Re-Imagining Ontario’s Business Support Programs

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Ontario 360 is a project of University of Toronto’s Munk School of Global Affairs and Public Policy. Its purpose is to scan Ontario’s challenges and opportunities and develop evidence-based public policy ideas to inform and shape the Ontario government’s own policy planning and development. Ontario 360 is independent, non-partisan, and fact-based. It provides a neutral platform for policy experts to put forward clear, actionable policy recommendations to promote a growth and opportunity agenda for Ontario.

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Summary Of Recommendations

1. Get the pro-competitiveness policy framework right by placing a greater focus on reducing the productivity gap between Ontario and United States with policies such as further regulatory reforms, future tax changes to improve the province’s tax competitiveness (including possible reductions to the corporate tax rate), enhancing support for basic research, and cooperating with the other provinces on liberalizing interprovincial trade barriers.

2. Create a network of manufacturing institutes across the province informed by the Manufacturing USA model.

3. Promote Opportunity Zones to catalyse economic activity in rural and economically-distressed communities in the province.
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Introduction

The current Ontario government has inherited a panoply of business support programs designed to attract and catalyse investment in different sectors or regions of the province.1 Since its election, the Ford government has been grappling with how to better structure and design these programs in order to improve their effectiveness and minimize their distortions. Its Open for Jobs Blueprint, released earlier this year, sets out a plan to modernize Ontario’s business support programs based on four principles: (1) accessibility; (2) fiscal responsibility; (3) coordination and scalability; and (4) effectiveness.

Ontario is not the only jurisdiction that is asking itself tough questions about the effectiveness of business support programs and how to better design and structure them. The high-profile competition for Amazon’s second headquarters in 2018 seems to have been a galvanizing moment for policymakers around the world.

Readers will remember that Amazon eventually announced that the new headquarters would be split into two locations in Arlington, Virginia, and Queens, New York City. What price did governments pay to secure these corporate mandates? Virginia promised some $573 million in tax breaks, $23 million in direct financial support, and other direct and indirect incentives. New York planned to give Amazon tax breaks totaling at least $1.5 billion, cash grants of $325 million, and other incentives. But what is more interesting is that the whole experience produced an unexpected development in the lead up to the grand opening – including public protests, media backlash, and plummeting political will led to Amazon pulling out of Queens. In a little over a year, the role of business incentives has increasingly become the subject of tension among policy experts, politicians, and the general public.

These political trends have been exacerbated by the transition from an industrial economy to a knowledge-based economy. The traditional model of using business incentives to secure large-scale industrial employers with high-cost, capital-intensive operations (such as plants or machinery) and significant employment footprints may not apply to an increasingly intangibles economy where firms have low sunk costs and smaller workforces.

Put simply: the justification for public incentives may be different for Google than it was for General Motors.

And, to complicate matters further, there is growing interest in the role of place-based policies to try to catalyse economic activity in rural and economically-distressed communities. This movement (which increasingly has support across the ideological spectrum) involves a recognition that the market’s efficient allocation of resources may not produce enough jobs and opportunity in certain regions and communities. A role for public policy (including direct and indirect business supports) to push the market to produce broader-based opportunity is a subject of considerable policy and political debate.²

It is against this evolving intellectual, political, and technological backdrop that the current government at Queen’s Park is now grappling with the role of business support programs in the province. There are real tensions and trade-offs that will need to be part of the government’s internal deliberations and policy development.

How should business support programs be measured? Is it about enhancing productivity or pre-market redistribution to underperforming regions and communities? Are there certain sectors that policymakers ought to target? Should business support programs treat tangible and intangible sectors differently? And can business support programs form part of a place-based strategy to catalyse economic activity in rural and economically-distressed parts of Ontario?

The purpose of this paper is to help the government reckon with these questions as it aims to modernize its mix of business support programs. Our main observations are as follows:

- The Ontario government is right to be focused on the goals of economic competitiveness and enhancing the province’s overall productivity. Its efforts to modernize regulations and lower taxes on capital are positive steps in this direction. It should continue down this path with greater ambition, including (among other reforms) further regulatory reforms, future tax changes to improve the province’s tax competitiveness (including possible reductions to the corporate tax rate), enhancing support for basic research, and cooperating with the other provinces on liberalizing interprovincial trade barriers.

- There is not strong evidence that business support programs will contribute much to Ontario’s overall competitiveness and productivity. Research produced by the Institute for Competitiveness and Prosperity and other scholars finds that these programs rarely stand up to a cost-benefit analysis for various reasons including their minimal effect on business investment decisions, distortionary effects in the market, and high fiscal costs.

- There may be an ongoing role for provincially-run business support programs in some targeted areas. There may be certain sectors, for instance, that the government believes are key to the province’s industrial base (such as manufacturing) and where business support programs are necessary to offset other competitiveness challenges (such as high energy costs).

But these supports can be delivered using new and different models. One, more flexible model that is worth pursuing as part of such a targeted, sectoral initiative is the Obama Administration’s network of manufacturing hubs which are public-private partnerships in 14 key manufacturing sub-sectors that seem to be showing promise.\(^3\) Ontario policymakers may think about such an initiative as a “reindustrialization strategy.”

- There may also be a need to deploy business support programs as part of a place-based strategy for rural and economically-distressed communities. The recently-announced Regional Development Program is a good example. But these latter cases should be viewed less as productivity-enhancing investments and more as pre-market redistribution that attempts to push the market to produce broader-based opportunity. One promising model for place-based strategies is the Opportunity Zones initiative in the United States which was the subject of a recent *Ontario 360* paper.\(^4\)

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What Are Business Incentives and do They Work?

Business support programs come in various forms including tax preferences, preferential financing terms, direct financial support (including repayable and non-repayable loans), and the activities of government business enterprises. These programs generally have two broad objectives: (1) to improve economic performance and (2) to achieve a social objective by supporting specific firms, industries, or regions.\(^5\)

These objectives have informed the development of various forms of business support programming in Ontario and across the country. Canadian government dedicate a significant amount of public spending in this area. A 2018 study by former federal official John Lester estimates that the federal government and the four largest provinces dedicate roughly $29 billion per year to business supports.\(^6\) As part of this analysis, he estimated that Ontario’s ten largest business support programs represented nearly $4 billion annually in 2014-15.\(^7\) The Financial Accountability Office of Ontario puts the overall number at closer to $5 billion per year.\(^8\) This is a significant sum. Just consider, for instance, that each percentage point of the province’s corporate income tax rate yields roughly $1.3 billion.

The obvious question is: do we know if the province is obtaining value for this spending? Put differently: is it achieving the two objectives typically associated with business support programs?

This is a more complex question than one might think especially since it is challenging to measure whether a social objective has been met. But the preponderance of research generally finds that this spending does not typically produce outcomes that can withstand cost-benefit scrutiny.\(^9\) That is to say that business support programs

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tend to be ineffective and even sometimes counterproductive. It is striking, in fact, how widely held this view is among economists and scholars who have studied business support programs. It is a consensus that extends from the Center from American Progress to the Cato Institute and seemingly everyone in between.

Timothy Bartik, an American scholar, who has spent considerable time evaluating the utility of business support programs (including a recent book with the Upjohn Institute for Employment Research), has identified eight problems that bedevil these programs:

1. the problem of benefits versus costs of the incentives;
2. the decision to target companies rather than places;
3. the choice of rules or discretion methods;
4. the timing of the incentives;
5. the advantages of incentives versus small business assistance;
6. the zero-sum game argument;
7. the role of federalism and the risks of centralization;
8. and equality issues.

We would add three more inherent problems. It is worth unpacking them for readers.

The first is that the factors that drive business investment decisions are multi-faceted and sectoral and so access to cheap capital may be relevant in some cases but most often it is not a primary consideration. Ontario’s main challenges in attracting investment, for instance, are not about the design or generosity of its business support programs. The real issues are its energy and labour costs driven by a range of other policies. The risk, then, is that business support programs subsidize investments that would have occurred anyway or causes policymakers to neglect the underlying challenges facing the province.

The second is that the transition from an industrial economy to a knowledge-based economy means that the role of conventional business support programs is less applicable. Previous incentives or subsidies may have been justified to secure large-scale industrial investment such as an auto manufacturing plant. These investments came with high fixed costs, a large employment footprint, and ostensibly some longevity due to the sunk costs. Knowledge-based firms, by contrast, typically have lower fixed costs, smaller workforces, and are “footloose.” They

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also tend to cluster in major centres for
due to labour specialization and knowl-
edge spillovers which means that business
support programs will have minimal
impact on where these firms ultimately
choose to invest and locate. The type of
policy agenda to cultivate and support
high-tech firms will therefore necessarily
be different.

The third is a measurement problem.
There is a tendency for these programs
to focus on measurable outcomes such as
the number of jobs. But these estimates
(which are often inflated using unreason-
able multiplier assumptions) fail to eval-
uate the “unseen costs” such as market
distortions or opportunity costs.

The totality of these problems means that
the Ontario government is right to be
asking questions about how best to design
and structure its business support pro-
grams and whether it should be revisiting
some of the basic premises behind them
in a changing economy.
Context for Reform of Business Incentives in Ontario

The rationale for the Ontario government’s modernization initiative is not limited to international evidence either. It is also shaped by a series of inquiries into the province’s own business support programs.

The 2012 report by Don Drummond on Ontario’s public finances highlighted the ineffectiveness of the province’s business support programs. The review identified the programs’ lack of coherence or evidentiary basis and ultimately recommended that the overall funding envelope could be reduced by at least one-third with minimal or no economic effects.

A 2015 report by the Auditor General of Ontario identified a number of issues with a sample of the province’s mix of programs. The problems identified by the Auditor General included: a lack of oversight; overlapping funds, the lack of a lead ministry; a lack of transparency for both the public and applicants; a lack of coordination between ministries; and a lack of performance monitoring on the part of recipient firms. As the Auditor General bluntly put it: “the Ministry is unable to conclude on whether its economic development and employment-support programs are effective in ensuring sustainable benefits for Ontario.”

A 2018 report by the Financial Accountability Office of Ontario examined 12 business support programs including direct spending programs and tax expenditures. The review similarly found that there was no attempt on the part of the government to evaluate the programs’ effectiveness or any evidence that the programs were effective.

The most recent inquiry into Ontario’s business support programs is the line-by-line spending review by Ernest and Young in September 2018. The report, which was commissioned by the Ford government soon after taking office, identified business support programs as a “major area for government to focus on to achieve efficiencies and improvements.”

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In particular, it recommended that the government rationalize programs where there is no evidence of incremental impact on job creation or economic growth and instead focus its economic reforms on its overall policy framework. We will return to this point later as well.

We highlight these reports because questions and concerns about the utility of Ontario’s business support programs are hardly new. The current government inherited a set of programs that have been subject to considerable scrutiny and critique over the past decade or so. The heightened interest in the post-Amazon era has only reinforced the need for re-imagining Ontario’s business support programs.
Recent Actions by the Government of Ontario

In its 2019 budget, the government introduced the *Open for Jobs Blueprint*, which is to be a modernization of Ontario’s business support programs. The Blueprint is to be based on four key principles: (1) accessibility, (2) fiscally responsible, (3) coordination and scalability, and (4) effectiveness.\(^{19}\) These principles can be seen as a direct response to observations and recommendations made by the Auditor General in its 2015 report.

As part of the modernization initiative, the budget announced that business support programs would now focus on four priorities: (1) talent, (2) research and commercialization; (3) entrepreneurship and growth; and (4) investment attraction. The programs would also be subjected to regional and sectoral lenses with the goal of ensuring that “prosperity and growth are spread equitably and transparently.”

This month’s Fall Economic Statement started to provide more details on the modernization initiative. As a first step, the government announced its intention to consolidate the Eastern Ontario Development Fund and the Southwestern Ontario Development Fund into a new Regional Development Program that will provide performance-based loans to small and medium-sized businesses in Eastern and Southwestern Ontario. Applications will be evaluated in a competitive process and a main criterion will be based on “greatest return on investment for taxpayer dollars.” These early steps are consistent with the insights from the various reports and recommendations on the province’s business support programs. It is obviously too early to judge if the new program functions more effectively. It also only involves a small portion of the overall business support envelope thus far. But the broad direction is generally positive.

The fundamental question, though, is what comes in the 2020 budget with the rest of the government’s agenda and how it fits into the broader “open for business” programme.

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Next Steps for Ontario’s Business Support Programs

There are some key insights and principles that should guide the government’s policy development on this file. We would highlight four for policymakers.

The first is that the government must recognize that business support programs cannot be a substitute for a broader agenda to enhance Ontario’s economic competitiveness and improve its productivity. The government has made some early steps on regulatory reform and lowering taxes on capital investment but there is more to be done to offset the province’s high-cost reputation.\(^{20}\) It should continue down this path with greater ambition, including further regulatory reforms (such as efforts to eliminate overlap and duplication with the federal government and the cities)\(^ {21}\), future tax changes to enhance the province’s tax competitiveness (including possible reductions to the province’s corporate tax rate)\(^ {22}\), enhancing support for basic research\(^ {23}\), and cooperating with other provinces on liberalizing interprovincial trade barriers.\(^ {24}\)

As part of this agenda, the government needs to communicate the need for enhanced competitiveness and the broad-based benefits that can flow from higher productivity. It is enacting a series of positive, pro-competitiveness reforms but it has not been able to organize them in a fully coherent and compelling programme. The “open for business” mantra has ebbed and flowed at various points.

These issues can seem wonky and technocratic. But there are ways to capture the public’s imagination. One opportunity is to set out the real costs of low productivity growth. It is striking, for instance, that Ontario’s GDP per capita is only barely above West Virginia’s.\(^ {25}\) The government should thus dedicate its agenda and its messaging to closing the productivity gap with the United States and in turn making Ontarians richer. This is a vision

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\(^{25}\) Ian McGuigan, “By this measure, even Canada’s most prosperous provinces are also-rans vs. most U.S. states,” Globe and Mail, November 11, 2019. https://www.theglobeandmail.com/business/article-canadas-massive-productivity-gap-versus-the-united-states-shows/.
that can resonant if the government stays disciplined and focused in both its policy and communications.

The second is to recognize that general-purpose business support programs are unlikely to produce much benefit. The evidence from around the world and here in Ontario seems overwhelming in this regard. Lester’s study of business support programs at the federal level and among the four largest provinces, for instance, found that at least 60 percent of this spending is of questionable value.

This is an area of public spending then where the government should be able to realize savings by redesigning and better targeting the programs. Any fiscal savings can either be directed to deficit reduction or offset the cost of other initiatives. This could be done as the government rolls out the new and redesigned parts of its Open for Jobs Blueprint. There may be an opportunity, for instance, use a portion of the savings to lower the province’s corporate tax rate. Lowering the rate to 10 percent (which was abandoned by the previous government) would cost approximately $2 billion per year.26 There is a strong evidentiary base to argue that this type of programmatic reform is not about ideological spending cuts and instead is a case of evidence-based policy. The government can rely on a large body of evidence on business support programs to defend these choices.

The third is that there may be key sectors that the government decides are critical to the province’s industrial base and where business support programs are necessary to offset other competitiveness challenges. Manufacturing is a good example. American scholar Oren Cass has argued that maintaining a manufacturing capacity should be an economic goal because the sector provides well-paying, stable employment (particularly for those without post-secondary qualifications) and is the source of considerable innovation and productivity.27 As another analysis recently put it: “It is become increasingly clear that “manufacture there” now also means “innovate there.””28

There is a case that manufacturing is a “vital sector” and should be thought about differently when it comes to the role of government in general and business support programs in particular. There may be a justification for maintaining some targeted, sectoral programming to try to boost manufacturing in the province. But such an objective can be pursued without necessarily maintaining the current mix of business support programs. It is a false choice to think that targeting manufacturing mandates requires that the government continue to administer ineffective programs.

One model that is worth considering the Obama Administration’s Manufacturing USA network. It basically involves the

creation of 14 sub-sectoral institutes spread out across the country that enable public-private partnerships on new manufacturing-related technologies (see appendix). These institutes each have different research focuses and aim to serve regional manufacturing hubs based on a place’s pre-existing industrial advantages. In practice, they bring together industry, academia, and government to coinvest in the development of world-leading manufacturing technologies and capabilities.

Each institute is an independently run non-profit organization that leverages a combination of public spending and investments by its industry partners. This is an important point: it is not about government selecting one firm to receive public subsidies. Instead public dollars are being used to catalyze cooperation among various industry players, including large and small firms. The current mix of institutes boasts more than 1,900 member organizations.

The goal of the institutes is to “develop, showcase and reduce risks sufficiently so that commercial companies can commercialize new products and processes for domestic production, as well as to train a manufacturing workforce at all skill levels to enhance domestic manufacturing capabilities.” They pursue this objective through a combination of collaborative research initiatives among industry players and academics and by facilitating supply chain coordination among large and small firms.

A recent, independent review of the model finds promising results. The main benefits seem to be two-fold: (1) the model is seeming to spur R&D investment and commercialization and (2) it is decreasing the cost of R&D experimentation by providing access to expensive equipment, pooling project costs, creating technology roadmaps, and promoting knowledge exchange. As the authors observe:

“This study found that Manufacturing USA is a valid approach grounded in a portfolio of technology-centric Institutes. The public-private partnership Institute-based model attracts significant and meaningful participation from industry (including large companies and small enterprises), academia, and local, state, and federal government. Institute members have made substantial joint investments in collaborative approaches to R&D and commercialization of cutting-edge advanced manufacturing technologies. Institutes are laying the groundwork for building the American manufacturing workforce’s skills to meet the needs of 21st century employers.”

These early outcomes have contributed to growing support for the model among progressives such as Dani Rodrik\textsuperscript{31} and conservatives such as Cass.\textsuperscript{32} Ontario policymakers can think of such an initiative as a “re-industrialization strategy” to the extent to which is contributing to re-shoring of manufacturing investment and jobs. There is something here that the provincial government should pursue. The Next Generation Manufacturing Canada model (which is funded under federal Superclusters Initiative) may be replicated along regional lines based on comparative advantages similar to Manufacturing USA.\textsuperscript{33} One could envision three or four sectoral institutes across the province that reflect these regional industrial strengths. The government could, for instance, provide seed funding to establish a forestry institute in Thunder Bay, a 3D printing or plastics institute in Southwestern Ontario, and an auto manufacturing institute in Oshawa. There could be various means for selecting the institutes including an independently-arbitrated competition or a pilot basis. But the key point is that this model seems to be showing promising outcomes and has characteristics that are better than conventional business support programs. It is worth observing that this is consistent with a previous Ontario 360 recommendation by one of us. As we wrote then:  

“One innovative way to increase the commercialization of Ontario-produced ideas and improve Ontario firms’ technology adoption and competitiveness—with proven success—is investing in a network of technology and innovation centres (TICs) across the province.”\textsuperscript{34} 

The final point is that business support programs that target rural and economically distressed communities should be reconceptualized as less about supporting productivity enhancement and more about pre-market redistribution that attempts to push the market to produce broader-based opportunity.  

What does this mean? The market’s efficient allocation of resources is pushing more investment, jobs, and opportunity to a small number of urban centres in the province. There are two possible policy responses to this trend: (1) redistribute a portion of the economic gains to rural and economically-distressed communities through income support programs or the deployment of government services or (2) try to catalyse more market activity in these places through a combination of tax and spending policy. Both options essentially amount to redistributive policy. The principal question is if redistribution should occur before or after the market’s allocation of resources. 

\textsuperscript{31} EconTalk episode with Dani Rodrik on neo-liberalism, September 23, 2019. \url{https://www.econtalk.org/dani-rodrich-on-neoliberalism/}.  


\textsuperscript{33} Creig Lamb, “Building Ontario’s advanced manufacturing supercluster from scratch,” Brookfield Institute for Innovation + Entrepreneurship, August 9, 2018. \url{https://brookfieldinstitute.ca/commentary/automation-tech-adoption-and-skills-development/}.  

\textsuperscript{34} Jamison Steeve and Jacob Greenspon, “Innovation and Commercialization – Transition Briefing,” Ontario 360, Munk School of Global Affairs and Public Policy, April 19, 2018. \url{https://on360.ca/30-30/innovation-and-commercialization-transition-briefing/}.
A business support framework that saw itself as primarily focused on pre-market distribution would involve a re-imagining of the role of business incentives. The goal would be to push investment, opportunity, and jobs beyond the major urban centres. Such an agenda would necessarily need to accept efficiency losses based on a more textured perspective about the optimal policy framework. That is certainly the prerogative of provincial policymakers. There is a strong argument, as Rodrik, Cass and others have made, that market economy may produce outcomes that do not reflect social priorities.\(^{35}\)

There may be the case therefore for policy interventions that push the market to produce broader-based opportunity. The recently-announced Regional Development Program is one such example. The Opportunity Zones model, which was the subject of a previous Ontario 360 paper, also looks like a promising approach in this regard.\(^{36}\) Ontario policymakers should pursue it with their provincial and territorial counterparts.

\(^{35}\) EconTalk episode with Dani Rodrik on neo-liberalism, September 23, 2019. [https://www.econtalk.org/dani-rodrick-on-neoliberalism/](https://www.econtalk.org/dani-rodrick-on-neoliberalism/).

The main takeaway from this research and analysis is three key policy recommendations.

(1) Get the pro-competitiveness policy framework right

The current government should maintain its ambition with respect to overall pro-competitiveness reforms. A clear policy and political objective dedicated to closing the productivity gap with the United States is important to Ontario’s future. The government should set a goal of closing the 22-percent gap which is the current productivity gap between Canada and the United States. If Ontarians were 22-percent richer, many of the province’s challenges would be diminished or even disappear.

The government should characterize this agenda as “22-percent challenge” for the province which could galvanize external stakeholders and government officials. Every policy proposal should be subjected to the 22-percent test: will it close the productivity gap or expand it? Policies that do the latter should be supported. Proposals that contribute to the latter should be discarded. But the key point is thinking and about talking about the “22-percent challenge” will help the government stay disciplined on these issues internally and communicate the overall programme and its rationale to Ontarians.

This government needs to challenge Ontarians to understand the urgency of the problem. We are barely richer than West Virginia. Now is not the time for complacency. The government needs an animating ethos: closing the 22-percent gap seems as compelling as anything on offer.

This will necessarily involve a mix of policy reforms including further regulatory reforms, future tax changes to enhance the province’s tax competitiveness, increasing support for basic research, and cooperating with the other provinces on liberalizing interprovincial trade barriers.

(2) Create a network of manufacturing institutes across the province

Notwithstanding the evidence on general-purpose business support programs, the government may still decide that it still requires business support programs to target key sectors. There is some evidence, for instance, that the manufacturing sector produces a disproportionate number of well-paying, stable jobs, particularly for those who are not necessarily well-equipped to fully participate in the knowledge-based economy.
Supporting the manufacturing sector, however, does not require a doubling down on the status quo. There are new policy models that seem promising. The Obama Administration’s Manufacturing USA network, in particular, is worth pursuing.

The network of nation-wide institutes is bringing academia, industry, and government together in financial and non-financial collaboration in key areas of advanced manufacturing. Public spending has unlocked significant private investment and catalyzed new supply chain partnerships and encouraging R&D projects.

The Next Generation Manufacturing Canada model (which is funded under federal Superclusters Initiative) is broadly consistent with the U.S. model. The provincial government should consider how to seed the creation of similar manufacturing-based institutes in different parts of the province based on underlying comparative advantages. One could envision three or four regional manufacturing institutes across the province that could be selected through an independent process. There may be a role, for instance, for the forthcoming Premier’s Advisory Council on Competitiveness.

The cost per institute would represent approximately $50-100 million per year. Such an initiative could be fiscally-neutral by recycling funds from the pre-existing business support programs. The 2020 budget should therefore recycle ineffective business support spending into a new program that helps to seed a network of manufacturing-based institutes across the province. Manufacturing USA and the Fraunhofer Institutes can provide a useful set of lessons and best practices for Ontario policymakers.

(3) Promote Opportunity Zones to catalyse economic activity in rural and economically-distressed communities in the province

The final recommendation is that there is a case for provincial policy to “lean into” regional economic disparity in the form of pre-market redistribution initiatives. The most promising approach is the Opportunity Zones model in the United States.

The Opportunity Zones model, originally cosponsored in 2017 by Democratic Senator Cory Booker and Republican Senator Tim Scott, is attempting to use a combination of tax inducements to pull private investment into roughly 8,700 undercapitalized communities. It is too early to render judgment on the model’s overall effectiveness, but its objectives and basic design warrant the attention of Canadian policy-makers.

The Ontario 360 project has argued elsewhere that the Ontario government
ought to champion this model within the federation – particularly in advance of the upcoming Council of the Federation meeting.37 We will not revisit the technical policy design and implementation issues here. But the key takeaway is that Opportunity Zones are designed to minimize the distortions typically associated with business support programs.

Securing intergovernmental buy-in on Opportunity Zones would enable the provincial government to reorient its regional development agenda to Opportunity Zones. This could be a positive development because of the poor track record of previous regional development programming38 and the experimental design features of Opportunity Zones. The worst-case scenario is we learn more about place-based strategies and the best-case scenario it works to improve opportunity in rural and economically-distressed communities in Ontario and across the country.


# Appendix: Manufacturing USA Institutes

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<th>Institute</th>
<th>Technology</th>
<th>Location</th>
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<tr>
<td>National Additive Manufacturing Innovation Institute (AmericaMakes)</td>
<td>3D Printing / additive manufacturing</td>
<td>Youngstown, Ohio</td>
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<tr>
<td>Lightweight Innovations for Tomorrow (LIFT)</td>
<td>Lightweight materials</td>
<td>Detroit, Michigan</td>
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<tr>
<td>Next Generation Power Electronics Institute (PowerAmerica)</td>
<td>Wide-bandgap semiconductors</td>
<td>Raleigh, North Carolina</td>
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<tr>
<td>Institute for Advanced Composites Manufacturing Innovation (IACMI)</td>
<td>Composite materials</td>
<td>Knoxville, Tennessee</td>
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<td>American Institute for Manufacturing Integrated Photonics (AIM Photonics)</td>
<td>Photonic integrated circuits</td>
<td>Rochester, New York</td>
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<td>Flexible Hybrid Electronics Manufacturing Innovation Institute (NextFlex)</td>
<td>Flexible electronics</td>
<td>San Jose, California</td>
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<td>Textiles</td>
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<td>Human-Collaborative-Robotics/ Artificial Intelligence / Automation</td>
<td>Pittsburgh, Pennsylvania</td>
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Jamison Steeve has spent the last 16 years working in the public policy arena. He brought a thoughtful and results oriented approach to his role as the Executive Director at the Martin Prosperity Institute and the Institute for Competitiveness and Prosperity, two of Canada's leading think tanks. Jamison was responsible for the day to day operation of both institutes, as well as the development of the strategic plan, communication vehicles and policy agenda. Prior to that, Jamison held a number of high level roles in the provincial government under Premier Dalton McGuinty, including health policy advisor to the Premier, Chief of Staff to the Minister of Health, and Principal Secretary. Some of his policy successes during that time include the implementation of Full Day JK/SK, the significant reduction of surgical wait times and the implementation of the HST.

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