



C.D. Howe Institute
Background

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Economic Growth and Innovation

Realistic Expectations:

*Demographics and the Pursuit of
Prosperity in Saskatchewan*

Yvan Guillemette
William B.P. Robson

The Background in Brief

Saskatchewan's current economic good times belie serious demographic challenges that threaten the province's ability to improve its citizens living standards in the years ahead, or provide robust social programs.

About the Author

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Saskatchewan's current economic performance is good. Incomes and demand are growing strongly, and the province is gaining population from the rest of the country for the first time in decades. This robust period offers a timely opportunity for the province to enhance its economic and fiscal position. Barring further progress on several fronts, time is working against the province. Demographic forces will challenge Saskatchewan's ability to materially improve its citizens' living standards in the decades ahead if it does not further improve its attractiveness to people and investors, and enhance the participation of its Aboriginal people in the provincial economy.

A Challenging Outlook

While population growth is as much a marker of economic success as a precondition for it, a shrinking or stagnant population tends to mean a shrinking or stagnant workforce and dimming economic prospects. For many years, demographic developments have cast a shadow over Saskatchewan's economic outlook. While the province has experienced net gains in migration from other provinces during two recent quarters, they are a mere fillip when set against wider demographic patterns, including out-migration, fertility and life expectancy rates, over recent decades. If these wider patterns prevail, they threaten the province's ability to offer rising living standards and robust public programs.

Demographic Background

What would a middle-of-the-road projection of Saskatchewan's recent demographic experience suggest about the province's future? The C.D. Howe Institute's projections for the next five decades, like those of Statistics Canada (Statistics Canada, 2005), highlight some key concerns.

Consider two scenarios: an "outmigration" scenario and a "no-outmigration" scenario (the assumptions for each are summarized in Table 1). In both:

- Saskatchewan's total fertility rate stays constant at 1.8 births per woman for the non-Aboriginal population and 2.6 births per woman for the Aboriginal population;
- Life expectancy at birth improves at a rate similar to Statistics Canada's medium assumption throughout the projection period;
- Net *international* migration for each age and sex category stays constant at its 2001–2006 average and affects only the non-Aboriginal population.

For the outmigration scenario, net interprovincial migration per year, by age and sex category, continues at its 2001–2006 average and affects both Aboriginals and

* With compliments to Dale Eisler, author of *False Expectations: Politics and the Pursuit of the Saskatchewan Myth* (Regina: Canadian Plains Research Center, 2006). We thank Tim Hearn, Jack Mintz, Herb Pinder, Finn Poschmann, John Richards, and a number of other readers for helpful comments and discussion. Responsibility for any remaining errors and for the conclusions is ours.

Table 1: *Saskatchewan Population Projections — Assumptions and Results*

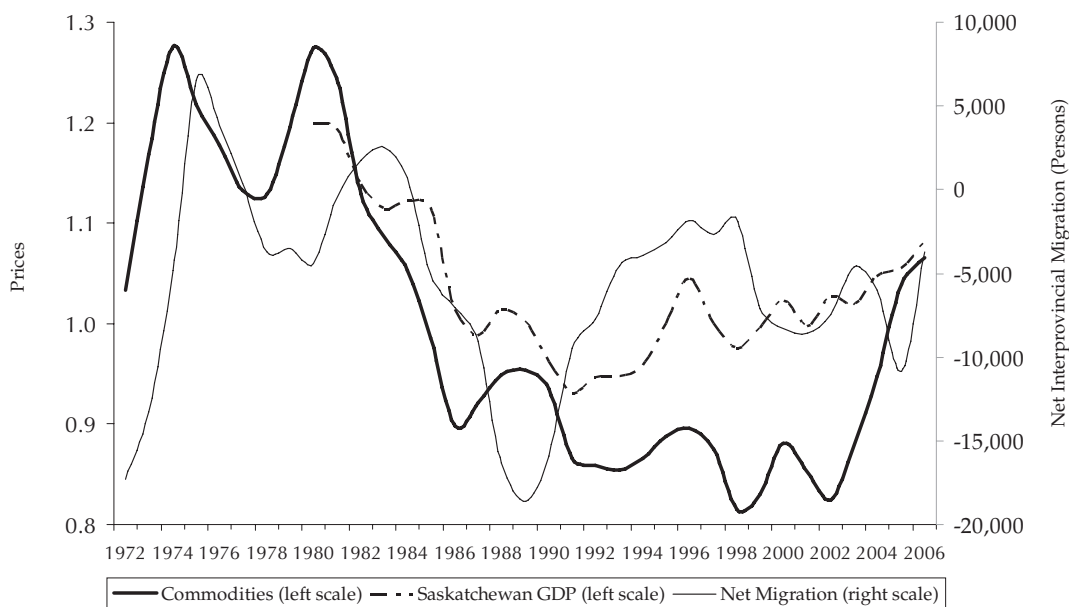
Assumptions	1986 (actual)	1996 (actual)	2006 (actual)	2016	2026	2036	2046
Life Expectancy at Birth (years)							
Non-Aboriginal							
Male	74.4	75.7	76.4	77.9	79.0	79.9	80.8
Female	80.8	81.4	82.3	83.5	84.5	85.5	86.3
Aboriginal							
Male	67.7	69.0	69.7	72.5	74.6	76.4	77.9
Female	74.1	74.7	75.6	77.9	80.0	81.8	83.3
Total Fertility Rate (birth per woman)							
Non-Aboriginal	2.0	1.9	1.8	1.8	1.8	1.8	1.8
Aboriginal	3.0	2.8	2.6	2.6	2.6	2.6	2.6
Net International Migration	1,129	781	1,343	1,343	1,343	1,343	1,343
Net Interprovincial Migration	-7,020	-1,871	-3,737				
Outmigration Scenario				-6,257	-6,257	-6,257	-6,257
No-Outmigration Scenario				0	0	0	0
Results							
Total Population (000s)	1,029.3	1,019.1	981.1				
Outmigration Scenario				949.8	905.7	837.4	751.9
No-Outmigration Scenario				1,024.0	1,075.3	1,108.0	1,311.6
Percent Aboriginal (%)	7.8	11.4	14.2				
Outmigration Scenario				16.4	18.8	21.5	25.2
No-Outmigration Scenario				16.4	18.7	20.8	23.3
Old-age dependency (65+ / 18-64) (%)	21.5	25.0	24.2				
Outmigration Scenario				27.7	41.8	49.1	53.0
No-Outmigration Scenario				26.2	36.0	38.6	38.2

Source: Statistics Canada and authors' calculations

non-Aboriginals proportionally to their populations.¹ For the no-outmigration scenario, we assume zero net inter-provincial migration over the projection period. Although Saskatchewan recently recorded two consecutive quarters of positive net inter-provincial migration, this is the first such occurrence since 1984, and coincides with an exceptionally robust period of demand for natural resources (Figure 1) — so we think no-outmigration a better basis for an alternative projection. The difference between the two population paths — which is particularly marked in the case of the population of traditional working age (18–64) — shows the power of interprovincial migration to drive overall numbers (Figure 2).

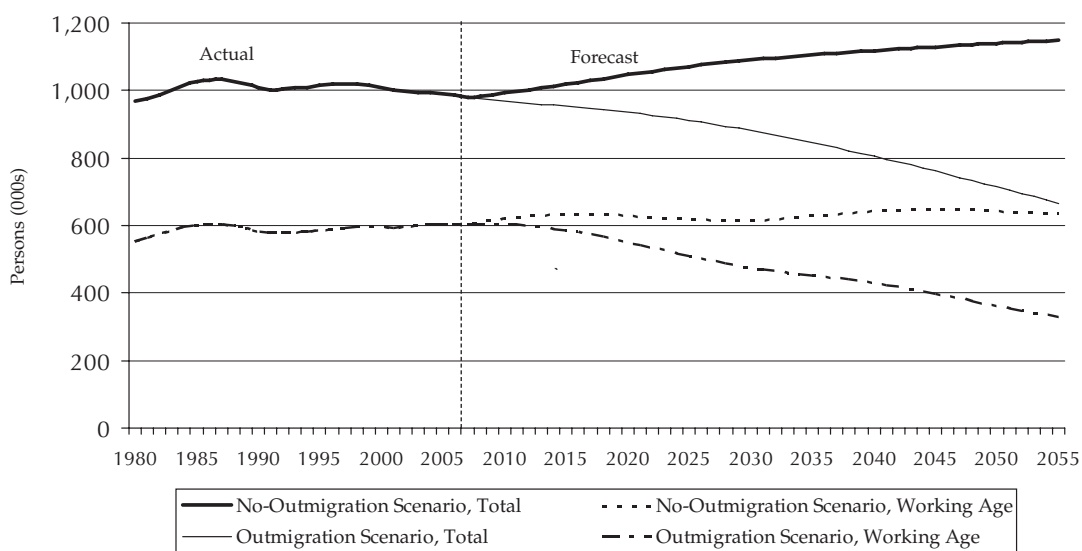
One key summary demographic measure — the population 65 and over relative to the working-age population — rises in both scenarios (Figure 3). Since younger people are likelier to leave the province, however, it rises markedly more in the outmigration scenario.

1 To the extent that Aboriginals are less likely to move between provinces than are non-Aboriginals, the assumption of proportional movements will understate the degree to which the share of the population that is Aboriginal increases in the outmigration scenario.

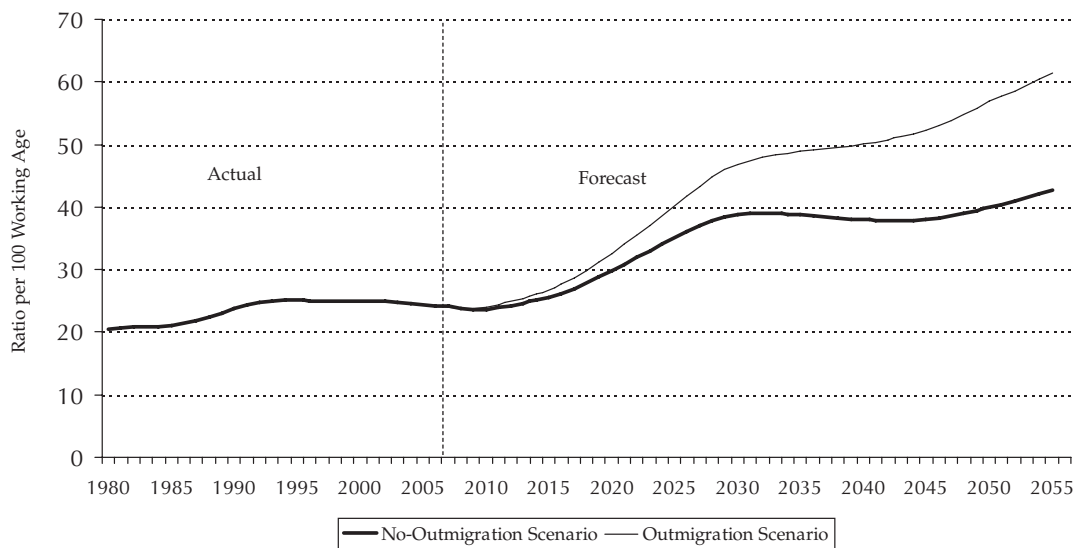
Figure 1: Price Cycles and Saskatchewan's Interprovincial Migration, 1972–2006

Source: Statistics Canada, CANSIM; authors' calculations.

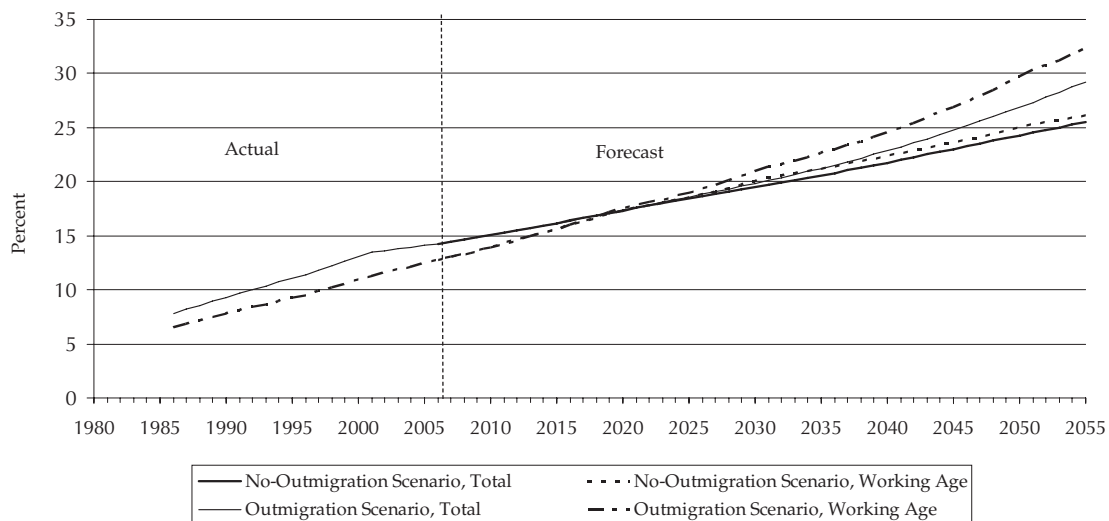
Notes: Commodities are energy, food and industrial materials. Amplitude of scale for commodities is twice that shown. Saskatchewan GDP is provincial GDP deflator relative to national GDP deflator.

Figure 2: Saskatchewan Population Under Two Migration Scenarios

Source: Statistics Canada, CANSIM; authors' calculations.

Figure 3: *Old-Age Dependency Ratio Under Two Migration Scenarios*

Source: Statistics Canada, CANSIM; authors' calculations.

Figure 4: *Aboriginal Share of Population Under Two Migration Scenarios*

Source: Statistics Canada, CANSIM; authors' calculations.

A second potentially important phenomenon under either scenario is an increase in the share of the population of Aboriginal descent (Figure 4). While Aboriginals account for slightly more than 14 percent of Saskatchewan's population today, current mortality and fertility patterns suggest they will account for between 25 and 30 percent of the total population five decades from now. Their share of the working-age population will rise faster, from 13 percent today to more than 32 percent in the outmigration scenario and about 26 percent in the no-outmigration scenario.

Economic Projections

Real GDP per person aged 18–64 in Saskatchewan grew at an average rate of 1.9 percent per year from 1994 to 2006. Thanks to both a pronounced rise in the share of that age group in the total population and greater output per potential worker, real output per person in the entire population grew 2.4 percent annually. Future trends in real output and incomes per person are hard to anticipate with confidence. Some analysts argue that future scarcity of labour will raise the amount of capital, and therefore real output, per worker. Others argue that a slower-growing and older population will depress saving, capital formation, and productivity growth. We will have more to say on these possibilities below; for our projections, we adopt the simple assumption that the 1994–2006 average rate of growth in output per potential worker persists indefinitely.

Before projecting growth in the overall economy and output per person on the assumption that all potential workers are identical, however, we should discuss the potential implications of a rise in the share of the working-age population that is Aboriginal. The 2001 census showed average employment income per Aboriginal of working age at some \$11,481 annually, compared to \$24,251 for non-Aboriginals of working age.² Absent more direct information on the relative participation of the two population groups in Saskatchewan's economy, we use the ratio of these income figures as a proxy for the relative amounts of GDP generated by an average working-age person from each.

Aging and the change in the demographic mix of the population have awkward implications for the future growth of living standards of the average Saskatchewan resident (Table 2). In all cases, output per person rises more slowly than the 2.4 percent figure recorded from 1994 to 2006 — a consequence of the declining share of the population that is of working age.

In the version of the outmigration scenario which assumes all working-age people to be identical in terms of average output, growth falls by a percentage point. In the version of the outmigration projections which assume an unchanged ratio of output per person between the Aboriginal and non-Aboriginal working-age populations, output per person grows more slowly yet: at only half its historical rate. The no-outmigration scenario is somewhat better: the version that does not distinguish between the two populations shows growth at 1.6 percent

2 Statistics Canada, 2001 Census Individual Microfile.

Table 2: *Annual Average Growth of Real GDP per capita in Saskatchewan^a
Under Various Scenarios*

	<i>percent</i>
1994–2006: Actual	2.4
Outmigration	1.4
No-outmigration	1.6
Outmigration, no convergence ^b	1.2
No-outmigration, no convergence	1.5
Outmigration, convergence	1.5
No-outmigration, convergence	1.8

Notes: ^a Based on total population.

^b Convergence refers to closing the gap between the average output per person of working-age, non-Aboriginals and Aboriginals.

Source: Authors' projections as described in the text.

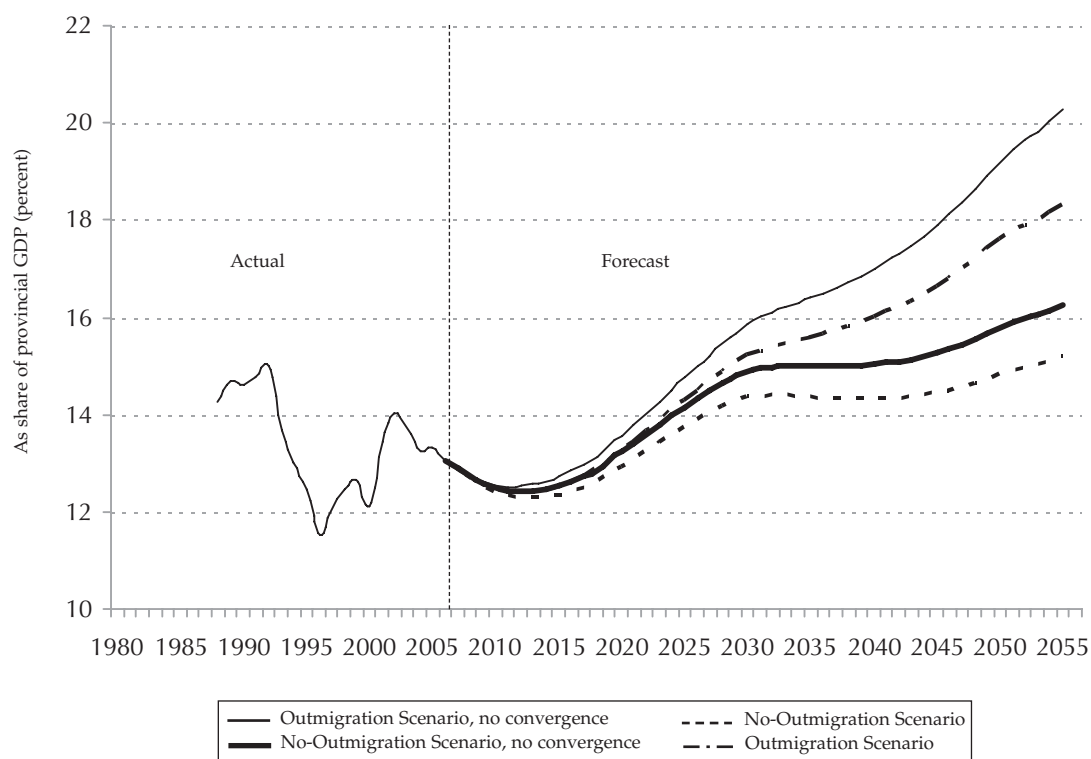
annually, and the projection assuming an unchanged ratio of output per person for the two populations shows growth of 1.5 percent.³

Fiscal Projections

What about the interaction of population changes with public programs? The population figures just described allow a projection of some demographically sensitive programs.

- In the case of healthcare, we project expenditures for six age groups for each sex. The amount of healthcare goods and services devoted to a person of a given age and sex is (conservatively) assumed to keep pace with productivity growth in the broader economy. In other words, increases in service intensity per recipient match increases in output per potential worker. And health-sector inflation is assumed to rise at the same pace as government-consumption inflation generally since 1994: 2.6 percent (which is marginally above the general inflation rate of 2 percent successfully targeted by the Bank of Canada during that period).
- For education, we project spending on elementary school students from the population aged 4 to 17 years and spending on postsecondary students from the population aged 18 to 24. We assume, as with health, that the intensity of education services per student rises with productivity, and that inflation in education outpaces general inflation by the same margin — 0.6 percentage points — assumed in the case of healthcare.
- For completeness, we also model Saskatchewan's programs targeted to the elderly. Our projections for the Saskatchewan Income Plan for seniors

³ We note that the 1.9 percent increase in output per average working-age person in Saskatchewan recorded from 1994 to 2006 must reflect, among other things, changes in the share of the working-age population that is Aboriginal and changes in the relative contributions of Aboriginals and non-Aboriginals to provincial GDP. Differences in the questions about ethnic identity in successive censuses make it difficult to quantify these changes, however, and therefore we cannot say whether their net effect was to boost or retard Saskatchewan's growth.

Figure 5: *Demographically Sensitive Programs Under Various Scenarios, 2006–2055*

Source: Authors' projections as described in the text.

assume that the trajectory of real benefits per person aged 65 and up will evolve in line with federal Old Age Security, Guaranteed Income Supplement and Allowance payments per person aged 65 and up, as derived from projections by Canada's Chief Actuary (OCA 2005). Further, we assume that those benefits are indexed to inflation. The program is too small, however, to materially affect the overall calculations.

We know no information that would allow us to quantify the impact on public spending of changing shares of the Aboriginal and non-Aboriginal populations. The differing projections just outlined do, however, let us compare spending under both the outmigration and no-outmigration scenarios to provincial incomes (Figure 5). All the scenarios show some breathing space for the province over the next decade. Dwindling numbers of young people should permit savings in the education budget, and the pronounced upward pressure of aging on healthcare spending takes some time to emerge. After that, however, the upward pressure of aging on healthcare dominates, so that the share of Saskatchewan GDP required for demographically sensitive programs escalates from its current level of around 13 percent. It rises a little above 15 percent in the version of the no-outmigration scenario that assumes all potential workers are identical, and to more than 20

percent in the version of the outmigration scenario that assumes continued differences in the capacity of the Aboriginal and non-Aboriginal populations to generate output and income.

Recent Performance

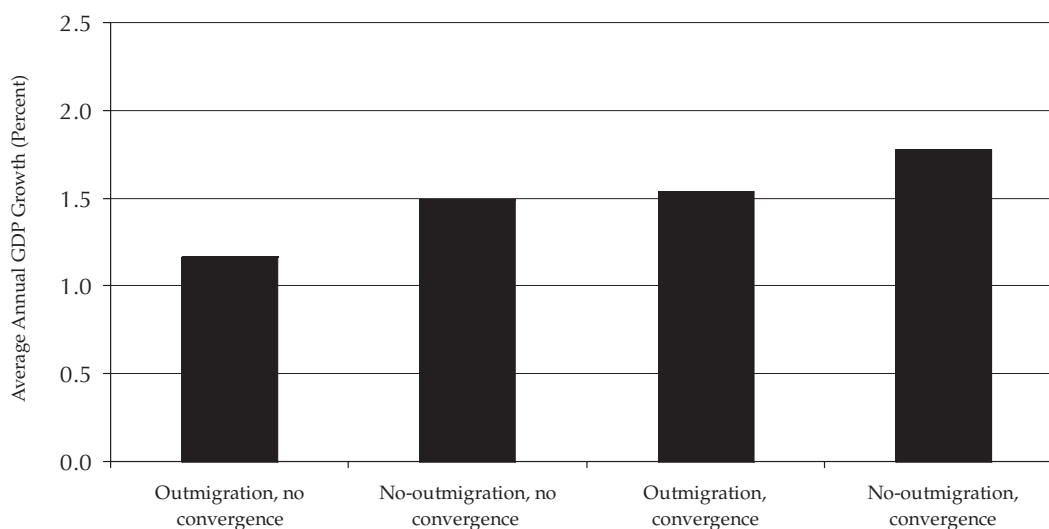
To meet these challenges, Saskatchewan needs to deploy its people effectively, equip them with the physical capital they need to succeed, create a competitive tax environment, and contain the cost of government.

Deployment of the Workforce

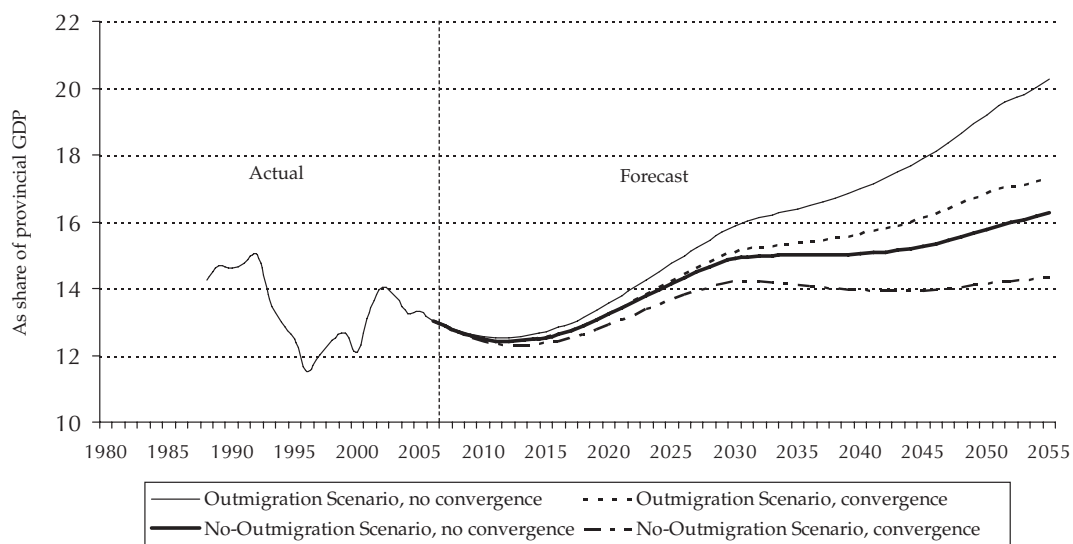
Many of Saskatchewan's labour-market indicators — the participation rate, employment rate, and unemployment rate — have tended to be better than their national counterparts for years, and the dispersion of unemployment rates across economic regions in Saskatchewan is also below the Canadian average (Guillemette 2006). These are all signs of a healthy labour market. However, as the stylized projections of economic growth using the ratio of average employment incomes of the Aboriginal and non-Aboriginal populations just showed, a critical task for the future will be fostering fuller participation by Saskatchewan's Aboriginal population in the market economy. A full exploration of the steps that would promote this result is beyond the scope of this paper, and would be highly politically charged. These include raising the educational attainment of Aboriginal students, fostering the development of enterprise on reserves, and changing the fiscal incentives that discourage Aboriginals from moving to better opportunities. That a debate on these issues is worthwhile, however, is evident from the potential payoff.

Suppose that over the next 50 years improved opportunities for Aboriginals eliminated the gap between the Aboriginal and non-Aboriginal participation in the market economy that we assume in our projections. Specifically, suppose that more rapid growth in Aboriginal participation caused the amount of GDP generated by an average working-age Aboriginal person to converge with that generated by a comparable non-Aboriginal by the end of the period. Not only would the boost to living standards of the Aboriginal population be immense, but there would be a material impact on average living standards for all Saskatchewan residents. Figure 6 contrasts this more buoyant outlook with the alternative where the relative output of the two populations does not change, under both the outmigration and no-outmigration scenarios. Convergence would raise the economic growth rate under the outmigration scenario to match the growth rate under the no-outmigration scenario without convergence — in other words, it would offset the impact of outmigration on the living standards of the average person in Saskatchewan. And convergence under the no-outmigration scenario would boost growth in output per person to 1.8 percent — a far more robust economic base.

This more buoyant economic base would, in turn, improve the outlook for the financing of demographically sensitive programs. As Figure 7 illustrates, the share

Figure 6: *Growth in GDP per Person Under Various Scenarios, 2006–2055*

Source: Authors' projections as described in the text.

Figure 7: *Demographically Sensitive Programs Under Various Scenarios (including convergence of Aboriginal and non-Aboriginal average incomes)*

Source: Authors' projections as described in the text.

of provincial incomes claimed by these programs at the end of 50 years under the outmigration scenario falls by some 3 percentage points if convergence between Aboriginal and non-Aboriginal incomes raises income growth over the intervening years. And in the no-outmigration scenario, convergence between Aboriginal and non-Aboriginal incomes would contain the claim of demographically driven programs on Saskatchewan GDP so effectively that it would not exceed its level in the late 1980s even at the end of the period.

To repeat, policies that promote convergence of Aboriginal and non-Aboriginal participation in the provincial economy through more rapid growth in Aboriginal incomes can markedly brighten Saskatchewan's outlook. At present, the employment rates of Aboriginals in Saskatchewan tend to be low — data from the 2001 census showed the off-reserve Aboriginal employment rate to be the lowest of any province except Newfoundland and Labrador, while the on-reserve employment rate, at 29 percent, was the lowest in any province (Luffman and Sussman 2007). These unsettling facts are, perversely, cause for hope: merely raising the employment rates of Aboriginals in Saskatchewan to those already evident elsewhere would be a large first step.

Improving Saskatchewan's Outlook: Some Promising Options

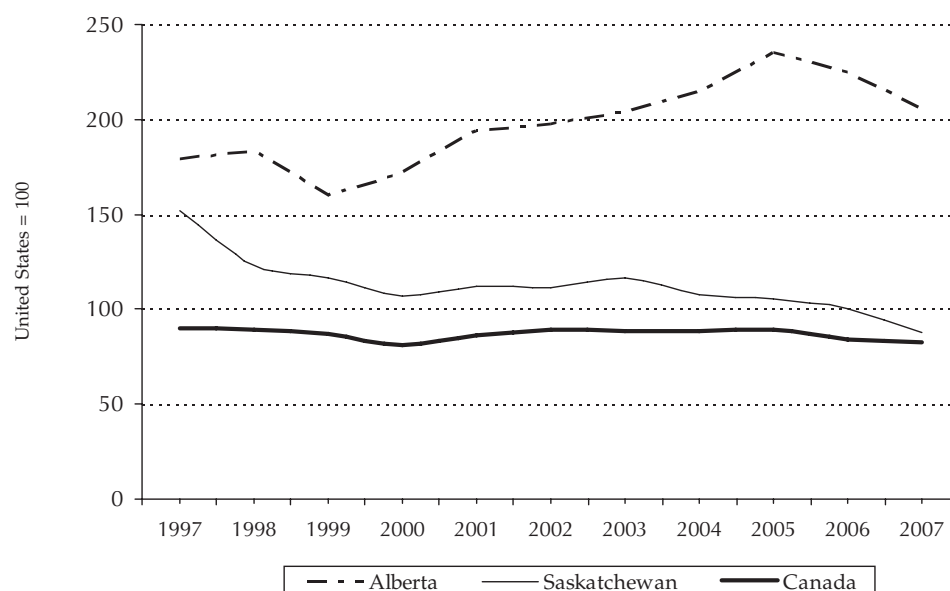
If a full exploration of the policies that could promote convergence between Aboriginal and non-Aboriginal incomes is beyond the scope of this paper, some other suggestions for improving the outlook for people in Saskatchewan of all backgrounds are easier to make with confidence. We therefore close with a survey of some of the most promising ones.

Equipping Workers

Capital investment — equipping workers with better tools — is a key factor in maintaining and improving standards of living. While Saskatchewan has been doing relatively well by Canadian standards, Canadian businesses as a whole lag their US counterparts in equipping workers. For every \$1 of new investment in plant and equipment per US worker this year, the average Canadian worker will benefit from about 82 cents of new capital, while each Saskatchewanian worker will benefit from a little less than 88 cents.⁴ Troublingly, Saskatchewan's investment edge relative to the already unimpressive performance of the rest of the country has been eroding (Figure 8). Since about 27 percent of the province's business-sector, non-residential capital spending is in oil and gas, and another 13 percent is in mining — both sectors where demand and prices have been cyclically high — the relative deterioration of Saskatchewan's investment performance during a period of strong natural resource prices is disappointing.

4 See Banerjee and Robson (2007) for details on the sample and results; see Robson and Goldfarb (2004) for details on the methodology. Business-sector capital spending includes government enterprises operating in a commercial environment.

Figure 8: *Business Capital Investment Relative to United States: Saskatchewan, Alberta and Canada*



Source: Banerjee and Robson (2007).

A natural place to start in seeking improvement is Saskatchewan's business tax environment. Saskatchewan has made progress in recent years on this score. It has reduced its statutory corporate income tax rate from 17 percent a few years ago to 13 percent, and a further one-point cut will take effect in 2008. The province is also eliminating its general capital tax and raising its small business income threshold to \$500,000 by the same year. While these changes should improve Saskatchewan's relative position — and Saskatchewan's investment performance has indeed been good by Canadian standards — other jurisdictions are not standing still. Notably, even after these changes, Saskatchewan's regime will still not be competitive with Alberta, which has a general corporate income tax rate of 10 percent (Table 3) and no sales taxes on capital inputs.

This latter point highlights one of the best tax-reform initiatives Saskatchewan could undertake: making the provincial sales tax more like a value-added tax — possibly by harmonizing it with the federal GST.⁵ Eliminating sales taxes on business inputs would move Saskatchewan out of the group of five provinces with such taxes,⁶ and in which the overall tax burden on the incremental dollar of business investment tends to be higher (Table 3).

We note, finally, that Saskatchewan has the highest number of small businesses per 100 population of any province in Canada (Chambers and Church 2006, 10).⁷

⁵ This issue has been extensively studied recently in Saskatchewan; see for example the Saskatchewan Business Tax Review Committee Report (Saskatchewan 2005).

⁶ The others are British Columbia, Manitoba, Ontario and PEI.

⁷ Small businesses include businesses with fewer than 50 employees as well as workers who are self-employed, unincorporated and without paid help.

Table 3: *Summary Comparison — Provincial Tax Rates, 2007*

	<u>Sales Tax</u>	<u>Statutory Corporate Income Tax</u>		<u>Federal-Provincial Marginal Effective Tax Rate (METR) on Capital, 2007</u>
		<u>General</u>	<u>Small</u>	
	<i>percent</i>			
Newfoundland & Labrador	8.0	14.0	5.0	11.4
Prince Edward Island	10.0	16.0	4.3	30.6
Nova Scotia	8.0	16.0	5.0	17.5
New Brunswick	8.0	13.0	5.0	6.6
Québec	7.5	9.9	8.0	25.2
Ontario	8.0	14.0	5.5	37.0
Manitoba	7.0	14.0	3.0	32.5
Saskatchewan	5.0	13.0	4.5	30.2
Alberta	0.0	10.0	3.0	23.0
British Columbia	7.0	12.0	4.5	31.6
National Average	6.9	13.2	4.8	30.9

Source: PEI (2007); Chen, Mintz and Tarasov (2007).

Note: The marginal effective tax rate on capital is the share of the pre-tax return on capital necessary to cover business taxes, leaving a residual to cover the cost of debt and equity used to finance capital investments. It takes into account corporate income taxes, capital taxes, sales taxes on business inputs and other capital-related taxes.

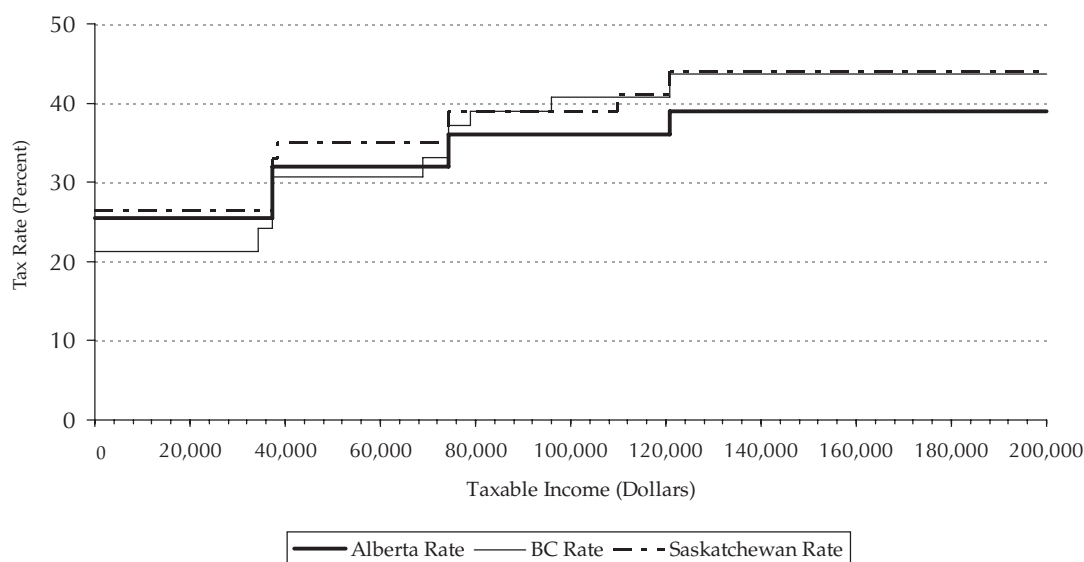
While neither positive nor negative in itself, this fact raises the question of whether taxes and other elements of Saskatchewan's business environment — regulations that take effect when firms reach a given size of capital or employment — encourage businesses to stay small. Tax and regulatory changes that made investment and expansion more attractive might prompt more of Saskatchewan's plentiful small enterprises to grow into bigger ones.

Shaping a Good Tax Environment for Individuals

The personal tax environment in Saskatchewan is also important, both to retaining taxpayers in the province, and to encouraging people in the province to work and to save.

We know from inter-provincial migration data that most people who leave Saskatchewan head for next-door Alberta, and a smaller proportion moves to British Columbia. Comparing the personal income tax system of Saskatchewan to that of these two provinces shows Saskatchewan at a disadvantage in some respects (Figure 9). For taxpayers with taxable income below \$80,000, both Alberta and British Columbia offer a lower marginal tax rate than Saskatchewan. Especially for people with taxable income below \$40,000, BC offers a significant advantage. For people with more than \$80,000 of taxable income, Saskatchewan and BC have roughly comparable marginal tax rates, but Alberta's are significantly lower.⁸

⁸ If these effective tax rate calculations were amended to include the employer-paid portion of provincial payroll taxes, Saskatchewan would fare a little better in comparison, because the province does not levy a payroll tax for health.

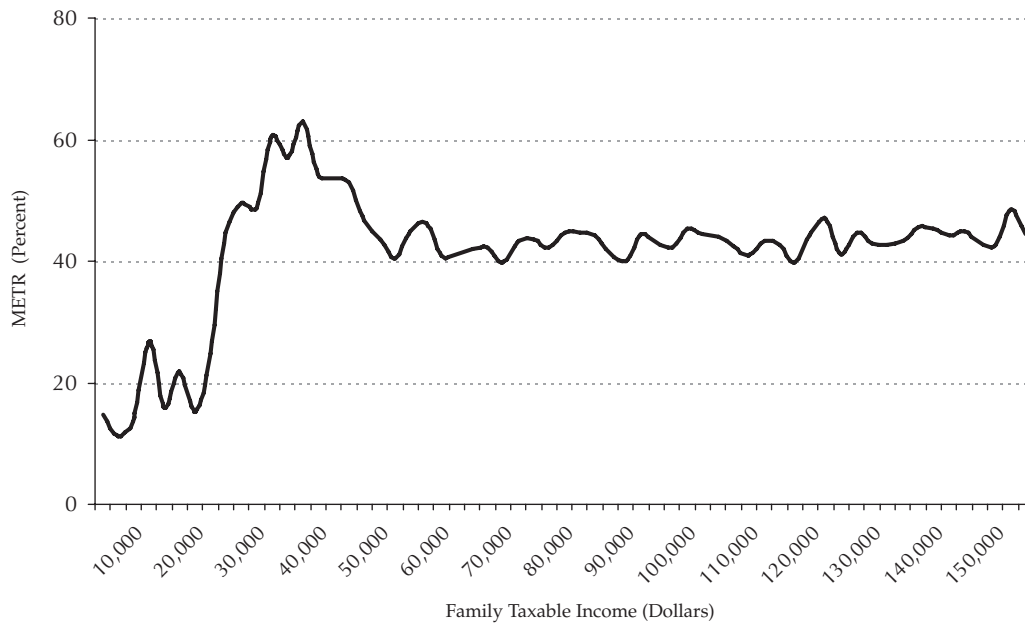
Figure 9: Combined Federal-Provincial Personal Marginal Tax Rate, 2007

Source: Taxtips.ca

Furthermore, taxes and clawbacks of transfers subject modest-income taxpayers to high marginal effective tax rates (METRs). By taking into account tax rates and clawbacks on government transfers and supplements as income rises, METRs are an excellent measure of the extra tax burden faced by the poor on every extra dollar they earn. The situation varies by family size and income structure — one way of getting a rough overview is to average the METR for all families at a given earned-income level (Figure 10). The relatively high METRs for families who have not yet achieved middle-class status likely discourage work and saving by such lower-income families. This is a concern in its own right, and especially so given the fact that these high effective rates will particularly affect Aboriginals, impeding the convergence of incomes that would improve Saskatchewan's prospects. Several features of Saskatchewan's personal tax and transfer system — notably its employment supplement for low-income working families — give it a less punitive system than most other Canadian provinces, so improving this situation would enhance an area where the province already stands out for good practice. Reducing marginal tax rates for seniors would also improve the environment for work among those near or past age 65 — another potential source of extra work effort the province would be wise to encourage.

Containing the Cost of Government

A critical task in achieving more competitive and growth-friendly tax rates is containing the cost of government. Here too, Saskatchewan has set some good

Figure 10: *Average METRs for Families with Children in Saskatchewan, 2007*

Source: Finn Poschmann, C. D. Howe Institute, via Statistics Canada's Social Policy Simulation Database and Model, Release 14.2. Responsibility for results and their interpretation lies with the authors.

precedents. Its money-purchase, provincial-employee pensions are unique in the country, and it responded to the fiscal pressures of the 1990s earlier and more completely than many other jurisdictions, reducing its net debt level by approximately \$1 billion from fiscal 1995/96 to 2005/06. Combined with lower interest rates, this progress let the province cut its debt servicing costs as a share of revenue by more than half over that decade.

Saskatchewan also responded to fiscal pressures in the early 1990s by cutting program spending. On this front, however, its relatively favourable position relative to other Canadian provinces has eroded since then (Table 4). Provincial spending grew at an average rate of 5.0 percent over the decade to 2005/07 — more than three times as rapidly as was promised in each year's budget.⁹ Over the past two years alone, the legislature voted a cumulative 1.2 percentage points of increased spending, but actual spending grew by a cumulative 16.3 percentage points. Such unbudgeted largesse undermines Saskatchewan's ability to give itself a competitive business and personal tax environment, and jeopardizes its ability to pay for future demographically driven rises in program spending.

⁹ Only Alberta's overruns were worse during this period (Adrian, Guillemette and Robson 2007).

Table 4: *Provincial Government Expenditures as a Share of GDP: 1995, 2000 and 2005*

	1995	2000	2005	Change 1995–2005
	<i>percent</i>			
Newfoundland & Labrador	35.2	29.8	23.3	-11.9
Prince Edward Island	31.3	30.9	29.1	-2.2
Nova Scotia	26.9	23.8	23.6	-3.3
New Brunswick	29.6	26.4	26.5	-3.1
Québec	27.1	24.9	25.5	-1.6
Ontario	18.9	15.8	16.6	-2.4
Manitoba	25.6	24.7	23.8	-1.9
Saskatchewan	23.0	20.3	21.0	-2.1
Alberta	16.4	14.3	13.1	-3.3
British Columbia	22.5	21.3	19.5	-3.0
Canadian Average	22.1	19.4	19.1	-2.9

Note: Expenditures are on a fiscal year basis, so, for example, 2005 expenditures are for fiscal year 2005/06 ended March 31, 2006.

Source: CANSIM Tables 284-0002 and 385-0002.

Imperatives for the Future

Absent higher growth of output per working-age person or rising labour-force participation among the older population, the relative decline in the share of Saskatchewan's population that is working age is bound to dampen growth of output per person in the decades ahead. This prospect worsens notably if a rising Aboriginal share of the working-age population coincides with a failure to narrow the gap between the tendencies of the Aboriginal and non-Aboriginal populations to participate in the provincial economy. One key implication of these scenarios is that demographically sensitive public programs will become much more difficult to finance.

Two key routes to improving the outlook are (i) ending the outmigration that has affected the province for most of the past quarter-century, and (ii) fostering fuller participation in the provincial economy on the part of the Aboriginal population. These are not small, easily achievable tasks, and in the interim, key policy initiatives are required. Improving the fiscal climate for businesses and individuals — and containing the growth of government spending that will impede progress on those fronts — would be a good way for Saskatchewan to capitalize on recent economic buoyancy and put itself on a stronger footing to confront the challenges of the future.

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