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INNOVATION DRIVERS AND BARRIERS IN CANADIAN FOOD MANUFACTURING: IMPLICATIONS FOR POLICY MAKING

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Firm-level innovative behaviour is an area of major policy interest and concern. Lagging innovation has been argued to largely explain the loss in competitiveness of Canadian firms over the past decade. Innovation is important for competitiveness, as it allows firms to better respond to the needs of the increasingly-sophisticated consumer and to improve the efficiency of their production and marketing activities – that is, to improve their productivity. In fact, innovation is considered the key driver of productivity growth.

Importantly, food manufacturing firms are no exception to this downward trend in innovation, productivity and competitiveness. This research uses firm-level data from a number of Statistics Canada surveys and administrative databases to empirically examine the drivers and barriers to product, process, organizational, and marketing innovation in Canadian food manufacturing. That is, the study aims at answering the following research question: “What is the contribution of factors like R&D, adoption of advanced technologies and business practices, competitive environment, appropriability conditions, regulations, government support for R&D activities, and participation in global value chains, among others, to food manufacturers’ propensity to perform product, process, organizational, and marketing innovation?” The ultimate purpose of the study is to shed light on some of the strategies that policy makers and business managers can use to foster the sector’s innovation performance. A comparative analysis of innovation behaviour in food manufacturing and other major manufacturing sectors, such as auto, machinery, and chemical manufacturing is also conducted.