

# **GLOBAL DEMOGRAPHY AND IMPLICATIONS FOR CANADA**

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## Introduction

Shifting demographics are set to transform the world as we know it. In the developed world, declining birth rates and aging populations are changing population distribution by age from an “age pyramid” to an “age vase” with a larger proportion of older people and a smaller proportion of younger people, rising dependency ratios<sup>1</sup> and shortages of labour. In the developing world, rapid population growth contributes to poverty and an often underemployed or unemployed “youth bulge”. A world connected by globalization means that issues that transcend national borders, such as migration and integration, are pushed to the level of global importance. In Canada, a country experiencing low fertility, population aging and changing dependency ratios, a harmonious and prosperous future will depend on the success of our immigration, multiculturalism and shared citizenship policies and programs, and comprehensive strategies in regards to the work force. But we may not be alone in looking to immigration for part of the answer. Almost all developed countries are facing the same demographic future and several have begun to look to immigration for the answer to aging and shrinking populations.

This paper will begin by examining the world’s changing demography and move to a discussion of whether or not population size matters. This will be followed by an examination of two key factors affecting demography: low fertility and population aging. The fourth section of the paper will look at the growing movement of people internationally, followed by a section specifically focusing on demography and immigration in Canada and an examination of international discussions on migration.

## An Increasing World Population, Changing Demography

The world’s population is increasing and the demographic make-up is changing. According to the United Nations (UN), the world’s population is expected to increase by 2.6 billion over the next 45 years, from 6.5 billion today to 9.1 billion in 2050. Almost all of this growth will take place in the less developed regions, where today’s population of 5.3 billion is expected to swell to 7.8 billion in 2050. Because of low and declining rates of population growth, the population of developed countries as a whole is expected to remain virtually unchanged between 2005 and 2050, at about 1.2 billion. In contrast, very rapid population growth is expected to prevail in a number of developing countries, the majority of which are least developed.<sup>2</sup>

*What will it mean to have almost all of the world’s population growth in the less developed countries? Is it possible to have peace and stability in the least developed countries, such as Afghanistan, which may find themselves with tripled populations in 45 years?*

<sup>1</sup> Dependency ratios refer to the ratio of the population aged 0-14 and 65 or over to the population aged 15-64.

<sup>2</sup> Between 2005 and 2050, population is projected to at least triple in Afghanistan, Burkina Faso, Burundi, Chad, Congo, Democratic Republic of the Congo, Timor-Leste, Guinea-Bissau, Liberia, Mali, Niger and Uganda.

Global demographics are changing as a result of two almost universal trends: declining fertility and increasing life expectancy. Global life expectancy at birth has risen, in the past fifty years, by almost 20 years to 65 years in 2000-2005 and is expected to keep on rising to reach 75 years in 2045-2050. Among the least developed countries, where life expectancy today is just under 50 years, it is expected to be 66 years in 2045-2050. However, because many of these countries are highly affected by the HIV/AIDS epidemic, the projected increase in life expectancy is dependent on the implementation of effective programs to prevent and treat HIV infection. Without such programs, there are potential serious impacts on fertility, life expectancy, dependency ratios and population growth.

*By 2050, the percentage of persons aged 60 years or older is expected to double to be 20% of the world's population. In the developed world, the figure will increase to 32% from today's 20%.*

As a consequence of increasing life expectancy, most parts of the world will witness population aging during the 21<sup>st</sup> Century. This means that some countries with large populations, such as China, Brazil and India, also face rapidly aging populations. Whereas 6 out of every 10 persons over 60 today are in developing countries, by 2050, 8 out of every 10 will be. In developed countries, the elderly population has already surpassed the number of children (persons aged 0-14), and by 2050 there will be two elderly persons for every child. In China, some writers even foresee a future “demographic time bomb”, stemming from the one-child policy and a preference for male children. Almost everywhere fertility is declining but there are important differences between the developed and the developing world. In most of the developed world, fertility has dropped to below the ratio of 2.1 children per woman considered sufficient to replace present populations. Meanwhile, in the developing world, the fertility rate remains at about 5.5 children per woman.

Also of interest, for the first time in history, the majority of the world's population lives in cities. Urban areas worldwide are gaining 67 million people each year and, by 2030, 60% of the total projected

*Are we looking at a prolonged period of global instability characterized by a young, crowded population in the developing world confronting an aged, shrinking population in the developed world?*

global population, or about five billion people, are expected to live in cities. While cities are dynamic centres of economy and culture, their growth also exacerbates pressures on infrastructure and social and political systems. This means that the development of safe, well-governed and sustainable cities will continue to be crucial.

Finally, we need to consider the implications in terms of security, irregular migration, development goals and environmental impacts of sustained and rapid population growth in the developing world over the first half of the 21<sup>st</sup> Century. Afghanistan, for example, will go from a population of 21 million in 2000 to over 60 million by 2050. Will a country such as Afghanistan be able to sustain a population of that size, most of whom will be of working age? If not, how will the outflow of this population, added to people from other developing countries, impact global stability?

## Does Population Size Matter?

The question of the importance of population size is an interesting one and can be looked at two ways. First, wealth and population size are often considered as key determinants of power with the idea that, in order to be a great power, both are needed and one alone is insufficient. On the other hand, rapid population growth may perpetuate and exacerbate poverty.

*What will it mean for geopolitics to have significant powers, such as Germany, Japan and Russia, facing rapidly declining and aging populations? What does it mean for Canada if the United States continues to be the world's dominant power? Is development possible in the least developed countries if populations continue to grow rapidly?*

In the absence of a significant colonial past, such as in the United Kingdom, population size matters on the world stage, giving critical mass to a world presence and acting to bolster pride in national identity. At present, but perhaps not for long, China and India have enormous populations but lack the wealth to make them truly great powers. Canada, on the other hand, is wealthy, but is considered to lack the population base to be a great power. In a world of emerging “giants”, such as India, China, Brazil and the EU, a more populated Canada may have more influence. If population size is indeed an indicator of power, then three countries, which are now considered significant powers, are projected to become less powerful in the 21<sup>st</sup> Century: Germany, Japan and Russia. All three face declining and aging populations. Russia, as one of the dominant world players for the last 150 years is probably the most dramatic example of a shrinking population. Between 2000 and 2050, Russia's population will shrink by a third from 146 million to 98 million. By 2030, it is projected to be smaller than Pakistan, which is expected to be among the fastest growing populations over the period.

The United States (US) is one of the only developed countries not facing a declining population. This is owing to both natural increases and immigration. Interestingly, much of this can be attributed to high fertility rates amongst minority groups, with the average Hispanic woman giving birth to 3 children in her lifetime. The African-American fertility rate is 2.2 lifetime births

*As a percentage of total population in North America, Canada will shrink from 7.5% in 2000 to 6.4% by 2050. Even if we sustain a population size at the traditional ratio of 1/10<sup>th</sup> the size of the US, will we eventually have to face the disproportionate impact of sheer numbers in North America?*

per woman but for non-Hispanic whites the fertility rate is 1.8, below the “replacement rate” of 2.1. This means that while the United States will remain large, with a median age of population not projected to rise in any significant way, there may be social impacts due to increasing proportions of minorities. Significantly, by 2050, it is projected that nearly half of Americans will be racial minorities. However, the fact that the US will remain large, youthful and wealthy means that it is probable that the US will continue to remain the most powerful country in the world. The question of how this will affect Canada's relationship with the United States and North American relations is of interest.

Rapid population growth, on the other hand, may increase poverty. The UN Population Fund, in a 2004 report, *The Cairo Consensus at Ten: Population, Reproductive Health and the Global Effort to End Poverty*, estimates that some 2.8 billion people—two in five—still

struggle to survive on less than \$2 a day. This poverty often acts to create greater levels of population growth as poor women give birth at earlier ages and have more children throughout their lives than wealthier women. Developing countries that have reduced fertility and mortality by investing in health and education have higher productivity, more savings and more productive investment, resulting in faster economic growth.

Fast-growing poor populations often have no other options but to exploit their local environment to meet subsistence needs for food and fuel. These often unsustainable

*Does the environmental stress of rapid population growth in the developing world challenge the assumptions on which development programs are based?*

consumption and production patterns, coupled with rapid population growth, are taking a toll on the environment. Further, as more people use resources with more intensity, they create a rapidly growing global consumer class which uses resources at an unprecedented rate, with an impact far greater than actual numbers. The next paper, on the geopolitics of energy, natural resources and sustainability, will examine this issue in more depth. However, it is worth noting the impact of poverty and scarcity on global peace and security.

Gender plays a strong role in how resources are used and developed. Fertility rates as well as access for women and girls to health services, education, informal and formal labour markets and wealth accumulation and consumption are important considerations in studying population issues. As an example, fertility rates decline as education and literacy levels rise. Enabling women to have fewer children, if they choose to, helps to stimulate development and reduce poverty, both in individual households and in societies. Smaller families have more to invest in children's education and health. Rapid population growth also leads to uncontrolled urbanization and exacerbates rural and urban poverty. Declining fertility also acts to reduce the proportion of dependent children relative to the working-age population, opening a one-time window of opportunity (before dependent older populations become a burden) in which countries can make investments to spur economic growth and help reduce poverty.

### **Low Fertility and Population Aging**

In the developed world, low fertility rates and population aging result in a natural population decline. Population aging may also result in lower labour output and lower productivity. Countries, such as Canada, also often face labour

*Should Canada develop more policies to increase labour force participation rates and fertility? How will societies change as the proportions of aged persons rise significantly?*

scarcity in a variety of specific areas, including highly skilled work such as the health professions, skilled labour in service and trade activities, such as caregivers, truck drivers and skilled tradespersons, and manual labour in agriculture, manufacturing and construction. These demographic challenges also may endanger sustainability of pensions and other social protection schemes. To ensure continued maintenance of living standards, societies will have to rely more on policies to increase labour force participation rates, including the targeting of under-represented or under-employed groups, raising of retirement ages, and implementing proactive national migration policies, and measures to increase productivity such as technology use, improved working conditions and more efficient management practices. Indeed, it may be possible that with, proper planning and

careful resource utilization, a society with larger proportions of future older persons need be no less dynamic than it is today.

It is also worth considering what has contributed to such low fertility levels in the developed world. According to a number of researchers, very low fertility is often associated with the persistence of a male-dominated family structure combined with economies that provide major advantages to women so long as they do not have children. For that reason, societies seeking to increase fertility may consider policies which ensure that those who have children are not disadvantaged in economic terms. Options to consider include improved parental leave at the birth of children, encouraging the sharing of leave between both parents, letting employees switch to part-time work with the right to return to full-time work, providing quality, affordable child care, including after-school care, and recognizing the costs of children in the tax system.

In Canada<sup>3</sup>, changes in the age structure and, in particular, changes in dependency ratios, which refer to the ratio of the population aged 0-14 and 65 or over to the population aged 15-64, are probably more crucial than changes in the size of the total population. Since 1961, the number of people in Canada supported by each member of the labour force has fallen sharply from approximately 2.8 to a low of less than 2 in 1990. Since then, as the median age of the population rises, the ratio is increasing.

The UN has examined a series of projections for some countries that have below-replacement fertility, examining the international migration flows needed to achieve three specific outcomes described below and included as a Table in Annex B. For each country, scenario A contains the figure of medium variants of present levels of immigration, scenario B computes the annual net immigration required to maintain, throughout the projection period, the country's population size; scenario C calculates the annual net immigration required to maintain the maximum size of the working-age population and scenario D estimates the annual net immigration required to maintain the maximum support ratio (i.e., ratio of the population aged 15-64 to the population aged 65 or over, the inverse of the dependency ratio). For reference purposes, Annex A describes projected populations to 2050 and dependency ratios with and without migration for selected countries and areas.

The projections show that current levels of immigration in Canada, France, the United Kingdom and the United States are sufficient to avoid population declines over the next 45 years. Further, for Canada, the US, and the UK, current levels of immigration are sufficient to offset declines in the working-age population. However, there is no hope that any sustainable level of immigration will prevent population aging. As such, levels of net migration needed to maintain support ratios are very high and likely to be socially unacceptable. For Canada, more than 10 times the current flow of immigration would be needed to maintain the support ratio at its current level. As such, the challenges posed by an aging population require a comprehensive assessment of relevant issues, including the appropriate age of retirement, ways of increasing the labour-force participation (elderly, immigrants, women and aboriginals), worker productivity, the type and level of retirement benefits, and the functioning of pension systems. While none of these policies could, on

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<sup>3</sup>This is notwithstanding significantly higher birth rate ratios amongst the Aboriginal population In Canada where birth rates amongst Aboriginal women tend to be 1.5 times the national average.

their own, address population aging, jointly implemented they could act to offset the effects of an aging population.

Researchers in Canada have examined two possible scenarios which can affect labour force participation rates, based on the finding that increased labour force participation by persons already in the population may act to counter balance negative effects of dependency ratios. The often-called “Sweden” scenario assumes changes in labour force participation rates for women whereby Canadian women achieve the rates of labour force participation of Swedish women. Some estimates find that this could increase Canadian average wealth up to 10% as measured by GDP. However, this does not consider the loss of non-market production caused by the shift in women’s production from the household to the market economy.

The “Equal” scenario explores the impact of a more efficient allocation of human capital which removes the misallocation arising from discrimination against women workers. This discrimination is generally reflected in the difference between male and female workers in returns to education. Removing these differences entirely also acts to increase average wealth by 10%. Drawing from this finding, one could ask whether an increase in labour force participation by immigrant populations and other disadvantaged groups, such as Aboriginals and disabled persons, could also act to increase average wealth. Considerations in this regard include continued attention to accommodating foreign credential recognition for immigrant groups, overcoming barriers stemming from ethnic and gender discrimination and facilitating access and opportunities for upward mobility.

Another phenomenon associated with population aging is the rise in the proportions of older old persons, often defined as those 75 years of age or older.

*In Canada, the estimated fiscal impact of aging on the health care system will be a 1% increase of the cost every year.*

With changes in lifestyle and advances in prevention and treatment of illness, the age of “old age” is continually rising. This means that 65 years of age, the traditional indicator of “old age” may need to be revisited. The consequences of this rising old age include the greater likelihood of older women to be widowed than older men, and so to form one-person households. The high risk of poverty associated with being elderly, female and living alone is a problem today and will continue to be a major challenge in the future. Higher proportions of aged persons may also exacerbate strains on health and human resources needed for their care. A long term way to reduce these costs could include health promotion through addressing life-style-related illness such as that associated with tobacco and alcohol use, obesity, and lack of exercise.

## People on the Move

International migration has increased markedly over the last decades of the twentieth century, in particular after 1970, rising from 76 million persons not living in the country of their birth in 1960 to 175 million today. The dominant trend in migration flows has been the movement of persons from the developing to the developed countries. The flows of European migrants to the few traditional countries of immigration have declined as the proportion of migrants from developing countries, particularly in Asia and Latin America and the Caribbean, have risen.

*How does growing international migration affect relations between States? Is Canada ready to compete with other countries to attract skilled workers? How will societies cope with increasing diversity?*

While recent migration flows are, relative to population, weaker than during the last decades of the nineteenth and the first decade of the twentieth century, they play a significant role in demographic change in the developed world owing to the

*Between 1995 and 2000, without inflows of migrants, Europe would have experienced a population decline. Even with an intake of about 5 million immigrants in this period, its population increased by only 600,000.*

low fertility rates of these countries. In North America, net migration accounted for 43 percent of the total increase in population in the last decade. Globally, in 2000-2005, net migration in 28 countries either prevented population decline or at least doubled the contribution of natural increase (births minus deaths) to population growth.<sup>4</sup>

Growth in the number of international migrants who settled in the developing world has been slow mainly because migration flows there have been characterized by temporary spurts associated with economic booms in destination countries or political events in countries of origins. In Africa, Central America and in certain parts of Asia, persons moving due to conflict, persecution or natural disaster have been major components of migration flows. These include, but are not limited to, refugee movements for which a well developed and broadly recognized international legal regime already exists. Other forced migrants, such as internally displaced persons, fall outside of the refugee regime and may also require humanitarian assistance and protection. These movements may be the subject of contentious and difficult discussions between States. Forced migration is also often a symptom of the failure of State protection for individuals and may represent a more general collapse of social and governmental institutions, especially in the context of fragile and failed States, a subject which will be examined in the fourth Committee meeting.

It is also worth noting that many forced migrants, and the majority of refugees, are women and children who are often especially vulnerable to exploitation and abuse, including sexual and gender-based violence. Forced migrants and refugees may be significant sources of irregular migration, often facilitated by organized crime through migrant smuggling or, particularly in the case of women and children, as victims of trafficking.

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<sup>4</sup> These countries include Austria, Canada, Croatia, Denmark, Germany, Italy, Portugal, Qatar, Singapore, Spain, Sweden, United Arab Emirates and United Kingdom.



It is estimated that migration will continue to increase between developing countries themselves. Also of interest, it is anticipated that, in the long-term, traditional net emigration countries, such as China and India, will themselves experience shortages of skilled workers and enter into the global competition for skilled resources. This increasing movement of persons, unless managed, will also exacerbate tensions even in multicultural societies and highlight the need for solutions and models of integration and social inclusion.

## Demography and Immigration in Canada

It is worth examining specific issues in Canadian demography and the role of immigration in this regard. At present, overall Canadian fertility rates are below the replacement level, but, because a large proportion of the population is currently in the

*How will Canada's immigration program continue to adapt to ensure that it continues to contribute to our socio-economic goals? What is the impact of immigration on different communities in Canada? How can we ensure that diversity continues to be a positive force?*

childbearing ages, the population of Canada will continue to grow until 2026. At that time, it is projected that population will begin a long and slow decline, returning to the 1986 Census level, 25 million, in 2086. It would eventually stabilize at about 19 million, or roughly the size of the country in the late 1950s. In a low-mortality country such as Canada, fertility is the major demographic force affecting the age structure. As long as the age structure remains the same, immigration affects the overall age structure only in the short term. As such, increases in immigration levels have little long-term impact on age structures but they do impact on population size, dependency ratios and labour market needs. Of note, immigration will account for all net labour force growth in 2011-2016 in Canada and is estimated to be a significant factor in net labour force growth in the future.

In Canada, during the period of July 1, 2003 - June 30, 2004, there were 330,803 births, 233,087 deaths, 239,116 immigrants, 39,227 emigrants, 25,565 net temporary emigrants and 18,084 returning emigrants. This

*Some researchers have estimated that without immigration, continuation of Canada's below-replacement fertility rates would lead to the disappearance of Canada's population in about eight hundred years.*

means that immigration, for Canada, is a significant factor in overall population growth. In some provinces, such as Ontario and British Columbia, immigration rates almost equal the birth rate.

In Canada, while immigration has a positive effect on growth, it cannot be the only answer to the challenges created by an aging population. An aging population will require a comprehensive strategy that should also include reassessing the age of retirement and retirement benefits and increasing the labour-force participation of the working-age population particularly under-represented or under-employed populations, such as Aboriginals. Another possibility for reducing the gaps between the demand and supply of labour may be to increase temporary migrant flows. However, it is also worth noting that we will face increasing competition, in particular for skilled labour, from other countries, such as in Europe, facing similar demographic situations.

Flows of immigrants in Canada have always corresponded closely to flows of Canadian-born from region to region. Early in the century, it was to the new farmlands in the West; later it was to the major metropolitan centres. Canadians, whether Canadian-born or immigrants, go to where there are opportunities and, for decades, internal migration in Canada has itself gravitated towards large cities and more prosperous provinces. For immigration, it is perhaps safe to say that it is less a national phenomenon but a focused one concentrated on the large cities: Toronto, Vancouver and Montreal. In general, immigrants themselves, in particular more recent arrivals, are substantially more urbanized than the Canadian born. While immigration is concentrated in these three large cities, it is also well worth considering the impact of immigration on different communities, such as rural ones. Varied communities and regions will experience immigration differently and have diverse needs in terms of integration considerations.

The factor of absorptive capacity is another to be considered in the Canadian context. While, as stated above, this is not a precise, measurable quantity, we can look for signals that we are able to integrate immigrants successfully. An inability to integrate effectively can have undesirable impacts on our economy, society and institutions. Immigration is far more diverse now than it was a quarter of a century ago in terms of the national, linguistic, religious and racial backgrounds of immigrants and our principal source countries are found in Asia, the Middle East and Eastern Europe. In fact, the combination of an aging, domestic-born population with an active immigration policy results in an increasingly diverse Canadian society, effecting profound social changes that can challenge the capacity of public policy to respond. Growing diversity - the fact that many parts of the world now live within our borders - provides Canada with enormous creative potential, but could also undermine social cohesion, or make increasingly difficult the development of a civic citizenship based on *shared values*, rather than shared history, language, geography, or ethnicity.

Our immigration program is considered a success story internationally. It helps us to be a country open to the world, tolerant, diverse and respectful, with a population that is broadly supportive of immigration and multiculturalism. It is also worth noting that these inclusive policies continue to make us attractive to immigrants, even as competition for skilled immigrants increases. Our immigration program selects immigrants with the intention of making them Canadian citizens. It draws skilled capital using the human capital model, reunites families and fulfils our international humanitarian commitments to refugee protection. Our program also works with provinces to select persons to our least-populated regions, such as Atlantic Canada and the Prairies.

However, our program is not without challenges. There is a legislated requirement to process all comers who meet basic admissibility requirements which may result in insufficient program flexibility. The in-Canada refugee determination system is complex. Moreover, some key partners and Canadian believe there are security weaknesses in the program. Overall, immigrant earnings have declined and poverty has risen and consideration should be given to doing more to ensure that our immigrants are better integrated into our economy and society. The government of Canada has already set forth strategies (which include foreign credential recognition programs and enhanced language training for new Canadians) to better integrate newcomers into the Canadian labor force

and to ensure that Canada acquires a highly skilled and diverse workforce to meet the needs of the 21st century economy.

In looking to the future, Canada's immigration program must continue to adapt to ensure that it continues to contribute to our economic competitiveness as well as to social goals, building on our tolerance, respect and diversity to build vibrant, safe and secure communities and families. Internationally, Canada should act to keep our position as an international gateway and use our expertise and best practices in immigration to demonstrate and promote Canadian values on the international stage. As a responsible global citizen, Canada should support multilateral and bilateral cooperation on international migration management, explore ways to mitigate negative aspects of migration and honour its commitments to the protection of refugee populations.

### **Migration: a Positive Force Globally?**

Migration is emerging as one of the major international policy issues of the 21st century. Every day more and more people migrate in search of employment, education or freedom but

*How can Canada ensure that it maintains a program of managed migration? How will Canada ensure coherence between our development and immigration policies?*

always with a desire to better their living condition. This boom in migration coupled with increased political attention has brought the discussion of international migration to global prominence. In addition, issues such as trade, development, gender, health, security and border control, to name a few, all have important links to migration.

In Canada, immigration is largely looked at as a positive force for both our social and economic development but this is not the case in all countries in the world. Global population differentials, as well as economic disparities, continue to increase pressure on States to absorb more migrants and increase both legal and illegal migration movements. The traditional preoccupations of the "North" with security and protection of access to their territories and the effects of immigration on their societies and economies, is often at odds with the preoccupation of the "South" with the idea of a rights-based regime for international migration management which allows for wider access to foreign employment.

For much of the world, demographic change and population flows, spurred by globalization, are bringing people of increasingly diverse ethnic and cultural backgrounds to live together, often for the first time. Conflicts, tensions, or instability resulting from globalization and migratory flows have led governments, international organizations, and the UN to contend that the management of diversity, promotion of social cohesion and pluralism, and development of civic (shared) citizenship constitute necessary conditions for socio-economic development and human security. The 2004 *Human Development Report* warns that claims for recognition and equality by diverse ethnic, religious and linguistic groups comprise one of the most urgent issues affecting international stability and human development in the 21st Century.

Some of the divisive discourse surrounding migration also pertains to possible negative effects, in particular economic, on developing countries which are principally countries of origin. In some cases, development policies and immigration policies diverge, with

developing countries and development assistance invested in education, training, health and advanced technologies while, at the same time, their immigration policies encourage the departure of those trained and highly skilled. As such, there may be net negative effects in less developed countries when highly skilled workers, such as health professionals, leave for work opportunities and better living conditions. Losses of highly skilled workers may act to reduce the quality of essential services and reduce overall economic growth and productivity in these countries.

However, these same countries must also acknowledge benefits from international migration, both to the migrants themselves and also to the country of origin. Benefits include receipt of remittances and the positive phenomenon of “brain circulation” which is a global movement of skills and ideas and highlights the Diaspora as key actors. The growth of a “knowledge” economy, to be discussed in a later session of this Committee, means that location of skills is becoming less relevant as ideas freely circulate.

It is worth asking how countries, such as Canada, are responding to targeted initiatives, such as the Commonwealth Code of Practice on the International Recruitment of Health Workers and the development of an International Code of Practice at the World Health Organization? These undertakings seek to find a balance between the migration of skilled workers and their obligations toward the country that trained them. Do countries have adequate resources, including educational, directed towards fulfilling their own specialized employment needs? In order to address any disconnect between development and immigration policies there may also be a need for policy research and development. This may be an area for Canada to explore in the future with key developing countries.

Remittances are often held as the most positive impact of migration for countries of origin. Of particular interest, remittances may play a role in poverty reduction in some families, communities and regions, both in

*The World Bank estimates up to \$125 billion US dollars in remittances are sent home by migrants. If one includes informal transfers the total amount may be two or three times higher.*

terms of meeting basic human needs and in providing a source of capital for investment and development. Preliminary research has indicated that countries can maximize the impacts of remittances on overall development by creating sound fiscal and banking policies that encourage and enable the safe and timely transfer of migrant funds. These same conditions may encourage investment of these personal funds.

Internationally, Canada has held that, properly managed, migration can contribute to prosperity, development and mutual understanding among people. As a result, we urge other governments to develop and implement sound migration management policies and programs. Managed migration includes managing the expectations of individuals and providing opportunities for migration but also the legitimate need and right of States to determine access to their territories. By managing immigration, Canada has acted to minimize potential negative impacts for Canada of the movement of people and to develop a coherent, transparent framework to ensure that we benefit from immigration. Our program of managed migration is an expression of Canadian government policy and objectives which uses the immigration program as one tool to achieve our national socio-economic goals. The relative success of our program to date is not due to anything particularly unique to Canada but is the result of deliberate policy choices and legislative

frameworks. As such, we stress that the key lacuna in the management of international migration is an absence of national frameworks which, at their highest and most conceptual levels, act as part of coherent whole-of-government socio-economic strategies and the capacity to implement such strategies. Canada's experience in managing migration proactively would make it a credible world leader or facilitator in exploring related avenues for cooperation, coordination and technical assistance.

## Does it matter?

Is there an optimal population size for Canada or any other country? Would a Canada of 50 million persons exercise significant geopolitical weight and have a booming economy? Would a Canada of 18 million persons have international influence only moderately greater than Liechtenstein and soaring homelessness thanks to a disintegrated pension plan? We don't really know and the answer is probably not. Population size clearly does matter, but what matters more is what we do with it. So while we need to consider population size, we also must ensure that Canada has the appropriate policies and mechanisms so that population contributes positively to the socio-economic well-being of Canada and that Canada in return can ensure the well-being of this population.

To that end, Canada might want to consider whether or not the development of a formal population policy, which includes the setting of population targets, is a relevant choice for Canada. Consideration might also need to be given to coordination between immigration levels with fertility and mortality levels and labour and fiscal strategies. Since demographic changes and immigration will continue to make a significant impact on the composition of Canadian society, we may also need to ensure that we have the required tools to maintain social cohesion and to recognize the value of cultural differences.

Further, given that immigration cannot be the solution to all labour force and demographic needs in Canada, the role that policies play in labour market dynamics and in creating and sustaining an environment conducive to economic growth and improved efficiency should be considered.

*It is important to remember that demographic projections are just "what if" explorations: they help us understand the implications of today's decisions; they say nothing meaningful about what the world will look like tomorrow.*

Consideration should also be given to the fact that our development policies and immigration policies may sometimes diverge, with development assistance invested in education, training, health and advanced technologies while, at the same time, immigration policies encourage the departure of those trained and highly skilled. How can we ensure that the benefits of migration internationally are maximized? Also, how do diasporas in Canada redefine our development, diplomatic and trade relations with other countries?

How much our changing demography will matter will depend largely on whether or not we are prepared to begin exploring ways to minimize the negative effects of aging and changing dependency ratios. Canada is a prosperous country. Whether we remain so may depend on whether we have the courage to make tough decisions. Population numbers, dependency ratios, fertility rates, etc. are projections of what might be but what will be is shaped by choices and actions that we choose to take.

## Annex A

### Projected population to 2050 and dependency ratios with and without migration for selected countries or areas

MILLIONS									
Country or area	Population in 2000	Population in 2050		Difference between medium and zero-migration variants	Dependency ratio (per 100)		Dependency ratio in 2050 (per 100)		Difference between medium and zero-migration variants
		Medium variant*	Zero-migration variant^		1950	2000	Medium variant	Zero migration variant	
USA	285	409	287	122	54	52	61	66	5
Germany	82	79	64	16	49	47	76	85	9
Canada	31	39	27	12	60	46	70	79	9
UK	59	66	54	12	49	54	65	72	7
Afghanistan	21	70	62	7	83	86	53	53	0
Australia	19	26	19	7	53	49	67	73	6
Saudi Arabia	22	55	50	4	83	73	47	49	2
Spain	41	37	33	4	52	46	93	100	7
Japan	127	110	106	4	68	47	98	101	2
France	59	64	61	4	52	53	73	73	0
Russia	146	101	98	4	54	44	71	72	1
Hong Kong	7	9	6	4	49	37	79	101	22
Italy	58	45	42	3	53	48	90	90	0
Netherlands	16	17	15	2	59	47	68	72	4
Kuwait	2	5	3	2	64	39	57	59	1

Source: United Nations. *World Population Prospects - The 2002 Revision* vol. 1, Comprehensive Tables.

\*The media variant incorporates sustained levels of non-zero net international migration based mostly on the migration levels observed or estimated for the late 1990s.

^The zero-migration scenario illustrates the effect that natural population increase (i.e. that caused exclusively by the difference in births and deaths) would have on population growth.

## Annex B

### Projections of net immigration for selected countries and regions, 2000-2050

	<i>Scenario A</i>	<i>Scenario B</i>	<i>Scenario C</i>	<i>Scenario D</i>
Country or region	Medium variant of World Population Prospect: The 2002 Revision	Number of migrants required to keep the size of the population constant	Number of migrants required to maintain the size of the working population (15-64) constant	Number of migrants required to maintain the potential support ratio constant
	Annual average (in thousands)			
Canada (special calculations)	200	32	127	2,518
France	75	29	109	1,792
Germany	211	344	487	3,630
Italy	64	251	372	2,268
United Kingdom	136	53	125	1,194
European Union	680	949	1588	13,480
Europe	579	1917	3227	27,139
United States	1115	128	359	11,851
Japan	54	343	647	10,471
Republic of Korea	-8	30	129	102,563
Russian Federation	50	498	715	5,068
Sources: (1) Canada's results: United Nations, Department of Economic and Social Affairs, Population Division, <i>World Population Prospects – The 2004 Revision</i> (special calculations for Citizenship and Immigration Canada). July 2005. (2) Scenario A: United Nations, Department of Economic and Social Affairs, Population Division. <i>World Population Prospects – The 2002 Revision, vol. 1, Comprehensive Tables</i> . 2003. (3) Scenarios B, C and D: United Nations, Department of Economic and Social Affairs, Population Division. <i>Replacement Migration: Is it a Solution to Declining and Aging Populations</i> . 2000.				