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How the playing field was tilted
Money talks; its language is incumbency

Manitoba's chronic reliance on transfer payments, its ever-inflating public sector and its increasing concentration of sectoral decision-making power in the hands of a few on Broadway is having an enervating effect on the province, Law Professor **Bryan Schwartz** argues in *The Supplicant Society*. It doesn't have to be that way, Manitoba can change for the better, Schwartz demonstrates in this series published by the Winnipeg Free Press and the Frontier Centre for Public Policy. The series started Jan. 22 and continues weekly on Saturdays, ending on March 5. Footnoted versions of this article can be found at winnipegfreepress.com and at www.fcpp.org

The power of an incumbent in a supplicant society is massive -- as long as the federal money keeps rolling in.

Premier Gary Filmon lost power after presiding over a period of drastically cut federal transfers to the provinces. Premier Gary Doer succeeded politically not by charisma, but because of the plentiful federal money that poured in.

Doer consistently touted the reforms he introduced as premier, particularly banning political contributions by both unions and corporations. However, his overall approach to reform left incumbent governments with more power than ever compared with political competitors.

The law does not prevent the government from using public money to ingratiate itself with corporate and union interests.

Under Doer and his successor Greg Selinger, the provincial government maintains an environment that is less and less competitive in relation to many other provinces and locations.

Economic activity has been promoted by public works projects and "partnerships" in which the viability of a project is dependent on government dollars and favour -- a subsidy culture. Big businesses in a supplicant society, including Manitoba's, are not necessarily supporters of free enterprise. Many benefit handsomely from government patronage and repay it with support, or at least a muzzling of criticism.

The support of union interests for the sitting government is ensured by increasing the scope of the provincial government sector and ensuring unions receive satisfactory salary outcomes. As the Regional Health Authorities increasingly take over the running of facilities, more employees bargain directly with the government. The provincial government has also signalled that it plans to eventually take over negotiations with teachers from the school divisions.

The Manitoba Nurses Union has shown how the game is played outside of any legal limits on political contributions. Prior to the 2007 provincial election, it ran a flashy TV advertising campaign promoting the progress that had been made recently in delivering health care. Less than a year after the campaign, the MNU threatened a strike, claiming that conditions had since deteriorated. They secured a collective agreement that made Manitoba nurses the fourth-highest paid in Canada. Presumably, the quality of health care was suddenly restored to pre-election levels.

The **NDP** government has been shameless about using public money for self-serving advertising. An opposition party cannot spend more than \$250,000 in the year of an election. In the meantime, the **NDP** government continues to use public money to buy partisan political advertising under the guise of government departments and Crown corporations.

In 1993, Doer complained to the Auditor-General about the use of public money to tout job-creation efforts by the Filmon government. Then in 2007, the amount spent on media to promote the pre-election provincial budget doubled over what it had been the previous year to more than \$156,000. For the first time, the government launched an image campaign and flashy website under the slogan "The Building Budget."

Overall, promotional efforts on behalf of the government exceed \$10 million a year. The advertising campaign for budget 2009 cost more than ever and boasted of the balancing of the budget, stability and the stimulation of the economy. There was no mention of the government suspending the requirement under the province's balanced budget law, in respect of paying down the provincial debt, or that the province's "stable" performance (fuelled by transfer payments) was at a much lower level than other provinces.

Other government institutions and Crown corporations have been busy advertising, too. Manitoba Hydro spent \$341,562 on a four-page insert in May 2009 that touted the large projects and investments being made in the province. The Winnipeg Regional Health Authority spends much money on public relations and has entered into a deal with the Winnipeg Free Press to run and produce a series of supplemental magazines.

The solutions to these abuses of the power of incumbency are known and simple. Ontario long ago passed a law to ban partisan advertising by the provincial government -- all advertising must be approved by the Auditor-General.

A private member's bill was introduced in the Manitoba legislature in May 2008 to secure the same arrangement here, but the government ignored it.

The spending limits by opposition parties between and during elections are pathetic. They limit free expression and cannot be justified in the name of a level playing field. On the contrary, opposition parties need far more resources to be effective and to avoid having their message drowned out by public money being used for self-serving and partisan advertising. All MLAs need to be paid better in order to attract more talent and commitment, and opposition caucuses need far more money for research.

The problem of the government trying to buy support from big business and labour with public dollars can be addressed by curtailing selective subsidy programs and by restoring the role of private-sector actors -- both profit and non-profit -- in delivering programs and services, rather than continuing a process of increased provincial micromanagement.

Don't expect such reforms to take place anytime soon. It might be a breach of the Charter right of free expression for the provincial government to severely limit spending by opposition parties while not being constrained in using public money to promote its own partisan messaging; but who has the resources or stamina to launch a court challenge?

Political science teaches that incumbent governments will generally tend to shape the political playing field to favour their own interests. Manitoba's current government has done so deftly, which has limited political competition and further entrenched the supplicant society model.

Footnoted version of this article available at winnipegfreepress.com and fcpp.org

NEXT SATURDAY: Watchdogs or poodles?

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