Just Numbers: 
Demographic Change and Immigration 
in Canada’s Future

By David Baxter
March 1998
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Summary

The Report of the Immigration Legislative Review Advisory Group, Not Just Numbers: A Canadian Framework for Future Immigration was published in December of 1997. The report states that “immigration cannot significantly alter the size or structure of the Canadian population unless the government decides to increase the level of immigration to more than five times its current level”. This is not correct: current levels of immigration are having, and will have, a significant impact not only on the size of Canada’s population, but on its demographic structure as well.

- Without immigration, Canada’s population will slowly decline over the next 50 years, from its current 30 million people to approximately 28 million in 2045: after 2045, the rate of decline would increase.
- Canada received an average of 210,000 per year from 1986 to 1996: this average is equivalent to an immigration rate of 0.7% of Canada’s population in 1996. With 210,000 immigrants per year from now to 2045, Canada’s population will grow to 40 million by 2045, and then stabilize in the 42 million range. Constant annual immigration of 210,000 people would mean a declining immigration rate, from the current 0.7% to reach 0.52% by 2045.
- A constant immigration rate of 1% per year would involve 300,000 immigrants in the current year, with the number increasing each year to reach 500,000 by 2045. With this rate of immigration, Canada’s population will increase to 51 million people by 2045, and will continue to grow thereafter.

The current level of immigration will result in a population in Canada that is 28 million people larger than what would occur with no immigration. Immigration at a 1% rate will result in a population that is 23 million people larger than what would occur without immigration, and 11 million people larger than would result with 210,000 immigrants per year. This 80% variance shows that immigration can significantly alter the size of Canada’s population without contemplating “five times” increases in the level of immigration.

Current levels of immigration can also significantly alter the structure of the Canadian population. The age profile of annual immigration to Canada is distinctly younger than the age profile of Canada’s resident population: two thirds of the 1996 immigrants to Canada were under the age of 35, compared to only half of the resident population in 1996 being under this age. While the current two thirds share for the under 35 age group is lower than the three-quarters share for this age group that characterized the immigrant flow to Canada in the 1970s, it is still young enough to slow the aging of Canada’s population.

Without immigration, Canada’s population 65 years of age and older would increase from its current 12% of the total population to 27% in 2045. With immigration of 210,000 per year (assuming the age profile of immigration remains as it has been over the past decade), the 65 and older population would increase to only 23% of the total population by 2045; and with a 1% immigration rate, it would increase to only 21%.

Immigration’s role in slowing the aging of Canada’s population is reflected in the elderly dependency ratio. Without immigration, the number of people 65 years of age and older would increase from the current 177 per 1,000 people of working age to 452 people 65 years of age and older per 1,000 people of working age by 2021. With 210,000 immigrants per year, the ratio
would increase to 378 per 1,000, and with a 1% immigration rate, it would increase to 340 per 1,000. The impact of immigration on the age profile of Canada’s population is significant, as it holds the potential to reduce the number of people 65 years of age and older per 1,000 people of working age by 25% (from 452 to 340 per 1,000).

This reduction matters, as Canada uses a “pay as you go” approach to fund the Canada Pension Plan, health care plans, and other seniors’ benefits and support. An aging population creates dramatic challenges if such systems are to be sustainable. There are only three things that can be done, alone or in concert, to ensure the ongoing viability of pay as you go systems in such circumstances: reduce benefits, increase contributions, and change the ratio of the elderly to the working age population.

Federal pension plan reform proposals to ensure that the Canada Pension Plan is sustainable rely on all three: the demographic component is an assumption that Canada will be able to attract 250,000 immigrants per year, two thirds of whom are under the age of 35. If we are to achieve this level of support for the Canada Pension Plan, and health care and other plans, the immigration system must be structured to ensure that Canada is able to continue to attract young immigrants.

Not Just Numbers proposes that proficiency in one of the two official languages of Canada be a pre-condition to immigration to Canada. The Report does not substantiate its claim that this is necessary to ensure an immigrant's success in either labour force or social integration: it does substantiate that youth is the single most important factor in immigrant success in Canada.

Official language proficiency is neither a necessary nor a sufficient condition for integration into Canadian society. If becoming a Canadian citizen is taken as a measure of an immigrant’s integration into Canadian society, then English Language ability would appear to be an impediment to integration, not a plus: immigrants from the United Kingdom and the United States account for an estimated 40% of the people in Canada who could become Canadian citizens (dual or single) but have not.

Integration into Canadian society involves much more than learning or being able to speak English or French: it also involves learning customs, laws, etiquette, and history, all of which are best done within the social of Canada. ESL/FSL programs provide Canada with the opportunity to assist immigrants in becoming not merely English or French speakers, but in becoming Canadians. The debate about ESL/FSL program funding should not be about who pays, but how these programs fit into the process of assisting newcomers in becoming Canadians.

Not only is immigration good for Canada’s demography, it is good for Canada’s economy: it increases the economic welfare of resident Canadians, creates employment, and make’s Canada more economically competitive. Immigration – like education - is about investing in our future. It provides us with the opportunity to maintain the benefits of our social services system as our population ages without placing an unsustainable load on Canada’s working population. It gives us the opportunity to have the economic expansion that will be required to support us in the fashion we are accustomed to when we are the elderly.

We must find ways to attract the best young immigrants we can, and help them to become Canadians as fast as they can. The best, as the history of Canada has already abundantly demonstrated, learn fast.
Just Numbers: Demographic Change and Immigration in Canada’s Future
By David Baxter, March 1998

I. Introduction

This report was prepared for two reasons. The first was to deal with some of issues raised in response to The Urban Futures Institute’s July 1997 publication of a report entitled Immigration to Canada: Youth Tonic for an Aging Population¹ (“Youth Tonic Report”). These issues include further consideration of the age profile of the immigrant population, the relationship between immigration and pension plan reform in Canada, and, briefly, unemployment.

The second reason was to deal with issues raised in the report of the Immigration Legislative Review Advisory Group, Not Just Numbers: A Canadian Framework for Future Immigration², (“Advisory Group Report”) published in December of 1997. These issues include the demographic relationship between immigration and Canada’s population and the issue of English and/or French language skills as a requirements for immigrants.

The Advisory Group Reports comments that:

“One of the flaws of Canadian politics … is the difficulty in dealing with subjects such as immigration, as if to raise the issue itself were tantamount to questioning its benefits, the place of immigrants, or the value of a certain category of immigrants. This kind of unspoken censorship has been a chronic problem for both journalists and politicians³.”

It is also a chronic problem for the rest of us: raising the issue of immigration in any public, and most private, forums, elicits dramatic immediate responses, from dead silence to impassioned anecdotes, and lots of anonymous phone calls and letters after the fact. Immigration is, and has always been, one of the most visceral of subjects not only in North America, but on every other continent as well. Carrying with it a significant amount of personal perception about power, status, dependency, control and culture, the discussion of immigration will never lose its emotional charge. We cannot expect this discussion to be merely a technical one: we can hope that it will be an informed and respectful one. This means that we must consider not just numbers, but that we must also consider the numbers.

The Advisory Group Report also calls for the development of much better information about immigration to Canada to challenge assumptions about immigration:

“Many prevailing assumptions about immigration eventually reach the level of myth, which is an opinion, a belief, or an ideal that has not basis in truth or fact. Unfortunately, it requires much more effort (and information) to refute a myth than to create one. The emerging trends, if not sufficiently examined, will produce even more assumptions and myths about immigration and immigrants, damaging the program and alienating public support.”⁴

This report is in response to this request for more information to challenge assumptions and myths, including those contained in the Advisory Group Report.

The author would like to thank the staff of Statistics Canada’s Pacific Region Reference Library and Data Services for their assistance in the commission of custom tabulations and projections, the provision of existing data, and for maintaining an accessible library without which research on population and economics in Canada would be impossible.

II. The Age Profile of Immigration
The conclusion of the Youth Tonic Report was that, given the fact that Canada’s immigrant population is distinctly younger than its resident population, increased immigration would offset, to some degree dependant on the level of immigration, the increase in the elderly dependency ratio that will result from the aging of the post World War Two Baby Boom Generation and increased life expectancy. It is not generally known that the immigrant population to Canada is younger than its resident population. For example, in October of 1997, the “Letter from the Publisher” column of Business in Vancouver (BIV) contained selections from a reader’s letter written in response to BIV’s review of the Youth Tonic Report. In part, the reader commented:

“Someone comes here as an immigrant and brings a spouse or sponsors one later. The two of them then sponsor their parents who are in their 40s or 50s. Those four parents then sponsor their parents. So you have two young people, four middle aged people, and eight old people – 14 in total, eight of whom are making major demands on the health care system.”

The publisher then noted that the reader “backed his claim with a 1991 Statistics Canada document stating that 49 percent of the immigrant population was over the age of 45, compared to just 27 percent of the Canadian born population.”

Unfortunately what the reader does not add, and probably does not know, is who an immigrant is according to Statistics Canada. To Statistics Canada, you are an immigrant if you were born outside of Canada, regardless of when you came to this county: no matter how long you have been in Canada, if you were not born here, you were - and are - an immigrant. So people who came to Canada in 1900 when they were two months old, became citizens 90 years ago and who have lived here continuously, shows up in the Statistics Canada definition as 98 year old immigrants. With a definition like this, it is no wonder that the “immigrant” population is so old.

Clearly the use of “immigrant” in this context is wrong: once people become Canadian citizens, they are no longer immigrants. Here is a perfect example of how myths (in the Advisory Group’s definition) are created by the incorrect interpretation (and labeling) of data. If this information is to be published, and it is hard to see why it should be, it should be correctly labeled as place of birth data (“born in Canada” or “not born in Canada”) not immigration data. To label people as immigrants after they have become citizens is to demean both them and Canadian citizenship.

However, as these data are published and used, it is necessary to examine them to see what they actually tell us about immigration, past and present. Let us first look to the Statistics Canada data from the 1996 Census to see the relative size of the foreign born population, when the old “immigrants” came to Canada, and how old they were when they came.

The foreign born population of Canada has increased in number over the past 125 years, from 625,000, 17% of the total population, in 1871 to 4,971,070 (again 17%) in 1996 (Figure 1). The foreign born population accounted for its greatest share of the country’s population during the 1911 to 1931 period when almost 1 in 4 people (22%) in Canada were people born outside the country. In the post-World War Two period, the foreign born population has been in the range of 15% to 17% of the total population: rather than 22% of us being “immigrants” as we were prior to the Second World War, only 17% of us are now. Note that the 4,971,070 foreign born considered to be “immigrants” are permanent residents: there were an additional 166,715 foreign born non-permanent residents, including people on student visas, work visas and the like. Unless otherwise noted, foreign born here refers only to permanent residents.
The data on the 4,971,070 foreign-born permanent residents in Canada in 1996 confirm that the BIV reader got his numbers - but not his interpretation - right (Figure 2)⁹. In 1996, over half (50.6%) of the foreign born population were 45 years of age and older, compared to less than a third (30.2%) of the Canadian born population. In 1996, 18.1% of Canadians who were born in other countries were 65 years of age and older, compared to only 11% of the Canadian born.

Figure 2: Population by Age, Place of Birth and Period of Immigration, Canada 1996
Two factors that explain this difference: the annual number of births in Canada, and how long people have lived in Canada since immigration. Dealing first with births, it is important to note that births add approximately 380,000 people per year to Canada’s population, compared to the 210,000 to 225,000 people added each year by immigration. As a result almost one-quarter (23.5%) of the Canadian born population is under the age of 15, compared to only 5.8% of the foreign born. Even if the entire annual immigrant flow was under the age of 25, the addition of 380,000 babies each year to the Canada born group means it will always have a younger age profile.

The second, and most important, factor is the period of immigration. The foreign born population includes everyone who ever immigrated to Canada, regardless of how long ago they came. It includes our parents, our grand parents, and even our great grand parents: it includes people who came to Canada just after the turn of the century, after the First and Second World Wars, as well as those who arrived just before the 1996 Census. Regardless when they immigrated, the age of an “immigrant” in the Census was their age in 1996.

Recent immigrants, those who came to Canada between 1991 and 1996, are much younger than the Canadian born population (Figure 2). Only 4.8% of the people who had immigrated to Canada over this most recent five year period were 65 years of age and older in 1996, compared to 11% of the Canadian born population: only 19.3% of the recent immigration population were 45 years of age and older in 1996, compared to 30.2% of the Canadian born population. The overwhelming majority of immigrants between 1991 and 1996 were under the age of 45 in 1996.

So yes, “old” people do immigrate to Canada: of the population of people who were recent immigrants, 4.8% were 65 years of age or older in 1996, and 14.5% were between the ages of 45 and 64. But no, the mix of “old” to “young” is not the 8 (57%) old to 4 (28%) middle aged to 2 (14%) young adults suggested by the BIV reader: the mix was 4.8% old, 14.5% middle aged, and 80.7% young. Even those who immigrated to Canada between 1981 and 1990, and hence had been in Canada for between 5 and 15 years, were younger than the Canadian born population, with only 7.9% of them 65 years of age and older in 1996, and only 25.5% of those 45 years of age and older, compared to the 11% and 30.3%, respectively, for the Canadian born population.

The population of people who immigrated to Canada sometime in the past is older than the born in Canada population because these previous immigrants have grown older (and, in many cases, old) in Canada: this is shown by the 1996 Census data on age in 1996 by period of immigration to Canada. Of the total number of people in Canada in 1996 who were not born here, 21% immigrated between 1991 and 1996, 22% between 1981 and 1990, 20% between 1971 and 1980, 16% between 1961 and 1970, and 21.2% before 1960 (Figure 3).

Only 3.9% of the foreign-born population 75 years of age and older in 1996, and only 6.5% of the population age 65 to 74, were recent immigrants. 63.5% of the foreign born population in Canada who were 75 years of age or older in 1996 came to this country prior to 1961, as did 59.1% of those aged 65 to 74 in 1996. Even in the 45 to 64 age group in 1996, 27.3% of the foreign-born population came to Canada prior to 1961, and 55.5% came prior to 1971. Only 9.3% of the foreign born population aged 45 to 64 in 1996 were recent immigrants.

Immigration is about young people: 80.7% of the recent (1991 to 1996) immigrants to Canada were under the age of 45 in 1996. What makes the foreign born population of Canada old is that it includes people who came to Canada as young people a long time ago and who became old here: it is not the result of young people sponsoring immigration of parents and grandparents.
It is also possible to misread Statistics Canada’s data on the foreign born population to draw erroneous conclusions about changes in the age profile of the immigrating population. The people who come to Canada are overwhelmingly young when they immigrate. Almost 70% of Canada’s foreign born population in 1996 were people who had immigrated to Canada when they were under the age of 30; 87% were under the age of 40 when they joined the Canadian population; and 94% were under the age of 50 (Figure 4)\(^\text{11}\). People come to Canada when they are young, and then, like everyone else, they grow older each year. Only 3.7% of the 1996 foreign born population in Canada were between the ages of 50 and 59, and only 2.8% were 60 or older, when they came to Canada.

Although this information tells us about age at immigration for the foreign born population in 1996, it does not tell us anything about the age composition of recent immigration compared to the age composition of earlier immigration. The reason is that the 1996 Census only tells us about people who immigrated here and who were alive in 1996: you have to be alive to be counted in a census. Thus the 1996 data on the foreign born population of Canada is about those who immigrated some time in the past and who were alive in 1996: it is not about those who immigrated in the past but who did not survive to 1996. The census data show us the age characteristics of the survivors of past immigration, not of all of those who immigrated.

For example, of the foreign born population who came to Canada prior to 1961 and who were alive in 1996 (they accounted for 59.1% of 65 to 64, and 63.5% of the 75 and older, age group of the foreign born population in 1996), almost 50% were under the age of 20 when they came to Canada. Of the people who immigrated to Canada prior to 1961 and who were still alive in 1996, 15.4% were under the age of 5 when they came to Canada, 17.4% were between the ages of 5 and 12, and 14.9% were between the ages of 13 and 19. Another 34.8% were between the ages of 20 and 29. In total, 82% of the people who came to Canada prior to 1961 and who were alive in 1996 were under the age of 30 when they came to Canada. This compares to only 55.6% of those who came to Canada between 1991 and 1996 and who were alive in 1996.
This gives the false impression that the immigrant flow into Canada in pre-1961 period was younger than it has been recently. Such a conclusion cannot be drawn, as the data apply only to people who were alive in 1996. Anyone who immigrated to Canada prior to 1961 and who was 60 years of age or older when they immigrated have to be alive and at least 95 years of age to be counted in the 1996 Census. Anyone who was 60 or older when they immigrated and came between 1961 and 1970 would be between 85 and 94 in 1996. The 1996 Census records only 60 people who were 60 or older who immigrated prior to 1961, and only 3,000 who immigrated between 1961 and 1970. It does not tell us how many more came but did not survive to be counted in the 1996 Census. The Census data on the foreign born population in Canada in 1996 does not tell us anything about changes in the age profile of immigration at the time that it occurs, but rather tells us about aging and survival in Canada.

To draw conclusions about the age composition of the immigrant population at the time of arrival, and how this has changed over time, we have to leave the Census data on the foreign born population in 1996, and examine immigration statistics directly. These statistics show that immigration is slightly more than half as important as births in terms of additions to our population. In 1996, births added 375,680 people to Canada’s population while immigration added 224,050 people. At only one period in Canada’s history, from 1906 to 1913, did immigration contribute more to population growth in Canada than births. During this 8-year period, 2,195,838 immigrants arrived in Canada, while only 1,713,000 babies arrived.

The current rate of immigration, 7.1 immigrants per year per 1,000 population in 1997 (7.4 in 1996), is essentially the same as the average rate that has prevailed since the end of the Second World War (Figure 5). This is low in the context of Canada’s history: in the years before the Depression, the average rate was 14.8 per thousand, and in the high immigration period from 1906 to 1913, the average rate was 31.5 per 1000 (275,000 per year). 1996’s immigration of 226,072 persons, and 1997’s 216,056, are above the post World War Two average of 148,500 per year. Average annual immigration in the 1986 to 1996 period was in the 210,000 per year range.
Published data on the age composition of immigration to Canada is available from *The Canada Year Book*\textsuperscript{14} for the period 1930\textsuperscript{15} to 1959, *Immigration Statistics*\textsuperscript{16} for the period 1960 to 1994, and from *Immigration Overview* and data supplied by Citizenship and Immigration Canada\textsuperscript{17} for 1995 to 1997. Combining these data source facilitates the examination of the age composition of both long term and recent immigration flows into Canada (Figure 6).

**Figure 6: Immigration to Canada by Age Group, 1930 to 1997**
There were 216,000 immigrants to Canada in 1997. Of this total, 21,000 (10%) were 50 years of age or older; 86,000 (40%) were between the ages of 30 and 49; 60,000 (28%) were between the ages of 15 and 29; and 49,000 (23%) were under the age of 15 (Figures 5 and 6). [The age composition of the 50 and older population is not given in the pre-1950 data.]

These data show that, from a demographic perspective, there have been three distinct periods of post World War Two immigration. In the 1990 to 1997 period, the under 15 age group has accounted for 20% of immigration, the 15 to 29 age group for 31%, the 30 to 49 for 36%, and the 50 and older for 13% of immigration.

This age distribution is different from that which prevailed during the 1976 to 1989 period. The difference was not significant for the oldest or youngest age groups: 15% of the 1976 to 1989 immigrants were 50 or older (compared to 13% of the recent immigrants) and 21% were under the age of 15 (compared to 20%). The big difference is in age groups between these extremes. Between 1976 and 1989, 37% of the immigrants to Canada were between the ages of 15 and 29, whereas only 32% of the recent immigrants were of this age. Conversely, only 26% of the immigrants who came to Canada between 1976 and 1989 were between the ages of 30 and 49, while 35% of the recent immigrants were of this age. In the 1945 to 1975 period, two-thirds of the immigrants to Canada were under the age of 30; from 1976 to 1989, 58% were under the age of 30; and from 1990 to 1996, only 52% were in this age group.

This clearly shows the impact of increasing the skill, and wealth, requirements in Canada’s immigration policy: it pushes the age of immigrants up from the 15 to 29 years of age group – the skill acquiring stage of the life cycle - to the 30 to 49 years of age group – the working stage. As is discussed in the later in this report, while this may have some short run attraction in getting more skilled or wealthier immigrants, it also means that they are older, which has negative long run consequences for both immigrants’ success in Canada and on Canada’s demographic situation.
The data for 1960 to 1996 permit closer examination of the age composition of the 50 and older immigrant population (Figure 6): 3% of 1997 immigrants were 65 years of age or older, and 7% were between the ages of 50 and 64. In the 1990 to 1997 period, 4% of the immigrant population was 65 and older, and 9% was aged 50 to 64. These are smaller percentages than those for the 1976 to 1989 period, when 5% of the immigrant population was 65 years of age or older and 10% was between the ages of 50 and 64. In the 1960 to 1975 period, in contrast, 3% of the immigrant population was 65 or older, and only 6% was between the ages of 50 and 64.

Since 1960, only 4% of the immigrant population has been 65 and older at the time of immigration, and only 8% was between the ages of 50 and 64; the older population accounts for essentially the same portion of recent immigration as it has over the past 37 years. With only 4% of immigration comprised of people 65 and older, we must consign the comments of the BIV reader to the “no basis in truth or fact” category.

Figure 8: Immigration to Canada, Distribution by Age Group, 1960 to 1997

The immigration data for the past decade shows a relatively stable age pattern (Figure 9). The 65 and older population’s 2.9% share of the 1997 immigration flow was the lowest share recorded in the past decade. The only noticeable changes are an increase in the percentage share of immigrants in the 40 to 44 age group (from 4.6% in 1986 to 8.9% in 1997), and a decline in the share in the 20 to 24 age group (from 13.9% in 1986 to 7.3% in 1997). This is again a reflection of the greater current emphasis on entrepreneurial, investor and skilled immigrant categories.

These data also show what is perhaps the most significant demographic aspect of immigration to Canada: two thirds of the immigrant stream to Canada over the past decade has been under the age of 35. This is well below the 75% to 80% share that the younger population accounted for in the 1960 to 1976 period, but nonetheless is a significant feature of immigration: two out of every three immigrants to Canada today are under the age of 35.
Figure 9: Immigration to Canada, Distribution by Age Group, 1986 to 1997

Figure 10: Age Distribution, Immigration & Resident Population, Canada, 1996
This age composition is significantly different, and younger, than the age profile of Canada’s resident population. Using the 1996 immigrant population and the 1996 Census data on the resident population clearly shows this. One half of Canada’s 1996 resident population was 35 years of age or older: only one third of the immigrants to Canada in 1996 were. Two thirds of the immigrants to Canada in 1996 were under the age of 35: only one half of the Canadian resident population was. One out of eight people (12.2%) resident in Canada in 1996 were 65 years of age or older: only one out of 30 immigrants was 65 or older. Immigration makes Canada younger.

The two largest immigrant 5 year age groups were the 25 to 29 age group (14.1% of the immigrant population) and the 30 to 34 age group (13.7%). The two largest 5 year age groups in Canada’s resident population in 1996 were the 35 to 39 age group (8.9% of the resident population), and the 30 to 34 age group (8.5%). The 30 to 34 and 35 to 39 age group contain the last of the baby boom generation, those born between 1958 and 1965. The front edge of this baby boom is in the 45 to 49 age group (7.2% of the resident population). The aging of this baby boom, particularly with respect to reaching retirement age in the next decade and a half, establishes the demographic necessity for continued immigration of young people to Canada.

III. Age Matters

The age composition of the immigrant population is not merely of academic interest: it is of fundamental long run importance to both immigrants and residents of Canada.

Immigration is an act of tremendous courage. To leave all that is known solely on the basis of the hope of a better life in another land requires the optimism of the young, of those who see opportunities rather than challenges. Coming to Canada as young immigrants means that people have the time to become Canadians. They have time to establish themselves, learn new customs, make new friends and do all of the other things that becoming Canadian18 means. The Advisory Group Report acknowledges the fundamental importance of youth on the success of immigration with a quotation from a research study:

Given that the evidence indicates rapid convergence in earnings and the relative lack of importance of many of the immigrant characteristics reported at landing, it follows that the younger the immigrant at the time of landing, the greater the chances of doing well in this country. Hence there is a strong indication that age at landing is probably the single most observable determinant of an immigrant’s ultimate success.19

This is the reason that immigrants and residents share in attaching importance to youth in immigration: younger immigrants have a greater chance of making a success of becoming Canadian, of what the Advisory Group Report refers to as integration. Clearly, this success means as much to the resident population of Canada as it does to immigrants themselves.

But there is a more selfish reason for resident Canadians to value the youthfulness of the immigrant stream: these youthful immigrants will be here and working, directly and indirectly, to support us (via taxation and contributions to pension and health care plans) when we are older. The fact that the age profile of the immigrant population is significantly younger than that of the population resident in Canada means that immigration makes Canada’s population younger than it would otherwise be. Given the current debate about a future pension plan “collapse” and the coming “crisis” of health care in Canada, a continuing supply of young people to share the burden of supporting Canada’s aging population will be important to all of us in the future.
It is in this context that The Advisory Committee Report makes one of two astonishing comments about immigration: it says “recent demographic studies have stated that for immigration to significantly alter the demographic structure of Canada, more than a million immigrants per year would have to be admitted”\textsuperscript{20}. It even argues that “immigration cannot significantly alter the size or structure of the Canadian population unless the government decides to increase the level of immigration to more than five times its current level”\textsuperscript{21}. This is surprising, as much of the debate about current immigration is about its effect on the size and structure of Canada’s population. And, as the following discussion shows, it is wrong: the Advisory Group Report’s opinion on this subject must also be consigned to the pile of “myths with no basis in truth or fact”.

Certainly a million immigrants a year would significantly alter the size and demographic structure of Canada’s population: but so will the current level of immigration. Perhaps it is just semantics, as one person’s significant may be another’s insignificant, but it is incontestable that even the current level of immigration (which is less than one-quarter of a million) has a demonstrable impact on Canada’s demographic structure.

To measure the magnitude of the impact of immigration on Canada’s population, and specifically on its age profile, The Urban Futures Institute commissioned Statistics Canada to prepare three population projections for Canada from 1995 to 2095. [These were commissioned to ensure independence and objectivity.] Except in one aspect, the three projections are the same, all derived from Statistics Canada’s medium term projection which, in its published form, involves immigration of 250,000 immigrants per year\textsuperscript{22}. Even the same age profile for the immigrant population is used (it is the average of the age profile of immigrants to Canada over the past five years and the age profile of the foreign born population according to the 1991 Census).

The only difference between the three projections is the level of immigration that is assumed to occur. The base projection assumes 210,000 immigrants per year (the average from 1986 to 1996). The second projection assumes no immigration after 1995: the only factors affecting population change are births to, and the aging and death of, the 1995 resident population and their descendents. The third scenario is a 1% immigration scenario: it assumes that each year from 1995 on, the number of immigrants to Canada will be equal to 1% of the population resident in Canada, which would have involved a 1995 immigration of approximately 300,000 persons, and a 2045 immigration of 508,000. In terms of immigration rates, the lowest is the 0% rate of the no immigration scenario and the highest is the 1% rate: 210,000 immigrants per year implies a rate that starts at 0.72% per year in 1995 and declines each year to reach 0.52% by the year 2045.

Comparing these three scenarios over the next fifty years\textsuperscript{23} shows that immigration does have an effect, and a positive one at that, on Canada’s demography, even though the maximum immigration, which occurs under the 1% rate scenario, is only 508,000 per year in 2045, half of the million that is suggested as necessary to bring about “significant” demographic change.

Without further immigration, Canada’s population would increase slightly from 29.6 million in 1995 to 31 million in 2015, remain in this range until 2024, and then decline as the baby boom generation hits the high mortality age groups, returning to 30.6 million by 2030, and 28.17 million by 2045 and continuing decline thereafter (Figure 11). With 210,000 immigrants per year, Canada’s population would increase at a decreasing rate: by 2015, it would reach 35.8 million, and 40.49 million by 2045. After 2045, even with 210,000 immigrants per year, Canada’s population would stop growing, as the number of deaths would equal the number of births and immigration. With a 1% immigration rate, Canada’s population would grow steadily, reaching 38.4 million by 2015, and 50.75 million by 2045, and would continue to increase thereafter.
Annual immigration of 210,000 people per year would result in a 2015 population that is 4.7 million people (15%) larger, and a 2045 population that is 12.3 million (43%) larger, than if there was no immigration. The difference between a population that grows by 42% (with 210,000 immigrants per year) over a 50-year period and one that declines by 5% (with no immigration) is significant (Figure 12).

**Figure 11: Canada's Population, 1995 to 2045**

**Figure 12: Population Growth Index, Canada, 1995 = 1.00**
A difference between a population that grows by 71% over 50 years (the 1% scenario), and one that declines by 5% (no immigration scenario) is a difference of 22.6 million people: levels of immigration that are less than a half of the one million per year level do have a significant impact on the size of Canada’s population. And, as Figures 13 and 14 show, they also have an impact on the age structure of its population. Increasing life expectancies and the aging of the one third of Canada’s population in the post-war baby boom generation (born between 1946 and 1966, between the ages of 30 and 49 at the time of the 1996 Census) will mean that Canada’s population will age in the future. How much will depend upon which immigration scenario is followed.

Currently, 7.2% of Canada’s population is between the ages of 65 and 74, and 5.1% is 75 years of age and older, for a total of 12.3% 65 years of age and older (Figure 13). Without immigration, 26.6% of Canada’s population in 2045 will be 65 years of age and older; with 210,000 immigrants per year, 23.2% will be 65 and older in 2045, and with 1% immigration per year, 21.5% will be 65 and older. The percentage of Canada’s population 65 years of age and older in 2045 will be 25% greater without immigration than it would be with 1% immigration per year, and 15% greater than with the assumed level of 210,000 immigrants per year.

The higher the level of immigration, assuming the constant age profile of the immigrant population, the greater the percentage of Canada’s population that will be under the age of 55, and the smaller the portion that will be 55 or older. Without immigration, 35.7% of Canada’s population in 2045 will be in the primary working age groups of 25 to 54, compared to 45.3% today. With 210,000 immigrants per year, 38.0% of the 2045 population will be in these age groups, and with 1% immigration per year, 39.8% of the population will be.

It is comparing the number of people who are younger, or older, than working age to the number of people of working age that shows the substantial impact of even today’s modest immigration levels on the demographic structure of Canada. The standard way this comparison is presented is through the use of dependency ratios, which link the number of people who are generally either directly or indirectly dependant on the work force for their income and social services support to the number of people in that work force. Two dependency ratios are widely used in demographies. The first is the elderly dependency ratio, the number of people 65 years of age and older per 1000 people aged 15 to 64. The second is the youth dependency ratio, the number of people under the age of 15 to the number of people aged 15 to 64.

Currently there are 177 people 65 years of age and older, and 300 people under the age of 15, per 1,000 people aged 15 to 64 (Figure 14). Given the age profile of the immigrant population used in the scenarios, regardless of the level of immigration, the ratio of number of people under the age of 15 per 1,000 people aged 15 to 64 remains the same, dropping from its current 300 per 1,000 level to approximately 250 per 1,000 by 2010 and then remaining constant thereafter.

The elderly dependency ratio, in contrast, varies greatly between scenarios. With no immigration, there will be 452 people 65 years of age and older per 1,000 people between the ages of 15 and 64 by 2045: without immigration in 50 years every person of working age will have to support 2.6 times as many people 65 and older as today’s working age population does. With immigration at the rate of 210,000 persons per year, the 2045 elderly dependency ratio will be 378 per 1,000, 2.1 times today’s level. With immigration at the rate of 1% per year, this dependency ratio in 2045 will be 340, just less than twice what it is today. Without immigration, the working aged population of 2045 will have to support 33% more elderly people than they would have to with a 1% per year immigration rate. A 33% difference in the elderly dependency ratio is a substantial difference in demographic structure.
Figure 13: Age Composition of Canada's Population, 1996 and 2045

Figure 14: Population Dependency Ratios, Canada, 1995 to 2045
Two important questions arise from this comparison:

1) Should Canadians care about the level of the elderly dependency ratio?

2) Is Canada ready for an increase of between 100 and 156% in the elderly dependency ratio?

As the following discussion shows, yes, Canadians should care about the magnitude of the elderly dependency ratio, and no, Canada is not ready for an increase in the population 65 years of age and older from its current 12% of share of the total population to between 21.5% (1% immigration rate), 23.2% (210,000 immigrants per year), or 26.6% (no immigration).

No matter how one looks at it, there is a support relationship between the working aged population and the population 65 years of age and older. Canada has a “pay as you go” health care plan: today’s contributions and taxes are used to pay for today’s expenditures, and tomorrow’s contributions and taxes will have to pay for tomorrow’s expenses. The 65 and older population has the greatest frequency of visits to doctors offices, the highest utilization rate of hospitals for surgical treatments and procedures and they incur the greatest expenditures per capita of health care funds. Without immigration, the ratio of health care expenditures to contributions will increase 2.56 times: with an immigration rate of 1% per year, the ratio will only double.

Canada has a “pay as you go” pension plan: today’s contributions are used to pay for today’s benefits, and tomorrow’s contributions will have to pay for tomorrow’s benefits. Assuming no change in its provisions, the ratio of expenditures to revenue in the Canada Pension Plan will increase 2.56 times without immigration, and 2 times with immigration at a 1% rate. This is important because 45% of Canada’s population 65 years of age and older in 1991 depended on federal government transfers for 80% or more of their income.

The word dependant must be taken in a factual, rather than pejorative context. Today’s, and tomorrow’s seniors have every right to say, as they do, that they have spent their entire working life contributing to the health care plan, the pension plan, and paying taxes, and they have a right to the benefits as a result of their contribution. The problem is that, except for future contributions and future taxes, there is no money in these plans. The contributions people made in the past were not put aside for them, they were spent on other people in the past. Thus, like it or not, future beneficiaries of Canada’s health care, pension plan and other aspects of the social security system will be dependant on the ability of future contributors and tax payers to support this system.

Canadians should care about the dependency ratio because they will, in the future as they are today, to one extent or another, either be supported by it or will be supporting it. If the dependency ratio increases, some combination of two things must be done: contributors must increase their contributions and/or benefits to beneficiaries must be reduced.

Which takes us to the second question: Is Canada ready for a doubling or more in the elderly dependency ratio? The fact that 50% of Canada’s taxpayers have neither a RRSP nor a Pension Adjustment, and that only 13% of the allowable RRSP deduction room is in fact used each year, suggests that, on average, Canadians are not privately taking care of their future. Publicly, at least in the context of pension plan reform, it is clearly apparent that the Minister of Finance is well aware of the problems of increasing elderly dependency ratios and the resultant need to increase contributions and reduce benefits. A three-part reform package has been put into place aimed at “Securing the Canada Pension Plan.”
The first two components relate directly to the provisions of the C.P.P. itself. On the benefits side, reductions in benefits will be put in place by lengthening the number of years used in the calculation of maximum benefits and significantly reducing disability benefits. There will be even more dramatic changes on the contribution side, with, among other things, a 76% increase in contributions across a wider income range. Without these increases, the pension plan would have become “unsustainable”.

In determining how much contributions would have to be increased, and how much benefits would have to be reduced, it was necessary to use a population projection - to know how many people would be receiving benefits, and how many people there would be making contributions - during the coming years. The projection used was Statistics Canada’s Medium Projection, which means that the pension plan reform is predicated on Canada having 250,000 immigrants per year with an age profile that corresponds to the past decade’s youthful average.

This is the third part of the federal government program aimed at securing Canada’s pension plan: the immigration of 250,000 persons, with approximately two thirds of them under the age of 35, to Canada. It will be this youthful immigration stream, together with the population born in Canada after 1966 who will secure, through their contributions, the future of the Canada Pension Plan. More than 250,000 immigrants with the same age profile, or the same number of immigrants with a younger age profile will further reduce the dependency ratio, and thereby contribute to ensuring the sustainability of the pension plan. Fewer than 250,000 immigrants with the same age profile, or the same number of immigrants with an older age profile will increase the dependency ratio, and push the pension plan towards the unsustainable realm. The same may be said of health care, taxation, and the whole range of social security programs in Canada.

It is just about numbers: Can Canada attract, each year, a sufficient number of young people from other countries to ensure that the elderly dependency ratio does not increase to such an extent that Canada can neither provide adequate and due support to the increasing share of its population that is 65 years of age and older, nor leave the working population with enough of their income after taxes and contributions to ensure that they have adequate and due compensation for their work?

The answer to this question lies with the requirements that people have to meet before being able to come to Canada as immigrants. Requirements affect not only the number of immigrants who come, they also affect the age distribution. The longer the list of requirements, the older the age of the immigrant, as it takes time to acquire whatever is necessary to meet the requirements. The effect of changing immigration standards is clearly shown in the shift from 80% of the immigrant stream being under the age of 35 in the 1970s to only 66% under this age in the 1990s.

Our response to immigration shows the importance we attach to the future. If we see immigration as an investment in our future, in terms of its shaping the demography of the country as we age, then our primary concern would be on attracting young immigrants. This would provide both us and them with greater confidence that they would be successful in becoming Canadians, and it would maximize the balancing effect of our aging with their youth. This would mean an immigration policy that had a long term focus, with requirements measured in terms of people’s potential, rather than simply their current resources. It would be a policy that, much like education policy, asks not what a person can do today, but what they could do tomorrow.

As younger immigrants generally have fewer skills and capital resources when they arrive, a long-term policy would also mean that we would have to invest more in them today to ensure that they would be successful in supporting us in the future. Again, there is a similarity between our
attitude towards investment in the new Canadians who are our children and grand children and the
new Canadians who come from other lands. Together, they will be the work force that supports us
in the future: how much should we invest in them is the question.

William Thorsell’s recently\(^{31}\) wrote in the *Globe and Mail* about education funding, focusing
specifically on Princeton University’s approach. The title of his column provides food for thought
on how a policy of investing in human capital, through education or immigration, might be
followed: “Pick the best students, then calculate the aid”. Picking the best is a good starting point.

Canada needs immigrants, and their help in expanding our economy, to support us in a fashion we
have already become accustomed to. The relevant question in the context of the Advisory Group
Report is whether or not its proposed changes will ensure that Canada will have the number of
people of working age in the future that it will need to support us, its aging population?

VII. The Advisory Group Report’s Opinions on Language

The Advisory Group Report proposals with respect to official language proficiency prior to
immigration have the potential to significantly affect Canada’s ability to attract young immigrants.
It is therefore important to consider these proposals in the context of whether or not they will help
Canada to attract the number of immigrants it requires. As noted earlier, the Advisory Group
Report states the single most important thing necessary for an immigrant to be successful: “the
younger the immigrant at the time of landing, the greater the chances of doing well in this country.
… there is a strong indication that age at landing is probably the single most observable
determinant of an immigrant’s ultimate success.”\(^{32}\)

What works for immigrants, and what works for Canada, is that they be younger. Not only will
they have the time to become successful, but they will also have time to become successful enough
to support us.

Which is why the Advisory Group Report proposal that, for the first time in the history of a
country of immigrants and the descendants of immigrants, proficiency in one of the two official
languages would be a requirement for immigration to Canada can only be seen as revolutionary.
Unfortunately, given the absolute nature of the proposal, it is not supported by any evidence in the
Advisory Group Report. The only justification given is that the Advisory Group “heard constantly
that knowledge of English or French is the key determinant for successful integration”\(^{33}\): nowhere
in the Report is this hearsay supported by any reference to research, even though it is contrary to
the cited evidence that age is the most important factor. Hearsay evidence, even if it is heard
constantly, does not does not make it either true or factual.

The Advisory Group Report makes an enormous leap from constantly hearing to its unsupported
assertion to its revolutionary policy recommendation:

> “Ability in at least one of the official languages is a key determinant of success, in terms of
> both employment and successful integration. Official language ability is almost a prerequisite
> for entry to the labour market in Canada, and it mitigates failure if an immigrant with a job
> offer has to look for another position. Official language ability can be acquired by a motivated
> person who wants not only to qualify for immigration to Canada, but to succeed and to
> participate fully in Canadian society. We therefore propose that no other attribute (such as a
> job offer or funds for investment) be able to substitute for the lack of this ability.”\(^{34}\)
Are they serious? Actually, no, they are not. Elsewhere in the report it is noted that the authors “emphasize the ability of immigrants to function in French or English before coming to Canada; if they cannot do so, we expect them to make a financial contribution to their own language upgrading.”\(^{35}\) (emphasis added). Given this option, a cynical reader might well conclude that all of the talk about official language skills and successful integration were really simply window dressing for opinions about who should pay for ESL/FSL.

Supposing for a moment that the concern is, in fact, not about who pays for language training, but rather is about integration, it is appropriate to consider the reality and process of integration further. It bears repeating that the research cited by the Advisory Group Report says that age - youthfulness - not language is the most important factor in successful integration.

How do we judge successful integration? Certainly one test would be becoming a Canadian citizen. The act of becoming a citizen is a fundamental expression of commitment to Canada. Anyone in Canada who chooses not to become a Canadian citizen has not successfully integrated, regardless of how successful and prominent they may be in daily life in Canada, because they have not committed themselves unequivocally to Canada. They also fail the test of successful integration because they avoid the fundamental responsibly of a citizen in a democracy – the granting of the mandate for governance through voting. One who voluntarily lives in Canada without becoming a citizen may be in Canada, but is not of Canada.

Does immigrating to Canada with English or French language proficiency increase the likelihood of successful integration as measured by citizenship? No. When we look at the 1996 Census data on citizenship and immigration we see that, of the foreign born permanent (i.e. “immigrant”) population in Canada, those who have not become Canadian citizens appear to come, overwhelmingly, from the United Kingdom and the United States of America.

A caution: as with the immigration data, in drawing conclusions from the Census citizenship data, it is important to be aware of the definitions used in the data. As Figure 15 shows, at the time of the 1996 Census, of the 28,528,125 people resident in Canada, 82% (23,390,340) were Canadian born, 17.4% (4,971,070) were foreign born permanent residents who had immigrated here sometime prior to 1996, and 0.6% (166,715) were foreign born non-permanent residents (students, people on visitor or work visas, consular officials, etc.). Of these people, the overwhelming majority, 94.6% (26,984,840) are Canadian citizens (single or dual), and 5.4% (1,543,285) are citizens of countries other than Canada and not of Canada.

This, however, does not tell the full story, as many of these 1,543,285 people are not able to become citizens. Of the 1,543,285 people residents in Canada in 1996 who were not Canadian citizens, 10.8% (166,715) were the non-permanent residents here under various visa and permit provisions. This leaves 1,376,570 people who immigrated to Canada sometime prior to 1996 who had not yet become Canadian citizens.

This 1,376,570 is comprised of those who were not yet eligible to become citizens, and those who were but had not yet become citizens. There is a residency/waiting period in Canada before an immigrant can become a citizen, and it takes time for someone recently arrived in Canada to acquire the knowledge required to pass the citizenship test. Most of the 1,038,990 immigrants who arrived in Canada between 1991 and 1996 were not yet eligible for Canadian citizenship in 1996. If none of them were, then there were 337,580 people in Canada in 1996 who could have become citizens, but who had not done so. If one fifth of them were eligible, then this number is 543,360: the estimate discussed on the next page is that there are approximately 450,000.
Who were these people in, but not of, Canada? Published data from the 1996 Census does not directly tell us, as period of immigration data is linked to birthplace not country of citizenship. We can estimate the country of citizenship of foreign born people in Canada who are eligible to, but have not, become citizens if we assume that their country of citizenship is the same as their country of birth. Without knowing country of citizenship by period of immigration, we can only estimate the origins of people who are eligible to become Canadians, but have not done so.

Let us start with the United Kingdom. According to the 1996 Census, there were 655,535 people who were born in the United Kingdom who were permanent residents of Canada (25,420 of whom immigrated to Canada between 1991 and 1996, and 630,115 who immigrated prior to 1991), and 6,210 persons born in the United Kingdom who were non-permanent residents, for a total of 661,745.

In 1996, there were 135,725 people in Canada who were citizens of the United Kingdom. Subtracting the 6,210 who were non-permanent residents, and the 25,420 who had immigrated between 1991 and 1996, leaves 104,095 people who were permanent residents in Canada in 1996 who had immigrated prior to 1991 and had not yet become Canadian citizens. This is 16.5% of all persons from the United Kingdom who had migrated prior to 1991. This is 23% of the estimated 450,000 persons in Canada who had immigrated prior to 1991 and who had not yet become citizens (estimated using the approach of equating citizenship and place of birth and assuming that no person who immigrated between 1991 and 1996 was eligible to become a citizen on a country by country basis).

Second in line is the United States of America. In 1996, there were 245,040 person who were born in the United States who were permanent residents of Canada (29,110 immigrated between 1991 and 1996 and 215,930 immigrated prior to 1991) and 16,390 persons born in the United States who were non-permanent residents, for a total of 261,430.
From the citizenship perspective, there were 145,230 citizens of the United States resident in Canada in 1996. Subtracting the 16,390 non-permanent residents, and the 29,110 who immigrated between 1991 and 1996 leaves 99,730 citizens of the United States who had immigrated to Canada prior to 1991, but who had not yet become Canadian citizens. This is 46% of the 215,930 people who immigrated to Canada from the United States prior to 1991, and 22% of all persons in Canada who had immigrated prior to 1991 and who had not yet become citizens.

As Figure 16 shows, 12 countries account for over 85% of the people who could, at least as estimated using the stated assumptions, become Canadian citizens but have not. Portugal and Italy are in third and fourth place, each accounting for almost 10% of the total, followed by India and Germany with over 5% shares each. In total, these 6 countries account for three-quarters of the people in Canada who immigrated prior to 1991 and have not yet become citizens.

Figure 16: Estimated Population Eligible for Canadian Citizenship, Top 85%

Two other countries on this list, and two not on the list, also warrant consideration. The first is Australia. In 1996, there 14,660 people born in Australia who had immigrated to Canada, 2,275 of whom came between 1991 and 1996, and 12,385 who had immigrated earlier. There were also 1,770 persons born in Australia who were non-permanent residents. In terms of citizenship, there were 11,580 citizens of Australia in Canada in 1996. Subtracting the 1,770 non-permanent residents and 2,275 who immigrated between 1991 and 1996, leaves 7,535 who came before 1991 and who were not yet citizens. This is 61% of the 12,385 who had immigrated prior to 1991, the highest rate of all of these twelve countries. Numerically, Australia is a minor source of immigration to Canada, and distinctly a minor source of people who have become citizens.

The final country to consider is Hong Kong. Given the number of people who may be citizens of Hong Kong or Taiwan who may have been born in the People’s Republic of China, it is useful to consider these three together. In 1996, there were 521,435 permanent residents of Canada (228,925 who immigrated between 1991 and 1996 and 292,510 who immigrated earlier), and 18,700 non-permanent residents, who were born in one of these areas.
In terms of citizenship, in 1996 there were 212,850 people in Canada who were citizens of one of these three areas. Subtracting the 18,700 non-permanent residents results in 194,150 citizens of these areas combined who were permanent residents of Canada. This is less than the 228,925 who immigrated between 1991 and 1996. This suggests that a) people who immigrated between 1991 and 1996 have already become citizens, and b) some of the born in China population has citizenship from other countries. This approach indicates that there were few, if any, people from this region who could have become Canadian citizens but choose not to.

These estimates are not precise, as they do not account for people whose country of citizenship may differ from their country of birth nor do they consider recent immigrants. Nonetheless, given the magnitude of the estimates, they do show that, if becoming a citizen is seen as a measure of integration into Canadian society, English language proficiency prior to coming to Canada does not necessarily correlate with successful integration. One may even argue that it weakens the need of people to commit to Canada, because they do not have to become Canadians, either legally or personally.

Integration may be easier if one comes to Canada speaking English or French: the more “Canadian” one is when one arrives in Canada, the easier it may be to fit in, and, putting aside the issue of citizenship, the easier it may be to integrate. It would be even easier if you are young, if you already know municipal housing design regulations, tree protection by-laws, provincial highway codes, labour laws, local attitudes towards logging, why spitting on the sidewalk is acceptable if you are a long distance runner but not if you are a walker, and all the words to “The Wreck of the Edmund Fitzgerald”. Learning these things, and all of the other things that Canada is, happens in place, through the process of becoming Canadian.

So what is this “Canadian” that immigrants become? What is it that immigrants integrate into? Is language spoken prior to entry fundamental to becoming Canadian? The Advisory Group Report cites the Supreme Court of Canada as one of its two references on this subject:

“Canadian society is to be free and democratic. The court must be guided by the values and principles essential to a free and democratic society … to name but a few, respect for the inherent dignity of the human person, commitment to social justice and equality, accommodation of a wide variety of beliefs, respect for cultural and group identity, and faith in social and political institutions which enhance the participation of individuals and groups in society.”

None of these are language specific - in fact, respect for the inherent dignity of the human person makes it pretty clear that language spoken, or even the absence of the ability to speak, is not a relevant factor in Canadian values. The Advisory Group Report second source of evidence on Canadian society and values cities years of research in identifying seven recurring values: self-reliance, compassion leading to collective responsibility, investment (particularly in children as a future generation), democracy, freedom, equality, and fiscal responsibility. Again, one does one need to speak any particular language to learn or share these values.

Which leads us to astonishing statement number two in the Advisory Group Report: that “language is also a defining value of Canada”. Respect for the inherent dignity of the human person is a value, compassion is a value, freedom is a value - language is some thing that people use in oral and written communication. Language is not a value, it’s a tool.
The Advisory Group Reports fails to distinguish between immigration (potential) and integration (realization). It is correct in saying “some rudimentary knowledge of at least one of the official languages is seen as necessary for integration into Canadian society.” But integration does not happen with the arrival of an immigrant: it is the result of the process that people go through in (to quote Sarjeet Singh Jagpal’s book title again) Becoming Canadians. Some rudimentary knowledge of one of the two official languages is not the only thing necessary for integration: so too is knowledge of Canadian history, culture, law, customs, values, myths and realities. It is through the process of becoming Canadian that these things are learned, as one goes from being an immigrant to being Canadian.

It is in this context that ESL/FSL programs are particularly important. Being Canadian is more than simply speaking English or French, and ESL/FSL programs are not simply about learning to speak English or French. These programs provide people with the opportunity to learn about Canada, to ask questions about Canada, to get advice on Canadian etiquette and customs. ESL/FSL programs are one of the few consistently provided resources that help people become Canadians: they are the front line of the citizenship training programs for new Canadians.

The Advisory Group Report states that: “Official language ability is almost a prerequisite for entry to the labour market in Canada, and it mitigates failure if an immigrant with a job offer has to look for another position.” While this may be the case in some monolingual official language communities, it is not likely the case in the metropolitan areas where most immigrants settle.

The Advisory Group Report also argues that “official language ability can be acquired by a motivated person who wants not only to qualify for immigration to Canada, but to succeed and to participate fully in Canadian society.” True, and immigrants want to and do acquire it: that is what the funding of ESL/FSL debate is all about. The Advisory Group Report cites no evidence that this need be done before arrival.

Newly arrived Canadians desperately want to learn our languages and to become part of our communities. How they do it, and how we respond, shows us much about Canadian values, as Gu Xiong and his daughter Gu Yu tell us in the book The Yellow Pear:

“Theo Lamb was my daughter’s first friend in school when we came to Vancouver. At the time, my daughter was not able to speak English, and felt isolated. One day, I asked her how school was going, and she cried and said she could not understand most things said in class. But she told me there was a girl with red hair who was always helping her. Because my wife and I did not speak English very well, there was nothing we could do to help our daughter, so this red-haired girl was like a warm fire during a cold winter.

Through our daughters, our two families met each other and became good friends. When Theo’s parents knew that we were working on weekends, they told us that they would like to take care of Gu Yu for us. So my daughter spent weekends at her house until they moved to Tsawwassen a year later. We are all still good friends.”

“I came here when I was seven. I was frustrated because I couldn’t express what I wanted to say. But after some time I adapted to the atmosphere and became like any other kid my age. Now I’m in French immersion, learning a third language. I watch TV, listen to the radio, talk on the phone, and of course, do my homework every day. I lead a life similar to everyone else’s. I am a symbol of adaptation for my parents. I have put my roots into this land in order to reach the light around me.”

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“I have put my roots into this land in order to reach the light around me.” This is integration, as old as Canada and as new as the most recent immigrant and the newest born child: it has nothing to do with language.

The suggestion that official language proficiency be a pre-requisite to immigration to Canada will not serve Canada or its future citizens well. It will not ensure that people do integrate into Canadian society nor will it ensure that Canada gets the immigrants with the greatest potential to contribute to Canada’s future. Official language proficiency should not be seem as either a necessary or sufficient condition for immigration to Canada, but rather a necessary but not sufficient condition for citizenship in Canada. Immigration policy should be solely concerned with the ability of a person to successfully complete the process of becoming Canadian. It should focus on the potential of people to learn – to learn languages, customs, rules, laws, and shared values. The citizenship process can work with this potential to ensure that people become Canadians.

VIII. Immigration and Unemployment.

If Canada needs at least 250,000 immigrants per year, two-thirds of whom are under the age of 35, in order to ensure that there are enough people working to support the 65 and over population as it shifts from its current share of 12% of Canada’s population to somewhere between 20% and 27% by 2045, there had better be work for them to do. Which brings us to the absence of any relationship between immigration and unemployment.

Outside of the study of economics, there is a myth (in the Advisory Group Report’s definition) that immigration causes unemployment: M.P. Mr. John Reynolds, Reform Party Immigration Critic, and David Foot and Daniel Stofman, authors of Boom, Bust and Echo are advocates of this “more workers more unemployment” ideology. Given that unemployment is about economics, it is useful to contrast this opinion with what economists have to say on the subject. What one finds is a much more complex analysis, and a much different conclusion. As Dr. Julian Simon noted in “The Economic Effects of Immigration: Theory and Evidence”, published by the Fraser Institute in The Immigration Dilemma:

“Any simpleton can - and a great many do - show conclusively that a new immigrant or a new baby has an immediate negative effect upon the county’s standard of living. Before the new person begins to work, s/he reduces per person income purely by arithmetic. (To paraphrase Peter Bauer, when a new calf arrives per person income automatically increases, but when a new person [baby or immigrant] arrives, per person income automatically decreases). Of course the changed statistical measure does not necessarily hurt the rest of us, but it surely sounds bad.”

Starting with the arrival of an immigrant, Dr. Simon traced the short and long run economic adjustment in response to immigration, and concluded:

“Additional immigrants raise the standard of living of native born persons … and have little or no negative effect upon any occupation or income class. … Immigrants pay much more in taxes than the cost of the welfare services and schooling that they use. Immigrants do not displace natives from jobs. Immigrants raise productivity and make … countries more competitive internationally. And in the long run immigrants make natural resources more available rather than more scarce.”
A summary of the economic analysis of immigration and labour markets is found in an article by Dr. Herb Grubel, former Reform Finance Critic, entitled “The Economic and Social Effects of Immigration”. Dr. Grubel’s conclusions are the same as Dr. Simon’s:

“… the economic effects of immigration on the welfare of resident Canadians tend to be positive. In Canada’s market economy immigrants may be expected to earn their marginal product and thus contribute as much to output as they claim through their earnings. They do not cause unemployment and affect welfare positively as they increase the opportunity for economic exchange. The effects of immigration on income distribution considered important in the past are minimal in a world of integrated capital markets.” (emphasis added)

Dr. Grubel continues:

“Given recent trends in the fertility of resident Canadians, population growth will become negative in a few decades. Immigration levels can be chosen to obtain any desired rate of population growth and stocks. Current fertility rates and the actual level of the population suggest that by most common-sense criteria, the welfare of Canadians will be higher if immigration levels are chosen such as to assure a longer run population growth rate of around two percent per year.”

A 2% long run growth rate for Canada would mean a 2045 population of 80 million people, 30 million more than would result from immigration at the rate of 1% per year, and twice the 40 million that current immigration levels would bring. Dr. Grubel is suggesting that immigration in the range of over three-quarters of a million immigrants per year would conform to common sense criteria. Having acknowledged the positive economic consequences of immigration, Dr. Grubel’s expresses concern with the possible “social externalities” of “non-traditional” sources of immigrants: as Dr. Simon noted, this is not a concern within the realm of economics.

Readers interested in more detail on the labour force impact of immigration should consult these two articles, and their references. The major points of the economic analysis are:

1. Immigration increases the supply of labour (labour supply expands).
2. Immigrants and their families increase the domestic demand for goods and services, and hence increase the demand for labour (labour demand expands).
3. Increase demand for goods and services increase domestic demand to levels where demand thresholds for domestic production are achieved, replacing imported production (labour demand expands).
4. Increased domestic production reduces domestic prices and also those of exports, and hence increases exports (labour demand expands).
5. Immigrants increase domestic access to the markets in their countries of origin, and hence increase exports, and therefore domestic production (labour demand expands).
6. Structural unemployment (people with skills in a market that no longer demands these skills) and geographical unemployment (people with skills in a region where there skills are not longer in demand who do not move to regions where there skills are in demand) are not caused by immigration.
7. The net long run result of immigration is a greater relative level of employment than would have existed in the absence of immigration.
Why are the findings of economists on economics not part of the conventional wisdom? Perhaps it is, as The Economist Review noted, “that nobody listens to economists, because economists do not speak English”\textsuperscript{54} (and hence would not qualify to come to Canada under the Advisory Group Report’s proposal). Another, more substantial, reason is that the findings of economic research on immigration do not lend themselves to supporting non-economic agendas with respect to immigration policy. If the concern is with “traditional” versus “non-traditional” immigrants, if it is about the myths and ideology of language, race, religion, status and class, then the economics will, in Dr. Simon’s words, be “falsified”\textsuperscript{55}.

If there was to be a policy issue relating to immigration and unemployment, it should be to ensure that immigrants, and all others in Canada who can and will work, find themselves in an economic environment where work is respected, and were the economy is able to expand so that the number of jobs in this country can expand in response to our growing and changing population. Canada must grow, demographically and economically, if it is to support the 1 in 4 people who will be 65 years of age or older within the next 35 years. The issues that Canada should be focusing on are not today’s immigration, but tomorrow’s jobs. Unfortunately, as our low saving rate shows, the long term does not often carry much weight in Canadian society.

VII. Conclusions

Immigration plays a significant role in shaping the size and age composition of Canada’s population. The regulations that we put in place with respect to immigration, for whatever reasons, hold long term consequences for Canada’s future demographic structure, specifically with respect to supporting a population in three decades in which 1 in 4 people are 65 years of age and older, twice today’s 1 in 8.

The extent to which Canada can continue to attract young immigrants will play a significant role in Canada’s ability to sustain its pension plan and health care system. Expenditures on assisting new comers to Canada, be they here as a result of immigration or birth, must be viewed in a long-term context of investing in the future. Immigration is not about winners and losers, but about long run gains that are much greater than short run costs.

To single language out as a fundamental criterion for immigration ignores both the reality of Canada’s demographic needs and the success of immigration. On the one hand, Gu Yu has been in Canada for less than a decade, yet is becoming fluent in both English and French: only 17% of Canadians can meet this test of integration into Canada. On the other, there are no apparent queues of young people wanting to immigrate at the Canadian consulate in Paris, London, Washington, or Canberra.

The proposed official language proficiency requirement is not necessary to ensure successful integration of immigrants into Canadian society (witness our parents, our grandparents, and us), nor is it sufficient to ensure such integration. In terms of ESL/FSL, rather than trying to restrict the opportunity for immigrants to participate in such programs, we should seize the opportunity, as such programs teach people not on the language, but the culture, values, customs and rules of Canada, thereby speeding the process by which people become Canadian.

Immigration is not only good for us demographically, it is good for us economically. It increases the economic welfare of the Canadian population, creates employment, and expands our economy. With a young age profile to the immigrant population, it also will reduce future fiscal burdens on
the working population, thereby reducing inter-generational conflicts about transfers of income. The aging of our population, and our expectations about the support that we wish to have available to us when we are over the age of 65, means that Canada must have an expansionary economic policy: immigration is essential to this happening.

Language is learned: no one is born speaking any language. Each one of us had to learn English and/or French at some point in our lives. We learned our language, and our culture, because Canadian society invested in us through education. The Advisory Group Report statement that “official language ability can be acquired by a motivated person who wants not only to qualify for immigration to Canada, but to succeed and to participate fully in Canadian society”\(^5\) is absolutely true. To the extent that we want them to succeed, we could help them learn our languages, and about our society. The future workforce of Canada is worth investing in.

We need immigrants now, and we will need them in the future. Pick the best, help them, and they will become Canadians. To forego the best simply because they do not speak one of the official languages, something that a ten year old can learn in a couple of years in school, will not serve us, or Canada, well.

Notes:

7. Unless you were born to parents who were Canadian citizens temporarily living abroad.
8. Data for 1911 to 1996 are from *Statistics Canada 1996 Census of Canada The Nation Data Series, Immigration and Citizenship, Table IC4.IVT.* Data for 1871 to 1901 are from *Immigration and Population Statistics, Manpower and Immigration, Ottawa, 1974, Table 1.7.*
9. *Statistics Canada 1996 Census of Canada The Nation Data Series, Immigration and Citizenship, Table IC5.IVT.*
10. *Statistics Canada 1996 Census of Canada The Nation Data Series, Immigration and Citizenship, Table IC5.IVT.*
11. *Statistics Canada 1996 Census of Canada The Nation Data Series, Immigration and Citizenship, Table IC6.IVT.*
13. For a detailed discussion of the historical and projected components of population growth in Canada, see the Youth Tonic Report.
15. It is unfortunate that the data series starts in 1930, as it leaves out the record high immigration period of the 1906 to 1913 period (when 2,195,838 immigrants came to Canada, and the relatively high immigration of the 1920s, while it includes the relatively low immigration period that prevailed during the Depression and the Second World War. Nonetheless, it does provide enough information to at least discern the general pattern of age changes in long term immigration.
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22 See the Youth Tonic Report for a detailed discussion of the assumptions in the base and no immigration scenarios. The 1% rate scenario is simply replaces the 210,000 immigrants per year of the base scenario with 1% of the population in the previous year.
23 By 2045, almost all of the baby boom generation will have died, and hence the age profile of Canada’s population will stabilize. In order to focus on the current debate about immigration levels and composition, this report focuses on the 1995 to 2045 period.
26 The C.P.P. has an amount equal to approximately two years of current benefits invested in the form of loans at preferential rates of interest to federal, provincial and municipal governments and agencies: these loans are claims on future tax revenue, and hence preserve the relationship of the C.P.P. being dependent on future taxation.
27 Statistics Canada, Retirement Savings Through RPPs and RRSPs, 1991 to 1996.
28 The information presented here is from the CPP/RPC web site Securing the Canada Pension Plan, dated February 1997.
30 Telephone conversation with Research Department, Ministry of Finance, Ottawa, August 5, 1997.
33 Trempe, et.al., Not Just Numbers, op.cit. page 35.
34 Trempe, et.al., Not Just Numbers, op.cit. page 58.
35 Trempe, et.al., Not Just Numbers, op.cit. page 37.
36 This analysis ignores approximately 7,880 people who were not Canadian citizens and were citizens of two or more other countries.
37 Does not include Hongkong.
40 Trempe, et.al., Not Just Numbers, op.cit. page 6.
41 Trempe, et.al., Not Just Numbers, op.cit. page 6.
42 Trempe, et.al., Not Just Numbers, op.cit. page 58.
43 Trempe, et.al., Not Just Numbers, op.cit. page 58.
46 John Reynolds, as quoted by Kevin Griffin, “Reynolds calls for reduced immigration”, The Vancouver Sun, August 18, 1997, page B2. Note that Mr. Reynolds is quoted as sharing the language test requirement “Why don’t we start making sure immigrants learn to speak the language before they get here?” advocated by the Advisory Group Report.
48 For example, a review in The Economist concludes that “Most scholars have found that immigrants assimilate quickly and that immigration is a net contributor to the economy”, see “Welcome mat”, The Economist Review, September 6, 1997, page 8.
50 Julian Simon, op.cit., page 145.
52 Herbert Grubel, op.cit., page 125.
53 See also Youth Tonic Report, pages 41 to 46.
54 The Economist Review, op.cit. page 8.
55 Julian Simon, op.cit., page 145.
56 Trempe, et.al., Not Just Numbers, page 58.