

**REGIONAL ECONOMIC DEVELOPMENT AUTHORITIES IN
SASKATCHEWAN**

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By Kiley Frantik

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Abstract

This thesis provides an analysis of Regional Economic Development Authorities (REDAs), which were created by the Saskatchewan government in 1993. It examines the political and economic factors that led to the creation of the REDAs; the design of the organization and funding framework for the REDAs; the main challenges that REDAs face today, and offers recommendations for consideration in the future.

The thesis reveals that REDAs were created in response to the challenges associated with the changing global economy. They were based on the principles of Community Economic Development (CED), a grassroots approach that encourages individuals in a community to support and facilitate new and existing businesses in order to contribute to the strength of a community's economy. This approach was created with the understanding that rather than leading the process, as it had done in the past, the government would facilitate the efforts of these organizations through the provision of resources and support.

In an effort to coordinate the CED services being offered in the province, REDAs were established on a relatively large regional basis. Operating as umbrella organizations, REDAs both monitor CED efforts in their respective regions and deliver them. The Saskatchewan government has positioned itself as a partner, offering financial resources that REDAs can rely on and also organizational development and technical support.

The analysis provided in this thesis demonstrates that while CED is a popular approach taken by governments at both the federal and provincial level, there must be a considerable degree of commitment to the process to be effective. In the case of the Saskatchewan government, the capacity of these authorities has been enhanced substantially due to the government's efforts to develop an organizational framework, deliver support through education and training in CED, commit to an evaluation procedure and provide funding on which the authorities can rely.

This thesis reveals that the main challenges REDAs face today are largely associated with inadequate financial resources. One of the greatest assets to the organizations is the dedication of qualified staff. With increasing workloads however,

REDA staff are reaching their limit in terms of what they can accomplish and without the financial capability to alleviate these pressures by hiring and retaining talented and dedicated staff, the capacity of the CED process becomes significantly restricted.

This thesis recommends that to ensure the continuing success of REDAs in the future the following initiatives should be undertaken. First, the provincial government must consider the workload being placed on each REDA. With every new layer of responsibility, there must be an equal level of human and financial support. Second, a review of the funding formula is necessary. With varying levels of capacity, it is not necessary for each REDA to receive equal funding. Finally, if the program is expected to improve, an ongoing evaluation procedure, much like the one in place, will continue to be necessary.

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My journey as a graduate and as an undergraduate student has relied on the advice and support of many people. I would like to first thank the Political Studies professors at the University of Saskatchewan. In particular I need to thank the Lieutenant Governor, Gordon Barnhart, the first professor to acknowledge my potential as a student. I also need to thank Professor Joe Garcea, my thesis supervisor, for his patience and guidance through this process. Finally I need to thank my thesis committee, Professor Hans Michelmann and Professor Roy Romanow; and my external examiner, Rose Olfert, for the time and energy they put into reading my thesis and for offering important and thoughtful advice. Funding was provided by the Department of Political Studies through a Graduate Teaching Fellowship. I greatly appreciate the financial support this offered.

I also need to thank my Mom and Dad, Valarie and Charlie; my sisters, Jerri, Shayla and Casey; and my husband Riley. These individuals have given me unwavering support through my years as a student. Their presence in my life has been, and will continue to be an essential part of any success I will see in my future.

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Writing this thesis has been a significant and challenging learning experience. I greatly appreciate all those involved.

Kiley Frantik

DEDICATION

I would like to dedicate this thesis to my Father, Charlie Frantik, who passed away shortly before I submitted my thesis proposal. My Father was an inspiration in my life and I miss him dearly.

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LIST OF NON-STANDARD ABBREVIATIONS

REDA – Regional Economic Development Authority

RDC – Rural Development Corporation

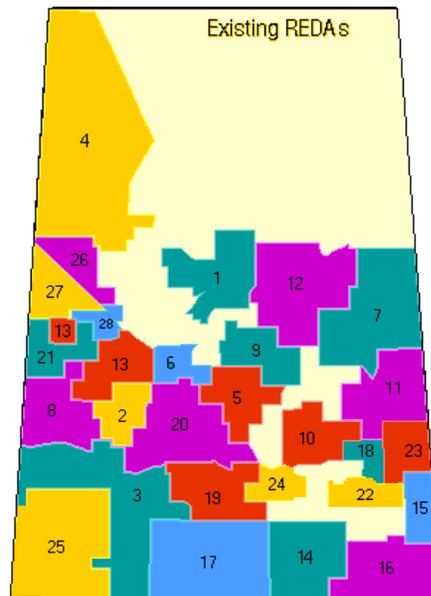
TFRD – Task Force on Rural Development

RECD – Department of Regional and Economic Cooperative Development

CED – Community Economic Development

ECC – Economic Council of Canada

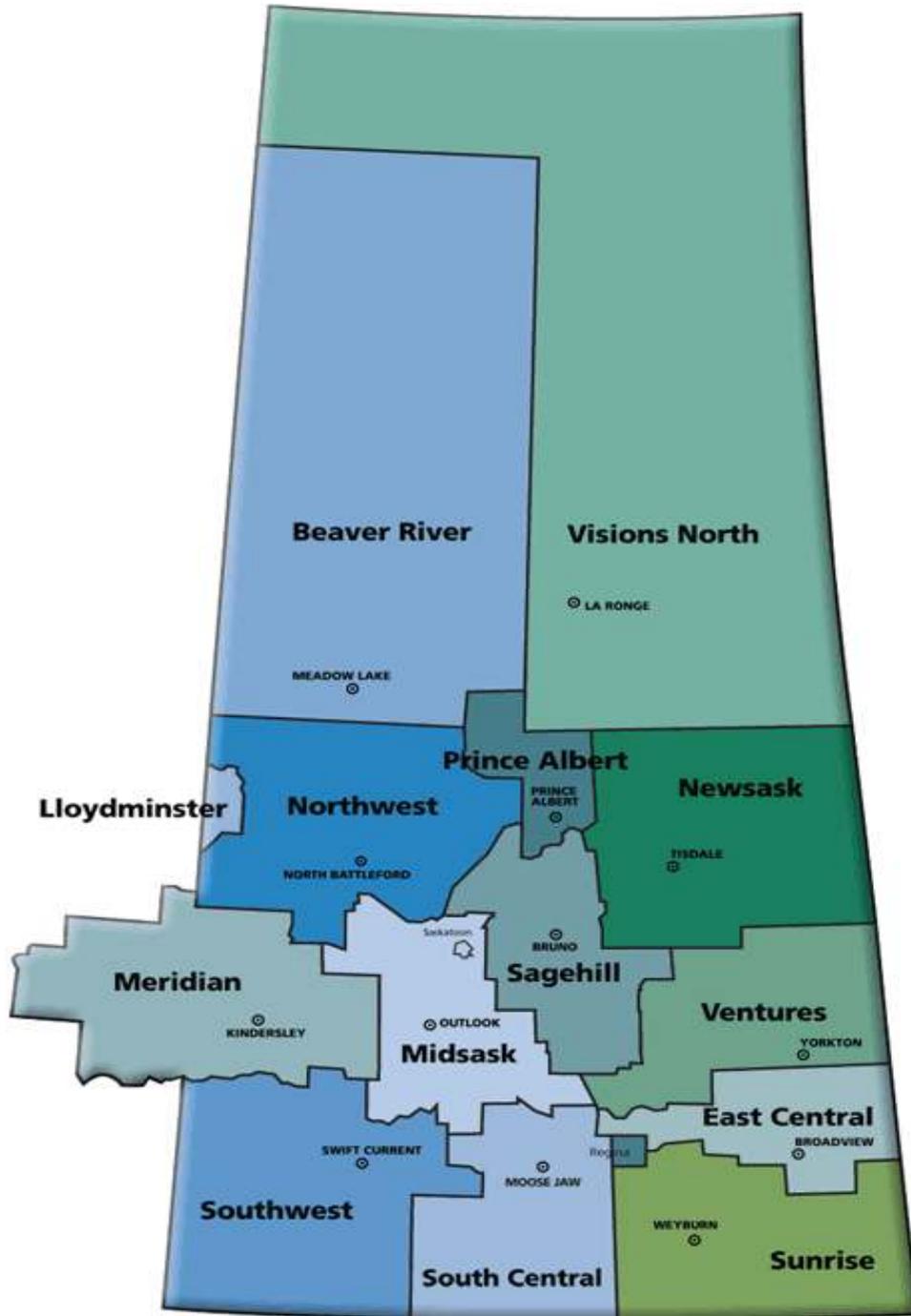
Complete REDA Map



1. Prince Albert REDA -- Prince Albert region (5 May 1992) [57,082]
2. Entrepreneurs 2000 REDA -- Rosetown region (27 April 1993) [7,871]
3. Southwest REDA -- Swift Current / Leader region (17 March 1993) [33,663]
4. Northwest REDA -- Meadow Lake region (21 April 1994) [14,577]
5. Long Lake REDA -- Watrous region (9 April 1994) [8,886]
6. Saskatoon REDA -- Saskatoon region (3 February 1994) [219, 441 - region]
7. Etomami Valley REDA -- Hudson Bay region (14 March 1994) [18,158]
8. West Central REDA -- Kindersley region (5 May 1994) [12,920]
9. Carlton Trail REDA -- Humboldt region (27 October 1994) [21,706]
10. Touchwood Hills REDA -- Ft. Qu'Appelle / Cupar / Raymore region (2 September 1994) [13,071]
11. Good Spirit REDA -- Yorkton / Kamsack / Esterhazy region (10 March 1994) [37,566]
12. North East REDA -- Tisdale region (4, May 1995) [32,832]
13. Midwest REDA -- Biggar region (17 May 1995) [13,032]
14. South East REDA -- Weyburn region (25 September 1995) [19,568]
15. Gateway REDA -- Moosomin region 9 May 1995) [11,725]
16. Cornerstone REDA -- Estevan region (12 March 1996) [28, 619]
17. Red Coat REDA -- Assiniboia region (28 March 1996) [17,347]
18. South Parkland REDA -- Melville region (28 December 1995) [10,360]
19. Moose Jaw REDA -- Moose Jaw region (28 March 1996) [42,936]
20. Mid Sask REDA -- Outlook region (8 April 1996) [9,150]
21. Border REDA -- Macklin region (16 April 1996) [3,895]
22. Mainline REDA -- Broadview / Whitewood region (10 December 1996) [12,388]
23. Yellowhead REDA - Langenburg region (4 June 1997) [11,656]
24. Cypress Hills REDA - Maple Creek region (1 April 1998) [13,000]
25. Regina REDA - Regina region (23 March 1998) [207,093]
26. Prairie to Pine REDA - St. Walburg / Meota / Vawn region (12 May 1997) [12,035]
27. Big Gully REDA - Lloydminster / Maidstone region (22 April 1998) [28,071]
28. Battlefords REDA - North Battleford region (N/A) [N/A]

Source: Fernandes, Neville. Saskatchewan's Regional Economic Development Authorities: A Background Document. Saskatoon: Community – University Institute for Social Research, 2003), 3-4.

Saskatchewan's Community Futures



Source: Community Futures Saskatchewan, "Map of Saskatchewan's CFs," <http://www.cfsask.ca/map/index.html> (Retrieved August 24, 2007).

Chapter 1:

Introduction

1.1 Historical Legacies of Economic Development

Economic development has been a perennial issue in Saskatchewan. Abating the out-migration of people and capital and addressing the decline of small urban and rural communities continue to be major concerns for the provincial and municipal governments. While encouraging economic growth and sustainability in both rural and urban Saskatchewan is a key concern, it is becoming increasingly difficult for governments to determine the best approach. Traditionally, the provincial government has intervened through the use of fiscal policy, centrally planned investment, megaprojects, and economic stimulation programs.¹ What has been concluded, however, is that these traditional kinds of strategies have resulted in “truly spectacular failures.”² It seems that successive Saskatchewan governments have learned some serious lessons about governmental strategies to affect the growth of the regional and provincial economies.

Brett Fairbairn supports this argument in “Economic Development and the New Role of Government”. He states that based on the experience of the last few decades many of the tools the Saskatchewan government has employed to affect the growth of the economy are limited. He illustrates this point through a discussion of the substantial investments in the economy, through tax cuts and government spending, by the Grant Devine government in the 1980s and the substantial de-investments, through tax

¹ Brett Fairbairn, “Economic Development and the New Role of Government,” in Saskatchewan Politics into the 21st Century (Regina: Canadian Plains Research Center, 2001), 299.

² Ibid., 301.

increases and limited government spending by the Roy Romanow government in the 1990s. During the Devine administration a billion dollars “was borrowed and pumped into household budgets, government services, economic development megaprojects, and all other areas touched by provincial taxation and spending.”³ Conversely, during the Romanow administration, the deficit was made the top priority, resulting in “a billion dollars a year . . . taken out of the provincial economy. Taxes were raised, services restricted, creditors paid off.”⁴ In both instances, Fairbairn writes, the expected outcome did not occur. Saskatchewan’s economy did not grow in accordance with billion dollars that was pumped into it. Nor did Saskatchewan have an economic contraction or recession in the 1990s when a billion dollars a year was taken out.⁵ Considering this Fairbairn writes that this should:

give pause for thought about the nature and integrity of our economy. Apparently, the Saskatchewan economy is so full of “leaks” that wealth quickly disperses and disappears, probably beyond the provincial borders. The same problem means that the megaprojects of the 1980s brought much less benefit to people of the province than their size suggested. Many of the benefits flowed to contractors, head offices, managers, or investors based elsewhere. The hard reality that provincial governments, and perhaps electors, have been reluctant to face, is that billions of dollars spent by provincial governments on spending or tax cuts or megaprojects have next to no effect on the provincial economy as a whole.⁶

Addressing rural decline has been equally difficult. Saskatchewan governments will often attempt to revitalize rural communities by maintaining schools, recreation centers, government offices and hospitals despite declining populations and the limited utilization of these facilities. As Fairbairn has indicated however, there is evidence that

³ Ibid., 300.

⁴ Ibid., 300.

⁵ Ibid., 300.

⁶ Ibid., 300.

much of Saskatchewan's wealth flows outside provincial borders. This is similar to small rural communities: much of the wealth that flows into the communities also flows outside their borders to larger centers or outside the province entirely.⁷ Leaks such as these limit the effectiveness of cash investments from government that attempt to maintain the status quo of rural communities. Spending money on a community does little to restore the strength or sustainability of its economy and this has led to arguments that suggest strategies of this nature are merely attempts at prolonging the inevitable.⁸

The effectiveness of the traditional tools government uses as a means to influence the economy are limited. Donald J. Savoie writes that "if recent economic history has taught us anything, it is that the two senior levels of government do not always have the answers when communities are faced with having to make serious economic adjustments."⁹ The result is that the "top-down bureaucracy-driven plans for regional development have fallen into disrepute and policymakers know they need to consider new approaches."¹⁰

According to Donald J. Savoie, one approach is for the government to stand back and allow the 'invisible hand' of market forces restore the appropriate economic equilibrium. In the long term, as economic circumstances continue to decline, people will move to other jobs and other communities. This is considered healthy and governments should not intervene to ease the economic misfortune no matter how difficult the circumstances may be.¹¹ Savoie criticizes this approach, however, because it

⁷ Confidential Interview.

⁸ Ric Dolphin, "Cry, the beloved country: Our leaders bemoan the trend towards rural depopulation, but what can they really do to stop it?" Western Producer 23 January 2006, 50.

⁹ Savoie, Donald J. Community Economic Development in Atlantic Canada: False Hope or Panacea? (Moncton: Canadian Institute for research on regional Development, 2000), 21.

¹⁰ *Ibid.*, 2-3.

¹¹ *Ibid.*, 18.

“has no recommendation beyond ‘leave the market alone.’”¹² He argues that this policy of ‘doing nothing’ offers very little to a community and is unlikely to resonate with a government faced with the pressure to ‘do something’ about a troubled economy. For Savoie, “the question is not so much if governments will intervene, but how they will do it.”¹³ In recent times governments have turned to a new way to intervene, namely facilitating and supporting community economic development (CED).

1.2 What is Community Economic Development?

CED is a term used to describe a broad range of development practices. One of the key characteristics of CED is its basis “on a ‘bottom up’ philosophy that relies on using the community’s own resources – people, capital, management, creativity and pride – to improve economic well-being.”¹⁴ While it can include anything from the development of industry to neighborhood resource centers, it is primarily concerned with, “policies and approaches that develop people in their communities – enhance their skills, independence, ability to start and run successful ventures, and ability to work together toward common goals.”¹⁵ The objective is to take “some measure of control of the local economy back from the markets and the state.”¹⁶

What is appealing about CED is that it has the potential, through local effort and the coordination of local resources, to strengthen the economy and there are case studies that illustrate its potential for success. In “Community Economic Development in

¹² Benjamin Higgins and Donald Savoie, Regional Development Theories and Their Application (New Brunswick (USA): Transaction Publishers, 1995), 386.

¹³ Savoie, 20.

¹⁴ Government of Nova Scotia, “A Discussion Paper on Community Economic Development,” (Halifax: Department of Economic Development, 1993), 2.

¹⁵ Brett Fairbairn, “Economic Development and the new role of government,” 309.

¹⁶ *Ibid.*, 309.

Atlantic Canada: False Hope or Panacea,” Savoie examines four regions in Atlantic Canada and documents their CED experience and the lessons learned. What he found was that the CED measures used in each region were able to significantly affect the economy. The Kent region, for example, made an economic transformation. Savoie writes that “it has made great strides since the days when it was described as the second-poorest region in Canada, and its progress can be measured by any number of economic indicators.”¹⁷ Perhaps more importantly, however, is the “can do” mentality that exists in the region, which “is in sharp contrast to the economically dependent reputation it has long had.”¹⁸

With success stories such as this, CED becomes an appealing and legitimate option for governments. With fewer options at their disposal governments have turned to CED and the individuals in the communities to address economic decline. Not only does CED have the potential to affect economic growth, it also asks that community members become actively engaged in efforts to affect this growth. Progress depends, in part, on the effort the community is willing to put into it. It alters the relationship between a community and the provincial and federal governments from one of dependency to one of self-sufficiency – a relationship attractive to both the community and the governments.

It is perhaps because of this altered relationship that the Economic Council of Canada (ECC) has come to support CED efforts. At one time, the ECC held “longstanding reservations regarding policies which discriminate in favor of certain

¹⁷ Savoie, 69.

¹⁸ Ibid., 69.

regions in order to reduce regional disparities”.¹⁹ In 1990, the ECC released a report titled “From the Bottom Up: The Community Economic-Development Approach.” The report reviewed the viability of CED and whether it was a legitimate policy option for government.²⁰ Following this ambitious study the ECC changed its view and “sent the clear signal”²¹ that it was prepared to abandon its reservations about CED. The final conclusion was that while there are limitations, “community-based economic development can, in the right circumstances, be an effective approach.”²²

Based on some of the challenges that communities face, the report identifies different areas where CED organizations can make a contribution and increasing human potential is one of the primary areas on which it comments. It states that “unemployment erodes skills and entrepreneurial vigor, provokes migration of younger better-educated people, and may lead to a decay in social amenities – all of which make the community a less attractive place for business than its resources would otherwise dictate.”²³ In such a case, “local development action can help to control the waste of human potential and the associated, social costs of crime, poor health, and family issues.”²⁴ Activity that promotes growth through the development of human resources and infrastructure is considered an essential service:

It would be difficult to exaggerate the importance of this aspect of community development. Smaller communities are often critically short of common-use services, such as business consulting and counseling, and systems for information transfers. This type of infrastructure is as vital to development at the end of the 20th century as railroads were at the end of the last century. And like elements of physical infrastructure – water and

¹⁹ Ibid., 42.

²⁰ Economic Council of Canada, “From the Bottom-up: The Community Economic Development Approach,” (Ottawa: Canadian Cataloguing in Publication Data, 1990).

²¹ Savoie, 42.

²² Economic Council of Canada, 9.

²³ Ibid., 4.

²⁴ Ibid., 4.

sewer systems, wharfs and highways – not only does the human-resource and information infrastructure help to sustain current economic activity, it also enhances prospects for future development.²⁵

Through information services, CED can mitigate the effects of such things as unemployment and out-migration. The ECC states that “information is the most basic building block of modern economic development” and that “a locally based development organization is capable of selecting efficiently the precise kinds of information that the community needs at any given time.”²⁶ The report recognizes that basic information about where to acquire capital to fund business start-ups, information about how financial institutions work, and advice on how to use funding in the most cost-efficient way are often difficult to access in smaller communities. The report concludes that community development initiatives “clearly have a role to play in helping local business people overcome these obstacles.”²⁷

CED is not always a certain endeavor, nor is it a panacea. It is simply a mechanism that can be jointly pursued by a community and different stakeholders to find solutions to economic decline. Rather than simply maintaining the status quo through transfer payments from upper levels of government, CED has proven to increase economic sustainability and self-sufficiency. This strategy has the potential to affect economic growth and the pursuit of various kinds of CED approaches attests to its popularity among elected officials. To ensure CED is pursued appropriately however, more research is required.

²⁵ Ibid., 14.

²⁶ Ibid., 14.

²⁷ Ibid., 4.

1.3 Purpose of Thesis

The purpose of this thesis is to examine Regional Economic Development Authorities (REDAs), a specific CED initiative of the Saskatchewan New Democratic Party (NDP) government. The central objective of this thesis is to examine the economic and political factors that led to the creation of REDA's, the functions which they perform and the general strategies they employ in doing so, and the factors that might be impeding/enabling their ability to perform their functions effectively.

Inspired by the Rural Development Corporation (RDC) program created by the Progressive Conservatives (PCs) in 1986, REDAs were viewed as a more coordinated approach to CED than what had existed in the past. In prior years, the province supported over one thousand local community economic development organizations²⁸ but it was felt that these agencies were “uncoordinated, under funded and lacked a clear economic development mission.”²⁹ In 1993, REDAs were created amidst a daunting fiscal crisis in Saskatchewan. As a result, the service delivery concept known as regionalization was being pursued as way to coordinate services in the province such as health care, education and economic development. It would ensure a more effective delivery of service which would contribute to cost savings for the government.

Facing bankruptcy would also cause the Romanow government to turn to a new approach to the economy that emphasized partnerships. It was believed that, “the

²⁸ Neville Fernandes, Saskatchewan's Regional Economic Development Authorities: A Background Document (Community University Institute for Social Research, 2003), 5.

²⁹ Andrew Conte, “Saskatchewan's REDA's: bottom-up economic development,” Government Finance Review, August 1996 12 (4), 44.

provincial government, acting alone, cannot solve all our problems,”³⁰ and that partnerships among all the stakeholders were required to achieve renewal.³¹ Founded on the principles of cooperation, REDAs fit this objective well.

REDAs were designed as umbrella organizations that would monitor the activities of CED organizations in their respective regions, but would also be responsible for delivering CED services in the area. To meet these objectives REDAs would be comprised of a board of directors who were responsible for the strategic direction of the organization and staff members responsible for executing the initiatives. They would function under operational guidelines designed by the provincial government. These guidelines would define a set of expectations for REDAs including an accountability structure that was intended to ensure REDAs were meeting performance standards. The guidelines also included expectations about the nature of the activities REDAs would pursue. Specifically it was expected that REDAs would engage in wealth creation activities that fell into seven of the broadly defined CED services. These services include: coordination, organizational development and planning, education and training, information, research and development, promotion and marketing, local projects and initiative management assistance.

The REDA initiative has been in place for over a decade, but there are some indications that the provincial government is not fully committed to the program. REDA officials have revealed that the greatest impediments they face are the lack of funding to hire and retain enough staff, and funding to pursue key objectives. There were similar observations expressed about the RDC program. For example, in 1992 Edward Addo

³⁰ Ibid., 44.

³¹ Ibid., 44.

commented that “considering the relatively small financial support and the lack of funding for hiring Economic Development Officers (EDOs) working at the local level, one has to question the government’s genuine commitment to the programme. A skeptic might conclude that this programme is little more than political showmanship, an abdication of responsibility, and a political ‘passing of the buck’.”³² While governments seemed eager to initiate CED programs there is little evidence that they were committed to these programs. This thesis examines REDAs and the implications of the provincial government’s involvement in their creation and its commitment to their continuing operation.

1.4 Importance of Thesis

This thesis is important because of the insights it provides for an understanding of the implementation and operation of REDAs. CED is a popular response to economic development. In order to ensure it is pursued in a manner that is most effective however, there needs to be more research conducted. As recently as 2000 Donald J. Savoie wrote that, “community economic development, both as a public policy process and a field of study, is still in its infancy. Consequently, we are still at the stage of trying various measures to see what works and what does not.”³³ He added that CED literature has lacked “a practical side and left the professionals having trouble not only applying their approaches or prescriptions but even understanding them.”³⁴ For practical purposes, therefore, this thesis will provide those involved in economic development both inside

³² Edward Addo, A Geographical Analysis of the Rural Development Corporation (RDC) Programme in Saskatchewan, (Regina: University of Regina, 1992), 126.

³³ Savoie, 23.

³⁴ Savoie, 56.

and outside Saskatchewan with some potentially valuable comparative insights regarding the functions and strategies of REDAs and the factors which affect their performance.

CED theory can also be considerably vague in terms of how these bodies should be organized and the role the government should take in their operation. For theory-building purposes, this thesis will contribute to the CED literature regarding the factors that affect the creation, functions, strategies and effectiveness of this particular CED organization in Saskatchewan. It will also provide an analysis of the Saskatchewan government's role, contributing to the progress towards defining a proper framework for government involvement in CED in the province.

1.5 Overview of Chapters and Information Sources

In addition to this introductory chapter, the thesis consists of four chapters. Generally the information for the various chapters is based on several documentary sources, including two government documents that detail the REDA framework, a report released by the Community University Institute of Social Research (CUSIR) and written by Neville Fernandes, as well as fifteen extensive interviews with current and former REDA, provincial, and municipal officials.

Chapter 2 provides information about the context in which REDAs were created. It details the development of REDAs starting with the creation of Rural Development Corporation program under Premier Grant Devine's Conservative provincial government, and then focuses on the creation of the REDAs under Premier Roy Romanow's NDP government. These two economic development initiatives are founded on the principles of grassroots economic development that focuses on partnerships and

cooperation. Given some of the challenges associated with the small size of RDCs, however, REDAs were created to consolidate the multitude of CED organizations that existed in Saskatchewan. REDAs have evolved from the CED principle that economic development can and should occur by enabling the people within communities to work on their own behalf to become economically sustainable. Both the PC and NDP governments recognized the value of this principle, but it has been the NDP government that took the opportunity to elevate this program and make it a foundation piece of its economic plan.

Chapter 2 is based on a variety of books written on Saskatchewan politics during the 1980s and 1990s, focusing on the commentary that surrounded the political issues that drove the economic policy of the Devine government in the late 1980s and then the Romanow government when it came to power in 1993. It also relies on a thesis written by Edward Addo on the RDC program. Given that there is very little published material available on RDCs, it provided some important details about the program. Other sources that were critical for this chapter include annual reports released by the Department of Rural Development, Hansard verbatim reports, and a variety of news articles.

Chapter 3 is an examination of how REDAs are organized and how they operate and includes a discussion on the relationship between REDAs and the government. This chapter also provides an overview and analysis of the organizational and accountability framework of REDAs. When REDAs were created the Romanow government released two documents which are considered phase I and phase II of the initiative. These documents highlight some of the major characteristics of REDAs and they provide much of the analytical foundation for this chapter. These documents, however, were released at the outset of the initiative and do not provide a full and complete picture of the

program. The government has not published any further information that details the design and operation of REDAs. This chapter therefore deals with the organizational details that relate to the human and financial resources available to REDAs and documents some of the organizational changes that have occurred since their inception in 1993. Some of the topics include the relationship between REDA board members and staff, the relationship between REDAs and the government, the funding structure, and the accountability framework.

This chapter was drawn from a combination of the government's phase I and phase II REDA documents, core funding guidelines from 2004/2005 and 2006/07/08, and interviews with REDA and provincial government officials. The published documents provided the foundation for the chapter and the interviews provided some of the more precise details and some of the impressions and opinions about the way REDAs are organized and how they operate. Also used to provide further details about the program were REDA websites and an array of news articles published about REDA activities.

Chapter 4 is an examination of the factors that affect REDA performance. It includes an analysis of the commitment from the provincial government to see REDA function as effectively as possible. It reveals that the success of the REDA program is largely dependent upon what the Government of Saskatchewan has been willing to invest in it. In terms of financial contributions there is some evidence suggesting that the government was failing to provide REDAs with adequate support. The common themes that emerged from interviews with REDA officials was that they were experiencing significant difficulties retaining qualified staff and obtaining enough funds to fulfill their needs. If REDAs are going to address obstacles like skilled labor

shortages, dependencies on agriculture, and retaining youth, they will need to be properly equipped to do so. While funding concerns are important and continue to impede the efforts of REDAs, the government has made some significant non-monetary contributions. This includes the empowerment of REDA officials through substantial government services that offer support and training. It also includes an evaluation procedure for REDAs that contributes to the overall effectiveness of their organizational framework. This chapter relies almost exclusively on interviews with REDA and provincial officials as well as information contained in Hansard.

Chapter 5 provides a summary of the major findings of this thesis and some observations regarding what all REDAs and all orders of government involved with them should consider in their efforts to maximize economic and community development capacity.

Chapter 2:

The Creation of REDA's: Purposes, Processes and Politics

2.1 Introduction

In 1992 REDAs were introduced as part of *Partnership for Renewal: A Strategy for the Saskatchewan Economy*, the NDP governments plan for the revitalization of the Saskatchewan economy. REDAs are an extension of RDC's, which were CED organizations that were introduced by the Progressive Conservatives (PCs) in 1986. Both RDCs and REDAs were established because these provincial governments believed that local or regional agencies can work together to foster economic development in their communities.

The major difference between the two is really that REDAs would be organized on a larger regional scale and the principles of inter-community and inter-agency cooperation and coordination would be emphasized to a greater extent than they had been with RDCs. There were challenges that RDCs faced because of their small size and there was some indication that economic development needed to occur on a larger regional scale if it was going to be effective. The size of REDAs helped to meet some of these challenges, but it did get some criticism. It was believed that the type of regionalization that the government was promoting or imposing in areas like health care and education was contributing to the devastation of small urban and rural communities throughout Saskatchewan. REDAs were viewed as another potentially problematical regionalization initiative. In the end, however, the government successfully implemented the program without any sustained criticism. During the past fifteen years, REDAs have been an important pillar of the NDP's approach to regional economic development in the

province which emphasizes the principles of partnerships and a limited role for the provincial government.

2.2 Rural Development Corporations in the Devine Era

Not unlike other political parties in Saskatchewan's history, the Progressive Conservative government under Grant Devine was primarily concerned with bringing prosperity to Saskatchewan. Heavily influenced by the rhetoric of neo-liberalism, but unwilling to subscribe to it in its entirety, the Devine government initiated a development strategy described as "compassionate conservatism."³⁵ The idea was that government could be progressive by continuing to support health, education and social programs but also be conservative by providing economic incentives through tax cuts.³⁶

This was not a cautious government. Following the neo-liberal logic, it cut millions from the provincial treasury through tax cuts and government spending in the hopes of fostering economic development in the province. The belief was that by allowing people to invest more of their own money to better advantage themselves they would also be creating jobs and building the province.³⁷ The abolition of the gas tax was intended to serve this purpose. In addition, the government had a strong faith in the neo-liberal assumption that lowering corporate taxes would naturally create an investor friendly climate and attract foreign investment thereby growing the economy. In line with this theory, the Devine government made dramatic changes to the oil royalty rates,

³⁵ James Pitsula, "Grant Devine," in Saskatchewan Premiers of the Twentieth Century Ed. B. Gordon L. Barnhart (Regina: Canadian Plains Research Center, University of Regina, 2004), 322.

³⁶ *Ibid.*, 322.

³⁷ Janice MacKinnon, Minding the Public Purse: The Fiscal Crisis, Political Trade-offs, and Canada's Future (Montreal: McGill-Queen's University Press, 2003), 14.

including “a reduction in the royalty rates for existing production, and a three-year royalty-free period for production from new wells.”³⁸

The Devine government would also embark on an economic development strategy that called for huge government investment of tax dollars in megaprojects. While this kind of intervention was based on the desire to develop business, it ran counter to the theory of neo-liberalism which rejected the ability of government to “rationally achieve any specific ends.”³⁹ Nevertheless, the Devine government would invest heavily under the rationale that governments could use its “largesse to solve peoples’ problems.”⁴⁰ Consequently, it created several programs to attempt to aid the business sector. One such undertaking was the Industrial Incentives program which provided manufacturers and processors “with incentive payments to help them expand existing industrial plants and launch new ones.”⁴¹ There were also three mega-projects that used over one billion dollars in investments: the New Grade and Husky heavy oil upgraders and Crown Life.⁴² The expectation was that these kinds of big investments in the economy would garner big returns.

The result of such a strategy was that the government was cutting taxes and spending without regard to the deficit it was creating. Following its first term, the Devine government faced a massive deficit that was growing uncontrollably.⁴³ The market failed to deliver the prosperity that was expected and by the time the NDP came

³⁸ Mark Stobbe, “Political Conservatism and Fiscal Irresponsibility,” in Devine Rule in Saskatchewan: A Decade of Hope and Hardship Ed B. Lesley Biggs and Mark Stobbe (Saskatoon: Fifth House Publishers, 1991), 20.

³⁹ Stephen Clarkson, Uncle Sam and Us: Globalization, Neoconservatism, and the Canadian State (Toronto: University of Toronto Press, 2002), 128.

⁴⁰ MacKinnon, 13.

⁴¹ Saskatchewan Economic Development and Trade, Building With Industry: The Industrial Incentives Program (Regina: Government of Saskatchewan, 1987), 1.

⁴² MacKinnon, 43.

⁴³ Stobbe, 31.

to power under the leadership of Roy Romanow in 1991, “the province’s total public debt amounted to \$12.704 billion,”⁴⁴ and it was reported in 1993 that the provinces credit rating was at BBB+, “the lowest of any government in Canada.”⁴⁵

These kinds of approaches to economic policy characterized the Devine government, yet it also managed to create policy around smaller-scale programs aimed at fostering CED. One such initiative was the RDC program, intended to deliver grassroots economic development in rural communities across Saskatchewan. Unlike mega-projects which had government input and involvement, the RDC program consisted of very little government input or involvement and focused on ‘bottom-up’ development which placed control into the hands of the community. When one examines the Devine era it is clear that the approach was about taking big chances and spending big money to gain big rewards. At first glance, therefore, it is not clear why this government would utilize an approach that takes years of dedicated community investment to produce incremental payoffs. CED focuses on long-term goals and this differs considerably from the immediate rewards the Devine government was expecting the market to produce.

The adoption of this small-scale approach to economic development can be understood by looking at explanations that take into account a mix of technical and political rationality. The dominance of agriculture in Saskatchewan caused the creation of hundreds of rural municipalities and this led to parallel development of infrastructure for each and every small community. As the agriculture industry waned, however, the

⁴⁴ Jocelyne Praud and Sarah McQuarrie, “The Saskatchewan CCF-NDP from the Regina Manifesto to the Romanow Years,” in Saskatchewan Politics into the Twenty-First Century Ed. B. Howard A. Leeson (Regina: Canadian Plains Research Center, University of Regina, 2001), 155.

⁴⁵ Anonymous, “Saskatchewan’s Broke, will Alberta Follow?” Western Report (February 1993) (8)(3), 15.

population of rural Saskatchewan began to diminish. Past governments, in an attempt to preserve rural Saskatchewan, had not only maintained that infrastructure but also expanded it. One commentator writes that: “The family farm was the social and economic foundation of the province. So we produced and nurtured an infrastructure to support the agricultural society that gave Saskatchewan its meaning and raison d’etre.”⁴⁶

Preserving rural communities has been an objective of many Saskatchewan governments, but perhaps none more so than the Devine government. Janice MacKinnon, a former finance minister under Romanow, writes that, “if there was one overriding dream that united the Conservative caucus, it was saving rural Saskatchewan and preserving the family farm and the values of hard work and community spirit that it represented.”⁴⁷ This commitment is evident through the considerable amount of resources that were directed toward rural areas in an attempt to revitalize the rural economy. In the 1980s the government introduced a series of programs aimed at preserving the agriculture industry and the rural way of life, pumping millions into these communities.⁴⁸ It made rural Saskatchewan a priority and in doing so maintained or increased investments in rural infrastructure. For example, in an attempt to make rural Saskatchewan an attractive place to live, “ten new hospitals were built, there was special financial support for community facilities such as curling rinks, and more than \$500 million was spent bringing natural gas and individual telephone lines to rural households.”⁴⁹

⁴⁶ Dale Eisler, “Reality Confronts Rural Sask.,” Star Phoenix (June 18, 1996), A4.

⁴⁷ MacKinnon, 21.

⁴⁸ *Ibid.*, 21.

⁴⁹ *Ibid.*, 22-23.

It was this concern for rural communities that motivated the PC government to establish The Task Force on Rural Development (TFRD) in 1984. The TFRD conducted research and consultations with individuals and organizations in order to “seek their views on the issues and opportunities in rural Saskatchewan and to obtain their ideas on measures to stimulate rural development.”⁵⁰ Its final report, titled *Strategy for the Development of Rural Saskatchewan*, and released in 1985, was the “product of about ten months of Task Force deliberations, and contains observations and recommendations of consideration by the Minister of Rural Development, the Government, and the people of Saskatchewan.”⁵¹

The report covered a multitude of issues facing rural Saskatchewan and offered 92 recommendations for consideration by the government. In Chapter V, “Organization of Local Economic Development,” concern was expressed over the lack of “effective mechanisms to both initiate and respond to rural development opportunities at the sub-provincial level.”⁵² In particular there was concern that “there is no identified individual or group with the mandate to search out development opportunities and to relate them to the information and assistance available to senior governments and the private sector.”⁵³

This concern arose from consultations with individuals in government departments and Crown Corporations who stated that, among other things, there was a need for “a corporate body structure ... for several communities to work together to plan the economic and social strategy of the total area” and a “community based program which encourages communities to merge into larger regional structures by offering some

⁵⁰ J.A. Brown, *Strategy for the Development of Rural Saskatchewan* Government of Saskatchewan Special Task Force Report (Regina: Government of Saskatchewan, 1985), 2.

⁵¹ *Ibid.*, 4.

⁵² *Ibid.*, 134.

⁵³ *Ibid.*, 134.

incentive for doing so.”⁵⁴ In addition, an investigation into other jurisdictions showed that similar bodies existed throughout Canada and the United States. These revelations led the TFRD to conclude that there was a “significant gap in the organization for economic development at the sub-provincial level,”⁵⁵ and recommend different programs aimed at filling this gap. Included in these recommendations was the framework for Area Development Corporations (ADCs) which would be regional corporations with a board of directors from the member organizations and a full-time general manager to run operations. In August of 1986, less than a year after the publication of the *Strategy for the Development of Rural Saskatchewan*, the Government of Saskatchewan created the Rural Development Corporation program, modeled after the ADC program recommended by the TFRD.

Given the PC government’s desire to aid in the preservation and development of rural Saskatchewan it is not surprising that it implemented the RDC program. The TFRD identified a gap in the delivery of rural economic development. It identified a new approach that had some potential to make a difference and given that the new focus of the economy was on privately owned business, whether it came from within the province or without, the RDCs were an attractive program to the Devine government. The expectation was that they would serve to foster development of private business as well as rural communities by giving local people the means necessary to develop locally owned business. In a way therefore, the ‘top-down’ government strategy of mega-

⁵⁴ Ibid., 134.

⁵⁵ Ibid., 132.

projects and tax incentives would complement the incremental ‘bottom-up’ strategy of CED while concurrently addressing the challenges of rural Saskatchewan.⁵⁶

On the other hand, it seems that a case could be made that this program, and many others aimed at rural Saskatchewan, were driven by political motivations. Electoral support for the Devine government was largely concentrated in rural areas. Adding new programs made rural residents feel more secure which in turn served to add to the Devine government’s chances of electoral success. In addition, concern had been expressed over whether or not the government implemented the program because it made “planning more sensitive to local people.”⁵⁷ As it was discussed in Chapter 1, Edward Addo expressed skepticism over the government’s commitment to the program suggesting that given the limited funding, it may have been an attempt to simply offload responsibilities.⁵⁸ This may also suggest that the Devine government was more concerned with the political payoff for the governing party than with the economic payoff the RDCs could create for the communities.

2.3 The Rationale for the Transition from RDCs to REDAs

REDAs were created amidst a daunting fiscal crisis in Saskatchewan which placed considerable constraints on the Romanow government following the 1991 provincial election. The debt became a major priority and naturally there was pressure to find new ways of cutting costs. One method that gained credibility at the time was regionalization. This approach was in response to the duplication of services across

⁵⁶ Brett Fairbairn, A Preliminary History of Rural Development Policy and Programmes in Canada, 1945-1995 First Draft, May 1998, 18.

⁵⁷ Addo, 126.

⁵⁸ Ibid., 126.

Saskatchewan which was creating a considerable degree of inefficiency and waste. In better times, it was possible for governments to ignore, or at least not address, the proliferation of an underused infrastructure in rural Saskatchewan. On the verge of bankruptcy, however, the option of maintaining the status quo was no longer feasible or acceptable for the Romanow government.

The rationale for regionalization in the economic development sector, as in other sectors, was to maximize efficiencies and effectiveness in service provision and in community development by raising the focus from the local to the regional level. Perhaps one of the more well-known cases of regionalization was the health care reforms initiated in 1991.⁵⁹ Regionalization or “integration is a service delivery concept whereby the governance, planning, decision making and delivery of several types of public services are brought together under the same governance, administrative and delivery structure.”⁶⁰ Duane Adams describes the problem that was occurring with health care in Saskatchewan due to the highly fragmented nature of a locally based, rather than regionally based, system:

There were more than 400 separate, independent boards running fragments of the Saskatchewan health system. There was little co-ordination among them, but many jealousies and a lot of unhelpful competition. Each health institution and program was protecting itself, its own money and personnel, and its own community economic interests. No one was looking out for the interests of the whole person, family or community. And, from the point of view of the 400 institutions, there was no incentive or reward for taking a more integrative, co-operative, holistic approach to their business.⁶¹

⁵⁹ Duane Adams, “The White and Black Horse Race: Saskatchewan Health Reform in the 1990s,” in *Saskatchewan Politics into the Twenty-First Century* Ed. B. Howard A. Leeson (Regina: Canadian Plains Research Center, University of Regina, 2001), 267.

⁶⁰ *Ibid.*, 274.

⁶¹ *Ibid.*, 270.

Interestingly, the situation with health care was analogous to many other sectors across Saskatchewan, particularly with the economic development sector which had numerous CED organizations prior the creation of the REDAs, the education sector prior to the creation of larger regional school boards, and the municipal sector in which there are still more than 800 municipalities in a province with approximately one million people.

REDAs were created as a way to regionalize CED initiatives in the province. Around the time REDAs were implemented there were over 750 organizations committed to some kind of CED activity, including Community Economic Development Committees, Rural Development Corporations, Community Tourism Committees, Community Bond Corporations, and Community Futures Committees.⁶² While CED activities had increased, this process had “not created organizations large enough to deal effectively with community and economic development, and it ha[d] not developed viable and sustainable organizations through cooperation and collaboration.”⁶³ The proliferation of organizations created duplication and overlap in mandate, a lack of coordination and a narrow base of involvement. It further created an unsustainable financial situation because “each municipality financially supports between three and seven CED organizations.”⁶⁴ It was reasoned, therefore, that there was a need for “comprehensive regional and community level planning, cooperation and support.”⁶⁵

REDAs would become the umbrella organization under which all other CED organizations would operate. They would work to “offer communities an opportunity to increase cooperation, partnerships and sharing, and to make more effective use of their

⁶² Fernandes, 5.

⁶³ Framework, 10.

⁶⁴ Ibid., 10 -11.

⁶⁵ Ibid., 10 -11.

limited financial and human resources.”⁶⁶ REDAs would both manage some of the CED services in the region as well as deliver them. As a mandatory service, they would be expected to provide coordination and consolidation by working with, and being knowledgeable of, the different services in the region so as to avoid the narrow, competitive and duplicated mandates that had been occurring. Beyond this, REDAs would deliver six other CED services: organizational development and planning; education and training; information services; research and development services; local project and initiative management assistance and promotion and marketing services (See Appendix A).

As noted above, the provincial government considered RDCs as one of these many different CED organizations that needed to be coordinated. The NDP government presented them as another set of under-funded and under-coordinated economic development organizations. Subsequent sections of this chapter will reveal that there were problems with RDCs which led the provincial government to conclude that a larger regional body would be more effective.

This rationale denies the influence the RDC model had on the creation of REDAs. In many respects REDAs emulated the principles of the RDCs. This significant detail was left out of the partnership promotional material, which denied the influence that the RDCs had on the conceptual development of the REDA program. Instead, RDCs were categorized as simply one of hundreds of Community Economic Development organizations initiated in the 1980s.⁶⁷ The government did briefly point to the relevance of RDCs in the first document published on REDAs which states that “RDCs are logical

⁶⁶ Framework, 11.

⁶⁷ Fernandes, 5.

building blocks upon which to establish REDAs.”⁶⁸ However, very little is said about this matter in subsequent documents. The brief mention afforded RDCs in that document is likely why no subsequent report, document or news article published in the years since REDAs were created mention that REDAs were essentially founded on the RDC concept.

RDCs were not simply one of many other economic development agents throughout the province. They held more significance than that. RDCs were regional development organizations, albeit generally operating on a much smaller regional scale than REDAs. They were comprised of a board of directors and one or two staff members mandated to facilitate the growth of business in their area. Like the REDAs, the RDCs were based on the principle of community cooperation to achieve economic development goals. They were also engaged in largely the same activities undertaken by REDAs. They undertook feasibility studies, research, training for RMs and various initiatives in areas such as tourism and the hog industry.⁶⁹

There are several explanations that reveal why RDCs were not considered sufficient and why there was a move to the larger regional model of REDAs. As a minimum requirement the RDCs were expected to have four municipalities, one of which had to be a rural municipality. While some RDCs included as many as 14 municipalities, they were, on average, comprised of six or seven and, as of 1990, only one contained a city.⁷⁰ RDCs had a limited number of municipalities and this made it difficult to adopt a larger regional perspective both for planning and development.

⁶⁸ Government of Saskatchewan, “Regional Economic Development Authorities: A Framework for Regional Community Based Economic Development,” (Regina: Department of Rural Development, 1993), 15.

⁶⁹ Confidential Interview.

⁷⁰ Addo, 68.

Instead, the individual corporations were looking to serve the interest of the few communities in their respective geographic areas, forgetting that cooperation was an essential part of facilitating a much broader ‘bottom-up’ economic development approach for an entire region consisting of many more communities.

Like the health care sector, there was little co-ordination, many jealousies, and a lot of unhelpful competition. The program was intended to foster economic development in the individual communities, but the competition for investors was undercutting efforts. For example, if a corporation was interested in setting up a feedlot in a rural Saskatchewan community, the neighboring RDCs would discourage that corporation from investing in the rival communities. The result was a lose-lose situation because each RDC was highlighting the reasons *not* to invest, causing all communities to lose out.⁷¹

RDCs were also contributing to a larger problem that went beyond coordination and cooperation, one that was affecting many rural communities. The duplication of services in every small town meant that all of the boards and associations were being run by the same people a real problem of fatigue set in. Small communities in Saskatchewan typically only have a handful of individuals willing to serve on a board or an association.⁷² Consequently, responsibility for the various health, education or economic development boards was being put on the shoulders of a few people causing less than effective service and ultimately burnout of those few people.

The rationale for greater regionalization at the time was also heavily influenced by the work done by Jack Stabler and Rose Olfert. The study identified the services

⁷¹ Ibid., 68.

⁷² Confidential Interview.

available in each Saskatchewan community and documented some of the trends associated with urbanization. Their conclusions are based on central place theory, which emphasizes the role of a central place (town/municipality) which acts “as a service and distribution centre for its hinterland, providing its own, and the adjacent population, with goods and services.”⁷³ They classified Saskatchewan communities into different tiers and conclude that it is the fifty-two second tier, or complete and partial shopping centres, that played at least a self-sustaining role in the province. They wrote that in contemporary times “it is these centres that can be most affected by private and public investment decisions,” because “if both the consolidation and the new construction are undertaken with a view to strengthening [these centres] they can continue to perform the very important functions they now provide to the rest of Saskatchewan.”⁷⁴

The thrust of their argument was that not all Saskatchewan communities can be preserved. The reality is that the majority of the 419 communities classified on the bottom tier, or the minimum convenience centres, “have no systematic role in today’s trade-centre system,”⁷⁵ and that “only through an unlikely fortuitous event will any of these communities regain a functional position in the trade-centre system.”⁷⁶ They argued that the retention of infrastructure like schools and hospitals in “communities that are no longer viable will neither enhance their prospects for rejuvenation nor prevent further decline.”⁷⁷ They suggested that if governments were going to invest in these

⁷³ Jack Stabler, Rose Olfert and Murray Fulton, The Changing Role of Rural Communities in an Urbanizing World: Saskatchewan 1961 – 1990 (Regina: Canadian Plains Research Center, University of Regina, 1992), 5.

⁷⁴ Ibid., 46.

⁷⁵ Ibid., 46.

⁷⁶ Ibid., 46.

⁷⁷ Jack Stabler and Rose Olfert, The Changing Role of Rural communities in an Urbanizing World: Saskatchewan – An Update to 1995 (Regina: Canadian Plains Research Center, University of Regina, 1996), 34.

economies, then targeting their investments to locations that have the potential to grow would be the best approach. Failure to do so could mean the fifty-two complete and partial shopping centres vital to Saskatchewan's economy may no longer be viable if trends continue. They added that focused investment, however, means that governments "will have to avoid the narrow political interests which have all too frequently been the basis for allocating public investment in the past." Instead, the guiding criterion for investment, they argued, must be based, "upon recognition of the contribution that regional concentration of public infrastructure can have on maintaining the viability of the system of rural trade centres..."⁷⁸ Instead of focusing on isolated communities, economic development had to be centered around larger trading units. Given the challenges RDCs faced and the implications of the analysis provided by Stabler and Olfert it was felt that these bodies would be more effective if they represented and served larger regions.

It was expected that REDAs would work together with the member municipalities as well as various stakeholders in the region. Unlike RDCs, REDAs were to forge partnerships with municipalities, businesses, cooperatives, other CED organizations and community groups to determine economic development goals. It was hoped that this kind of cooperation would allow REDAs to look out for the interests of the entire region and not just the interests of only a few municipalities. Competition, if not eliminated, could be at least identified and managed. It was believed that by having one organization engaged in planning and development for an entire region it would be less likely that efforts could be undermined by action or inaction of another community.

⁷⁸Jack Stabler, Rose Olfert and Murray Fulton, The Changing Role of Rural Communities in an Urbanizing World: Saskatchewan 1961 – 1990 (Regina: Canadian Plains Research Center, University of Regina, 1992, 46.

Furthermore, cooperation of this kind would allow REDAs to be more knowledgeable of the services being delivered in the area by various other economic development groups. If small business loans, for example, were being delivered effectively by another body, then the REDA could ensure efforts were not wasted by setting up and administering another loan program. REDAs would also be able to direct individuals to an organization that would best be able to serve their needs. REDAs would not be working in isolation of other organizations and instead would be able to ensure that all services were being utilized as fully as possible. All of this would lead to greater efficiency and effectiveness for community economic development purposes.

2.4 Politics of the Transition

The major concern expressed over the transition from RDCs to REDAs was over the loss of autonomy in the smaller rural communities and what was considered by some to be the unmanageable larger areas. In the one legislative debate on the subject, the transition from RDCs to REDAs was placed in the context of the greater regionalization that was occurring with such things as health care and education at the time. The concern was that the government was essentially abandoning rural Saskatchewan because consolidating services on a regional scale often meant pulling out of smaller urban and rural communities. It was suggested that shutting down SaskPower offices, closing down hospitals and gravelling highways devastated many such communities and that the move to REDAs was another example of the “bigger is somehow better”⁷⁹ philosophy that seemed to be guiding the NDP government of the time.

⁷⁹ Saskatchewan Legislative Assembly, Committee of the Whole, Minutes and Verbatim Transcripts, April 10, 1995, 1506.

It was also suggested that as a result of such strategies each community would lose the individual attention provided to them by the RDCs. Having one REDA represent an area that once had several RDCs would mean that individual communities were no longer receiving the same level of attention. They would lose their autonomy and become simply one of many communities within the region. The effort that was focused on an individual community by the RDC would now be placed on the region. The consensus was that this would mean that some communities might no longer be considered as a location for a new business, hospitals or other services.⁸⁰

It was also noted that some community members were quite satisfied with the size of the RDCs that represented their area. They felt that the “geographic size of the RDC was still a size they could all work together for a common goal” and that REDAs were so large and encompassed so many trading areas that they were virtually unmanageable.⁸¹ This sentiment was similar to the one expressed by a former RDC manager who stated that some REDAs are so large they represent areas that have markets driven by different industry and so they have very little on which they can work together.

Despite such concerns there was little or no major organized opposition to the implementation of REDAs and this is likely due to a combination of factors. The first was the government’s decision to make it a priority to engage with those at the local level to negotiate the new boundaries. The government recognized that REDAs had to be implemented on a voluntary basis. It was not the size that was as important as was

⁸⁰ Ibid., 1503.

⁸¹ Ibid., 1502.

“the cohesiveness of the partnership”⁸² and so the government might provide information and suggestions on what would be an appropriate size, but ultimately it was up to the community members to decide on the boundaries. It was expected that “through trust building, cooperation and collaboration, communities and other partners should be able to bring their needs, expectations and concerns to the table and reach consensus about how to address mutual problems.”⁸³

As well, REDAs were created in partnership with RDCs. It was suggested that an appropriate size for a REDA would take into consideration “their population base, the existing economic base, dominant trading areas, geographical features, local history, infrastructure and existing units of cooperation such as Rural Development Corporations.”⁸⁴ It happened that some RDCs were large enough and were working effectively enough that they were able to maintain a similar size when they were transitioned into REDAs. The Mainline REDA for example would operate as an RDC and the boundaries stayed exactly the same when the transition was made.⁸⁵ In other cases, RDCs were maintained and simply operated under the umbrella of the REDA. The communities in the Bear Hills RDC, for example, would only work together if the community could retain its autonomy by keeping the RDC that had already been established. The RDC would have to find its own resources to operate and to employ an economic development officer, but it would now work in cooperation with the REDA.⁸⁶ RDCs were not forced to work with communities with which they had nothing in common and they were not forced to relinquish their autonomy. In short, decisions were

⁸² Ibid., 1503.

⁸³ Fernandes, 11.

⁸⁴ Ibid., 18.

⁸⁵ Confidential Interview.

⁸⁶ Confidential Interview.

to be made by the communities and it was likely this kind of empowerment at the community level that helped to suppress any fears or concerns.

Given the limited number of legislative debates on the transition, it also seems that opposition members either supported the transition or they were occupied with other concerns. It was suggested that there really was a need for the regionalization of services and the opposition preferred that the NDP take on this responsibility.⁸⁷ It very well could have been the case that the opposition parties supported the initiative. In addition, after 1991 there were not many opposition members left in the Legislature and if they were going to express opposition to regionalization, it was more likely to be directed toward health care reform that was being undertaken at that time and not a smaller initiative like REDAs.⁸⁸ It seems that health care regionalization that was occurring at the time overshadowed any debates about RDCs and REDAs. Opposition members were more likely to cite the loss of jobs from the closing of a hospital rather than the job loss occurring from one person employed at an RDC.

2.5 The Partnership for Renewal and the Formation of REDAs

REDAs were first introduced in *The Partnership for Renewal* policy paper. The government was moving toward an economic strategy that called for less government involvement; they wanted to be facilitators of growth, rather than main drivers. The REDAs fit this objective well. Since their inception REDAs have gained more prominence than what RDCs had been able to obtain. This had been partly due to the

⁸⁷ Confidential Interview.

⁸⁸ Confidential Interview.

government's shift in priorities, but also due to the increased capacity REDAs enjoyed as larger regional units.

The Partnership for Renewal began as a multi-staged initiative where the government looked to the civil service and to the public to find out what needed to be reformed. The first step in this process was for all line departments and agencies to put together a briefing package for new ministers in the new government. They offered advice and assessed what was good and what was bad. Second, there was a cabinet level meeting that mandated that planning tables were to be set up where senior caucus official members would spend half a day with a select group of officials and others to talk about the problem of economic development and the fiscal crisis.⁸⁹

There followed the more public element of the process, a conference of 25 of the leading actors in the business and trade union community. The meeting was a closed-door affair where individuals were given the opportunity to frankly lay out the circumstances of Saskatchewan, discuss all of the options and then try to agree on at least notions of policy that might be developed. It was in this "very concentrated session"⁹⁰ that the vision statement for the "Partnership" was created. Finally, the process culminated in a series of discussions between the Minister of Economic Development, staff from his department and representatives from over 200 groups and sectors of interest.⁹¹

The primary objective of the "Partnership" was to adopt the appropriate mechanisms to foster economic development. In the Message from the Minister", Dwain

⁸⁹ Confidential Interview

⁹⁰ Confidential Interview

⁹¹ Government of Saskatchewan, Partnership For Renewal: A Strategy for the Saskatchewan Economy (Regina: Government of Saskatchewan, 1992), 7.

Lingenfelter wrote that “the challenge before us is to create the wealth we need to support ourselves, our families and the services we value.”⁹² In order to accomplish this objective, the document indicated “that the provincial government, acting alone, cannot solve all our problems. Partnerships among all the stakeholders are required to achieve the renewal we desire.”⁹³ It is this theme in particular that is indicative of the overall approach government would be taking.

The “Partnership” began as a concept introduced by Frank Hart, the newly appointed Deputy Minister of Economic Development. His idea was to strategically place the government’s image on the economy. This was an image of a government taking a much more limited, hands-off approach to the economy where the people of Saskatchewan and the different sectors would form partnerships to foster economic growth. To facilitate this, the government would offer the appropriate support, but it would not take the lead. In 1993 Lingenfelter indicated that the government’s role in the economy would be more about the co-ordination of resources and stakeholders rather than direct intervention through megaprojects or tax incentives. He stated that: “There are some things government can do best and other things that are best done by business, individuals or local communities. In this strategy, we will facilitate, we will encourage, we will provide an enabling framework, but we will not try to run the whole show.”⁹⁴

For the NDP government, which was emphasizing the need for community based partnerships and the need for government to take a more laissez-faire approach to economic development, REDAs were logical development instruments rooted in

⁹² Partnership, 1.

⁹³ Ibid., 1.

⁹⁴ Anonymous, “A new economic development strategy for Saskatchewan,” Economic Development Review Vol 11 Iss.1 (Winter 1993), 68.

Saskatchewan's legacy of community cooperation. Through REDAs, communities and stakeholders would work together to "enhance the economic life of the region and its residents ... building on the strengths, resources and talents of partnership and communities."⁹⁵ The government's role in this would be to act as a facilitator by creating the incentive for "local people with the knowledge of local resources and local opportunities [to get] themselves motivated for their own self-interest."⁹⁶ REDAs would not be another top-down, government controlled approach to economic development. The government provided the framework and some support and resources, but the communities would supply the leadership and knowledge of the region to plan for economic growth.

There is no consensus on the value of REDAs. For example, in 2004, the City of Moose Jaw decided to refuse additional funding to the MJ REDA. Councilor's questioned what REDAs offered and suggested that there was a need for money to be put into "specific economic projects rather than into studies and reports."⁹⁷ Such councilors, and others like them, did not have faith that all REDA activities were necessarily producing results. Despite this, however, news reports covering the negative perceptions of REDAs and their initiatives seem to be the exception rather than the rule. More often, news coverage tends to be either neutral or positive. In response to Moose Jaw's refusal to contribute further funding to the MJ REDA, a letter to the editor noted that,

any new business or manufacturing concern which has
located here in the past few years has, at one point,

⁹⁵ Ibid., 68.

⁹⁶ Conte, 44.

⁹⁷ Jim Millar, "Council's failure to back REDA shows lack of understanding," Moose Jaw Herald Times 11 March 2004, 4.

gleaned information that REDA has provided ... The Community Profile document provided by REDA is one of the finest documents that a perspective investor, developer or builder can have at their disposal. This document also has value for those looking to relocate in Moose Jaw, as it provides valuable information regarding our city and surrounding area.⁹⁸

The implication of this letter was that it is usually a lack of information about what REDAs offer that leads to the conclusion that they are of limited value.

An indicator of REDA popularity however, is the support the concept of community development has received from persons and political parties across the political spectrum. RDCs were created by a Progressive Conservative government in the 1980s. At that time an opposition NDP member stated: "I would like to say that the concept of rural development corporations is one of the most progressive things I've ever seen your government do since 1982."⁹⁹ In the 1990s, the NDP took the concept and implemented it on a larger scale and with greater emphasis on cooperation and coordination. Today the REDA approach is also respected by the Official Opposition, the Saskatchewan Party, which wants to take the concept and move it to a provincial scale. In 2004, the SaskParty released *The Promise of Saskatchewan: A New Vision for Saskatchewan's Economy*. In this report Brad Wall, the SaskParty Leader, suggested that there is a need to implement Enterprise Saskatchewan, an economic development body that takes the REDA model "and elevates it to a provincial platform."¹⁰⁰ Clearly, REDAs are considered valuable institutions and, regardless of which of the major parties forms the next government, their continuance in the near future seems to be assured.

⁹⁸ Ibid., 3.

⁹⁹ Saskatchewan Legislative Assembly, Committee of Finance, Minutes and Verbatim Transcripts, April 20, 1998.

¹⁰⁰ Dwight Percy, "Selling Saskatoon a Systematic Process," Star Phoenix (August 13, 2005), D1.

2.6 Conclusion

REDAs were implemented to regionalize the delivery of economic development in Saskatchewan. They were based on similar principles of the RDC corporations and were intended to replace them. While there was some indication that there were uneasy feelings about this transition, the change garnered little public reaction. There are no news reports and only one discussion in the Legislative Assembly that acknowledged the transition. Part of the reason for this is that any significant opposition was likely overshadowed by the ambitious and highly controversial regionalization initiative in the health sector. Interviews with past RDC officials suggest a positive attitude toward the change. It seems that any opposition that may have existed when the change was first announced has been resolved and long since forgotten. Even past officials identified as being opposed to the change, now support the REDA program and the work that they are doing.

Chapter 3:

The Organizational, Functional, Financial and Accountability Frameworks of REDAs

3.1 Introduction

The objective in this chapter is to provide an overview and analysis of the organizational, functional, financial, and accountability frameworks of REDAs. Accordingly, it consists of four major sections devoted to each of these aspects. The section on the organizational framework provides an overview of how they are created, their composition, as well as the roles and responsibilities of their boards and staff members. The section on the functional framework provides an overview of the major roles and responsibilities of REDAs. The section on the financial framework focuses on the major sources of the financial resources available to REDAs. The section on the accountability framework focuses on the nature and scope of the accountability of REDAs both to its member organizations and to the provincial government. This chapter also examines the roles and responsibilities of the provincial government in establishing, supporting and monitoring REDAs. It will also devote some attention to alternative funding sources, given that in many cases, these sources provide more funding than the provincial government.

3.2 Composition of the REDA Board of Directors and Staff

The roles and responsibilities of board and staff members vary considerably among the various REDAs, and in some cases even within the same REDAs over time. In some cases a REDA will begin with a very proactive board, one that dedicates a lot of time and energy actively seeking out and implementing new projects. Over time,

however, as REDAs staff cultivate expertise, the boards are able to take on a less extensive role; one that is more concerned with collaborating on strategic direction rather than on devising new approaches to economic development. Ideally, it is the GM or the EDO who are directing the goal setting because, “in the most successful community development corporations, employees are more like associates in a common purpose than a source of labour purchased by capital.”¹⁰¹ Of course, REDAs are flexible institutions and this skill often comes with experience. Ultimately it is through the collaboration and input of both the board and the staff that the strategic direction for the REDA can be identified and goals can be pursued.

Generally, the Board is responsible for setting the goals and priorities for the REDA and the staff is responsible for administering and implementing these goals. Within this broad framework, however, there are considerable variations in what each actually does. A large part of what REDAs do is goal setting which has been described as “the manifestation of creative imagination and independent will. It’s the practicality of ... translating vision in to achievable actionable doing.”¹⁰² In the case of REDAs, it is about identifying the unique challenges the region faces and the manner in which to address these challenges. Although the board is intended to only set policy direction, leaving the purely administrative and implementation tasks to the REDA staff, it sometimes begins to take on the role of micro-manager or administrator. Individuals on the board not only set policy, but sometimes also engage themselves in the execution of the CED services. In other cases the GM and the EDO are the individuals that take on

¹⁰¹ Leslie Brown, “Organizations for the 21st Century? Co-operatives and ‘new’ forms of organization,” *Canadian Journal of Sociology* V22 Iss1 (Winter 1997), 65.

¹⁰² Stephan R. Covey, “Business” *Encarta*.
http://encarta.msn.com/quote_561560440/Business_Goal_setting_is_obviously_a_powerful.html?partner=orp (Retrieved December 13 2006).

the proactive policy leadership role, identifying new development opportunities to pursue; a role that extends far beyond administration. Here, the board takes on a relatively minor policy role, contributing what has been described as a “minimal but crucial amount of hours”¹⁰³ to actual policy setting.

REDAs consist of a board of directors comprised of various stakeholders. In most cases there is a central REDA office where staff works out of and often other CED organizations such as the federally funded Community Futures or the government’s regional office will co-locate with the REDA. Of course there are exceptions to this standard approach. The Northeast REDA for example is, “unique in that it does not have a fully staffed central office... This organization has service agreement with eight local economic development departments (3 full-time & 5 part-time) to pursue development in the region.”¹⁰⁴ In this case, the Board of Directors is comprised of several different economic development officers (EDOs) that work out of each of their respective communities. Further exceptions are the REDAs that do not have a central office and are comprised of only a Board of Directors that contracts out its administrative services.¹⁰⁵

A REDAs staff is usually made up of a general manager (GM), and an economic development officer (EDO), or an office administrator. Most REDAs will have between one to six staff members. The Regina REDA (RREDA), because of its size, has more specialized positions such as an executive assistant, a director of strategic investment, a

¹⁰³ Confidential Interview.

¹⁰⁴ NorthEast REDA, NorthEast REDA: Building Partnerships with Progress, in “About Us” http://www.sasktourism.com/nereda/about_us.html (Retrieved November 15, 2006).

¹⁰⁵ Confidential Interview.

communications manager, and two research officers.¹⁰⁶ Other positions may also be created depending on the particular demands associated with the region and how necessary that position is determined to be. The Yellowhead REDA, for example, employs an agribusiness project manager (APM) who deals with the agriculture accounts in the region.¹⁰⁷

Notwithstanding the fact that the creation of REDAs depends on the willingness of various types of stakeholders in regional communities to reach a consensus on this matter, the provincial government performs important roles not only in their creation, but also in the functions which they perform and the financial resources which they use in performing those functions. The relationship the provincial government has with REDAs (and consequently the Department responsible for REDAs), is often described as a partnership. However, the provincial government is a special partner with special powers. The provincial government has determined that it will be a partner with key roles and responsibilities in the “co-management of economic development services.”¹⁰⁸ In order to perform this role the government provides financial assistance, organizational development support, technical expertise, leadership, and advice needed for REDAs to “become stable, self-sustaining, and capable of providing essential services in their regions.”¹⁰⁹ As discussed in a subsequent section of this chapter, the provincial government also performs an important oversight and control functions vis-à-vis REDAs.

¹⁰⁶ Regian REDA, Regina Regional Economic Development Authority, in “Contact Us” <http://www.rreda.com/portal.jsp?yi/tOb1izB/bJRIDnR77/DBIzBf0QfLQkUwK4QBZaJuwBobhPs2srCmnNLisnd4zVW8jm2GLDO4=> (Retrieved November 15 2006).

¹⁰⁷ Yellowhead REDA, Yellowhead Regional Economic Development Authority, “Contact Us,” http://www.yellowheadreda.com/index_files/page0011.htm (Retrieved November 15 2006).

¹⁰⁸ Framework, 20.

¹⁰⁹ Capacity Building, 7.

3.3 Functional Framework of REDAs

The functions of REDAs are determined by two major factors, provincial government policy and the preferences and capacities of each REDA. As described above, the provincial policy framework authorizes REDAs to engage in activities that are broadly defined as the seven CED functions. The specific efforts of each category will be explained in this section. It is important to keep in mind that some of the methods used by REDAs serve more than one purpose. Creating a website for example, can both market the region and provide information dissemination on the different features of the program.

The provincial policy states that REDAs engage in functions defined within these seven categories. The following examples illustrate that there is a considerable range in the nature of the activities each REDA will pursue. Many REDAs will learn from one another and will adopt strategies that proved effective. In several ways, therefore, REDAs share common characteristics. It should be noted, however, that the functions of each REDA depend largely on its preferences and capacities. Particularly important in this respect is the composition of the REDA board and staff. Their education and experience and dedication to the process can affect what a REDA accomplishes. Furthermore, the functions and activities REDAs pursue are dependent upon the region's geography and the relationships that already exist. Mending relationships between neighboring communities and balancing the priorities of each, all influence how REDAs are organized and what they decide to pursue.

Coordination:

Coordination is the only mandatory function REDAs are expected to perform by the provincial government.¹¹⁰ This means that REDAs need to be knowledgeable about the CED services being delivered in the region in order to avoid duplication and overlap of these services. This function allows REDAs to be better equipped to assist clients in “accessing available resources and assistance.”¹¹¹ The emphasis on coordination stems from the problems encountered during the RDC days. The lack of communication between CED bodies led to the waste of resources. An example offered by a REDA official was that while the government expected that Small Business Loans Associations (SBLA) would be operated by REDAs, doing so was not always the optimal way for all REDAs to be focusing their efforts.¹¹² In many regions there was already a Community Futures organization or some other economic development body issuing these loans and it was therefore viewed by many REDAs as simply duplicating a service that was already being effectively delivered by other agencies. Investing a lot of effort in managing another SBLA therefore, was taking away from time that could be spent on different CED endeavors.¹¹³

Knowledge of the existing services also allows REDAs to assist clients to access available resources and assistance. There is no sense in having various programs intended to aid in the development process if these programs are not going to be utilized.

¹¹⁰ Confidential Interview.

¹¹¹ Conte, 44.

¹¹² According to the Department of RECD, SMLAs make funding available to non-traditional entrepreneurs. Community-based interest groups, co-operatives, corporations, Rural Development Corporations and Regional Economic Development Authorities can form Small Business Loans Associations. For more information on SBLAs please visit http://www.recd.gov.sk.ca/Small_Business_Loans.asp

¹¹³ Confidential Interview.

Knowing what is available allows REDAs to direct clients to the appropriate sources, enabling the most efficient use of resources possible.

One of the primary ways REDAs provide these two aspects of coordination is through the establishment process. Establishment requires that all CED organizations and stakeholders in the region meet to collaborate on the different CED services being delivered. This type of collaboration allows stakeholders to harmonize the delivery of CED by reaching a consensus about what services may no longer be needed or what services could be better delivered by another organization.¹¹⁴ This process relies on the cooperation of the communities and it is expected that the decisions made are in the best interest of all involved. In the case where a CED organization is comprised of a volunteer committee and where it offers services already delivered by another organization, it may well be eliminated. Knowing what each organization offers allows REDA staff to inform clients.

To facilitate further coordination, a common mechanism used by many REDAs is to have their central office located within the same building as other economic development organizations. In Moose Jaw for example, four economic development agencies operate a single service delivery location called the District Business Enterprise Centre for Entrepreneurs.¹¹⁵ Within this office is the Moose Jaw Chamber of Commerce, the South Central Community Futures Corporation, the Moose Jaw REDA and the Saskatchewan Industry and Resources regional office. Co-locating these offices allows for better collaboration between the different organizations and further convenience for

¹¹⁴ Fernandes, 11.

¹¹⁵ Ron Walter, "Chamber opens business centre: Economic agencies under one roof," Moose Jaw Times Herald 15 May 2002, 3.

clients. Rather than being directed across town to inquire about a service, they can simply go down the hall.

Otherwise, coordination is largely an informal process and REDAs use different approaches. One of the more common is networking with local businesses and other economic development organizations through conferences, workshops, regional meetings and provincial meetings.¹¹⁶ Another approach is to read local and provincial newspapers daily, as well as books and magazines and to research relevant internet sites to find information related to what is currently being worked on.¹¹⁷

Organizational Development and Planning:

Organizational development and planning often involve strategies that help to aid in the retention and expansion of businesses in a particular region. An example is the Moose Jaw REDA where, in 2004, a lot of work was done in the manufacturing sector to identify issues and opportunities. The MJREDA held a manufacturing showcase where the local manufacturers could present the quality of their work in order to foster partnering between companies. The result was three or four business alliances and a new deal struck between Doepker Industries of Moose Jaw and CTK Plastics.¹¹⁸

A similar example is the Manufacturers Capacity Exchange website initiated by the Carlton Trail REDA in 2005. The website “is a place for manufacturers to register their plant capabilities and manufacturing needs.” It allows “the province’s small-to medium-sized manufacturers [to] become more profitable by tapping each other’s

¹¹⁶ Confidential Interview.

¹¹⁷ Confidential Interview.

¹¹⁸ Ron Walter, “REDA pleased to see local companies working together,” Moose Jaw Times Herald 30 April 2004, 3.

productive capabilities” helping “Saskatchewan companies do business with each other.”¹¹⁹

Education and Training:

In order to continue to aid stakeholders and clients, some REDA staff members have pursued further education in economic development. One of the primary ways is through the Saskatchewan Economic Developers Association (SEDA) which “has developed an introductory course for new economic development practitioners and volunteers on economic development boards and committees. This course is accredited by the Economic Developers Association of Canada (EDAC) which means the course credits will be recognized not only across Canada, but in the United States and Europe.”¹²⁰ There are four modules in the course and they help to build the skills of economic developers so they are better equipped to identify and address problems with economic development in their area. Another way REDA staff has sought to develop their skills is by pursuing economic development certificates and degrees through online courses.¹²¹ Many REDAs also engage in educational and training activities that help to build capacity within the community. A common approach is through youth strategies that focus on encouraging entrepreneurship through education. This is the goal of the Youth Business Excellence Symposium offered by the Prince Albert REDA. This event exposes “youth to entrepreneurship and encourage them to stay in Prince Albert to pursue self-employment opportunities.”¹²²

¹¹⁹ Murray Lyons, “Rural Sask Manufacturers share production capabilities,” Saskatoon Star Phoenix (30 June 2005), C15.

¹²⁰ Saskatchewan Economic Developers Association (SEDA) in “Education” <http://www.seda.sk.ca/education.html> (Retrieved October 10, 2006)

¹²¹ Confidential Interview.

¹²² Prince Albert REDA, Prince Albert Regional Economic Development Authority in “Strategic Plan: Deliverables Chart 2004” <http://www.pareda.com/> (Retrieved May 15 2006).

REDAs will also engage in activities directed at education and training in a particular sector. This is the case with the Carlton Trail REDA which partnered with Human Resources Development Canada and SIAST in 1998 to provide a 25 week training program to address a labor shortage in the hog industry in the Humboldt area. At the time that this initiative was reported, there had been “14 employees, with another two dozen candidates expected to help fill the labor gap”¹²³ by the fall of 1998.

Information:

One of the more commonly used methods by REDAs to provide information is through the Community Profiles. The Prince Albert REDA, for example, provides profiles for all communities in the region. The information covers many areas including education and training, business development, real estate and housing, and taxation. The profiles section on “our area” or “our city” provides information on such things as the labour force, employment incomes, and education levels of the population. This information can be used by potential employers who are looking to locate in the region.¹²⁴

Research and Development:

One of the more important functions performed by REDAs is providing individuals who are able to take the time to study the region, identify economic development problems or challenges and then bring them to the attention of people or organizations in the community who could potentially do something about them. One example is a study being done by the Prince Albert, Etomami Valley and North East

¹²³ Jeff Arthur, “Whole-Hog Career Training,” Saskatchewan Business V1 Iss2 (1 March 1998), 8.

¹²⁴ Prince Albert Regional Economic Development Authority in “Communities” <http://www.pareda.com/> (Retrieved May 15 2006).

REDAs on the future potential of rail lines in the area. Rail service was identified by the REDAs as being “critical to the area and previous line abandonment has had severe impact on communities served by rail.”¹²⁵ The study will serve as a source of information ready to be accessed if rail abandonment does come up.¹²⁶ Contributions to the study came from the three REDAs and the Department of Highways and Transportation. This example illustrates that having an organization available to identify a problem allows for some action to be taken that will potentially mitigate negative developments.

Another example comes from the Etomami Valley REDA which has produced a 550 page Resource Manual outlining the opportunities in the area of value-added specialized forest products and agro-forestry. Within the document there “are over 50 development ideas that are analyzed and assessed in their entirety.”¹²⁷

An example of a REDA that provides information, research and development and organizational development is the Regional Business Retention and Expansion Initiative from the Prince Albert REDA. This initiative asks that all businesses, “fill out a survey that deals with issues from finding suitable employees to projected trends in sales forecasts. This information will be compiled to address the specific needs and issues facing our local business community.”¹²⁸ The ultimate goal of the initiative is to “be able to track the state of business in [the] region on an annual basis and ensure that ... current businesses continue to thrive in a healthy business environment.”¹²⁹

¹²⁵ Barry Glass, “REDAs doing study on rail lines: Will examine their potential for the future,” Prince Albert Daily Herald (16 January 2004), 3.

¹²⁶ *Ibid.*, 3.

¹²⁷ Etomami Valley REDA, “AgroForestry” www.evreda.com (Retrieved May 15 2005)

¹²⁸ Prince Albert Regional Economic Development Authority, “Projects” <http://www.pareda.com/> (Retrieved May 15).

¹²⁹ *Ibid.*

Promotion and Marketing:

Promotion and marketing is about raising the profile of the REDA and the region it represents. In order to do this, REDAs employ several different mechanisms and approaches. A common mechanism is for a REDA to provide news releases on projects on which it is working and paid advertising campaigns to bring awareness of the services REDAs offer. REDAs also prepare newsletters for the different stakeholders to keep them informed and updated on the projects and services the REDA delivers. At times a REDA will make it a priority to meet with members directly to keep them informed. As well, REDA staff attend community trade fairs in order to advertise the REDA membership to communities within the region.¹³⁰

The Last Cattle Frontier organization headed by the Good Spirit REDA and Ducks Unlimited Canada is a unique example of both research and development and marketing. This initiative encourages farm families to move to east central Saskatchewan by identifying “the region’s competitive advantages” and then “looking at who would be interested in the land.”¹³¹ The initiative has identified opportunities in the area such as “land that has a strong carrying capacity for cattle, where droughts were few and far between and where there was little competition to drive up land prices.” Basically, there was a lot of quality land at low prices and The Last Cattle Frontier went to provinces like Alberta and B.C. to market the region to families that might be interested in taking advantage of the opportunity. As of January 2004, The Last Cattle

¹³⁰ Confidential interviews.

¹³¹ Anonymous, “Introducing the Last Cattle Frontier,” *SaskBusiness* v24 Iss8 (Dec2003/Jan2004), S1.

Frontier had about approximately 60 people who had either moved to the region or were interested in moving.¹³²

Local Projects and Initiative Management Assistance:

This service is intended to identify and/or support potential business initiatives. This can mean that the REDA invests in a feasibility study which investigates the characteristics of the region and whether it is possible to start up an operation in the area. Two examples come from the RedCoat REDA in 2003 when they funded feasibility studies that looked at the potential for a mustard seed/sunflower oil plant and a chronic pain management centre at Gravelbourg.¹³³ A further example comes from the Yellowhead REDA, which is involved in the Sunrise Cattle Corporation, a community owned cow/calf operation. The premise for the venture is for local producers to combine their resources in order to lower “the overwhelming risk and investment associated with the traditional costs of a start-up operation.”¹³⁴ The Yellowhead REDA is recognized for the “considerable support” it has provided this corporation which includes assistance with the development of a business, budget and marketing plan.¹³⁵

Finally, the Southwest REDA provides a Community Strategic Planning Initiative. It is aimed at, “engaging communities to participate in professionally facilitated strategic planning workshops designed to identify trends in the community and surrounding area, development of a strategic and/or marketing plan, as well as giving members in the community the tools and the process to see the plan through to

¹³² Ibid, S1.

¹³³ Ron Walter, “Red Coat REDA funds two projects,” Moose Jaw Times Herald (30 September 2003), 3.

¹³⁴ Anonymous, “Sunrise Cattle Corporation – A new way of Ranching!” Agriview http://www.agr.gov.sk.ca/docs/reports/agri_view/AV200609_2.pdf (Retrieved October 20, 2006)

¹³⁵ Yellowhead Regional Economic Development Authority, “Yellowhead REDA workplan” (2006).

success.”¹³⁶

3.4 Financial Framework of REDAs

At the outset it was expected that REDAs would be financially self-sustaining entities. It was suggested in the *Framework* that “prevailing economic conditions and restraints absolutely preclude core funding for REDAs.”¹³⁷ By the time Phase II was implemented, however, it was determined that “fund-raising and related activities are proving to be both time-consuming and an uncertain base upon which to build permanent and continuous operations.”¹³⁸ It was therefore concluded that all 28 REDAs in the province would receive core funding, provided they meet the guidelines set out for them. Recently, these guidelines and the amount of the core funding changed. In the 2005/2006 provincial budget core-funding went from a cost-shared formula of \$60,000 per REDA to \$75,000. If REDAs can secure \$40,000 in outside funding and they meet other government requirements, then they will receive the \$75,000.¹³⁹

The provincial government also provides funding through different mechanisms. One of the more prominent is the REDA Enhancement Fund (REF), created in 1998. The program provides, “cost-shared funding for regional project development which includes pre-feasibility studies, project business plans, project management costs and the program supports REDA partnerships and consolidations with other REDA regions.”¹⁴⁰

¹³⁶ SouthWest Regional Economic Development Authority in “Projects and Services,” <http://www.southwestreda.ca/> (Retrieved May 15 2005).

¹³⁷ *Framework*, 17.

¹³⁸ *Building Capacity*, 8.

¹³⁹ Government of Saskatchewan, Regional Economic Development Authority (REDA) Initiative: Core Funding Guidelines 2006/07 to 2008/09 (Regina: Saskatchewan Industry and Resources, 2003), 3.

¹⁴⁰ Government of Saskatchewan, “REDA enhancement fund leverages \$4 million for community economic development,” (News Release) July 25, 2006.

Its intent is to “assist in the development of new projects that will directly generate meaningful economic benefit for the region.”¹⁴¹ The provincial government also recently increased this fund in the 2006/07 budget, doubling it from \$150,000 to \$300,000.¹⁴² This fund is available to all REDAs with a proposed project that meets the criteria for funding. It is common for two or more REDAs to partner on a project and apply for the funding. In most cases the resources obtained from the REF are only a portion of the funding required for a particular project. The remaining funds come from other stakeholders or partners interested in the project or from the REDA itself. A few examples of the projects that have been financed in part by the REF are “a \$31 million intensive livestock operation in Porcupine Plain; a \$22 million ethanol plant in Weyburn; a \$6 million golf course south of Saskatoon; a \$2.4 million feed processing plant in Stoughton; and a \$500,000 life lease housing project in Maple Creek.”¹⁴³

The provincial government also offers the REDA Youth Employment Initiative which offers \$240,000 cost-shared fund to hire “young people, while helping REDAs to expand their services to local businesses.”¹⁴⁴ The government will provide up to \$10,000 to hire a senior business student or graduate student based on 25 per cent local matching.¹⁴⁵ The intent of the program is to “address the difficulties around finding employees who have the training required for business development, especially at an affordable cost.”¹⁴⁶

¹⁴¹ Ibid.

¹⁴² Ibid.

¹⁴³ Ibid.

¹⁴⁴ Government of Saskatchewan, “Midwest REDA participates in Youth Employment Initiative,” (News Release) February 4, 1999.

¹⁴⁵ Confidential Interview.

¹⁴⁶ Government of Saskatchewan, Regional Economic Development Authority (REDA) Initiative: 2003-04 REDA Funding and Payment Guidelines (Regina: Saskatchewan Industry and Resources, 2003), 16.

In recent years the department of RECD has also created REDA “pilot” status which allows the department to “approve a REDA for ‘pilot’ status for purposes of testing new approaches or exploring enhancements to the REDA Program for future fiscal years.”¹⁴⁷ One category of pilot status is the REDA strategic alliance. This “allows two or more REDAs to undertake joint strategic planning and to submit one directional document for their combined regions.”¹⁴⁸ The advantage of the alliance is that it allows REDAs to “receive up to the maximum funding for all REDA programs for each REDA participating in the Strategic Alliance,” upon the condition that there is “a sufficient population base to ensure financial and governance sustainability into the future.”¹⁴⁹ The intent of the program is to encourage REDAs to organize on a larger scale and encompass populations greater than 15,000 residents.

Alternate funding for REDAs comes from various sources. In many cases this funding comes from municipal governments in the form of a membership fee on a per capita basis. In other cases, however, the municipality might decide to invest more or less depending on the relationship they have with the REDA. Funding can also come from membership fees paid by businesses in the area. In return members often receive a variety of exclusive services such as discounts on business development seminars and advertising initiatives, promotion of the business/community at tradeshow events and preferential participation in a Business Retention and Expansion program.¹⁵⁰ Some REDAs, however, do not charge any membership fees at all and instead opt for a funding strategy that relies solely or heavily on the investment of municipal

¹⁴⁷ REDA Core Funding Guidelines 06/07 to 08/09, 7.

¹⁴⁸ Ibid., 7.

¹⁴⁹ Ibid., 7.

¹⁵⁰ Prince Albert Regional Economic Development Authority, “Memberships” http://www.pareda.com/index.php?option=com_content&task=view&id=71&Itemid=53 (Retrieved April 16 2006).

governments. The rationale is that it relieves the REDA from any pressure to pursue the priorities set out by any particular stakeholder and allows for a more holistic development approach whereby more stakeholders can be included in the process.¹⁵¹

REDAs have also been able to secure funding for particular projects through partnerships with other organizations. In these cases, a REDA may approach an organization that might have an interest in seeing a project come to fruition and will share funding for the project or even pass on the project for other organizations to pursue. One example is from the Moose Jaw REDA which began a project aimed at the NATO flying program. When it was realized that the initiative could not be advanced the way they wanted, they entered into a partnership with the Saskatchewan Indian Institute of Technologies in Saskatoon. The MJ REDA provided the background material and \$10,000 toward the pre-feasibility work for an aircraft maintenance engineering and technician program.¹⁵² Other common methods for raising revenue have included contracting out administration services for other organizations or operating a Small Business Loan Association.¹⁵³

Other potential sources of funding are identified as shares in businesses; income from client services; sale of products; contributions or donations by residents; fund-raising; rental of equipment and facilities; federal and provincial non-core funding programs. The ratio that each contributes differs for each REDA. The government can be one of the largest or the smallest contributors in terms of financial resources. It really depends on the REDA. How involved its municipalities and businesses are, how well

¹⁵¹ Confidential Interview.

¹⁵² Confidential Interview.

¹⁵³ Confidential Interview.

the REDA is doing, the attitudes toward CED in the community and the entrepreneurial skills of its staff members are all factor in how much funding a REDA can secure.

3.5 Financial Accountability Framework of REDAs

The role of the provincial government differs from that of the role of other stakeholders that partner with REDAs. One such role is providing oversight and control in relation to REDAs. The provincial government has the authority and power to ensure that REDAs are abiding by a minimal set of criteria to qualify for funding. Nine criteria are identified that must be met before core funding will be provided. Some of these criteria include the expectation that REDAs be legally incorporated; have active status as a corporation; be approved under the REDA Initiative by the Minister of Saskatchewan Regional Economic and Cooperative Development; and provide annual audited financial statements prepared by an independent accountant.¹⁵⁴

The remaining criteria however, provide the government with greater oversight. For example, REDAs raise annual matching revenues of \$40,000 in order to receive the core funding of \$75,000. It is specifically noted, however, that these revenues cannot “involve federal and provincial government dedicated funding” or “local revenues intended for direct investment into projects/businesses, loans, and grants.”¹⁵⁵

Other expectations that give the government further control is the requirement that each REDA must invite a regional representative from the department “to attend REDA board meetings in a non-voting capacity”¹⁵⁶ and that provincial funding provided after incorporation are only to be available following the submission and approval of a

¹⁵⁴ REDA Core Funding Guidelines 06-07 to 08-09, 3.

¹⁵⁵ Ibid., 3.

¹⁵⁶ Ibid., 3.

negotiated, three year performance contract. This contract must include “an acceptable Directional Document that ensures the 7 community economic development core services ... are provided in the region.”¹⁵⁷ Furthermore, the expectation is that government funds will not be directed towards “services and activities that do not have a community economic development or economic development focus” or “services and activities involved in the actual construction, building or renovating of a project.”¹⁵⁸ The government has conferred upon itself control over REDA operations; this control and its implications will be examined further in chapter four.

Ultimately REDAs are responsible to their Board of Directors who are in turn responsible to the REDA stakeholders. In order to ensure funds are spent appropriately the Board of Directors reviews the interim financial statements on a monthly or bi-monthly basis,¹⁵⁹ If the auditors notice any financial mismanagement, then they are required to attach a note to the statement.¹⁶⁰ As an independent organization, REDAs are required to deliver an audited financial statement to members annually.¹⁶¹ The Department of Regional Economic and Cooperative Development audits the financial reports for the portion of the funding provided by the Government of Saskatchewan. Other members such as municipalities are responsible for ensuring the portion of the funds they contribute are spent appropriately.

The provincial government also implemented an evaluation framework to ensure that funds are used to their full potential. In the past, funding was granted based on

¹⁵⁷ Ibid., 3-4.

¹⁵⁸ Ibid., 3.

¹⁵⁹ Confidential Interview.

¹⁶⁰ Confidential Interview.

¹⁶¹ Confidential Interview.

eligible revenues for eligible expenses. This meant that funding was tied to expectations such as the ones discussed above, but also to dollar amounts. A REDA official explains:

If the REDA raised \$40,000 then the government would grant the REDA \$60,000, but they would have to spend the full \$100,000 that the government approved of. If the REDA did not spend the full \$100,000 or did not raise the full \$40,000, then they would only be given that amount. So if they only raised \$35,000, but spent \$100,000, they would still get the \$60,000 clawed back. As well, if they raised the \$40,000, but did not spend the full \$100,000, then the unused funds would be clawed back. If the REDA did not spend it all or raise it all, then at the beginning of the next year it would be taken back.¹⁶²

Claw-backs on future funding occurred if a REDA fell short in raising its local matching funds or failed to spend the full amount of the funding. This system allowed the government to evaluate the REDA based on its expenditures. The rationale was that if the REDA failed to spend the funds or was unable to raise the funds, then it was performing poorly.

In 2007 the government moved beyond this expenditure-based monitoring system to one of performance-based monitoring. The significant changes include “3 year performance contracts rather than annual contracts; rolling three year strategic plans rather than 3 year strategic plans; rolling 3 year work plans/deliverables charts rather than annual work plans; and no mid-year reporting process.”¹⁶³ This system allows for longer term planning that will not change simply because a staff or board member leaves.

The greatest advantage of this system is that it bases evaluation on performance rather than expenditures. Whether each REDA is able to spend its funds or raise enough

¹⁶² Confidential Interview.

¹⁶³ REDA Core Funding Guidelines 06/07 to 08/09, 4.

funds each year is not as important as whether they are delivering on the priorities they have identified in their work plans. If the government feels that the REDA is accomplishing enough and meeting the goals set out in its three year plan then they will grant the money. There will only be claw backs if the REDA had not delivered its clearly defined priorities: “The amount of the holdback will be determined by applying a percentage to the uncompleted work in relation to the total work plan,”¹⁶⁴ but consideration will also be given to, “the ‘effort’ that the REDA has put into achieving its targets.”¹⁶⁵ The new policy has only taken effect this past year. How it will affect operations and how strict the provincial government will be in its evaluation is unknown.

3.6 Conclusion

This chapter has provided an overview of the REDA program. REDAs are grassroots economic development organizations and as such the terms of their establishment and their operations are not dictated solely from top bureaucratic structures. The result of a bottom-up approach is that there is a great deal of flexibility granted to each REDA in how it will be organized and how it will operate. At the same time, however, the government does play a role in the organization and operation of REDAs, allowing for some consistency with the 28 REDAs in the province. It provides the general framework and REDA members attempt to operate within this framework while keeping in mind the unique interests and goals of the region it represents. The result is 28 REDAs that share common characteristics while simultaneously exhibiting

¹⁶⁴ REDA Core Funding Guidelines 06/07 to 08/09, 7.

¹⁶⁵ REDA Core Funding Guidelines 06/07 to 08/09, 7.

considerable differences. This overview has revealed that REDAs are different in terms of how they are organized, how they operate, and how they are financed to accomplish the various CED goals.

Chapter 4:

Performance of REDAs

4.1 Introduction

Human and financial resources are two of the most critical elements required for the success of REDAs. Understanding what affects the performance of REDAs, however, extends beyond simply recognizing these two issues. REDAs are a grassroots enterprise, driven by the people in Saskatchewan communities, but they came to life only because of the effort made by the provincial government to design a structure for their organization and to offer funding for their operation. The provincial government's commitment to the program in terms of human and financial resources can have a tremendous impact on the capacity of REDAs to pursue CED.

This chapter will therefore examine the role of the government in terms of its commitment to the growth and development of the capacity of REDAs to administer CED. There is a concern within CED literature that while a role for governments in CED is common and important, in many instances governments will not offer enough funding and support for the process. Some observers have suggested that politicians are investing in CED not necessarily because of their faith that it will turn around an economy, but because it allows politicians to shift the onus of economic development to the communities without the necessary support services for the process. Sean Markey, for example, in "Facing Uncertainty: Building Local Development Institutions in Rural British Columbia" writes that a government will often use CED as a rhetorical device to promote

community self-reliance.¹⁶⁶ If it can be argued that a community should be responsible for its own development, then a provincial government can walk away from the responsibility, leaving the community to fend for itself.

A similar, but less critical view is that while provincial governments may not be wholly abandoning communities in the CED process, they are still not committed to providing CED organizations with enough resources to operate as effectively as possible. A provincial government can support CED and even invest some resources, but it can also be using it as a political tool to show the public that the government is making efforts to address economic development in small or economically depressed communities.

The Saskatchewan government, for example, will often portray REDAs as “shining examples of the partnerships that are building our economy,” and they will note that they are proud to “support local business through grants to [the] REDA network”¹⁶⁷ It will also produce news releases that highlight the various accomplishments made by REDAs throughout the province.¹⁶⁸ The concern is not that the government announces support for the REDA program, but instead that this praise may simply be rhetoric rather than a genuine commitment to the grassroots economic development approach.

As long as the government can cite the efforts of the organizations and some of the results, there may be little political need to ensure REDAs operate as effectively as possible. The creation and implementation of the REDA program therefore is not

¹⁶⁶ Sean Markey, “Facing Uncertainty: Building Local Development Institutions in Rural British Columbia,” (Vancouver: Simon Fraser University, 2003), 97.

¹⁶⁷ Saskatchewan Legislative Assembly, Routine Proceedings, Minutes and Verbatim Transcripts, April 3, 2003, 362.

¹⁶⁸ Anonymous, “Province celebrates REDA week with Battleford, Big Gully and Border REDAs,” (News Release) 8 February 2006 <http://www.iaa.gov.sk.ca/newsrel/releases/2006/02/08-048.html> (Retrieved May 2007).

necessarily the best indication of the government's commitment. Accepting CED as a legitimate approach to economic development must be followed by a commitment to seeing the CED organization reaches its full potential.

The common theme that permeated discussions with REDA officials was the lack of funding at their disposal. REDAs depend heavily on the human resources available to them, but limited funding impedes them from hiring and retaining qualified employees, just as it impedes a REDA from pursuing CED services. The remainder of this chapter examines the nature and scope of the financial and human resources which REDAs have at their disposal, with a special focus on the degree of monetary and non-monetary support that they have been receiving from the provincial government.

4.2 Impediments to Effective Operation

The capacity and commitment of individual staff members and what they can contribute are essential elements of successful CED. Sean Markey noted that a CED organization's capacity "is directly related to the capacity of the individuals working within them."¹⁶⁹ Evidence shows that "successes of LDOs [local development organizations] are often attributable to a very limited number of key individuals – in some cases, one individual – with exceptional energy, talents for innovation and technical skills."¹⁷⁰ The human resources available can be critical and it has even been suggested that "\$35,000 for another staff member would go further than, say, \$35,000 for a bio-diesel project."¹⁷¹ An EDO with the correct skill set can contribute more to some economic development projects through facilitation and support than money can

¹⁶⁹ Markey, 97.

¹⁷⁰ Economic Council of Canada, 10.

¹⁷¹ Confidential Interview.

contribute for another project. The reality is that without qualified people working within CED "... all resources remain latent, untapped potential."¹⁷²

Acquiring qualified individuals, however, can be difficult for REDAs that represent smaller rural areas. Often smaller communities have a scarcity of qualified persons and so REDAs look outside their communities to hire individuals. The difficulty is that REDAs in rural areas do not have the same appeal or ability to pay as the larger centers. Moreover, once individuals gain experience outside organizations tend to hire them and pay them more than the rural REDA can offer.¹⁷³ For CED, experience with people and businesses in the region is as valuable as an education or an individual's personal abilities. As one REDA official pointed out, "it takes about a year and a half to figure out the job ... the little things about who to go to, where to look and to make the appropriate contacts."¹⁷⁴ REDAs that lose staff every few years must familiarize a new employee with the entire CED process. This stalls development and impedes the REDAs' ability to operate effectively.

This problem has been partly circumvented by hiring locally and by paying attention to the ties the individual has to the community. One official noted that after a series of staff members moved on, she began hiring prospective employees based less on criteria such as educational background or CED experience in another community, and more based on the ties that they had to the community.¹⁷⁵ Hiring individuals with ties to the community meant that they were much less likely to look for positions in the larger urban centers. The importance of networking and contacts that come with growing

¹⁷² Markey, 89.

¹⁷³ Confidential Interview.

¹⁷⁴ Confidential Interview.

¹⁷⁵ Confidential Interview.

up in a region or owning a business in the region cannot be underestimated.¹⁷⁶ The issue here was not that education was not valuable, but that there needs to be much more factored into the hiring process when one is dealing with smaller communities.

While this approach is one way to deal with staff turnover rates it still contributes to two other challenges. The first is that as an employee's skill level increases with education and experience, so too does the demand for a compensatory wage. As discussed in chapter three, there are different kinds of relationships that exist between REDA staff and their board of directors. For most CED organizations, success is more likely when "employees are more like associates in a common purpose than a source of labour purchased by capital."¹⁷⁷ Many REDAs had this kind of committed staff and the reality is that when individuals offer this kind of dedication, it must be appropriately compensated. Otherwise, individuals may move on to other opportunities or may simply limit what they are willing to invest in the job. As one REDA official noted, facilitating the CED process, "is not a ten dollar an hour job. There is a lot of personal involvement and responsibility involved."¹⁷⁸ To retain dedicated, qualified and experienced staff adequate wages must be offered and to do so, a REDA must have access to appropriate funds.

The second challenge is that whereas obtaining an education while working for the REDA contributes to the capacity of the staff, it also contributes to the very real problem of burnout associated with this profession. Many suggested that REDA staff were "pushed to the limit" because "working with such little money puts a lot of

¹⁷⁶ Confidential Interview.

¹⁷⁷ Brown, 65.

¹⁷⁸ Confidential Interview.

pressure on the staff and it wears on them.”¹⁷⁹ Dealing with the workload was a problem for many REDAs, large and small, and obtaining an education while very important, only adds to staff workloads. Being “severely understaffed”¹⁸⁰ significantly affected their ability to meet the demands of the work presented to them. For many REDAs the problem is not so much a lack of projects to work on as it is a lack of people to deal with them. Viable projects are not developed because REDAs are unable to find the financial resources to hire additional staff. This limits the contributions REDAs can make to economic development.

Workloads can also have unintentional consequences for volunteers, who are considered a vital part of the operation of REDAs. If staff members are overloaded, a lot of work can be transferred to volunteer board members who have commitments and interests outside of the work they do for the REDAs.¹⁸¹ Burnout, therefore, is also a serious problem encountered by volunteers. With enough qualified staff, however, the workload can be managed effectively and it would not be necessary for volunteer board members to take on more than they can handle. Additional funding to hire more staff would relieve the workload for REDA staff and volunteers which would avoid the problems of burnout as well as allowing for more economic development projects to be managed at once. This could have a positive effect on the amount of economic development occurring in the region.

A REDA official also noted that the department of RECD was failing to support REDAs because the government never comes up with any serious economic

¹⁷⁹ Confidential Interview.

¹⁸⁰ Confidential Interview.

¹⁸¹ Confidential Interviews.

development leads despite the amount of employees in the department.¹⁸² While a legitimate concern, this is simply another facet of the understaffing issue faced by REDAs. As grassroots enterprises, REDA should have the lead responsibility for economic development, not the provincial government. If REDAs were adequately staffed they would not have to look to the provincial government to provide economic development leads or to deal with economic development concerns.

REDA officials also expressed general discontent over the amount of funding made available to pursue CED projects. Funding has stayed fairly constant over the years and the REF, while considered a good funding scheme, is deemed as being insufficient given that it must be shared by all 28 REDAs. The concern is that “there are really good projects that could not be done because the money wasn’t there.”^{183, 184}

With the resources to hire staff and fund projects the entire capacity of the REDA is enhanced, allowing them to accomplish more in the region. And success breeds success. The more a REDA accomplishes, the more their profile is elevated. It was suggested by REDA officials that this kind of positive attention can contribute to improvements in many different areas. Specifically, a positive profile will inform local residents of the work that REDAs are doing. This entices them to enquire about creating or expanding a business. As well, it was expressed that the more a REDA accomplishes, the more volunteers are attracted to the process. If a REDA is doing well and producing results, people are more confident that contributing to the process will effect change and

¹⁸² Confidential Interviews.

¹⁸³ Confidential Interview.

¹⁸⁴ It should be noted that REDAs may suffer from one or more of these problems but they also may suffer from none. For some REDAs the issue is still about building capacity and engaging the community. In these cases, more funds may not be the appropriate way to address the problem.

perhaps contribute to development. Success in a project, they suggested, attracted volunteers.¹⁸⁵

Pessimistic attitudes about economic development can be tackled by a REDA if it is able to produce development results. While there are positive attitudes between and among the CED community, a significant change from the days of RDCs, there is still work to be done on the attitudes of the community at large. One REDA board member stated that his motivations for getting involved with the local REDA stemmed largely from the positive attitudes that the REDA embodied. He enjoyed getting away from the negativity of ‘coffee row’ that many community members exhibit.¹⁸⁶ The indication was that outside of the CED community there is still a lot of effort that needs to be made to change the attitudes of some people in Saskatchewan communities.

This corresponds with the findings of Karla Radloff who reported that among CED organizations in Saskatchewan, “almost 85% of respondents affirmed that their organization undertakes specific initiatives to improve attitudes and create optimism.”¹⁸⁷ The indication was that “a large majority of respondents saw a role for their organization in creating positive dialogue within their community.”¹⁸⁸ The work a REDA does can affect economic development and, as one official noted, this can be “a catalyst for positive attitudes.”¹⁸⁹ A successful REDA with a positive profile can go a long way in changing the attitudes of community members. After a success, people are that much more willing to contribute to the process. As one official stated: “in every community

¹⁸⁵ Confidential Interviews.

¹⁸⁶ Confidential Interview.

¹⁸⁷ Karla Radloff, Community Resilience, Community Economic Development, and Saskatchewan Economic Developers (Saskatoon: Community-University Institute for Social Research, 2006), 8.

¹⁸⁸ Ibid. 8.

¹⁸⁹ Confidential Interview.

there are nay sayers but once you have a success story then the next [project] is that much easier.”¹⁹⁰

4.3 Non-Monetary Contributions

4.3.1 Transfer of Government Control

There is concern within CED literature that the provincial and federal governments will attempt to exert too much control over the CED process. The suggestion is that governments must remain flexible;¹⁹¹ they must be willing to transfer funding to the community without conditions. Undue government control violates the grassroots principle that underpins CED. If government dictates the terms under which funds will be granted, then the community loses control. The difficulty is that while this principle is repeated often,¹⁹² there are rarely any details that accompany it. There are not any defined criteria against which government involvement can be measured.

What does exist are a variety of opinions held by those who believe that there should be “extreme measures to exclude government control” to those who see a “need for some coordinating and reporting mechanisms.”¹⁹³ Donald J. Savoie suggests that “in their funding agreements, the federal and provincial governments should clearly state that they will not interfere with or second guess, in any way, the decisions made at the local level.”¹⁹⁴ The concern is that the governments should be supportive and not directive because if they are directive the issue of accountability is clouded. This is a legitimate observation and is one that arises often in CED literature.

¹⁹⁰ Confidential Interview.

¹⁹¹ Economic Council of Canada, 18.

¹⁹² Markey, 97.

¹⁹³ “Economic Council of Canada, 18.

¹⁹⁴ Savoie, 123-124.

Having stated this, however, there is evidence which suggests that given the right structure and purpose, some restrictions can actually strengthen CED. The ECC sees a role for some level of government control because it builds in “a requirement for discipline in the use of funds.”¹⁹⁵ Working within some boundaries creates a useful tool for evaluation and planning and it also serves as a reporting mechanism to the community about the progress of development efforts.¹⁹⁶

Given this argument some conclusions can be made about the relationship between the Saskatchewan government and REDAs. The Department of Regional Economic and Cooperative Development (RECD) requires that REDAs use government funding to engage in wealth creation activities. Some REDA officials expressed concern over the guidance that the government offers. It was noted that the provincial government will sometimes withhold funding if a project a REDA is working on does not correspond with the philosophy of the government.¹⁹⁷ There have been occasions where conflict has occurred because the department and a REDA have different perspectives on what should be a priority. The government’s philosophy is that REDAs should be engaged in activities that lead to wealth creation.¹⁹⁸ To fulfill this objective, the government denies funding to REDA activities that do not lead to economic growth. Therefore, activities like the building or renovating of a project, investing in the development of seniors’ home complex, or investing in a community beautification project fall outside the scope of what the government will support.¹⁹⁹

¹⁹⁵ Ibid., 18.

¹⁹⁶ Ibid., 18.

¹⁹⁷ Confidential Interview.

¹⁹⁸ Confidential Interview.

¹⁹⁹ Confidential Interview.

This restriction does indicate government control over the process, but this involvement can be characterized as one of facilitation and not as undue interference. Limiting the use of government dollars for wealth creation activities simply means that REDAs must pursue services that fall into one or more of the seven CED categories (coordination, organizational development and planning, education and training, information, research and development, promotion and marketing, local projects and initiative management assistance). Within these broad categories REDAs can pursue whatever they choose. They are not limited to traditional elements of economic development activities,²⁰⁰ but instead can engage in actions that will also empower community members. For example, many REDAs will organize youth strategies that focus on encouraging entrepreneurship through education. The goal is to locate and encourage untapped entrepreneurial talent that exists within the community. This sort of CED, while still aimed at wealth creation through the development of entrepreneurial capacity, is also about building networks and broadening social ties through the community. It is about getting the people within the community more engaged and more concerned about the future success of their community.

REDA activities can also serve both social and economic objectives. The Gateway REDA, for example, approached the government with a proposal to use funding from the government to do fundraising for a new hospital in the area. With 35% of the cost being covered by the local area,²⁰¹ the REDA wanted to get involved. Initially the provincial department was reluctant, but once it was communicated that fundraising would help to maintain 200 jobs at the hospital the provincial government was on

²⁰⁰ Confidential Interview.

²⁰¹ Gateway Regional Economic Development Authority, "Lifestyles"
<http://www.gatewayreda.com/lifestyle.htm> (Retrieved 30 November 2006).

board.²⁰² While the ultimate objective is maintaining employment, the region also benefits from a new hospital that serves an essential social service need.

It is also worth noting that while the provincial government has a set of expectations, it does not completely restrict REDAs from pursuing the objectives it considers important. REDAs are able to do whatever they choose with non-core-funding. Gateway REDA, for example, has decided to address the housing needs and support services of the seniors in the area.²⁰³ While this project may have positive consequences for the community, it is not a project with an economic focus and therefore not one the government would support. Nevertheless, the REDA is free to use funds it secures from outside sources to pursue such a project. The Gateway REDA has determined that this is a worthy project and has gone ahead with it. This decision is the discretion of the REDA, and the provincial government does not interfere with such decisions.²⁰⁴

Finally, it is important to note that it is the REDA that articulates what is within the interests of the community to pursue.²⁰⁵ It is in the position to know what the community is capable of and what the community would be willing to pursue. The hog industry, for example, is not supported by every community and so the department leaves a choice such as this to the REDA and the community. Ultimately it is the REDA that determines the direction it wants to take for economic development.

By maintaining a degree of control but also granting considerable flexibility, the provincial government has balanced its role as a co-manager well. Provincial officials define the guidelines, but within those broad guidelines and with funds from outside

²⁰² Confidential Interview.

²⁰³ Gateway Regional Economic Development Authority, Gateway REDA Newsletter <http://www.gatewayreda.com/files/Newsletter.pdf> (Retrieved 30 November 2006).

²⁰⁴ Confidential Interview.

²⁰⁵ Confidential Interview.

sources, REDAs are in a position to pursue virtually anything they consider important. As the ECC suggests, there is a place for certain restrictions in the CED process. In fact, there was a sentiment voiced by REDA officials in favor of an overarching body that provided direction and guidelines for the program. The grassroots approach, one REDA official stated, is chaotic and guidelines are needed to ensure structure and organization.²⁰⁶ The government imposes some restrictions to keep REDAs focused on the overall objective of wealth creation, but it still grants them a degree of flexibility to pursue what they want. The control is simply about providing some necessary structure or parameters to the boundless grassroots approach.

4.3.2 Transfer of Human Resources

The government of Saskatchewan, through the delivery of consistent support services, has contributed to the evolution of the REDA program. In the last thirteen years, the Department responsible for REDAs has been seriously engaged in contributing its own human resources to ensure REDAs were first established and then that the community and REDA personnel had the capacity to engage in the CED process. Between 1993 and 2006 the role of the Department of Economic Development, which has been renamed as the Department of Regional Cooperative and Economic Development (RECD), was to aid in the process of establishing REDAs across the province and to assist the organizations in developing both their human and organizational capacity.²⁰⁷ At the outset, the provincial government offered REDAs and members of their respective communities training sessions in CED practices and has

²⁰⁶ Confidential Interview.

²⁰⁷ Confidential Interview.

since worked with the Saskatchewan Economic Developers Association (SEDA)²⁰⁸ to offer an “introductory course for new economic development practitioners and volunteers on economic development boards and committees.”²⁰⁹ In more recent years, the department has offered training courses to REDA board members²¹⁰ and has also worked with the Saskatchewan Urban Municipalities Association (SUMA) and the Saskatchewan Association of Rural Municipalities (SARM) through the “Clearing the Path” initiative, to deliver similar training to Saskatchewan municipalities.²¹¹

Getting communities on board to participate in a regionally based development approach was one of the challenges that needed to be addressed through education and training. The narrow community centered focus was stifling development and the benefits of inter-community cooperation and partnerships needed to be encouraged. The result is that both REDAs and the communities they represent have largely embraced the regional approach. One REDA official stated that “there is a very positive and cooperative relationship among the members of [this] region. If [this town] does well then everyone cheers.”²¹² Another stated that in terms of a particular project that was being worked on it was “just remarkable how closely the community is working together.”²¹³ This does not mean that there is no turf protection between REDAs or between communities, but that the vicious and counterproductive competition that existed in the past has largely disappeared. The indication is that there is a new mindset

²⁰⁸ Confidential Interview.

²⁰⁹ Saskatchewan Economic Developers Association (SEDA), “Education” <http://www.seda.sk.ca/education.html> (Retrieved 10 October 2006)

²¹⁰ “New REDA training initiative focuses on REDA boards,” (News Release) June 26 1998 <http://www.gov.sk.ca/news?newsId=c6550029-5ad9-418e-a65e-f91bfcd70aa> (Retrieved May 2007)

²¹¹ Confidential Interview.

²¹² Confidential Interview.

²¹³ Confidential Interview.

that if one wants to improve the economic conditions of their region, they must embrace neighboring regions and communities.²¹⁴

Through encouragement and support services from the provincial government many REDAs are now functioning much more successfully, but there are still occasions when a REDA faces some difficulties. REDAs can sometimes fluctuate in their capacity. For example, in 1999 the CTREDA was acknowledged as “one of the most successful in the whole province”²¹⁵ More recently however, the CTREDA has had to undergo organizational restructuring due to financial instability and has looked to the Department of Industries and Resources for support.²¹⁶ Today, with government support, the CTREDA is in a more stable position and continues to operate. The CTREDA, staffed by a single individual, is now working on an ambitious strategy to retain immigrants in rural Saskatchewan.

There are also times when a REDAs staff or board members have little experience in CED. A department official stated that in these cases the department will, “work closely with these organizations to monitor their activities and to assist them in building their organizational capacity both at the board and staff level.”²¹⁷ This may mean sitting down with an EDO and posing questions and sharing research to come up with a strategic plan. Or, it may mean providing a pathway to the provincial government. As well, regional offices often keep REDAs informed of new programs offered by the

²¹⁴ There was however, at least one respondent who expressed discontent with the level of cooperation among stakeholders in the region. Lack of cooperation can still get in the way, although there were no suggestions about what to do about it.

²¹⁵ Saskatchewan Legislative Assembly, Committee of Finance, Minutes and Verbatim Transcripts, May 3, 1999, 995. <http://www.legassembly.sk.ca/hansard/23L4S/990503He.PDF> (Retrieved 7 December 2006).

²¹⁶ Carlton Trail Regional Economic Development Authority, “News”. <http://www.ctreda.ca/webpage/news.htm> (Retrieved November 30 2006).

²¹⁷ Confidential Interview.

government and help them to get their initiatives processed through the provincial bureaucracy.²¹⁸ At times, support may also mean letting an EDO in an office with only one staff member realize that while the task of economic development is large for just one person, it can be achieved through partnering and building relationships.²¹⁹

There are times, however, when support from the provincial department or the regional offices is not considered adequate. A serious concern expressed by REDA officials was that responsibilities that fall within the stated realm of the regional offices are being offloaded on the REDAs. Based on this observation, there is reason to suggest that while the provincial government department has provided valuable support in the past, there is room for improvement in providing assistance for some of the services that REDAs are expected to provide.

4.3.3 Evaluation

In more recent years the provincial government has initiated one of the more important contributions it can offer the REDA program. When the government first created REDAs in 1993 it engaged in an in-depth evaluation of the RDC program and identified several challenges. Based on these challenges the entire RDC program was overhauled and REDAs were created. In the fourteen years that have passed since the creation of REDAs the government has wanted to see these organizations develop. The difficulty is that there has been little by way of an organized evaluation of the REDA program. There has been no formal procedure put in place to evaluate whether REDAs functioned well under the organizational framework designed for them or whether the

²¹⁸ Confidential Interview.

²¹⁹ Confidential Interview.

funding they received was adequate. For over a decade REDAs largely remained the same in terms of their organization and funding structure.

In 2005, however, through the leadership of Clay Serby, the Minister responsible for REDAs, the REDA Working Group was created to review and address both the financial and organizational challenges REDAs face. The working group is comprised of five REDA board members and five REDA staff from various regions across the province.²²⁰ The objective of the group is to “provide practical advice to the Department of [Regional Economic and Cooperative Development] on provincial government policies, programs and initiatives that will foster and support an environment for sustainable rural regional economic development, and to monitor the department’s use of this advice.”²²¹ The working group allows REDA officials to get together and express common concerns and challenges and with a collective resolve they can present the department with issues that need to be addressed. In turn, RECD can go to the Department of Finance and the Treasury Board with proposals for such things as funding increases and organizational changes.

Since its inception the Working Group negotiated a 25% increase in funding – the first funding increase granted since REDAs were created. It was also the force behind the move to three year performance based contracts rather than expenditure based ones. Previously, REDAs were penalized based solely on dollars spent, a process which was not viewed as an effective way to evaluate the efforts REDAs were making. Another worthy effort of the working group has been a protocol document. This document “sets out the roles and responsibilities within a region for what the REDA is

²²⁰ Confidential Interview.

²²¹ Confidential Interview.

responsible for undertaking and what the Department of Regional Economic and Cooperative Development is responsible for.”²²² This document serves to partly prevent regional offices and REDAs from offloading responsibilities, one of the problems identified by a REDA official and discussed earlier in this chapter.

More recently the Working Group has flagged the issue of equitable funding and is looking to address concerns over the fact that each REDA receives equal funding despite variances in such things as size, efforts or performance.²²³ The ECC writes that “local economic development approaches do not work economic magic: improvement is only possible where the potential for it exists.”²²⁴ Without this potential, engaging in CED remains a fruitless task and governments should therefore be cautious about the communities they are willing to support. This idea is also supported by Donald Savoie who highlights some of the characteristics that equip some communities with greater capacity than others. One characteristic is a diverse economy made up of many different small businesses as opposed to one or two large employers. Another is a community that has a cooperative history. They tended to rally together to face a crisis and plan new economic activities.²²⁵

Despite the variation in community capacity, each REDA is granted equal funding. Increases in core funding, therefore, while desperately needed by some REDAs, are not as seriously required by others. Such a funding structure can be very limiting for those REDAs that are very active or that have a significant amount of potential in the regions they represent. There is evidence which suggests that more funds

²²² Confidential Interview

²²³ Confidential Interviews

²²⁴ Economic Council of Canada, 4.

²²⁵ Savoie, 50.

directed at REDAs with considerable workloads is merely part of taking advantage of the potential that exists in particular areas of Saskatchewan. The fact is that communities vary in their stages of economic development and their administrative infrastructure. Therefore, initiating a funding scheme that accounts for the potential in a particular region may be an appropriate reform to REDA funding. The Working Group is looking to review this issue.

The Working Group allows for collaboration that moves beyond simply reporting successes. It is an overarching body that evaluates REDAs as a whole and allows many aspects of the program to be considered. REDA officials have specialized knowledge about the structure and operation of REDAs and this knowledge contributes to providing innovative ideas to address challenges. The move to performance contracts is an example. As well, this kind of comprehensive evaluation gives an impetus for collaboration on the challenges REDAs face and the justifications for change. It has been due to the establishment of the Working Group that the issue of equitable funding has been flagged and that initiatives such as performance contracts have been introduced.

4.4 Conclusion

Commitment from the provincial government to CED has been measured against its willingness to transfer enough financial and human resources to support the CED efforts of REDAs. Some critics suggest that governments are more concerned with political gains than the community economic development gains that can be made through the efforts of organizations like REDAs. Although there may be some political considerations in the creation and operation of REDAs, the information presented in this

chapter shows that the Saskatchewan government has displayed a considerable amount of commitment to REDAs. It has been willing to provide substantial support services to get REDAs operational and functioning independently. It has provided training sessions to communities in order to educate individuals about the economic development process and it continues to provide support through the Department of RECD.

At the inception of the REDA initiative, the primary concern was to ensure REDAs were sufficiently staffed with trained individuals that were knowledgeable in the CED process. There was a considerable effort on behalf of the government to offer education and training to communities willing to accept it. The internal capacity of REDAs was limited. In turn, this limited the effect that increased financial contributions could offer. The first priority was increasing the ability of REDAs to manage CED in their respective communities. In the meantime, funding contributions such as the REF and the youth initiative were offered to address some of the problems associated with deficient human and financial resources. As well, the \$60,000 core funding has allowed many REDAs to continue to operate and has provided a level of organizational stability that otherwise may not have been available for such organizations. Admittedly, there are problems associated with the shortages REDAs face, but there has been a considerable amount of support services offered to REDAs and at the very least there is funding REDAs can depend on.

Chapter 5:

Conclusion

5.1 Introduction

The central objective of this thesis has been to examine the economic and political factors that led to the creation of REDA's, the functions which they perform and the general strategies they employ in doing so, and the factors that might be affecting their ability to perform their functions effectively. The objective in this concluding chapter is to summarize the findings and provide some recommendations on how to improve the effectiveness of REDAs as instruments of CED in Saskatchewan.

5.2 Major Findings

As a policy option, CED is an attractive approach. It is defined by the principle that organizations and individuals can and should be engaged in the economic future of their community. Not surprisingly, this is appealing to governments. The new economic order that emerged in the 1980s has created new opportunities as well as challenges and, as Donald J. Savoie suggests, if it has taught us anything, it is that senior levels of government do not always have the tools to address economic stagnation or decline.²²⁶ CED is a shift away from the notion that the federal and provincial governments on their own can rescue a community from economic decline. Generating self-sufficiency allows a community to depend on its own effort and ingenuity rather than relying on the federal or provincial governments for a solution it likely cannot provide.

²²⁶ Savoie, 21.

The appeal of CED to Saskatchewan's provincial governments has been apparent. Both the Devine and Romanow governments created or supported a variety of CED initiatives and both recognized and valued the need for an economic development governance framework at the sub-provincial level to deal with economic development concerns through cooperation. While substantial changes were made to REDAs to provide a more coordinated approach to CED, the fundamental principles and structures that defined the RDC program were emulated by REDAs. RDCs served as the conceptual foundation for REDAs. Both were organizations composed of a board of director and staff to pursue economic development goals on a regional scale, both emphasized the principles of cooperation and coordination in their mandate, and both focused on community involvement.

Despite the similarities however, there were some noteworthy differences between the approaches the different governments took to regional development. When elected in 1991, the Romanow government inherited a significant deficit, one that defined the economic environment under which the administration would govern. With limited financial means and the lack of success the Devine government had in stimulating growth through government spending, the Romanow government had little reason to pursue strategies that would insert government into the workings of the economy. Lessons of the past prompted Romanow to see the government as the facilitator, rather than the main driver, of economic growth. This required less government involvement in community economic development and more facilitation of partnerships between labour, business and the public sector.

The economic environment would also prompt the government to consider ways to deal with what was considered the inefficient duplication of services that existed

throughout Saskatchewan. The increasing trend of urbanization in Saskatchewan and the persistent depopulation of rural Saskatchewan have caused severe infrastructure problems. The duplication of services, in light of the economic situation the Romanow government found itself in, was no longer sustainable. In response, regionalization was considered as a potential solution. In terms of the economy, it was argued by Jack Stabler, Rose Olfert and Murray Fulton that unless the government started to target investment into specific growth centers that supported the surrounding regions, they would run the risk of losing the centers that were currently economically viable.²²⁷ Government dollars could no longer be stretched to sustain each and every Saskatchewan community and the services it offered.

REDAs were a product of the unique economic situation the Romanow government faced upon election in 1991. The desire to remove government from the workings of the economy created a serious interest in the idea of a sub-provincial body that encouraged economic development through the effort and ingenuity of the people at the local level. Through the facilitation and support of REDAs, the government could encourage growth without getting directly involved. This had appeal for two reasons. The first was that it accounted for the limited means the government had to pursue other options that would address Saskatchewan's economy. In financial terms, the government was severely limited in what it could invest. In practical terms, it had limited options. REDAs were a way of empowering people in the communities to invest in their own economic future by facilitating and supporting local economic development initiatives.

The second was that REDAs would be a move away from supporting an under-developed organizational infrastructure in Saskatchewan. This was accomplished in two

²²⁷ Stabler, Olfert and Fulton, 46.

ways. The first is that REDAs themselves would be larger units representing more communities. The second is that REDAs, as larger regional bodies, would allow investments to be used to support regions rather than individual communities. The Stabler, Olfert and Fulton study conducted at the time revealed that without an economic strategy that focused on specific regional trading areas, the province risked the decline of some of centers that were economically strong. More specifically, they indicated that changes were needed that centered on the concept of regionalization, whereby the economic development function would be integrated into one organization representing an entire region. Rather than each community requesting funds from different levels of government for their own specific projects, REDAs would consider what was in the interest of the region to pursue. REDAs would aid in the process of determining where resources should be targeted, decreasing the likelihood that each community would continue to support and develop infrastructure that would be underused, thereby contributing to a more efficient use of resources and also the economic sustainability of Saskatchewan.

The transition from RDCs to REDAs received some negative attention in the legislature. The questions surrounded the wisdom from the NDP government that ‘bigger is somehow better’ and the regionalization initiatives that were being implemented at the time. The concern was the government was abandoning these communities and pulling out their offices, schools and economic development offices. One former RDC official also noted the concern of some residents that without an economic development office, their communities would be getting much less individual attention. Today however, there is very little documented about the transition and even

those that lived through it tend to acknowledge the need for the transition to larger economic development bodies.

REDAs were expected to have a minimum number of communities within their respective boundaries, they would be financially accountable to their stakeholders groups, and they would be provided dedicated core funding by the Saskatchewan government. Along with the application of core-funding, however, also came core funding guidelines. These principles have evolved over the years but they essentially define the parameters of what REDAs are required to do in order to receive core funding. Among these guidelines is the requirement that REDAs create a strategic plan and that they pursue activities that fall within the seven CED categories defined by the Saskatchewan government.

There are many factors that influence what REDAs pursue and how they organize, but a major characteristic of the grassroots approach is for the government, as a facilitator of this process, to show considerable respect for the direction the communities wish to take the process. Accordingly, while REDAs display a degree of similarities due to the provincial government's requirements, they also display considerable flexibility in how they organize, the objectives they pursue and the manner in which they access funding. In terms of organization, while most REDAs are comprised of a board of directors and staff members there are exceptions to this. It is sometimes the case that the boards of directors are the staff members. Similarly, while it is common for most REDAs to collect membership fees from communities and stakeholder groups in the region, there are REDAs that choose to rely solely on what municipalities are willing to grant each year so as to be less exclusionary in the members they serve.

It is perhaps the functions that REDAs perform, however, that show the most variation. All REDAs are expected to provide coordination. In this respect, they must ensure that there is limited duplication of CED services in the area and that members of the region can easily direct the CED services required. Beyond coordination however, REDAs are engaged in a variety of activities. They can range from organizing educational workshops and showcases, advertising for the REDA and the region, producing community profiles and generally supporting anyone interested in starting a business. What REDAs pursue and the capacity they have to pursue it is largely tied to the individuals working with the REDA and some of the natural characteristics of the region. If, for example, there is already significant cooperation between communities or significant support from the member municipalities, then pursuing particular objectives can be made a lot easier.

For those who see potential in the CED approach, support from across the political spectrum and both sides of the legislature is encouraging. If elected officials continue to view CED as a legitimate option, there will continue to be a willingness to pursue it. The danger, however, is that there are always a variety of political considerations that affect the level of government involvement. Within the CED literature there have been some concerns expressed about government involvement. CED shifts the responsibility for economic development to the organizations and individuals in the local and regional communities. While this approach is appealing for both the government and the community, it can also be problematical in that it can excuse the government from investing adequate resources in the process. The limited capacity of a CED organization's performance can be of little concern for a government that wishes to only achieve the political benefits of maintaining the appearance of an

effort to address economic development or rural decline. Limited support can be the result of a government that does not have any genuine interest or faith in what CED can offer.

There has been at least some indication that Saskatchewan's provincial government has been unwilling to fully equip REDAs to meet their objectives. Some REDA officials believe that limited provincial funding and access to own source revenues has severely restricted their ability to pursue economic development. One aspect of their operation that has been adversely affected is securing adequate staff and volunteers. Limited funding has meant that many REDAs cannot offer the wages to attract or retain qualified and experience employees. Staff turnover can be detrimental to a REDA because it can take up to two years for new staff members to familiarize themselves with the economic development process in a region. As well, limited funding often means that extra staff cannot be hired; consequently the entire economic development portfolio rests on a single staff member. This often means that the workload is offloaded onto volunteers. Burnout was a common concern among REDA officials who complained about the increasing demands that went along with being involved in the economic development mission.

Despite the limited funding available to REDAs and the effect that this has had, and will likely continue to have, on their operations, there is considerable evidence to suggest that the provincial government has made substantial non-monetary contributions that have positively affected REDA performance. When the NDP government decided to pursue the REDA initiative it developed an organizational framework and principles for their creation and operation. At the same time funding guidelines were created, including the conditions under which REDA funding would be granted. Although there

is some concern that this kind of government involvement can compromise the CED exercise, this thesis has demonstrated that this has afforded REDAs a necessary degree of structure that may otherwise not have been accomplished. As the ECC argues, by implementing guidelines and encouraging REDAs to prioritize their activities, the government inserts a valuable tool for evaluation, planning, and reporting on progress.

The provincial government has also facilitated the performance of REDAs by contributing to the recruitment and development of human resources. This was necessary because many communities throughout Saskatchewan, especially those facing out migration and economic decline, did not have the skilled personnel that could easily step into an economic development position. As the human and organizational capacity of REDAs continued to increase, they relied less extensively on the support services offered by provincial government departments. Today, many REDAs are relatively self-sufficient, but the provincial department is there to provide help when necessary.

Finally, the government has initiated an important annual evaluation process headed by the REDA Working Group which consists of members from different REDAs to review and assess issues that affect the operation and programming of the entire REDA system. For many years the REDA system were not subjected to any kind of comprehensive review of their operations, programming, or accountability framework. REDAs operated according to the same structure under which they were established even though there was little that was available that could inform policy makers about the most effective system.

5.3 Major Recommendations

The commitment from the government to provide education and training and a systematic evaluation process has greatly enhanced the capacity of the REDAs. Many REDAs today operate with more qualified board members, employees, and volunteers than they did in the past. This is a great accomplishment given that human resources are an essential element of the success of CED. In addition, in less than a year, the REDA Working Group has provided a review of the REDA program that has already contributed to significant positive changes. Changes have included much needed funding increases and alterations to the accountability framework. It is important not to underestimate the significance of an evaluation procedure. It allows REDAs to be strengthened and evolve as institutions. A review process allows the provincial department responsible for community economic development the opportunity to examine if the existing framework is effective or whether changes are required. Therefore, continuing the support for the REDA Working Group and continuing to make an effort to respond to its recommendations will be necessary in the future.

Limited funding continues to impede REDA performance. This was the single most prevalent issue that permeated discussion with REDA officials and it is cause for concern. The government has made significant contributions, but as organizationally self-sufficient institutions, the potential of REDA is limited by their limited access to funding. Fluctuations in the capacity of REDAs will remain an issue as long as high turnover rates continue. For REDAs to seriously pursue CED they need to be able to retain qualified, experienced and dedicated staff that can initiate and pursue innovative strategies and programming. All of this will require increases in funding allocated to the

REDAs. The funds will have to come wither from the provincial government or the REDA partners or both.

Added to this is that as the CED process matures increasing demands are placed on REDAs and their staff. The coordination of CED efforts among the key stakeholders within each region has been and continues to be a concern. This includes coordination between and among Aboriginal and non-Aboriginal agencies. In some instances overlapping mandates can lead to duplicated and wasted efforts. An objective being considered, therefore, is for REDAs to partner with Aboriginal economic development agencies in the province.²²⁸ While a legitimate objective, this is another responsibility being placed on REDAs and with added responsibility must come a consideration of what kind of added human or financial resources will be received.

If funding increases are considered, then provincial department responsible for REDAs will have to also consider amendments to the current funding formula. In chapter four, equitable funding was discussed and it was shown that some REDAs represent areas with greater potential than others. This could be due to the availability of qualified personnel or the geography and resources in the area. Currently, the government offers core funding to each REDA in the province regardless of their size, potential revenue bases, efforts to develop and achieve strategic projects and programs, or accomplishments. In order to maximize the potential of the REDAs that have shown or that may show strong performance in the future, the government will need to consider a funding structure that accounts for these differences among REDAs.

Another issue to consider is the role that municipalities play in the REDA program. For some REDAs, the issue is that the province is one of the smallest

²²⁸ Confidential Interview.

contributors and over the years has increased its funding only minimally compared to the municipalities in the region. For others, however, the municipalities were identified as less than optimal financial contributors. This overall lack of funding is put into perspective by a REDA official: “Funding has to come from the province and the cities, but ideally the city has to understand and realize that this is an important thing to do. It is a goal of the city to grow and diversify the economy and grow the population and make it more about exports and less about imports and growth of the labor force. These expectations unfortunately are not backed up by sufficient funding.”²²⁹ Although the municipalities want to see results, they are often not willing to contribute the resources required to make further and sustained progress. If the provincial government is expected to make the commitment to REDAs, then so too should the municipalities. Of course, this recommendation is made with caution. This cannot be used as an excuse for the province to simply offload the economic development responsibility. Instead, there could be a cost-shared funding formula designed to encourage financial support from municipalities.²³⁰

Although it is reasonable to suggest Saskatchewan’s provincial government has implemented a balanced structure for the operations of REDAs, the ECC reported that serious concerns exist about the level of government restrictions in the CED process. It also reported that there was the indication that funding from the government should be granted with no expectations tied to it.²³¹ Similarly, based on four case studies in Atlantic Canada, Donald J. Savoie, concluded that there was reason to believe that any

²²⁹ Confidential Interview.

²³⁰ Confidential Interview.

²³¹ Economic Council of Canada, 18.

interference from the government could be detrimental.²³² This conclusion was drawn from a particular set of case studies where decision making power was not clear and this absence of direction created a barrier to economic development. In those case studies involvement from the government interfered with the CED process, but this does not necessarily mean that it would be equally damaging in the case of the Saskatchewan REDAs.

In terms of CED literature, therefore, there may be cause for further research into the funding structure that the government has created for REDAs. It has been argued in this thesis that the Saskatchewan government has created a funding structure that balances both the need for structure and direction for the REDAs' efforts and that it also allows for flexibility for REDAs to pursue the CED objectives they consider necessary. Despite these findings, however, there are some strong objections within the CED literature to this kind of involvement by government. It could likely be argued that what the Saskatchewan government has designed for REDAs is unduly restrictive and counterproductive for purposes of CED. The objective of this thesis, however, was not necessarily to make a judgment about what level of government involvement is appropriate. Instead, the purpose was to provide research which would lead to further research on CED. It is recommended, therefore, that some of the information presented in this thesis about the framework for REDA funding and some of the conclusions be used for further analysis in CED literature. An analysis that addresses what the objectives of CED should be and whether the provincial government involvement is consonant with such objectives is necessary.

²³² Savoie, 123-124.

Finally, there is reason to suggest that REDAs continue to represent regions that are too small. In 2000, following the release of a report on economic development in rural Saskatchewan which suggested that the province should be divided into no more than 17 regional municipalities, a journalist stated that, “although the province now has a number of regional economic development authorities (REDAs), there are too many of them to be functional -- in spite of the hard work many people involved do.”²³³ Although not often reported by REDA officials as a significant concern, the research by Olfert and Stabler shows that economic development needs to take into account the regional trading centers and the effective use of the surrounding territory and communities in the region. The size of REDAs, therefore, will continue to be a concern for the provincial government as it seeks to find new ways of encouraging partnerships between existing REDAs.

Despite some significant differences among them, it is fair to say that REDAs have achieved a modicum of success in CED. It is also fair to say that collectively many of them have faced substantial challenges which have limited their ability to achieve optimal success. REDAs have the potential to contribute to the economic well-being of Saskatchewan. Top-down approaches that attempt to maintain a community’s economic base through the influx of government dollars are not a long-term solution. Instead of relying on government to sustain a community, there is the possibility that economic growth can occur through the commitment and support from those at the community level. Of course, the key is the commitment that comes from the community, the minister, and those working at the departmental level.

²³³ Anonymous, “Report wants to see fewer than 17 rural municipalities,” Moose Jaw Herald Times 21 March 2000, 5.

In recent years, partnerships have led to positive changes. In order to achieve optimal success, however, the full support of Saskatchewan communities is needed. Neighboring communities need to be committed to working together and building on their economic strengths collectively. If that commitment is not there it is difficult for the government to get involved. Ultimately CED is a partnership that requires many organizations and individuals to work together. It is imperative that the individuals who come together have both the right skills and the right spirit. The right skills are planning and entrepreneurial skills; the right spirit is a fundamental belief in the importance of the region on a whole to succeed. Moreover, it is imperative that all orders of government recognize this and contribute in various ways to achieve various reforms. If they do not, the overall capacity of the REDAs will plateau and their effect on CED will continue to be sub-optimal.

APPENDIX “A”: EXAMPLES FOR THE 7 COMMUNITY ECONOMIC DEVELOPMENT (CED) CORE SERVICES

Source: Regional Economic Development Authority: Core Funding Guidelines 2006-07 to 2008-09 (Regina: Saskatchewan Regional Economic and Co-operative Development, 2006), 3.

Co-ordination:

- preparing regional CED co-ordination strategies;
- co-ordinating regional CED stakeholders' and clients' interests, activities, initiatives, projects, etc.;
- improving the co-ordination and delivery of federal, provincial and regional programs and services;
- activities which enable REDA communities, economic stakeholders and residents to establish trust, work together, co-operate, identify joint opportunities, establish public participation processes, etc.;
- regional, inter-municipal and community meetings;
- regional pilot projects and community collaboration initiatives;
- attendance and presentations at senior government hearings, workshops, seminars, etc.; and
- public forums, public hearings, etc.

Organizational Development and Planning:

- expanding REDA membership and participation;
- preparing and implementing regional organizational development, co-operation and coordination strategies;
- to establish and incorporate businesses, co-operatives and community economic development organizations, etc.;
- to provide assistance, guidance and other support to co-operatives, businesses and development organizations, in their organizational development, operation and expansion activities;
- regional economic development plans and strategies;
- regional community economic development service plans; and
- providing planning services and products (e.g., strategic and business planning advice) to businesses, co-operatives and development organizations.

Education and Training:

- preparing, implementing, operating, and attending education and training initiatives, workshops, seminars, etc.;
- preparing regional education and training strategies;
- REDA board member and staff training;
- regional conferences and workshops;
- business and co-operative education and training; and
- labour force training.

Information:

- planning, implementation, management, and delivery of regional and community information programs and services;
- preparing regional information plans, strategies and inventories;
- the dissemination of information; and
- preparing and providing co-operative and business information.

Research & Development:

- investigating, analysing and developing options, comparisons and solutions to regional problems, issues, constraints, and development opportunities, and conducting research and development services for clients;

- preparing regional research and development strategies;
- conducting surveys;
- identifying and analysing regional, community and client needs, opinions, opportunities, issues and constraints;
- research and development programs and services for business, co-operatives, development organizations and communities;
- economic and development feasibility and cost-benefit studies;
- demographic analyses;
- market analyses; and
- sectoral and other strategic analyses.

Promotion and Marketing:

- promoting and marketing the REDA, region, communities, and development opportunities including promotion and marketing services to clients:
- preparing and implementing regional promotion and marketing plans, strategies, activities and services;
- promotional materials;
- preparation and distribution of regional and community demographic, industrial and labour force profiles and statistics;
- development and diversification opportunities;
- marketing services and programs to and for businesses, co-operatives and communities;
- conducting and attending trade shows and conferences;
- developing and implementing procurement initiatives; and
- conducting "Buy Locally" campaigns.

Local Initiative and Project Management Assistance:

- providing local initiative and project management assistance;
- specific regional and community initiatives;
- services which support and assist entrepreneurs and co-operatives in identifying and managing specific development projects from the idea stage through to the completion stage;
- identifying, negotiating and managing development projects internal and external to the region;
- conducting feasibility studies; and
- assisting in identifying sources of funding for initiatives and projects.

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