

B. ISSUES

Closer cooperation between academic R&D and private sector innovation should be encouraged. Yet, at the same time, the need for basic scientific R&D within universities is recognized. Some possible issues are:

- i) University-Industry Links
- ii) Federal/Provincial Agreements
- iii) Government Support Programs

i) University-Industry Links

In response to their financial squeeze, universities have increasingly been trying to forge stronger links with the private sector. Technology transfer from universities can be an important source of R&D expertise for industry. The recent Wright Report identified a number of possible tax changes designed to strengthen the university-industry interface and improve the financial climate for university R&D activities. These suggestions included encouragement of equipment donations to universities and of private companies that contract universities to conduct R&D on their behalf.

The operation of innovation centres within universities to respond to the scientific needs of industry, particularly small business, is another possible approach to encouraging closer academic and business cooperation regarding innovation. It might be possible to operate such centres on a cost recovery basis.

Such centres can prove to be very successful internationally. For example, the University of Waterloo is pursuing technology transfer agreements with China and Japan.

The Canadian Manufacturers' Association, the Canadian Advanced Technology Association, and other industry representatives have recognized that investing in people is extremely important and that improving our education and training systems should be a national priority.

They also identify university cooperative programs, university-industry research agreements and corporate access to university resources as good means for strengthening the academic-private sector link.

ii) Federal-Provincial Agreements

The university financing problem must be addressed through consultations over the provisions with respect to post-secondary education of the Established Programs Financing Act. In these consultations, consideration might be given to full funding of specific university R&D activities requested by government. Consideration might also be given to the provision of specific support for changes in curricula aimed at increasing student exposure to industrial settings or otherwise broadening the range of courses for scientists and engineers.

On-going discussions between Federal and Provincial governments and universities might also highlight ways of combining innovation centre and university activities. Centres of excellence within a particular field might serve to encourage individual Canadian universities to attain world-class recognition in specific science and engineering disciplines.

iii) Government Support Programs

Federal support programs administered by the Natural Sciences and Engineering Research Council (NSERC), Social Sciences and Humanities Research Council (SSHRC), and the Medical Research Council (MRC) could also be directed towards encouraging existing innovation centres to operate within local universities.

These programs might identify and encourage individual Canadian universities to become world leaders in specific fields.