

The three steps of the employment picture represent most vividly the regional development disparities across Canada. Although all the provinces are displayed, we can best illustrate the scope of the problem by contrasting Newfoundland's situation with the national average through each of these stages. None of these stages is independent of course. High levels of prolonged unemployment, for example, result in lower participation rates and also contribute to a tendency to move out in search of employment elsewhere, thus reducing the proportion of the population of labour force age.

Stage I illustrates the most basic information, the proportion of the population that is eligible for permanent, full time employment — according to Statistics Canada's definition, those over fifteen years of age. Even at this basic level there are significant regional differences, with Newfoundland's population relatively less eligible for employment than that any other province. In fact, compared to the national average, Newfoundland has almost 8 per cent fewer individuals of working force age, a significant deficit in terms of generating income in the province.

The picture worsens in Stage II, in which the labour force calculations are displayed. Relatively fewer Newfoundlanders declared themselves to be members of the labour force — that is to be either employed or actively seeking employment. The Newfoundland participation rate is a full 17 per cent below the national rate and this, combined with the smaller labour force base shown in Stage I, results in a much smaller labour force-to-population ratio in the province. Only 36.8 per cent of Newfoundlanders were members of the labour force compared to 51.5 per cent of British Columbians and 51 per cent of Ontario residents. Nationally, 48.3 per cent of all Canadians are members of the labour force. To put this figure in perspective, even if Newfoundlanders who are now members of the labour force suffered from the same unemployment rate as other Canadians and earned the same wages, wage income per capita in Newfoundland would still be over 23 per cent below the national level.²

Unfortunately, the unemployment rate in Newfoundland is significantly above the national average. Whereas the 1980 national unemployment rate stood at 7.5 per cent, Newfoundlanders were afflicted by unemployment levels of 13.9 per cent. This poor employment result, when coupled with the lower labour force levels, results in Newfoundland having an employment-to-population ratio of just 31.7 per cent, well below the next lowest levels of 38.5 per cent and 38.7 per cent in Nova Scotia and Prince Edward Island respectively.

We have considered Newfoundland only because it is the most extreme example. But within every province are pockets of even more serious underemployment, resulting in economic hardship and waste. The key to remedying this problem and eliminating the hardship lies in economic development: the matching of available workers with productive capital to produce goods and services and to generate income. With more jobs will come greater involvement in the labour force and improved prosperity. Perhaps even more important, employment will bring a greater sense of individual and social pride and satisfaction.

² Although under these circumstances it is expected that the participation rate would rise significantly in Newfoundland, thus narrowing this gap.