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**OPINION COLUMN**

# Sudbury column: Northern Ontario needs new lens

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Guest columnists

For more than 40 years, debates on economic development in Northern Ontario have been dominated by several themes.

The first of these is that primary industries are key to the region's prosperity.

The second is that Northern Ontario provides more funding to Ontario through royalties and taxes paid than it receives in services.

The third is that the North is of limited significance.

Finally, many observers believe policies and programming in the North can be framed with only passing reference to global trends and circumstances.

The Northern Policy Institute has just released a paper by David MacKinnon that suggests these fundamental beliefs are either erroneous, obsolete or lack supporting evidence.

Primary industries employ about 6.5% of Northern Ontario's labour force. This does not translate into a dominant economic position. This lack of dependence is not, however, a crisis. Many of the world's wealthiest countries are resource poor. Japan and Singapore are obvious examples.

An economic strategy based largely or exclusively on primary industries will not be sufficient. Indeed, such a strategy comes with considerable risk, including heightened exposure to commodity price fluctuations.

On the question of fiscal flows, there is little evidence to support the theme that the North continues to contribute more to Ontario than it receives. Perhaps at one time, but recent work suggests the flow is now likely reversed. Some suggest substantially so.

It is unfortunate this debate, unsupported by so little hard evidence, has been such a corrosive influence on the North for so long. The fact Northern Ontario's economic performance has lagged behind the performances of the northern regions of all other provinces and many other northern jurisdictions matters greatly.

Finally, the long history of framing economic policy largely within the context of national and provincial developments is archaic and counterproductive. Unfortunately, it characterizes nearly all recently published government documents relating to the regional economy.

The Internet and developments relating to it in the U.S., China, India and elsewhere reduce the importance of geographical barriers and do much to level the playing field in the global economy. New economic development possibilities have emerged.

The obsolescence of traditional economic thinking in Northern Ontario means that major changes are needed.

The first change is to upgrade statistical data about the region to ensure a more informed population. A set of economic accounts similar to those available for provinces is a vital necessity as is a clearer and fuller understanding of fiscal flows into and out of the region.

Second, Northern leaders need to get out more. A series of exchanges organized by local organizations with Iceland and the other Nordic countries would be very helpful to improve the management of issues relating to aboriginal people, mining, tourism and the environment.

Third, Northerners need to build a more cohesive society. The evidence cohesive societies perform better economically, but divisions among groups are evident everywhere in the North: between French and English, aboriginal and non-aboriginal, rural and urban, east and west and many others.

In summary, there are two major paths to the future for Northern Ontario.

It can stick with long held beliefs, a litany of internal divisions and a lack of factual data about its economy. If it does, its performance will continue to be inadequate.

Alternatively, Northern Ontario can look out more than it looks in, dispel longstanding mythology and establish additional mechanisms to collaborate on major problems and issues.

If the region follows the second path, the future will be brighter and Northern Ontario could play a role on the national and global stages that matches its size, history and the hopes of its people.

Charles Cirtwill is president and CEO of Northern Policy Institute, an independent social and economic think tank based in Northern Ontario. David MacKinnon is an accomplished economic development practitioner and author of the recently published paper A New Northern Lens.

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