




SUSTAINABILITY HIGHLIGHTS

A vibrant economy is part of the vision for a sustainable Fraser Basin region. Economic well-being at a regional scale can be described as the performance of the economy within BC or the Fraser Basin, and can be measured through indicators such as economic growth, unemployment rates, economic productivity and economic diversity. A sustainable economy can contribute to an increased standard of living and increased prosperity, and is composed of good corporate citizens that are socially and environmentally responsible (see **Business**). A sustainable economy uses renewable resources and minimizes adverse impacts on the environment by reducing pollution and waste, and efficiently using energy, materials and labour. A low unemployment rate is important to the economic stability of a community. Likewise, high employment rates generate lower employment insurance claims and more income tax, providing public funds in support of healthcare, education, transportation and other public services. Increasing economic diversity is associated with economic stability, resilience, human well-being and sustainability.

- An aging population and increased retirement are projected to lead to skill shortages in many different sectors and industries.

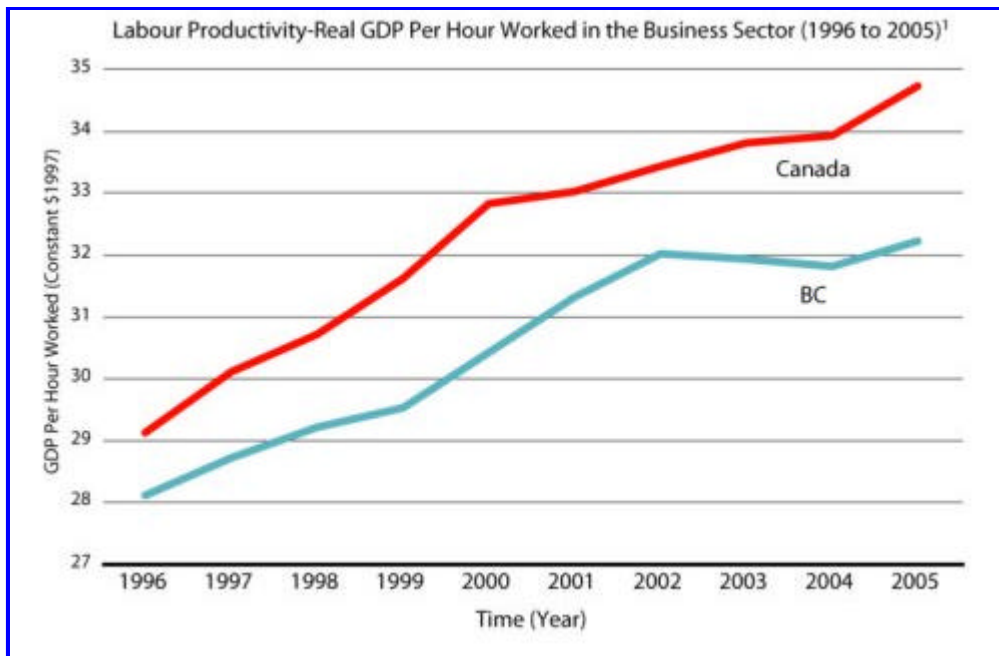
Productivity Growth		POOR -Below the national average over the past decade and minimal growth since 2002.
Unemployment		GETTING BETTER -Unemployment rates are at the lowest levels in over 20 years and dropped below the national average in 2004/05.
Economic Diversity		FAIR/MIXED RESULTS - Best in the Thompson, Fraser Valley and GVSS regions and worst in the Upper Fraser and Cariboo-Chilcotin regions.

ISSUES AND TRENDS

Due to limited availability of current data, many of the indicators have been analyzed at the provincial level. Provincial data is more current (2004 or 2005) than data otherwise available specifically for the Fraser Basin (2001).

Gross Domestic Product Growth Per Capita (1996-2005) ¹

Economic growth refers to the expansion of the total production of goods and services over time. The growth in real GDP is used as an indicator of the general well-being of the economy. However, many activities that contribute to GDP growth might negatively influence sustainability, such as expenditures on human tragedies, including car accidents and environmental catastrophies such as oil spills. BC has had strong economic growth over the last few years. Real GDP per capita growth in BC has outpaced the national average since 2002. In 2005, BC had the third highest growth rate among the provinces, with a GDP per capita growth of 2.2%.

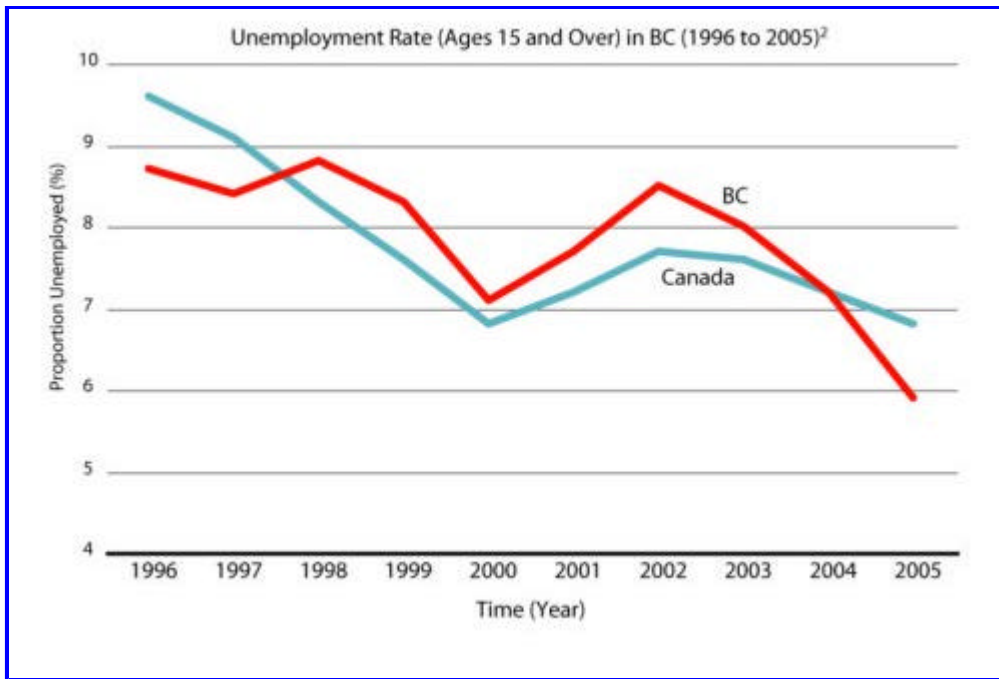


Productivity Growth (1996-2005) ¹

Productivity growth is a key contributor to economic growth and income growth. Economic growth is a result of increased labor use, increased capital or an improvement in the efficiency with which labor and capital are utilized. A common measure of this efficiency or productivity is GDP per hour worked. Economic growth achieved through increased productivity puts less pressure on finite natural resources or environmental services. Although BC has recently had strong GDP growth, real GDP per hour worked in BC was \$32.2, below the national average of \$34.7. Productivity in BC has consistently been at levels below the national average from 1996 to 2005.

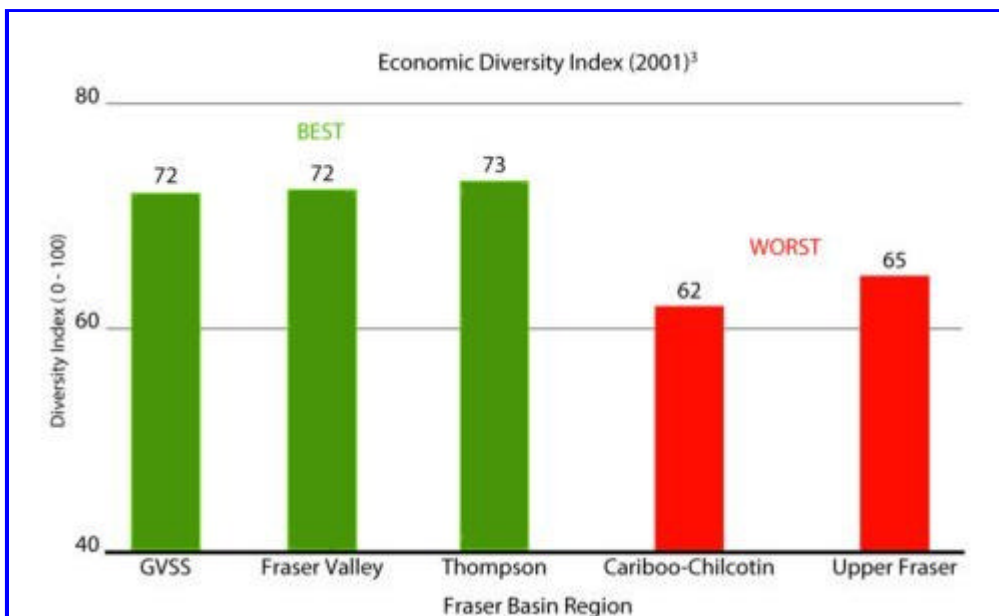
Employment and Unemployment (1996-2005) ²

The labor force includes all individuals 15 and older who are employed in full-time and part-time positions or are actively looking for work. The unemployment rate (% of labour force without work) in BC in 2005 was 5.9%, while the employment rate (% of population employed) was 61.5%. Although province-wide Labour Force data are presented in this report, 1996 and 2001 Census data were examined to compare BC and Fraser Basin data. It was found that Fraser Basin unemployment rates were similar, and slightly lower than the BC rate in both the 1996 and 2001 Census years (0.4% and 0.5% lower respectively).

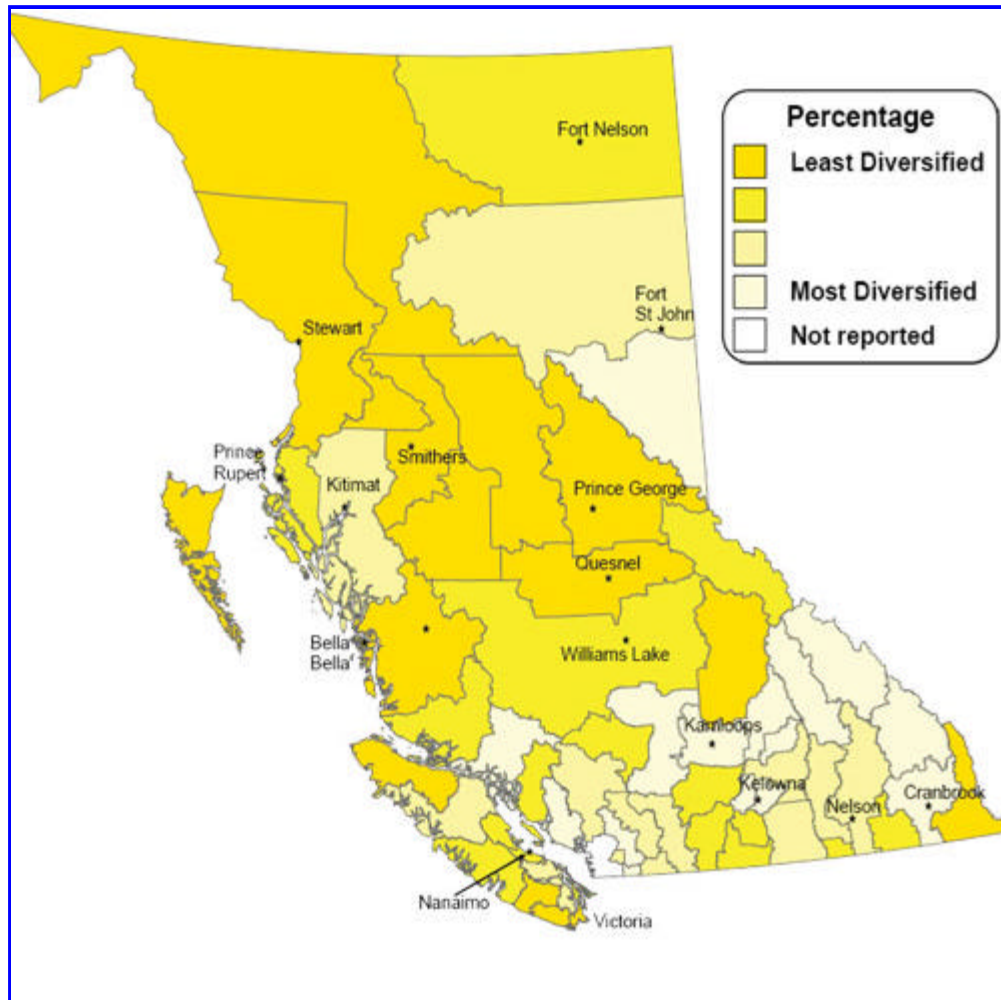


Economic Diversity (2001) ³

Economic diversity is an important indicator of the stability and resiliency of regional economies. Dependency on a single industry makes that economy extremely vulnerable to economic downturn. BC Statistics developed an Economic Diversity Index that rated 20 smaller BC communities in 2001. The higher the number (0-100), the more diverse a community's economy is presumed to be. Communities in the Upper Fraser and Cariboo-Chilcotin regions were relatively less diverse than in the southern regions of the Basin. In particular, Vanderhoof (index rating of 56) and Quesnel (57) had the lowest levels of economic diversity. The low diversity scores in the Upper Fraser and Cariboo-Chilcotin regions are in part due to heavy reliance on the forestry sector in these regions (**See Forests and Forestry**).



Map of Economic Diversity (2001) ³



INSPIRED ACTION

What is being done?

- Community Futures Development Corporation of British Columbia coordinates and facilitates a number of community economic development initiatives in the Fraser Basin and throughout BC. These initiatives include entrepreneurship, self-employment and community economic development programs.
- Western Economic Diversification Canada is providing \$25 million in funding to create new employment opportunities, support economic infrastructure and promote entrepreneurship in BC. This funding will be matched by the BC government.
- The BC Competition Council conducts a comprehensive review of BC's competitiveness in every sector, pinpoints barriers to growth and identifies solutions to overcome them.

What else can be done?

- Buy from local businesses and from those that are based in BC.
- The BC Progress Board suggests that increasing productivity through public and private capital investments, new funding for and focus on research, training and academics need to be priorities if we want to increase our economic well-being. Further, public policy must include favourable tax, immigration and regulatory policies .⁴
- Support government programs in school districts and post-secondary institutions that contribute to a well-educated, highly qualified work force.
- Support the development of partnerships between communities, government and business to diversify local and regional economies.
- Support initiatives such as job sharing, cooperatives, peer lending groups, and entrepreneurship training.

Reconnecting new Canadians with their careers

Over 35,000 immigrants-including many highly skilled people-come to BC each year. It is key to economic sustainability that they effectively integrate into the workforce and secure positions that match their qualifications. BC Skills Connect, funded by the Ministry of Economic Development and offered through local non-profit service agencies, helps tradespeople, professionals and other skilled immigrants ready themselves for the BC workforce through career assessment, skills enhancement and workplace orientation, including internships or mentorships. The initial focus is on those in the construction, transportation, energy and tourism and hospitality industries.



REFERENCES

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www.bcstats.gov.bc.ca/pubs/econ_dep.asp. (2004).
4. FBC Progress Board, Fifth Annual BC Progress Board Benchmarking Report:
www.bcprogressboard.com/bmark_reports.php?p=benchmarks.php. (2006).