



LOOKING **WEST** 2008

Segment 3. Strategic Investments: Western Canadian Attitudes About
Government and the Economy



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Introduction

When western Canadians were asked to rate the priority of fifteen public policy issues, three issues clearly emerged as having the largest number of very high and high priority ratings: health care, the environment, and poverty. The majority of western Canadians also feels that reducing greenhouse gas emissions, investing in universities and colleges, investing in science and technology, lowering personal taxes and expanding international trade are very high or high priority areas.

While a strong majority of western Canadians believes that governments should leave the economy to the free market, western Canadians are supportive of a wide number of government activities to support the economy. This is seen in the strong support for government protection of rural economies, tax incentives for industries, and government funding of both university researchers and, more broadly, research and development. Western Canadians are divided in their opinions about high levels of foreign investment in Canada.

About Looking West 2008: The Looking West 2008 Survey is part of the Canada West Foundation's Going for Gold Project. The survey was administered by Probe Research between January 2 and February 8, 2008 from their Winnipeg call centre, DataProbe. A total of 4,000 residents were interviewed, with 1,000 from each of British Columbia, Alberta, Saskatchewan and Manitoba. One can say with 95 percent certainty that the results are within +/- 1.55 percentage points of what they would have been if the entire adult population of western Canada had been interviewed; for individual provinces, results are within +/- 3.1 percentage points. Looking West 2008 Survey topics include economic perceptions, policy priorities, trade, government and the economy, human capital, and climate change. The survey results will be released in segments over the course of 2008. Visit the Canada West Foundation website (www.cwf.ca) for more information.

The Going for Gold Project has been made possible with the support of:



Western Economic
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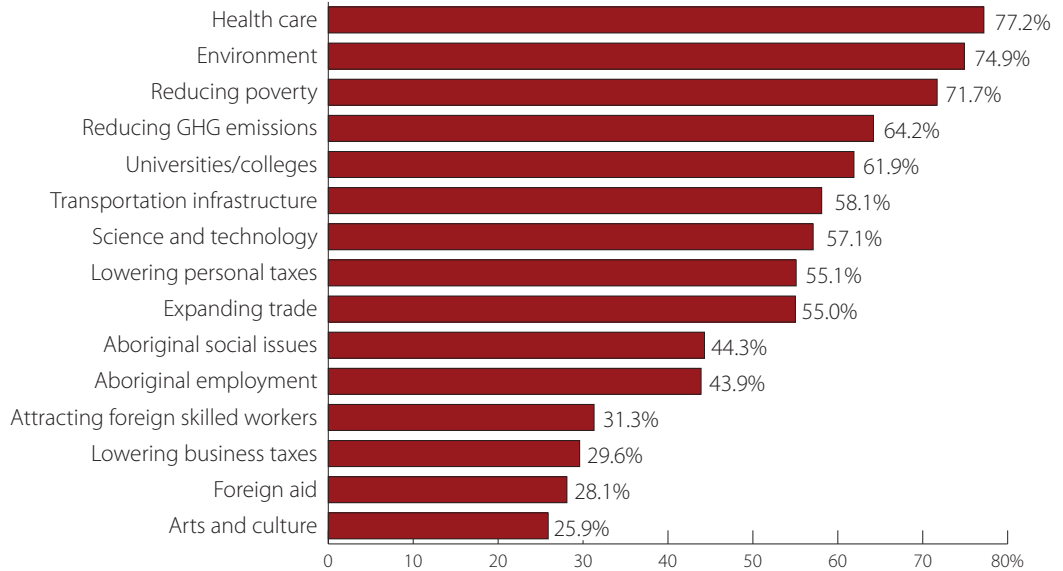
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Canada

Additional funding has been provided by the Provinces of British Columbia (Economic Development), Alberta (Employment, Immigration and Industry), Saskatchewan (Enterprise and Innovation), and Manitoba (Competitiveness, Training and Trade).

Public Policy Priorities

Figure 1: Very High+High Priority Rankings (Western Canada)



Survey question: "I am now going to ask you some questions about the importance of a few specific public policy issues. Using a scale of 1 to 5, with 1 meaning it is a very low priority for you, 3 meaning it is a medium priority, and 5 meaning it is a very high priority for you, please rate each of the following:..."

Looking West 2008 Survey respondents were asked to rate the importance of fifteen public policy areas. The order of the fifteen items was randomized. The list included:

- lowering personal taxes
- lowering business taxes
- providing more foreign aid to developing countries
- investing more in transportation infrastructure
- doing more to reduce poverty in Canada
- expanding Canada's trade relationships with other countries
- improving [province]'s health care system
- investing more in universities and colleges
- investing more in arts and culture
- investing more in science and technology
- attracting more skilled workers from other countries
- creating more employment opportunities for Aboriginal people
- reducing Canada's greenhouse gas emissions
- doing more to protect Canada's environment
- doing more to address the social problems faced by Aboriginal people

Improving the health care system, doing more to protect the environment, and doing more to reduce poverty garnered the greatest number of the combined very high and high priority ratings. Health care was the only issue to be rated a very high priority by a majority of western Canadians.

Public Policy Priorities

Health care, the environment and reducing poverty top the list of public policy priorities for western Canadians.



Public Policy Priorities

Figure 2: Very High+High Priority Ratings by Province

BC	AB	SK	MB
Health care 78.4 (53.9 very high)	Health care 76.1 (47.3 very high)	Health care 75.8 (47.8 very high)	Health care 76.5 (51.5 very high)
Environment 76.3 (50.2 very high)	Environment 74.5 (44.4 very high)	Environment 71.8 (44.5 very high)	Environment 73.5 (47.6 very high)
Reducing Poverty 73.0 (46.0 very high)	Reducing Poverty 71.4 (40.0 very high)	Reducing Poverty 70.7 (41.6 very high)	Reducing Poverty 68.4 (44.6 very high)
Reducing GHG emissions 67.0 (44.1 very high)	Universities/colleges 62.8 (33.3 very high)	Universities/colleges 63.3 (29.9 very high)	Reducing GHG emissions 66.1 (42.7 very high)
Transportation infrastructure 61.9 (34.4 very high)	Reducing GHG emissions 60.4 (37.8 very high)	Reducing GHG emissions 62.1 (35.8 very high)	Universities/colleges 58.6 (31.7 very high)
Universities/colleges 61.8 (32.3 very high)	Science and technology 57.1 (24.1 very high)	Lowering personal taxes 56.3 (34.9 very high)	Lowering personal taxes 57.7 (39.2 very high)
Science and technology 59.1 (27.4 very high)	Transportation infrastructure 56.8 (27.5 very high)	Science and technology 55.4 (21.1 very high)	Expanding trade 55.1 (26.3 very high)
Expanding trade 55.0 (26.2 very high)	Lowering personal taxes 56.5 (35.6 very high)	Expanding trade 53.4 (25.2 very high)	Transportation infrastructure 54.0 (25.0 very high)
Lowering personal taxes 53.2 (33.9 very high)	Expanding trade 55.5 (24.8 very high)	Transportation infrastructure 50.5 (23.0 very high)	Science and technology 51.0 (25.3 very high)
Aboriginal social issues 45.7 (24.3 very high)	Aboriginal social issues 40.5 (18.1 very high)	Aboriginal social issues 47.4 (24.2 very high)	Aboriginal social issues 46.7 (26.3 very high)
Aboriginal employment 45.6 (21.2 very high)	Aboriginal employment 40.4 (18.6 very high)	Aboriginal employment 46.6 (23.4 very high)	Aboriginal employment 44.6 (22.3 very high)
Attracting foreign skilled workers 31.7 (12.7 very high)	Attracting foreign skilled workers 30.6 (11.8 very high)	Attracting foreign skilled workers 30.3 (15.0 very high)	Attracting foreign skilled workers 32.9 (13.5 very high)
Lowering business taxes 30.4 (15.0 very high)	Foreign aid 28.3 (9.0 very high)	Lowering business taxes 29.7 (14.5 very high)	Lowering business taxes 32.3 (17.2 very high)
Foreign aid 29.0 (11.3 very high)	Lowering business taxes 27.6 (13.5 very high)	Foreign aid 25.3 (9.8 very high)	Foreign aid 26.9 (10.1 very high)
Arts and culture 26.7 (10.2 very high)	Arts and culture 26.0 (10.0 very high)	Arts and culture 24.8 (8.0 very high)	Arts and culture 23.5 (8.8 very high)

Survey question: "I am now going to ask you some questions about the importance of a few specific public policy issues. Using a scale of 1 to 5, with 1 meaning it is a very low priority for you, 3 meaning it is a medium priority, and 5 meaning it is a very high priority for you, please rate each of the following..."

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Public Policy Priorities

In all four western provinces, over 4 in 10 state that creating employment opportunities for Aboriginal people is a very high or high priority.

Public Policy Priorities

Key findings include:

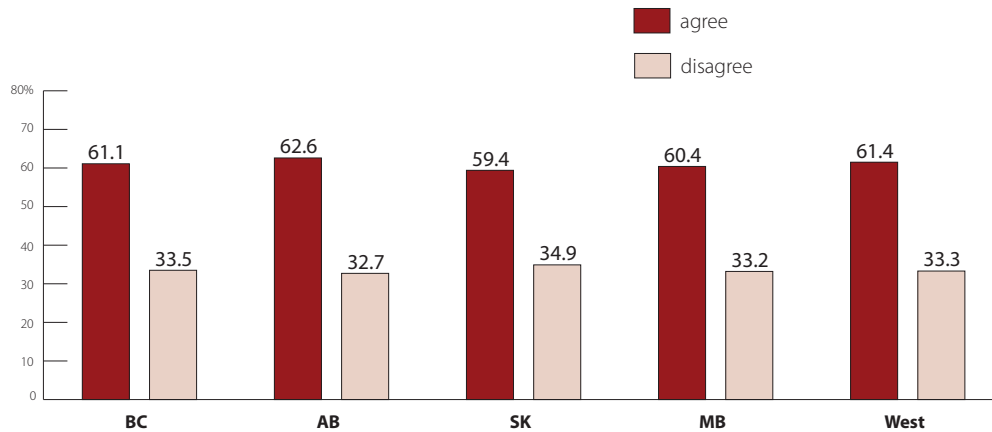
- Across all four western provinces, the three public policy priorities with the greatest numbers of very high and high priority ratings are: improving the health care system, doing more to protect Canada's environment, and doing more to reduce poverty in Canada.
- Improving the health care system—the perennial Canadian public policy issue—receives the greatest number of very high and high ratings, with 1 in every 2 western Canadians stating that health care is a *very* high priority and almost 8 in 10 stating that it is a high or very high priority. Improving health care sits at the top of the priority ratings for each of the four western provinces. A slightly larger proportion of western Canadians place high priority on health care in 2008 than in years past; in the Looking West 2003, 2004 and 2006 Surveys, 73-74% of western Canadians stated that improving health care was a high priority.¹
- Doing more to reduce poverty is rated as a very high or high priority by 71.7% of western Canadians. For comparison, in the Looking West 2006 Survey, 66.4% of western Canadians stated that “reducing poverty in Canada” is a high priority.
- For British Columbia and Alberta, investments in post-secondary education, transportation infrastructure, and science and technology each receive a greater proportion of very high and high priority ratings than does lowering personal taxes. For Saskatchewan and Manitoba, lowering personal taxes receives a greater proportion of very high and high priority ratings than do investments in transportation infrastructure, and science and technology.
- In all four western provinces, the number of residents giving a very high or high priority rating to creating more employment opportunities for Aboriginal people is larger than the proportion giving a high or very high priority rating to attracting more skilled workers from other countries.
- Although some analysts argue that a strong arts and culture sector is vital for economic competitiveness, the public does not place more government investment in arts and culture at the top of its priority list: one-quarter of western Canadians state that investing more in arts and culture is a very high or high priority.

1. The response categories for the Looking West 2003, 2004 and 2006 Survey included high, medium, low, and not a priority; the “very high” priority category was introduced in the Looking West 2008 Survey.



Free Market

Figure 3: Governments Should Leave the Economy to the Free Market



	Strongly agree	Somewhat agree	Somewhat disagree	Strongly disagree
BC	16.2%	44.9%	22.6%	10.9%
AB	20.4	42.2	21.5	11.2
SK	16.5	42.9	24.1	10.8
MB	14.9	45.5	22.7	10.5
West	17.5	43.9	22.4	10.9

Survey question: "As much as possible, governments should leave the economy to the free market."

For the West as a whole, 6 in 10 agree that the economy should be left to the free market; respondents are much more likely to somewhat agree than to strongly agree with this statement. One-third of western Canadians disagree that governments should leave the economy to the free market. While Alberta has the highest number of respondents who strongly agree, the differences between the four provinces are not statistically significant.

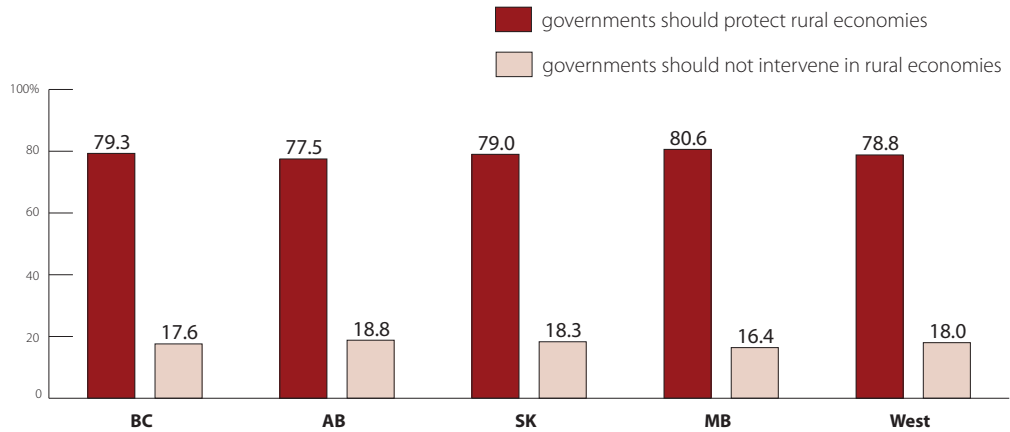


Free Market

Six in ten western Canadians feel that, as much as possible, governments should leave the economy to the free market.

Rural Economies

Figure 4: Government's Role in Rural Economies



Survey question: "With regard to rural parts of Canada, which of the following two perspectives best represents your views: governments should take steps to protect Canada's rural economies, or Canada's rural economies should be left to succeed or fail without government intervention?"

Western Canadians wish to see their rural economies protected by the state, with almost 8 in 10 stating that governments should protect rural economies. Differences between the four provinces are not significant.

Rural Economies

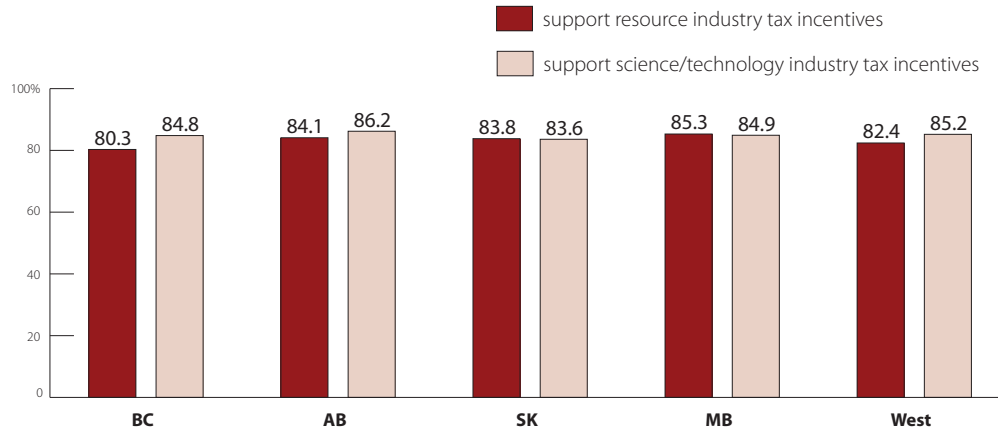
Almost 8 in 10 western Canadians feel governments should protect Canada's rural economies.



Tax Incentives for Business



Figure 5: Tax Incentives for Industry



Tax Incentives for Business

The vast majority of western Canadians support tax incentives for resource industries and for science and technology industries.

	Resource Industries				Science and Technology Industries			
	Strongly support	Somewhat support	Somewhat oppose	Strongly oppose	Strongly support	Somewhat support	Somewhat oppose	Strongly oppose
BC	31.0%	49.3%	12.5%	3.7%	29.8%	55.0%	10.2%	2.4%
AB	33.2	50.9	10.2	3.4	30.5	55.7	7.7	3.3
SK	36.3	47.5	9.3	4.3	25.7	57.9	10.0	3.0
MB	33.5	51.8	8.4	3.4	24.3	60.6	7.8	3.1
West	32.5	49.9	10.9	3.6	29.0	56.2	9.0	2.8

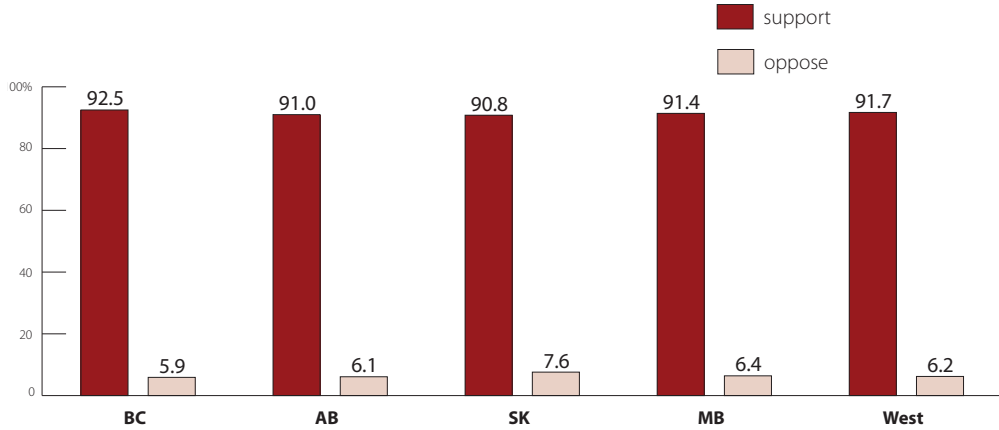
Survey questions: "Governments often take steps to promote the economy. Please indicate if you strongly support, somewhat support, somewhat oppose or strongly oppose providing tax incentives to resource industries, such as agriculture and forestry/providing tax incentives to science and technology industries."

Over 8 in 10 western Canadians support tax incentives for resources industries, with the same proportion supporting tax incentives for science and technology industries. In both cases, roughly 3 in 10 western Canadians *strongly* support tax incentives for industry.



Research and Development

Figure 6: Increasing Research and Development Funding



Research and Development

Western Canadians support increased government funding for research and development.

	Strongly support	Somewhat support	Somewhat oppose	Strongly oppose
BC	41.9%	50.6%	4.7%	1.2%
AB	41.7	49.3	4.6	1.5
SK	37.0	53.8	5.3	2.3
MB	38.4	53.0	4.9	1.5
West	40.9	50.8	4.7	1.5

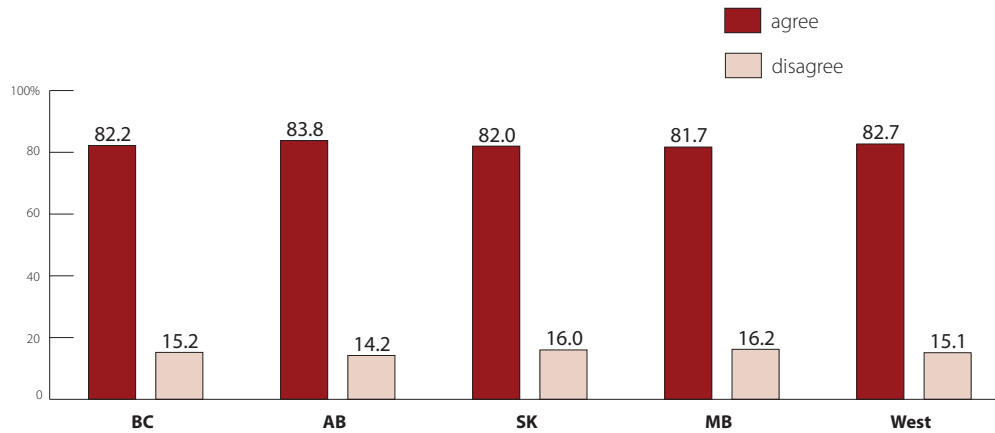
Survey question: "Governments often take steps to promote the economy. Please indicate if you strongly support, somewhat support, somewhat oppose or strongly oppose increasing funding for research and development."

Western Canadians are enthusiastic in their support for research and development funding, with over 9 in 10 supporting increased government funding for research and development and 4 in 10 strongly supporting funding increases.



University Funding

Figure 7: University Funding to Hire Top Researchers



	Strongly agree	Somewhat agree	Somewhat disagree	Strongly disagree
BC	36.8%	45.4%	12.0%	3.2%
AB	39.0	44.8	11.3	2.9
SK	35.9	46.1	13.0	3.0
MB	35.6	46.1	13.3	2.9
West	37.3	45.4	12.0	3.1

Agree/disagree: "Canadian universities should be given more government funding to hire top quality researchers."

Western Canadians are highly supportive of providing government funding to improve the research capacity of universities: over 8 in 10 agree, with almost 4 in 10 strongly agreeing, that governments should increase funding to universities for research hiring purposes.

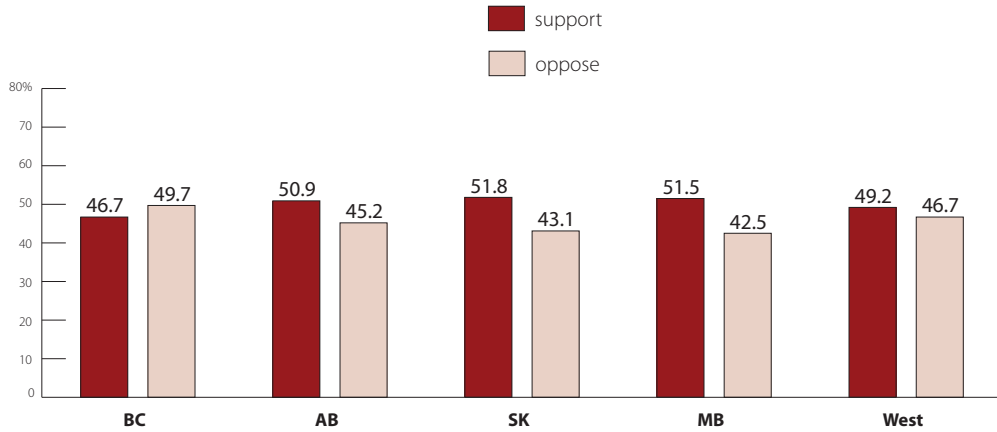


University Funding

Western Canadians feel that governments should give universities more funding to hire top researchers.

Foreign Investment in Canada

Figure 8: High Levels of Foreign Investment in Canada



Foreign Investment in Canada

Western Canadians are split about allowing high levels of foreign investment in Canada.

	Strongly support	Somewhat support	Somewhat oppose	Strongly oppose
BC	10.7%	36.0%	32.2%	17.5%
AB	11.2	39.7	27.8	17.4
SK	9.0	42.8	27.8	15.3
MB	10.7	40.8	29.7	12.8
West	10.7	38.5	30.0	16.7

Survey question: "Governments often take steps to promote the economy. Please indicate if you strongly support, somewhat support, somewhat oppose or strongly oppose allowing high levels of foreign investment in Canada."

Western Canadians are divided in their views on foreign investment. When asked to indicate their support for allowing high levels of foreign investment in Canada, western Canadians are almost equally divided between positions of support and positions of opposition, with a difference of less than three percentage points. In Alberta, Saskatchewan and Manitoba, slim majorities support high levels of foreign investment, while in British Columbia residents are more divided between support and opposition. (The difference between support and opposition in BC is within the margin of error.)





Conclusion

Western Canadians' top public policy priorities are decidedly non-economic: while addressing issues of health care, the environment, poverty and greenhouse gas emissions may have economic dimensions, they are not economic policy areas. With respect to the public policy areas with a more clear economic dimension, areas of strategic investment—funding for post-secondary education, transportation infrastructure, and science and technology—garner a greater number of very high/high priority ratings than do tax cuts and trade expansion.² There is one exception to note: despite growing arguments that arts and culture spending is another area of strategic economic investment, only one-quarter of western Canadians rate funding for arts and culture as a very high/high priority.

In recent years, analysts have expressed concerns about labour supply in western Canada, but the general public appears to be less worried: public policies aimed at increasing labour supply—specifically Aboriginal employment and skilled foreign workers—receive very high/high priority ratings from less than a majority of western Canadians.

The emphasis on strategic investment is evidenced in other survey questions. Although 6 in 10 western Canadians feel that, as much as possible, governments should leave the economy to the free market, there are a wide range of areas in which western Canadians are supportive of government action and intervention. When asked about areas of strategic investments targeted at stimulating the economy, such as government funding for research and development and government support for rural economies, the public expresses strong support.

This can create seemingly contradictory opinion positions. For example, while only 3 in 10 western Canadians consider tax cuts for business to be a very high or high priority, over 8 in 10 support tax incentives for science and technology industries and for resource industries. Part of the explanation may lie in the fact that free market opinions are somewhat soft: less than 2 in 10 western Canadians *strongly* agree that the economy should be left to the free market, suggesting that almost 8 in 10 are open to government economic intervention in selected instances.

As other Looking West 2008 Survey results demonstrate, western Canadians currently see the national, provincial and local economies in a positive light (see *A Confident Time: Current Economic Perceptions of Western Canadians*, available at www.cwf.ca). How might western



2. A similar pattern of support for strategic "investment" spending has been seen in other Canadian surveys. See Mendelsohn, Matthew. 2002. *Canada's Social Contract: Evidence From Public Opinion*. Discussion Paper No.P01, Public Involvement Network. Ottawa, ON: Canadian Policy Research Networks.

Canadians' public policy priorities be affected should the economy take a turn for the worse? Research suggests that public policy preferences in Canada vary with the "misery index" (calculated as the sum of unemployment and inflation rates): when the misery index rises, Canadians prefer less domestic spending.³ If this is the case, the wide base of support for strategic investment spending may shrink in the event of an economic downturn.

At present, strong economic fortunes have not created an environment that is opposed to government involvement in the economy; indeed, the opposite pattern is seen, with the public supporting government actions viewed as being supportive of ongoing economic success. ■

3. Soroka, Stuart N. and Christopher Wlezien. (2004). "Opinion Representation and Policy Feedback: Canada in Comparative Perspective." *Canadian Journal of Political Science* 37: 331-59.



About the Canada West Foundation

Our Vision

A dynamic and prosperous West in a strong Canada.

Our Mission

A leading source of strategic insight, conducting and communicating non-partisan economic and public policy research of importance to the four western provinces and all Canadians.

Canada West Foundation is a registered Canadian charitable organization incorporated under federal charter (#11882 8698 RR 0001).

In 1970, the One Prairie Province Conference was held in Lethbridge, Alberta. Sponsored by the University of Lethbridge and the Lethbridge Herald, the conference received considerable attention from concerned citizens and community leaders. The consensus at the time was that research on the West (including BC and the Canadian North) should be expanded by a new organization. To fill this need, the Canada West Foundation was created under letters patent on December 31, 1970. Since that time, the Canada West Foundation has established itself as one of Canada's premier research institutes. Non-partisan, accessible research and active citizen engagement are hallmarks of the Foundation's past, present and future endeavours. These efforts are rooted in the belief that a strong West makes for a strong Canada.

More information can be found at www.cwf.ca.

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