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ASIA

# ASIAN SKILLED-IMMIGRATION FLOWS TO CANADA

A Supply-Side Analysis

Asia Pacific Foundation of Canada

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September, 2003

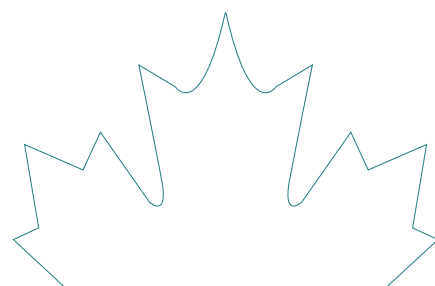
# FOREWORD



The Asia Pacific Foundation of Canada is proud to sponsor the publication of the *Canada in Asia Series on the Foreign Policy Dialogue*. This series is a collection of papers that the Foundation commissioned in early 2003, in response to a dialogue on Canadian foreign policy initiated by Minister of Foreign Affairs Bill Graham. As Canada's leading think-tank on Asia, the Foundation is at the forefront of policy analysis on Canada-Asia relations, and we periodically draw on the expertise of Canadian scholars to help us in our work. I am delighted Professor Don DeVoretz of Simon Fraser University has prepared this paper on Asian immigration flows to Canada in the 21<sup>st</sup> century and am confident that his insights and recommendations will inspire further thinking on Canada's role in Asia.

The task of rethinking Canada-Asia relations does not end with the Foreign Policy Dialogue. The Foundation produces a range of print and electronic products that provide insight on key developments in Asia. Our flagship publication — the *Canada Asia Review* — is an annual stock-taking and report card on major aspects of the trans-pacific relationship. We also publish a daily news service, weekly business intelligence bulletin, monthly investment monitor, quarterly economic and political outlook, and periodic commentaries on critical policy issues. In addition, the Foundation is the Canadian focal point for major Pacific Rim business and economic cooperation networks. I invite you to sample our products at [www.asiapacific.ca](http://www.asiapacific.ca) and to join us in further dialogue and debate on the future of Canada-Asia relations.

**John D. Wiebe**  
**President and CEO**  
**Asia Pacific Foundation of Canada**



# INTRODUCTION



The Dialogue on Canadian Foreign Policy, launched by Minister of Foreign Affairs Bill Graham in January 2003, represents a modest but important effort to review key developments in the world since the government's last major policy statement in 1995 — known as *Canada in the World*. The intervening years have been momentous, especially the events surrounding 11 September 2001. With the conclusion of the dialogue and release of the official report in July 2003, the stage is now set for a more far-reaching and in-depth debate on the re-orientation of Canada's foreign policy priorities.

In Asia no less, the period 1995-2002 has been one of dramatic change. The Asian Miracle of the 80s and early 90s gave way to the Asian Crisis of 1997-98, triggering waves of political change, economic restructuring and social transformation. Against the backdrop of leadership transition, China not only avoided the Asian Crisis, but has also emerged as a formidable economic power and a skilful practitioner of international diplomacy. Japan, on the other hand, has experienced economic stagnation through this period. Written off by so many commentators, the "sick man of Asia" still happens to be the richest and most technologically sophisticated kid on the block, by a large margin. Structural reforms in Japan that strike at the core of Japanese economic, political and social organization have gone largely unnoticed.

For its part, India has completed a decade of fitful, but largely successful economic reforms and is anxious to take its place as a global and regional power. India tested nuclear weapons in 1998, followed shortly after by Pakistan, raising the spectre of nuclear war in the sub-continent. Southeast Asia is going through its own identity crisis. Having largely shaken off the stigma of the Asian Crisis, it now has to compete with China for the affection of global investors, while fending off unsavoury images of the sub-region as "the second front in the war on terrorism." More broadly, there has been a proliferation of bilateral trading arrangements and a resurgence in East Asian regionalism, led by China. These

cross-currents, in addition to many other recent developments in the region, provide ample complexity for a serious re-evaluation of Canada's foreign policy toward Asia.

As a contribution to the Dialogue on Canadian Foreign Policy, the Asia Pacific Foundation of Canada commissioned seven papers to look at key issues in the Canada-Asia relationship. There were three country-specific papers — on China, Japan and India. Two papers dealt with regional issues — nascent East Asian cooperation and the post-September 11 security environment in Southeast Asia. The remaining two papers looked at different sides of the Asian demographic in Canada — the supply of skilled worker immigrants from Asia, and implications of the growing Asian population for Canada's international relations. We also launched a web forum on Canada-Asia relations, based on the seven papers, and held a workshop in Ottawa on 27 March 2003. The Foundation's official submission to the foreign policy dialogue, available at <http://www.asiapacificresearch.ca/caprn/discussion/papers/apfc.pdf>, is the product of collective wisdom from the commissioned papers, workshop discussion, in-house research, and other expert input.

The purpose of this publication series is to make the seven commissioned papers more widely available and to extend the ideas and recommendations beyond a foreign policy *dialogue* into foreign policy *formulation*. I would like to express my personal gratitude to the authors for their contributions and for helping the Foundation in its mission to deepen the awareness and critical thinking of Canadians on our relations with Asia.

**Yuen Pau Woo**  
**Vice President, Research and Chief Economist**  
**and Series Editor**  
**Asia Pacific Foundation of Canada**

# RECENT HISTORY

## 1

Aggregate immigration numbers since 1967 (see Figure 1, page 4) appear initially to suggest that there exists an infinite supply of all types of immigrants.<sup>2</sup> Indeed, it seems as though Canada simply opened or closed its entry gates according to domestic economic conditions, with numbers varying widely from year to year. For example, over 230,000 entered during the boom period of 1973 while only 84,000 were admitted during the 1984 recession. By 1992-93, arrivals had again surged to 254,000. It appears that, in the aggregate, a “tap on, tap off” immigration policy<sup>3</sup> was feasible and that Canadian demand — not the supply — ultimately dictated yearly intakes.

However, aggregate totals do not reflect dramatic changes in source-country composition over this period. In fact, the numbers reported in Figure 1 were only maintained thanks to a deliberate restructuring of Canada’s immigration policy during the 1970s which allowed the admission of skilled Third-World immigrants under a “colour-blind” points system.

Figure 2 (page 5) documents the claim that Canada altered its source-country mix to maintain aggregate goals. In 1973, the majority of Canada’s immigrants came from Europe and the United States, with the rest emanating largely from Asia. By 1993 this distribution had reversed, with the majority of immigrants emanating from non-European sources. Figure 2 also indicates that Asian immigration levels fluctuated in the 1990s, while European and American inflows were modest and constant.<sup>4</sup> In other words, fluctuating totals after 1990 were almost exclusively the result of changes in flows from Asia.

Two major conclusions on the supply side can be inferred from Figures 1 and 2. First, Canada was able to rapidly change its demand for immigrants with no aggregate supply constraints in the last third of the 20<sup>th</sup> century. Second, the supply of immigrants from any one country or area can not be assumed to be infinite: Canada had to reach out to areas with strong demographic forces, stagnating economies, and

*Both historical and recent popular scholarly literature on Canadian immigration has emphasized the post-arrival experience of immigrants in Canada and their effect on social institutions and the economy.<sup>1</sup> This paper breaks new ground by eschewing the traditional “demand-side” view of immigration and focuses instead on the supply side of Canada’s future intake of highly-skilled immigrants from Asia. Specifically, it questions a central assumption of Canada’s postwar immigration policy: that there exists an infinite supply of highly-skilled immigrants (in Canadian policy parlance, the “independent class”) willing to wait in queue to enter Canada. Will the supply of highly-skilled immigrants to Canada become more limited in the near future?*

*In answering this question, this paper looks at demographic trends in Asia over the next 25 years and forecasts the potential gross supply of skilled immigrants to Canada. Next, it reviews the likely impact of Canada’s 2002 Immigration Act on the future supply and skill composition of these immigrants. Finally, in order to forecast the net supply of Asian immigrants, it examines the size and composition of recent Canadian emigration to Hong Kong. Ultimately, this paper argues that these three forces — demographics, a restrictive Canadian immigration policy, and return migration — will reduce the supply of skilled immigrants from Asia over the next three decades.*

# 1

unstable governments to increase its supply of skilled immigrants.

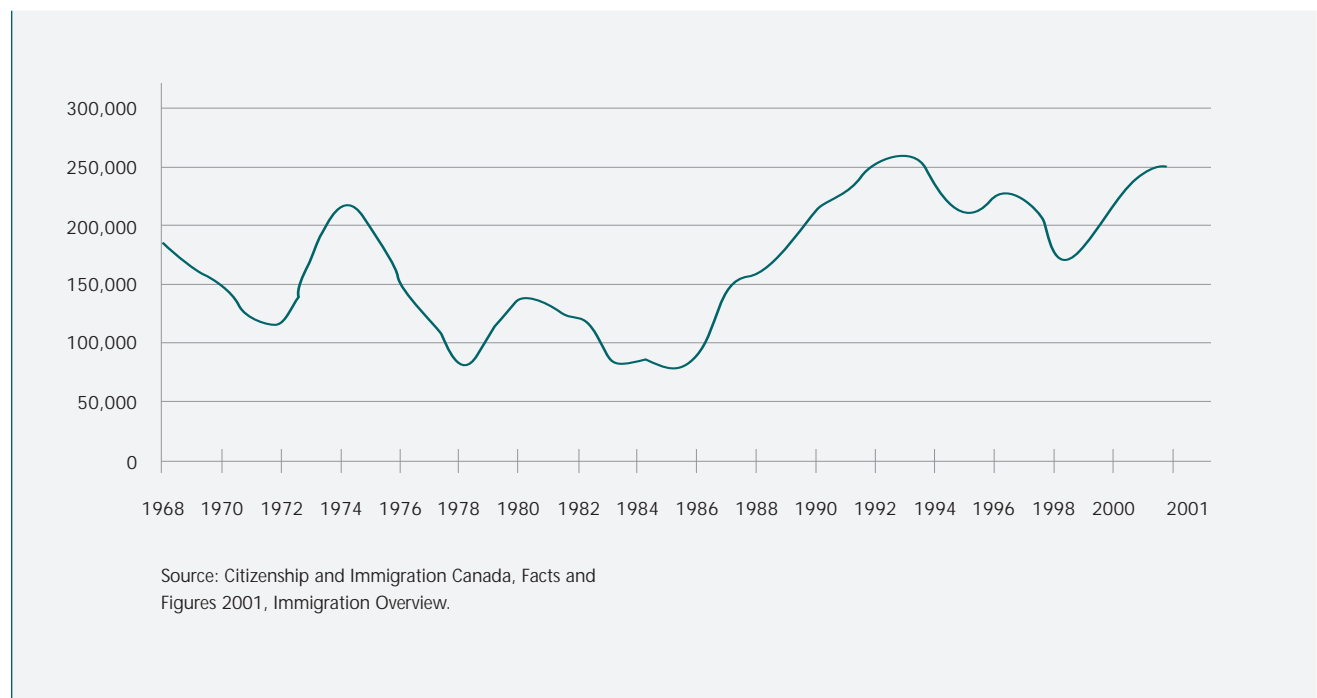
In addition to switching source countries, Canada employed another policy lever after 1980 to maintain yearly targets, and it too appears to confirm that, overall, an infinite supply was available. In 1978, Parliament passed an act which formalized three entry queues: independent or skilled workers, family members, and refugees. It also required the Minister to announce yearly aggregate immigration targets in the House of Commons. As already noted, Canada could meet targets, particularly for coveted independent immigrants, by shifting sources. But if there was a shortfall in this class of immigrant, Canadian officials could simply turn to the family or refugee queues to compensate: DeVoretz (1995) shows that the Department of Citizenship and Immigration would first process available independent-class immigrants and then, at year's end, fill the annual quota by processing those in the

more plentiful family class.<sup>5</sup> This practice led to criticism that Canada was only able to meet its numerical targets by emphasizing family reunions, undermining the economic benefits generated by strong independent immigrants.

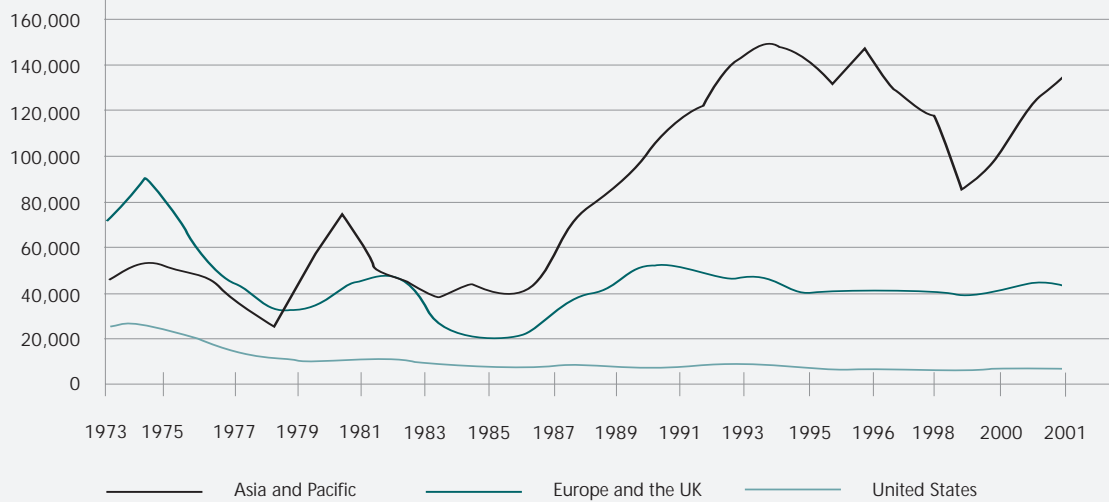
Figure 3 illustrates this substitution process clearly. As independent-class entrants declined from 1988 to 1992, progressively higher yearly immigration targets announced by the Minister were met by expanding the number of family-class immigrants. Similarly, as acceptances of independent immigrants grew rapidly after 1993, family entrants declined.

Thus, Figures 1-3 indicate that Canada has been able to meet its annual targets for the last 20 years, but only in the aggregate. From the 1980s through the mid-1990s, independent immigrants declined as a proportion of total inflow, and dramatic shifts in source countries and queues were needed to meet fluctuating yearly demand.

**FIGURE 1: Total Yearly Immigration Flows, 1968-2001**

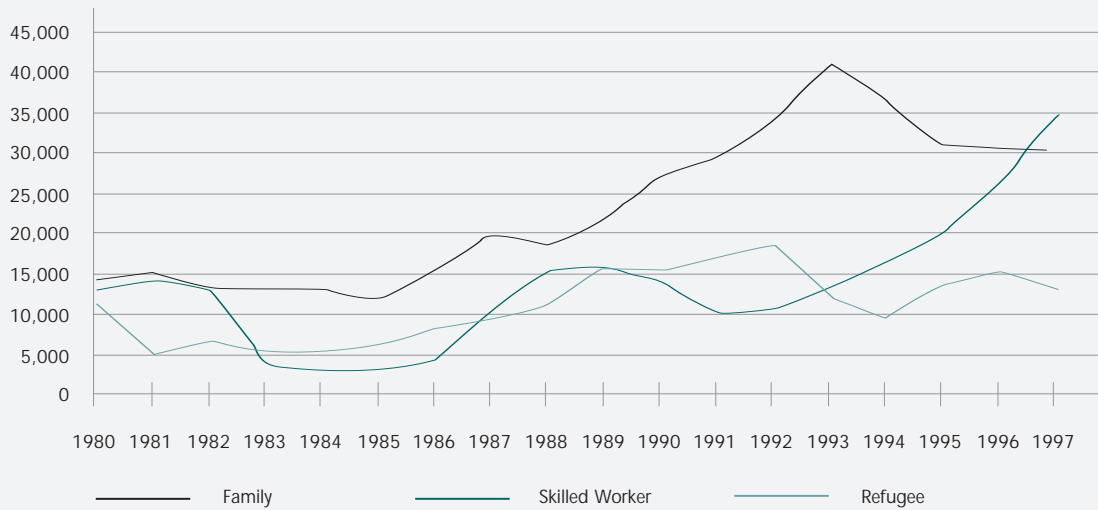


**FIGURE 2: Total Yearly Immigration Flows by Selected Regions of Origin, 1973-2001**



Source: Citizenship and Immigration Canada, Facts and Figures, various years, at <http://www.cic.gc.ca/english/pub/index2.htm#statistics>.

**FIGURE 3: Immigrants to Canada by Entry Classes, 1980-1997**



Source: Citizenship and Immigration Canada (2003).

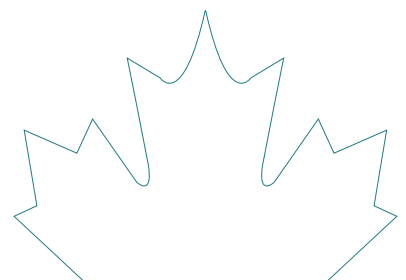
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# 1

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However, the liberalization of emigration policy in the People's Republic of China (PRC) in the mid-1990s to allow the departure of highly-skilled workers meant that, by the late 1990s, Canada no longer had to rely on family members to fill quotas. This large new source of immigrants allowed Canada to increase total admissions to 250,000 while simultaneously expanding skilled inflows. The increased flow of Chinese workers also meant that the government could finally achieve its *cinquante-cinquante* target that 50% of admissions in any given year be drawn from the independent class to ensure that immigrants make a net economic contribution to Canada.<sup>6</sup>

The dramatic rise in Chinese immigration prompted Prime Minister Jean Chrétien to argue that any "brain drain" to the United States was more than offset by inflows of highly-skilled Asians.<sup>7</sup> Again, critics questioned this facile accounting, noting that after 1990 skilled immigrants from Asia were often unable to find jobs in their professions or catch up to the earnings of their Canadian-born counterparts. At the turn of the 21<sup>st</sup> century, Canadian immigration policy is still based on the assumption that an infinite supply of highly-skilled immigrants is available. Yet without the arrival of skilled entrants from the PRC between 1996 and 2002, Canada's goal of a balanced intake, drawing 50% or more from the independent class, would not have been met.





# CANADA'S IMMIGRATION REGIME IN THE 21<sup>ST</sup> CENTURY

## 2

Canada's future supply of skilled immigrants ultimately depends on the screening devices used to assess independent applicants. Table 1 outlines the changing weights applied to human capital and employment attributes, as well as the rise in overall standards used to select independent immigrants. In 2002, Canada altered its selection criteria in two respects. First, the total number of points required for entry rose from 70 to 75 (out of 100). Second, the new criteria emphasized language, formal education, and prior experience in the labour market. These changes were made in response to the declining economic performance of Canada's highly-skilled immigrants in the 1990s. By raising the total points required and shifting criterial emphasis, it was hoped that this decline could be reversed.<sup>8</sup>

These new regulations may have the ironic effect of

finally altering the assumption that skilled applicants — especially those from China — are in infinite supply.<sup>9</sup> A unique “counterfactual” experiment conducted by Shi (2003) sought to determine what percentage of successful principal applicants in the independent class between 1995 and 2000 could have arrived if the 2002 criteria were in place (see Figure 4). For purposes of comparison, the applicant pool was divided into those from the PRC and those from the rest of the world (ROW).<sup>10</sup>

The results were dramatic. In 1995, only one in three successful PRC entrants would have been accepted if the 2002 criteria had been in force (see Chinese I). When Shi relaxed her assumptions, allowing more points for language skills and assuming that all would receive bonus points for a spouse, new acceptance rates emerged (see Chinese and ROW II).

**TABLE 1: HISTORICAL SELECTION CRITERIA 1967-2002**

Year	1967	1974	1978	1986	1993	1996	1997	2002
Education	20	20	12	12	14	21	16	25
<i>Work Experience</i> <sup>†</sup>			8	8	8	9	8	21
Specific Vocational Preparation	10	10	15	15	16	–	18	–
Occupational Demand	15	15	10	10	10		10	
Labour Market Balance	–	–	–	–	–	10	–	–
Age	10	10	10	10	10	13	10	10
Arranged Employment or Designated Occupation	10	10	10	10	10	4	10	10
Language	10	10	15	15	14	21	15	24
Personal Suitability	15	15	10	10	10	17	10	10
<i>Admissions Levels</i> <sup>†</sup>	–	–	10	10	8	–	–	–
Demographic	–	–	–	–	–	–	8	–
Relative	0/3/5 <sup>+</sup>	0/3/5	–	–	–	5	5	–
Destination	5	5						
Total	100	100	100	100	100	100	100	100
Pass Mark	50	50	50	70	67	*	70 <sup>#</sup>	75

Source: Green and Green (1999) and Shi (2003)

Note: The table shows maximum points possible in each category. Maximum points and pass mark have been rescaled in 1993 and 1996 to put the system in terms of points out of 100. <sup>†</sup> Italics have been inserted by author to clarify contents. \* Points awarded depend on relationship to sponsor. # The pass mark varies by skill group. The total available points actually equals 74. The pass marks are: professional, 52; skilled administrator, 52; technical, 47; trades, 45. # A visa officer will award points for personal suitability, up to a maximum of 10, at interview. Thus at least 70 points in total are required to pass to the interview stage and at least 60 points in total are required for further consideration.

## 2

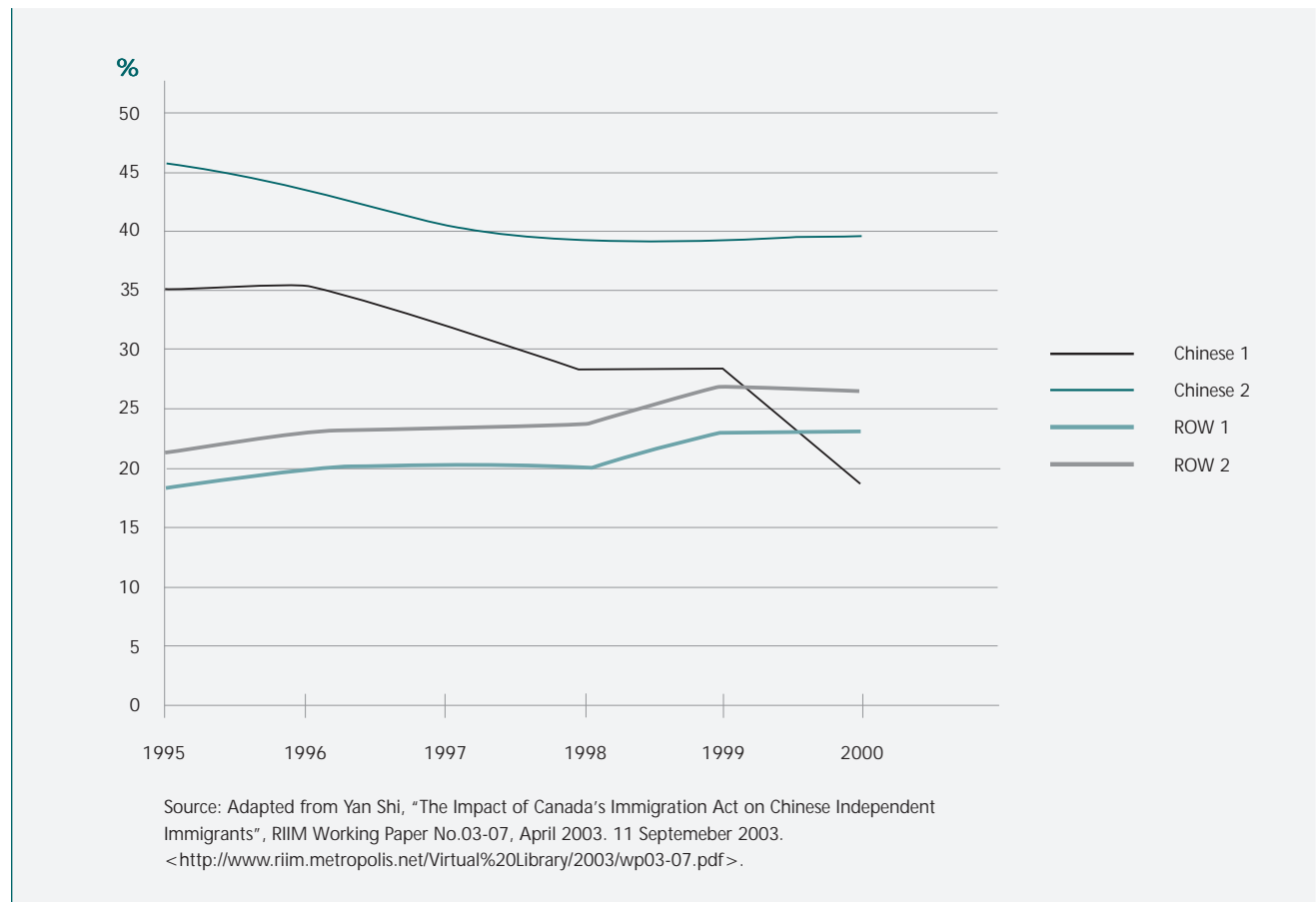
Under these more generous conditions, rates increased slightly, but never exceeded 50% among Chinese or 26% for ROW.<sup>11</sup>

Several conclusions can be drawn from this simulation. First, changes to Canada's independent-class criteria in 2002 will dramatically reduce the number of successful applicants from the entire world, *ceteris paribus*. Next, it appears that China's ability to export highly-qualified workers fell throughout the late 1990s: while 35% of independent Chinese entrants in 1995 would have qualified under the new system, only 19% of Chinese entrants in 2000 could have replicated this feat. Thus, the new criteria will reduce

the supply of acceptable applicants worldwide, and from China in particular.

Recent statistics appear to confirm this speculation. Skilled admissions to Canada are down by 15% on a year-to-year basis for the first quarter of 2003 (Jedwab, 2003) while skilled admissions dropped by 15,000 overall in 2002 after the system was in place for only six months (Citizenship and Immigration Canada, 2003a). It remains to be seen if the more stringent criteria will enhance the economic performance of those few who do qualify. Potential immigrants will surely respond to this new system by seeking alternative Canadian entry gates or destination countries (more on this later).

**FIGURE 4: Acceptance Rates**



# EMIGRATION OF CANADIAN IMMIGRANTS IN THE 21<sup>ST</sup> CENTURY

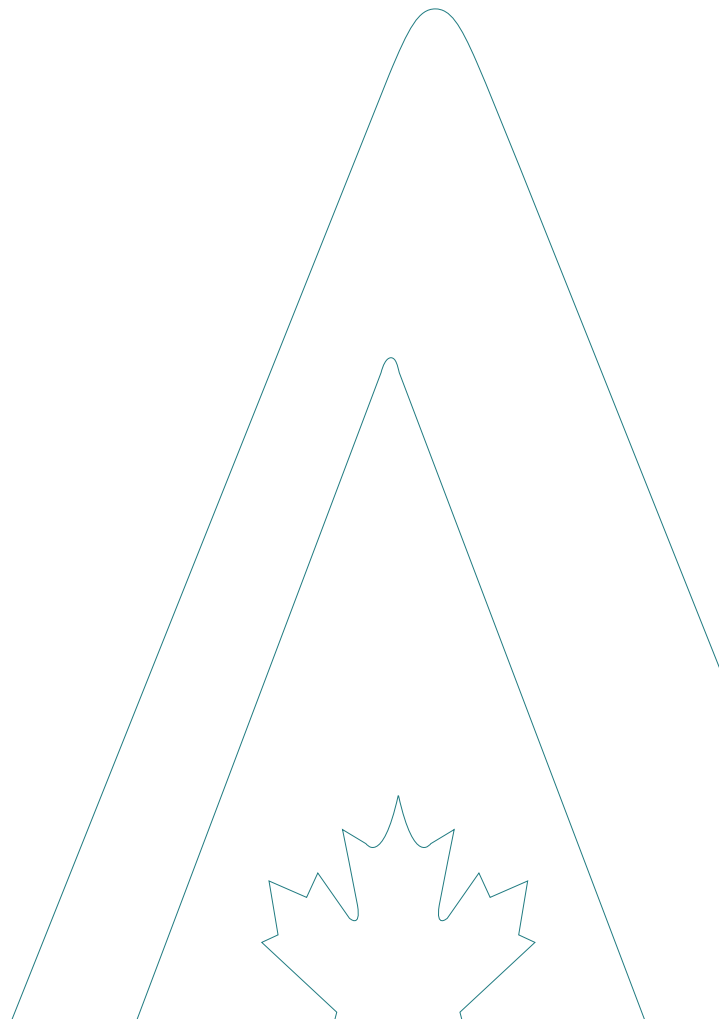
## 3

Historically, emigration from Canada has averaged about 30% of gross annual immigrant inflows, meaning that in some years, Canada's net inflows are actually quite small. In the mid-1980s, for example, gross inflows fell below 100,000 while outflows reached 80,000, leaving a net inflow of only 20,000 (DeVoretz, 1995). Two important dimensions of emigration will affect the ultimate size of Canada's Asian immigrant stock in the decades ahead. First, who among the highly-skilled are staying and who are leaving? If the best and brightest leave, then Canada will have to absorb "churning" costs to replace these emigrating immigrants.<sup>12</sup> Next, where are these erstwhile Canadian immigrants going? Back "home" or elsewhere in the world? The welfare implications of Asian immigrants moving on to the United States or Europe, for example, are different from a movement to their country of origin. In either case, it is important to ask if this movement represents a loss to Canada, or if it builds useful political and economic networks between the stayers and the leavers.

A recent case study sheds some light on these questions. Using data from China's 2000 census, DeVoretz and Ma (2002) explored the socio-economic characteristics of Canadian immigrants who returned to Hong Kong, and compared these returnees to immigrants who stayed in Canada. In several important categories (income earned, educational attainment, occupational distribution) the leavers outperformed the stayers. Moreover, leavers were heavily concentrated in the 20- to 39-year-old age group, often returning to Hong Kong with the head of household. This would seem to indicate that a large number of desirable immigrants, long assumed to be permanent, are returning after accumulating human capital and obtaining Canadian citizenship.

This triangular movement belies an immigration policy predicated on permanent settlement and only the occasional return of disappointed or retired immigrants. Two studies by DeVoretz and Zhang (2003, 2004) show

that, through generous settlement policies and rapid ascension to citizenship, political institutions in Canada have actually hastened the strategic onward migration of highly-skilled immigrants. A Canadian passport, for example, allows erstwhile immigrants to enter the US under a Temporary Non-Immigrant (TN) NAFTA visa. But regardless of all the possible permutations for onward mobility in a world of dual citizenships and multiple passports, the point remains that those who come to Canada in the future will not necessarily stay.



# SUPPLY OF HIGHLY-SKILLED ASIAN IMMIGRANTS IN THE 21<sup>ST</sup> CENTURY

## 4

This paper has so far questioned the notion that an infinite supply of skilled immigrants ready to enter Canada exists by highlighting new stringent entry criteria and recent emigration. It will now test this theory against supply conditions in Asia itself.

Since immigration to Canada from any source is initially driven by the supply of independent applicants, followed five to ten years later by sponsored family members, predicting immigration trends from a particular country should concentrate on the projected supply of independent entrants. Under Canada's current assessment system, age, language ability, and education are the key entry criteria. Thus, the supply of recent high-level graduates and demographic forces should help determine the number of future applicants in the independent category.

Table 2 puts the potential flow of skilled Asian immigrants in perspective. China and the Philippines, two of Canada's major source countries, enjoyed a combined higher-education enrollment of 7.4 million students in 2001 (though it has less than 10% of China's population, the Philippines accounted for 35% of this figure). Furthermore, higher-education graduates in 2001 totaled 2 million in China and 385,000 in the Philippines. Yet throughout the late 1990s, Canada never admitted more than 40,000

skilled workers per year from all regions combined. Wide quality variations within these aggregate numbers notwithstanding, there appears to be an ample supply of potential applicants from Asia. Could they gain entrance to Canada under 2002 regulations? Possibly, but as noted, education accounts for only 25 of the required 75 points for admission: new language and job-experience requirements might yet hinder this apparently ample pool from earning an additional 50 points.

Ultimately, the supply of educated applicants is subject to demographic forces, and an analysis of age pyramids (see Annex A) for China, Malaysia, the Philippines, and South Korea — Canada's primary Asian source countries over the last three decades — provides a more telling forecast of the supply of independent applicants in the key 25- to 39-year-old age bracket.<sup>13</sup>

China currently dominates Canada's supply of highly-skilled immigrants and, at first glance, could well do so for the next 20 years: the most desirable applicants in 2025 will be aged 35 to 39, and China's age pyramid reveals that this bracket will be larger in 2025 (118 million) than it was in 2000 (103 million). However, two important groups beneath this bracket will both post massive declines over the same period: 30- to 34-year-olds will shrink from 126 to 102 million, while those 25 to 29 years old will go from 120 to 95 million.

**TABLE 2: HIGHER EDUCATION IN SELECTED ASIAN COUNTRIES, 2001**

Country	No. of Institutions	Enrollment (000s)	Graduates (000s)
China	1911	4,800	2,035
Philippines	1452	2,600	385
South Korea	352	800	n.a.

Sources: China, <http://www.moe.edu.cn/Stat/tjgb/4.htm>  
 Philippines, <http://www.ched.gov.ph/statistics/index.html>  
 South Korea, <http://www.moe.go.kr/English/>

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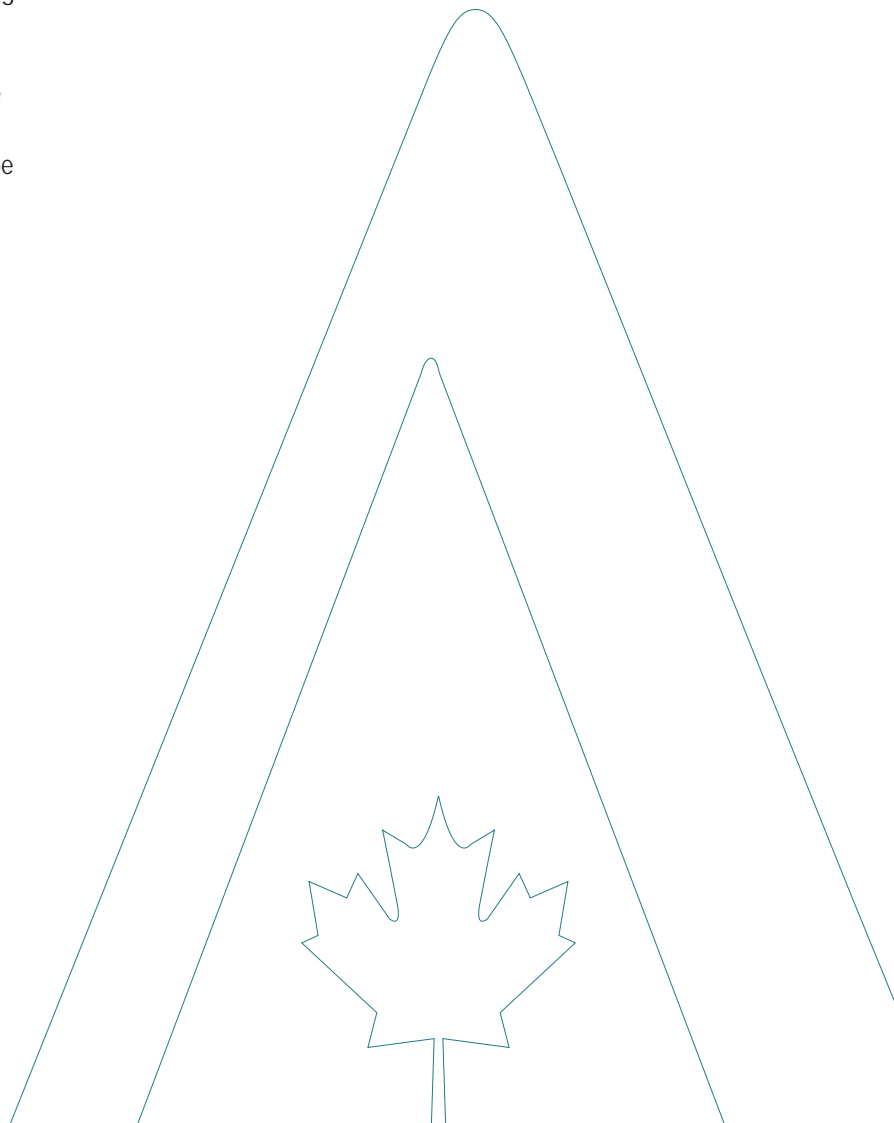
When these three age groups are combined, they yield about 34 million fewer potential candidates in 2025 as in 2000 — and yet will be subject to more stringent English and job-experience criteria than their 2000 counterparts.

Results from the second tier of source countries are not quite as dire. Malaysia has a small but growing prime bracket for immigration (25 to 39 years old) which will rise more than 50% between 2000 and 2025, from about 5 to 7.7 million. The same bracket in the Philippines will rise substantially from 17.3 million in 2000 to more than 28 million in 2025. Finally, South Korea's total will decline over the same period from 13 to 10 million. Thus, these secondary sources will yield a modest 10.4 million increase in the number of potential immigrants, offsetting China's substantial decline.

There are two additional pressures on Canada's future immigrant supply worth mentioning. The first is India, Canada's second-largest source of entrants. Might it be possible for India to compensate for the expected decline in skilled Chinese applicants? A brief analysis suggests that it will not: India sent an average of only 3,200 independent immigrants annually to Canada from 1990 to 2000, compared to China's 10,600 (CIC, 2003b). Moreover, only 17% of total post-2000 Indian immigrants to Canada were admitted in the

independent class, compared to over 50% from the PRC. Hence, any future increase in the number of Indian skilled immigrants is doubtful, in part because they prefer the United States.<sup>14</sup>

This Indian preference for the United States points to a second pressure on Canada's supply of skilled immigrants: stiff worldwide competition from Australia, the EU, and the United States, all of which specialize in attracting the highly-skilled. Australia, for example, competes with Canada for independent Taiwanese and mainland Chinese candidates (the latter are Canada's particular area of specialty), while the EU competes for skilled Eastern Europeans and Indians.



# SUMMARY AND CONCLUSIONS

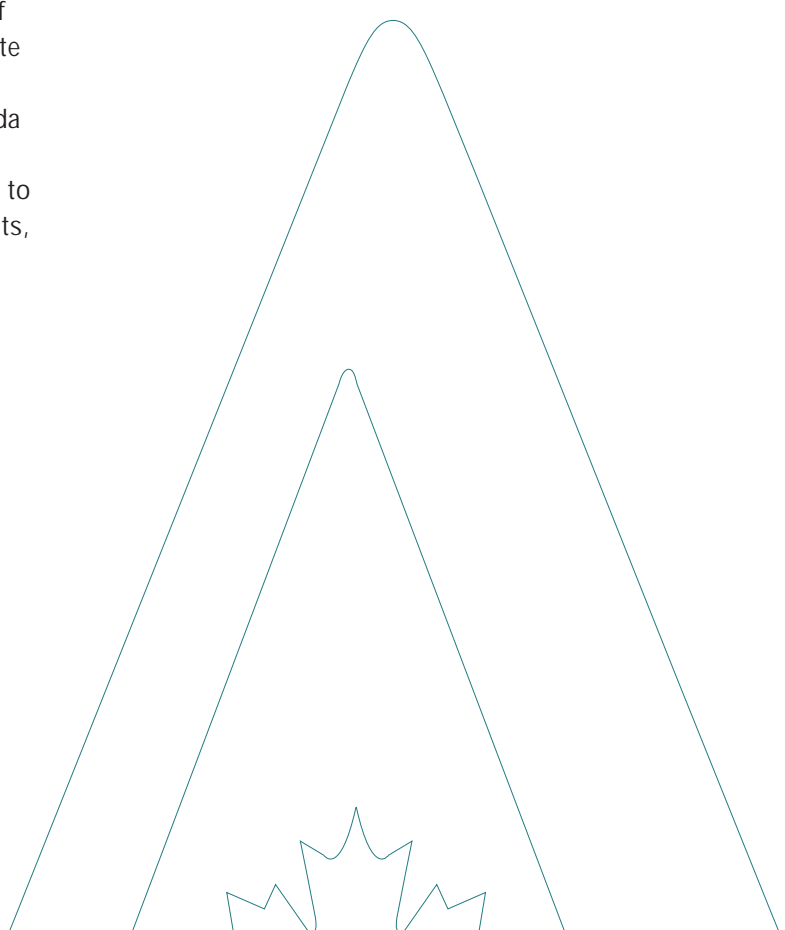
## 5

This paper has outlined the forces which will determine how many highly-skilled immigrants arrive in Canada over the next two decades. It has demonstrated that during the last 30 years the government has been able to meet yearly immigration targets through a series of policies which amount to a “tap on, tap off” approach: allow the target to fluctuate widely while officials imaginatively search out new source countries. When Canada was unable to meet its yearly target for skilled workers, it widened the entry gate for family-class entrants.

Such imaginative tactics fail to obscure the fact that the supply of skilled immigrants to Canada is not infinitely elastic. The increased stringency of entry requirements for independent applicants after 2002, and an apparent drop in the ability of immigrants to enter under this new system, means that this class will produce 50% fewer successful candidates. Will increased stringency enhance the performance of the limited number of entrants? Perhaps, but regardless of their performance the central point remains: only a limited number of highly-skilled Asian immigrants can readily integrate into Canada’s labour market, and this number is declining under the new assessment regime. If Canada is to maintain its yearly goal of 250,000 immigrants, either the family class will have to increase by 50% to compensate for the drop in independent immigrants, or the yearly target will have to shrink as it did in the

1980s. Moreover, demographic forces in the form of a declining 25- to 39-year-old cohort in China will exacerbate Canada’s inability to meet its independent targets well into the 21<sup>st</sup> century.

Canada is in a highly-competitive global marketplace for Asian and other skilled immigrants. Unless the government raises the rate of return on immigrant skills or restructures its draconian points system, its access to an infinite supply of independent applicants will be in jeopardy.



# ANNEX A: AGE PYRAMIDS

FIGURE 5A: China 2000

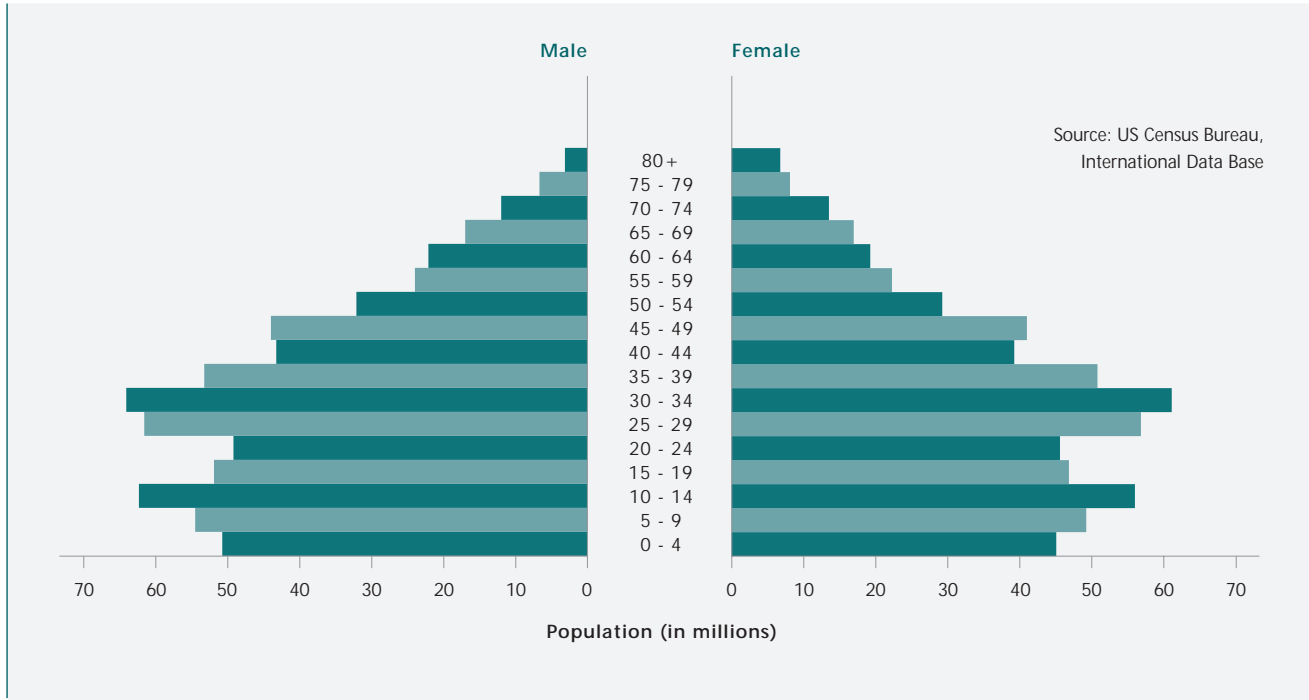
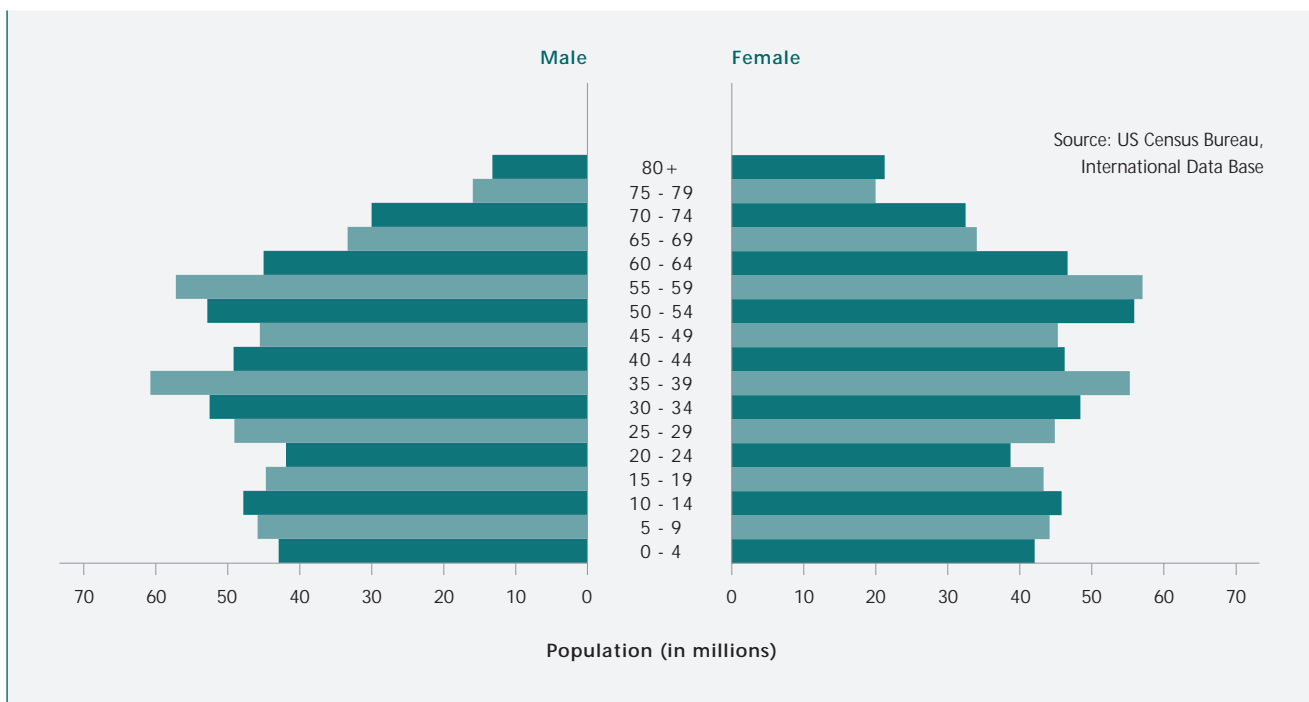
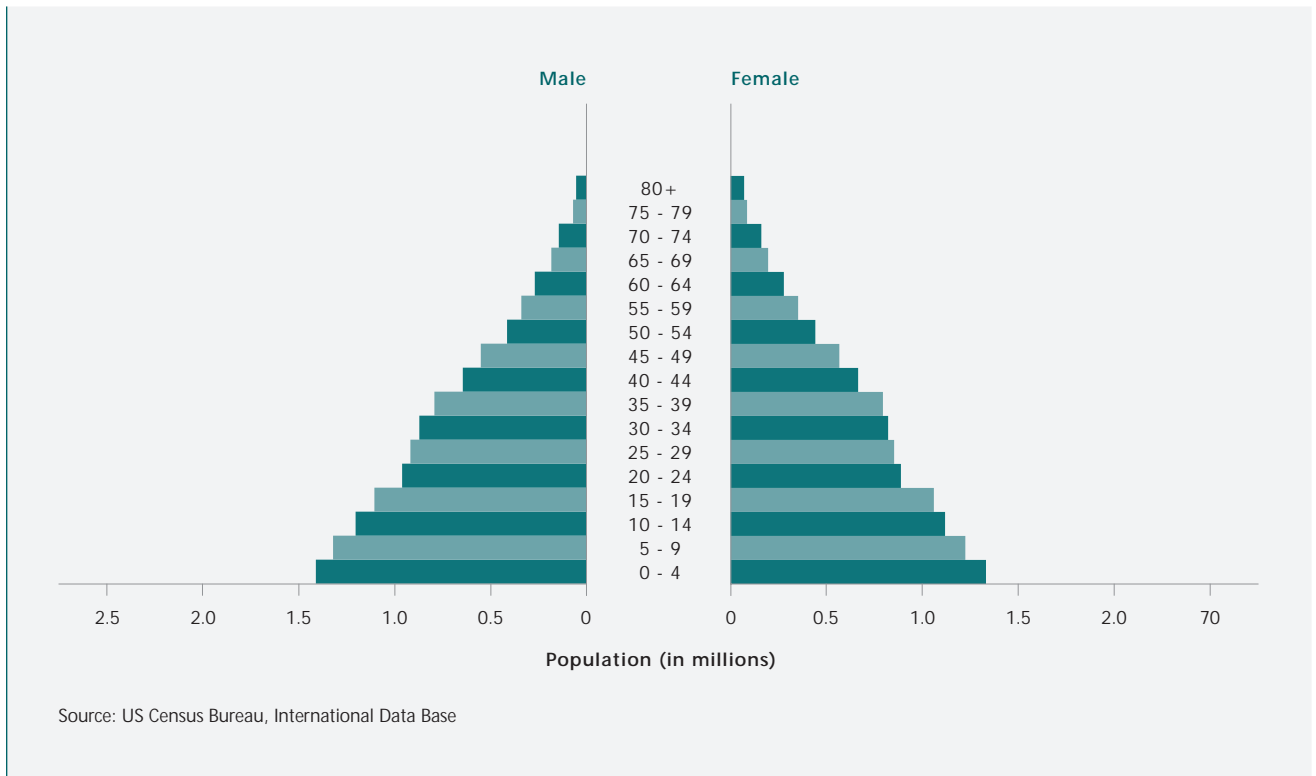


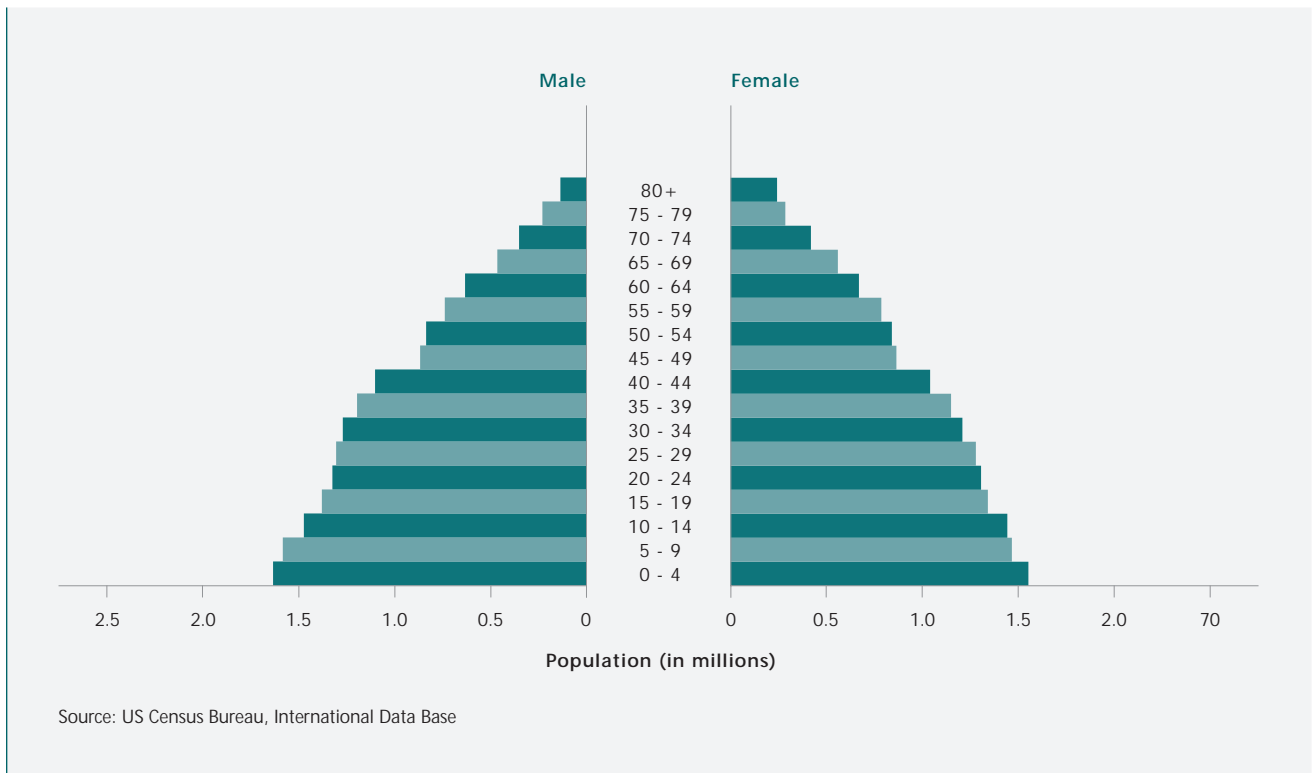
FIGURE 5B: China 2025



**FIGURE 6A: Malaysia 2000**

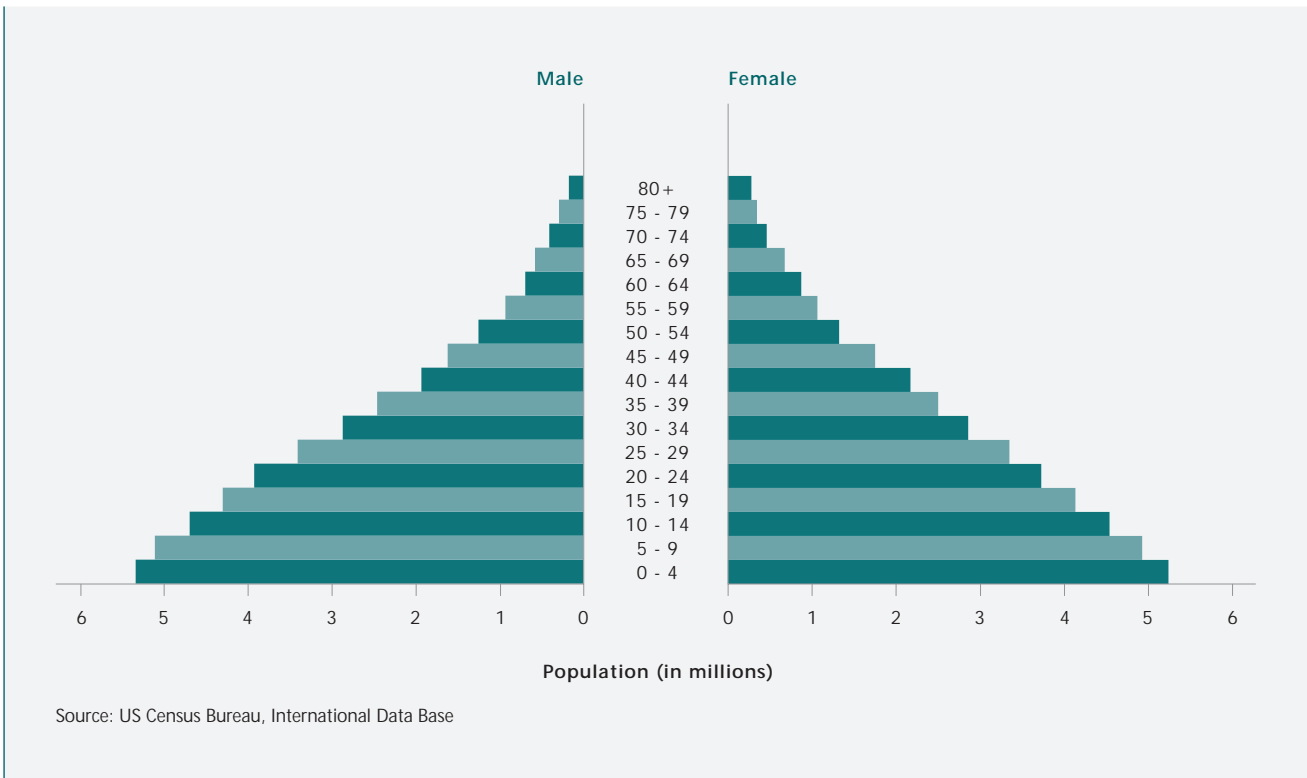


**FIGURE 6B: Malaysia 2025**

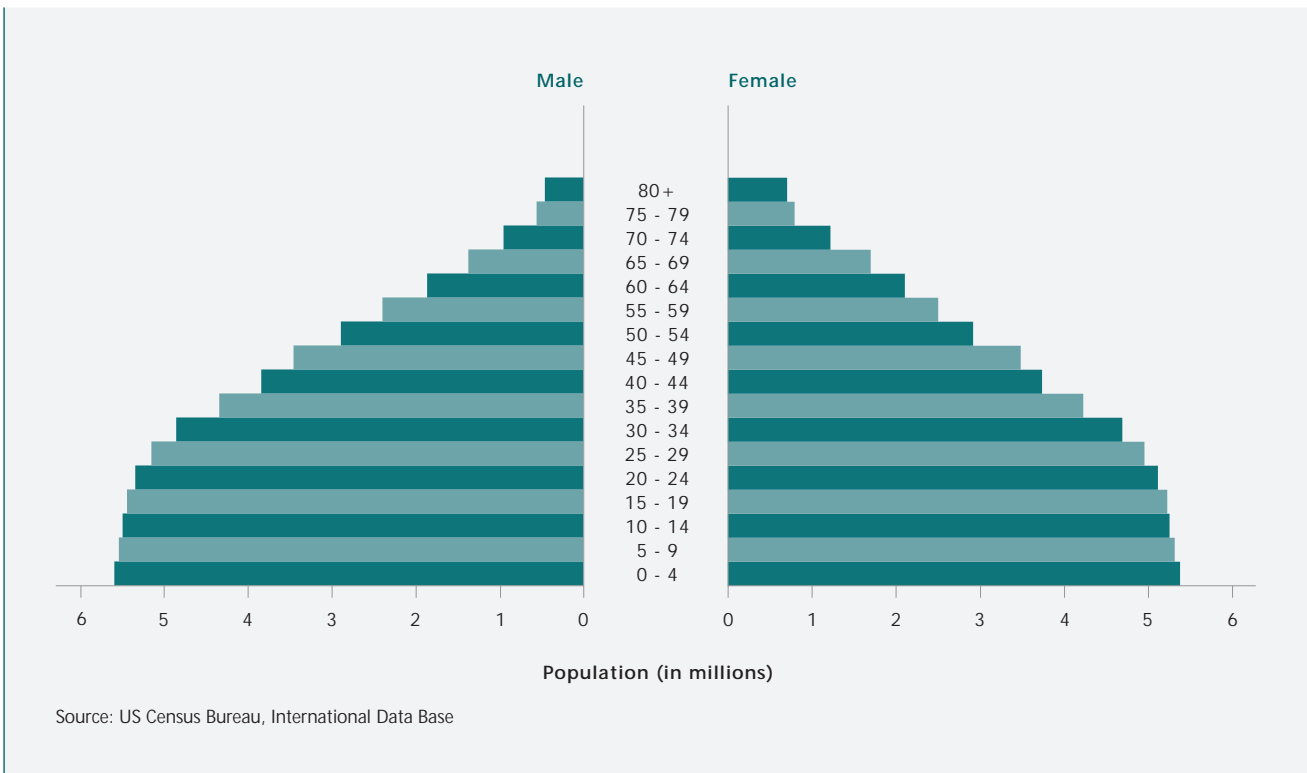




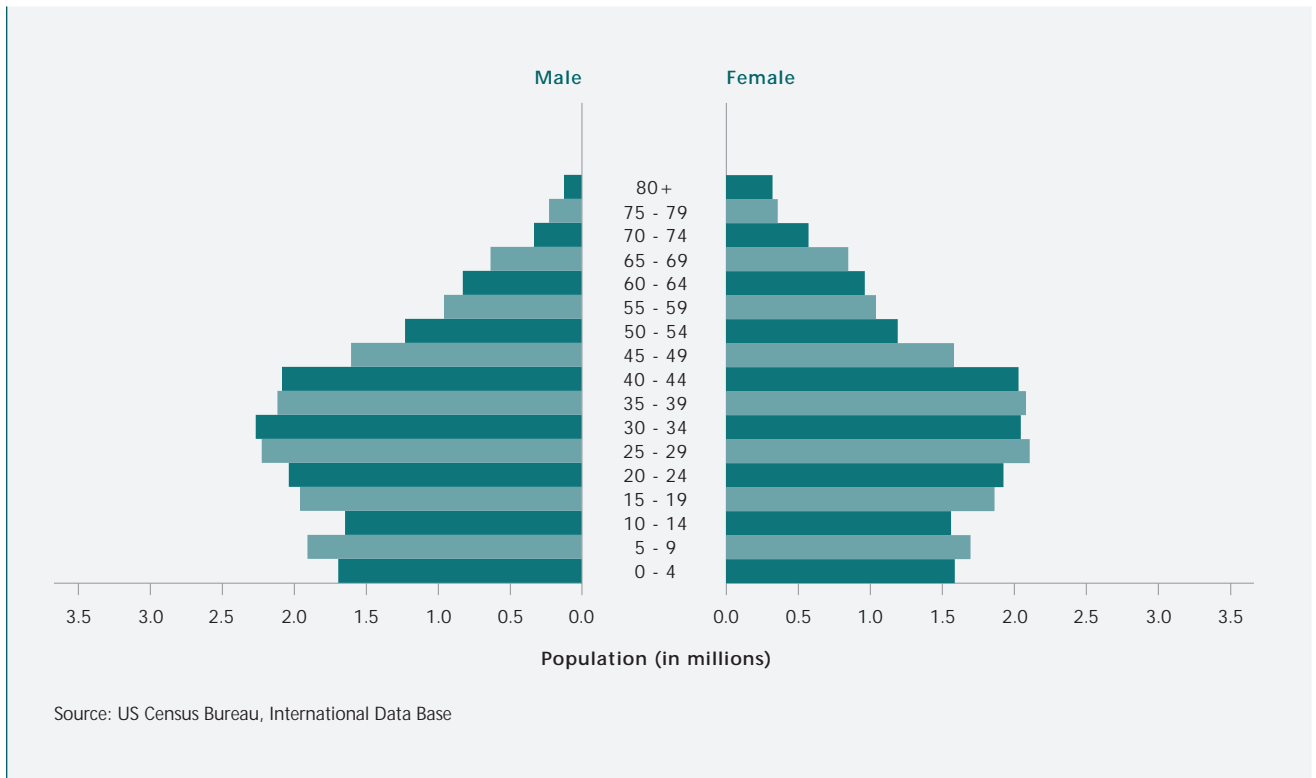
**FIGURE 7A: Philippines 2000**



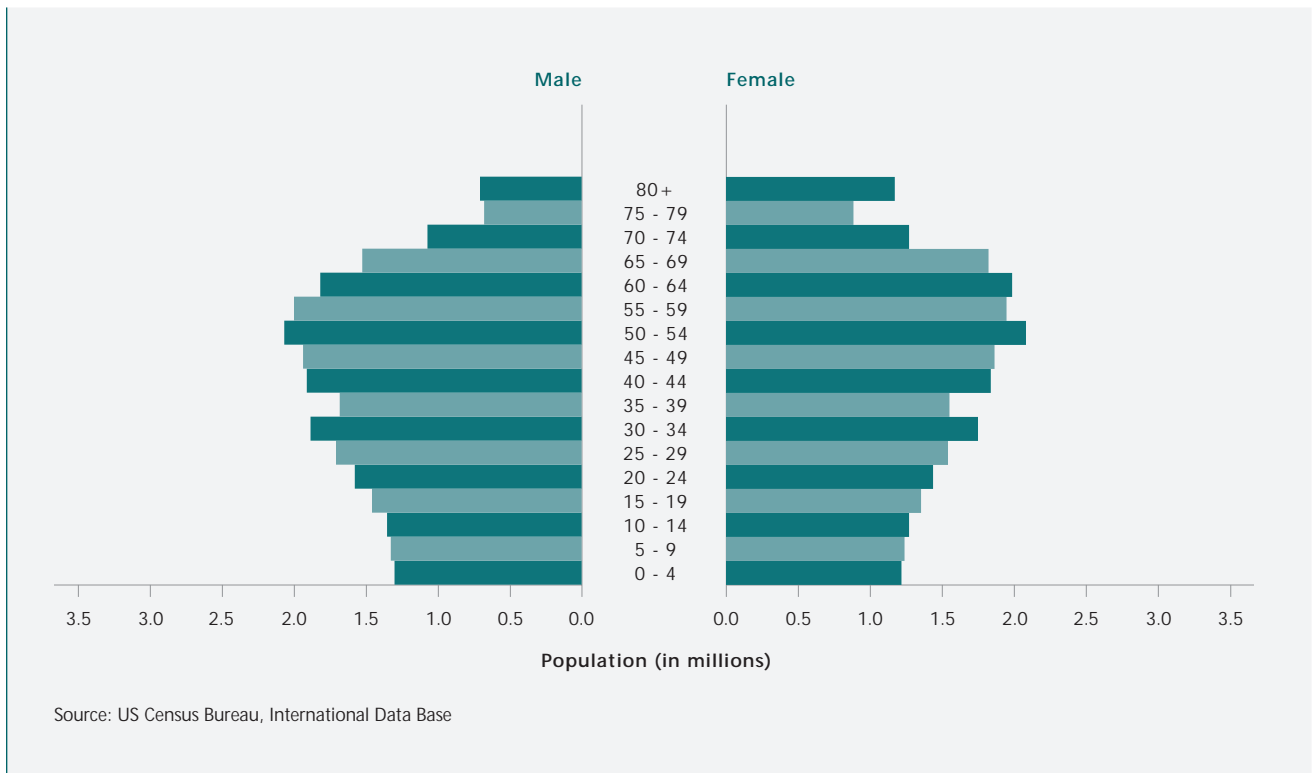
**FIGURE 7B: Philippines 2025**



**FIGURE 8A: South Korea 2000**



**FIGURE 8B: South Korea 2025**



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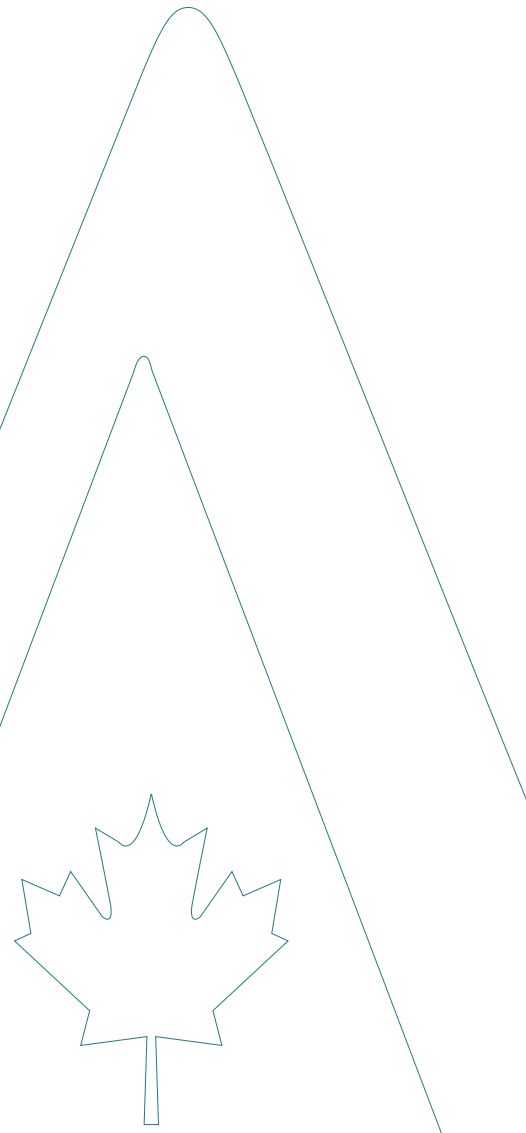
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# NOTES

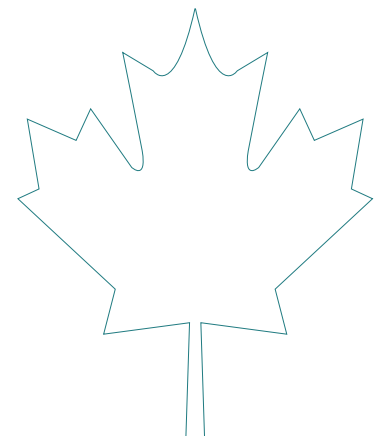


- 1 A spate of popular books have recently appeared by Diane Francis (2002), Daniel Stoffman (2002), and Martin Collacott (2002) analyzing the impact of post-1990 immigration on Canada. The most credible piece is by Stoffman, who argues that immigration flows are too high, too concentrated in urban areas, and make only a small contribution to meeting Canada's growing demand for skilled workers. For a comprehensive, if dated, review of the favourable impact immigrants have had on the Canadian economy, see DeVoretz (1995).
- 2 1967 was a watershed year for Canadian immigration as it marked the introduction of the points system and the removal of country of origin as a criterion for selection. If a candidate earned 50 or more points on a skills-based assessment, he or she gained entry into Canada. There was initially no overall quota, and Canada was free to process applications from any country in the world: the wide spectrum of sources ensured a large potential supply of immigrants. However, stiff competition for skilled workers soon emerged from the United States and Australia.
- 3 This policy refers to Canada's practice in the 1980s of only opening up immigration levels during periods of high employment demand, and closing them when demand declined.
- 4 The drop-off in Asian immigration in 1998 was due largely to the halt of immigration from Hong Kong and Taiwan following the former's transfer to Chinese sovereignty in July 1997.
- 5 This point was first made by DeVoretz (1995) and later rediscovered by Francis (2002), though she applied this observation to the wrong era.
- 6 This rule was first identified by DeVoretz (1995) as the optimum mix and implemented during Sergio Marchi's tenure as Minister of Citizenship and Immigration (1994-1996).
- 7 The Department of Citizenship and Immigration argued that 40,000 highly-skilled immigrants entered Canada yearly from 1995 to 2000, while the country's brain drain to the United States only amounted to 10,000 per year.
- 8 A more cynical view is that Canada hoped to reduce its backlog of candidates by discouraging independent applicants. This may be true, but the backlog primarily consists of non-China family applicants, and the new criteria will not reduce the queue since they do not apply to this class.
- 9 As one wag recently noted, Bill Gates would not earn enough points to enter Canada under the new regulations.
- 10 Methodological note: the Department of Citizenship and Immigration's Immigrant Data Base tracks each skilled entrant's score in every application category (age, educational level, language, etc.). These numbers were simply re-used in assessing each successful independent immigrant under the new criteria.
- 11 Shi only awarded the maximum number of language points to those Chinese immigrants who had English or French skills and used these skills extensively in China through lengthy working experience. Under the 2002 legislation, an educated and employed spouse yields extra points for the principal applicant. However, the data set did not reveal the characteristics of the spouse, so these were not initially included in the calculations. The total pass mark was reduced from 75 to 65 to compensate for this omission.
- 12 DeVoretz and Laryea (1996) define churning costs as those expenses charged to the Canadian taxpayer to integrate new immigrants and subsidize the educational and/or health facilities they used while resident in Canada.

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**13** China is chosen for obvious reasons of size. Malaysia has been, along with Singapore, a notable if comparatively minor source of highly-skilled immigrants in the past. The Philippines sent many professionals to Canada in the 1970s and early 1980s, and should fare well under the new points system given the increased emphasis on English skills. South Korea, meanwhile, has many post-secondary students studying in Canada. Japan is excluded because it has never sent many educated immigrants to Canada nor will it likely in the future.

**14** Through the 1990s, the United States had an annual quota of 140,000 entrants under its H-1 temporary visa. Indian and Chinese applicants accounted for more than 60% of this number.



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*The views expressed in this publication do not necessarily reflect those of the Asia Pacific Foundation of Canada.*