

ECONOMIC VIEWPOINT

Quebec and Its Regions: Evolution, Comparisons and Experiences Abroad (Part I)

Government Actions from the Late 1950s to Present Day

Against the current backdrop of the COVID-19 pandemic, many have pointed the finger at the effects of globalization and have called the phenomenon itself into question. Many nations have held high-level talks on autonomy in response to the challenges that emerged in the supply of medical and protective equipment, medication and, in some cases, food. “Buy local” campaigns have been stepped up in every corner of the globe as a result, shining the spotlight on domestic and local expertise.

At a time when Quebec’s economic forces are being mustered wherever they may be in the province, Desjardins Group’s Economic Studies felt it important to take a look at Quebec’s regional dynamics. This *Economic Viewpoint* is the first of three instalments that will examine developments in Quebec’s regions. It will explore government actions that have supported regional development since the late 1950s, in addition to presenting the initial results of a comparative study. Further findings will be presented in the second instalment, whereas the third will discuss the regional development experiences observed elsewhere in Canada and around the world.

A Starting Point

In the 1950s and 1960s, the governments of Quebec and Canada realized the magnitude of the major social and economic inequalities setting some of Quebec’s regions apart from others. Over the decades, the governments have implemented a variety of policies and programs drawing on various regional development approaches. While it is difficult to determine whether all these measures were successful, there is no doubt that the implementation of transportation infrastructure and the roll-out of government services across the province have helped develop regional potential. Interregional disparities in per capita output and the labour market have greatly diminished over the past 60 years. However, this convergence of regional economies came at the price of an increasing concentration of Quebec’s population in the greater metropolitan area. After more than a half century of interest and efforts in regional development, this analysis presents the initial results and the progress that has been made.

Long-Standing Efforts

After the Second World War, the Quebec and federal governments adopted policies and programs that sought, in various ways, to develop regional economies and improve the well-being of their populations. These measures took place in

a context where, over the course of decades, the economy had become globalized, Quebec society had shifted from a baby boom to a rapid demographic ageing, the education level had increased substantially, Quebec entrepreneurship had become increasingly present and environmental issues had gained a great deal of importance.

The Concept of Region

What is a region? For many analysts, the term “regions” in the plural refers to territories where the economy largely depends on primary resources, such as agriculture, forestry, mining, fisheries, energy and tourism. For others, the term refers to any area not part of Greater Montreal and Greater Quebec City, since these two major urban centres are characterized, among other features, by:

- ▶ the size of their population
- ▶ the presence of many corporate headquarters and senior-level offices of government departments, ministries and agencies
- ▶ the diversification of the economic structure, including institutions of higher learning and specialized services offered to companies and individuals

François Dupuis, Vice-President and Chief Economist • Mathieu D’Anjou, Deputy Chief Economist • Joëlle Noreau, Senior Economist

Desjardins, Economic Studies: 418-835-2450 or 1 866-835-8444, ext. 5562450 • desjardins.economics@desjardins.com • desjardins.com/economics

NOTE TO READERS: The letters k, M and B are used in texts and tables to refer to thousands, millions and billions respectively.

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- ▶ the development of physical infrastructure

However, the Montréal and Capitale-Nationale regions can also be viewed as having challenges and assets that are specific to them. A search for innovation to stimulate the development of their economies has been underway since the 1960s.

Regardless of the categorizations, the challenges and issues facing regions do not occur under the same conditions or take on the same intensity depending on whether we are looking at, for example, the regions of Capitale-Nationale, Outaouais, Abitibi, Côte-Nord, Gaspésie or Montréal. The issue of regional development can therefore apply to all of Quebec, not just areas on the outskirts of major centres. This is the approach taken in this *Economic Viewpoint*.

In Quebec, the data and studies available are generally presented based on the division into administrative regions established by the Government of Quebec. When it was originally implemented in 1966, this division identified 10 administrative entities, but two subsequent revisions brought that number up to 17.¹ The [mapping](#) of the 17 current administrative regions provides a good overview of the current situation.

Despite this marked increase in the number of administrative regions, the division should be broken down even further to fully consider smaller areas with their own economic profiles. Data by regional county municipality (RCM) could provide greater symmetry with the economic contours of territories. However, RCM data are less diverse in terms of economic variables than those of administrative regions. Moreover, since RCMs were created in 1979, data pertaining to them do not provide a time series prior to that date. For these reasons, the data produced by administrative region will be used.

Conversely, the 17 administrative regions can also be considered as representing too much fragmentation. Some publications aggregate them into large, fairly homogeneous groups from geographic, economic and demographic standpoints. The terminology varies from one document to the next, but the 17 administrative regions are generally divided into three separate zones. The three categories used for this exercise are the following: metropolitan, intermediate and peripheral (table 1 on page 3).

Regional Development Policies and Programs

Over time, federal and provincial government action has sought to fulfil primarily three objectives: to reduce regional disparities,

¹ In 1986, the number rose to 16 as a result of the subdivision of the greater metropolitan area into 5 separate regions, namely Montréal, Laval, Montérégie, Laurentides and Lanaudière, and the splitting into 2 separate regions of Bas-Saint-Laurent and Gaspésie-Îles-de-la-Madeleine, on the one hand, and Québec City and Chaudière-Appalaches, on the other. Another change took place in 1997 with the creation of the Centre-du-Québec region, which had been attached to the Mauricie-Bois-Francs region until then.

to enhance regional potential and to occupy the territory. Box 1 provides further details on these three aims. To achieve this, the governments implemented strategies, programs and measures that can be grouped into two large families, namely generic and specific: generic if they apply to Quebec as a whole and specific if they target specific regions or subregions.

An Overview of Generic Measures

- ▶ Roll-out of services in the regions

- The first move was to split the territory into separate regions. Quebec had ten well-defined regions in 1966. Government presence was then organized; regional directorates and local service centres were opened by many departments, ministries and agencies to adapt service planning and delivery to regional and local realities. The education system was gradually rolled out; Université du Québec and its arms were established (Montreal, Trois-Rivières, Outaouais, Rimouski, Abitibi-Témiscamingue and Chicoutimi) and a network of over 40 CEGEPs was set up, later leading to the creation of college technology transfer centres, of which there are currently 37.

BOX 1

Goals Pursued by the Governments

- ▶ Reduce social and economic disparities
 - The governments worked to reduce social and economic disparities between the regions. This objective emerged after the Second World War when the development of trade and communications brought the realization that the large income and wealth gaps had widened.
- ▶ Enhance regional potential
 - Many means considered by the governments aimed to enhance regional potential by encouraging companies to establish their operations in the regions, grow there and, in some cases, stay there. In most cases, this involved economic potential (extraction and processing) related to mining, forestry, agricultural, energy and tourism resources.
- ▶ Occupy the territory
 - In recent decades, the Quebec government (fight against devitalization, among others) and the federal government (presence in the Arctic, in particular) also sought to ensure minimum occupation of the territory.

Various sources and Desjardins, Economic Studies

TABLE 1
Grouping of administrative regions into large zones

ZONES	ADMINISTRATIVE REGIONS	DISTINCTIVE FEATURES
Metropolitan	Montréal Laval Laurentides Lanaudière Montréal	In southern Quebec Road, sea, air and rail links developed Proximity of Ontario and the United States Large, dense population Diversified economy Specialized services for businesses and individuals
Intermediate	Capitale-Nationale Mauricie Estrie Chaudière-Appalaches Centre-du-Québec Saguenay–Lac-Saint-Jean Outaouais	Coexistence of urban and rural areas Average population density Strong manufacturing sector presence Access to major road, rail and maritime transport routes
Peripheral	Bas-Saint-Laurent Abiti-Témiscamingue Côte-Nord Nord-du-Québec Gaspésie–Îles-de-la-Madeleine	On the western, northern and eastern fringes of Quebec Small population Sparse occupation of the territory Economy based on the development of natural resources

Various sources and Desjardins, Economic Studies

- The expansion of the road network opened access to remote regions farthest removed from centres such as Montreal and Quebec City. At the same time, the deregulation of surface transportation (truck, rail, coach) changed the playing field, leading to a drop in the number of connections and transport of goods and people, to the detriment of less lucrative connections.
- ▶ Creation of industrial zones
 - Assistance programs for the creation of industrial parks and commissions were launched by the Quebec government to better equip municipalities. In 1981, Quebec had 179 industrial parks² across all regions. Before these programs, the Bécancour waterfront industrial park had been built to attract heavy industry. More recently, tax incentives were used to create urban zones dedicated to the multimedia industry in Montreal and Quebec City.
- ▶ Political representation
 - In terms of political representation, ministers responsible for the regions have been appointed over time. At the turn of the 2000s, the government also had a ministry of regions for many years.
- ▶ Empowerment of regional leaders
 - The Government of Quebec created tools to allow citizens and elected officials to plan the development of their regions. One of these tools was the Act respecting land use planning and development in 1979, which created RCMs. Social and economic summits were also organized at the same time to identify lines of action and regional commitments. In 1998, local development centres (better known by their French acronym “CLD”) were created to support business start-up and development in municipalities and RCMs. More recently, the [Quebec government](#) opened the door notably to a new tax revenue sharing arrangement, in addition to creating the Regions and Rurality Fund (with a \$1.3B envelope) and enhancing the Programme d’aide à la voirie locale (local road network assistance program).
- ▶ Project financing and channelling of local savings
 - Aside from Desjardins Group’s presence across all of Quebec from the beginning of the 20th century to channel local savings and to work on regional autonomy, actions have also been taken by the various orders of government. The Quebec government thus granted tax advantages to the Sociétés de développement de l’entreprise québécoise (SODEQ), created in 1976 for the purpose of providing financing to small and medium-sized enterprises as

² Government of Quebec, *Le virage technologique, Bâtir le Québec – Phase 2, Programme d’action économique 1982-1986, 1982, p. 192.* (available in French only)

well as management assistance.³ In the early 1980s, in collaboration with Desjardins and the Caisse de dépôt et placement (CDP), the Government of Quebec saved the Caisses d'entraide économique from bankruptcy. In the 1990s, laws were passed to create and provide financial capital to Innovatech companies whose mission was to encourage, accommodate, evaluate and, where appropriate, contribute to the financing of projects likely to build capacity for technological innovation in a given region. In 2006, the Regional Economic Intervention Fund (FIER) program was implemented, which consists of regional funds aimed at facilitating business capitalization. Three years later, 30 FIERs had been created.

- In addition to these actions, also worthy of note are the Desjardins, FTQ and CSN tax-advantaged funds, which received significant support through major tax credits granted to individuals who have invested in them thus far. Lastly, the Government of Quebec contributed to regional development through assistance programs for facility upgrades and to respond to foreign competition. This is how the pulp and paper industry modernization program launched in 1979 was supposed to ultimately generate investments totalling \$2.5B in some 60 plants, most of which were established in single-industry municipalities⁴ (for a summary of generic measures, see box 2 on page 5).

An Overview of Specific Measures

► Opening up and occupation of territories

- Government interest in regional development is nothing new. In Canada, the colonization of the West at the end of the 19th century was in response to both the need to occupy the territory and the need to counter the expansionist aims of the United States. In Quebec, to combat the exodus of Quebecers to the spinning mills of New England and the West, new territories were opened up (Laurentides, Cantons-de-l'Est, Lac-Saint-Jean and later Abitibi and Témiscamingue).
- In the second half of the 20th century, the opening up of territories was tied more to specific projects, such as hydroelectric dams (Manicouagan and James Bay, among others), and mining and forestry activities. Over the past half century, territorial expansion efforts have been made primarily to harness large hydroelectric reservoirs in James Bay and more recently as part of the Plan Nord. However, these major projects are not very conducive to the sustainable establishment of large contingents of new residents. Furthermore, operations related to the extraction and primary processing of natural resources

have become increasingly productive as technology has advanced (increased mechanization and automation, in particular), such that they generate fewer permanent jobs than in the [past](#).

- In addition to taking an interest in opening up new territories to economic activity, the government has also engaged in actions aimed at producing structuring effects in certain regions or specific communities. After encountering resistance during multiple attempts to shut down declining areas in the 1960s,⁵ the governments opted instead to transfer administrative functions (for example, tax processing to Jonquière and Shawinigan, and the Direction générale des pêches maritimes to Gaspé). More recently, the ageing of the population, the exodus of young people, the gradual loss of public services and the closure of large companies have prompted the governments to support rurality and occupation of the territory. However, not all of the implemented programs remain.

► Resource development and processing

- Natural resource development was at the root of regional development here in North America. Fishing, hunting, mining and forestry came first, with agricultural and energy joining later. For many regions, commodities have long been and continue to be important pillars of their economy. However, some communities have become more exposed to fluctuations in commodity prices and the Dutch disease as a result.⁶ To attempt to mitigate these effects, the governments sought to raise the resource processing rate. They used various means to do so, including introducing a tax on the export of unprocessed products and tax credits for processed goods. However, the success of these measures is difficult to assess because there is no formal evaluation for them.

► Growth poles

- Economic activity does not unfold uniformly, and according to the growth pole model, development spreads in concentric circles. Based on this design, the links between the central pole and the poles that surround it are close, and economic activity loses intensity the farther it is from the centre. This is the vision underlying a study commissioned by the federal government.⁷ The HMR

³ Robert LAROUCHE, *Le mythe du développement régional et les SODEQ du Québec – Une étude de cas : La SODEQ Sagamie*, Master's thesis, Université du Québec à Chicoutimi, 1984, 170 p. (available in French only)

⁴ Gouvernement du Québec, *op. cit.*, p. 189-190. (available in French only).

⁵ This resistance became clear notably in connection with the projects of the Bureau d'aménagement de l'Est du Québec and the federal government's creation of Forillon Park.

⁶ In reference to the effects on the Dutch economy of the development of oil-rich deposits in the North Sea.

⁷ Benjamin HIGGINS, Fernand MARTIN and André RAYNAULD, *Les orientations du développement économique régional dans la province de Québec*, Ottawa, ministère de l'Expansion économique régionale, 1970, p. 365. (available in French only)

BOX 2**Generic Measures**

- ▶ Roll-out of services in the regions
 - First: divide Quebec into regions
 - Second: organize government presence
 - Education: establishment of Université du Québec, network of CEGEPS (more than 40) and college technology transfer centres (37)
 - Road network: “opening up” and, at the same time, deregulation of surface transportation (truck, rail, coach)
 - Deregulation: also leads to a drop in the number of connections and freight shipments (which are less lucrative)
- ▶ Creation of industrial zones
 - Assistance programs for the creation of industrial parks and commissions
 - 1960s: large “installations” (for example, Bécancour waterfront industrial park)
 - Special effort for multimedia
- ▶ Political representation
 - Appointment of ministers responsible for regions (political representation)
- ▶ Empowerment of regional leaders
 - Laws to enable land-use planning (creation of regional county municipalities)
 - Regional social and economic summits – goal: to identify lines of action and commitments
 - 1998: creation of local development centres
 - Increased recognition of municipalities’ role: sharing of the tax base, in particular
- ▶ Project financing and channelling of regional savings
 - Various formulas for facilitating the use of local savings for regional projects: Sociétés de développement de l’entreprise québécoise, caisses d’entraide, etc.
 - Innovatech (1990s), then financing transferred to Investissement Québec
 - Regional Economic Intervention Fund (FIER). In 2009: 30 FIERs in Quebec
 - Tax-advantaged funds (Desjardins, FTQ, CSN)
 - Modernization assistance program for sectors dealing with obsolete facilities (for example, pulp and paper)

Various sources and Desjardins, Economic Studies

report,⁸ published in 1970, sought to reaffirm and build up Montreal as a growth and development pole. The success of the metropolis was supposed to have a spillover effect on other Quebec cities, which would in turn pass the benefits on to the surrounding communities.

- This approach was not adopted at the time, as the authorities preferred to focus on developing other regions in Quebec as a priority. During this period, Montréal declined, losing its status as Canada's metropolis to Toronto. However, since the proposed model had not been implemented, it is difficult to say whether it would have been as successful as expected.
- In the early 2000s, municipal amalgamations could have led to the creation of municipal entities with more significant and better coordinated resources, even though this was not presented as drawing on the pole approach. They could have therefore acted as growth and development poles in their regional space. In Montréal's case, however, the amalgamation and the partial de-amalgamation process that followed as well as the implementation of cumbersome governance mechanisms hurt the momentum of the metropolis, in the [opinion](#) of the Organisation for Economic Co-operation and Development (OECD).

Ecosystems

Another spatial approach in regional development is to view it as an ecosystem connecting players that all have an important role to play: producers, suppliers, the workforce, government authorities, research organizations, business associations, and so on.

The industrial cluster approach,⁹ adopted at the turn of the 1990s, is a good example. It seeks to connect producers, clients, suppliers, the workforce, government authorities, research organizations, business associations, and so on. It is definitely an industrial development strategy, but there is no question that it has a regional dimension. [Montréal](#) and other regions thus plan and organize their economic development based on clusters that reflect either achievements (aerospace, financial services, health, fashion, multimedia, information and communication technology, property, tourism) or emerging fields (sustainable transport, clean technologies, new wood technologies). The approach also underpinned the [ACCORD niches and poles of excellence](#) program. Launched in 2002, the ACCORD program builds on regional strengths to gather and mobilize businesspeople and seek excellence in key sectors.

⁸ Based on the names of the authors, Benjamin Higgins, Fernand Martin and André Raynauld.

⁹ Inspired by the work of Michael Porter, a Harvard University economist.

Structuring Projects

Through Hydro-Québec and the Société générale de financement (SGF), the government played a very active role in encouraging the establishment or continued operation of aluminum smelters and paper or forestry companies in some regions. Not all the initiatives taken over the past 60 years have been successful. Also, while some rescue efforts succeeded (Paccar in Sainte-Thérèse, formerly Kenworth), others failed (for example, the paper mill in Chandler and the cardboard manufacturer in Cabano).

Incentives

Governments' most overt mechanism for action in favour of regional development involves granting subsidies or advantageous financing terms to companies investing in certain communities. The two orders of government used reduced tax rates, tax credits and grants for investments in designated regions, particularly in the 1960s and 1970s. The federal government abandoned this approach in favour of development assistance for certain sectors and an approach targeting the development of provinces as regions, rather than more defined areas within provinces.¹⁰

The Government of Quebec created the Fonds de développement régional (FDR) regional development fund to support regional dynamics and encourage cooperation between the government and regional communities. The FDR has undergone various changes over time, but the Quebec Ministère des Affaires municipales et de l'Habitation can, to this day, support regional projects through the Fonds d'appui au rayonnement des régions (regional vitality support fund) or the Fonds de développement des territoires (territory development fund).

However, Canada and Quebec are very open economies and, as such, many trade agreements have been concluded to facilitate expansion and export for local businesses. Canada's participation in various economic and trade agreements, including the General Agreement on Tariffs and Trade (GATT), the predecessor to the World Trade Organization (WTO), made the use of direct investment grants difficult, if not illegal. The list of means of supporting regional development was pared down, but the governments instead relied on indirect measures, such as research and innovation assistance and tax incentives for employment or investment in remote regions (for a summary of specific measures, see box 3 on page 7).

To Sum Up

Since the late 1950s, various approaches and a variety of measures have been implemented by the Quebec and Ottawa governments to support regional development, both in peripheral zones and in metropolitan and intermediate zones.

¹⁰ Pierre FRÉCHETTE et collab., *L'économie du Québec*, 2nd édition, Éditions HRW, 1979, p. 376. (available in French only)

BOX 3**Specific Measures**

- ▶ Opening up and occupation of territories
 - Regional development (for example, federal government, end of 19th century – Western Canada)
 - In Quebec, to counter the exodus to the United States and Western Canada: open up new territories (for example, Laurentides and Abitibi-Témiscamingue)
 - Second half of 20th century: temporary opening up of territories for specific projects (for example, hydroelectric dams and mining and forestry projects)
 - Some movements to “decentralize” administrative activity (for example, tax processing to Shawinigan and Jonquière)
 - Attempts to support rurality and dynamic occupation of the territory: abandoned programs
- ▶ Resource development and processing
 - From fishing, hunting and trapping to forestry, mining, agriculture and energy, and then to foreign markets
 - Commodities: little or no processing and Dutch disease (difficult to compete with large employers)
 - Increase processing of raw materials. Various means: export tax on unprocessed products, tax credits for processing. The effect of the measures has not been assessed.
- ▶ Growth poles
 - Growth pole theory: activity does not unfold uniformly
 - Higgins-Martin-Raynauld report: the success of the metropolis should have a spillover effect on other regions
 - √ Approach not adopted at the time. Montreal lost its role as a metropolis. Model not implemented: therefore, no way of knowing whether it would have been successful
 - Municipal amalgamations: made it possible to coordinate action, but the de-amalgamation of Montreal did not help the metropolis, according to the Organisation for Economic Co-operation and Development
- ▶ Ecosystems
 - Ecosystem approach: the relationships of all actors create a network, all actors are important
 - Industrial cluster approach and ACCORD niches of excellence program
- ▶ Structuring projects
 - Promotion, financing or implementation of major projects (even saving of plants), two types of support:
 - √ Support for major industrial plants: Hydro-Québec/SGF/CDP. Some projects lasted, some did not
 - √ Rescue operations: success, but also failure (Paccar, Cabano, etc.)
- ▶ Incentives
 - Two mechanisms for government action: grants/subsidies and advantageous financial terms
 - 1960s and 1970s: reduced tax rates, tax credits, investment grants (1970s: Fonds de développement régional)
 - With international trade agreements, new ways to help must be found (for example, research support)

Various sources and Desjardins, Economic Studies

These measures first consisted in developing services and infrastructure, giving regions a strong political voice and helping them taken charge of their development. They are, for the most part, still in place. The governments also sought, through various strategies and means, to stimulate industrial facilities and ensure the survival of struggling companies and sectors. Many of these approaches were abandoned after a few years. Others, such as financial assistance, were transformed. The governments have also been involved in the implementation of major industrial projects on an ad hoc basis. While some of their actions were successful, others were not so lucky.

Social and Economic Regional Development

Although they are limited to population, output and unemployment, the regional data available for the 1950s and for 1960 to present day provide a good overview of the comparative social and economic development of each zone or region over the course of this period.

These data are presented according to the Government of Quebec's configuration of administrative regions. As mentioned earlier, this division has the disadvantage of having been changed since its initial creation in 1966. For this reason and to obtain a comparison of identical regional entities over a longer period, the data published based on the 17 current administrative regions were aggregated according to the original 10. Administrative region data were aggregated to produce totals by territorial zone.¹¹ Since the names of regions have changed over time, this study uses the current names.

Population

Table 2 shows the change in the relative size of the population in administrative regions and in territorial zones between 1951 and 2018. A significant, continuous increase can be seen in the concentration of Quebec's population in the metropolitan zone. This results in a substantial drop in the demographic weight of the intermediate and peripheral zones.

Some differences across administrative regions can be observed in terms of zone trends. The relative demographic decline in Saguenay–Lac-St-Jean is much steeper than the decrease in the intermediate zone because its weight in the Quebec population dropped from 5.0% to 3.3%. The Outaouais also deviates from the intermediate zone trend with a slight increase over the period from 4.1% to 4.7%. Similar distinctions can be made in the peripheral zone, as the relative weight of the Abitibi-Témiscamingue population decreased significantly between 1951 and 2018, whereas that of Côte-Nord and Nord-du-Québec rose sharply during the period, despite a decline over the past quarter century.

¹¹ More specifically, regional data were aggregated by being weighted by the population figure to obtain data corresponding to the division into the ten original regions or the division into three territorial zones, as the case may be.

TABLE 2

Changes in the relative population size of the zones and regions

IN %	1951	1971	1994	2018
Metropolitan zone	50.2	56.8	58.5	61.3
Intermediate zone	40.1	35.0	33.0	32.0
Capitale-Nationale/ Chaudière-Appalaches	17.8	15.6	14.2	14.0
Mauricie-Bois-Francs	8.7	7.0	6.6	6.1
Estrie	4.5	3.7	3.8	3.9
Outaouais	4.1	4.0	4.3	4.7
Saguenay–Lac-Saint-Jean	5.0	4.7	4.1	3.3
Peripheral zone	9.7	8.2	8.6	6.9
Bas-Saint-Laurent/ Gaspésie–Îles-de-la-Madeleine	5.3	3.9	4.4	3.5
Abitibi-Témiscamingue	3.3	2.5	2.2	1.8
Côte-Nord/Nord-du-Québec	1.1	1.8	2.0	1.6
Quebec total	100.0	100.0	100.1*	100.2*

* The total may not add up to 100 due to rounding.

Sources: Beauséjour and Brulotte (1997), Institut de la statistique du Québec and Desjardins, Economic Studies

Per Capita Output

Per capita output provides an overview of the relative prosperity and dynamics of administrative regions and territorial zones. Table 3 shows how much this indicator has changed in the regions and zones compared to the Quebec average. A population trend that is opposite of the one observed in Table 2 can be seen here. Between 1951 and 2017, the gap between the metropolitan zone and the two other zones narrowed considerably. Whereas per capita output in the

TABLE 3

Changes in the relative size of GDP per capita of the zones and regions

IN %	1951	1971	2001	2017
Metropolitan zone	118.2	113.3	107.1	103.8
Intermediate zone	81.6	82.5	90.5	90.6
Capitale-Nationale/ Chaudière-Appalaches	68.7	84.2	97.3	104.4
Mauricie/Centre-du-Québec	91.5	80.3	88.2	80.1
Estrie	96.2	86.6	90.5	80.6
Outaouais	81.9	82.1	76.6	75.8
Saguenay–Lac-Saint-Jean	96.7	76.9	85.1	85.2
Peripheral zone	77.2	81.3	86.2	108.4
Bas-Saint-Laurent/ Gaspésie–Îles-de-la-Madeleine	43.9	58.7	70.6	79.5
Abitibi-Témiscamingue	117,1	82.1	84.0	114.2
Côte-Nord/Nord-du-Québec	118,1	129,2	122,5	162,9
Quebec total	100.0	100.0	100.0	100.0

Sources: Pierre FRÉCHETTE, *op. cit.*, Institut de la statistique du Québec and Desjardins, Economic Studies

metropolitan zone was 18.2% higher than the Quebec average at the beginning of the period, it was only 3.8% higher in 2017. Conversely, per capita output jumped dramatically in the peripheral zone by moving from third to first position, that is, from 77.2% to 108.4% of the Quebec average.

Major changes are also worthy of note across the regions. Compared to the Quebec average, per capita output progressed well in Québec–Chaudière–Appalaches, in the greater region of Côte-Nord and Nord-du-Québec, in Bas-St-Laurent and in Gaspésie–Îles-de-la-Madeleine. In the latter case, the indicator is still far below the Quebec average at 79.5. Furthermore, growth in the intermediate zone is due solely to the Québec–Chaudière–Appalaches region because the zone’s four other regions saw their relative position fall. Lastly, undoubtedly as a result of the natural resource cycle, Abitibi-Témiscamingue was back close to where it had started after suffering a sharp decline in its relative position between the start and end of the period.

Unemployment

The unemployment rate is another indicator used to assess the extent to which economic health varies from one territorial zone and administrative region to the next. Since this indicator is subject to strong cyclical variations, even before the COVID-19 pandemic, its relative weight compared to the Quebec average, rather than its gross value, is a better reflection of the labour market in a given region or zone.

Table 4 shows that compared to Quebec as a whole, the unemployment situation deteriorated in the metropolitan zone. Unemployment there rose above the Quebec average in 2003 and in 2019. By contrast, the relative position of regions in the

intermediate and peripheral zones improved across the board, even though declines are noted in the intervening years in peripheral regions that depend heavily on the natural resource cycle.

To Sum Up

The few indicators available for the post-war period to present day show a narrowing of economic gaps between the metropolitan zone and the intermediate and peripheral zones. They also reveal a clear trend for demographic concentration in the metropolitan zone at the expense of the two other zones. Despite their opposite movements, the two trends are mutually consistent because they denote the same phenomenon, that is, the mobility of output factors in the long run. In other words, since the employment outlook is not attractive enough outside the metropolitan zone, many residents from the two other zones chose to move to Montreal or other metropolitan zone regions.

The data also show the volatility of regional economies heavily based on the development of mining and forestry resources.

Yesterday to Today

As shown in the preceding pages, the overall depiction of the various Quebec regions has changed significantly over the past half century as a result of underlying trends, such as an increased demographic concentration in the greater metropolitan area and the significant reduction in social and economic inequality between the most prosperous and most disadvantaged regions. Some of these trends are likely to continue in the medium term given the weight of certain gains. However, the relative situation of various regions could also change in the coming years due

TABLE 4
Changes in the unemployment rate of the zones and regions

	1955–1964		1978		2003		2019	
	%	QC = 100	%	QC = 100	%	QC = 100	%	QC = 100
Metropolitan zone	7.5	87.2	10.0	91.7	9.4	103.3	5.3	103.9
Intermediate zone	n/a	n/a	n/a	n/a	8.2	90.1	4.1	80.4
Capitale-Nationale/ Chaudière-Appalaches	9.0	104.7	9.8	89.9	6.8	74.7	3.4	66.7
Mauricie/Centre-du-Québec	11.0	127.9	11.8	108.3	9.8	107.7	4.7	92.2
Estrie	9.0	104.7	8.4	77.1	7.6	83.5	4.3	84.3
Outaouais	8.5	98.8	13.2	121.1	7.7	84.6	5.0	98.0
Saguenay–Lac-Saint-Jean	13.7	159.3	15.4	141.3	11.7	128.6	5.5	107.8
Peripheral zone	n/a	n/a	n/a	n/a	11.4	125.3	6.0	117.6
Bas-Saint-Laurent/ Gaspésie–Îles-de-la-Madeleine	15.2	176.7	18.5	169.7	12.5	137.4	7.6	149.0
Abitibi-Témiscamingue	9.1	105.8	21.1	193.6	9.9	108.8	3.9	76.5
Côte-Nord/Nord-du-Québec	12.7	147.7	12.3	112.8	13.4	147.3	4.8	94.1
Quebec total	8.6	100.0	10.9	100.0	9.1	100.0	5.1	100.0

n/a: Due to the lack of data on the regional population for these years, weighted aggregated data cannot be produced
Sources: Pierre FRÉCHETTE, *op. cit.*, Institut de la statistique du Québec and Desjardins, Economic Studies

to new factors that may either benefit or disadvantage some of them, as the case may be.

The current pandemic has disrupted the dynamics observed at the beginning of 2020. We already know that the Montreal region was more affected and that the gradual reopening of the economy there is staggered compared to other Quebec regions. This will certainly have an impact on 2020 and, undoubtedly, on 2021. Moreover, the issue of urban densification has been raised by many in the context of the pandemic. There is some question as to how long the concentration phenomenon observed thus far will continue. However, credible scenarios cannot be established given the large number of unknowns at this time.

The first instalment of this study looked at the efforts made by the various orders of government to reduce social and economic disparities, enhance regional potential and occupy the territory from the late 1950s to just recently. It presented an initial analysis of the data for the period. The second instalment will take stock of the regional situation as it stood at the end of the 2010s. This second analysis could possibly be a starting point for drawing pre- and post-COVID-19 comparisons.