

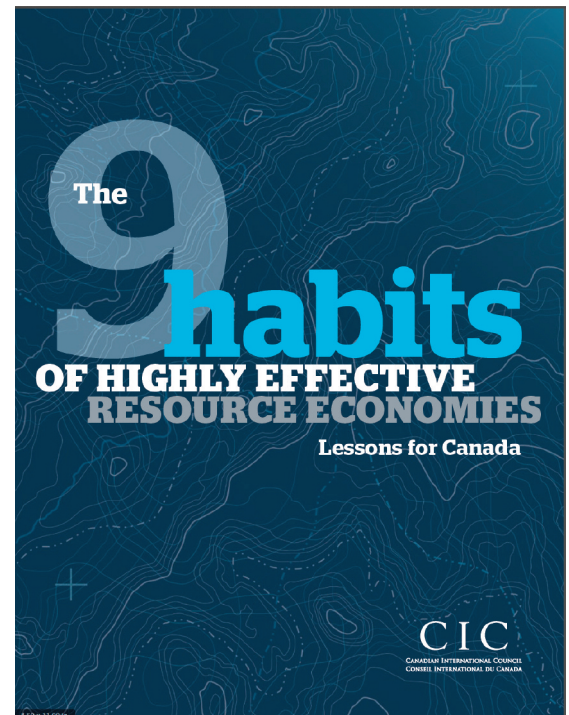
The 9 Habits of Highly Effective Resource Economies: Lessons for Canada.
By Canadian International Council (Conseil International du Canada), 2012.
96 pp. ISBN 9780986617560. (<http://www.opencanada.org/wp-content/uploads/2012/10/CIC-9-Habits-of-Highly-Effective-Resource-Economies.pdf>)

Like many who work in natural resource management, I am more interested in the practical side of things, and have avoided reading about policy. However, national and global resource policies have become so overwhelmingly important that I could avoid them no longer. So I began searching for a thoughtful, clearly written, and contemporary primer on resource policy, and I think I have found it.

The 9 Habits of Highly Effective Resource Economies: Lessons for Canada is a well-researched and well-illustrated look at successful resource policies in several countries, and how they apply to Canada. Riffing on Stephen Covey's influential book on the seven habits of highly successful people, the Canadian International Council (CIC) has upped it to nine and applied the concept to countries. In the comparisons, Canada does not fare too well. It lacks a national resource strategy and a sovereign wealth fund, its government and industry spending on research and development lag behind other countries, and it tends to export raw or partly processed natural resources. However, the book's overall outlook is positive, in that it makes a series of recommendations to make better use of our abundant petroleum, mineral, and forestry resources. First among the nine key recommendations is to create sovereign wealth funds, as Norway has done with their North Sea oil revenues. The authors state: "all levels of government in Canada with revenues from non-renewable resources should stop treating them as income to be spent and start treating them as capital to be saved or invested" (p. 5). Sounds like pretty good advice.

Another recommendation—a fairly obvious one—is to add, extract, or build more "value-added" into our natural resources. For that the authors recommend collaborative research involving government, academe, and industry. FPInnovations is singled out as one of the few such Canadian collaborative success stories.

One recommendation that surprised me is for Canada to not wait for the Americans to make the first move, but to forge ahead on our own with a federal, revenue-neutral carbon tax. This, the authors say, will give our businesses the incentive to develop the greener products and processes that are in demand in much of the rest of the world.



I was somewhat less comfortable with the recommendation to increase foreign investment in Canadian natural resource industries. A case can be made for expanded foreign investment leading to more R&D, more value-added processing, and greater competitiveness, but at the risk of losing control of our resources, and ending up as a branch-plant economy.

9 Habits is a well-researched, timely, and very readable primer on contemporary Canadian natural resource policy, in a global context.

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