

SUMMARY OF POLICY CONSIDERATIONS

THE OLD CLASSICS



The enabling environment of competitiveness includes levers such as taxation, regulation and trade rules

The old classics in the policy and regulatory toolkit are still important, but they need rethinking.

Improve the tax system

- Mandate a regularized review of the tax system that operates on a thematic basis (e.g., seniors, students, housing and so on) with the goal of making the system simpler, fairer and more efficient.
- Phase out the preferential small business tax rate with the goal of better supporting small business growth and lowering overall business and capital taxes.

Adopt systematic regulatory reform

- Adopt a systematic and transparent real-time platform for policy-makers, businesses, unions, academics and the general public to track the enactment of new regulations, the repeal of old ones, and ongoing regulatory policy planning.

- Incorporate the objective of regulatory harmonization with the United States into the federal government's regulatory budgeting model so that departments are credited and penalized for regulatory changes that converge or diverge with U.S. and other global standards.

Leverage infrastructure

- Earmark a share of intergovernmental infrastructure investment for the purposes of catalyzing innovation in Canada's construction sector.

Enable internal trade

- Establish a comprehensive interprovincial database that provides for an apples-to-apples comparison of laws, rules, policies and regulations.

THE NEW INTANGIBLES



The global 'intangibles' economy is driven by data and intellectual property, and is notable for the meteoric growth of companies and their winner-take-all model

Policy-makers must draw attention to the extent to which the rise of the intangibles economy will require that we adjust and augment conventional thinking about economic competitiveness and the right policies to support it. Canada will need a policy landscape that supports developing, financing and exporting intellectual property as much as physical assets.

Patents and IP retention

- Public funds for research and development should go to homegrown Canadian companies that will keep IP and data in Canada.

Data governance

- Promote a new global governance model for the collection, transmission and commercial use of data.

Procurement

- Leverage public procurement to encourage the development and scalability of new Canadian-based technologies and applications, and keep the money working at home.

Investment

- Reform the Investment Canada Act's "net benefits" test to better account for the potential effects of a transaction on the broader innovation ecosystem with a particular focus on intellectual property and human capital.
- Lower the Investment Canada Act's "net benefits" threshold for sensitive sectors such as artificial intelligence.

Competition

- Conduct a comprehensive review of the Competition Act to ensure that it remains relevant for the intangible economy.

SUSTAINABLE HUMANS



Human capital is the bridge between the intangibles and tangibles economies, and competitiveness increasingly will rely on developing talent through education, training, lifelong learning and immigration

Among the training and immigration measures identified in the report:

- Expand work-based learning models across the post-secondary system and enable new educational pathways including broadening the skilled trades/apprenticeship model to a wider range of occupations.
- Streamline and expedite the student work visa process to enable international students to better participate in work-based learning and in Canada's innovation ecosystem.
- Establish mentorship programming for international students involving local entrepreneurs and community leaders.
- Create a new education bond available to young children in low-income households in order to "nudge" them in the direction of post-secondary education.
- Use public funds to catalyze a constellation of training providers to test different models for demand-driven skills training.
- Establish new individualized accounts with a combination of tax preferences and public subsidies to support lifelong learning, professional development, and skills training.
- Expand on current models of Indigenous-led education to increase funding, raise standards, and promote culturally appropriate curriculum.
- Place a greater emphasis on early childhood education in Indigenous communities.
- Increase the phase-out thresholds for the Guaranteed Income Supplement to enable low-income seniors to continue working without facing a steep financial penalty.