Exporting Oil, Importing Labour, and Weakening Democracy

The Use of Foreign Migrant Workers in Alberta

Jason Foster and Bob Barnetson

Rapid expansion of bitumen sands construction in Alberta during the 2000s led to an economic boom in the province. As in previous booms, rapid economic growth led employers to meet labour needs by seeking migrant workers. But the boom of the 2000s differed in that employers brought in workers from around the world rather than from across the country. The immediate cause of this unprecedented growth in the use of temporary foreign workers (TFWs) was federal policy changes to the Temporary Foreign Worker Program (TFWP) that made TFWs more accessible to employers. This policy change must, however, be viewed in the broader context of increasingly neoliberal politics in Canada. In this case study, we examine why the use of TFWs increased in Alberta, how the former Conservatives government of Alberta encouraged and justified the use of migrant workers, and how a petroleum-based economy affects labour markets and the democratic health of a region. This study also explores how Alberta’s use of migrant workers is consistent with labour-market dynamics in an oil-exporting economy.

Increased reliance on migrant workers has multilayered consequences for employers, workers, government, and democracy. In the labour market, growing reliance on foreign migrant labour disempowers both migrant and Canadian workers. Foreign migrant workers have limited ability to realize their rights because of their precarious employment and social isolation. At the same time, Canadian workers face competition from less expensive and more docile foreign migrant workers, thereby heightening the consequences of resisting employer demands. This pattern is useful to employers since it undermines the capacity of both domestic and foreign workers to resist the economic restructuring
advocated by neoliberalism. The emergence of a permanent subclass of precarious foreign workers also weakens social and community bonds essential to democratic functioning and entrenches significant social inequalities.

Growing reliance on migrant labour also marks a significant shift in Canadian immigration policy away from multiculturalism and toward differential exclusion (Castles 2000, 61), facilitating the emergence of a second class of residents without full citizenship rights. It also raises serious questions about the consequences of shifting control over immigration to employers. This shift can be seen within a global context, where the growing use of migrant workers worldwide contributes to the weakening of workers’ ties to and protection by the state, suggesting that consequences of foreign migrant labour extend far beyond Alberta’s borders.

The use of migrant workers in Alberta cannot be disentangled from the context of an oil-exporting economy. The use of marginalized, vulnerable, and racialized foreign workers to create a conveniently docile workforce is both an outcome of politics in a petroleum-based economy and a part of the process of its construction, with significant implications for democracy.

Migrant Workers in Canada

Worldwide, approximately 200 million workers are employed outside of their home country (Crowley and Hickman 2008, 1225). Many migrants engage in employment-related geographic mobility (E-RGM), undertaking extended travel from places of permanent residence to work (Green 2004; Temple et al. 2011). The temporary nature of E-RGM differentiates it from immigration, although E-RGM may entail significant periods of temporary residency (Edmonston 2011, 194).

Alberta’s oil boom has attracted tens of thousands of foreign and Canadian migrant workers to the province (De Guerre 2009; Hiller 2009; Mech 2011). Relatively few TFWs are directly employed in the oil industry. Most migrant workers are employed in related fields (e.g., construction) or in low-end service-sector jobs, many of which were opened up by Canadian workers moving to jobs in or associated with the petroleum sector (Foster 2012a, 36). In this way, Alberta’s most recent oil boom intensified an existing trend toward greater use of foreign migrant workers (Foster and Taylor 2011).

Canadian provincial governments have facilitated E-RGM for citizens via interprovincial credential-recognition arrangements (e.g., the Red Seal...
program) and labour-mobility agreements (e.g., the New West Partnership Trade Agreement). The federal government also operates several programs permitting noncitizens to work. The TFWP, for example, allows employers to recruit TFWs if no qualified Canadian citizens are available. In 2002, the federal government extended the program to include lower-skilled workers (i.e., National Occupational Code classifications C and D). In 2006, the government established a list of “occupations under pressure” for Alberta and British Columbia, reducing employer requirements for acquiring Labour Market Opinions (LMOs), which grant permission to hire TFWs (Fudge and MacPhail 2009).

In 2012, the federal government dramatically reduced the turnaround time for processing LMO applications and amended wage rules in order to allow employers to reduce TFW wages (Foster 2012a). These changes include shortening turnaround time on LMO applications for high-skill occupations to ten business days; waiving the LMO process altogether for American TFWs in seven high-demand construction occupations; and allowing employers to pay up to 15 percent and 5 percent less than the regional median wage in high-skilled and low-skill occupations, respectively, if an employer can demonstrate that its Canadian workers also receive such wages. A series of public controversies involving the program forced the federal government to repeal the differential wage allowance policy a year later and to institute reforms to place added requirements on employers for acquiring LMOs (Canada, Employment and Social Development Canada 2013). These changes occurred at the same time as the federal government increased the age at which Canadians can receive Old Age Security payments and tightened the rules around Employment Insurance benefits. Critics charge that the series of reforms is an effort to make more workers available to employers in order to loosen the labour market (AFL 2012).

Following public outcry regarding misuse of the program by employers, in 2014 the federal government instituted a further set of reforms aimed at significantly reducing employer use of low-skilled TFWs (Canada, Employment and Social Development Canada 2014). The changes split the program into two pieces. Rules around higher skilled workers were loosened, making it easier for employers in construction, transportation, and bitumen sectors to hire TFWs. Meanwhile, a series of restrictions was added related to low-skilled TFWs found in retail, food, and hospitality industries, including a firm time limit for TFW residency in Canada of four years and phased-in quotas on employers’ use of TFWs as a percentage of their workforce. As of the time of writing, the impacts of the reforms are unknown. The authors do not expect that the new rules will...
substantially reduce bitumen-related use of TFWs due to the skill requirements of these occupations. The relaxed rules for these occupations may lead to increased use of TFWs in the future.

The TFWP restricts the labour-mobility rights of TFWs by issuing work permits tied directly to employment status, requiring TFWs to receive formal permission to change employers or working conditions and prohibiting them from applying for work permits or changing immigration status from within the country (Abella 2006, 4–5; Martin 2003, 21; Sharma 2007, 167; Trumper and Wong 2011, 84; Wong 1984, 89). TFWs are permitted to remain in Canada for a maximum of four years. Restricted labour mobility compounds the effect of other characteristics of migrant foreign workers (e.g., limited knowledge of the laws, institutions, and labour market; social isolation; language barriers; and limited financial resources) that make them vulnerable to exploitation by their employers or labour brokers. Such exploitation often manifests itself in unpaid wages, dangerous work, and inadequate housing (Otero and Preibisch 2010, 87; Pastor and Alva 2004, 105; Wilkinson 2012, 14). In Canada, workers report difficulty utilizing the labour rights they do have, although TFWs do sometimes exercise such rights, despite the risk (AFL 2009, 12; Foster and Barnetson 2012, 12–13; Nakache and Kinoshita 2010, 30; Valiani 2009, 7–8).

Rainer Bauböck (2011) differentiates among migrant workers on the basis of their freedom of movement and the extent of their equality with permanent residents and citizens, suggesting five “classes” of migrancy. TFWs fall primarily into Bauböck’s guest-worker category: their controlled admission is conditional on their return to their home country. These workers typically have limited mobility and equality. TFWs selected for the provincial nominee program (PNP), the second category, transition toward permanent residence and fuller rights. Third, some migrants (e.g., nannies) may be admitted as guest workers who have initial temporary status but who expect to eventually become permanent residents with full mobility rights and equality. A fourth group comprises TFWs who have stayed after their permits have expired and are irregular migrants with no right to be in the country. They may experience greater (albeit illegal) mobility but are much less able to realize employment rights. Finally, Bauböck identifies migrants with citizenship status who have full movement and legal rights, such as interprovincial migrants.

The growth in TFWs can also be seen as a shift in Canada’s postwar immigration policy, away from multicultural citizenship and toward differential exclusion (Castles 2000, 61) or partial citizenship (Vosko 2010, 10), where
migrants are granted access to certain aspects of citizenship (e.g., partial access to labour market) but excluded from other legal, political, and economic rights. Partial citizenship hearkens back to an earlier period in Canadian history when immigrants were afforded fewer rights than British-born residents (Whitaker 1987). This situation creates a class of “transnational” workers, who are full citizens of neither the source nor destination country. Nandita Sharma (2006, 7) notes that focusing on workers’ citizenship status masks the racist nature of Canada’s migrant worker programs. Migrant workers are predominantly from the Global South and are thus members of ethnic, cultural, and/or linguistic minorities. Providing migrant workers with fewer and/or different rights is a systematized form of racism that extends long-standing colonial practices of wealth appropriation by Western countries.

In addition to having limited labour mobility and difficulty realizing employment rights, many migrants also experience heightened labour insecurity “characterized by limited social benefits and statutory entitlements, job insecurity, low wages and high risks of ill health” (Vosko 2006, 4). Precarious employment may further limit the willingness of migrant workers to exercise workplace rights and may reduce direct and indirect labour costs (Bernstein et al. 2006, 210; Wilkinson 2012, 15–16). For example, employers in Alberta’s bitumen sector have adopted a just-in-time model of staffing that offloads significant costs to workers (Ferguson 2011). The growth in migrant labour in Canada is linked to employer efforts to reduce labour costs and increase labour market flexibility.

**Migrant Workers in Alberta**

The growth in migrant labour, and therefore in the concerns associated with it, has been most noticeable in Alberta. While the province has a long history of domestic and foreign E-RGM in agriculture, railway construction, and domestic service (Danysk 1995; Holland 2007; Hsiung and Nichol 2010; Laliberte 2006; Laliberte and Satzewich 1999; Selby 2012; Thompson 1978; Thompson and Seager 1978), the emergence of oil exports as the dominant industry in the province has intensified and altered the nature of E-RGM. From 1975 to 1982 and beginning again in 1998, Alberta also saw significant E-RGM caused by oil-driven economic booms. The majority of migrant workers during these booms came from other Canadian jurisdictions, and when the booms ended, migrants often returned to their home province (Hiller 2009). The boom of the 2000s
was different in a number of ways. First, while there was still significant interprovincial migration of Canadian workers, net interprovincial migration began declining in 2006 and was effectively zero by 2009 (Alberta 2011a, 6). Second, this reduction in interprovincial migration of Canadian workers was offset by significant growth in both permanent immigrants and TFWs (Alberta 2011b, 15, 19).

From 2002 to 2012 (inclusive), approximately 250,000 TFWs were admitted to Alberta, with nearly 165,000 arriving between 2006 and 2010 (see table 9.1). Alberta’s “stock” of TFWs (i.e., the number of TFWs on 1 December of each year; “stock” is the federal government’s official term for the number of TFWs residing in Canada) rose from 15,714 in 2005 to 65,618 in 2009, before falling slightly in 2010 and then rebounding to 68,339 in 2012. Not captured by these numbers is the (according to anecdotal reports) growing number of nonstatus (i.e., illegal) foreign migrants in Alberta (Bouzek 2012). These include TFWs who stayed on after the expiration of their work permits, as well as other foreign nationals working without a permit.

Table 9.1. Alberta TFWs entries and stock, 2002–12

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<tbody>
<tr>
<td>TFW stock</td>
<td>10,730</td>
<td>11,376</td>
<td>13,126</td>
<td>15,705</td>
<td>21,973</td>
<td>37,055</td>
<td>57,544</td>
<td>65,572</td>
<td>57,628</td>
<td>58,193</td>
<td>68,339</td>
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<tr>
<td>TFW entries</td>
<td>10,011</td>
<td>9,166</td>
<td>10,513</td>
<td>12,645</td>
<td>18,459</td>
<td>29,287</td>
<td>38,990</td>
<td>28,549</td>
<td>22,998</td>
<td>25,573</td>
<td>35,636</td>
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Source: Canada, Citizenship and Immigration Canada 2013.

This rate of increase in TFWs residing in Alberta has been much greater than in other Canadian provinces and includes a significant increase in the use of unskilled TFWs. Before the 2002 and 2006 policy changes, TFWs were found working as university teachers, scientists, specialist technicians, and entertainers. TFWs who arrived between 2005 and 2008 were more likely to be coming to work as cooks, clerks, cleaning staff, construction labourers, and truck drivers (Foster 2012a). In effect, there has been a significant downward shift in the skill level of the jobs to which TFWs are being recruited.

Employers and policy makers justified the growth in TFWs as necessary to address pressing labour shortages due to the economic boom. They also argued the program was highly elastic and closely linked to labour demand. A
cooling off of the boom, predicted Immigration Minister Jason Kenney, would “translate into decreased number of temporary foreign workers” (quoted in “Interview” 2010, 13). This did not occur during the recession that began in the third quarter of 2008. From 2008 to 2009, unemployment climbed 36 percent (400,000 people). The provinces with the biggest booms—British Columbia and Alberta—witnessed the largest climb in unemployment rates (LaRochelle-Côté and Gilmore 2009, 5). While new entries of TFWs declined in 2009 and 2010, the overall number of TFWs remained relatively stable. One explanation, as seen in table 9.1, is that employers, while reducing demand for new TFWs, are retaining existing TFWs despite unemployment among Canadian workers (see remarks by former Minister of Employment and Immigration Hector G. J. Goudreau [Alberta, Legislative Assembly 2009a, 393–94, and 2009b, 964]). This shift may indicate an important structural change in Alberta’s labour market: the addition of a permanent class of guest workers concentrated in the service sector with restricted labour mobility and other rights. With TFWs as a permanent part of Alberta’s employment picture, there is a need to examine more critically their rights under Alberta employment law.

Worker Rights Under the TFW Program

TFWs legally possess the rights guaranteed to all employees by Alberta’s employment legislation. As noted by former Minister of Human Resources and Employment Iris Evans:

In our department we offer foreign workers the same protection that other employees have working in this province, not only in occupational health and safety but by making sure that deductions are properly taken from their cheques, that employment standard complaints are followed up on in the same fashion. We hold workshops for employers, so they know what our expectations are. (Alberta, Legislative Assembly 2007, 20)

These protections include minimum terms and conditions of employment under the Employment Standards Code, such as a minimum wage, maximum hours of work, overtime, and vacations. They also include the rights to know the hazards of the job, to participate in the control of hazards, and to refuse unsafe work under the Occupational Health and Safety Act and Code. TFWs are eligible for workers’ compensation benefits if injured and possess the right to unionize under the Labour Relations Code. Despite possessing the same rights as Canadian workers, however, TFWs face at least two challenges to realizing these rights.
The first challenge (shared by all workers) is that enforcement of Alberta’s employment laws is mostly complaint driven. Complaint-driven enforcement in Canada has been criticized for addressing only a minority of actual violations (Arthurs 2006, 191; Ontario, Auditor General 2004, 239). The literature also suggests that workers frequently do not complain when they perceive complaining to be ineffective (Weil and Pyles 2005, 63). Alberta has a poor record of enforcing its employment standards and occupational health and safety laws (Barnetson 2009a, 2010, and this volume), yet it generates statistics that convey the opposite impression (Barnetson 2008, 2012a). Consequently, as Bob Barnetson argues in chapter 8 of this volume, complaint-driven regulation has created a culture of noncompliance in Alberta, wherein workers routinely do not receive statutory entitlements.

The second challenge, unique to TFWs, is how TFWs’ circumstances limit their ability to realize their rights. The knowledge that TFWs have of employment rights is limited and often provided by their employer. TFWs may also face significant language barriers and be socially isolated, making them unable to access support systems. TFWs are beholden to their employers for both their salary and their right to remain in the country, making complaining (which will probably be ineffective) a high-stakes proposition. All of these factors create additional barriers to TFWs accessing a complaint-driven enforcement system.

The increased use of TFWs in Alberta in the 2000s was soon followed by complaints of exploitation and violation of worker rights. The list of such violations includes substantial differences between promised and actual work; inadequate wages and working conditions; the requirement for unpaid overtime, as well as other breaches of employment standards; and substandard housing, often combined with excessive rent owed to the employer. TFWs also face racism and threats of deportation, illegal and exorbitant broker fees, and misleading promises about permanent residency and citizenship (AFL 2007, 2009). That said, TFWs are not entirely helpless, and some TFWs have successfully resisted these employment practices (Foster and Barnetson 2012). The overall picture is one of a workforce with restricted opportunity to advocate effectively for their employment rights, which can benefit employers.

The Utility of Migrant Workers

For employers, the attraction of TFWs is multilayered. Most employers say that TFWs are necessary to alleviate domestic labour shortages (Cook 2007;
Vanderklippe 2011), while others acknowledge that TFWs are more compliant (Foster and Taylor 2011). It is enlightening to probe when this domestic shortage arose and why. Harry Hiller’s (2009, 58) analysis of previous booms—when labour demands were met via interprovincial migration—suggests that E-RGM reflects combination of “push” and “pull” factors: individuals must be motivated to both exit their home community and enter their destination community. Push factors included the need to seek employment and, more importantly, a sense of dissatisfaction with life in their home community (415). Pull factors included employment prospects in the destination community, as well as the desirability of the destination (e.g., ability to find and integrate into a social community, availability of housing) (425).

During the boom of the 2000s, there was a large surge in TFW entries beginning in 2006, reflecting employer recruitment efforts in the prior year (Alberta 2011a, 6). Net interprovincial migration began falling in 2007. This suggests that growth in TFW usage preceded declining interprovincial migration. Furthermore, interprovincial migration declined despite relatively high unemployment (between 7.9% and 14.8%) in traditional “sending” regions during this time—a situation that has historically been an important “push” factor (Statistics Canada 2015). This suggests that there was no absolute shortage of potential interprovincial migrants, particularly for unskilled jobs. Alberta’s inability to attract interprovincial migrants may have been affected by deteriorating “pull” factors. While average weekly earnings in Alberta grew by 4.9 percent in 2006, down from 5.2 percent in 2005, inflation rose by 3.9 percent in 2006, up from 2.1 percent in 2005 (Alberta, Finance and Enterprise 2008, 6), significantly eroding wage gains by coming to Alberta. Alberta also experienced a severe housing shortage at this time, with workers in Edmonton living in tents in campgrounds and squatting in the river valley.

At the same time, the growing use of TFWs reduced job opportunities for domestic migrants. Easing labour shortage is, indeed, the main purpose of the TFW program. This dynamic broadly accords with neoclassical economic analyses of the TFW program, which conclude that the program distorts regional labour-market patterns by suppressing interregional labour mobility from provinces of higher unemployment to areas of low unemployment (Gross 2010; Gross and Schmitt 2010, 21–22). This analysis also suggests that employers may have viewed TFWs as a means of loosening the labour market and thereby containing wage demands. Canada has a long history of tapping into secondary sources of labour to loosen the labour market, including the use of...
women during both world wars (Crompton and Vickers 2000, 6), migrant labour in agriculture (Basok 2002), child labour in the service industry (Barnetson 2010), and forced labour of Japanese and enemy aliens during wartime (Daniels 1981; Farney and Kordan 2005). Further supporting the substitution hypothesis is a number of instances during the 2008–9 recession when Alberta employers continued to employ TFWs while laying off Canadian workers (Barnetson and Foster 2012). While it is not possible to prove that cost containment was the main reason employers increased their use of TFWs, the evidence is suggestive.

A slightly more nuanced employer explanation for the growing use of TFWs is that there is a skills shortage in Canada. There are two reasons to doubt this explanation. First, Foster and Taylor (2011) found several construction employers who openly admitted that they manipulate the LMO system in order to access lower-cost TFWs. This manipulation included conducting “paper” (i.e., insubstantial) recruitment campaigns for Canadian workers, as well as applying for an LMO only after a foreign worker had been successfully recruited. The Auditor General of Canada identified several shortcomings with the federal LMO system, including inadequate information to support an opinion and a lack of verification of the need for the worker (Canada, Auditor General of Canada 2009, chapter 2, 30–31). Second, the proportion of TFWs in skilled jobs is declining while the proportion of TFWs in unskilled jobs is increasing. According to neoclassical economic theory, it should be possible to engage any number of Canadian workers in unskilled work, provided that wages and working conditions are attractive. Rather than adjust to market conditions, Alberta employers have instead sought large numbers of low-skilled TFWs (Foster 2012a).

There is some evidence to suggest that employers find TFWs desirable for their compliance and willingness to cede to employer authority. Alberta construction employers viewed TFWs as harder working, more willing to accept overtime and additional work, less likely to question or challenge, and more appreciative of working conditions (Foster and Taylor 2011). These same employers reported that they were looking to TFWs as a long-term solution for their labour needs, in part because TFWs were seen as more compliant and also because they helped curb concerns about “high wages" in the sector.

Finally, hiring TFWs may be intended to reduce the labour-market power of domestic workers. The impact of the growing number of migrant workers on Canadian workers is largely unstudied. There has been very little research into the Canadian labour-market effects of a sizeable, long-term migrant-worker
program reaching into multiple industry sectors. What research has been done examined the labour-market outcomes of TFWs themselves and shows that TFWs fare better than landed immigrants because they better fit employer needs (Warman 2009).

The availability of alternate sources of labour may undermine the militancy of organized labour to some degree. Historically, Alberta employers have regularly sought to displace unionized construction workers with non-union workers, as well as with workers who are members of employer-dominated “unions.” This included a significant push to create “double-breasted” construction companies, with a union arm and a non-union arm, in the 1980s (Gereluk 2012, 181) and to develop non-union labour brokers and contract with employer-friendly “unions” in the 1990s and 2000s (Foster 2012b, 223). Included in the 2012 Progressive Conservative election platform was a promise to prohibit unions from fining members who work for non-union employers or for employers who sign contracts with nonsignatory unions, as well as a promise to allow employers to opt out of the existing trade-based construction labour-relations regime (PC Party 2012). Such provisions advantage employer-friendly unions as well as non-union labour groups. It is possible that TFWs serve as an additional alternative labour pool that facilitates employer efforts to undermine and avoid unions.

The labour-market experience of migrant workers broadly accords with neoliberal prescriptions of increasing efficiency and flexibility in the workforce. It is easier for governments to impose such an industrial restructuring on migrant workers than on Canadian workers for two reasons: migrant workers’ lack of political power and the perception that being allowed to work in Canada is a charitable act for which migrant workers should be grateful (Sharma 2006). Once a low-cost workforce with minimal rights has been established, employers can use it to threaten the job security of Canadian workers and thereby undermine resistance to such restructuring. The threat posed by TFWs has the potential to cause significant resistance among Canadian workers, something the Alberta government has the foresight to manage.

Government Support for Migrant Workers

The government plays a role in the production and disciplining of the workforce. As noted by Eric Tucker (1990, 116), it is broadly accepted that government labour policy must mediate between the potentially conflicting demands
of production and social reproduction (i.e., producing the structures and relationships of contemporary society). On the one hand, government must facilitate the capital accumulation process by allowing employers to produce goods and services in a profitable manner, thus encouraging private investment. On the other hand, government must maintain both its own legitimacy with the electorate and the legitimacy of capitalist social formation. The operation of capitalist systems often negatively affects workers, who compose the majority of the electorate. If enough workers experience low pay, poor working conditions, and workplace injury, they may lose confidence in a particular government or in capitalist social formation.

Between 1971 and 2015, the Progressive Conservative government of Alberta managed these competing demands by (marginally) accommodating the demands of workers while broadly continuing labour policies established by the former Social Credit government (1935–71). Many argue that these policies favour the interests of employers (in particular, oil and gas and related industries) by facilitating union avoidance and repression as well as minimal enforcement of the limited statutory rights granted to workers (Finkel 1989, 109). The growing use of TFWs supports production but may threaten social reproduction, which can pose a significant political risk to government. In Alberta, the government has managed the threat to social reproduction primarily by (incorrectly) framing TFWs as necessary, posing no threat to Canadian workers and facing no threat of exploitation (Barnetson and Foster 2012).

To accomplish this, government MLAs began by noting that Alberta was experiencing a labour shortage due to both an aging workforce and a hot economy. Migrant workers were mooted as the only solution to this shortage. While Alberta did experience a significant labour shortage during the 2000s, TFWs were not the only solution (Alberta 2011a, 6). The labour market may have returned to equilibrium as rising wages attracted more workers and/or employers reduced demand for workers (Anderson and Ruhs 2012, 39). The government also rejected moderating the pace of bitumen sands development and provincial infrastructure spending, both of which would have dampened labour demand (CBSR 2009, 5; Foster 2007, 12). That MLAs continued to advocate for TFWs during the recession of 2008 (despite rising domestic unemployment) further undermines this “there is no alternative” rationale and gives credence to the suggestion that the government supported loosening the labour market to dampen wage demands, thereby benefitting employers.
MLAs attempted to deflect resistance to importing foreign workers by pos-iting that TFWs do not threaten Canadian jobs. Specifically, they asserted that the federal LMO system only allows TFWs when there are no qualified Canadian workers available, that TFWs are more expensive than domestic workers, and that TFWs will return to their home country when the demand ends (Barnetson and Foster 2012). There is, however, significant evidence that the LMO system can be gamed by employers (Foster 2012a; Foster and Taylor 2011). Evidence from 2009 and 2010 shows that the TFW program was not elastic and allowed employers to retain TFWs when laying off domestic workers (Barnetson and Foster 2014, 354; Foster 2012a, 38). Furthermore, it is not clear that migrant workers are more expensive than domestic workers. While recruitment costs may be higher for migrant workers, those costs are often offset through enhanced flexibility for the employer, higher productivity, and opportunity for cost recovery through employment standards violations, informal work arrangements, and excessive charges for accommodation. Facilitating union avoidance may further reduce the cost of migrant labour.

Of greater concern is that temporary workers do not appear to be tempor-ary. They have largely displaced internal migrants as a source of workers, and a large, seemingly permanent class of unskilled migrant workers has emerged (Alberta 2011a, 6; 2011b, 15, 19; Foster 2012a). When critics raise this concern, the provincial government blames the federal government. This approach is politically convenient (and perhaps partially correct), but it ignores the prov-ince’s responsibility for the results of a migrant-based labour market policy. If there had been more training of domestic workers and if employment regulation made Alberta workplaces more attractive to internal migrants and marginalized groups, TFWs might be less necessary. These options are, how-ever, more expensive for employers than simply expanding the TFW program. Furthermore, there is mounting anecdotal evidence that a large number of foreign migrant workers (up to a hundred thousand) have not returned “home” and remain as nonstatus immigrants (Bouzek 2012).

Finally, Conservative MLAs sought to deflect criticism that the TFW pro-gram was resulting in exploitation of the TFWs by their employers by noting that TFWs have the same rights as Canadian workers (Barnetson and Foster 2014, 362). As set out above, migrant workers face a variety of barriers to realizing their rights, and an absence of complaints does not mean an absence of violations (Barnetson 2008, 46). Furthermore, there is clear evidence of widespread violations of Alberta employment law affecting TFWs (AFL 2009,
There is no evidence supporting MLAs’ assertions that employee or employer ignorance lies at the root of these violations; an equally plausible explanation is that employers’ economic interest creates an incentive for violations that are enabled by TFWs’ dependence on employers for residency. Substantive response to criticisms of exploitation was limited to minor regulatory adjustments (e.g., restrictions on recruiting fees) and educational initiatives aimed at employers and TFWs (e.g., a TFW “hotline”; AFL 2009, 15).

Employer-friendly labour-market policies are consistent with past Alberta labour policy. It is also a common feature of oil-exporting economies elsewhere, which frequently use large numbers of guest workers (Karl 2007, 24–26). But using invalid narratives to justify employers’ use of TFWs may entail political risk for a government that relies upon politically conservative voters for electoral support. It is difficult to substantiate the claim that Conservative Party supporters opposed growth in TFWs, in part because Conservative supporters are not a homogeneous group. Identifiable subgroups include the business community (which has actively supported growth in TFWs) and rural Albertans. Prior to its defeat in 2015, the Conservative Party went out of its way to cater to the interests of its supporters. For example, Conservative MLAs resisted including farm workers within the ambit of occupational health and safety legislation for decades (Barnetson 2009b, 2012b). This suggests that opposition to TFWs may be limited, muted, or both. Political considerations are insufficient for understanding the motivation for the government’s strong advocacy for employer recruitment practices that substitute foreign workers for domestic. Further explanation is required.

One explanation is that Alberta’s energy and construction sectors are very influential in Alberta politics. Energy is the single largest sector of the economy, responsible for 23.1 percent of GDP in 2013. When combined with finance and real estate and construction (sectors closely linked to energy), these three sectors constituted nearly half of Alberta’s economic activity in that year (Alberta, Alberta Innovation and Advanced Education 2015, 6). These employers are some of the most supportive of increasing access to TFWs (Bouzek 2012). Leaders in these sectors have enjoyed direct access to policy makers, continue to have significant political clout, and were successful in ensuring that the Conservative government looked after their interests (Nikiforuk 2008, 159). For example, between 2004 and 2010, the Conservative Party received approximately $15 million in donations (excluding donations made directly to
constituency associations). The largest corporate donors were oil and construction companies (Timmons 2012). Such a highly concentrated, organized, and influential capitalist class may be able to compel employer-friendly policy and leave politicians few options for maintaining legitimacy other than specious justifications.

An alternate (but not necessarily mutually exclusive) explanation is that Conservative MLAs viewed the migrant worker issue as relatively nonthreatening. Although there was substantial opposition to the use (and abuse) of TFWs, opponents of TFWs did not mount a credible political threat to the Conservative government. In 2005, petitions opposing expansion of the TFW program, with over five thousand signatures, were tabled in the Alberta legislature (Barnetson and Foster 2014, 355). Yet no meaningful opposition coalesced and the TFW issue played little role in the NDP’s electoral success in 2015. Alberta’s long-term oil boom meant that domestic workers had full employment and did not broadly view TFWs as a threat.

Research suggests that contradictory responses (particularly among the labour movement) diffused effective opposition (Foster 2014). Some labour leaders, especially those in construction unions, initially framed TFWs as “threats” to Canadian workers, since they undermined Canadians’ “right” to “first” choice of jobs. By contrast, other labour leaders and many community groups framed TFWs as “vulnerable” workers needing government protection. These competing narratives and their importance ebbed and flowed over time, but appear to have undermined the political threat that Alberta’s already weak and divided labour movement could mount. Prior to the New Democrats’ unexpected victory in 2015, the only political threat that has emerged is from the right-wing Wildrose Alliance Party, which has a similar approach to the issue of TFWs as that of the Conservatives and thus is unlikely to raise concerns about the policies.

It may be, then, that the risks associated with increasing TFW numbers were low and the potential rewards were high, thereby emboldening the Conservative government to favour the interests of capital. Whether the New Democratic government will appreciably alter Alberta’s approach to TFWs is unclear. Another factor is that those who are most affected (i.e., migrant workers) can’t vote. One of the assumptions in the preceding analysis is that the growing use of TFWs reflects an important change in Canadian policy and employer behaviour. Sharma (2006) suggests that this assertion is only true in the short term; a historical examination of migrant labour suggests that Western governments
have exploited the labour of noncitizens throughout history, and this may merely be the latest example.

*Effects of Growing Migrancy on Democracy*

Regardless of its historical origins, the current growth in TFW usage has a number of potentially negative effects for democracy in Alberta. Alberta’s workforce was approximately 2.4 million in 2014 (Alberta 2014). There were approximately sixty-eight thousand TFWs in 2012, as seen in table 9.1 above, constituting approximately 3 percent of workers. Including other types of temporary workers (e.g., students and recent graduates, live-in caregivers, agricultural workers, and up to a hundred thousand nonstatus migrant workers) suggests that migrant workers might compose up to 8 percent of the workforce (Canada, Citizenship and Immigration Canada 2013). These workers have no political voice because they are not citizens, and few citizens are advocating for them. Consequently, there are both few political costs to allowing their exploitation and few political rewards for protecting them. As noted by Barnetson and Foster (2014), the Conservative government sought to mitigate the political risks associated with growing migrancy via careful messaging. The drop in oil prices in 2014 did not abate employer demand for TFWs. Changes announced by the federal government in 2014 that were aimed at reducing employer reliance on TFWs were roundly criticized by Alberta employers as not recognizing the significant and long-standing need for migrant labour in the province (Alberta Chambers of Commerce 2014). The reaction of Alberta employers, even during an economic downturn, suggests that Alberta will have a large, vulnerable, and growing group of workers with no political relationship to the state in which they work in the years to come.

Growing use of foreign migrant workers also creates a two-tiered labour market, populated by citizen workers and noncitizen workers. While citizenship forms the official basis of this division, Sharma (2006) suggests that the underlying distinction is racial and racist: those workers with the least labour mobility and the least ability to access employment rights are also disproportionately members of visible ethnic minorities. There are no definitive statistics about the ethnic or racial identities of TFWs and nonstatus migrant workers in Alberta, but large numbers of TFWs come from the Philippines, Mexico, India, South Korea, China, and Taiwan (Alberta 2011b, 16). The implications of this arrangement are troubling.
Justifying the negative experience of TFWs as being based upon their lack of citizenship undermines the notion that there are basic labour and human rights that all governments must meet and enforce. And creating tiers of workers (who bear different rights) opens the door to denying rights on other bases (e.g., cost effectiveness). Furthermore, the growth in TFWs also undermines the ability of Canadian workers to claim their rights. Loosening the labour market allows employers to credibly threaten with replacement any workers who resist employer demands or participate in legitimate union activities. While overt threats of termination for union organizing are illegal, subtle threats of plant closings and layoffs are much harder to police effectively. Indeed, simply the presence of a replacement pool may cause workers to behave in a more compliant manner. A docile labour force may also facilitate further weakening of worker rights. An example of disciplining the labour force by widening the pool of potential workers is the government’s move to expand the secondary labour market by making child labour increasingly accessible to employers (Barnetson, this volume).

A subtler effect of growing migrancy is the state’s increasing ceding of control over immigration to industry. The expansion of provincial nominee programs (wherein employers nominate workers for permanent residency) means that an increasing portion of newcomers are being selected based upon their utility to industry rather than other factors (e.g., refugee status, non-employment related characteristics, family reunification). Recent changes to the immigration system by the federal government to facilitate the transfer of TFWs to permanent residency and the creation of a new skilled trades class further entrench industry’s influence over immigration (Canada, Employment and Social Development 2013). The structure of the TFW program (which restricts immigration applications from within the country and imposes a four-year limit on TFW permits) is consistent with how Gulf oil states and Asian tiger economies have sought to contain migration via programs that intentionally preclude long-term residency and family reunion (Abella 1995; Skeldon 2000). Castles (2006) observes that the long-term success of such policies is unclear, particularly given the historical difficulty governments have had compelling TFWs to leave the country when their work permits expire. Over time, such workers become enmeshed in society and may gain various political and social rights.

Beyond labour policy, the presence of significant numbers of differentially excluded residents weakens social cohesion important for healthy democratic
communities. For the migrant workers, their contingent presence in the community and their conflicted community identities (for home and destination communities) weaken their connection to geographic community (Castles and Miller 2009, 3; Vergunst 2009, 264), and their ownership of only partial citizenship rights marginalizes them from important community participation, creating a form of “institutionalized uncertainty” (Anderson 2010, 311). Researchers into social cohesion have argued that this form of marginalization undermines the development of shared values, equal opportunity, trust, and reciprocity that is important in building cohesive communities (Green, Janmaat, and Han 2009; Jenson 2002). Indeed, the presence of TFWs as economic competitors to Canadian workers but without accompanying social and political commonalities can cause permanent residents to see migrant workers as part of the “other” whose interests are in competition to and in conflict with their own, thus undermining any potential for social solidarity (Gibbs 2008).

Conclusion

As expected, Alberta’s most recent oil boom triggered a significant influx of migrant workers. Unlike previous booms, however, post-2000 migrants were increasingly likely to be foreign nationals rather than interprovincial migrants. Foreign migrant workers are vulnerable to exploitation because of restrictions on their labour mobility and access to employment rights. While the prevalence of foreign migrant workers has increased throughout Canada, the growth of TFW use in Alberta has been disproportionately high. Alberta’s oil economy is at least partly responsible for that increase.

The former Conservative government managed the resulting exploitation of these workers primarily through messaging efforts and, to a lesser extent, by providing minor regulatory improvements. This suggests that the state had adopted the role of defender for employer staffing decisions that disempower and exploit migrant workers and indirectly undermine domestic workers. The creation of an underclass of guest workers has been rapid and has profound implications for democracy.

In a narrow sense, the presence of large numbers of migrant workers possessing only limited citizenship rights weakens the labour power of all workers in the province by thrusting into the labour market a group of highly vulnerable, contingent, and racialized workers. More broadly, the construction of a
marginalized class of transnational workers undermines important social and community bonds that form an important part of the democratic fabric.

Furthermore, the use of TFWs, by softening labour shortages caused by rapid expansion of bitumen extraction capacity, deflects public attention away from more fundamental questions regarding Alberta’s economic and political priorities. By focusing on TFWs as the “solution” to labour shortages and assuring the permanent population that TFWs pose no threat to Albertans, the former Conservative government neatly sidestepped the thornier debate about the pace of bitumen production and the desirability of building an economy around nonrenewable energy. There is, of course, a wide range of tools at the government’s disposal to narrow political debate to issues amenable to the oil industry. The use of TFWs, and the narratives built around them, together serve as one mechanism to constrain public policy debate, at the expense of democracy in the province.

The extensive use of migrant workers in Alberta and the manner in which it was defended by the former Conservative government demonstrated the power and influence of energy corporations on Alberta’s economy and politics. It is also an example of the processes employed by the energy industry to entrench, deepen, and solidify its grip on Alberta politics. The construction of a permanent class of contingent, marginalized, racialized migrant workers becomes a necessary part of ensuring docile, reluctant workers who perceive their interests as aligned with those of their multinational employers.

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Exporting Oil, Importing Labour, and Weakening Democracy


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