Approach to Alberta's Temporary Foreign Worker Programme

Alberta's TFWP does not meet the theoretical best practices standards. Ruhs (2005a) states 5 key elements that are needed to create a balanced approach (cited on page 14-15). Alberta has wholly prescribed to only one of these elements (point 2):

1. Open, transparent discussions of all economic, social, cultural and other impacts of international migration with all stakeholders in the receiving and sending countries have not occurred.
2. National policymakers have given preference to the interests of citizens.
3. Migrant's economic welfare is protected in terms of wage equalization and housing provisions, but not in terms of taxation. Migrant's rights are not protected through lack of enforcement, government support services, tethering of migrants, and of migrant knowledge of their rights.
4. The policies are not 'development friendly' for sending countries as there are no bilateral agreements or engagement with sending countries on development potential and activities, or to minimize the emergence of dependency in sending countries.

5. It is uncertain if the immigration policies have been aligned with the objectives of international trade and investment policies.

The programme fails to meet the three policies laid down by Ruhs of freedom of movement for workers, flexible work permit fees, and incentive measures to encourage return, that are essential to meet a theoretical best practices for TFWPs. Overall Alberta's TFWP does not meet the theoretical best practices for TFWPs. If the program were revised to incorporate all of these policies, it is plausible that many of the problems would decrease.

It is important to remind ourselves that this is a theoretical approach to best practices and has not been implemented by any state. The largest oil-producing region in the world, the Middle East, relies on TFWs for operations and workers have minimal rights in this region. Canada is a liberal democracy, unlike the countries of the Middle East, and thus the standards are and should be higher than in the Middle East. In terms of comparing Canada's programme to other non-oil related TFWPs in other liberal democracies, it appears to be on par. For instance, Germany's project-tied workers programme "allows a German firm to subcontract part of a construction project to foreign firms that provide primarily labour" (Martin, Abella, and Kuptsch, 2006: 98). The programme is controversial and leaves migrants quite vulnerable in Germany as they are geographically in Germany, but still employed through their home country and considered workers of their home country (Martin, Abella, and Kuptsch, 2006: 98). From a general viewpoint, on an international scale, problems with TFWPs appear to be commonplace. Alberta is not an exception, nor does it appear far worse or far better than other TFWP programmes, however, that does not justify ignoring the problems with the current programme. Alberta should still be aiming to improve the programme and achieve the international best practices approach.

Recommendations

The final section of this chapter will reflect on areas where Alberta's TFWP can be improved through three key recommendations. Given that Alberta's TFWP is going to expand and continue and there is a lack of viable alternatives, these recommendations are made in an effort for realistic improvements. The recommendations put forth do incorporate key principles of the theoretical best practices approach.

The first recommendation is that the Alberta Government and the Federal Government co-chair a working group on TFWs in Alberta that incorporates all local stakeholders, including: employers, unions, members of the public, immigration aid organizations, indigenous peoples, and municipal governments. This would provide a forum for open discussions on the issues that are affecting the relevant groups in regards to TFWs, the rights of the workers, and any other relevant issues deemed important. The working group should be encouraged to put forth agreed upon recommendations on policy changes, that would improve the programme to meet the needs of the various stakeholders, to the both of the Government chairs. These recommendations should be taken under consideration and the Government should work with the stakeholders to improve the TFWP.

The second recommendation would be for modifications to the planning process to change from solely a 'manpower' focus to recognizing the needs, rights, and agency of the migrants, and making a commitment to protect the needs and rights of migrants. This would thus include consultation with migrants and sending countries on their needs. It would require the development of government-funded organizations whose mandate is to support TFWs when they have been mistreated. It would include the hiring of provincial enforcement officers to ensure employers are meeting their commitments to TFWs and not abusing their rights. Finally, it would require return incentives facilitated by the government.

The third and final recommendation is to allow some freedom of movement for migrant workers, as stressed by Ruhs (2005a) and Weinstein (2002). The details of this would have to be worked out through consultation, and could be a key task of the working group to find a 'made in Alberta solution' to this challenge that meets the needs of the various stakeholders. A basis for this could come from exploring the UK's highly skilled worker programme and utilizing some of the concepts of freedom of movement within that programme.

These recommendations are only a starting point for key policy changes that would improve the programme to recognize greater accountability for TFWs, the administering of the TFWP, and the needs of different stakeholder groups within Alberta. There are costs involved with each of these programmes, however, with the current investment Alberta is making in international recruitment, it seems prudent to invest in ensuring the social responsibilities of these programmes are improved and secured.

Conclusion

It is evident that Alberta has become increasingly active and embedded in the global labour market in its search for workers. The Government of Alberta, the Federal Government, oil companies, recruiting companies, and unions in Alberta each have a different interest in TFWs in Alberta and perceptions on the current programme to bring TFWs to Alberta. It is interesting to note that the Alberta government is currently the party most actively involved in international recruitment. Due to the opposition to TFWPs from the AFL and ATBC, it raises the question as to if the Government of Alberta is acting in the best interests of all Albertans, or in the interests of employers? It also raises the broader question, is it the role of governments to be involved in international recruitment of workers, or to just define the policies and allow employers to pursue their own workers?

The final section of the paper demonstrated that there are numerous problems with

Alberta's TFWP, that the programme does not meet the theoretical international best practices approach, and recommendations were put forth with a focus on realistic improvements that could be made to Alberta's TFWP. Emerging from this chapter is a picture that in Alberta, the Government of Canada and the Government of Alberta should be doing more in terms of protecting TFWs.

This paper has sought to demonstrate that in Alberta labour is globalizing through a new geography of recruitment from the Alberta Government and oil companies and is being executed through the TFWP. Alberta, as a provincial entity, has increased its integration within the world economy through labour movement within the TFWP. Alberta now has a global labour supply supported by international networks that employers can access through the international recruitment initiatives of the Alberta Government, through their own recruitment, or from third party recruiting company's. Alberta's economy is globalizing through these networks, as it becomes more integrated and dependent on international markets for labour, inexpensive recruiting fees from sending countries, and world economies for maintaining excess labour supplies. Alberta is directing labour mobility of TFWs and should be engaging with sending countries on topics of international labour standards, such as workers core labour standards and work condition standards in Alberta, and on migrants rights and protection. The current system in Alberta targets Alberta's interests, but would be more beneficial in the long term if it were to incorporate the interests of all stakeholders, including migrants, and sending countries.

Bibliography

- Abbott, Michael. "Labour-side Agreements Involving Canada: Current Practices and Comparative Effectiveness." in Trade and Labour Protection: Can the Two be Made to Work Together? Montrea; ACRI/ CIRA, 2003.
- Alberta Building Trades Council (ABTC). "Alberta's Temporary Foreign

- Worker Program is Runaway Train.” *Media Release*. 13 July 2007. Available at: www.atbc.com. Accessed on: 18 August 2007.
- Alberta Employment, Immigration, and Industry. “2006 Annual Labour Market Review”. Alberta Government. Available at: employment.alberta.ca/cps/rde/xchg/hre/hs.xsl/3885.html#Improjections. Accessed on: 18 August 2007.
- Alberta Energy. “What is Oil Sands”. Government of Alberta. 2007. Available at: www.energy.gov.ab.ca. Accessed on: 25 August 2007.
- Alberta Federation of Labour (AFL). “About Us.” Available at: www.afl.com. Accessed on: 18 August 2007.
- Alberta Federation of Labour (AFL). “Beyond Chicken Little: Understanding the need for measured reforms in Alberta’s system for skills training.” April 2006. Available at: www.afl.com. Accessed on: 9 July 2007.
- Alberta Federation of Labour (AFL). “Policy statement on Temporary Foreign Workers.” 12 May 2006. Available at: www.afl.com. Accessed on: 9 July 2007.
- Ambert, Anne-Marie, Adler, Patricia, Alder, Peter, and Detzner, Daniel. “Understanding and Evaluating Qualitative Research”. *Journal of Marriage and the Family*. 57.4 (1995): 879-893.
- Anderson, Bridget and Rogaly, Ben. “Forced Labour and Migration to the UK”. *Trades Union Congress*. 2005. Available at: www.compas.ox.ac.uk/publications/Reports.shtml. Accessed on: 25 August 2007.
- Bartram, David. *International Labor Migration Foreign Workers and Public Policy*. New York: Palgrave Macmillan, 2005.
- Basok, Tanya. *Tortillas and Tomatoes: Transmigrant Mexican Harvesters in Canada*. Montreal: McGill Queens University Press, 2002.
- Bauder, Harald. *Labor Movement: How Migration Regulates Labor Markets*. Oxford; Oxford University Press, 2006.
- Beaubien, Suzanne. “Recruitment fraud a ‘humongous problem.’” *The Calgary Herald*. 27 June 2007.
- Bloch, Alice. “Carrying Out a Survey of Refugees: Some Methodological Considerations and Guidelines.” *Journal of Refugee Studies*. 12.4 (1999): 367-383.
- Canadian Natural Resources Ltd. “Horizon Update”. 2004. Available at: www.cnrl.com. Accessed on: 8 June 2007.
- Castles, Stephen. “The Factors that Make and Unmake Migration Policies”. *International Migration Review*. 38.3 (2004): 852-884.
- Castles, Stephen and Miller, Mark. *The Age of Migration*. 3rd Edition. London; Palgrave Macmillan, 2003.
- CBC. “Temporary workers not treated fairly: advocate”. CBC News. 25 May 2007.
- Cohen, Robin. *Migration and its enemies*. Aldershot; Ashgate Publishing Limited, 2006.
- Cyderman, Kelly. ‘Recruiters of foreign workers investigated.’ *The Calgary Herald*. 1 July 2007.
- CTV News Staff. “Two Chinese workers die on Alberta construction site.” CTV News. 25 April 2007.
- Doumbia-Henry, Cleopatra, and Gravel, Eric. “Free trade agreements and labor rights: Recent Developments”. *International Labour Review*. 145.3 (2006): 185-206.
- Dutta, Ashok. “Oilsands break-even hits \$54.00 per barrel: Project costs up

- 16% in one year.” *The Calgary Herald*. 4 July 2007.
- Dutta, Ashok. “Fort Hills Project Hits \$26 billion.” *The Calgary Herald*. 29 June 2007.
- Economist. “The Battle for brainpower: A survey of Talent- Special Report.” *The Economist*. 381.8498 (2006): 1-24.
- Elliott, Kimberly Ann, and Freeman, Richard B. Can Labor Standards Improve Under Globalization? Washington D.C; Institute for International Economics, 2003.
- Falola, Toyin and Genova, Ann. The Politics of the Global Oil Industry. Westport; Praeger Publishers, 2005.
- Freeman, Richard, and Medoff, James. What do Unions Do? New York; Basic Books, 1984.
- Gardezi, Hassan. The Political Economy of International Labor Migration. Montreal; Black Rose Books, 1995.
- Golub, Stephen. “The Political Economy of International Labor Standards.” In Globalization, Technological Change, and Labor Markets. Ed. Stanley W. Black. Norwell; Kluwer Academic Publishers, 1998.
- Harding, Katherine. “Oil Patch braces for big exodus.” *The Globe and Mail*. 18 July 2007.
- Harding, Katherine and Chase, Steven. “Stelmach vows to fight for same rights as Quebec.” *The Globe and Mail*. 3 May 2007.
- Harris, Nigel. Thinking the Unthinkable: The Immigration Myth Exposed. London; I.B. Tauris & Co, 2002.
- Hollifield, James. “The Emerging Migration State”. *International Migration Review*. 38.3 (2004) : 885-912.
- Horst, Cindy. Transnational Nomads: How Somalis Cope with Refugee Life in the Dadaab Camps of Kenya. New York; Berghahn Books, 2006.
- Human Resources and Skills Development Canada (HRSDC). “Union Membership” Government of Canada. Available at: www.hrsdc.gc.ca/en/lp/wid/union_membership.shtml. Accessed on: 18 August 2007.
- Hsieh, Hsiu-Fang, and Shannon, Sarah. “Three Approaches to Qualitative Content Analysis.” *Qualitative Health Research*. 15.9 (2005): 1277-1288.
- ILO. “List of Ratifications on International Labour Conventions.” ILO. 2007. Online. Available at: www.ilo.org. Accessed on: 22 July 2007.
- IMF. “Globalization: Threat or Opportunity”. 12 April 2000. Online. Available at: www.imf.org. Accessed on: 22 July 2007.
- International, Intergovernmental, and Aboriginal Relations (IIAR). “International Offices and Trade.” Government of Alberta. 2007. Available at: www.international.gov.ab.ca/intlOfficesTrade.html. Accessed on: 18 August 2007.
- Keeler, Dan. “It’s a Smaller World.” *Global Finance Media*. Nov 2006. Online. Available at: www.gfmag.com. Accessed on: 22 July 2007.
- Klaszus, Jeremy. “A Questionable Bargain”. *Alberta Views*. May 2007.
- Krissman, Fred. “Sin Coyote Ni Patron: Why the “Migrant Network” Fails to Explain International Migration.” *International Migration Review*. 39.1 (2005): 4-44.
- Langlois, Rachele. “Foreign Worker Recruitment and Marketing.” Presentation at: “How to Hire Foreign Workers Seminar”. Hosted by Government of Alberta and Government of Canada. Calgary, Alberta: 21st June 2007.
- Martin, Philip. “Managing Labor Migration: Temporary Worker Programs for the 21st Century.” International

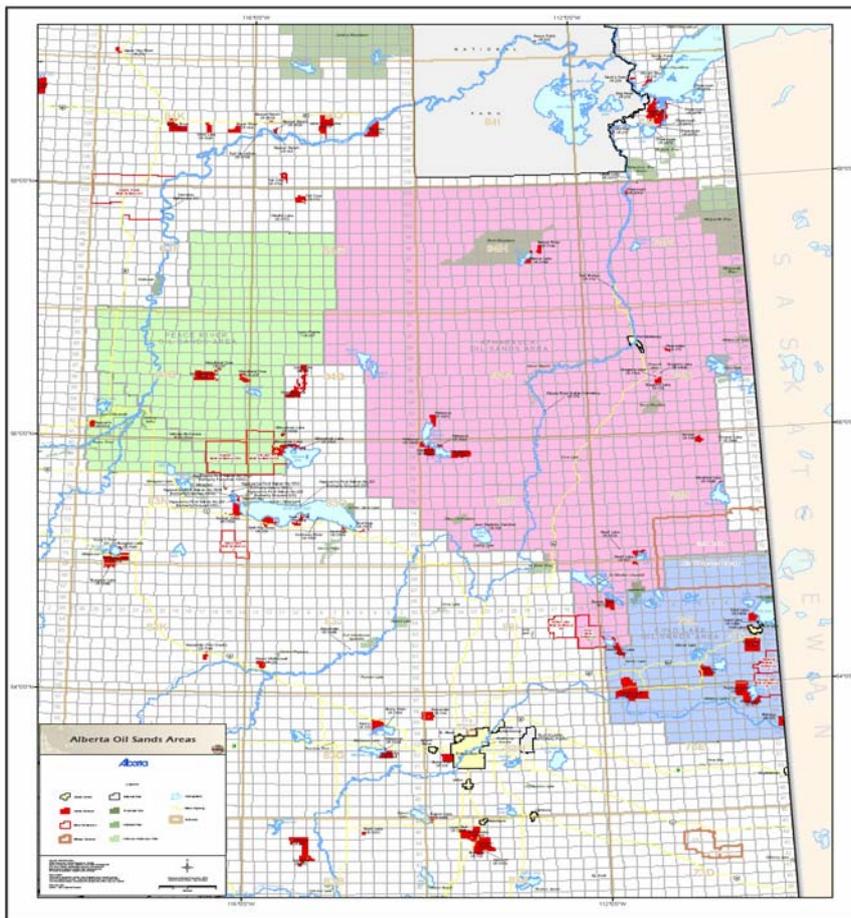
- Institute for Labour Studies, Geneva. 2003.
- Martin, Philip and Martin, Susan. "GCIM: A New Global Migration Facility." International Migration. 44.1 (2006): 5-12.
- Martin, Philip, Abella, Monolo and Christiane Kuptsch. Global Migration. New York; Vail-Ballou Press, 2006.
- O'Donnell, Sarah. "Rules eased on foreign hiring: Labour crunch in the West prompts move." *The Calgary Herald*. 16 Nov 2007.
- OECD. Trade and Migration: Building Bridges for Global Labour Mobility. 2004.
- Olsen, Tim. "Overview- Alberta Government Strategies Labour". Presentation at: "How to Hire Foreign Workers Seminar". Hosted by Government of Albert and Government of Canada. Calgary, Alberta: 21st June 2007.
- Pereira, Aaron et al. "Moving in the Right Direction? Labour Mobility, Labour Shortage and Canada's Human Potential". *Action Canada*. June 2007.
- RIWG- Athabasca Regional Issues Working Group. "Canadian Oil Sands Fact Sheet". 2007. Available at: www.oilsands.cc/publications/fact_sheets.asp Accessed on: 25 August 2005.
- Ruhs, Martin and Ha-Joon Chang. "The Ethics of Labor Immigration Policy" International Organization. 58 (2004): 69-102.
- Ruhs, Martin. "Designing viable and ethical labour immigration policies." *World Migration 2005*. Geneva; International Organization for Migration, 2005a.
- Ruhs, Martin. "The potential of temporary migration programmes in future international migration policy". Prepared for: Policy Analysis and Research Programme of the Global Commission on International Migration. September 2005b.
- Rupil, Olga. "The New Provincial Nominee Program." Presentation at: "How to Hire Foreign Workers Seminar". Hosted by Government of Albert and Government of Canada. Calgary, Alberta: 21st June 2007.
- Sankey, Derek. "The real estate markets catch-22: Plenty of jobs, but housing scarce for workers." *The Calgary Herald*. 30 June 2007.
- Sankey, Derek. "Upskilling in the Trades." *The Calgary Herald*. 17 March 2007.
- Simon, Bernard. "Canada: Alberta's oil sands frenzy slows to a more sustainable pace". *Financial Times*. 8 May 2007.
- Statistics Canada. "Latest Release from the Labour Force Survey." Government of Canada. 10 August, 2007. Available at: www.statcan.ca/english/Subjects/Labour/LFS/lfs-en.htm. Accessed on: 25 August 2007.
- Taran, Patrick, and Geronimi, Eduardo. "Globalization, Labor and Migration: Protection is Paramount". International Labour Office, Geneva. 2003. Online. Available at: www.ilo.org. Accessed on: 22 July 2007.
- Weinstein, Eric. "Migration for the Benefit of All: Towards a new paradigm for economic immigration." *International Labor Review*. 141.3 (2002): 225- 252.
- Wilderman, Linda. "Service Canada." Presentation at: "How to Hire Foreign Workers Seminar". Hosted by Government of Albert and Government of Canada. Calgary, Alberta: 21st June 2007.
- Woodard, Peter. Oil Labor in the Middle East: Saudi Arabia and the Oil Boom. New York: Praeger, 1998.

Wood Buffalo (Regional Municipality of Wood Buffalo.. "Population". Available at: www.woodbuffalo.ab.ca Accessed on: 15 March 2007.

World Bank. "What is Globalization?" 2001. Online. Available at: www.worldbank.org Accessed on: 22 July 2007.

Appendices

Figure 2: Alberta Oil Sands Areas Map



Source: Energy Alberta, Available at: www.energy.ab.ca

Figure 3: Athabasca Oil Sands Lease Map

Athabasca Oil Sands Leases

- 1 AOSP Extension Leases
- 2 Birch Mountain (CNRL)
- 3 Black Gold (KNOC)
- 4 Borealis (EnCana)
- 5 BP Canada
- 6 Chard (Imperial/Jacos/Nexen/Petro-Canada)
- 7 Christina Lake (EnCana)
- 8 Christina Lake (MEG Energy Corp.)
- 9 Cold Lake (Imperial Oil)
- 10 Cottonwood (Nexen/OPTI)
- 11 Eagle Nest (CanWest/Oilsands Quest)
- 12 Ellis River (Chevron)
- 13 Firebag (Suncor)
- 14 Firebag East (CanWest/Oilsands Quest)
- 15 Fort Hills (Petro-Canada/UTS/Teck Cominco)
- 15A Fort Hills (UTS)
- 16 Foster Creek (EnCana)
- 17 Great Divide (Connacher)
- 18 Gregoire (CNRL)
- 19 Hangingstone (Jacos/Nexen)
- 20 Horizon (CNRL)
- 21 Jackfish Lake (Devon)
- 22 Jackpine (Shell)
- 23 Joslyn Creek (Total/Enerplus)
- 24 Kai Kos Dehseh (North American Oil Sands)
- 25 Kearl Lake (Exxon)
- 26 Kearl Lake (Imperial Oil)
- 27 Kirby (CNRL)
- 28 Koch Oil Sands
- 29 Leismer (Nexen/OPTI)
- 30 Lewis (Petro-Canada)
- 31 Long Lake (Nexen/OPTI)
- 32 MacKay River (Petro-Canada)
- 33 Meadow Creek (Petro-Canada/Nexen)
- 34 Millennium (Suncor)
- 35 Muskeg River (Shell/Chevron/Western)
- 36 Northern Lights (Synenco/Sinocpec)
- 37 Orion (Shell Blackrock)
- 38 Primrose/Wolf Lake (CNRL)
- 39 Sunrise (Husky)
- 40 Surmont (Conoco/Total)
- 41 Surmont (Paramount)
- 42 Syncrude Project
- 42A Syncrude Project - Aurora
- 43 Synenco Lease
- 44 Talisman Oil Sands Leases
- 45 Tucker Lake (Husky)
- 46 Value Creation Inc.
- 47 WHITESANDS Insitu Ltd.

Number Labels for Integrated projects (ie. with an upgrader)

Number Labels for Non-Integrated projects

Number Labels for projects in which no upgrading decision has been made

- Currently Operating/Under Construction Mining Projects
- Planned Mining Projects
- Currently Operating/Under Construction In-Situ Projects
- Planned In-Situ Projects
- Other Oil Sands Leases

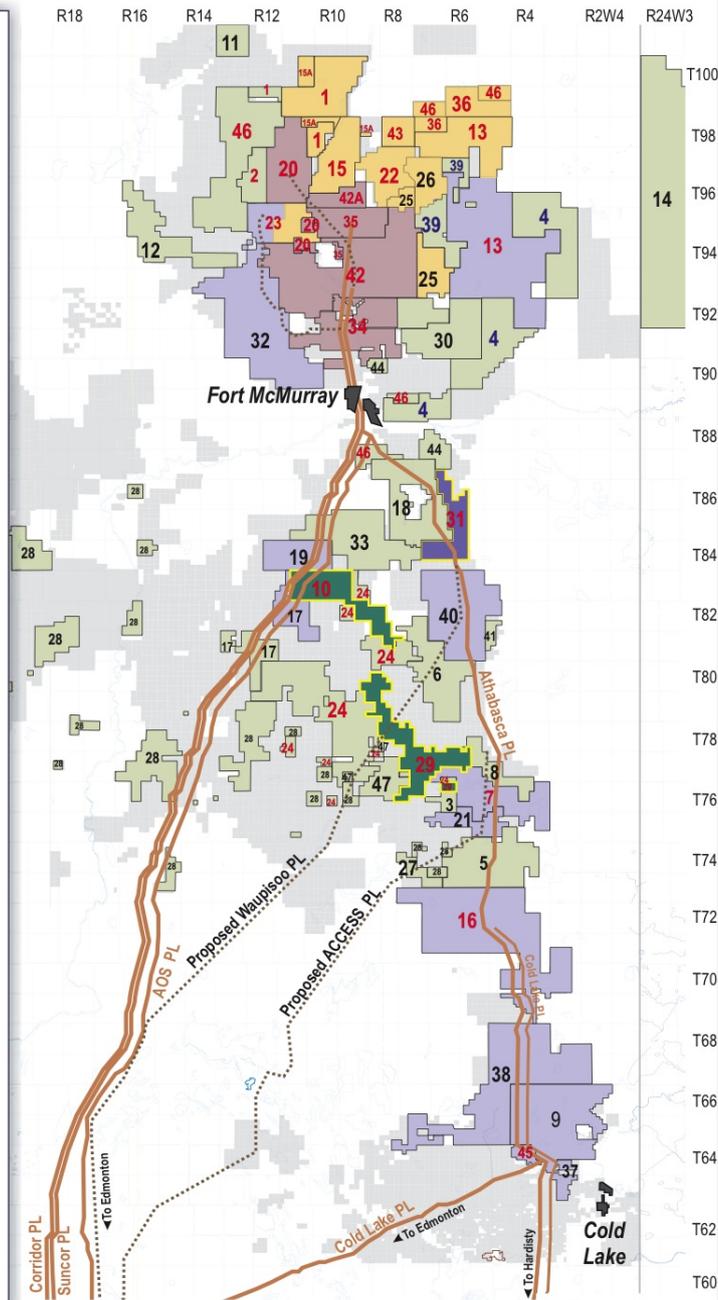
- Pipelines
- Proposed Pipelines

50km



Source: Company Reports

October 2006



Source: OPTI Canada, Available at: www.opti.com