## Studies in

## Language Policy

# Official Language Policies at the Federal Level in Canada: Costs and Benefits in 2006 

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## Executive summary

This study examines and measures the costs and benefits of federal bilingualism in the government of Canada's official languages policies in 2006/07. The paper is divided into three main parts: the first presents the legal framework under which the federal government and federally regulated entities make decisions as to the internal and external usage of both official languages, the second presents the costs of these policies, and the third presents the benefits of these policies.

## History of the constitutional and legal framework with respect to official languages

Linguistic issues have always been a dominant theme throughout pre- and post-Confederation Canadian history.

Pre-Confederation, the lack of explicit disposition concerning the use of languages-except to limit or abolish the use of French-was a cause of ambiguity resulting in de facto bilingualism in the legislative assemblies while English was the only language to be officially recognized. This situation was a source of permanent conflict between language communities, especially after the Act of Union of 1840, in which section 41 abolished French as a language of the legislature. This disposition was abolished in 1848 due to the extent of protests. In the following year, another law was enacted stating that Canadian acts must be adopted in French and English.

This new governmental approach on language issues culminated with the Constitution Act of 1867 and more precisely section 133. This section states that French and English can both be used in the debates of Parliament and that the records of these debates shall be made in both languages. In addition, under section 133, federal acts have to be adopted, published, and printed in both languages.

However, a large proportion of parliamentarians, especially those representing Western Canada, saw Francophones as only one language minority on the same grounds as others and advocated that the Francophone minority should not receive a particular treatment outside the guarantees of the Constitution Act of 1867.

In response to the growing concerns and protests of French speakers from Quebec with regard to the perceived need for the protection of French language and the expansion of the separatist movement, the Royal Commission on Bilingualism and Biculturalism was established in 1963. The

Official Language Act (OLA) of 1969 proclaimed French and English the official languages of Canada in the federal jurisdiction.

With the Constitution Act of 1982 and the Canadian Charter of Rights and Freedoms (the Charter), the notion of official languages is integrated in the Constitution. Section 16 of the Charter stipulates that French and English are the official languages of Canada. This is a noticeable change in comparison to the OLA of 1969, which could only declare French and English the official languages of Canada for federal purposes.

Thus provincial laws cannot negate the status of French or English as minority languages in their field of jurisdiction, which could be done under the first OLA. Following the adoption of the Charter in 1982, the OLA of 1969 was revised because the guarantees of the Charter constituted a minimum that had to be respected but completed by ordinary laws. This revision was achieved in 1988 by the enactment of the Official Languages Act (OLA of 1988).

Below we estimate the costs and benefits of federal language policy for 2006/07. For this year, given enacted legislation and the integration of official languages in the Constitution, federal language policies require the production of various documents and oral services by the federal government in both official languages; provide various cultural services in both official languages through both direct production (e.g., Canadian Broadcasting Corporation and Société Radio Canada) and through subsidies to various organizations; require the provision of criminal justice in both official languages; require some now privatized ex-Crown (i.e., public) corporations to provide some services in both official languages (e.g., Air Canada); and require labeling in both official languages for consumer goods.

## The costs of two official languages

Since English is the language of the majority in Canada, we are interested in the additional cost of providing services in French as a result of the OLA.

We use two definitions of "Francophones." The first definition of "Francophones" encompasses individuals with either knowledge of French only or with knowledge of both French and English but with French as their mother tongue. The second definition of "Francophones" describes the population with knowledge of French only. Individuals who know only French and another language other than English are classified as Francophones since they would interact in French with the federal government. The two definitions allow us to calculate a minimum-maximum range for the additional cost of French as a second official language.

## Transfer payments and direct spending

Using cost information from the 2006/07 Public Accounts we are able to distinguish between direct spending by the federal government and subsidies to various bodies.

Executive summary table 1 presents information on direct spending and transfer payments for programs designed to foster the vitality of Englishand French-minority communities. This is accomplished through various agreements with provinces, territories, and community organizations to provide greater access to education and services in the language of the community. Overall, a minimum of $\$ 674$ million and a maximum of $\$ 843$ million were spent in relation to the OLA by departments in 2006/07.

## Translation and interpretation

Translation services are an important tool in implementing the obligations of the OLA and of section 133 of the Constitution Act of 1867, and must therefore be integrated into the cost of bilingualism in the federal administration. The total amount spent by the federal administration and Parliament for translation and interpretation services was more than $\$ 279$ million in 2006/07 (C-MPWGSC, 2007).

## Other spending

There are three other items to consider in estimating the total cost of bilingualism.

The first is the bilingualism bonus. This is an annual bonus of $\$ 800$ granted to employees in the federal administration who occupy a bilingual position and meet the language requirements of the position (Canada Public Service Agency, 2006a). In 2006, there were 71,269 bilingual positions, which represented $40.1 \%$ of all positions in the federal administration. In these positions, $89.5 \%$ of the incumbents met the language requirements associated with their position. This totals 63,756 positions eligible for the bilingualism bonus in 2006, yielding an estimated $\$ 51$ million spent on the bilingual bonus in 2006/07 (Canada Public Service Agency, 2007).

The second item is the direct cost of language training for public servants. In 2006/07, \$30 million was granted to the school for official-languages training (Senate of Canada, 2008).

Finally, we need to add the spending for the Office of the Commissioner of Official Languages, which was created by the OLA of 1969 and renewed in 1988. This institution would not have existed without the OLA. Its expenditure was $\$ 19.8$ million in 2006/07.

Executive summary table 1: Transfer payments and direct spending related to the OLA, by federal departments (ministries), 2006/07

| Department/agency | \$ (min.) | \$ (max.) |
| :---: | :---: | :---: |
| Atlantic Canada Opportunities Agency | \$17,418,585 | \$17,418,585 |
| Canadian Heritage: |  |  |
| Grants to organizations, associations, and institutions to promote the full recognition and use of the official languages in Canadian society through the enhancement of the official languages program | \$165,204 | \$165,204 |
| Grants to organizations, associations, and institutions to promote the vitality and long-term development of official-language minority communities through the development of the official-language communities program | \$5,224,229 | \$5,224,229 |
| Grants to TV5Monde | \$4,105,062 | \$4,105,062 |
| Contributions to the Canadian Television Fund (plus private funds) | \$32,482,564 | \$59,011,899 |
| Contributions to the Canada Music Fund | \$2,859,458 | \$4,373,299 |
| Contributions to the book-publishing industry development program | \$10,642,608 | \$12,548,601 |
| Contributions to the Canadian magazine-publishing industry | \$1,655,694 | \$3,355,853 |
| Contributions to TV5 | \$2,957,391 | \$2,957,391 |
| Contributions in support of the Court Challenges Program (i.e., contributions for the defense of linguistic rights) | \$784,323 | \$784,323 |
| Contributions to support the enhancement of the official languages program (i.e., participation in community and civic life) | \$3,402,564 | \$3,402,564 |
| Contributions to support the enhancement of the official languages program (i.e., promotion of intercultural understanding) | \$115,110,399 | \$115,110,399 |
| Contributions to support the development of the official-language communities program | \$216,292,570 | \$216,292,570 |
| Contributions to National Film Board | \$14,409,540 | \$21,758,090 |
| Contributions to CBC/Radio-Canada | \$186,516,873 | \$283,005,189 |
| Total Canadian Heritage | \$596,608,479 | \$732,094,673 |
| Economic Development Agency of Canada for the Regions of Quebec | \$127,614 | \$127,614 |
| Foreign Affairs and International Trade | \$0 | \$22,159,599 |
| Human Resources and Skills Development | \$14,259,929 | \$14,259,929 |
| Indian Affairs and Northern Development | \$214,580 | \$214,580 |
| Industry | \$14,981,953 | \$26,200,030 |
| Justice | \$6,603,919 | \$6,603,919 |
| Health | \$24,144,995 | \$24,144,995 |
| Total | \$674,360,054 | \$843,223,924 |

## Total observable cost of bilingualism

Executive summary table 2 presents the total observable cost of bilingualism in the federal administration in 2006/07. The total observed cost of bilingualism in the federal administration is estimated from $\$ 1.05$ billion to $\$ 1.22$ billion.

However, these "observable" costs do not reflect the complete costs of the OLA for several reasons. The estimates do not include direct costs embedded in general departmental spending such as the additional costs of printing reports in two languages as opposed to one and the value of the time spent by those officials on OLA issues. In addition, the estimates exclude the reduced productivity that may result from some department personnel undergoing language training. Finally, we are missing the impact of OLA requirements on now privatized (e.g., Air Canada) and current (e.g., VIA Rail) Crown corporations.

We estimate the first two costs-direct costs embedded in general departmental spending and the costs associated with lost productivity, which we label the federal government's "unobserved costs"-at $\$ 440$ million in 2006/07.

In addition, we estimate the costs of past and current Crown corporations created by requirements to offer bilingual services over and above what they would choose to offer free of constraints (e.g., Petro-Canada, Air Canada, etc.) at $\$ 180$ million.

Unobserved costs for Canada as a whole would then total $\$ 620$ million.

Adding these costs to the total observed cost of $\$ 1.05$ billion to $\$ 1.22$ billion yields $\$ 1.67$ billion to $\$ 1.84$ billion. So the total observable and unobservable real-resource costs are estimated at about $\$ 1.6$ billion to $\$ 1.8$ billion. This is a bit more than one tenth of $1 \%$ of the GDP in 2006/07.

## Executive summary table 2: Total observable cost of bilingualism in the federal administration, 2006/07

|  | $\$($ min. $)$ | $\$($ max. $)$ |
| :--- | :---: | :---: |
| Transfer payments and direct spending (table 1) | $\$ 674,360,054$ | $\$ 843,223,924$ |
| Translation and interpretation (table 2) | $\$ 279,300,738$ | $\$ 279,300,738$ |
| Cross-cutting spending (table 3) | $\$ 100,836,955$ | $\$ 100,836,955$ |
| Total | $\mathbf{\$ 1 , 0 5 4 , 4 9 7 , 7 4 7}$ | $\mathbf{\$ 1 , 2 2 3 , 3 6 1 , 6 1 7}$ |

Sources: C-MPWGSC, 2006, 2007; calculations by the authors.

## The benefits of two official languages

The benefits derived from the provision of services by the Canadian federal government in two official languages are hard to define. From our perspective, the main benefit of the Official Languages Act is that it allows Francophones to access the services of the federal government in French.

What would happen if services were not offered in French but only in English? Presumably, there would be some reduction in the demand for some federal government services by unilingual and bilingual Francophones. Assume that the decision to do away with federal services in French was made on January 1, 2009. One can imagine the following three scenarios:

First, consider the costs of an informal supply of services in French by federal civil servants who speak French. For example, they might help tax filers, applicants for passports, and others fill out the various forms. This would take them away from their other duties and impose a cost on the federal government if service standards were maintained since more time and thus more employees would be required, mainly in Quebec.

We estimate that a typical unilingual Francophone interacts directly with the federal government for an average of five hours a year and devotes the same amount of time reading or preparing federal forms. We therefore need to account for about 40 million hours of services provided in English rather than French.

To estimate the minimum cost of adjusting to the policy of offering federal services only in English, one would need to add, say, 20 million hours of civil-service output (i.e., half of the 40 million hours of services), assuming that, as federal civil servants translate, they also produce something of value to their employer and the applicant, given their specialized knowledge. Directly, this would cost about $\$ 614$ million, as the average federal wage in 2007 was $\$ 1,201.26$ weekly (Statistics Canada, 2008b), considering 37.5 hours per week.

The second scenario supposes a supply of English knowledge by bilingual family or friends of unilingual Francophones. These individuals can be assumed to have a value of their time somewhere between zero and the average wage in Canada. We will use $66 \%$ of the average wage of $\$ 747.44$ per week in 2007 (Statistics Canada, 2008b), thus yielding \$493.31. This, adjusted for 40 million hours, yields $\$ 504$ million.

The third scenario assumes a supply of French by professional interpreters/translators who would set up offices outside federal facilities or maintain websites, for example. This would require expenditures in time or in money by private unilingual Francophones. Using translators, whose average wage is about $\$ 20$ per hour (Living in Canada, 2008), yields a cost of $\$ 800$ million.

These scenarios can be viewed as the minimum cost of adjusting to the policy of offering federal services only in English. None of the three estimated amounts associated with the private provision of interacting in French with the federal government are very large in terms of GDP and they are somewhat smaller than the costs of federal bilingualism reported in this paper.

## Conclusion

Canada's official bilingualism is a political decision expressing a societal preference which may be strong among some citizens and weak among others, but which does reflect the specific sociopolitical experience of Canada. In this study, we attempt to carefully measure the incremental costs of that policy. We first examine the legal status of French and find that it has improved from 1760 and, perhaps more relevantly, from 1867 to today in Canada.

In addition, the total cost of providing OLA services is between $\$ 1.6$ to $\$ 1.8$ billion, or about one tenth of $1 \%$ of the GDP in 2006. Finally, the costs of publicly provided OLA services are somewhat higher than the estimates of the private costs of providing such services. The difference is in the distribution of these costs since the public costs are borne by all Canadians.

## Introduction

This paper examines the costs and benefits of the government of Canada's official languages policies at the midpoint or so of the first decade of this century. This was done at the request of the Fraser Institute and is of interest as part of the general exercise of reviewing government policies that affect productivity and growth. The paper is divided into three parts: the first presents the legal framework under which the federal government and federally regulated entities make decisions as to the internal and external usage of both official languages, the second presents the costs of these policies; and the third presents the benefits of these policies. Two appendices follow.

Let us make clear at the outset two points: first, we do not examine the costs and benefits of Canada having two major language communities living within its borders in a federal state; we examine the spending of real resources resulting from the federal official-languages policies. Hence issues such as, "Would it not be more efficient to have only one language?" or "Does being bilingual not define Canada?" are not addressed here. We thereby focus on one specific set of policies of the federal government, given Canada's linguistic composition. Second, we do not address the psychic, nonfinancial, sometimes referred to as symbolic[1] costs and benefits that may result from such policies. Individuals may dislike having "French shoved down their throats" or may delight in their passports being bilingual; this would decrease or increase their level of welfare and is not examined here. Overall, three quarters of Canadians agree that it is important to preserve English and French as the two official languages of Canada, with support peaking at $95 \%$ in Quebec and ranging in the $60-65 \%$ range west of Ontario (Dasko, 2003)[2]. Hence psychic benefits may well exceed psychic costs. We also do not examine the distributional consequences of the official languages policies. These policies benefit bilingual individuals and disadvantage unilingual individuals in terms of access to employment, including the type of jobs and the location of jobs, in the federal civil service of Canada. This changes the distribution across individuals of employment when compared with an

1 François Grin noted in his comments that "The term 'psychic', occasionally found in the literature, may not be the most felicitous; the literature also uses expressions like 'symbolic', 'non-financial,' 'non-material', 'non-tangible' and 'non-market', but after further discussion could not settle on one word to be used and thus concludes that "the term 'psychic' can do for the time being."
2 For the evolution of support for this policy, see The Evolution of Public Opinion on Official Languages in Canada (C-OCOL, 2008a).

English-only requirement. We are interested in the real resource benefits and costs of the use of two official languages.

## The legal framework

We begin this part of the paper with a brief history of the main constitutional and legal requirements on the federal government with respect to official languages. We then present the requirements as they currently exist in Canada. We distinguish between requirements on the federal government and those imposed on others bodies, such as Air Canada, by federal law. We end by summarizing the main drivers of costs and benefits in 2006.

From the Royal Proclamation of 1763 to the Constitution Act of 1867, and not forgetting the Quebec Act of 1774, the Constitutional Act of 1791, and the Act of Union of 1840, linguistic issues have always been a dominant theme throughout pre-Confederation Canadian history. The lack of explicit disposition concerning the use of languages, except to limit or abolish the use of French, was a cause of ambiguity resulting in de facto bilingualism in the legislative assemblies while English was the only language to be officially recognized. This situation was a source of permanent conflict between language communities, especially after the Act of Union of 1840 , in which section 41 abolished French as a language of the legislature. In 1848, due to the extent of protests, this disposition was abolished. In the following year, another law was enacted stating that Canadian acts must be adopted in French and English. These two gestures initiated a new governmental approach on language issues that culminated with section 133 of the Constitution Act of 1867.

The Constitution Act of 1867, and more precisely section 133, is a fundamental element of bilingualism policies in Canada. This section states that French and English can both be used in the debates of the Parliament and that the records of these debates shall be made in both languages. Under section 133, federal acts have to be adopted, published, and printed in both languages. By including this disposition in the British North America Act (BNA for short; this designation of the original Constitution is often used to refer to the current Constitution), the Fathers of Confederation showed a clear intention of preserving the rights of both linguistic communities. This intention is also evident in section 133, which allows the use of French and English before any federal court. This right, clearly expressed, applies to all sequences of the trial, including pleadings, witnesses, and all procedures in or issuing from any federal court. This was a marked change in comparison to the Royal Proclamation of 1763 and the Act of Union of 1840, which both negated the status of French.

Between 1867 and the creation of the Royal Commission on Bilingualism and Biculturalism in 1963, various initiatives concerning languages policies were put in place by the federal government. Hence, the Civil Service Act
of 1882 established that applicants could choose between French, English, or both as their language of examination, while from 1888-1900, the Civil Service Act provided an annual bonus of $\$ 50$ to candidates having the ability to write in French and English. These steps illustrate the concern about linguistic issues. This attention is also revealed by the importance attached to bilingual objects as symbols. For example, stamps and bank notes became bilingual, with French added in 1927 and 1936, respectively. This was not a major change in languages policies but it was still contentious when one examines the debates in Parliament during the adoption of the law on bilingual bank notes (Bouthillier and Meynaud, 1972). The arguments of the members of the Parliament who opposed the bill for bilingual bank notes were based on the fact that, notwithstanding the obligations of section 133 of the BNA, Canada was not a bilingual country[3]. For a large proportion of parliamentarians, especially those representing Western Canada, Francophones were only one language minority on the same grounds as others and therefore should not receive a particular treatment outside the guarantees of the BNA. The Official Language Act (OLA) of 1969 changed this by proclaiming French and English the official languages of Canada in the federal jurisdiction. Later we will revisit the OLA of 1969 and its effects.

The adoption in 1934 of the law creating the federal Translation Bureau reinforced the fulfillment of the obligation of section 133 concerning the translation of the records of Parliament. From 1867-1900, translation work was only done by freelancers, which resulted in failings in the translation process (Olivier, 2008). It is only in the early twentieth century that the seven translators were integrated in the civil service (Olivier, 2008). Their appointment and the development of the Translation Bureau made bilingual parliamentary records a reality. The beginning of simultaneous interpretation in the House of Commons in 1959 also contributed in implementing the spirit of section 133. While since 1867 French and English could be used in the debates of Parliament, unilingual MPs understood only part of the speeches and interventions in the chamber. Simultaneous interpretation has resolved this problem.

The Révolution tranquille (Quiet Revolution) began in Quebec in 1960 with the election of Jean Lesage as Premier of Quebec. This change was accompanied by attempts to redefine the status of Quebec within Canada and by the emergence of separatist political parties such as the Rassemblement pour l'indépendance nationale (RIN), followed by the Parti Québécois $(\mathrm{PQ})$. In response to the growing concerns and protests of French speakers from Quebec with regard to the perceived need for the protection of

[^0]French language and the expansion of the separatist movement, the Royal Commission on Bilingualism and Biculturalism was established in 1963. Its works lasted from 1963 to 1969. Chaired jointly by André Laurendeau until his death in 1968 and Davidson Dunton, it was asked to examine the practice of bilingualism and biculturalism in Canada and recommend ways to improve linguistic and cultural dualism as the basis of the country. The commission focused on three main areas of inquiry: bilingualism in the federal administration, the role of public and private institutions and organizations in promoting bilingualism and cultural exchanges between the French and English communities, and finally the opportunities for Canadians to become bilingual in English and French. Its recommendations focus on the fact that:

English and French minorities when of reasonable size should be ensured public services in their own language and afforded as much opportunity as possible to use their mother tongue. The Commission also urged that French become a normal language of work, together with English, in the federal administration and that government documents and correspondence be generally available in both languages.
(Canadian Encyclopedia, 2008)

These recommendations constitute the basis of the Official Languages Act of 1969 with the exception of language of work.

In 1969, Parliament promulgated the Official Languages Act, which established official bilingualism-that is, made French and English the official languages of the federal government and all the public institutions and organizations within the federal jurisdiction. This aimed to extend the obligations of section 133 of the Constitution Act of 1867 to the entire federal administration, including the departments and Crown corporations. In the bilingual districts of the national capital area, the main offices and central offices of all federal institutions had to provide their services and must communicate with the public in English or French, depending on the preference of the individual user. The obligations of the OLA also applied to the services provided to citizens abroad. Elsewhere, services had to be provided in both languages if there was a significant demand. The OLA also prescribed that the final decisions of federal courts, including the reasons for those decisions, had to be published in both official languages if they contained any question of law of general public interest or if the proceedings were conducted in both official languages. Each court or tribunal had its own internal policy to determine how to implement this obligation. The Commissioner of Official Languages was created by the OLA of 1969, where the commissioner's duties were to ensure the full recognition of the status of each official language and compliance with the OLA by conducting inquiries and investigating complaints. The role of the commissioner will be addressed when analysing the OLA of 1988.

Even if it was only declaratory, the OLA of 1969 was an important commitment by the federal government which represented a major change in linguistic policies. However, the OLA of 1969 did not extend to the workplace in the federal civil service. This aspect of the issue was addressed by a parliamentary resolution which was adopted in 1973 (Hudon, 2006). It dealt with the language of work and the participation of members from both language communities in the federal civil service. This resolution began "to institutionalize the official languages program in federal institutions by establishing the language requirements of positions and the right for some employees to remain unilingual" (Canada Public Service Agency, 2006b). This resolution allowed the designation of bilingual positions and aimed to promote the use of French in every level of the federal administration. This was to be achieved by intensifying the recruitment of French speakers and by offering language training to civil servants. Unilingual civil servants saw dispositions included in the resolution preserving their right to refuse to learn the other official language. In summary, this resolution aimed at ensuring the full participation of members of both language communities in the federal civil service while guaranteeing that the federal administration was functionally bilingual.

In 1974, the Consumer Packaging and Labeling Regulation under the Consumer Packaging and Labeling Act was enacted. This regulation is still in force, stating that the labeling of consumer products must be bilingual unless otherwise indicated (e.g., name of the distributor, name of the product).

In 1978, the Court Challenges Program was put in place. This program provided financial assistance for important judicial cases that were concerned notably with language rights. It played an important role in the development of the jurisprudence relating to linguistic rights such as the right to instruction in the minority language. This program was abolished for the first time in 1992, restored in 1994, and abolished again in September 2006. The 2006 abolition was challenged in Federal Court under the judicial remedy of section 77 of the Official Language Act of 1988. In June 2008, the federal government created a new program similar to the Court Challenges Program to provide funding to cases related to linguistic rights. However, the component of the Court Challenges Program devoted to equality rights was not reintroduced. Concerning the language of work, a circular from the Treasury Board was issued in 1967; it reported a difference of $7 \%$ in the wages of employees in positions requiring the use of both official languages (Canada Public Service Agency, 2006a). In 1977, the federal government issued a circular creating the bilingualism bonus for employees occupying a bilingual position and able to master both French and English. This circular is still in force and the bilingualism bonus remains $\$ 800$ per year.

With the Constitution Act of 1982 and the Canadian Charter of Rights and Freedoms (the Charter), the notion of official languages is integrated in the Constitution. Section 16 of the Charter stipulates that French and

English are the official languages of Canada. This is a noticeable change in comparison to the OLA of 1969, which could only declare French and English the official languages of Canada for federal purposes. Thus, provincial laws cannot negate the status of French or English as minority languages in their field of jurisdiction, which could be done under the first OLA. Furthermore, section 16 enacts that French and English share equal status and equal rights and privileges as to their use in the Parliament and the federal administration. Sections 17-19 deal with the principle of equality of use of both languages in the debates of Parliament, in parliamentary documents, and before all federal courts. Section 20 deals with the communication between citizens and federal institutions (Ménard and Hudon, 2007). It states that:
... the public in Canada has the right to communicate with, and to receive available services from, any head or central office of an institution of the Parliament or government of Canada in English or French, and has the same right with respect to any other office of any such institution where
// there is a significant demand for communications with and services from that office in such language; or
$\%$ due to the nature of the office, it is reasonable that communications with and services from that office be available in both English and French.
(Ménard and Hudon, 2007)
This article goes back to the issue of the communication with the public first addressed in the OLA of 1969. By incorporating this obligation in the Constitution, the government strengthened it. Likewise, a constitutional protection was granted to the right to the use of both languages in all the works of Parliament, which includes parliamentary committees. Section 18 stipulates that the versions of the law in both languages are equally authoritative-a disposition that was not in the Constitution of 1867. Section 23 deals with minority-language educational rights. Finally, section 24 ensures the enforcement of the guaranteed linguistic rights by creating a new court remedy for any violation of the rights guaranteed by the Charter.

One example of the impact of the Charter is that since April 2008, a decision rendered by the Supreme Court of Canada states that the RCMP must provide bilingual services in New Brunswick "when performing their duties as provincial police officers, to fulfill the language obligations" (Société des Acadiens et Acadiennes du Nouveau Brunswick Inc. v. Canada, 2008) imposed by section 20(2) of the Charter, describing New Brunswick's institutions.

Following the adoption of the Charter in 1982, the OLA of 1969 was revised because the guarantees of the Charter constituted a minimum that
had to be respected but completed by ordinary laws. This revision was achieved in 1988 by the enactment of the Official Languages Act (OLA of 1988). Stronger guarantees were granted to the official-languages minorities concerning the court remedies in respect to the right to receive services and the right to work in the official language of one's choice. Also, besides respecting the Charter, the new OLA of 1988 corrected some weaknesses of the old law. For instance, the OLA of 1988 is executory, whereas it was only declaratory in 1969. Furthermore, parts I-V of the new OLA prevail on any other inconsistent federal law except for the Canadian Human Rights Act. It also gives a wider legal basis for ministerial initiatives in developing policies and programs (Ménard and Hudon, 2007). This larger ministerial power has resulted in an increasing number of programs created since 1988 to support the official-languages communities. Also according to the law, Canadian Heritage and the Treasury Board are responsible for the coordination of policies and programs and must report annually to Parliament on the progress of their activities concerning the OLA.

The principles of parts I-IV of the OLA of 1988 are derived directly from the linguistic rights guaranteed by the Charter. The purpose of OLA of 1988 is to ensure the respect of French and English as official languages and ensure equality of status and equal rights and privileges as to the use of French and English in all federal institutions, in Parliament, and in the administration of justice. The OLA also aims to guarantee the use of both official languages in the communications and services to the public while carrying out the work of federal institutions. Others goals of the OLA are to support the development of linguistic-minority communities; advance the equality of status and use of both official languages in Canada; and define the powers, duties, and functions of federal institutions with respect to the official languages (Official Languages Act, R.S. 1985 (4th Supp.), c. 31).

Under the Official Languages Act, the government must preserve the linguistic rights of citizens in their relations with federal institutions and within these institutions. As described by Marie-Ève Hudon:

Responsibility for delivering services in both official languages falls to the federal institutions and not to Canadians requesting services. Although official language programs exist to support second-language acquisition, it would be incorrect to state that federal legislation aims to make all Canadians bilingual. Rather, the purpose of official bilingualism is to respond to the linguistic needs of Canadians. (Hudon, 2008)

The scope of the law, delimitated by the definition of federal institution, includes Parliament, departments, boards, commissions, federal courts, and Crown corporations. Privatized federal corporations such as Air Canada, Petro-Canada, and the Canadian National Railway Company (CN) may be
made accountable for fulfilling all or some obligations of the OLA under specific federal laws. We will address this topic later in this document.

Part VII of the OLA addresses commitments of the federal government that will be important when analyzing the cost of official languages policies. The federal government must enhance the vitality of official-language minority communities, support their development, and foster the full recognition and use of both languages. In 2005, a modification of the OLA stipulated that federal institutions must take positive measures to implement the commitments aforesaid. This modification, along with the court remedy of section 77, strengthens the obligations of part VII and compels the federal government to respect its commitments. Canadian Heritage must coordinate the implementation of those commitments and take measures to carry out the commitments. Those measures must be aimed at enhancing the vitality of minorities; encouraging the learning of French and English; assisting provinces, private entities, and voluntary sectors to provide services in both official languages; and to provide second-language education. Canadian Heritage must report annually to Parliament on the progress of the OLA objectives.

To finish presenting the responsibilities of federal institutions under the Official Languages Act, it is necessary to address the Official Languages (Communications with and Services to the Public) Regulation. This regulation was enacted in 1992 and later modified in 2007. It defines the terms aforementioned: significant demand, nature of the office, and services provided on behalf of federal institutions. These definitions set out the conditions under which federal institutions are required to communicate with the public and provide services in both official languages. Offices in the National Capital Region are not affected by the regulation because dispositions in the OLA already include these offices. All across Canada, services in its language is guaranteed to the majority. Majority and minority are defined on the basis of the population of a province or territory using the data of the most recent census. The regulations distinguish census metropolitan area[4] (CMA) from census subdivision[5] (CSD). If a CMA has a minority of at least 5,000 members, federal offices in this CMA must provide services in both languages. However, if an institution has more than one office in the CMA, the proportion of offices providing services in both official languages has to be at least equal to the proportion of the minority in the CMA. This includes urban centers of Canada such as Halifax, Quebec, Montreal, Edmonton, Vancouver, Toronto, Winnipeg, Calgary, and Windsor, among others (Leclerc, 2008). Concerning the CSD, if the minority is at least 500 members and corresponds to more than $5 \%$ of the population, services must be provided in

4 An urban core needs a population of at least 100,000 to be considered a CMA.
5 A CSD is a municipality or an area that is deemed to be equivalent to a municipality for statistical reporting purposes (Statistics Canada, 2009d).
both languages in some offices. Offices affected by this regulation can include detachments of the RCMP:
that provides services to sections of the Trans-Canada Highway where there is a point of entry to another province that is officially bilingual, and over a year at least 5 per cent of the demand from the public for those services is in that language. (Official Languages (Communication with and Services to the Public) Regulations, S.O.R./92-48, s. 6(1))

If the proportion of the minority in the population is more than $30 \%$ in a CSD, all the federal offices must be able to provide services in both official languages. There are many other criteria for the determination of obligations concerning bilingual services.

Services in both official languages can also be required by the nature of the office when it concerns the health, safety, and security of the public. This is mostly aimed at the signs in airports, railways stations, ferry terminals, and notices of hazards to the public. The location of the office can also determine the provision of services in French and English. For example, if an office is situated in a national park, in an embassy, or in an event of national or international scope, it must provide services in both official languages no matter the demand for each language. Concerning services to travelers offered on behalf of federal institutions by private entities, the regulations apply to the services of restaurants, car rental, foreign exchange, duty-free shops, passenger screening, and boarding services, among others, in the airports, railway stations, and ferry terminals were there is a significant demand.

The Criminal Code also contains some obligations on the languages issue. Sections 530-532 state that the accused has the right to ask to be judged by a magistrate or a jury speaking his or her official language or speaking both official languages. However, this right does not hinder the other linguistic guaranties with respect to trials such as the right to use both languages before the court. Whatever the choice of the accused is, interpreters must be available to assist the accused, his or her counsel, or any witness if necessary.

The legal framework presented above concerns only the federal administration. Nevertheless, some privatized Crown corporations are also submitted to language requirements under various specific federal acts with varying levels of services expected. For example, Air Canada, the CN, and NAV CANADA are submitted to the entire Official Languages Act of 1988 as if they were federal institutions. Furthermore, Air Canada must ensure that services closely related to air transportation, such as ticketing services, can be provided in both official languages. Other former public corporations are subject to lighter requirements. For example, Petro-Canada must ensure that the public can communicate with the head office in both official languages.

Elsewhere, bilingual services must be offered if Petro-Canada estimates that the use of both languages is subject to a significant demand.

To summarize, in 2006/07, the period for which we calculate costs and benefits, the federal language policies:
\% require the production of various documents and oral services by the federal government in both official languages. This is achieved by a combination of bilingual personnel who earn a bilingual bonus and may have received language training and by translation services;
\% provide various cultural services in both official languages through both direct production (e.g., Canadian Broadcasting Corporation and Société Radio Canada) and through subsidies to various organizations;
$\%$ require the provision of criminal justice in both official languages;
\%/ require some now-privatized ex-Crown (i.e., public) corporations to provide some services in both official languages (e.g., Air Canada); and
\%/ require labeling in both official languages for consumer goods.

Appendix A presents a summary of the key constitutional and legal provisions relative to English and French in Canada and a detailed discussion of the content of the 1988 OLA.

Overall, one can see that choices with respect to the status of French in Canada go back to the founding of the country. While arguments of an economic nature are often raised in the debates on these choices, they are not the sole determinants of the outcomes of these debates. Nevertheless, it seems useful to re-examine this issue using recent data and a new methodology.

## The costs of two official languages

We are interested in the marginal cost of providing services as a result of the OLA and thus, since English is the language of the majority in Canada, of providing services in French. We thereby assume no benefits to the English minority in Quebec resulting from the OLA; all benefits are for Francophones, inside or outside Quebec. Our implicit counterfactual, which we use explicitly in the third section of the paper, is a unilingual federal government with English as its sole language. We focus on marginal cost. What this means is that it is not, for example, the total cost to the Canada Revenue Agency (CRA) of providing services in French to federal taxfilers in Quebec that must be included, but only the additional cost of doing this in French, given that the CRA would be providing service in English otherwise and thus would incur costs for employees, offices, and so forth in Quebec. We first discuss the methodology and data used then turn to the results. Finally, we compare these results with updated results from a previous study.

## Methodology

In the case of subsidies, we want to take into account the extra costs of a second language-French-and not the extra costs of serving more individuals. We establish this additional cost when relevant by computing the cost for one individual of a specific subsidy program for Anglophones. Then, using this perindividual subsidy, we calculate what Francophones as a whole would receive in total if they were subsidized at this notional Anglophone rate. Finally, we compute the difference between the actual subsidies to Francophones and our Anglophone-equivalent subsidies; this is the cost of the OLA for this program. Note that, in theory, such a number could be negative.

The extra cost of offering a program in French is measured as follows:
\% calculate the per-individual costs for the Anglophones by dividing the total subsidies to Anglophones by the Anglophone population of Canada: this yields an amount per Anglophone;
\% calculate the cost of providing the service to Francophones at the unit cost of Anglophones. Hence, one multiplies the Anglophone per-capita cost by the number of Francophones in Canada; this yields a notional cost for all Francophones ; and
// subtract this notional total cost from the actual total expenditure for Francophones and this yields the excess cost of the Francophone component.

The following numerical example may help the reader better see what we calculate:
// assume a program with a budget of $\$ 100,000,000$ broken down into two language components of majority $\$ 60,000,000$ and minority $\$ 40,000,000$;
\%/ assume a population of $1,000,000$ broken down between the majority group 800,000 and the minority group 200,000;
// spending per capita for the majority group is $\$ 75$ (i.e., $\$ 60,000,000$ divided by 800,000 );
\% notional spending for the minority group at the majority per-capita level is $\$ 15,000,000$ (i.e., 200,000 multiplied by $\$ 75$ ); and
$\%$ surplus spending or cost of minority spending is $\$ 40,000,000$ (effective spending) minus $\$ 15,000,000$ (notional spending), equaling $\$ 25,000,000$.

It is this surplus spending that is the cost of offering services in the minority language since we presume that the total population, in absence of a minority group, would be the same, where $100 \%$ of individuals are offered services in the majority language and each additional individual receives services produced at the mean per-individual cost.

## Data

In this study, we obtained cost information-mainly numbers-from the 2006/07 Public Accounts (C-MPWGSC, 2006, 2007). We distinguish between direct spending by the federal government and subsidies to various bodies. More precisely, volumes two and three are the base of the estimation presented in this document. However, in the case of Industry Canada, a mix of the Public Accounts and the Achievement Report 2006-2007 (Industry Canada, 2008a) was used.

We use two definitions of "Francophones" and thus provide two definitions of "Anglophones" too. Note that the choice of only two language groups is dictated by the official languages policy of Canada, which addresses two languages: English and French. These labels do not define the full linguistic skills of a substantial number of Canadians who know languages other than English or French; however, these are the labels used to identify those residents of Canada and in theory but not in this study Canadians abroad who
use either the English or the French language to interact with the federal government.

The first definition of "Francophones" encompasses individuals with either knowledge of French only or with knowledge of both French and English but with French as their mother tongue. Knowledge of French only is elicited by the answer to the census question on official bilingualism; mother tongue is elicited by the question of first language learned[6]. This first definition is based on the fact that even if an individual is bilingual, he or she can prefer to be served by federal institutions in one of the two official languages. We assume that this preferred official language would be the mother tongue. This is why French/English bilinguals are classified as Francophones or Anglophones, according to their mother tongue. This yields a number of 7,462,244 Francophones and 23,778,786[7] Anglophones, according to the 2006 census.

The second definition of "Francophones" describes the population with knowledge of French only. Individuals who know only French and another language other than English are classified as Francophones since they would interact in French with the federal government. This second definition is based on the perspective of strict necessity. Thus, we assume that only the unilingual Francophones should be the targets of the provision of Frenchlanguage services in Canada. This yields a number of 4,141,850 Francophones and 27,099,180[8] Anglophones.

Using the first definition yields a minimum surplus while the second yields a maximum surplus spending on Francophones. The amounts are larger when the restricted definition is used since the per-capita cost of Anglophones is lower; as a consequence, the difference between this lower amount and the actual spending on Francophones becomes bigger.

This marginal-cost method is used to calculate the surplus spending related to the OLA for the following components: National Film Board budgets, Canadian Broadcasting Corporation and Société Radio-Canada budgets, contributions of Canadian Heritage to the Canadian Television Fund, the Canadian Music Fund, the book-publishing industry, and the magazine industry.

6 The questions are, "Can this person speak English or French well enough to conduct a conversation?" and, "What is the language that this person first learned at home in childhood and still understands?" (Statistics Canada, 2005).
$74,141,850+3,320,394=7,462,244$ Francophones (unilingual + bilingual with French as mother tongue); $31,241,030-7,462,244=23,778,786$ Anglophones and others (Statistics Canada, 2009a).
8 4,141,850 unilingual Francophones; 31,241,030-4,141,850 $=27,099,180$ Anglophones, bilinguals, and others.

## Costs

The two definitions of "Francophones" presented above will be used to calculate the minimum and maximum extra cost of French as a second official language in terms of payments not aimed explicitly at languages programs (e.g., subsidies to films or to the music industry). However, the method most often used to measure the expenditures resulting from the Official Languages Act of 1988 will be to obtain the spending for official languages directly from the 2006/07 Public Accounts (C-MPWGSC, 2006, 2007). We begin with an examination of direct spending and transfers payments then turn to translation and interpreting spending, both by department. We then examine three cross-cutting items and unobservable general overhead spending on the OLA.

## Transfer payments and direct spending

Table 1 presents information on direct spending transfers (which are at a minimum $\$ 190.6$ million and at a maximum $\$ 295.3$ million), such as support for court services in minority languages by the Department of Justice, and transfers (which are at a minimum $\$ 483.7$ million and at a maximum $\$ 547.9$ million). The minimum and maximum amounts will be the same when the marginal-cost method presented above is not used, with information then taken directly from the Public Accounts. The two largest transfer payments are made by Canadian Heritage under section 43 of the OLA (C-MPWGSC, 2007). They are the contributions to support the development of official-language communities and the contributions to support the enhancement of official languages. Respectively, they represent between $39.42-44.72 \%$ and $20.99-23.80 \%$ of all transfer payments, depending on the ratio used to calculate other payments. These programs are designed to foster the vitality of English- and French-minority communities. This is accomplished through various agreements with provinces, territories, and community organizations to provide greater access to education and services in the language of the community. The third principal expense is the subsidies to films through the Canadian Television Fund. It is a minimum of $\$ 32.48$ million and a maximum of $\$ 59$ million and represents $6.71-10.76 \%$ of the overall transfer payments, depending on the definition of "Francophone" employed. This amount includes the contributions of private broadcasting distributors, which are required, under agreements with the Canadian Radiotelevision and Telecommunications Commission (CRTC), to contribute 5\% of their annual gross revenues to production funds. Fourth by its amount, the contribution of Health Canada is equal to $\$ 24$ million. It provides funding to programs improving access to health services for official-languagesminority communities such as training projects in English or French. This corresponds to $4.41 \%-5 \%$ of the total expenditure. Finally, Industry Canada

Table 1: Transfer payments and direct spending related to the OLA, by federal departments (ministries), 2006/07

| Department/agency | \$ (min.) | \$ (max.) |
| :---: | :---: | :---: |
| Atlantic Canada Opportunities Agency | \$17,418,585 | \$17,418,585 |
| Canadian Heritage: |  |  |
| Grants to organizations, associations, and institutions to promote the full recognition and use of the official languages in Canadian society through the enhancement of the official languages program | \$165,204 | \$165,204 |
| Grants to organizations, associations, and institutions to promote the vitality and long-term development of official-language minority communities through the development of the official-language communities program | \$5,224,229 | \$5,224,229 |
| Grants to TV5Monde | \$4,105,062 | \$4,105,062 |
| Contributions to the Canadian Television Fund (plus private funds) | \$32,482,564 | \$59,011,899 |
| Contributions to the Canada Music Fund | \$2,859,458 | \$4,373,299 |
| Contributions to the book-publishing industry development program | \$10,642,608 | \$12,548,601 |
| Contributions to the Canadian magazine-publishing industry | \$1,655,694 | \$3,355,853 |
| Contributions to TV5 | \$2,957,391 | \$2,957,391 |
| Contributions in support of the Court Challenges Program (i.e., contributions for the defense of linguistic rights) | \$784,323 | \$784,323 |
| Contributions to support the enhancement of the official languages program (i.e., participation in community and civic life) | \$3,402,564 | \$3,402,564 |
| Contributions to support the enhancement of the official languages program (i.e., promotion of intercultural understanding) | \$115,110,399 | \$115,110,399 |
| Contributions to support the development of the official-language communities program | \$216,292,570 | \$216,292,570 |
| Contributions to National Film Board | \$14,409,540 | \$21,758,090 |
| Contributions to CBC/Radio-Canada | \$186,516,873 | \$283,005,189 |
| Total Canadian Heritage | \$596,608,479 | \$732,094,673 |
| Economic Development Agency of Canada for the Regions of Quebec | \$127,614 | \$127,614 |
| Foreign Affairs and International Trade | \$0 | \$22,159,599 |
| Human Resources and Skills Development | \$14,259,929 | \$14,259,929 |
| Indian Affairs and Northern Development | \$214,580 | \$214,580 |
| Industry | \$14,981,953 | \$26,200,030 |
| Justice | \$6,603,919 | \$6,603,919 |
| Health | \$24,144,995 | \$24,144,995 |
| Total | \$674,360,054 | \$843,223,924 |

[^1]grants between a minimum of $\$ 15$ million and a maximum of $\$ 26$ million to various programs developing the official-languages-minority communities.

The five expenditures listed above correspond to more than $80 \%$ of the transfer payments made by the federal government in 2006/07 to programs related to the obligations of the Official Languages Act (OLA) of 1988. Expenses resulting from the OLA also include direct spending by public corporations such as the Canadian Broadcasting Corporation (CBC/RadioCanada). Using the method aforesaid and taking into account only public funds, and hence neglecting revenue from selling publicity on the CBC, we estimate the surplus spending of a French-language branch of the public broadcasting corporation to a minimum of $\$ 186$ million and a maximum of $\$ 283$ million. Overall, a minimum of $\$ 674$ million and a maximum of $\$ 843$ million were spent in relation to the OLA by departments in 2006/07.

## Translation and interpretation

Translation services are an important tool in implementing the obligations of the OLA and of section 133 of the Constitution Act of 1867, and must therefore be integrated into the cost of bilingualism in the federal administration. The total amount spent by the federal administration and Parliament for translation and interpretation services was more than \$279 million in 2006/07 (C-MPWGSC, 2007). Spending by the five largest spenders amongst all departments-Parliament, Public Works and Government Services, National Defence, Human Resources and Skills Development, and Environment departments-corresponds to $59.28 \%$ of this amount. On their own, parliamentary translation and translation stewardship represent 21.86\% of the overall translation costs. This amount includes the translation costs for the Senate and the House of Commons and all the committees. Public Works and Government Services has the second highest translation costs at 18.90\% of the total expenditures. All other translation users account for less than $10 \%$ of the total amount spent for translation services. Note that for some departments such as Foreign Affairs the translation expenses related to OLA are overestimated since part of this translation work is not French/English.

## Cross-cutting spending

There are three cross-cutting items. The first is the bilingualism bonus. This is an annual bonus of $\$ 800$ granted to employees in the federal administration who occupy a bilingual position and meet the language requirements of the position (Canada Public Service Agency, 2006a). Levels of proficiency in French and English are variable, depending on the position occupied, and can range from minimal skills to a full proficiency in both languages. It must be included in the computation of costs even if it is not a legal obligation under the OLA because it is an instrument required to implement parts IV, V,

Table 2: Interpretation and translation services, by department or agency, 2006/07

| Department (unless agency is specified next to name) | Cost (\$) |
| :---: | :---: |
| Agriculture and Agri-Food | \$6,881,921 |
| Atlantic Canada Opportunities Agency | \$778,515 |
| Canada Revenue Agency | \$5,422,063 |
| Canadian Heritage | \$6,084,060 |
| Citizenship and Immigration | \$3,248,586 |
| Economic Development Agency of Canada for the Regions of Quebec | \$330,631 |
| Environment | \$13,216,923 |
| Finance | \$2,575,224 |
| Fisheries and Oceans | \$5,327,991 |
| Foreign Affairs and International Trade | \$9,931,928 |
| Governor General | \$352,421 |
| Health | \$11,797,640 |
| Human Resources and Skills Development | \$18,092,907 |
| Indian Affairs and Northern Development | \$4,359,172 |
| Industry | \$11,864,783 |
| Justice | \$9,248,436 |
| National Defence | \$20,390,485 |
| Natural Resources | \$4,282,080 |
| Parliament | \$61,065,025 |
| Privy Council | \$4,616,077 |
| Public Safety and Emergency Preparedness | \$12,224,728 |
| Public Works and Government Services | \$52,794,112 |
| Transport | \$6,753,170 |
| Treasury Board | \$5,471,261 |
| Veterans Affairs | \$1,899,978 |
| Western Economic Diversification | \$290,621 |
| Total | \$279,300,738 |

[^2]
## Table 3: Cross-cutting costs, 2006/07

| Bilingualism bonus |
| :--- |
| Office of the Commissioner of Official Languages |
| Language training of federal public servants |
| Total |

Sources: C-MPWGSC, 2006, 2007; calculations by the authors.
and VI[9] of the OLA. In 2006, there were 71,269 bilingual positions, which represented $40.1 \%$ of all positions in the federal administration. In these positions, $89.5 \%$ of the incumbents met the language requirements associated with their position. This totals 63,756 positions eligible for the bilingualism bonus in 2006, yielding an estimated $\$ 51$ million spent on the bilingual bonus in 2006/07 (Canada Public Service Agency, 2007).

The second item is the direct cost of language training for public servants[10]. Some of this training[11] was provided by the Canada School of Public Service and previously by Language Training Canada. In 2006/07, $\$ 30$ million was granted to the school for official-languages training (Senate of Canada, 2008). This amount is added to the computation as an expense because it is a mean of implementing the obligation of the OLA related to the provision of services.

Finally, we need to add the spending for the Office of the Commissioner of Official Languages, which was created by the OLA of 1969 and renewed in 1988. This institution would not have existed without the OLA. This expenditure was $\$ 19.8$ million in 2006/07.

The main elements of the federal administration's linguistic obligations under the Official Languages Act have been presented in tables 1, 2, and 3. Table 4 presents the total observable cost of bilingualism in the federal administration in $2006 / 07$. A small share of this total is the result of support for the Englishlanguage minority in Quebec and thus we overestimate the cost of French as a second official language. In our opinion, this is unlikely to exceed $\$ 50$ million, given how we carried out these calculations. But the total presented in table 4 does not reflect the complete costs of the OLA in Canada for three reasons:

[^3]Table 4: Total observable cost of bilingualism in the federal administration, 2006/07

|  | $\$($ min. $)$ | $\$$ (max.) |
| :--- | :---: | :---: |
| Transfer payments and direct spending (table 1) | $\$ 674,360,054$ | $\$ 843,223,924$ |
| Translation and interpretation (table 2) | $\$ 279,300,738$ | $\$ 279,300,738$ |
| Cross-cutting spending (table 3) | $\$ 100,836,955$ | $\$ 100,836,955$ |
| Total | $\$ 1,054,497,747$ | $\$ 1,223,361,617$ |

Sources: Totals from tables 1, 2, and 3.

1 we are missing various direct costs embedded in general departmental spending such as the additional costs of printing reports in two languages as opposed to one and the value of the time spent by those officials on OLA issues;

2 we are missing the reduced productivity that may result from some department personnel undergoing language training (as well as direct language-training spending). The importance of this will depend on the choice of whether or not to hire more individuals to compensate for this time; if not, then one may have a reduced output or language trainees may work harder during their working hours. There may also be some miscommunications, errors, and slowdowns resulting from the use of two languages as opposed to one, but this would occur only in bilingual situations and not in all working environments of the federal civil service; and

3 we are missing the impact of OLA requirements on now privatized (e.g., Air Canada) and current (e.g., VIA Rail) Crown corporations.

How can we get a handle on the first two costs? The approach used here is a top-down method as opposed to the bottom-up approach used until now. Table 5 shows how we estimate the total operational expenses affected by the first two types of costs.

In table 5, we estimate that operational spending possibly subject to additional costs due to the OLA totals $\$ 56.2$ billion. For example, recruitment activities of the armed forces are conducted in both languages and the fixed costs of producing material in both languages may make this more costly than if it were done in English only. Most armed forces activities would not be affected by this, but it is impossible to estimate this precisely. More than half of this $\$ 56.2$ billion amount is for salaries (C-MPWGSC, 2006, 2007). Since we have already accounted for the bilingualism bonus and the Commissioner of Official Languages expenses, direct labor expense would be incurred in the Treasury Board and in the departmental directorates responsible for the

Table 5: Top-down derivation of overhead costs of the OLA, Canada, 2006/07

| Item | \$, billions | Language overhead | Method to estimate costs |
| :--- | :---: | :---: | :---: |
| Total | $\$ 222.2$ | No | - |
| Public debt | $-\$ 33.9$ | No | - |
| Program spending | $\$ 188.3$ | No |  |
| Transfer payments to <br> individuals, governments, <br> and others | $-\$ 124.9$ | Yes | See below |
| Crown corporations | $-\$ 7.2$ | Yes | Included directly |
| Operational expenses | $\$ 56.2$ | Yes | \$100 million assumed |
| Salaries | $\$ 62.9$ | No | (5\% = \$340 million) |
| Professional and special <br> services | $\$ 16.5$ |  |  |
| Rental, amortization, utilities, <br> maintenance, transportation, <br> and other items |  |  |  |

Sources: C-MPWGSC, 2006, 2007; calculations by the authors.
application of the Official Languages Act. Assuming an amount of about $\$ 100$ million seems reasonable[12]. Other items in the $\$ 56.2$-billion amount such as transportation, totaling about $5 \%$ for the sum of repair and maintenance, and utilities and rentals, which together account for about $12 \%$ of the total non-transfer program spending, are unlikely to be higher because of the requirements of the OLA. The only interesting suspects are professional and special services, which total $\$ 6.8$ billion. If $5 \%[13]$ of $\$ 6.8$ billion were higher spending because of official bilingualism, that would equal $\$ 340$ million. So

12 In the Treasury Board, $\$ 12.2$ million was spent under the heading Representative and Accessible Public Services, which addresses both employment equity and diversity and official languages service (C-MPWGSC, 2006, 2007).
13 This percentage is based on work on the difference in costs between using an indigenous or minority language as opposed to the official or majority language in primary education. This difference is mainly the result of the fixed costs (e.g., translation, printer's setup costs, etc.) of using a minority language, as opposed to the majority language, spread over a smaller number of users (Vaillancourt and Grin, 2000).
we are at $\$ 440$ million of the federal government's unobserved costs and thus $\$ 1.49$ billion or $\$ 1.66$ billion in total federal government costs.

We are missing the costs of past and current Crown corporations created by requirements to offer bilingual services over and above what they would choose to offer free of constraints (e.g., Petro-Canada, Air Canada, etc.). We have been unable to elicit information on this but it is not obvious that these costs are very high. For example, website content (e.g., annual reports, recent business news, etc.) of Petro-Canada and Imperial Oil-two large, integrated oil firms-is available both in English and in French, but PetroCanada is a past Crown corporation while Imperial Oil was always a private firm. The only real constraint may be on the bilingual staffing requirements for Air Canada flights, but we do not have direct information on this cost. We can see from Air Canada's annual report for 2006 that salaries accounted for $\$ 1.8$ billion out of expenses totaling $\$ 10$ billion, with the remainder of the costs having gone towards fuel, aircraft leases, and so on (Air Canada, 2007). So, if we assume a $5 \%$ excess cost, that would be $\$ 90$ million for Air Canada; double this to account for other past and current Crown corporations subject to the OLA such as VIA Rail (\$10 million with that approach; VIA Rail, 2007) and so on and we obtain $\$ 180$ million. Unobserved costs for society as a whole would then total $\$ 620$ million.

Adding these costs to the total observed cost of $\$ 1.05$ billion to $\$ 1.22$ billion in table 4 yields $\$ 1.67$ billion to $\$ 1.84$ billion.

So the total observable and unobservable real-resource costs for the federal government are estimated at about $\$ 1.4$ billion to $\$ 1.6$ billion overall, or about $1 \%$ of program spending in 2006. This seems a reasonable estimate of the total costs of bilingualism for the government of Canada during 2006/07. The total real-resource cost of the OLA to society is similar, at $\$ 1.6$ billion to $\$ 1.8$ billion. This is a bit more than one tenth of $1 \%$ of the GDP, or about $\$ 55$ per Canadian in 2006.

## Comparison to existing studies

How can this result be compared to those of other studies on the cost of language policies in Canada? The best study we have found is Lament for a Notion: The Life and Death of Canada's Bilingual Dream (Reid, 1993), a book by Conservative MP Scott Reid. Two other studies that use the method put forward in Reid's book will be mentioned following a discussion of Reid's work.

Lament for a Notion evaluates the cost of the OLA programs for 1992 (table 6). Spending on federal language policies for 1991/92 is estimated at $\$ 1.740$ billion, or $\$ 2.32$ billion in inflation-adjusted 2006/07 dollars, assuming the same level of real inputs used for OLA programs. This includes an estimation of the cost of internal bilingualism in the federal administration, the cost of bilingual services to the public, the cost of the regulation of private sectors, the

Table 6: Annual costs of federal language programs in 1992, as estimated in Lament for a Notion

|  | $\$(1992)$ | $\$(2007)$ |
| :--- | :---: | :---: |
| Internal bilingualism in the public service | $\$ 998,585,700$ | $\$ 1,330,258,808$ |
| Non-media services to the public | $\$ 68,164,646$ | $\$ 90,805,246$ |
| Media-related services to the public | $\$ 87,995,000$ | $\$ 117,221,910$ |
| Regulation of private sector (regulatory agency costs only) | $\$ 5,797,000$ | $\$ 7,722,432$ |
| Education costs (federal transfer payments only) | $\$ 253,939,000$ | $\$ 338,283,025$ |
| Federal support for Quebec language policy | $\$ 280,628,300$ | $\$ 373,836,985$ |
| Support for advocacy groups | $\$ 45,190,000$ | $\$ 60,149,535$ |
| Total | $\$ 1,740,299,646$ | $\$ 2,318,327,743$ |

Sources: Reid, 1993; Bank of Canada, 2009; amounts updated with the Bank of Canada's inflation calculator.
cost of education (federal transfer payments only), and finally the cost of federal subsidies to Quebec language policy and support for advocacy groups.

The key difference between our study and Lament for a Notion is the item federal support for Quebec language policy. Reid includes three points in this amount. First, Reid argues that federal non-language-related transfers and particularly equalization to Quebec are larger than they would have been if Quebec had not pursued language policies that had a deleterious effect on its economy (Reid, 1993). We agree that it is likely various tax bases in Quebec were lower in 2006 than they would have been if there had been no Quiet Revolution in Quebec in 1960 or the subsequent nationalist (e.g., the two referendums on independence) and language (e.g., Bills 22 and 101) policies. This is due to a substantial net departure of Anglophones from Quebec (i.e., outflows and no replacement inflows) that is unlikely to have been fully compensated for by the rise in the socioeconomic status of Francophones. We do not know how valid his estimation of this amount is[14]; however, in our opinion, it is methodologically incorrect to classify an expense explained by provincial policies as a federal language-policy expense. Second, Reid argues that the transfer of reception and integration services for immigrants to Quebec caused an additional expense of $\$ 75$ million in 1991/92. According to the author, this should be included in the language-program costs because, by contrast, $\$ 72.9$ million was spent by the federal government for similar

14 This is especially true since $20 \%$ of $\$ 10$ billion is not $\$ 200$ million and the replacement rate of lost revenue associated with a reduced tax base is usually higher than $20 \%$.
services in all the other provinces that have not withdrawn from the federal immigration program. Again, while this federal policy benefits Quebec more than other provinces, it is not a result of the federal official-languages policies and thus should not be included in its costs. Third, part of the federal subsidies to Quebec for cultural infrastructure must be included as a cost of federal language policy. Reid reports that all the provinces receive these kinds of transfer payments but Quebec is the only jurisdiction that does not use near the entire amount for physical infrastructure. Thus, Reid ventures the hypothesis that this $\$ 5$ million of an $\$ 8.2$ million transfer is spent on language programs. We do not see the relevance of doing this, especially given the small amount at play. If we remove these three items, we are left with an update of Reid's numbers to $\$ 1.944$ billion in costs for 2006. This is $15 \%$ higher than, and thus fairly similar to, our midpoint estimate of $\$ 1.7$ billion.

Reid makes a detailed analysis of the expenses at the federal level and his book is useful when one examines which expense to include or exclude in the computation of the cost of the OLA-related programs. The estimation of the internal policy costs is made using an interesting mix of approaches. Reid first calculates the central agency costs of regulating official languages in the federal civil service; this is made up of costs incurred by the Commissioner of Official Languages, the Public Services Commission, the Treasury Board's Official Languages Branch, and official-languages units in various departments. Thus, this is a Public Accounts approach similar to our work. Second, he multiplies this total amount of $\$ 47.5$ million by 20 to obtain indirect costs including translations costs, bilingual bonuses, and second-language training; this yields $\$ 951$ million for 1992, of which $\$ 136$ million can be attributed to the three specific costs noted above by cross-checking against Public Accounts data, and thus other costs total $\$ 815$ million. His approach is based on research conducted by the Center for the Study of American Business. This method applies a ratio of 1:20 on direct spending to evaluate the private sector's cost of complying with government regulations (Reid, 1993: 240). Hence, he treats non-central agencies as private-sector or semi-government (e.g., hospitals or universities) bodies. This is ingenious but not at all justified by the author, who simply states: "as long as the usual caveats about the imprecision of such estimates is not forgotten, their work can be applied to Canada's public service" (Reid, 1993: 229). The approach we use, while still plagued with the need to assign a figure for unobservable expenses, is more precise since we explicitly measure expenses for interpretation and translation, language training, and the bilingualism bonus.

Finally, we note an important expense contained in Reid's book but not in his summary table (Reid, 1993: 147), which is the cost of complying with the Consumer Packaging and Labeling Act. He argues that it leads to "the complete isolation of the Canadian consumer market from the rest of the world" (Reid, 1993: 240). Reid estimates the bilingual labeling-regulation costs for

1991/92 at $\$ 2$ billion. Both the "complete isolation" statement and his number seem exaggerated. As Reid himself argued, it is difficult to separate the cost of linguistic requirements from the cost of regulation in itself. Furthermore, a study (C-OCOL, 2007) conducted in 1997 argues that compliance with the labeling requirement can also be viewed as a marketing strategy to reach Francophones. From this point of view, these expenses should not be considered regulatory costs but as a means of carrying out business in Canada. In fact, the study found that in several cases "these costs had been incurred on a completely voluntary basis as a marketing decision taken more than 20 years before [...] such costs are not, in fact, compliance costs although they do make subsequent compliance less costly" (C-OCOL, 2007). The same arguments were used in a session of the mixed parliamentary committee on official languages in 1997 (C-MPCOL, 1997) when studying the costs of bilingual labeling and displays in the private sector. In that meeting, language costs were presented as a business choice. That said, the labeling regulation could have some impact on the import of some kinds of products produced for small markets such as kosher for Passover, goods imported from the United States, or other foodstuff sold to small ethnic minorities. The importation of such goods into Canada must respect the language requirements of the labeling act. One can argue that it is not profitable to comply with the Canadian regulation on labeling which includes, but is not limited to, language (e.g., labeling weights in kilograms as opposed to pounds). Thus, a reduction in the supply of these kinds of products could be observed. A similar analysis can be found in Appendix B-1 of the Econosult (1981) study. In this case, the cost of the regulation would be a decrease in the variety of goods, but its economic cost is difficult to measure and probably not very large. One should add that removing bilingual labels from foodstuff, for example, means that unilingal Francophones can no longer access the products in their language; this may lead unilingual Francophones to use these products in lesser quantities or incorrectly, with possible negative health outcomes. Hence, one would need to compare the cost associated with a reduced diversity in the supply of products available to English speakers with English-only labels with the gains in the availability of products and the safety benefits associated with the labeling requirements from a francophone perspective.

As noted above, Reid's methodology underpins two other studies that evaluate the cost of federal language policies. The first was conducted by the Canadian Taxpayers Federation in 2002 (Canadian Taxpayers Federation, 2008). Its evaluation of the expenses related to the federal language policies is $\$ 1.79$ billion for $2000 / 01$. Updated for inflation, this yields $\$ 2.03$ billion for 2006/07. The second study on the costs of bilingualism (Canadian Taxpayers Federation, 2008) was completed by Jim S. Allan. He evaluates the costs of language policies for federal, provincial, and municipal administrations in 2000/01. Allan estimates the federal expenses at $\$ 520$ million. He applies

Reid's ratio of 1:20 (government to private-sector costs) to estimate the private sector's expenditures related to the OLA. He then adds the provincial expenses, estimated at $\$ 780$ million. Allan has hence evaluated the total cost of language policies in Canada at $\$ 16$ billion for 2000/01. While it is correct to ascribe some costs to the bilingualism practices of Canadian businesses, such as the bilingual web site of Imperial Oil noted above, these are not the results of the OLA but of private decisions based on there being two major language groups in Canada.

## The benefits of two official languages

The benefits derived from the provision of services by the Canadian federal government in two official languages are hard to define. An initial list of potential benefits is presented in table 7. It was put together by the Commissioner of Official Languages and used in a recent survey. The benefits identified in table 7 are non-monetary (b, d, and e) or redistributive between unilinguals and bilinguals ( a and c). Note that a) and b) can apply to any pair of languages, not just English and French.

We do not find this list very useful in quantifying the real resource benefits, nor do we find the estimates of the size of the language industry relevant here since the question concerns the benefits to society, not the resources spent (Industry Canada, 2008b). A second approach is to argue that bilingualism allows Canada to serve world markets in two languages as opposed to one and that this increases export and thus GDP, employment, and so forth. This could perhaps be relevant for some countries; however, for Canada, the evidence does not support this. Why? Because almost all exports by Canada

Table 7: Percentage of Canadian respondents who in 2003 and/or 2006 strongly agreed or agreed that...

|  | Canada, <br> 2006 | Quebec, <br> 2006 (2003) | Canada—Quebec, <br> 2006 (2003) |
| :--- | :---: | :---: | :---: |
| a) In today's global economy, people with an <br> ability to speak more than one language will be <br> more successful. | $89 \%$ | $91 \%(87 \%)$ | $88 \%(88 \%)$ |
| b) Learning a second language is one of the <br> more fulfilling things that you can do for <br> yourself as a person. | $84 \%$ | $93 \%(94 \%)$ | $81 \%$ (82\%) |

[^4]of goods and services are made using English. This is mainly a result of the share of the US market in Canada's export (table 8) and of the use of English as the language of international trade ( Ku and Zussman, 2008). At best, one can argue that some exports to France (say half), Belgium, and Switzerland, as well as some African countries, would not have occurred if French was not used in Canada. At most, this may equal $1 \%$ of exports of goods, or $\$ 4.4$ billion. One can probably argue with more certainty that there are more Frenchspeaking tourists (table 9) and French-speaking foreign students (table 10) who come to Canada (i.e., export of services produced domestically) than would otherwise come if there were not a wide range of services available in French in parts of Canada. We will come back to the impact of this on the benefits of the OLA.

Table 8: Exports of goods, by country or country grouping

|  | $\$$ millions |  | Percentage <br> of total exports |  |
| :--- | :---: | :---: | :---: | :---: |
|  | 2006 | 2007 | 2006 | 2007 |
| United States | $\$ 359,254$ | $\$ 355,951$ | $79.66 \%$ | $76.90 \%$ |
| Japan | $\$ 9,416$ | $\$ 9,185$ | $2.27 \%$ | $2.16 \%$ |
| United Kingdom | $\$ 10,134$ | $\$ 12,795$ | $2.49 \%$ | $3.05 \%$ |
| Other European Economic Community | $\$ 20,900.2$ | $\$ 24,187$ | $4.61 \%$ | $5.22 \%$ |
| countries | $\$ 2,861$ | $\$ 3,107$ | $0.65 \%$ | $0.69 \%$ |
| France | $\$ 16,773.9$ | $\$ 19,690.5$ | $3.70 \%$ | $4.25 \%$ |
| Other OECD countries | $\$ 33,057.6$ | $\$ 38,935.8$ | $7.29 \%$ | $8.41 \%$ |
| Other countries | $\$ 440,266$ | $\$ 450,315$ | $100 \%$ | $100 \%$ |
| Exports (total) |  |  |  |  |

Sources: Statistics Canada, 2008a; Industry Canada, 2008c.

For comparison purposes, note that France ranks 6th as the place of origin of tourists to the US (US Department of Commerce, 2008).

Table 9: Travelers to Canada (overnight trips), by top 15 countries of origin, 2006

| Country of origin | Trips Nights(Thousands) |  | Trips Nights <br> (Percentage of top 15 countries) |  | Spending in Canada |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | \$, millions | Percentage of top 15 countries |
| United States | 13,856 | 55,295 |  |  | 81.34\% | 52.88\% | 7,271 | 62.93\% |
| United Kingdom | 842 | 10,598 | 4.94\% | 10.13\% | 1,148 | 9.94\% |
| Japan | 364 | 4,061 | 2.14\% | 3.88\% | 493 | 4.27\% |
| France | 361 | 5,705 | 2.12\% | 5.46\% | 464 | 4.02\% |
| Germany | 298 | 4,594 | 1.75\% | 4.39\% | 407 | 3.52\% |
| Mexico | 202 | 4,004 | 1.19\% | 3.83\% | 274 | 2.37\% |
| South Korea | 189 | 4,192 | 1.11\% | 4.01\% | 270 | 2.34\% |
| Australia | 178 | 2,238 | 1.04\% | 2.14\% | 278 | 2.41\% |
| China | 139 | 4,007 | 0.82\% | 3.83\% | 257 | 2.22\% |
| Netherlands | 118 | 1,728 | 0.69\% | 1.65\% | 142 | 1.23\% |
| India | 108 | 2,423 | 0.63\% | 2.32\% | 100 | 0.87\% |
| Hong Kong | 107 | 1,707 | 0.63\% | 1.63\% | 118 | 1.02\% |
| Taiwan | 93 | 1,352 | 0.55\% | 1.29\% | 98 | 0.85\% |
| Switzerland | 92 | 1,519 | 0.54\% | 1.45\% | 157 | 1.36\% |
| Italy | 88 | 1,151 | 0.52\% | 1.10\% | 78 | 0.68\% |

Source: Statistics Canada, 2009b.

For comparison purposes, France ranks 17th as the place of origin for foreign students in the US in 2005 , sending fewer students $(6,555)$ there than to Canada (Institute of International Education, 2005).

Table 10: Stock of foreign students in Canada, by top source countries, 2006

| Countries | Number of students | Percentage of total |
| :--- | :---: | :---: |
| China | 39,845 | $23.4 \%$ |
| South Korea | 29,030 | $17.1 \%$ |
| United States | 12,266 | $7.2 \%$ |
| Japan | 8,512 | $5.0 \%$ |
| France | 7,774 | $4.6 \%$ |
| India | 6,690 | $3.9 \%$ |
| Taiwan | 4,907 | $2.9 \%$ |
| Hong Kong | 4,765 | $2.8 \%$ |
| Mexico | 3,789 | $2.2 \%$ |
| Germany | 2,615 | $1.5 \%$ |
| United Kingdom | 2,628 | $1.5 \%$ |
| Top 10 source countries | 120,206 | $70.6 \%$ |
| Other countries | 49,988 | $29.4 \%$ |
| Total | 170,194 |  |

Source: Canada, Citizenship and Immigration, 2008.

From our perspective, the main benefit of the Official Languages Act is that it allows Francophones to access the services of the federal government in French. But what Francophones? The 4,141,850 residents of Canada who know only French, or the $7,462,244$ who have French as their mother tongue, of which some 3,320,394 know English? Unilingual Francophones reside mainly in Quebec (96.8\%), but 73,750 live in New Brunswick and 49,210 live in Ontario. What would happen if services were not offered in French but only in English? Presumably, there would be some reduction in the demand for some federal-government services by unilingual and bilingual Francophones, like Parks Canada facilities in Quebec or TV shows by CBC (e.g., Radio-Canada), with perhaps a greater interest in provincial parks in Quebec or Télé-Quebec. However, for many federal government services accessed either as an individual or as an employee/employer (e.g., interacting with the Canada Revenue Agency or obtaining a passport), this is not feasible. Assume that the decision to do away with federal services in French was made on January 1, 2009. One can imagine the following three scenarios:
\% an informal supply of services in French by federal civil servants who speak French. They would help tax filers, applicants for passports, and others fill out the various forms. This would take them away from their other duties and impose a cost on the federal government if service standards were maintained since more time and thus more employees would be required mainly in Quebec;
\%/ a supply of English knowledge by bilingual family members or friends of unilingual Francophones. This would require expenditures in time or in money by unilingual Francophones; or
\% a supply of English knowledge by professional interpreters/translators who would set up offices outside federal facilities or maintain websites and what not. This would require expenditures in time or in money by unilingual Francophones.

What are the plausible costs of these three possible responses to this unilingualism policy? This is difficult to ascertain. In 2006, federal civil servants worked a total of 480 million hours[15]. Dividing this by Canada's population of 33 million individuals yields a maximum interaction time of 15 hours. However, not all federal civil servants interact with individuals. Assuming that a typical unilingual Francophone interacts directly with the federal government for an average of five hours a year and devotes the same amount of

15 This number is obtained by multiplying average hours in 2006 (34 per week from Statistics Canada, 2009g) by annual employment ( 269,000 from Statistics Canada, 2009h) by 52 weeks.
time reading or preparing federal forms, then one needs to account for about 40 million hours of services provided in English rather than French. Such interactions result from:
\% claiming Employment Insurance. In 2006, 2,674,000 initial and renewed claims were submitted, of which 834,000 were from Quebec and 120,000 from New Brunswick (Statistics Canada, 2008c);
//I re-entering Canada and thus interacting with customs and immigration agents. In 2006, 47 million Canadian residents crossed into Canada, including 6 million from Quebec (Statistics Canada, 2009e);
\% interacting with tribunals. In 2006/07, there were 372,000 cases of a criminal nature, 67,000 of which were in Quebec and 7,500 in New Brunswick (Statistics Canada, 2009f). Abolishing access to French services would mean that these trials would take place in English;
\%/ interacting with the Canada Revenue Agency both as an individual and as an employee or owner of a business; there were about 24 million personal income-tax returns filed in 2006, with about $20 \%$-or roughly 5 millionfrom Quebec;
\% applying for various grants and subsidies from the federal government;
\% visiting national parks;
and so on.

In addition, we should account for interactions with bodies subject to the OLA. For example, Air Canada carried 32 million passengers for an assumed average contact time of three hours (i.e., check-in gate processing, flight, and baggage pick-up) for an estimated 96 million contact hours. One should also add interaction with airport security that is subject to the OLA requirements[16]. We do not do this and therefore err on the conservative side in our use of 10 hours.

Then one would need to:
\%/ add, say, 20 million hours of civil-service output, assuming that as federal civil servants translate they also produce something of value to their employer and the applicant, given their specialized knowledge. We arbitrarily split the difference in two. Directly, this would cost about $\$ 614$ million, as the average federal wage in 2007 was $\$ 1,201.26$ weekly (Statistics Canada, 2008b), considering 37.5 hours per week, according to the Treasury Board of Canada Secretariat;

16 See the annual report of the Canadian Air Transport Security Agency (CATSA, 2008).
$\%$ use friends who can be assumed to have a value of their time somewhere between zero and the average wage in Canada. We will use $66 \%$ of the average wage of $\$ 747.44$ per week in 2007 (Statistics Canada, 2008b), thus yielding $\$ 493.31$. Expressed on an hourly basis and multiplied by 40 million hours, yields $\$ 504$ million[17]; or
\% use translators whose average wage is about $\$ 20$ per hour (Living in Canada, 2008), yielding a cost of $\$ 800$ million.

This can be viewed as the minimum cost of adjusting to the policy of offering federal services only in English. We need to add the costs of serving, in French, those bilingual Francophones who would be willing to pay something to be served in French (Vaillancourt, 1985). Presumably, this would depend on the nature of the interaction with the federal government; these individuals probably want more certainty of being understood/understanding what they are told when dealing with the Canada Revenue Agency than when visiting a national museum. There are 3.3 million or so individuals affected by this; if we assume again 10 hours of interaction with a preference for French, this yields 33 million hours of more private demand for services in French. Depending on the mode of provision, one then obtains a real resource cost ranging from $\$ 700$ million to $\$ 1.1$ billion and thus real resource benefits of that amount. Why real resource benefits? Because this represents the value of the resources that would have been privately used to ensure interaction in French with the federal government and other affected bodies if the OLA had not been in place.

This neglects the benefits of more exports of goods in French, estimated at a maximum of $\$ 4.4$ billion above, and of services to French-speaking tourists and students. In the case of tourists, we know how much French tourists to Canada spent in total, but we do not know how many would have come if Canada were unilingual English and how much they would have spent in that case. And we neglect the French-speaking tourists from Belgium and Switzerland if we limit ourselves to French nationals. Given all this, assuming an additional export of tourism services of $\$ 250$ million is probably reasonable, due to the bilingual nature of Canada. Turning to French students, they pay fees for educational services as well as living expenses. Again, we do not know how many would have come in the absence of the services in French, but the impact would probably be more important than on tourism. So, if we assume 5,000 students spending $\$ 20,000$ each, this yields exports of $\$ 100$ million of educational services associated with the supply of services in French. In total, we could have higher exports of $\$ 4.75$ billion because they could be provided in French. But what would have been the supply of

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In 2007, employed Canadians worked 36.5 hours per week on average (C-HRSD, 2009).
such exports in the absence of the OLA, given that existing provincial and municipal services provided in French in Quebec (we neglect those in New Brunswick or Ontario) would have remained the same? We do not know, but it seems likely that the supply would have been fairly similar. Hence, we cannot attribute to the OLA the increased capacity to export in French and the exports in French that ensue. We can perhaps argue that this capacity to export in French would be lower or less well known abroad without the OLA, but this is very hard to estimate. If we assume that the OLA is responsible for $10 \%$ of these exports or $\$ 475$ million, then the reduction in economic activity without the OLA would reduce federal revenues by $15 \%$ of this amount given the share of federal revenues in GDP, or about $\$ 70$ million that can be used to finance the costs of the OLA. So this is not a significant benefit to Canada.

None of the three estimated amounts associated with the private provision of interacting in French with the federal government are very large in terms of GDP, which was $\$ 1.45$ trillion in 2006 (Statistics Canada, 2009c), and they are somewhat smaller than the costs reported in the previous section of the paper. The provision by the federal government rather than by private translators may be less expensive because of economies of scale and scope, but could also be more expensive than private-sector provision if the public sector is less efficient. It includes symbolic goods such as the translation of debates in the House of Commons that are not directly included in the contact hours used in the calculations above but which may be consumed by Francophones when, for example, they watch or listen to newscasts in French that report on the activities of the federal government. The provision by the public sector is financed by taxation which creates an efficiency cost (i.e., deadweight loss) for society as a whole. But the burden of this provision falls on all Canadians as opposed to unilingual or bilingual Francophones only. This is a distributional issue. We neglect the benefits that may occur from a bilingual provision of federal services in keeping Canada together or in distinguishing it from the US[18].

18 Many other factors distinguish Canada from the US, such as the overall size of the public sector and the tax structure. Limiting ourselves to items that directly result in higher costs for the private sector, differences in regulations such as mandatory daylight-running lights for cars in Canada but not the United States can mean smaller production runs and thus higher costs.

## Conclusion

Canada's official bilingualism is a political decision expressing a societal preference which may be strong among some citizens, weak among others, but which does reflect the specific sociopolitical experience of Canada. In this study, we attempt to carefully measure the incremental costs of that policy. Two aspects of the methodology may be of interest to students of language policies elsewhere: the use of unit costs for the majority group in establishing the supplementary cost of minority-targeted programs, and the use of the cost of private provision as an estimation of the real resource benefits to society of minority-language services. More specifically, the main conclusions are that:
\% the legal status of French has improved from 1760 and, perhaps more relevant, from 1867 to today in Canada. Important changes occurred as a result of the 1960 Révolution tranquille in Quebec and of Canada's reaction to this;
\%/ Canada has probably reached an equilibrium in respect to the demand and supply of services in French to Francophones;
\% the real resource cost of providing OLA services is not very high, at \$1.6$\$ 1.8$ billion, or about one tenth to one eighth of $1 \%$ of the GDP in 2006. This is not dissimilar to the costs obtained by simply updating Reid's results from the early 1990s using inflation; and
\% the costs of publicly provided OLA services are somewhat higher than the estimates of the private costs of providing such services using assumptions on how private-sector adjustments to such situations would occur. The difference is in the distribution of these costs; they are borne by all Canadians with the existing set of policies. They would be borne only by those consuming services in French in the private-provision scenario, neglecting the tax deductibility of expenses, if relevant.

# Appendix A: Legal framework of the federal policies on bilingualism 

Table A-1 presents the various laws while the text that follows focuses on the 1988 Official Languages Act.

## Table A1: Legal framework of language policies in Canada

| Constitution Act, 1867 | \% Either French or English can be used in the debates of Parliament. <br> \% Both French and English must be used for the records and journals of Parliament. <br> $\%$ Federal acts should be published and printed in both languages. <br> $\%$ In federal courts, both languages can be used for pleading or process. |
| :---: | :---: |
| Constitution Act, 1982 (Canadian Charter) | \% Sections 16 to 23. |
| Official Languages Act, 1969 | \% Aim to extend the obligations of article 133 to the entire federal administration. <br> $\%$ French and English are declared both official languages of Canada. <br> $\%$ In the main offices and in the central offices of Canada in the National Capital Region, all federal institutions must provide their services and must communicate with the public in English or French at the citizen's choice. The obligations also apply to the services provided to citizens abroad. Elsewhere, services should be provided in both languages if there is a significant demand for such services. <br> \% Judgments of federal courts must be translated in English and French if they contain any question of law of general public interest or if the proceedings were conducted in both official languages. |
| Official Languages Act (1985 (4th Supp.), c. 31) | 1988 vs. 1969: <br> \% Its executory nature, whereas the OLA of 1969 was only declaratory. <br> \%/he OLA of 1988 qualifies French and English as the languages of work in the federal administration. <br> \% The OLA of 1988, parts I-V, prevail on any inconsistent federal stipulation, except for the Canadian Human Rights Act. <br> $\%$ Protection of official languages as the language of work of the federal administration. |

## Table A1 (cont.): Legal framework of language policies in Canada

| Official Languages Act (1985 (4th Supp.), c. 31) | (cont. from previous page) <br> \% Heritage Canada and the Treasury Board of Canada Secretariat must annually submit a report to Parliament accounting for their activities concerning the OLA. <br> $\%$ Wider legal empowerment for the minister's actions. |
| :---: | :---: |
| Act to Amend the Official Languages Act $(2005, \text { c. } 41)$ | $\%$ The federal government's commitments to enhance the vitality of the linguistic-minority communities and to support their development now become executory, as well as its pledge to foster the full recognition and use of English and French. The government has the duty to ensure that positive measures are taken for the implementation of the aforesaid commitments. $\%$ The obligations of section 4-7, 10-13, 91, and parts IV, V, and VII can be the subject of legal recourse. |
| Criminal Code (R.S., 1985, c. C-46) | \% The accused has the right to ask to be judged by a magistrate speaking his or her official language or, if the circumstances warrant, speaking both official languages. If the accused is not represented by a counsel, the judge must inform him or her of this right. This right does not hinder the other linguistic guaranties on the trial such as the right to use both languages before the court. Interpreters must be available to assist the accused, his or her counsel, or any witness, if necessary. |
| Access to Information Act (R.S., 1985, c. A-1) | $\%$ If a request for a document in one official language is submitted to a federal institution and the document exists in this language, it must be immediately transmitted. If the document is not available in the official language requested, it shall be translated within a reasonable period of time if the federal institution deems this to be in the public interest. |
| National Capital Act (R.S., 1985, c. N-4) | \% The National Capital Commission must promote the equality of the official languages via various activities. |
| Airport Transfer (Miscellaneous Matters) Act $(1992, \text { c. } 5)$ | \% After a transfer, the Official Languages Act applies to the airport. |
| Civil Air Navigation Services Commercialization Act (1996, c. 20) | $\%$ The Official Languages Act applies as if it were a federal institution. |
| Federal Courts Act (R.S., 1985, c. F-7) | \% Each decision reported in the official reports shall be published in both official languages. |
| Public Service Employment Act (2003, c. 22, ss. 12, 13) | $\%$ The federal government must provide in both official languages the information regarding posted jobs (e.g., post description, skills, etc.). Exams and interviews can be passed in one or the other official language, according to the candidate. |

## Table A1 (cont.): Legal framework of language policies in Canada

| Department of Canadian Heritage Act (1995, c. 11) | \% Area of jurisdiction of the minister: equality of status and of use of the two official languages, promotion, and development of the linguistic-minority communities. |
| :---: | :---: |
| Canadian Multiculturalism Act (1985 (4th Supp.), c. 24) | \% Repeat the commitments of the OLA (rather declaratory in nature). |
| Museums Act (1990, c. 3) | \% Must provide services in both official languages. |
| Privacy Act (R.S., 1985, c. P-21) | \% Same obligations as the Access to Information Act. |
| Publication of Statutes Act (R.S., 1985, c. S-21) | \% Federal laws must be published and printed in French and English. |
| Broadcasting Act (1991, c. 11) | \% The Canadian Broadcasting Corporation (CBC/SRC) must offer services in French and English, granting the same importance to both languages. <br> $\%$ It must respect in its actions the principles and objectives of the OLA. |
| Statutory Instruments Act (R.S., 1985, c. S-22) | $\%$ Projects of regulation must be submitted in both official languages before their registration. |
| Air Canada Public Participation Act (1985, (4th Supp.), c. 35) | \% The OLA applies in its entirety to Air Canada. Its subsidiaries are also submitted to the OLA. <br> \% Must also be able to provide closely related services such as ticketing services in both official languages. |
| Petro-Canada Public Participation Act (1991, c. 10) | $\%$ The public must be able to communicate with the head office in both official languages. <br> \% Elsewhere, bilingual services must be offered if Petro-Canada estimates that the use of both languages is subject to a significant demand. |
| CN Commercialization Act (1995, c. 24) | \% The OLA applies in its entirety to the services offered to the travelers. |
| Contraventions Act (1992, c. 47) | $\%$ A ticket must contain a space for the person to indicate, if he or she chooses to, the official language in which he or she wishes to be tried. |
| Official Languages (Communications with and Services to the Public) Regulations (SOR/92-48) | \% Definition of significant demand, nature of the office, and contract for services to the traveling public for the linguistic obligations of the OLA. |
| Regulations Amending the Official Languages (Communications with and Services to the Public) Regulations (SOR/2007-172) | $\%$ Addition of certain RCMP offices in the type of federal offices affected by the criteria of significant demand. |

## Table A1 (cont.): Legal framework of language policies in Canada

Consumer Packaging and Labeling $\quad$ Bilingual labeling for everything unless otherwise indicated Regulations (C.R.C., c. 417)
(e.g., distributor's name, product's name, etc.).

## Discussion of the Official Languages Act (OLA) of 1988

Part I of the OLA of 1988 stipulates that French and English are the official languages of Parliament and both languages may be used in the debates or any other proceedings of Parliament. Most importantly, the law requires that facilities must be available for the simultaneous translation of the debates and other proceedings from one official language to the other. In addition, official reports emanating from Parliament must be published and printed in both official languages.

Part II of the law requires that journals and other parliamentary records must be kept in both languages and that federal acts must be enacted, published, and printed in both languages. Those dispositions repeat the obligations of section 133 of the Constitution Act of 1867 and of sections 16, 18, and 19 of the Constitution Act of 1982. The law foresees that any document made under a federal act, with the approval of the cabinet or by two or more ministers, is required to be published in the Canada Gazette or, if it is of a public and general nature, must be made, published, and/or printed in both official languages. The same obligation applies to instruments of a public and general nature made in the exercise of a prerogative or other executive power. However, the obligations aforementioned do not apply to any institution of the council, government, or legislative assembly of the Northwest Territories, the Yukon, or Nunavut. Any aboriginal body established to perform a governmental function in relation to an aboriginal band or other group of aboriginal people are exempted from those obligations. All documents issued by a federal institution and delivered to Parliament must exist in both languages. Rules of procedures of federal courts, international treaties, and some federal-provincial agreements[19] must also be bilingual. And finally, for part II of the law, advertisements, notices, and other texts primarily intended for the public must be bilingual.

Part III of the OLA of 1988 deals with the administration of justice in the federal courts. It states that anyone can use either of the official languages

Agreements must be in both official languages if made with one or more provinces where English and French are the official languages, with provinces that do not have the same official languages, or if the agreement requires an authorization from Parliament or the cabinet to come into effect (Official Language Act, R.S.C. 1985 (4th Supp.), c. 31 s. 10(2)).
before the court, in any pleading and in any proceedings. At the request of any party, facilities must be taken to assure simultaneous translation. Every federal court or tribunal except the Supreme Court must ensure that the judge who hears the case is able to understand the official language or languages chosen by the parties without the assistance of an interpreter. When the Crown or any other federal institution is party to a civil proceeding, it must use the official language chosen by the other party. The Criminal Code deals with criminal proceedings. Important decisions by courts and decisions where the pleadings were conducted in whole or in part in both official languages must be made available simultaneously in both languages unless it causes an unreasonable delay. Important decisions are cases that determine a question of law of general public interest or importance. Each court of justice or tribunal has its own internal policy to determine how to implement this obligation. In the case of the Federal Court and the Federal Court of Appeal, the judge who hears the case decides if the judgment will be translated or not, while the Tax Court of Canada has an internal policy of translating all the judgments.

Part IV of the OLA of 1988 covers communication with the public and the provision of services by federal institutions. It stipulates that every federal institution must ensure that the public can communicate with and obtain services from its head or central office in either official language. The same duty applies to any offices or facilities of a federal institution within the National Capital Region or in Canada or abroad where there is a significant demand in that language. In the cases specified by regulations concerning health, safety, or the security of the public, the location or the mandate of the office, every federal institution must ensure that every citizen can communicate with and receive services from any of its offices in either official language. The same obligations apply when, due to the nature of the office, it is reasonable that the communications and services of the offices be offered in both official languages in Canada or abroad. Services provided on behalf of federal institutions are subject to the same obligations as services provided by the institutions themselves. The notion of significant demand, nature of the office, and services provided on behalf of federal institutions can be found in two regulations (Official Languages (Communication with and Services to the Public) Regulations, SOR/92-48; and Regulations Amending the Official Languages (Communications with and Services to the Public) Regulations, SOR/2007-172). Federal institutions that report directly to Parliament on their activities must communicate with the public and provide services in both official languages in Canada or abroad. This includes the Office of the Commissioner of Official Languages, the Office of the Chief Electoral Officer, and the Office of the Auditor General, among others. A significant innovation of the OLA of 1988 is the active offer of bilingual services. This means that, if a federal institution has a duty concerning the official languages under
the law, it must show to the public that services are available in both official languages. Furthermore, if a federal institution has a duty concerning the official languages under the OLA, it must choose a manner of communicating that is efficient and effective to reach both linguistic groups. Finally, the OLA stipulates that each sign identifying federal offices must include both official languages or be placed together with a similar sign in the other official language. The aforesaid duties apply to written and oral communications and services.

Part V of the Official Languages Act deals with the language of work in the federal administration. Contrary to parts I-IV, part V does not prevail on other federal laws. It stipulates that French and English are the languages of work in federal institutions and that employees have the right to use either language in accordance with certain restrictions. Within the National Capital Region, work environments must be conducive to the effective use of both official languages. This is achieved by providing the employees with services, work instruments, and technology in both official languages so that the employees may use them in the language of their choice. The federal institutions must ensure that employees are supervised in the language they chose and ensure that senior management can function in both languages. The same obligation applies for other regions designated by regulation (appendix B)[20]. Examples of these designated regions are the province of New Brunswick, the National Capital Region, Greater Montreal, the Eastern Townships in Quebec, Sherbrooke, Greater Sudbury, Cornwall, and Sault Ste. Marie. Elsewhere, the language of work must be comparable to the use of official languages in the region where the office is located. This part represents a change compared to the law of 1969 which did not contain disposition on the language of work in the federal administration.

Part VI deals with the commitment of the federal government to ensure equal opportunities for citizens of both official-language communities to obtain employment and advancement in federal institutions. Also, the workforce of the federal administration must reflect the presence of both official-language communities.

Part VII of the OLA addresses commitments of the federal government that will be important when analyzing the cost of official languages policies. The federal government must enhance the vitality of official-language minority communities, support their development, and foster the full recognition and use of both languages. In 2005, a modification of the OLA stipulated that federal institutions must take positive measures to implement the commitments aforesaid. This modification, along with the court remedy of section 77, strengthens the obligations of part VII and compels the federal government

The Treasury Board of Canada Secretariat provides the list of bilingual regions for the language of work (TBCS, 2002).
to respect its commitments. Canadian Heritage must coordinate the implementation of those commitments and the minister of Canadian Heritage must take measures to carry out the commitments. Those measures must be aimed at enhancing the vitality of minorities; encouraging the learning of French and English; assisting provinces, private entities, and voluntary sectors to provide services in both official languages; and to provide secondlanguage education. Canadian Heritage must report annually to Parliament on the progress of the OLA objectives.

Part VIII enunciates the responsibilities of the Treasury Board in relation to the OLA. It has the responsibility of the general direction and coordination of policies and programs relating to the implementation of parts IV, V, and VI of the OLA for all the federal institutions other than the Senate, House of Commons, Library of Parliament, Office of the Senate Ethics Officer, and the Office of the Conflict of Interest and Ethics Commissioner. It must report annually to Parliament on the progress of its mission concerning the OLA.

Part IX of the OLA of 1988 specifies the mandate of the Commissioner of Official Languages. The commissioner must continue to ensure that the status of both official languages is recognized and that federal institutions comply with the obligations of the OLA. The commissioner is also authorized to carry out investigations of federal institutions on complaints and tables an annual report to Parliament. This report evaluates the compliance of federal institutions to the OLA and analyzes the situation of official languages in the country.

Part X enunciates the court remedy that can be taken under the OLA. Section 77 stipulates that "any person who has made a complaint to the Commissioner in respect of a right or duty under sections 4 to 7 , sections 10 to 13 or Part IV, V or VII, or in respect of section 91, may apply to the Court for a remedy under this Part" (Hudon, 2008). The court remedy covers the official languages of Parliament; simultaneous interpretation; official reports, journals, and other records; acts of Parliament; legislative instruments; instruments under prerogative or other executive powers; international treaties; federal-provincial agreements; notices, advertisements, and other matters that are published; instruments directed to the public-both versions simultaneous and equally authoritative; communication with the public and the furniture of services by federal institutions; language of work in the federal administration; commitments of the federal government to enhance the vitality of official-language minority communities, support their development, and foster the full recognition and use of both languages; and finally, improper application of official language requirements to a particular staffing action.

## Appendix B: Population in designated bilingual regions of Canada for language of work purposes in 2006

The following table shows the composition of the population in regions designated by a circular of the Treasury Board made under section 35(1)(a) of the Official Languages Act. In those regions, work environments of federal institutions must be conducive to the effective use of both official languages and accommodate the use of either official language. The circular was issued in 1977. Since then, the administrative division of the provinces of Quebec and Ontario has changed. This table was produced following a comparison of maps of the former counties and maps of the new administrative divisions. Even though the following table is only a rough approximation, it provides a good profile of the communities located in the designated regions of the circular.
Table B1：Population of bilingual regions of Canada for language－of－work purposes， 2006
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& \text { تتمثل رؤيتنا في وجود عالم حر ومزدهر يستفيد فيه الأفراد من القدرة على الاختيار بشكل }
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| Prof. Robert Barro | Prof. Ronald W. Jones |
| Prof. Michael Bliss | Dr. Jerry Jordan |
| Prof. James M. Buchanan $\dagger$ | Prof. David Laidler** |
| Prof. Jean-Pierre Centi | Prof. Richard G. Lipsey** |
| Prof. Thomas J. Courchene** | Prof. Ross McKitrick |
| Prof. John Chant | Prof. Michael Parkin |
| Prof. Bev Dahlby | Prof. F.G. Pennance* |
| Prof. Erwin Diewert | Prof. Friedrich Schneider |
| Prof. Stephen Easton | Prof. L.B. Smith |
| Prof. Jeorge Stigler* $\dagger$ |  |
| Prof. Herbert Emery |  |
| dack L. Granatstein | Mr. Vito Tanzi |


[^0]:    3 "Canada is not a bilingual country and never was. The two languages have official status but courts have established in which areas they in fact have such a status, relying on article 133 of the BNA" (Bouthillier and Meynaud , 1972: 527, authors' translation).

[^1]:    Sources: C-MPWGSC, 2006, 2007; calculations by the authors.

[^2]:    Sources: C-MPWGSC, 2006, 2007; calculations by the authors.

[^3]:    9 For the federal administration, communication with and services to the public, language of work, and participation of English-speaking and French-speaking.
    10 For more information, see Canada Public Service Agency, 2005.
    11 In some cases, departments can also purchase training directly from other providers.

[^4]:    Source: C-OCOL, 2008b.

