# CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE

# FACULTY OF ECONOMICS AND MANAGEMENT

**DEPARTMENT OF ECONOMICS** 



# DIPLOMA THESIS

# ECONOMIC ANALYSIS OF CANADIAN IMMIGRATION POLICY

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## CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE

# Department of Economics

Faculty of Economics and Management

# DIPLOMA THESIS ASSIGNMENT

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European Agrarian Diplomacy

Thesis title

**Economic Analysis of Canadian Immigration Policy** 

#### Objectives of thesis

Main objective of diploma thesis is to evaluate Canadian immigration policy with relation to the Czech Republic.

The partial goals of the thesis are:

- To analyze the possible changes in Canadian work market when visas for citizens of Czech Republic are lifted
- To prepare structural analysis of Czech immigration to Canada for the purpose of work
- To prepare case study on economical effect on Canadian national budget when Czech worker enters Canada legal and illegal entry
- To create report on Czech mark in the Canadian work market depending on the province or territory

#### Methodology

Methodology of the thesis is based on study and analysis of economical aspects of Canadian immigration policy for citizens of Czech Republic.

The analysis is comprising macro and micro economic evaluation, econometrics and statistics. Case study documents the economical potential of Czech worker to the Canadian national budget. Based on a synthesis of theoretical knowledge and the results of case study, the conclusion of the thesis will be formulated.

#### The proposed extent of the thesis

60-80 pages

#### Keywords

Canada, Immigration policy, Visa, Work permit, Legal status, CETA,

#### Recommended information sources

BODVARSSON, Örn Bodvar a Hendrik VAN DEN BERG. The Economics of Immigration: Theory and Policy. London, New York: Springer Dordrecht Heidelberg, 2009. ISBN 978-3-540-77795-3. E-Book

Canada Facts and Figures: Immigration overview Permanent and Temporary residents 2011. CIC. Citizenship and Immigration Canada [online]. 2011. vyd. [cit. 2013-08-01]. Available at: http://www.cic.gc.ca/english/pdf/research-stats/facts2011.pdf

ELVIRA FUCHS. Immigration Policy in Canada. 1. vyd. Germany: Grin Verlag, 2009. ISBN 978-3-640-802-79-1.E-book

KELLEY, Ninette a Michael TREBILCOCK. The Making of the Mosaic: A History of Canadian Immigration Policy. 2. vyd. Canada: University of Toronto Press Incorporated, 2010. 2, ISBN 978-8020-9536-7. E-Book

Statistics Canada: Employment and average weekly earnings including overtime (SEPH), seasonally adjusted, for all employees by industries classified using the North American Industry Classification System (NAICS), Canada. CIC. Citizenship and Immigration Canada [online]. 2013. vyd. [cit. 2013-08-01]. Available at: http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=2810047&tabMode=dataTable&srchL1&p1=-1&p2=9

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The Diploma Thesis Supervisor Ing. Petr Procházka, Ph.D., MSc

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Prague on 30. 03. 2015

Declaration	
I declare that I have worked on diploma thesis "Economic analimmigration policy" by myself and I have used only the resourthe thesis.	
In Prague	
	Bc. Michaela Čamborová



# Economic Analysis of Canadian Immigration Policy Ekonomická analýza kanadské vízové politiky

# ECONOMIC ANALYSIS OF CANADIAN IMMIGRATION POLICY

# **SUMMARY**

Canadian immigration and visa policy dates back to the beginning of the 20<sup>th</sup> century. Ever since then Canada was accepting immigrants from all over the world. Immigration acts and laws were created based on the current immigration situation in the country. When there were too many immigrants from one country, Canada imposed landing fee. When there were too many illegitimate refugees from one country, Canada restructured the refugee program. When there was lack of skilled workers, Canada created program designated to deal with the labour shortage.

The theoretical of the thesis brings brief introduction of the history and development of visa and immigration systems in Canada and Czech Republic and Canada-Czech Republic visa relations. The analytical part is separated in three main parts – Temporary Foreign Worker Program, International Mobility Program and Czech Workers – and brings analysis of each program and workers.

## **KEYWORDS:**

Canada, Immigration policy, Visa, Work permit, Legal status, CETA, Temporary Foreign Workers, International Mobility Program,

# EKONOMICKÁ ANALÝZA KANADSKÉ VÍZOVÉ POLITIKY

# **SOUHRN**

Začátky kanadské vízové politiky se dají dohledat až do začátku 20. století. Již od té doby Kanada přijímala imigranty z celého světa. Imigrační nařízení a zákony byly založeny na v tu chvíli aktuální imigrační situaci v zemi. Pokud přicházelo moc imigrantů z jedné země, Kanada vytvořila přistěhovalecký poplatek. Pokud do země proudilo moc nelegálních uprchlíků, Kanada změnila svůj uprchlický program. Pokud byl nedostatek zkušených pracovníků, Kanada vytvořila program, který vzniklou mezeru v pracovním trhu zaplnil.

Teoretická část práce přináší přehled historie and vývoje víz a imigračních systémů v Kanadě a České Republice a Kanadsko-České vízové vztahy. Analytická část práce je rozdělena do tří částí - Temporary Foreign Worker Program, International Mobility Program a čeští pracovníci.

# KLÍČOVÁ SLOVA:

Kanada, imigrační politika, víza, pracovní povolení, legální status, CETA, Temporary Foreign Workers, International Mobility Program,

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# 1. INTRODUCTION

The top 5 "hottest" (most demanded) occupations in Canada in 2014 were – financial managers and accountants, skilled tradespeople (electricians, carpenters, plumbers, aviation technicians, automotive service technicians, tool makers and industrial mechanics), mobile and web developers, construction managers and pharmacists. Seventy two percent of all temporary foreign workers entering Canada in 2014 (data up to Q3) entered in the low-skilled category (foundry workers, machine operators, seafood plant workers, furniture finishers, labourers in textile, fishery, wood and food industries, food and service workers).

Examination of these two facts makes person wonder what is the purpose of the Temporary Foreign Worker Program? It does not seem to provide the workers which are demanded by the Canadian labour market. Is it all possible that Canadian labour market is so self-sufficient that it does not need foreign workers to fill those jobs? Does nowadays Canada have enough professionals to fill those high-skilled occupations which were in short supply in the 70s, when the Temporary Foreign Worker program started? Are foreign workers entering Canada brought to the country for a whole lot different reason?

The whole idea behind Temporary Foreign Worker Program was to deal with temporary labour shortage. Kind of "labour patch" if you will. Protecting the Canadian economy from loses due to lack of productive workers - small group of specific skilled occupations. The program is no longer serving its original purpose. It has evolved into bringing all sorts of workers in all sorts of sectors to Canada. And has morphed so far that some sectors abuse the program to bring in cheap labour. Reducing costs by employing cheap labour does not sound very "Canadian kind of " friendly.

After intense criticism and scandals, the Temporary Foreign Program has been reformed in 2014. Assessing foreign workers not on their occupation, but on their wage in Canada, and other changes, could shift the program to a place where both sides of the table would be satisfied.

# 2. OBJECTIVES AND METHODOLOGY

#### 2.1 OBJECTIVES

In diploma thesis Economic Analysis of Canadian Immigration Policy should be summarized Canadian visa and immigration policies and visa and immigration policies of Czech Republic and effect of Czech workers in the Canadian labour market. The objective of the first part of the thesis is includes history of Canadian and Czech visa and immigration policies in three structured chapters Canadian visa policy, Czech visa policy and Canadian-Czech Republic visa relations.

The objective of the second part is author's analysis of Canadian foreign worker programs based on the data collected from official governmental statistical databases: number of workers, their distribution in Canada, skill of workers, e.g..

#### **HYPOTHESES**

Contribution of Czech workers to Canadian national budget is very significant.

#### 2.2 METHODOLOGY

Information and facts for the diploma thesis are especially from literature and internet resources. Information used for the analytical part was collected from official government statistical databases.

For analysis of the collected data macroeconomic evaluation and econometrics were used. These evaluations were used for the purpose of determining if Canadian visa and immigration policies have effect on the labour market. Case studies document effects of Czech workers on the Canadian national budget.

Based on a synthesis of theoretical knowledge and the results of case study, the conclusion of the thesis will be formulated.

# 3. THEORETICAL BACKGROUND OF VISA REGIMES

Being under ruler's protection when traveling to another land has probably existed ever since rulers started to claim those lands. The idea was to help travellers during their missions. The earliest reference of a document that allows such a travel is in the Old Testament's Book of Nehemiah. The Persian king Artaxerxes wrote letters for governors beyond river Euphrates to grant court official Nehemiah safe passage to Judah.

These types of letters were also mentioned in act of parliament during rule of Henry V and were granted by Privy Council in 1540. It was not until the rule of Luis XIV that these letters of request became popular. King granted them to his court favourites. Letters were called "passé port" because they allowed the holder to travel from ports in ships. Hence the name passport (however these is a dispute if the name passport was derived from these letters or if it came from documents issued by local authorities which allowed the handler to pass through port – gate – of city walls).

No matter the origin, these documents were widely used in Europe in 18<sup>th</sup> and 19<sup>th</sup> century. Beside the need to have passport while traveling to neighbouring countries travellers were required to have visas issued by the country they wanted to visit. Same as like we have today.

United States tried to register incoming immigrants though they did not have official papers from their home countries. And they did not establish authority to issue passports until 1858 so many Americans travelled abroad without any documentation.

By the mid 19<sup>th</sup> century the popularity of tourism exploded in Europe and caused breakdown of the passport and visa system. In response to this crisis France abolished passports and visas in 1861 and most European countries followed. During the First World War passport and visa requirements were re-introduced as a "temporary measure" due to fear of spies and foreign agents. United States begin to restrict people without passports from leaving in 1918.

Controls remained in place after the WWI, conferences were held by League of Nations about the general design and passport guidelines. Visa requirements were set to be bilateral and structure of global mobility was created – sending country would issue secure and authentic travel documents and receiving country would evaluate travellers through visas and frontier procedures. Visas were considered to be temporary necessity and were seen to be unnecessary within 10 years. But as the time showed visas became a tool for

management of global mobility. Countries negotiated individual terms and created partnerships among each other.

# 3.1. Canadian visa policy

Ministry of Citizenship and Immigration is responsible for visa policies. On their official website, readers are informed that: "A visa requirement is Canada's first line of defence in controlling the flow of people into the country and ensuring the integrity of Canada's immigration and refugee programs. Canada's visa policy decisions are not based on reciprocity but rather on a country-by-country assessment and seek to ensure there is a balance between welcoming visitors, while protecting the health, safety and security of Canadians." <sup>1</sup>

There are several categories which people can have when travelling to Canada – visitor (includes tourist and business visa), student, worker, immigrant, refugee and citizen. Economic needs and social stability were the sources of development of Canadian immigration policy. In eighteen hundreds immigration into Canada was basically unrestricted. Only exception was the Chinese Head Tax introduced by the British Columbia. In early 20th century the term immigrant was defined and first landing fees were established.

1962 brought changes - racial discrimination was eliminated and replaced with immigration act that enabled any person who had the required education or other skill to enter. However there were some measures imposed too – it was required to have a specific job waiting for them or to be able to support themselves until they found such a job, they could not have suffered from disease that would have been dangerous for public health and the could not have been criminals or terrorists. Which led to favouritism towards American citizens.

Due to significant change in Canadian economy, thanks to technical innovation, certain skills were becoming obsolete and workers could not keep up with their training. White Paper on Immigration commissioned in 1966 by Pearson government said that immigration had: "made a major contribution to the national objectives of maintaining a

http://www.cic.gc.ca/english/department/media/backgrounders/2013/2013-11-14-1.asp

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<sup>&</sup>lt;sup>1</sup> Backgrounder — Canada's visa policy. *Citizenship and Immigration Canada: CIC Newsroom* [online]. 2013 [cit. 2014-12-20]. Available at:

high rate of population and economic growth" However to protect Canada from rapid inflow of unskilled labour, paper proposed to tighten up the sponsorship system (Canadian citizens and permanent residents were able to sponsor their relatives for immigration despite their education, qualification or skills) and allow access for independent immigrants (applicants that applied on their own and possessed the skills required by the labour market). New institution was established the Department of Manpower and Immigration (that would administer immigration policies until 1994). It unified various functions of Department of Citizenship and Immigration and the Department of Labour.

The most important policy in this time however was the introduction of Point System in 1967 (current point system will be discussed more in detail in chapter Point system). This system (as the name suggests) assigned applicants points based on their knowledge of English or French, their age (if they were not too young or too old for the job), having already arranged employment in Canada, having family member in Canada, having adequate education or training and wanting to work in region with high employment. If immigrants reached a certain level of points, they were allowed into country. During this time the pattern of immigrants shifted from European to Asian, African and Caribbean nationals. This was and in hand in hand with growing Canada's trade with third world countries. Vast majority of immigrants settled in Montréal, Vancouver and Toronto. Unfortunately this inflow of non-white immigrants resulted in racism against these groups. During 1970s Québec provincial government grew with concern. The integration of non-white immigrants to Francophone speaking majority was facing problem. Most of immigrants prior to 1970s were integrated in the Anglophone culture within the province. The government was afraid that this Anglophone integration would lead to weakening of the French culture and language. To make the Francophone majority more interesting for the immigrants the provincial government started to pass laws in the late 1970s to encourage this.

In 1971 Canada adopted (as a first country in the world) multiculturalism as an official policy. This policy "affirmed the value and dignity of all Canadian citizens regardless of their racial or ethnic origins, their language, or their religious affiliation." It also assured rights of Aboriginal people and set English and French as Canada's official

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<sup>&</sup>lt;sup>2</sup> Forging Our Legacy: Canadian Citizenship and Immigration, 1900–1977. *Citizenship and Immigration Canada* [online]. [cit. 2014-12-20]. Available

at: http://www.cic.gc.ca/english/resources/publications/legacy/chap-6.asp

<sup>&</sup>lt;sup>3</sup> Canadian Multiculturalism: An Inclusive Citizenship. *Citizenship and Immigration Canada* [online]. [cit. 2015-01-02]. Available at:http://www.cic.gc.ca/english/multiculturalism/citizenship.asp

languages. Multiculturalism was adapted to the Canadian Charter of Rights and Freedoms in 1982 and was enacted to became a law in 1988 (Canadian Multiculturalism Act).

In April 1978 Immigration Act 1976 came into law. It was called Immigration Act 1976 because of the year it was drafted. This act: "gave more power to the provinces to set their own immigration laws, defined "prohibited classes" in much broader terms (not just homosexuals, disabled, etc.), created four new classes of immigrants (refugees, families, assisted relatives and independent immigrants), created alternatives in deportation for less serious criminal or medical offenses." In broader terms this act encouraged family reunification and attempted to fulfil obligation with UN Canada made in 1951.

In 1980s business class immigrant was added to the Immigration Act. This class, or category if you will, included anyone who wanted to bring his business or entrepreneurial funds to Canada. Many of these new immigrants were Chinese (mostly from Hong Kong). Between 1983 and 1996 approximately 700,000 Chinese business people came to settle in Vancouver and Toronto and brought billions of dollars of investment (\$1.1 billion dollars between 1981 and 1983 alone).

Immigration and Refugee Protection Act (IRPA for short) was passed in 2001 and became law in June 2002. It replaced the Immigration Act 1976 as the primary legislation regulating immigration to Canada. Although it might seem this act was a response to terrorist attacks in United States in September 2001, it was not so. However, some the regulations were targeted at preventing terrorists and criminals from entering the country. This act: "broadened the powers to arrest, detain and deport landed immigrants on the mere suspicion they might be or become a security threat, tightened the requirements needed to immigrate to Canada as a refugee, made it harder for people to immigrate as skilled workers or labourers under the Points System, broadened skill and training requirements, limited the types of people who could apply as a business-class immigrant and put people who are in same-sex relationships or common-law relationships in equal footing for immigration purposes as traditional married couples"<sup>5</sup>

One of the recent changes in Canadian immigration system was the creation of Canadian Experience Class (CEC) in 2008. Under this class, people who have been living in Canada for a while as temporary foreign workers or international students with Canadian work experience could have applied for permanent residency. Requirements for

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<sup>&</sup>lt;sup>4</sup>,<sup>5</sup> Immigration Acts (1866 - 2001). *Canada in the Making* [online]. [cit. 2014-12-30]. Available at:http://www.canadiana.ca/citm/specifique/immigration\_e.html

this class was: "plan to live outside the province of Quebec, have at least 12 months of fulltime skilled work experience in Canada in three consecutive years, gaining work Canadian Experience Class experience in Canada with the proper authorization, meet the required language levels needed for your job for each language ability." Skilled work experience, according to Canadian National Occupational Classification (NOC), meant Managerial jobs (NOC type 0), Professional jobs (NOC type A) and Technical jobs and skilled trades (NOC type B). It is interesting to see however that there is a difference in the concept of "skilled worker" under CEC and Skilled Worker Program (SWP). Skilled worker under CEC is person who received skilled occupation in Canada and held this occupation for certain period of time. Whereas skilled worker under SWP are examined by using a point system (where they receive points for their education, skill, ability, language, age, etc.). Since the launch of CEC almost 29,100 applicants<sup>7</sup> (including spouses and dependants) have achieved permanent residency. New programs in partnership with provinces have also been developed. They ensure the participation of provincial governments and employers in the selection of immigrants. For example: Provincial Nominee Program and Quebecselected skilled workers. Provincial Nominee Program has two basic objectives: allocation of immigrants into provinces outside of three major cities and meeting the workforce needs of the provinces (usually short-term labour).

Year 2012 brought important reforms in the immigration policies – in aspects of economic class immigrants, refugee reform, temporary workers program, permanent residency and citizenship. Economic class immigrants were put under Federal Skilled Worker Program (FSWP). This program is based on point system and in 2012 changes were made – increased points for first language, more points for young applicants, deduction of points non-Canadian work experience and credential assessment by third party was required.

Protecting Canada's Immigration System Act (amendment to the Refugee Reform act from 2010) introduced by Prime Minister Stephen Harper in 2012 has created a new refugee system that should accelerate refugee claims and end the abuse of the system. Main points of this act were – faster decisions (hearings for refugee claimants were to drop from 19-20 months to 30-45 days after the claim was submitted), designated countries of

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<sup>&</sup>lt;sup>6</sup> Determine your eligibility – Canadian Experience Class. *Citizenship and Immigration Canada* [online]. [cit. 2014-12-30]. Available at: http://www.cic.gc.ca/english/immigrate/cec/apply-who.asp

<sup>&</sup>lt;sup>7</sup> Source: own calculation and Facts and figures 2013 – Immigration overview: Permanent residents. [cit. 2014-12-30]. Available at: http://www.cic.gc.ca/english/resources/statistics/facts2013/permanent/02.asp

origin (countries that respect human rights and do not produce refugees), creation of refugee appeal division (chance for claimants to appeal against decision, decision will be made in 90 days), timely removals (pre-removal risk assessment – to not send person back to home country where they would be in danger; applicants could only apply once in 12 month period and no re-opening of previously decided cases), backlog reduction (reduction to approx. 33,000 claims in October 2012 from 60,000 in 2009), biometrics (from 2013 temporary resident applicants from selected countries were required to provide their fingerprints and photographs while applying for temporary resident visa, study or work permit).

Currently when there are several immigration programs in Canada – programs for workers and sponsorship programs. Programs for workers include Federal Skilled Workers, Canadian Experience Class, Federal Skilled Trades Program, Quebec-selected skilled workers, Provincial nominees, Start-up visa, Self-employed people and Caregivers. Sponsorship programs include Family sponsorship and Sponsoring refugees. If Canadian employers do not find employees under these programs and cannot find any Canadian citizen who is eligible for the position, they can look in programs for Temporary Foreign Workers – those programs are Temporary Foreign Worker Program and International Mobility Programs.

#### 3.1.1. Point system

Current point system awards applicants points based on their education, language abilities, work experience, age, arranged work experience and adaptability.

As of January 2015 a new system of immigration for skilled workers will manage applications – it is called Express Entry. After filling an on-line profile where candidates include their language skills, education and work experience, candidates are ranked by Comprehensive Ranking System against others in a pool. Then Citizenship and Immigration Office (CIC) sends top candidates Invitation to Apply for permanent residence. Only workers under Federal Skilled Worker Program, Federal Skilled Trades Program, Canadian Experience Class and some provincial nominees can apply for Express Entry. Most application in this system get processed under 6 months.

To pass Federal Skilled Worker Program you have to score min. 67 out of 100 points in 6 categories: Education - max. of 25 points (highest score is for University degree at the Doctoral (PhD) level or equal),

: Language - max. of 28 points (for speaking, listening, reading and writing; based on tests accepted by the Canadian government - CELPIP: Canadian English Language Proficiency Index Program or IELTS: International English Language Testing System),

: Work experience - max. of 15 points (highest score is for 6+ years of NOC skill type (0, A or B) work experience),

: Age - max. of 12 points (highest score is for age group 18-35)

: Arranged employment in Canada – max. 10 points (highest score is if you are employed at the time of applying, your have positive Labour Market Impact Assessment (please see next chapter for information on LMIA) and your employer has offered you permanent job),

: Adaptability – max of 10 points (you wish to immigrate with your spouse of common-law partner; max. points are for language level, education, work experience of your spouse/partner and her or hers relatives in Canada)

Than if you pass the minimum 67 points and fill out your Express Entry application you are given points with Comprehensive Ranking System. Applicant can receive up to 1,200 points for: Age – up to 110 points

: Education – up to 150 points

: Languages – up to 160 points

: Work experience – up to 80 points

: Arranged employment or provincial nomination – up to 600 points.

## 3.1.2. Labour Market Impact Assessment – LMIA

Changed from Labour Market Opinion, a positive LMIA "will show that there is a need for the foreign worker to fill the job you offer and that there is no Canadian worker available to do the job." Basically if employer wants to hire foreign workers and they are not LMIA exempt, employer has to apply for LMIA at the Employment and Social Development Canada (ESDC). Employer can hire through Temporary Foreign Worker Program or the International Mobility Program. In June 2014 Minister of Citizenship and Immigration Canada Chris Alexander and Minister of Employment and Social Development Jason Kenney announced revision of Temporary Foreign Worker Program

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<sup>&</sup>lt;sup>8</sup> Labour Market Impact Assessment Basics. Citizenship and Immigration Canada [online]. [cit. 2015-01-02]. Available at: http://www.cic.gc.ca/english/work/employers/lmo-basics.asp

and one of the revision was increase of LMIA fee from \$275 to \$1,000 for every TFW position requested by the employer.

Another part of the revision was that LMIA exempt workers ("e.g. international students who have graduated from a Canadian school; persons authorized to work in Canada temporarily due to free trade agreements, such as NAFTA, International Experience Canada participants, and spouses of highly-skilled foreign workers." became part of newly named International Mobility Program.

### 3.1.3. Canadian Immigration Statistics

Immigration to Canada has fluctuated between 250,000 people to 280,000 people in the last 6 years. Most permanent residents in 2014 (data up to Q3) were from India, Philippines and China. Temporary foreign workers program participants have grown significantly in the past 6 years. There are more people coming to Canada under temporary working programs than people applying for permanent residency. Anyway those numbers are probably going to change, taking into account the changes made to the Temporary Foreign Worker Program in June 2014. It will be harder and more expensive for employers to employ TFW.

**Table 1 - Permanent residents by category** 

	2009	2010	2011	2012	2013	2014*
Family class	65,207	60,224	56,453	65,012	81,845	51,775
Economic immigrants	153,492	186,915	156,118	160,828	148,188	134,504
Refugees	22,849	24,697	27,873	23,099	24,091	19,025
Other immigrants	10,622	8,845	8,303	8,960	4,896	2,956
Category not stated	1	7	3	5	0	0
Total persons	252,171	280,688	248,750	257,904	259,020	208,260

\* year to date Source: CIC, Open Canada

Table 2 - Temporary residents by yearly status

	2009	2010	2011	2012	2013	2014*
Temporary Foreign Worker Program	110,748	105,650	111,845	116,796	117,950	85,439
International Mobility Program	106,737	121,641	138,531	148,067	161,313	129,003
Work Permit Holders for Work Purposes	216,679	226,058	248,819	263,294	277,309	213,664
International students	147,949	155,198	167,504	177,211	193,185	179,547
Work Permit Holders for H&C Purposes	47,990	41,328	41,549	29,251	16,200	13,360
<b>Total Persons</b>	408,852	419,462	454,286	465,390	484,053	405,206

\* year to date Source: CIC, Open Canada

<sup>&</sup>lt;sup>9</sup> Glossary. Citizenship and Immigration Canada [online]. [cit. 2015-01-02]. Available at: http://www.cic.gc.ca/english/helpcentre/glossary.asp#international\_mobility\_program

Table 3 - Permanent residents by source country, top 10

	-	-	_			
_	2009	2010	2011	2012	2013	2014*
India	29,457	34,235	27,509	30,932	33,087	31,163
Philippines	28,573	38,617	36,765	34,314	29,544	30,400
People's Republic of China	29,622	30,391	28,503	33,024	34,129	19,938
Iran	6,580	7,477	7,479	7,533	11,291	13,541
Pakistan	7,217	6,811	7,468	11,227	12,603	7,079
United States of America	8,995	8,142	7,675	7,891	8,501	6,959
United Kingdom and Colonies	8,876	8,724	6,204	6,195	5,826	4,534
Nigeria	3,156	3,906	3,103	3,443	4,172	3,283
Algeria	5,393	4,752	4,325	3,774	4,331	3,210
Iraq	5,450	5,941	6,196	4,041	4,918	3,006

\* year to date Source: CIC, Open Canada

# 3.2. Czech visa policy

We can distinguish 2 basic periods of Czech immigration. Before and after 1989. Before 1989 we are basically talking only about emigration of Czech nationals. With exception of 2 immigration waves after the World War I and II. Immigration to Czech Republic before 1989 will be discussed in sub-chapter - Immigration policies before 1989 Immigration

# 3.2.1. Immigration policies before 1989 – emigration

Until the 19<sup>th</sup> century emigration were emigration waves mostly caused by religious suppression – enhanced by department of Silesia in 1742 and colonization goals of Prussian court. But religious and political emigration was not the only motivators. Economic emigration of craftsmen, merchants and artists became a problem which had to be addressed by the monarchs. In 1784 Joseph II. issued first emigration patent. This patent defined emigrant as a person who decided to leave the crown lands and never come back. Emigration was possible only with official authorization and prohibited emigration of craftsmen and artists. It also incorporated internal control of the population. If someone knew about illegal emigrant and was able to point him/her or in better case bring him before authorities was rewarded. Update of this patent in 1832 brought model for punishing of illegal emigration. Outcome of someone leaving the country – legal or illegal, was the loss of citizenship.

Alongside the emigration to other states, people participated in internal emigration – they were moving to other parts of the monarchy. These migrations were supported by the monarchy because they wanted to improve the population in less populated areas and

improve security in the less military secure areas – mostly in the south and south-east parts of the monarchy – nowadays Croatia and Austria.

After unsuccessful revolution in 1848 people moved to USA and when information about the land of opportunity reached boarders back home it stimulated emigration wave. This was around 1850. It was also connected with the liberation of emigration law. Since January 1850, passports were no longer issued by the state offices (guberniums) but by regional and provincial offices, which speeded up the process. According to notice number 92 "journeyman book" could have been used as a substitute for passport. This book was issued by the mayor of the town and was widely used among the emigrating craftsmen. Reason for this was fact that when you received passport you have lost your citizenship and home rights (you no longer had a place to return to in your village). Another advantage of this book was that males between the ages of 17-40 no longer had to bring proof of military service.

Constitution of 1867 brought another liberation. Article 4 of the constitution stated that the only restriction for emigration is military service. People who were exempt from military service applying for passport were no longer losing their citizenship after they received the passport.

Authorities tried to cope with the overseas emigration fever by introducing law in 1852 which was forbidding any king of "supporting of emigration". So called recruiters were supposedly trying to recruit people and sending them abroad. These people were mostly representatives of transport agencies from Hamburg and Bremen. But their operation had lesser impact than letters send by the emigrants themselves. Together with financial support it leg to huge emigration to USA.

Families with less wealth chose to emigrate to south-east part of monarchy and to Russia, where they established Czech settlements, some of which still exist today. For example Czech minority in Volyn, Russia, has great historical role. Czech Volyn created the Czech retinue and base for Czechoslovak foreign army during First World War and more than ten thousand Czech Volyn joined the 1<sup>st</sup> Czechoslovak Army Corps during Second World War.

Oversees emigration, specially to USA, exploded between 1900 and 1910. This was thanks to faster boat travel and finish of construction of rail roads in Europe. Idea that emigration to USA meant that people would not return was not correct. Immigration of Czech national to the western parts of monarchy was a reality and it was causing social

problems. Social problems of immigration were a concern on the political level in the beginning of 20<sup>th</sup> century. In 1914 new emigration law was ready to be discussed in the Imperial Council. Unfortunately the outbreak of First World War stopped all discussion.

First World War caused rapid decrease in emigration and sparked an immigration trend. But due to bad economic situation after the war the emigration started to raise during 1920s. With a new immigration policy in USA in 1924 quotas on immigration were put into place – with only 3073 places for Czechoslovak immigrants, which shifted the flow of emigrants towards Canada, Argentina and Brazil. Important destination of Czech immigration was France. Agreement signed in 1920 between Czechoslovakia and France allowed the flow of thousands of Czechoslovak nationals into the country.

In 1922 Czechoslovakia accepted new emigration law, which focused on the protection of emigrants – against exploitation and abuse from those who could profit on it – intermediary and transportation businesses. Anyone who wanted to provide information about emigration and gain profit by had to have a licence from the Ministry of Social Welfare. 1922 law also regulated the hiring of Czechoslovak workers. Hiring of such workers was to be done only with the agreement of national labour office and employment agency and worker had to have the same conditions as the local worker.

Some restriction of emigrations were imposed by the 1928 law – which gave possibility to not issue passport under suspicion that traveller would endanger the security or economy of the republic.

During 1930s and 1940s economic migration is replaced with political refugees. First big wave of political refugees was after the signing of Munich treaty and Nazi occupation in 1939. Another waves came with putsch in February 1948 and soviet occupation in August 1968. Emigration in these times was mostly reaction to the rise of totalitarian regimes. Statistics between 1968 and 1972 documents emigration of over 127,000 people.

### 3.2.2. Immigration policies before 1989 – immigration

During Austria-Hungary times, immigration was not considered to be cultural or political problem. Low numbers of economically active and military service capable population was managed by the internal emigration. Reason for this was fact that Austrian citizenship rules were very strict. Person could become Austrian citizen (according to Civil code from 1811) when he was born to an Austrian mother of father, by joining the public service, establishing business or by living in Austria-Hungary for more than 10 years with a crime

free crime record. In 1833 changes were made – since than foreigner had to apply for citizenship even after living in the country more than 10 years and authorities did not have to approve it. Foreigner could also apply before the 10 year period if authorities were able to find his: assets, earning and proper moral behaviour But decision in this case was based only on the consideration of the authorities were not obliged to give their decision making reasons to the applicant. These legal opinions were adapted by the first Czechoslovak Republic, which made the naturalization "act of grace by the state" his still applied today. It can be said that this legal opinion caused inconsistency in the legal regulation. Emigration was connected with the loss of citizenship and immigration did not automatically lead to receiving one.

Number of foreigners living in the Austrian part of the monarchy was low. Austrian researchers found that it started to rise in 1869 and in 1910 it reached 2%. This number also included emigrants from the eastern part of the monarchy.

First re-emigration of Czech immigrants started to appear with the establishment of Czechoslovakia in 1918. Czech immigrants living in Vienna and rest of Austria, Germany and even USA started to return. With land reform (where majority of land owned by the nobility was distributed among inhabitants) and employment opportunities in the public sphere – ministries, regional and other offices, and need for craftsmen and merchants, Czechoslovakia became very attractive for Czech immigrants. But this was not the immigrants in the right sense, since most of the returning immigrants had Czechoslovak citizenship (were allowed to choose it after the war). Czech citizens were not returning just from neighbour countries. Many returned from Russia due to civil war, droughts and famine.

Czechoslovakia had accommodating approach towards refugees and homeless people. Passport law of 1928 allowed publishing of so called Nansen passports (refugee travel document for people who had to home country or it was impossible to find their citizenship). And it also joined the refugee agreement of League of Nations in 1935.

Systematic steps toward the regulation of immigration started to appear during the 1920s. In the same year as the passport law, the protection of domestic labour market law was passed. It stated that employers had to apply for license to employ foreign workers. License was granted only when level of domestic labour market was weak, the economic situation of nation was in need of foreign workers, employer was not able to fill the

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<sup>&</sup>lt;sup>10</sup> VERNER, V. Občanství státní. Slovník veřejného práva československého. sv. II., Brno: Polygrafia, 1932, p. 984

position with local worker or circumstances did not allow situation to be different (e.g. family reasons). Employment of illegal foreign worker was punished by fine and month of prison time. This law, originally planned as temporary measure to fight labour market problems, than became permanent.

Aliens Act of 1935 established requirement to apply for residence permit by all foreigners who intended to stay in country for more than two months. Applicant submitted his application at regional office. Decisions were made by the provincial offices, which also operated the central register of foreigners. Application was approved if applicant did not pose any public, security or economic threat. Foreigner had to regularly report at the gendarmerie, report any changes in his address or intentions for travel plans. Residence permit extension had to be sent at least 15 days before the validity expired.

End of liberal position towards foreigners came after the signing of Munich Pact and German occupation in 1939. Act 257/1938 Coll. set obligation to apply for residence permit to all foreigners, even ones which were excluded in the previous Act. In January 1939 Regulation 14/1939 Coll. set definition of the word immigrant. Immigrant was considered to be person who was unable to supply enough evidence to prove his Czechoslovak citizenship and was residing at the country to avoid adverse effects of his return to home country. This person was then obliged to leave the country.

Year 1945 bought another wave of re-emigration. Government needed to fill the spaces left by the German population – because more than  $282,000^{11}$  people were exiled. Between 1945 and 1946 immigration was mostly organized as repatriation of prisoners of concentration camps or people who were sent to hard labour. During 1947 and 1950 the immigration was mostly organized by the state – it for example implement law to speed-up the process of business licences for immigrants and return of their confiscated assets.

During 1948 and 1989 the boarders of Czechoslovakia were basically closed and therefore no explicit immigration policies implemented during this time. Acception to this could be migration within the Council for Mutual Economic Assistance (Comecon) which allowed foreign workers travel within the countries of the Easter Bloc in visa free regime (you had to have passport and letter of invitation, etc.)

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<sup>&</sup>lt;sup>11</sup> BARŠOVÁ, Andrea a Pavel BARŠA. Přištěhovalectví a liberální stát: Imigrační a integrační politiky v USA, Západní Evropě a Česku. Masarykova Univerzita v Brně, 2005., p. 215

#### 3.2.3. Immigration policies after 1989

Period between 1990 and 1995 brought great liberalization to immigration policies. Sort of laissez faire approach. New Alien Act in 123/1992 Coll. mostly focused on monitoring and control of immigrants and jurisdiction of police towards illegal immigration. The key component of immigration at that time was the possibility to apply for permanent or temporary residency within Czech and Slovak Federal Republic. Foreigner could come to the country as a tourist and after that look for a job and legalize his stay. Result of this liberal approach was monitor but badly regulated flow of foreigners.

Re-emigration of Czech citizens started right after November 1989. One wave consisted of return of citizens which emigrated during communist times and second wave was the return of Czech citizens living in Czech communities in Easter Europe, Balkans and Asia.

Period between 1996 and 1999 is connected with tightening of immigration laws and their implementation. Rise of unemployment and realization of impact of illegal immigration and fulfilling of criteria to join European Union, were the key stones behind changes. Harmonization with the regulations of European Union exploited the administrative, vocational and human capacity of the public sphere and put all efforts of creation of wholesome national immigration strategy "to the shadows". It can be said that the immigration policy of Czech Republic has created itself on its own with thanks to gradual integration with west European countries. Act on Residence of Aliens on the territory of the Czech Republic 326/1999 Coll. came into force. It brought one dramatic change. In the previous Act terms "long-term" and "permanent" residency were two different terms; foreigner could reside in Czech republic permanently only if his family members were already living in Czech Republic or if there were some humanitarian reasons. Long-term residency, achieved with work permit or entrepreneurships did not lead to permanent residency. Which meant that foreigner living and working in Czech Republic could not apply for citizenship, for which permanent residency was primary condition. The Act allowed all foreigners with long-term residency to apply for citizenship.

During period between 2000 and 2004 the need for more complex and liberal approach arose. Czech government came to conclusion that harmonization with regulations of European Union will not be enough to tackle the immigration problems. It was necessary to establish principles for policies on immigration. And on January 2003, with Resolution n. 55, the government approved "Czech Government's Migration Policy

Principles - In six fundamental points, this material defines the direction of the migration policy of the Czech Republic. The wording of the individual principles expresses the wish of the Czech Republic to address migration policy actively and responsibly, while respecting the obligations arising from international conventions, treaties and recommendations<sup>12</sup>

With accession to the European Union in May 2004, national immigration policy was and still is under supervision of European Union. All decisions and law are decided upon consensus among member countries.

### 3.2.4. Employee Card

Employee Card is a work permit for foreign nationals from any country in the world, with exception of citizens of the Member States of the EU/EEA and Switzerland and their family members, who intend to work in Czech Republic for longer than 3 months. This permit replaced visas for stay over 90 day for the purpose of employment, residence permit for the purpose of employment and as of June 2014 also a Green Card. It is issued for period of 2 years with the possibility to extend the validity and can be issued to any type of employment regardless of the level of professional qualification.

Employee Card is issued by The Ministry of the Interior – Department for Asylum and Migration Policy. Applicant has to (among else) submit a contract of employment (or contract of a future contract; where the monthly salary will not be lower than the minimum wage and minimum number of hours worked per week will not be below 15 hours), documents confirming professional qualification. They could be asked to also submit Criminal Records Check, diploma and medical record.

In period between June 2014 and January 2015 Ministry of the Interior has received 1111<sup>13</sup> applications for Employee Card.

### 3.2.5. EU Blue Card

Blue Card is a long-term/work permit for foreigners (Non-EU members) that can be issued only for jobs which require completed university or higher professional education (studies should have taken at least 3 years). Duration of employment should be at least for one year, working hours complying with the statutory working hours and gross annual

Asylum, migration, integration: Migration Policy of the Czech Republic. Ministerstvo vnitra České
 Republiky [online]. [cit. 2015-01-17]. Available at: http://www.mvcr.cz/mvcren/article/migration.aspx
 Informace o stavu řízení. Misterstvo vnitra České Republiky [online]. [cit. 2015-01-19]. Available at: http://www.mvcr.cz/clanek/informace-o-stavu-rizeni.aspx

salary must be adequate to at least a 1.5 multiple of the gross annual salary in the Czech Republic. Validity of card is issued for that duration plus additional 3 months. Maximum period of validity is two years and card can be renewed.

# 3.2.6. Czech Immigration Statistics

Currently there are foreigners from 184 countries living and working in Czech Republic. Most foreign workers come from Ukraine and Slovakia.

**Table 4 – Permanent residents in Czech Republic** 

	2009	2010	2011	2012	2013	2014
Total	181,161	189,962	198,051	214,027	238,904	251,342

Source: own computation, Ministry of Interior

**Table 5 – Long-term residents in Czech Republic** 

	2009	2010	2011	2012	2013	2014
Total	252,144	235,339	238,338	224,186	202,632	200,581

Source: own computation, Ministry of Interior

Table 6 - Foreigners by citizenship (% of the total number of foreigners living in Czech Republic)

	2009	2010	2011	2012	2013
Ukraine	30.50%	29.29%	27.39%	25.81%	23.90%
Slovakia	16.98%	16.91%	18.72%	19.68%	20.74%
Vietnam	14.13%	14.21%	13.41%	13.14%	13.06%
Poland	0.04%	0.04%	0.04%	0.04%	0.04%
Russian Federation	0.07%	0.07%	0.07%	0.08%	0.08%

Source: own computation, Czech Statistical Office

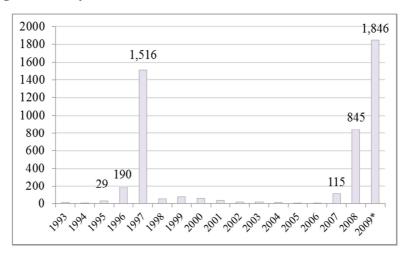
## 3.3. Canada-Czech Republic Visa relations

Canada lifted the temporary resident visas requirement for Czech citizens 3 times. First lifting was negotiated in April 1996. But it was followed by wave of refugee claims. Until end of year 1996 there were 190 claims and until the end of year 1997 there were 1,516<sup>14</sup> claims by Czech citizens (Graph 1). Visas were reintroduced in October 1997.

http://www.cic.gc.ca/english/department/media/backgrounders/2009/2009-07-13a-txt.asp#longdesc-1

<sup>&</sup>lt;sup>14</sup> Backgrounder - The visa requirement for the Czech Republic. Citizenship and Immigration Canada [online]. [cit. 2015-02-23]. Available at:

Second lifting was attempted in October 2007. And yet refugee claims skyrocketed. In 2008 there were 845 claims and in 2009 (from January to June) there were 1,846 claims (Graph 1). Visa were reintroduced in July 2009. This act has caused so called 'Czech Republic-Canada visa war' (this term was used in Paper published in November 2010 by Mark B. Salter and Can E. Mutlu). Author will discuss this topic in the following chapter.



Graph 1- Refugee claims by Czech citizens

\* ... from January to June Source: Citizenship and Immigration Canada

After reform of Canadian immigration system (establishing of designated countries of origin), closer look on non-genuine refugee seekers, sending a team of experts to the Czech Republic in 2011 and negotiation over ratification of CETA (see chapter 3.3.2.), Canada has lifted visa requirements for the third time in November 2013.

#### 3.3.1. Visa War

So called visa war between Canada and Czech Republic (Mark B. Salter and Can E. Mutlu, 2010) started right after reintroduction of visas for Czech nationals in July 2009. After the announcement by Canada's Immigration and Multiculturalism Minister Jason Kenney, Czech Republic notified the Council of EU and demanded that "appropriate measures [be] taken to reassure that all EU citizens on one side and the citizens of Canada on the other side [would] enjoy the same reciprocal regime when crossing the respective borders" (Vicenová, 2009). It also imposed visa restrictions on holders of diplomatic and service passports.

It was the first time since a country whose nationals travelled visa-free to EU reintroduced visa requirements for nationals of a member state. Canada justified the reintroduction by the number of refugee claims, as Minister Kenney said: "the Czech

Republic, a European Union democracy and Mexico, for all of its imperfections [...] was responsible for a 60% increase in the number of asylum claims filed in Canada and was largely responsible for that huge backlog. Those two countries constituted a third of our claims – 91% that were rejected as not being in need of our protection." Czech Republic became the second top source country for refugee claims, thought large proportion of these claims was abandoned or withdrawn by the claimants. It was believed that those claims were fraudulent and were most probably consequences of the attractiveness of the Canadian asylum system.

Alejandro Eggenschwiler mentions in his paper The Canada-Czech Republic Visa Affair: A test for visa reciprocity and fundamental rights in the European Union, that reintroduction of visas for Czech nationals is a setback in the process towards the achievement of visa-free travel to Canada for the nationals of all the EU member states. During EU-Canada Summit in May 2010, Canada's Prime Minister Stephen Harper, the President of the European Council Herman van Rompuy and the President of the Commission José Manuel Barroso assured their commitment to work towards the achievement of visa free travel to Canada for all the EU citizens.

By the end of 2010, Canadian experts visited Czech Republic to prepare a country report which was part of review of the visa policy towards Czech Republic. European Commission held expert meetings, so called Expert Work Group, between Canada and Czech Republic to adapt set of measures for conditions for lifting of visa obligations.

## 3.3.2. Comprehensive Economic and Trade Agreement

Comprehensive Economic and Trade Agreement (CETA) is a freshly negotiated agreement between Canada and EU. It will remove 99% of custom duties, give EU businesses access to Canadian public contracts, protection of intellectual property, open up service market and offer safe conditions for investors. In numbers, "Joint Study predicts annual real income gains of approximately €11.6 billion for the EU and €8.2 billion for Canada within seven years following the implementation of an agreement; total EU exports are estimated to go up to 17 billion Euro and Canadian exports to the EU up to 8.6

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<sup>&</sup>lt;sup>15</sup> Opening remarks for The Honourable Jason Kenney, P.C., M.P. Minister of Citizenship, Immigration and Multiculturalism *Balanced Refugee Reform*", Citizenship and Immigration Canada, 8 April 2010, Available at: http://www.cic.gc.ca/english/department/media/speeches/2010/2010-04-08.asp.

billion Euro; benefits in non-tariff barriers will gain EU 2.9 billion Euro and 1.7 billion Euro for Canada" <sup>16</sup>

During EU-Canada summit in Prague in May 2009 negotiations were announced and CETA negotiations started in October 2009.

All members of EU had to ratify the agreement for it to come into effect and Czech Republic, Bulgaria and Romania threatened to not do so when the visas were still in place during the end of negotiations. On October 2013 the President of the European Commission Jose Manuel Barroso and the Canadian Prime Minister Stephen Harper reached a political breakthrough on the key elements of CETA.

In November 2013 visas for Czech citizens were lifted. This is believed to be the conclusion of the CETA agreement negotiations.

Canadian exports largely made up of aircraft, machinery, turbojets, electronic machinery, medical instruments, pet food, pharmaceuticals, vitamins, iron and steel, plastic and non-alcoholic beverages – value of \$17130 million (which is lower than exports in 2013 which totalled \$134.8 million. Canadian imports were consisting of machinery, iron and steel products, electrical machinery and equipment, auto parts, medical instruments, glass and glassware, and beer – value of \$499 million. Czech Republic 16<sup>th</sup> largest export EU partner for Canada in 2014 and 15<sup>th</sup> largest import EU partner for Canada in 2014.

Table 7- Canadian trade with EU in 2014

Canadian export to EU in				
2014, in CAD				
Great Britain	15.2 billion			
Italy	4.2 billion			
Netherlands	3.8 billion			
Belgium	3.4 billion			
France	3.3 billion			
••••	•••			
Czech Republic	130 million			

Canadian imports from EU in 2014, in CAD				
Germany	16 billion			
Great Britain	9.2 billion			
Italy	6.4 billion			
France	5.9 billion			
Netherlands	3.7 billion			
•••				
Czech Republic	499 million			

Source: Ministry of Foreign Affairs

<sup>17</sup> Dollar sign - \$ - is meant for Canadian dollars

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<sup>&</sup>lt;sup>16</sup> CETA. Official website of the European Union [online]. [cit. 2015-02-27]. Available at: http://eeas.europa.eu/delegations/canada/eu\_canada/trade\_relation/ceta/index\_en.htm

# 4. ECONOMIC ANALYSIS

# 4.1. Temporary Foreign Workers

Canada opened the Temporary Foreign Workers program (TFW from this point on) in 1973 with the goal to bring highly-specialized workers like academics and engineers to fill temporary labour shortages. Through time it has evolved into bringing workers in low-skilled category in occupations like food counter attendants, kitchen helpers, cooks, construction trades, light-duty cleaners and administration workers. Nowadays it TFW program is open to all occupations in all industries.

What is the reason for employers in Canada to employ TFW? Could be the fact that their work permits are tight with specific job from specific employer, therefore they do not have the possibility to change jobs or employer without becoming illegal workers.

Latest available data (up to Q3 of 2014) shows that there were 405,206 temporary residents (Table 7) living in Canada (including Temporary Foreign Worker Program, International Mobility Program, Work Permit holders, International Students and Work Permit Holders for H&C Purposes).

Table 8 - Temporary residents by program

	2009	2010	2011	2012	2013	2014*
Temporary Foreign						
Worker Program	110,748	105,650	111,845	116,796	117,950	85,439
International Mobility						
Program	106,737	121,641	138,531	148,067	161,313	129,003
Work Permit Holders						
for Work Purposes	216,679	226,058	248,819	263,294	277,309	213,664
International students	147,949	155,198	167,504	177,211	193,185	179,547
Work Permit Holders						
for H&C Purposes	47,990	41,328	41,549	29,251	16,200	13,360
Total Persons	408,852	419,462	454,286	465,390	484,053	405,206

\* year to date

Source: CIC, data updated on of January 7th 2015

Table 9 - Temporary Foreign Worker Program work permit holders by program

	2009	2010	2011	2012	2013	2014*
Live-in caregivers	20,051	17,117	16,670	12,672	11,059	9,646
Agricultural workers	30,931	31,731	33,657	35,098	37,592	38,190
Other Temporary						
Foreign Worker	59,901	56,899	61,699	69,224	69,530	37,699
Other higher-skilled	41,571	40,552	41,936	46,815	44,722	22,541
Other lower-skilled	18,283	16,420	19,979	22,754	25,474	15,023
Other occupations	367	349	558	517	536	284
Total persons	110,748	105,650	111,845	116,796	117,950	85,439

\* year to date

Source: CIC, data updated on of January 7th 2015

However, during the Question Period in the House of Commons in Ottawa, Employment Minister Jason Kenney informed about drop of nearly <sup>3</sup>/<sub>4</sub> in the number of applications made by Canadian employers in August 2014 compared to the same month in 2012. This dramatic decrease is probably caused by the reform of Temporary Foreign Worker Program in June 2014.

Temporary Foreign Worker Program has been re-organized into two separate programs:

Temporary Foreign Worker Program	International Mobility Programs Objective: To
Objective: Last resort for employers to fill jobs for which qualified Canadians are not available	advance Canada's broad economic and cultural national interest
Based on employer demand to fill specific jobs	Not based on employer demand
Unilateral and discretionary	Base largely on multilateral/bilateral agreements with other countries (e.g. NAFTA, GATS)
Employer must pass Labour Market Impact Assessment (formerly LMO)	No Labour Market Impact Assessment required
Lead department ESDC	Lead department CIC
No reciprocity	Based largely on reciprocity
Employer-specific work permits (TFWs tied to one employer)	Generally open permits (participants have greater mobility)
Majority are low-skilled (e.g. farm workers)	Majority are high skill / high wage
Last and limited resort because no Canadians are available	Workers & reciprocity are deemed to be in the national economic and cultural interest
Main source countries are developing countries	Main source countries are highly developed

Source: Employment and Social Development Canada

With these changes Canadian employers cannot have more than 20% of their workforce filled with low-wage Temporary Foreign Workers by July 2015 and by July 2016 this number decreases to only 10%.

## 4.1.1. Temporary Foreign Workers Statistics by province

There are more 100,000 TFW working Canada every year. Most of them are employed as agricultural workers, which only supports the trend switch from high-skilled workers to low-skilled workers.

Table 10 displays the distribution of these TFW. As seen on Map 1, the top 4 destinations where workers live are Ontario, Alberta, British Columbia and Quebec.

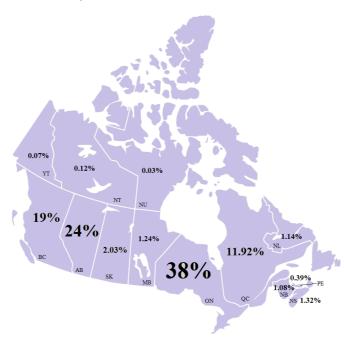
Table 10 - Temporary Foreign Worker Program work permit holders by destination

	2009	2010	2011	2012	2013	2014*
Newfoundland and Labrador	1,077	832	921	1,432	1,800	1,324
Prince Edward Island	361	443	424	484	441	398
Nova Scotia	1,931	1,527	1,758	1,365	1,414	680
New Brunswick	1,060	913	1,147	1,315	1,334	1,186
Quebec	12,184	12,097	13,373	13,790	13,779	11,654
Ontario	43,570	43,066	41,666	39,532	39,526	32,687
Manitoba	1,696	1,312	1,162	1,531	1,459	962
Saskatchewan	2,281	1,602	1,685	2,440	3,310	1,905
Alberta	24,999	25,347	30,635	32,128	31,980	17,357
British Columbia	22,874	19,682	20,266	24,140	24,502	17,718
Northwest Territories	135	187	142	134	164	68
Nunavut	42	19	66	28	22	28
Yukon	46	53	83	107	114	85
Not stated	40	28	34	87	292	7
Total persons	110,750	105,651	111,850	116,799	118,024	85,439

\* year to date Source: Open Canada

Obviously, province of Ontario has been the most attractive destination for TWF during the past 6 years (even throughout the slight decline). Interestingly enough however, reader can see that number people traveling to Alberta has increased – from 25,000 to 32,000.

Map 1 - Temporary Foreign Worker Program work permit holders distribution (average of period 2009-2014)



Source: CIC, Open Canada, own work

Reason for this could be fact that Alberta has the lowest level of the top marginal personal income taxes (see Graph 2) – each province has three to six tax categories according to the yearly income level, e.g. Newfoundland and Labrador has three categories

- 7.7% on the first \$35,008 of taxable income; 12.5% on the next \$35,007 and 13.3% on the amount over \$70,015; only Alberta has flat tax level at 10%). Base income tax rates show a different picture. At this point Nunavut, Ontario and British Columbia have the lowest rates.

25.00%
20.00%
15.00%
10.00%

Noteth Arthur A

Graph 2 - Personal income tax rates, 2014

Source: Canada Revenue Agency

Continuing in the topic of popularity of Alberta, it has no general sales tax (see Table 10). Canada has three types of sales taxes - Provincial Sales Taxes (PST), set and collected by the provinces, Goods and Services Tax (GST), a value-added 5% tax set and collected by the federal government and the Harmonized Sales Tax (HST) a combination of the PST and GST. Each province is using either PST or the HST, except for Alberta (the territories of Yukon, Northwest Territories, and Nunavut also do not have neither the PST or HST, due to high cost of living, which are also partially subsidised by the government).

**Table 11 - Sales Tax Rates** 

	PST (%)	GST (%)	HST (%)	Total Tax Rate (%)
Newfoundland and Labrador			13	13
Prince Edward Island			14	14
Nova Scotia			15	15
New Brunswick			13	13
Quebec	9.975	5		14.975
Ontario			13	13
Manitoba	8	5		13
Saskatchewan	5	5		10
Alberta		5		5
British Columbia	7	5		12
Northwest Territories		5		5
Nunavut		5		5
Yukon		5		5

Source: Canada Revenue Agency

Magazine MoneySence conducts researches every year to measure the quality of life in 201 cities in Canada to determine which are the best cities to live in for new immigrants. They rank the cities in 34 categories (e.g. population growth, unemployment, income and sales taxes, crime rates, health care, transit, immigration population, etc.). In 2014 the top ten cities four were from Alberta (1<sup>st</sup> St. Albert, 2<sup>nd</sup> Calgary, 3<sup>rd</sup> Strathcona County, 8<sup>th</sup> Edmonton) three from Ontario (4<sup>th</sup> Ottawa, 5<sup>th</sup> Burlington, 7<sup>th</sup> Oakville), two from Quebec (6<sup>th</sup> Boucherville, and one from Saskatchewan (9<sup>th</sup> Regina). The result is not surprising, since the popularity of Alberta is increasing each year.

Mercer (American global human resource and related financial services consulting firm), above else, conducts Cost-of-Living Reports. In 2014 they published Cost-of-Living City Report (the survey measures the comparative cost of more than 200 goods and services in each location, including housing, transportation, food, clothing, household goods, and entertainment). Five Canadian cities appeared in the list – Vancouver on 96<sup>th</sup> place, Toronto on 101<sup>st</sup> place, Montreal on 123<sup>th</sup> place, Calgary on 125<sup>th</sup> place and Ottawa on 152<sup>nd</sup> place.

# 4.1.2. Temporary Foreign Workers Statistics by their share in labour market

Share of TFW to the labour force of each province and territory (data on population, labour force, unemployment etc. can be seen in Annex 1) is displayed in the Table 12. Looking at the numbers, reader can see that their share in the labour force is very small.

Table 12 - Share of TFW in labour force, by province and territory

	2009	2010	2011	2012	2013	2014*
Newfoundland and Labrador	0.42%	0.32%	0.35%	0.54%	0.69%	0.49%
Prince Edward Island	0.45%	0.55%	0.51%	0.58%	0.53%	0.48%
Nova Scotia	0.39%	0.30%	0.35%	0.28%	0.29%	0.14%
New Brunswick	0.27%	0.23%	0.29%	0.27%	0.34%	0.30%
Quebec	0.29%	0.28%	0.31%	0.32%	0.31%	0.27%
Ontario	0.61%	0.59%	0.57%	0.53%	0.53%	0.44%
Manitoba	0.26%	0.20%	0.18%	0.23%	0.22%	0.14%
Saskatche wan	0.42%	0.29%	0.30%	0.43%	0.57%	0.32%
Alberta	1.17%	1.19%	1.37%	1.42%	1.36%	0.72%
British Columbia	0.92%	0.79%	0.82%	0.98%	0.99%	0.73%
Northwest Territories	0.63%	0.79%	0.59%	0.55%	0.67%	0.30%
Nunavut	0.38%	0.14%	0.49%	0.21%	0.15%	0.20%
Yukon	0.27%	0.28%	0.41%	0.54%	0.55%	0.42%

\* year to date Source: own computation

Econometric evaluation of the relationship between the number of TFW and unemployment using the Gnu Regression, Econometrics and Time-series Library software (simply Grelt) is as follows:

#### Screenshot 1 – Gretl, weighted leas squares

```
Model 1: WLS, using 78 observations
Included 13 cross-sectional units
Dependent variable: unemployment
Weights based on per-unit error variances
                    coefficient std. error t-ratio
                                                       p-value
                                0.380407 21.90
                                                       2.54e-034 ***
  const
                    8.33229
                     0.000132745 0.000146279
                                              0.9075 0.3671
 population
                   -0.0833712
                                              -1.827
                                                       0.0717
  temporaryforeign~
                                  0.0456394
```

Source: own computation

Interpretation of the result: When the number of TFW changes by 1 unit (1,000 workers) the unemployment decreases by 0.08. Significance is at 90%.

During the research author has noticed that provinces and territories with the highest unemployment rates like Newfoundland and Prince Edward Island tend have smaller share of foreign workers that provinces and territories with low unemployment rates.

Alberta and British Columbia seem to rely more on TFW than other provinces. Paper published by the Canada West Foundation reports that: "Two-thirds of the reduction in low-wage temporary foreign worker entries will come from Alberta and British Columbia. … By 2016, Alberta will have to decrease its entries of low-wage temporary foreign workers by 8,407 people, six times as many as Ontario will need to give up." <sup>18</sup>

# 4.1.3. Temporary Foreign Workers Statistics by gender and occupational skill level

Distribution of males and females and occupational skill of these TFW, as shown in Table 12. 75% of all TFW coming to Canada in 2014 are males and 71% of those males were employed in lower-skill occupations (foundry workers, machine operators, butchers, seafood plant workers, motor vehicle assemblers, furniture finishers, labourers in textile, fishery, wood and food industries). Females were represented by 25% of the total persons and 78% of them were employed in low-skilled occupations (live-in caregivers, food service, hotel workers)

 $docs/publications/HCP\_TFWPWorkInterrupted\_Report\_MARCH2015-1.pdf$ 

<sup>&</sup>lt;sup>18</sup> BANDALI, Farahnaz. WORK INTERRUPTED: How federal foreign worker rule changes hurt the West. Canada West Foundation [online]. 2015 [cit. 2015-03-23]. Dostupné z: http://cwf.ca/pdf-doss/publications/HCP. TEWPWork Interrupted Propert. MARCH2015.1 pdf

Table 13 - Temporary Foreign Worker Program Work Permit Holders by gender and occupational skill level

	2009	2010	2011	2012	2013	2014 *
Higher-skilled	33,667	32,633	33,540	37,690	35,792	18,601
Lower-skilled	41,365	40,576	43,837	46,990	51,289	45,682
Other occupations	206	196	376	350	349	171
Total - Male	74,974	73,083	77,225	84,410	86,613	64,316
Higher-skilled	8,747	8,761	9,225	9,917	9,760	4,622
Lower-skilled	26,952	23,778	25,508	22,617	21,917	16,428
Other occupations	206	196	376	350	349	119
Total - Female	35,774	32,565	34,623	32,385	31,408	21,119
Total Persons	110,750	105,651	111,850	116,799	118,024	85,439

\* year to date Source: Open Canada

Which types of men and women travel to Canada under the TFW Program? Author's opinion that there are mothers or fathers of families, whom they left at their home country and to whom they send their wages via international transfers (more on remittances in lower in this chapter), single parents taking care of their children, couple moving to Canada for working holiday programs, couples in where one of the partners got offered job in Canada, singles working in Canada to start new life.

World Bank published data regarding remittance sent out by all countries in the world. Latest available data published were from year 2012. With Bilateral Remittance Estimates for 2012 in USD the top sending country was USA with \$123,272 billion, followed by Saudi Arabia with \$27,645 billion and third was Canada with \$23,908 billion. That amount in 2012 was 1.31% of Canadian GDP. And of course it was sent after the taxation was deducted from their wages.

#### 4.1.4. Temporary Foreign Workers Statistics by source country

Mexico and Philippines are countries with the highest number of TWF coming to Canada (see Table 13).

Reason for these high numbers could be program specifically designed to attract workers in agriculture called Seasonal Agricultural Worker. Countries which can apply to this program are Mexico, Anguilla, Antigua and Barbuda, Barbados, Dominica, Grenada, Jamaica, Montserrat, St. Kitts-Nevis, St. Lucia, St. Vincent and the Grenadines and Trinidad and Tobago.

TFW from Philippines are mostly coming within the Live-In Caregiver Program or as nurses.

Table 14 - Temporary Foreign Worker Program Work Permit Holders by Countries of Citizenship - Top 10 countries (according to numbers in 2014)

	2009	2010	2011	2012	2013	2014 *
Mexico	18,180	18,152	19,115	21,056	21,842	22,284
Philippines	32,497	28,252	33,078	31,517	30,193	20,034
Jamaica	7,080	7,671	8,029	7,856	9,116	9,093
United States of America	11,283	12,810	11,569	11,965	10,701	6,019
Guatemala	3,917	4,361	4,538	4,925	5,326	4,802
India	6,674	7,057	5,328	6,081	5,906	2,812
United Kingdom and Colonies	4,573	3,715	4,056	4,324	4,449	2,261
France	1,896	1,823	2,154	2,382	2,223	1,461
Trinidad and Tobago, Republic of	1,157	1,192	1,201	1,105	1,325	1,151
Thailand	903	820	1,099	1,197	1,153	798

\* year to date Source: Open Canada

### 4.2. International Mobility Program

In February 2015 changes were made to IMP. Employers now must submit information about their business, offer of employment and pay a fee \$230 to CIC. Foreign workers would not be able to get employer-specific, if their employer does not submit those documents. Applicants are required to pay additional \$100 on top the application fee (to balance costs of new initiatives of data collection and promotion activities to encourage open work permit holders to apply for permanent residency). More on international mobility program in chapter 4.3.1.

#### 4.2.1. International Mobility Program participants, statistics by province

In 2009 there were more workers traveling under the TFW program than in International Mobility Program. Since 2011the trend reversed and now more people participate in the IMP. The top 4 provinces are the same – first Ontario, second British Columbia, third Quebec, fourth Alberta. Some of the provinces even have pilot projects to attract IMP participants - Alberta for example had pilot project (June 2011 to July 2014) for workers in specific occupations (steamfitter, heavy-duty equipment mechanics, ironworkers, carpenters, millwrights, industrial mechanics and estimators.) which could move freely between occupations. pilot project was established under the TFW Annex to the Agreement for Canada-Alberta Cooperation on Immigration

Table 15 - IMP participants by destination

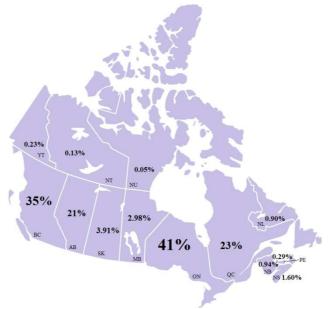
	2009	2010	2011	2012	2013	2014*
Newfoundland and Labrador	563	661	882	1,056	1,294	1,093
Prince Edward Island	221	241	306	379	378	286
Nova Scotia	1,325	1,518	1,747	1,731	1,972	1,564
New Bruns wick	869	1,015	1,021	941	1,087	840
Quebec	19,291	21,902	24,713	25,657	28,818	23,426
Ontario	30,926	37,146	43,590	47,362	52,090	42,321
Manitoba	2,807	3,095	3,158	2,961	3,321	2,983
Saskatchewan	2,729	3,135	4,282	4,424	5,460	4,081
Alberta	16,117	18,102	20,887	24,012	27,027	22,690
British Columbia	31,936	34,841	38,203	40,100	40,397	29,717
Northwest Territories	123	142	153	113	155	87
Nunavut	24	29	34	31	69	93
Yukon	201	298	260	235	258	162
Not stated	58	42	24	2	13	227
Total persons	102,659	106,737	121,642	138,533	161,313	129,003

\* year to date

Source: CIC, Open Canada

Reader can see the distribution of the IMP participants in graphic form in Map 2. From this point on only disputable if the changes made to the TWF program in 2014 will affect the IMP and consequently diverse the distribution of workers in Canada in 2015.

Map 2 - IMP participants distribution (average of period 2009-2014)



Source: CIC, Open Canada, own work

# 4.2.2. International Mobility Program participants by their share in labour market

Share of IMP is little higher than the TFW. However still low. Which author finds interesting since it is much easier and faster to gain work permit for the program. What

also could be a factor here is that participants in the program are allowed to stay in Canada only up to two years.

Table 16 - Share of IMP participants in labour force, by province and territory

	2009	2010	2011	2012	2013	2014*
Newfoundland and Labrador	0.22%	0.25%	0.34%	0.40%	0.49%	0.41%
Prince Edward Island	0.28%	0.30%	0.37%	0.45%	0.45%	0.35%
Nova Scotia	0.27%	0.30%	0.35%	0.35%	0.40%	0.32%
New Brunswick	0.22%	0.25%	0.26%	0.19%	0.28%	0.22%
Quebec	0.46%	0.51%	0.58%	0.59%	0.66%	0.53%
Ontario	0.43%	0.51%	0.60%	0.64%	0.70%	0.57%
Manitoba	0.44%	0.47%	0.48%	0.44%	0.50%	0.45%
Saskatchewan	0.50%	0.56%	0.77%	0.78%	0.94%	0.68%
Alberta	0.75%	0.85%	0.93%	1.06%	1.15%	0.94%
British Columbia	1.29%	1.40%	1.55%	1.62%	1.63%	1.23%
Northwest Territories	0.57%	0.60%	0.64%	0.46%	0.64%	0.38%
Nunavut	0.22%	0.21%	0.25%	0.23%	0.47%	0.66%
Yukon	1.16%	1.59%	1.27%	1.19%	1.25%	0.80%

\* year to date Source: CIC, Open Canada

Econometric evaluation of the relationship between the number of TFW and unemployment using the Gnu Regression, Econometrics and Time-series Library software (simply Grelt) is as follows:

Screenshot 2 - Gretl, weighted leas squares

Model 1: WLS, using ' Included 13 cross-sec Dependent variable: u Weights based on per-	ctional units unemployment				
	coefficient	std. error	t-ratio	p-value	
const internationalmob~			22.29 -2.033 1.206	8.10e-035 0.0455 0.2316	***

Interpretation of the result: When the number of TFW changes by 1 unit (1,000 workers) the unemployment decreases by 0.09. Significance is at 90%.

# 4.2.3. International Mobility Program participants by gender and occupational skill level

Table 17 does not provide sufficient data from which author can some to a conclusion. Full data is only provided for years 2013 and 2014. The number of workers in high-skilled occupation is far higher than the number of high-skilled occupation workers in TFW program, hence confirming the theory of TFW evolving into "source" of low-skill low wage labour.

What is interesting is fact that the difference of share of males and females is much lower – only 58% of all IMP participants in 2014 were male, whereas TFW had males represented by 75% in 2014. And 57% of all those males were employed in high-skilled occupations.

Table 17 - IMP participants by gender and occupational skill level

	2009	2010	2011	2012	2013	2014*
Higher-skilled	n/a	n/a	n/a	n/a	51,445	42,182
Lower-skilled	n/a	n/a	n/a	n/a	3,987	3,076
Other occupations	n/a	n/a	n/a	n/a	38,290	29,500
Total Male	65,216	73,401	86,053	92,764	93,103	74,397
Higher-skilled	n/a	n/a	n/a	n/a	14,231	14,066
Lower-skilled	n/a	n/a	n/a	n/a	1,858	1,650
Other occupations	n/a	n/a	n/a	n/a	52,459	39,059
Total Female	51,777	55,351	63,218	68,734	68,207	54,599
Total persons	116,994	128,756	149,274	161,500	161,313	129,003

\* year to date

Source: CIC, Open Canada

### 4.2.4. International Mobility Program participants by source country

USA participants account for the same number of people working under the IMP as the second and third countries in the list combined. Reason for this could be reciprocal agreements such as North American Free Trade Agreement (NAFTA) or General Agreement on Trade in Services (GATS) in whose labour mobility is a key part – allowing foreign nationals working in central occupations to work in Canada without the need to have LMIA. Companies are also able to transfer employees to Canadian branches without the LMIA. Unfortunately these intra-company transferees were misused. New guidelines were put into place to define the specialized knowledge and salaries would be examined to determine that applicant is indeed specialized in his field.

**Table 18 - IMP participants by source country** 

	2009	2010	2011	2012	2013	2014*
United States of America	23,446	27,398	27,979	29,833	30,374	23,518
France	14,233	16,107	17,509	17,951	19,957	16,503
India	4,166	6,603	9,961	11,368	14,225	11,417
United Kingdom and Colonies	7,983	8,161	9,386	9,771	10,097	7,860
Philippines	2,322	3,440	5,514	5,387	6,680	6,567
Australia	10,053	10,375	9,160	9,135	9,823	6,433
Japan	5,954	5,059	6,284	6,436	6,715	5,934
Germany, Federal Republic of	6,092	6,812	6,854	6,932	6,383	5,117
Ireland, Republic of	2,812	3,649	5,247	6,231	7,070	5,048
China, People's Republic of	2,920	3,004	3,512	3,815	5,665	4,775

\* year to date

Source: CIC, Open Canada

#### 4.3. Czech Workers

Why do Czech workers even go to Canada? Wages in Canada are much higher in comparison Czech Republic (see Table 19). So yearly gross income with the lowest wage is \$20,800 (assuming person works 40hrs/week). There are some exceptions to the minimal wage rates – for example liquor servers earn hourly only \$9.20 in Alberta, \$9.00 in British Columbia and \$9.55 in Ontario. Nova Scotia pays \$9.90 rate to inexperienced workers (people who were employed less than three months in similar type of work). So the lowest salary server working in BC, having 40hrs/week, not receiving any tips, would receive is \$18,720 (\$17,135 net income). Whereas in Czech Republic same worker would earn \$9000 net at best.

Table 19 - Minimum wage rates across Canada

	General MinimumWage	Effective Date
British Columbia	\$ 10.25	May 1, 2012
	\$ 10.45	September 1, 2015
Alberta	\$ 10.20	September 1, 2014
Saskatchewan	\$ 10.20	October 1, 2014
Manitoba	\$ 10.70	October 1, 2014
Ontario	\$ 11.00	June 1, 2014
Quebec	\$ 10.35	May 1, 2014
New Brunswick	\$ 10.30	December 31, 2014
Nova Scotia	\$ 10.40	April 1, 2014
Prince Edward Island	\$ 10.35	October 1, 2014
Newfoundland &	\$ 10.25	October 1, 2014
Labrador	\$ 10.50	October 1, 2015
Northwest Territories	\$ 10.00	April 1, 2011
Yukon	\$ 10.72	April 1, 2014
Nunavut	\$ 11.00	January 1, 2011

Source: Manitoba government

Since no official database containing more specific data about Czech workers in Canada exists author created questionnaire consisting of questions relating to Czech nationals working in Canada (can be seen in Annex 2, e.g. type of visa, length of stay, occupation, yearly wage, employment status, place of work, age, gender and nationality). This questionnaire was sent to selected website used by Czechs and Slovaks living in Canada: kanada.krajane.cz and several Facebook groups: Kanada - Češi a Slováci v Kanadě, Calgary - Češi a Slováci v Calgary, Alberta - Češi a Slováci v Albertě, Montreal - Češi a Slováci v Montrealu, Toronto - Češi a Slováci v Torontu, Češi v Kanadě – Vancouver. During the period of time the questionnaire released, it received only two

answers. Fault is only on the author. By the time of realization that two answers were not sufficient to provide data for all goals she needed to find alternative ways to collect data. This realization came too late however and she did not have time to do so.

These two responses allow author to prepare case study on economic effect on Canadian national budget, but are insufficient to create of report on Czech "mark" in the Canadian work market – depending on the province or territory. This partial goal of the thesis will have to be re-focused on a different aspect of the Czech "mark". More can be seen in chapter 4.3.4.

# 4.3.1. Structural analysis of Czech immigration to Canada for the purpose of work

Czech citizen who wishes to temporarily work in Canada has several options to choose from:

#### Temporary Foreign Worker Program

TFW program help Canadian employers find foreign workers to fill temporary labour and skill shortages when Canadians or permanent residents are not available. Program is managed by Human Resources and Skills Development Canada (HRSDC) and Citizenship and Immigration Canada (CIC).

Worker is required to apply for job-specific work permit and with this application he is required to submit Labour Market Impact Assessment (LMIA). This document is supplied by the future employer – confirming that he tried to find employees in Canadian labour market first.

TFW can work in Canada for maximum period of 4 years and have the opportunity to apply for permanent residency if they meet certain requirements.

#### **International Mobility Program**

IMP program helps Canadian employers find foreign workers without the need of Labour Market Impact Assessment.

Applicants under the program apply for open work permit. Two types of open work permit exist: *unrestricted work permit* (the employer, location and occupation are unrestricted)

occupation-restricted work permit (the employer is unrestricted, but the occupation restriction is specific – remark is put on work permit – not authorized to work in child care, primary or secondary school teaching and health services field occupations)

Which categories are eligible post-graduate international students who attended Canadian school, people working under the free trade agreements, such as NAFTA, International Experience Canada participants, some permanent resident (PR) applicants waiting for the permanent residency application to be processed and spouses of highly-skilled foreign workers or full-time students.

IMP participants can work in Canada for up to two years.

#### Live-in caregivers

Workers under this program can work as nannies, caregivers or au pairs.

Applicants are required to apply for Live-in Caregiver Program work permit and submit LMIA. There are four main requirement applicants must fulfil – either having education in Canada; having full-time employment experience in occupation related to the live-in caregiver; being able to speak English of French fluently and having written contract.

Live-in caregivers can work in Canada for up to four years and have the opportunity to apply for permanent residency if they meet certain requirements.

#### Study and Work in Canada

Foreign student studying in Canada can work on campus or off campus without the need to have work permit. Students can work up to 20 hours a week during the academic period and full-time during scheduled breaks.

#### International Experience Canada

IEC provides young people opportunity to travel and work in Canada. IEC is available in countries that have a bilateral youth mobility arrangement with Canada (currently 32 countries).

: Working Holiday – program designed to allow people travel in Canada and find temporary paid employment; participants can stay in Canada for up to 12 months; applicants must between 18 and 35 years of age; each country has quotas for the program, Czech Republic had quota of 1,000 people in 2014;

: Young Professionals – program designed for post-secondary graduates, who wish to further their careers by gaining professional work experience in Canada; participants can stay in Canada for up to 12 months; they must be between 18 and 35 years of age; unlike Working Holiday applicants have to have signed letter of offer or contract of employment in Canada; each country has quotas for the program, Czech Republic had quota of 120 people in 2014;

: *International Co-op* – program is designed for students who are enrolled at a post-secondary institution in their home country; participants must be registered students for the duration of the internship; participants can stay in Canada up to 12 months; they must be between 18 and 35 years of age; and have signed letter of offer or contract for a work placement or internship in Canada which meets the curriculum requirements of their school; each country has quotas for the program, Czech Republic had quota of 90 people in 2014;

If Czech citizen wishes to work and live in Canada permanently he can choose from:

#### Quebec-selected skilled workers

Quebec has its own selection criteria; applicant has to apply for certificate of selection (Certificat de sélection du Québec); when selected applicant can apply for permanent residence;

#### Federal Skilled Workers

Applicants are assessed on selection factors – language skills, education, work experience, age, valid job offer and adaptability (likelihood of settling in the province or territory); when applicant scores 67 points or more (out of 100) he is eligible to immigrate to Canada;

#### Canadian Experience Class

Applicants must plan to live outside the province of Quebec, have at least 12 months of full time skilled work experience in Canada and have required language level;

#### Federal Skilled Trades Program

Applicants must plan to live outside the province of Quebec, have required language level, have at least two years of full-time work experience, meet skilled trade

requirement in the National Occupational Classification (NOC), having job offe for at least a year;

#### Provincial nominees

Applicants must apply directly to a province or territory, take a language test for semi- or low-skilled job or managerial, professional or technical job; application is reviewed based on immigration needs of the province or territory and premise that applicant will live in selected province or territory;

#### Start-up visa

First of its kind, this type of visa is targeted on immigrants entrepreneurs who plan to establish new businesses; applicant must supply Letter of Support (letter from designated organization confirming that they will support the business idea); meet the language requirements; have sufficient funds;

## 4.3.2. Analysis of the changes in Canadian labour market after November 2013

Since November 2013 citizens of Czech republic no longer require visa to travel to Canada. No official statistics exist, but it is right to believe that the number of Czech visitors increased after the November 2013.

If Czech citizen decides to work in Canada however, he is still required to apply for work visa. As mentioned in the chapter before, they can choose from several programs.

Below you can see the statistics for TFW program and International Mobility Program. Much more people apply for the International Mobility Program

**Table 20 - Temporary Foreign Worker Program** 

	2009	2010	2011	2012	2013	2014 *
Czech Republic	81	65	84	141	242	105

\* year to date Source: Open Canada

**Table 21 - International Mobility Program** 

	2009	2010	2011	2012	2013	2014*
Czech Republic	847	867	1,174	1,340	1,337	1,002

\* year to date Source: Open Canada The number of Czech people traveling to Canada for the purpose of work, in comparison with other countries, is not very high. 242 TFW in 2013 from Czech Republic, where population is somewhat above 10.5 million, whereas 30,193 Philippines travelled to Canada the same year and there are 93 million inhabitants. That is 7.5 times smaller share of workers per population traveling to Canada from Czech Republic than from Philippines.

When put in comparison with the Canadian labour force, the share of Czech workers in Canadian labour force in any of the two programs is very low. It is visible however, that the share and sheer number of Czech workers in both programs has increased in the year 2013 in comparison with the previous year, but if this increase was due to fact that the tourist visa requirements were lifted, is very improbable.

Table 22- Share of Czech TFW holders in Canadian labour market

	2009	2010	2011	2012	2013	2014 *
Czech Republic	0.00044%	0.00035%	0.00045%	0.00075%	0.00127%	0.00055%

\* year to date Source: Open Canada, own computation

Table 23 - Share of International Mobility Program participants in Canadian labour market

	2009	2010	2011	2012	2013	2014*
Czech Republic	0.00464%	0.00470%	0.00631%	0.00712%	0.00702%	0.00524%

\* year to date

Source: Open Canada, own computation

Knowing now that the process of getting a work visa remained the same prior to November 2013, and Czech Republic was the only country for which Canada lifted visas in 2013, radical increase of work permits issued for Czech citizens is not visible in any statistics.

When Czech citizen has the possibility to work outside of Czech Republic, Canada is not going to be the number one destination they choose. They will choose countries within the European Union region.

"Do you wish to work abroad?" was question author asker colleagues at the Czech University of Life Sciences in Prague. Answers collected through Questionnaire 2 do not contain sample of population (only 40 answers), but is methodologically valid for the purpose of this thesis. Graph below displays answers. 60% of respondents want to stay in Czech Republic or work in any of the European Union member countries. 15% would

consider working in Canada and only 10% would for example go to United States of America.

2.50% \_2.50% 2.50% ■European Union 2.50%  $\square$ I do not want to work abroad □Canada 37.50% ■USA 10.00% ■Australia ■Non-EU countries 15.00% ■ South America ■ Africa 22.50% ■Rest of Asia

Table 24 - Czech students about working abroad

Source: own questionnaire

# 4.3.3. A case study on economic effect on Canadian national budget when Czech workers enters Canada – legal and illegal entry

As per beginning of this chapter, the responses received in the questionnaire will be used for creation of the case study. Case study will consist of two Czech workers and will bring information on their effect on Canadian budget.

#### LEGAL TEMPORARY WORKER

- having work permit issued the Canadian government

Table 25 - Case study number one

Gender:	Female
Age:	30
Visa:	Working Holiday
Place of work:	Toronto, ON
Occupation:	Office and Administrative Support
Hours worked per week:	40 or more hours
Length of stay in Canada:	7 - 12 months
Yearly wage:	\$40,000 - \$49,000

Source: questionnaire

Before she applied for Working Holiday visa, she worked at the Canadian Embassy in Prague for several years. Then she changed work and went working for Visa Application Centre in Prague.

She has studied at University of West Bohemia and received bachelor degree.

She applied for Working Holiday visa in February 2014 arrived to Canada in June 2014. After arriving to Toronto, she found job in West Coast Immigration as an office worker and has been working for the past 9 months in full-time office and administrative occupation.

She lives in the suburbs in a 2 bedroom apartment (with ensuite laundromat, which is not common in apartments in Toronto), has a roommate, no pets and smokes. Her commute to work is almost 2 hours, during which she uses buses and trams (monthly pass \$141.50).

Gross earning \$40,000 a year would give her net income of \$34,139 (calculated with EY 2014 Personal tax calculator). Basic health insurance and social insurance are included in the deductions. She is not paying additional private insurance.

Rent for the apartment is \$1035 a month + approx. \$275 for utilities (electricity, heating, water, internet, garbage).

From time to time she goes to the movies, or festival or museums.

Table 26 - Case study number one - Monthly budget

Wage:	\$2,845
<b>Rent</b> (including utilities and internet):	\$655
Public transport pass:	\$141.50
Groceries:	\$40 week + \$11 for box of cigarettes a week
Occasional movies, theatre tickets:	\$26
Sum left:	\$1,818.5

Source: own computation

During an average month, her living expenses for a of living in Toronto are approx.. \$1,027.

In the 9 month period her living in Toronto, she paid \$4,395.75 in personal income taxes. In fiscal year 2013/2014 Canada's federal government collected Personal Income Taxes in the value \$130.8 billion, or 48 cents of every dollar raised in revenues. Which means she contributed to the national budget by 0,0000035% of the total value.

Her shopping (\$1,440 a year) contribute by approximately \$187.2 HST. Canada's federal government collected the Goods and Services Tax in the value of \$31.0 billion, or

11 cents of every dollar. Which means she contributed to the national budget by 0.0000006% of the total value.

By buying a 4 boxes (25 pcs per box) of cigarettes a month with tax 12.350 cents per cigarette, she contributed by approx.. \$111.15 to the other taxes—such as non-resident withholding taxes, customs import duties, and excise levies on alcohol, tobacco, gasoline and diesel fuel, amount collected in fiscal year 2013/2014 was \$21.5 billion, or 8 cents of every dollar raised in revenues.

Commuting to work using the Metropass, she paid \$1273.5. In period from July 2013 to July 2014 the TTC (Toronto Transit Commission) earned \$1.25 billion. Her contribution to the budget of TTC was 0.0001% of the revenue.

In summary her contributions to the Canadian budget are not particularly high, but are persistent and timely. She has a steady job and is will not be facing any difficulties. If she however would get fired for budget cuts or simple employee reduction, she would be entitled to receive Employment Insurance Regular Benefits at the value of 55% of her average insurable weekly earnings (in her case that would be \$391.18). She would be entitled to receive it between 14 to 45 weeks, depending on unemployment rate in the region and amount of hours worked during last 52 weeks. According to the table available at Service Canada <sup>19</sup>, if she was laid off in March 2015, she would have worked for 45 weeks, 40 hours a week, 1800 hours. Ontario had 7% unemployment rate in 2014. Looking at the table she would be entitle to receive the benefits for 40 weeks (Table 20)

Table 27 - Number of weeks of benefits that would be paid base on hours worked

Number of hours of Insurable employment	6% and under	More than 6% but not more than 7%	More than 7% but not more than 8%	More than 8% but not more than 9%	More than 9% but not more than 10%	More than 10% but not more than 11%
420-454	0	0	0	0	0	0
455-489	0	0	0	0	0	0
490-524	0	0	0	0	0	0
••••						
750-1784	34	36	38	40	42	44
1785-1819	35	37	39	41	43	45
1820-	36	38	40	42	44	45

Source: Service Canada

<sup>19</sup> Employment Insurance Regular Benefits. Service Canada [online]. [cit. 2015-03-24]. Available at: http://www.servicecanada.gc.ca/eng/ei/types/regular.shtml#long1

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For 10 months she could be receiving \$1,564.72 a month in EI payments. This is 2/3 times more that she had previously paid in her personal income taxes (\$488 monthly deductions). While she receives the EI she can find part-time job. Let us say she starts working at a café, earning \$8 an hour. She works 20 hours a week, earning \$160 a week. Only thing that will happen is that her EI payments will be reduced by \$80 (half of what she earns in the café per week). No restriction on the part-time job whatsoever, just fill form that she is working part-time.

In conclusion, she is not a typical Working Holiday visa holder. Her occupation and her wage were above the average occupation and wage of Working Holiday visa holders. Her contribution to the Canadian budget is positive. She contributed with her work and by paying her taxes, spending her income on groceries and home supply, saving some money in the bank. She does not require any government support (unemployment, housing, etc.), has no financial liabilities (mortgages, loans, etc.) and no children. She will be returning back to Czech Republic in June 2015. Her employer did not apply for new work visa. Might have been the fact that the she wanted to return to Czech Republic. Might have been the \$1,000 fee for Labour Market Impact Assessment. Author does not know possess this information.

Table 28 - Case study number two

Gender:	Female
Age:	25
Visa:	Working Holiday
Place of work:	Banf, AB
Occupation:	Personal Care and Service Occupation
Hours worked per week:	21-39 hours
Length of stay in Canada:	1 - 6 months
Yearly wage:	\$10,000 - \$19,000

Source: questionnaire

Before applying for Working Holiday visas, she worked at the Ministry of Agriculture, at division of water management.

She studied at the Charles University in Prague and received master degree.

She applied for Working Holiday in March 2014 with her partner. Eventually he withdrew his application, she did not. She received her visa and left for Canada in February 2015. Before her actual departure she went on a job fair organized by the

Canadian Embassy in Prague, where she met her employer - Banff Pratmingan Inn. She arrived in Banf, Alberta and started working the next day as hotel staff – chambermaid. She has agreement with her employer that during the high season (April to August) she will start working as a receptionist.

She is living in staff accommodation – house with several apartments, each apartment has 3 bedrooms and there are two people per bedroom. No pets. Non-smoker. Her commute to work is by foot, she lives 6 minutes from the Inn.

Gross earning \$15,000 a year would give her net income of \$14,421 (calculated with EY 2014 Personal tax calculator). Basic health insurance and social insurance are included in the deductions. She is not paying additional private insurance.

Rent for the apartment is \$15 a day – it includes all utilities - electricity, heating, water, internet, garbage). She is also eligible to go for lunch in the Inn for reduced prices - \$5 a meal.

During the first few months she is not going to be spending much money beside grocery shopping.

She is planning to stop working at the Inn in November 2015 and travel across Canada and return to Czech Republic in January 2016.

Table 29 - Case study number two - Monthly budget

Wage:	\$1201.75
Rent (including utilities and internet):	\$450 - 465
Public transport pass:	No expenditure
Groceries:	\$45 week
Meals at the Inn	\$140
Sum left:	\$431.75/416.75

Source: own computation

During an average month, her living expenses for a of living in Banff are approx.. \$770 to 785.

She plans to work in Banff for 9 months. During these 9 months she (given that she will keep her wage level) would pay \$434.25 in personal income taxes. In fiscal year 2013/2014 Canada's federal government collected Personal Income Taxes in the value \$130.8 billion,. Which means she contributed to the national budget by 0,00000033% of the total value.

Her shopping (\$1,620 a year) contribute by approximately \$81 GST. Canada's federal government collected the Goods and Services Tax in the value of \$31.0 billion.

Which means that she contributed to the national budget by 0.00000026% of the total value.

Money paid for the meals at the Inn account for \$140 (considering that she will eat there every day, just one meal). In the 9 months it would be \$1,260. This money will go to the Inn, who will pay service taxes. Therefore this amount could be added to the about she spent on groceries – that gives us \$1,341 taxes in 9 months. Changing the contribution to 0.0000043%

Within few months she plans to buy a mountain bicycle. By taking a quick look on the web, she can buy one for \$350. This bike will then be used for all transportation within the Banff city. And new running shoes – approx. \$100.

If she would be fired from her current job, let us say after 5 months, during which she worked 25 hours a week – 400 hours total. British Columbia had unemployment rate 5.5 in 2014. Looking at the table, she would not be entitled to receive any EI.

Table 30- Number of weeks of benefits that would be paid base on hours worked

Number of		More than	More than		More than	More than
hours of	6% and	6% but not	7% but not		9% but not	10% but not
Insurable	under	more than	more than	More than 8% but	more than	more than
employment		7%	8%	not more than 9%	10%	11%
420-454	0	0	0	0	0	0
455-489	0	0	0	0	0	0
490-524	0	0	0	0	0	0

Source: Service Canada

Thought November 2015 to January 2016 she plans to travel across Canada. First stop will be cities in Alberta – Calgary and Edmonton. Then she would go to Vancouver. If she has enough time, visit of the east coast is not off the table.

Basic expenses for the trip are shown in the table below (Table 24). Her savings for the trip is \$2,520 (even if she would be very careful with her money, she would probably not save more than \$330 a month; author also accounted expenses for bike and shoes; expenses such as ice-hockey tickers, museum and other cultural events are not included in the calculations)

**Table 31 - Budget for travelling** 

	bus Banff to Calgary \$59.85
	day pass in Calgary \$9.50
Transport avpances	bus Calgary - Edmonton \$30.30
Transport expenses	day pass in Edmonton -\$9
	bus Edmonton - Vancouver \$108.00
	day pass in Vancouver - \$9.75
	Calgary - 6 Bed room - \$36/night
Accommodation:	Edmonton - 2 bed dorm - \$35/night
	Vancouver - 4 Bed dorm - \$28.00/night
Food spending:	Average of \$50 a week

Source: own work

If she decides to stay in the cities for 10 nights, living in hostels and eating out, she will spend \$1218.65 in the province of Alberta and \$452.75 in the province of British Columbia.

By buying tickets to travel from Banff to Calgary, from Calgary to Edmonton and from Edmonton to Vancouver, she would pay \$198.15. Traveling in Calgary would cost her \$95, contributing to the total revenue of \$212.5 million of Calgary Transit by 0.000045%. Traveling in Edmonton would cost her \$90 contributing to the total revenue of \$129. 39 million of Edmonton Transit System by 0.00007%. Food spending in Alberta would be in in value of \$125, GST tax value of \$6.25. Food spending in British Columbia would be \$75, HST value of \$9. Her stay at hotels would cost her \$990 (tax included), with 7% government tax on accommodation providers, accommodation tax \$65.

In conclusion, she is a typical Working Holiday visa holder. Working in a low-wage job, below her education level. Her contribution to the Canadian budget is positive. Even twice as positive as in the case of case study number one worker. She first contributed working and paying her taxes then she contributed as a visitor, spending her money on trips, accommodation and food services.

<u>CONCLUSION FOR BOTH CASE STUDIES</u> – given than combined they have contributed to the Canadian budget with \$4830 in income taxes and \$268.2 in goods and service taxes, and that there were 1,107 people in Canada in 2014 (data until the Q3) under both programmes (TFW and IMP); contribution of Czech workers to the Canadian national budget was evident, but cannot be said that it was very significant. Author must **reject the hypothesis of the thesis.** 

#### ILLEGAL TEMPORARY WORKER

- not having work permit issued the Canadian government

Unlike United States of America, majority Canadian illegal workers entered Canada through official channels – they have student visa, visitor visa, work visa, they are refugee claimants or sponsored immigrants. Workers could become illegal workers when their work permit expired and they continue to work or that they changed occupation without notifying the government.

Occupations in which is more likely to find illegal workers include construction, agricultural workers, small restaurants and cafés.

Employing an illegal immigrant is can be fined with penalties up to \$50,000 and imprisonment up to 2 years. In December 2013 Stripping Construction Ltd. of New Westminster employer was charged with six counts of employing a foreign national without authorization under the Immigration and Refugee Protection Act (IRPA). In July 2012 Manitoba Limited was fined \$12,000 for employing illegal workers.

Employers that do employ illegals, can avoid paper trail by paying workers in cash. No need to pay any health or social insurance, employee benefits, contributions to the Canada Pension Plan.

#### <u>Case study three – intentional illegal worker</u>

Imagine a young man in his 20s, traveling to Toronto on tourist visa. Official reason for the trip is to visit his friend who is living in Canada on Working Holiday visa. His friend is working at a construction – he paints houses. He knows his employer is looking for new employees and before his friend comes to Canada they agree that he will help him find work. Supervisor agrees to employ him with condition that his wage will be paid in cash. Man works for him for the next 6 months, gets paid \$10/hour (way below the minimum wage for painters), works 20 hours a week. Earns \$4,800. He spends \$1,320 for groceries = sales tax in value of \$171.6. Since he is illegal worker, his income tax was not deducted from his pay. However even if he was a legal worker, he would pay no personal income tax for the \$4,800 – the amount is too low. Staying in Canada for a year would make a difference and he would fall in the first Ontario tax category — 5.05% on the first \$40,922 of taxable income.

There are no official numbers on how many illegal Czech temporary workers, or any illegal temporary workers in that matter, are currently in Canada. The estimates are between 200,000 to 500,000. Illegal workers contribute to the Canadian economy mostly through sales and excise taxes (taxes for gasoline and fuels, tobacco and alcohol). And could also contribute via property tax and income tax.

One of the tools that could prevent this illegal work is creation of list of employers that often engage in employing workers without permits. Such a list was launched on April 1, 2011 by the Canadian government. To this day the list of ineligible employers consists of 4 companies<sup>20</sup> Not nearly enough to have effect across Canada.

#### Case study number four

17.8 million Canadian and international employees paid Personal Income Tax in the value of \$130.8 billion in fiscal year 2013/2014.

If 200,000 illegal workers were granted amnesty and became legal Canadian workers, they could contribute to with almost \$147 million a year in taxes and ER contributions.

Canadian government is considering implementing amnesty program. Critics say that it would increase the prices of consumer goods, because most illegal workers work as seasonal agricultural workers. And that it would reward workers "who do not play by the rules". Advocates of the amnesty say that it would improve the working conditions of many workers, because the fear of being reported to the authorities makes them tolerate abuse and mistreatment in the workplaces.

The government would offer temporary work permits to illegal workers who are employed and after trial period – let us say 1-2 years – they could apply for permanent residency. That would eventually boost their spending habits, bringing even more money trough income taxes and sales taxes.

Currently there are thousands TWF who are facing the possibility of becoming illegals. Workers who have worked in Canada for four years, are not eligible to apply for new permit as of 1<sup>st</sup> of April 2015 (that is deadline on which first work permits expire). They cannot apply for next four years. After this time has elapsed, they can apply again.

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<sup>&</sup>lt;sup>20</sup> List can be seen at: Employers who have broken the rules from the Temporary Foreign Worker Program. Employment and Social Development Canada [online]. [cit. 2015-03-25]. Dostupné z: http://www.esdc.gc.ca/eng/jobs/foreign\_workers/employers\_revoked.shtml?\_ga=1.123069195.1624147400.1 424693911

Truth be told, foreigners working in management or professional positions are not affected by this rule.

#### 4.3.4. Czech "mark" in Canadian work market

Questionnaire data were not sufficient enough to provide answers for this partial goal of the thesis. Instead of focusing on Czech workers who "take jobs" from Canadian labour market, author will focus on Czechs who "create" jobs in Canadian labour market. Czech citizens who immigrated to Canada and established a business are consequently created job opportunities by doing so.

What has to be mentioned is the establishment of The Czech Business Association of Canada in 1999. The organization has its roots as the Alberta Chapter of Canadian Czech Republic Chamber of Commerce. It is a not-for-profit association created for the purpose of promoting Canada-Czech Republic business ties in Western Canada.

Next paragraphs introduce companies established by Czech citizens:

<u>United Cleaning Services Limited</u> – company offering cleaning services is owned by Milan Kroupa. Established 1977 in city of Brampton its headquarters consisted of small apartment and two boxes used as a table and chair. Eventually his business expanded to other cities – Calgary, Winnipeg, Montreal and Halifax. Now he employs 4,000 people. His divisions include retail, commercial, day services, specialized services, carpet care, outside services and store care services.

<u>Akuna Health Products Incorporation</u> – Czech-Canadian company was established in 1999 in Mississauga and Brno as a producers of natural health products. Nowadays it operates in 15 countries and employs 20 people in Canada.

<u>Edenvale Aerodrome</u> – a former Canadian Air Force Training facility bought and renovated by Milan Kroupa. Nowadays is used primarily for advanced training in Harvards. If offers hangar rentals, pilot procedures and host some sporting events.

<u>Nova Vize</u> – longest running Czech television outside the borders of the Czech Republic. Established in 2003 in Toronto, with the initiative of Marketa Slepcikova. Nova Vize has 25 000 viewers.

<u>Czech-books.com</u> – on-line shop specializing in sale of Czech books, CDs, DVDs, Calendars, Crosswords, Czech Maganizes, Czech Socker Jersey, Greeting Cards. Contact person is Lenka Storzer. Contact address is in Victoria, BC.

<u>Hofman International Inc.</u> – international trade and tourism company, established in 1993 in Calgary. His divisions incorporate services from basic export and import, product marketing and distribution to organizing trade missions and developing tourism - Saccharides.net (sale of rare sugars).

<u>VP Computer Services Inc.</u> – computer service company offering computing and networking services and support owned by Paul Vondrasek, son of Czech immigrant. It was established in 1997 in Alberta.

<u>Prague Restaurant</u> – contemporary Euro-Canadian restaurant, part of Masaryk Memorial Institute, restaurant was established in 1949 in Toronto

Bohemia Restaurant – Czech-European restaurant , established in 1990 in Québec.

Companies which did not have any web-site or were sole workers - Slovan Translations, Jelinek Trade Agency, Bambino's Garden (kindergarten in Calgary), Liba Cunnings (massage therapist in Calgary), Dr. Peter Rendek (dentist in Calgary)

### 5. CONCLUSION

Using foreign workers is part of Canadian history. Temporary Foreign worker program was established in 1973 as the Non-Immigrant Employment Authorization Program (NIEAP). Workers were hired based on their specific skill, they had temporary residency (linked to employer) with no possibility to apply for permanent residency. Over time program expanded to low skill occupations (meaning jobs which required only high-school education). In 2014 (data up to Q3) there were almost 85,439 TFW working in Canada. Their share in Canadian labour market is lower than 1%.

Throughout time temporary workers became somewhat of national concern. Loudest voices say that there workers take jobs from Canadian citizens. That statement could be true. Mainly, because the system is being abused. It is being abused by employers who use this program to bring cheap labour. They do not have to increase the wages. Low-

skilled category foreign workers will gladly swipe the floor of a food-chain restaurant for minimal wage. Keeping the wages in food and service sectors at much lower artificial rates.

Step towards improvement has been attempted in June 2014, when the TFW program has been reformed. Authors of this change promise increase of employment among Canadians, by making it harder (aka more expensive) for Canadian employers to employ foreigners. This change could however lead to increase of unemployment since some predictions state that provinces, like Alberta could lose up to 8,407 of foreign worker entries by 2016.

Legal foreign workers are indisputably valuable part of Canadian economy, bringing millions of tax dollars to the national budget. Illegal foreign workers on the other hand almost out balance the benefits of legal workers. Approximately 200,000 illegals could bring up to \$147 million a year in taxes and ER contributions. Granting these workers amnesty would only upset those who have followed the rules. This battle has to be fought on "neighbourhood" level, by "ratting" out the ones that abuse the system and employ illegals. Being that close friend or not, rules are set to be followed, not walked around.

Immigration policies in Czech Republic were basically non-existent until the late 1990s. Before that people were trying to leave Czech Republic (or Czechoslovakia) due to political oppression. Since 1989 and the opening of Czech borders Czech Republic has been dealing with immigration from Ukraine, Slovakia, Vietnam, Poland and Russia. With accession to the European Union in May 2004, national immigration policy was and still is under supervision of European Union.

As per case studies in chapter 4.3 Czech Workers, author had to **reject the hypothesis of the thesis**. Contribution of Czech workers was evident, but not very significant as stated in the hypothesis.

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## 8. ANNEXES

Annex 1 - Labour force characteristics by province and territory, December of each year, in thousands

	2009	2010	2011	2012	2013	2014
Newfoundland and Lab.						
Population	430.5	432	428.6	428.1	429.6	443.3
Labour force	257.2	263	260.5	266.4	262.4	268.7
Employment	217	227.1	227.2	235.7	234	237.1
Unemployment	40.3	35.9	33.3	30.6	28.4	31.6
Unemployment rate	15.7	13.7	12.8	11.5	10.8	11.8
Prince Edward Island						
Population	116.4	118.4	119.8	120.6	121	120.7
Labour force	79.6	80.4	82.8	83.6	83.2	82.2
Employment	71.1	70.7	73.4	74.4	73.6	73.1
Unemployment	8.5	9.6	9.4	9.2	9.6	9.1
Unemployment rate	10.7	11.9	11.4	11	11.5	11.1
Nova Scotia						
Population	774.5	777.5	779.6	780.8	781.5	784.1
Labour force	499.9	501.2	497	495.8	494.9	492.1
Employment	452	449.1	458.1	449.8	449.6	451
Unemployment	48	52.1	38.8	46.1	45.3	41.1
Unemployment rate	9.6	10.4	7.8	9.3	9.2	8.4
New Brunswick						
Population	622.8	626.3	620.2	780.8	619.9	621.7
Labour force	399.9	400.5	390.7	495.8	392.1	390.2
Employment	364.2	362.8	354.1	449.8	354.1	351.2
Unemployment	35.7	37.7	36.6	46.1	38	39
Unemployment rate	8.9	9.4	9.4	9.3	9.7	10
Quebec						
Population	6,471.7	6,550.7	6,605.2	6,664.3	6,714	6,822.3
Labour force	4,209.7	4,285.5	4,272.8	4,363.4	4,384.3	4,389.5
Employment	3,857.5	3,960.2	3,902.7	4,044	4,046.3	4,061.1
Unemployment	352.2	325.4	370.1	319.4	338	328.4
Unemployment rate	8.4	7.6	8.7	7.3	7.7	7.5
Yukon						
Population	24.4	26.1	26.7	27.2	27.7	27.7
Labour force	17.3	18.7	20.4	19.8	20.6	20.2
Employment	16	17.9	19.4	18.7	19.6	19.3
Unemployment	1.3	0.8	1	1.2	1	0.9
Unemployment rate	7.5	4.3	4.9	6.1	4.9	4.5
Northwest Territories						
Population	31.4	32.2	32.1	32.1	31.9	31.8
Labour force	21.5	23.6	24	24.4	24.4	22.9
Employment	20.2	21.7	22.1	22.6	22.4	21.2
Unemployment	1.3	1.8	1.9	1.8	2	1.7
Unemployment rate	6	7.6	7.9	7.4	8.2	7.4

	2009	2010	2011	2012	2013	2014
Ontario						
Population	10,727.6	10,889.7	10,991.5	11,128.1	11,267.6	11,320.4
Labour force	7,190.6	7,303.5	7,315.8	7,439.2	7,466.8	7,407.2
Employment	6,523.6	6,712.9	6,750.9	6,853.8	6,878.2	6,885
Unemployment	667.1	590.7	564.9	585.4	588.5	522.2
Unemployment rate	9.3	8.1	7.7	7.9	7.9	7
Manitoba						
Population	928.6	943.1	958	967.3	978.9	981.5
Labour force	640.5	654.4	662.3	673.4	667.5	670
Employment	604	620.2	626.3	638.4	630.6	633.8
Unemployment	36.5	34.2	36	35.1	37	36.2
Unemployment rate	5.7	5.2	5.4	5.2	5.5	5.4
Saskatchewan						
Population	784.3	796.1	804.3	817.6	834.2	857
Labour force	548.1	557.5	556.9	570.7	580.6	597.3
Employment	521.8	527	527.8	544.4	558.1	575
Unemployment	26.3	30.6	29.2	26.3	22.4	22.3
Unemployment rate	4.8	5.5	5.2	4.6	3.9	3.7
Alberta						
Population	2,895.3	2,951.1	3,028.8	3,111.5	3,222.3	3,317.2
Labour force	2,138	2,135.1	2,241.1	2,267.2	2,348	2,413.4
Employment	1,993.9	2,016.4	2,131	2,165	2,236	2,300.2
Unemployment	144.1	118.7	110.1	102.1	112	113.2
Unemployment rate	6.7	5.6	4.9	4.5	4.8	4.7
British Columbia						
Population	3,738.9	3,809.3	3,794.8	3,830.3	3,874.8	3,848.4
Labour force	2,475.5	2,492.9	2,465.5	2,474.3	2,472.5	2,417.1
Employment	2,266.4	2,303.6	2,293	2,313.3	2,309.1	2,283.9
Unemployment	209.1	189.3	172.5	161	163.4	133.2
Unemployment rate	8.4	7.6	7	6.5	6.6	5.5
Nunavut						
Population	18.6	21.3	20.9	21.3	22.1	23.1
Labour force	11.1	13.8	13.4	13.4	14.6	14
Employment	9.7	11.8	11.4	11.5	12.5	12.2
Unemployment	1.4	2.1	2	1.9	2.1	1.7
Unemployment rate	12.7	14.9	14.9	14.2	14.6	12.3

## Annex 2 – Questionnaire

1. What is your nationality?    Sometimes of computer and Mathematical Occupations	
X   Quebec   X   Manitoba   X   Management Occupations   X   Computer and Mathematical Occupations   X   Architecture and Engineering Occupations   X   Life, Physical, and Social Science Occupations   X   Life, Physical, and Social Science Occupations   X   Life, Physical, and Social Service Occupations   X   Life, Physical, a	
Northwest Territories  Northwest Territories  Nova Scotia  Nova Scotia  Alberta  Newfoundland and Labrador   Computer and Mathematical Occupations  Architecture and Engineering Occupations  Life, Physical, and Social Science Occupations  Community and Social Science Occupations  Life, Physical, and Social Science Occupations  Life, Physical, and Social Science Occupations  Legal Occupations  Employed, working 40 or more hours per week  Education, Training, and Library Occupations	
Alberta  New Brunswick  Nova Scotia  Alberta  Prince Edward Island  Newfoundland and Labrador  2. What is your age?  Employed, working 40 or more hours per week  Education, Training, and Library Occupations  Education, Training, and Library Occupations	
Alberta  Newfoundland and Labrador  2. What is your age?  6. What is your employment status?  Employed, working 40 or more hours per week  Employed, working 40 or more hours per week	
X   Alberta   Y   Prince Edward Island   X   Life, Physical, and Social Science Occupations   X   Life, Physical, and Social Science Occupations   X   Community and Social Service Occupations   X   Legal Occupations   X	
2. What is your age?    Semployed, working 40 or more hours per week   S	
2. What is your age?    Semployed, working 40 or more hours per week   S	
Education, Training, and Library Occupations	
Z Employed, working 40 of more flours per week	
X   Stro 34   X   Employed working 21.39 hours per week   X   Arts, Design, Entertainment, Sports, and Media (	
Employed, working 21 37 hours per week	Occupations
Employed, working 1-20 hours per week  Healthcare Practitioners and Technical Occupation	ons
45 to 54 Not employed, looking for work Healthcare Support Occupations	
Not employed, NOT looking for work  Protective Service Occupations	
Food Preparation and Serving Related Occupation	ns
Building and Grounds Cleaning and Maintenance	e Occupations
3. What is your gender?  7. How long have you been working in Canada?  Personal Care and Service Occupations	
Female	
Male 13 - 18 months 19 - 24 months Office and Administrative Support Occupations	
25 - 30 months Farming, Fishing, and Forestry Occupations	
37 - 42 months Construction and Extraction Occupations	
Production Occupations	
4. Which visa do you currently 8. What is your wage?	as
hold? Transportation and Materials Moving Occupation	ns
Working Holiday Other (please specify)	
830,000 - \$39,000	
Young Professionals	
X   Live-In Caregivers Program   S70,000 - \$79,000   \$80,000 - \$89,000   \$80,000 - \$89,000   \$80,000 - \$80,000   \$	
S90,000 - \$99,000	