

EVALUATING REGIONAL ECONOMIC DEVELOPMENT INITIATIVES: POLICY BACKGROUNDER

PROJECT OVERVIEW

Communities – especially smaller, rural and remote ones – have been actively searching for new paths to economic development in response to pressures created by changing economic conditions, the decline and restructuring of mature and traditional industries, out-migration and demographic shifts, and the introduction of new information and communication technologies. Contemporary academic and policy literature suggests the path to prosperity involves decentralized and collaborative regional development processes that engage a multitude of stakeholders and jurisdictions. However, many regions face significant barriers and challenges to collaboration and there remain open questions about how to best foster regional collaboration.

The *Evaluating Regional Economic Development Initiatives* (EREDI) project examined the organization, governance and structure of regional development initiatives in rural Ontario and other jurisdictions in North America. The goal of the study was to identify factors contributing to the success of regional development initiatives, as well as barriers, and challenges to participation in regional economic development initiatives and how they can be overcome.

Three research questions guided the project:

1. What is the capacity of rural municipalities to undertake economic development, individually or at the regional level?

2. What are the barriers, issues and challenges to participation in regional economic development initiatives and how can they be addressed?
3. How can governments and other actors effectively participate in and support regional economic development initiatives?

To address these questions, the study adopted a paired case study approach (Box 1). The EREDI project identified six pairs of regions, including eight regions in Canada and four regions in the United States, to investigate examples of collaborative regional development efforts. The paired case study regions included:

- Cape Breton Island, Nova Scotia and Vancouver Island, British Columbia;
- Four Counties, Ontario and North Country, New York;
- Greater Peterborough, Ontario and Northwestern Ontario;
- Windsor–Essex, Ontario and Niagara Region, Ontario;
- Okanagan Valley, British Columbia and Upstate California and;
- Tri-state TechBelt and the North Carolina Research Triangle.

Overall, the findings from the study are intended to inform economic development policymakers, program officers and practitioners about the roles that government and other partner organizations can play in fostering regional development initiatives, with the intent of improving prosperity and quality of life in communities, especially those in rural Ontario.

THEMES

Our research identified seven key themes related to collaboration and regional economic development.

1. The region's **history and identity** plays a critical role in shaping regional development and collaboration efforts;
2. The region's **urban-rural dynamics** can strongly influence the approach to regional development and collaboration;
3. The importance of accountable **governance and diverse structures** in shaping the strategic direction of regional development initiatives;
4. The role that **leaders and champions** play in creating support for regional economic development;
5. The importance of **relationship building** to the success and acceptance of regional development initiatives;
6. Financial and human **resources** can enable collaboration, yet their absence can also necessitate collaboration; and
7. Standardized quantitative **monitoring and measurement** tools are not common practice to assess regional activities and impacts.

BOX 1: RESEARCH DESIGN, DATA AND METHODS

This project adopted a paired case study research design that allowed for meaningful comparisons of regional development in different geographic and institutional contexts. Using three criteria, pairs of regions were selected. Regions had to 1) include at least three political jurisdictions; 2) have an urban-rural population mix; and 3) have an established economic development organization or initiative that was at least two years old. Cases were selected through a review of the literature and in consultation with the project funders and partners, including input from the Rural Ontario Institute (ROI), the Ontario Association of Community Futures Development Corporations (OACFDC) and staff in the Rural Development Branch of the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA). To ensure greater comparability between individual pairs of case study regions, additional criteria were used (e.g. similar industrial structures, geographic constraints). In-depth, semi-structured interviews were conducted with representatives from business, community and government organizations in the regions. The interviews explored: success factors, barriers and challenges to collaboration between organizations and communities, and strategies and instruments for the evaluation of outcomes. Interviews were conducted by telephone or face-to-face and were analyzed to draw out common themes. A total of 193 interviews with 185 organizations were completed for this project. See the EREDI project website (www.uwaterloo.ca/seed/EREDI) for more information.

LESSONS FOR POLICY AND PRACTICE

Our research offers important lessons for policymakers and practitioners engaged in developing and supporting collaborative regional economic development efforts. While in most cases our findings underscored strong and consistent themes, in some instances, there were divergent findings.

HISTORY & IDENTITY

A shared history, geography and strong regional identity positively influenced collaboration. Where there was an established history of acting as a region, collaboration for regional development was more readily accepted. Regional action did not always align with politically defined regions.

Lessons: Develop a culture of collaboration in and between urban and rural communities. Recognize that local/regional economies are not always bounded by traditional borders.

URBAN-RURAL DYNAMICS

Concerns were raised about power and resource imbalances between urban and rural jurisdictions within regions. Rural areas must be actively and consciously integrated into the collaborative process.

Lesson: Support the integration of rural areas where there are strong urban centres.

GOVERNANCE STRUCTURE

Any number of structures functioned well for regional

economic development organizations: formal or informal; for-profit, or not-for-profit; bottom-up, or top-down. Therefore, there is no 'best' model for regional economic development.

Boards of Directors, Executive Committees and other oversight structures ensured organizations were accountable for their activities.

Lessons: Structures need to be designed with regional context in mind. Support governance that is transparent and accountable using structures that accommodate multiple stakeholders.

LEADERSHIP

Leaders and champions were universally seen as important to driving collaboration forward, even in the presence or absence of committed stakeholders. Leaders emerged from the private, public and not-for-profit sectors.

Lesson: Identify organizational/regional champions that are passionate about an initiative.

RELATIONSHIP BUILDING

A negative attitude towards collaboration was viewed as one of the primary barriers to success. This was overcome by continuously fostering social and professional linkages and networks across the region.

Lesson: Support relationship building and networking between regional actors to widen reach of collaborative projects.

RESOURCES

Funding was viewed as essential to the success of regional initiatives. A lack of funding led to reduced capacity and impact. However, in some cases, this was the impetus for collaboration. Different models of funding access and allocation were used in the regions. Local decision making related to funding allocation appeared to yield stronger buy-in and results.

Lesson: Allow flexibility in funding programs so that resource allocation can be determined at the regional level.

Human resources were viewed as critical to the everyday functioning of regional organizations and initiatives. In some cases, staff turnover and volunteer burnout impeded the progress of regional development.

Lesson: Engage in capacity building.

MONITORING & MEASUREMENT

Various approaches to monitoring and measurement were used. These included organizational performance indicators, regional statistics, or qualitative measures. Qualitative, anecdotal evidence was more commonplace than statistical measures to capture organizational or regional success.

Lessons: Recognize that the measurement of outcomes is difficult. Qualitative and quantitative indicators are both valuable.

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FUNDING PROVIDED BY: ONTARIO MINISTRY OF AGRICULTURE, FOOD & RURAL AFFAIRS - UNIVERSITY OF GUELPH PARTNERSHIP

