

PAPERS IN CANADIAN ECONOMIC DEVELOPMENT

Volume 12

Editors

Paul Parker

Emanuel Carvalho



Economic Development Program University of Waterloo
200 University Avenue West
Waterloo, Ontario
N2G 3G1



Economic Developers Association of Canada
7 Innovation Drive
Flamborough, Ontario
L9H 7H9

PAPERS IN CANADIAN ECONOMIC DEVELOPMENT

Volume Twelve

Editors	- Paul Parker Co-Director Economic Development Program
	- Emanuel Carvalho Associate Professor Dept. of Economics
Editorial Assistant	- Sharon Jones
Text Formatting	- Sharon Jones - Denise Brenneman

ISSN 0833-1871

(c) Economic Development Program, University of Waterloo, and the Economic Developers Association of Canada, 2010.

Published by the Economic Development Program, University of Waterloo, in association with the Economic Developers Association of Canada.

Preface

Volume 12 of *Papers in Canadian Economic Development* includes selected policy analysis papers written by professional Economic Development Officers to complete the requirement for the Certified Economic Developer - Fellowship designation in 2009.

The opinions expressed in the papers included in Volume 12 of *Papers in Canadian Economic Development* are those of the individual authors, and do not necessarily represent those of their respective employers, the University of Waterloo, the Economic Developers Association of Canada, or the editors. Authors are, of course, responsible for the accuracy of statements made.

We would like to express our appreciation to all the people who participated in the production of this volume as well as the various contributors. Sharon Jones and Denise Brenneman handled formatting and proofreading. We would also like to emphasize that *Papers in Canadian Economic Development*, apart from some financial assistance received from the Economic Developers Association of Canada towards publication costs of Volume 1 (1987), is financially self-supporting. The editors wish to acknowledge the encouragement and support of the Economic Developers Association of Canada's Professional Development Committee and Board of Directors, and their endorsement of the *Papers in Canadian Economic Development* series for use by the professional economic development community in Canada.

Paul Parker and Emanuel Carvalho

TABLE OF CONTENTS

Preface

Table of Contents

Immigrant Settlement in Rural Nova Scotia: Impacting the Location Decisions of Newcomers 1
Margot Begin-Gillis

Economic Development Leadership: 4C's for Leadership Success 18
Cheri Kemp-Long

Is There a Best Practice? A Better Understanding of Local Economic Development in Rural Ontario 30
Andrew Redden

Key Factors in Developing Effective, Successful and Sustainable Business Incubators 58
John Regan

Delivery Models of Local Economic Development: An Analysis of Internal and External Models in Ontario 86
Stephen Thompson

About the Authors 114

IMMIGRANT SETTLEMENT IN RURAL NOVA SCOTIA: IMPACTING THE LOCATION DECISION OF NEWCOMERS

Margot Bégin-Gillis, Ec.D. (F)

INTRODUCTION

Most immigrants to Canada continue to settle in large gateway cities. More than 75% of all immigrants coming to Canada have traditionally settled in Toronto, Montreal, and Vancouver according to Citizenship and Immigration Canada (CIC) figures. The natural decline in population of small and rural centres across Canada has led to an interest in recent years in using immigration as a tool of economic development. This paper will focus on the immigrant attraction and retention efforts of the Colchester Region of Nova Scotia in its efforts to contribute to positive economic growth through the attraction of people, skills and investment and provide a qualitative analysis of their efforts to influence location decisions of immigrants.

While there remains some dispute over whether or not immigration or immigrant attraction can be effectively used as a tool of economic development, the research undertaken for this paper is based on the assumption that under the right conditions, it can. Increasingly, it can be an important tool of economic development for small and rural centres.

Existing research supports the theory that a wider dispersal of immigrants to small and rural centres could reduce the pressures imposed by aging populations, out-migration and skill shortages. Additionally, a more balanced geographic distribution of immigrant settlement could contribute to promoting multiculturalism in smaller centres and increase the political weight of rural Canada. (Card 2001; Reitz 2001; Citizenship and Immigration Canada 2001). In recognition of these potential opportunities, the Colchester Region incorporated immigrant attraction and retention into its overall strategy for economic growth and development in 2003.

Attracting immigrants is based on a region or community's ability to influence the location decisions of prospective immigrants. Location decisions are influenced primarily by three key factors: social connections (the presence of family or friends); employment or business prospects; and pre-migration perceptions in influencing location decisions. The Colchester Region approach posited that certain of these factors could be influenced to the benefit of the region's overall economic development through direct intervention. While clearly, it is not possible to impact the pre-existence of family in a given area, the Colchester approach is based on the view that social connections and friendships could be actively facilitated through active social networking. Pre-

migration perception could be influenced by effective marketing and communications and while the availability of employment and business opportunities could not be directly influenced, access to information about those opportunities could be enhanced.

Recent migrants to Colchester were surveyed to gauge the impact of this direct intervention on their decision to locate in the region. The qualitative data gathered suggests that this intervention had a significant impact on the location choices of many immigrants. The data further suggests that small and rural centres throughout Canada may be able to employ similar techniques to influence geographic dispersion of immigrants and to positively impact economic development through the attraction of people, skills and investment.

BACKGROUND

The county of Colchester is located in the central Northern region of Nova Scotia. The population of the region is 51,000 with the greatest concentration of people (11, 500) located in the Truro area. Colchester's key economic sectors are light manufacturing, agriculture, and transportation and distribution (Table 1). There are large public sector employers in health care and education. It is home to two public and two private post-secondary educational institutions.

Truro is considered to be 'metro-adjacent' due to its proximity to Halifax (approximately 100 kms away). Average home prices in Colchester are approximately \$170,000. This is below the Nova Scotian average of \$206,668 and well below the average for Canada's major cities which represent key immigrant destinations.

The diversified economy of Nova Scotia and of the Colchester region in particular has cushioned the impact of the recent recession. While some participants in the local manufacturing sector (particularly those who export heavily to the US) have experienced decline in 2008-2009, others have continued to expand and have been able to absorb the surplus labour.

Colchester has experienced a larger than average increase in immigration during the past census period (2001-2006) and much of this increase has been attributed to attraction and retention efforts at the community level. (Chronicle Herald, June 2008) Colchester is home to immigrants from more than 40 countries around the world, yet immigrants from any one country of origin are not present in sufficient numbers to constitute an 'ethnic community' in the usual sense. The Korean 'community', for example, currently consists of two families. The largest ethnic cohorts are from Lebanon, Iran and the UK.

TABLE 1
EMPLOYMENT STATISTICS FOR THE COLCHESTER REGION

Characteristics	Colchester County			Nova Scotia		
	Total	Male	Female	Total	Male	Female
Industry						
Total Experienced labour force	25,160	13,245	11,915	468,590	242,580	226,005
Agriculture and other resource-based industries	1,460	1,135	325	27,400	22,180	5,220
Construction industries	1,685	1,510	165	29,965	27,200	2,765
Manufacturing industries	3,575	2,310	1,270	41,710	30,090	11,620
Wholesale trade	1,470	1,120	345	16,440	11,545	4,895
Retail trade	3,285	1,455	1,825	58,565	24,400	34,165
Finance and real estate	740	340	400	21,355	8,680	12,675
Health care and social services	2,365	340	2,025	54,695	9,460	45,235
Educational services	1,875	670	1,205	34,690	11,635	23,055
Business services	3,905	2,265	1,645	80,930	47,340	33,585
Other services	4,790	2,085	2,705	102,840	50,045	52,795
Occupation						
Total Experienced labour force	25,160	13,245	11,915	468,590	242,580	226,005
Management occupations	2,015	1,200	810	41,700	25,430	16,270
Business, finance and administration	3,835	1,055	2,775	79,440	21,210	58,230
Natural and applied sciences and related occupations	885	725	160	25,025	19,975	5,050
Health occupations	1,360	215	1,145	31,120	5,570	25,555
Social science, education, government services, religion	2,000	675	1,325	39,350	13,170	26,180
Art, culture, recreation, sport	405	130	275	12,740	5,440	7,300
Sales and service occupations	6,525	2,445	4,080	122,870	49,815	73,050
Trades, transport and equipment operators and related occupations	4,835	4,555	285	69,965	66,445	3,525
Occupations unique to primary industry	1,320	1,075	245	24,490	20,805	3,685
Occupations unique to processing, manufacturing and utilities	1,975	1,165	810	21,890	14,720	7,170

Source: Statistics Canada, 2006

As a smaller centre, it lacks some of the settlement infrastructure seen in larger urban centres such as language training centres and exclusively immigrant serving agencies such as the Metropolitan Immigrant Settlement Agency located in Halifax. Settlement services are typically provided through existing service providers and volunteers which are coordinated through the Colchester Regional Development Agency. There is 'buy-in' at the local and municipal level supporting the attraction of immigrants to the area. Immigrant attraction and settlement support is a core function of the Colchester Regional Development Agency and this activity is funded equally by federal, provincial and municipal partners.

RESEARCH METHODOLOGY

Twenty-six semi-structured key informant interviews were conducted with immigrant clients of the Colchester Regional Development Agency. The study group was a nonprobabilistic purposive sampling of existing clients who had made the decision to attempt a move to the Colchester Region. When contacted, the immigrants were at various stages of the immigration process. They had applied under a variety of immigration streams and came from ten different countries of origin. Of the twenty-six, nine had completed the immigration process and permanently settled in the region. Three had decided not to move to the Colchester area and the remaining fourteen were in the process of relocating to the Colchester region.

The interviews focused on the factors that influenced their decision to locate (or not) to the Colchester region and the role of particular groups/agencies in assisting or initiating immigration.

The respondents ranged in age from 27 to 48 years and came from the following countries of origin listed (Table 2).

FINDINGS

EMPLOYMENT / BUSINESS OPPORTUNITIES

While the ability to earn a living remains a key consideration for almost all respondents, there was a strong demonstration of flexibility in terms of the type or location of employment.

Q: How important is it that you are able to connect with employment or a business opportunity?

TABLE 2
ORIGIN COUNTRIES OF COLCHESTER SURVEY RESPONDENTS

Country of Origin	Number of Respondents
United Kingdom	16
United States	2
Netherlands	1
Korea	1
Ukraine	1
Mexico	1
Israel	1
India	1
France	1
Honduras	1

A: Although there might not be a lot of job openings in this exact field of work, there are regularly job openings for IT-business analysts in the region to which my husband could apply.

(Immigrant from Netherlands, August 2009)

A: Companies in my industry are currently undergoing province-wide expansion and re-structuring, so there is a strong possibility of vacancies in the very near future. If I wasn't able to get a job in Truro, I would consider commuting from Colchester County to Halifax if I were offered employment in the Halifax area. I would prefer to live in Colchester even if I was employed somewhere else.

(Immigrant from Mexico, July 2009)

A: I am a fully qualified and very experienced chef/catering manager. I have been in the industry for the past 17 years. I have worked my way up the career ladder which gives me a greater advantage within the catering industry as I have experience within every aspect, from pot washer to executive chef. In the winter months when my work load is reduced I often volunteer my services to local schools demonstrating how to cook various healthy dishes to the children and their parents. I would be willing to look at any and all opportunities relating to my skills in order to successfully establish myself in the region. (Immigrant from UK, January 2009)

LIFESTYLE /SAFETY/SECURITY

While the ability to connect with employment or business opportunities was cited as a key factor for most respondents, four of the respondents indicated that they would work outside of their current career path in order to establish themselves in the community and provide a better life for their families.

Q: What factors influenced your decision to locate in Colchester?

A: I want something better for my children. People are so friendly here and helpful. I want my children to be able to go to a good school, to play outside and be involved in activities that they wouldn't have access to at home. I'm happy to work at Wal-Mart. I'll do whatever it takes.

(Immigrant from UK, June 2009)

A: There is a relaxed and laid back feel with an emphasis on family life and community spirit which is very important to us. We will be able to purchase a well sized property with a garden. The schooling system is of a high standard along with the health care system. We feel as a family that we are making the right decision in moving to Nova Scotia and feel that our children will be safer with lots of opportunities in the future. (Immigrant from UK, January 2009)

A: In the future when we have settled down we would like to have children. For us this is one of the reasons why we started thinking about migration, as we do not want to raise our children in the Netherlands. We think that a rural area, like Colchester, is a very good place to raise children. We also heard about the good quality of education that is available in Nova Scotia.

(Immigrant from Netherlands, August 2009)

A: We wish to be in a place where there is a stronger sense of community, and with a tranquility that comes from a slower pace of life. Mexico has very little organised charity, a very restricted ethos of voluntary service and a very inward-looking, family focused view of one's place in the community. Whilst the focus on one's family is not a bad thing, it excludes much else that may be of greater mutual benefit.

(Immigrant from Mexico, July 2009)

HOUSING / LAND AVAILABILITY

Q: What factors influenced your decision to locate in Colchester?

A: My long term aim is to purchase farm land and to engage in sustainable, organic crop and livestock farming. Nova Scotia offers the unique opportunity to pursue my career in finance while providing me with access to affordable

tracts of arable land within short distances of urban amenities. Land scarcity and real estate prices in the UK would make this type of venture impossible for someone in my position. (Immigrant from UK, May 2008)

A: Housing is affordable here. We have a beautiful home, but we aren't under the same pressures we would be at home to earn enough to maintain our lifestyle. I earn less than I did in my previous job, but I have more time for my family and am still able to make ends meet. (Immigrant from UK, May 2009)

SOCIAL CONNECTIONS

Only three of the respondents had family connections in the region. One respondent had made friends while vacationing in another country. Respondents tended to speak more about their overall impressions of the level of friendliness and the degree to which they felt welcomed than about specific pre-existing connections to the region.

Q: Did social connections influence your decision to locate in the Colchester region?

A: Yes, my sister lives here. I visited four years ago and wanted to move here ever since. (Immigrant from Ukraine, August 2009)

A: No. We were introduced to some people during our first visit who have become friends, but it had more to do with the help and support we received through the immigration process. We would not have moved here if it were not for Margot and the staff at CoRDA. (Immigrant from UK, May 2008)

A: We met a group of Canadians while vacationing in Cuba. We came over to visit them and fell in love with the place. (Immigrant from UK, July 2009)

SETTLEMENT SUPPORT

Settlement support programs were not specifically cited as a key factor in influencing the location decisions of the respondents. Many of the respondents were English speaking and required very little in terms of the traditional forms of settlement support. Those that did require language training, for example, tended to be the respondents who had family in the area. In those instances, their location decision had more to do with the presence of family than of their knowledge of existing settlement support programs.

Q: How did the availability (or lack thereof) of settlement support initiatives influence your decision to locate in the Colchester region?

A: We knew very little about what was here when we came. We talked to CoRDA and they were so helpful. They helped us to find a job and my husband takes English classes now.

(Immigrant from Ukraine, August 2009)

A: I initially came to this area on a work permit. It wasn't until I spoke with Margot at CoRDA that I realized that it might be possible for us to immigrate permanently. My partner will require ESL, but it was more important that we find somewhere that was willing to accept us.

(Immigrant from US, November 2008)

SUPPORT THROUGH THE IMMIGRATION PROCESS

This was cited as a key factor of influence for all respondents. Even respondents who had chosen not to locate in the Colchester region acknowledged the importance of having someone to answer questions and to provide support through the often stressful application process. Many also cited the importance of personal intervention in connecting with employment and in establishing social ties. The most significant finding with respect to this factor of influence and the one that follows, '*Access to Information*,' was that many of the respondents would not have located in the Colchester region without it.

Q: How did support through the immigration process influence your decision to locate in Colchester?

A: The major thing was having your support. It's hard when dealing with embassy officials, because you can't speak to them directly. You're left wondering. It was great to have you on the other end of a phone to talk things through. It alleviated a lot of the stress.

(Immigrant from the UK, May 2008)

A: We didn't know where to start. CoRDA helped us to find a job and they made us feel welcome. Without CoRDA, I think we would have had many more problems. (Immigrant from Ukraine, August 2009)

A: After moving here from the UK, it seems to me that people in Colchester work together. They make progress. They're people oriented. CoRDA was instrumental in helping me discover that.

(Immigrant from UK, May 2008)

A: We couldn't have got this far without you so THANKS!
(Immigrant from UK, January 2009)

A: It's quite difficult to learn about a new community from far away. We would never have completed such a thorough investigation into Truro on our own. Without your help I doubt we would have come to the decision that Truro is right for us. We did like Halifax, but our last couple of days there showed us that it wasn't really our ideal location. Meeting school officials and seeing inside some of the homes that were for sale helped show the children and us what Truro had to offer.
(Immigrant from UK, March 2008)

A: We have to thank you so much for all the help, advice and time you gave to us during our exploratory visit. It wasn't expected, so thanks very much indeed. It was a great help and knowing there is help on hand when needed is a great comfort.
(Immigrant from UK, May 2008)

ACCESS TO INFORMATION

Q: How did access to information influence your decision to locate in the Colchester region?

A: We can't thank you enough for taking the time to speak to us and subsequently supporting our application. We never would've been able to do this if we hadn't learned about the Community Identified Stream through you.
(Immigrant from UK, Jan 2009)

A: I would never have even considered Colchester if I had not met you at the immigration fair at Sandown. I was originally planning to move to Toronto or Vancouver and had never really considered Nova Scotia. Through your help I was able to learn about business opportunities and make some friends. This is a much better fit for me. (Immigrant from UK, May 2008)

A: We were so depressed when we first met you. We thought that we had no hope of moving to Canada. Other people had told us that Canada didn't need people with our qualifications. It was like a breath of fresh air to learn that Nova Scotia had opportunities for us. It never would've been possible without your help. (Immigrant from UK, March 2008)

A: When we learned that we didn't qualify under the Federal Skilled Worker Stream we were so disappointed. We were ready to give up when we met you at Utrecht. You explained the Nominee Program and it was perfect for us. We can't wait to start our new life in Colchester. (Immigrant from Netherlands, August 2009)

A: We had visited Vancouver and Calgary and we knew that wasn't for us. We would have never considered Nova Scotia if we had not met you and learned about all it has to offer. When we visited, the people were so friendly and welcoming. We knew this was for us. (Immigrant from Honduras, August 2009)

A: Never underestimate the importance of the support and friendly advice that you provide. Without it, we would not have considered the Colchester region and I am sure many others feel the same. (Immigrant from UK, July 2009)

OTHER FACTORS OF INFLUENCE

There was some indication that geographic affinity and proximity to a larger urban centre played a role in the location decision of respondents, "I wouldn't live somewhere that didn't have hills." (Immigrant from UK, March 2009). Typically, however, these factors were of lesser importance. The respondents would not have based their location decision on geography alone. If employment and support through the immigration process were not present, for example, a geographic affinity would not have been sufficient to prompt any one of the respondents to choose to locate in Colchester.

ANALYSIS

Existing research on the location choices of immigrants to Canada clearly identifies the existence of family or friends as one of the most important factors influencing immigrants in their choice of settlement location (Longitudinal Survey on Immigrants to Canada 2003). Various data suggest that between 44% and 59% of immigrants cite proximity to family or friends as the most important factor of influence. The availability of employment or business opportunities is the next most important factor of influence. After that, the factors vary.

Teo (2003) describes how perceptions of destination play a role in shaping migration patterns. The pre-migration transfer of information to immigrants prior to their arrival in Canada also has an influence on location decisions. (Mahler 1995; Abu-Laban et al. 1999; Teo 2003). Destinations that are well known to prospective immigrants (such as Toronto, Montreal, and Vancouver) receive the greatest number of immigrants. Immigrants move to places they know. (Bauder and DiBiase 2005)

There have been numerous examples of cities and regions that have been able to implement successful marketing and communication strategies and influence the pre-migration perceptions about their communities and lifestyles. The Colchester strategy was based on the tenet that, 'if people move to places they know, increasing their knowledge of the Colchester region will positively

impact our ability to attract immigrants.’ Multiple authors have cited the importance of this access to general information from both an attraction and retention perspective. (Abu-Laban et al. 1999; Hrovat, Gambrah and Barbour 2004) Access to this information can be enhanced through internet and direct marketing outreach programs. To that end, representatives of the region have been participating in a variety of overseas immigrant attraction fairs for the past four years.

It stands to reason that if location decisions of immigrants are linked to their perception of places before their departure, (Bauder and Di Biase 2005) then those decisions can be influenced by providing information of the anticipated future benefits of a given location.

Community case studies on immigration to rural Manitoba revealed that personal ties and connection to a ‘human face’ can also increase the likelihood of immigration. Though immigrants will continue to settle in rural areas in small numbers, a carefully planned and strategic intervention has the potential to impact immigration flows and settlement patterns. (Silvius 2005) These findings have been borne out in the Colchester experience. Census data reveals an increase in immigration to the region that coincides with the development and implementation of an active immigrant attraction and retention program.

While major urban centres continue to attract the most immigrants, it is not always for the reasons that one might assume. Successful attraction and retention is linked to the existing social and economic context of a region, but it is not necessarily determined by the size of the community. (Walton-Roberts 2005) Immigrants do not choose Toronto simply because it is bigger or because it is a large urban centre, for example. Setting aside those migrants who base their location decision purely on the basis of the presence of family or social connections, it is useful to consider some of the other factors at play. While urban living may appeal to some prospective migrants and some may choose a more densely populated area because of the perception that it will offer expanded employment opportunities, many immigrants choose Toronto simply because that is all they know of Canada. The experience of rural Manitoba and now of rural Nova Scotia is showing that in situations where prospective immigrants are provided with more information and provided with more choices, they often choose differently.

Earlier discussions of the regionalization of immigration have focused on such factors as critical mass, linguistic enclaves, familial ties and educational, cultural and economic opportunities as the key determining factors influencing immigrant settlement / location choice. (Metropolis 2003) While these factors may be important for some, current evidence in the Colchester region suggests that they are less important for others. Immigration is continuing to increase

despite the lack of critical mass, linguistic enclaves and in many cases, familial ties. This suggests that there are other factors at work.

In 2002, the then Deputy Minister of Citizenship and Immigration Canada made the assertion that the capacity existed to deliver effective immigrant attraction and retention programs through multi-jurisdictional partnerships with federal, provincial, and territorial governments, as well as the non-governmental sector.

A multi-sectoral capacity assists newcomers through a settlement continuum that begins with information to immigrants overseas, through orientation and adaptation services in Canada to the acquisition of citizenship. (Dorais 2002)

This type of multi-jurisdictional partnership exists on a small scale in the Colchester region. It relies heavily on the existence of a Provincial Nominee Program through which regional development authorities are mandated to deliver certain aspects of the immigration program in partnership with the provincial government. A significant challenge has been that very little public funding exists to provide local settlement services and there are no public funding programs to support the attraction and marketing efforts needed to influence location decisions through outreach and or direct marketing efforts.

Though the findings suggest that the existence of settlement services may not significantly impact location decisions, their absence will most certainly impact retention. Consider, for example, the impact on a newcomer who requires language training, but is unable to access that service. It is likely that this would impact that newcomer's ability to successfully connect with employment. Without a means to generate income, the retention of that newcomer in a community would be unlikely.

Colchester survey respondents were not specifically asked about the factors that influence retention due to the fact that many had only recently settled in the area, but it stands to reason that the ability of a community to retain immigrants over the long term is as important as its ability to attract them. In the context of economic development, a successful immigrant attraction strategy implies the ability to retain the skills and investment that immigrants bring over the long term.

In 2005, the National Working Group on Small Centre Strategies released "Attracting & Retaining Immigrants: A Tool Box of Ideas for Smaller Centres". Colchester's immigrant attraction and retention strategy was, in fact, based on early drafts of this document that focused on the importance of creating a 'welcoming community'. In this context, a 'welcoming community' is defined as one that is not only ready to receive newcomers, but one that also has the programs, services, facilities and employment in place to help them become part of the community. The current version of the Tool Box document describes a

welcoming community as one that respects diversity, has accessible public services, has a range of educational opportunities, promotes health and wellness for all, is safe, invites newcomers to share leisure-time activities, and acknowledges faith and spirituality. (National Working Group on Small Centre Strategies 2007).

The challenge for smaller centres is that they often lack the resources, both human and financial to systematically address these welcoming community priorities. They are unlikely to be able to provide the range of settlement and integration supports offered by immigrant-serving agencies and settlement organizations in larger urban centres. Historically, access to funding for these types of activities has been limited. Federal funding through Citizenship and Immigration Canada for programs that help connect newcomers to the community (Host Program) and provide language instruction (LINC Programs) are based on a rolling average of total immigration to a given province in previous years. As a result, this figure lags any increases in immigrant attraction, creating a strain on immigrant serving agencies when immigrant numbers rise. Funding is also most often concentrated solely in urban centres where immigrant concentration is greatest.

Nova Scotia's "Framework for Immigration" prepared in 2004 listed five provincial priorities to support the development of welcoming communities that focused on embracing diversity, awareness and education. To date, however, there has not been a coordinated provincial effort to advance these priorities. Limited, project-based funding has been made available to individual regions on an intermittent basis. Assuming that the Nova Scotian experience is not atypical of the rest of Canada, small and rural centres will not be able to rely wholly on outside funding or resources to advance their immigrant attraction and retention aims.

Recognizing these challenges, retention efforts in Colchester rely heavily on volunteers. Beginning in 2003, a grassroots approach was adopted that recognized the need for sustainability within an environment of limited resources. Colchester sought to develop an approach to becoming a welcoming community (and thereby supporting immigrant retention) that could be replicated in other small centres with similar resource limitations.

The overall approach has been based on the goal of expanding the capacity of existing programs and service providers rather than creating new (and potentially less sustainable ones).

The connection to employment or economic opportunity is both a factor of attraction and of retention over the long term. While larger centres may have employment search resources housed specifically in immigrant-serving agencies, for example, efforts in Colchester have focused on partnering with

existing employment and career resource agencies to expand their existing mandates to include immigrants. These organizations already possess expertise in job-search skills that are relevant to Canadian-born job seekers and immigrants alike. An example of one way in which the capacity of these organizations has been expanded is the creation of a roster of volunteer interpreters. The roster is maintained by the regional development agency who then partners with the relevant employment support organization to connect with interpreters as required. This enables the employment support organization to provide services in a variety of languages at no extra cost.

Colchester has also taken advantage of existing programs such as the International Day for the Elimination of Racism and Canadian Multiculturalism Day to leverage resources that support diversity awareness activities. Ongoing educational and awareness activities that promote inclusion and celebration of diversity are an essential part of readying a community to become more welcoming and supportive of immigrant attraction efforts.

Currently in Colchester the largest number of immigrants is arriving from English-speaking countries such as the UK and US. These immigrants are typically not visible minorities and integration is aided by the existing similarities in culture. From an economic development perspective, these immigrants represent the 'easiest win' for a small rural centre. They bring skills and investment and help to mitigate the impacts of both an aging population and out-migration. Their settlement needs are minimal and their integration requires less of a cultural shift on the part of the host community than might be the case for a visible minority.

The work of Dr. Richard Florida and others suggests that communities hoping to attract innovation and the *creative class* will need to move beyond the 'easy wins' to attract and retain a broad range of cultures and ethnicities. (Florida 2002) Small and rural centres hoping to attract these immigrants must recognize that they will need to expand their welcoming community initiatives and settlement support programs accordingly.

CONCLUSION

The analysis of recent immigration trends in rural Manitoba, together with the qualitative analysis of recent immigration to the Colchester region, supports the theory that location decisions of prospective immigrants can be influenced for the benefit of small and rural centres. (This assertion pre-supposes that the small or rural centre views immigration as a positive influence on their ability to meet their economic growth and development goals).

Small and rural centres who seek to attract immigrants must ensure that they have adequate settlement and employment support as well as access to ESL when required. A commitment must exist at the municipal or regional level to ensure that these basic settlement support programs exist. There must also be an allocation of resources for the provision of or access to information and support through the immigration process. Without this, immigration to small and rural centres will continue to occur, but it will be on a much smaller scale.

Prospective immigrants to Canada will sometimes make their location decision based on the availability of assistance that allows them to successfully navigate the immigration system. Smaller centres that are able to provide accurate information and guidance about immigration programs and process increase their chances of attracting newcomers to their area.

Prospective immigrants make location choices based on pre-existing perceptions of a place. Immigrants are typically unwilling to move to places they know nothing about. Providing accurate and accessible information about a location and its associated benefits will positively impact the attraction of migrants to that area.

Location choices are still predominantly made based on the presence of social connections. Allocating resources to a support person or organization to act as a 'friendly face' and knowledgeable point of contact when inquiries arise will increase the ability to influence location decisions.

While there is little that a small or rural centre can do to influence the availability of employment, the provision of accurate and timely information about employment options and / or business opportunities can positively influence location decisions.

Those small and rural centres where employment and / or business opportunities exist who are committed to allocating at least some resources toward the provision of support and information can impact the location decisions of prospective immigrants.

Despite the small sample size and relatively short duration of immigrant attraction efforts in Colchester, the Colchester experience supports the theory that by targeting attraction (information and support) efforts to meet existing labour market needs and by working to be a welcoming community, small and rural centres can look to immigrant attraction as an effective tool of economic development.

REFERENCES

- Abu-Laban, B. et al. (1999) "The Settlement Experiences of Refugees in Alberta. A study prepared for Citizenship and Immigration Canada, Volumes 1, 2 and 3.
- Aydemir, Abdurrahman. (2003) "Effects of Selection Criteria and Economic Opportunities on the Characteristics of Immigrants." Analytical Studies Branch Research Paper 182 (Ottawa: Statistics Canada).
- Bauder, H. 2003. "Newcomers: Get rich, go rural." *The Globe and Mail*, Sept. 2, 2003.
- Beshiri, Roland. (2004) "Immigrants in Rural Canada: 2001 Update" *Rural and Small Town Canada Analysis Bulletin*, Vol. 5, No.4 (Ottawa: Statistics Canada, Catalogue no. 21-006-XIE).
- Beshiri, Roland and Emily Alfred. (2002) "Immigrants in Rural Canada: 2001 Update" *Rural and Small Town Canada Analysis Bulletin*, Vol. 4, No.2 (Ottawa: Statistics Canada, Catalogue no. 21-006-XIE).
- Bollman, R.D. ed. 2002. "Immigrants In Rural Canada" *Rural and Small Town Canada Analysis Bulletin*, Vol. 4, No. 2 (Ottawa: Statistics Canada, Catalogue no. 21-006-XIE).
- Bruce, David. (2007) "The Challenges of Immigration as a Rural Repopulation Strategy in Maritime Canada." In Bill Reimer (ed.) *Our Diverse Cities* No. 3 (Summer), pp. 90-96.
- Citizenship and Immigration Canada. (2001) "Towards a more balanced geographic distribution of immigrants." Minister of Public Works and Government Services Canada, ISBN 0-662-31552-9.
- Clemenson, Heather A. and J. Roger Pitblado. (2007) "Recent Trends in Rural Urban Migration." In Bill Reimer (ed.) *Our Diverse Cities* No. 3 (Summer), pp 25-29.
- Fontana, Joe. (2003) "Feeling at Home: Settlement and Integration – A Sense of Belonging" *Report of the Standing Committee on Citizenship and Immigration*.
- Florida, Richard. (2002) "The Rise of the Creative Class. And How it's Transforming Work, Leisure and Everyday Life." Basic Books.
- Green, A., and D. Green. (1996) "The Economic Goals of Canada's Immigration Policy, Past Present." Working paper # 96-04, Vancouver, RIIM.

Hou, Feng. (2005) "The Initial Destinations and Redistribution of Canada's major Immigrant Groups: Changes over the Past Two Decades" Statistics Canada 11F00119MIF, No. 255.

Krauss, C. "Canada lures immigrants to restock rural areas." Chicago Tribune, p.6, 2 Oct. 2002.

Mahler, S.J. (1995) "American dreaming: Immigrant life in the margins." Princeton, N.J: Princeton University Press.

Metropolitan Immigrant Settlement Association "Immigrants: A World of Experience" December 8, 2003.

National Working Group on Small Centre Strategies (2007) "Attracting & Retaining Immigrants: A Tool Box of Ideas for Smaller Centres".

Nova Scotia Office of Immigration. "A Framework for Immigration" Discussion paper, August 2004.

Silvius, Ray. (2005) "Issues in Rural Immigration: Lessons, Challenges and Responses" *Manitoba Rural Immigration Community Case Studies*, (Brandon: Rural Development Institute).

Soroka, Stuart, Richard Johnston and Keith Banting. (2007) "Ties that Bind? Social Cohesion and Diversity in Canada" *Belonging? Diversity, Recognition and Shared Citizenship in Canada*, (Montreal: Institute for Research on Public Policy).

Statistics Canada. (2003) Longitudinal survey of Immigrants to Canada, Catalogue #89-611-XIE.

Teo, S.Y. (2003) "Imagining Canada: The cultural logics of migration amongst PRC immigrants." Working Paper # 03-16, Vancouver, RIIM.

Walton-Roberts, M. (2004) "Regional Immigration and Dispersal: Lessons from small and medium-sized urban centres in British Columbia." Working paper# 04-03, Vancouver, RIIM.

ECONOMIC DEVELOPMENT LEADERSHIP: 4 Cs FOR LEADERSHIP SUCCESS

Cheri Kemp-Long, Ec.D. (F)

Economic development leadership is required at all levels of government-municipal, territorial and federal- to establish a sustainable economy. In Nunavut all communities are remote from the others - each in its own separate, yet connected, location with little 'relationship' with any others. There is a stated focus on community based and community driven economic development, yet very little understanding of what that really means. What is required for it to happen? How can cooperation and collaboration across levels of government assist? How would developments generate new wealth for Nunavut and Nunavummiut? It is argued in this paper that there is a need for the leadership at the three levels of government in Nunavut to understand their role in economic development and address through policy and process, the means to develop and implement action. In the context of this paper – leadership is defined as the ability to understand, analyze, direct and act in a manner appropriate to encourage, entice and invigorate others to follow.

BACKGROUND

The Nunavut Territory was officially created on April 1, 1999 as a result of Article 4 of the Nunavut Land Claim Agreement (NLCA) signed on July 9th, 1993. The NLCA is an agreement signed by the Government of Canada, the Government of the Northwest Territories (GNWT) and the Inuit of the Nunavut area, as represented by the Tunngavik Federation of Nunavut (TFN) after more than 30 years of negotiation. Article 4 of the Agreement called for a separate Territory to be established along the boundaries of the NLCA. A Capital was chosen by the residents of Nunavut through a plebiscite and the first Members of the Legislative Assembly (MLAs) for Nunavut were elected in February of 1999 to sit at the 1st session on April 1st.

Although the new Government of Nunavut had their administrative structure initiated by the Office of the Interim Commissioner (OIC) appointed by the Government of Canada, it had been outlined by two documents, Footprints in New Snow I and II. The underlying premise of the structure was to ensure that the people of Nunavut, especially the Inuit beneficiaries of the NLCA would receive maximum benefit from the creation of the Territory. A decentralized approach to the administration of the Government of Nunavut would establish headquarter functions in the ten largest communities (decentralized) and then work to ensure that the other 15 non-decentralized communities would benefit from other specific initiatives. The OIC dissolved in the summer of 1999 once the Government of Nunavut took on their role after April 1st. The ten largest

communities are Pond Inlet, Igloolik, Pangnirtung, Cape Dorset, Rankin Inlet, Arviat, Baker Lake, Gjoa Haven, Cambridge Bay and Kugluktuk, plus Iqaluit as Capital.

FIGURE 1
NUNAVUT REGIONAL MAP



Source: First Air, 2009, http://www.firstair.ca/index_en.html

The Inuit beneficiaries of the NLCA would also continue to receive benefits through Nunavut Tunngavik Inc, an entity created from the TFN once their responsibility for the negotiations of the NLCA were completed. Nunavut is such a large area – almost two million square kilometers or 1/5 of Canada – and has such diverse landscapes, wildlife and climates, and ranges across three timezones, Eastern, Central and Mountain, that functional regions have long since been established. The largest region is the Qikiqtani or Baffin on the eastern coast, north of Quebec and Ontario including 13 communities from as far south as Sanikilluaq in Hudson Bay to Grise Fiord on Ellesmere Island in the north. The central region is the Kivalliq or Keewatin on the west coast of Hudson Bay with six communities north of Manitoba. The western region of Nunavut is the Kitikmeot which is comprised of five communities along the Arctic Coast, Victoria Island and King William Island, north of NWT, Saskatchewan and Alberta. The 25 communities that house the 30,000 Nunavut residents are accessible only by air year round, and by sea during a short open water season; there are no roads to or within Nunavut, ranging across three timezones: Eastern, Central and Mountain. For both Government of Nunavut and Nunavut Tunngavik Inc representation and servicing there are regional offices established.

The Inuit of Canada, although aboriginal people, are not First Nations peoples and are therefore not included under the Indian Act. They do have a ‘package’ of benefits as aboriginal peoples, however they pay taxes like other Canadians and they live in communities that are municipal corporations rather than ‘reserves’. The funds for the capital infrastructure, services and operations of those municipal corporations come as transfers from the Government of Nunavut (GN) within the transfer of dollars provided to the GN by the Government of Canada. Only one community in Nunavut charges taxes to its residents to cover a portion of its infrastructure, administrative and service delivery costs – the City of Iqaluit.

Within the financial settlement included as a component of the NLCA, funds were set aside by NTI to assist in the economic development of the Territory. Funding programs include assistance by way of grants, contributions and loans for business start-up and expansion, for artists, and to support training and post secondary education for their beneficiaries. The funds are provided to the three regional Inuit associations (RIAs) under NTI – one in each of the Kitikmeot, Kivalliq and Qikiqtani regions. In addition to the programs and dollars handled through each regional group – NTI also established the Atuqtuarvik Corporation which provides loans of significant size to Inuit owned business developments. The federal government under Indian and Northern Affairs Canada (INAC) has a suite of programs to assist aboriginal Canadians and aboriginal communities to develop their economies. In Nunavut, the program is administered through an arrangement with the same three RIAs on behalf of the ‘aboriginal communities’ in their respective regions. INAC has one office in Nunavut responsible for

managing the department's range of programs for both aboriginal and non-aboriginal northerners. The office is located in Iqaluit.

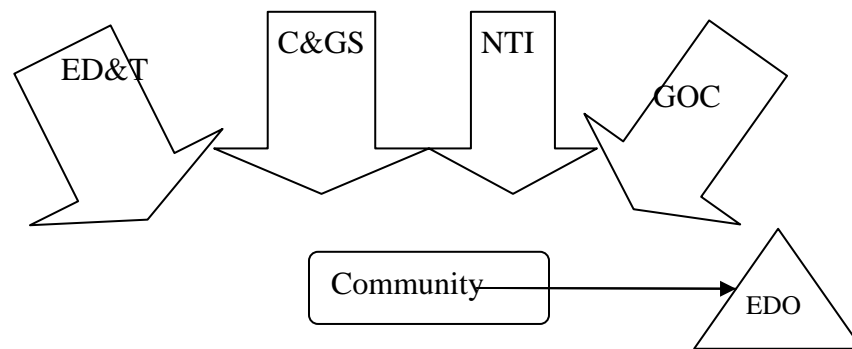
There are a number of Institutes of Public Government also established as a component of the NLCA, one of which is the Nunavut Impact Review Board (NIRB). NIRB has the mandate for review of major development plans to consider the impacts on the beneficiaries of the land claim and then make recommendation to the INAC Minister on the issuance of a permit for the land use and the development. There is limited participation by the communities in this process as although the communities provide all services to the residents, and thus the beneficiary residents, they are not required to be engaged in the consultation/review process. Additionally, under the NLCA all developments are required to negotiate an Inuit Impact and Benefits Agreement with each regional beneficiary group where they plan to operate – the focus of which is jobs, training, and compensation for any negative impact on water, land or wildlife in the area. Communities are not part of the IIBA considerations, so impacts on the ability of a community to deliver appropriate services to residents impacted by the development are not compensated through that process.

In establishing the processes for day to day operational functions of the Government of Nunavut, many systems were adopted from those in place within the Government of the NWT (GNWT) at the time of division. One of those functions was the provision of community economic development services – or an economic development officer (EDO). In 1994, prior to the creation of Nunavut, the GNWT had initiated the transfer of community economic development functions from the territorial government to the municipal corporations. Each community was transferred the responsibility and an allocation of funds to manage their own EDO and local activities. The decision was made based on a response to an expressed interest from communities to have more say in what the GNWT did in their communities – the decision wasn't widely accepted in that frame of reference, some perceived it as 'off loading' rather than transferring. The GN completed the process in Nunavut and issued a contribution agreement annually for the delivery of the community economic development officer functions to each of Nunavut's 25 communities.

The result of the structure outlined above is shown in Figure 2 – the GN Department of Economic Development and Transportation (ED&T) provides a contribution agreement to the community to hire an EDO to deliver government economic development programs on their behalf, and for some economic development planning and implementation at the community level. The GN Department of Community and Government Services (C&GS) provides funds for the community to plan, administer, and deliver municipal services for the residents; many communities also are funded for a Lands Officer. NTI through

the RIAs and their economic development organizations offers a range of business development programs for beneficiaries to access and has a contact person in each community for liaison between the organizations and the individuals. INAC and Human Resource and Service Development Canada (HRSDC) provide funds for the regional Inuit economic development organizations to also support community economic development. The flow chart below shows a significant amount of responsibility assigned to the community– a push not pull assignment of responsibilities, based on the focus on community based development which therefore requires community control. The majority of which is often assigned to the EDO to ‘manage’.

FIGURE 2
COMMUNITY ECONOMIC DEVELOPMENT PARTNERS



Source: Nunavut Regional Map,
<http://www.nunavut.com/nunavut99/english/map.html>

In 2003 the GN, NTI and INAC cooperated in holding a series of consultations toward the development of the Nunavut Economic Development Strategy (NEDS). The NEDS was written not only using the results of significant consultation across Nunavut, but also based on the Conference Board of Canada's first *Nunavut Economic Outlook* in 2001 and a re-issue in 2002 following the 2001 Census. NEDS outlines 13 strategic priorities grouped into four strategic planning areas: community economies, territorial economy, land, and people. Of the 172 action items identified in the Strategy, the members of the Nunavut Economic Developers Association (NEDA) determined that more than half would be the direct responsibility of the community EDO.

ISSUES

The communities, while having almost total responsibility for planning the Community Economic Development (CED) of their community, and in principle, being provided with the financial and human resources to do that, are not provided with the appropriate support to ensure success. Without the knowledge and expertise on municipal council or within municipal staff about the complexities of CED, they fall short of attaining the level of success that is possible. In a similar vein, the regional Inuit organizations and the territorial and federal government agencies and departments that provide the resources and expect results, also require the knowledge and expertise to support the work at the community level.

Although Community Economic Development is defined in a variety of terms around the world the overall message is the same, “CED is a community-based development approach that connects social, economic, environmental, and cultural goals for community well-being. It is social and economic development in the community, for the community, by the community.”¹ Although communities in Nunavut are each remote from the other, there are a number of ways in which each depends on a relationship for some components of their day to day lives. That relationship must be considered in the development plans for the individual community, and for the other communities within the relationship. The regional structure of both the Nunavut Government and the Inuit organizations provides a logical base for that planning, as does the reality of air transportation routes.

Air transportation routes for Nunavut are predominately north-south rather than east-west or intercommunity. Because of the flight routes, food supplies and health services are also linked north-south. See the two maps below as provided on the websites of the two major carriers flying within and into Nunavut, First Air (Figure 4), and Canadian North (Figure 3). The main routes into Nunavut are:

- for the Qikiqtani or Baffin region, jets come from Ottawa/Montreal into Iqaluit and then connect to smaller aircraft into the other communities in the region;
- for the Kivalliq or Keewatin region, the jet comes from Winnipeg to Rankin Inlet and then smaller planes to the regional communities; and
- for the Kitikmeot region travel is from Edmonton/Calgary and then Yellowknife to Cambridge Bay or Kugluktuk and then to the smaller

¹ GN Policy Definition 2003

communities, or from Yellowknife directly with a smaller regional aircraft.

Flights across Nunavut are only between Iqaluit, and Rankin Inlet and then by connecting through Yellowknife to Cambridge Bay or Kugluktuk; the most difficult being Cambridge Bay/Kugluktuk requiring an overnight in Yellowknife, NWT.

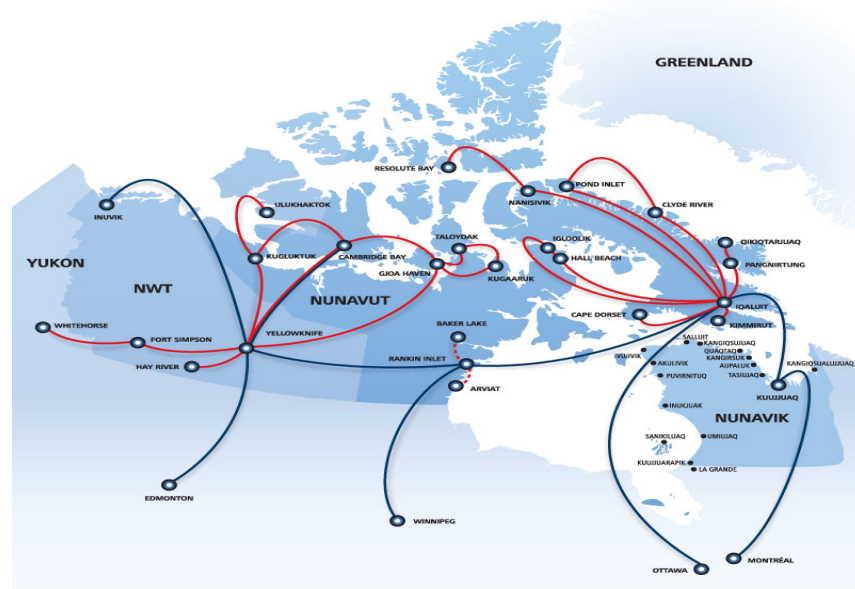
FIGURE 3
AIRLINE SERVICES TO NUNAVUT BY CANADIAN NORTH



Source: Canadian North, 2009, <http://www.canadiannorth.ca/sabre/flight.asp>

Sea transport during the open water months of July through October has a similar north south relationship – the Kitikmeot is serviced by barge from Hay River/Yellowknife down the MacKenzie River and across the arctic coast; the Kivalliq receives supplies by barge from the Port of Churchill, MB; and the Qikiqtani region is serviced by freight ships from Valleyfield or the Port of Montreal in Quebec.

FIGURE 4
AIRLINE SERVICES TO NUNAVUT BY FIRST AIR



Source: First Air, 2009, http://firstair.ca/index_en.html

The realities of the transportation routes, while providing logistical links between communities, does not ensure that strategic planning will consider the relationship. With a focus on community based planning and development, the linkages are not often top of mind when considering initiatives; competition would be first, cooperation or collaboration much further down the list. Government programs and resources are also not structured for groups, or groupings of communities, instead they are specific to one community, or one at a time. When a coordinated approach is considered, it is often based on the regional structures rather than on a transportation, development or initiative basis. For instance, a mine development on the northern tip of Baffin Island brings four communities together to consider impacts and benefits – Pond Inlet, Arctic Bay, Igloolik and Hall Beach. It would have made sense to bring Iqaluit into the discussion as well considering that travel between the communities would be through the Iqaluit airport and some of the logistics services located there are likely to be accessed.

Government and Inuit organization programs often provide similar programming for development. Without significant on-going cooperation and collaboration with the communities at the local level, this may result in missed opportunities when conflicts arise regarding who could or should assist. For instance, if one agency has the ability to only fund planning, and another can support planning and establishment, the dollars could be best used if the proponent and potential funders considered the uses, their budgets and the requirements to cost share the project. Limited resources would achieve more with a shared approach, but that requires a very focused effort in cooperation which is not so easy when the organizations and individuals are at a considerable distance from each other.

Communities in Nunavut are Municipal Corporations under the GN Cities, Towns, and Villages Act- 24 range in size from 140 in Grise Fjord on Ellesmere Island in the high arctic to 2,400 in Rankin Inlet on the western coast of Hudson Bay; and one, the City of Iqaluit, capital of Nunavut with close to 7,000. Iqaluit is the only tax based community; the other 24 are funded through transfers from the GN for their operations and capital requirements. The leadership of all communities is by an elected Mayor and Council, who hire a Senior Administrative Officer who in turn hires staff to provide the municipal services – water, sewer and solid waste, roads, recreation and airport. The Mayor and Council are elected from among the residents of each community for two or three year terms on a staggered basis. The GN department of Community and Government Services provides support to the communities in their administrative functions, capital planning and management and election process.

The Government of Nunavut has 19 MLAs elected for four year terms from across Nunavut – the electoral boundaries are based loosely on a community by community basis, with a population base included to balance out the structure. The Premier and Cabinet are chosen from within the elected MLAs. The full Assembly elects the Premier and the Cabinet members, and then the Premier assigns the individual department portfolios. The Premier appoints Deputy Ministers per department and they in turn, through a structured HR department hire all other staff across departments. The GN had the same Premier from February 1999 until November 2008; a new Premier was elected in October 2008. An early order of business was an assessment by the people of Nunavut of the GN – a ‘report card’ on service delivery. The results have just been received, providing direction for the current administration in moving forward.

The Inuit organizations, including Nunavut Tunngavik Inc, and the regional associations, development corporations and economic development organizations all have their leadership elected by their respective beneficiary groups on a regular basis. Their respective leadership then hires their senior manager who hires the balance of the staff. The leadership of the Institutes of Public Government (IPG) established as a result of the Land Claim – Nunavut

Impact Review Board, Nunavut Water Board, Nunavut Wildlife Management Board, and Nunavut Planning Commission – all have board members appointed by the Minister of Indian and Northern Affairs Canada for specific terms, with staff hired and directed by the boards.

4Cs FOR SUCCESSFUL LEADERSHIP

As identified in the introduction, there are significant issues related to economic development leadership in Nunavut. In reality, there are a number of structures and processes that provide leadership at the community, regional, territorial and sectoral level. There is a wide range of supports in place to assist communities in planning the development of their community, development in their community and addressing impacts/benefits from development in and around their community. Limitations on the success of implementation at the community level will be examined under four headings – capacity, coordination, collaboration and communication!

Capacity: – Do the individuals involved have the knowledge, skills and abilities to do what needs to be done (elected officials and staff)? Are they in their positions long enough to plan and take action (elected terms and staff retention)? Do the residents of the community understand and support what is required to enact change?

Coordination: - Community leadership, GN leadership – territory-wide and regional, federal leadership, Inuit leadership – territory-wide and regional, sectoral and NGO leadership all need to be involved in development at the community level. They need to be working from the same developmental plan together, at the same time, on the same page. Leadership in this context is not intended to specify the elected individuals, but all of the decision makers both elected and employed.

Collaboration: - In addition to coordination across levels of leadership for a particular community, there is also a need for collaboration in areas of mutual interest, impact or benefit including; adjacent communities, transportation linkages, water shed or resource linkages, jurisdictional or legislative issues.

Communication: - Everyone from the resident to the highest level of leadership must be aware of opportunities and limitations; know that their ideas, concerns and interests are valuable and heard; know what is possible; what is planned; and, what results are expected, and realized. The communication must be across Nunavut, so everyone has access to the information.

OPPORTUNITY TO ACTION CHANGE

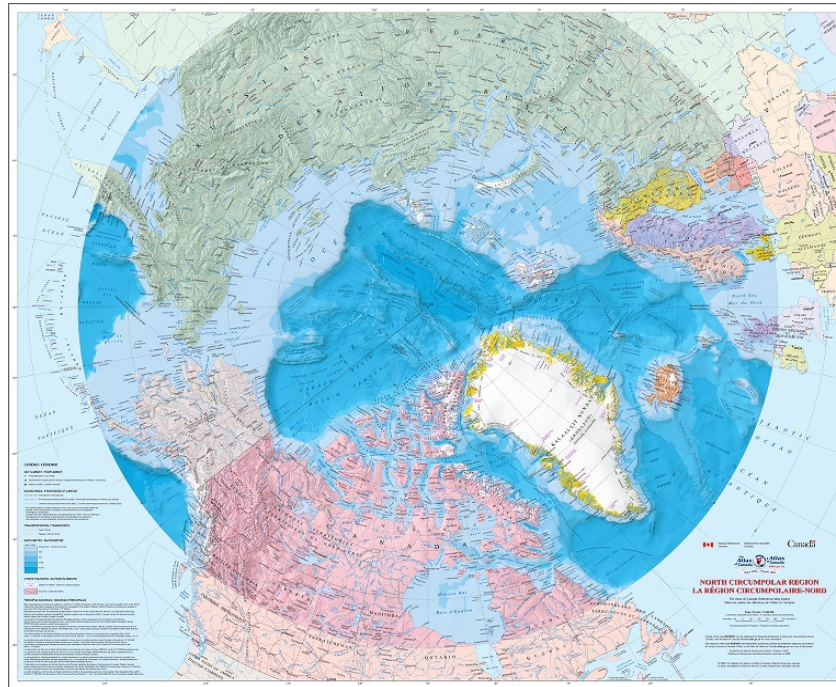
The opportunity exists as the Government of Nunavut develops an action plan to respond to the issues raised in the Report Card and sets about establishing an implementation plan for 'Tamapta'². The Government of Canada is also implementing the Arctic Strategy which includes a significant Research Agenda, Arctic Sovereignty initiatives, establishment of the Canadian Northern Economic Development Agency, and others. Nunavut Tunngavik Inc is working to finalize negotiations for the next ten years of implementing the Nunavut Land Settlement Agreement.

The world watched as Nunavut was created in 1999, and continues to watch as Climate Change opens the Northwest Passage, melts the Arctic Ice Cap, opens Arctic waters for exploration and discovery of underwater resources, as jurisdictions jostle for ownership of the North Pole and high arctic areas, and legislate bans on seal hunting, ... the list grows, as does the focus on the north. The better that Nunavummiut and those that provide leadership in Nunavut are able to plan together and work together, the better the chance for economic success.

In many respects the Consensus approach to decision making in Nunavut should be a good fit for the four C states to be implemented – consensus should require that an informed decision is taken once everyone agrees on the required result. Success will be dependent on the ability to identify a suitable process for cooperative implementation. Sustainability will only be possible with all parties working towards the same goal.

² Tamapta – Building our Future Together, the mandate of the 3rd Legislative Assembly of Nunavut.
http://www.gov.nu.ca/tamapta/tamapta_english.pdf

FIGURE 5
CIRCUMPOLAR MAP OF THE NORTH



Source: NRCAN, 2009,

http://atlas.nrcan.gc.ca/site/english/maps/archives/references/circumpolar/MCR000_circumpolar_2008

WEB RESOURCES

Government of Canada

<http://www.northernstrategy.ca/index-eng.asp>

<http://www.north.gc.ca/index-eng.asp>

Government of Nunavut

<http://www.assembly.nu.ca/english/index.html>

<http://www.gov.nu.ca/english/>

<http://cgs.gov.nu.ca/en/>

<http://www.edt.gov.nu.ca/apps/authoring/dspPage.aspx?page=home>

Nunavut Tunngavik Inc site

<http://www.tunngavik.com/>

IS THERE A BEST PRACTICE? A BETTER UNDERSTANDING OF LOCAL ECONOMIC DEVELOPMENT IN RURAL ONTARIO

Andrew Redden, Ec.D. (F)

INTRODUCTION

There is a general dearth of studies that examine the practice of local economic development in rural Ontario. While research and writings do exist proclaiming the best practices overall for Canadian local economic development organizations to follow (EDAC, 2007; Blais & Redden, 2009), there is little in the way of formal and published advice for rural municipalities looking to invest in a local economic development strategy (Douglas, 2003 & 2004; The Monieson Centre, 2008). Unfortunately this is what rural municipalities require since they tend to be the “principle roots” of economic development (Bryant & Douglas, 1995: 159).

Given the lack of information available, and the unique challenges rural communities and their economies face (Premier’s Task Force on Rural Economic Renewal, 2001; Agricultural Odyssey Group, 2002; TORC, 2002; Drabentstott, 2003; Douglas, 2003; Flora et. al, 2004; Cytron, 2007; Collins-Williams, 2008), the need for an analysis on how rural local economic development is practiced, and should be, would be deemed “key investments for many municipalities and local groups” (Douglas, 2002: 12). There is a clear opportunity to assist rural municipal governments so that they can ‘make educated decisions’ on best practices that would not have been exposed otherwise (The Monieson Centre, 2008).

In this paper, the understanding of rural municipal economic development practice in Ontario is furthered. This is accomplished through a review of the results of a survey of a non-probabilistic purposive random sample of rural Ontario municipalities carried out through the summer months of 2009. Questions focused on how economic development is facilitated currently in rural municipalities as well as one that asked respondents to indicate a rural Ontario municipality, or rural municipalities, which in their view best exemplify a model of best practice in local economic development. The most popular were later contacted and interviewed to learn more about how they practice local economic development. Finally, cross-referencing the findings with that of a literature review (including the nominal amount of research and literature focusing on rural economic development practice in Ontario), helps generate a set of recommendations for rural Ontario municipalities, their economic development officers (where in place) and other municipally assigned consortiums to follow

when investing in local economic development. Those recommendations are provided at the end of this paper.

DEFINING 'RURAL' ONTARIO MUNICIPALITY

For the purposes of this paper, a definition of what is a *rural* Ontario municipality was adopted from the Ontario Ministry of Agriculture, Food & Rural Affairs (OMAFRA) *Working Definition of Rural*. It was obtained from their Rural Economic Development Data & Intelligence (REDDI) Internet website¹. OMAFRA considers rural Ontario to be that area of the province outside of the nine urban areas including the City of Hamilton, City of Ottawa, City of London, City of Windsor, The Greater Toronto Area, The Region of Niagara, The Region of Waterloo, The City of Thunder Bay, and the City of Greater Sudbury. Also, rural includes those municipalities with a population of less than 100,000. However, while OMAFRA does consider GTA municipalities with a population under 100,000 to be rural, for the purposes of this research, all of the communities within the Greater Toronto Area (GTA) as shown in Figure 1, regardless of population, are excluded in this paper's definition of a rural municipality.

Additionally, it is worth noting that northern Ontario was included in the rural definition. While acknowledging that northern Ontario municipalities may have unique issues compared to their southern Ontario counterparts, this author felt that they still fit the definition of rural. Furthermore, to not include northern Ontario simply on the basis of differing rural issues would set a precedent to force separation of south-western Ontario municipalities and south-eastern Ontario municipalities from one another as they do have differing "glaring and continuing structural disparities" between themselves (Douglas, 2004: 31).

LITERATURE REVIEW

This literature review is divided into two major sections. The first introduces and makes reference to some of the literature covering the unique challenges that rural communities face compared to urban areas with respect to their economies and economic development. The second section provides a review and analysis of the literature focusing on the practice of local economic development with specific attention given to the body of literature that looks at how best to practice local and rural economic development. The limited amount

¹<http://www.reddi.gov.on.ca>

of research covering local economic development in rural Ontario is also included.

FIGURE 1



Source: www.greatertoronto.org Accessed June 1, 2009

THE CHALLENGES RURAL MUNICIPALITIES FACE

Rural municipalities face some unique challenges compared to their urban cousins when it comes to the practice of economic development. The demographic and economic composition of rural Ontario is varied and experiencing profound change (Ontario Premier's Task Force on Rural Economic Renewal, 2001). As Howland (1993: 61) noted, "rural economies are small, undiversified, and disproportionately comprise a low-skilled labour force".

A perfect example of a difference is the aging of rural communities. As "baby boomers reach their 65th birthdays, more people will be leaving the GTA (Greater Toronto Area) to retire in other parts of Ontario", and they yearn for the lifestyle that small towns and villages in rural communities supply (Levman, 2004: N8). This poses some interesting challenges on the traditional rural farm

communities when “transplanted urbanites” come from cities “to live, play or just enjoy” (Agricultural Odyssey Group, 2002: 77). Likewise, an aging population puts strains on housing and service provision for the elderly.

Further adding to the aging situation is the out-migration of rural young adults (Premier’s Task Force on Rural Economic Renewal, 2001; Agricultural Odyssey Group, 2002; Drabenstott, 2003; Redden, 2005). Likewise, rural communities are facing challenges keeping their schools open due to declining enrollment (Perkins, 2009) and this may be attributed to a decline in the number of young adults choosing to start their families in a rural setting. A recent Canadian Government report estimated only one in four rural youth who leave their communities will return within ten years (Malatest & Associates, 2002). As Highman and Rathge (1998: 22) stated, a shortage of young adults has “important ramifications” for a community to grow.

Overall, the economies of Ontario’s rural regions are different from their urban counterparts in terms of size, dynamics and specializations. Some examples include:

- predominance / history of agribusiness and family farming;
- reliance on government funding to sustain business and projects (examples include the Eastern Ontario Development Fund (provincial) and Eastern Ontario Development Program (federal);
- smaller tax base;
- the access and distance to markets (customers) is poor compared to large urban areas (save the Internet); and
- a shortage of available serviced industrial and commercial lands to attract investment.

In contrast, urban centres are supported by a mixture of manufacturing, advanced services and government and trade (Howland, 2003). They also enjoy larger economic development departments often filled with several economic development officials and resources while rural communities typically have far less resources and cannot usually afford to hire specialized economic development staff (Premier’s Task Force on Rural Economic Renewal, 2001). Furthermore, “Remoteness, lack of public infrastructure, and low population densities all make attracting private enterprise difficult” (Cytron, 2007: 3).

Further adding to the challenge of attracting private enterprise is the decline in the natural resources, agriculture and rural manufacturing industries. This also severely affects rural municipalities’ employment base (Pezzini & Wojan, 2001; Premier’s Task Force on Rural Economic Renewal, 2001; Cytron, 2007; Collins-Williams, 2008). While the scale of farm operations is growing, the size

of farms is getting smaller causing some rural farm families to give up their independence to remain viable and choose off-farm income (Agricultural Odyssey Group, 2002). The forestry sector is also “hurting” putting many people out of work and creating hardships from the “disappearance of the best-paid work on a small community” (CBC News, 2009). Further adding to the pain is the trend of manufacturing plant closures in some of the larger rural communities situated along the Provincial 401 highway that have provided employment to, but recently laid off, numerous residents in the outlying rural areas (Tremblay, 2008).

A lack of access to broadband is also a barrier to business in rural areas. According to the Canadian Radio-television and Telecommunications Commission (CRTC, 2009), while all urban households can have access to broadband, 22% of rural Canadian households do not. Broadband is considered essential for participating in today's economy “as it enables citizens, businesses and institutions to access information, services and opportunities that could otherwise be out of reach” (Industry Canada, 2009).

LOCAL ECONOMIC DEVELOPMENT IN RURAL ONTARIO MUNICIPALITIES

Aside from the distinct economic and accompanying social challenges described above, a major challenge for rural Ontario's municipalities is understanding the best approach to take since “researchers are generally located in urban centres and as such, are more attuned to and inspired by urban issues” (The Monieson Centre, 2008). Perhaps that is why a study of local economic development in rural Ontario found that less than one third of rural municipalities “felt that local economic development capacity was in place, either in the municipality itself or in their local community” (Douglas, 2004: 31).

The practice of local economic development in rural Ontario “is generally characterized by very small investments of staff time” (Douglas, 2003:XXV). For example, Bryant and Douglas (1995) found that large Ontario cities like Toronto, London and Windsor enjoy higher budgets and more full-time staff to cover economic development in contrast to rural Ontario municipalities. Specialization of roles is also viewed to be prevalent in larger versus smaller municipalities. Bryant and Douglas (1995) also observed larger urban communities assigning a team of economic development staff to each focus on specialized areas or projects such as business retention and expansion, the movie industry, downtown revitalization or investment marketing, while smaller rural municipalities had just one staff person, if any, to take on all areas in a clearinghouse role.

Another observation is that some rural economic development offices have adopted the view that the traditional effort of trying to attract large industry is outmoded (Stirling-Rawdon, 2005: 24, Prince Edward County, 2004: 55). Take for example Cytron (2007: 3) who noted that in recent years rural economic development practitioners have been “bolstering economic opportunities and quality of life in rural areas through approaches that seek to build upon the unique strengths and capacities of rural places”. Some rural municipalities like Prince Edward County have chosen to focus their efforts on targeting smaller sized business and entrepreneurs seeking quality of life in quality of place, while their neighbour Hastings County to the north draws upon the emerging interest of local farmers in hops and malted barley to bring one or more micro breweries to the area (Richards, 2009).

Although a few rural communities like Prince Edward and Hastings Counties have completed strategies focusing on the smaller entrepreneur, others may struggle just getting to the point of knowing what approach to take. That is why Douglas (2004: 31) completed the “first ever comprehensive assessment of local economic development practice in rural Ontario”. His 2003 report titled “*Toward More Effective Rural Economic Development in Ontario*” contains the results of a three-year research project. While his report highlights “that there is not any one model of ‘best practice’ that Ontario’s rural municipalities see as a paragon of best practice” (Douglas, 2003: 15), he provided a set of twelve recommendations for rural municipalities in Ontario which is summarized as follows (2003: 2):

1. Invest in the position of a designated individual such as an Economic Development Officer (EDO).
2. If it is not feasible to hire an EDO, institute a “Rural Economic Development Consortium” (REDC).
3. Re-establish close working relationships with Community Futures Development Corporations (CFDCs).
4. Train and re-train Municipal Council, their Committees and other partners in local economic development.
5. Expand community participation in local economic development through a number of means such as involving rural youth, engagement of residents and local groups in surveys and intensify communications on what is being practiced.
6. Integrate tourism development initiatives with all other economic development activities.
7. Recognize that economic development practice is changing to matters of partnership building, community communications, media management, public participation, facilitation and other related aspects.
8. Be open to the changing rural economy versus the conventional approaches to local economic development.

9. Rural area municipalities must work with upper-tier municipalities and with the Province to design and formalize economic development services.
10. Recognize that what gets done in local economic development in rural communities is often a result of the commitment, energies and skills of resident volunteers.
11. Invest in an economic development strategy for the community whether at the local level or through the upper-tier, CFDC or a new REDC.
12. Recognize the distinction between different modes of practice in local economic development (i.e. external investment recruitment, local business expansion, local investment facilitation) and use the local strategic planning process to choose among, or combine some or all of these.

Although Douglas' top recommendation is to invest in the position of an EDO, others have emphasized rural communities focusing on their leadership, capacity and vision to effectively practice economic development to grow and stimulate their local economy (Premier's Task Force on Rural Economic Renewal, 2001), and some call attention to an integrated or regional partnership effort before any mention of hiring an EDO (Banovets et al. 2000; Drabenstott, 2003; The Monieson Centre, 2008).

A unique approach is the claim by Sirolli that "economic development is only one of the many developments a passionate culture brings forth" (1999: 117). He advocates that rural communities each hire an "Enterprise Facilitator" to fill the vacant storefronts on main street, put industry in the industrial parks and assist the struggling or new entrepreneur by providing confidential, free and competent consultation service (Sirolli, 2009). Sirolli used the analogy that Enterprise Facilitators are "trained like large animal veterinarians" in that they go directly to the entrepreneur, sit at their kitchen table and listen (Ibid). The Facilitator is designated to provide this free service when otherwise a municipal economic development officer (EDO) may not have the excessive time necessary to dedicate to every entrepreneur. He claimed that an EDO is too busy marketing the community, implementing programs and services such as broadband, practicing the beautification of main streets, compiling stats, data and so on.

In terms of the literature review, aside from published studies, there is also the Province of Ontario's Rural Economic Development & Data Intelligence (REDDI) website² that provides help to carry out research and strategies. However, this website mainly contributes to the information of rural Ontario's economies and helps support the research of an existing municipally assigned EDO or local agency rather than advise on how best to structure a local economic development function and role in the first place.

² www.reddi.gov.on.ca

Despite a shortage of published supports for rural municipalities, there are some themes that are addressed in other Canadian publications that focus on municipal economic development in general.

For example, the *Municipal World* article by Blais and Redden (2009) identified key indicators any municipality should assess, regardless of size, or whether urban or rural. They discussed the importance of first completing a thorough understanding of what the municipality wants to accomplish through a strategic planning process. This may be followed by the establishment of either an internal department that reports through the administration to a municipal council (often with a volunteer advisory body consisting of public and private sector representatives), or an external body that reports to a board of directors composed of members of council, but also members of the private sector. Regarding which model is the one most widely practiced, research completed by consultants Millier Dickinson Blais in 2008 on upper-tier municipalities with 50,000 plus people, (Ibid: 20) indicated no clear majority use one or the other.

Blais and Redden (2009) also emphasized the importance of respecting the local capacity. For example, a municipality may already have a Chamber of Commerce, a Community Futures Development Corporation (CFDC) or a Business Improvement Area Association (BIA). “The municipality must work to develop a form that is strategic and flexible, filling gaps and taking responsibility for core services that are not being provided effectively or at all” (Ibid: 20). Further, they noted that municipalities must not forget performance measurement to track results and ensure the community and elected officials understand the progress being made which “unfortunately is not a common practice” (Ibid).

EDAC’s (2007) Comprehensive Guide to Economic Development also does not distinguish between rural and urban, but acknowledges that there is no one right way to organize a local economic development program. One community’s model of practice may not work elsewhere. However, the Guide does postulate some key principles that should be considered (2007: 12):

- Include all local groups involved in the economic development process.
- Encompass all economic development efforts in the community.
- The governing body of the economic development organization must include members of the power structure – the decisions makers – of the community.
- The governing body must have a high degree of autonomy, i.e. be able to take independent action without specific approval of a participating group such as the chamber of commerce or city government.

- While continuity of membership is important, make sure to infuse new people into the program.
- The governing body must meet regularly and frequently, preferably once a week.
- The organization must be adequately funded.

SUMMARY

The preceding has provided an overview of some of the literature focusing on the challenges rural municipalities face with respect to their economies, as well as the literature focusing on the practice of local economic development by rural municipalities with attention paid to the recommended steps for initial action.

The next section explains the methodology used for this paper to research current practices of economic development in rural Ontario municipalities.

METHODOLOGY

The first step was to gather information on local economic development in rural communities. This was accomplished by conducting the review of the available literature. The purpose of researching the literature before conducting the survey of municipalities was to better understand what has already been studied and to develop appropriate questions to ask.

The next step involved developing a survey instrument. This was accomplished by developing an online survey and inviting rural municipalities to complete it. A copy of the invitation is included in Appendix A and a copy of the survey questions in Appendix B. The last question in the survey asked respondents to name at least one community that they felt was an exemplary model of best practice in rural local economic development.

This led to the final step of taking the three most commonly identified communities and contacting their economic development office to conduct a personal interview to learn more about how they practice local economic development.

It is important to note that the data from the surveys are not considered statistically representative. As Robson (1993) claimed, a case study is not a survey relying on the characteristics of research methods, sampling techniques and the sample size. However, with 100 surveys completed, a large non-probabilistic purposive sample was obtained from the total population of 407 rural municipalities.

RESEARCH RESULTS

This section introduces the findings from the primary data which was compiled through an online survey and personal interviews with rural municipalities across Ontario in the period June 3, 2009 to September 2, 2009. The results from the online survey are presented first. Then the more detailed data collected from personal interviews with three municipal economic development offices (Prince Edward County, the Township of Stirling-Rawdon and the City of Stratford) is provided.

RESULTS FROM THE ONLINE SURVEY

An online survey was completed by 100 municipal respondents, from among the 407 municipalities fitting the rural definition and invited to participate, representing a 24.5% response rate. Surveys were completed during the period June 3, 2009 to July 31, 2009.

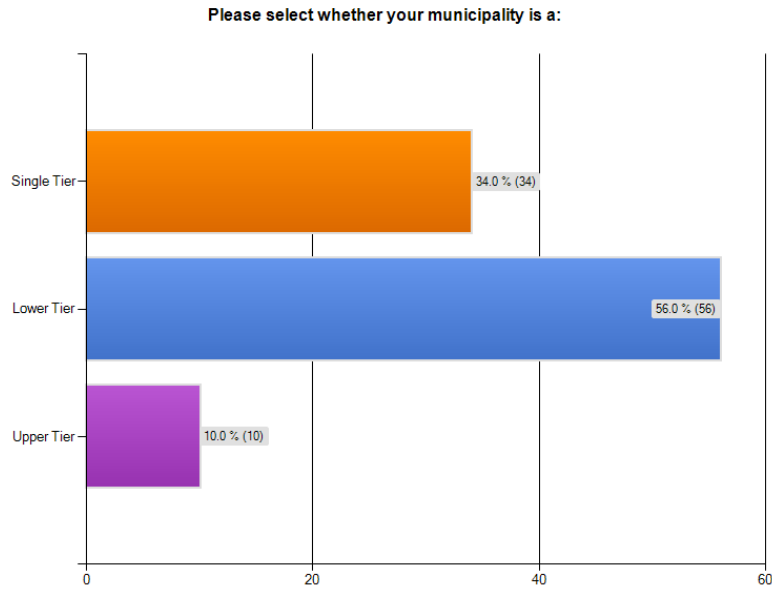
Municipalities were contacted by email following development of an email database sourced directly from the Ontario Municipal Directory published by the Association of Municipal Managers, Clerks and Treasurers of Ontario (AMCTO). A copy of the emailed letter of invitation can be found in Appendix A and a copy of the questionnaire in Appendix B. The pages that follow outline the findings from the questionnaire.

Respondents were first asked to indicate whether the municipality they are employed by is a single-tier, lower-tier or upper-tier in accordance with the Ontario Municipal Act, 2001.

As displayed in Figure 2, amongst the 100 respondents, 34% represented single-tier municipalities, 56% lower-tier and 10% upper-tier counties or regions.

Respondents were asked to indicate the resident population of their municipality. Among the responses received, the average population was 15,287 residents. When applying a cross tabulation, the average resident population of single-tier municipalities was 9,785. For lower tier municipalities the average size was 9,452 while upper tier respondents had an average population of 66,666.

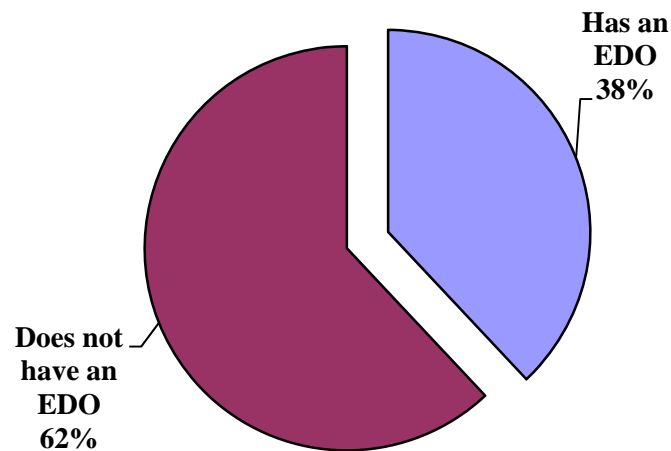
Respondents were asked if their municipality has an annual operating budget for economic development. 72% indicated that they have an economic development budget while 28% indicated that they do not.

FIGURE 2

Respondents who indicated “Yes” were also asked to indicate the dollar amount of their budget for 2009 and outline (if possible) the percentage that covers salaries and/or project funding. The average total budget is \$202,534. The average amount that is dedicated to staff salaries is \$72,108 and the average amount dedicated to economic development projects such as investment marketing, business retention and expansion and other related initiatives is \$130,426.

As shown in Figure 3, just 38% of respondents indicated that their municipality has at least one full-time economic development professional on staff. When applying a cross tabulation to show the difference between lower-tier, single-tier and upper-tier municipal respondents, just 25% of lower-tier municipalities responded that they have at least one full time economic development professional. In contrast, 70% of upper-tiers indicated they have at least one professional and amongst single-tiers the responses were split 50/50.

FIGURE 3
DOES YOUR MUNICIPALITY HAVE AT LEAST ONE FULL-TIME
ECONOMIC DEVELOPMENT PROFESSIONAL ON STAFF



Those respondents who indicated that they do not have a full-time economic development professional on staff were asked to describe how economic development at the local level is managed in their community. There were numerous explanations provided, and therefore similar responses have been grouped together and the frequency of each is noted in Table 1. Most indicated that they utilize an appointed Municipal Economic Development Committee consisting of elected officials and members of the public, while others noted that their Council and senior staff take an active role and the remaining responses were varied amongst saying their Chief Administrative Officer (CAO), the upper-tier municipality or the municipal planner(s) take on the economic development role.

Respondents were asked to indicate the number of full-time and part-time staff as well as how many staff have their professional economic developer certification (Ec.D.) and Fellowship designation through the Economic Developers Association of Canada (EDAC). From a review of the responses in Table 2, not many respondents indicated that they have more than one full-time economic development professional on staff. With regards to part-time staff, many municipalities have more than one part-time person providing these services and ten respondents indicated that they have one part-time person. Regarding professional certification, eleven respondents indicated that they have

at least one staff member with their Ec.D. One respondent actually indicated they have four staff who have each obtained their Ec.D.

TABLE 1
HOW ECONOMIC DEVELOPMENT AT A LOCAL LEVEL IS
MANAGED IN THE ABSENCE OF A FULL-TIME ECONOMIC
DEVELOPMENT PROFESSIONAL ON STAFF AT
THE MUNICIPAL LEVEL

Responsible individual or organization	Frequency of responses
An Economic Development Committee	15
Municipal Council and Senior Staff	10
Chief Administrative Officer (CAO)	9
Upper-tier (in the case of lower-tiers not having a full-time economic development professional on staff)	9
Municipal Planner / Director of Planning	9
Part-time person and/or consultant	7
Community Futures Development Corporation (CFDC)	2
Community Development Officer	2
Not actively addressed	3

Municipalities were asked to describe the reporting relationship of municipal economic development staff. For example, this question was intended to learn whether they report to a municipal clerk, the Chief Administrative Officer or a Department Head. Amongst the 63 respondents who answered this question, 48% indicated a direct reporting relationship to a CAO, 14% indicated a reporting relationship with the municipal Clerk-Administrator and the same percentage to a Board of Directors (which, based on responses, includes a committee of council, a Community Futures Development Corporation or the board of a separate agency contracted for economic development services). Just 13% indicated that they report to a Director or Commissioner of Planning & Development while just one respondent indicated a reporting relationship with a Director of Community Services.

Respondents were asked to describe their municipality's core-proactive responsibilities in delivering economic development services to their local community. Table 3 shows the various open-ended responses received. Since there were numerous explanations provided, similar responses have been grouped together and the frequency of each is noted. As observed in Table 3, the top five responsibilities include Business Retention & Expansion, Tourism Marketing, Investment Attraction, Downtown Revitalization and Community Development.

TABLE 2
THE TOTAL NUMBER OF FULL-TIME STAFF AND THE TOTAL
NUMBER OF PART-TIME STAFF EMPLOYED TO WORK ON
ECONOMIC DEVELOPMENT

Answer Options	Number of staff											Response Count
	None	1	2	3	4	5	6	7	8	9	10 or more	
Full-time	14	24	8	5	2	0	1	0	1	0	3	58
Part-time	17	10	7	2	2	1	0	0	0	0	1	40
Have obtained Ec.D.	36	11	1	0	1	0	0	0	0	0	0	49
Have obtained Ec.D.(F)	34	3	0	0	0	0	0	0	0	0	0	37

Respondents were asked if their municipality has any formal arrangement or partnerships with other municipalities or organizations to cooperate in delivering economic development services, projects, events or tourism. A majority of respondents (73%) indicated that they do have a formal arrangement.

Respondents who said “Yes” were asked to describe their arrangement. Since there were numerous explanations provided, similar responses have been grouped together and the frequency of each is noted in Table 4. Several respondents indicated that their upper-tier municipality takes care of economic development on their behalf and often times tourism marketing. Others rely on regional organizations such as the Ontario East Economic Development Commission (OEEDC) or the Southwestern Ontario Marketing Alliance (SOMA) to help with investment attraction while tourism marketing is often administered by a local tourism or destination marketing organization.

The last question asked respondents to list a rural community, or rural communities, that they believe provides an example of “best practice” in rural economic development, and to explain why. A total of 54 separate communities were mentioned by respondents while 30 respondents said that they were “not sure”. Although the survey was anonymous, some just named themselves and made it clear as such, while others appeared to list a neighbour. Overall, the responses reinforce suspicions that there is little knowledge of what would be considered a best-practice among rural Ontario municipalities. As well, beyond respect or admiration for neighbouring municipalities’ practices, or what they

themselves are doing, it appears many of the respondents are not sure or convinced of any exemplary practice.

TABLE 3
CORE-PROACTIVE RESPONSIBILITIES OF RURAL ONTARIO
MUNICIPALITIES IN DELIVERING ECONOMIC DEVELOPMENT

Core-proactive responsibilities	Frequency of responses
Business Retention & Expansion (BR+E)	33
Tourism Marketing	32
Investment Attraction	31
Downtown Revitalization	27
Community Development (e.g. trails, services, attractions)	11
Economic Development in general (respondents who did not specify one or more responsibility)	10
Communications	9
Physician Recruitment	9
Regional partnerships take on some leading roles	7
Special events	6
Forestry / Natural Resources	5
Agriculture & Agri-ventures	5
Expand Broadband access	4
Small business support	4
Act as a resource to various other groups such as Chamber of Commerce, BIA	4
Youth retention / Skills development	2
Creative services	1
Accessibility planning	1
Upper-tier looks after economic development	1
Municipal land sales	1

TABLE 4
PARTNERING ORGANIZATIONS THAT HELP DELIVER
ECONOMIC DEVELOPMENT SERVICES

Partnering Organizations	Frequency of Responses
The upper-tier municipality (responsible for economic development and sometimes tourism services)	30
A regional formal body with a board of directors (e.g. Southwestern Ontario Marketing Alliance, Ontario East Economic Development Commission)	22
A local tourism – destination marketing – organization	18
Chamber of Commerce (often to conduct tourism marketing)	10
Community Futures Development Corporation	7
A consortium (e.g. Greater Peterborough Economic Development Commission)	4
Business Improvement Area Association (BIA)	4
The Province – some mentioned working closely with OMAFRA, MEDT, Ministry of Tourism	3
Small Business Enterprise Centre	2
Allocate funding directly to the Tourism Information Centre	1

Nevertheless, the top three municipalities receiving the most frequent mentions are Prince Edward County (eight mentions), the Township of Stirling-Rawdon (four mentions) and the City of Stratford (three mentions). Regarding Prince Edward County, brief reference was made to their arts and culture marketing, their focus on developing strategies around their local assets such as the wine industry and creating solid marketing and branding around their arts, culture and local agriculture assets.

Stirling-Rawdon's downtown revitalization efforts received attention along with their festival theatre as a strong draw. Their municipal support for economic development was cited as an exemplary model. For the City of Stratford, not a great deal of explanation was provided by respondents other than brief mention of their strong programs and partnerships.

To help obtain a better sense of why these three municipalities were cited, and make clearer recommendations on best practice, the three were personally contacted and an interview was conducted with a full-time economic development staff member including a review of their websites or published strategies. The results of those interviews are featured in Table 5.

SUMMARY OF PERSONAL INTERVIEWS

The three rural municipalities that were interviewed are all actively engaged in local economic development and have taken a proactive approach. Table 5 provides an overview of their responses to a series of questions to learn more about how they practice local economic development.

DISCUSSION AND RECOMMENDATIONS

As Douglas (2003: 15) proclaimed, “there is not any one model or ‘*best practice*’ that Ontario’s rural municipalities see as a paragon of practice”. While the results of this paper are consistent with that conclusion, this research does help to further the understanding of how rural Ontario municipalities are currently approaching local economic development efforts and provides some new guidance and recommendations.

Overall, from the three interviews summarized in Table 5, the results of the survey and the literature review, advanced practice is summarized as recognizing the following four actions:

1. Acquiring a good understanding of the local community’s market and assets and then developing an economic development strategy that clearly reflects the local assets and advantages.
2. Investing in a full-time economic development officer (EDO), or equivalent (such as utilizing and supporting the upper-tier EDO), with appropriate experience and professional qualifications in local economic development.
3. Respecting local capacity by recognizing existing organizations in the community that already have a role in local economic development.
4. Partnering with neighbouring municipalities and participating in regional consortiums to help conduct investment marketing and other special projects that would not otherwise occur due to limited time, money and/or resources.

Acquire a good understanding of the local community’s market and assets:
Before a community can say that it is “open for business” and heads out to

market itself, it needs to first do its homework. Advisably even prior to investing money towards hiring an EDO, it is important to start with an analysis of the local economy to help council and community partners understand what the current strengths and weaknesses are of the local economy. “Form follows function” meaning the economic development strategy is one of the first and foremost steps (Blais & Redden, 2009). If one fails to pursue this process, economic development can be misdirected.

Considering the latest trend for rural municipalities to look beyond the traditional “smoke stack chasing”, and instead working to attract the smaller entrepreneur such as in Prince Edward County, local assets should be properly understood and reflected in any promotional efforts distributed locally and to foreign investors.

Invest in a full-time economic development officer (EDO), or equivalent: This research paper adds to the body of literature endorsing the hiring of an economic development professional to commence (or continue) the research of the local market and assets, implement the economic development strategic plan, build local capacity and track performance. The survey uncovered the finding that just 38% of rural municipalities have a full-time EDO. Nonetheless, where a lower-tier municipality may decide not to invest in having their own staff for practical or financial reasons, they are advised to work with the existing EDO, or help hire an EDO, at the upper-tier county or regional government level to facilitate economic development on their behalf.

Working to fill the gaps in areas not already taken care of already must be completed when both a lower-tier and upper-tier practice economic development. In the case of Stirling-Rawdon, they provide a good example of a lower-tier benefiting from the services of their upper-tier, Hastings County. While Stirling-Rawdon and their EDO focus more on locally based marketing and tourism, infrastructure and planning such as their Community Improvement Plan and main street revitalization projects, the County’s Economic Development Strategy (2007) emphasized filling the gaps for services not fulfilled already (e.g. investment attraction, business retention & expansion) while acting as a centralized source of market research while partnering and promoting local initiatives. Also, by having an EDO at the County level, the other thirteen municipalities in the County, especially the ten that do not have their own EDO, benefit from some investment attraction and assistance with local economic development planning and management.

In communities that do not have an EDO at either their local or upper-tier level, they are advised to utilize the services of their local Community Futures Development Corporation (CFDC). As is evident in the findings of the survey, when a full-time EDO is absent, not many indicate utilizing their CFDC.

TABLE 5
Results from the Personal Interviews

	Prince Edward County	Township of Stirling-Rawdon	City of Stratford
Is there an EDO?	Yes - 2 FT and on average 1 to 4 additional on contract (dependent on funding); other partners in County working in concert and have staff	Yes - 1 FT	Yes - 2 FT & 1 Admin. Assistant
Annual Operating Budget	\$1.1 million including grants (\$390,000 local contribution)	\$90,000	\$586,000 (\$155,000 to Small Business Enterprise Centre)
Budgetary trend over the last several years	Increasing due to grants	Stable	Stable
Reporting relationship	Commissioner of Corporate Services & Finance; No Economic Development Committee but report to Committee of the Whole	Clerk-Administrator & Economic Development Committee consisting of elected officials and volunteers	CAO & Economic Development Committee consisting of elected officials only
Small business development initiatives	Does some, but mainly taken care of by Small Business Enterprise Centre, CFDC, Chamber of Commerce, Taste the County	Small Business Enterprise Centre & CFDC; collaborate with Hastings County economic development office on new business and expansion studies; Township EDO and BIA collaborate often on special projects	CFDC; Small Business Enterprise Centre
Agriculture & natural resource development initiatives	EDO and Taste the County take lead role; actively promoting small scale and artisan value added production (e.g. artisan cheese); promote locally grown foods; wineries	Agriculture is a priority; work with Harvest Hastings initiative to promote local food; opening local food retail store in downtown; developing monthly fresh harvest meals in summer; recently hosted Water Buffalo Food Festival.	None
Events/arts/culture initiatives	Both EDO and Taste the County take lead role	80-90% of events led by BIA; EDO acts as resource	Stratford Shakespeare Festival; Stratford Tourism Alliance
Downtown revitalization	Picton BIA has lead role	Township and County EDOs partner; Local Community Improvement Plan (CIP) provides financial incentives for façade and signage and is very successful	Planning Department lead role; CIP in place providing incentives; Stratford City Centre Committee; LACAC
Commercial / industrial business investment attraction	EDO lead responsibility	Investment inquiries handled in partnership with Hastings County; the County just launched a new Investment Attraction Strategy	A key focus – mainly industrial activity – everything from FAM tours to liaising with real estate officials; active partner in South Western Ontario Marketing Alliance (SOMA)
Business retention & expansion initiatives	Not classic BR+E due to limited time and resources; Primarily focus on marketing initiatives to help existing clusters grow (e.g. wine, cheese) and bring more business volume, traffic to help existing business; “Raising the tide raises all ships”	EDO works closely with BIA to identify needs; Hastings County completed County-wide formal BR+E strategy in February, 2009 and actions now being implemented	Do not take proactive role; noted that a business will close or leave regardless of what a local economic development office can do

	Prince Edward County	Township of Stirling-Rawdon	City of Stratford
Tourism marketing including events, festivals, arts/culture	Taste The County is responsible as DMO; Arts Council has series of 4 events; Chamber of Commerce	EDO and BIA; Hastings County commencing Premier-ranked Tourist Project in 2009; County provides \$30,000 to ComfortCountry to coordinate tourism marketing for the surrounding area	Stratford Tourism Alliance; Stratford Shakespeare Festival
Regional partnerships	Ontario East Economic Development Commission (particularly with Creative Economy Sector); partnering with 3 neighbouring counties to promote artisan cheese investment (investincheese.ca); partnering with Durham Region on Creative Economy research	Hastings County; ComfortCountry; Ontario East Economic Development Commission	SOMA
Relationship with upper-tier	None due to being a single-tier	County has an Economic Development Manager and budget that fulfills mentoring and advice role and is a source of special project funding; Investment Lead Protocol signed with County; County itself proactively involved in county-wide BR+E, investment attraction, downtown revitalization, natural resources and agriculture initiatives; County coordinating Premier-ranked project	None due to being a single-tier
Other initiatives / comments	When current EDO was hired, overcame pressures to “woo” large industrial investment and instead aligned community assets with perceived investor demand. Advice – First get to know your market, identify strengths and assets; Then match your strategy with knowledge of local market; Third be pro-active in packaging it all in an easy to understand fashion and indicate how investors can participate in your local economy	Township EDO works closely with the business community; EDO assists BIA implement their strategies; CIP façade and signage incentive program has been one of the biggest successes; Advice - Don’t copy other communities, focus on what is unique locally and capitalize on your assets	Advice – Working with your neighbouring communities is important

Respect local capacity by recognizing existing organizations in the community: Rural communities may already have a Chamber of Commerce, a BIA, a CFDC or a destination marketing (tourism) organization. Any municipality involved, or looking to invest, in local economic development must not ignore, but rather work to complement such existing organizations and fulfill the necessary gaps that cannot be satisfied already. A role for the rural municipality must respect and recognize the needs, desires and successes of existing organizations.

Looking at the rural municipal case studies, both Prince Edward County and the Township of Stirling-Rawdon indicated close working relationships with their local organizations to partner and deliver local economic development. Stirling-Rawdon has created a good bond with their BIA while Prince Edward County has helped accelerate the tourism efforts of their destination marketing organizations like Taste the County.

Partner with neighbouring municipalities and participate in regional consortiums: Regardless of whether a rural municipality has its own full-time EDO or not, the merits of participating in a regional strategy have been made clear. A number of respondents to the survey indicated that they partner with their upper-tier municipality to manage economic development on their behalf. In the case of the Township of Stirling-Rawdon, they split roles and responsibilities with their upper-tier, but partner on occasion when warranted.

It is also found from the exemplary models that they participate in regional consortiums such as the Ontario East Economic Development Commission (OEEDC)³ or the Southwestern Ontario Marketing Alliance (SOMA).⁴ Such regional partnerships help with cooperative investment marketing and stretch limited budgets, time and resources by pooling money, staffing and expertise to attract investors that they would not otherwise be able to do individually.

A good example of a regional partnership is the Invest in Cheese initiative mentioned by Prince Edward County.⁵ It is a co-operative program involving Prince Edward, Frontenac, Hastings and Lennox & Addington Counties. In this case, rather than each rural County battling for cheese investment, they view the region as an attraction and recognize the regional assets. They have even gone so far as to brand themselves collectively as Ontario's Artisan Cheese Region.

³ <http://www.onteast.com>

⁴ <http://www.somasite.com>

⁵ <http://www.investincheese.ca>

CONCLUSION

In closing, learning what has worked in other rural municipalities and sharing best practices is certainly important for the design and promotion of rural development. The research reported in this paper furthers the understanding of how rural Ontario municipalities are currently managing local economic development. The findings provide help for those municipalities in rural Ontario looking to start, expand or improve their local economic development practice.

No single model was found to offer the best model for all municipalities. Instead, four actions were identified from the interviews with representatives from communities identified as offering examples of “best practice” in rural economic development:

1. Acquire a good understanding of the local community’s market and assets and develop an economic development strategy that reflects the local assets.
2. Invest in a full-time economic development officer (EDO), or equivalent.
3. Respect local capacity by recognizing existing organizations in the community that already have a role in local economic development.
4. Partner with neighbouring municipalities and participate in regional consortiums to help conduct investment marketing and other special projects.

These four actions are considered to be an essential starting point for delivering local economic development services in rural Ontario.

REFERENCES

- Agricultural Odyssey Group. 2002. The Odyssey Report. Prepared for Ontario’s Farm Leadership: Christian Farmers’ Federation of Ontario, Ontario Agricultural Commodity Council, Ontario Federation of Agriculture, Supply Management Committee.
- Banovetz, James M. and Drew A. Dolan and John W. Swain. 2000. “Overview of Local Economic Development”. In Roger L. Kemp (Ed.) Main Street Renewal: A Handbook for Citizens and Public Officials. London: McFarland & Company, Inc., Publishers. pp. 16-31.

Blais, Paul and Redden, Andrew. 2009. "Investing in Economic Development: Important Key Indicators Municipalities Should Assess". Municipal World, February, pp. 19-21.

Bryant, Christopher R. and Douglas, David J.A. 1995. "Ontario: Perspectives On Community Economic Development: Contexts, Challenges And The Record" in Community Economic Development In Canada by David J.A. Douglas, Volume Two. McGraw-Hill Ryerson, Toronto. pp. 129-168.

CBC News. 2009. "Pulp and Paper woes reach far and wide". Tuesday, September 1. Story posted at www.cbc.ca

Collins-Williams, Maureen. 2008. "Serving Entrepreneurs in Rural Areas: MyEntreNet". Rural Research Report. Volume 18, Issue 5. Fall. pp.1 – 6.

CRTC. 2009. "Internet and Broadband Availability". Accessed September 1, 2009 from <http://www.crtc.gc.ca/eng/publications/reports/policymonitoring/2009/cmr53.htm>

Cytron, Naomi. 2007. "Addressing Community and Economic Development in Rural America: Trends, Challenges, and Opportunities", in Community Investments. Spring. pp. 3-8.

Douglas, David J.A. 2002. "Rural Economic Development in Ontario: Insights gained from recent research". Municipal World. July, pp. 9-12.

Douglas, David J.A. 2003. Final Report: Findings and Recommendations for Policies, Programmes and Practice. Guelph; For the Project Towards More Effective Rural Economic Development in Ontario, School of Environmental Design and Rural Development, University of Guelph.

Douglas, David J.A. 2004. "Investing in Capacity Development: An Economic Development Agenda for Rural Ontario". Municipal World. April, pp. 31-37.

Drabenstott, Mark. 2003. "Top Ten Ways to Reinvent Rural Regions". The Main Street Economist: Commentary on the rural economy. Centre for the Study of Rural America – Federal Reserve Bank of Kansas City. November.

EDAC (Economic Developers Association of Canada). 2007. The Essentials of Economic Development: Practices, Principles and Planning. EDAC's Comprehensive Guide to Economic Development.

Flora, Cornelia B. and Corry Bregendahl and Susan Fey and Lily Chen and Jennifer Friel. 2004. Rural Community and Economic Development Case Study Review: A Summary Report. Prepared for the Claude Worthington Benedum Foundation. North Central Regional Centre for Rural Development.

Hastings County. 2007. County of Hastings: Economic Development Strategy. January 19.

Highman, Paula and Richard Rathge. 1998. "Population Change in the Great Plains: A History of Prolonged Decline". Rural Development Perspectives, Vol. 13, No. 1, pp. 19-26.

Howland, Marie. 2003. "Applying Theory to Practice in Rural Economics". pp. 61-79 in Richard D. Binham and Robert Mier (Eds.) Theories of Local Economic Development: Perspectives from across the disciplines. Sage Publications.

Industry Canada. 2009. "Broadband Canada: Connecting Rural Canadians". Accessed September 1, 2009 from <http://www.ic.gc.ca/eic/site/719.nsf/eng/home>

Levman, Bryan. 2004. "Significant numbers leaving GTA". The Toronto Star. Saturday, September 25. p. N8.

Malatest, R.A. & Associates Ltd. 2002. Rural Youth Migration : Exploring The Reality Behind The Myths : A Rural Youth Discussion Paper. Canadian Rural Partnership. Government of Canada. Ottawa, Ontario.

Monieson Centre, The. 2008. "Rural Vitality Conference Roundtable Summary: May 22-23, 2008". Queen's University. Summary is available at <http://easternontarioknowledge.ca/index.php/upcomingevents/past-conferences/85-past-conferences/371-rural-vitality-from-surviving-to-thriving-an-eastern-ontario-perspective.html>

Perkins, Martha. 2009. "School boards directed to help communities meet needs". The Community Press. September 10. p. 22.

Pezzini, Mario and Timothy R. Wojan. 2001. "Leveraging Amenities for Rural Development: Direction, Dialogue, and Negotiation". In Proceedings: Exploring Options for a New Rural America. Kansas City, MO. Kansas City Federal Reserve Bank. pp. 121-138.

Premier's Task Force on Rural Economic Renewal. 2001. Report of the Ontario Task Force on Rural Economic Renewal: Understanding the new rural economy and identifying solutions and opportunities for rural economic development. Prepared for The Honourable Mike Harris, former Premier of Ontario.

Prince Edward County. 2004. Market Readiness Assessment and Strategic Economic Development Plan prepared for Prince Edward County.

Redden, Andrew. 2005. The Out-migration of Rural Young Adults: A Case Study in the Municipality of Trent Hills, Ontario. Graduate Thesis. University of Guelph. University School of Rural Planning & Development.

Richards, Janet. 2009. "Have a local beer: Economic Development Manager wants industry to grow in Quinte". Belleville Intelligencer. September 9, p. 3.

Robson, Colin. 1993. Real World Research: A Resource for Social Scientists and Practitioner – Researchers. Oxford: Blackwell Publishers

Sirolli, Ernesto. 1999. Ripples from the Zambezi. New Society Publishers. Gabriola Island, B.C.

Sirolli, Ernesto. 2009. Notes taken from Dr. Ernesto Sirolli's presentation in Ivanhoe, Ontario. June 9.

Stirling-Rawdon, Township of. 2005. Stirling-Rawdon Township Community Strategic Plan. Stirling, ON

TORC (The Ontario Rural Council). 2002. "Proceedings of the 5th Annual Rural Development Conference of the Ontario Rural Council". October 29 & 30.

Tremblay, Bill. 2008. "Quaker Oats Plant closure will affect Brighton". The Independent. November 28, 2009. Downloaded from The Independent website www.northumberlandnews.com on September 1, 2009.

APPENDIX A

Recruitment Letter

Dear Ontario Municipal Official:

My name is Andrew Redden and I am currently employed by the County of Hastings as Economic Development Manager. As part of a requirement for a course I'm taking through the Economic Developers Association of Canada (EDAC), I must write a major research paper and have chosen to focus on local economic development in rural Ontario.

To help me learn more about how municipalities in rural Ontario choose to get involved in economic development, and what the exemplary models of practice may be, I would like someone from your municipality to help answer a few questions related to this topic. I have put together a short online survey that should take no more than 10 minutes to finish, and there is no right or wrong answer to any of the questions. Please click here to access the survey (or you may access it directly here):

http://www.surveymonkey.com/s.aspx?sm=27_2fIQOLWWdfvVX.

If you have received this email message and are not the best person to complete the survey, please forward my email to the most appropriate person in your municipality.

While research and writings do exist to proclaim the best practices for municipalities to follow, separate research on local economic development in rural communities is needed. By participating in this short survey, you are contributing to a research project that will help determine how economic development is more commonly facilitated in rural municipalities and understand what the best practices are for local economic development in rural Ontario.

All of the surveys and data collected will be kept completely confidential and your name or municipality name is not required. The final results will be tabulated and reported in my final paper. Once my paper is complete and approved later this year, I will send to you a copy by email. Should you have any questions, or have additional information that you feel would benefit this research project, please do not hesitate to contact me by email at andrewredden@gmail.com or my home telephone number is 613-968-8023.

Sincerely,

Andrew Redden

APPENDIX B

Questionnaire

1. Is your municipality a:
☐ Single Tier
☐ Lower Tier
☐ Upper Tier
2. What is the resident population of your municipality?
3. Does your municipality have an annual operating budget for economic development?
☐ Yes
☐ No

If yes, please state the \$ dollar amount for 2009 and outline (if possible) the percentage that covers salaries and/or project funding.

4. Does your municipality have at least one full-time economic development professional on staff?
☐ Yes (If “Yes” skip to question 6)
☐ No
5. If you answered “No” to the previous question, and do not have an economic development professional on staff, please describe how economic development at a local level is managed in your local community (then skip to question 9)?
6. Please select the total number of full-time staff and the total number of part-time staff employed to work on economic development in your municipality. From amongst both Full-time and Part-time staff, please also indicate how many have obtained the professional (Ec.D.) certified economic development designation and how many have the Ec.D. Fellowship designation.
7. For municipal economic development staff, what is the reporting relationship (meaning reports to a Clerk, the CAO etc.)?
8. Briefly describe the core-proactive responsibilities of your municipality for economic development (for example, responsibilities could include

tourism, downtown revitalization, natural resources, investment attraction, business retention/expansion, physician recruitment etc.)?

9. Does your municipality have any formal arrangement or partnerships with other municipalities or organizations to cooperate in delivering economic development services, projects, events or tourism etc.?

☐ Yes

☐ No

If you answered "Yes", please describe

10. Please list a rural community, or rural communities, that you believe are an example of an exemplary model of "best practice" in rural economic development, and briefly explain *why* in your opinion?

KEY FACTORS IN DEVELOPING EFFECTIVE, SUCCESSFUL AND SUSTAINABLE BUSINESS INCUBATORS

John Regan, Ec.D. (F)

INTRODUCTION

“Small businesses are the engine of our economy.”

This well-worn phrase conjures up images of thousands upon thousands of moms and pops in their family owned businesses, toiling endlessly day and night, pursuing the thankless task of keeping the nation’s economy humming along. Of course small businesses come in a variety of shapes, sizes and compositions, and their daily experiences are not as uni-dimensional as the preceding sentence would seem to indicate. The fact remains however, that the economies of our nation, our province, and every community depend on the continued growth and survival of small businesses. How dependent are we? Let’s look at some of the facts.

Industry Canada defines a small business as a firm with fewer than 100 employees. Such firms account for 98% of all business in Canada and employ 48% of the total labour force in the private sector. Each and every year, nearly 140,000 small businesses are created in Canada. Sadly, the statistics also indicate that 30%, or 42,000 of those new small businesses will not survive their first year, and an additional 20% or 28,000 will fail by year three. This begs the question: if small businesses are so important to us, what are we doing to reduce the incidence of failure within the small business sector?

The short answer is that, in North America, we’ve been nurturing some of our most promising new small businesses in “business incubators” for the better part of the last 50 years. There is very little debate about the effectiveness of business incubators. Studies have confirmed that the survival rate of “tenant companies” approaches nearly 90% in some instances. This inevitably makes one wonder why there are so few incubators nationwide (83 across Canada in 2005). Shouldn’t every community have its own business incubator – if for no other reason than insurance against the inevitability of the death of small businesses?

Elgin Community Futures Development Corporation (Elgin CFDC) is in the process of considering the creation of an incubator at its location in St. Thomas, Ontario. Due to the severe economic downturn - specifically the negative impact of contraction in the auto industry - Elgin County, and in particular, the city of St. Thomas have garnered much attention in the regional and national media. In more prosperous times, St. Thomas was more likely to be referred to as the

“Railway City,” or, perhaps more morbidly, as the place where the famous elephant, Jumbo, met his demise. Nowadays, however, it seems that St. Thomas is on its way to earning the loathsome title “Ground Zero of the Canadian economic downturn.” Elgin CFDC is determined to see that this title is never bestowed upon this city and the surrounding region.

This paper will examine:

- The profile of a community in need (i.e. the current business and economic climate in St. Thomas and Elgin).
- The roles of Elgin CFDC, and more specifically, its role in providing incubator-type services.
- The business incubator concept.
- The case for the establishment of a formal business incubator in conjunction with the existing suite of services offered by Elgin CFDC.

PROFILE OF A COMMUNITY IN NEED

CURRENT ECONOMIC SITUATION

**TABLE 1
POPULATION**

City of St. Thomas – March, 2008 (estimated)	38,536
County of Elgin (includes the City of St. Thomas) – March, 2008 (estimated)	87,655
Elgin Change in % from 2006 - 2008	2.7

Source: Statistics Canada, County of Elgin Profile, 2008.

Employment

London Region

The London Census Metropolitan Area (CMA), which includes St. Thomas, saw a jump of 47% in Employment Insurance (EI) recipients from February 2008 to February 2009. Given our knowledge of the local situation, it is safe to say that this figure is representative (and perhaps under-representative) of St. Thomas. Net employment in the economic region of London fell by 4.2%, or 13,800 jobs, from March 2008 to March 2009. Full-time employment decreased by 21,800

while part-time employment increased by 7,900. Consequently, the unemployment rate increased from 6.5% in March 2008 to 9.7% in March 2009, the highest rate since August 1996. Over the same period, the provincial rate increased from 6.5% to 8.9%. As of May 2009 the unemployment rate rose to 10.7%.¹

St. Thomas & Elgin County

In St. Thomas and Elgin County, the unemployment rates continue to significantly exceed the provincial and regional numbers. In St. Thomas, the rate soared to 14.8%, making St. Thomas and area one of the regions with the highest unemployment in Ontario.

TABLE 2
UNEMPLOYMENT RATE

St. Thomas	12.0% to 14.8%
Elgin County (with St. Thomas)	9.0% to 10.8%

Source: Employment Services Elgin, 2009; Elgin Local Training Board, 2009.

St. Thomas (population 36,000) and surrounding Elgin County (population 49,000) have been drastically affected by the decline of its major employment sector, manufacturing, particularly the transportation equipment manufacturing sector. To date the known job losses in that sector total 5,551. The major losses have come from the Ford Assembly plant (1,387 laid off- 1 shift shut down entirely); the Sterling Truck Plant (closed - 2,200 jobs lost); two Magna Plants, Formet (700 laid off) and Presstran (200 laid off); Therm-o-Disc (closed - 337 jobs lost); Timken (140 laid off); Lear (153 laid off); Walker Transport (56 laid off); Alcoa (closed - 152 jobs lost); Emerson (closed - 132 jobs lost); Schulman (closed - 128 jobs lost). This does not include the many job losses now occurring as a result of the major plant closures and layoffs, and many fear that the downsizing is not finished.

The other major employment sectors are farming (which is declining), health, education, and hospitality. Since farming represents the second largest sector in the area, it is worthwhile examining some of the economic realities associated with the industry.

¹ Source: London Labour Market Monitor: Service Canada, May 2009. *The Labour Market Monitor* is an overview of the **London Economic Region** including Oxford, Elgin and Middlesex counties. This monthly report is produced by the local area Labour Market Information Analyst and Stats Canada. <http://www40.statcan.gc.ca/101/cst01/labor03b-eng.htm>

Elgin currently has 2,215 farm operators, representing 2.6% of the County's population. This is substantially higher than the 0.6% figure for the Province of Ontario. The fact that there are over four times more farm operators per capita in Elgin County than the provincial average, illustrates the very important impact of the agricultural sector on the County's economy. Consider these additional facts:

- 7,753 jobs, or 19.7% of County's total is tied to agriculture in Elgin;
- \$558 million in sales from farms and businesses buying from and selling to farms; and
- over \$216 million farm expenditures were spent locally.²

The tobacco crop has been in steady decline since the government first announced its exit programs 15 years ago. To date, there have been three programs. The final Tobacco Transition Program (TTP) in 2009 saw 1,050 quota holders (individuals and business entities holding quotas) participate in the TTP which succeeded in retiring 99.8% of the entire quota. Tobacco has been the highest ROI crop in this region and is difficult to replace with a like crop. Over the years, a number of crop replacement initiatives have met with limited success for a variety of reasons, such as overproduction, unsuitable agronomy, duplication of crops driving down prices and/or lack of processing plants or crop marketing agencies.

In addition to the farmers losing a high ROI crop, the demise of tobacco has resulted in a decline in employment in the many farms, warehouses, processing plants and auction sites in the community. In 2004, according to Agriculture Canada, the total impact on local employment was a loss of close to 10,000 jobs and the evaporation of nearly \$500 million in income. These figures were surpassed in 2009.

St. Thomas and Elgin County have suffered serious economic setbacks. A small city has had its manufacturing base shattered and thousands of jobs have disappeared permanently. A rural county is experiencing the loss of a major and lucrative crop (tobacco) and its farmers are struggling. The impact on this small city and rural county has been nothing short of devastating.

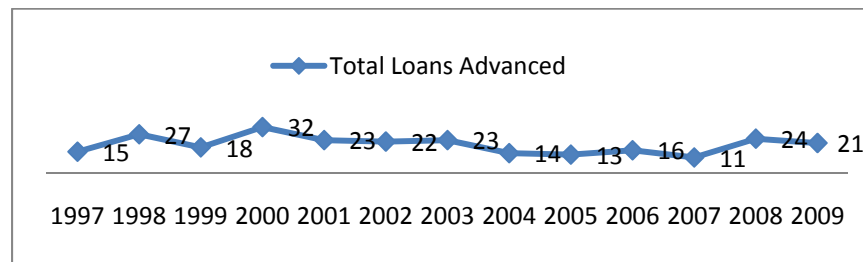
² Elgin Business Resources Centre, Anne Kenny, Community Economic Development officer, 2009.

The Role of Elgin CFDC

Support for Business and Economic Development

The Elgin Community Futures Development Corporation (CFDC), also known as the Elgin Business Resource Centre (Elgin BRC) is experiencing record inquiries and has exceeded its support capacity by nearly 50%. With increased traffic, comes increased participation in the self employment benefits program (SEB), and increased applications for loans. Elgin CFDC's efforts are resulting in record numbers of people becoming self employed. This reality is part of the rationale for the current discussion about the creation of an incubation centre for Elgin County. While a number of the new businesses have the potential of creating a significant number of jobs, there are also many businesses being created that will likely result in the creation of only one job. The range of new businesses is quite diverse, from dog grooming to light manufacturing/fabricating to heavy industry. It is important to recognize that, while all types of businesses need support from time to time, especially in their early stages, not all would benefit from being a resident within an incubator. However, all might perhaps benefit from virtual access to the services of an incubator.

FIGURE 1
ELGIN CFDC TOTAL LOANS ADVANCED



Source: Elgin Community Futures Corporation, 2009.

*2009 – as of September 2009 CFDC had 21 new loans out at \$1,124,465 with a forecast of 30 loans at an estimated 1.9m. by the end of 2009. The number of loans are on the rise and the amount being requested is significantly higher.

In 2008, Elgin CFDC extended \$785,484 in loans to 24 businesses. This represented a 118% increase in the number of loans approved over the previous year. This money also served to leverage further loans/investments of \$1,445,137, created 39 full-time and four part-time jobs, and assured the maintenance of 29 full-time and 11 part-time jobs. Elgin CFDC's portfolio of outstanding loans totaled \$1,670,921 across 44 businesses, as of December 2008.

The following outlines the impact that Canada's CFDCs and Community Business Development Corporations had from April 1, 2007 to March 31, 2008:

- 1,081 staff and 2,232 volunteers served a population of 9.1 million in 202 communities;
- 4,455 loans were granted at a total value of \$175.2 million; and
- 12,277 jobs were affected across rural and Northern Canada.

TABLE 3
2008 FINANCIAL AND EMPLOYMENT IMPACT OF CFDCs

Province	# of CFDC/ CBDCs	Staff	Volunteers	# of Loans	Value of Loans (\$M)	Total Jobs
NB	10	92	128	588	25.2	2,036
NS	13	73	139	599	18.7	1,088
NFL	15	75	120	353	12.9	607
PEI	3	10	19	94	2.4	22
ON	61	264	781	1,130	55.9	6,435
QUE – estimated	67	400	1,350	1,100	35.0	6,100
NU	3	9	13	31	2.4	114
NWT	5	10	31	106	5.0	377
BC	34	311	344	638	31.0	2,082
SASK	13	62	152	123	6.3	725
MAN	16	85	246	168	8.1	763
ALBTA	27	151	286	472	28.7	1,371
TOTAL	269	1,542	3,609	5,402	\$231.561 M	21,920

Source: Ontario Association of Community Futures Development Corporations (OACFDC), 2008.

The role of a CFDC is to support new and existing businesses through counseling and loan services. This includes providing:

- loans up to \$250,000;
- business plan development and assistance;
- SEB program;
- connecting businesses to resources; and
- community economic development services.

Elgin BRC provides support for existing and new small businesses through a variety of services and programs designed to help grow or get started in

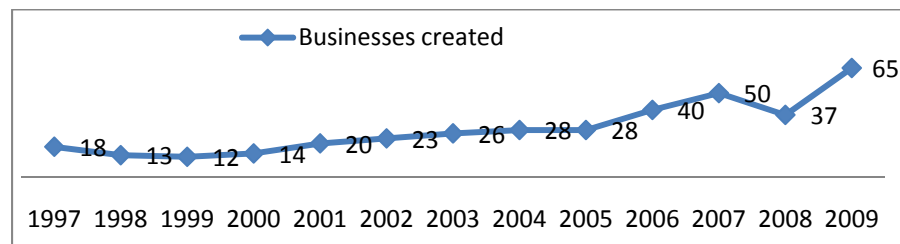
business. The CFDC also provides businesses with access to business and economic information.

Elgin BRC is a developmental lender providing qualified entrepreneurs with business loans of up to \$250,000 for start-up, expansion or preservation of an existing business within the region. The emphasis is on economic diversification and job maintenance or creation. A lending committee comprised of community volunteers provides added expertise to the loan review process. The committee members typically have successful business management or entrepreneurial experience, and are sufficiently familiar with local conditions and needs to make informed and effective lending decisions.

In addition to loans, CFDCs provide support in delivering community services. An example of this is the SEB program. The SEB program allows participants to continue to receive their employment insurance benefits while they are getting their businesses up and running. Following their acceptance into the program, qualifying individuals receive income support and business counseling (group training sessions, as well as one-on-one business counseling). The SEB program has been a catalyst for entrepreneurship and small business development in Elgin County. The chances of starting a successful, long-term business are much higher for individuals who receive the assistance of the SEB program. All SEB participants receive income support from employment insurance while involved in the program. This income support is of great assistance to entrepreneurs in the first year of business when revenues can be quite unpredictable.

Generally, those eligible for employment insurance do qualify for the SEB program. Once an applicant meets the criteria for eligibility, they are required to attend a series of concept workshops, followed by a series of business planning workshops. Their business plan is then assessed by a business counsellor and, if accepted, they enter into a contract with the Ministry of Training Colleges and Universities (MTCU).

FIGURE 2
ELGIN CFDC BUSINESSES CREATED



Source: Elgin Community Futures Corporation, 2009.

Elgin CFDC statistics indicate that 71% of the businesses that started during the period from 1998 to 2005 and received the benefit of our services are still operating. This contradicts the well documented historical fact that 2/3 of new businesses fail within the first five years of existence and serves to illustrate that access to professional business counseling can have a significant impact on business sustainability.

Elgin CFDC believes that, despite its own success, there is a missing link between early intervention/access to counseling and long-term entrepreneurial success and sustainability. Elgin CFDC and its counterparts across Canada play a vital role in support of business incubation in Canada. As noted in the discussion above, a number of CFDCs are also operators of business incubators. Indeed, given their mandate and the scope of services they offer to new businesses, one could argue that all CFDCs function, in the very least, as informal virtual incubators.

REVIEW OF BUSINESS INCUBATION

DEFINITION AND PURPOSE

Business incubators have existed in North America since the late 1950s. Joseph Mancuso is credited with creating the first formal business incubator in 1959 when he opened the Batavia Industrial Centre in a New York warehouse.³ In 2005, North American incubation programs provided assistance to more than 27,000 companies, employing over 100,000 people, and earned estimated annual revenues of over \$17 billion.⁴

The commonly accepted purpose of business incubators is to support and accelerate the development of new businesses through the provision of a controlled and structured environment, which provides ready access to necessary resources such as secretarial and administrative support, office and meeting facilities, and business expertise – in order to leverage entrepreneurial talent, encourage increased entrepreneurial activity and increase the success rate of new businesses. Incubators vary in the way they deliver their services; in their organizational structure and in the types of clients they serve. Completion of a program offered through an incubator program increases the success and

³ Stone, Mary (2008-04-24) "Mancuso, inventor of business incubator, dies". Rochester Business Journal.

⁴ Linda Knopp, 2006 state of the business incubation industry, Athens, Ohio: National Business Incubation Association. 2007.

sustainability of a start-up company. Experience shows that 87% of business incubator graduates will be sustainable businesses.⁵

Incubators are fundamentally different from the typical technology and research parks. Incubators focus primarily on new start-up or early stage developments, whereas research and technology parks will typically be larger scale developments that provide space to a wide scope of sectors, including government, universities and colleges, and small and medium-sized enterprises (SMEs). Most research and technology parks do not provide business assistance or services. However, there are examples of some that house an incubator program.

Starting a business or having an idea to start one does not grant the entrepreneur the privilege of automatic acceptance into an incubator program. A business incubator does not accept all. Generally speaking, entrepreneurs must apply and must meet criteria as set out by the incubator's policies and procedures. Though the criteria may change from incubator to incubator, a common practice is to accept as tenants only those businesses with viable concepts and business plans. This highlights an inherent difficulty in assessing the true effectiveness of a given incubator – it is populated by a process of cherry picking the “most likely to succeed” businesses, therefore affecting the success/failure rate.

Although affordable square footage may appear to be the primary benefit, the essence of a successful business incubation program exists in the services it offers and the culture of comradery that it fosters among member companies.

A 2006 survey by the National Business Incubation Association reported that more than 50% of incubators provided services to virtual and affiliate type clients.⁶ These companies do not have physical space within the facility, and are home-based businesses or early stage start-ups that have already acquired their own space. The virtual client receives services (counseling) electronically through webinars and video conferencing.

The duration of an incubation program seems to vary considerably and is affected by a number of factors. This includes, but is not limited to the level of experience and expertise of the entrepreneur and the type of business. For example, companies or organizations that have longer development and sales cycles such as those that are science-based and research and development intensive, require a longer tenancy than manufacturing or service companies. Generally, service and manufacturing companies are able to bring their product to the consumer sooner, and therefore can experience a fair degree of market-related growth within the first few years of operations. On average, incubator

⁵ University of Michigan, NBIA, Business incubation works, Athens Ohio: National Business Incubation Association, 1997.

⁶ National Business Incubators Association, State of the Business Incubation Industry, 2006.

clients spend 33 months in an incubation program.⁷ Incubation programs will implement graduation requirements through benchmarks that include, or may include, revenue targets, space requirements due to growth, or an increase in staffing levels. It would be rare and perhaps impractical to base the program solely on time - however, this is the criteria in some cases.

There are many different types of incubators including:

- Technology
- Computer software
- Internet
- Telecommunications
- Computer hardware
- Wireless technology
- Energy
- Environmental/ Green Technology
- Arts
- Media
- Retail
- Electronics
- Medical instrumentation
- Construction
- Forestry products
- Services

According to research by the National Business Incubator Association, more than half of all programs could be considered “mixed-use” projects, that is, they have clients from a variety of sectors. Technology incubators make up 39% of the incubation program.⁸

Funding and Structure

Many regional or national governments, in keeping with their economic development strategies will allocate funds towards business incubator programs. In the United States, the majority of incubators are funded independently through community-based and resourced projects. While the United States Economic Development Administration is a source of startup funding for new business incubation ventures, incubators must typically fund their operations through earned revenues and other available funding after the startup phase. An average incubator in the United States receives 59% of its revenue from rent and

⁷ National Business Incubators Association, State of the Business Incubation Industry, 2006.

⁸ National Business Incubators Association, State of the Business Incubation Industry, 2001.

other client fees, 18% from service contracts or grants, and 15% from operating subsidies.

It is interesting to note that, in the late 1990s, a large number of incubators were started by investors, ostensibly as a means to earn a quick profit. The National Business Incubation Association, at the time, estimated that almost 30% of all the incubators were registered as for-profit enterprises. After the dotcom bubble burst, many of these for profit incubators failed. Only 16% of the respondents to the 2002 NBIA survey indicated they were operating on a for-profit basis; by 2006 only 6% were for-profit⁹.

Location and Growth

According to the National Business Incubation Association, there are currently approximately 5,000 incubators worldwide. In 2006, there were over 1400 incubators in North America – a significant increase from the 12 that existed in 1980. In the United Kingdom, the number of incubators has grown from twelve in 1997 to over 270 in 2005. A European Commission study in 2002 suggested that in excess of 900 incubators were in operation in Western Europe at the time.¹⁰ Incubators are not only found in industrialized countries, but in developing nations as well. Support for these initiatives in developing nations is made available through UNIDO¹¹ and the World Bank.

Services

Figure 3 illustrates the services most commonly utilized by business incubator clients.

As noted earlier, numerous studies indicate that two out of three new businesses will fail prior to the fifth year of operation. Studies and common sense also show that the presence of professional business counseling and access to funding are required to grow businesses.¹² There is little debate that the primary objective of an incubator is to help build, develop and grow companies, and in so doing, create as many jobs as possible.

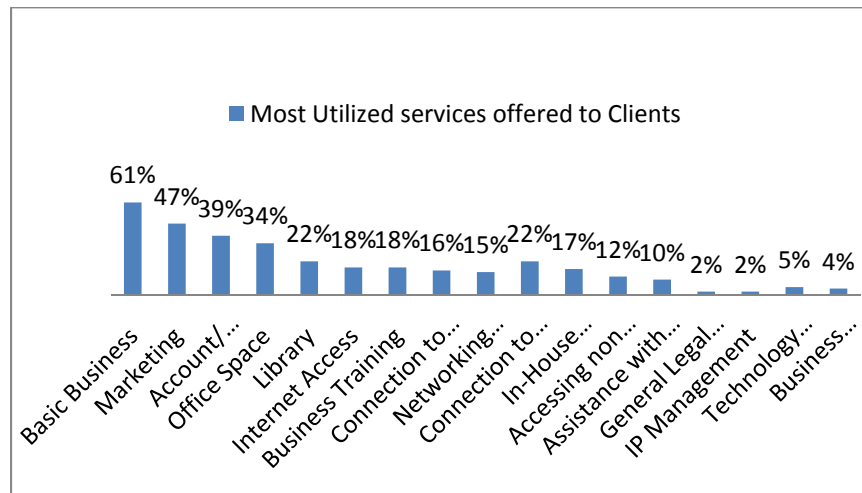
⁹ National Business Incubators Association, *State of the Business Incubation Industry*, 2001.

¹⁰ Centre for Strategy and Evaluation Services, "Benchmarking of Business Incubators" Brussels: European Commission Enterprise, 2002.

¹¹ Mapping UNIDO assistance - <http://www.unido.org/index.php?id=5492>. Also http://www.unido.org/fileadmin/media/images/resized/Investment_and_Technology/PLATECH/Bahrain.pdf

¹² Stats Canada 88f0006xie.

FIGURE 3
MOST UTILIZED SERVICES OFFERED TO CLIENTS



Source: Stats Canada, *Characteristics of Business Incubation in Canada, 2005*.

THE CANADIAN EXPERIENCE¹³

This section examines the operation of business incubators in Canada. Much of the discussion centres around data from a working paper titled, “Characteristics of Business Incubation in Canada, 2005,” based on the results of a Statistics Canada survey. In 2005, there were at least 83 business incubators in operation in Canada that generated over \$45 million in funding. These incubators served over 900 clients that generated revenues of over \$93 million and supported over 13,000 part-time and full-time jobs. The national association for business incubators, the Canadian Association of Business Incubators (CABI), which has been in operation for over 18 years to promote the goals of its members.

With improvements in technology, business incubators have been evolving to better meet the needs of clients. Of the 83 business incubators operating in 2005, 77 were in full operation and serving clients. The remaining six incubators were still in the “start-up” phase, with a 2006 expected start date.

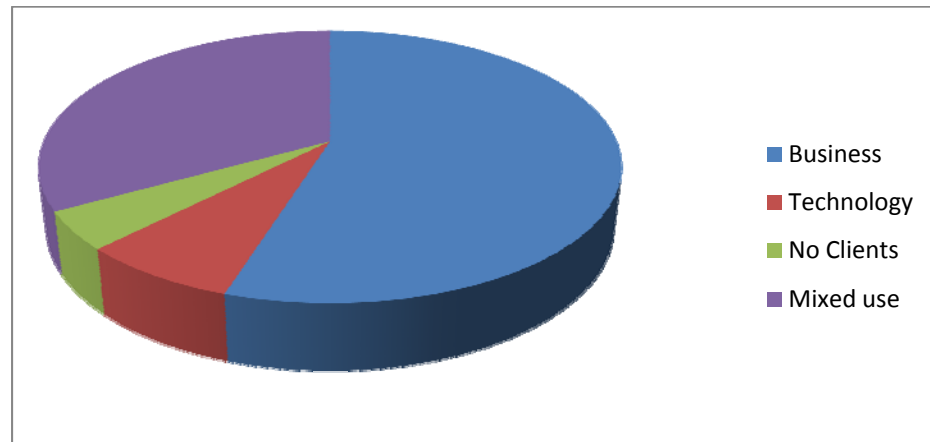
Of the 77 fully operating business incubators in 2005, 71% provided physical space to their clients. The remaining 29%, or 22 establishments only provided “virtual” incubation services. As previously discussed, there is general agreement that the primary objective of incubators is to facilitate the creation of

¹³ Stats Canada 88f0006xie.

jobs for the local economy. According to the survey, however, the objectives of industrial growth and commercialization of technologies were also very important.

Figure 4 shows the breakdown of types of incubators in Canada in 2005. The majority 73 (88%) provided primarily business incubation services, while ten (12%) provided primarily technology services. At the time of the survey, six (7.2%) incubators were at a start-up stage and had no clients. It is important to note that 44 (53%) provided both services in some capacity.¹⁴

FIGURE 4
TYPE OF INCUBATOR IN CANADA 2005



Source: Stats Canada, Characteristics of Business Incubation in Canada, 2005.

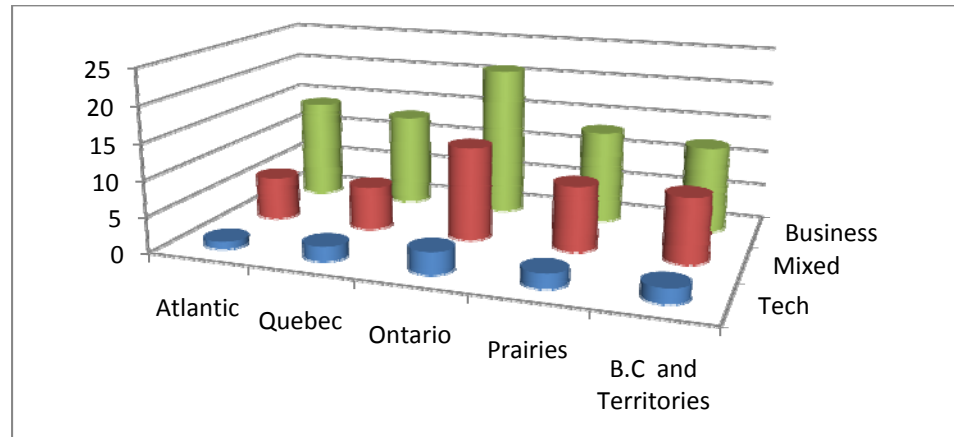
As shown in Figure 5, in 2005, incubators were fairly evenly distributed across Canada with the exception of Ontario where 24 incubators were located. The distribution for the other provinces/regions was as follows: Atlantic -15; Quebec – 15; Prairies - 15; B.C and Territories - 14.

The operating model under which business incubators are structured also varies. Over half of business incubators (54%) are structured as incorporated not-for-profit entities. Of this group, 12 or 27% are CFDCs. Table 4 summarizes the various types of operating models utilized by business incubators in Canada.

¹⁴ Stats Canada 88f0006xie page 8.

It would appear that co-location of incubators contributes to the success of the incubator and incubated businesses. The 2005 working paper by Statistics Canada proposes that co-location on the same premises plays a very important role in successful incubation. Location within the same four walls allows for greater mentorship, collaboration, and other discussions throughout the day. It also contributes to fostering the mentoring of start-ups. The building of such relationships is crucial to the success of the incubation start-ups.

FIGURE 5
LOCATION OF INCUBATORS ACROSS CANADA



Source: Stats Canada, *Characteristics of Business Incubation in Canada, 2005*.

TABLE 4
OPERATIONAL TYPES

Operating Model	Number of Incubators	Percentage of Total
Incorporated Not-for-Profit	45	54%
Government Department or Agency	13	16%
University or College Assoc.	10	12%
Other	7	8.4%
Private for Profit	6	7.2%
Part of a Larger Private for Profit	2	2.4%

Source: Stats Canada, *Characteristics of Business Incubation in Canada, 2005*.

The survey that was conducted with CABI members indicated that although the majority of incubators were co-located, 48% were not. The survey further suggested that the most popular co-location model was associated with a college or university (26.5%). All those surveyed by the CABI/Statistics Canada survey, along with a survey conducted for the purposes of this paper, indicated that government plays an extremely important role - accounting for over 59% of key strategic partners.

The diversity and respective proportion of partnerships is outlined in Table 5 below. It is common for incubators to draw on the experience and expertise of a partner. The average incubator employs 3.2 people with 70% of staff or 2.2 people made up of professionals (managers, counsellors, mentors).

TABLE 5
STRATEGIC PARTNER IN INCUBATORS

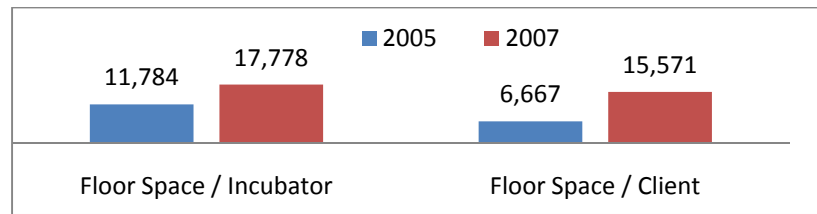
Federal Government	28%
Provincial Government	17%
Municipal Government	13.6%
University	10.6%
Private Not-for Profit	7.7%
Other	6.5%
Private for Profit	5.3%
College	4.1%
Regional Government	3.0%
Lending Institution	3.0%
No Partners	1.2%

Source: Stats Canada, Characteristics of Business Incubation in Canada, 2005.

Floor Space

In 2005, the average Canadian incubator occupied just over 11,784 square feet. This figure grew to nearly 18,000 square feet in 2007 – an increase of 51%. During the same period, the average floor space occupied by incubator tenants grew from 6,667 square feet in 2005 to 15,571 square feet in 2007 (a 133% increase). Given the modest increase in the quantity of incubators from 83 in 2005 to 97 in 2007, the growth in floor space utilized suggests that most incubators are dedicating increasing amounts of physical space to tenants. Figure 6 illustrates the significant change in the proportion of available floor space utilized by incubator clients.

FIGURE 6
AVERAGE FLOOR SPACE



Source: Characteristics of Business Incubation in Canada, 2005.

The federal government in Canada was the largest funder of incubators, contributing just over \$10 million dollars or 22.6% of the \$45 million raised in 2005. Rents and other services from clients make up approximately one quarter of the funding required.¹⁵

Table 6 presents some of the preliminary data released by Statistics Canada from the 2007 survey of business incubation and compares it with the 2005 data.

INCUBATOR OBJECTIVES

The next section is by far the most critical and is based on discussions with incubator managers and board members. The information gathered alluded to the importance of policies and the ability to enforce and abide by policies to ensure long-term sustainability.

The reasons and motivation for the creation of the incubators varied from organization to organization. The common thoughts were that incubators were created as a tool of community and economic development, and to support a transition or transfer of technology to commercialization, as well as to enable entrepreneurship. The generation of revenue for the organization was not mentioned or was noted just in passing. When the surveyed participants were asked to state their top three goals and objectives, on top of the list was the creation of jobs, followed by the growth of the industry and the diversification of the local economy. As mentioned above, the key to the success of a business incubator was the criteria for admission and exit or graduation. If there is demand for the space and there is no political interference, the criteria are likely to be met.

¹⁵ Stats Canada publication 88f006xie, page 11

TABLE 6
COMPARISON OF 2005 AND 2007 STATISTICS

<u>Space-Square feet</u>	2005	2007
Total Floor Space	11,784	17,778
Occupied by Clients	6,667	15,571
<u>Funding-in millions</u>		
Total	\$45.0	\$66.9
Federal	\$10.2	\$17.4
Provincial	\$5.6	\$17.1
Rent and Fees	\$10.8	\$17.1
Other	\$18.9	\$15.3
<u>Clients</u>		
Avg # of Clients/Incubator	9	14.2
Receiving Services	68%	75%
# of Employees/Firms	65	31
<u>Common Services</u>		
Basic Business	71%	68%
High Speed Internet	64%	70%
Networking Activities	56%	71%
<u>Barriers to Incubators</u>		
Funding	63%	49%
Clients with no Funding	65%	49%
Finding Clients	65%	38%

Source: Stats Canada, results publication 88f006xie (page 11)

Since available space in incubators is scarce, General Managers must, by necessity, employ a screening methodology of some sort to select tenants – if only just to clear the intake tray in as judicious a manner as possible. But, what if there was little demand for space? Would there be any need for selection criteria? Would first come, first served be the order of the day?

One approach to answering this question would be to examine whether prudent selection of tenants helps to make the incubator successful, or whether the incubator helps to make prudently selected tenants successful.

One could argue that if you only select entrepreneurs with excellent business plans and a top notch management team as tenants, then adding below market rents, a collaborative captive community of peers and readily available advisory services only serves to accelerate the inevitable success of the cream of the crop.

On the other hand, one could argue that employing a “quasi-affirmative action” approach to selecting tenants might be a more appropriate approach for communities such as Elgin County, where the quality of the pool of candidates might not appear to be as stellar as in larger centres, but the magic of the incubator model could nevertheless be strategically employed to enhance the overall success rate of businesses. It seems intuitive that the selection criteria should vary from community to community, based on the objectives of the incubation program and the profile of potential tenants.

It only seems to make good sense to make incubators more accessible to entrepreneurs. What good is it to have an 87% success rate inside the walls, and a 33% success rate outside the walls? The admission and graduation criteria are examined below.

Admission Criteria

Current criteria of admission into incubators are set out in Table 7.

Graduation Criteria

In the Statistics Canada 2005 survey, the primary graduation criterion was a pre-determined period of time that was agreed upon at the entry level. This was followed by the facility no longer being suitable, and whether the business met or failed to meet the predetermined milestones (Table 8).

TABLE 7
CURRENT CRITERIA OF ADMISSION INTO INCUBATORS

Criteria	# of time applicable
Good Business Plan	62
Sound Management Team	46
Good Business Opportunity	46
Commercialization Opportunity	35
Availability of Financing	32
Collaboration in Research	29
Other	26
Spin off from Stakeholder	10
Working Prototype	4
Foreign Applicant	1

Source: Stats Canada, Characteristics of Business Incubation in Canada, 2005, 88f006xie page 12.

TABLE 8
CURRENT CRITERIA OF GRADUATION FROM INCUBATORS

Criteria	# of incubators
Predetermined Period	53
Facility no Longer Suitable	35
Reached or Failure to Reach Milestones	34
Management Team	30
Other	24

Source: Stats Canada, Characteristics of Business Incubation in Canada, 2005, 88f006xie, page 12.

In 2005, business incubators served over 4500 clients. Almost 25% of these clients fell under arts and recreation, accommodation and food services, with another, almost 25%, in the scientific and technical services group. The remaining 50% was made up of: retail trade, transportation and warehousing - 8.2%; manufacturing - 6.4%; health services and education - 5.2%; agriculture, fishing and hunting - 4.6%. The remaining categories were mining, administration and support, cultural, public administration, real estate, insurance, and management.

Based on rate of utilization, for all sectors, the top six categories of services provided to virtual and onsite clients were:

- business basics - 61%
- marketing assistance - 47%
- accounting - 39%
- connections to angel or VC investors - 22%
- office space - 22%
- resource materials - 22%

Barriers to Success

Incubator managers were surveyed regarding the barriers to the successful operation of incubators. The majority responded that finding appropriate clients (65%), having clients with little or no seed financing (65%), and sources for funding the incubator operation (63%) were the most significant barriers.¹⁶ The Statistics Canada 2005 study concluded by stating that the growth of incubators was on the rise. The demand for incubation service exceeds the supply, and one in three applicants are approved for client status.

¹⁶ Statistics Canada, Characteristics of Business Incubators, 2005.

THE CASE FOR THE ESTABLISHMENT OF A FORMAL BUSINESS INCUBATOR - ELGIN CFDC

LOCAL ECONOMIC IMPACT

In all the documentation reviewed, it is evident that the impact of incubators on the economy is sound and positive. In 2005, incubators in Canada were responsible for the creation of 12,874 full-time and 292 part-time jobs. Incubators also play a role as catalysts in encouraging entrepreneurial activity. People are more likely to consider participating in an activity when it is accessible and inviting, and when it offers a framework for education, training and support. Most people don't seek out entrepreneurship - it presents itself as an opportunity at certain times in one's life or career. Everyone that decides to become an entrepreneur wants to be successful. When an individual wants to succeed, that person generally commits to investing time and resources in the pursuit of that success. This usually entails research, buying books and magazines, photocopying articles at the library, attending seminars and meetings (often at restaurants and coffee shops), purchasing supplies (business cards, stationery, and a new computer), and installing a fax line, etc. These are all activities and expenditures that stimulate the local economy, and these preliminary steps are usually all it takes to change someone from a "nontrepreneur" to an entrepreneur – at least in their own minds. This is the point at which access to incubator services – virtual at first – would start to have a positive impact on the eventual outcome of their entrepreneurial initiative.

GENERAL OBSERVATIONS

What becomes of the 2/3 of incubator applicants who are rejected as tenants? Do they give it a shot anyways and crash and burn on the boulevard of broken entrepreneurial dreams? Or, do they succeed against all odds?

Have opportunities been missed to provide a valuable "incubator lite" or pre-incubation service to self-identified entrepreneurial types; perhaps boot camps to prepare them for their next stab at entry into the entrepreneur's Shangri-La?

What role can CFDC's play? Would it not be logical for example, for Elgin CFDC to also provide traditional or virtual incubation services, with a mandate to be a little less exclusive and in the process accepting more businesses with the objective of grooming them to reach the next level of development; perhaps feeding them up stream to "pure incubators"? What good is it to try and create the next Microsoft, and yet neglect a focus on creating *clients* for the next Microsoft?

CONCLUSIONS AND SUMMARY

It is clear that business incubators are effective and can be self-sustaining operations by adhering to the best practices of the industry. Incubators could do more to affect the overall business success rate by relaxing some of the entry qualifications. Perhaps the internal success rate might suffer, but as long as it exceeded 33% that would represent an improvement over the results in a non-incubated environment.

Elgin County could benefit substantially from an incubator located or co-located with the Elgin CFDC. Many jobs have been lost that cannot and will not come back. It is absolutely the right time to take proactive steps and support a proven employment generator and local economy booster. Business incubators on average create over 150 jobs and generate revenues of \$1.2 million. Their economic impact is significant. Should a business incubator be located in Elgin County, the region will benefit from a much-needed permanent economic stimulus initiative.

As a final note, the insights gained from over 60 one-on-one conversations and interviews with incubator managers, administrators and other experts were incorporated in the content of this paper. A summary of the feedback is provided in the Appendix that follows.

REFERENCES

Canadian Association of Business Incubators conducted many one on one interviews and performed a survey with the membership at the 2009 Edmonton conference.

Centre for Strategy and Evaluation Services, "Benchmarking of Business Incubators" Brussels: European Commission Enterprise, 2002.

David McNamara, InNOVAcorp, Halifax.

Ed Hobbs, Toronto Business Development Centre.

Elgin Business Resources Centre, Anne Kenny, Community Economic Development Officer. 2009.

Fanshawe College, St. Thomas Campus and Employment Services Elgin, Current Unemployment Estimates 2009.

Linda Knopp, 2006 state of the business incubation industry, Athens, Ohio: National Business Incubation Association, 2007.

London Labour Market Monitor: Services Canada, May 2009
<http://www40.statcan.gc.ca/l01/cst01/labor03b-eng.htm>

Mapping UNIDO assistance - <http://www.unido.org/index.php?id=5492>; also
http://www.unido.org/fileadmin/media/images/resized/Investment_and_Technology/PLATECH/Bahrain.pdf.

Marie Lusser, NRC- Industry Partnership Facility Ottawa.

Meredith Erlewine, Comparing Stats on Firm Survival. "In Measuring your Business Incubators Impact", 2007.

Michael Donahue, Toronto Business Development Centre.

Millier Dickinson Blais Inc, Interactive Niagara, August 2007.

National Business Incubators Association, State of the Business Incubation Industry, 2006.

Statistics Canada, The Business of Nurturing, Hamdani, Bordt and Joseph. Catalogue # 880006x, no. 2, 2008.

Statistics Canada, The Characteristics of Business Incubation in Canada, Hamdani, Bordt and Joseph, Catalogue 88f0006xie, no 7, 2005.

Statistics Canada, Survey of Business Incubation 2007. Science, innovation and electronic information division.

Steve Pellarin, Executive Director, London Small Business Centre.

Stone, Mary (2008-04-24) "Mancuso, inventor of business incubator, dies". Rochester Business Journal.

Susan Gardner, Editor, Municipal World.

The Business Link, Andrea Routlier, Alberta.

University of Michigan, NBIA, Business incubation works, Athens Ohio: National Business Incubation Association, 1997.

APPENDIX - CABI 2009 CONFERENCE PARTICIPANT SURVEY

Focused Survey Results

The following is a summary of the information obtained from a survey conducted for the purpose of this research paper

1. What role(s) can/should government play in the development and implementation and management of business incubators?

Seventy-five percent felt funding should be a part of governmental role. Other comments collected were that government should look at business incubators as an effective tool in strengthening the commercial base in rural Canada. With their funding support, each rural incubator can help provide small business owners with the aftercare that will help guide them through the first and possibly second year of operating their business. There is always the issue of accountability and the funding agency should be provided with quarterly reports on successes, failures, number of people being employed and graduates. Government should also provide some key infrastructure that would otherwise be unavailable in the private sector; facilitate the one-stop-shop concept in an incubator by linking the various organizations and service delivery agents who assist business growth.

Clearly this is one economical vehicle that works. According to Statistics Canada companies that are incubated are 87% successful, after 5 years in business compared to a 25% rate for those that are not incubated. The government could provide funding in the set up of incubation programs with a finite timeline associated with this funding to ensure the business incubator is self sufficient. It is my expert opinion states a respondent (Marie Lusser) that 5 years is long enough to support a business incubator as the funding is higher the first year and should decrease to nothing by the end of the 5th year. A business incubator is a business in itself and should be self sufficient within 3 to 5 years of opening its doors.

2. What role(s) can/should industry play in the development, implementation and management of business incubators?

Mentorship came back at 100%. Industry should be available as mentors and possibly financial support to maintain and grow incubators in their region. Their established experience should be shared with the tenants of the incubator either in the form of a round table discussion once a month or quarterly. Established members of the

business community should look at volunteering their time to help fledgling business owners over the rough spots. It was also thought that industry had a role of sitting on the board with 37.5% suggesting the board has a close relationship with industry as board members.

Industry can provided spin offs to the business incubator, it can become one of the 3Ps (private, public partnership) it can provide access to expert staff in the areas of economic development, business plan writing, marketing, intellectual property, know how, technologies and funding to name but a few. If industry is a partner it will have an active role in the business indicator which should be determined up front.

3. What role(s) can/should former incubated companies/entrepreneurs play in the development, implementation and management of business incubators?

When it came to former incubated tenants, it is vital that the incubated company be committed to the process and become actively involved in the weekly, bi-weekly or monthly training sessions and share their successes and failures with their counterparts and bring new ideas to the table if they see something that may help all of the other incubated companies in the cluster improve their operation. Seventy-five percent felt that all should become mentors and or provide training. Twelve percent of those surveyed felt the previous tenant should remain as an anchor tenant. They could also sit on the business incubator Board of Directors, become mentors to new start-up companies, experts on-call or in- house and champions of the business incubation program.

4. Can some/all incubation services be delivered effectively in a virtual environment, or is it necessary for the incubated company to occupy physical space in the incubator?

Eighty-eight percent were not very receptive to a virtual environment. It may work very well with the younger crowd, however the majority felt that hands-on, one on one meetings work better; this may not be the case in the new and improved world of communication.

5. Does incubation benefit certain types of businesses more than others? For example, are technology-oriented businesses more likely to thrive and develop in an incubated environment?

Over seventy-five percent felt that incubators serve high-tech, high growth companies. Although there is widespread and growing support for tech-oriented companies and the high-paying jobs that they can bring to a community, those surveyed felt that a tech-oriented incubator

located in a predominantly low-tech community could not be viable unless it was open to all types of businesses. It was also felt that incubation can benefit all types of business categories. More financial support is available to tech and bio-science incubators, but financing can be available for any incubator if the vision supports the need for either an industry sector-based or geographically focused approach. Business success occurs from interaction/networking with other businesses; it is helpful if they are like minded, but every business can learn from an accountant, a salesperson, etc.

6. What is the success rate of business incubators?

Of those who responded all agreed that the incubation process was critical to the success of businesses. All agreed that the success rate of incubation was in excess of eighty percent.

7. Have they (business incubators) been shown to reduce the failure rate of new businesses?

Most felt that business incubators provide a full service to SMEs in building not only the business but also the management team and technologies. The network provided and nurtured by the business incubator is invaluable to growing strong Canadian companies as is a good management team.

Seventy-five percent of those surveyed felt that there was a significant reduction in failure for incubated businesses. Twelve percent felt incubators had no affect on failure rates and twelve percent did not comment.

8. What can be done to improve the success rate of incubators?

Besides the response of "everyone is trying to find that answer", the responses focused around the following major items: more involvement from the established business community; the local politicians and by the general public; intake protocol; mentoring; networking; funding; accountability of incubators management.

The responses also pointed to the need to provide education on best practices, sharing methodologies, attracting champions at all levels, ensuring that the incubation management's toolkit is filled with the right mix of tools and strong national linkages with such organizations as CABI.

9. What is the relationship between an entrepreneur's academic or professional experience/achievement and the success rate of incubated businesses?

If the entrepreneur does not have the drive that makes a true entrepreneur, they are doomed to failure despite any educational achievements. Education is not always the determining factor when it comes to being successful in business. Some of our leading entrepreneurs in Canada and the US lack a degree.

If you were to survey business incubator managers, they would come from varied backgrounds, have different skill sets and may or may not have started their own business. This is also true of entrepreneurs and their experiences, education and background. There is no one definite answer as all entrepreneurs are unique and bring their own recipe for success. An entrepreneur's drive and commitment to building a successful business is most critical as is his or her ability to listen and accept direction and assistance from service providers and business incubator staff. The passion an entrepreneur brings to developing his/her idea and company will serve him/her well as long as he/she has a plan and follows it. Education is not what contributes to a successful business but rather the entrepreneurial spirit

10. Difficulty in accessing growth capital is a significant barrier to growing one's business. Should incubator program enrollees be given some guarantee of access to equity capital based on their performance in the program?

One hundred percent of those survey responded with no. There is no guarantee that they will be successful. Even if their performance is outstanding, it is up to the angel investor or venture capitalist to make that decision. There is no free lunch.

The role of the incubator is to coach, direct and assist the company in its growth. Funding is only one aspect of growing a successful company. If the management team is weak, if the business plan is weak or is not adjusting with the growth of the business, if the idea is not strong etc. no matter how much money is given to a business it will eventually fail. Funding is just one aspect of growing a business.

11. What is the most common reason(s) for the failure of an Incubator?

Lack of funding, lack of sustainability, the wrong management team, no understanding of what it takes to grow a successful business, lack of direction, no critical mass, lack of a business plan, lack of direction, no champion. The responding participants also identified not following the entrance and exit criteria as a reason for failure.

12. What would you consider to be the top "best practices" and critical success factors that contribute to the success of an incubator?

The responses included: run the incubator as a business with milestones, a sound marketing plan and engagement from the local community; practice what you preach to your clients; be consistent in the delivery of all programs; have the right management team in place; have an active and committed Board of Directors that are there to support the incubator in its growth with no hidden agendas; strong entrance and exit criteria. good matrixes and statistics to demonstrate to stakeholders program successes; strong community partners and champions; a flexible building that adjusts to client requirements and adapts to meet your clients needs; ongoing education of staff to ensure they have the best skill sets to meet the client's needs; review your business plan on a regular basis; and conduct exit interviews with your clients to see what you could do to better by learning from them what did and did not work.

Also noted was making it compulsory that the tenants commit to a once a week training/bull session. The tenant must be open to criticism from his/her peers and must be willing to accept a mentor if available. The tenant should attend any sessions where speakers are brought in to talk on specific business related topics. The rent has to be reasonable but it cannot be too low that it results in the centre going into the red. Any advertisements should be shared by the tenants. The tenant must be willing to a pro-rata agreement on shared equipment and reception costs. The tenant must be willing to cooperate in open house projects. The tenant must get along with all of the other tenants. The tenant has to respect the incubator manager and the role in the incubator. The incubator manager must be flexible and able to multi-task. The incubator manager must be a strong communicator and arbitrator.

DELIVERY MODELS OF LOCAL ECONOMIC DEVELOPMENT: AN ANALYSIS OF INTERNAL AND EXTERNAL MODELS IN ONTARIO

STEPHEN THOMPSON

INTRODUCTION

Economic development is a growing, yet relatively young profession in comparison to other municipal professions such as engineering and planning. Its roots are in the field of industrial development, which became organized in the last fifty years in Canada with the formation of the Industrial Developers Association of Canada (IDAC) in 1968, and the Ontario Industrial Development Council Inc. (OIDCI) in 1958. Both were subsequently renamed the Economic Developers Association of Canada (EDAC) and the Economic Development Council of Ontario (EDCO) (Economic Developers Association of Canada, 2009; Economic Developers Council of Ontario, 2009). The name change reflects the broadening scope of the profession, which may also include commercial, tourism, downtown renewal (Bryant and Preston, 1988) and other responsibilities such as branding and community development (Blais and Redden, 2009). According to membership directories of both EDAC and EDCO, membership continues to increase, indicating growth and recognition of economic development as a profession.

The growth in the profession enables many municipalities to hire several economic development employees to focus on activities such as business attraction, business retention and expansion, marketing, investment attraction, labour market development, and often tourism destination marketing and development. With this growth in functions and services provided comes the need to develop an organizational structure for the economic development office that connects it to the business community as well as the municipal council or administration, which typically is responsible for funding the local economic development office. The economic development office needs to have strong ties with city staff which help move through the development process. It also benefits from relationships with external organizations with similar roles in economic development. This may include the chamber of commerce, community development organization, small business centre, local associations such as a downtown association, educational, training and research institutions, and where possible, an upper tier of government such as a county or region (Bowen, Rubin, Hill, 1991).

The focus of this research is an examination of the two most common economic development delivery models at the local-municipal level in Ontario: The internal model where an internal department reports through the administration

to municipal council, and the external model in which a not-for-profit corporation provides economic development services and is governed by a board of directors. Comparative advantages of each model will be introduced and a time series analysis will be presented to document trends of growth or decline in adoption of either model.

LITERATURE REVIEW

Local municipalities largely exist to provide services (Bowen, Rubin, Hill, 1991). However, the era when municipal governments provided only the most basic services to property is long past (Myhal, 1993). The expanded delivery of municipal services and also municipal reform has often led to the establishment of external corporations. Often incorporated as agencies, boards, commissions, or corporations, they are introduced to enhance the delivery of municipal services through specialization (Richmond and Siegel, 1993).

A literature review reveals that the debate over internal and external municipal organizations is not a new construct Ontario. Boards of police were formed in Upper Canada in 1858, as were boards of health. In the nineteenth-century external organizations such as utility and planning commissions were formed to take those functions out of direct political control and place them under professional influence (Keating, 1991). Planning Commissions have since, generally been abolished and planning is now a function of the municipal political process, with politicians expected to be accountable to make planning decisions in public (Siegel, 1993a).

External organizations are typically created to provide a single service; provide a highly specialized service; allow for arm's length decision-making; separate the service from the political process; remove certain functions from the public eye; establish self-funding business-like units; involve business people in decision-making; or to provide for multi-jurisdictional representation (Myhal, 1993).

External organizations have proven to be effective and efficient to varying degrees (Richmond and Siegel, 1993). They have also proven to be contestable; external agencies are often seen as leading to fragmentation, hindering public understanding of government and often perceived to be less accountable (Graham, 1993). The basic conflict between flexibility and efficiency on the one hand, and accountability on the other, pervades many discussions on this topic (Myhal, 1993). There are, however, two obvious mechanisms to link municipal councils to external organizations: representation on the board and control of some portions of the organizations budget (Graham, 1993).

The design and implementation of appropriate structures and accountability practices can minimize these risks, yet the conventional wisdom in local government often calls for a reduction in the number of special purpose bodies (Richmond and Siegel, 1993; Graham, 1993). As early as 1980, the Association of Municipalities in Ontario has also indicated that it favours moving towards a reduction of special purpose bodies and a strengthening of the municipal council's role (Myhal, 1993).

Economic development is another local service that is, in certain instances, delivered by specialized, external, "quasi-public" economic development corporations, usually funded from a mixture of public and private money and reporting to a board of local political and business leaders (Bowen, Rubin, Hill, 1991). Thus, municipal organizational structure involving the economic development office has also been a topic of research and analysis on many occasions (Kitchen, 1985; Kallio, 1986; Bryant and Preston, 1988; Frith, 1993; Blais and Redden, 2009; Myhal, 1993; Bowen, Rubin, Hill, 1991; Siegel, 1993a). Many of these studies introduced the topic and went further to look at local/regional relationships, as well as the relationship between economic development and planning.

ROLE OF THE ECONOMIC DEVELOPMENT PROFESSIONAL

Before the organizational structure can be reviewed and discussed, it is beneficial to understand the role of the economic development professional. It appears there is no single definition of the role of economic development. Neither the Economic Development Association of Canada nor the Economic Developers Council of Ontario includes a definition of economic development in their by-laws. (Penny Gardner, Economic Developers Association of Canada, E-mail Communication, September 9th, 2009; Economic Developers Council of Ontario, 2009a) One of the most comprehensive definitions can be derived from the work of Bryant and Preston, 1988 which authored an entire Economic Development Bulletin including the following table of eleven typical functions of the economic development office:

1. Information development and transfer;
2. Local business retention and expansion;
3. Attracting new investors and entrepreneurs;
4. Strategic economic planning;
5. Advocacy;
6. Encouraging foreign investment and entrepreneurial immigration;
7. Maintaining a public relations program for the community;
8. Participating in downtown revitalization;
9. Enhancing trade opportunities for local entrepreneurs;

10. Supporting small business and investors; and
11. Providing forecasting infrastructure for development.

A similar, although less specific definition was put forward by Bowen, Rubin, and Hill (1991) as an activity designed to stimulate economic growth by creating and retaining employment, improving income, strengthening and expanding the tax base, and fostering full use of available resources in the municipality. As well, researchers such as Frith (1993) have attempted to identify a central purpose to economic development. He infers that the principal role of the economic development professional has been to generate and maintain both local employment and the municipal tax base. Peterson (1981) and Kitchen both questioned the impact of many economic development programs. Kitchen (1985) went a step even further and conducted a review of the municipal economic development function in Ontario and evaluated whether there was merit in the role of local economic development – a debate not unheard of at budget time in council chambers across Ontario and beyond.

The debate over the role of economic development can be attributed to more than just the varied definitions of the profession. Local economic development professionals cannot control the destiny of their community. External factors and decisions by the private sector, which the economic development professional can only influence, make local economies extremely vulnerable to outside market forces. These conditions make it difficult to measure the impact of economic development tools in aiding business to expand or luring new business to the community (Bowen, Rubin, Hill, 1991).

Municipalities have the option to choose whether changes in the economy are simply allowed to occur unmanaged or whether it intentionally guides and manages “local responses” toward the goals of economic growth and development by establishing an economic development program in the community (Bowen, Rubin, Hill, 1991). This program is generally designed to align with the desire of the municipality to attain an optimum population size to provide the services desired by their population at a minimum cost (Keating, 1991).

However, indications are that the economic development profession in Ontario and Canada continues to grow (Economic Developers Association of Canada, 2008). This growth may be an indicator that the desire of municipalities is to be actively engaged in their economic future. Bryant and Preston (1998) state “if municipalities wish to maintain and develop their role in the economic development process, they must realize that the EDO [economic development professional] is their star player...” It may be this highly visible position and perceived role in the “quality of life” in a community that also makes the economic development professional highly vulnerable. Perhaps central to this vulnerability is the fact that economic development programming such as trade

shows, external advertising, etcetera is much more resource intensive than other municipal activities such as development approvals.

It is the role of the economic development professional that appears central to much of the published material relevant to this research into the structure of the economic development office. Frith titled his 1993 thesis "Analysis of Organizational Structure of Local Economic Development in Ontario" and focused his research on the costs and benefits of integrating the economic development office with the planning department. From one-on-one interviews with 20 economic development professionals in Ontario, his research identified a number of key points that are transferable for consideration to the municipal model of economic development versus the not-for-profit corporation model.

Frith (1993) states that there are many resources that could be shared between the planning and economic development departments, such as a land inventory and demographic data. He finds that the planning and economic development disciplines may be closer in practice than ever before but that perhaps it is the economic development practice that has come closer to planning rather than the planning practice that has gravitated closer to traditional economic development.

Frith summarizes that "while the work of municipal planners and local EDOs has been well detailed in various sources, there is an absence of written work concerning the relations between the two agencies" (p. 66) and that there is general agreement among different authors that there should be greater co-operation between planning and local economic development, but that economic development and planning organizations should be separate.

The results of Frith's analysis indicate that approximately 33 percent of economic development offices were combined with the planning department, and that combined departments were generally associated with municipalities with smaller populations. Frith identified several key differences between the two organizational structures including improved perception by the private sector of separate economic development offices, as well as better communication with the private sector. Frith categorized the benefits of merging the economic development office with the planning department to be internally focused such as cost, reporting, and data collection efficiencies.

As Frith acknowledged, his analysis took into account lower-tier municipalities such as cities and upper-tier municipalities such as counties or regions. However, one might argue that these should be analyzed separately because of the different roles that lower and upper-tier governments play in both planning and economic development. Possibly a greater limitation of Frith's work is that it included both economic development corporations and economic development departments in the analysis without clear differentiation. Naturally, a separate

economic development corporation couldn't be part of a municipal planning department.

Earlier research by Kitchen (1985) included a survey of 57 economic development organizations in Ontario to determine their reporting relationships. This identified six options to which local economic development offices report: Chief Administrative Officer, Board of Directors, Committee/Commission, Planning Commissioner, Mayor, or Council. Kitchen also reported that the data he compiled from a 1983 Ontario Industrial Development Council (now the Economic Developers Council of Ontario) Budget and Salary Survey report indicated that 35 percent of economic development organizations were either independent corporations or commissions. This research, however, did not organize economic development organizations by level of government, nor by population of area served. As well, advisory boards may have been classified into the board of director's category, which would prevent this category from being an accurate indicator of a corporation structure.

A good summary of several considerations relevant to this debate is presented by Bryant and Preston (1988). The authors affirm the importance of reporting relationships in economic development. They state "The organizational structure which the EDO operates is important because economic developers must have access to policy and decision makers." Bryant and Preston quote that "The less direct the reporting relationship, the less effective the development officer will be; and the less input and output he will receive from the decision making process." Also key is the ability of the economic development professional to sell the ideas contained in the strategic economic plan to senior levels of government. Presentations and reports on plans and project development must be convincing and gain their support because successful development requires local political commitment and sufficient levels of funding.

Bryant and Preston also highlight the importance of the alignment of the economic development officer with the business community and suggest the economic development officer be central to the creation of the economic development and community strategy. Richmond and Siegel (1993) suggest that there is a trend in local governments to initiate more advisory bodies to stimulate the consultation process and improve public input while maintaining council's control. This may possibly apply to economic development as well.

MODELS OF ECONOMIC DEVELOPMENT

There are two primary models of Economic Development Offices. They are either the internal municipal model or the external not-for-profit corporation model.

In the internal model of economic development, staff members are accountable to Council for the delivery of economic development programming. The economic development office may be either a stand-alone department or integrated with another department such as the planning department (Frith, 1993). Policy is set by Council and staff members are employees of the municipality. In smaller municipalities, economic development activities may be the responsibility of the clerk, city manager/chief administrative officer, planner, or economic development officer. Budgetary constraints in smaller municipalities may limit the economic development activity to a part-time responsibility of an individual in another department. Committees of council or advisory bodies are so close to the core municipality that they should not really be considered a separate entity (Siegel, 1993a) and therefore economic development offices with committees of council or advisory bodies are classified in this research as following the internal model.

In the external model, a not-for-profit corporation exists and staff members report to the board of directors of the corporation often through a General Manager/Chief Executive Officer (CEO). The board of directors is accountable to obtain funding for payroll, and operations including programming. Most of this funding is generally from the municipality. A rudimentary analysis conducted in 2007 found that 85 percent or more of the revenue of most not-for-profit corporations come from the municipality in the form of operating grants (McCabe, 2007). The remainder of the budget was achieved from federal/provincial grants and fundraising including sponsorship, gala dinners, golf tournaments, etcetera. In the external model, the board of directors sets policy and staff members are employees of the corporation. The separation from municipal operations would likely indicate that the staff members focus on economic development activities without distraction by other municipal matters. The board of directors would typically include the majority of members drawn from the business community plus several members of council. A corporation is not under the direct control of the municipal council, but is one step removed from the municipal administration (Siegel, 1993a).

Advisory committees are common in both structures. They serve the purpose of engaging the private sector in guiding topic or sector-based discussions, for example the industrial sector or the tourism sector. These committees also typically include several members of council with the majority of members drawn from the development and business community. Committees are typically created to provide strategic direction on economic development matters and especially in the case of municipal economic development offices, to create a link to the private sector. When employed by a municipal economic development office this is sometimes called a hybrid model, however, it may be more accurately a variation on the municipal model since policy is set by council and staff are employees of the municipality. The advisory committee

does not deal with matters of human resources, finance, information technology, etc. Instead, it focuses on strategic matters pertaining to economic development (McCabe, 2007).

COMPARATIVE ADVANTAGES

With each structure, whether the internal or external structure, a number of pros and cons can be found. In an effort to assemble a comprehensive list of the comparative advantages of each model, in December, 2008, members of the Economic Developers Association of Canada and the Economic Developers Council of Ontario were invited by e-mail, to provide information on the advantages, disadvantages, strengths or weaknesses associated with having an economic development department (internal model) versus an economic development corporation (external model). The purpose of this was to gather feedback and assemble a comprehensive list of the pros and cons of economic development offices structure throughout the country.

From this communication with members of both associations came nineteen responses. Of these, five came from municipalities in Ontario, three from municipalities in British Columbia, two from municipalities in Alberta, and one municipality from Manitoba. One response was received from members in each of Quebec, Newfoundland and Labrador, Nova Scotia, New Brunswick, and Prince Edward Island. In addition, three responses came from individuals working in consulting firms in Ontario.

The responses received, for the most part, contained information on how each respondent's municipality has structured the economic development office and the successes and limitations each community experienced as a result of its model. Several respondents were from communities that had recently changed its model of economic development and were therefore able to speak to the pros and cons of each model from first-hand experience.

The advantages from responses received have been organized into the frequency tables (Tables 1 and 2).

The advantages of each model are explained in more detail in the two sections below. The first contains information on advantages of the not-for-profit economic development corporation model of economic development and the second section on advantages of the municipal model of economic development.

TABLE 1
FREQUENCY TABLE: EXTERNAL MODEL ADVANTAGES

	Number of Responses	Percent of Total
Private-Sector Alignment	6	32%
Focus	5	26%
Funding	3	16%
Aggressive and Competitive	3	16%
Timely and Responsive	3	16%
Streamlined Decision Making	3	16%
Policies	2	11%
Full Cost Accounting	2	11%
Separate Finances	2	11%
Confidentiality	2	11%

TABLE 2
FREQUENCY TABLE: INTERNAL MODEL ADVANTAGES

	Number of Responses	Percent of Total
Municipal Collaboration	6	32%
Access to Municipal Resources	6	32%
Alignment with Council	6	32%
Streamlined Administration	4	21%
Branding and Municipal Communication	2	11%
Stability of Funding	4	4%

EXTERNAL MODEL ADVANTAGES

An external corporation has the benefit of being more closely aligned with business and industry. The external model fosters working practices that are more closely aligned with the private sector than those of the public sector. A corporation provides the opportunity for business leaders to become fully engaged and accountable through membership on the board or leading activities and initiatives (McCabe, 2007). Boards of external organizations allow for the presence of outside expertise or for the representation of a number of groups or interests. Expertise can be provided by members of the board and having representatives of certain specific organizations on the board can effect coordination between agencies (Myhal, 1993). As well, stakeholders may be more likely to get involved and assist an external economic development office (Peterson, 1981). Many organizations use volunteers to provide services which would cost thousands of dollars if employees were hired instead. While people are frequently enthusiastic about volunteering for certain agencies, not as many volunteer to work for their local government. And if they did, there could be problems with established employees and unions (Myhal, 1993).

In the external model the corporation can be an aggressive and competitive advocate on behalf of an investor to ensure the municipal functions such as planning and engineering are being proactive and responsive. Operating as a separate corporation enables staff to conduct business differently than a municipal office does; for instance being more aggressive and taking risks when it comes to business or marketing decisions.

A corporation offers the autonomy and provides ability to operate with a minimum of bureaucracy. This is particularly important in an economic development office which often requires fast-paced decision-making in an environment of constantly shifting priorities based upon client needs. The separation in reporting structure helps ensure focus remains on economic development rather than becoming a special projects department or one assigned projects that don't fit with any other department such as capital projects, municipal real estate matters and tenancy agreements.

A corporation has the ability to have its own set of policies including pay scales and labour policies which can be tailored to align best with the nature of the work of the employees. Hours of work can be adjusted to match those of the private sector to improve access to information and resources.

A corporation provides full-cost accounting; all expenses associated with the corporation are accounted for including rent, office equipment, phone expenses, computers, postage, reception, etcetera. The corporation, which has a separate set of financial records, has the ability to carry forward surplus or deficits from year to year. This is particularly important for an organization that relies heavily

on grant or other revenues, which can reduce the need for transfers from the municipality, or savings can benefit operations in future years. This method of operations also provides a separation from “spend it or lose it” syndrome.

As well, being a separate entity allows economic development corporations to apply for funding from sources that might be unavailable if the entity was a city department. While in some instances funding may still be available, if that funding is staffing related, municipal collective agreements may present a barrier.

In the external model client confidentiality was cited as a strength. However, it may be the case that the leadership in either model (board of directors in the external model or council in the internal model) may request involvement in confidential client matters. As well, Frith (1993) suggested that confidentiality is often “a crutch” used by economic development offices to avoid integration with other municipal functions.

INTERNAL MODEL ADVANTAGES

Incorporating the functions of the corporation into the structure of the municipality has the opportunity to streamline administration through integration with council meetings, thereby eliminating board meetings and the associated administration, incorporation of finances with city operations, eliminating a separate set of audited books and administration. It can also eliminate confusion or red-tape (Myhal, 1993).

Operating as a department also offers the potential to increase collaboration between departments and economic development staff. A separate corporation structure inevitably leads to a degree of isolation of the corporation and stereotyping of it as an outside body and thus less of the “city team”. When integrated with the municipality the economic development office is better able to facilitate development and business issues.

The integration of economic development office functions into the municipal structure provides the opportunity for greater involvement in communications and marketing. Marketing within a corporation would be primarily focused on marketing associated with economic development and tourism and less on community services/activities and other “City Hall news” or overall community branding.

When integrated as a city department rather than a stand-alone corporation, policy and direction are streamlined and municipal protocols can be adopted regarding committees and appointments. Accountability to the electorate is directly through the council process. Municipal departments generally garner

more public attention and therefore may be held more accountable than external organizations (Myhal, 1993). With a separate corporation, the board sets policy and direction which may or may not always directly align with the policy of council, which can lead to significant conflict – it can be difficult to serve several masters (Myhall, 1993). As well the economic development strategic plans can be more directly integrated with other municipal strategic plans.

In the internal model, funding is generally from the municipality with less expectation for staff to source private-sector funding. The potential for more sustainable wages, benefits, and pensions can help attract and retain highly-skilled economic development professionals.

When part of the municipal function, it gains access to established municipal services including human resources, finance, geographic information systems, etcetera and enables the economic development office to deliver programs that require coordination across multiple departments.

COMPARISON OF THE EXTERNAL AND INTERNAL MODEL

The external and internal models exist to achieve the same general purpose: the provision of local economic development services. The models have a series of considerations which inherently connect to the advantages and disadvantages of each. An advantage in one model often aligns with a disadvantage in the other model. Table 3 compares key operational differences between the two models.

TIME SERIES ANALYSIS

This analysis focuses on the local municipalities in Ontario with a minimum population of 15,000 people. These municipalities, which are typically called a city, a town, a township or a village, are classified in the 2006 Statistics Canada Census as either lower-tier municipalities or single-tier municipalities. Single-tier municipalities are those where there is only one level of municipal government in that area, such as the City of London or City of Toronto.

Lower-tier municipalities are those within a higher level of municipal government such as a county or region such as the City of Mississauga, which is in the Region of Peel. Counties and regions are not part of this analysis. However, several former counties retain the word "county" in their name even though they are now single-tier municipalities. An example is Haldimand County, which is single-tier municipality and therefore part of this analysis.

TABLE 3
OPERATIONAL CHARACTERISTICS

	External Model	Internal Model
Alignment	Ability to be well connected with the business community with the private sector represented on the board. Potentially disconnected from municipality and council.	Potentially disconnected from business community. Potential for a stronger working relationship with departments such as the planning department.
Autonomy	Ability to work with a minimum of bureaucracy in an environment that often requires fast-paced decision-making. However, items requiring board attention between meetings need to be handled by GM/CEO due to limited frequency of meetings.	Structured decision making framework involving committee/council process.
Coordination	Viewed as an external stakeholder.	Ability to access city resources and coordinate projects across departments.
Policies	Ability to have its own set of policies reflecting the nature and needs associated with the Corporation's activities.	City policies prevail.
Focus	Ability to set the focus of activities on the core priorities identified through an economic development strategy.	Projects that don't fit with any other department such as information technology, capital projects, municipal real estate matters, and tenancy agreements may be assigned to the economic development office, making it more of a special projects office.
Full Cost Accounting	Expenses such as rent, equipment rentals, phone expenses, computers, postage, reception attributed with an individual department are generally not assigned back to that cost centre.	Expenses such as rent, equipment rentals, phone expenses, computers, postage, reception attributed with an individual department are born by the corporation.
Accounting	Ability to cover financial overruns by savings in other departments. Financial savings may fund overruns by other departments. Less incentive to exercise fiscal responsibility.	Financial overruns and under runs stay with the corporation. Surplus or debt from one fiscal year automatically gets carried from one fiscal year to the next.

Risk taking	The bureaucratic process introduces additional checks and balances to limit risky decisions or to control aggressive marketing.	The board of a corporation may choose to respond to opportunities with a greater ability to be aggressive and bold in its response.
External funding	Some funding programs are not available to municipalities but are available to non-profit corporations. Greater expectation of sourcing external funding.	Some funding programs are not available to municipalities but are available to non-profit corporations. Municipal funding clearly sets who the economic development office is accountable to.
Admin	Administration is streamlined through integration with council meetings, thereby eliminating board meetings and the associated administration, incorporation of finances with City operations, eliminating a separate set of audited books and administration. Council has direct input on business plan and activities.	Administration is handled by Corporation staff including the scheduling of meetings, distribution of reports, recording of minutes, and maintenance of corporate records. A separate set of audited books exists and the associated costs. Limited council input on business plan and activities.
Collaboration	Operating as a department also offers the potential to increase collaboration between departments and economic development, tourism and events staff.	A separate corporation structure inevitably leads to a degree of isolation of the corporation and stereotyping of it as an outside body and thus less of the “city team”.
Marketing	Opportunity for greater involvement in communications and marketing.	Marketing activities are primarily focused on marketing associated with economic development, tourism, and special events and less on community services/activities and other “city hall news”.
Access to Municipal Expertise (HR, IT, etc)	Ability to access city expertise.	Generally limited or no access to city expertise.
Contracting	Contracts, with vendors, if multi-year, typically do not extend beyond the term of council.	Contracts with vendors, if multi-year, typically do not extend beyond the term of funding by council. Generally the term of the board members is staggered and there is no change-over of the entire board at once.

A total of 98 local municipalities were identified that met these criteria. A number of considerations lead to this delineation, including the following:

Municipalities with less than 15,000 in population may have less consistently had an internal or external employee that was a member of EDCO. As well, the municipal amalgamation in 2001 had significant impacts on the number, size, and naming of smaller municipalities making it particularly difficult to compare these municipalities from 1999 to subsequent time periods in this analysis. For those two reasons these municipalities were not included as part of this analysis. Hollick and Siegel (2001) noted a decrease in the number of small and an increase in the number of larger municipalities in Ontario over this period.

EDCO membership was chosen as a means to identify the presence of an internal or external economic development function in the municipality. This was chosen not just due to the availability of this data, but also as a means to qualify the level of staffing in economic development. One might be hard-pressed to find a municipality that would indicate it does not have economic development staff. However, these staff might be a mayor, city manager, engineer or other individual who has a multitude of other responsibilities. The presence of an EDCO membership probably indicates some level or formalization of involvement in economic development that might not be present in municipalities without an EDCO member.

To conduct this analysis, EDCO membership lists from 1999, 2004, and 2009 were reviewed for each of the municipalities in the analysis. The presence of an EDCO member working for a local municipality (internal) or a not-for-profit economic development corporation (external) which represents an individual local municipality was noted for each municipality in each time period (Appendix A).

Where the information in the EDCO directory did not clearly identify whether the economic development office was part of a municipal department or a stand-alone corporation, municipalities (nine) were contacted directly for the information.

OBSERVATIONS

A number of the municipalities examined as part of the analysis, have economic development services provided at a regional level of government. This is the case in regional areas such as Niagara, Durham, York, and others. In many cases, economic development services are also provided at the local level of government in those areas. However, only local and single-tier municipalities or agencies with EDCO memberships were classified through this study as having municipal or corporate economic development offices.

As well, some municipalities contribute to the funding of multi-municipal partnerships. Such is the case with the Greater Peterborough Economic Development Corporation which is funded by two municipalities: the single-tier City of Peterborough, and the upper-tier Peterborough County which includes the smaller municipalities surrounding, but not including, the City of Peterborough. Another example is the Windsor-Essex Development Commission, which provides economic development services across eight municipalities that were part of this analysis. Because economic development services are not provided at the local level in those municipalities, they could not be classified into either the municipal or corporate categories.

Six municipalities were found to have economic development corporations in all three periods of the study. These municipalities were: London, Fort Erie, Kingston, Sault Ste Marie, St. Thomas, and Timmins.

The analysis also found a number of municipalities that changed structure over the three periods of the study. These changes were as follows:

- In 1999 Oakville was transitioning from having a municipal economic development office to a corporation structure, however by 2009 the office returned to being a municipal department.
- The Economic Development office in Burlington became a corporation between 1999 and 2004.
- Port Colborne's economic development office became a corporation between 2004 and 2009.
- In the former Regional Municipality of Haldimand Norfolk, economic development offices moved from the upper- and lower-tiers of government to the new single-tier Haldimand County and new single-tier Norfolk County.
- Midland previously contracted economic development services from its area chamber of commerce but by 2009 municipal departments such as the planning department have these responsibilities.

Municipal Amalgamation in 2001 affected many of the municipalities in the study. This affected the comparability of data from the 1999 to 2004 and 2009 time periods. With the merging of lower- and upper-tier governments through the amalgamation process, economic development offices moved from the regional to the single-tier level in municipalities including Sudbury and Hamilton. Sudbury's economic development office followed the corporate structure in 1999, moving to a department model by 2004. Hamilton's economic development office remained a municipal department through the study period.

Sarnia has an economic development function within city departments, but marketing and other services are provided by the Sarnia Lambton Economic

Partnership, which is regional in nature. This structure is unchanged through the three periods of the analysis. Given the focus of this analysis on local municipalities, the City's municipal economic development office is classified through this analysis but the larger Sarnia Lambton Economic Partnership is not.

RESULTS

Table 4 summarizes the results of the analysis of delivery model used by 98 local municipalities in Ontario for economic development services.

TABLE 4
DELIVERY MODEL ANALYSIS RESULTS

Delivery Model	1999	2004	2009
External	9	8	8
Internal	52	62	65
Outsourced	1	1	0
Subtotal	62	71	73
% of total	63%	72%	74%

The study revealed that there is little change in the number of external local economic development offices; there were nine in the first period of the study and eight at the end of the study. However, only six were consistently operated externally throughout the study, with others changing in structure either becoming internal (departments) or external (corporations), or in the case of Oakville, becoming a corporation and returning to a city department all within the time periods of this study.

The study indicated that there is an increase in the number of municipalities as part of this study with economic development staff as members of EDCO. In 1999 there were 53 internal economic development offices with EDCO members. This increased to 65 with members in 2009. Municipal amalgamation may have influenced this; amalgamated municipalities may have reached the critical size to warrant (or be able to budget for) staff with a role in economic development. Amalgamation may have also impacted the accuracy of the analysis since not all municipalities in 1999 remained comparable in population or geographic area following 2001 amalgamation.

The overall number of municipalities with an EDCO membership held by an internal or external economic development office increased from 63 percent to 74 percent throughout the study. This growth was entirely from within

memberships held by employees of internal economic development offices – the number of external memberships did not increase. This may indicate overall growth of the economic development profession in Ontario as evidenced by the overall growth of municipalities' local economic development offices. The number of external economic development offices throughout the study did not increase and therefore did not keep pace with internal economic development growth.

In analyzing these results, consideration should be noted that the scope of activities of each economic development office might vary significantly. This could impact the appearance of the internal economic development function but may be less likely to do the same within the external corporations sampled. Corporations typically have staff members that are dedicated to economic development and possibly tourism whereas a number of municipalities list only a planner, city manager, or clerk as having an EDCO membership. If this is the only individual on staff involved in economic development, the municipality's total resources going toward economic development may be very limited.

FUTURE RESEARCH

From the review of the EDCO directories from 1999, 2004, and 2009, it appears that there may be a greater number of EDCO memberships being held by a position within the municipality with an economic development professional title. Future research could explore whether this indicates a growth in the economic development profession and staffing within communities, or whether this represents a change in which municipal position holds the EDCO membership.

Suggestions were received from some of the municipalities contacted suggest that there may have been a greater change in economic development structure in the five years prior to the period of this study (between 1994 and 1999). This time period was not part of this study for several reasons, including the above-noted consideration of comparability resulting from municipal amalgamation, and also for the fact that the Economic Developers Council of Ontario was not able to provide membership directories prior to the 1998 directory. However, if data sources are found, or if direct research with municipalities is undertaken, this may be an option for future research.

Several communities, particularly in the 1999 directory, listed the economic development office as an economic development commission. Through direct contact with those municipalities it was clarified whether these were a function of the municipality or rather a corporation. Further research could be conducted as to the reasons behind the naming of the economic development office and

whether it is merely a name change or indicative of other structural characteristics of the office.

This study does not attempt to quantify the staffing level within the economic development office, nor the reporting structure of the municipal economic development function. It appears that some economic development offices are part of the CAO's office, others report directly to council, others may be part of another department such as planning or may be limited to part of one individual's time within another department. Further research could be conducted to analyze these characteristics. It could also document the presence of what is sometimes termed a "blended-model," which involves an economic development advisory committee that may make recommendations to staff and/or council.

Opportunities exist for further analysis of the structure and presence of regional economic development offices across Ontario. Indications are that many exist, but that they may range in organization from local municipalities in a certain geographic area which have agreed to collaborate on certain initiatives, to county/regional offices of economic development, to multi-jurisdictional entities that may receive funding from two or more single-tier municipalities, to Community Futures Development Corporations that may or may not provide economic development services typical of a municipal economic development office.

The entire analysis, or the above future research areas, could also be expanded to other provinces or jurisdictions outside Ontario which would capture additional models of economic development and regional districts such as in Western Canada, or regional partnerships such as in Eastern Canada.

CONCLUSION

There exist a number of delivery models of local economic development. These models can be generalized into two categories: the municipal model of economic development, and the not-for-profit corporation model of economic development. In both models, an additional characteristic found through the survey of members of the Economic Developers Association of Canada and the Economic Developers Council of Ontario, is the presence of economic development advisory committees.

The time-series analysis involved an review of 98 local municipalities in Ontario with a population over 15,000. The analysis documented that of the municipalities surveyed, 63 percent had a member of the Economic Developers Council of Ontario working at the local-municipal level in 1999. This grew to 72 percent in 2004 and 74 percent in 2009. The growth was entirely from

municipalities engaged in the municipal model of economic development. The corporate model did not keep pace with this growth, declining from 9 instances in the first period of the study to 8 at the end of the study.

The study identified a number of advantages to each model. Among the most compelling arguments for an economic development corporation appeared to be not just the connection with the business community, but the engagement of the business decision-makers in setting the direction of the corporation as members of its board of directors. One of the strongest arguments in support of the municipal model of economic development appeared to be the internal alignment with council, the planning department, and other municipal departments.

Either model has the potential for the involvement of advisory committees. A review of literature found reference to the involvement of the business community in the economic development office. An economic development advisory committee may help this cause, especially for municipal economic development offices. As with the not-for-profit corporation model, a clear set of terms of reference will be needed for the advisory committee to define roles and responsibilities in the decision making process and to minimize conflict (Richmond and Siegel, 1993).

Which model is best, or as Frith asked, "Is one particular organizational structure the best choice for all municipalities or are different structures best suited for particular kinds of municipalities?" Either model of economic development comes with its own series of advantages. Ultimately the success factor of either model may be the decision making process: Does the municipality wish to be directly involved in the operation of the economic development office (municipal model) or does it wish for members of the private and public sectors to come together as directors of the board for a not-for-profit corporation? If the latter, how is the corporation made as accountable as possible to the municipality? (Graham, 1993). Since the economic development office is largely funded by the municipality, this factor, and also consideration of the other comparative advantages will ultimately be a decision of council.

This study was designed to introduce readers to the trends and comparative advantages of two models of local economic development delivery. It is intended that this study will help practitioners, municipal administration, and elected officials decide which of the two structures evaluated is best suited for their municipality. Neither model was determined to be superior since it is recognized that individual municipalities have different characteristics and priorities which will help guide each individual municipality to the model that is best for its own circumstances.

REFERENCES

- Blais, Paul and Andrew Redden. 2009. "Investing in Economic Development: Important Key Indicators Municipalities Should Assess", Municipal World. St. Thomas, Ontario, February 2009.
- Bowen, William, Herbert Rubin, and Edward Hill. 1991. "Management of Economic Development". Managing Local Government: Public Administration in Practice. Newbury Park, UK: Sage Publications Inc.
- Bryant, Christopher R. and Richard E. Preston. 1988. "The Local Economic Development Officer: The Job and Its Role in the Community", Economic Development Bulletin Number 4. Waterloo: University of Waterloo.
- Economic Developers Association of Canada. 2008. 2007 Annual Report. Flamborough, Ontario: Economic Developers Association of Canada.
- Economic Developers Association of Canada. 2009. "EDAC History". http://www.edac.ca/html/shtml/edac_about_history.shtml. September 10, 2009. Flamborough, Ontario: Economic Developers Association of Canada.
- Economic Developers Council of Ontario. 1999. "1998-1999 EDCO Membership List by Municipality" Canada's Business Centre: Ontario. Richmond Hill: Kenilworth Publishing Inc.
- Economic Developers Council of Ontario. 2004. Economic Developers Council of Ontario Member Directory. Oakville: Perspective Marketing.
- Economic Developers Council of Ontario. 2009. 2009 EDCO Directory. Toronto: BCS Group.
- Economic Developers Council of Ontario. 2009a. "By-Laws – EDCO". www.edco.on.ca/en/about/ByLaws.asp. September 10, 2009. Cornwall: Economic Developers Council of Ontario.
- Economic Developers Council of Ontario. 2009b. "History – EDCO". <http://www.edco.on.ca/en/about/History.asp>. September 10, 2009. Cornwall: Economic Developers Council of Ontario.
- Frith, Stephen. 1993. Analysis of Organizational Structure of Local Economic Development in Ontario (MA Thesis). Waterloo: University of Waterloo.
- Graham, Katherine. 1994. "Agencies, Boards and Commissions: A Taxonomy and the Beginnings of an Evolution". Agencies, Boards, and Commissions in

Canadian Local Government. Toronto: Institute of Public Administration of Canada

Hollick, Thomas R. and David Seigel. 2001. *Evolution, Revolution, Amalgamation: Restructuring in Three Ontario Municipalities*. London, Ontario: University of Western Ontario.

Kallio, Christopher A. 1986. Regional and Local Roles in Municipal Economic Development (MA Thesis). Waterloo: University of Waterloo.

Keating, Michael. 1991. *Comparative Urban Policies: Power and the City in the United States, Canada, Britain and France*. Hants, UK: Edward Elgar Publishing Limited.

Kitchen, Harry M. 1985. The Role of Local Governments in Economic Development. Toronto: Ontario Economic Council Discussion Paper Series.

McCabe, Tim. 2007. *Economic Development: MOVING FORWARD Governance Review, Organizational Change, Engagement with Community and Enhanced Investment Funding*. November 26th, 2007. Hamilton: City of Hamilton.

Myhal, Natalie. 1994. "Existing Rationales for Agencies, Boards and Commissions". *Agencies, Boards, and Commissions in Canadian Local Government*. Toronto: Institute of Public Administration of Canada.

Peterson, Paul. 1981. *City Limits*. Chicago: University of Chicago Press.

Richardson, Dale and David Siegel, eds. 1994. *Agencies, Boards, and Commissions in Canadian Local Government*. Toronto: Institute of Public Administration of Canada.

Siegel, David. 1994a. "The ABCs of Canadian Local Government: An Overview". *Agencies, Boards, and Commissions in Canadian Local Government*. Toronto: Institute of Public Administration of Canada,

Siegel, David. 1994b. "The Appropriate Use of Agencies, Boards and Commissions". *Agencies, Boards, and Commissions in Canadian Local Government*. Toronto: Institute of Public Administration of Canada.

APPENDIX A

Municipality	1999	2004	2009	Municipal Status
Ajax, Town of	Internal	Internal	-	Lower Tier
Amherstburg, Town of	-	Internal	-	Lower Tier
Aurora, Town of	-	Internal	Internal	Lower Tier
Barrie, City of	Internal	Internal	Internal	Single Tier
Belleville, City of	Internal	Internal	Internal	Single Tier
*Bracebridge, Town of	Internal	Internal	Internal	Lower Tier
Bradford West Gwillimbury, Town of	-	-	Internal	Lower Tier
Brampton, City of	Internal	Internal	Internal	Lower Tier
Brant, County of	-	-	Internal	Single Tier
Brantford, City of	Internal	Internal	Internal	Single Tier
Brockville, City of	Internal	Internal	Internal	Single Tier
Burlington, City of	Internal	External	External	Lower Tier
Caledon, Town of	Internal	Internal	Internal	Lower Tier
Cambridge, City of	Internal	Internal	Internal	Lower Tier
Centre Wellington, Township of	-	Internal	Internal	Lower Tier
Chatham-Kent, Municipality of	Internal	Internal	Internal	Single Tier
Clarence-Rockland, City of	-	-	-	Lower Tier
Clarington, Municipality of	Internal	Internal	Internal	Lower Tier
*Cobourg, Town of	Internal	Internal	Internal	Lower Tier
Collingwood, Town of	Internal	Internal	Internal	Lower Tier
Cornwall, City of	Internal	Internal	Internal	Single Tier
East Gwillimbury, Town of	-	-	-	Lower Tier
Essa, Township of	-	-	-	Lower Tier
Essex, Town of	-	-	-	Lower Tier
Fort Erie, Town of	External	External	External	Lower Tier
Georgina, Town of	-	-	-	Lower Tier
Greater Napanee, Town of	-	-	-	Lower Tier
Greater Sudbury, City of	External	Internal	Internal	Single Tier
Grimsby, Town of	Internal	Internal	Internal	Lower Tier
Guelph, City of	Internal	Internal	Internal	Single Tier
Haldimand County	Internal	Internal	Internal	Single Tier
Halton Hills, Town of	-	Internal	Internal	Lower Tier

Hamilton, City of	Internal	Internal	Internal	Single Tier
Huntsville, Town of	Internal	Internal	Internal	Lower Tier
Innisfil, Town of	-	Internal	Internal	Lower Tier
Kawartha Lakes, City of	-	Internal	Internal	Single Tier
Kenora, City of	-	-	Internal	Single Tier
King, Township of	-	Internal	Internal	Lower Tier
Kingston, City of	External	External	External	Single Tier
Kingsville, Town of	-	-	Internal	Lower Tier
Kitchener, City of	Internal	Internal	Internal	Lower Tier
Lakeshore, Town of	-	-	-	Lower Tier
LaSalle, Town of	-	-	-	Lower Tier
Leamington, Municipality of	Internal	Internal	Internal	Lower Tier
Lincoln, Town of	-	-	-	Lower Tier
*London, City of	External	External	External	Single Tier
Loyalist, Township of	-	-	-	Lower Tier
Markham, Town of	Internal	Internal	Internal	Lower Tier
Middlesex Centre, Mun. of	-	-	Internal	Lower Tier
*Midland, Town of	Outsourced	Outsourced	Internal	Lower Tier
Milton, Town of	Internal	Internal	Internal	Lower Tier
Mississauga, City of	Internal	Internal	Internal	Lower Tier
New Tecumseth, Town of	External	-	-	Lower Tier
Newmarket, Town of	-	-	Internal	Lower Tier
Niagara Falls, City of	Internal	Internal	Internal	Lower Tier
Norfolk County	Internal	Internal	Internal	Single Tier
*North Bay, City of	Internal	Internal	Internal	Single Tier
Oakville, Town of	Internal	External	Internal	Lower Tier
Orangeville, Town of	Internal	Internal	Internal	Lower Tier
*Orillia, City of	Internal	Internal	Internal	Single Tier
Oro-Medonte, Township of	-	Internal	-	Lower Tier
Oshawa, City of	Internal	Internal	Internal	Lower Tier
Ottawa, City of	Internal	Internal	Internal	Single Tier
Owen Sound, City of	Internal	Internal	Internal	Lower Tier
Pelham, Town of	-	-	-	Lower Tier
*Peterborough, City of	-	-	-	Single Tier

Pickering, City of	Internal	Internal	Internal	Lower Tier
Port Colborne, City of	Internal	Internal	External	Lower Tier
Port Hope, Municipality of	-	Internal	Internal	Lower Tier
*Prince Edward County, City of	External	Internal	Internal	Single Tier
Quinte West, City of	Internal	Internal	Internal	Single Tier
Richmond Hill, Town of	Internal	Internal	Internal	Lower Tier
*Sarnia, City of	Internal	Internal	Internal	Lower Tier
Sault Ste. Marie, City of	External	External	External	Single Tier
Scugog, Township of	-	-	-	Lower Tier
Smith-Ennismore-Lakefield, Township	-	-	-	Lower Tier
South Frontenac, Township of	-	-	-	Lower Tier
Springwater, Township of	-	-	-	Lower Tier
St. Catharines, City of	Internal	Internal	Internal	Lower Tier
St. Thomas, City of	External	External	External	Single Tier
Stratford, City of	Internal	Internal	Internal	Single Tier
Strathroy-Caradoc, Township of	Internal	Internal	-	Lower Tier
Tecumseh, Town of	-	-	-	Lower Tier
Thorold, City of	Internal	-	-	Lower Tier
*Thunder Bay, City of	Internal	Internal	Internal	Single Tier
Timmins, City of	External	External	External	Single Tier
Toronto, City of	Internal	Internal	Internal	Single Tier
Uxbridge, Township of	-	-	-	Lower Tier
Vaughan, City of	Internal	Internal	Internal	Lower Tier
Wasaga Beach, Town of	Internal	Internal	Internal	Lower Tier
Waterloo, City of	Internal	Internal	Internal	Lower Tier
Welland, City of	Internal	Internal	Internal	Lower Tier
Whitby, Town of	Internal	Internal	Internal	Lower Tier
Whitchurch-Stouffville, Town of	Internal	Internal	Internal	Lower Tier
Wilmot, Township of	-	Internal	Internal	Lower Tier
Windsor, City of	-	-	-	Single Tier
Woodstock, City of	Internal	Internal	Internal	Lower Tier
Woolwich, Township of	-	Internal	Internal	Lower Tier

* Municipality was contacted for clarification

Margot Bégin-Gillis

Margot Bégin-Gillis currently serves as the Director of Workforce and People Development with the Colchester Regional Development Agency in Truro, Nova Scotia. Margot joined CoRDA in March of 2003 and was charged with defining and implementing a range of “People Attraction” initiatives focusing on youth, families, and immigrant attraction. Margot has designed a successful immigrant attraction approach for small and rural communities and is trained in facilitation of the Toolbox of Ideas for Attracting and Retaining Immigrants to smaller centres. The Colchester region currently has a robust immigrant attraction and retention program that engages a wide variety of community volunteers for the delivery of settlement supports.

Her people attraction efforts on behalf of the Colchester Region have been recognized by a Special Order in Council in the Provincial Legislature in 2004 and in 2005, the Immigration Partnership led by Margot received an Award of Excellence in Community Economic Development from provincial and federal government partners.

Margot’s EDAC certification journey began in Gander, Newfoundland where she completed her Year 1 and 2 studies with some of the finest in the economic development biz. She continues to enjoy the opportunity to learn from and connect with colleagues from across the country through EDAC events.

In her spare time Margot directs musical theatre and serves as Artistic Director of Truro Dance Academy; serving more than 300 young students from Truro and the surrounding area. Margot lives with her husband and two sons in Salmon River, Nova Scotia.

Cheri Kemp-Long

Cheri Kemp-Long is the Regional Economic Development Advisor with the Nunavut office of CanNor a position she has held since 2003. Cheri is Secretary/Treasurer of the Nunavut Economic Developers Association, and Treasurer on the Economic Developers Association of Canada board.

Cheri moved to Iqaluit in 1984 to operate a tourism business; in 1991 she moved to Fort Simpson, NWT for a three year term as Tourism Development Officer for the GNWT. Once completed she spent 1.5 years in Cambridge Bay, NWT in the same position until she returned to Iqaluit to head up Nunavut Tourism. In 2001 Cheri was hired as Economic Development Officer for the City of Iqaluit - it was during that time that she became aware of the EDAC/University of Waterloo programs. She successfully achieved her Ec.D. certification in late 2003, and completed the Year 3 program for EcD(F) certification in 2009.

In 2008 Cheri completed the core program towards a Bachelor of Circumpolar Studies through the University of the Arctic and in 2010 hopes to complete work towards the University of Waterloo Economic Development Diploma. Continuing education is part of her life!

Cheri and her husband have three of their grown children in Iqaluit with their own families and homes, including three energetic grandchildren to keep them entertained. They vacation on their sailboat near Kingston in Lake Ontario.

Andrew Redden

Andrew Redden, a native of Campbellford, Ontario, is the Economic Development Manager for Hastings County in Eastern Ontario. A graduate of Carleton University, Andrew also holds a Master's of Science degree in Planning from the University of Guelph. As well as being a certified economic developer (Ec.D.), he is a Registered Professional Planner (RPP) and full member of the Canadian Institute of Planners.

Prior to his employment at Hastings County, Andrew spent two years coordinating a Province of Ontario main street revitalization pilot project in the small rural communities of Madoc, Marmora, Stirling and Tweed. Among a number of activities in his spare time, Andrew enjoys spending time with family - his wife Meaghan and daughter Lauren.

John Regan

John Regan was born in Calgary and raised in London. He is the General Manager of the Elgin Community Futures Development Corporation (CFDC), which operates under the name of Elgin Business Resource Centre (EBRC), in St. Thomas, Ontario.

John balances his role at the Elgin CFDC with being a council member for the Municipality of Thames Centre. In both roles, John helps grow and develop businesses. Before joining the Elgin CFDC, John's previous work experience spanned more than 25 years in a variety of business sectors and focused on business development, as well as sales and marketing processes. John has been self employed for most of his life and was an owner-operator in several businesses, including digital imaging, supply chain logistics, inventory optimization, die casting, automotive parts and accessories, and environmental products. In all capacities, John has been responsible for sales, marketing and customer support activities at a senior management level. Throughout his career, John has launched several new products and several new initiatives. Some of John's recent coups include the rebranding of the Elgin CFDC to the Elgin Business Resource Centre, as well as participation in opening of the Elgin/St. Thomas Small Business Enterprise Centre, and is working on bringing a small business incubator to the County of Elgin.

John started taking his EDAC courses at the University of Waterloo in 2006 and has completed all three years to receive his Ec.D. (F) certification in 2010.

In his spare time, John enjoys target shooting, boating, fishing, and cottaging with his family.

Stephen Thompson

Stephen Thompson is the General Manager for the Port Colborne Economic & Tourism Development Corporation in Port Colborne, Ontario. Since joining the Corporation in 2007, Stephen has worked to develop a number of new initiatives to assist in Port Colborne's economic future including business attraction, retention, marketing and tourism destination development programs. He also led the development of Port Colborne's Competitive Analysis and its first Economic Development Strategy and Action Plan.

Under his leadership, the Corporation has secured more than \$1.25 million in external funding. Recently Stephen managed the \$350,000 restoration of historic Humberstone Hall to establish a new visitor information centre and a new partnership with the Port Colborne-Wainfleet Chamber of Commerce.

Stephen also has experience operating a small business, and working in local, regional and provincial levels of government in both planning and economic development. Stephen is a graduate of the University of Waterloo and has degrees in Environmental Studies /Geography and a Masters degree in Local Economic Development.

In addition to his duties as General Manager, he is also director of Economic Development for the City of Port Colborne. As well, Stephen serves on the board of directors of the Port-Colborne-Wainfleet Chamber of Commerce and Ontario Agrifood Technologies (OAFT) and a number of committees— and is an active member of the Economic Developers Association of Canada and Economic Developers Council of Ontario.

In his time away from work, Stephen is an avid nature and landscape photographer and enjoys time at the cottage.