

# **The 2007 Manitoba and Saskatchewan elections: Broken Electoral Destinies?**

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## **DRAFT VERSION**

### **Abstract:**

Both Saskatchewan and Manitoba have traditionally been seen as social democratic provinces. But, over the past decades, there has been an increasing convergence in policy solutions and as a consequence the platforms of political parties have become more and more similar. What is the impact of this convergence on the 2007 provincial election in Saskatchewan and in Manitoba? In November 2007, the Saskatchewan NDP lost the election, thus ending a 16-year NDP reign while in May 2007, the Manitoba NDP in power for 7 years was re-elected. The Saskatchewan Party won 38 seats out of 58 (65%), thus gaining 8 seats. In Manitoba, the NDP took 36 of 57 seats (63%). And yet, many commonalities appear in the policy platforms of those political parties. In Manitoba, the NDP focused on universal health care, education, tax cuts, public safety, money for highways and on reducing pollution. But in Saskatchewan promises were very similar for the two rivals. Indeed, both the NDP and the Saskatchewan Party made promises on improved health care and tuition breaks for post-secondary students, on recruiting medical professionals and on reducing greenhouse gases. But those common points are not necessarily social democratic ideals. Does this shift in electoral preferences signal the end of a common social democratic destiny between Manitoba and Saskatchewan? Do those election results signal an ideological continuum in Manitoba and a rupture in Saskatchewan? To answer those questions, policy platforms and debates will be analyzed in depth.

### **Introduction**

In May and November 2007, provincial elections respectively took place in Manitoba and Saskatchewan. Before they were held, both provinces had the same party in government, the New Democratic Party, but the electoral outcomes ended up being different. In 2007, the Manitoba NDP, with 36 seats and the Saskatchewan Party, with 38, won the elections with a clear majority of seats. Their percentage of the vote is slightly less impressive 47.7% for the Manitoba NDP and 50.8 for the Saskatchewan Party.

Do those 2007 election results signal an ideological continuum in Manitoba and a break in Saskatchewan? Will we witness a fundamental realignment with new policy solutions or the status quo? If we focus our analysis on the final outcome, we could assume that those provinces are going to follow two different tracks and that a political break took place in Saskatchewan, so far considered the home of social democracy in English Canada: after 44 years including 16 in a row with the CCF/NDP in government, the 2007 election may constitute a break from the past whereas the re-election of the Manitoba NDP for the third time since 1999 may be considered as the continuum of the past. In other words, a quick remark would be to say that: yes Saskatchewan has chosen a new path whereas Manitoba has decided to contend itself with the status quo. However, to go further in the analysis, other elements, such as the contents of the party platforms or the leaders' debates and speeches

must be taken into account. To answer those questions, we will compare the measures supported in the 2007 election campaign on health care, tax cuts and minimum wages. The four parties taken into account will be the PC and the NDP in Manitoba and the Saskatchewan Party and the NDP in Saskatchewan.

Questions related to potential political realignments have been raised repetitively from the late 1960s when neo-liberal theorists started waging an ideological war against the Keynesian welfare state for infringing upon individual liberties and encouraging dependency upon state handouts: social democracy has changed and has come under attack from both the right and the left<sup>1</sup>. Traditionally, it supports redistribution to reduce the inequities created by capitalism, it includes democratic economic governance to limit market failures, excesses and inefficiencies and it advocates social protectionism to meet the needs of all in education, health and welfare<sup>2</sup>. On the contrary, neo-liberalism, the common sense ideology since the 1990s, can be characterized by policies of fiscal retrenchment, downsizing social services, privatization, flexible labour markets, deregulation and free trade and involves a change in the state's priorities and a reshaping of its modalities<sup>3</sup>. As a result of a shift to the right witnessed in the 1980s and 1990s, social democratic parties began to advocate policies influenced by the Third Way of Tony Blair in the UK. This "ideology" is an easy acceptance of Margaret Thatcher's market reforms, with increased social spending in a few selected areas: it is a "hybrid of old-style social democracy and new-style neo-liberalism"<sup>4</sup>. More precisely, a Third Way government is not opposed to some of the policy ideas of a centre-right political party with for example tax reduction and balanced-budget legislation but also supports social inclusion<sup>5</sup>. Nonetheless, the record of Third Way political parties shows that the free market tends to win over social democratic governance<sup>6</sup>. Does it then imply that social democracy is dead and that Third Way or even neoliberal policies have triumphed leading to what I would call "twin party platforms" in the Saskatchewan and Manitoba 2007 provincial elections? Does it imply that we have the same "ideological" pattern between and within those two province provinces?

Although it is impossible for a political party in Canada to win an election by stating that they want a two-tier American style health care system, differences may appear in the reforms put forward to stop the ever-increasing budgets for health care and to reduce the waiting lists. Whether they are fiscally conservative or not, the four political parties studied,

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<sup>1</sup> See Murray Cooke, *Structural Changes and Political Challenges: The New Democratic Party in the 1990s*, (Paper presented at the Annual Meetings of the Canadian Political Science Association, University of Saskatchewan, June 2007).

<sup>2</sup> Collin Hay, *The Political Economy of New Labour* (Manchester: Manchester University Press, 1999), 57.

<sup>3</sup> Gregory Albo, "Neoliberalism, the State and the Left: a Canadian Perspective" *Monthly Review* 54, 1 (2002), 51-52.

<sup>4</sup> William K Carroll, "Introduction: Social Democracy in Neoliberal Times", *Challenges and Perils, Social Democracy in Neoliberal Times*, William K. Carroll and R.S. Ratner (ed.). (Halifax: Fernwood Publishing, 2005).

<sup>5</sup> Joan Grace, "Challenges and Opportunities in Manitoba: the Social democratic "Promise" and Women's Equality", *Challenges and Perils, Social Democracy in Neoliberal Times*, William K. Carroll and R.S. Ratner (ed.). (Halifax: Fernwood Publishing, 2005), 70.

<sup>6</sup> See: M. Ehrke, "Revisionism Revisited: the Third Way and European Social Democracy", *Concepts and Transformations* (2000), 7-27; John Gledhill, "Disappearing the Poor? A critique of the New Wisdoms of Social Democracy in an Age of Globalization", *Urban Anthropology and Studies in Cultural Systems and World Economic Development* 30, 2/3: 123-56, 2001 ; Gerassimos Moschonas, *In the Name of Social Democracy: the Great Transformation, 1945 to the Present* (London: Verso, 2002) ; D. Porter and D. Craig, "The Third Way and the Third World: Poverty Reduction and Social Inclusion in the Rise of 'Inclusive' Liberalism", *Review of International Political Economy* 11, 2: 387-423, 2004.

the PC in Manitoba, the Saskatchewan Party and the two provincial NDPs, endorsed the universal principle of health care. For example, the Saskatchewan Party indicated in its platform: “A Saskatchewan Party government will improve publicly funded health care in Saskatchewan, and will deliver publicly funded, publicly administered health care services under the Canada Health Act”<sup>7</sup>. The Saskatchewan NDP entitled its part on health care: “Better Public Health Care for Everyone”<sup>8</sup>. On the other side of the border, in Manitoba, health care was also an important issue especially for the NDP: Gary Doer, in the Leaders’ Debate, indicated that health care is “our number one priority” while Hugh McFadyen, the PC leader, was committed to increasing the funding for health care<sup>9</sup>. They promised not to introduce any user fees or premiums and all acknowledged the shortage of nurses and doctors, hence the need for all to train, attract, retain and hire more medical staff. Their final objective was to offer a better, more efficient and affordable health care. However, the measures to be implemented to reach that goal may be somehow different.

First, it can be argued that the Manitoba and Saskatchewan NDP had a much more inclusive approach in their policy by paying attention to some groups, generally seen as disadvantaged<sup>10</sup>, which enables the NDP to stick to some of the original social democratic principles. For example, they both stressed the importance to train, attract and retain Aboriginal workers in the health sector whereas this idea was not mentioned by their opponents. The Manitoba NDP wanted to increase the number of scholarships for aboriginal medical students at the University of Manitoba to “provide annually \$7 000 each to six aboriginal students”<sup>11</sup>. In a very similar way, the Saskatchewan NDP with the 2001 *Health Plan* and the 2004 *Working Together: Saskatchewan’s Health Workforce Action Plan*<sup>12</sup> (mentioned extensively in the party platform) implemented programmes to improve the “retention, recruitment and admission of First Nations and Métis students from northern Saskatchewan into health professions” by funding the Northern Health Science Access Program based in Prince Albert.

The people are important to the system but we must also take into account the buildings and the policies supported to improve the health care facilities. The Manitoba NDP put forward many projects with high spending ahead: they promised to spend \$3.6 million to renovate Ste. Anne Hospital, build a \$40-million centre of excellence for maternal care at the Health Sciences Centre in Winnipeg, build a \$3.5-million birthing centre in south Winnipeg, spend \$2 million to renovate and expand the maternity ward at St. Boniface General Hospital and modernize the Children’s Hospital<sup>13</sup>. The Saskatchewan NDP followed a similar direction and promised to build two new surgical centres in Regina and Saskatoon and complete the Maternal and Children’s Hospital in Saskatoon<sup>14</sup>. In both cases, the parties stressed the need to help women and children, who are generally considered as groups more in need of care, especially when they are young and/or pregnant: again, the NDP is on the same track in both

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<sup>7</sup> Saskatchewan Party, *Securing the Future: New Ideas for Saskatchewan* (Regina: Service Printing Co., 2007),9.

<sup>8</sup> New Democratic Party of Saskatchewan, *Making Life Better for Saskatchewan Families* (Regina: Service Printing Co., 2007), 1.

<sup>9</sup> CBC, Manitoba’s Leaders’ Debate (17 May 2007), [www.cbc.ca/manitobavotes2007/features/feature1-debate/html](http://www.cbc.ca/manitobavotes2007/features/feature1-debate/html).

<sup>10</sup> Aboriginals face high unemployment rates and generally have lower standards of living than non Aboriginals. The relative unemployment rate of Aboriginal people in Manitoba, at 311%, is much higher than the national average rate of 259%. Among provinces and territories, only Saskatchewan has a higher relative rate, at 365%. See Bruce Hallett, Nancy Thornton. *Aboriginal People in Manitoba* (Manitoba: Service Canada and Manitoba Aboriginal Affairs Secretariat, 2006).

<sup>11</sup> CBC, Manitoba’s Leaders’ Debate (17 May 2007).

<sup>12</sup> 2001 *Health Plan* and the 2004 *Working Together: Saskatchewan’s Health Workforce Action Plan*

<sup>13</sup> “A Report from the Government Relations Office: The Provincial Election Issue”, *Hansard* (University of Manitoba, May 2007).

<sup>14</sup> New Democratic Party of Saskatchewan, *Making Life Better for Saskatchewan Families*, 19.

provinces and tries to guarantee some social protection, which fits into the definition of social democracy. On the contrary, the PC and the Saskatchewan Party barely mention the need to renovate or build new health facilities. For example, the Saskatchewan Party does not give many details and only mentions a vague 10-year capital plan for health care with “priorities on integrated health science facility and a children’s hospital<sup>15</sup>”. But needless to say that those differences remain minor and do not show different ideological tendencies.

However, in both provinces, moot points on health care were raised, leading to some “hot” exchanges during the two leaders’ debates. But weren’t the leaders exaggerating the controversy? In Saskatchewan, the NDP promised to implement a universal drug plan with a \$15 cap on prescription drugs for children 14 and under. The Saskatchewan Party on the other side rejected that idea as being unaffordable and wanted: “a \$15 cap on prescription drugs for children 14 and under and for seniors with incomes under \$64,000 and to provide an additional \$40 million over four years to expand the number of drugs covered under the provincial formulary”<sup>16</sup>. In the leaders’ minds, the Saskatchewan Party and the NDP were going in totally different directions on that point. However, isn’t the Saskatchewan Party making a first step towards a universal drug plan? Indeed, it is not completely rejecting such a plan but is having a more focused approach: although the parties’ leaders would disagree with the idea that they are going to converge at some point on their drug plan, it is impossible to talk of a complete opposition. One could then argue that the Saskatchewan Party is “not married to a specific ideology”, as Elwin Hermanson, the former leader of the Saskatchewan Party indicated. So, regarding health care, it is clearly positioning itself to function as a brokerage party in a political culture identified as shifting to the right<sup>17</sup>. Neither the PC nor the NDP in Manitoba mention the idea of universal or limited drug coverage: in other words, it means that the election of the Saskatchewan Party may actually lead to more progressive measures than the re-election of the Manitoba NDP. On that point, the two main Saskatchewan parties can be considered as being more universal, more inclusive than their Manitoba counterparts: even if only a partial drug plan is implemented under a Saskatchewan Party government, the province is moving on the road to a universal plan at a much faster pace than Manitoba and remains faithful to its traditional culture of social inclusiveness.

In Manitoba, some controversy appeared in the leaders’ debate as well. The PC leader, Hugh McFadyen, supported health care reforms based on the European model of Tony Blair in the UK: he is in favour of a form of health care competition “getting hospital non-profit providers and private for profit clinics to submit tenders to provide those services for government for diagnostic tests or surgical performances<sup>18</sup>”. For Hugh McFadyen, it is not a two-tier health care system since the government would pay for the services: no preference would be given to patients depending on their income. Nevertheless, as similar policies used to be supported by the Alberta Conservative government of Ralph Klein, it is no wonder to see a strong opposition from Gary Doer who claims that such measures would result in having an American health care system, probably one of the greatest fears of Canadians<sup>19</sup>.

To conclude on health care, if we analyze the details of what measures political parties support and what aspects they reject, only minor differences appear. Offering scholarships to students, promising to renovate health centres or supporting universal drug coverage will lead

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<sup>15</sup> Saskatchewan Party, *Securing the Future: New Ideas for Saskatchewan*, 11.

<sup>16</sup> *Idid.*, 37.

<sup>17</sup> Kevin Wishlow, “Rethinking the Polarization Thesis: The Formation and Growth of the Saskatchewan Party, 1997-2001”, *Saskatchewan Politics Into The Twenty-First Century*, Howard A. Leeson (ed.) (Regina: Canadian Plains Research Centre, University of Regina, 2001), 186.

<sup>18</sup> CBC, Manitoba’s Leaders’ Debate (17 May 2007).

<sup>19</sup> Contracting out to private clinics or sending patients to other provinces or over the US border at the expense of the government has existed and still exists in some provinces to find a quick solution to reduce the waiting lists and save patients.

to higher government spending but may also create a higher level of universality. Based on the definitions we gave of social democracy, neo-liberalism and Third Way, the Manitoba and Saskatchewan NDP support social inclusion and a redistribution of resources. On the contrary, neo-liberalism is defined as an ideology supporting a downsizing of social services but neither the PC nor the Saskatchewan Party reject funding a universal publicly administered health care system<sup>20</sup>, which remains a low point of contention between parties. Canada is very unlikely to become a two-tier system with a private and a public health sector thanks to the Canada Health Act and whatever the outcomes of future provincial elections. The staggering costs of the health system in the US where many socio economic groups have problems to pay for health services are enough to impose a barrier on how far even the most conservative parties would like to go all the more since, in Canada health care remains a top priority issue.

If taxes are shared between the provincial and the federal governments, the provinces are not obliged by the law to maintain a certain level of taxation. One could then argue that they have a lot more freedom in their tax policies than on health care issues, which could result in the political parties' supporting different measures targeted at the upper, middle or lower classes. According to a study released by Probe Research Inc. in October 2007, in Saskatchewan, the higher the wages of the voters, the more they tend to vote for the Saskatchewan Party, which may then be more likely to support pro-business, neoliberal tax policies<sup>21</sup>. In Manitoba, the differences in earnings are not as important as in Saskatchewan regarding party support: there is always a higher percentage of voters, no matter how big or low their earnings are, that would vote for the Manitoba NDP. However, the difference remains striking for the people in the lowest bracket: 51 percent of them support the NDP with only 25 percent in favour of the PC<sup>22</sup>. Does it then imply that the Saskatchewan and the Manitoba NDP will implement tax policies aimed at attracting an economic group in particular? Social democratic parties are expected to support the use of a progressive tax system to raise revenues for public programmes and redistribute wealth by taxing large incomes at a higher rate<sup>23</sup>. Indeed, when a government cuts taxes, it reduces the funds available to finance and improve public services: if other sources of revenues do not increase, governments then either have to cut public spending or run a deficit, a second option which is quite unlikely in our neo-liberal era. Besides, cutting taxes is an easy policy to sell to the public but it is much harder to increase them during economic setbacks, which can be hard to predict in the Western Canadian economies based on natural resources. But, the decline of the Keynesian welfare state and the rise of the global neoliberal regime have eroded the ability of governments of all ideological leanings to implement policy without regard for economic, social and political forces beyond their jurisdictions<sup>24</sup>: tax policies can have a strong impact on investors and on companies. Reducing taxes, especially the PST, income taxes and business taxes, may then encourage businesses to come to the province, which will bring in

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<sup>20</sup> After their election, in the first 2008 budget, the Manitoba NDP planned to spend \$ 4.133.022 for measures and programmes related to health and healthy living. The Saskatchewan Party planned to spend \$3,773,609 and in 2007, the Saskatchewan NDP wanted to spend 3,446,123. No reduction in funding has taken place (Saskatchewan and Manitoba Budgets, 2008-2009).

<sup>21</sup> "2007 Saskatchewan Election: the Vote", *Probe Research* (October 2007), [http://www.probe-research.com/071029%20The%20Vote%20\(FINAL\).pdf](http://www.probe-research.com/071029%20The%20Vote%20(FINAL).pdf).

<sup>22</sup> "Provincial Party Standings in Manitoba", *Probe Research* (4 April 2008), <http://www.probe-research.com/080404%20Provincial%20Politics.pdf>.

<sup>23</sup> Erin Weir, *Saskatchewan at a Crossroads: Fiscal Policy and Social Democratic Politics*. (Saskatchewan: Canadian Centre for Policy Alternatives, March 2004).

<sup>24</sup> Kevin Wishlow, "Rethinking the Polarization Thesis: The Formation and Growth of the Saskatchewan Party, 1997-2001", 177.

more revenues for the government which will have more money to spend on social services. Consequently, a broad outlook on tax promises during the 2007 Manitoba and Saskatchewan elections shows that all parties want to reassure their voters: taxes will be cut, though amount may differ from one party to the next. For example, the Manitoba NDP refused to promise as many tax cuts as the PC. In the leaders' debate, Gary Doer indicated: "We're not promising \$800 million in tax cuts, which we can't afford because we think it will sacrifice health care<sup>25</sup>". In other words, measures that support the business world must not be implemented if they are detrimental to social programmes. This opposition between the two main parties in Manitoba led the PC leader to sum up the two visions: "Mr. Doer thinks it's reckless to put more money in the pockets of Manitobans but it is reckless to stand still on rest on our laurels<sup>26</sup>." But Gary Doer also adds "We've reduced taxes more than any other government in Manitoba<sup>27</sup>". Although the platform of the Saskatchewan Party does not give a long list of potential tax cuts, it mentions the future creation of Enterprise Saskatchewan, a public-private partnership between government, business, labour, First Nations, municipalities, post secondary institutions and economic stakeholders. This organization is meant in the future to "measure and report on Saskatchewan's tax and regulatory environment to ensure that Saskatchewan's economy remains competitive.<sup>28</sup>" The Saskatchewan NDP has long favoured tax cuts and states in its platform that they have completed "the most aggressive business tax cuts in Saskatchewan history<sup>29</sup>". It is no wonder that tax cuts play such an important role in Saskatchewan politics as Alberta characterized by so-called low taxes is the neighbouring province. Wishlow<sup>30</sup> argues that tax cuts and the Alberta model have become synonymous: it would then mean that the neoliberal philosophy of Ralph Klein has been fully endorsed by the Saskatchewan and Manitoba political parties. Tax cuts are central to those parties' strategy for economic prosperity and are a key element to appeal to voters who have become consumers and are more preoccupied with their purchasing power than with any real ideological content. It partly explains why the Saskatchewan NDP mentions in its platforms a study released by KPMG (a recurrent pattern for the NDP) to show that "Saskatchewan is a good place to work and invest with low taxes for business and a good wage market for workers" and that the province's four major cities have the lowest costs for businesses in North America, Europe and Japan<sup>31</sup>.

But those comments were only the broad and general approach to the tax policy of our four parties. What did they promise for the PST, the income tax and for business taxes? The PST is said to be the less progressive tax because it is not indexed on how much people earn. Since social democracy traditionally supports a redistribution of wealth, social democratic parties are expected to be in favour of cutting that tax. In Manitoba and Saskatchewan it is out of the question to completely get rid of the PST but reforms can nonetheless be brought forward. For example, the Saskatchewan NDP reminds the voters of its good results regarding the PST: in 2006 it cut it by two points (after increasing it in 2003). Although this tax is higher in Manitoba – 7% - the Manitoba NDP skips the issue. Neither the Manitoba nor the Saskatchewan NDP actually offers any new relief for the PST. On the contrary, the PC and the Saskatchewan Party want to move forward: they want to remove it on some items,

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<sup>25</sup> CBC, Manitoba's Leaders' Debate (17 May 2007).

<sup>26</sup> Ibid.

<sup>27</sup> Ibid.

<sup>28</sup> Saskatchewan Party, *Securing the Future: New Ideas for Saskatchewan*, 19.

<sup>29</sup> New Democratic Party of Saskatchewan, *Making Life Better for Saskatchewan Families*, 29.

<sup>30</sup> Kevin Wishlow, "Rethinking the Polarization Thesis: The Formation and Growth of the Saskatchewan Party, 1997-2001", 177.

<sup>31</sup> New Democratic Party of Saskatchewan, *Making Life Better for Saskatchewan Families*, 32.

respectively on bicycles and used cars. The PC would like to cut it by one point<sup>32</sup>. Nevertheless, their measures may only have a limited impact on the daily lives of people.

Income tax is said to be the most progressive tax. All parties support or have implemented income tax reliefs though the proportions and the people targeted may be different. For example, if the Saskatchewan Party wants to offer a personal income tax exemption, it is targeted at the people who are self-employed and under 30 years old, which shows that they have a pro-business attitude. The Saskatchewan NDP claims that they have implemented the largest income tax cuts in the history of the province, “saving the average family almost \$1,200 in provincial tax compared to 2001<sup>33</sup>”. In Manitoba, the PC goes much further than the NDP whose leader, Gary Doer, insists on saying: “We believe that reductions should be made in income taxes but not in a reckless way<sup>34</sup>”. Besides, they have a plan with targeted income tax reductions for young people. The PC wants to reduce income taxes on middle class families and raise the personal exemptions so 12,000 Manitobans who are low income will no longer have to pay income tax<sup>35</sup>. The Saskatchewan and the Manitoba NDP are not necessarily rejecting income tax cuts in the long run: they have simply put a break on such reductions but as their past records indicate they may not be averse to such a policy in the future. Parties seem stuck in a circle: those in government at the time of the elections stress their good but past records in income tax cuts while those in opposition promise to do what previously elected parties implemented. If social democratic parties actually wanted to stick to their traditional ideologies, they would reduce the PST and increase income taxes for the people in the higher brackets. However, governments have a limited scope of action and must take into account the surrounding economic and fiscal environments: increasing income taxes may lead companies and highly paid people to move out of the province, thus resulting in an important loss in revenues and limited the money available for social programmes. As a result, although it is sometimes convenient to develop a plot in bipolar terms, it is harder and harder to see the world of politics as having only two opposite sides: political parties try not to exacerbate deep ideological divides anymore so as not to alienate individual voters and companies whose money they need for their social programmes<sup>36</sup>.

The Manitoba and the Saskatchewan NDP have long been in favour of small business tax cuts: this topic does not create an ideological gap with their political opponents. For example, both, the Manitoba NDP and the PC want to eliminate the small business tax by 2010. In 2007, Manitoba had the lowest small business tax rate in the country and the Manitoba NDP wants to continue to gradually reduce it: “New measures in our most recent budget will save businesses \$93 million, bringing our cumulative total of business tax reductions to \$239 million annually since 1999.<sup>37</sup>” As for the Saskatchewan NDP, it simply relies on its past record, mentioning that they have cut that tax from 9 to 4.5% in 2001<sup>38</sup>. But they go further by offering tax incentives to larger companies: the Saskatchewan NDP cut the corporate income tax from 17 to 12%<sup>39</sup>. The Manitoba NDP is committed to further reducing

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<sup>32</sup> Saskatchewan Party, *Securing the Future: New Ideas for Saskatchewan*, 12. New Democratic Party of Saskatchewan, *Making Life Better for Saskatchewan Families*. CBC, Manitoba’s Leaders’ Debate (17 May 2007).

<sup>33</sup> New Democratic Party of Saskatchewan, *Making Life Better for Saskatchewan Families*, 12.

<sup>34</sup> CBC, Manitoba’s Leaders’ Debate (17 May 2007).

<sup>35</sup> PCs win 19 seats, lose ground from 2003 (CBCMay 22, 2007),

<http://www.cbc.ca/canada/manitobavotes2007/story/2007/05/22/pes.html>

<sup>36</sup> Kevin Wishlow, “Rethinking the Polarization Thesis: The Formation and Growth of the Saskatchewan Party, 1997-2001”, 169.

<sup>37</sup> Canadian Federation of Independent Businessmen, 2007 Manitoba Provincial Election, Leaders’ Views on Small Business Issues, 1.

<sup>38</sup> New Democratic Party of Saskatchewan, *Making Life Better for Saskatchewan Families*.

<sup>39</sup> *Ibid.*

the general corporation income tax rate to 13% on July 1, 2008 and 12% on July 1, 2009 - whereas, when first elected in 1999, it was the highest in the country. Such policies go hand in hand with the ideas promoted by the more traditionally right-wing PC in Manitoba which promised to reduce the general corporate income tax rate to 12 per cent in 2009<sup>40</sup>. As a result, although it would have made sense to characterize the two provinces as divided between two polarized sides in the past, the ideological differences between political parties is dissolving, an idea which the 2007 elections confirms especially as far as tax reliefs are concerned. The citizen has become a consumer or a shopper, trying to decide which party will boost his spending power<sup>41</sup>: it is a matter of which party will offer the greatest bargain.

Until the mid-1990s, provincial governments had rising deficits and an increasing debt which were the results of an economic recession, high interests rates from the Bank of Canada, reduced federal transfers and high spending levels. From big money spenders, provincial governments became thrifty. They followed the example of the federal government influenced by worldwide ideological tendencies developed by R. Reagan and M. Thatcher. Running a deficit became synonymous with being a bad fiscal manager. As a result, governments implemented legislations that forbid them from running a deficit. Although all agree in principle, their practice and the contents of those pieces of legislation may differ. Both Manitoba and Saskatchewan have balanced budget legislations but Manitoba's is much more stringent. The Conservative government of Gary Filmon introduced it in 1995: the government is obliged to allocate a significant portion of its annual revenues to maintain a Fiscal Stabilization Fund (a staggering \$313 million in the 2005-06 budget year) and another significant portion to reduce the provincial debt and is not allowed to increase major taxes without a referendum<sup>42</sup>. The NDP government of Gary Doer never tried to repel it thus sticking to neo-liberal principles of fiscal retrenchment. The budget legislation in Saskatchewan was introduced in 1995 under the NDP government of Roy Romanow after the budget was balanced: it required a "four-year financial plan and a debt management plan", the government had to "balance the General Revenue Fund" over four years, release "annual reports on the four-year financial plan" and present a "special report to the legislature in the event of emergency or extreme circumstances."<sup>43</sup> However, it does not go as far as the Manitoba legislation: there is no need to have a referendum before increasing taxes for example. This more lenient legislation explains why the fiscally conservative Saskatchewan Party promised to reform it by implementing the Saskatchewan Growth and Financial Security Act: the budget will have to be "balanced every year, instead of over four years as is now the case" and half of all surpluses will be dedicated to "reducing provincial government debt and half dedicated to economic growth initiatives"<sup>44</sup>. Such an attitude implies the support of neo-liberal principles. Although, the NDP in Saskatchewan has never implemented or supported strong balanced budget legislation, it has historically had balanced budgets: Saskatchewan had 14 consecutive balanced budgets. Consequently, the two provinces and

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<sup>40</sup> Canadian Federation of Independent Business, 2007 Manitoba Provincial Election, Leaders' Views on Small Business Issues (<http://www.cfib.ca/legis/manitoba/pdf/mb1178.pdf#xml=http://search.cfib-fcei.ca/tehis/search/pdfhi.txt?query=Manitoba+provincial+election&pr=default&prox=page&rorder=500&rprox=500&rdfreq=500&rwfreq=500&rlead=500&rdepth=0&sufs=0&order=r&mode=&opts=&ccq=&sr=&id=464ea0a424>), 1.

<sup>41</sup> Kevin Wishlow, "Rethinking the Polarization Thesis: The Formation and Growth of the Saskatchewan Party, 1997-2001", 179.

<sup>42</sup> Alex Netherton, "Manitoba: Paradigm and Shift: a Sketch of Manitoba Politics". In K. Brownsey and M. Howlett (eds.), *The Provincial State in Canada: Politics in the Provinces and Territories* (Peterborough: Broadview Press, 2001), 226; John Loxley, *Alternative Budgets – Budgeting as of People Mattered* (Halifax: Fernwood Publishing, 2003), 113; Budget Manitoba, 1995, 3.

<sup>43</sup> *Saskatchewan Balanced Budgets* (Government of Saskatchewan, 1995), 30.

<sup>44</sup> Saskatchewan Party, *Securing the Future: New Ideas for Saskatchewan*, 41.

their main political parties can be considered as fiscally conservatives, although the reasons vary: indeed, conservative parties are against deficits, which may turn investors away while social democratic parties do not want to have a debt because of the interest rates associated to it, which reduce the amount of money the government has for social programmes. Nonetheless, the Saskatchewan Party and the PC differentiate themselves from the Saskatchewan and Manitoba NDP by having their fiscal plans assessed by independent organizations, which, according to them, proves that they are fiscally responsible: such reports are usually resorted to by fiscally conservative parties when they are in opposition and are trying to have the confidence of the voters. The PC had the workability of its numbers endorsed by the Winnipeg Free Press Editorial Board and the Saskatchewan Party relied on the Centre for Spatial Economics<sup>45</sup>.

To conclude on tax cuts and fiscal plans, the two main parties in Saskatchewan and Manitoba presented a very similar platform. Most of the voters of the Saskatchewan Party belong to the upper classes and are therefore very sensitive to the issue of tax relief and so are the middle classes, an important component of the NDP electorate. So again, political parties seem to be trapped: how could anyone paying taxes decide not to vote for a party promising tax cuts even if in the long run it may lead to a reduction in social services for the poorest people but who cares during such a prosperous era?

Indeed, in times of economic slowdown, there may be greater need for government income support and other forms of social assistance while during strong economic periods, there tends to be higher demands on government for infrastructure development in streets and roads, sewer and water systems, as well as community infrastructure such as schools and other public facilities<sup>46</sup>. Both Manitoba and Saskatchewan are booming: has that economic prosperity had an impact on the social issues mentioned in the 2007 provincial elections? First of all, the people most in need are not mentioned in the platform of the Saskatchewan Party: they do not talk about minimum wage increases or housing affordability, which can remind us of the unbridled faith of the party in the market<sup>47</sup>. On the contrary, the Saskatchewan NDP – here a faithful supporter of social democratic ideals – does not hesitate to endorse socially-oriented policies. First of all, the party was committed to increasing the minimum wage to \$9.25 by 2009. It is a usual policy: since 2005 the minimum wage has increased by 20%. In the 2007 NDP platform we can read: “It is important that all Saskatchewan residents benefit. But even with our province’s low cost of living, low-wage earners are often still struggling to make ends meet [...]. When the cost of living increases, the minimum wage should follow.”<sup>48</sup> In other words, they wanted to index the minimum wage to the Consumer Price Index so it would rise with the cost of living. Undoubtedly, the election of the Saskatchewan Party is likely to lead Saskatchewan on a much more business-oriented path for minimum wages, which may end up making a lot of difference for low-income people. Equality of conditions has now become secondary, which can explain that social policies are not as popular as they were in the past: instead of looking to the state as the means to offset the vagaries of the market, the working class is now receptive to employing market solutions to meet social needs<sup>49</sup>. In the Manitoba leaders’ debate, the last 30 seconds were dedicated to the minimum wage. Gary Doer indicated that his party had raised it annually and had no intention of

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<sup>45</sup> *Ibid.*, 45.

<sup>46</sup> Jim Marshall, Adam Mills, “Overview of the Saskatchewan Economy.” (Regina: SIPP Provincial Progress Report, Winter 2008. Issue 2), 1.

<sup>47</sup> Kevin Wishlow, “Rethinking the Polarization Thesis: The Formation and Growth of the Saskatchewan Party, 1997-2001”, 197.

<sup>48</sup> New Democratic Party of Saskatchewan, *Making Life Better for Saskatchewan Families*, 10.

<sup>49</sup> Kevin Wishlow, “Rethinking the Polarization Thesis: The Formation and Growth of the Saskatchewan Party, 1997-2001”, 169.

stopping: “We raise it every year, we just don’t raise it once every four year and we will continue to work on a working wage for families.<sup>50</sup>” However, the position of his opponent, Hugh McFadyen, was a lot less clear: “There’s a fair process to look at minimum wage issue. We will increase wages in Manitoba. We’re going to take the 12,000 poorest people working in our province and take them off the tax rolls. We will increase wages”<sup>51</sup>.

The issue of affordable housing and of poverty was not mentioned in the platform of the Saskatchewan Party but was extensively tackled by the Saskatchewan NDP. For example, they wanted to “invest directly in creating more housing for families and expand affordable housing choices for Saskatchewan families”. In 2004, they launched a programme called Home First: a five-year \$200 million housing strategy meant to improve low and moderate income households across Saskatchewan and since their first election, they built 1,500 affordable housing units in Regina, Saskatoon, North Battleford, Prince Albert and northern communities<sup>52</sup>. Shortly before the election, they increased shelter allowances and rental housing supplements for families receiving assistance through the Social Assistance Program (SAP), Transitional Employment Allowance (TEA), Provincial Training Allowance (PTA), and the Saskatchewan Rental Housing Supplement: those changes are meant to help 16,000 households in the province<sup>53</sup>. On the contrary, poverty groups deemed that the issue of affordable housing was barely mentioned by the Manitoba NDP while the province continues to have one of the highest rates of child and family poverty in the country (19.2 per cent), one of the highest proportions of full-time working families who fall below the poverty line (11 per cent), and some of the lowest average weekly earnings in Canada (only Prince Edward Island and Nova Scotia are lower). Manitoba still has a higher proportion of low-wage jobs (under \$10 per hour) than any province west of Quebec<sup>54</sup>. Cy Gonick from the very left-wing paper, *The Canadian Dimension*, has argued that the Manitoba NDP has become Manitoba’s liberal party. Gary Doer would then have taken an ideological shift and would have greatly diluted social-democratic principles<sup>55</sup> to avoid major confrontation with the business class. Grace supports this idea: true to the Third Way, the Manitoba NDP’s brokerage-style response seems deliberately oriented to get the continued support of centrist and conservative voters<sup>56</sup>.

## Conclusion

Several conclusions can be drawn from this analysis. The Saskatchewan Party and the Manitoba NDP have been elected with a similar number of seats and a similar percentage of the vote, which does not necessarily foreshadow different policy outcomes. Although the Saskatchewan Party and the Manitoba NDP were elected with the majority of the percentage of the vote, their majority remains thin. As a result, governments have to be careful as to how far they will go on either side of the political spectrum, which is very likely to lead them to implement moderate policies.

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<sup>50</sup> CBC, Manitoba’s Leaders’ Debate (17 May 2007).

<sup>51</sup> 23.3% of Manitobans make less than 10 dollars an hour and you have to make at least 10 dollars an hour to even hope to hit the poverty line, (CBC, Manitoba’s Leaders’ Debate (17 May 2007).

<sup>52</sup> New Democratic Party of Saskatchewan, *Making Life Better for Saskatchewan Families*, 10.

<sup>53</sup> *Ibid.*, 12.

<sup>54</sup> Sid Frankel, Marianne Cerelli, “Poverty: the Missing Issue in Manitoba’s Election.” (*Winnipeg Free Press*, May 4, 2007).

<sup>55</sup> Cyd Gonick, “Gary Doer’s Manitoba”, *Canadian Dimension Magazine* (July/August 2007 Issue).

<sup>56</sup> Joan Grace, “Challenges and Opportunities in Manitoba: the Social democratic “Promise” and Women’s Equality”, 77.

An analysis of the platforms has revealed that despite the election of the Saskatchewan Party, Saskatchewan is quite likely to move forward on the road to a universal drug plan while the Manitoba NDP has yet to start going in that direction. On tax cuts, the Manitoba NDP will not go as far as the PC would like to. Nevertheless tax cuts especially for small businesses are a traditional part of NDP policies in the Prairies. Surprisingly, the four parties want to reduce taxes for corporations. The election of the Saskatchewan Party will not create a break on tax policies and is very unlikely to lead to a rupture with the policies carried out in the neighbouring province but Saskatchewan will probably always be seen as heavily taxed compared to Alberta, a “problem” which Manitoba does not have for geographical and not political reasons.

With the Saskatchewan Party now in power, Saskatchewan will probably end up having a much more stringent legislation regarding balanced budgets. However, budgets have long been balanced and the debt has been slowly decreasing. However, regarding balanced budgets, the election of the Saskatchewan Party is quite likely to move Manitoba and Saskatchewan closer together.

The key differences have to do with the minimum wage. The election of the Saskatchewan Party may put an end to the regular minimum wage increases, which on the contrary are quite likely to continue in Manitoba where the problem of affordable housing has yet to be solved.

The Manitoba and Saskatchewan NDP governments have tried to answer the challenge of accommodating the new paradigm created by neoliberal times with an absence of fundamental ideological divisions<sup>57</sup>. John Courtney and David E. Smith talk of a division of “moderate democratic socialism versus a peculiar Prairie variety of liberalism”<sup>58</sup>, which definitely seems accurate for the 2007 elections both in Manitoba and Saskatchewan. Parties have become brokerage parties, reluctant to radicalism: in other words, they have positioned themselves to appeal to the citizen of the neo-liberal regime in a political culture that has moved to the right<sup>59</sup>.

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<sup>57</sup> Murray Cooke, *Structural Changes and Political Challenges: The New Democratic Party in the 1990s*.

<sup>58</sup> John C. Courtney and David E. Smith, “Saskatchewan: Parties in a Politically Competitive Province”, in Martin Robin (ed.), *Canadian Provincial Politics* (Scarborough: Prentice-Hall, 1972), 314.

<sup>59</sup> Kevin Wishlow, “Rethinking the Polarization Thesis: The Formation and Growth of the Saskatchewan Party, 1997-2001”, 197.

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