

# GROWTH FOR SAULT STE. MARIE'S FUTURE: A REVIEW OF THE RURAL AND NORTHERN IMMIGRATION PILOT

15 APRIL 2020

*Nusrate Aziz and Sean Meades*

Northern Ontarians have spent most of the 21st century concerned about our region's declining population, which due to a combination of outmigration and declining birth rates has either declined or been relatively stagnant since the late 1990s. While these declines are somewhat offset by the population growth in Indigenous communities throughout the region, if this demographic trend does not reverse itself, Northern Ontario will lack the human resources to fill local labour market needs and the regional tax base will continue to shrink, resulting in a region that is less productive, economically less active, and risks further decline. Though the physical distancing measures necessary to combat the global coronavirus pandemic have temporarily paused immigration (if not movement more broadly), emerging from the crisis with a sustainable future will require active immigration policies.

There are few studies exploring the reasons why people leave Northern Ontario, but of what currently exists, a lack of employment and education opportunities are the primary causes linked to youth out-migration. Out-migrants expect to earn higher wages in urban centres and leave for more opportunities and a greater variety of prospective employers and in the types of positions they may fill. Other factors include reliable and affordable internet access and transportation infrastructure, particularly for those leaving more rural communities, in addition to increasing employment opportunities. That said, there are abundant factors working in Northern Ontario's favour, including greater access to affordable housing, short commutes, and superior outdoor recreation opportunities among others.

Northern Ontario is experiencing a demographic shift that is projected to continue through to 2041 with the share of seniors (65+) continuing to increase, resulting in Northern Ontario having the oldest age structure of any region within the province. According to the 2016 Census, approximately 23% of Sault Ste. Marie's population is 65 years of age or above, and the share of this population has been growing consistently. Along with this demographic shift, Northern Ontario is facing a decline in population, due in large part to out-migration and low in-migration rates. Northeastern Ontario and the Algoma district in particular has had a net outflow of youth and its working-age population between 2001 and 2017, and Sault Ste. Marie has one of the highest rates of outmigration among the five major urban centres in Northern Ontario.

It's no surprise then that population figured prominently in the city's goals flowing from the 2016-17 community adjustment consultation process. The process was launched to chart a bold and sustainable vision for the city's future to decrease its dependence on primary and manufacturing industries that are prone to boom-bust cycles and increasingly shedding jobs to automation. The final report set a target of increasing the city's population to 100,000 people by the year 2037. While a community can be vibrant and sustainable at any population, the target highlights the importance of increasing the city's youth and working-age population to ensure there is a sufficient tax-base to maintain or improve services for existing residents.

Concern over outmigration has factored significantly in the political discourse not just of Sault Ste. Marie and Northern Ontario, but across the northern and rural regions of Canada. To overcome the stagnant and in some cases declining population, Immigration, Refugees and Citizenship Canada launched the Rural and Northern Immigration Pilot (RNIP) to attract and retain immigrants, which will include the Northern Ontario cities of North Bay, Sudbury, Timmins, Sault Ste. Marie and Thunder Bay as well as communities in western Canada. Among the major five regions in Northern Ontario, Sault Ste. Marie and Thunder Bay have already launched their component of the pilot. While the RNIP makes some great contributions to our ability to attract and retain immigrants, there remain a number of challenges that our community and local government must fill.

## Some highlights of RNIP launched by Sault Ste. Marie

The RNIP has two primary objectives: retaining existing immigrants and attracting new immigrants to the region. The program is an adaptation of Canada's point-based immigration system, where an applicant will require 70 points to be eligible to apply for permanent residency.

Among the strengths of the RNIP pilot is its target of young immigrants up to 47 years of age. If successful, this will fill the local labour market gap that is created by the aging population in this region. Second, the RNIP emphasizes retaining graduates from local post-secondary institutions. This policy may help these institutions grow while leveraging a local asset to draw newcomers into the community. Third, the program assigns an additional 8 points in Canada's point-based immigration process for immigrants who attain at least one year of work experience in the Sault Ste. Marie or other participating regions, which will help attract immigrants and ideally provide them enough time to make personal and professional connections that will keep them in the community.

## Challenges and limitations of RNIP

The incentives in the RNIP program, however, tend to focus on retention rather than attraction. Attaining employment in one of the 21 approved types of jobs according to the National Occupation Classification (NOC) will give the applicant 55 points toward their total required 70. An immigrant without a job offer that fits within those 21 approved categories will effectively not be eligible to apply for permanent residency under this pilot.

The pilot may help retain a few Algoma University and Sault College international student graduates as well as a handful of immigrants that have already been working in the region. Prior to the RNIP, these graduates who intended to stay in Canada typically applied to the pilot's Atlantic-Canada based precursor, the "Atlantic Immigration Pilot" (AIP), or they would predominantly move to the Greater Toronto Area (GTA). If these graduates search for the jobs within the listed 21 approved categories in the current RNIP, most will only be able to find 3 or 4 classifications relevant to their training. Based on program offerings, categories such as "Professional occupations in business and finance" (NOC-11), "Professional occupations in natural and applied sciences" (NOC-21), "Professional occupations in education services" (NOC-40), and "Middle management occupations in trades, transportation, production and utilities (NOC-07-09)" are highly relevant to the potential future career trajectories for many AU graduates. However, those graduates without Canadian work experience will face considerable challenges in accessing these top class jobs immediately upon graduation. Similarly, for Sault College graduates, "Care providers and educational, legal and public protection support occupations" (NOC-44), and "Assisting occupations in support of health services" (NOC-34) have the greatest affinity with existing programs, however those programs are not the ones with the highest enrollment among international students. Both institutions and their students would benefit from substantially less rigidity in defining the qualifying occupations.

Interestingly, many of the refugees who have come to Sault Ste. Marie are working or intend to work in the occupations that would qualify under RNIP, such as chef, assemblers in manufacturing, and labourers in processing, manufacturing and utilities, among others. However, these people already have received their permanent residency as refugees, so their success is not attributable to the RNIP program.

Immigration is especially necessary to fill Sault Ste. Marie's existing labour shortages in fields such as health, construction, small and medium business, housekeeping and cleaning, general labour, restaurants and catering businesses. The Algoma Workforce Investment Corporation has also signaled these sectors will have the greatest difficulty filling positions in times to come. However, these needs are not reflected in the approved RNIP job categories. RNIP is mainly focused on high-skill occupations, creating a gap between where immigrants must find work to qualify for permanent residency and where they will most realistically find local employment.

RNIP also misses a potential opportunity. While the pilot primarily targets two immigration classes, skilled immigrants and business immigrants, there is no detailed plan or policy for attracting the latter category. The distinction between these two categories is crucial, as business immigrants invest their existing capital in their new home communities. Subsequently, business immigrants have greater motivation to stay in the places in which they have invested to ensure greater success of their ventures. The investment is also likely to create more employment opportunities in the region. Furthermore, research on Foreign Direct Investment highlights the importance of planning to maximize local competitive advantages and potential to generate spin-off benefits. On the other hand, a skilled immigrant who is an employee can easily move between provinces, and other factors being equal, has less incentive to stay in one place. A better opportunity in GTA could easily motivate them to leave Sault Ste. Marie. Fleshing out a strategy to target business immigrants could go a long way to attracting both new residents and investment. In its current form, however, the pilot is unlikely to play a significant role in attracting immigrants from the business category.

## **More strategies for attracting and retaining newcomers**

For residents of Sault Ste. Marie, the GTA can feel far afield in daily life, however it is close enough to have an ongoing pull-factor on local labour markets, attracting those with long and short histories in the region alike. The diversity of work, leisure and education opportunities, proximity to wider social networks and larger populations with shared culture and history is enticing even to immigrants who may have initially planned to live in Northern Ontario. While the playing field will never be equal between a metropolitan area of more than 6 million people and a smaller northern city of fewer than a hundred thousand, Sault Ste. Marie could become more competitive through investments in culture, recreation and other amenities to fill perceived local gaps.

Critical to fostering our own local pull-factor is cultivating meaningful social networks for newcomers. Longtime local residents are far less likely to relocate than recent immigrants not only for the reasons mentioned above, but because they have less access to the strong, local, personal bonds that make life so fulfilling to the majority of residents. While Sault Ste. Marie may be by and large a welcoming and friendly community, the density of established social networks can make it hard for newcomers to find space among them. Experiences of discrimination also exacerbate a sense of loneliness. Fostering occasions for newcomers to build bonds among themselves as well as opportunities to integrate with longtime residents will generate the social capital that will both connect newcomers to professional opportunities and create bonds of mutual care and support.

Greater attention to economic diversification would similarly counteract some of the external pull-factors drawing immigrants away from the North. Developing a plan specific to business immigrants would contribute to both measures. Likewise, the expansion of college and university programming, particularly for graduate studies, would also neutralize some of these pull factors. For immigrant newcomers to reasonably expect to make a living in Sault Ste. Marie and qualify for permanent residency under RNIP, however, requires a further rethink of the pilot that starts with identifying local labour market gaps and thereby provides newcomers a more realistic path to citizenship.

**NOTE:**

This commentary is part of NORDIK Institute's **Sustainable North** initiative. Sustainable North is a research and evidence-based policy suite investigating options to promote greater community resilience, sustainability, and improved equitable quality of life in Northern Ontario.

**AUTHORS:**

**Nusrate Aziz, Ph.D.** is an economist and Assistant Professor of the School of Business and Economics at Algoma University, a Fellow of Global Labor Organization (GLO), and a Member of International Migration Research Center (IMRC).

**Sean Meades** is the Director of Research, NORDIK Institute, and a Lecturer in Community Economic and Social Development, Algoma University.

