

# The Five Solitudes of Ontario

A Regional Analysis of Labour Market Performance in Post-Recession Ontario

by Ben Eisen and Joel Emes

Ontario has experienced more than its share of economic pain in recent years. Between 2003 and 2014, real economic growth per person in Ontario has averaged just 0.3% annually. That's less than one third of the rate of real per-person economic growth in the rest of the country, which averaged 1.1% annually. The economic pain in Ontario, however, has not been spread evenly: there has been significant regional variation in economic performance within the province.

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It is not clear that these important differences among the regions, and the related variation in their economic performance are recognized throughout the province. For example, an up-beat press release from the Office of the Premier celebrates the recent up-tick in provincial economic growth over the past year. And, it may well be that people living in more successful parts of the province are not aware of the extent of the economic troubles in other regions. We suggest that these misperceptions across the province's regions have created five distinct "solitudes" of Ontario in which residents of certain regions are not fully aware of economic conditions and challenges elsewhere.

The five solitudes of Ontario as defined in this paper are: the Greater Golden Horseshoe; Southwestern Ontario; Ottawa and the surrounding area; Eastern Ontario; and Northern Ontario. The first major section of this paper provides a description of each and breaks down regional employment by industry. The study then compares recent economic performance in the five solitudes of Ontario with a particular focus on labour-market performance in the years during

and since the 2008/09 recession. We find that, while the Greater Golden Horseshoe and the Ottawa region have fared comparatively well, labour market performance in each of the other solitudes has been considerably worse than the provincial average.

### Three principal findings

[1] As of 2015, total employment in Ontario outside the Greater Golden Horseshoe (GGH) had still not recovered to pre-recession levels. In 2008, total employment in Ontario outside the GGH stood at 2.237 million; in 2015, total employment in the rest of Ontario stood at 2.173 million.

[2] Even since the end of the recession, job growth outside the GGH has been poor. Average annual net employment growth has been negative in Eastern and Northern Ontario between 2010 and 2015. Average employment growth in Southwestern Ontario during this time has been positive, but only barely (0.4% annually). For several of Ontario's regions there has been almost no job growth during the period of "recovery" from the 2008/09 recession.

## EXECUTIVE SUMMARY

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[3] Employment rates and labour force participation rates have been much lower in Eastern, Northern, and Southwestern Ontario than in Ottawa and the Greater Golden Horseshoe in recent years (2010–2015). The economic dependency ratio in Eastern, Northern, and Southwestern Ontario has also been consistently higher than the provincial average.

Each of Ontario's five solitudes includes a significant number of Canadians and represents an important regional economy within Canada. Even Northern Ontario, the least populated of Ontario's solitudes, has more people than Prince Edward Island, Newfoundland & Labrador, or New Brunswick. Southwestern Ontario's population of 1.6 million residents is nearly as large as all of Maritime Canada combined.

However, because the smaller regions are located in the same province as the highly populous GGH, which includes the metropolis of Toronto, economic trends and challenges in these regions can sometimes be overlooked by those who

look only at provincial-level economic statistics, which are heavily influenced by the economy of the GGH. Considering provincial statistics alone may give rise to misconceptions among people—even policy makers—who live in Ontario's five solitudes and often face significantly different economic circumstances and challenges. Our aim in this report is to shed light on regional economic circumstances across the province in the hope of reducing these information gaps.



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