

ECONOMIC VIEWPOINT

Quebec from 1960 to Today: In Search of Prosperity (Part I) We've Come a Long Way, with More Solid Foundations



For some, prosperity is a dream to be cherished; for others, it is a goal to achieve. For Quebec in the early 1960s, the search for prosperity was a driver, a motivation to take revenge on the dark years, an opportunity to prove all those who believed that Quebecers were “born to be poor.” This *Economic Viewpoint* will examine the internal and external factors, as well as the strengths and weaknesses that have influenced the development of Quebec’s economy from the beginning of the Quiet Revolution to today. It will help to understand how Quebec has changed and show that the province is equipped to respond to the challenges of this millennium. Still, the game hasn’t been won yet. When it comes to productivity, there are still a lot of points to score.

The Quebec Economy Has Made Great Strides *Increased State Involvement*

At the start of the 1960s, Quebec’s economy was still reaping the benefits of the post-war boom and the momentum of the U.S. economy. This period was characterized by the expansion of the resources sector: pulp and paper, iron ore, copper, gold, asbestos, and so on. However, this growth did not entirely correct some significant imbalances. In fact, the Quebec economy was still showing signs of a substantial lag compared to Ontario and, generally, the rest of North America in terms of indicators as important as income per capita, employment and productivity.

Its industrial structure, albeit diversified, was heavily focused on light industry. When compared with Ontario’s manufacturing sector, Quebec’s relied more on industries that depended on labour, not machinery, thereby making it more vulnerable to international competition. The strong presence of these industries in Quebec’s economy was such that it was relatively unproductive. As a result, average productivity in the Quebec manufacturing sector, as measured by the value added per worker to production, was \$19,624 in 1975 compared with \$22,231 for Canada¹, a difference of 13%.

¹ Pierre FRÉCHETTE et al., *L’économie du Québec*, 2^e édition, Les Éditions HRW, 1979, p. 308.

Quebec’s post-war economy was still largely based the policy left over from the end of the 19th century, i.e., high protectionist tariffs intended to promote industrialization. Emphasis was placed on replacing imports into the Canadian market rather than on exporting.

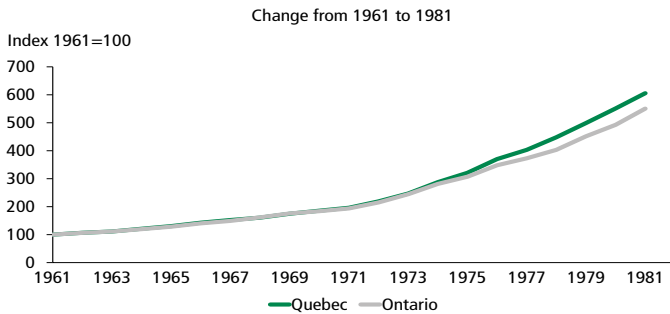
The post-war period marked the beginning of a global movement to liberalize trade, leading to the gradual lowering of customs barriers to the point where they were either zero or extremely low in many sectors. Quebec learned the lessons of international trade the hard way, as its industries were concentrated in areas in which it could barely compete.

This failure was all the more painful because Quebec desperately needed to offer work to the vast numbers of baby boomers entering the labour market. The rapid expansion of the public sector largely compensated for the lack of prospects for this new workforce.

The development of road infrastructure, the construction of administrative buildings and healthcare and educational facilities, Expo 67 and the 1976 Olympic Games, as well as the building of massive hydro-electric dams on the Manicouagan and in James Bay provided abundant employment and contributed to the development of Quebec’s expertise in the fields of civil and electrical engineering. Thanks to the increasing presence of the State, and in spite of the structural deficiencies, it is true that

GDP per capita in Quebec exceeded that of Ontario, in particular in the latter half of the 1970s (graph 1).

GRAPH 1
GDP at market prices per capita rose faster in Quebec than in Ontario



Sources: Statistics Canada and Desjardins, Economic Studies

In contrast to Ontario’s private sector, Quebec’s continued to experience challenges and declined throughout the 1970s. As a result, while investment in manufacturing in 1959 in the Montreal census metropolitan area represented 170% of the investment in manufacturing in the Toronto area, the same ratio plunged to 70% in 1979—in just 20 years.²

Hoping to strengthen their economic competitiveness compared to Japan, the Asian Tigers and a rapidly expanding European Union, the Canadian and American governments reached a free trade agreement (FTA) in 1989, which would eventually include Mexico (NAFTA) in 1994. These agreements would “continentalize” the Quebec economy and help it access North American value chains.

At the turn of the millennium, Quebec businesses would be faced with new challenges created when China joined the World Trade Organization and other so-called “emerging” countries entered the market. Quebec realized from that moment on that the economy had become global as a result of trade liberalization, low transportation costs, an increasingly mobile workforce, and evolving information and communications technologies.

A Profound Structural Transformation of the Economy

Over the last 50 years, the structure of Quebec’s economy has changed significantly. It is performing well, which was not the case back in 1960. Indeed, Quebec can count on competitive businesses in areas in tune with the current and future needs of the global economy, whether it is consulting engineering, IT, transportation equipment or multimedia. The synergy between these businesses and their suppliers creates a strong, resilient and innovative industrial network, which means Quebec is better equipped to weather the coming storms than it was in 1960,

² Ibid., p. 388.

when it could only count on businesses operating mainly in traditional industries.

Table 1 provides an overview of the way in which the Quebec economy has changed since the Quiet Revolution was set in motion.³ As a result, the importance of the manufacturing sector for the economy, measured as a share of gross domestic product, was cut in half. The drop was even bigger for primary industries (agriculture, forestry, mining). Conversely, the share of the services sector increased by more than a third (from 54% to 73%) during the period due, in large part, to the growth in activities relating to healthcare, social services, education, and recreation. Financial and real estate services also saw significant growth. This new configuration was not restricted solely to Quebec; the advanced economies elsewhere in North America and Europe were also reconfigured during the same period.

TABLE 1
Transformation of the industrial structure of Quebec

SECTOR	IN % OF GDP	
	1961	2017
Agriculture, forestry, hunting and fishing	4.4	1.5
Mining	2.8	1.4
Electricity, gas and water (utilities)	3.0	3.7
Construction	5.8	6.7
Manufacturing	28.6	13.5
Wholesaling and retailing	14.2	11.9
Transportation and warehousing	6.0	4.5
Finance, insurance, real estate	10.7	17.3
Public administrations	5.1	7.5
Other services (healthcare, education, recreation, etc.)	18.0	32.0
Total*	100.0	100.0

* The total may not equal 100 due to rounding.
 Source: Statistics Canada

Over the last few decades, the distribution of economic activity between Montreal and the rest of Quebec has also evolved. In 1970, the Higgins-Martin-Raynauld (HMR) report revealed a major imbalance between the Montreal region and the rest of Quebec. As a growth centre, Montreal was way ahead of Quebec City, Trois-Rivières and Sherbrooke. The report lamented Quebec’s limited number of cities with 100,000 inhabitants or more—unlike Ontario—a size sufficiently large to generate economies of scale and inter-industrial synergies.⁴

Although the expectations nurtured over the last half century in regional development were not all met, major changes did

³ For a more in-depth analysis of economic cycles, see: *Special study: Economic history of Quebec over the past six decades*, Desjardins, Economic Studies, *Economic Viewpoint*, November 25, 2014, 12 pages.

⁴ B. HIGGINS, F. MARTIN and A. RAYNAUD, *Les orientations du développement économique régional dans la province de Québec*, ministère de l’Expansion économique régionale, Ottawa, 1970.

take place. Since the release of the HMR report, Quebec City has become one of the most dynamic urban centres in Canada, and the province has over a dozen cities with more than 100,000 inhabitants. Many of them offer a variety of economic activities and are hubs for growth and innovation. Expertise, creativity and skilled workers are also available throughout Quebec.

Another sign that the Quebec economy has evolved is where its exports are headed. In 1972, twice as many shipments of products manufactured in Quebec went to the rest of Canada than were exported to other countries.⁵ Today, the United States imports more goods manufactured in Quebec than the rest of Canada does.

There Are Still Problems to Be Solved International Trade

International trade provides good insight into the vitality and competitiveness of an economy because it helps to determine whether the economy's products are succeeding or not against foreign competition. In this regard, the performance of Quebec's economy in recent years is worrisome. Table 2 shows that Quebec's international trade balance has gone from a \$5.9 billion surplus in 2002 to a \$21.5 billion deficit in 2017. The reverse is true for the interprovincial trade balance, but it is much too low proportionately to counterbalance the deterioration in trade with other countries. In total, the \$18.7 billion deficit in trade represented 4.5% of Quebec's GDP (in current dollars).

TABLE 2
Quebec international trade

	IN CURRENT \$B	
	2002	2017e
Exports of goods and services	141,507	188,735
International	92,929	116,821
Interprovincial	48,578	71,914
Imports of goods and services	137,307	207,433
International	87,078	138,360
Interprovincial	50,229	69,073
Balance of trade	42,000	-18,698
International	5,851	-21,539
Interprovincial	-1,651	2,841

e: estimates from the Institut de la statistique du Québec

Sources: Institut de la statistique du Québec and ministère de l'Économie, de l'Innovation et de l'Exportation

This change is largely due to the significant imports of light-duty motor vehicles and trucks (14.3% of the value of imports), and crude or refined oil (10.0%). It is also a result of Quebec exporters losing market share in the United States following the higher penetration of products from China or other countries into this market.

⁵Pierre FRÉCHETTE, op. cit., p. 388.

Despite the difficult development of its international trade in recent years, Quebec still has a few advantages in terms of international competition. International trade data helps to identify the products of which Quebec is one of the biggest exporters worldwide.

Table 3 clearly shows that Quebec remains a global leader in flight simulators and parts, newsprint, aeronautical equipment, raw electrical energy, and aluminum ingots. When it comes to these products as well as iron ore, copper wire, pork and lumber, it is among the nine top exporters worldwide. In the case of flight simulators, Quebec exports represent 46.6% of exports worldwide. Quebec's share of global exports is also extremely high for newsprint (21.8%) and aluminum (9.9%). These numbers, however, are not conducive to complacency, as Quebec has, in fact, lost market standing or share with respect to several of these exports in recent years. The data also reveals that Quebec's comparative advantage still lies chiefly in unprocessed or partially processed resources.

TABLE 3
Quebec was among the major exporting countries of goods in 2016

	GLOBAL RANKING	SHARE OF GLOBAL EXPORTS (%)
Flight simulators	1	46.6
Newsprint	1	21.8
Raw aluminum	3	9.9
Iron ore and concentrates	4	2.6
Airplanes, helicopters and other aircraft	6	4.4
Woodworking	7	2.9
Lumber	8	3.5
Chocolate and other food preparations	8	3.3
Pork	9	3.7
Electrical energy	9	3.9
Paper and paperboard	9	4.1
Copper wire	9	4.5

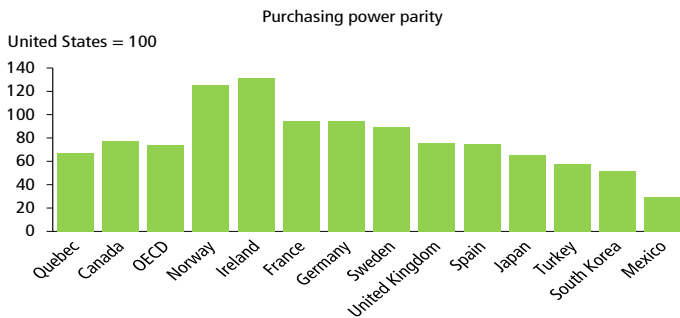
Sources: Institut de la statistique du Québec and ministère de l'Économie, de l'Innovation et des Exportations

Productivity

Quebec is behind most developed countries when it comes to productivity as measured by production value in terms of purchasing power parity per hour worked. Accordingly, productivity in Quebec is equal to two-thirds (67.2%) of that of the United States, and is slightly below the average for Organisation for Economic Co-operation and Development countries (graph 2 on page 4). This situation poses a major problem in that productivity has a direct impact on an economy's ability to face foreign competition and raise the population's standard of living.

In short, despite the fact that the Quebec economy has changed significantly since 1960, it has not succeeded in overcoming the

GRAPH 2
GDP per hour worked in 2016 is below the OECD average



OECD: Organisation for Economic Co-operation and Development
 Sources: Statistics Canada and OECD

handicap of insufficient productivity when compared to other developed economies.

A Long Road Still Lies Ahead

Quebec's economy must also meet new challenges. First, there is the threat posed by U.S. protectionist urges, which could spread to other countries. This is a serious threat to Quebec's economy when taking into account the fact that the international export of goods and services accounted for 28.2% of its GDP in 2017.⁶ The recent signing of the United States–Mexico–Canada Agreement (USMCA) reduced the immediate threat, but the trend to restrict trade remains very real.

As for the trade outlook, the Quebec economy is also at a disadvantage because world economic growth is increasingly centred around the Pacific. This area includes North America's west coast, China and other countries such as India, Indonesia and Vietnam. Not only do distance and production costs represent serious handicaps for Quebec businesses in relation to these new markets, but several of Asia's emerging economies will become, in all likelihood, formidable competitors in crucial sectors (transportation equipment, biopharmaceuticals, digital technologies, resources) and major markets for Quebec (Canada, United States).

Furthermore, Quebec's economy, like others around the world, is facing what is described as the Fourth Industrial Revolution, i.e., the rapid implementation of technology and digital networks in all fields. The move to digital is already profoundly disrupting sectors such as trade, media, manufacturing, and tourist accommodations. It will have a major impact on productivity and be a major source of innovation. It will also be more or less difficult for most trades and professions to adapt and to raise the issues of wealth and income distribution. That said, mobilization is not a new idea in Quebec, as shown by the regrouping of strengths around centres of excellence and urban clusters

⁶ That is, \$116.8 billion on a GDP of \$414.9 billion according to the 2018 edition of Calepin, ministère de l'Économie, de la Science et de l'Innovation du Québec.

for many years now. The creation of Canada's first university research centre in artificial intelligence in Montreal is another sign that Quebecers refuse to remain on the fringes of current technological developments.

The Foundation Has Changed

Quebec's economy has successfully modernized in recent decades. However, it will certainly have to continue to do so to meet the internal and external challenges that lie ahead. Its success in overcoming them will depend in large part on the strengths it will be able to rely on. These are based on the factors that relate to production, such as labour, natural resources and financial capital, and on the actions of key players, such as entrepreneurs and the State. Some of these strengths existed in 1960 and they still represent a comparative advantage for Quebec. Others are no longer important. And still others appeared or became stronger along the way and now represent the trump cards that the Quebec economy will be able to count on in the coming years.

Human Resources

Major changes have affected human resources in Quebec over the last 50 years. For example, the participation rate for Quebec workers aged 15 or higher has jumped significantly: in 1961, it was 52.8% compared with 56.7% in Ontario.⁷ In 2017, it reached 64.9%, the same as that of its neighbour to the west, Ontario.⁸

Another major step forward is education. As a result, the Quebec labour market is now much more educated and more highly trained than in 1960. Table 4 on page 5 indicates that the share of the population with a post-secondary diploma jumped from 19% in 1960 among those aged 25–34, to 79% in 2017, i.e., a fourfold increase for the biggest cohort aged 25–44.⁹ Another remarkable fact is that the number of post-secondary graduates, which was clearly lower than Ontario's in 1960, surpassed that of Ontario in 2017. College training, whether general or technical, allowed many to obtain a post-secondary education. Not only do Quebecers' skills match those of Ontario workers, but they are now comparable to those of other developed economies (table 5 on page 5).

The aging workforce has also been a major change in recent decades. At the start of the Quiet Revolution, the children of baby boomers rapidly swelled the ranks of the labour force (workers and employment seekers). The slowdown in the birth rate that subsequently occurred is now affecting the labour market. Since 2012, the labour force's 25–54 age group has been declining in Quebec (graph 3 on page 5). In Ontario, the growth of this age group has slowed without ever becoming negative.

⁷ Statistics Canada data reported in Pierre FRÉCHETTE et al., page 128.

⁸ According to *Labour Force Survey* data (Table 14-10-0018-01).

⁹ The data available does not allow identical cohorts.

TABLE 4
Distribution of the population per age group, according to the highest diploma obtained

IN %	1960 (25–34)		2017 (25–44)	
	Quebec	Ontario	Quebec	Ontario
None	66	49	12	10
Secondary	15	26	9	18
College/vocational/technical	14	17	44	33
University	5	9	35	39
Total*	100	100	100	100

* The total may not equal 100 due to rounding.

Source: Statistics Canada (for 1960, data cited by Pierre FORTIN in: *La Révolution tranquille et l'économie : où étions-nous, qu'avons-nous accompli, que nous reste-t-il à faire?*)

TABLE 5
Distribution of those aged 25–64 according to the level of education attained in 2016

IN %	QUEBEC	UNITED STATES	GERMANY	FRANCE	UNITED KINGDOM
Preschool and elementary	4	9	13	13	13
Secondary and post-secondary	44	44	56	43	36
University	52	48	31	44	52
Total*	100	100	100	100	100

* The total may not equal 100 due to rounding.

NOTE: Some limitations are encountered when using *Labour Force Survey* (LFS) data to examine and categorize educational attainment using ISCED as it is not possible to make a precise delineation between "postsecondary non-tertiary education" and "short-cycle tertiary education". LFS data reported for the Canadian population that has attained ISCED level 5 (short-cycle tertiary education) will be somewhat overestimated because this category includes, for example, some CEGEP or college university transfer program graduates who, under the international classification standards, would have been placed in ISCED level 4 (Post-secondary non-tertiary education). Statistics Canada, *Education Indicators in Canada : An International Perspective*, 2017, page 29.

This slow shuffle of the labour force aged 25–54 is causing problems in terms of hiring for many businesses and may, in some instances, lead to a hike in wages and prices that is likely to affect the competitiveness of businesses. This is even more likely in light of the fact that it is already difficult to fill the positions of retirees while new jobs are being created.

Energy and Natural Resources

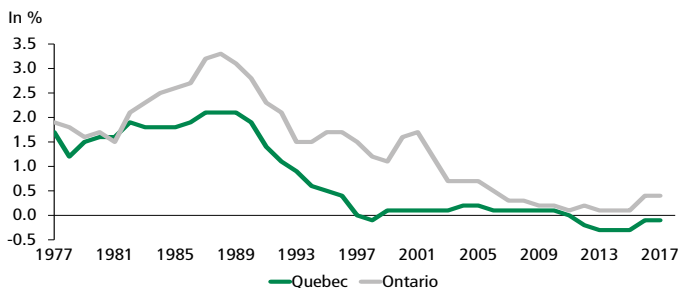
Electricity

Quebec can still count on a wealth of diverse natural resources, just as it did in 1960. In fact, the availability of electricity at rates that are among the lowest in the world continues to provide a competitive advantage for businesses already established in Quebec and for businesses that may be interested in locating plants here. Of course, current hydrocarbon prices (with respect to the levels reached in 2008 and from 2011 to 2014) have reduced this advantage somewhat, but hydroelectricity has the benefit of being a renewable energy source with a small environmental footprint compared to thermal, fossil-fuel or nuclear energy. Quebec currently has an energy capacity surplus given the addition of major production facilities in recent years. These assets could provide significant leverage when it comes to economic development over the medium and long term.

Mineral Resources

Mineral resources were a major source of wealth in several regions throughout Quebec during the post-war decades. Some, such as asbestos and copper, can barely or no longer be mined. Others, in particular iron and gold, still offer good potential despite the competition from several other producing countries. Taking into account its size, Quebec may also be able to count on

GRAPH 3
The annual growth of the labour force* aged 25 to 54 weighs on the economy's potential



* Workers and job seekers.
 Source: Statistics Canada

other mineral resources in the future. For example, lithium and diamond mining is already underway.

Forest Resources

Bearing in mind the remoteness of the resource, the time it takes to regenerate, the technological advances and the recurring trade disputes with the United States, it is difficult to expect the forestry sector in Quebec to be able to offer as many jobs in the future as it has in the past. The forest industry may, however, become more competitive in the medium and long term if climate change increases the size and rate of growth of the forest. Furthermore, the Quebec forest industry may also benefit from a drop in the number of products offered as a result of the desertification and over-harvesting in other areas of the world.

Water

The abundance of fresh water is expected to become a major comparative advantage for the agricultural and industrial sectors in Quebec, as climate change and over-development create shortages elsewhere in the world. This will inevitably call for a sustainable development approach.

Financial Resources

Until the 1960s, Quebec had trouble saving enough to produce the financial capital needed to grow and develop its economy. This is why foreign investment was welcomed with open arms. As a result, between 1965 and 1968, more than 60% of corporate taxable income in the manufacturing sector in Quebec was from businesses belonging to non-residents. The proportion was 42% in services and 41% in mining.¹⁰

The creation of the Caisse de dépôt et placement du Québec in 1965 marked a turning point in this regard. Other measures, both governmental and private, competed to channel a growing part of Quebecers' savings toward meeting the needs of businesses. Furthermore, programs such as the stock saving plan, the tax-advantaged labour funds and Capital régional et coopératif Desjardins encouraged Quebecers to participate more in the development of the Quebec economy at a time when the rise in their disposable income enabled them to save more.

The ratio between savings and financing needs also changed on a global scale. Although financial resources were mostly used to build major infrastructure projects during the post-war and baby-boom periods, the global economy has had to deal with something called a "saving glut" since the new millennium, a situation that makes it more difficult for financial institutions to earn a decent return, but which makes it easier for entrepreneurs to access international financing.

¹⁰ Gouvernement du Québec, *Le cadre et les moyens d'une politique québécoise concernant les investissements étrangers*, 1973, page 31.

These changes mean that financing is no longer as big a hurdle as in the past for projects in Quebec that offer the possibility of a high return.

Entrepreneurship

There are a number of reasons why entrepreneurship hardly existed—except for a few exceptions—among Quebec Francophones at the beginning of the Quiet Revolution. In 1961, businesses and institutions controlled by Francophones offered no more than 47% of the jobs in Quebec, i.e., a proportion clearly lower than their numbers might suggest.¹¹

Things changed during the ensuing decades, as advances in education and successes such as Expo 67 and major civil engineering projects helped Quebecers to gain greater confidence in their abilities to start a business.

The rise of Quebec entrepreneurship became apparent with the creation of "Quebec Inc." or the emergence of leaders in engineering (SNC-Lavalin), materials (Canam), transportation equipment (Bombardier), media (Videotron, Quebecor, Unimédia), energy and resources (Énergir, Cascades), retailing (Jean Coutu pharmacies, Provigo, Metro grocer, Alimentation Couche-Tard) and finance (Power Corporation).

Furthermore, Quebec society changed significantly. Quebecers hold entrepreneurship in far greater esteem now than they did in the past. Moreover, more young Quebecers are willing to launch their own business. In 2017, it was noted that the number of young Quebecers intending to start a business increased (41.5%) compared with 2016 (31.9%), and was higher than in the rest of Canada (30.2%).¹²

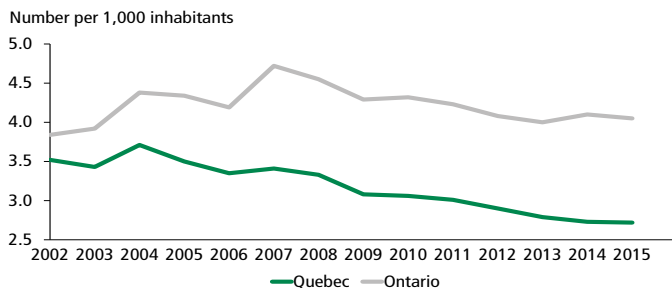
However, although they may be more open to the idea of entrepreneurship, Quebecers still hesitate to take the leap. Graph 4 on page 7 illustrates that, between 2004 and 2015, the creation of private businesses with employees (which excludes the self-employed) declined steadily in proportion to the population of Quebec and that the gap with Ontario widened.¹³ This disconnect between perception and action is difficult to explain. Still, it is possible that, as more and more young Quebecers are graduating, they prefer the security of a well-paid job over a riskier career as an entrepreneur.

¹¹ According to the calculations by economist André RAYNAULD reported in Paul-André LINTEAU, René DUROCHER, Jean-Claude ROBERT, François RICARD, *Histoire du Québec contemporain – Le Québec depuis 1930*, Boréal, 1986, page 276.

¹² Many opinion surveys show this, including the one conducted in 2017 by the Global Entrepreneurship Monitor (GEM). The results of this [survey](#) on Quebec can be accessed on the Internet.

¹³ This decline is not unique to Quebec. It can be seen even in the United States. Beyond the number of new businesses starting up, it's more their ability to grow quickly and persist that matters.

GRAPH 4
The annual creation of businesses with employees in the private sector tends to decline



Source: Statistics Canada

The State

Since 1960, the government of Quebec has become much more involved in the economy, whether to stimulate it when it is down or to regulate trade and industry and, in some areas, to act directly through public corporations. The government also embarked on a program to invest heavily to fill significant gaps. For example, it invested in the road infrastructure as well as the education and healthcare facilities that a rapidly growing population needed.

During the 1960s and 1970s, after having recruited a vast number of graduates, the Quebec government, like the federal government in Ottawa, believed firmly in directing and accelerating economic development through planning and aggressive action. Successive policies and programs were introduced. And there was no lack of ambition, with efforts focused simultaneously on business growth, job creation, modernization, the revival of struggling industries, and regional development.

However, this confidence in the ability of the State to stimulate and direct economic development would be put to the test in the early 1980s, when the economy was grappling with high rates of inflation and unemployment at the same time. Like many other governments around the world, Quebec's increasingly relied on private initiatives to develop the economy's potential. This approach included easing the tax and regulatory burden and reducing the presence of public bodies in the market.

Nonetheless, the government's willingness to help economic development did not completely disappear. It is still evident in the many programs, strategies and budgetary credit commitments intended to support specific sectors or help businesses become more competitive.

Even if its ambitions are more modest than they were at the height of the Quiet Revolution, the Quebec government still has the means to act, thereby enabling it to take action to develop the Quebec economy. Without a doubt, it had more budgetary

and financial leeway in 1960. However, the government at that time could not count on public bodies such as Hydro-Québec, the Caisse de dépôt et placement and Investissement Québec. Likewise, thanks to the expertise they acquired and the powers granted to them over the years, the departments of Finance, Natural Resources, Environment, Transportation and Immigration, among others, are able, to a certain extent, to guide economic development in the directions they consider preferable.

Is Quebec Well Equipped or Not?

In the early 1960s, the number of changes rose quickly. Quebec had to adapt ever faster, using the tools available at that time. The transformation of the economy was not without pain, but it was done well. The most obvious results include Quebec companies that are more competitive than in the 1960s, a more educated workforce, and development distributed throughout the province and not just based on the development of natural resources. In addition, there was a changing of the guard, if you will, among investors. Foreign investment remains important, but Quebecers' investment has grown.

Over the last 60 years, Quebec has left a highly visible and distinctive societal (through its social programs, actions and values, in particular), cultural and institutional mark. The gains of the last few decades include Montreal's ability to boast that it is one of the major cities in North America to have the highest concentration of universities, something that would have never been thought possible in the 1960s. Elsewhere in Quebec, a network of post-secondary educational institutions was created to make education and academic training available to all.¹⁴

In spite of this progress, there is still much work to be done. Other economies have also made great strides. When it comes to productivity, significant gains remain to be made. Working to improve the competitiveness of Quebec businesses is one requirement. Admittedly, exports still rely mostly on unprocessed or partially processed resources. As for the hurdles to be overcome—the stagnation and even decline of the labour force—are concerning.

When the State cannot simply hand out more without digging deeper into the pockets of taxpayers, the time has come to think about “passing the torch” to the private and collaborative sector (cooperatives, social economy) to move forward. Do we have to work differently? Should we be making choices in terms of who receives government assistance? What avenues remain open for Quebec? A second *Economic Viewpoint* will examine these issues in greater depth. It will describe the tools and measures used elsewhere and likely to keep Quebec in the race to ensure short-, medium- and long-term prosperity.

¹⁴ For more information, see: [Is GDP the Only Way to Measure Performance?](#), Desjardins, Economic Studies, *Economic Viewpoint*, September 27, 2018, 12 pages.