

Intelligence MEMOS



From: Daniel Hiebert
To: Concerned Canadians
Date: October 25, 2024
Re: **IMMIGRATION AND A POPULATION STRATEGY FOR CANADA (PART 2, THE REGIONS)**

Canada's population is growing, but unevenly. Broadly speaking, we can divide the country into fast- and slow-growing regions. Ontario, Alberta, British Columbia, and the Territories make up 'fast' Canada, while the other Prairie provinces, Québec, and Atlantic Canada belong to 'slow' Canada. Moreover, in each province, large and mid-sized cities are growing far faster than small cities, towns, and rural areas.

These differential patterns are related to demographic dynamics and internal migration in Canada, but are also shaped by temporary migrants' and immigrants' preference to settle in a few metropolitan areas. As net international migration is becoming the sole driver of population growth, their choices on where to live will have an even more profound influence on the geographical distribution of the future Canadian population. This will potentially shift the balance of power among regions in Parliament and create new challenges for Canadian federalism.

Newcomers to Canada gravitate to areas they perceive as having greater economic and educational opportunities, places of which they are aware, and places where they have family, friends, or co-ethnic communities. These factors favour Canada's largest cities and, to a lesser degree, mid-sized ones as well. Other parts of Canada have struggled to attract and retain their share of temporary residents and new Canadians.

Since the 1990s, immigration policy has increasingly sought to encourage a greater dispersion of immigrants. This has taken many forms, most notably through devolving the authority to select immigrants to Québec and, later, a partial devolution of this power to other provinces and territories through programs like the [Provincial Nominee Program](#) (PNP). The [Atlantic Immigration Program](#) and the [Rural and Northern Immigration Pilot](#) (RNIP) are also examples of efforts to boost immigration to specific regions.

Comparing settlement patterns between 2001 and 2021 reveals shifting preferences to western Canada. More newcomers are settling in the Prairie region and Atlantic Canada than they were, though Ontario and British Columbia still attract a large share of migrants and immigrants. At the same time, a smaller share of newcomers has settled in Toronto and Vancouver while the attractive power of mid-sized cities has grown. In essence, Canadian regionalization programs have shuffled newcomers between different parts of 'fast' Canada but have had relatively little impact on 'slow' Canada and the gap in growth rates has changed little.

Looking ahead, population projections from the Centre for Demography at Statistics Canada suggest these trends will continue. From 2021 to 2046, a custom projection of the population across Canada – at both regional and urban scales – illustrates the impacts for two plausible scenarios: One with an annual immigration rate of 0.6 percent of the population (the average rate from the late 1980s to 2015); and the current rate of 1.2 percent per year.

These projections show that the underlying dynamic between 'fast' and 'slow' Canada is expected to persist. Canada's large and mid-sized cities are likely to see disproportionate growth over the next quarter century. Further, nearly all parts of the country will experience both growth and aging, similar to the national trend seen in the previous memo. 'Fast' Canada, first and foremost, will need to accommodate population growth, while 'slow' Canada will be particularly challenged by its old-age dependency ratio (ODR). If Canada's immigration levels are reduced to accommodate the growth pressures on 'fast' Canada, then the rate of population decline and aging in 'slow' Canada will be profound. For example, the ODR for Newfoundland and Labrador under the 0.6 percent immigration scenario, in 2046, is projected to be 75.6 (up from 38 in 2021), an unprecedented number that could well strain the fiscal capacity of the province to a breaking point.

Conversely, if immigration levels are set to accommodate the aging pressures on 'slow' Canada, the rate of growth in large and certain mid-sized cities is likely to become overwhelming. Under the 1.2 percent scenario, for example, the population of metropolitan Toronto is projected to jump from 6.5 million in 2021 to 11.3 in 2046, calling for almost unimaginable increases in infrastructural investment.

A potential resolution to this dilemma would be to adopt even more aggressive regionalization policy. But permanent residents have Charter mobility rights within Canada and [recent data](#) on secondary migration show that immigrant retention rates are considerably higher in 'fast' Canada, where economic opportunities are concentrated. Hence, the higher the rate of immigration to Canada, the greater the gap in the rate of population growth between the faster- and slower-growing parts of the country.

Immigration will help support the future prosperity of 'slow' Canada but the viability of these regions will depend on other socio-economic policies as well. Ultimately, the demographic and economic challenges of the slower growing parts of Canada cannot be resolved solely through immigration.

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