



## ENGINEERING KNOWLEDGE CONFERENCE 2009

FROM REGULATION TO INNOVATION : CONCLUSION



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# Innovation Report Card

Conference Board of Canada's 3 stark messages on the innovation report card:

1. Canada a consistent "D" performer in innovation since the 1980s.
2. Canada ranks 13<sup>th</sup> out of 17 countries.
3. Countries with the highest scores have successfully developed national strategies around innovation.

Significantly

- United States on the other hand is a consistent "A" performer
- **Innovation –**

**The Key Driver of Competition**

REPORT CARD			
Innovation	1980s	1990s	2000s
Australia	D	D	D
Austria	D	D	D
Belgium	C	C	C
Canada	D	D	D
Denmark	C	C	C
Finland	D	C	C
France	C	C	C
Germany	B	B	B
Ireland	C	B	A
Italy	D	D	D
Japan	B	B	B
Netherlands	C	B	B
Norway	D	D	D
Sweden	C	B	B
Switzerland	A	A	A
U.K.	B	B	B
U.S.	A	A	A

Source: The Conference Board of Canada.



## **INNOVATION & FOREIGN SKILLED WORKERS**



International mobility of knowledge and human capital critical to corporate competitiveness and economic development.

Foreign skilled workers' contribution to their host countries towards economic growth, research, innovation & entrepreneurship is increasingly being recognized.



## **INNOVATION & FOREIGN SKILLED WORKERS**



Number of foreign-born US Nobel Prize winners or creators of global high-tech companies and other successful start-ups – all too well-known.

25.6% of the patent applications, with foreign nationals as inventors or co-inventors, filed from the US in 2006 – an increase of 7.6% from 1998.

- \*Mario Cervantes and Andrea Goldstein (2006) International Mobility of Talent: The Challenge For Europe. Note prepared for the UNU-MERIT L20 international conference on 8 March 2006 to draft a science, technology and development agenda for a proposed new informal grouping of the leaders of the world's 20 leading countries.
- Vivek Wadwha (2007) Discussion Paper: Immigrants and Returnees, Prepared for the NBER sloan workshop on career paths of foreign born engineers and scientists trained and/or working in the US



## MUTUAL RECOGNITION



Legality of MRAs dependent on the *locus standi* of the professional associations, party to the MRAs negotiations.

Article I.3(a), GATS applies to "measures by Members";

The “measures” in question are those taken by:

- i. central, regional or local governments and authorities
- ii. non-governmental bodies in the exercise of powers delegated by central, regional or local governments and authorities



## **MUTUAL RECOGNITION**

MRAs negotiated by bodies not approved by Government carry little statutory mandate, nor can States be held accountable for their implementation.

Are MRAs signed by Engineers Canada binding ?

Why has Engineers Ontario not signed any MRAs?

- Simonetta Zarrilli (2005) division on International Trade in Goods and Services, and Commodities, Moving professionals beyond national borders: Mutual recognition agreements and the gats\* United Nations Conference On Trade And Development .



## COMPETITION AND REGULATION

Regulation, potentially, a way of limiting entry into the profession and, thus, restricting competition

Competition legislation premise – competition ensures best that resources maximize efficiency and productivity, reward innovation, and offer broadest services and competitive prices to consumers

*Competition Act and the Professions* Calvin S. Goldman (1989), Q.C .Director of Investigation and Research, Bureau of Competition



# COMPETITION AND REGULATION

- OECD litmus test (6 professional fields - lawyers, notaries, engineers, architects, pharmacists and accountants)
  - whether regulations truly serve the public interest
  - whether regulations are the least restrictive mechanism to attain its stated objective.

OECD (2004) Report on Competition in the Professions





## **COMPETITION AND INNOVATION IN A FLAT WORLD**

- Professional services – the heart of the knowledge economy, including engineering, computer sciences, architecture, accounting, medical services, laboratory and testing services, various consulting professions.



## COMPETITION AND INNOVATION IN A FLAT WORLD

- “We cannot afford mediocre operations or non-competitive markets, especially for the key ingredient in a knowledge-based economy: talented and educated people. We can no longer count on keeping talented Canadians in Canada. Nor can we take for granted that we will be the choice location for talented people coming from other countries.”

Sheridan Scott, Ex- Commissioner of Competition, Competition Bureau, *Competition and Innovation in a Flat World*, Insight International Competition Law, Real World Issues and Strategies for Success, Toronto, Ontario, May 15, 2006



# **CONTACT**

THANK YOU FOR YOUR PARTICIPATION

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