

# C-6 Senate Hearings: Expected Impact on the Naturalization Rate

Andrew Griffith

## Summary

- Bill C-6 appropriately maintains and strengthens the existing integrity and business process measures introduced in the 2014 major rewrite of the *Citizenship Act* (C-24).
- Beyond the specific changes proposed in Bill C-6, there is a broader issue of fewer immigrants applying for citizenship, primarily a result of the steep increase in the processing fee (from \$100 to \$530 in 2014-15).
- Five non-legislative recommendations are proposed to ensure that all immigrants have a more equitable opportunity to become citizens. One legislative recommendation is proposed to ensure a clear and transparent process for future citizenship fee changes:
- Non-Legislative
  1. Reduce the current citizenship processing fee of \$530 to \$300, abolish the right of citizenship fee of \$100, with consideration for a partial waiver for refugees and low income immigrants;
  2. Review the impact of the additional cost of language competency pre-assessment (about \$200) and develop lower-cost alternatives;
  3. Ensure that any revisions to the citizenship study guide, *Discover Canada*, and related materials are written in plain language as close to the level required (CLB-4), and preferably focus-group tested;
  4. Consider dedicated citizenship preparation classes targeted towards those groups that appear to be having difficulty passing the test; and,
  5. Set a meaningful naturalization benchmark rate that 75 percent of immigrants will take up citizenship within a six- to eight-year period.
- Legislative
  6. Repeal the exemption to the *User Fees Act* with respect to the setting of citizenship fees to ensure full public review and consultation for future changes.

## 1. Introduction

This brief will focus on three aspects related to Bill C-6:

- the maintenance and strengthening of existing integrity and business process measures;
- a trend of declining naturalization rates; and,
- the impact of the changes to the *Citizenship Act* contained within C-6 on the naturalization rate.

A fundamental premise underlying this brief is that citizenship is an intrinsic part of the process of integration into Canadian society. If we believe that active participation in civil society is a hallmark of successful integration, it is incumbent on the government to facilitate the process of obtaining Canadian citizenship and thus allow citizens to participate actively in the political process.

Citizenship provides both private benefits (i.e., access to a Canadian passport) and public benefits (i.e., political participation). Canada has always taken as a given that most immigrants will choose to become Canadians, and the high naturalization rate for all the foreign-born of 85.6 percent (2011 National Household Survey) attests to that. However, more recent waves of immigrants have lower citizenship take-up than previous waves, a trend that the steep increase in citizenship processing fees since 2014-15 has accelerated.

While the Committee will focus on the proposed changes in Bill C-6 to the 2014 comprehensive overhaul of the *Citizenship Act* (C-24), a broader perspective is needed to understand the net effect of previous changes on the naturalization rate, and assess whether C-6 will address the recent decline in the number of immigrants applying to become citizens.

The Committee should consider including reference to the recent trend of declining naturalization in its report to Parliament, and six recommendations are proposed to make it easier for all immigrants to become citizens without diluting the integrity and meaningfulness of citizenship.

## 2. Integrity and administration

The previous government made major and needed improvements to the integrity and administration of the citizenship program, through both C-24 changes to the *Act* and a number of equally significant administrative and regulatory changes.

In C-6, the Government has maintained the previous government's integrity and associated processing efficiency measures:

1. Physical presence, not just legal residency;
2. Knowledge requirement must be met in English or French, not through an interpreter;
3. No change to "lost Canadians" provisions;
4. No change to expansion of bar granting citizenship to those with foreign criminal charges and convictions;
5. No changes to regulations for citizenship consultants;

6. No changes to increased fines and penalties for fraud;
7. No change in authority for Minister to decide on discretionary grants of citizenship (previously, had been Governor in Council);
8. Maintain authority to decide what is a complete application (streamlines processing);
9. Maintain single-step citizenship processing to reduce duplication (previously was three-step) with reduced role for citizenship judges;
10. Maintain requirement for adult applicants to file Canadian income taxes;
11. Maintain fast-track mechanism for Permanent Residents serving in the Canadian Forces.

C-6 proposes three additional measures to further increase integrity: no longer counting time spent under a conditional sentence order towards meeting the physical presence requirement; retroactive application of the prohibition for applicants to take the oath if they never met or no longer meet requirements (for applications still in process received prior to 11 June 2015); and, authority to seize documents if there are reasonable grounds to believe they are fraudulent, or being used fraudulently.

In addition to the legislative changes in C-24, the previous government made a number of administrative and regulatory changes to improve program integrity and streamline processing, none of which the current government to date has signalled its intention to change:

1. A more rigorous knowledge test, with the pass mark raised to 75 percent from 60 percent. Different versions of the knowledge test were circulated to reduce memorization and cheating along with updated questions;
2. Language assessment changed from using the written knowledge test as a proxy for knowledge of English or French, to an interview with a citizenship judge as needed. The new system employs pre-assessment of language through external testing bodies, proof of successful completion of a secondary or post-secondary diploma program in either English or French, or having met the requirement through government-funded language training. This improved the consistency of language assessment and, more important, enables operational simplification with reduced processing time;
3. Increased enforcement against fraud and misrepresentation. In recent years, significant efforts have been made to investigate and act upon fraud, with close to 3,000 investigations between 2007-15, with a number of charges being laid against the most egregious cases and with a number of those investigated withdrawing or abandoning their applications; and,
4. Processing fees were increased in a two-step process: from \$100 to \$300 in February 2014 and a further increase to \$530 January 2015. While the first increase to \$300 was discussed in the context of C-24 in both the Commons and Senate committees, the second increase was never publicly discussed prior to the Canada Gazette notification of New Year's Eve 2014. The additional \$100 right of citizenship fee remained unchanged. By way of comparison, the fees for Australia, the closest comparator country, are set at AUS 325 (about the same in Canadian dollars).

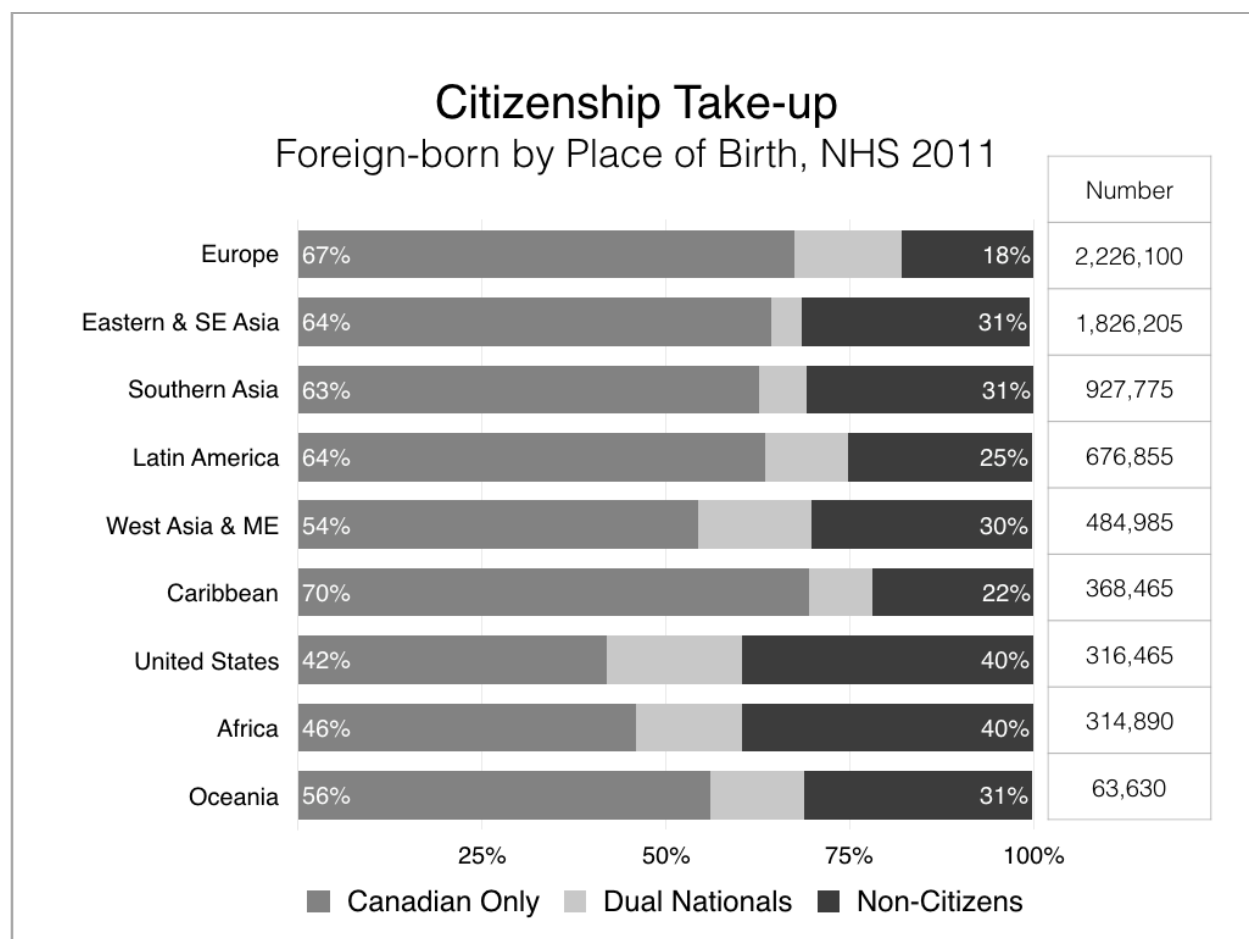
### 3. Declining naturalization and other impacts of previous policies

While Canada has one of the highest proportions of immigrants choosing to become citizens, the longer-term trend is that more recent waves of immigrants are not becoming citizens at the same rate of previous waves. Statistics Canada analysis shows that 93.3 percent of the foreign-born population who immigrated prior to 1971 had become a Canadian citizen. In contrast, only 77.2 percent of immigrants who came between 2001 and 2005 had done so, and only 36.7 percent of newly eligible immigrants, who arrived between 2006 and 2007, had become a Canadian citizen by 2011.

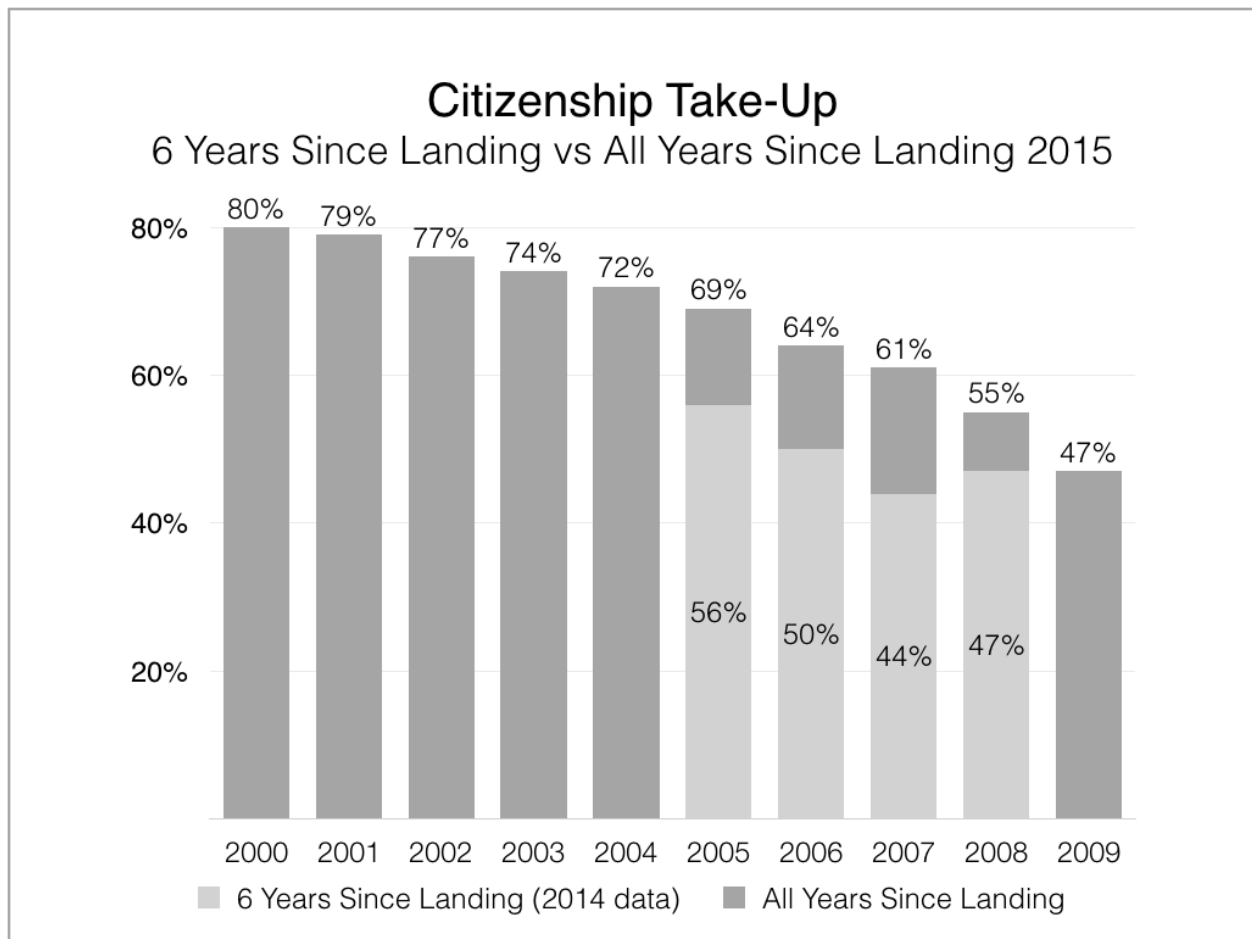
The overall rate for all immigrants — those who immigrated prior to 1971 and those who arrived more recently — of 85.6 percent hides this trend of fewer recent immigrants becoming citizens.

Likely reasons include leaving Canada given the lack of economic opportunities (an estimated one-third of male immigrants leave Canada within 20 years of arrival), greater overall mobility and a consequently more instrumental or utilitarian view of citizenship.

There are differences between groups in terms of their naturalization rate and whether they have Canadian citizenship only, are dual citizens, or remain, as shown in Chart 1. Overall, of the 7.2 million immigrants, 4.5 million are Canadian only (62 percent), 760,000 are dual citizens (11 percent) and close to two million are non-Canadian citizens only (27 percent).

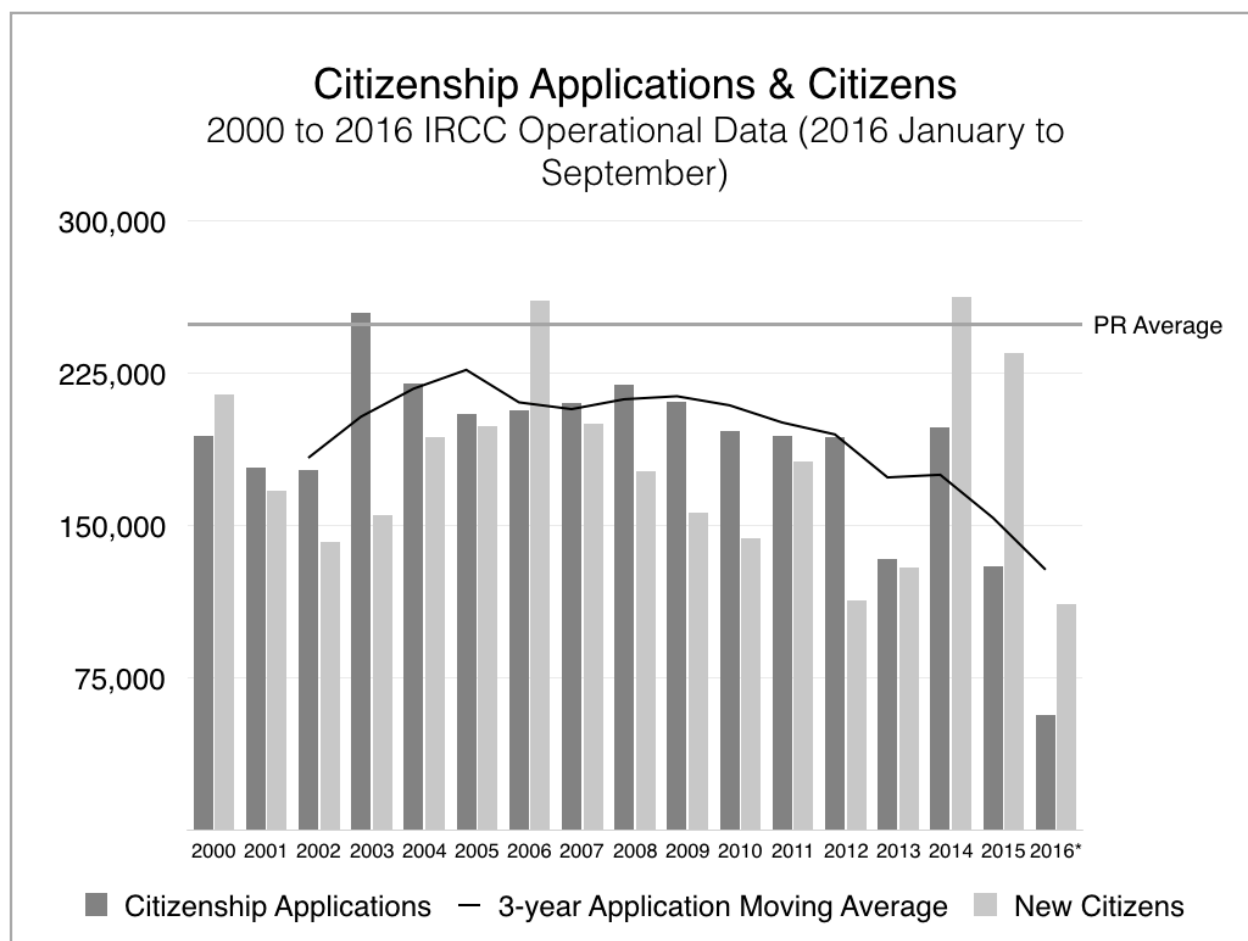


**CHART 1**



**CHART 2**

IRCC operational data allows us to analyze the impact of changes by the previous government that reinforce this longer-term trend. Chart 2 looks at the percentage of immigrants by year-of-landing for the years 2000-2009 that have taken up citizenship. As one would expect, the longer the time since year-of-landing, the higher the number of immigrants who have become citizens. Given that historically, about three-quarters of immigrants become citizens do so within six years, this chart also looks at the percentage for the years 2005-2008 that did so within the six year period, again showing a decline.



**CHART 3**

Chart 3 shows the wide fluctuations in the number of citizenship applications and new citizens. This is in sharp contrast to permanent residents, which have remained within ten percent of the annual average of 250,000.

The wide fluctuations reflect historic operational and funding challenges. The previous government injected \$44 million in Budget 2013 to address successfully a backlog of over 300,000 applications and allow for record numbers of new citizens in 2014 and 2015 (the previous Liberal government injected \$66 million to address a similar backlog in 2005).

However, the overall trend towards declining applications appears to be accelerating. Table 1 compares January to September 2016 period with the same period for 2015 with respect to permanent residents, citizenship applications and new citizens (the latest data available at time of writing). Full-year data for 2014 and 2015 is provided for comparison purposes.

TABLE 1 - PERMANENT RESIDENTS, CITIZENSHIP APPLICATIONS AND NEW CITIZENS  
2016 — 2015 COMPARISON, JANUARY TO SEPTEMBER

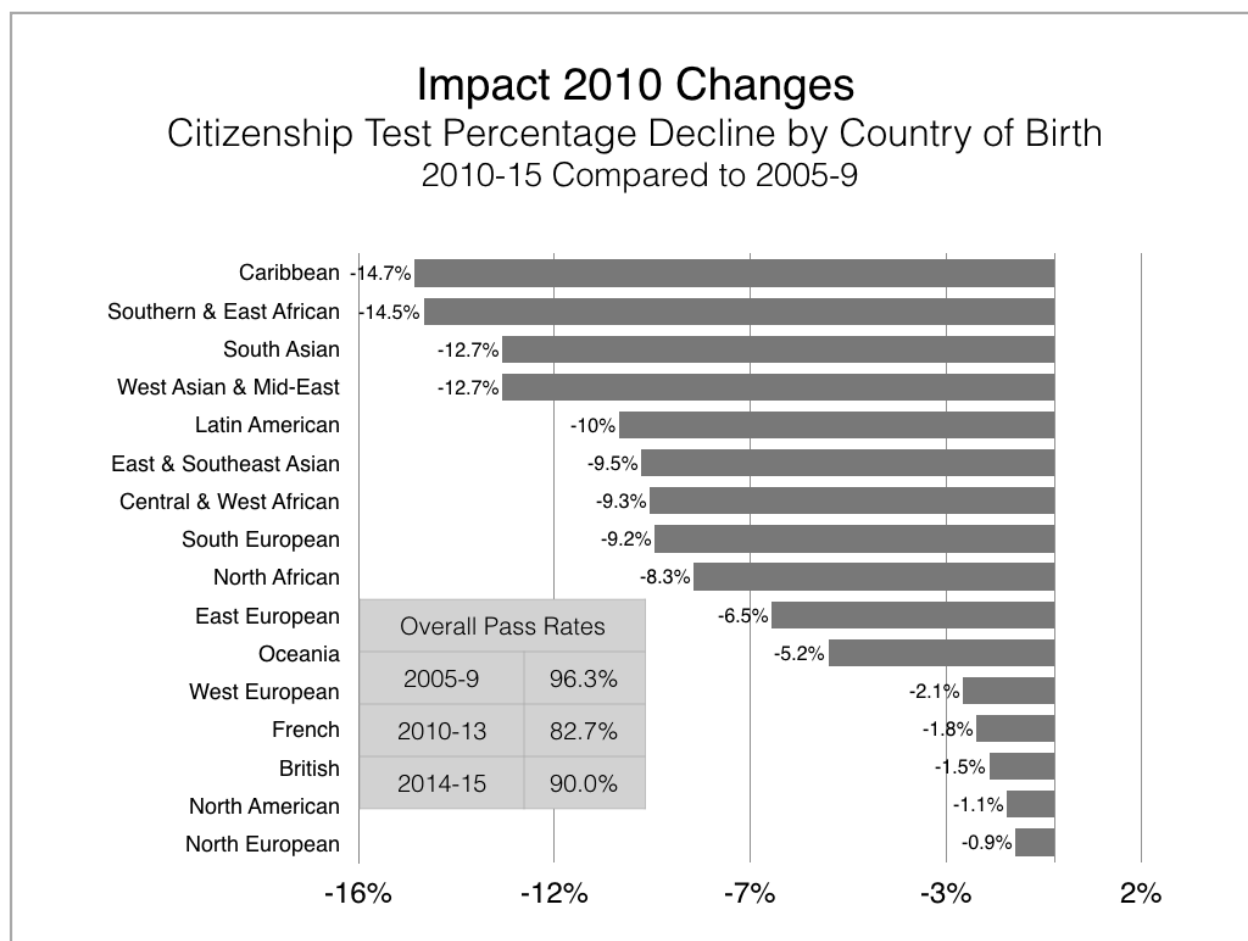
	Nine Months			Full-Year	
	2016	2015	Change	2015	2014
Permanent Residents Approved	238,565	236,603	0.8%	271,662	260,265
Applications	56,446	111,993	-49.6%	130,117	198,720
New Citizens Approved	111,435	198,119	-48.3%	234,985	262,639

The drop in the number of new citizens is not surprising, given that the backlog has been addressed (from a high of 323,000 in 2012 to 56,000 on 30 September 2016).

However, the dramatic, and I would argue, alarming drop (50 percent) in the number of persons applying to become citizenship, belies departmental assertions in the *Canada Gazette* 2014 notifications that the number of applications was “not anticipated to fall following an increase in the fees.”

While part of this drop reflects the changed residency requirements — from three out of four years to four out of five — this was a one-year transitional impact (from mid-2015 to mid-2016), unlike the fee increase, which affects all applicants and is ongoing.

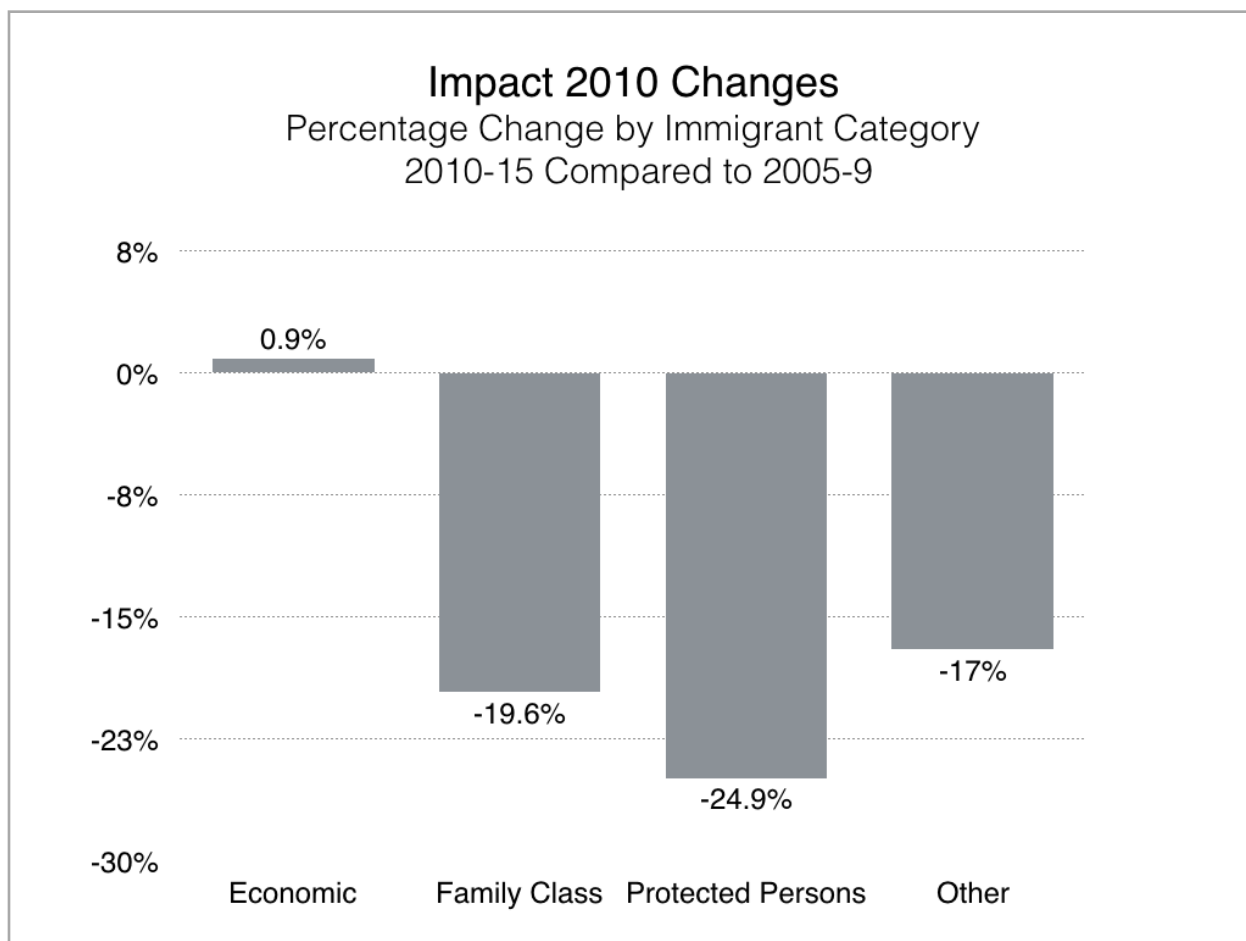
Historically, citizenship applications have averaged close to 200,000 per year. The drop to 130,000 applications in 2015 — the first year the \$530 processing fee applied — and at the current rate, likely significantly fewer than 100,000 in 2016 should the current trend continue, further illustrate the negative effect of the increase.



**CHART 4**

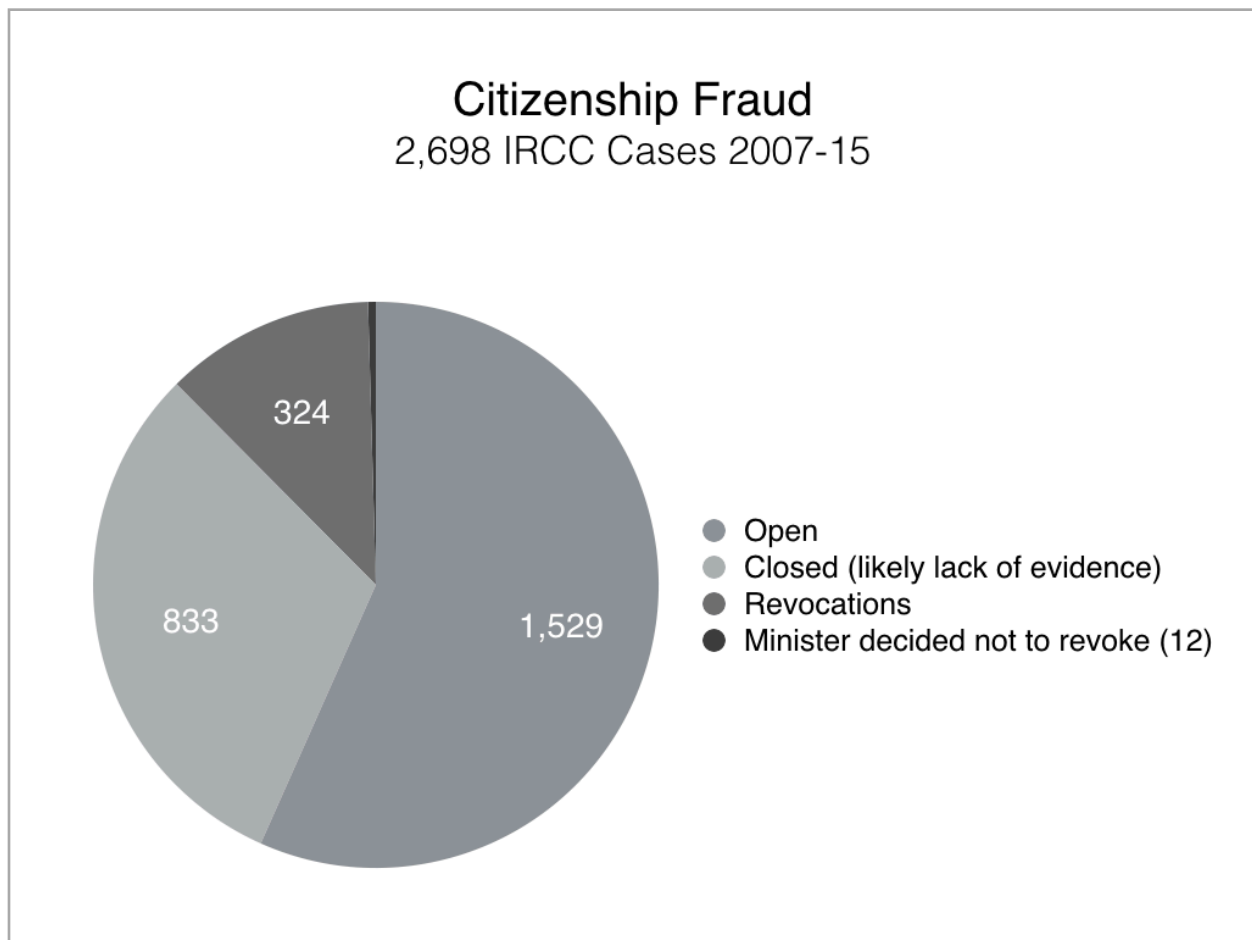
Changes to the citizenship test in 2010 had a major impact on visible minority immigrants. The previous pass rate of 96 percent prior to the new test fell dramatically in the first number of years before wording changes were made that made questions more understandable with the pass rate consequently increasing somewhat. Chart 4 contrasts the effect of the changes on different ethnic groups from 2005-09 to 2010-15, highlighting the impact on groups, generally visible minorities, where language fluency and education are often weaker. Although I have not examined the data with respect to language, it is likely that the same pattern would be found.





**CHART 5**

Chart 5 demonstrates the same phenomenon but from the perspective of immigrant categories, again comparing the annual average of new citizens from the six-year period 2010-15 to the annual average of the five-year period 2005-09 prior to these changes. While the previous government's shift towards more economic class immigrants (which include their family members) compared to other classes had an impact, many of those who applied for citizenship reflected earlier immigrants and thus the same barriers of tighter language and knowledge requirements largely contributed to this shift. The main subgroups affected in the family class were parents and grandparents (there was a 20 percent decline, compared with a 2.5 percent increase in the number of spouses). The main subgroups affected in the protected persons class were government-assisted and landed-in-Canada refugees (13.3 percent and 17.5 percent decline, respectively, compared with a 12 percent increase for privately sponsored refugees).



**CHART 6**

It is unclear the extent to which the much vaunted anti-fraud efforts impacted on citizenship uptake. Chart 6 breaks down the 2,700 fraud cases investigated by IRCC from 2007-15 by number of open investigations, closed (likely due to lack of evidence), actual revocations, and the few cases where the Minister decided against revocation. In addition, there were 143 cases investigated by the RCMP during this period that led applicants to withdraw or abandon their applications.

In addition to the overall value of maintaining the confidence of Canadians in the citizenship program, the efforts likely deterred misrepresentation among newer applicants. However, in relation to the 1.6 million new citizens during this period, the actual number of cases, whether open, closed, or resulting in revocation or withdrawal, is tiny: 0.18 percent.

All this demonstrates that the policy and program changes of the Conservative government implemented their intent of improving the integrity of the citizenship program and making citizenship requirements more rigorous. It should be noted that the effect of Bill C-24 to date has been limited given that the various elements of the Bill only came into force part-way through 2015, the last year for which full-year data is available.

## Expected impact of Bill C-6 and related measures

Will Bill C-6 and related measures reverse the longer-term and more recent trend in the naturalization rate? Given the relatively modest and limited changes, I think not as the following analysis of the proposed changes illustrates.

1. **Revocation:** Repeal of revocation for terror or treason will have minimal to no impact given that revocation has limited to no demonstrated deterrence effect and the extremely small numbers of those engaged in such activity, whether here in Canada or abroad (between 100-200 according to CSIS).
2. **Residency:** The reduction in residence requirements from four out of six years to three out of five years may produce a transition ‘bump’ as those who applied under the old requirements are combined with those who apply under the new, shorter period, but is unlikely to have a longer-term impact given maintaining the more substantive physical presence requirement. 2016 data to date confirms this assessment.
3. **Knowledge and language:** The reduction of knowledge testing and language assessment from ages 14-64 to 18-54 will have some impact. IRCC operational data for the years 2009-13 (the years prior to this change coming into effect) shows an average of slightly over 10,000 of all those tested (5.5 percent) were aged 14 to 17 and just over 11,000 (5.9 percent) were between 55-64. Given that 14 to 17 year olds would have spent a minimum of four or five years in the Canadian school system, requiring language assessment was unnecessary and removing this requirement should not make a difference in overall naturalization.

The main impact of this change will be waiving the requirements on 55 to 64 year olds, likely leading to an increase in citizenship take-up for those in this age group with weaker language competency and comfort in being tested. Citizenship acquisition by parents and grandparents was affected by the more difficult test and language assessment, so removal of this requirement will result in more new citizens.

4. **Intent to Reside:** The removal of the ‘intent to reside’ provision is not likely to have much impact, given that the *Charter’s* mobility rights would apply post-citizenship.
5. **Pre-Permanent Residency Time:** The restoration of partial credit for time spent in Canada prior to becoming a permanent resident, particularly relevant for international students in Canada, may make a slight difference, but this may again be more in the nature of remaining competitive with other countries and a one-time bump rather than a more enduring impact.
6. **Citizenship guide:** The other announced change along with C-6 was the Minister’s intent to rewrite the citizenship study guide, *Discover Canada*, aligned more to the Liberal government’s priorities and its diversity and inclusion agenda. Changes in content are less likely to affect pass rates. However, redrafting the guide in plain language, closer to the Canadian Language Benchmark Level 4 (the formal requirement) along with the test questions, would provide procedural fairness and should result in pass rates improving for those who have struggled with the higher level of language currently used.
7. **Procedural protections:** Another change announced during parliamentary hearings on C-6 was the Minister’s commitment to review the procedural protections in cases of

revocation for fraud and or misrepresentation, given that the current system, implemented 28 May 2016, has virtually none. The impact of this change can be seen in the contrast between the number of IRCC revocation cases opened in 2015. Prior to 28 May, when this provision came into force, there were 24; for the balance of the year, there were 341. Any restoration of these protections, whether through the courts or administrative tribunals, would not materially impact on the naturalization rate as overall numbers of cases (not actual revocations) are tiny as noted earlier.

#### 4. Concluding observations and recommendations

Fundamentally, citizenship policy is about finding the appropriate balance between encouraging or facilitating citizenship and ensuring a meaningful connection to a country, in the context of an increasingly global and mobile population. It is also a mix of private and public benefits: individuals benefit from having access to a Canadian passport and protection against deportation and society benefits from their integration into Canadian political life.

The Conservative government made a number of needed operational and policy changes to improve the integrity of the process of becoming a Canadian, contributing to the decline in the naturalization rate driven by excessive fees and overly stringent language requirements. The Liberal government has reversed a number of the Conservative government's policy choices but appropriately and wisely maintained and enhanced the Conservative integrity measures.

Both C-24 and C-6 reflect slightly different perspectives on the appropriate balance between facilitation and meaningfulness of citizenship. However, both approaches are within the general parameters of long-standing Canadian citizenship policy that encourages the vast majority of immigrants to become citizens with relatively easy and realistic requirements.

The official naturalization target, according to IRCC's performance report, is 75 percent for all eligible immigrants, largely meaningless as it does not specify a timeframe nor distinguish between previous and more recent immigrants, and is significantly below the overall historical naturalization rate of 85.6 percent (all waves of immigration).

While Canada's naturalization rate will likely remain one of the highest in the world, the changes in Bill C-6 are unlikely to reverse significantly the overall trend of a declining naturalization rate.

My main policy concern is the decline in the proportion of more recent immigrants who become citizens. Becoming a citizen is essential to integration given that it allows and encourages full political participation and commitment to Canada. The growth in the number of permanent residents who choose not to become citizens, whether due to the excessive fees, cost of language assessment or other requirements, risks undermining Canada's relatively successful model of integration. In particular, this hits hardest refugees and low-income immigrants, the more vulnerable groups, undermining social cohesion.

While it is essential to maintain the integrity and rigour of the citizenship program, the following recommendations, mainly non-legislative in nature, would make it easier for more immigrants to become citizens:

## Non-legislative

1. **Citizenship Fees:** Fees were increased from \$100 (frozen since the mid-1990s) to \$530 for adults (plus the unchanged \$100 right of citizenship fee) in 2014-15, making the cost of applying prohibitive for low income immigrants and refugees. The costing exercise carried out to justify this increase was based upon pre-C-24 business processes and, according to documents released under ATIP, largely dismissed any impact on the number of applications and consequently number of new citizens.

The current processing fee should be reviewed with up-to-date costing that reflects the lower administrative costs resulting from C-24 and related changes.

More fundamentally, it should recognize the public benefits of citizenship and not be based solely on cost recovery. The February 2014 increase to \$300 recognized the balance between private and public interest whereas the further increase to \$530 did not. The processing fee should be reduced back to \$300 and the right of citizenship fee should be abolished, with consideration of fee waivers or reductions for low income immigrants and refugees. (Given that tax returns are now required by applicants, this should be possible to administer.)

2. **Language competency pre-assessment:** The shift towards language competency pre-assessment has made processing more efficient and streamlined. However, for immigrants without Canadian education or proof of education in either English or French, this has resulted in an additional charge of about \$200 for external English language assessment, and up to twice that amount for testing in French. For low income immigrants and refugees, some form of waiver, subsidy or alternative process should be provided.
3. **Plain language:** The formal requirement for language competency is Canadian Language Benchmark 4 (the most advanced level of “Basic Language Ability”). All written material, particularly the upcoming revised citizenship study guide and related questions, should be written as close to that benchmark as possible to make the content as easy to understand as possible and consistent with the competency requirement.
4. **Citizenship preparation:** Given the differences in citizenship test outcomes by ethnic groups, and citizenship by immigration class, consideration should be given to expanding integration and settlement funding to include citizenship preparation courses, targeted towards those groups that appear to be having difficulty passing the test.
5. **Naturalization benchmark:** Set a meaningful naturalization benchmark rate that 75 percent of immigrants will take up citizenship within a six- to eight-year period and report results annually;

## Legislative

6. **Citizenship Fees (*User Fees Act* exemption):** As part of the fee increase outlined above, IRCC obtained an exemption from the *User Fees Act* in Budget 2013 to “give the flexibility to quickly change fees” without going through the full public consultation process required under that *Act*. While this flexibility would allow the Government to address the current level of fees, this exemption should be repealed to ensure any fee adjustments follow the full public regulatory process rather than merely being announced in the *Canada Gazette* after the fact.



Andrew Griffith is the author of *“Because it’s 2015...” Implementing Diversity and Inclusion*, [\*Multiculturalism in Canada: Evidence and Anecdote\*](#) and [\*Policy Arrogance or Innocent Bias: Resetting Citizenship and Multiculturalism\*](#) and is a regular media commentator and blogger ([Multiculturalism Meanderings](#)). He is the former Director General for Citizenship and Multiculturalism and has worked for a variety of government departments in Canada and abroad and is a fellow of the Canadian Global Affairs Institute.