

For Immediate Release

How did COVID19 affect the economy of Northern Ontario?

July 28, 2022 – The COVID-19 pandemic was a major blow to communities around the world. However, as the latest paper by Lakehead University in partnership with Northern Policy Institute has shown, not all communities' experiences were the same. *The Impact of COVID-19 on the Economy of Northern Ontario* dives into those differences, specifically between that of Northern and Southern Ontario from an economic perspective.

The authors found that that infection rates were much lower in Northern Ontario than in Southern Ontario, and the timing of the waves of infections in the North did not match up with those in the South. Even in the North there were differences in the infection rates across public health units. Potential reasons for this include a regional industrial composition difference that could influence the ability of shutdowns to be effective, as well as Northern communities, are less densely populated.

Additionally, the first wave of COVID-19 resulted in a slightly less reduction in employment in Northern Ontario than in the rest of the province, but in the second wave, the North experienced a much greater fall in employment. It could, partly, be due to the cyclical nature of Northern Ontario's economy. Furthermore, the male employment rate dropped more severely in Northern Ontario compared to the province while females, on the other hand, were less likely to become unemployed due to their over-representation in the public sector. More males were employed in the private sector, which was more responsive to the crisis.

“One of the goals of this paper is to arm decision-makers, community practitioners, business owners, and others, for potential crises in the future,” said Dr. Karl Skogstad from Lakehead University, who is one of the four authors. “And more than that, it underlines the continued need to recognize the distinct realities of Northern Ontario in policy-making.”

Based on the findings, several policy recommendations were presented, including:

1. Additional employment support following a shutdown can be limited in time, as labour markets appear to recover quickly.
2. Future public spending cuts should consider the disproportionately negative effect they will have on Northern Ontario, a region already characterized by relatively low incomes.
3. Public health policies should be implemented at a regional level.

Want to learn more, read the report here: <https://www.northernpolicy.ca/covid-19-lakehead-impact>

Media Interviews: Author Dr. Karl Skogstad and NPI Senior Researcher, Dr. Martin Lefebvre are available for comment. To arrange an interview, please contact:

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About the Authors:

Derek Patterson

Derek J. Patterson, born and raised in Thunder Bay, is entering his first year of his PhD for Public Policy at Carleton University. In addition to an eclectic and interdisciplinary academic background of Physics, Indigenous Studies and Economics he brings with him prior experience in public service working with the provincial government for the Ministry of Labour, Training & Skills Development. In his free time, Derek enjoys running, fitness and the outdoors.

Dr. Robert Petrunia

Robert Petrunia is a faculty member in the Department of Economics at Lakehead University. His main area of focus looks at the impact firm financing has on the success or failure of businesses and their growth potential. Dr. Petrunia's other research examines the relationship between inequality and crime, the labour market of Northern Ontario and the cash-settlements system in Canada.

Dr. Karl Skogstad

Karl Skogstad is a faculty member in the Department of Economics at Lakehead University. He holds a PhD in Economics from Queen's University. His research focuses on the economics of national defence and the resource sector of Northern Ontario, specifically the history of gold mining in the province. Karl was born and raised in Northern Ontario and in his spare time enjoys camping, hiking, curling, and spending time with his family.

Dr. James Townsend

James Townsend has a PhD in Economics from the University of British Columbia. Before joining the Department of Economics at the University of Winnipeg, he worked for the Department of Finance in Ottawa. His research focuses on the integration of the immigrants into the Canadian economy and the effects of labour market and other policies on the earnings of Canadian workers. He enjoys craft beer and cycling.

About Northern Policy Institute:

Northern Policy Institute is Northern Ontario's independent think tank. We perform research, collect and disseminate evidence, and identify policy opportunities to support the growth of sustainable Northern communities. Our operations are located in Thunder Bay and Sudbury. We seek to enhance Northern Ontario's capacity to take the lead position on socio-economic policy that impacts Northern Ontario, Ontario, and Canada as a whole.