

EXECUTIVE SUMMARY:

This is the fifth year the Manitoba Chambers of Commerce has called for a Great Jobs Agenda.

For employees “great jobs” are well-paying and engaging. For employers “great jobs” are lucrative and lead to true competitive advantage.

In what has been called “the great promise of our time”¹, we are at a point where the path to the great jobs employees want and the great jobs employers need is one and the same.

In a knowledge economy that is increasingly globalized, mechanized and digitized there is one and only one sustainable path to great jobs – creativity.

That is why the cornerstone of the Great Jobs Agenda is a call for a disciplined and steadfast focus that judges all economic and educational efforts against one basic standard:

*Are our efforts empowering every member or potential member of Manitoba’s workforce to obtain employment that fully taps into their creative potential?*²

The agenda includes seven other elements that build on this cornerstone (see Appendix One for details).

We have prepared a summary ‘Agenda Scorecard’ (see Appendix 2) to help gauge the progress that has been made on the Great Jobs Agenda.

The Government has not specifically endorsed the Great Jobs Agenda, but the scorecard confirms the Government has embarked on many initiatives that have served the elements we have called for.

Although the scorecard suggests additional work needs to be done on each and every element, two items require special focus:

- Tax Reform and
- Working Together.

¹ “Ontario in the Creative Age”, Martin Prosperity Institute, February 2009, p. 31, <http://martinprosperity.org/media/pdfs/MPI%20Ontario%20Report%202009%20v3.pdf>

² For ease of reference we call this a “creative capital mindset.”

Tax Reform:

While this Government deserves credit for embarking on the greatest tax relief in Manitoba's history (in conjunction with the greatest spending increase in Manitoba's history), the major aspects of its current tax vision will be complete by 2010.

Manitoba needs a new long-term tax vision, one that moves from principle, to practice, to a substantial and sweeping rethink:

- *Principle:* Commit in the 2010 Budget to the principle of tax relief focused on:
 - a) low income Manitobans; and
 - b) eliminating all profit insensitive taxes that penalize businesses for investing in people or capital.
- *Practice:* Fulfill the above commitments over a number of years in a fiscally responsible manner; and
- *Rethink:* Embark upon a fundamental review of Manitoba's tax regime.

The end of your last long-term tax strategy combined with these fiscally challenging times present an opportunity for a substantial 'rethink' of Manitoba's tax regime, one that engages both our community and our experts in 'big picture' thinking about not just our level of taxation but whether we have a tax system that best serves a Great Jobs Agenda.

This fundamental review of Manitoba's tax regime should consider issues such as:

- a. How do other jurisdictions tax; what insights may be gained therein; and how, if at all, could these insights be applied to Manitoba? For example, it has been suggested Denmark and Sweden have high rates of tax but in a way that motivates business investment.³;
- b. Are we best served by a regime that taxes income or consumption?;
- c. Should personal taxation be based on lifetime earnings?⁴; and
- d. What impact would eliminating the corporate tax have, including the long-term effect on tax revenue and the repatriation of earnings by foreign companies?⁵

³ Ibid., p. 44.

⁴ Ibid., p. 46

⁵ "Rebalancing priorities for prosperity", Fourth Annual Report, November 2005, p. 45.

All Together (Government, Labour, Community Groups and Business Must Work Together):

This has been an area of considerable progress, in particular the creation of the Innovation Council (something the Manitoba Chambers called for), the Council's plan to present its recommendations to a community forum, and the pending summit of the Premier's Economic Advisory Council.

However, a crucial next step is needed to maintain momentum, enhance accountability and extend engagement, namely, the creation of a Forum on the Great Jobs Agenda.

This Forum would:

- Create a framework to assess Manitoba's progress on the Great Jobs Agenda;
- Confer with the public/stakeholders and experts on the best way to enhance Manitoba's progress on the Great Jobs Agenda;
- Consider issues of productivity and innovation in Manitoba, although this analysis would need to occur within the context of the Great Jobs Agenda;
- Perform an ongoing and detailed analysis of Manitoba's economy. To lead to truly informed policy decisions this analysis must look at each sector, not just the economy as a whole, and consider the need for:
 - specialized training and research institutions on a sector-by-sector basis;
 - specialized infrastructure on a sector-by-sector basis;
 - special regulatory regimes on a sector-by-sector basis; and
 - any other special needs identified on a on a sector-by-sector basis;
- Maintain a website with regular updates that are both posted and emailed to subscribers⁶;
- Make recommendations or suggestions for action by governments, the private sector, and others to enhance Manitoba's progress on the Great Jobs Agenda;
- Produce annual public reports on its work. Publications could also include interim and special reports, as appropriate;
- Initially run for a four-year period. The Forum's mandate would be renewed if a public review concluded the Forum has been effective in fulfilling its responsibilities; and
- Be operated as part the Premier's Economic Advisory Council, however, if PEAC cannot accomplish this type of analysis and reporting another entity should be set up to do so.

⁶ The website and activities of the Council of the Federation provide good examples of the type of collaboration and reporting that is envisioned. See <http://www.councilofthefederation.ca/>. The Task Force on Competitiveness, Productivity and Economic Progress is another good example. See www.competeprosper.ca.