

Canada needs to spur the growth of new small businesses

by FRANK STRONACH

The Canadian Federation of Independent Business (CFIB) called last Friday "a sad day for many Canadian small business owners."

The reason: many businesses will be unable to repay the emergency government loans they received in the middle of the pandemic.

Approximately 900,000 businesses took out loans. But many had little choice - small businesses such as restaurants were forced by the government to close their doors for long stretches, and many struggled to survive. Now, with the loan deadline kicking in, some of them will go under.

It's not just the weight of the government loan payments crushing these businesses - it's also the current business climate.

According to the CFIB, only about 50 per cent of small businesses have returned to the sales levels they enjoyed before the pandemic. When you add on top of that the rising cost of doing business, coupled with high inflation and labour shortages, it's no wonder we're bracing for a spike in business bankruptcies.

It's tough running your own small business in the best of times. But just as frustrating is the fact that we make it increasingly difficult for Canadians to open up their own business in the first place.

According to the Business Development Bank, fewer Canadians are starting their own businesses compared to 20 years ago.

The decline in new business start-ups matters for many reasons. It matters because small businesses are the country's biggest job creators and they're also the source of many of our new technologies and products.

But most importantly, it matters to millions of Canadians. The pursuit of economic freedom is what drives many Canadians to start their own business. It's a dream held by Canadians of all ages and backgrounds and beliefs - the desire to be your own boss and chart your own path to financial success.

And for many entrepreneurs and business owners, myself included, it has been the key to achieving financial independence.

But that dream is becoming harder and harder to achieve.

Over the years, we've added more and more hurdles for Canadians trying to get their business up and running - everything from new fees and forms to registrations and licenses. Starting your own small business shouldn't be difficult.

We should do everything we can to encourage people to start a small business, rather than install roadblocks at every step of the process. To spur the growth of more small businesses, there are a number of measures we can take.

One of the most important would be to scrap all of the forms, licenses, permits and fees that are not absolutely essential in launching a new business. It wouldn't take long to draw up that list, and it would save new business owners invaluable time and money.

Beyond that, we also need to start fostering entrepreneurship skills and training in our high schools in addition to technical skills apprenticeships. Both these roads will lead to the creation of many new small businesses and will give young Canadians a path to financial rewarding careers.

Getting government off the backs of our small businesses is one of the key elements in the national economic charter of rights I've proposed. But we also need to remove all of the many barriers that are keeping small businesses from being formed in the first place.

If we did that, we could set off a chain reaction of economic growth that our country hasn't seen for many years.

To learn more about the economic charter and how it could generate economic growth and prosperity, email me at info@economiccharter.ca. Or to learn more about the economic charter, visit: www.economiccharter.ca.