1-1-2008

Nova Scotia’s Provincial Immigration Policy: The Failure of the Business Mentorship Program

Patricia Lynn McDonough

Ryerson University

Follow this and additional works at: http://digitalcommons.ryerson.ca/dissertations

Part of the Other Economics Commons

Recommended Citation

NOVA SCOTIA’S PROVINCIAL IMMIGRATION POLICY: 
THE FAILURE OF THE BUSINESS MENTORSHIP PROGRAM

By

Patricia Lynn McDonough, BA, Saint Mary’s University, 2005

A Major Research Paper
presented to Ryerson University

in partial fulfillment of the requirements for the degree of

Master of Arts
in the Program of
Immigration and Settlement Studies

Toronto, Ontario, Canada, 2008

©Patricia Lynn McDonough 2008
Author’s Declaration

I hereby declare that I am the sole author of this major research paper.

I authorize Ryerson University to lend this paper to other institutions or individuals for the purpose of scholarly research.

________________________
Signature

I further authorize Ryerson University to reproduce this paper by photocopying or by other means, in total or in part, at the request of other institutions or individuals for the purpose of scholarly research.

________________________
Signature
NOVA SCOTIA’S PROVINCIAL IMMIGRATION POLICY:
THE FAILURE OF THE BUSINESS MENTORSHIP PROGRAM

© Patricia Lynn McDonough
Masters of Arts
Immigration and Settlement Studies
Ryerson University

ABSTRACT
In 2002, the province of Nova Scotia developed a provincial nominee program that was to attract newcomers to the region for the purpose of increasing investment, creating high-value jobs and tapping into the qualifications of skilled immigrants to boost the economy. The main stream of the program was the Business Mentorship Program, which, at a cost of $130,000, was expected to attract wealthy and skilled immigrants to the region. However, Nova Scotia did not have the socio-economic conditions necessary to achieve this, nor was the program effective. The ensuing scandal has negatively impacted Nova Scotia’s reputation and has cast doubt over the feasibility of the province’s immigration and retention targets.

Key words: Nova Scotia; Immigration; Provincial Nominee Program; Economic Development and Social Inclusion
Acknowledgements

First and foremost, I want to thank my supervisor, Dr. Arthur Ross for his guidance throughout the MRP writing process. His assistance and patience was greatly appreciated. I also want to thank my second reader, Dr. Myer Siemiatycki whose unwavering support and optimism were an inspiration from the beginning to the end of this journey.

I want to thank my new friends and colleagues for their motivation and support. Because of you, the year was challenging, insightful and eye-opening. I wish everyone the best of luck in the future!

Finally, I wish to extend a big thanks to my friends and family for their love and encouragement throughout the past year!
# Table of Contents

Chapter 1: Introduction ............................................................................................................... 1
    Policy ........................................................................................................................................... 3

Chapter 2: Challenges Facing Nova Scotia ........................................................................... 7
    Population Demographics ........................................................................................................... 7
    Employment, Income and the Labour Market .......................................................................... 10
    Nova Scotia’s Investment Needs............................................................................................... 15
    Social Inclusion in Nova Scotia ............................................................................................... 18
    Fiscal Allocation of Settlement Services Funds........................................................................ 21

Chapter 3: The NSNP: A Made in Nova Scotia Solution ......................................................... 24
    Attraction ................................................................................................................................... 30
    Retention ................................................................................................................................... 32
    The Business Mentorship Scandal ............................................................................................ 34
    Policy Outcomes of the Business Mentorship Program............................................................ 41

Chapter 4: NSNP Renewal ....................................................................................................... 46
    Economic Class Immigration: Program Evaluation .................................................................. 49
    The Future of Immigration in Nova Scotia ............................................................................... 55

Bibliography ................................................................................................................................ 58
Chapter 1: Introduction

“For centuries, Nova Scotia has been welcoming new arrivals with open arms. This tradition has led to our diverse culture and warm reputation, and has enriched our businesses and our communities.” (n.p.)

(Nova Scotia Office of Immigration, 2007c)

Between 2001 and 2005, the province of Nova Scotia embarked on an immigration policy to rectify high levels of outmigration, a lack of economic growth and an aging population. A Nova Scotia immigration policy was the means by which the government could address such challenges; in particular by selecting immigrants that would best suit the unique labour market needs of Nova Scotia as well as create a social climate of receptivity toward newcomers. The Business Mentorship Program was integrated into the Economic Steam of the Provincial Nominee Program in 2002; the programs were set to fast-track settlement and streamline the immigration process, affording “qualified workers and experienced entrepreneurs” with quicker and more efficient access to permanent residence and Canadian citizenship while targeting Nova Scotia’s investment needs via the amassing of foreign capital, and the promotion of economic growth and long term settlement in the region.

The Nova Scotia Provincial Nominee Program was intended to address labour market shortages due to massive outmigration to Ontario and Alberta by focusing on attracting newcomers through various categories such as the Skilled Worker, Family Business, Community Identified International Graduate and Financial streams, in addition to the Business Mentorship Program, which is the main focus of this study. By examining the socio-economic conditions that led to the creation of Business Mentorship Program and the way in which the program was
managed, this study will demonstrate that Nova Scotia’s provincial nominee initiative has had little success in addressing the population and demographic needs of the region. The program was poorly developed, inadequately implemented and underfinanced. Nova Scotia’s immigration agenda was geared toward increasing the business mentorship component of economic class immigration with the intention of increasing foreign capital and investment in the region as opposed to a long-term, sustainable initiative aimed at creating a social and economic climate conducive to immigration settlement, integration and retention.

Having been raised in Nova Scotia and witnessing firsthand the degree to which the province’s educated, young professionals leave for Ontario and Alberta, I am sceptical of the province’s attempt to increase the number of newcomers to the region while current residents have left and continue to leave. When I first found out that Nova Scotia established the Office of Immigration in 2005, I had been optimistic that the province was finally going to become more cosmopolitan, less homogeneous and more socially and economically inclusive. I attended one of the first meetings between the new office of immigration and stakeholders in the African Nova Scotian community and was surprised that the overriding consensus of this group was disbelief that the province could successfully integrate newcomers into the labour market and generate social inclusion when the province did not address the socio-economic exclusion of the African Nova Scotian community.

When I found out about the business mentorship scandal in the fall of 2007, I instantly wanted to know more. That the Nova Scotian government would use immigration as a means of furthering its own agenda did not surprise me but at the same time, I was embarrassed that a scandal of such magnitude had emerge in Nova Scotia’s immigration strategy. I believe contextualizing this scandal in the context of the success (of lack thereof) of the Nova Scotia
Nominee Program brings to the forefront the degree to which economic class immigration is used as a band aid for poor economic performance, and more importantly, that it could be abused in a manner that is nepotistic and advances the interests of the friends of the elite as opposed to generating sustainable economic growth for all Nova Scotians.

**Policy**

Nova Scotia’s immigration initiatives emerged out of an overall understanding of the benefits immigration poses to a region’s economic and demographic development during the 1990’s when the government of Canada was engaging provinces in how to attract newcomers throughout the country as opposed to continuing the concentration of settlement in large urban centres such as Montreal, Toronto and Vancouver. Therefore, it is important to understand how immigration and migration impact the growth and development of second-tier destinations such as Halifax and the province of Nova Scotia. The interrelatedness of Canadian immigration policy and economic development are historical; patterns of restriction and admission of newcomers to Canada have been directly associated with the economic and labour market conditions of a given time. Positive economic growth translated into high rates of immigration and the opposite was true for economic stagnation. However, in recent years, immigration has been viewed as contributing to economic development in underperforming regions, as well as nationally, by considering the long term goal of a demographic shift that would address Canada’s increasingly aging population (Green & Green, 1999).

By the time Canada began developing nominee programs in partnership with the federal government that would allow greater provincial autonomy in selecting newcomers that would fit
into the labour market, policy directives shifted again, placing economic development once again at the forefront of provincial and territorial immigration policy (Green & Green, 1999).

Unfortunately, many newcomers that have come to Canada did so because their education and skills identified them as easily integrating into the labour market but upon arrival, many of those who lack Canadian experience are forced to work in positions that are not on par with their qualifications. The consequences of taking the increase in human-capital generated by economic class immigration for granted are enormous. In Canada, the estimated economic cost of under-employing newcomers is staggering, contributing to a personal income shortfall of $174 billion dollars per year which, if reversed, would have created jobs for an additional 1.6 million people and a personal income gain of 21% for all Canadians since 2005 (Shin, 2007). Clearly, under-employing newcomers negatively impact all Canadians.

The emerging dialogue that fostered the development of increasingly autonomous provincial immigration projects throughout the era of the early 1990’s illustrates the regional developmental capacity immigration offers. According to Krahn & Derwing (2003), immigration is a positive step for governments wishing to “increase cultural diversity nationwide, globalize small communities, develop local markets to rejuvenate regional economies, and ease the pressure on the capitals of immigrant Canada” (Radford, 2007, p.49). This is precisely what Nova Scotia’s Business Mentorship Program was to achieve except that it ultimately proved to be of no benefit to the local economy, the labour market or the newcomer participants.

According to McIssac (2003), provincial nominees who come under the federal designation of economic class immigrants, provide second tier cities with the economic vibrancy that is attributed to large newcomer destinations. While Montreal, Toronto and Vancouver have benefited a great deal from immigration in terms of demographic and economic growth,
dispersing newcomers through incentives such as provincial nominee programs allows the federal government to essentially spread the wealth to regions that have greater difficulty in attracting and retaining newcomers. This is particularly relevant when arguments are made that these large urban centres do not have the social and public infrastructure necessary to fully integrate newcomers into the labour market or deal with the rapid population increase (Krahn & Derwing, 2003).

Increasing provincial nominees to second tier cities can be a win-win situation for the entire country, for both the newcomer and the receiving community. While economic class immigration is viewed by the government of Nova Scotia as an extremely cost efficient means of generating provincial revenue and investment in local businesses, benefitting the economy to increase development via job creation and investment in the local market, a review of 2001-2006 statistical data pertaining to Nova Scotia’s economic performance, labour market integration, settlement funding and budgetary spending indicate that Nova Scotia did not establish the infrastructure to facilitate the integration of newcomers into the labour market and social sphere but benefitted from increased provincial government revenue via the highest immigration fees in the country (Flinn, 2007b, n.p.). This is evidenced by the fact that Nova Scotia has been, and continues to be, unclear about which labour market sectors are recruiting workers.

According to Richard Florida, immigrants bring “...links to other countries that can be used to export goods and services. They bring technical skills, linguistic diversity, international experiences, innovative ideas, as well as capital investment and entrepreneurship skills” in what he has coined “the Mosaic Index” (Nova Scotia Office of Immigration, 2005a, pg.8). Essentially, the Mosaic Index illustrates a region’s competitive ability based on the diversity of its population, essentially fostering a diversification of creativity and ingenuity. The province of
Nova Scotia recognized that attracting newcomers from non-traditional source countries would not only lead to increased economic development capacity but would enable the region to increase its transnational linkages via networks that would be created and maintained between the newcomer’s country of origin and new homeland (Province of Nova Scotia, 2005b). This is precisely why immigration from non-traditional source destinations has been increasing and why provincial governments are working to develop comprehensive immigration frameworks tailored to their specific labour market and economic needs (Radford, 2007). However, it will be shown that Nova Scotia is vague as to what constitutes their unique regional labour market needs and underestimated the extent to which newcomers can be integrated into the Nova Scotian labour force particularly in light of the shift in newcomer source countries from the United States, the United Kingdom and Lebanon to China and India (Akbari, Lynch, & Rankaduwa, 2007).

Questions arise as to the sustainability of immigration initiatives in second-tier urban destinations such as Halifax and surrounding communities. Do they have an economy which can ensure rapid labour market integration, are they receptive to newcomers coming from non-traditional source countries, and finally, are they aware of the realities and challenges newcomers face when selecting such destinations for long-term residency? According to McIssac (2003), the federal government’s dispersion theory is “coercive”; a “silver bullet’ for regional economic development, rather than a component of a broader strategy that integrates newcomers socially and economically (pg.2). As will be demonstrated, it is evident that Nova Scotia’s approach to immigration is consistent with this theory in that it emphasises economic class immigration, via the business mentorship program to develop the economy of the province, as opposed to creating the economic conditions necessary to ensure that newcomers are not underemployed in menial jobs and that their international credentials and experiences are recognized.
Chapter 2: Challenges Facing Nova Scotia

Population Demographics

Nova Scotia is Canada’s second smallest province in terms of geographic area and the third smallest in terms of population base, exceeding only Newfoundland and PEI. (Statistics Canada, 2007b). Nova Scotia has a population base of just over nine hundred thousand and its birth rate is approximately eighty-nine percent of the national average (Nova Scotia Strategic Priorities, 2007). Combined with high levels of out-migration (Akbari, Lynch, & Rankaduwa, 2007), Nova Scotia has one of the most rapidly aging populations in the country. In 2006, the average age of Nova Scotians was 41.8 compared with Canada’s average of 39.5. Since the 1990’s, Nova Scotia has been in a continual state of population decline. However, by 2006, Nova Scotia experienced a slight population increase of 0.6%; however, the national average of growth increased by 5.4% (Statistics Canada, 2007c). By 2006, deaths in the province surpassed births and although 2715 people immigrated to the province the same year, net interprovincial migration was a negative 2401 persons (Statistics Canada, 2007c).

According to the Greater Halifax Partnership, if current demographic trends continue, within twenty years, over forty percent of Nova Scotia’s population will be over fifty-five (Hornberger, 2005a). Its capital city, Halifax, the largest metropolitan area in the Atlantic Provinces, comprising approximately 40% of the region’s population as of 2005, has traditionally been a draw for young people throughout the region. However, with rapidly developing provincial economies in western Canada this is changing as the draw of high paying
jobs is luring increasing numbers of Nova Scotia’s youth (Service Canada, 2008). While Nova Scotia and Halifax in particular continue to draw migrants from within the region, retention of these individuals is problematic. Between seventy and eighty percent of internal migrants who relocate from within Atlantic Canada to Halifax leave, clearly indicating the need for Nova Scotia to work on attracting and retaining its population base (Service Canada, 2008).

Since 1995, the number of immigrants who settle in Nova Scotia has dropped drastically despite the introduction of the Provincial Nominee Program in 2002, illustrating that the Provincial Nominee Program was underutilized and did not achieve its objectives of increasing immigration and retention. In the early 1990’s, international migration was the only positive trend in population growth, however, the majority of newcomers to the region were from the United States and the United Kingdom, requiring little government investment in the social and economic integration of newcomers in the region as newcomers from these areas were not faced with the challenges of international credential assessment, underemployment, poverty, and socio-economic exclusion faced by recent immigrants from non-traditional source countries in the province today. In fact, newcomers from traditional source countries tended to have an overall higher standard of living than native born Nova Scotians (Akbari, 2005).

Although in the early to mid 1990’s, Nova Scotia experienced a boom in immigration rates it coincided with a substantial decrease in retention rates. Like many migrants from within the Atlantic region, newcomers simply are not staying in Nova Scotia. Typically, they relocate to the largest urban destinations in Canada: Montreal, Toronto and Vancouver where newcomers from non-traditional source countries are more likely to find members of their ethno-cultural community, employment opportunities and settlement assistance. A very small percentage of Nova Scotia’s community is comprised of visible minorities. In fact, less than four percent of
Nova Scotia’s population is identified as visible minority, the top source countries of newcomers to the region are currently the United States and the United Kingdom, followed by China and Iran with an approximate rate of eight percent each (Nova Scotia Office of Immigration, 2007b). As Nova Scotia increasingly receives newcomers from the Middle East and Asia, there is greater need to address barriers in the labour market, promote community inclusion and comprehensive international credential assessment.

As of 2006, just one year after the creation of the Office of Immigration, newcomers comprised just over five percent of the population, not including those without permanent resident status such as international students, those with employment visas and refugee claimants. This population, not including non-permanent residents, accounted for less than half a percentage of the population base (Statistics Canada, 2007a). The majority of internationally born persons residing in Nova Scotia immigrated prior to 1991, although approximately thirty-three percent of newcomers arrived between 1991 and 2006. Despite the introduction in 2001 of immigration policies aimed at increasing immigration to the region, and more aggressively in 2002 with the introduction of the Provincial Nominee Program, immigration rates in Nova Scotia declined by sixty percent between 1995 and 2003. Approximately forty percent of those who arrived left either to return to their country of origin or relocate within Canada (Hornberger, 2005a). Between 2001 and 2004, which was the peak period of the Business mentorship Program, Nova Scotia’s most aggressive immigration initiative, the population of Nova Scotia increased by 4560, translating into a growth rate of just 0.5% (Canadian Council on Social Development, 2005) and in 2006 the province’s share of the Canadian population also decreased from 3.03% in 2001 to 2.89% (Nova Scotia Department of Finance, 2006).
Clearly, Nova Scotia is currently experiencing a demographic struggle but the question is whether or not it is economically and socially viable to encourage the retention of its population and encourage investment in its economy. If newcomers are not choosing to immigrate to Nova Scotia or staying once they arrive, it is safe to deduce that it is because the government of Nova Scotia has not created a hospitable environment in terms of community integration and labour market participation.

**Employment, Income and the Labour Market**

“*Employers acknowledged that 80% of the jobs are never advertised or posted and that hiring occurs on the basis of “who you know”*” (pg. 29)  
(Hornberger, 2005a)

For the past six years, Nova Scotia has engaged in a much publicized attempt to increase immigration and address issues of retention, raising speculation as to whether or not it has the social and economic infrastructure to successfully integrate a large number of highly skilled and educated newcomers from non-traditional source countries. The feasibility of the desired retention rate of 70 percent of a target 3,600 immigrants per year by the 2006-2010 census period is questionable in terms of whether or not the government can integrate newcomers into the existing labour market, generate enough investment to grow the economy, establish Nova Scotia as a destination of choice and increase international networks via newcomer’s connections to the homeland.

A 2005 document published by the Department of Immigration states, “...Nova Scotia anticipates a shortage of skilled workers in certain trades and professions” (Nova Scotia Office of Immigration, 2005d, pg.1). The use of terms such as “anticipates” and “certain trades and professions” lead to questions about Nova Scotia’s commitment to addressing the quality of
economic opportunities afforded to immigrants and the degree to which employment will reflect their skills and education. If the province is attempting to prevent future economic crises, how can it successfully integrate such large numbers of highly skilled and educated people under current conditions? According to the Greater Halifax Partnership, employers in Halifax “...will face impending skill shortages” (pg.10) as “...demographic and labour force issues are not critical at the moment...” (Hornberger, 2005a, pg. 12) leading to speculation regarding the consequences of Nova Scotia’s aging workforce. The report continues to state that anyone in Halifax “...can take a walk through downtown Halifax or any shopping mall in the region” and see a proliferation of help-wanted signs (Hornberger, 2005a, pg.7). While this may be true, the simple fact that newcomers to Canada tend to be more educated than the Canadian-born population, and shopping malls and retail stores do not offer suitable employment opportunities. The report continued to state, “Those entry-level shortages can be expected to migrate upward through higher skill level occupations and into other sectors quite rapidly” (Hornberger, 2005a, pg.7), essentially justifying the underutilization and underemployment of newcomers in the region. This is similar to how the Business Mentorship Program ended up operating, because while it was meant to integrate newcomers into positions that were entry-level management and reflected their qualifications, many participants ended up working in exactly the same type of low-skilled jobs such as at a Subway restaurant and a gas station.

According to (Akbari, Lynch, & Rankaduwa, 2007), the human capital of newcomers to Nova Scotia is not being fully realized, and new immigrants are experiencing worsening labour market outcomes despite the higher educational attainment of this population. Therefore, Nova Scotia must work toward developing a comprehensive international credential assessment protocol which to date, is in the initial stages of development. Increasingly, newcomers to Nova
Scotia are not performing as well as their Canadian-born counterparts, despite being more educated and skilled. However, “... immigrants hold Nova Scotia in very high regard, but often leave the province because they cannot find meaningful work. Further, in the Greater Halifax Region, while 95% of businesses think we need to hire more immigrants, the same 95 per cent have never done so” (Province of Nova Scotia, 2005c, pg1.). The most vulnerable of the newcomer population are women.

According to the Nova Scotia Advisory Council on the Status of Women many female immigrants, who are increasingly from Asian countries, are experiencing marginality due to their status as dependants, systemic gender inequality and racism. The Council notes that women and men who migrate to Nova Scotia under the economic class struggle and face systemic barriers to successful employment and social engagement, despite the fact that they have more financial resources than those who apply under other categories. The report cites a lack of commitment toward settlement support and international credential recognition as well as minimal involvement of Human Resources and Development Canada in assisting newcomers in Nova Scotia with employment opportunities. While the majority of business class immigrants are men, it is important to note that the satisfaction of female spouses plays an integral role in successful, long-term settlement and that many women possess skills and education that must be recognized, especially when the majority of immigrants to Nova Scotia are from East Asian countries such as China which highly value the economic participation of women (Huang, 2007). Those who experience heightened discrimination and exclusion are less likely to stay, thus impacting the province’s retention goals.

Although part time and full time wages in Nova Scotia remain the highest in the region, they are far lower than the Canadian average. Nova Scotia’s part-time hourly wage is the second
lowest in Canada at $11.73 and as of 2003, poverty levels in Nova Scotia were considered “unsatisfactory” with over 97,000 (10.7%) residents living in poverty (Canadian Centre for Policy Alternatives, 2006). Overall, the unemployment rate in the Halifax regional municipality is currently five percent (Service Canada, 2008), while the provincial rate of unemployment is a staggering 7.9% (Statistics Canada, 2008a). Increasingly, recent newcomers are becoming more impacted by low wages and unemployment than the native born population and long-term immigrants. Since 1991, the unemployment rate of all immigrants has decreased to levels that, as of 2006, were approximately two percentage points lower than that of non-immigrants. However, despite a slight increase in the province’s employment rates, the unemployment rate of recent immigrants has risen steadily from 12% in the early 1980’s to over 18% in 2001 (Akbari, Lynch, & Rankaduwa, 2007). Increasingly, recent immigrants who are working are underemployed leading to a heightened risk of living in poverty which often results from a lack of international credential recognition afforded to newcomers from non-traditional source countries. While previous cohorts of immigrants to the region have tended to enjoy salaries comparable to the native born population, recent studies show that despite higher levels of skills and education among newcomers as opposed to the native population, the standard of living of recent immigrants in Nova Scotia is declining (Akbari, Lynch, & Rankaduwa, 2007)

While newcomers from the United Kingdom and the United States have enjoyed an above average standard of living in Nova Scotia in terms of employment, salaries and socio-economic status (Akbari, Lynch, & Rankaduwa, 2007), recent immigrants are facing enormous challenges integrating into the labour market in a manner that reflects their skills and education. While the province is determined to attract newcomers who “can contribute to meeting the labour market and economic needs of the province” (Province of Nova Scotia, 2007d), it remains
unclear as to what sectors are in demand. As Nova Scotia is currently making the “call-centre connection”\(^1\), newcomers are facing difficulty regarding international credential recognition leading to increasing levels of under-employment or exclusion from the labour market.

According to Service Canada, Nova Scotia is a predominately service-oriented economy; approximately 87% of 2006 employment opportunities are in service delivery which encompasses retail trade, transportation, health, finance and public administration (Service Canada, 2008). Types of occupations within these realms typically encompass call-centre and elder care, both of which have experienced the most growth in the Halifax region at just over ten percent in 2006 (Service Canada, 2008). Although Nova Scotia has enjoyed moderate economic growth since 2004 (Canadian Council for Policy Alternatives, 2006), there was no growth in the finance and real estate sector between 2005 and 2006, illustrating economically uneven conditions (Service Canada, 2008). Recently, in demand sectors include accounting, the oil and gas sector, geology, computer information, and technicians and engineers with some emphasis on construction, agriculture and utilities, to name a few (Nova Scotia Office of Immigration, 2007b). As of 2008 Nova Scotia is experiencing an expansion of goods producing services, manufacturing, construction and utilities with manufacturing and construction leading the way in terms of economic growth and development. According to Dr. Michael MacDonald, president and CEO, Greater Halifax Partnership, "About US$400 million invested in the offshore gas industry, plus the growth of our port and sustained in-migration, has sent this economy into the stratosphere. This is the best growth in Halifax since World War II." (Nova Scotia Office of Immigration, 2007c, n.p.). However, Service Canada notes that for the same period there was “significant decline” within the service producing industries, in addition to finance, real estate

---

\(^1\) The “Call-Centre Connection” refers to the high number of jobs available at call centres in Nova Scotia.
and education (Service Canada, 2008). It is apparent that the Nova Scotia government views its economic situation with optimism, highlighting the benefits of numerous companies such as Staples, “making the call centre connection” in Halifax (Venebal, 1999), while the federal government views Nova Scotia’s economic growth less positively. Clearly, Nova Scotia needs an infusion of Canadian domestic or international investment in order to create high value jobs that allow newcomers to participate in the labour market at a level that is on par with their qualifications.

As source countries shift, recent newcomers are being forced into low-skilled, poorly paid professions. Most of those newcomers who have not been affected by underemployment or a lack of international credential recognition are engaged in the knowledge economy as managers and professionals, and have unemployment rates and employment income comparable to those of the native born in those sectors (Akbari, 2005). Recently, concern has been expressed regarding the declining economic performance of recent newcomers which has been attributed to an increase in admissions of those who are not as “skilled” as in the past or have skills that do not fit with the economic and labour market needs of Nova Scotia (Akbari, 2005). Such claims are contentious when all factors which contribute to newcomer success in the labour market are factored in such as the shift in traditional source countries, the lack of international credential recognition and the socio-economic exclusion of recent newcomers. Despite the fluctuating nature of Nova Scotia’s economy, if the Nova Scotia business mentorship program had increased the number of high value jobs and specifically targeted immigrants that “fit” into the labour market, recent immigrants should not be experiencing increased levels of underemployment and poverty.
Nova Scotia’s Investment Needs

Generating investment is an essential aspect of economic growth and community well-being. It creates capital for sectors of the economy that will in turn create jobs, leading to higher rates of employment and salaries. It also facilitates the development of businesses and corporations that are taxable, generating increased revenue for the government, which in turn, can enable more social spending on healthcare or public infrastructure, which enhances the overall quality of life. Increasing the quality of life in a given region leads to attraction of newcomers, industry and investment as well as increased rates of retention, which is why investor class immigration is essential for the Canadian economy\(^2\). According to Huang (2007), “in 2004, business immigrant entrepreneurs from all countries invested $87.8 million in Canada, creating 886 full-time and 646 part-time jobs” (v).

However, in Nova Scotia, newcomer investment was not used in a manner that would create jobs and develop the economy nor did it lead to long term employment and economic integration for the newcomer who invested in a Nova Scotia business. Rather, it was used to advance the businesses interests of a select few individuals, who had political ties to the government and companies that participated in its business class immigration initiative. As mentioned, during the past eight years, the economy of Nova Scotia has exhibited marginal growth far below the Canadian average, consistently high unemployment rates and inconclusive labour market demand across all sectors of employment, illustrating that Nova Scotia’s immigration strategy has not yielded the economic benefits it is mandated to achieve at the federal level.

\(^2\) Although newcomers who participated in the Business Mentorship Program did not come under investor class immigration, admission into the program required a $135,000 investment into a local business.
Most important for Nova Scotia, immigration as a solution to population decline has a direct impact on government revenue and expenditures. According to the Canadian Centre for Policy Alternatives (2006), aging populations like Nova Scotia increase the burden of funding social services such as health care because without increases in revenue generated by a youthful working population the province’s tax base diminishes. Immigration is also important because population is a significant indicator of how much money provinces receive from the federal government in the form of what is called ‘transfer payments’. In addition to generating taxable revenue, transfer payments greatly contribute to healthcare spending, social services and social assistance, education and childcare (Nova Scotia Department of Finance, 2006).

“Population is a significant factor in the calculation of federal transfer payments, which are another source of provincial revenues. Most recently, the province was obliged to repay $170 million in equalization payments and $23 million in Canada Health and Social Transfer (CHST) received between 2000–01 and 2003–04 when the 2001 Census reported a decrease in Nova Scotia’s population and share of the Canadian population.” (pg. 6)

(Hornberger, 2005:a)

Without viable social services or economic opportunities, newcomers and the existing population are not motivated to stay (Green & Green, 1999), illustrating why decreased government spending on its citizens impacts immigration initiatives. As a result the government becomes responsible for increased social spending out of a decreasing amount of available tax dollars because the population of tax-paying citizens and federal transfer payments have declined.

In 2004-2005 and 2005-2006, Nova Scotia underestimated its surplus revenue by $283 million (5.1%) and $191 million (3.1%) respectively. The benefit for the provincial government in underestimating surplus revenue is that it is permitted to allocate funds without “democratic public debate about how funds should be allocated to meet citizen’s priorities”, effectively alleviating any pressure that may be imposed on the government to address poverty or social
services (Canadian Centre for Policy Alternatives, 2006, pg.4). Underreporting surplus revenue, in conjunction with having a fiscally cheap immigration strategy was a convenient way for the province of Nova Scotia to balance its budget and reduce its deficit. This is particularly relevant when Nova Scotia’s population decline resulted in its having to repay $170 million in equalization payments and $23 million in Canada Health and Social Transfer (CHST) [that it] received between 2000–01 and 2003–04 when the 2001 Census reported a decrease in Nova Scotia’s population and its share of the Canadian population (Province of Nova Scotia, 2005b).

However, rather than see immigration as the strategic economic growth initiative that it is, the government of Nova Scotia chose to take the most cost effective approach, placing the entire financial cost of immigration on the newcomer and reaping the benefits of $65 million that sat in government bank accounts, incurring interest that totalled $5.4 million (Office of Auditor General, 2008). This is in line with an ideological approach toward immigration which emphasises offsetting associated costs with fees charged to newcomers. According to Simmons (1999), keeping immigration fees high reinforces the agenda of an immigration policy to attract wealthy, foreign investment in Nova Scotia

Social Inclusion in Nova Scotia

As the source countries of newcomers have shifted from primarily white, European immigrants to countries such as China and India, Canada has been confronted with the issue of racial intolerance and discrimination. According to Li (2003), the Canadian public is becoming increasingly intolerant of visible minority newcomers, despite the fact that approximately three-quarters of all immigrants are racialized. This is because of a fear that those who are perceived as
“different” will alter Canada’s core values and diminish Canadian culture while immigrants who are white or European will be more readily integrated into the receiving community (Li, 2003). This is illustrated by the rate of socio-economic inclusion of newcomers from traditional source countries in Nova Scotia. While previous cohorts have enjoyed a higher than average quality of life in the province, increasing levels of racialized newcomers to the province had coincided with an overall decrease in social inclusion, labour market integration and international credential recognition.

Nova Scotia as a whole is less racially diverse than the Canadian average with visible minorities in the province accounting for 4% of the total population as opposed to 16% nationally (Statistics Canada, 2007a). However, Halifax is far more homogeneous than other second-tier cities such as Winnipeg (15%) and Ottawa (16%) with only 7.5% of the population identifying as visible minorities (Statistics Canada, 2008a). The relative racially homogeneous nature of Nova Scotia has a direct impact on the way visible minority newcomers are perceived in every aspect from labour market integration to social inclusion. One Muslim woman stated, “There is hidden racism. You can’t see it, but you feel it. It’s very hard to have “real” interaction with Canadians — with my hijab/face/accent, people pre-judge me as fanatic.” (Nova Scotia Office of Immigration, 2006a, pg. 17)

According to Flint (2007), many newcomers in Colchester County3 NS, reported feelings of exclusion pertaining to their status as a member of a racial minority or having an accent. This “difference” impacted the willingness of employers to hire them. In particular, female visible minorities newcomers who were more likely to feel judged by their “different” appearance did

---

3 Colchester County is approximately 1.5 hours outside of Halifax. Its largest city, Truro has a population of 11,410 with a visible minority population of 645. Approximately 565 residents identify as newcomers, however, only 45 immigrants settled in the region between 2001 and 2006 (StatsCan Community Profiles 2006: Truro).
not feel included as a member of the community, even if their spouse was white Canadian. Only eight of thirty respondents reported that they had made friends with the general public and the overriding consensus was that native residents were kind and polite, but kept newcomers at a distance, socially. For many newcomers, this contributed to feeling of social isolation and exclusion. One female newcomer stated the following about life in rural Nova Scotia:

"People in this region are very enclosed. They tend to judge you, to classify you. As a foreigner you are an invader and have no right of any kind here. I think that people tend to just see your appearance, the way you look, and they form their idea of who you might be. So people just acquire this level of thinking: 'I don’t really want to make so much connection with this person.' Canadians are hard to make friends with. You say “hi” or whatever, and that’s about it."

(Flint, 2007, pg. 10)

While it is easier to attribute exclusion to the fact that Colchester County is not a large urban centre, many newcomer women in Halifax, particularly those who are members of racial minorities discussed similar discrimination they experienced as newcomers in Nova Scotia. Many reported having difficulty accessing housing⁴, are excluded due to dress and/or appearance, have children who are subjected to teasing at school, have reported having to change “ethnic” names on resumes in order to get noticed by employers and a reluctance of employers to place visible minority newcomers at the front lines of client services because they may “scare clients away” (Nova Scotia Office of Immigration, 2006a). The exclusion of newcomers is particularly relevant as newcomer source countries are shifting toward increasing the number of visible minority newcomers, and with the majority of newcomers to the province identifying as non-white being on the receiving end of racial and cultural discrimination is on the rise.

According to Elizabeth Mills, Executive Director of the Office of Immigration, immigrants and visible minorities face systemic discrimination that needs to be addressed through funding

---

⁴ Hornberger, C. (2005:a) reported that landlords will charge newcomers for an entire year’s rent up front.
diversity training for employers (Canadian Broadcasting Corporation, 2007b) thus, the inequity experienced by visible minority newcomers is felt in all facets of life, from employment, to renting an apartment, to being socially accepted as a member of the community. According to Eunice Abaga, a Kenyan international graduate of Dalhousie University, despite graduating with an English degree, she was often asked by employers when she learned to speak English; a question she attributes to being a black newcomer in Halifax (Canadian Broadcasting Corporation, 2007b).

Nova Scotia is taking steps to address the social and economic exclusion faced by visible minority residents and newcomers through anti-racist initiatives funded by community organizations and the provincial government and municipal governments. The majority of these initiatives are through programs provided directly in the community as opposed to measures entrenched in policy and law. In Canada, 87.8% of anti-racist programs are facilitated through public education, in Nova Scotia this is done through a combination of public education, and community and labour organizations. According to Cassin & Krawchenko (2007), due to the relatively multicultural nature of Nova Scotia in relation to the other Atlantic Provinces, comparatively speaking, “the NS provincial government is probably the most involved with anti-racism initiatives” (pg.29). However, in conjunction with addressing racism and discrimination in Nova Scotia, the province needs to fund settlement services in rural and urban communities to facilitate the integration of newcomers in the community, to establish links within the newcomer community and provide women, particular, with guidance into the labour market (Nova Scotia Office of Immigration, 2006a)
Fiscal Allocation of Settlement Services Funds

While labour market participation comparable with newcomer’s education and experience tends to be the key driver in the retention of newcomers in second-tier cities, it is also essential that comprehensive and effective settlement services are promoted upon arrival to foster an inclusive community environment. Such initiatives include access to “affordable housing, educational opportunities for themselves and their children and a vibrant community with cultural activities and recreation” (McIssac, 2003, pg.6). Inclusion, according to McIssac, encompasses participation in the community’s social and political spheres of everyday life, establishing and solidifying connections to the new home.

Having ample funding for settlement services is essential for the retention of newcomers. Funding enables community organizations and settlement groups to assist in language acquisition, provide career advice, provide newcomers with valuable community and social links, and aids in increasing cultural awareness of both the newcomer and the receiving community. This is particularly essential when research has shown that as the rate of immigration increases from non-traditional source countries in relatively homogeneous regions such as Nova Scotia, newcomers are often faced with attitudes of intolerance and excluded from the receiving community (Radford, 2007). Thus the need for effective settlement services is essential, particularly as Nova Scotia struggles with such high rates of out-migration and low rates of retention. High levels of out-migration impact settlement services because federal funding of settlement services is based on population and demand, without the numerical population base, Nova Scotia cannot justify its need for federal funding of settlement services. Between 1995 and 2003 the numbers of newcomers who immigrated to Nova Scotia dropped nearly 60%. As a result, federal funding for settlement agencies decreased, forcing the province
to invest in settlement service delivery as opposed to relying on federal funds. However, recently, the federal government has offset such costs via short-term funding incentives (Province of Nova Scotia, 2005a) and as Nova Scotia increases its newcomer population, funds have increased substantially.

In 2002, the British Columbia Coalition for Immigrant Integration released a report on the effectiveness of Federal funding for provincial immigration initiatives aimed at addressing language and settlement challenges for the 2000-2001 fiscal years. Despite performing relatively well in the settlement sector, Nova Scotia received an overall grade ‘D’, the fourth lowest score for provincial settlement service and language offerings in the country. Overall, Nova Scotia’s rating was the third best in the country, but still far behind the performance of Manitoba which has the highest rating for newcomer services in Canada (BC Coalition for Immigrant Integration, 2002). According to the Coalition, “Service providers report that there is not enough funding for employment programs, bridging programs, specialized health related programs” (p.2). They concluded that ineffective settlement initiatives would greatly exacerbate the already high rate of secondary migration.

In 2002, when Nova Scotia founded its provincial immigration strategy, the provincial government invested less than $75 thousand dollars or roughly eighty cents per resident on social services and community development (Canadian Centre for Policy Alternatives, 2006). On September 9th, 2005, Nova Scotia’s immigration minister announced the allocation of $1.5 million in immigration spending, which was an increase of over fifty percent of the previous year’s spending with a special emphasis on settlement in rural regions, language training and labour market integration (Government of Nova Scotia, 2005). Recently, spending on settlement services has increased to a total of $1.8 million in 2007-2008, however, programs are being cut
back in rural areas such as Colchester County and service delivery is being concentrated in a select few immigrant serving agencies (Nova Scotia Office of Immigration, 2008b).

Chapter 3: The NSNP: A Made in Nova Scotia Solution

“Nova Scotia welcomes and embraces immigrants, recognizing the important contributions they make to our social, economic, and cultural fabric. The Government of Nova Scotia will take a lead role in engaging and working with partners to attract, integrate, and retain immigrants.”

(Nova Scotia Office of Immigration, 2007b, n.p.)

Nova Scotia’s Provincial Nominee Program (NSNP) came into effect in 3 phases; first its development and implementation by the Department of Economic Development, the second was the signing of the Canada-Nova Scotia Agreement on Provincial Nominees in 2002 and the third phase was the renewal of the federal-provincial agreement in 2007. Initial development of the NSNP fell under the mandate of the Office of Economic Development, in conjunction with then immigration minister, Denis Coderre and Minister of Economic Development, Cecil Clarke. These initiatives reflected Nova Scotia’s desire to achieve greater autonomy in selecting newcomers that fit with their unique, regional economic and labour market needs under the stewardship of the federal government. Jane Purves, then Education Minister of Nova Scotia, was named minister of immigration (Nova Scotia Office of Economic Development, 2002).
With the strong fiscal incentive of increased federal transfers, an opportunity to generate tax revenue through increasing the workforce and stimulating economic growth, developing an immigration strategy made sense.

According to the department of Citizenship and Immigration Canada, numerous initiatives were established to enhance the federal government’s Immigrant Investor Program (IIP), a division of the business class category, to benefit provinces and territories though the “total gross allocation in 2004 of $211 million…to fund activities intended to increase or maintain employment opportunities for Canadians in those geographic areas by stimulating economic activity” (Citizenship and Immigration Canada, 2005b, n.p.). This was achieved by expediting 1,000 investor applications that were waiting to be processed. In no way was Nova Scotia’s nominee program permitted to develop a provincial strategy that operated on the basis of attracting international investment (Government of Canada, 2008) as federal immigration laws require partial ownership and management of a business in order to qualify under a provincial nominee program as opposed to simply investing money in a private business or company.

The federal government’s Immigrant Investor Program illustrates the financial benefits available to provinces and territories by emphasising personal capital as a criterion for selecting immigrants. It is evident that the economic development of provinces and territories is not something the federal government wishes to directly fund; rather, it selects immigrants who, by virtue of their net worth, are able to fund Canada’s economically strapped regions. In 2006, CIC increased net allocations to $711 million to provincial governments because of funds generated under the new IIP (Government of Canada, 2008). This greatly benefitted the province of Nova Scotia. Because of this initiative, it received large amounts of federal government funding to develop a provincial nominee program.
Overall, immigration in Nova Scotia was a Conservative government led initiative that coincided with a period of reduced public spending and an emphasis on a balanced budget. As previously noted, Nova Scotia’s provincial strategy of balancing the budget alongside the lowest public spending and highest immigration fees in the country reflect McIssac’s (2003) point that regional immigration in second tier cities cannot be a quick fix to economic decline. The province needed to invest in a comprehensive and effective immigration strategy, but it effectively allowed the entire program to stagnate. According to the Chronicle Herald (2007), “The current minister, Len Goucher, admits the program was not a priority for government back in 2002. There are reports that some businesses saw the program as an easy way to collect $80,000” (n.p.).

Initially, the NSNP contained three streams for admission: the economic stream, which focused on placing skilled newcomers with business acumen and a high net-worth in mentorship positions with various businesses throughout the province (now widely known as the Business Mentorship Scandal- to be discussed later); the skilled worker stream, which admitted those with an offer of employment from a local business and the community identified stream for those who would otherwise not qualify for the prior two streams, yet have an established connection to a specific community, are employable and have met language, financial, age and education requirements. Partnering with the federal government in 2002 and renewing the NSNP in 2007 was essential if the region wanted to act on its commitment to create a sustainable immigration initiative which would have a positive socio-economic impact.

During the early part of the NSNP, immigration rates in Nova Scotia were minimal. The initial phase of the provincial agreement with Citizenship and Immigration capped the annual number of nominees at three hundred; however, far fewer were admitted. Between 2002 and
2003 a combined total of 44 individuals were issued certificates under the NSNP, though in 2005 and 2006, NSNP admissions accounted for 303 and 400 newcomers, respectively (Nova Scotia Office of Immigration, 2007b). Overall, although admissions have steadily increased, they still only account for a fraction of the overall rate of newcomer admissions to the province, whereas in Manitoba, as of 2005, provincial nominees accounted for approximately 80% of all newcomers (Citizenship and Immigration Canada, 2007a).

In 2005, the province developed the Office of Immigration (OOI), effectively streamlining the bureaucratic processes that were spread amongst the various stakeholders in the agreement which had included the departments of Education, Tourism, Culture and Heritage, and Economic Development, illustrating a highly decentralized approach to the NSNP. The mandate of the OOI reflected not only the economic benefits of increasing immigration to the region but also recognized the humanitarian imperative of integrating newcomers into the community and labour market. Thus they established a four-pronged vision illustrating their policy:

1. **Responsible**: balancing Nova Scotia’s economic needs via those who are likely to succeed with its humanitarian obligations
2. **Community-based, Nova Scotia Approach**: providing various communities throughout Nova Scotia with autonomy in attracting newcomers that best fit their needs
3. **Fair and Inclusive**: creating socially and economically inclusive environments
4. **Accountable**: maintaining annual reports detailing targets and achievements (p. 6-7)

(Nova Scotia Office of Immigration, 2005a)

According to the Nova Scotia Office of Economic Development, the NSNP was developed as the main tool for attracting newcomers to the region through its expedited process of admission which greatly reduced waiting times for traditional applicants. Overall processing times range between 12 to 15 months allowing approximately three months for the application to be deemed successful under the NSNP’s mandate and 9 to 12 months for visa approval by Citizenship and Immigration Canada to determine eligibility based on background and health checks. This is in
contrast to federal applications for admission which can take years for processing (Citizenship and Immigration, 2008). According to Citizenship and Immigration Canada, processing times for Permanent Resident applications vary widely, however, average processing times (80%) overall are thirty-seven months with Bucharest’s 12 month wait time at the low end of the scale and New Delhi with a 70 month wait at the highest end of the scale. Such enormous wait times at the federal level make immigration to non-traditional regions of Canada highly attractive for newcomers who simply cannot afford a typical three year wait for permanent residency status. (Citizenship and Immigration Canada, 2006)

Nova Scotia attracts newcomers in three primary ways. First, Nova Scotia promotes the province’s quality of life through an informative provincial website developed by the office of immigration that educates prospective immigrants on what they can anticipate in terms of employment, culture, traditions and lifestyle; second, it integrates promotion of Nova Scotia with tourism initiatives and finally, it contracts with private corporations to promote Nova Scotia overseas. In addition to the Office of Immigration’s website, Brand Nova Scotia, a provincial initiative that encourages Nova Scotian expatriates to return home as well as attract and educate newcomers about the NSNP, has a comprehensive online promotional initiative. Brand Nova Scotia advertises across Canada and since 2003 overseas in Germany, Japan and the United Kingdom under the auspices of the Atlantic Canada Tourism Partnership (ACTP) (Communications Nova Scotia, 2007) and has been present at overseas immigration fairs located in Scotland, France, England and the Netherlands. (Nova Scotia Office of Immigration, 2006b). By promoting immigration to Nova Scotia through tourism initiatives, the province is able to promote the region as not only an attractive place to visit, but a desirable place to settle. As of
2008, the province is spending $20 million on marketing and $6.6 million on advertising in key markets (Communications Nova Scotia, 2007).

Nova Scotia has also used private companies to promote the province as a destination of choice overseas. Until 2006, this included Cornwallis Financial Corporation (the same corporation responsible for managing the business mentorship program). According to Huang (2007), Cornwallis Financial Corp. was responsible for ensuring that immigration officials overseas actively promoted Nova Scotia as a destination of choice however, he noted that Nova Scotia’s overseas immigration campaign was poorly coordinated between governments in Atlantic Canada and third party contractors, such as Cornwallis. According to Huang (2007), such efforts yielded little positive results due to a lack of ability in dealing with the demand for overseas resettlement in Canada. Cornwallis’s role was to promote immigration to Nova Scotia in China, which ended in 2006 (Huang, 2006).

According to Citizenship and Immigration Canada (2007b), establishing the NSNP would not only permit the province to select newcomers on the basis of economic benefit to Nova Scotia, “including (…) economic considerations, long-term regional growth and community development” (n.p.) but it would further the federal government’s agenda of dispersing landed newcomers in non-traditional destinations and creating conditions conducive to long term settlement and integration. The combined incentive of federal support as well as the economic conditions fostered by immigration is why the Nova Scotia embarked on an immigration initiative (Citizenship and Immigration Canada, 2007b). While it is evident that Nova Scotia needed newcomers to generate foreign investment and address demographic challenges, the provincial government did not take the steps necessary to facilitate a commitment to long-term immigration. In the first phase, the NSNP essentially stagnated, yielding few results in terms of
settlement and retention. Although the program became fully operational in 2003, according to the federal government, the PNP did not admit a single applicant that year and increased admissions to a total of 64 in 2004, or the admission of only 1 in 25 applicants (Citizenship and Immigration Canada, 2005b). According to Huang (2007), the program did little to recruit and attract interested overseas applicants, particularly in China which is one of the region’s top source countries.

**Attraction**

According to the 2008-2009 Office of Immigration Business Plan, the number of newcomers to Nova Scotia increased by 68% over the 2004 to 2006 period. It states that the NSNP “has made a significant contribution to this increase” (Nova Scotia Office of Immigration, 2008:a, pg.3), yet according to Citizenship and Immigration, landings declined slightly in 2007 (Citizenship and Immigration, 2007a). According to Citizenship and Immigration, The provincial nominee program has the potential to support efforts to encourage immigrants to settle outside Canada’s three largest cities. Allegedly, Nova Scotia’s strategy is having a positive impact. According to a 2007 report in the Chronicle Herald, 74% of the increase in the number of newcomers to the area is attributable to the NSNP and despite the controversy surrounding the business mentorship program, an estimated 414 nominees arrived in Nova Scotia during 2006, an increase of 58% since 2002 (Erskine, 2007)
As of 2006, NSNP nominees represented 33% of all newcomers to Nova Scotia, which accounts for an overall increase of 164% above the previous year (Nova Scotia Office of Immigration, 2005) illustrating that the NSNP is increasing its capacity to attract newcomers. A breakdown of all admissions is as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Economic Class</td>
<td>1220</td>
<td>1769</td>
</tr>
<tr>
<td>---Business</td>
<td>122</td>
<td>114</td>
</tr>
<tr>
<td>---Skilled Worker</td>
<td>772</td>
<td>792</td>
</tr>
<tr>
<td>---Nominee</td>
<td>326</td>
<td>863</td>
</tr>
<tr>
<td>Family</td>
<td>461</td>
<td>510</td>
</tr>
<tr>
<td>Refugee</td>
<td>202</td>
<td>217</td>
</tr>
<tr>
<td>Other</td>
<td>46</td>
<td>89</td>
</tr>
<tr>
<td>Total</td>
<td>1929</td>
<td>2585</td>
</tr>
</tbody>
</table>

(Nova Scotia Office of Immigration, 2006d)

Differences in provincial government data could not be accounted for. While the variation in the province’s own data appears marginal, it is evident that the NSNP has been underutilized from its inception through to renewal. However, the majority of newcomers under the NSNP are admitted as economic stream applicants as participants of the business mentorship program, emphasising the attraction and admission of newcomers with capital. According to the Auditor General (2008):

“In the past three years, 87 percent of the 1621 families that immigrated to Nova Scotia applied under the NSNP economic stream, contributing more than $140 million to the Nova Scotia business community.” Furthermore, the NSNP “…allowed a total of 200 nominees per year over five years in all nominee program streams. If even half the nominees were in the economic stream, this could have resulted in up to 500 nominees, each paying $135,000 for up to a total of $65 million flowing through (Nova Scotia’s) trust account.” (pg.19)

---

5 According to the NS Office of Immigration (OOI), 23, 117, 303, 400, 405 nominee certificates were issued each year in 2003, 2004, 2005, 2006 and 2007, respectively. This contradicts the NSOI Fact Sheet which states that 326 and 863 nominees immigrated to Nova Scotia in 2005 and 2006, respectively. Since both resources are generated by the NS OOI, the reason for this disparity is unclear.
Recent developments, such as the elimination of a previous cap on NSNP admissions that allowed just 300 nominees per year has increased the NSNP’s capabilities of attracting newcomers, making the program more accessible. However, it does not sufficiently explain why the NSNP admitted such low numbers of newcomers between 2002 and 2004. With only 443 nomination certificates issued between 2003 and 2005 (Nova Scotia Office of Immigration, 2006d), the program missed its target of three-hundred provincial nominees per year by approximately 50%. Despite the proportionately low immigration numbers attributed to the NSNP, and the province overall, Nova Scotia views the nominee program as the “primary immigrant attraction tool (Nova Scotia Office of Immigration, 2008c) with capacity to increase immigration to Nova Scotia by 3600 newcomers per year and 70% retention by the 2006 to 2001 census periods (Nova Scotia Office of Immigration, 2008a). In 2006, there was a 34 per cent increase in the total number of newcomers landing in Nova Scotia over the previous year and the NSNP has been credited with this success. Between 2004 and 2006, the number of new immigrants arriving in Nova Scotia increased: 1,770 in 2004; 1,929 in 2005; and, 2,580 in 2006 (Nova Scotia Office of Immigration, 2008a). According to Citizenship and Immigration Canada (CIC) data, the Nova Scotia provincial nominee program has contributed to this increase as more than 850 permanent residents (including family members) arriving in Nova Scotia in 2006 were selected through the NSNP (Citizenship and Immigration Canada, 2007). While is increasing the number of newcomers it is attracting to the region, whether or not it can achieve its goal retention rate of 70% is uncertain.
According to Akbari (2005), Nova Scotia places a high priority on attracting newcomers that already have an established community within Nova Scotia as a means of increasing retention rates while freeing the government from having to invest in settlement services. Because family ties are often cited as a reason for permanent settlement, a strong emphasis has been placed on the admission of those who can fit into an established community in Nova Scotia, such as Lebanese, Jewish and Korean immigrants (Nova Scotia Office of Immigration, 2005c). This becomes contentious because Nova Scotia is allegedly working to attract immigrants from non-traditional source countries, yet wants to attract those whose integration is possible because of an existing community, rather than educating native born Nova Scotians to adopt anti-racist and non-discriminatory practices through investing in settlement services and raising community awareness. As the traditional source countries of newcomers to Nova Scotia are shifting, addressing retention will be further complicated by the diminishing reliance the province has placed on existing networks to retain its newcomer population.

The shift in source countries further evidences the need to allocate settlement funds that will work toward combating discrimination and the mentality in Nova Scotia that newcomers are stealing jobs and are socially different. Such stereotypes exacerbate economic and social exclusion in the community, illustrating the importance international credential recognition affords recent newcomers with the opportunity to escape marginalization. As mentioned, underemployment is a major contributor to Nova Scotia’s high outmigration rates of both its native and newcomer population. With such a low visible minority population in Nova Scotia, coupled with the increasing settlement of racialized newcomers from non-traditional source countries, educating the public should be a high priority. According to the 2008-2009 annual progress report, the community must “[e]ncourage immigrants to stay in Nova Scotia by
working with business, labour and other partners to address barriers to social and economic inclusion that prohibit them from finding meaningful work and making Nova Scotia their permanent home” (Nova Scotia Office of Immigration, 2008a, p.7). The language is vague, as is how the government plans to achieve this, leaving the likelihood of increasing retention rates questionable, at best.

As of June 2008, Nova Scotia’s immigration minister, Len Goucher stated that the retention rate in Nova Scotia is currently 63% (Taplin, 2008), a debatable claim since in 2008, the Auditor General concluded that, in regards to the business mentorship program, Nova Scotia failed to introduce a means of tracking the retention of its participants, did not contact either nominees or the host business during the employment contract and is overall incapable of deriving a conclusive retention figure. This is echoed by New Democrat Party (NDP) immigration critic, Leonard Preyra who states that although Nova Scotia can claim this figure, the “success” of the province’s immigration policy is debatable as it remains substantially below the retention rates of both New Brunswick and Manitoba at 75% and 80%, respectively (Preyra, 2008). Manitoba is upheld as the gold standard for second-tier immigration in Canada. With a comprehensive and aggressive nominee program, Manitoba has managed to attract and retain large numbers of newcomers since its inception in the late 1990’s. While Manitoba and Nova Scotia shared a similar starting point in terms of attracting similar numbers of newcomers in 1995, (3605 & 3589, respectively), Manitoba continued to experience tremendous growth in attraction rates while maintaining a retention rate of approximately 78% for the decade 1991-2001 while Nova Scotia’s figures declined substantially in both attraction and retention (Province of Nova Scotia, 2005b).
Outlining the parameters for business class investment immigration is important in illustrating why this category exists in the first place. Often criticized as buying citizenship, Li argues that such claims are not so straightforward. Accusations of purchasing citizenship may highlight the relative ease with which the wealthy attain permanent resident status in Canada but it does not acknowledge the potential for exploitation encountered by business class immigrants. According to Abu-Laban & Gabriel (2002), immigrants under the business class are not exempt from settlement challenges such as language acquisition, foreign credential recognition or attaining employment that corresponds with their education and/or training. Wong (1993) and Wong and Netting (1992) question the benefits of business class immigration for the newcomer, highlighting challenges of racism, exclusion and marginality (Abu-Laban, 2002). This is supported by Nova Scotia’s business mentorship scandal that resulted in potential immigrants “investing” $130,000 in what transpired as unsuitable mentorship agreements in order to gain Canadian experience.

There is to date no academic literature pertaining to the Nova Scotia Business Mentorship Program, therefore, much of the information about the program was generated from media reports, provincial government documents and phase 1 of the Auditor General’s report, released in June of 2008. The media in Nova Scotia, namely the now defunct Daily News, was largely responsible for bringing this issue to light, challenging the government about the failed program and demanding answers. The provincial government chose to discredit allegations that the termination of the Business Mentorship Program was due to inappropriate service delivery,

---

6 In 2007, Metro News purchased and renamed the Daily News. Many of the Daily News’ reporters involved in the uncovering of the business mentorship scandal are now employed by Metro News.
rather, they stated that it ended because “the province’s quota of business immigrants is full” (Huang, 2007, pg.12).

The Business Mentorship Program which was a component of the now non-operational Economic Stream was previously established for those aged twenty-five and older who have held managerial positions and had a net worth of over $300,000. Allegedly, the program was to match nominees with a business of their choice in Nova Scotia (Province of Nova Scotia, 2005c), providing participants with valuable Canadian experience at a cost of $130,500 (reduced to $130,000 in 2004). Nominees paid their own salary, totaling $20,000 for a six month period and the host business received $80,000. Approximately $30,000 was paid to the provincial government and Cornwallis Financial Group, the company hired in 2002 by Nova Scotia’s Office of Economic Development to run the program (Office of Auditor General, 2008). Approximately 806 newcomers paid the fees, yet just over 200 participated in mentorships with local businesses because many nominees were unable to find suitable mentorships that reflected their experience or were unable to do so within the limited timeframe of 1 year. Of those who participated, many were either placed in inappropriate positions that did not reflect their skills and/or education and many reported not being placed into positions that reflected the program’s entry-level management requirement.

The Nova Scotia auditor general’s report (released in June 2008), states that the majority of placements newcomers received under the business mentorship program were inappropriate, despite the fact that as early as 2005 critics of the program had argued that the $100,000 that the mentorship companies received from the newcomer could have been put to more beneficial use. According to the Nova Scotia Office of Immigration (2005), “some participants” (stakeholders) felt as though these funds could have been more beneficial if the newcomer could use them to
establish a business. This was refuted by business owners who felt as though “…the stream offer[ed] a good opportunity for succession planning”, meaning that the mentorship would have better prepared the participants for full entry into the labour market as opposed to not being given the opportunity to gain Canadian business experience prior to entering into the labour market (pg.5). However, it is apparent that the provincial government viewed these funds in a different light. According to a report by the province of Nova Scotia (2005c), issued the same year as the Immigration Consultation Report, “having the immigrant cover the employment and mentorship costs also encourages businesses to hire them, and is a sign of the immigrant’s commitment to stay and succeed in Nova Scotia” (Province of Nova Scotia, 2005c, pg.3). It is unclear as to how squandering $135,000 in an ineffective mentorship would encourage newcomers to stay, particularly when there was vocal criticism of the appropriation of these funds.

The rationale of the program was to enable the newcomer to learn “Canadian standards” and gain work experience (Hornberger, 2005a), instead, many newcomers ended up being coerced into positions that did not reflect their skills or education. Most notable is the case of Ali Shirazi, an Iranian plastic surgeon who found a position working on computers at a car dealership. With the one year deadline for the mentorship approaching, he took the position; a move he now regrets. According to Shirazi, “To be a plastic surgeon working at a car dealership—it’s crazy…. I have made a mistake” (Flinn, 2007a, n.p.). According to Flinn, Mr. Shirazi was ineligible for a hospital placement because hospitals are not businesses, therefore they did not qualify as suitable mentorship hosts. As Nova Scotia scrambles to fill its doctor shortage, Mr. Shirazi (as of 2007) was in the process of obtaining his Canadian medical accreditation and thinking of relocating to Toronto.
What is particularly disturbing about Shirazi’s experience is that Nova Scotia introduced the Residency Refund Option just six months after he began an internship with the car dealership and he was unaware that the government was in the process of reviewing the program and creating an alternative option when he began what he terms “a waste of money” (Flinn, 2007a, n.p.). As for others, they were pressured into mentorships just weeks before the province announced the residency refund option, raising speculation that the government wanted as many nominees to begin their mentorship because it would render them ineligible for the refund program (Flinn, 2007a). According to one participant:

The Office of Immigration “…pressured his wife into accepting a pricey six-month mentorship with a Dartmouth sandwich shop a few weeks before it began refunding money to immigrants who had not yet signed a mentorship contract. Kaminaben Patel believed refusing the job would make her ineligible to earn $20,000 in salary that was available through the program, he said. But signing the contract made her ineligible for a $100,000 refund.” (n.p.)

(Flinn, 2007)

That the program continued to operate while under review is particularly troubling, especially amid reports that questioned the allocation of funds and whether or not they benefitted the nominee (Nova Scotia Office of Immigration, 2005d). The refund, totaling $100,000 was created for those who could prove that they had been living in the province for 12 consecutive months with their dependants and did not participate in a mentorship (Province of Nova Scotia, 2007f). Even if nominees signed a business contract but had not initiated their mentorship, the contract would render them ineligible for a refund. In order to qualify, they had to provide additional proof of employment and verification of settlement such as utility bills, rental and/or tuition receipts, and/or verification from an existing community member (Province of Nova Scotia, 2007f). Thus far, approximately 75% of the 806 participants are eligible for the refund, though the auditor general is hoping that this will increase (2008). Currently, Nova Scotia’s
government is facing pressure from Liberal and New Democrat opposition parties to reverse the fees for all participants who remain in Nova Scotia although premier, Rodney MacDonald is holding firm that no additional participants will receive compensation (Erskine, 2007).

According to the CBC, government officials were unaware that participants were unhappy with the program or their placements because no one complained. Executive Director of the program, Elizabeth Mills stated that if neither the newcomer nor the business notified the government, how would they know people were unhappy (Canadian Broadcasting Corporation 2007c). It is surprising that Mills would think that a company that is receiving $80,000 for their participation would complain or would a newcomer who may have concerns as to his or her right to remain in the province were they to address their concerns to the government or discontinue the program. The companies that participated in this program benefitted from a major financial injection and many newcomers were not presented with an alternative to the program. As Shirazi stated, he filled out a form detailing his experience with the mentorship but no one contacted him during or after his placement (Flinn, 2007a).

Allegations that mentor companies were chosen due to links with the Conservative government surfaced and at least four had direct links to Cornwallis’s CEO, Stephen Lockyer. According to Flinn (2007), two companies with direct links to Cornwallis were Line 4 Communications which had the same mailing address as, and was sold by Lockyer’s Armshore Investment Ltd., and Aberdeen, of which Lockyer served as chairman in 2002. The reason this is a conflict of interest is because mentor companies benefitted from an injection of $80,000 from each mentee they took on, raising questions as to the purpose of the program; to generate investment that would help to create jobs for all Nova Scotians or the private profit of friends of the Conservative government. According to the Auditor General, the type of businesses that
qualified as mentors fell under strict guidelines, leading to challenges in procuring suitable candidates. Under qualifying regulations, the company could not be publically traded, could not be government funded or from the not-for-profit sector, must have a minimum of five employees, offer a position in middle-management and have only one mentee each year (Office of Auditor General, 2008). According to the Brian Flinn (2007a), companies that did qualify were a Subway restaurant, a fish-and-chip takeout, a gas station, six car dealerships and a Laundromat (Flinn, 2007b). According to the auditor general, fourteen of the sixteen mentoring companies were deemed “inadequate” to host newcomers (Office of the Auditor General 2008). After a much publicized scandal surrounding the program which essentially cost participants $100,000 for what amounted to be inadequate mentorships, the economic stream was put on hold until “late Fall, 2007”, although to date, its restoration has not been done. Because neither the Office of Immigration nor Cornwallis Financial Corp. contacted participants once the mentorship ended, nor was the program officially evaluated by time the Auditor General’s report was published in 2008, it is difficult to ascertain how the province is justified in constructing a positive outcome of the program for the local media. Further inhibiting a critical analysis of how Nova Scotia’s Office of Immigration was able to come to the conclusion of alleged success is the fact that the Atlantic Provinces Economic Council, the think-tank organization responsible for the data collection and transmission of the Office of Immigration findings charges a substantial fee of $20 for members of the public who wish to review its report (APEC Publications, 2008). By preventing the general public from reviewing this source, how the province reached its conclusions is obfuscated.
A recent report by the Atlantic Provinces Economic Council (APEC) revealed\textsuperscript{7} that despite media reports that the business mentorship program has tarnished Nova Scotia’s reputation as an attractive destination for newcomers, the program aided in significantly increasing immigration to the region, citing a 77\% increase in the overall immigration rates since 2002 and that the program was responsible for 74\% of the total number of newcomers to the region (Taplin, 2008). It is questionable as to how the province could determine that the business mentorship program was this successful as the Auditor General’s report, also in 2008, stated that Nova Scotia had failed to put in place any comprehensive tracking measures of participants in the program because it felt it was unnecessary despite the fact that section 7.2 of the federal-provincial agreement states, “This will include tracking of provincial nominees to Nova Scotia for a minimum of five years from their date of entry, as a basis for assessing the effectiveness of targeted recruitment and integration and retention activities” (Office of Auditor General, 2008).

That Nova Scotia attempts to portray its nominee program in the best possible light is nothing new. The majority of data from governmental sources that were reviewed contained glowing data as to the successes of the NSNP, despite the fact that it has performed poorly. In 2006, the Office of Economic Development stated that “Since the Office of Immigration was established, nomination numbers have increased significantly with 400 nomination certificates being issued in 2006, compared to less than 25 in 2003 (Figure 2). Immigration intake numbers are also on a steady increase. Much of this increase can be attributed to the nominee program” (Nova Scotia Office of Economic Development, 2006, n.p.). However, recalling prior statements attributing increases in the number of newcomers to Nova Scotia to the NSNP, this claim is

\textsuperscript{7} APEC identifies as an “independent think-tank dedicated to economic progress in Atlantic Canada”. For information, see [http://www.apec-econ.ca/Mandate.asp](http://www.apec-econ.ca/Mandate.asp)
questionable. While it is true that the number of applicants under the nominee program have increased substantially, they still only account for 22% of all newcomers to the province.

**Policy Outcomes of the Business Mentorship Program**

After the program failed in 2006, the province introduced the residence refund option. Immigrants wishing to qualify for the residency refund option, which was created as a result of media outcry surrounding the business mentorship scandal, “Must provide documentary evidence satisfactory to the Nova Scotia Office of Immigration that they (and their accompanying dependents) have resided in Nova Scotia on a regular basis for a minimum of 12 consecutive months within 18 months from the date of landing in Canada and that they are still living in Nova Scotia.” (Province of Nova Scotia, 2007e) Thus, qualifying for this option may be seriously impeded if the female spouse, as a “dependant” is unable to participate in the labour market or social sphere and desires to leave the province. In is unclear as to how forcing a family to stay in Nova Scotia is justifiable considering the conditions of their residency, yet it is evident that Nova Scotia remains committed to keeping newcomers in the region, despite the fact that many of them feel as though they did not receive a fair deal in light of Nova Scotia’s botched business mentorship program.

In addition, in 2007, the province introduced the family business stream for those related to business owners in the province with a job offer from said relative; however, this remains external to economic class immigration in Nova Scotia. In 2007, the province went further to introduce the international graduate stream, effectively recognizing the potential of the province’s large international student population (Nova Scotia Office of Immigration, 2006e).
While this also occurred at the federal level, Nova Scotia’s international graduate program expedites the process of retaining permanent residency, but requires an equity investment of $75,000. The province is also designing an entrepreneurial stream that has yet to be implemented.

Economically speaking, increasing international migration to Nova Scotia had the potential to be extremely financially beneficial for the province in terms of addressing the province’s investment needs. Theoretically, the increased revenue generated from immigrants who settle in Nova Scotia would be invested in areas that promoted employment opportunities for the newcomer and the existing population, would generate income and labour market demand, as well as develop an increased tax base via the establishment of businesses, corporations and increased personal wealth. According to Hornberger (2005b), if immigration and retention targets were met, “…the cumulative direct economic impact will be more than $366 million… and direct economic activity will amount to more than $122 million” (pg.9). This had the potential to provide the Nova Scotia with the capacity to develop the local economy through investment in industries such as tourism and offshore oil and gas. However, Nova Scotia’s Business Mentorship Program in payments to privately run businesses and franchises such as six gas stations and a Subway restaurant. As indicated below, the business mentorship program was the most profitable stream of the NSNP which generated enormous amounts of revenue for the province but ultimately did not benefit the province of Nova Scotia or the newcomers who participated in the program. According to the Nova Scotia Auditor General (2008), the total cost of Nova Scotia’s Business Mentorship Program, the primary source of newcomers to the province, was $135,000 per applicant (later reduced to $130,000 and allocated as follows:

- $500 to the province of Nova Scotia
• $100,000 paid to the business mentor company in two instalments of $50,000 of which a minimum of $20,000 would be paid to the mentee
• $20,000 to the immigration consultant (previously $18,000)
• $10,000 to Cornwallis Financial Corporation (pg.7)

(Office of Auditor General, 2008)

It is apparent that Nova Scotia did not recognize the full potential a successful nominee program could have had on the province’s economy. With the business mentorship scandal behind them, Nova Scotia has shifted its priority to entrepreneurial class immigration with a focus on investment. In 2007, Nova Scotia drafted a proposal that would shift the focus away from business mentorships to the creation of investor stream that would again permit Nova Scotia to attract increasing amounts of international capital to provide a valuable injection of investment into the local economy. By imposing financial requirements on newcomers who immigrate to Nova Scotia, the province concludes that the local economy will benefit. Under the entrepreneurial class, to be developed in 2008, entrepreneurs must have a minimum net worth of $400,000 with $200,000 in liquid assets, meaning funds readily available such as those found in bank accounts, and must make a mandatory equity investment of $150,000 in establishing or purchasing a business in Nova Scotia, or in investing in an existing business (Nova Scotia Office of Immigration, 2008c). An additional requirement is to have a minimum of 33% ownership in a business, which distinguishes this program from the business mentorship program.

Nova Scotia has also sought to gain investment from its international graduate stream, arguably eliminating the opportunities for provincial nomination among those without an enormous amount of wealth at their disposal. Although international graduates currently qualify under federal immigration policy for admission for a total of three years after the completion of a
four year post secondary degree, by including international graduates under the revised economic stream, the province is proposing that they make an equity investment of $75,000 with the same provisions for establishing a business (Nova Scotia Office of Immigration, 2008c), despite the fact that international students in Nova Scotia already pay tuition at approximately double the rate of those with citizenship or permanent residence status, effectively injecting an enormous amount of revenue in Nova Scotia’s underfunded universities.

Essentially, Nova Scotia is attempting to attract international investment, while not infringing on the federal government’s Immigrant Investor Program (IIP), which prohibits provinces and territories from engaging solely in accumulating capital from newcomers. By requiring partial business ownership, the province can continue to attract large amounts of international investment. However, those who wish to settle in Nova Scotia based on federal investor class regulations follow federal guidelines pertaining to net worth, which at $800,000 and a guaranteed investment of $400,000 makes Nova Scotia a cost effective alternative because it is less expensive. By integrating investment and entrepreneurship into the NSNP, and increasing the net worth of business owners from $300,000 to $400,000 (Nova Scotia Office of Immigration, 2006a), Nova Scotia stands to generate a tremendous amount of capital from its revised economic stream.
Chapter 4: NSNP Renewal

The renewal of the NSNP came out of a combination of stagnation in the program and the public outcry that surrounded the business mentorship program. Overall, the NSNP accounted for very little immigration to the region between 2001 and 2006. In fact, only 1 in 6 newcomers to Nova Scotia were attributable to the NSNP and this number was only a fraction of the total newcomer population to Nova Scotia during this time period (Citizenship and Immigration Canada, 2005a). Since the majority of nominees were participants in the business mentorship program, the
province and the federal government needed to clarify the mandate of the NSNP and do some
damage control.

In 2007, the Nova Scotia Office of Immigration signed an immigration partnership agreement
with the federal government entitled the “Canada-Nova Scotia Co-operation on Immigration” to
renew Nova Scotia’s Nominee Program with updated retention targets and more aggressive
recruitment initiatives. Overall, the renewed NSNP, under the agreement, would address four key
areas:

1. *Enhanced co-operation between Canada and Nova Scotia in overseas immigration
marketing initiatives, including bringing temporary foreign workers and students to the
province.*

2. *Nova Scotia will be able to nominate more immigrants possessing skills needed in the
province, for quicker processing by the federal government.*

3. *Nova Scotia will be able to address particular social, demographic, economic
development and labour market needs.*

4. *Nova Scotia and Canada will collaborate on information sharing; developing and
implementing strategies to better integrate immigrants into the labour market including
recognition of qualifications.* (n.p.)

(Government of Nova Scotia, 2008)

The renewed partnership with the federal government had a goal of increasing
immigration under the NSNP from 200 a year to 400 in 2007. It also established a 70 per cent
retention rate for the 2006–2011 census period with an average intake of 3,600 newcomers by
work in co-operation with local groups and industry associations to attract immigrants to fill gaps
in the job market and improve the provincial economy, which according to Joe Clark means that
“... successful candidates will enter Nova Scotia with jobs to go to and communities throughout
the province that very much want and support them as residents” (Government of Nova Scotia,
2007, n.p.). What Clark fails to recognize in this statement is the fact that immigrating to Nova Scotia is not a seamless process; newcomers to the province struggle with real challenges regarding socio-economic exclusion, underemployment and discrimination.

While the NSNP is expected to attract large numbers of newcomers to the region, the province of Nova Scotia recognizes the role played by community members, religious organizations, “ethnic organizations” and “regional development authorities” in attracting and retaining newcomers to the region. With so many newcomers destined for major urban centres the government of Nova Scotia feels as though marketing its unique way of life can be a major draw for newcomers not interested in the congestion of big cities, regardless if they have relatives or a compatible ethnic community awaiting them. According to the Province of Nova Scotia (2005b), Nova Scotia offers “…safer communities, quality of life, rich culture, excellent post-secondary education institutions, competitive business climate, strong economy, and accessible settlement services” (pg. 15). It is unclear how promoting the subjective traits of the province can address the contradiction between what it has to offer with the reality that the labour market is not strong, that newcomers tend to be underemployed and the settlement sector underfunded. By raising awareness about the skills newcomers bring along with the struggles they face in having international credentials and experience recognized, is the way the province hopes to double their retention rates. As mentioned, this will also be achieved through increased collaboration with the aforementioned community and development groups alongside an aggressive overseas marketing campaign aimed at promoting Nova Scotia as an attractive destination.

Settlement services are considered essential in reversing high levels of outmigration because they address issues such as community integration, language training and labour market
integration. Not only do settlement services increase an immigrant’s ability to successfully integrate into his or her new community, they serve to integrate the established community through volunteer and fundraising opportunities through which valuable connections and partnerships are created. However, smaller communities such as those dispersed throughout Nova Scotia often struggle with inadequate “institutional and community infrastructure” that assist newcomers to integrate into the community and the labour market, (Radford, 2007), illustrating the challenges faced by rural communities and second-tier cities who wish to attract newcomers but struggle with retention.

Since the inception of the NSNP, funding for settlement services has fluctuated, leaving many rural communities such as those located in Colchester County struggling to fund services that aid in the socio-economic integration of newcomers. In Halifax, funding has also declined despite the fact that the number of newcomers arriving in the city are increasing. With the majority of funding in settlement services concentrated in a few organizations such as the Metropolitan Immigration and Settlement Association and the Halifax Immigrant Learning Centre, the degree to which organizations can address the socio-economic exclusion of newcomers is questionable, particularly in regions outside of Nova Scotia’s capital city. Recent cuts occurred despite the fact that in 2006 the Federal Government increased its funding to Nova Scotia by 58% (Citizenship and Immigration Canada, 2007a). Ensuring that settlement agencies are adequately funded will help to illustrate the degree to which Nova Scotia is committed to making this new agreement work for the benefit of the province, its labour market and its newcomers.
**Economic Class Immigration: Program Evaluation**

According to Green (1999) Canadian immigration policy is centered upon three objectives that address the economic necessities of the country. The first seeks to offset the aging population by increasing the immigration of younger, work-age newcomers; the second is to increase the human capital of Canada’s workforce by admitting those with skills and education, the third is to promote regional, economic growth throughout the country via dispersion of newcomers via provincial nominee programs. This approach is in line with what Simmons (1999) views as the overall mandate of immigration policy from 1989 to the present decade. This is to enhance economic development; immigration policy in this era emphasized evaluating immigrants with the points system, which in effect is to select those who possessed transferable skills. It also focused on economic immigrants with tremendous amounts of wealth to invest in the Canadian economy; to established parameters around family sponsorship that effectively disqualified those without sufficient financial means and promote “cost recovery” (Simmons, 1999) which refers to the monetary amount prospective newcomers must pay in order to immigrate to Canada.

According to NDP leader, Darrell Dexter, it is unclear as to why Nova Scotia continued to charge the highest immigration fees in the country for a program that the government knew was failing (Flinn, 2007). As recently as 2006, the federal government reduced Canada’s immigration fees, most notably in the right-of-landing fee of $975 which was reduced by 50%. Examining the overall federal fee structure associated with immigration yields nothing that comes remotely close to $130,000 and while it is common for nominee programs to have an investment component as a qualifying aspect of participation, this is refundable (Citizenship and Immigration Canada, 2008a).
Nova Scotia’s approach to business class immigration was geared toward having the newcomer fund existing businesses, effectively benefitting the business owners with little long-term gain for the newcomer. As critics argued as far back as 2006, these funds could likely have been put to better use in a manner that benefitted the newcomer, especially when creating business ownership and labour market integration which are so crucial for the retention of newcomers (Hornberger, 2005b). Nova Scotia’s business class strategy also differed from federal regulations in that when a participant invests in a business, he or she must retain ownership of approximately 33% of said business (Citizenship and Immigration Canada, 2006). This enables the newcomer to invest his or her funds in a manner that will benefit them as opposed to generating enormous profits for someone else’s business which is what occurred in Nova Scotia. It also ensures that the newcomers participate in a managerial role within the company as opposed to allegedly participating in a middle management position as an opportunity to gain Canadian experience while in actuality, placing the newcomer in a non-managerial position that was not reflective of their skills and not management, as was the case with many mentorship relationships in Nova Scotia (Office of Auditor General, 2008). It is hard to see how the Business Mentorship Program benefitted the newcomer at all, especially when so few were actually placed in positions that reflected their skills or qualifications. Arguably, the business mentorship program was a form of passive investment because it did not require partial business ownership, a practice afforded to federal investor class immigrants but not allowed under provincial programs.

Because participants of the business mentorship program did not have a permanent position in the management and operations of the mentor businesses, nor were they financial partners, the manner in which the program operated in Nova Scotia is in direct contradiction to
how the federal government regulates economic class immigration at the provincial level. According to federal regulations, no province or territory is permitted to operate passive investment programs. This means that aside from the federal immigrant investor program (IIP), which does not require active participation in the management and/or operation of a business, all provincial nominee programs are expected to have newcomers participate in the active management of said business on a daily basis (Government of Canada, 2008). Unfortunately, provinces and territories have reinterpreted the mandate of the IIP in a manner that is not in line with IIP policy. According to the federal government:

“The problem that has been identified is that the current Regulations have proven to be worded in such a way that they allow the use of PNPs to attract passive investments in exchange for the promise of permanent residency. The current wording suggests that any involvement, however minor, would satisfy the exclusion. It does not define a minimum level of involvement in the active management of the business in which they invest under the PNP”. (n.p.)

(Government of Canada, 2008)

Economic class immigration has not been without contention, economically or socially. According to Jones (2004), through business class immigration, the federal and provincial governments are essentially engaged in “selling Canada” to the world’s financial elite who are buying citizenship. Jones (2004) argues that provinces and territories are increasingly engaging in overseas recruiting. Wealth and class act as a determinant as one’s suitability for permanent residence in Canada, however neither are indicative of the likelihood of a newcomer remaining in a given area of settlement. It can be inferred that personal suitability and ability to integrate will lessen the fiscal burden of funding settlement organizations in cash-strapped regions such as Nova Scotia. This is particularly interesting when considering that as Nova Scotia placed greater emphasis on attracting economic class migrants, funding of settlement agencies declined in 2006-2007. This contextualises the rationale for creating immigration policies such as the
business mentorship program that sought to address Nova Scotia’s economic needs while requiring little investment on behalf of the provincial government.

According to the federal government, economic class immigration includes skilled workers, business immigrants, which include streams for investors, entrepreneurs and the self-employed, provincial and territorial nominees and live-in-caregivers. The majority of newcomers (55%-60%) to Canada are from this category, which has been steadily increasing (Citizenship and Immigration Canada, 2007a), encompassing individuals such as those who participated in the NSNP. However, despite having tremendous potential, provincial nominee programs like the NSNP contribute little to the overall rates of admissions within this category. Essentially, economic class immigration targets newcomers who have the financial stability, skills and education required to rapidly integrate into the Canadian labour market. What Nova Scotia failed to do was utilize the capital immigrants brought in a manner that would contribute to Nova Scotia’s goals of economic growth and job creation.

It is important to note that federal and provincial policies may use slightly different language to either clarify or obscure their intentions. As mentioned, the federal program is referred to as “business class” under which there are three branches; entrepreneur, investor and self-employed, each of which have strict guidelines regarding application and admittance. In Nova Scotia, the same category was called the “economic stream” though its primary tenets were the same; invest in the province in a manner that generates employment and economic growth, and gain permanent resident status; however, the program failed to generate neither economic growth nor job creation.

What is troubling about this program is it also skirted federal immigration regulations, by offering newcomers with an opportunity for passive investment in exchange for residency status,
without affording them the financial security and protection of the IIP. Federal participants of the immigrant investor program are reimbursed invested funds, without interest, after a period of five years and despite the fact that investor class immigrants do not receive accumulated interest after the required period of investment, ultimately, the money they invest remains their own (Citizenship and Immigration Canada, 2006). Conversely, those who participated in the Business Mentorship Program essentially invested capital in a local company, paid their own $20,000 salary, and the only gain was alleged to be Canadian experience and permanent residency status (Nova Scotia Office of Economic Development, 2003). As illustrated, this program failed numerous participants, particularly those who participated in inadequate mentorships because doing so rendered them ineligible for the residency refund option. The outcome of this decision will be determined at a later date, as numerous participants are suing the Nova Scotia government for reimbursement (Office of Auditor General, 2008).

The fact that nominee programs offer passive investment in exchange for permanent residency is, according to the federal government, abuse of current policies and regulations (Government of Canada, 2008) and detrimental to provincial and territorial economies. The inclusion of passive investment schemes, like Nova Scotia’s business mentorship program, in provincial nominee programs does nothing to contribute to job creation, economic growth or the retention of newcomers; rather, it negatively impacts the federal immigrant investor program in its capacity to attract investors by increasing competition and impeding the generation of funds that are ultimately beneficial for all provinces and territories (Government of Canada, 2008). The reason provincial nominee programs are expected to focus on business class immigration is not only because it is expected to address the unique labour market needs of a specific economy but integrating newcomers into the labour market in a manner that encourages them to protect their
investment is expected to encourage long term retention. This differs from immigrant investors who are likely to move at their discretion due to the lack of economic ties to a particular region.

“A foreign national who is excluded from the class may still be considered a member of the Provincial Nominee Class if the capital provided to a business is not made primarily for the purpose of deriving interests, dividends, or capital gains; the foreign national controls or will control at least 33 1/3% of the equity in the business in which the money is invested, or has made a minimum $1 million equity investment in the business; the foreign national will participate actively, on an ongoing basis, in the management of the business; and the terms of investment in the business do not include a redemption option.” (n.p.)

(Government of Canada, 2008)

Nova Scotia’s business mentorship program did not create an environment that was conducive to the economic integration of newcomers, nor did facilitate job creation. Participants had little reason to feel invested in the host business because after a mere six months, the “mentorship” ended, the participant paid his own salary, and a local business was $80,000 richer. What the newcomer did receive was permanent residency status, but with little to no long term socio-economic investment or employment opportunity in Nova Scotia. This coincides with Peter Li’s conceptualization of what drives present day immigration policy. According to Li (2003), “...the worth of immigrants is contingent upon the ability of newcomers to benefit the existing population in Canada” (pg.165). By focusing on the economic benefit newcomers bring to Canada, the advantage of increasing immigration is apparent, whereas focusing on the social capital of newcomers is a more challenging sell to the Canadian public and policy makers.

**The Future of Immigration in Nova Scotia**

It is evident that Nova Scotia has viewed immigration as a fix-all for the region’s demographic and economic struggles, requiring little financial investment or posing few ethical issues. However, the province is learning the price of farming immigration policy out to an
independent corporation that that was selected without transparency and it is left attempting to salvage what positive reputation it has left as an immigration destination for nominees and skilled workers. Allowing the NSNP to essentially stagnate, illustrates the province’s lack of commitment to making immigration a strategic priority and focusing on the business mentorship program illustrates the province’s quick-fix approach to demographic and economic decline. By putting a $75 million mentorship contact into the hands of a private company, with sole signing authority for funds generated (Office of Auditor General, 2008) and allowing funds generated to be invested in the private businesses of key stakeholder’s friends, Nova Scotia’s credibility regarding immigration suffered. While the full impact, aside from a cabinet shuffle (Canadian Broadcasting Corporation, 2007a), lawsuits and an anticipated marginal decline in the number of NSNP participants in 2007, of the business mentorship scandal is not yet known, the province appears to have recognized the need to change its immigration strategy in a manner that is less exploitative and more reflective of the interests and goals it is trying to promote.

Reviewing the 2002 to 2009 Office of Immigration Plans (2008), published every two years, illustrates that Nova Scotia is making steps to modify its immigration strategy to make immigration more accessible for newcomers via the introduction of two streams, the international graduate stream and the entrepreneur stream. However, it remains clear that Nova Scotia is still emphasising attracting foreign capital by stipulating a large financial investment as components of each program (Nova Scotia Office of Immigration, 2008c). This is particularly evident in the criteria for the international student stream, which requires a $75,000 investment and is potentially highly exclusionary of Canadian educated professionals who may have the education and ingenuity to succeed but because they lack the required financial resources, would not be considered for this program. While international graduates under federal immigration
regulations can now qualify for a three year work visa after the completion of university, the program does not guarantee permanent residency status, which applying under the graduate stream of the NSNP does. This remains another troubling focus of Nova Scotia’s agenda.

In 2008, the NSNP announced the creation of a new stream for entrepreneurs that would replace the business mentorship program. This new stream was expected to be implemented by spring 2008 (Nova Scotia Office of Immigration, 2007b) but to date, this has not been done. According to recent media reports, the province expects to have it fully operational by the fall 2008 (Chronicle Herald, 2007); a time that will likely coincide with phase two of the auditor general’s report. The new stream is expected to target experienced business owners who both want to establish their own business in Nova Scotia or purchase an already existing one and is expected to be more in line with the federal approach to entrepreneur class immigration. It will be interesting to see, as Nova Scotia’s Nominee Program evolves, if the government will learn from the mistakes of the past decade and utilize the skills, education and wealth of newcomers in a more appropriate manner or if it will continue to look to money as a means of generating revenue. As the federal government is currently amending the Immigration and Refugee Protection Act in a manner that will make it more difficult for provinces like Nova Scotia to engage programs that facilitate passive investment (Government of Canada, 2008), it will be interesting to see how the provinces aims to generate investment when doing so will become increasingly difficult.

It is unlikely that Nova Scotia will increase immigration to 3,600 persons by the 2006-2011 census periods. It seems too ambitious for a nominee program that has been so flawed to date. Immigration alone cannot fix Nova Scotia’s demographic and economic troubles. Although the province’s immigration initiative may have increased attraction rates, there is little
substantial evidence of increased retention. Now that the province has tarnished its reputation, it is doubtful that it can attain its ideal retention rate of 70% by 2011. It is unclear how the government of Nova Scotia should proceed with its immigration agenda but a few changes are needed; First, make the residency refund option available to all newcomers who participated in the business mentorship scandal, regardless if they currently reside in Nova Scotia or not. It has been proven that this program was poorly managed and most participants were given inadequate mentorships; newcomers to Nova Scotia should not have to fund the province’s mistake. This is illegitimate and tarnishes the province’s reputation. One way to counter the damage to Nova Scotia’s reputation is to repay those who feel let down by this program. Not only does Nova Scotia partly rely on word-of-mouth to attract newcomers but it is the ethical thing to do. Second, do not require a $75,000 investment from international graduates wanting to establish their own business as this may exclude those who have Canadian education and may have the ingenuity and intelligence to succeed in contributing to the economy and/or creating jobs. Finally, invest in technology; create an economy that offers stable employment which utilizes the qualifications of newcomers and fosters ingenuity. Once these changes are made, Nova Scotia will finally appear committed to attracting and retaining newcomers.

“The Patels, originally from India, moved to Nova Scotia in January. The provincial nominee program promised middle-management experience in immigrants’ field of expertise. Paresh Patel said his wife was hoping for a job in a hotel, but the only placement that officials offered in August was at a fast-food restaurant. She’s still working there, cleaning tables and mopping the floor. Her husband said she isn’t allowed to do paperwork.” (n.p.)

(Flinn, 2007a)

Bibliography


