

Standing Committee on Finance (FINA)

Pre-budget consultations 2012

Carleton University

Responses

1. Economic Recovery and Growth

Given the current climate of federal and global fiscal restraint, what specific federal measures do you feel are needed for a sustained economic recovery and enhanced economic growth in Canada?

We recognize the economic problems which exist and the role universities around the world have played and can play in economic development. The United States has, on more than one occasion, built its recovery on high tech developments and scientific ingenuity. Canada's best resource is its population. From many cultures, many languages, possessing many talents and great resilience and determination, people hold the key to our future. We need to support their ability to use their talents and abilities to the fullest. This means providing them opportunities to participate in research and to learn discipline and skills, offering much needed seed -funds to create new start-up companies. Support for entrepreneurship programs, internship and co-op programs in all areas, including the humanities and social sciences which serve as incubators of creativity, are essential. Graduates should expect not only to find employment but to create their own companies . Data infrastructure can assist in providing necessary tools for research and the creation of entrepreneurial networks.

2. Job Creation

As Canadian companies face pressures resulting from such factors as uncertainty about the U.S. economic recovery, a sovereign debt crisis in Europe, and competition from a number of developed and developing countries, what specific federal actions do you believe should be taken to promote job creation in Canada, including that which occurs as a result of enhanced internal and international trade?

Job creation is a function of our ability to create and retain wealth. Students should do internships with companies and organizations in different regions of the world that can provide them with a deep understanding of relevant problems and develop the skills to solve them. We need thus to broaden our horizons and diversify our partnerships. We need to work with emerging economies to be able to market to the world in a way we could not do alone. We should also begin to shift from bi-lateral exchanges and considerations for trade to bi-lateral partnerships to create multi-lateral opportunities. To this end, international trade grants should include a requirement for international placements for students, providing them invaluable work experience abroad, qualifying them for success in the global market. Linguistic and cultural knowledge and research need to be valued and supported as part of a national effort to succeed internationally. Students can then work in projects that develop applications on frameworks maintained by well-established suppliers or work in projects where volunteers contribute to further develop innovations. They can establish new enterprises which will be capable of surviving in a global marketplace and economy. When Canadian and international students work together to demonstrate their entrepreneurial abilities, they should be eligible for special funds, awarded as one-time grants to participating universities. Winning graduates are expected to repay the funds so that future students benefit from the same opportunity, ensuring sustainability of the program.

3. Demographic Change

What specific federal measures do you think should be implemented to help the country address the consequences of, and challenges associated with, the aging of the Canadian population and of skills shortages?

We should recognize that the voluntary and non-profit sector is very significant (11 times larger than the automotive sector), and thus we should support university programs to educate students who would make non-profit organizations more effective at social enterprise. This would not only create jobs but would solve a number of social issues related to demographic change. Bridging generational gaps and economic divides, social enterprise is a way to bring communities together. The tri-councils should receive funding to support research into this field which is relatively new. Funds for co-ops and internship placements should be provided to support students who wish to gain experience in this field. Social enterprise has proven to be particularly effective in development in disadvantaged communities and is also a strong emphasis among Canada's Aboriginal, First Nations and Métis communities. Carleton University's new master's in Philanthropy and Non-Profit Leadership is one example of a very useful initiative in this field. Additionally, it would be most helpful if international students who succeeded in Canadian academic programs and who then found employment, particularly in areas of social need, were granted a fast-track to permanent resident status, making it easier to allow people, especially successful students to remain here on a long-term basis. Canada's universities and colleges would also benefit from support to foster international partnerships which will create the basis for international research programs. Today the most significant research problems are tackled by large, international teams. Canadians need to be able to participate and to ensure that some of these teams find their headquarters in Canada.

4. Productivity

With labour market challenges arising in part as a result of the aging of Canada's population and an ongoing focus on the actions needed for competitiveness, what specific federal initiatives are needed in order to increase productivity in Canada?

Extending the RESP and tax-free savings account programs, we propose workers should be able to bank a fixed portion of their salary which would be sheltered from tax. If it is withdrawn to take advantage of an educational opportunity, it would be taxed at a lower rate or not at all. If it is not used for educational purposes, it would be taxed at the rate applicable in the year it is withdrawn. This would encourage all Canadians to improve their levels of education and skills on an on-going basis. When people are required to postpone retirement due to predicted demographic shortages, it will contribute to refreshing the workforce and will contribute to a higher and more contemporary level of knowledge among workers in a rapidly changing world of technology and globalization. This would constitute a federal investment in Canada's human capital and life-long learning. Universities could offer more programs in the work place itself to support continued education. Companies might receive some federal encouragement to offer the space and cover the technology costs.

5. Other Challenges

With some Canadian individuals, businesses and communities facing particular challenges at this time, in your view, who is facing the most challenges, what are the challenges that are being faced and what specific federal actions are needed to address these challenges?

We need bold action to solve the challenges we face. We need to encourage not only start-up companies but international start-ups, like those meeting the global challenge at Carleton University. When Canadian and international students work together to bring forward innovative solutions to problems and demonstrate their entrepreneurial abilities, they should be eligible for special funding through the innovation center program described below. High-growth emerging economies such as

China, India and Brazil provide extensive opportunities for Canada. However we must increase the volume of trade—particularly for small and medium-sized enterprises which are the backbone of the Canadian economy. Opening doors through new trade agreements is an essential first step, however, a concerted strategy is required which addresses two fundamental pillars: 1.) Development of New Products and Services for Emerging Markets, and 2.) Educating Productive Global Citizens. A sharpened focus on research and development as well as global entrepreneurship to develop products and services for emerging markets will translate into more and better targeted market supply. A “Global Innovation Fund” to support a series of Emerging Markets Innovation Labs, where products and services for these markets would be incubated, including support for students, faculty and researchers, enabling them to field test these innovations and enhance the understanding of global markets should be established. Where synergies exist, potential increases. Partnerships between universities and colleges and businesses should be encouraged. Grants should specifically foster the partnership without advantaging one party.