

Is this Atlantic Canada's year of living boldly?

It was the year of living fearfully; a year when nothing seemed to make sense and those we trusted most with our money had become, as if by conjurer's trick, liars and frauds. It was the year of living angrily; a year when we blamed the banks, the credit card companies and the media for the tsunami of greed and stupefying shortsightedness that had swept the globe. And it was the year of living simperingly; a year when, suddenly, governments, fat with taxpayers' cash, earned our enduring gratitude by bailing out our industries, our jobs and, occasionally, even ourselves.

What 2009 wasn't, was the year of living competitively.

We had forgotten what our forebears had taught us: Pennies were made for pinching; savings were made for investing; technologies were made for innovating; workers were made for training; children were made for educating. And businesses were made for supplying the economic apparatus that supports the increasingly ephemeral concept of a good, happy life.

But what happened to us in the year that was, is less important than where we go in the year that is. The times are, indeed, changing and not for the better.

In November, Canada's Superintendent of Bankruptcy reported that 487 firms became insolvent in September, up a whopping 31.6 per cent from August. Meanwhile, during the first three quarters of the year, the number of personal bankruptcies soared to 116,295, representing a 36.4 per cent jump over the previous 12-month period.

Where once, not long ago, Minister of Finance Jim Flaherty and Bank of Canada Governor Mark Carney cautiously predicted a controlled recovery, today they warn of protracted hard times: more business and personal insolvencies, stubbornly high unemployment and anaemic GDP growth – not for weeks or months, but for years, even decades, to come. Indeed, many economists openly wonder whether the recession actually ended in the second quarter of last year as they had presumed.

In fact, the latent profit-taking, venality and monstrous scams perpetrated by a few crooks are not the cause of our troubles, but merely the secondary infections of a

systemic sickness – a disease characterized by our private sector's failure to develop and wield the productivity tools that keep us safe and sane in both good times and bad.

According to a recent *Research Money* magazine article, "Canadian companies spend less on new machinery and equipment than most of their OECD (Organisation of Economic Cooperation and Development) counterparts and invest less in information and communications technologies – the two most effective tools in raising a firm's productivity. Between 1984 and 2007, Canadian productivity slid from 90 per cent of the U.S. level to 76 per cent. That has contributed to a decline in multifactor productivity – factors that contribute to productivity outside of the influences of a firm's capital intensity and the quality of its workforce."

Regrettably, the East Coast's competitive performance lags even these dismal results. In an article published in 2007, Elizabeth Beale of the Atlantic Provinces Economic Council had this to say: "Our overall growth has not kept pace with the nation. In the 1980s, we matched national performance in economic growth. In successive five-year periods, however, we have slipped. Since 2000, the annual growth rate of the three Maritime provinces has averaged about 2.1 per cent, compared with 2.6 per cent in Canada as a whole. We need a bolder vision of competitiveness; one that embraces technology and innovation, world-class educational attainment and strong and flexible institutions. For mature economies, competitiveness should never be a race to the bottom."

No, it should not. But reversing these trends will demand enormous effort, skill, discipline, imagination and, above all, courage. It will necessitate that those Atlantic entrepreneurs who do manage to compete and thrive in an environment fraught with local perils and global challenges emerge from their board rooms and factory floors and explain their various secrets of success. And it will require those of us who chronicle such tales, in the pages of magazines just like this, to articulate the true measure and meaning of winning.

It will entail all of this and more if Atlantic Canada is ever to enjoy a new year of living deliberately; of living boldly. 🍷



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THE SCAMS PERPETRATED BY A FEW CROOKS ARE NOT THE CAUSE OF OUR TROUBLES...

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