It is estimated that one of every seven unionized drywall tradespeople working in the Greater Toronto Area is an illegal immigrant. Many of the 1,000 or so illegal immigrants, who have been working in Toronto for three to five years, have proven skills, are reliable workers and good citizens. These workers, along with the estimated 9,000 to 13,000 other illegals in the GTAs thriving building industry, are a vital part of the industry’s labor pool at a time when skilled tradespeople are in short supply.

Hugh Laird, executive director of the Interior Systems Contractors Association of Ontario, is one of a number of industry pundits that is lobbying the federal government to permit these workers to stay in Toronto. “We need these people,” he says. “Without them, we couldn’t possibly meet the demands of this building boom.”

Construction leaders have tried in vain to get the federal government’s immigration department to grant amnesty to illegals with proven work records. Now they are looking at other options to keep the illegals working in Toronto. One idea involves changing the “point system” used to grade foreigners applying for entry into Canada.

Carlos Pimentel, director of organizing for the Carpenters & Allied Workers Local 27, believes the immigration department’s point system should be revamped to make it easier for qualified foreign tradespeople to get work visas. And he’s hoping the CIC will listen to the idea. Since 9/11, the federal immigration department has not been “very open” to innovative solutions.

The rating system awards individuals points in such categories as work experience, education, ability to speak English and financial capacity. Applicants must score a specific number of points to qualify for entry into Canada. Pimentel and other building industry experts see flaws in that rating system, which prevent many of the illegal construction workers in Toronto from getting a passing grade.

One of those flaws is that points are awarded to applicants who have extensive educational background in their chosen trade. The problem is that most illegals (predominately South American) never went to school for their trade. They learned their building skills on the job in their native countries. Many of them, in fact, have little structured education. Another flaw with the point system is that it essentially penalizes applicants who can’t speak English, although English is not vital to the work many do in construction.

Pimentel says the union would like to see a point system that is more specific to illegals, which he calls “undocu-
mented workers.” “We’d like to see a system that allows people to stay if they’ve been in the country working the field for a number of years already and if they’ve had no problems with the law.” Applicants should also be graded on how well they’ve coped in the community during their stay, “if they got married, bought a house and have proven to be good citizens, for example.”

ISCA’s Laird suggests that illegal immigrants who have unblemished working records in Toronto for at least two years and have assimilated well into the community, should be reconsidered for work permits. Laird, along with executives from the union, the Greater Toronto Home Builders’ Association and other building associations affected by trades shortages in Toronto, hope to hammer out an arrangement with Denis Coderre, the Federal Minister for Citizenship and Immigration, soon. Coderre has agreed to set up a working committee to assess the industry in the Greater Toronto Area, particularly the booming multifamily residential sector where many illegals are working.

**Important for Many Reasons**

Pimentel says the industry can’t underscore enough the importance of the South American illegal to the current building boom. Without them, the price of homes would likely rise sharply. “Contractors that pay the best wages would be the ones to get the skilled workers needed to complete homes. But those builders would pass on their higher costs to developers who in turn would pass on the increases to homebuyers. It’s a case of supply and demand.”

What’s more, he says that the average home, which takes 100 days to complete, would take close to 200 days if all the illegals were sent home. Similar delays would occur in the low-rise multifamily sector.

While labor scarcities have long been
one of the downsides of a building boom, most experts in Toronto believe that the current aging work force simply won’t be able to cope with future building booms. Projections are that building trades shortages will continue for three to four years because housing starts are forecast to continue at a rate of 35,000 to 40,000 units per year.

Pimentel says estimates are that upward of 75,000 non-documented workers in all industries—including construction—in Greater Toronto. Of that number, 24 percent are in residential construction.

“The residential market is the Wild West of the building industries. There’s very little documentation of who is really working in it,” he says. “They work for subcontractors who, in many cases, pay them cash. It is a great opportunity for them to work for a couple of months, make a little money. Many of them go back home after their visitor’s visa expires.”

However, many others go underground. Not all illegal workers are good for the local economy. Some, who work “under the table” for disreputable contractors, also illegally collect welfare checks from the government, notes Laird. These illegal immigrants, however, don’t represent the majority. Most are economic refugees, not political ones, who have come to Toronto to make an honest living because the economy in their homeland is so depressed that they have little hope of landing enough work to feed themselves or their families.

Many of them have not been treated well by employers. For example, Pimentel says many illegal immigrants working in the framing sector of union Local 183 have been paid about half the union wage rate, and they didn’t receive benefits.

**Working with Unions**

So how do they land union jobs? One way is by showing up at the union hall with a bang-up resume but without a
social insurance card, which they promise to bring in later. Typically, these illegals are paid as “dependent subcontractors,” meaning they are cut a straight check, with no tax or other deductions.

It is up to them to declare taxes at year’s end.

Stephen Dupuis, executive director of the GTHBA, knows that apprenticeship skills training for young Canadians is vital to the long-term health of the building industry. But that won’t resolve today’s shortages, which is why the home builders’ association helped form the Construction Recruitment External Workers Services, about two years ago. The federal government pilot project’s aim was to allow foreign construction workers temporarily into Ontario.

“We became supportive of some kind of solution for the undocumented workers. It was with the understanding that the government would have some political restraints so we knew we would have to come up with something pretty creative,” the executive director says.

More recently, the GTHBA proposed that the feds “regularize” undocumented workers, explains Dupuis. A document was put together by an immigration lawyer on behalf of the association explaining the idea. In brief, the proposal calls for a process similar to CREWS
The Outsourcing Option

In a heated construction economy when building schedules squeeze contractors to the max, skilled labor often falls short of needs. One solution to those shortages that more contractors are turning to is job-finding companies, commonly known as headhunters.

"Many contractors like to have the appearance of using all in-house labor, but with today’s shortage of a skilled work force in many areas, outsourcing has become a necessity," explains Brent Tumey, director of operations of Managed Subcontractors International, Inc., based in Rogers, Ark. The company is a headhunter that specializes in procuring skilled metal stud framers, drywall hangers, drywall finishers, painters and EIFS tradespeople for regions suffering shortages throughout the United States and the Caribbean.

In peak building seasons of spring and summer, the company procures roughly 600 or so workers, although it has landed jobs for more than 1,000 tradespeople in the past. "We strive to be the 'Tylenol' for our customers’ temporary work force needs," Tumey explains.

Tumey says he has found MSI’s type of service is especially essential to drywall contractors working on large projects outside their home base where the skilled labor pool is unknown. The greatest demand for headhunters has been in the South and Southeastern United States, although recently MSI has had more requests from contractors in Northern states.

Finding skilled tradespeople isn’t easy for headhunters like MSI, Tumey says, noting he’s not about to give away his company’s secrets. "Trust and sound ethical business practices are key to maintaining our successful relationships with our resources: he says.

MSI’s pricing is on an hourly flat rate of $22.96 to $25.96 per worker based on a 50-hour work week. The rates are for non-unionized projects where there is no "prevailing wage" and the rules of the Davis Bacon Act aren’t applicable. Prices are based on a project-by-project basis because of the differences in prevailing wages on federal and state funded jobs. The headhunter assures coverage of workers’ compensation and general liability coverage, payment of state and federal payroll taxes, housing costs, travel costs, per diem costs and proper overtime payments to the workers.

Over the past few years some headhunter agencies have failed to meet their obligations, giving legitimate job-finding businesses a bad name, Tumey explains. "There are always bad apples in any industry. In our industry there just seems to be more than the average. I think the most negative comment that I’ve heard from contractors who reach out to us is their inability to have qualified men placed on their jobs. Warm bodies are not enough.”

Numerous inexperienced placement companies are popping up in areas of labor shortages, he says. "What these new companies just don’t realize is that there is so much more to this business than finding carpenters who want to work and just sending them out. There are numerous legal and financial issues that go along with being a properly run company. You have to be properly insured (including for liability) and report correctly. There are city, state and federal regulations that have to be followed.”

Also important is timely placement, he points out. MSI insists that its procured contractors keep track and qualify each man sent out by trade and length of experience. "Of course, this is manpower and there are some inherent problems when moving men and qualifying them, but we feel MSI does a better job than most in controlling these two factors:

While the thrust of MSI’s business has been in the United States, it has been involved in two major projects in the Caribbean and is looking at another in Mexico. MSI is a WBE Minority Corporation.
that offers Temporary Resident Permits to illegal immigrants.

The approach is recommended because visa offices, usually the venue through which routine applications for worker permits are channeled, insist on interviewing applicants. The problem is Canadian visa offices are in border communities such as Buffalo, and most illegals would be denied access into the United States given their non-status in Canada. The alternative: processing their application in their home country—a time-consuming endeavor, negatively affecting the Toronto construction industry.

The son of an immigrant, Pimentel says under the current immigration rules his father would never have been able to bring his family to Canada: “This country has been built on the backs of immigrants. We need their skills now, and I think there should be some mechanism to allow the people that we need to stay in this country.”

About the Author
Don Proctor is a free-lance writer in Ontario, Canada.