



Canada's Population Policy: Where Does Fertility Fit into the Mix?

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Canadian Policy Research Networks

- Who are we?
- What do we do?
 - Networks: Family, Work, Health, Public Involvement
 - *Research*: Family and Child Well-Being, Labour Market, Citizenship & Civic Engagement, Health Care, Diversity, Cities and Communities, ...
 - *Information Resources*: Diversity Gateway, Job Quality, E-Network
 - *Public Affairs and Outreach*

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Overview

- Demographic Change
 - Ageing
 - Diversity
- Immigration
- Population Policy



Demographic Change in Canada

- While many issues related to family change have become topics of public discussion, low fertility has yet to receive much attention in Canada. This is unlikely to remain the case in the future. As deaths come to surpass births and Canada's population continues to age, greater attention to the social context of childbearing will almost certainly occur (McQuillan & Ravenera, 2006.)



At the start of this new century, Canada faces significant aging of its population as the proportion of seniors increases more rapidly than all other age groups. In 2001, one Canadian in eight was aged 65 years or over. By 2026, one Canadian in five will have reached age 65.



Demographics: Ageing

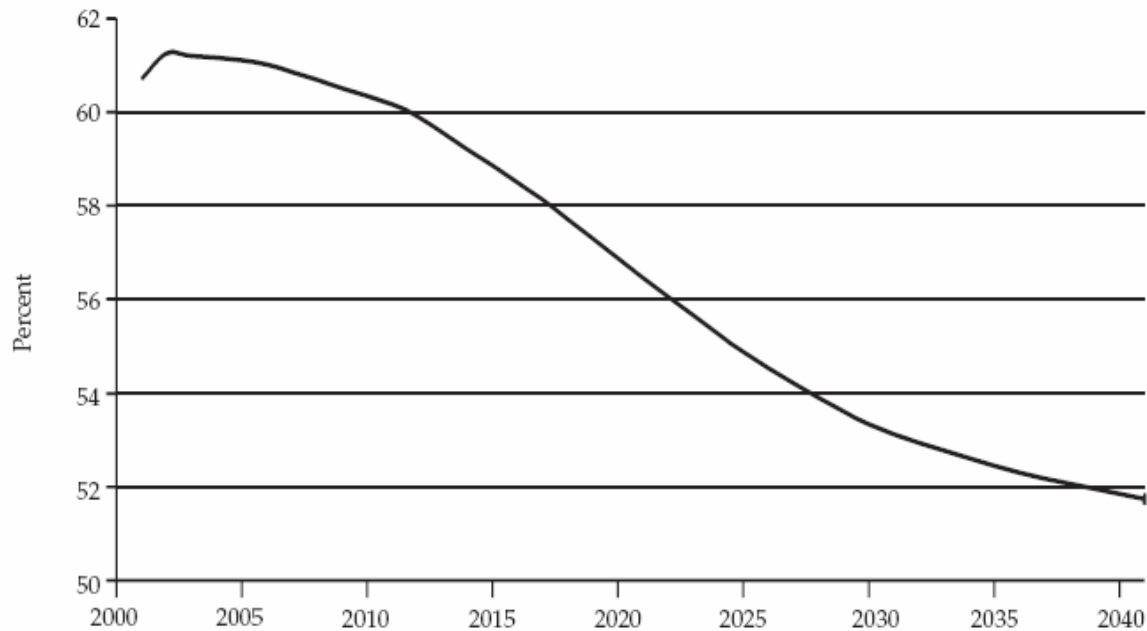
- Dependency ratios in Canada:
 - In 2005, 5 working age people for every person 65+
 - By 2025, 3 working for every person 65+
- Median age of Canadians at nearly 39 years
- 24% of population age 0-19
- By 2025, 20% of Canadians will be 65+



Support Ratio

(workforce as a share of the working age population 15+)

Figure 1: Projected Support Ratio for Canada



Source: Statistics Canada, author's calculations.

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2015

- **This would be the first time in the history of the Canadian population that elderly people would outnumber children,** a situation which is projected to persist unless the fertility rate begins to rise again. (Stats Canada, 2005)
- The percentage of elderly is likely to double in the next 25 years



Demographics: Diversity

- Immigration currently represents 2/3 of growth (only 38% in US)
- Between 2020 and 2030 deaths will surpass births in Canada, making immigration the only source of population growth
- Stats Canada medium projections assume a fertility rate steady around 1.5 however other countries have shown that without intervention rates continue to go down



Immigration

- Estimated that over 3 million immigrants per year required to offset population aging
- Canada's annual target just increased to highest level in 25 years (up to 265,000 people)
- In 2005, 43% of immigrants from China, India, Philippines, Pakistan and South Korea; 2% each from France and UK



Immigration

- **Challenges:**

- Ethics of immigration being questioned
- Population growth in immigrant sending countries slowing down too
- India and China have aggressive policies to keep their brightest and best at home



Diversity - Data

	Base Population, <i>2001</i>	Proportion of Population, <i>2001</i>	Projected Population, <i>2017</i>	Projected Proportion of Population, <i>2017</i>
Immigrant	5,655,900	18.5%	7,682,500	22.2%
Racially Visible	4,037,500	13.4%	7,116,200	20.6%
Aboriginal	1,066,500	3.4%	1,427,900	4.1%



Retirement

- Canadians retiring at a younger age:
 - 65 in 1976; 61 in 2005
- Proportion of men, aged 60-64, in the workforce from 63% (1976) to 51% (2005)
- Only six per cent of workers continue to work full-time after the age of 65.



Population Policy

- **The Policy Mix:**
 - Immigration
 - Later retirement
 - Fertility
 - Family friendly policies
 - Baby bonus / child benefits
 - Child care
 - Parental leave/annual vacation/other benefits
 - Geographic distribution



- For most countries, a package involving increased fertility, increased immigration and an increase in labour force participation rates is likely to be a more successful approach than reliance on any one of these alone.
(McDonald, 2000)



Population Policy: Quebec & the Rest of Canada

- Federal and provincial population policy most notable for its *absence*
- Some academic and think tank research, primarily from an economic growth perspective
- Quebec has introduced pro-natalist policy:
 - Allowance for Newborn Children (1988-1997)
 - Universal Child Care (1997)

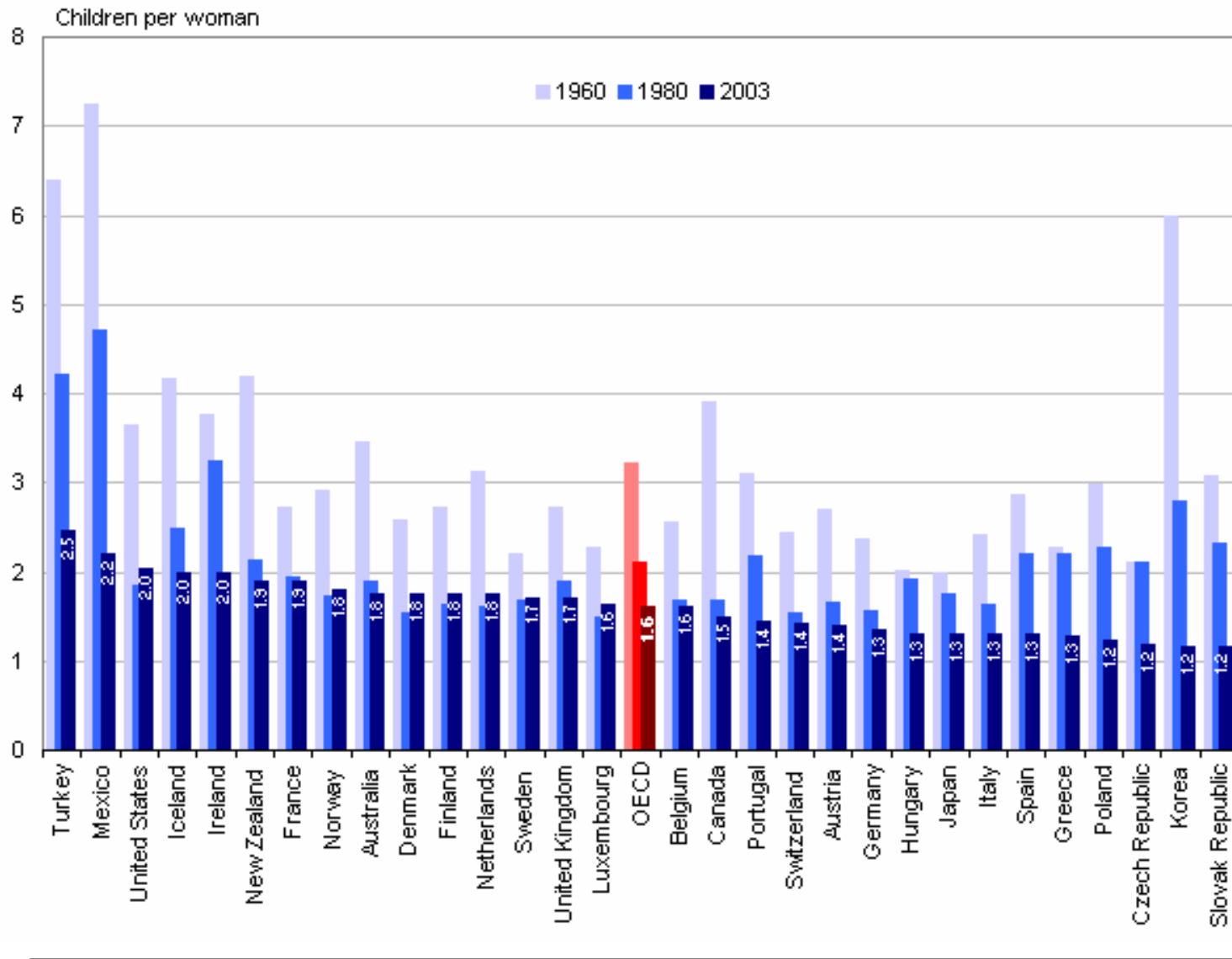


Fertility in Canada

- Canada's Total Fertility Rate (TFR) below replacement rate since 1972 – 1.6 in 2005
- Regional differences:
 - 1.3 in Newfoundland and Labrador
 - 1.4 in British Columbia
 - 1.5 in Quebec
 - 1.9 in Saskatchewan
 - 3.0 in Nunavut



Chart 5.4. Total fertility rates, children per woman aged 15-49, 1960, 1980 and 2003



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Desired vs. Actual: A Policy Gap

- Low TFRs contrast with the expressed desires and expectations of many women and men in Canada to have two or more children (PRI, 2005)
- The desired fertility rate in Canada was 2.7 in 2000, constant since 1981
- According to World Values Survey (2000) over 96% of Canadians would like two or more children



OECD Finding

- The gap between desired and actual fertility suggests that, beyond “preferences”, “constraints” are also important. Policies and institutions might either ease or increase these constraints: whether deliberately or not, institutions and policies shape the environment in which the childbearing decisions of individuals takes place. (d’Addio & d’Ercole, 2005)



Female Labour Force Participation

- The relationship between the female labor force participation rate (FLPR) and the total fertility rate (TFR) shifted from a negative correlation (countries with higher FLPR have lower TFR) to a positive one (countries with higher FLPR have higher TFR) among the Organisation for Economic Cooperation and Development (OECD) countries in the 1980s. (Kazuo, 2005)



Country	Unemployment Rate ^[1]	Child Poverty ^[2]	TFR	Female Participation Rate	Population over 65 as % of total by 2015
Denmark	4.8	2.4	1.8	74.8	19.2
Sweden	6.4	4.2	1.7	77.1	21.4
France	9.9	7.5	1.9	62.5	18.5
Canada	6.8	14.9	1.5	71.9	16.4
Australia	5.1	14.7	1.8	66.1	15.5
UK	4.8	15.4	1.7	69.2	17.8
US	5.1	21.9	2.0	69.7	14.2
Italy	7.7	20.5	1.2	48.3	22.3

^[1] OECD, Standardised Unemployment rates, 2005

^[2] Source: UNICEF, Innocenti Research Centre. Child Poverty in Rich Nations 2005.



Gender

- According to a 2005 OECD study:
 - Countries where gender equality is highest also record higher TFRs
 - The most educated women have fewer children in all countries and all years considered
 - The gap between desired and actual fertility is growing amongst all cohorts of women (d'Addio & d'Ercole, 2005)



Other Considerations

- A recent study produced in the UK has found that:
 - It is the long term implications of low fertility that matter the most
 - Beyond 2050 the impact of sustained low fertility rates will be enormous
 - Demographic change has contributed significantly to poverty and inequality (irpp,2006)



Canada's Approach

- Currently there is no national or provincial approach to the question of fertility rates
- Research in Canada on the issue is very limited yet:
- There is evidence from Europe, Australia, Japan and elsewhere that fertility rates matter and can be influenced by public policy



Evidence of Policy Effectiveness

- The evidence shows that no single measure can influence fertility but that a suite of them can (Caldwell, et al., 2002)
- Three categories of fertility policies have been identified:
 - Financial incentives
 - Support for parents to combine work and family
 - Broad social change supportive of children and parenting



But Can We Afford It?

- As has been the case in recent years, the Nordic countries hold prominent positions in the rankings this year, with **Finland** (2), **Sweden** (3), and **Denmark** (4) all among the top ten most competitive economies. Prudent fiscal policies have enabled governments to invest heavily in education, infrastructure and the maintenance of a broad array of social services. Finland, Denmark and Iceland have the best institutions in the world (ranked 1, 2 and 3, respectively) and, together with Sweden and Norway, hold top ten ranks for health and primary education. (Global Competitiveness Report, 2006)



What Next?

- We need:
 - A systematic and comparative review of the evidence
 - A solid understanding of what Canadians value and want with respect to family and population policy
 - An analysis of the Canadian context and mechanisms for policy action
 - An open dialogue in Canada about the sustainability of our population



“While leadership must inevitably come from government, the ideal arrangement is a partnership between government, employers and families, a whole-of-society approach.”
(McDonald, 2000)

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