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More Immigrants Needed to Maintain Saskatchewan's Boom

By Steve Lafleur

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Table of Contents

Title	Page
Introduction	4
Saskatchewan's demographic time bomb	6
Saskatchewan's labour shortage	6
The decline of rural Saskatchewan	7
The declining tax base	8
Our underfunded social programs	8
The necessity of immigration	8
Why we cannot breed our way out of it	9
The economic benefits of immigration	9
Manitoba's immigration success	10
A necessary, though not sufficient condition	12
Immigration and Saskatchewan's cities	12
The economic value of vibrant cities	13
Does immigration increase urban crime?	14
How immigration can revitalize rural Saskatchewan	15
Revitalizing dying towns	15
Sustaining our agricultural sector	15
Capitalizing on the resource boom	15
How Saskatchewan can attract, integrate and retain more immigrants	16
Saskatchewan Immigrant Nominee Program	16
Improving the SINP	18
Keeping immigrants in Saskatchewan	18
Addressing immigration concerns	19
Fiscal concerns	19
Security concerns	20
Conclusion	21

Note to reader: Some words in this document may appear in blue and are underlined. Clicking on these words will direct the reader to relevant sites or documents using your associated web-browser.

Introduction

Historically, Saskatchewan has been a province to which people came from all around the world to make a better life for themselves. Many of us have heard different versions of the Palliser's Triangle story. Some say the federal politicians wanted to pawn off useless land on to Ukrainian immigrants who happened to figure out how to make things grow in this arid region. Another account holds that Ukrainians were chosen specifically because they were accustomed to farming similar land. Whatever the motivations of the politicians who encouraged the settlement of the province, immigrants built this province. Unfortunately, the vagaries of the grain market and a few decades of failed public policy decisions stifled expansion in the early part of the 20th century.

From the beginning of the last century until the 1930s, Saskatchewan experienced a major population boom, as did its western neighbour, Alberta. After the 1930s, their fates diverged. While Alberta's population

continued to boom, Saskatchewan's stagnated. A multitude of problems from fluctuations in the grain market to poor natural resource policies choked off Saskatchewan's growth. Fortunately, the Romanow government began to turn the policy environment around in the 1990s, and successive governments have continued to embrace pro-growth economic policies. Thanks to these expansionary policies, Saskatchewan now has a historic opportunity to thrive in the global marketplace. Globalization and an increasingly prosperous world are creating a massive demand for Saskatchewan's natural resources. If Saskatchewan continually strives to improve its policy environment, the world will be its oyster. One component of this prosperity is lacking: more people. There are more resources than Saskatchewan could possibly develop to meet the nearly infinite global demand, yet there are not enough people to help extract and process

CHART 1

Population Growth in Alberta and Saskatchewan 1901-2011

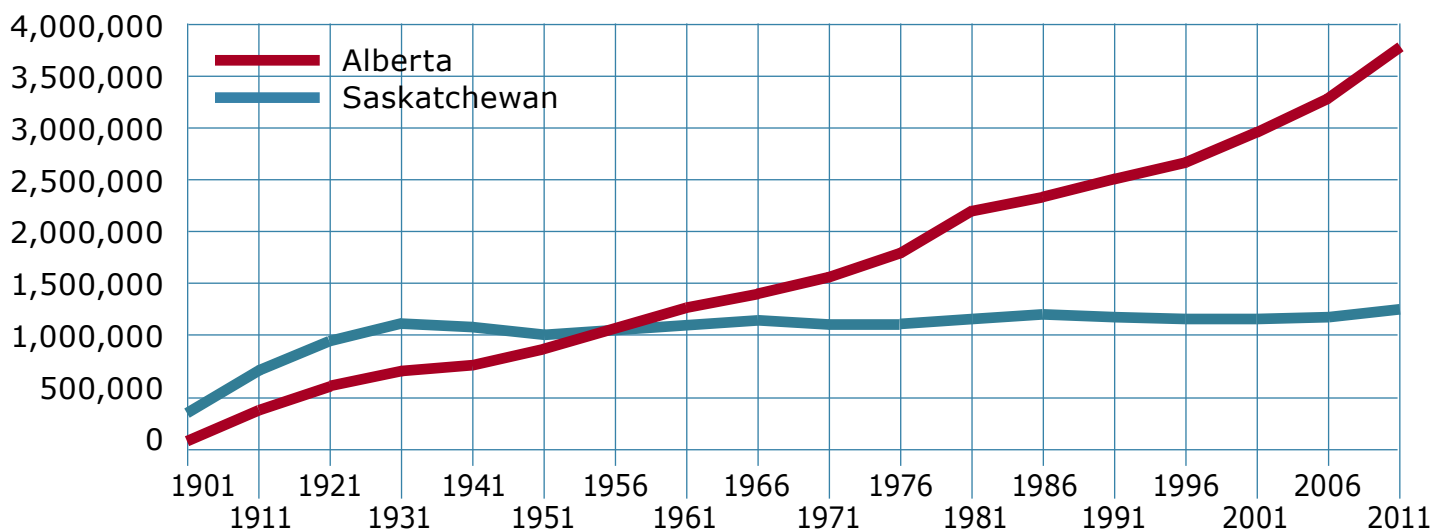
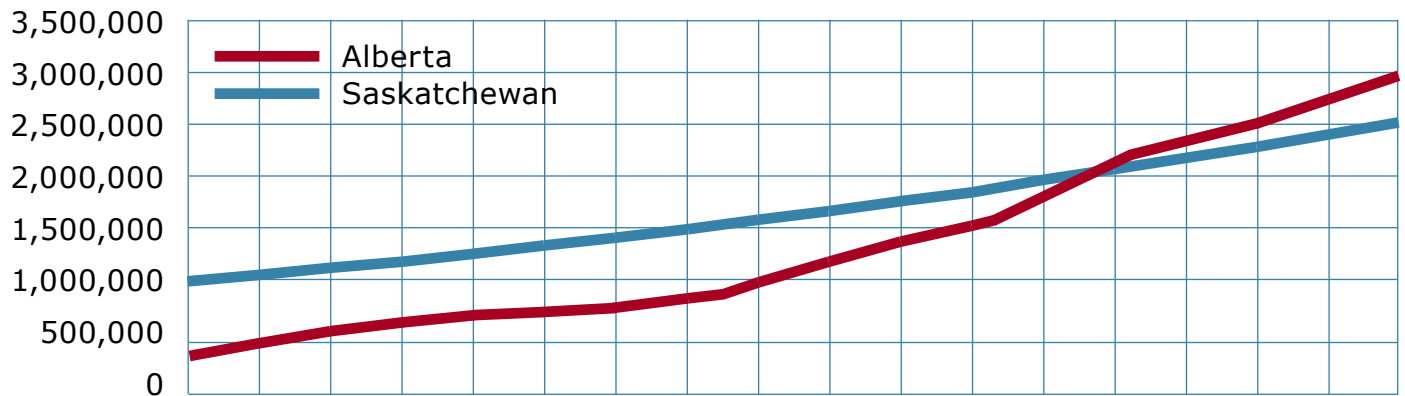


CHART 2

Projected Population Growth in Saskatchewan (2011-2101) with Recommended Immigration Increase Compared with Alberta Population Growth (1911-2001)



them. Equally important, the Baby Boom generation is nearing retirement, and we will need more people to ensure that we can adequately finance their retirement. Birth rates have declined nationwide since last year, but there is plenty of room for immigration to fill this void. With smart immigration policies, Saskatchewan can meet this challenge. To do so, Saskatchewan should aim to take in at least 10,000 immigrants in 2012, and increase that total by 100 annually. This is feasible and essential for our prosperity.

There is no reason Saskatchewan's growth this century cannot match Alberta's in the last. The province is twice the size of Germany with only an eightieth of the population. Given the vast amount of undeveloped land and the unmatched resources, Saskatchewan has the potential to lead the country—and the world—in terms of prosperity. Indeed, the boom has already begun. The province's Real GDP climbed 18 per cent between 2002 and 2008,¹ and despite a global recession, in 2009 the Real GDP remained 11.5 per cent higher than the 2002 level.

The long-term trend of population decline has reversed, and the province is projected to add between 100,000 and 300,000 residents over the next 25 years.² While some of this gain is from Saskatchewanians returning to the province from working in other parts of the country—namely Alberta—immigrants have also been an important source of population growth. Annual immigration increased from 1,668 in 2003 to 7,617 in 2010,³ largely due to the Saskatchewan Immigrant Nominee Program (SINP).

The slow growth scenario will not be enough to take full advantage of the boom. Now is the time for Saskatchewan to think big. Right now, the province is home to just over one million people. The recommended increase laid out in this paper would bring the population to roughly 2.5 million by the turn of the century. It may seem steep, but that is substantially slower than the rate Alberta grew at in the last century (1910-2010). There is no reason we cannot embrace this level of growth.

Saskatchewan's demographic time bomb

Saskatchewan's labour shortage

While the reversal of fortunes for the province has been impressive, the fact remains that Saskatchewan faces a severe labour shortage. In December 2008, the Regina Chamber of Commerce ran a cover story in its *ChamberLink* magazine titled "Immigration Key to Saskatchewan's Labour Shortage." In it, they claimed, "[T]here are currently 10,000 vacant jobs in every industry from construction to healthcare."⁴ A 2009 Saskatchewan Labour Market Commission report echoed this claim, noting that the province will require an additional 120,000 workers by 2020.⁵ The report also noted that the province would require 10,000 immigrants annually by 2020 to keep pace.⁶ While working to attract Canadians from regions of high unemployment will help, boosting immigration will be essential to prevent a major labour shortage. It is important that the government focus on not just highly skilled employees but also on trades people and low-skilled workers to fill other gaps. If the province cannot successfully stave off a major labour shortage, it risks losing its competitive advantage.

Moreover, it will not have enough workers to provide services for retiring Baby Boomers, let alone to finance those services. According to the Organisation for Economic Cooperation and Development:

A 2005 survey of Saskatchewan manufacturers found that 26% reported that a shortage of skilled labour was limiting production and 12% reported a shortage of unskilled labour. The greatest reason for hiring difficulties is the lack of candidates with the required education/experience/skill set in the immediate geographic vicinity.⁷

The decline of rural Saskatchewan

Declining Saskatchewan Towns

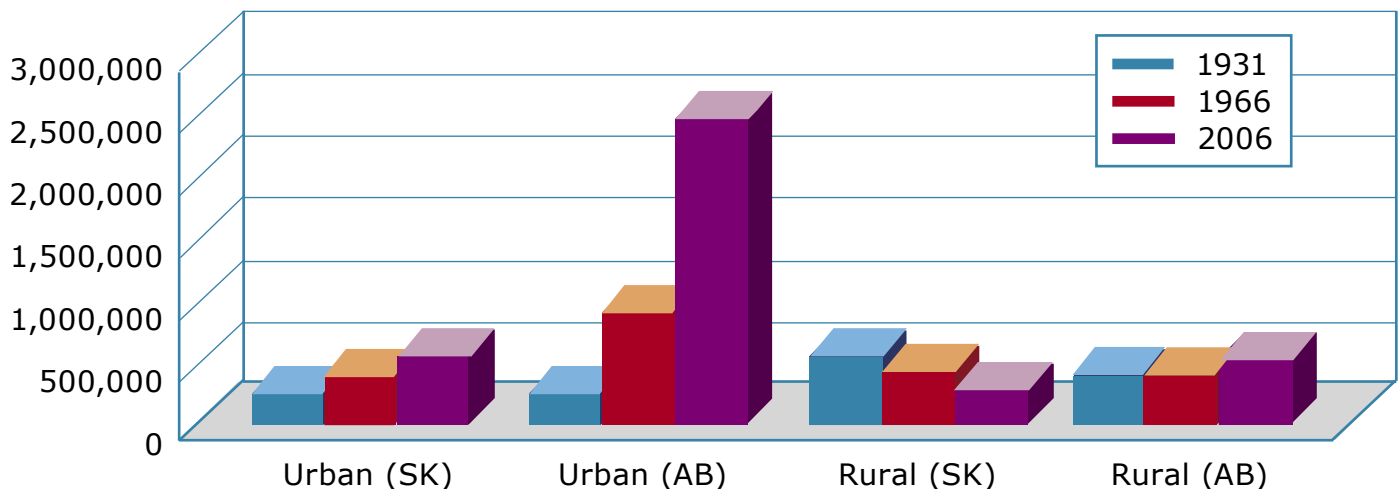
	1981	1986	1991	1996	2001	2006
Biggar	2,561	2,626	2,351	2,351	2,243	2,033
Canora	2,667	2,602	2,381	2,208	2,200	2,013
Coronach	1,032	1,006	944	949	822	770
Eastend	723	696	622	616	576	471
Fleming	141	141	118	89	95	75
Kamsack	2,688	2,565	2,323	2,264	2,009	1,716
Maple Creek	2,470	2,452	2,334	2,307	2,270	2,198
Morse	416	372	313	284	248	236
Radville	1,012	960	846	823	735	755
Shaunavon	2,112	2,153	1,913	1,857	1,775	1,691

Nowhere is the demographic decline more evident than in rural and small-town Saskatchewan. Aside from the factors mentioned above, rural Saskatchewan is losing population to urbanization. Agricultural work has lost much of its appeal for young Canadians who are flocking to metropolitan areas. It is why Regina and Saskatoon have grown, even

as the population of the province has declined. Prince Albert is the only other Saskatchewan city that did not decline in population between 1986 and 2006. During that time, 127 out of 146 towns declined in population.⁸ Ten of the towns that have grown are in either the Regina or Saskatoon areas.

CHART 3

Rural/Urban Population in Saskatchewan and Alberta



The declining tax base

In addition to the impending labour shortage, there will also be a shortage of workers to contribute to the tax base, while the number of retirees increases. According to the 2006 census, Saskatchewan has the oldest workforce in the country, with a median age of 42. In 2004, there were 24 people over the age of 65 for every 100 people of working age. By 2040, that is projected to rise to 43.⁹ Approximately 20 per cent of the population will be between the ages of 0 and 14, meaning that there will be approximately 63 dependents per 100 workers, not including those 15 to 18 who will still be in high school, let alone those between 19 and 22, many of whom will be in post-secondary institutions. Some of this reflects the fact that Canada's fertility rate is now one of the lowest in the world. The decades of stagnation in which young people left the province for economic

opportunities elsewhere is also partly to blame. Regardless of how we got here, there is no question that Saskatchewan needs more workers to pay taxes in order to shoulder the burden of retired Boomers. An increased birth rate would not produce enough working-age adults in time and would likely add short-term economic stress because of the cost of educating a large influx of children. That is, unless those children come along with working-age adults, as they do with immigration.

A targeted increase in immigration could bring in enough workers to erase this gap, so long as they contribute more tax money than they receive. Of course, this will be only a temporary solution if we are not able to get future social and economic entitlements under control.

Our underfunded social programs

The declining birth rate might not be a problem if programs such as public employee pensions and the healthcare system were structured differently. However, the fact is that neither was designed to withstand a demographic collapse. As more people retire and fewer people pay taxes, the workforce will have to pay more to keep social services afloat. The key problem with health care in particular is that medical treatment for the elderly costs far more than medical treatment for the young. Half of a person's lifetime cost to the healthcare system is incurred after age 65.¹⁰ Baby Boomers are simply not going to pay the full cost of their lifetime medical costs, because they entered the workforce

at a point when the population was young. In 1971, there were 15 seniors for every 100 workers.¹¹ By 2056, there will be 50 seniors for every 100 workers. Since there have been relatively few elderly people to support and the Baby Boomers are not going to be at the point where they are consuming large amounts of healthcare services until after they retire, the bulk of the cost of their health care will be paid for by the existing workers. Existing workers will make up for the artificially low healthcare premiums that the Baby Boomers paid. The burden will be immense unless we find more taxpayers.

The necessity of immigration

Why we cannot breed our way out of it

Like the rest of the developed world, Saskatchewan's birth rate declined dramatically during the last century. It currently stands at 2.05 children per childbearing woman, compared with 2.66 in 1971.¹² Other jurisdictions tried policy tools such as subsidized daycare and baby bonuses to boost fertility rates, and they simply have not

worked. Quebec tried both and has a birth-rate of 1.74. No matter what the incentives, people who do not want to have children will not have children. Culturally, a trend has set in: People are marrying later and have generally demonstrated a preference for smaller families.

The economic benefits of immigration

The two most obvious ways immigrants help are simple demographics. First, since Saskatchewan has a labour shortage, bringing in immigrants who can address those shortages helps remove roadblocks to economic growth. Second, given the increasing ratio of non-workers to workers in the province, bringing in young immigrants will provide a much-needed increase in the number of taxpayers. However, there are other less obvious benefits.

First, immigrants tend to be entrepreneurial. The Kauffman Index of Entrepreneurial Activity demonstrates that immigrants to the United States are roughly twice as likely as native-born Americans are to start a business.¹³ Between 1995 and 2005, 25 per cent of technology and engineering companies started in the United States had at least one key founder that was foreign born.¹⁴ These companies produced \$52-billion in sales and employed 450,000 workers in 2005.¹⁵ Immigrants or their children started forty per cent of the 2010

Fortune 500 companies.¹⁶ In 2010, these companies had \$1.7-trillion in revenue.¹⁷ That is a significant contribution to both the public purse and the general economy.

Second, immigrants have language skills and connections to their home countries that can potentially help companies compete in the global marketplace. According to a study by Kusum Mundra of the Rutgers University Department of Economics:

Immigrants carry home-country information that helps in matching buyers and sellers and enforcement of trading contacts (information effect). Immigrants have information on different traders and the type of goods available both in the U.S. and their home countries, which helps in promoting bilateral trade between U.S. and their home country. In addition, immigrants' information on the legal set up in their country of origin; and familiarity with the home-country language and how business is conducted in their home

country helps in enforcing trading contacts with their home country.¹⁸

In short, immigrants break down informal barriers to trade with their home countries, which helps expand markets for the host country's exports.

Third, immigrants have a higher fertility rate than native-born Canadians. Even if it is only true of the first generation, slightly increasing the birth rate over the short term will help prevent the type of major demographic swing we are entering.

Manitoba's immigration success

Between 1971 and 1996, Winnipeg grew by just under 16 per cent or roughly 0.6 per cent per year.¹⁹ Like many North American cities, all of this growth took place in the suburbs. In fact, the population of downtown Winnipeg shrank by 23.25 per cent during this period.²⁰ Manufacturing declined; aided by highway expansions, people moved to the suburbs; residents moved to growing cities, such as Calgary; and the ensuing job and population decline led to a decline in safety. Winnipeg needed more people.

At the same time, rural Manitoba had a labour shortage that hindered many of its industries. Many desperately needed more workers.

In 1998, Manitoba introduced its provincial nominee program, which gave it the ability to recruit immigrants above the federal immigration quotas. Because Manitoba was not seen as the most attractive place for new immigrants to settle, only 1.8 per cent of immigrants settled there between 1996 and 2000.²¹ Since the introduction of the nominee program, immigration to Manitoba has increased by 250 per cent.²² The increase in Winnipeg has been staggering. In the years 1996 to 2000, the city saw 15,809 new immigrants.²³ Between 2007 and 2008, it attracted 16,585 immigrants.²⁴ Equally as important, 78 per cent stay in Manitoba,²⁵ which is a significant improvement over the 1980s when the retention rate was less than 50

per cent.²⁶ Increased immigration ended Manitoba's population stagnation. It now enjoys consistently positive net migration.

A survey of nominee-program immigrants shows promising results—75 per cent have never experienced unemployment, 85 per cent were employed and seven per cent were in school. While the average annual household income of \$49,066 for participants is lower than the provincial average of \$60,242, they are by no means poverty-stricken.

Crucially, immigration has not had negative side effects. The province's unemployment rate is 5.3 per cent.²⁷ Winnipeg's overall crime rate decreased roughly 20 per cent between 1998 and 2006,²⁸ and it continues to decline.

While immigration debates typically revolve around big cities, they have also focused on using immigration to bolster the workforce in declining rural areas. Twenty-three per cent of provincial nominee participants in Manitoba have moved to smaller centres.²⁹ Aside from the need to find jobs, immigrants also often require language training and educational upgrading to meet certification levels for their professions. However, the success of the program shows that participants were largely able to overcome these difficulties. Some of this success can likely be attributed to the fact that immigrants of similar backgrounds tended to cluster together, some integrating into communities with existing settlers of

Manitoba Provincial Nominees By Destination

Principle Applicants and Dependents	2008		2003-2008	
	No.	Percentage	No.	Percentage
Winnipeg	5,238	65.7	23,594	69.2
Winkler	635	8	3,537	10.4
Steinbach	439	5.5	2,114	6.2
Morden	229	2.9	635	1.9
Brandon	616	7.7	1,530	4.5
Thompson	51	0.6	127	0.4
Virden	0	0	68	0.2
Teulon	0	0	42	0.1
Altona	71	0.9	153	0.4
Ste. Anne	0	0	52	0.2
Stonewall	12	0.1	43	0.1
Selkirk	13	0.1	42	0.1
Plum Coulee	0	0	25	0.1
Arborg	16	0.2	80	0.2
Richer	12	0.1	17	0.1
Swan River	0	0	17	0.1
Niverville	14	0.2	29	0.1
Kleefeld	21	0.3	32	0.3
Reinland	77	1	115	0.3
Total Provincial Nominees	7,968		34,091	

similar backgrounds. The primary examples of these two patterns are the concentration of Filipino immigrants in Winnipeg and the large number of Mennonites from Germany, Mexico and South America who integrated into existing Mennonite communities.³⁰ This can be important, since it allows them

to develop or take advantage of informal support networks. Living in a community with speakers of the same language makes it easier for immigrants whose first language is not English to integrate into the community, and it can help with finding employment.

A necessary, though not sufficient condition

One caveat is necessary before proceeding. Immigration is needed to ensure that Saskatchewan capitalizes on the boom. However, it will not be enough on its own. It will help with short-term labour shortages, and it can help prevent a short-term collapse of our social programs, but it is not a panacea. The only long-

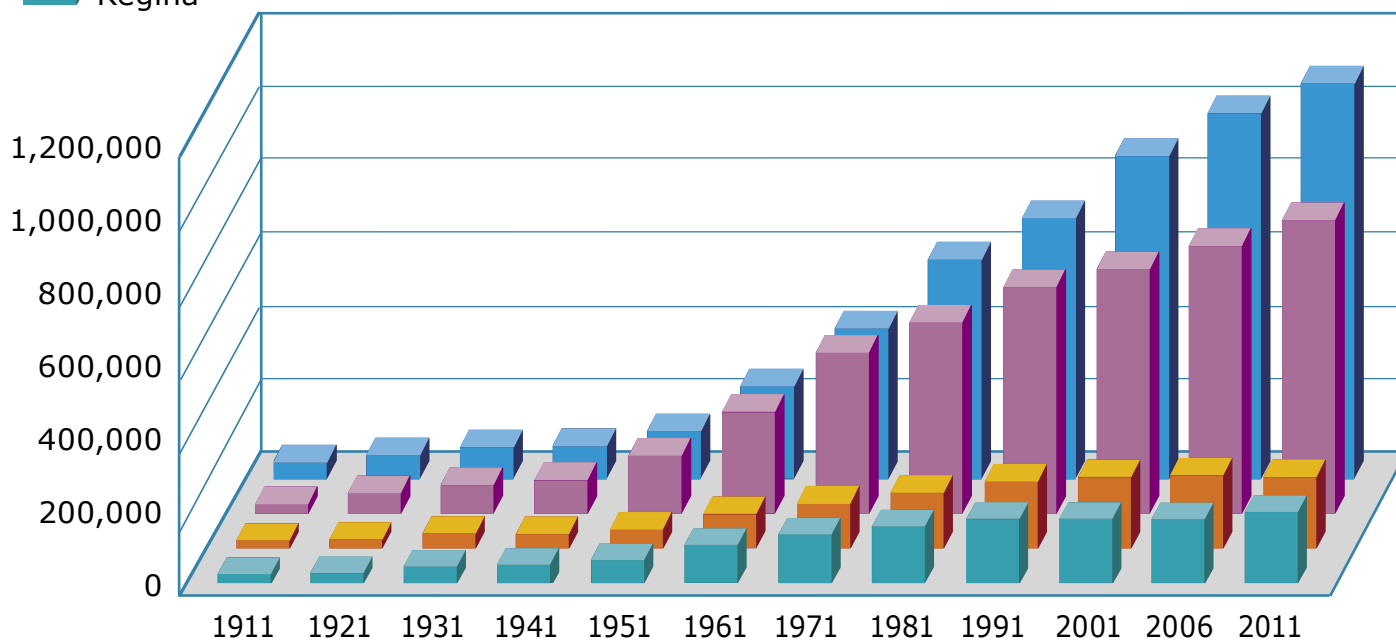
term solution for poorly designed social programs is to reform the programs. An influx of immigrants would prolong the viability of some of these programs, which would give us some time to undertake the reforms necessary to avoid collapse, but it should not be viewed as a way to avoid these reforms.

Immigration and Saskatchewan's cities

CHART 4

- Calgary
- Edmonton
- Saskatoon
- Regina

Growth of Major Alberta and Saskatchewan Cities 1911-2010



The economic value of vibrant cities

The value of cities is often unappreciated by non-urbanites. Many see urban decay as the inevitable result of overcrowded cities. They claim that cities concentrate poverty, thus leading the wealthy to escape to the suburbs. It has happened historically, but it was not inevitable. In the Canadian context, the rise of the middle class, subsidies for home ownership, automobile usage and suburban transit have largely been responsible for hollowing out city cores. While a large percentage of middle-class, Canadian-born may want to flee to the suburbs, poor immigrants would relish the opportunity to live in our cities. This notion will inevitably raise flags with some critics. After all, isn't concentrating poverty a bad idea? Quite the contrary. As noted urban economist Edward Glaeser pointed out, urban poverty is a good sign, not a bad sign. Poor people move to cities because they are the best places to seek economic opportunities.³¹ They usually cannot afford to move to the suburbs, so the city is a blessing for them. Cities are where the poor go to work their way into the middle class.

Aside from providing avenues for upward mobility, economically vibrant cities are required for regions to take advantage of the opportunities presented by globalization. Cities drive innovation and connect regions to the global financial system. They house key legal, educational, government and economic features that ensure the sound functioning of the entire economy. When cities thrive, so do provinces. It is no coincidence that the populations of Edmonton and Calgary exploded during the resource boom. A recent Conference Board of Canada report noted:

"Smaller cities and towns, and indeed the country as a whole, will thrive most and fastest when their growth is fuelled by that of the country's hub cities, which are demonstrably effective in pulling up smaller communities in their wake."³²

Globally competitive cities are important for the province's prosperity. For Saskatchewan's cities to thrive in the global marketplace, they will have to attract and retain a highly skilled workforce.

CHART 5

Growth of Saskatchewan Cities 1971-2010

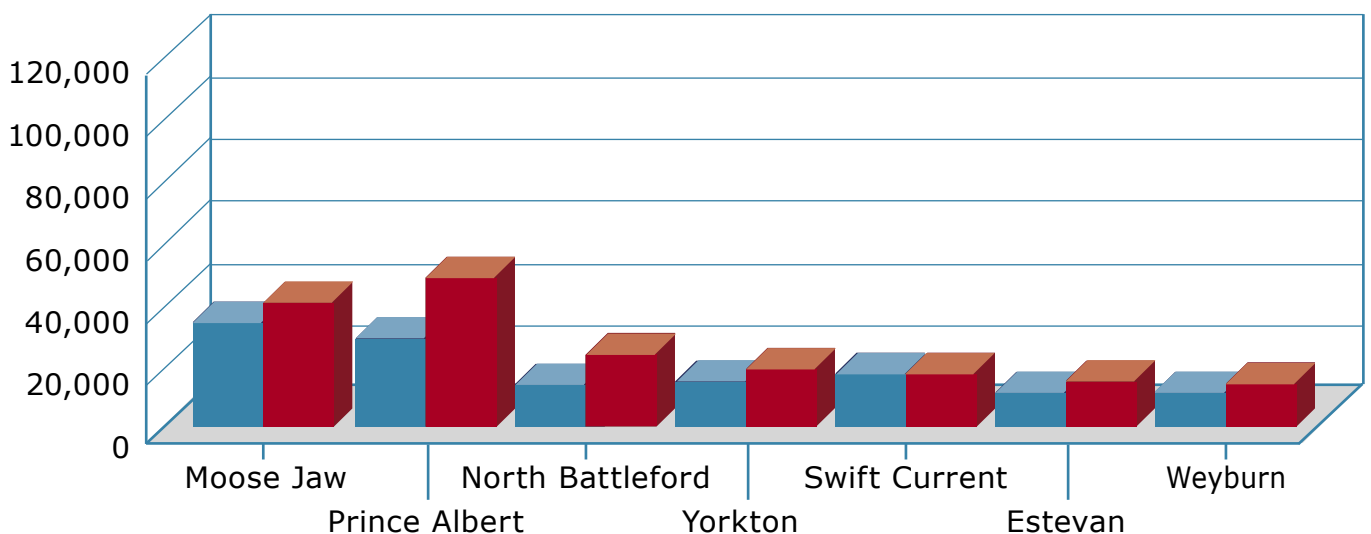
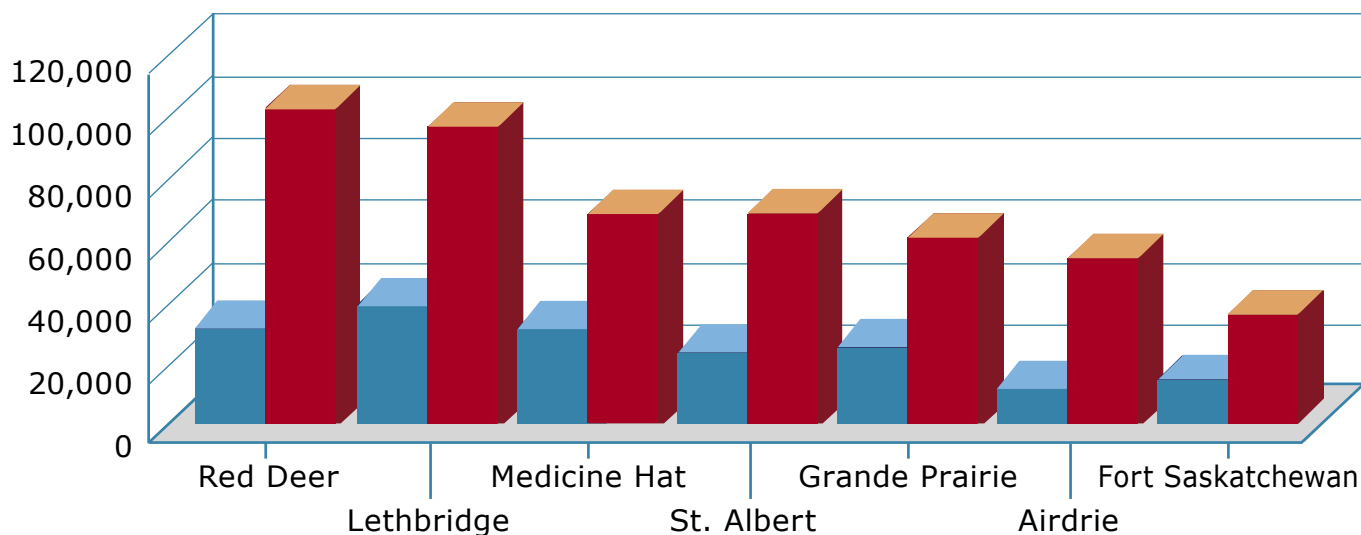


CHART 6

Growth of Alberta Cities 1971-2010



Does immigration increase urban crime?

Aside from the economic concern about the poor moving to cities, there is the criticism that the concentration of poverty will lead to an increase in crime. Under some circumstances, it might happen. However, in a country with a well-enforced rule of law, densely populated areas are safer than sparsely populated areas. Urbanist Jane Jacobs claimed that having a large number of “eyes on the streets” is a deterrent to crime, since criminals do not like witnesses. The reverse is illustrated by what happened after suburban flight began in North America. Since cities were emptying out, there were fewer people around to watch over neighbourhoods. Incidentally, this same principle is why urban parks and back alleys are hotbeds for criminal activity. If no one is looking, anything goes.

If the argument that immigrants increase public safety is not convincing enough, the empirical evidence ought to be. Many

studies have shown that immigrants are less likely than non-immigrants to commit crimes. One study from the Public Policy Institute of California showed that U.S.-born men in California are 10 times more likely to be in jail than immigrant men are.³³ It holds true not just for highly educated immigrants, but also for those who do not hold a high school diploma. The report concludes that “spending additional dollars to reduce immigration or to increase enforcement against the foreign-born will not have a high return in terms of public safety.”³⁴

Studies have consistently shown that Canadian immigrants are also less prone to commit crimes than are native-born Canadians.³⁵ Indeed, as immigration has expanded in Canada, crime rates have dropped substantially. While it does not imply that immigration caused a decrease in crime, it certainly casts doubt on the notion that immigration fuels crime.

How immigration can revitalize rural Saskatchewan

Revitalizing dying towns

As our rural population ages, many smaller centres face the threat of losing many of the services that they rely on. Since many young people have left and continue to leave rural Saskatchewan and the Baby Boomers are preparing to retire, there will

be fewer workers in every sector in rural Saskatchewan. This means everything from fewer nurses to fewer bankers and grocery clerks. Without a population boost, many smaller centres will become virtually unliveable.

Sustaining our agricultural sector

The days when young North Americans stayed on the family farm or went to work in slaughterhouses or meat-packing plants are likely gone. This means that the agricultural sector across North America has increasingly relied on temporary foreign workers to provide manpower. While there is nothing wrong in principle with bringing in workers temporarily, having a large transient population is less than ideal.

Because they are temporary, they do not have the same stake in the community, and they invest less locally. Rather than having waves of people moving in and out, it would generally make more sense to allow them to stay permanently if they so desire. Many would, since it would allow them to bring their families, rather than be away from their wives and children for entire seasons.

Capitalizing on the resource boom

Mining is projected to be one of the biggest drivers of growth in Saskatchewan's economy. Oil and gas production will also continue to expand. The increasing global demand for primary resources will present virtually limitless opportunities to capitalize on the staggering wealth of resources in Saskatchewan. While global demand presents an opportunity for the resource sector, labour supply could put a brake on the sector. Mining alone is projected to require

between 13,738 and 21,136 new workers by 2017.³⁶ Given the coming demographic crunch, filling these jobs will be challenging. The rest of the country will not be of much help, as there will be 92,000 positions available across the country, meaning it is unlikely that there will be a surplus of Canadian mining professionals to draw upon. Indeed, the Mining Industry Human Resources Council is warning of a nationwide shortage of mining professionals.

These positions will require skilled immigrant workers. While some may question the value of creating jobs for people abroad, it is important to remember that the resource sector is fuelling the boom. The combination of mining, oil and gas makes up 12 per

cent of the province's GDP.³⁷ This is roughly equivalent to the value of manufacturing and construction combined. Like oil and gas in Alberta, Saskatchewan's economic fortunes will move in lockstep with the fortunes of the broader resource sector.

How Saskatchewan can attract, integrate and retain more immigrants

The province should heed the advice of the Saskatchewan Labour Market Commission and aim for 10,000 immigrants per year. The Saskatchewan Immigrant Nominee Program should handle the bulk of immigration. The program currently aims to accept 4,000 immigrants per year. This should be increased immediately by roughly 2,000 people to bring total immigration in 2012 to roughly 10,000. Immigration levels should be gradually increased by adding

100 to the target level per year. Although this sounds like a staggering inflow of people, it is nowhere near unprecedented. Manitoba, with a population of just over 1.2-million, managed to integrate 11,221 newcomers in 2008, and it is working on increasing immigration levels.³⁸ When compared with the population influx that Alberta experienced during the last century, accommodating 10,000 immigrants annually is quite modest.

Saskatchewan Immigrant Nominee Program

In 2002, the Saskatchewan provincial government and the Canadian federal government signed into law the Saskatchewan Immigrant Nominee Program, which allowed the province to nominate 200 workers per year to immigrate to the province.³⁹ These workers consisted of three categories: skilled workers, doctors and nurses, and farm owners. A 2003 report commissioned by former MLA Pat Lorje titled *Open Up Saskatchewan!: A Report on International Immigration and Inter-Provincial In-Migration to Increase the Population of the Province of Saskatchewan*⁴⁰ recommended

that the province negotiate to increase that cap. Saskatchewan currently accepts roughly 4,000 nominees per year.⁴¹ Categories for health professionals other than nurses and doctors, hospitality sector workers, long-haul truck drivers, students, family members of SINP participants and entrepreneurs were introduced. Each category has various entry requirements as well as financial obligations. This virtually guarantees that all participants in the program are a net benefit to the public purse.

Saskatchewan Immigrant Nominee Program Requirements

Category	Eligibility
Skilled Worker	Must have an offer of permanent, full-time employment in Saskatchewan in an occupation or trade in the National Occupational Classification Matrix or in a designated trade.
Entrepreneur	Must have a minimum net worth of \$300,000 CAD accumulated through legal means that can be verified, a minimum of three years' entrepreneurial or relevant business-management experience and the intent to reside and actively invest in Saskatchewan.
Family Member	Must have completed post-secondary education, training or apprenticeship of at least one year in length and have a diploma, certificate or degree. Must have a full-time, permanent job offer from a Saskatchewan employer or intend to find a job and have enough money to live for a short time without work.
Farm Owner/Operator	Must provide financial documents showing a net worth of \$500,000 CAD, make a refundable good faith deposit of \$75,000 CAD and have documented farm-operation knowledge and experience.
Health Professional	Must be working full-time in Saskatchewan as a physician, nurse or other health-care professional on a temporary work permit for at least six months.
Long-haul Truck Driver	Must first work in Saskatchewan for an approved trucking firm on a temporary foreign work permit. If an approved trucking firm offers permanent employment, after a minimum of six months' employment they may apply for permanent resident status.
Student	<p>Post-Graduation Work Permit Stream: must have graduated from a recognized post-secondary educational institution in Canada and worked for at least six months (with minimum 960 hours) of paid employment in Saskatchewan to apply for permanent residence while working for a Saskatchewan employer on a Post-Graduate Work Permit issued by CIC.</p> <p>Master's and PhD Graduate Stream: must have graduated from a Master's or PhD program at either the University of Saskatchewan or the University of Regina and must demonstrate an ability to settle and work in Saskatchewan to apply for permanent residence.</p>

Improving the SINP

While the Saskatchewan Provincial Nominee Program has been a rousing success, some improvements must be made. First, the \$2,500 fee recently levied on entrepreneur nominees should be revisited.⁴² Entrants under this category are already required to deposit \$75,000 and to invest at least \$150,000 in the province. While another \$2,500 seems trivial, the impact needs to be monitored closely. Even if it scares away only a handful of entrepreneurs, it could still end up costing the province more revenue than it generates. Second, we need to simplify the administration process.

One large employer pointed out that his business is often required to advertise vacant positions several times to domestic workers when there are multiple openings rather than simply advertising once and hiring multiple nominees if there are no domestic workers available. Simplifying the process would make it easier to administer for both employers and the government. Third, and most important, the province needs to immediately increase its intake under SINP in order to bring the total immigration level to 10,000, while increasing the target level by 100 annually.

Keeping immigrants in Saskatchewan

The retention of immigrants is one of the biggest challenges facing Canadian regions outside of Toronto, Montreal and Vancouver. The majority of immigrants end up in one of these three cities, and simply luring immigrants to Saskatchewan for a few months and then having them leave would undo the benefits of targeted immigration. Saskatchewan has a 57 per cent retention rate, which is far too low. One of the virtues of SINP is that rather than policing immigrants, it gives them strong financial incentives to stay in the province. For instance, immigrant entrepreneurs must pay a large deposit. Since the incentives for non-entrepreneur SINP participants to stay are not as strong, the province should carefully monitor retention rates to ensure

that the participants are remaining in the province. If not, other incentives such as requiring participants to purchase a home or sign a long-term lease may need to be introduced.

However, the best possible strategy for retaining immigrants is to maintain a strong economy. The reason Saskatchewan has not benefited as much from immigration as Alberta has is that Alberta is known as a place where people from all over the world can move to in order to make a decent living. Saskatchewan does not have this reputation, but if the province continues to make wise policy decisions, people will notice, and they will want to move here.

Retention Rates by Province (2001)⁴³

British Columbia	88
Alberta	86
Ontario	84
Manitoba	78
Quebec	72
New Brunswick	62
Saskatchewan	57
Prince Edward Island	51
Nova Scotia	40
Newfoundland	36

Addressing immigration concerns

Fiscal concerns

The unfortunate reality of targeted immigration policies is that they cost money. The provincial government is spending \$14,661,000 in the 2011-2012 fiscal year on immigration. However, the combination of fees collected and increased taxes generated will likely compensate for it. The cost is approximately \$2,000 per immigrant. Assuming the average immigrant family consists of four members with one working parent making \$50,000 per year, the average family should contribute more

than \$10,000 in income taxes annually. While this does not go entirely toward the settlement cost, it certainly does help to pay for it. Regardless, the government needs to ensure that immigrants pay the costs incurred in a timely manner whether it is through user fees or implicitly through increased tax revenue. Many of the categories already come with heavy fees. It may be worth adding such fees to family reunification in order to mitigate cost concerns.

Security concerns

One of the virtues of the provincial nominee program is that while it allows a large number of people to enter the country, there is a great deal of scrutiny involved. Nominees need to pass not only the security clearance but they also must meet the other requirements for their category, which will require anyone with malicious intentions to work that much harder to get into the country. In addition, since employers also scrutinize employees,

there is another level of accountability. If these assurances are not enough, then the federal government may in fact have to improve its screening methods. Given that Canada already receives 250,000 immigrants per year, any potential security gaps need fixing regardless of whether immigration levels expand. It is a valid area of concern but external to the debate over the level of immigration.

Conclusion

Making sure that talented people from around the world can come to Saskatchewan is important for ensuring that the province is on the cutting edge of innovation. Immigrants help to diversify and enrich our culture. The cause of the acute need for a large flux of immigrants is the sheer burden of entitlements that are being borne by fewer and fewer workers. Immigration can lighten that burden.

But if we do not reform the structural problems that have led us here, we will never permanently solve the problem. Much of our social safety net is premised on the idea that we would have 1950s birth rates forever. We need to get back into the habit of paying as we go. Immigrants can help us immensely, but we cannot continue to shift the responsibility to the next generation.

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Further Reading

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Steve Lafleur

<http://www.fcpp.org/publication.php/3852>

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