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National Policy on Entrepreneurship

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Entrepreneurship

Canada 

Message from the Prime Minister



With the launching of Canada's first federal policy on entrepreneurship, we are proud to acknowledge the central role that Canadian entrepreneurs play in the development of our economy.

The Canadian tradition of entrepreneurship is well established, although perhaps not well recognized. Native people involved in the fur trade were Canada's first entrepreneurs. We were brought together as a nation by the transcontinental railways — a great business venture. Today, thousands of high-tech entrepreneurs are expanding Canada's economic frontiers as we move toward the 21st century.

Our survival as a nation has been dependent upon our ability to trade within the world community. With enthusiasm, tenacity and courage, through individual initiative, hard work and risk taking, Canadians have established a reputation as world-class traders in quality products.

Today we are being challenged to make significant adjustments to meet the new realities of the global marketplace. In order to meet that challenge effectively we must actively encourage the entrepreneurial spirit.

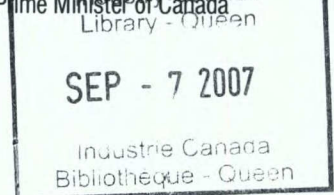
As a nation we rely upon the ability of Canadian entrepreneurs to identify new business opportunities, to respond to them,

and to convert a creative idea into a prosperous business. In turn, the federal government has a responsibility to assist in the promotion of a climate which enthusiastically encourages entrepreneurship.

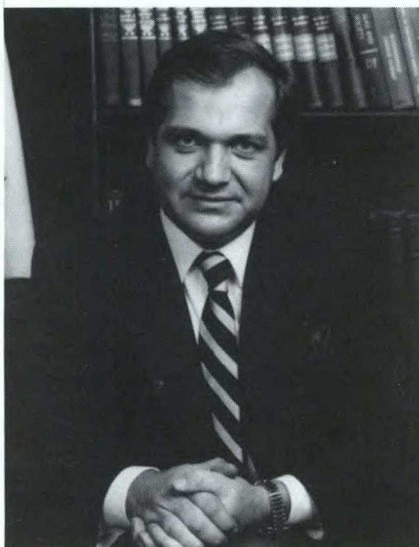
The new policy demonstrates our commitment to that objective. We will be an active partner with provincial and territorial governments, educational institutions, and the private sector in the nurturing of entrepreneurship in all regions of Canada.

I congratulate those Canadian men and women who have accepted the entrepreneurial challenge and whose efforts are helping build a vigorous and healthy economy. We celebrate your successes. And to the millions of Canadians of all ages who have a business idea which deserves a try, I urge you to consider the limitless possibilities of an entrepreneurial career.

The Right Honourable Brian Mulroney
Prime Minister of Canada



Minister's Message



In today's vibrant economy, the new Canadian folk hero is the entrepreneur. Small business is the motor that drives Canada's record economic growth and entrepreneurs are the spark plugs of that motor. They are idea people — motivators and activists — determined to turn a business opportunity into a business success. When they succeed, Canada succeeds, with new jobs, new or improved products and better services. That is why, on behalf of the Government of Canada, I am pleased to introduce the first-ever National Policy on Entrepreneurship.

The purpose of the policy is three-fold: to encourage entrepreneurship, especially amongst Canada's youth, women, mid-career professionals, natives, the disabled and seniors; to nurture entrepreneurship amongst those who own or operate existing small and medium-sized businesses, thereby helping them grow and expand; and to remove such obstacles to entrepreneurship

as paperburden and red tape, which so often frustrate people who operate small businesses.

The Government of Canada is proud to salute and celebrate the Canadian entrepreneur. As you read this pamphlet, you will understand why **small business is big business** throughout Canada.

Sincerely,

The Honourable Bernard Valcourt
Minister of State
(Small Businesses and Tourism)

Preamble

The following policy of the Government of Canada establishes a solid framework for government activities related to entrepreneurship and small business development at the national, regional and local levels.

The drive to establish new businesses is evident in the history of dynamic societies. While, over the centuries, entrepreneurship has taken many forms, it has been a consistent factor in economic development. Enlightened governments have, therefore, sought to mobilize entrepreneurship by limiting governmental intervention in the marketplace; acting in partnership with entrepreneurs; creating a climate for growth; removing barriers to trade and investment; and promoting entrepreneurial values.

Entrepreneurship was a catalyst in the 19th century Industrial Revolution that, ultimately, transformed the world's economy. It was a key element in the economic pre-eminence of the United States, accounted for the "economic miracles" of post-war Europe and more recently, has been responsible for the increasing importance of emerging Pacific Basin economies.

Throughout Canadian history, entrepreneurship has been vital to our economy: entrepreneurs, both native-born and newly arrived, developed our resources, our industries and our regions. Canada's economy has expanded — or contracted — according to the ability of governments to promote and nurture entrepreneurship. Nonetheless, the concept has always been, and remains, an understated factor in our economic well-being.

Now, technology is erasing economic boundaries and nations have to rely on the dynamism and excellence of their entrepreneurs if they are to remain competitive. Although multi-national corporations were once the predominant factor in economic growth and development, today small and medium-sized firms are increasingly important in all industrialized economies.

While large firms are essential to the generation of wealth, new and existing small businesses are the key to job creation at a time of growth of employment in the information/service sector, relative to the manufacturing sector; corporate downsizing; the increasing importance of new enterprises; structural unemployment; and changing social values. Therefore, more than ever before, it is crucial for governments to promote and nurture entrepreneurship.

It is against this background that the Government of Canada committed itself, in November 1984, to change the country's economic environment. A more dynamic, competitive business climate in which entrepreneurship can flourish has come out of such initiatives as free trade, tax reform, establishment of the Department of Industry, Science and Technology, deregulation of financial institutions, and reorientation of foreign investment.

While there have been major changes to framework policies that affect Canada's businesses, and government initiatives have increased the competitiveness of industries, much more needs to be done if we are to maintain our current enviable record of economic growth.

Entrepreneurship has as great an impact at the regional, as at the national or international level. It is the vital process by which societies renew themselves and accommodate the future. Therefore, Canada requires a national policy for entrepreneurship that, simultaneously, can provide a national focus and reflect regional differences.

Canadians must begin to recognize entrepreneurship, not as the prerogative of the fortunate few, but as an opportunity for all. That is why entrepreneurship is a key to the Government's strategy of regional economic development; it not only creates the climate in which businesses can grow, it ensures that Canada has the entrepreneurs so necessary to its economic and social prosperity.

Statement of Policy

It is the policy of the Government of Canada to mobilize entrepreneurship for the economic, social and cultural development of all parts of our country, in partnership with the private sector, provincial and territorial governments, and the academic community.

Considering that:

- entrepreneurship plays a crucial role in the regional, economic and social development of Canada;
- newly established firms are a driving force for job creation and income generation in all parts of the country;
- entrepreneurship makes a significant contribution to the revitalization of our regional economies;
- the government remains committed to achieve the objectives set out in the Agenda for Economic Renewal of November, 1984;
- the removal of obstacles to growth through entrepreneurship and risk-taking is a government priority in the area of the small and medium-sized business sector;
- there is a need to improve the effectiveness of government action in support of entrepreneurship and to forge dynamic links among the private sector, public authorities and the academic community, to promote a vibrant entrepreneurial culture.

The Government is committed to the pursuit of the following objectives:

- to promote and nurture a strong spirit of entrepreneurship in support of Canada's regional, economic and social goals;
- to ensure that entrepreneurship becomes an integral part of our culture by enhancing public awareness of its essential contribution to Canada's well-being;
- to remove obstacles to entrepreneurship so that all Canadians have a reasonable opportunity to opt for self-employment, pursue individual initiative for the common good and strive for success in the pursuit of excellence;
- to advance the interests of entrepreneurs and small businesses in the public and private sectors, and society at large;
- to encourage business start-ups and nurture the growth of young firms to medium-sized businesses in support of growth, job creation and increased competitiveness; and
- to pursue regional economic development through local decision-making and entrepreneurship.

Only through unflagging collective commitment to entrepreneurial activity, broad recognition of its importance for the development of small and medium-sized businesses and removal of the obstacles to private sector growth, can Canada's economic, social, cultural and regional prospects be enhanced.

Principles for Action

In achieving its policy objectives, the Government will act in accordance with the following principles.

1. Promoting entrepreneurship by:

- capturing public attention and generating greater understanding of entrepreneurship and its benefits for all Canadians, particularly among youth, women, students, the unemployed, new Canadians, ethnic and cultural groups, native people, large businesses with employees affected by downsizing, mid-career individuals and the aged;
- honouring successful Canadian entrepreneurs and fostering recognition of those who have contributed to Canada's regional and economic development and history;
- encouraging departments and agencies of the federal government to collaborate with all agents in promoting entrepreneurship;
- fostering the advancement of entrepreneurship studies and related skills-training in educational programs at all levels; and
- stimulating the media better to inform the Canadian public about entrepreneurship by highlighting success stories and giving credit to Canada's industrial role models.

2. Nurturing entrepreneurship by:

- ensuring that new businesses have access to information and expertise necessary for productive and successful growth, keeping in mind the particular needs of targeted groups;
- striving for effective and cohesive government support for business start-up, growth and expansion of young firms to medium-sized companies;
- encouraging local communities and their business sectors to promote and facilitate entrepreneurial activity;
- enhancing management skills of entrepreneurs, in such key fields as finance, marketing, personnel management, and technological adaptation;

- working with entrepreneurs and the investment community to devise better methods for ensuring access to debt and equity capital, particularly for those groups (youth, women, etc.) who have experienced difficulty in accessing capital;
- making science and technology more accessible to entrepreneurs in developing, adapting or commercializing innovations;
- nurturing the pursuit of excellence in industry; and
- improving access and benefits accruing to small business from government procurement.

3. Removing obstacles to entrepreneurship by:

- keeping the taxation system under constant review to identify the measures required to stimulate entrepreneurship activity in the face of changing circumstances;
- maintaining an ongoing review of the paperwork burden on entrepreneurs to achieve net reductions in paperwork requirements by government;
- reviewing the design of existing and future policies and programs to ensure support for individual initiative in pursuit of new venture formation or business expansion;
- ensuring that the delivery of policies and programs is compatible with the efficient conduct of entrepreneurial activities and not primarily oriented to ease of administration;
- ensuring that the cost of compliance with government regulations and requirements, both in terms of time or dollars, is minimized for entrepreneurs;
- providing particular attention to the promotion of entrepreneurial activity in disadvantaged regions of the country, and/or among disadvantaged groups; and
- in general, ensuring that federal government law, practice, and procedure encourage and support entrepreneurship to the maximum extent.

Notes

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Technology Canada

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