

OPINION

When the federal election's over, it's time for Parliament to get serious about supporting small business

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Small businesses are particularly vulnerable to the effects of a slowing economy, given that many are still reeling from the after-effects of earlier economic shutdowns, Rita Trichur writes.

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Canada's new government will have to shore up the economic recovery as the pandemic's fourth wave crashes across the country. For members of Parliament, that means getting serious about helping small businesses.

It was disappointing to see how quickly entrepreneurs, who have taken the brunt of pandemic restrictions over the past 18 months, became an afterthought during the federal election campaign.

Sure, the major political parties included small-business policies in their respective platforms, but paving a path to prosperity requires much more than piecemeal promises. It necessitates vision – especially now.

Economic headwinds are gathering because of climbing COVID-19 case counts, inflationary pressure, supply chain disruptions, falling exports and labour shortages. Credit rating agency Fitch Ratings Inc. recently lowered its GDP growth forecast for Canada to 5 per cent from 6.6 per cent for 2021.

Although all businesses feel the effects of a slowing economy, small businesses are particularly vulnerable given that many are still reeling from the after-effects of earlier economic shutdowns.

Also weighing heavily on the minds of entrepreneurs is the pending expiration of federal wage and rent subsidy programs on Oct. 23. For all those reasons, it's easy to see why Canadians remain hesitant to start new businesses at this juncture even as vaccination rates rise.

"In fact, more than half [54 per cent] of business owners would not advise someone else to start a business right now, and that should worry every Canadian, not just those who already own a business," Dan Kelly, president of the Canadian Federation of Independent Business, said in a statement last week.

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It's imperative that our new government adopt integrated policies. Taking a holistic view means that our legislators should reach across partisan lines and champion the best ideas.

As a starting point, the wage and rent support programs should be extended for the hardest-hit sectors while pandemic restrictions remain in place. It's a compromise between what was proposed by three parties on the hustings. (The Liberals promised to maintain such supports for the tourism sector only, while the NDP and the Green Party wanted to extend them for all small businesses.)

The Conservatives' proposal of a month-long GST holiday was directed squarely at retailers but should be expanded to include small businesses in other sectors.

And the Bloc Québécois rightly argued for a revamp of the federal government's procurement strategy so that it gives an edge to small and medium-sized businesses.

There are also unfulfilled promises regarding credit card processing costs. In this past April's budget, for instance, the government promised to lower credit card transaction fees so that small businesses pay rates that are similar to those paid by large businesses such as Walmart. What's more, the government indicated that it was prepared to regulate processing fees, if necessary. Parliament should revive this idea without delay.

"You are talking about billions in savings to small and medium-sized businesses – money that can be used for them to reinvest and recover," said Gary Sands, senior vice-president of the Canadian Federation of Independent Grocers.

Ottawa should also endeavour to cut red tape, promote free-trade deals, provide more support for businesses tapping foreign markets and lean on premiers to dismantle interprovincial trade barriers once and for all.

That's why our next small-business minister needs to be an inspired choice – someone with real influence with the prime minister. The job should no longer be treated as a junior cabinet position.

Canada cannot achieve a sustained economic recovery if small businesses are given short shrift. By Ottawa's own reckoning, they provided nearly 70 per cent of private-sector jobs prior to the pandemic.

Let's hope this federal election campaign isn't a prelude to what small businesses can expect from our 44th Parliament.

It's time for legislators to show real leadership and act with a sense of urgency. Reviving the entrepreneurial spirit is critical to Canada's economic recovery.