

BACKGROUND

BC Progress Board Second Annual Benchmarking Report and Expert Panel Reports

The BC Progress Board has two mandates:

- Benchmarking BC's performance over time and relative to other jurisdictions; and,
- Providing strategic advice to the Premier and government on measures to improve BC's economic performance and its social policy supports.

I. Toward North Star 2010: Second Annual Benchmarking Report

The second annual benchmarking report of the BC Progress Board, *Toward British Columbia North Star 2010*, confirms the leadership benchmarks established in the 2001 benchmarking report. The Board believes that British Columbia – despite continuing structural and secular challenges – has all the attributes to be an economic leader in Canada by 2010.

The Board reports on six core targets related to two overall goals for British Columbia. Twenty additional performance indicators, and a host of supplemental indicators and topic boxes shed further light on BC's economic and social performance, and some of the steps necessary to reach the Progress Board's 2010 North Star leadership benchmarks.

Economy, Innovation and Education

In 2001, the Progress Board recommended that British Columbia work towards two overarching goals, with the first goal being: *Make BC an Economic Leader in Canada by 2010*. To anchor this objective, the Board reports BC's progress on three core target measures: economic growth, standard of living and jobs.

- **Economic Growth**: Target 1st or 2nd among the provinces in the growth of real GDP per capita by 2010. In 2001, BC ranked tenth for the annual growth of real GDP per capita; this is down from BC's fifth ranked performance in 2000. BC ranked fourth for the level of real GDP per capita in 2001.
- **Standard of Living**: Target 1st or 2nd among the provinces on the level of real disposable income per capita by 2010. In 2001, BC held onto its third place rank among the ten provinces for the level of real disposable income per capita. BC continued to rank tenth for ten-year (1992-2001) improvement in this core target, unchanged from the 2000 rank reported in the first Progress Board benchmarking report.
- **Jobs**: Target 1st or 2nd for the employment rate by 2010. In 2001, BC ranked sixth for the employment rate (age 15-64) among Canadian provinces, a slight drop from its fifth place rank in 2000. BC's ten-year progress rank (1992-2001) also saw a slight drop from ninth to tenth.

The report contains thirteen additional performance indicators which provide further information on BC's economic performance. Three registered strong performance, ranking between first and third among the provinces: real average hourly wages (1st), taxpayer supported debt (2nd), and top marginal personal income tax rate (2nd).

Eight performance indicators registered middling performance (ranked between fourth and seventh): productivity (5th); total exports per capita (7th); per capita tax burden (6th); net inter-provincial migration (7th); business gross fixed capital formation (5th); university completion (4th); research and development spending (7th); and, employment in natural and applied sciences (4th). Two indicators registered in the weak category (i.e. ranked between eight and ten): provincial surplus/(deficit) (10th); and, secondary school graduates (9th).

This year's report includes several supplementary topic boxes on *economy, innovation and education*. Among the topics examined are: The Importance of Infrastructure to Economic Growth; Historical Comparison of Core Targets 1 through 3 (Economic Growth, Standard of Living and Jobs); Head Offices in Canada and BC; Productivity Growth; Export-led Growth – Reviving BC's Lagging Performance; Business Tax Competitiveness; The Size of Government; Business Investment in Machinery and Equipment; Apprenticeship Training; and, Internet Connectivity and Technology Diffusion.

Environment, Health and Society

The second overarching goal is: Make BC a leader in Canada on Environmental Quality, Health Outcomes and Social Condition in Canada by 2010. To anchor this objective, the Progress Board's report includes three specific targets:

- **Environmental Quality:** Target 1st among the provinces for environmental quality by 2010. BC's first place overall rank in 2001 on the Board's environmental quality index, which averages provincial performance on urban air quality, wastewater treatment, greenhouse gas emissions per capita, and protected areas, remains unchanged from the first Progress Board report. Data limitations prevent ten-year progress reporting.
- **Health Outcomes** (life expectancy at birth): Target 1st among the provinces for life expectancy at birth by 2010. In 1999 (the most recent data), BC ranked first amongst the provinces on this key measure of overall health outcomes, unchanged from its first place position in 1998. Throughout the 1990s, BC exhibited the third best overall improvement among the provinces.
- **Social Condition** (low income incidence): Target 1st or 2nd in Canada for having the smallest percentage of families and unattached individuals living below the low income cut-off (LICO) level by 2010. Statistics Canada has restated historical data for this measure of low income incidence, placing BC in ninth place for 2000 (the most recent data), unchanged from its ninth place revised rank for 1999. BC ranked eighth for ten-year improvement on the LICO between 1991 and 2000.

There are seven additional performance indicators used to measure BC's performance on *environment, health and society*. Five registered strong performance, ranking between first and third among the provinces: protected areas (1st), cancer mortality (1st), low birth weight (1st), air quality (3rd), green-

house gas emissions per capita (3rd). Wastewater treatment (5th) was the only middling performance indicator. Personal and property crime rate (10th) was the only weak performance indicator.

This year's report also contains a number of special topic boxes related to *environment, health and society*. Among the topics examined are: Health Care Spending and Health Outcomes; Potential Years of Life Lost; Low Income Cut-Offs; BC and the Kyoto Protocol; Mortality from Cardiovascular Disease; Obesity: A Risk Factor in Heart and Other Disease; and Access to Health Care.

Supplemental US Comparisons

The Progress Board has continued its supplemental comparisons of BC performance relative to the states of Washington, Oregon and California and the provinces of Alberta, Ontario and Quebec, where there is comparable cross-jurisdictional data. On ten indicators of *economy, innovation and education*, none placed in the strong category (i.e. first or second place). For three performance indicators, BC placed in the middling category (rank between three and five) – economic growth (real GDP per capita, 5th), per capita tax burden (5th), and top marginal personal income tax rate (3rd). BC registered weak performance (sixth or seventh rank) on standard of living (real personal disposable income per capita, 6th); jobs (employment rate, 6th); real average hourly wages (7th); productivity (7th); unit labour costs (7th); net inter-provincial (state) migration (6th); and, research and development spending as a percent of GDP (6th).

Turning to supplemental US comparison measures for *environment, health and society*, comparable data is available for three indicators. British Columbia placed in the strong category for urban air quality (1st) and the incidence of low birth weight (1st). British Columbia placed in the weak performance category for personal and property crime rate (7th).

Supplemental BC Regional Comparisons

The Progress Board also tracks comparisons of urban and regional performance in British Columbia. On indicators of *economy, innovation and education*, urban British Columbia (defined as the Vancouver Census Metropolitan Area - CMA) outperforms regional BC (outside the Lower Mainland) on eight out of ten performance indicators: employment rate, taxfiler's employment income, housing starts, non-residential building permits, secondary school graduates, university completion, employment in natural sciences and related occupations, and net new business formation. Regional BC performed better than urban BC on manufacturing shipments and retail sales. Both the Vancouver CMA and Regional BC have roughly equivalent populations, making comparisons on this basis meaningful. Where data is available, the report also breaks out the Victoria CMA, as its industrial structure and workforce composition are more analogous to large urban BC than regional BC.

Of seven indicators of urban versus regional performance related to *environment, health and society*, Regional BC under-performs the Vancouver CMA on air quality, wastewater treatment, cancer mortality, and life expectancy at birth. However, Regional BC outperforms the Vancouver CMA on low birth weight infants, personal and property crime rates and social condition (low-income incidence).

The full report is available in downloadable form at: www.bcprogressboard.com

II. Expert Panel Reports to the Progress Board

As part of its 2002 work plan, the Progress Board established two expert panels — the Education, Skills, Training, and Technology Transfer Panel, and Project 250: Regional Economies. Both Panel reports have helped to inform the advisory deliberations of the Progress Board.

"Learning to Win" – Report of the Expert Panel on Education, Skills, Training and Technology Transfer

At the direction of the BC Progress Board, the Panel on Education, Skills, Training and Technology Transfer has addressed the mandate of identifying critical linkages between education, skills, training and technology transfer and the prospect for improved economic and social prosperity in British Columbia. The Panel considered relevant “facts of life” in our province’s current demographic, economic/ employment and research/ innovation contexts. The Panel’s work is based on two key premises. First, our prospects for prosperity, present and future, are directly related to our society’s basic overall capacity for learning and innovation. Second, BC must build upon its current and future strengths and create a culture of ongoing learning in order to secure its economic and social future.

The report contains ten strategic recommendations for improving the province's learning systems from early childhood education through to life-long learning.

The full report is available in downloadable form at: www.bcprogressboard.com

“Restoring British Columbia's Economic Heartland” – Report of Project 250: Regional Economies Expert Panel

In its initial benchmarking report, the Progress Board set targets to restore BC to an economic leadership position within Canada by 2010. These targets were set at a challenging time in the province's history. While GDP, productivity, corporate profits and personal income have all declined in relative terms across the province, Region 250 has been hit harder than the province's urban areas – areas that generally kept pace with average annual economic growth rates for Canada during the 1990s.

This Panel's report details a three-pronged approach for ensuring that challenges currently facing Region 250 are met. First, the wealth generating capacity of the land base — currently hampered by regulatory delays, tenure and access uncertainty, unresolved Aboriginal land claims, and poor international market conditions — must be restored. Second, renewal will require looking for new ways of generating more value from the province's resources by systematically identifying and nurturing BC's leading innovators and emerging industry clusters, while communicating BC's advantages and the durability of the province's new investment climate to other provinces and the world. Third, government must maintain and improve supportive transportation, communications and education infrastructure that – first and foremost – enhance the prospects for spurring economic growth.

The report contains 15 strategic recommendations for improving regional economic performance and prospects.

The full report is available in downloadable form at: www.bcprogressboard.com