



Fast

FACTS

CANADIAN CENTRE FOR POLICY ALTERNATIVES – MANITOBA

there is an alternative.

November 25, 2015

Who's keeping Score?

Two interesting reports crossed my desk recently. The first one, a column by Dan Lett, appeared in the Winnipeg Free Press on November 18th. Lett explains why he is unconvinced by Brian Pallister's position on a variety of issues. He questions Pallister's math, but in doing so Lett has to admit that the NDP is doing a good job. It has managed to keep spending increases at reasonable levels considering the array of bad luck (expensive flooding; global financial crisis) we've endured, and decreasing support from the federal government in the face of growing healthcare, education and justice costs. He even seems to agree that the PST increase, although badly handled, was necessary to pay for much needed infrastructure spending. As Lett explains, the Conservatives claim they can keep spending on infrastructure, not cut programs or services AND balance the budget at the same time as they reverse the PST increase and raise the personal income tax exemption. It's easy to see why Lett is incredulous.

The article does what good journalism is supposed to do: present the facts and challenge politicians to explain their positions so that citizens can make informed decisions when the election rolls around. But Lett's last statement strays from that worthy cause: he warns that if the Conservatives don't get their act together, an "undeserving" NDP will win the next election.

Lett needs to explain why the NDP does not deserve to win and he should do so as clearly as he explains why the Conservatives

aren't making sense. Does the sin of committing a policy flip-flop (as he accuses Selinger of committing on the PST increase) cancel out all a government's accomplishments and improvements, no matter how considerable? If so, democracy is in dire straits because politicians flip flop a lot. Sometimes they have to because circumstances change; sometimes because they make mistakes. But using flop-flops as the only measure of political competency means we ignore other important information such as that in the 2nd report.

On November 19th the Ontario Common Front released *Backslide; Labour Force Restructuring, Austerity and Widening Inequality in Ontario*. It's pretty grim reading if you live in Ontario, but embedded in the report is some interesting information about other provinces, including Manitoba.

There are many indicators one can consider to determine how a particular economy is faring; the percentage of workers earning minimum wage is one. According to this report, Manitoba has the 3rd best ranking of all the provinces, at around 5 percent. Ontario ranks last, with around 11 percent of its workers earning minimum wage. The Canadian average is just over 7 percent. The report does not consider the adequacy of minimum wage in meeting workers' needs, but Manitoba's has the 3rd highest of the provinces, at \$11/

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hour. Ontario's minimum wage is \$11.25 and Alberta's is \$11.20, and both those provinces have a much higher cost of living than Manitoba.

According to the report, Manitoba has the 3rd lowest increase in university undergraduate tuition fees. At 104% our increase is much smaller than Ontario's at 299%, Saskatchewan's at 244% or Alberta's at 267%.

The report also bemoans Ontario's stubbornly high unemployment rate, at 7.2 percent. This is in sharp contrast to Manitoba, which has the lowest rate in the country at 5.3 percent. Naysayers will say we came out on top because Alberta and Saskatchewan lost jobs, but Manitoba has consistently been in the top 3 performers for years now. Ontario has not been able to regain the jobs lost during the global financial crisis, whereas Manitoba lost relatively few jobs during this time.

Changes in the unemployment rate don't tell us anything about the type of work people have gained or lost. Another measure that helps us fill out the employment picture is that of the percentage of people involuntarily working part time; in other words, those who would prefer to work full time but who cannot find a full time job. Once again, Ontario has not fared well in this category. The percentage spiked at around 32 percent in 2009 at the peak of the recession, where it is stubbornly parked today. The percentage of Manitobans involuntarily working part time has also increased, but is much lower at 26 percent. More recent data shows full time work growing at a strong 4 percent as Manitoba's economy continues to outperform the rest of the country in terms of rate of growth so that 26 percent should be on the decline.

The relatively good labour market news in Manitoba is no doubt partly responsible for our high ranking on another indicator: the change in income inequality. The report ranks the provinces from the highest increase in inequality to lowest

between 1981 and 2011. Newfoundland had the greatest change: a 18.65 percent increase; Ontario had the third highest increase at 16.27 percent. Manitoba had the second lowest increase at 2.51 percent. Saskatchewan did best, with a 0.27 decrease in income inequality.

There are many forces that shape the indicators the Ontario report talks about. Some are out of the control of provincial governments, but they can and do make a difference. It would be irresponsible, therefore, to completely ignore the performance of an economy during the tenure of any government. With 15 years now under its belt, this government has done a pretty good job of keeping our economy on a steady course. Perhaps even more commendable is how it has responded to the needs of Manitoba's most vulnerable.

The government played a definite role in keeping our income inequality measure low. By increasing access to social housing, introducing Rent Assist so more Manitobans can afford decent housing, increasing access to quality childcare, supporting the social enterprise sector so multi-barriered workers can get job training and work experience, increasing access to apprenticeship programs so young Manitobans can get decent jobs and incrementally raising the minimum wage every year – this government has done a lot so that Manitoba's inequality measure stays low.

Could this government do more? Absolutely. Is there room for criticism? No doubt. But let's play fair. Continually agitating about flip-flops might appeal to some, but eventually we need to know what the score really is.

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