

2014 Economic Revitalization Conference



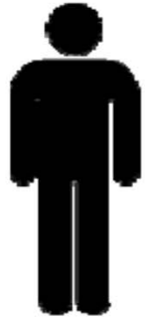
Technology & Human Capital Panel



Tuesday April 8th, 2014



David Fell
CEO EORN



A Typical Resident of Rural Eastern Ontario:

- Average personal earnings: \$38,317; ~ \$4,000/year (\$330/month) less than provincial average
 - Larger share of earners in lower earnings brackets: \$28,241 (median); ~\$2,200 lower than provincial median earnings
 - One in five (~18%) is a senior citizen
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- Lower share of income coming from employment earnings: ~67%; nearly 10% less than provincial average (75%)
 - More dependent on government transfers: 15.4% of income; higher than provincial average (12.3%)
 - Core labour force (25-64 years) is 55% of total population; equal to provincial average
 - Lower share of workforce age population with college or university education: ~47%; ~10% less than provincial average (57%)
 - Higher share of workforce age population with trades certificate/diploma: ~11.0%; twice as high as Ottawa (5.5%) or Toronto (5.2%)
 - Lower shelter costs by \$330/month for owned homes, but longer more expensive commutes (~\$325/month higher cost for transportation)

From: Ratepayer Affordability White Paper Produced by The Eastern Ontario Wardens Caucus and prepared by Kathryn Wood Natural Capital Resources Inc. December 2013

Rural Challenges



- **Demographics**
- **Economics**
- **Geography - Distance**
- **Population Density**
- **Scale**
- **Urban Migration**
- **Jobless Recovery**



Eastern Ontario Assets



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- **Regional and sub-regional identities: Kawarthas; Prince Edward Food and Wine; Kingston Military History, etc.**
- **Rural Collaboration: EOWC; EODF; EODP & others**
- **Strong Colleges and Universities**
- **Broadband Infrastructure**
- **Historical, Physical and Cultural Identity**



Intelligent Community Forum

(www.intelligentcommunity.org)



- **Can ICT truly make a dent in the challenges facing rural areas?** Can it overcome the structural weaknesses of rural economies, compared with urban ones, and ensure them a vibrant economic future through robust connections to the global economy? If so, it could relieve the pressures driving migration to the cities and create breathing space, in which the inherent appeal of rural living could shine through.
- **We do not know how to do it yet.** We do not understand how to use ICT to seize the unique opportunities and overcome the distinct challenges of rural living.....to figure out how to give the rural areas of our nations a competitive advantage using ICT that preserves their way of life into the foreseeable future. For the first time since population growth tilted toward the city, ICT makes that possible. **It is up to us to learn how it can be done**

Digital Canada 150



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- Digital Canada 150 represents a comprehensive approach to ensuring Canada can take full advantage of the opportunities of the digital age. It envisions a country of connected citizens armed with the skills they need to succeed.
- By Canada's 150th birthday in 2017, our vision is for a thriving digital Canada, underscored by five key pillars: connecting Canadians, protecting Canadians, economic opportunities, digital government and Canadian content
- **Over 98% of all Canadians will have access to high-speed Internet at 5 megabits per second (Mbps)**—a rate that enables e-commerce, high-resolution video, employment opportunities and distance education—providing rural and remote communities with faster, more reliable online services.



Digital Canada 150



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- We will provide \$305 million to extend and enhance high-speed **Internet services to a target speed of 5 Mbps for 280,000 Canadian households** in rural and remote areas.
- The Business Development Bank of Canada will allocate an additional \$200 million to support small and medium-sized businesses with digital technology adoption.
- The Business Development Bank of Canada will invest an additional \$300 million in venture capital for companies in the information and communications technologies sector.
- The Canada Job Grant will connect employers with skills training.
- We will invest an additional \$40 million to support up to 3,000 internships in high-demand fields and \$15 million annually to internships with small and medium-sized businesses.
- Support for the Canada Accelerator and Incubator Program will increase to \$100 million to help digital entrepreneurs take the next step in developing their businesses.
- Support for the Computers for Schools Program will continue to provide students and interns with access to digital equipment and skills training.



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The Eastern Ontario Regional Network is helping to spur economic growth by building improved rural broadband access across the region.

- The project, created by the Eastern Ontario Wardens' Caucus, will improve access to the internet with higher speeds and bandwidth to at least 95 per cent of homes and businesses in Eastern Ontario.**
- The network covers an area of more than 50,000 square kilometers and will reach nearly one million people in 11 counties and two single-tier municipalities.**
- The \$170-million project is being built through the support of federal, provincial, municipal and private sector funding. Including private sector in-kind contributions, the total value of the project has risen to more than \$260 million.**

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- **The network is based on a 5,500-kilometre fibre optic backbone with about 160 new or improved internet access points that internet service providers (ISPs) can use to improve local high-speed access.**
- **In all, 546 sites for wireless broadcast towers or DSL equipment were built or upgraded throughout the region to build the network.**
- **The project was expanded in 2013 to build new fibre optic connections at more than 50 business parks and clusters across the region.**
- **Phase 2 of EORN will focus on economic development and encouraging utilization and uptake of the network.**

Discussion Questions



- **Is there a role for government(s) in ensuring access to technology in rural areas?**
- **What should that role be?**
- **How can our public institutions better support innovation?**
- **Are Public – Private Partnerships an effective model?**
- **How does infrastructure support innovation? Traditional versus knowledge economy?**



- How is technology changing rural life?
- What new opportunities do you see technology creating for rural development in the next five years?
- What threats to rural living and economic development is technology creating?
- What needs to be in place for rural communities to leverage new technologies as drivers of economic growth?

- How do you see rural communities' human and social capital working in tandem with usages of new technologies?
- What are some examples you've seen of rural communities integrating their social fabric with new technologies and innovation?
- What would a vibrant rural Eastern Ontario look like in 10-20 years' time?

Human Capital



Human capital is the stock of competencies, knowledge, social and personality attributes, including creativity, cognitive abilities, embodied in the ability to perform labor so as to produce economic value. It is an aggregate economic view of the human being acting within economies, which is an attempt to capture the social, biological, cultural and psychological complexity as they interact in explicit and/or economic transactions. **Many theories explicitly connect investment in human capital development to education, and the role of human capital in economic development, productivity growth, and innovation has frequently been cited as a justification for government subsidies for education and job skills training**

Human Capital



- **Global Human Capital Trends 2014: Engaging the 21st-century workforce: Report by Deloitte Consulting LLP and Bersin by Deloitte Published March 7, 2014**
- **Technology is changing how we work and the skills we need. As companies move beyond the recession, the key challenges for business, HR and talent are becoming clear. At the top of the list? Globalization, an aging workforce, changing expectations of multiple generations, the drumbeat of technology change, intense regulatory environments, and the reality of distributed work in the cloud. The implications of these changes for human capital are profound. By human capital, we mean four things:**
 - **Talent: strategies, solutions and analytics**
 - **Leadership: diagnostics, strategies, programs**
 - **World class HR: service delivery models, processes, technologies and programs**
 - **People issues in the business (strategic change, organization design, technology adoption, merger integration, operational culture)**

Social Capital



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Social capital is the expected collective or economic benefits derived from the preferential treatment and cooperation between individuals and groups. Although different social sciences emphasize different aspects of social capital, they tend to share the core idea "that social networks have value". Just as a screwdriver (physical capital) or a university education (cultural capital or human capital) can increase productivity (both individual and collective), so do social contacts affect the productivity of individuals and groups



Jobless Recovery



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A jobless recovery or jobless growth is an economic phenomenon in which a macro economy experiences growth while maintaining or decreasing its level of employment. The first documented use of the term was in the New York Times in 1935.

Economists are still divided about the causes and cures of a jobless recovery: some argue that increased productivity through automation has allowed economic growth without reducing unemployment.[3] Other economists state that blaming automation is an example of the luddite fallacy[4] and that jobless recoveries stem from structural changes in the labor market, leading to unemployment as workers change jobs or industries.

INDUSTRY ADOPTS POLITICAL PLANKS FOR NEW DEAL WAR; OLD ORDER IS UPHELD. The platform on which organized industry proposes to work politically during the coming campaign for the defeat of "President Roosevelt's new economic order" was finally adopted yesterday. December 6, 1935 The New York Times

