

OCUFA Briefing Note

Issue: Ontario Government Research Policy

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Premier McGuinty's Liberal government announced its intention to support research and commercialization at Ontario universities, colleges, hospitals and research institutes early in its first mandate. In 2005, the research and innovation responsibilities of the Ministry of Economic Development and Trade were transferred to the newly established Ministry of Research and Innovation (MRI). The current Minister is Glen Murray.

In November 2006, MRI launched a public consultation with a discussion document that focused on research in engineering and the health and natural sciences, commercialization of research, and the use of indicators to assess the results of the strategy. OCUFA expressed concerns that the emphasis on commercializing university research would force universities to divert resources from basic research and, in effect, subsidize business projects. Despite nods to the importance of basic research and the role of research in the humanities and social sciences, the final strategy document released in April, 2008 retained the emphasis on commercialization, including the "Next Generation of Jobs Fund" to fund "strategic, industry-led" programs in four areas identified as strategic.

Albeit with a higher profile and more funding, current provincial government policy is essentially the same as under the previous government. Operating transfers for research and development programs administered by MRI has increased from \$213 million in 2004-05 to \$342 million for 2011-12. Most of the increased funding has been for commercialization. Funding for commercialization now represents an estimated 42 per cent of funding transfers, compared to less than 19 per cent 2004-05.

OCUFA's Position

- Ontario's research strategy should include enhanced support for basic research and a balanced emphasis on research in the humanities and social sciences.
- ORIC and the Ontario Research Fund Advisory Board should include members from social sciences and humanities, and representatives from OCUFA.
- Programs to encourage business research & development (R&D) and commercialization should be in addition to and separate from programs supporting university-based research.
- Assessment of research proposals must be through scientific peer review.

Background

OCUFA has long been concerned with ensuring that research funding recognizes the importance of basic research which has no immediate commercial application but is critical to future research innovation. It has also been critical of the very narrow approach to research policy taken by governments and highlighted how the province's loss of research capacity has threatened Ontario universities' ability to make the technological and intellectual advances which are the cornerstone of a prosperous society.

As recommended by government-commissioned reports by David Smith and Heather Munroe-Blum, OCUFA has emphasized the importance of a comprehensive and balanced approach to provincial research support, including the need to fund both basic and applied research in the sciences, humanities and social sciences. It has also urged the inclusion of OCUFA, as a representative of front-line researchers, in provincial research advisory councils.

Canada and Ontario have lagged their international competitors in expenditures on R&D, notably in expenditures by and funding from both business and government. In the rush to increase business investment and activity in R&D, however, the risk is that funding and policies designed to foster commercialization and university-business partnerships will leverage already limited university resources for business. The preoccupation with getting university research to market is not unique to the current provincial government.

The previous Conservative government under Mike Harris restricted its research focus to the applied sciences and high tech disciplines. Research funding initiatives by the federal government also place emphasis on research in applied sciences and high tech fields and on the commercialization of research. These priorities have been reinforced by the federal government's May, 2007 statement on science and technology policy - *Mobilizing Science and Technology to Canada's Advantage*.

Premier Dalton McGuinty has made a priority of what the government has come to call the "innovation agenda." Budget statements have continuously announced new programs and spending initiatives. These include funding for indirect research costs and funding to the Ontario Research Fund to provide matching provincial funding for Canadian Foundation for Innovation grants for research infrastructure. Commercialization remains a dominant theme however.

Shortly after Ontario Budget 2008, *Seizing Global Opportunities: Ontario's Innovation Agenda* was issued by MRI. The agenda is billed as a "key driver of the government's five-point plan for Ontario's economy." Despite some modest changes, *Ontario's Innovation Agenda* reiterates the themes and priorities outlined in the draft plan. It

favours market-driven research and commercialization of research through university-business partnerships. While the document expresses “an ongoing commitment to excellence in world-class, peer-reviewed, basic and applied research,” it also indicates that there will also be a “focus on extracting value from investments in public research through commercialization.”

Greater emphasis will be placed on selected strategic areas in which Ontario has existing strengths and where global market opportunities are deemed to exist. Provincial government support through the Next Generation of Jobs Fund (announced in March, 2008) is slated to be \$1.15 billion over 5 years. The fund will support industry-led programs and projects in:

- Bio-economy and clean technologies;
- Advanced health technologies;
- Pharmaceutical research and manufacturing; and
- Digital media and information and communication technologies.

Funding strategies and blandishing universities to make intellectual property more available to business indicate a desire to make university research more business-friendly. To the extent that business activity is targeted specifically, the agenda indicates that it will be by establishing a “business-friendly climate.” In addition to already established provincially funded venture capital funds, the plan reiterates recently announced tax exemptions for businesses that commercialize university and college research.

The plan does speak of “the role of the arts, humanities and culture in fueling creativity and innovation” and “encouraging partnerships across disciplines to advance social and economic goals” but proffers no specific financial support. The research focus is clearly on science, medical and engineering fields. There is also a strong emphasis on the development of “commerce skills,” “with a focus on providing these skills across disciplines - including the sciences, technology, the humanities and the arts.”

“Above all, the agenda is ensuring that innovation-related programs and activities extract value and create measurable benefits for people in Ontario.” To that end, the MRI innovation agenda proposes to develop an Ontario Innovation Scorecard which will include metrics such as funding invested, publications, patents, licences, start-up companies and such measurable impacts as “wealth created per person and the distribution of prosperity, the global share of knowledge-based firms, investment and public support for innovation,” among other measures.

Budget 2011 announced that the Ministry of Research and Innovation will renew the innovation agenda.

ADDITIONAL RESOURCES:

OCUFA Research Papers

- *The Quality of University Research: Innovation Policy and Funding*, September 2007

Other Reports

- Heather Munro-Blum, *Growing Ontario's Innovation System: The Strategic Role of University Research*, 1999
- David Smith, *Framework for a research policy for Ontario : a discussion paper*, 1997