

After ten years of talk, it's time for action

By Perrin Beatty

In challenging economic times like these, it's easy to focus only on the short-term impact of the recession and on the measures we need to take to mitigate its damage. The greater challenge, however, will be the vital structural and strategic decisions on which our prosperity will depend once the economic cycle turns.

Focusing on these big issues isn't easy. Governments and businesses have their fill of day-to-day challenges – whether political, international or economic. However, difficult challenges are not an excuse for inaction.

Ten years ago, our provincial industry ministers met in Ottawa to develop strategies for information and communications technology (ICT) engagement. At that time, Canada was a leader in both investment and forward-looking policy. In 2001, for example, Canada had the highest broadband penetration and we ranked third amongst OECD countries in the contribution that ICT made to productivity.

Today, we are no longer leaders in any ICT category. In the past decade, we have built up a wealth of research and studies that all reach a similar conclusion: greater emphasis needs to be placed on ICT strategy in Canada.

In June of this year, The Canadian Chamber of Commerce released Mapping the Future of the Digital Economy: Key to Canada's Economic Success. This roadmap sets our four recommendations that will not only stimulate our economy in the near term, but more importantly, ensure we do not lose another decade to more talk about the problem. The recommendations include:

A National ICT Strategy – in much the same way that Canada invests in roads, bridges, water and utilities, we need to invest in the requisite infrastructure, skills and enabling policy to accelerate our economic leadership. This will drive productivity, improve competitiveness and create jobs across all segments of the economy.

Accelerate investments in next-generation networks – our governments can play an active role in fostering a new era of ICT investment. To complement current stimulus measures, a temporary (24 to 36 months) accelerated capital cost allowance in the class of assets most closely associated with broadband networks would be an excellent incentive to speed up adoption of next-generation networks.

Encourage youth to engage in ICT – while the focus may be on today, fostering a culture of excellence in Canada will yield positive future benefits and encourage entrepreneurship in innovative technologies.

Focus on Small and Medium Sized Enterprises – Our federal government can support this crucial sector by creating a climate that encourages innovation. This includes improved intellectual property protection and creating a more favourable investment climate.

On October 21st, the Canadian Chamber of Commerce, together with Microsoft Canada's CAN>WIN initiative, is hosting a summit of some of Canada's top decision makers from the private sector, government and academia. There will be talk, but the real objective is to get to work.

We cannot afford further study to confirm what we already know, nor can we go on sabbatical for the next year during an economic recovery. If we do, we risk emerging into a world that has continued to evolve rapidly while Canada stood still. We need to work hard not just because other nations are doing so, but because the global economic disruption caused by the recession can create opportunities for Canada to advance ourselves in the world's economy if we are shrewd enough to take advantage of them.

Canada continues to be a world leader in many areas, including energy, natural resources and the financial services sector. While the availability of broadband internet access across Canada remains high, we have slipped internationally in ensuring that our digital infrastructure is world-class and, as a result, we now risk our ability to attract and keep jobs in the global knowledge-based economy. ICT infrastructure is now a 21st century pillar and must be treated as seriously as other traditional infrastructure. We cannot afford to be left behind.

Now is the time to act. With a true national ICT strategy in collaboration with business and academia, we will accelerate investment in next-generation networks and take a more active role to encourage our young people engaged in ICT and entrepreneurship in innovative technologies. Our private sector will accelerate e-business adoption – especially among small- and medium-sized enterprises – and our government will create a more favourable investment climate for foreign and domestic investment in Canadian e-business opportunities. With proper investment and dedication to ICT, innovation and stronger protection of intellectual property rights, Canada's productivity will increase and we will become a destination of choice for business investment. It's time for Canada to take back its proper place as a world leader in innovation and invest in our future economic prosperity.

Perrin Beatty is President and CEO of the Canadian Chamber of Commerce. The economic edge is the most significant national economic event happening this fall, featuring thought leaders from business, academia and government. On October 21 in Toronto, ensure your views are heard as we identify shared challenges and tactical opportunities for Canadian businesses. It's Canada vs. the world – are you in? Visit www.chamber.ca for details.

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