

Continued Instability in Manitoba: Deficits, Taxes, Elections, and Resetting Government

K A R I N E L E V A S S E U R *

I. INTRODUCTION

In last year's edition of the *Manitoba Law Journal: Underneath the Golden Boy*, I argued that the veneer of political and economic stability was beginning to decay in Manitoba. In this edition, this theme is further explored and argues that in the fallout of the Provincial Sales Tax (PST) increase in Fall 2013, Manitoba has endured more political and economic instability. The time frame for this analysis is June 2013 to July 2014.

We ended last year's discussion with an overview of the public policy landscape and the surprise budgetary announcement of a one percent increase to the province sales tax (PST) for the next ten years. This increase, which amounts to approximately \$280 million annually or close to \$3 billion over the ten years, is earmarked for infrastructure programs. Given the lack of popularity that taxes enjoy with the electorate (see Himelfarb and Himelfarb 2013), it is perhaps not surprising that this year's edition begins with a discussion of this public policy decision. The paper begins with an overview of the PST controversy and then explores how Premier Selinger responded to this controversy vis-à-vis a change in political and bureaucratic leadership.

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The paper concludes with a review of the 2014 budget and its emphasis on economic growth.

II. SITUATING THE PST INCREASE IN THE BROADER PUBLIC POLICY LANDSCAPE

Readers may recall that Manitoba's balanced budget legislation, which included the referendum requirement for new taxes including increases to the PST, was passed by the Progressive Conservative government in 1995. Upon taking power, the newly elected NDP government led by Premier Gary Doer opted to retain this legislation albeit with certain amendments, but the referendum requirement remained intact. Bill 20, which allows for the PST to increase from 7% to 8% effective 1 July 2013 without the requirement of a referendum, made for a long summer in 2013. The legislative session proved to be simultaneously fascinating and concerning. It was fascinating because of the delays produced by the Opposition Party, led by Progressive Conservative Leader Brian Pallister. By relying on stalling tactics such as the ringing of the bells, raising points of order at the end of each Question Period, and calling for recorded votes related to the speakers' rulings,ⁱ the legislative session did not end until the late days of August. It is not often that we see opposition parties go to such lengths to do what they are intended to do: oppose and criticize legislation.

To be certain, some of these tactics are not entirely new.ⁱⁱ The ringing of the bells is the same tactic used by the Progressive Conservative Party, then led by Gary Filmon, in the French language debate of the early 1980s. In 1981, a constitutional court challenge was brought forward to determine the validity of Manitoba's statutes that were only printed in English (Schwartz and Melrose 2003). To prevent the case proceeding to the Supreme Court, amendments were introduced by the NDP government, led by then Premier Howard Pawley, to allow for translation of the statutes and to declare English and French as the official languages in the Province of Manitoba. Controversy soon erupted over these amendments with the Opposition Party arguing that Manitobans should be consulted and thus the bell-ringing episode began as a means to delay the process. This tactic included the continuous "ringing of the division bells [which are] buzzers used to call members of the Legislature for a vote" (Schwartz and Melrose 2003: 32).

But the legislative session last summer is also concerning for several reasons. First, the summer of 2013 was unusually warm and

muggy so extending the session in a building with limited air-conditioning made for an uncomfortable — and likely frustrating — work environment for MLAs, staff, journalists and spectators alike. Second, and more importantly to our discussion of public policy, these stalling tactics delayed the passing of other important bills. When an agreement was reached to end the gridlock, a small number of bills were negotiated by the NDP and PC Parties for passage in early September including the controversial anti-bullying bill and the municipal amalgamation bill. However, other 36 bills were left for the next legislative session starting 12 November 2013 (The Canadian Press 2013).ⁱⁱⁱ

An important issue raised by the PST controversy is the need for legislative debate. As Melrose (2003) reminds us, debate is crucial in a parliamentary democracy so that all views and criticism can be raised and considered. However, she also reminds us that at times, the need to limit debate may also be necessary to ensure that government business is not jeopardized. Obviously, a fine line exists between the need for debate and the need to limit debate. Two mechanisms exist in Manitoba to limit legislative debate: time allocation and closure. Time allocation is defined by Fraser, Dawson and Holtby (1989:162, as cited in Melrose) as a mechanism “for planning the use of time during the various stages of consideration of a bill rather than bringing the debate to an immediate conclusion”. Closure is defined as a mechanism that no longer allows debate to be adjourned (Melrose 2003: 8). Generally, the deployment of a time allocation rule is thought to be less drastic than the use of closure.

Given that these mechanisms exist, the prudent question to ask is why they were not employed to end the delays related to the PST controversy. Two answers exist. The first is political. It may be that the Selinger government did not want to be further portrayed as being anti-democratic. Throughout the controversy, the Selinger government was accused of being arrogant and disrespecting the democratic process when it opted to raise the PST and waive the referendum requirement. Invoking time allocation or closure mechanisms may have been seen as draconian — an image the NDP did not want attached to their brand. The second is procedural. While Manitoba has a closure mechanism, it has rarely been used in part because of its complexity. In Manitoba, the closure mechanism is treated as a debatable motion which would allow opposition to extensively debate that motion, potentially extending the Legislature’s sitting time.^{iv}

The ramifications of delaying legislation are not clear at this time, nor is it clear to what extent democracy was served by these actions: is democracy better served by having longer legislative sessions? Did this extended session improve the quality of debate over Bill 20? Do extended legislative debates contribute to better public policy? Are public hearings before legislative committees a better opportunity for more deliberative debate or should referendums be held – at considerable cost and delay – to decide these issues?^v When is it ‘reasonable’ to limit or end legislative debate? These are just a few questions that scholars and practitioners alike should be contemplating.

The increase in PST made for a long summer for MLAs and spectators alike, but the question that remains to be answered is whether it will be a key public policy issue in the next provincial election. Before this question can be answered, it is important to understand the range of views held by Manitobans. As with most public policy decisions, there are different views and interpretations as to whether there is a problem, how the problem is defined, and what solutions are viable.^{vi} As will be illustrated, the PST controversy involves both procedural and substantive concerns.

The first and second views contend there is a public problem related to aging infrastructure. So while these views agree on the problem, there is disagreement related to the prescriptive solution. The first view contends that an increase in the PST earmarked for infrastructure projects is both appropriate and acceptable. The second view holds that deeper austerity measures^{vii} — not tax increases — are needed to identify savings that can be applied to fund infrastructure projects.

The third view contends there is an infrastructure deficit and that the tax increase is appropriate. However, the concern is that the tax increase may not resolve the problem because of the definition of ‘infrastructure’. In August 2013, the provincial government adopted a broad definition of ‘infrastructure’ to include projects such as skating rinks and outdoor recreational facilities. For some, however, the problem associated with the infrastructure deficit relates to ‘core’ infrastructure such as bridges, highways, and piping. The proposed definition raised skepticism as to whether the PST increase would actually resolve the ‘core’ infrastructure problem. In short, this view contends the idea to raise revenue for infrastructure projects is a good idea, but the execution was flawed (Government of Manitoba 2013b; Winnipeg Free Press 2013a). While some see this as poor implementation, others see it more cynically. At least one editorial in the Winnipeg Free Press refers to this broad interpretation of

infrastructure as “crass political opportunism” to produce “grip-and grin photo opportunities” (Winnipeg Free Press 2013b). The Selinger government then reversed its position and announced in the 2013 Throne Speech that a much narrower definition of infrastructure was adopted. There is specific reference in the Throne Speech to ‘core infrastructure’ to include projects in three key areas: a) transportation (highways, bridges); b) flood protection; and c) municipal infrastructure (roads, pipelines).

The last view is more concerned with how the PST legislation was passed. Readers will recall that Manitoba’s balanced budget legislation required a successful referendum before taxes like the PST could be increased. However, in an effort to pass Bill 20, which would allow for the PST increase to occur, the Selinger government waived the requirement for a referendum with former Finance Minister Stan Struthers stating that, “We think we need to move very quickly. We can’t afford to lose a construction season” (Lambert 2013). The concern raised here is procedural as Brodbeck (2013) contends,

The tax hike immediately drew the ire of the public, not only because it added to the multitude of tax hikes we’ve seen in this province in recent years — both provincially and municipally — but also because Greg Selinger’s NDP government took away the public’s right to vote on the proposed tax increase. Under provincial law, government is prohibited from raising the PST without first going to the public for approval through a referendum. They did it anyway, further enraging Manitobans.

As discussed below, the legitimacy of the Selinger government was challenged judging by the decline in popularity coupled with the fact that 122 private citizens and 21 groups made presentations to the Standing Committee on Social and Economic Development from 27 June – 6 July 2013.^{viii} Adding to this is the fact that the Opposition sued the government for failure to provide due process and appeared before the court on 4 June 2014 (Progressive Conservative Party of Manitoba 2014). In his ruling, Justice Kenneth Hanssen of Court of Queen’s Bench rejected the Progressive Conservative Party’s argument that waiving the referendum violated the section 7 of the *Charter of Rights and Freedoms*.^{ix} Justice Hanssen concluded that the

Legislative Assembly had the constitutional authority to consider and pass Bill 20 notwithstanding [the referendum requirement]. The doctrine of parliamentary sovereignty prevents a legislative body from binding future legislative bodies as to the substance of its future legislation.^x

While suing government has been described by some as a political stunt, this court ruling illustrates two things. First, governments cannot bind public policy decisions of future governments through

legislated requirements for referendums. Second, the effectiveness of legislation requiring referendums as found in the balanced budget legislation is questionable.

Given these views, where do Manitobans situate themselves? A Probe Research survey conducted in September 2013 reveals that 65% of Manitobans do not believe the increase in PST is necessary compared to 27% who believe the increase is necessary (Brown 2013). An Angus Reid Global (2013) survey found that Premier Selinger had the second worst approval rating of all the Premiers in the country. This survey also concludes that Progressive Conservative Party Leader Brian Pallister's approval rating (50%) is higher than Premier Selinger (26%). Another Probe Research survey conducted later in 2013 reveals that 48% of Manitobans support the Progressive Conservative Party while support for the New Democratic Party fell to a new low of 26% (MacKay 2013). This survey also found that support for the Liberal Party with its new leader — Rana Bokhari — had not changed from previous polling (20%). What is interesting to note is that the most recent poll conducted by Probe Research in June 2014 indicates that support for the NDP increased slightly ahead of the Liberal Party.^{xi} While the NDP still lags behind the PC Party, its support increased by 4% to 32% from March 2014.

While Manitobans expressed frustration with the Selinger government over its handling of the PST increase, it would be unwise to declare that this issue will be the make or break policy issue for the next election. While there may be attempts to position this as an electoral issue, such attempts may not necessarily result in changes at the ballot box. Paul Thomas argues that “specific issues such as the PST matter less during an election than more nebulous ones such as leadership and general image of the party, despite what people say when pollsters call to ask about a hot topic” (as cited in Welch 2013). The PST increase is a wild card issue at this point and discussions of Selinger's leadership have been occurring in various circles. It may be possible that the NDP suffers a loss in the next election, but whether the loss is the direct result of the PST controversy – or another reason such as a general malaise and need for change after 16 years of NDP rule – remains to be seen.^{xii}

What is clear is that Manitobans endured a lengthy wait before receiving a clear rationale why this change was needed. The announcement of the PST increase was suddenly announced in 2013 budget, but the rationale was never clearly articulated in the early days. Indeed, the public policy decision was made and then the rationale for

this decision was developed over time with some reversals (i.e. changes in definition of what constituted infrastructure as described earlier).^{xiii}

III. RESETTING GOVERNMENT VIS-À-VIS CABINET SHUFFLE

On 18 October 2013, Premier Selinger shuffled his Cabinet. In doing so, he indicated that his government was at a stage where the policy button needed to be “reset” (Owen 2013). This need to reset the policy agenda coincides with the fact that the year 2013 represents the mid-term point of the Selinger government.^{xiv} Stoney and Doern outline the significance of the ‘mid-term’ as a means to understand the build up to the next election. They (2013: 3) contend, “[t]ypically, mid-terms represent a point in the electoral cycle when government popularity is at low ebb, election promises have yet to be fully implemented, and government mandates can appear to drift.” While Premier Selinger attempts to frame this Cabinet shuffle to focus on its public policy priorities of the economy, jobs and families (Government of Manitoba 2013a), others suggest the shuffle had less to do with refocusing public policy and more to do with “reviv[ing] voter support” after the PST controversy (Owen 2013).

Tables 1 and 2 illustrate the changes in Cabinet Ministers. While the size of Cabinet remains unchanged, three Ministers — Christine Melnick, Nancy Allan and Jim Rondeau — were removed from Cabinet and three backbench MLAs — Sharon Blady (Healthy Living and Seniors), James Allum (Education and Advanced Learning) and Erna Braun (Labour and Immigration) — were added. While there are many changes, the two worth highlighting relate to the advancement of two female Cabinet Ministers into crucial portfolios. Jennifer Howard moved from Family Services and Labour to Finance. Theresa Oswald moved from Health to the newly-titled Department of Jobs and the Economy formerly known as the Department of Entrepreneurship, Training and Trade. Howard and Oswald have been dubbed as the “saviours of the NDP” by local media, and according to some, they were promoted in an effort to respond to the PST controversy (Owen and Kusch 2013: A6). To be sure, Oswald and Howard are strong performers, but it would be overly simplistic to assume their elevation is purely in response to the PST controversy. When constructing cabinet, there are a variety of factors that must be considered such as gender, race and geographical representation. So, while it may appear that Oswald and Howard were promoted because of political calculations,

there are also the considerations that both are strong performers with potential to lead the NDP after Selinger's departure. Indeed, these promotions may reflect a deliberative strategy as to who may be leading the NDP in the next election. As such, the promotion to departments with a strong economic focus may be, in part, to develop their future leadership capabilities given their strong performances to date. In this sense, these promotions were earned by these MLAs.^{xv}

Table 1: Ministers and Deputy Ministers Pre-18 October 2013

DEPARTMENT NAME	CABINET MINISTER	DEPUTY MINISTER
Infrastructure and Transportation	Steve Ashton	Doug McNeil
Innovation, Energy and Mines	Dave Chomiak	Grant Doak
Conservation and Water Stewardship	Gord Mackintosh	Fred Meier
Aboriginal and Northern Affairs	Eric Robinson	Harvey Bostrom
Local Government	Ron Lemieux	Linda McFadyen
Housing and Community Development	Kerri Irvin-Ross	Joy Cramer
Family Services and Labour	Jennifer Howard	Jeff Parr
Justice and Attorney General	Andrew Swan	Donna Miller
Finance	Stan Struthers	John Clarkson
Culture, Heritage and Tourism	Flor Marcelino	Cindy Stevens
Health	Theresa Oswald	Karen Herd
Children and Youth Opportunities	Kevin Chief	Jan Sanderson
Agriculture, Food and Rural Development	Ron Kostyshyn	Dori Gingera-Beauchemin
Healthy Living, Seniors and Consumer Affairs	Jim Rondeau	Cindy Stevens
Advanced Education and Literacy	Erin Selby	Gerald Farthing
Immigration and Multiculturalism	Christine Melnick	Hugh Eliasson
Education	Nancy Allan	Gerald Farthing

Entrepreneurship, Training and Trade	Peter Bjornson	Hugh Eliasson
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Table 2: Ministers and Deputy Ministers Post-18 October 2013

DEPARTMENT NAME	CABINET MINISTER	DEPUTY MINISTER
Infrastructure and Transportation	Steve Ashton	Doug McNeil
Mineral Resources	Dave Chomiak	Hugh Eliasson
Conservation and Water Stewardship	Gord Mackintosh	Grant Doak
Aboriginal and Northern Affairs	Eric Robinson	Harvey Bostrom
Tourism, Culture, Heritage, Sport and Consumer Protection	Ron Lemieux	Terry Goertzen
Municipal Government	Stan Struthers	Fred Meier
Housing and Community Development	Peter Bjornson	Jeff Parr
Jobs and the Economy	Theresa Oswald	Hugh Eliasson
Family Services	Kerri Irvin-Ross	Joy Cramer
Justice and Attorney General	Andrew Swan	Donna Miller
Finance	Jennifer Howard	Jim Hrichishen
Multiculturalism and Literacy	Flor Marcelino	Cindy Stevens
Health	Erin Selby	Karen Herd
Children and Youth Opportunities	Kevin Chief	Jan Sanderson
Agriculture, Food and Rural Development	Ron Kostyshyn	Dori Gingera-Beauchemin
Healthy Living and Seniors	Sharon Blady	Karen Herd
Labour and Immigration	Erna Braun	Jeff Parr
Education and Advanced Learning	James Allum	Gerald Farthing

While this Cabinet shuffle received significant public and media attention, the real movement I argue is in the Deputy Minister shuffle as outlined in Tables 1 and 2. Bourgeault (n.d.:256) defines Deputy Ministers as “agents serving the government ... by being assigned to a department to serve the minister of the department”. In this definition,

Deputy Ministers are senior civil servants who are assigned to lead the department and act as the interface between the bureaucracy and the Minister. More specifically, Deputy Ministers “provide sound policy advice and translate government decisions into effective and efficient programs and deliver services to citizens in an impartial, fair manner” (Jenson and Thomas 2014:202). The appointment of Deputy Ministers in our system is done by the recommendation of the Premier through an Order in Council (i.e. Cabinet). While Deputy Ministers support the Premier, Cabinet and Ministers, Jensen and Thomas (2014:202) contend they are directly accountable to the Premier and their Minister. Deputy Ministers are indirectly accountable to Cabinet for their performance.

Three aspects of this shuffle in the senior bureaucracy are notable. First, the Department of Finance lost its political and bureaucratic senior leaders simultaneously. The resignation of the Deputy Minister of Finance (John Clarkson) in October 2013 coincided with demotion of the Minister of Finance (Stan Struthers) to another portfolio. It is speculated that Minister Struther's demotion was the result, rightly or wrongly, of an inability to convince Manitobans about the need for the PST increase (Owen and Kusch 2013).

Second, of the 15 Deputy Ministers outlined in Table 2, only six (6) remained with their same portfolio: Donna Miller (Justice), Doug McNeil (Infrastructure and Transportation), Harvey Bostrom (Aboriginal and Northern Affairs), Jan Sanderson (Children and Youth Opportunities), Dori Gingera-Beauchemin (Agriculture, Food and Rural Development), and Gerald Farthing (Education and Advanced Learning). It must be noted, however, that of the six Deputy Minister who were left in their positions, two are relatively new to their positions. Donna Miller was appointed Deputy Minister of Justice on 31 July 2013, effective 10 August 2013. Dori Gingera-Beauchemin was appointed as Acting Deputy Minister on 2 March 2013 and became fully appointed as Deputy Minister on 18 October 2013.

Two individuals are new to their position without any previous experience as a Deputy Minister: Jim Hrichishen (Finance) and Terry Goertzen (Tourism, Culture, Heritage, Sport and Consumer Protection). The remaining seven Deputy Ministers changed portfolios either partially or completely.^{xvi}

Last, these changes in leadership must be considered against the backdrop of the loss of two key advisors. In July 2013, Paul Vogt left his position as the Clerk of the Executive Council. The Clerk is the most senior civil servant and serves as advisor to the Premier to assist with the development and implementation of public policy. Traditionally in

the Manitoba context, the Clerk comes to this position with partisan political experience working with the governing party^{xvii} (Jensen and Thomas 2014: 233).

In his own words, Vogt describes his most important role as involving communication and acting as a liaison:

The most important thing in my role is that the decisions of the government are communicated very clearly along with the detail that is required for those decisions to be translated into effective policy. I see myself as a liaison between cabinet and the public service - eliciting the best possible advice and documentation for Cabinet, and overseeing the effective implementation of policy (Thomas 2012).

Vogt also concedes that given the dual leadership shown in Manitoba with elected politicians and appointed public servants, there is an equally important role related to the provision of advice to Ministers. He notes,

It's appropriate for deputies to challenge their ministers on the five Ws of policy, on how they implement policy. But once a decision has been made by Cabinet, it is the role of deputies to acknowledge the direction of the government and to make their best efforts to carry it out. There has to be that clear distinction (Thomas 2012).

In December 2013, Civil Service Commissioner Debra Woodgate, announced her resignation after a long tenure. Woodgate was instrumental in leading civil service renewal in Manitoba over many years. Given the leadership, vision and institutional memory provided by Vogt and Woodgate, their departures are significant.^{xviii}

These changes in leadership – both political and bureaucratic – have come at a time when the NDP is vulnerable. These changes occurred between July and December 2013 amid the PST controversy, declining popular support, and struggle to reduce the deficit. There are also new challenges that will need to be addressed. Space constraints prevent the provision of an exhaustive list of all the challenges, but among the most pressing include the implementation of recommendations stemming from the Phoenix Sinclair Inquiry. Phoenix was a five-year old girl murdered by her mother and stepfather in 2005 while in the care of Child and Family Services. The Inquiry led by Commissioner Ted Hughes investigated how and why the child protection system failed Phoenix.^{xix}

Another challenge relates to the Christine Melnick incident. Readers may recall that Melnick, then Minister of Immigration and Multiculturalism, claimed that she did not instruct a senior bureaucrat to invite stakeholders to the Legislature and witness a motion that opposed the federal government's attempt to centralize settlement

services held in April 2012. Over the following summer months, an investigation by the Ombudsman Office concluded that Melnick had instructed the bureaucrat to send the invitations. Melnick later suggested that a medical issue contributed to her forgetting that she had provided the instruction. Regardless of the political drama that ensued,^{xx} there are two potential concerns. The first concern rests with Melnick's performance. Melnick lied to the Legislature and failed to inform the Premier about her actions. Leadership and political ethics concerns arose and as a result of her performance, she was removed from Cabinet on 18 October 2013 and then removed from caucus on 4 February 2014. The second concern relates to the neutrality of the civil service. Rules exist whereby civil servants in our province are politically neutral and this neutrality is a core value because it is essential to the maintenance of the public's trust. As Acting Ombudsman Mel Holley notes,

Ensuring that civil servants remain neutral in carrying out their responsibilities is of great importance for the effective operation of government. Any real or perceived erosion of this impartiality can undermine public confidence in the administrative actions and advice of civil servants" (Manitoba Ombudsman 2013).

While the Ombudsman concluded the invitation by the civil servant was not an act of partisanship, the report does call on the government to revisit the rules that protect the neutrality of civil servants. However, there are already rules in place that protect neutrality and there is the potential for a 'chill-effect' to emerge whereby political staff, not civil servants, begin to increasingly manage the relationships with stakeholders and agencies as we are witnessing with the federal government and the marginalization of civil servants.^{xxi}

IV. 2014 BUDGET: NO SURPRISES

The 2014 budget projects a deficit of \$357 million with the deficit to be eliminated by 2016-2017. Spending is capped at two percent overall, although nine departments will have their operating budgets frozen or decreased. As outlined in Table 3, the department that experienced the largest reduction is Labour and Immigration, but this is in light of the federal government's announcement to re-centralize settlement services.^{xxii} With the exception of the Department of Labour and Immigration, these reductions are not large especially when compared with the reductions that have occurred at other levels of government. By way of example, the Harper government has been in a continuous

cycle of budgetary reductions through a variety of reviews. One such review — Strategic Review — was conducted from 2007 to 2010 with each department and agency required to identify low priority programming equaling 5% of program spending. The savings from the Strategic Reviews are \$2.8 billion (Rounce and Levasseur n.d.). With this kind of comparison, what is clear is that the social democratic roots of Manitoba's NDP are showing themselves with these kinds of budgetary choices. Rather than employ deep austerity measures to deal with financial pressures, the Selinger government opted instead to limit spending and raise taxes.

Table 3: Estimates in Expenditure by Department

Department	Change from 2013-14 to 2014-15 (%)
Aboriginal and Northern Affairs	0.0
Agriculture, Food and Rural Development	-1.4
Children and Youth Opportunities	0.7
Civil Service Commission	0.0
Conservation and Water Stewardship	-1.2
Education and Advanced Learning	2.6
Family Services	4.1
Finance	-1.3
Health	2.1
Housing and Community Development	0.0
Infrastructure and Transportation	3.5
Jobs and the Economy	2.0
Justice	4.0
Labour and Immigration	-27.5
Mineral Resources	0.0
Multiculturalism and Literacy	0.0
Municipal Government	4.9
Tourism, Culture, Heritage, Sport and Consumer Protection	0.2

The budget emphasizes three key themes: economic growth, job creation, and protection of frontline services. These are not new themes for the Selinger government so Budget 2014 was a safe budget. Indeed, even Finance Minister Jennifer Howard concedes that creating jobs is “not sexy, but is critically important to growth” (CBC News 2014). Given the reaction to last year’s announcement related to the PST increase, it is not surprising that this year’s budget played it safe and did not contain any new taxes. The budget provided the following measures:

- creation of a low interest loan program through Manitoba Public Insurance to purchase snow tires on a voluntary basis
- creation of a LEAN Council
- eliminate school taxes for seniors by 2016
- \$5 fee for a hunting licence
- increase to minimum wage from \$10.45/hour to \$10.70/hour effective October 1, 2014
- increase in social assistance by \$50 to \$70 a month, on average
- \$5.5 million for child care spaces and wages
- \$5.5 billion for core infrastructure projects
- financial incentive for new employers who register to train and supervise apprentices
- \$1,000 bursary for apprentices to complete their final level of training.^{xxiii}

While there are several public policy winners in Budget 2014, the biggest include infrastructure and apprenticeship training. Budget 2014 allocates \$5.5 billion of provincial and federal funding over five years to respond to improvements in core infrastructure. A report conducted by the Conference Board of Canada reveals that each dollar invested yields a \$1.16 benefit to the Manitoba economy. It further concludes that the net result is a “\$6.3 billion boost and a \$5.4 billion increase in ... exports. And for Manitoba families, the Five-Year Plan will create good job opportunities – more than 58,000 of them” (Government of Manitoba n.d.). There are two concerns related to this allocation. First, Grace (this volume) astutely notes that while core infrastructure is essential, municipalities may have other important infrastructure projects such as arenas and community centres. In her view, this five-year plan provides much needed leadership, but there is a need to further improve relationships between municipalities and the province. Second, while these are impressive returns, the analysis informing these returns is limited. Injecting \$5.5 billion into core infrastructure will create jobs and boost the economy to be sure, but the question that needs to be posed here is: who will benefit? Applying a gender lens to this public policy decision suggests that building roads, bridges and

flood protection projects provide jobs that are, generally speaking, dominated by men. An examination of the apprenticeship training and certification system,^{xxiv} which provides skilled labour needed for infrastructure development, clearly illustrates this point. While women participate in apprenticeship training and certification, they are generally segregated into the ‘traditional’ trades such as cook, hairstyling, and esthetician that generally pay lower wages than the ‘non-traditional’ trades such as plumber, crane operator, welder, and so on. In 2012-2013, the number of female apprentices in the non-traditional trades was 207 or approximately 2% of all apprentices in Manitoba as outlined in Table 4 below.

Table 4: Women in non-traditional trades in Manitoba, 2012-2013

	Women in non-traditional trades in Manitoba		
	Active	Completed	New Registrations
Number	207	26	49
Percentage	2.1%	2.1%	2%

Source: (Government of Manitoba, 2013c: 11)

This segregation is not unique to Manitoba (see Levasseur 2013a), but budgets that allocate large amounts of spending to infrastructure projects may not benefit women and other underrepresented groups very well. To its credit, the Province of Manitoba has recently started to address this inequity with the creation of an advisory committee tasked with the responsibility of proposing prescriptive solutions (Government of Manitoba 2013c).^{xxv} However, recruiting women and other underrepresented groups into the non-traditional trades will be a long-term endeavor given the many challenges such as gender stereotyping, discriminatory hiring practices, harassment, and accessibility issues. In the interim, there are measures contained in this budget that address equity including increases to the minimum wage and welfare, in addition to the \$5.5 million allocated to childcare for spaces and improved wages. These are important public policy measures to be sure, but they simply do not compete with the \$5.5 billion allocated to infrastructure projects. To what extent these measures address equity is a matter of debate.

V. CONCLUDING REMARKS

As noted, this paper explored the theme of instability. It argued that in the wake of the PST controversy, our province has endured more instability. Whether this instability is temporary or transitional remains to be seen as we head into the next election.^{xxvi} The paper illustrated the declining confidence of citizens in the government coupled with the political turmoil that involved the use of delay tactics over the summer of 2013 and resulted in the delay of important pieces of legislation. The paper also indicated the significant changes in leadership – both political and bureaucratic – as a means for the Selinger government to ‘reset’ the public policy agenda and overcome the mid-term blues. Last, it illustrated the budgetary choices of the Selinger government to deal with the debt and deficit by opting to limit spending rather than employ austerity measures.

While there is some instability, this is not necessarily a negative aspect to how our province is governed. After all, in the wake of instability and change lies the opportunity for realignment and adjustment. Indeed, there may also be opportunities to use sources of instability for re-stabilization efforts. Take flooding as an example. While flooding in the past few years has been shown to produce economic, social and political instability depending on the severity, flooding can also be used to focus attention away from certain issues such as the PST increase towards on a common threat given that we live on a flood-plain.^{xxvii}

The real question heading into a provincial election scheduled for 2015 is whether Premier Selinger will continue to lead the NDP given his popularity. If he opts not to lead the party in the next election, discussion will centre around who is a viable contender in a leadership race. Given the Cabinet shuffle, coupled with the strong performance of several Cabinet Ministers including Oswald and Howard, the NDP has real depth in its leadership capability. These kinds of discussions are occurring in various communities and will continue over the next 18 months as we prepare for another election.^{xxviii}

Elections aside, what is clear from a public policy perspective is the value placed on infrastructure by the Selinger government and, in turn, the jobs associated with these types of projects. This dominance, coupled with capped spending of two percent, may mean that resolving other public policy issues may be a challenge for the time being and the old adage of ‘do more with less’ appears to play out in this scenario.

Readers are invited to read the articles in this volume and assess the implications of this fiscal reality for public policy.

VI. NOTES AND REFERENCES

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i I would like to thank an anonymous reviewer for bringing this point to my attention.

ii I would like to thank Paul Thomas and an anonymous reviewer for bringing this point to my attention.

iii See the Legislative Assembly of Manitoba website for specific details on these delayed bills: <https://web2.gov.mb.ca/bills/40-3/index.php>.

iv I am indebted to Paul Thomas and an anonymous reviewer for clarifying this point. See (Melrose 2003) for an account of the cumbersome nature of the closure mechanism in the French language debate in 1984.

v I would like to thank Paul Thomas for raising this point.

vi The range of views provided here are not necessarily mutually exclusive, meaning that individuals may hold more than one view simultaneously.

vii Austerity measures are budgetary reductions to public and non-profit entities.

viii See http://www.gov.mb.ca/hansard/business/hansard/40th_2nd/committeecalendar.html for presentations made to the Standing Committee.

ix Section 7 of the Charter includes "right to life, liberty and security of the person and the right not to be deprived thereof except in accordance with the principles of fundamental justice."

x <http://www.canlii.org/en/mb/mbqb/doc/2014/2014mbqb155/2014mbqb155.html?searchUrlHash=AAAAAQAPQnJpYW4gUGFsbGlzdGVyAAAAAAE>.

- xi <http://www.probe-research.com/documents/140623a%20June%202014%20Party%20Standings.pdf>.
- xii I would like to thank Andrea Rounce for helping me clarify these ideas.
- xiii I would like to thank an anonymous reviewer for this comment.
- xiv The NDP won its fourth term in office on 4 October 2011. The next provincial election is scheduled for 6 October 2015, but if there is a federal election at that time, the provincial election will move to 19 April 2016.
- xv I would like to thank Paul Thomas and Andrea Rounce for these ideas.
- xvi An example of a partial change is Deputy Minister Karen Herd who prior to 18 October was responsible for Health. After the shuffle, Ms. Herd is now responsible for Health, and Healthy Living and Seniors.
- xvii There are some exceptions. Jensen and Thomas (2014:233) point out that Jim Eldridge “spent his entire career in the civil service and worked in senior roles, including as clerk, with both Progressive Conservative and NDP governments”.
- xviii Milt Sussman replaces Paul Vogt as the Clerk after serving as the Deputy Minister of Health. Lynn Romeo replaces Debra Woodgate as Civil Service Commissioner.
- xix The report is available online: <http://www.phoenixsinclairinquiry.ca/>.
- xx For example, Melnick later claims she was a scapegoat and acting on direction from senior political staff (see Kusch 2014).
- xxi I would like to thank an anonymous reviewer for this idea.
- xxii As I noted in last years edition, this reduction is due in part to the federal government’s decision to re-centralized immigrant settlement support services that had been decentralized to the provinces. As a result, federal funding for these services were reduced.
- xxiii This list provides highlights and is not exhaustive.
- xxiv Apprenticeship is a training and certification system of an apprentice in designated trades such as plumber, electrician and welder (Levasseur 2013a). Apprentices provide labour under the supervision of a journeyperson and both parties – apprentices and employers register with the Province of Manitoba. Apprentices learn 80% of the trade from on-the-job skill development and 20% in the classroom for theoretical instruction.
- xxv In the interest of full disclosure, the author was a member of this committee known as the Targeted Groups Advisory Committee.
- xxvi Thanks are owed to Andrea Rounce for raising this idea.
- xxvii I thank Andrea Rounce for introducing this idea.
- xxviii Thanks are owed to Andrea Rounce for clarifying these points.