

Addressing Systemic Risks to Migrant and Temporary Foreign Workers in Canada's Supply-Chain Sectors

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Canada's reliance on "employer-tied" work permits creates a structural power imbalance that enables systemic exploitation in the Agriculture and Construction sectors.

In 2024, Ontario saw an **85% drop** in prosecutions under the Employment Standards Act despite documented rising risks

Unfilled positions in agriculture led to a **3.7% decline in sales** in 2024.

Policy Problem

~183K

TFWs filling persistent labour shortages annually in supply-chain sectors

60%

drop in ESA prosecutions in Ontario (2017–2024)

70%

of agricultural TFWs hold employer-tied permits

- The TFWP was created in 1973 as a short-term valve for acute shortages.
- Employer-tied (closed) work permits create structural power imbalances
- Workers risk deportation if they leave abusive employers
- Weak enforcement limits accountability across sectors
- Labour shortages threaten agricultural output and supply stability

"The TFWP worked, perhaps too well. Canada grew reliant on this foreign labour source, but we have not developed a corresponding sense of responsibility toward them."

— Senator Ratna Omidvar, Senate Committee on Social Affairs, Oct 2024

Root causes

01

Employer-tied permits trap workers

Closed permits bind legal status to a single employer. Leaving to escape abuse risks deportation. The UN Special Rapporteur called this a breeding ground for modern slavery in 2024.

03

Federal-provincial fragmentation creates gaps

ESDC controls permits; provinces govern labour standards, housing, and OHS with no shared database or joint trigger. Ontario initiated only 12 ESA prosecutions in 2024, an 85% drop from 2017.

02

Enforcement requires workers to self-report

ESDC's regime relies on worker tips in an environment of documented fear of retaliation. Employers are often notified before inspections. Only 1,435 inspections covered ~7,400 employers in 2024-25.

04

Employers bear real costs with unpredictable access

Closed permits reflect legitimate employer interest in cost-recovery after spending \$4K-\$16K per worker. The LMIA validity cut (12 to 6 months) and regional freezes compounded this operational risk.

Current Policy Framework

The Context

Labour shortages in rural and remote regions intensify reliance on tied permits, raising the risk of human rights violations. It is against this backdrop that the federal government has introduced a series of policy responses.

Recent Federal Policy Responses

IRPA Update — 2024

Immigration and Refugee Protection Act was updated in 2024 to reduce LMIA validity from 12 months to 6 months.

Low-Wage LMIA Ban — September 2024

Following public pressure and a 6.9% unemployment rate in July 2025, the federal government banned low-wage LMIA processing in regions where unemployment exceeds 6%, effective September 26, 2024.

Policy on Paper vs. Reality on the Ground

2025 SAWP Standard Contract

Effective January 2, 2025

The updated SAWP Standard Contract introduces two key changes:

- **Mandatory employee-paid laundry facilities**
- **Increased utility deductions indexed to the Consumer Price Index (CPI)**

While the contract formalizes some living conditions, both changes place additional financial burdens directly on workers

Housing: The Gap Between Law and Reality

The National Housing Strategy Act

The legal framework that is supposed to guarantee adequate housing standards. For temporary foreign workers, this includes employer-provided accommodation under TFWP requirements.

What Inspections Actually Find

Despite these obligations, inspections regularly find TFWs living in overcrowded or unsafe conditions

Our Recommendation

Transition to Sector-Specific Open Work Permits + BC-Model Recruiter Licensing.

Reduces Vulnerability

It ends the "bonded labour" feel of the current TFWP by giving workers market mobility.

Market Responsiveness

It keeps labour within the sectors that need it most (Agriculture/Construction) but rewards good employers with a larger pool of available workers.

Implementability

Canada already updated the IRPA in 2024; a pilot program for "Sectoral Permits" in high-risk zones (like Southern Ontario agriculture) is a manageable next step.

Implementation: Next Steps

**Short-term
(1-2 years)**



**Medium-term
(3-5 years)**



**Long-term
(5+ years)**

Strengthen prevention & enforcement

- Expand recruiter licensing (BC model)
- Ban recruitment fees
- Establish Federal–provincial task force
→ Risk-based, unannounced inspections

Reduce employer dependency

- Pilot sector-specific work permits (e.g., agriculture)
- Allow employer mobility within sector
- Link LMIA to housing standards (Clean Housing)

Structural reform

- Transition to sector-based or open permits
- Expand pathways to permanent residency
- Align with international human rights standards

Implementation: Limitation

1. Governance Challenges: Federal–provincial coordination difficulties
2. Labour Market Risks: Worker movement toward large employers (poaching)
3. Partial Protection: Workers still tied to a sector
4. Enforcement Capacity: Requires funding and personnel
5. Access Barriers: Language barriers, Fear of retaliation