



## Opinion: An innovative economy requires an innovative government

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*We've got to do more with less.* I'm betting that every minister has uttered this phrase more than once during his or her mandate.

The trouble is, if you really want to do more with less, you need to innovate. You must embrace change. You must be willing to throw out your current assumptions, procedures and priorities and start fresh. You must bring new members into your team who think differently. The phrase "that's not how we do it" can never be uttered. You need to foster a *culture of innovation*.

Prior to my Senate appointment in June 2018, I was a startup entrepreneur, investor and mentor, focused on turning ideas into businesses. Our "disrupt or be disrupted" world was my inspiration. It still is. However, I quickly realized that this wasn't the case in Ottawa.

Then COVID-19 happened.

Suddenly, Canada's economy shut down. Millions of Canadians faced health risks and unemployment. Thousands of Government of Canada employees began working from home just as they faced the enormous challenge of creating the largest relief programs in Canadian history. Regardless, in less than three weeks, the systems required to process and deliver CERB payments to almost nine million Canadians were designed and implemented, requiring a digital-first approach and unprecedented levels of inter-departmental cooperation.

These projects would never have happened as quickly under normal circumstances. However, in the midst of the biggest health, social, and economic crisis this country has ever faced, they were remarkably successful. How?

I believe the extraordinary circumstance of COVID-19 empowered ministers and their deputies to take greater risks, to be inventive and to iterate programs like never before. They had to. Canadians were counting on their government to deliver.

Contrast this approach to business as usual in Ottawa. Normally, project budgets, timelines and outcomes are locked-in upfront and then strictly implemented. This foments a risk-averse culture. But if you can't take risks, you can't innovate, and if you can't innovate, you'll never do more with less.

The tragedy is that Canada has one of the best invention engines in the world, but we still haven't built the transmission that reliably converts those inventions into robust economic activity. For example, a 2019 [IRPP Study](#) identified that the majority of Canadian inventions are patented in the United States and transferred to foreign entities within two years. 2

My contention is that if we don't create a culture of innovation within government then Canada will never move the needle in terms of our global competitiveness, productivity growth and prosperity.

Here are some ideas for fostering innovation in Ottawa:

- Use agile procurement to drive innovation. Rather than a procurement process that favours incumbents, define the problem you want to solve (or opportunity you want to create), the constraints, and then encourage new entrants to come up with innovative solutions and run open competitions. We saw glimmers of this in the spring, but it needs to be commonplace.
- Build and empower innovation teams that want to embrace the risks associated with solving big problems. Hold them accountable to achieve results within a given budget or timeline. Demand honest conversations about progress and problems. Use a digital age management model where they can make mistakes, learn from them and iterate.
- When investing in private sector innovation (e.g., through the superclusters), clearly state the qualifying criteria and then quickly get out of the way. Government's job is to empower rapid innovation in the private sector, not control it.
- Open up the regulatory review process by using standards setting bodies like the CIO Strategy Council to lead regulatory reform, especially in rapidly changing sectors where we must be globally competitive, like our financial system. Recent examples include the Council's Ethical AI guidelines and the Digital Identity standard. Government then needs to fund the implementation of these bottom-up crafted standards.
- Promote a new wave of digital-first ADMs and DMs across departments and prioritize candidates who have worked in high growth SMEs, and who value competition and competitiveness in everything they do.

If we do not embrace a culture of innovation in government, we will never foster it in the broader economy. We can do this, and we must. Doing more with less doesn't happen by accident.

*Colin Deacon is Senator for Nova Scotia and a member of the Independent Senators Group (ISG). Previously a tech entrepreneur, the Senator is an advocate in Canada's Upper Chamber for innovation and harnessing of the digital economy.*