

Prairie Centre Policy Institute
Weekly Commentary

WHERE DO WE GO FROM HERE
August 5, 2003

TITLE: Saskatchewan Is Not Unique

The following commentary is one in a series excerpted from a report published by the Prairie Centre Policy Institute, entitled, "This Year Country: Creating Wealth in Saskatchewan". Written by Dr. Graham Parsons, former Chief Economist for Western Canada with the Canada West Foundation, the report examines the potential for economic growth in Saskatchewan.

Over the years many Saskatchewan politicians have been happy to tell the Saskatchewan electorate that they were unique, special and could therefore develop special programs, institutions and infrastructure especially for their needs. The thought was developed through advertising slogans like "*the Family of Crown Corporations*" on the left and "*the Saskatchewan Way*" on the right. While the political messages may have been unique, the underlying requirements for wealth creating are not.

In a global, interdependent economy, the production of both goods and services can be extremely mobile. People and businesses will move for both opportunity and to escape an uncompetitive social and economic climate.

Economies similar to Saskatchewan exist in other parts of the world. Grains and oilseeds can be grown in the neighbouring provinces of Alberta and Manitoba, and the U.S. states of Montana and North Dakota. Potash and uranium resources exist throughout the world. Trees grow faster in Georgia and the Carolinas than in Saskatchewan. Many cities have more amenities, larger markets and better infrastructure than Saskatoon and Regina. Saskatchewan is not unique and must compete.

In the new global economy, however, Saskatchewan can become unique by creating an attractive environment for people to live, do business, export and invest. At the present time this is not the case.

Today, the world is a series of competitive markets. Saskatchewan will live or die on the degree to which it can create an environment of institutions, policies, taxes, attitude and infrastructure to successfully compete in that world.

What government does matters. Institutional frameworks, policies, attitudes and taxes based on an earlier era, with different requirements will not work today.

To grow, Saskatchewan must dramatically change the environment for entrepreneurship, investment and trade. The province can pursue those same wealth creating elements that have worked well elsewhere in Canada and around the world. It will require a shift away from the isolationist provincial policies in which provincial governments continually experiment to find some unique Saskatchewan approach.

Solutions to create wealth are today well known. The answer is to follow them. While Saskatchewan does have economic problems, it can also have a bright future. A renewed focus on wealth creation is required to balance an extended provincial pre-occupation with income redistribution.

Dr. Graham Parsons

Dr. Parsons sits on the Prairie Centre's Board of Academic Advisors. His report can be found on the Institutes web site at www.prairiecentr.com. "Where Do We Go From Here?" is a feature service of the Prairie Centre Policy Institute.