

Too many hurdles are hobbling small businesses in Canada

by FRANK STRONACH

I have spent most of my business career owning and managing large corporations, including Magna International Inc., one of the world's largest auto parts suppliers.

Today, however, I'm once again a small business owner, with start-up businesses in the organic food and electric vehicle industries.

So even though I never forgot what it was like to own a small business when I first started out back in the mid-1950s, I'm discovering some of the hurdles that many small business owners go through today.

And from what I can see, it's much more difficult to make a go of it nowadays than it was decades ago.

A number of reports also confirm that the business climate in Canada is nowhere near as friendly or as easy as it used to be.

The World Bank Doing Business Index is a prime example. The index assesses various aspects of doing business, including dealing with permits, obtaining credit and paying taxes. When the index was first established in 2007, Canada was ranked 4th in the world in terms of the ease of doing business. In the latest ranking conducted by the World Bank, Canada has plunged to 23rd overall.

But even without these studies and reports, many small business owners will say the same thing: it's becoming increasingly difficult to run a business with all of the many hurdles that are placed in their way.

One of these hurdles is the permit process ? everything from filling out long and confusing applications and forms to the long wait times small businesses have to tolerate before getting various permit approvals.

But even after that, small businesses then have to endure further waits for various inspections. And if that weren't enough, there's also zoning requirements, sign permits and a whole batch of other licenses and approvals ? all of which also come with a fee attached.

All of these bureaucratic delays and fees hobble small businesses at the crucial point where they trying to get up and running and the demands on their time and money are greatest.

The key point is that many small business owners are hurting and nothing is being done to help them stay afloat. An economic charter would provide them with the lifeline they need to flourish and thrive.

In this column, I've proposed that Canada adopt a national Economic Charter of Rights and Responsibilities to reinvigorate our economy and give Canadians greater freedom and control when it comes to their economic future ? including our small business owners and entrepreneurs.

One of the foremost principles in the economic charter is the removal of business income tax on any small business with fewer than 300 employees and the reduction of red tape and regulations that are strangling small businesses and hindering their ability to grow.

I'm willing to meet with any business group that would like to learn more about the economic charter and how it could help Canada's small businesses. Feel free to reach out and email me at info@economiccharter.ca. Or to learn more about the economic charter, please visit: www.economiccharter.ca.

Excessive regulations and stifling rates of taxation are the one-two punch knocking out many of Canada's small businesses. It's time we did something about it.

Author Bio

Frank Stronach is the founder of Magna International Inc., one of Canada's largest global companies, and was inducted into the Automotive Hall of Fame.

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