

**Canada's Secret Province:**

**2.8 Million Canadians Abroad**

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# Methodology

## Defining “Emigrant Population”:

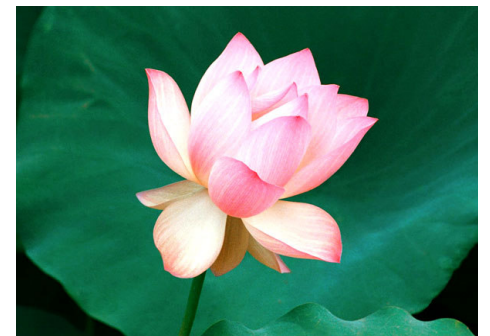
- vague definition: ethnically-based

Ex.: Chinese or Indian diasporas:  
limited rights of return  
or no complete dual citizenship

- precise definition: citizenship-based

Absolute right of return

Jus sanguinis and/or jus soli



# Political Implications of Political Definition

- Dual Citizenship
  - Split Allegiances : Danish MP also MP in Morocco
- Right to Hold Office
  - Michael Ignatieff versus Ms. Ghandi
- Voting Rights
  - Italian diaspora elected Berlusconi
- Third Country Recognition of Dual Citizenship
  - Maher Arar: Canadian or Syrian? Syrian, according to the U.S.
  - Canadian-Uighur citizenship and terrorism
  - Lebanon



# Economic Implications of Political Definition

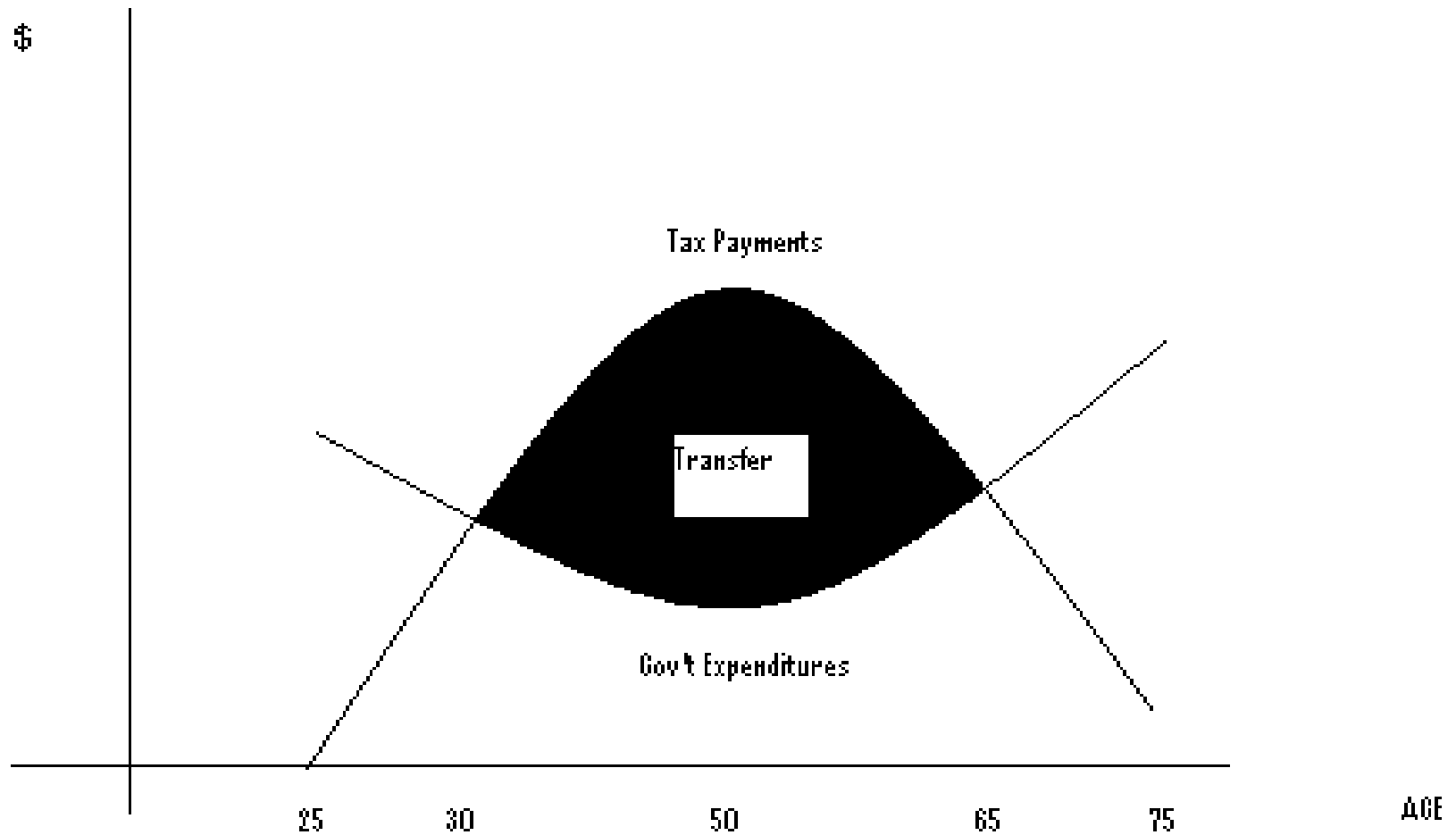


## Taxation:

- Worldwide Income (U.S.) vs. Deemed Non-Resident (Canada)
- Tax Transfer and Welfare State
  - Major tax expenditures at youth and retirement
  - Major tax payments ages 30 to 65
- Do Stayers subsidize Leavers?



# Figure 1. Tax Transfers over a Canadian's Life Cycle





# Immigration Policy Challenges

Large Naturalized Population:

- Emigration: push or pull from Canada?
- 3-year citizenship waiting period expedites naturalized emigration
- Differential treatment of naturalized vs. Canadian-born citizens?
- Destination of Canada's naturalized population





## Emigrant Estimates

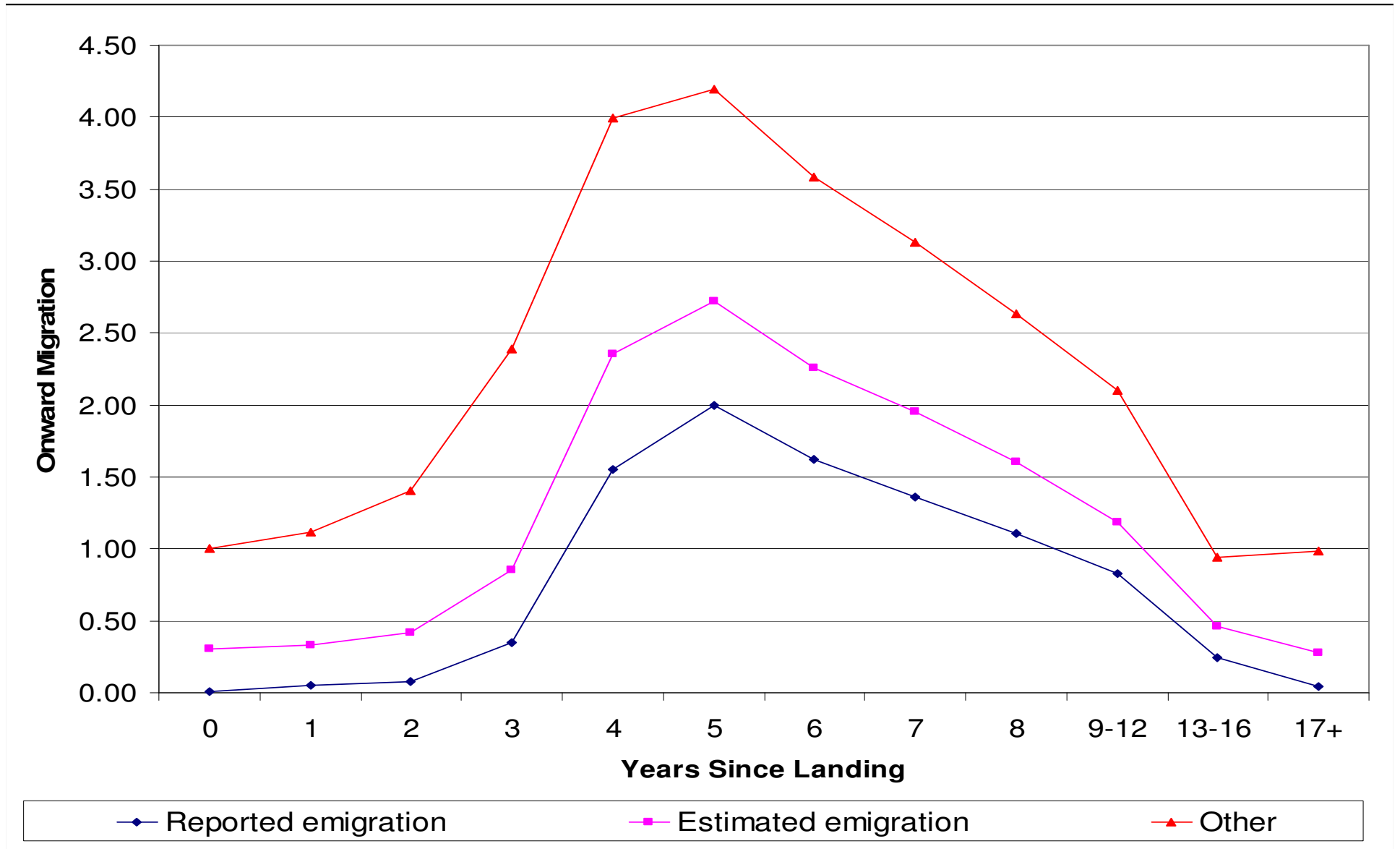
- Definition; Canadian citizens abroad for one or more years
- Exit Controls: None in Canada
- Estimates of Emigrant Population based on
  - disappearance in home country census
    - Cohort population in Canada 2000 minus that cohort in 2010 minus estimated deaths
  - country of residence census
    - Downward bias: dual citizenship mask



**Table 1. Countries with High Positive Outmigration Levels and Rates, 1996-2006**

<b>Country</b>	<b>Num.</b>	<b>Out-Rate</b>
<b>Hong Kong</b>	<b>44710</b>	<b>23.98 %</b>
<b>United States</b>	<b>15130</b>	<b>10.64 %</b>
<b>Taiwan</b>	<b>14060</b>	<b>30.37 %</b>
<b>Iran</b>	<b>7620</b>	<b>15.14 %</b>
<b>France</b>	<b>5090</b>	<b>11.47 %</b>
<b>South Korea</b>	<b>4460</b>	<b>10.10 %</b>
<b>Japan</b>	<b>1630</b>	<b>12.50 %</b>
<b>Australia</b>	<b>1130</b>	<b>10.44 %</b>
<b>Singapore</b>	<b>620</b>	<b>12.02 %</b>

# Figure 2. Hong Kong Exit Rates



**Table 2. Exit of Canadian-born Canadians,  
1996-2001 and 2001-2006 : Canadian Census**

Absolute Outflow 1996 - 2001	Absolute Outflow 2001- 2006	Out- migration Rate 1996 -2001	Out- migration Rate 2001-2006	Overall Out-rate 1996-2006
<b>385,850</b>	<b>147,500</b>	<b>1.88 %</b>	<b>0.75 %</b>	<b>1.33%</b>

## Table 3. Canadian Emigrant Population Estimates: Selected Countries

Country	Low Estimate	High Estimate	Average	Source
United States	945,060	1,062,640	1,003,850	US Census, Asia Pacific Foundation of Canada (APF)
Singapore	5,140	---	5,140	Foreign Ministry of Singapore
United Kingdom	70,000	---	70,000	UK Census, National Statistics Labour Force Survey
Hong Kong	150,000	250,000	200,000	Canadian Consulate and APF
Trinidad & Tobago	3,700	5,000	4,350	Canadian High Commission
Australia	--	--	27,289	OECD
China	---	---	40,000	APF
Taiwan	--	--	52,500	APF
Japan	---	--	7,067	OECD
Republic of Korea	2,468	14,879	8,673	OECD, APF
Mexico	--	--	5,768	OECD
New Zealand	--	--	7,770	OECD
Philippines	--	--	7,500	DFAIT
Singapore	--	--	5,140	APF
Thailand	--	--	5,000	DFAIT
Vietnam	--	--	1,000	APF

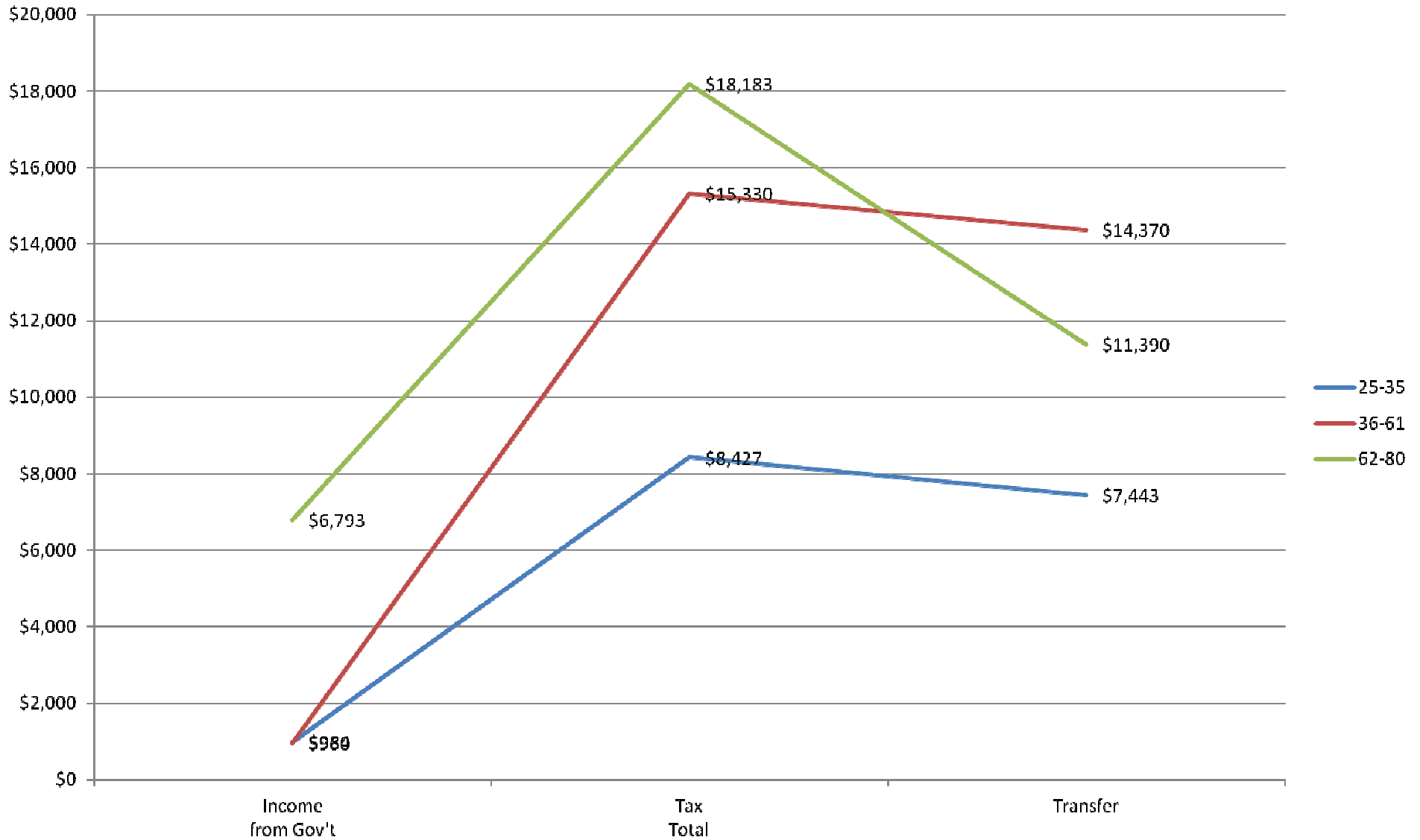
# Economic Consequences of Emigration for Canadian Residents

## Tax Transfers:

- Emigration of old and young as gain to Canadian treasury
- Emigration of economically active is negative
- Loss to Canadian treasury depends upon
  - Age of emigration
  - Length of stay
  - Age of return
  - Place of birth



# Figure 3. Lost Net Federal Transfer from Emigration of Canadian-born Male



**Table 4. Estimated Total Treasury Transfers per  
10,000 Canadians Abroad Per Annum**  
*Circa 2006 (millions of \$)*

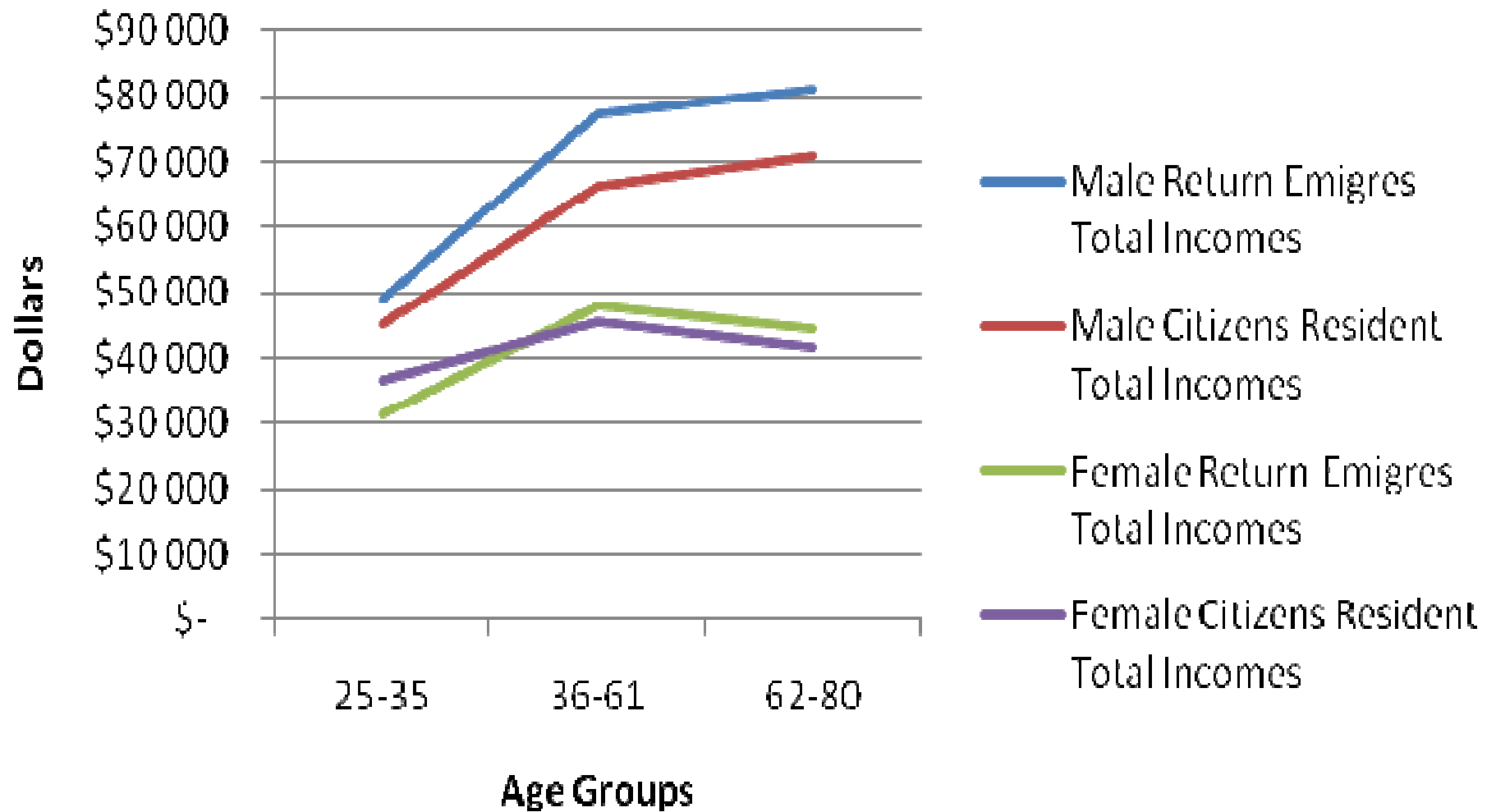
Age	Federal Transfer Loss	Provincial Transfer Loss	Federal + Provincial Loss
25-35	\$186	\$305.3	\$491.3
36-61	\$1,612	\$1,496	\$3,108
Total	\$1,798	\$1,801.3	\$3,599.3

# Return Emigrants

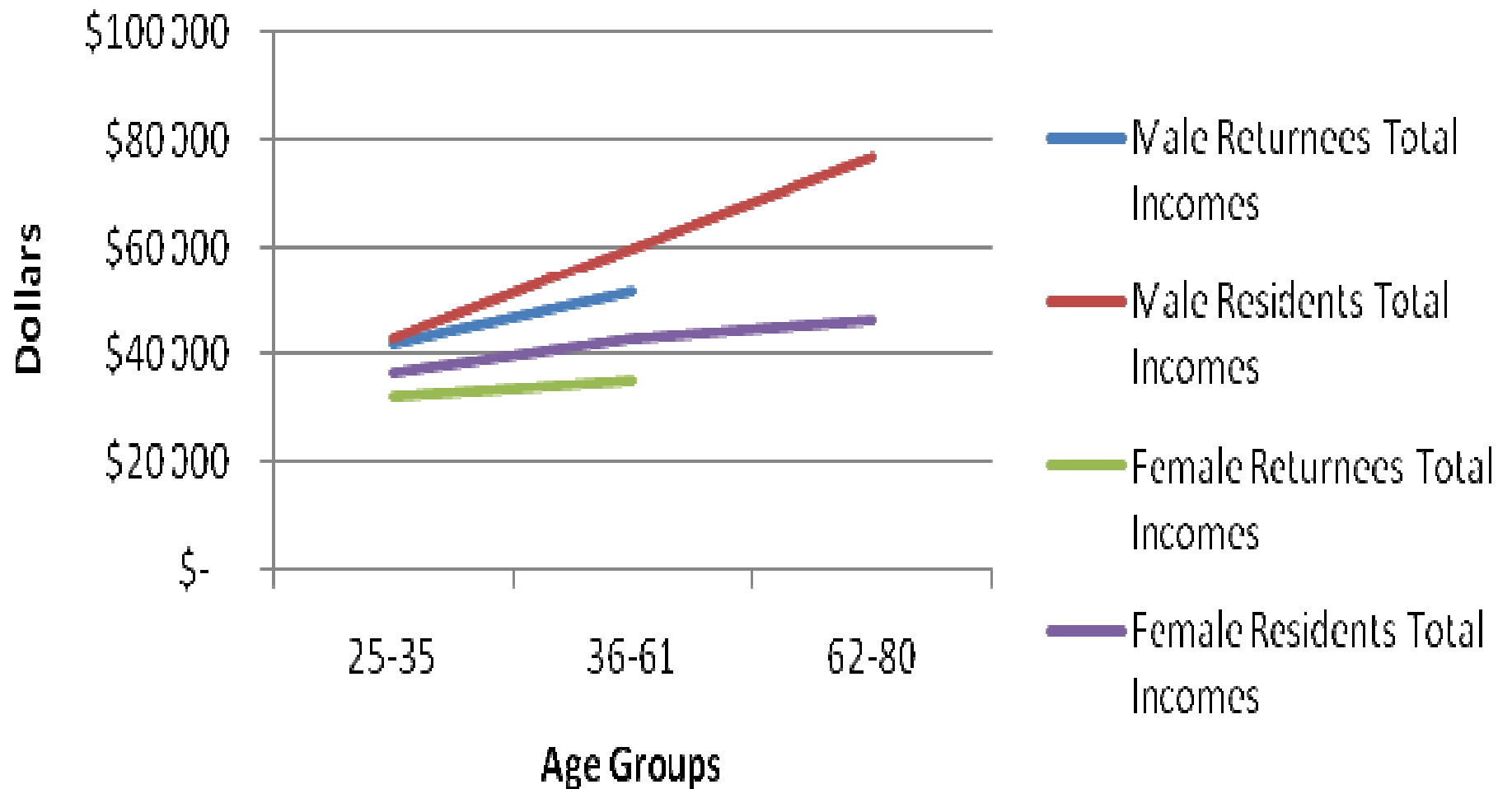
- Is emigration a form of investment?
  - Education and technical transfers
- Are there differential returns for naturalized and Canadian-born return emigrants?
  - Gain for Canadian-born
  - Tax for naturalized Canadians
- Is there evidence of externalities from Canadian emigration?
  - Limited: in general no effect on trade or FDI



## Figure 4. Canadian-born Return Emigrants' Economic Performance in 2006



## Figure 5. Naturalized Return Emigrants' Economic Performance in 2006



## Table 5. Correlation Coefficients

**Economic Activity    All Countries    High Exit Rate**

<b>Export Growth Rate</b>	<b>-.43</b>	<b>.45</b>
<b>Import Growth Rate</b>	<b>-.21</b>	<b>.53</b>
<b>FDI Growth Rate</b>	<b>.05</b>	<b>-.28</b>
<b>Number of observations</b>	<b>30</b>	<b>18</b>

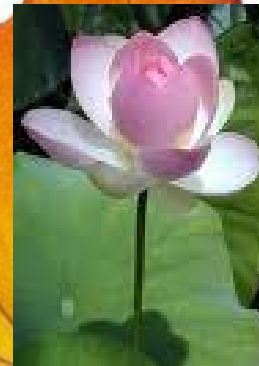
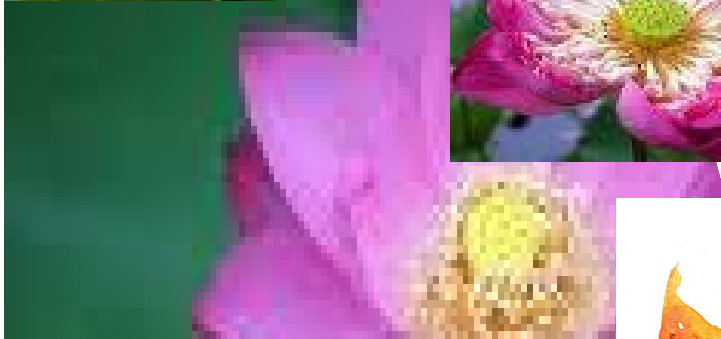
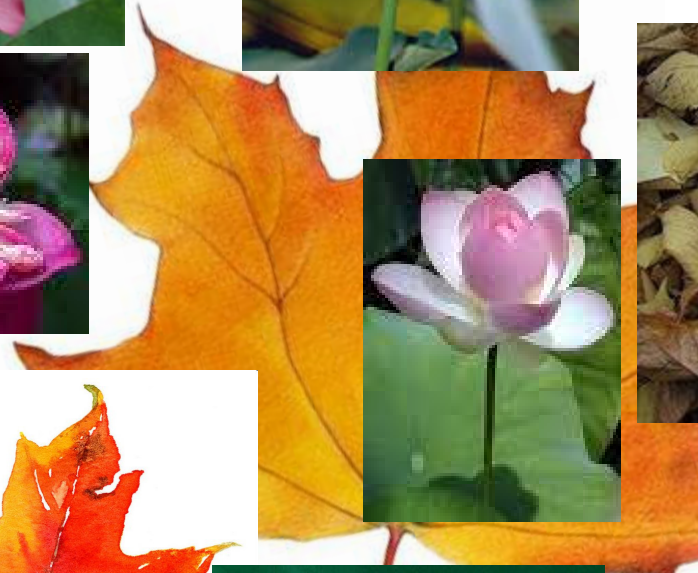


# Conclusions



## New World different from Old World Diasporas:

- New World is driven by exit of immigrants
- New World emigrants are human-capital intensive
- New World emigrants represent an unfunded liability
- Little evidence of FDI, trade or technical transfers
- Returning emigrants
  - Lose if young or naturalized



**The End**