

## 'Failure to innovate' sinking economy:

Wednesday, June 13, 2007 | 9:08 AM ET [CBC News](#)

Despite the ever-strengthening loonie and the lowest unemployment rate in a generation, Canada is mired in a "mediocrity" that leaves it lagging behind its international competitors, the Conference Board of Canada says in a harsh new report.

The Conference Board report, which graded Canada on six components (economy, innovation, environment, education, health and society) compared to 16 other major industrialized countries, was released Wednesday.

The research body ranked Canada fourth from the bottom in terms of innovation, saying Canada's "failure to innovate" largely explains "a mediocrity that is hampering what we can do and what we can be."

Fewer scientific articles are published in Canada, fewer patents are granted and even though the government provides subsidies for research and development, the take-up by companies is low, the authors of the report said, calling it a "stunningly poor" showing.

It all falls in line with what Conference Board CEO Anne Golden called Canada's "culture of complacency."

"We're not a risk-taking country because of our history, because of our nature, whatever," Golden said. "We just don't have the same drive."

Canada placed 11th out of the 17 countries on the economy, but that also falls short of the country's potential, given its educated workforce and the richness of its natural resources, the blunt assessment said.

"We're not a low-wage economy, we're a high-wage economy. We're never going to be able to compete just on price," Golden said. "We have to compete on innovation, on new technology, on new products, high-level services in unique niches. And we're not doing that."

The Conference Board also gave poor marks to Canada for its record on the environment, noting the country has not yet enforced curbs on greenhouse gases and also generates more waste than comparable countries. And when it comes to health care, the report says we're not prepared for the strain that aging baby boomers will place on the system.

Although Canada performed well in education, scoring an "A," the report card said our universities were not turning out enough post-graduate students in the fields of science and technology — fields that boost innovation.