

**Canadian Regional
Development**
A Critical Review of Theory,
Practice, and Potentials



**Développement régional
canadien**
Un examen critique des théories,
des pratiques et des potentiels

Newfoundland and Labrador Provincial Regional Development Policy

January 2014
CRD Report 17

Prepared by:

Kelly Vodden
Environmental Policy Institute
Grenfell Campus,
Memorial University

Ryan Gibson
Department of Geography
Memorial University

Jen Daniels
Department of Geography,
Memorial University

Table of Contents

DOCUMENT REFERENCE	1
1. INTRODUCTION	2
2.0 HISTORICAL CONTEXT	2
3.0 EVOLUTION OF REGIONAL BOUNDARIES	15
4.0 DESCRIPTION OF KEY ACTORS, RELATIONSHIPS AND POLICIES.....	16
4.1.1 Local Level	16
4.1.2 Provincial Level	17
4.1.3 Federal Level.....	17
4.2.1 Upheaval of Funding Arrangements.....	18
4.2.2 No Sole Responsibility for Regional Development → ‘Hot Potato’ Dilemma	18
4.2.3 Ambiguous Regional Development Policy Direction.....	19
4.2.4 A Rural Paradox: Site of Resources, Limited Benefits Perceived	19
4.2.5 Increasing Pressure on Local Actors	20
4.3.1 Issues	20
4.3.2 Opportunities	21
4.3.3 Constraints	21
5.0 NEW REGIONALISM THEMES IN THE PROVINCE	21
REFERENCES	27

Document Reference

Vodden, Gibson, Daniels. 2014. Newfoundland and Labrador Provincial Regional Development Policy. Working Paper CRD-17. Memorial University of Newfoundland, Corner Brook.

1. Introduction

Newfoundland and Labrador (NL) has a rich history of regional development initiatives. Over the past five decades researchers, community leaders, policymakers, nonprofit organizations, and the business community have been seeking to perfect 'regional development', including: strategies to enhance business development, rural investment and service delivery, while trying to ease income and unemployment disparities (Gibson, 2013a). The most prevalent initiatives include: 'smoke stack chasing', the enhancement of larger centres in hopes that adjacent peripheries may draw benefit, regional development associations- which have varied in terms of scale and "local" interests and understandings of region- and provincial strategic plans. Each of these strategies has had varying degrees of success in addressing regional challenges and priorities, but as will be elaborated below, 'ground-up', integrated strategies have been largely marginalized.

The purpose of this paper is to outline both the historic and contemporary context of regional development in the province of Newfoundland and Labrador. In building this review, the paper outlines key policy and programming milestones that influenced, and continue to influence, the province and its people. When looking toward the contemporary regional development approaches the paper outlines the current directions, policies, and actors engaged based primarily on literature and document review. At the conclusion of the paper a brief discussion is provided outlining the intersection of the current context of regional development and the five tenets of new regionalism: multi-level and collaborative governance; integrated development; learning and innovation; place-based development; and rural-urban interdependencies.

2.0 Historical Context

Newfoundland and Labrador has a long history of indigenous peoples, explorers, and settlements. The Norse arrived on the shores of Newfoundland and Labrador from Greenland about 1000 A.D. By the 1500s fishing nations from around the world began to exploit the fisheries resources of what is now Newfoundland and Labrador, continuing and modifying pre-European forms of resource dependence. Permanent settlement was slow to take root but by the 1800s newcomers, primarily of English, Irish and French origin, had colonized the lands of Newfoundland. As they moved north from the Avalon Peninsula they would encounter both the Beothuk and Mi'kmaq peoples, ultimately displacing the Beothuk from their lands. Missions and trading posts were established in Labrador as well, home of the Innu and Inuit. Although established as a colony for this purpose, concerns surfaced quickly about the sustainability of an economy focused on an externally owned and controlled fishery.

Early governments sought to modernize the fishery and pursue import substitution through promotion of agriculture and manufacturing, a strategy that would not experience the same success in Newfoundland as it had in other places (RCEU 1986).

Fairley (2001) records that in the 1930s Commissioners of Government¹ also attempted to promote worker cooperation in Newfoundland and Labrador, importing concepts and expertise from Sweden and Nova Scotia. By 1939, 1200 cooperation study clubs, 30 credit societies and cooperative marketing initiatives for lobster, herring and eggs had been established. This notable endeavour took place within what had been a three tier society of merchants (outport merchants in turn dependent on St. John's merchants), planters (small boat/facility owners, farmers, tradesmen, artisans) and fishers who worked primarily on the barter system, trading fish for supplies and supplementing fishing with other activities to support the households such as gardening and wood cutting (Woodrow 1996). While some evidence of this early cooperative legacy remains emphasis soon shifted to supplying the World War II effort, resulting in an economic boom. Government remained centralized in St. John's, with weak or non-existent local governments² and little focus on rural/outport economies (Baker and Pitt 1988).

The 1950s brought confederation to Newfoundland (1949), the end of WWII, and the birth of the Keynesian era. The constitution committed the Government of Canada to equalization and reduction of regional disparity (M&E Subcommittee 1997). Concern about disparities resulted in the birth of fiscal equalization and a host of development programs, regularly changed and renamed, throughout the 1960s (Brodie 1990). Federal funding built new infrastructure, such as roads and schools, and transfer payments such as Unemployment Insurance, old age pensions and family allowance brought new wealth to the outports of Newfoundland.

Government agencies shifted their focus to large-scale resource and industrial developments throughout the later years of the "Smallwood era"³. Foreign-owned and export-oriented forestry and mining projects were launched. The approach focused on the soon-to-be province's weaknesses rather than its strengths, such as a small-scale fishery and the dual economy that supported outport economies (RCEU 1986). Rapid expansion occurred in the industrialized offshore fishery through subsidies that would prove detrimental in the long-term, while the small-scale fishery was ignored and efforts were made to relocate outport residents to growth centres. Feltham (1986) describes for example a population movement from the rugged, isolated island communities of northern Bonavista Bay to the "mainland" (main island) throughout the 1900s,

¹ Woodrow (1996) describes that as settlement occurred justice was left in the hands of fishing admirals and resident governors. By 1728 constables were appointed in some centres. Newfoundland was recognized as a colony in 1824 with its own representative government granted in 1832 (an elected assembly, appointed Governor, legislature and Executive Council). In 1855 the colony became self-governing, until the 1930s. From 1934-1949 the Commission of Government governed as a form of direct rule for the Dominion of Newfoundland due to the collapse of democratic institutions during the Great Depression, making Newfoundland a colony of the United Kingdom under the control of the Government of the United Kingdom.

² Baker and Pitt (1988) explain that in the nearly 1300 fishing communities of Newfoundland and Labrador local government often meant the priest, the politician, the merchant and the teacher. With the advent of elected Road Boards in 1890, they add, there remained little interest in these positions and "only the merchant, the priest or minister and teacher would have the time, money, influence - and literacy - to stand for public office". Local property taxes were strongly opposed.

³ Coined after the province's first Premier, Joey Smallwood (1949-1972).

culminating in a 1955 government-sponsored resettlement program and subsequent iterations. While the process of relocation was already underway in many communities (Woodrow 1996) it left an indelible impression on the residents of the Province and had devastating impacts on the aboriginal people of Labrador and others (Vodden and Kennedy 2006).

While many outport residents saw their communities abandoned or moved in the 1950s and 60s, those that remained, in part as a form of resistance to Premier Smallwood and his resettlement policy, began to develop a system of local governance that would form the foundation of “bottom-up” development in the province (Greenwood 1991). Interview respondents describe the creation of committees in the late 1950s to address issues of basic infrastructure such as roads and water as the roots of the province’s rural development movement. By the 1960s these committees had evolved into what became known as Rural or Regional Development Associations (RDAs). RDAs focused on economic and community development while local governments were formed to take responsibility for infrastructure.

Native political organizations, along with social and economic development programs, were also formed and strengthened across Canada during the 1960s. In Newfoundland and Labrador the Native Association of Newfoundland and Labrador was formed in 1973, followed by the Labrador Inuit Association and the Naskapi-Montagnais Innu Association (renamed the Innu Nation in 1990). Band Councils were formed to represent the Mi’kmaq and Innu while Inuit communities incorporated as municipalities (Vodden and Kennedy 2006, Vodden 2005).

With the election of the Frank Moores’ Progressive Conservative government in 1972 the “Smallwood era” ended. Retreating from the political failure of the resettlement program the Province established a Department of Rural Development. The newly created Department of Rural Development provided some core funding to RDAs, particularly to hire local coordinators. The RDAs, numbering 15 by 1974 and 59 by 1994⁴, began channeling “tens of millions of dollars into their communities” (Connections Research 1993 p.3; M&E Subcommittee 1997).

At the same time the federal government set up the Department of Regional Economic Expansion (DREE, 1968/69), supporting industrialization, urbanization and centralization justified by a “misguided interpretation” of Perroux’s growth pole theory (RCEU 1986). Provincially the Moores government was emphasizing rural development⁵ and in general the provinces were unhappy with DREE’s top-down approach (Savoie 1992). After a 1972/1973 review DREE adopted a new decentralized structure, committed to joint federal-provincial decision-making and to General Development Agreements (GDAs), with attached subsidiary agreements. In Newfoundland the federal government would provide up to 90% funding. The Newfoundland and Labrador Development Corporation was also established in 1973 as a joint federal/provincial crown corporation

⁴ Task Force on CED (1995) reports slightly different numbers (17 RDAs as of 1974).

⁵ One former provincial official suggests that the Province also supported the DREE approach but was placating rural areas with support for RDAs.

to support economic development, with a focus on expanding small and medium businesses through both debt and equity investments as well as information and advisory services. House (1999) explains that aside from small offices in Grand Falls and Corner Brook the corporation was St. John's-based.

DREE and later DRIE and ACOA would contribute funds to RDAs under subsidiary and subsequent cooperative funding agreements. Typically cost shared 70-30, three successive five-year agreements provided funding from 1978 to 1993. Canada Employment and Immigration also provided funding to the groups for employment and infrastructure projects.

By the early 1990s RDAs covered most areas of the Province. Fishermen made up the largest occupational grouping within RDA Board members. They had formed the Newfoundland and Labrador Rural Development Council (NLRDC) and organized themselves into six regional groupings: East, South, Central, West, North, Labrador. Municipalities had also formed an umbrella organization, the Newfoundland and Labrador Federation of Municipalities (renamed Municipalities Newfoundland and Labrador), with similar regional divisions. In some areas of the province other local structures, such as The Great Northern Peninsula Development Corporation had also been created. Over less than forty years a formal system of local governance made up of both local government and voluntary associations had evolved in rural Newfoundland and Labrador, building leadership and administrative capacity. Newfoundlanders and Labradorians became more engaged in the workings of government and the needs and potentials of their regions. The RCEU (1986, p. 366) coined this shift "an almost revolutionary breakthrough in outport Newfoundland".

2.1 Re-evaluating Rural and Regional Development

Throughout the 1970s regional development programs were criticized for a lack of results in addressing disparities (Brodie, 1990). In NL the post-war boom had ended and dependency on cash, Unemployment Insurance and make-work programs had become a significant problem. Employment in forestry and mining declined due to mechanization⁶. Out-migration served as an adjustment measure for labour force displacement and the fishing industry still looked favourable, particularly with the introduction of the 200-mile limit in 1977 and resulting short-term boom. Fishing and fish processing employment more than doubled from 1975-1980 (RCEU 1986).

Soon after, however, fish stock declines were reported. The province's economic picture continued to decline as the fishery declined and the 1980s recession hit all of Canada. Small-scale rural development had received limited encouragement, lacking financial and human resources, expertise and political clout. RCEU (1986) suggested that RDAs had been undermined by their use by provincial and federal governments as a delivery mechanism for short-term job creation programs, inhibiting long-term planning and objectives, while not being consulted on the design of such programs. Oil and gas had

⁶ The forest industry in the Kittiwake region had already been devastated by a 1961/62 fire that destroyed most of the regions forests, once among the most productive in the province.

been discovered and the search for new fishery opportunities had been launched but it was questioned if the twin pillars of development – resource industries and government spending - would suffice.

Federally, the 1980s was a decade of megaprojects and free trade, influenced by the election of the Mulroney government and by structural changes in the global economy such as deindustrialization and the rise of the service sector, new technologies, growth in newly industrializing countries, escalating costs of production and changing trading patterns. At the same time entrepreneurship and small and medium sized enterprises began to receive recognition for their importance. Recession had hit central and western Canada and in NL government policies curtailed fishing, markets were soft, processing companies had overextended themselves and the sealing industry was under fire (RCEU 1986). Despite much debate over future directions and the introduction of sustainable development as a new imperative market-driven continental rationalization, free trade, was the solution of the government of the day.

With pressure and support from the provinces, the federal government created the Atlantic Canada Opportunities Agency (ACOA) in 1987. The new agency further decentralized services and committed one billion dollars in new investments over five years. Three new federally operated but regional located (“decentralized”) development agencies included ACOA, FedNor and Western Economic Diversification (Savoie 1992).

The challenge of regional development posed a dilemma for a government that claimed commitment to a united Canada while espousing free trade policies that oppose traditional regional development tools such as subsidies, economic regulation, differential pricing or purchasing policies. The solution was, in part, decentralization of program delivery, first through the formation of DRIE (replacing DREE) in 1982 and later ACOA. Policy decisions would remain in Ottawa. DRIE provided financial assistance to business and negotiated subsidiary agreements through provincial and sub-provincial offices in St. John’s, Corner Brook and Goose Bay in Newfoundland and Labrador. Community Futures Development Corporations were launched by Human Resources Development Canada (formerly Canada Employment and Immigration Commission) in 1986 as part of the Canadian Jobs Strategy and given considerable program resources for economic development and labour force adjustment (Savoie 1992, M&E Subcommittee 1997). The Program was subsequently transferred from HRDC to ACOA in the Atlantic provinces. Newfoundland and Labrador had 17 CFDC offices and committees.

In 1986 the Royal Commission on Employment and Unemployment (RCEU) was established, just one year after the signing of the Atlantic Accord on Newfoundland’s rights to manage and receive royalties from offshore development. The Commission conducted consultations in all parts of the province, produced background reports on topics such as how rural development associations might be made more effective and undertook comparative research on the Highlands of Scotland and their approach to rural and regional development. The Commission’s report suggested a new regional approach to development, regions being areas larger than individual communities but

smaller than the province as a whole that “form fairly distinct social and cultural entities, and which would benefit from being considered as a unit for development and employment purposes” (RCEU, 1986 p. 364). The report went on to proclaim “... if the province as a whole is to achieve economic development and employment enhancement, its constituent regions must be strengthened and given greater autonomy in the developmental process”. A much stronger institutional framework for regional and rural development was needed the authors suggested, including the proposed creation of (tentatively five) Regional Development Boards with a highly qualified Executive Director and a Board made up of RDA, municipal, community college, industry and resident representatives. The Boards would be charged with fostering cooperation among sectors and identifying and pursuing long-term employment options.

The social and economic impact of developments such as offshore oil, they suggested, are best managed with the region as a direct partner, requiring enhanced skills and information at the local level. Expansion in major industries, they added, is best balanced with greater Newfoundland participation and long-term employment creation through regional and community development initiatives, both large and small industries playing an important role. Recommendations for supporting development of small and medium sized enterprises included the creation of regional enterprise centers, independent of government, with business mentors on staff and corporate contributors, reducing red tape and increasing the authority of regional offices to issue approvals, enhanced access to equity financing, incentives for venture capital, loan guarantees, educational initiatives and support for development of cooperatives. More information was needed they added on the history of the outport as a highly flexible economic system.

The Commission emphasized the notion of balance. Cognizant of the danger of further straining the rural communities that surround such regional centres and undoubtedly cautious of comparisons to resettlement policies the Commission suggested it was possible to deliver more regional services while being careful not to draw rural populations into these centres. Although it was unclear how this was to be accomplished the key, they suggested, was to balance the needs of communities, regions and the province.

The Commission Report was met with resistance from within the provincial bureaucracy, suspicion from the opposition, lukewarm support from the media but acceptance from labour, industry, RDAs (with the exception of the Regional Development Boards recommendation) and, despite poor federal-provincial relations at the time, from the federal government, who was in the process of forming ACOA (House 1999). Provincial staff members were upset the report had not been vetted by them before public release and were concerned about implications for power, control and job maintenance. Caught in the middle of this conflict House (1999) suggests that the government of the day implemented the Commission recommendations only to a limited extent, still emphasizing a large-scale development approach and avoiding a

decision on the controversial Regional Development Boards. Conflicting views over the report are thought to have contributed significantly to implementation failure.

2.2 From Community to Regional Economic Development

Shortly after Wells' election the Economic Recovery Commission (ERC) was established to support the development of small and medium sized businesses, develop an economic strategy for the province and assist with the implementation of the Royal Commission recommendations. Similar to the problems faced by ACOA when it was established as a new agency within the federal system (Savoie 1992), House (1999, p. 7) describes the immediate drawing of "lines of battle between the ERC and the established order within the provincial bureaucracy." The ERC then formed Enterprise Newfoundland and Labrador (ENL) as the province's business and economic development arm, ERC and ENL together replacing the Rural Development Branch of the Department of Development and the small business programs of both this Department and Newfoundland and Labrador Development Corp. (House 1999). While the original vision of the ERC was to form ENL with a focus on business services delivered through five regional offices and sub-contracted local Community Futures offices, Wells and his Cabinet opted to keep service delivery in-house and to address both business and rural development. ENL was established along with five regional and seventeen field offices across the province. ERC remained St. John's-based. Both were independent crown corporations governed by their own legislation and CEOs.

Following up on the mandate to create an economic strategy the Province released *Change and Challenge: A Strategic Economic Plan for the Province of Newfoundland and Labrador* in June 1992. The document outlined a focus and direction for the province's economic development activity, including a number of growth industries that would build on Newfoundland and Labrador's unique strengths and resources and create greater economic diversity such as: petroleum service; ocean/marine industries; manufacturing; innovative technology; information and environment industries; energy efficiency and alternative energy; adventure tourism and cultural industries. While not mentioning the idea of Regional Economic Development Boards (REDBs) specifically, like the 1986 Royal Commission Report the Plan once again referred to a regional economic development approach and called for the creation of locally-driven plans for each of 17 proposed economic zones within the province's five administrative regions (NL 1992).

The Plan was developed by the ERC and an Economic Planning Group assembled in 1990 after consultation with over 300 individuals and organizations (Aradottir 2003, Gov. of NL 2001), yet according to one provincial representative the Plan did not have strong buy-in from the residents of the province. Among the recommendations that were followed was the formation of a Department of Industry, Trade and Technology (DITT) out of what remained of the Department of Development to promote and develop these priority sectors. After earlier discussions between the two groups in 1990/91 the Plan resulted in added pressure from municipalities and NLRDC for a more coordinated approach to regional development (Dunn 2003, Greenwood 2006).

The need for action suddenly became more urgent when, just after the Plan had been released, the province was met by what was perhaps its greatest challenge yet – the closure of the groundfish fishery. Signs of decline throughout the late 1980s had led to federal and provincial task forces working together to investigate diversification strategies but the severity of the situation was not acknowledged until, by 1992 Northern cod biomass fell to one percent of its earlier level and faced ecological collapse (Hamilton and Butler 2001). On July 2, 1992, Canadian Minister of Fisheries and Oceans announced a moratorium on the Northern cod fishery surrounding the province of Newfoundland until spring 2004. An estimated 19,000 fishers and plant workers were directly affected and up to 20,000 other jobs were lost or negatively impacted (Steele et al 1992). In 1993, the ban on Northern and Gulf cod was extended indefinitely and the food fishery closed, devastating residents across the province and breaking the economic backbone of hundreds of communities (Mason 2002). The announcement was coupled with a \$484 million Northern Cod Adjustment and Recovery Program (NCARP), followed in 1994 by The Atlantic Groundfish Strategy (TAGS) with an allocation of \$1.9 billion. The programs provided some relief but created new inequalities and social divisions (Hamilton and Butler 2001)⁷. These programs followed on a pre-moratorium program the Atlantic Fisheries Adjustment Program (1990-1995) funded through ACOA, which included a Fisheries Alternative Program (FAP) which assisted in business and economic development projects aimed at diversification (OECD, n.d.).

The Newfoundland and Labrador Task Force on Community Economic Development (CED) was struck in 1994, co-chaired by senior provincial and federal staff, including the head of the ERC Dr. Doug House and ACOA Vice-President Gordon Slade. The Task Force included both government and non-government organizations and was mandated with addressing future directions for local economic development in the province. A key recommendation in the Task Force's January 1995 report, *Community Matters*, was the establishment of 18 REDBs across the province (reshaped over a period of discussion into 20). The REDBs would link "'top-down' government support with 'bottom-up' community planning and decision-making, and address a series of key principles ranging from valuing the role of volunteers to stewardship, entrepreneurialism, global outlook, partnerships and a new supportive role for government (Task Force on CED 1995). Following on the 1986 Royal Commission Report and 1992 Economic Plan the Task Force called for a balanced, integrated approach that acknowledges linkages between economic development and social, cultural and environmental concerns with a long-term perspective.

A Zone Unit, operated jointly under the Economic Recovery Commission and ACOA, to set up the REDBs. Like the Task Force, the Zone Unit was a joint effort of provincial and federal governments. It consisted of staff from both provincial and federal governments and was co-located with the Economic Recovery Commission. Staff of ENL at corporate, regional and satellite offices were also assigned to work with the Unit, which was

⁷ After TAGS (1998) another \$730 million package was announced to assist with retraining and restructuring adjustments for displaced workers (Hamilton and Butler 2001).

funded through a 70/30 federal-provincial cost sharing agreement (Canada/Newfoundland Strategic Regional Diversification Agreement), one of a series of such agreements that served as mechanisms for federal-provincial cooperation and financing for economic development through the 1990s. Interim provisional boards were put in place to establish what stakeholders were present in each region, determine appropriate representation on the RED Board, develop bylaws and initiate the process (with guidance from the various reports and Zone Unit). The Boards were not governed by any specific legislation but were instead incorporated as non-profit corporations under the *Corporations Act*

Controversy plagued the REDBs from the outset. Funding cuts to RDAs as the Boards were established raised the question of whether the regional approach would replace or complement efforts at the individual community level. Arguing the continued need for community economic development initiatives and institutions, the NLRDC prepared a report demonstrating the contributions RDAs had made to the province. While the officially stated intent was not to replace the RDAs with REDBs, for some government actors this was the result envisioned. Nevertheless the distinction between the REDB's planning role and that of other local organizations as implementers remained an important part of the model.

Also controversial was the suggestion that REDBs should have both a planning and lending function "to try to bring everything under one roof". In many areas CFDCs had established Business Development Centres to provide business and lending services, although in locations such as Gander such entities had been created before the establishment of CFDCs. By the mid 1990s there were 15 Business Development Centres in the province.

Just as the REDBs were establishing themselves, Clyde Wells' resignation brought Brian Tobin back to the Province as Premier in Feb. 1996. The new Premier was less supportive of REDBs and of the Strategic Economic Plan created under Wells. Soon after both the ERC and ENL were disbanded, cost-shared agreements faded, and a new Department of Development and Rural Renewal was formed. The Department subsumed the regional offices of ENL, with staff mandated to work with the Boards in each region. Department staff were either regional development or business specialists. The two functions were later combined.

2.3 Decade of Uncertainty

A long period of wavering support and uncertainty began only short years after the REDBs creation, with the loss of their most vocal champions (Premier Wells and the ERC) in 1996. Beginning in the late 1980s advocates in the social sector, especially the Community Services Council, began calling for the development of a social development plan for the province, calls which were strengthened with the release of the 1992 Strategic Economic Plan. In 1998, *People, Partners and Prosperity*, the Strategic Social Plan (SSP) for NL was announced after several years of consultation and development both inside and outside of government. A Social Policy Advisory Committee and a series

of stakeholders meetings engaged the public while a committee of Deputy Ministers provided public sector input in what was considered a more inclusive process than had been followed in creating the Strategic Economic Plan.

Implementation of the Plan began in 1999 under a Premier's Council on Social Development and through Steering Committees in each of six regions across the province (Randall 2002). The mandate of the regional committees included a coordinated approach to social and economic development in the region. An innovative system for tracking indicators of community well-being, developed following work initiated under the REDB process, contributed to a social audit process for monitoring implementation. The SSP process recognized and incorporated existing Boards (including REDBs) through their representation on the Steering Committees. Regional government staff members were also represented, leading to some criticisms that the Committees were government/quasi government agencies rather than representing the volunteer sector that had been so involved in the SSP's formation. Uncertainty remained about how the SSP committees and REDBs should work together and what this meant for the social aspect of the REDB mandate. Considering this a signal from government some REDBs started to shift away from initiatives considered more "social" although essential to economic development such as adult education (see also Relationships).

The late 1990s "Jane Stewart Billion Dollar Boondoggle" within HRDC resulted in reduced REDB funding and flexibility. As a result HRDC shifted to a narrower focus on developing, implementing and administering programs to assist individuals, leaving "economic development programming to economic development departments" and eliminating HRDC's⁸ funding for non-government staff positions not directly related to labour market development.

The Province released a new "Jobs and Growth Strategy" in 2001 based on a series of public consultations. "Jobs and Growth", in principle at least, reinforced the importance of a regional economic development approach. The Cabinet Committee responsible for the Strategy observed residents' strong desire to shape the futures of their own communities and regions, with assistance and partnerships from government, noting this as a shift in attitude reflective of greater confidence in the province's future. They added that the REDBs "will continue to be the core institutional mechanism to achieve this from an economic development perspective (Gov. of NL 2001; p. 23). Aradottir (2003) notes the similarities between the Strategy and the 1995 "Community Matters" Task Force Report while the emphasis placed on strategic growth sectors also bore similarities to the early "Change and Challenge" report.

In addition to emphasizing the importance of the private sector and creating a climate for business growth, "Jobs and Growth" recognized the "leading role" of volunteers in their communities and suggested that the capacity of communities to encourage social and economic growth must be enhanced. One measure for building this capacity was

⁸ The department is now called HRSD - Human Resources and Social Development, a merger of the former Human Resources and Skills Development Canada and Social Development Canada (previously HRDC). Delivery of services such as Employment Insurance is administered through Service Canada.

the 2000 amendment of the *Municipal Act*, which allowed municipalities to become actively involved in economic development⁹. The NLFM subsequently formed the Local Action for Developing Regions (LADR) initiative and, with support from both ACOA and HRDC/HRSD, has provided a series of capacity-building workshops and international study tours. In 2005 the organization signed an MOU with Newfoundland and Labrador Regional Economic Development Association, the umbrella group representing REDBs across the province, to continue and expand joint initiatives that provide mutual benefits and further economic development across the province. This official show of support from local government, suggests one observer, lends significant legitimacy to the REDB process. In a 2003 Speech from the Throne Premier Grimes recognized that RDAs also continue to play an important role in CED and committed to “strengthening their capacity to help implement the strategic regional development plans that have been prepared by the REDBs” (Connections Research 2003).

A June 2003 Royal Commission Report “Our Place in Canada” called for the Province to develop a rural strategy based on informed dialogue with the people of the province about the survival of Newfoundland and Labrador, reported as “the most significant social and economic challenge facing the province today (Young et al 2003; p. 28).” October 2003 brought an election and change of government, led by new Conservative Premier Danny Williams. Williams committed to “chart a new course to prosperity and self reliance”, including measures such as tightened fiscal management, retaining 100 percent of oil revenues, investing in economic development and job creation particularly diversification and small and medium size businesses (Williams 2004). The new government made no commitment in terms of their support of either REDBs or RDAs, instead opting to review the RED process and to form a Rural Secretariat.

In February 2004 a Rural Secretariat was tasked by the Williams government with working towards an integrated approach to social, economic, cultural and ecological well-being, providing a focal point for government to work with local and regional partners to ensure rural concerns are heard and residents are aware of programs and services, conducting research and analysis and assisting communities and regions to pursue opportunities. Although the Rural Secretariat was to build on the work of the SSP, the SSP Secretariat and regional committees were terminated. A new provincial Rural Secretariat would work with nine new Rural Secretariat regions, each with a staff member and Council made up of volunteers appointed by government, not as representatives of existing Boards and with less regional autonomy than their SSP predecessors. The “nine sustainable regions were identified based on patterns of natural economic, social and community activity already existing in each region”. The same nine regions were to be used for the Province’s Regional Diversification Strategy, with economic strategies to be developed for each by the Province and a Committee of Cabinet, in consultation with REDBs and other stakeholders (a significant shift from bottom-up SEPs). Although some Regional Councils would include REDB members,

⁹ The amendment was a recommendation of the Task Force on CED in Newfoundland and Labrador (1995).

without a designated seat at the Rural Secretariat table REDBs were left even more uncertain of their relationship with this latest form of regionalization than with the SSP (Vodden, 2006; Vodden, 2010).

2.4 Timeline of Key Milestones

Below is an illustrative timeline of the key milestones in regional development policies and programs in NL.

Year(s)	Milestone	Implications	Jurisdiction
1941	Royal Commission on Dominion-Provincial Relations (Rowell-Sirois Commission)	Identified the need for (a) policy appropriateness, (b) a single rural policy would not work in all of Canada	Federal
1949	Newfoundland and Labrador join Canadian confederation	Increased federal transfers and influence on policy and programs	Federal, provincial
1950/60s	Provincial resettlement programs	Altered settlement patterns and organizational responses	Provincial
1957	Royal Commission on Canada's Economic Prospects (Gordon Commission)	Identified regional development as a separate, stand alone economic issue	Federal
1960	Agricultural Rehabilitation and Development Program	Aim to improve standard of living of farmers on marginal land; renamed Agricultural and Rural Development Act in 1966	Federal
1960s	Creation of Rural/Regional Development Associations	Formed to lobby support for local development issues.	Local
1969	National Department of Regional Economic Expansion	Aim was to promote economic expansion and social adjustment in the disadvantaged regions.	Federal
1984	Economic and Regional Development Agreements	Designed to promote regional and industrial growth.	Federal
1985	Royal Commission on Employment and Unemployment	Created to investigate the causes of persistent under-development in Newfoundland and Labrador.	Provincial

Year(s)	Milestone	Implications	Jurisdiction
1986	Community Futures/Community Business Service Centres	Created by Employment and Immigration and focused on rural economic development and job creation; program was later transferred to the Atlantic Canada Opportunities Agency	Federal
1988	Atlantic Canada Opportunities Agency	Created to be the principal federal agency to facilitate building economic capacity and development in the four Atlantic provinces.	Federal
1989	Economic Recovery Commission	Created to foster sectoral strategies for cooperation among government, community representatives, and industry.	Provincial
1992	Change and Continuity: A Strategic Economic Plan for NL	Province created a strategic economic plan for the province, which lead to the Task Force on Community Economic Development.	Provincial
1994	Task Force on Community Economic Development	Charted a new path for regional development in the province.	Provincial
1996	Regional Economic Development Boards	Emerged as a recommendation in the Task Force. REDBs created to provide leadership in strategic regional economic planning, operate business investments, and promote public participation.	Provincial
1990s	Joint Mayors Council emerge	Created multi-municipality forums for discussions of cooperation and collaboration.	Regional
1998	Canadian Rural Partnership	Federal initiative to connect government to rural communities.	Federal
1998	Strategic Social Plan	Umbrella policy for social development initiative in NL, based on six regions.	Provincial

Year(s)	Milestone	Implications	Jurisdiction
2004	NL Rural Secretariat	Replaced the Strategic Social Plan. Focus on community-based research, public engagement, collaboration for rural sustainability. Nine regional councils created.	Provincial
2011	Discontinuance of funding to REDBs	18 of 20 REDBs cease operations	Federal, provincial

Sources: Beaumier, 1988; Freshwater, Simms, & Vodden, 2011; Gibson, 2013; Government of Newfoundland and Labrador, 1992; Greenwood, 1995; House, 2001; Savoie, 2008; Simms, 1986; Sinclair, 1989; Task Force on Community Economic Development in Newfoundland and Labrador, 1995; Vodden & Hall, 2013

3.0 Evolution of Regional Boundaries

The narrative of evolution of regional boundaries in the province is long and complex. It should be noted the concept of region is highly contested (Paasi, 2001). Further, Douglas notes the discussions and definitions of region is largely a nascent debate (Douglas, 1998). With this contextual beginning, it should be noted the province is abound with regional boundaries, albeit these are often narrowly focused.

In a seminal report on governance in rural NL, Vodden et al. (2013) documented all the various local and regional development agencies throughout the province. The report illustrates the breadth of topics at the centre of these organizations, ranging from natural resources to community and social development. Emerging from this research was a clear central tenet that the sub-provincial level organization, labeled as regions, has been an active instrument utilized by both local actors and government actors (at both provincial and federal levels). As discussed in the previous section, the use of regional bodies for the delivery of government services was seen as a hindrance to regional planning.

Similar to other jurisdictions, there does not appear to be consensus on how to construct regions in the province. Across the province there is a proliferation of boundaries, ranging from health regions, education regions, regional development association, regional economic development boards, Rural Secretariat regions, sports teams, and destination marketing organizations to name only a few. The plethora of boundaries in the province is a byproduct of a series of grassroots, provincial, and federal initiatives. Each boundary has a unique history and rarely does boundaries of two different purposes match. In fact, the proliferation of boundaries generates some confusion among actors regarding boundaries.

In the *Canadian Regional Development: A Critical Review of Theory, Practice and Potentials* project two sets of boundaries are utilized in defining case study regions. The Kittiwake/Gander-New-Wes Valley region is based on the regional boundary of the

Kittiwake Regional Economic Development zone. The Northern Peninsula region is based on the St Anthony – Port au Choix Rural Secretariat region. For further information on these two regions see Gibson (2013b) and Skeard *et al.* (2013).

4.0 Description of Key Actors, Relationships and Policies

4.1 Actors involved in Developing and Implementing Current Policies

Actors involved in regional development in NL are discussed under three categories: local level, provincial level, and federal level. Within each of these categories the discussion of actors identifies both government and non-governmental actors. A comprehensive listing of regional development actors at each level can be found in Vodden *et al.* (2013).

4.1.1 Local Level

At the local level 274 incorporated municipalities and 178 local service districts are the most localized decision-making level of government. Both municipalities and local service districts hold legislated responsibilities and the ability to collect taxation revenue to support local initiatives. Amendments to the *Municipal Act* in 1999 permitting municipalities the authority for economic development activities. Since the 1990s a number of regions have created Joint Municipal Councils. These multi-community councils often focus on opportunities for regional collaboration and cooperation. Twenty joint councils are documented on the Municipalities of Newfoundland and Labrador website ([http://www.municipalnl.ca/?Content=CCRC/Cooperation in NL-01/Joint Councils](http://www.municipalnl.ca/?Content=CCRC/Cooperation%20in%20NL-01/Joint%20Councils)).

The local and region levels are also home to a number of non-governmental agencies engaged in advocacy and implementation of regional development policy and programs. On the economic development front the key actors have been the regional economic development boards and the rural/regional development associations. As noted earlier, 18 of 20 REDBs have discontinued their operations after the federal and provincial governments discontinued operational funding. A range of community-serving and sector-based organizations are also present. These include committees and organizations responsible for fire fighting services, recreation, service clubs and school councils, as well as groups concerned with natural resource management and development, tourism, manufacturing, that are present at the local and regional levels. These associations are represented in networks of businesses, and social and cultural groups (e.g. see Vodden and Hall 2013 [http://www.mun.ca/harriscentre/reports/research/2013/1305 UnderstandingRegional Governance.pdf](http://www.mun.ca/harriscentre/reports/research/2013/1305_UnderstandingRegionalGovernance.pdf)).

4.1.2 Provincial Level

Within the provincial government there are a number of departments and agencies responsible for regional development. Key departments are noted below, with their mandates briefly highlighted.

- Innovation, Business and Rural Development (IBRD): Responsible for supporting small and medium enterprise, innovation, and industrial diversification through technical support and financial assistance.
- Fisheries and Aquaculture: Mandated to promote and develop the fishing and aquaculture industry by working with local and industry partners to create a competitive and sustainable industry.
- Municipal Affairs: The department holds responsibilities for working with supporting local governments through training, providing operational funds, and supporting infrastructure investments.
- Natural Resources: Responsible for stewardship of natural resources, such as mining, offshore petroleum, and electrical transmission. The department is also responsible for identifying and monitoring industrial benefits commitments.
- Rural Secretariat: As a unit of the Office of Public Engagement, the Rural Secretariat is responsible for promoting economic, social, cultural, and environmental development. The Secretariat also works with rural communities to ensure regional opportunities are conveyed to government.
- Tourism, Recreation and Culture: The department is responsible for growing the tourism industry, supporting the arts community, and preserving historic and cultural of the province.
- Transportation and Works: The department coordinates provincial roads, ferries, and airstrips across the province. They are also responsible for government infrastructure in communities throughout the province.

In addition to the provincial government agencies there are a number of provincial level non-governmental agencies. Key provincial agencies, each an apex organization of local and regional actors, involved in regional development include Municipalities of Newfoundland and Labrador, Newfoundland and Labrador Federation of Labour, Newfoundland and Labrador Rural Development Council, Recreation Newfoundland and Labrador, and the Community Sector Council Newfoundland and Labrador.

4.1.3 Federal Level

Three departments and agencies of the federal government are most present in regional development. The Atlantic Canada Opportunities Agency (ACOA) is mandated to assist the four Atlantic provinces in building economic capacity. This is achieved through a variety of programs focused on enterprise development, innovation, and employment creation. ACOA has offices in seven regional offices located throughout the province. The Department of Fisheries and Oceans (DFO) is responsible for implementing policies

to support ecological, economic, and scientific interests of Canada's oceans and inland waters. The Department of Employment and Social Development (formerly the Human Resources and Skills Development Canada) is responsible for managing and delivering social programs and services, such as Employment Insurance and temporary foreign workers.

4.2 Current Trends in Regional Development

Five current regional development trends emerging, or recently emerged, are listed below. Each of these trends influences the adoption of new regionalism. The extent to each of the five themes is present and influencing regional development is still being explored by researchers.

4.2.1 Upheaval of Funding Arrangements

Over the past decades there have been significant cuts affecting organizations and programs in rural NL, particularly in 2012 and 2013. In 2012, the federal government announced the discontinuance of funding to Regional Economic Development Boards in the province. Since their creation, regional economic development boards operated with core funding being split between the federal and provincial government – 75:25 (Hall & Greenwood, 2013). The funding announcement by the Atlantic Canada Opportunities Agency impacted regional economic development agencies in all four Atlantic provinces. In making this decision the government cited two principle reasons. First, the federal government noted there was no need for a local/regional contact agency since businesses could directly connect with the government. Secondly, the federal government noted considerable overlap of mandates and responsibilities with the multiple regional development organizations already in existence.

The provincial government compounded the federal funding announcement in the same year. The province, through the Department of Innovation, Business and Regional Development, announced they would also be discontinuing their funding to the regional economic development boards. The outcome of these two announcements has been that all but one regional economic development boards has ceased operations. Further, neither level of government have made clear comments on their future regional development policy, programming, or funding. This has left many regions pondering the future of grassroots regional development organizations in the province (Gibson, 2013a). However, provincial cuts have extended beyond the REDBs, including, though not limited to, the school boards and the Employment Assistance Office.

4.2.2 No Sole Responsibility for Regional Development → 'Hot Potato' Dilemma

Within the provincial government there is no single department or agency responsible for rural and/or regional development. Similar to other provincial jurisdictions in Canada, the mandate for rural and regional development is embedded in a number of departments/agencies and acts of legislation. Key provincial departments engaged in

rural and regional development issues include, but are not limited to: Innovation, Business and Rural Development; Fisheries and Aquaculture; Municipal Affairs; Natural Resources; Rural Secretariat; Tourism, Culture, and Recreation; and Transportation and Works. Dialogue with rural residents indicates the multitude of provincial government departments creates a complicated maze to getting answers and information.

The overlapping mandates of provincial government departments can also predicate two, or more, departments working together on a single issue. The challenges associated with cross-department collaboration can overwhelm and detract rural and regional development.

4.2.3 Ambiguous Regional Development Policy Direction

A vacuum, of sorts, for regional development policy(ies) has been left in the province with the recent funding cuts announced by both the provincial and federal governments. Since the funding cuts there has not been any announcements of policy related to regional or rural development. This, in turn, has left many municipalities, regional actors, and provincial actors in a state of confusion.

Provincial policies over the past decade have largely followed the Staples thesis, whereby the focus is on natural resource extraction (Vodden, Gibson, & Porter, 2012). When one natural resource industry is in decline the focus is shifting to another natural resource. Subsidies continue to be provided to natural resource extraction developments throughout the province. Contrary to this approach, other provinces are exploring and moving towards the New Rural Paradigm proposed by the Organization for Economic and Cooperative Development (Organization for Economic Cooperation and Development, 2006). The new rural paradigm proposes a multi-sectoral approach to regional development focused on competitiveness and investments.

4.2.4 A Rural Paradox: Site of Resources, Limited Benefits Perceived

Natural resource extraction has been the backbone of the most communities throughout NL. Fishing, mining, and forestry were among the first industries and continue to be the dominant industry in many communities throughout the province. There is a growing concern and perception that regions of natural resource extraction are not receiving the benefits associated with the extraction.

In the past two decades a number of large-scale resource extractions and processing have begun, such as Hibernia and Long Harbour. These large-scale initiatives are generating considerable revenue and benefits for the province, largely through the collection of royalties and taxes. The province has also benefited from supply firms, infrastructure, and private industry spending on research and development (Storey & Shrimpton, 2008). Regions where the extraction and processing is located are voicing concern that they are not witnessing a distribution of the industrial benefits (Vodden et al., 2012). The benefits accrued from these developments has largely been concentrated

in the greater St John's area (House, 2006; Curran, 2009], leaving the regions of extraction and processing desiring a more equitable distribution.

4.2.5 Increasing Pressure on Local Actors

Over the past decade local actors have witnessed increased pressures, compromising their activities and mandates. These increased pressures have taken the form of both human resources and financial resources. As a result, many organizations are required to spend considerable time focused on survival as oppose to achieving their respective mandates. The 'survival mode' of local actors is itself a substantial issue.

On the human resource front many smaller communities are witnessing an exodus of skilled workers, making it difficult to locate workers with the appropriate skills. Workers are being recruited by opportunities throughout the province, across the country, and internationally. Locating people to work with local actors, such as municipalities and regional-based organizations, has become a challenge.

In addition to human resource challenges, many municipalities note taking on or are being legislated expanded or new responsibilities. These responsibilities make new demands on both human resources and financial resources. Municipalities have noted difficulty in meeting all of their obligations, particularly given limited opportunities for new revenue to support these initiatives.

4.3 Key Issues, Opportunities and Constraints

Key issues, opportunities, and constraints taking place in the province overlap considerably with the discussion of current trends. In addition to these key themes a series of additional issues, opportunities, and constraints are listed below.

4.3.1 Issues

- Demographic transitions taking place throughout the province, whereby most communities have aging and smaller populations.
- Increasingly proportion of the provincial population concentrated in urban centres of St John's, Corner Brook, Deer Lake, Grand Falls-Windsor, Gander and Happy Valley-Goose Bay.
- High level of mobility among skilled workers, taking NL residents elsewhere in Canada and internationally for work.
- The high mobility of skilled workers and the demographics have created labour shortages in NL.
- Retaining youth and attracting young adults in communities is a high priority for many municipalities and regions.

4.3.2 Opportunities

- The province has experienced a growth in both individual and family wealth over the past ten years.
- There is a strong connection to place among Newfoundlanders and Labradorians.
- Over the past ten years the province has started initiatives to attract new immigrants to the province through a variety of programs and initiatives.

4.3.3 Constraints

- There is a degree of complacency regarding rural and regional development in the province, whereby regions wait for leadership from political elected officials for direction.
- Local and regional actors are at their capacity maximum, if not exceeded. The stress(es) encountered often hinder actors for delivering their mandate.
- Funding for local and regional development is perceived as being scarce.

5.0 New Regionalism Themes in the Province

New regionalism is a nascent concept describing political, economic, and social restructuring. The concept is seen as a multidisciplinary approach to understanding this restructuring. A fundamental assertion of new regionalism is a focus on the region as a meaningful unit for planning, development, and collaboration. The focus of new regionalism is network-based systems, new forms of governance, process oriented, collaboration, trust, and empowerment (Wallis, 2002). New regionalism is not without its critics. Lovering (1999, p. 384) notes, for example, new regionalism is “a loose bundle of ideas, an accretion of notions gathered together because they seem to resonate and point to broadly similar policy implications” rather than a coherent approach.

Based on the key new regionalism literature the *Canadian Regional Development: A Critical Review of Theory, Practice and Potentials* project developed a framework for new regionalism. This model consists of five inter-related themes: collaborative, multi-level governance; innovation and learning; integrated development; rural-urban interactions; and place-based development (see Figure 1).



Figure 1. New Regionalism Model (Vodden 2013)

This section provides a snapshot of the presence or absence of each of the five new regionalism themes. These snapshots are being further pursued through a series of interviews with local, provincial, and federal actors.

5.1 Collaborative Multi-level Governance

Collaborative multi-level governance has multiple variations. In the *Canadian Regional Development* project multi-level governance refers to “a process and institutions, distinct from government, built on the foundations of collaboration and multi-level partnerships among community-based organizations, statutory agencies, and the private sector engaged. Governance empowers the regions through sharing of power and collective decision-making” (Gibson, 2011, p. 6). At its core, collaborative multi-level governance involves multiple stakeholders coming together to collectively make decisions.

Throughout the province there are illustrations of multi-level governance initiatives involving the three levels of government: local, provincial, and federal. There are also, albeit more limited, examples of collaborative multi-level governance involving non-governmental stakeholders. Illustrations include the original design of the REDBs, however, in practice many have argued the degree to which power shifts actually occurred. A second illustration is the recent regional waste management initiatives under the *Regional Services Board Act* of 2005.

5.2 Integration

Integrated development refers to an approach within development policy and practice that seeks to address the complexities of regional planning and relates to contextual conditions, normative designs and issues of process and practice. Integrated perspectives in development policies, programmes and planning incorporate such dimensions of reality as systems and sub-systems, linkages, networks, uncertainty, feedback, interconnected levels, and holism, and are associated with interdisciplinary approaches to analysis, plans and programs and largely entails the breaking out of sector 'silos' (Douglas, 2013). The following are a list of integrated perspectives used to explore regional development in the *Canadian Regional Development* project : Alternatives to Economics; Comprehensiveness; Efficiency and Effectiveness; Growth and Equity; Holistic Approaches; Multi-Disciplinary Perspectives; Operational; Participatory Process; Political-Territorial; Systems Theories; Transborder Interconnectedness; Complexity; Multi-Levels of Government; Anti-Silo; and Community Development (Douglas, 2013).

Douglas House (1999) argued that the final report based on the Royal Commission Employment and Unemployment, entitled "Building on Our Strengths" provided a new approach to the future economic development in Newfoundland and Labrador based on what he refers to as an "integrated approach". This integrated approach House refers to embraces those perspectives listed above, and the degree to which this has been implemented is questionable given a cursory review of the past decade of throne speeches and regional planning. Instances where the integrated concept has been applied to regional development include watershed management groups such as the Indian Bay Ecosystem Corporation (IBEC) and the Northeast Avalon Atlantic Coastal Action Program (NAACAP) and the integrated management through the provinces two Large Ocean Management Areas (LOMAs): the Gulf of St. Lawrence and Placentia Bay-Grand Banks¹⁰. Additionally, there have been attempts to incorporate this concept through the municipally-based Integrated Community Sustainable Plans (ICSPs) as incentive from the Federal Gas Tax Fund Agreement as well as some efforts towards regional land use planning (namely through the Northeast Avalon, Central West, Corner Brook and Labrador Inuit Settlement regions), though in both instances genuine implementation has demonstrated to be weak.

5.3 Learning and Innovation

Knowledge flow, learning and innovation are also perceived as critical elements of a broader New Regionalism framework, where according to Vodden *et al.* (2013b) "learning and new ideas are also required for adaptation and resilience not only of economies but also broader social-ecological systems in a changing world" (p.2). Learning and innovation are dynamic concepts in regional development, largely due to

¹⁰ There are five integrated Coastal Management Areas (CMAs) within these LOMAs, including: the Northern Peninsula, the Coast of Bays, Bay St. George, Placentia Bay, and the Bay of Islands (Vodden *et al.* 2013a).

the different perceptions and applications they endure. The Organization for Economic Co-operation and Development (OECD) (2005) state that innovation is:

“The implementation of new or significantly improved product, process, marketing or organizational method. Innovation in regional development, for example, may include new ways of organizing and/or sharing information within or across organizations, new strategies for addressing local challenges and opportunities, or new forms of investment. We are considering an innovation as something that is new to the region, rather than new to the world for example” (p.46).

There is no single agreed upon definition of innovation- by extension knowledge flows and mobilization- thus policy implementation and practice of the concept is also varied (Vodden *et al.* 2013b).

The provincial government of Newfoundland and Labrador seeks to foster innovation in the province by providing programs, funding, and advice via the department of Innovation, Business, and Rural Development (IBRD). This is part of the provincial innovation strategy that commenced March 2006 with \$20 million in funding (White *et al.* 2013 –RDC draft) The goals of this strategy are to increase collaboration, create an innovative culture, foster research and development, enhance education and skills in the province and increase the competitive economy of Newfoundland and Labrador. Despite this ambition, success rates in obtaining innovation funding have been low (Ibid). Analysis from interviews from the *Canadian Regional Development* project suggest that in terms of knowledge infrastructure, that is university and other research institutes, such as Memorial University, the Marine Institute and the Harris Centre are often cited as valuable partners, while federal and provincial government agencies are mentioned, but not necessarily as genuine partners.

5.4 Place-based Development

Within development theory and practice, place plays a critical role by illustrating the effects of factors such as culture, resources, human capacity, identity, relationships that combine to create a unique environment, which, in turn, influences how development proceeds. According to Markey (2010) place-based development is a holistic and targeted intervention that seeks to reveal, utilize and enhance the unique natural, physical, and/or human capacity endowments present within a particular location for the development of the in-situ community and/or its biophysical environment. Place-based approaches have been widely discussed within the geographic and planning literature and increasingly relevant in federal policy discussions (Gov. of Canada-Policy Horizons Canada, 2011).

Place conditions or those contextual factors related to particular geographies, histories and socio-cultural identities are stated to have variable influences on development, in ways that both help and hinder development activities and processes. There are more

informal aspects of place, such as community and regional identity are significant in understanding people's connection and commitment to particular places but are also highly contested as far as 'top-down' designation of political and economic regions, which in some instances result in the failure of collaborative governance and integrated development initiatives. In terms of policy, the 1998 Strategic Social Plan advocated a shift in current economic planning toward a more "place-based approach", which would involve "examining issues from the broader community context in which people live, work and interact" (Government of Newfoundland and Labrador 1998: 8). The SSP was eventually replaced with the directive set by the Rural Secretariat upon their development in 2004. The Rural Secretariat was tasked with approaching regional development from an integrated perspective, that is, they would be responsible for "promoting the well-being of rural Newfoundland and Labrador through a comprehensive approach aimed at integrating economic, social and cultural aspects of rural and regional development (Gov. of NL, 2004)". The specific mechanisms for these directives are not clear from this cursory review of the Throne Speeches from the last ten years. However, watershed management is one instance where place and region are key aspects of development more generally, such as through groups like IBEC and NAACAP. Furthermore, according to one Federal government representative, place-based approaches in community and regional planning have met with overall decline over the last two decades.

5.5 Rural-urban Interdependencies

Rural-urban interactions and interdependencies, as well as the governance arrangements there in, can be well framed through four normative systems of interaction (Reimer, 2006). These include: 1) *Market-based*, characterised by contractual, short-term, supply and demand processes, e.g. commerce, labour, housing and trade; 2) *Bureaucratic-based*, featuring rationalized roles and principles, e.g. government, law, corporations; 3) *Associative-based* involving relations out of shared interest, e.g. recreation, charity, religious groups, and; 4) *Communal-based* characterised by generalized reciprocity, identity and low choice relations, e.g. families, cultural groups, gangs. As suggested in preliminary analysis of the Kittiwake/ Gander – New-Wes-Valley region (Reimer, 2006; Vodden *et al.*, 2013a) these set of systems may be useful in understanding and framing rural-urban relationships in Newfoundland and Labrador.

In terms of rural-urban interdependencies, the general trend across the province is such that regional service centres, particularly St. John's, contain the vast majority of government services (infrastructure and human resources) as well as political and economic influence over traditionally rural-based industries, such as natural resources, including agriculture, extractive industries, coastal and watershed management as well as tourism. The past policy responses by government in addressing increasing rural decline and disparity compared to the urban contingent have been three-fold: palliative, organizational and developmental (Freshwater *et al.*, 2011). Palliative responsive have provided financial and other support to individuals and communities (e.g. seasonal

unemployment and the Atlantic Groundfish Strategy (TAGS), organizational involve the restructuring of local and provincial government to better service rural regions (e.g. gas tax transfers) and developmental responses require policy changes which attempt to bring about changes which can lead to economic growth (e.g. infrastructure investment) (Ibid.). Preliminary analysis from provincial interviews in the *Canadian Regional Development* project suggests that despite these policies directions, due to intra-provincial migration, development in urban and semi-urban communities is often at the direct peril of rural-adjacent communities.

References

- Aradóttir, E. (2003). The Role of Innovation Systems in Rural Economic Development: A Case Study of the Exploits Valley Region, Newfoundland and Labrador. MA Thesis. University of Guelph.
- Baker, M. and J. Pitt. (1988). The Third Tier: A Historical Overview of the Development of Local Government in Newfoundland and Labrador. Programme of the 38th Annual Convention of the Newfoundland and Labrador Federation of Municipalities, October 7-9, 1988 , St. John's, Newfoundland, 39-43.
- Beaumier, G. (1988). *Regional development in Canada*. Retrieved 4 September 2013 from <http://publications.gc.ca/Collection-R/LoPBdP/CIR/8813-e.htm>.
- Brodie, J. (1990). The Political Economy of Canadian Regionalism.
- Connections Research and Central Consulting Services. (2003). Out of Sight, Out of Mind – Community Does Matter! Prepared for Newfoundland and Labrador Rural Development Council.
- Curran, D. and Associates, G. Letto and R. Lane. (2009). *Small Towns, Big Industries*. St. John's: MNL.
- Douglas, D. (1998). Rural regional development planning - governance and other challenges in the new EU. In *Proceedings of the 18th European Advanced Studies Institute in Regional Science* (pp. 1–14).
- Dunn, C. (2003). Provincial Mediation of Federal-Municipal Relations in Newfoundland and Labrador. Institute of Intergovernmental Relations Conference. Municipal-Provincial-Federal Relations. New Structures/New Connections. May 9-10, 2003. Queen's University.
- Fairley, J. (2001). "A new approach to community development: The Regional Economic Development Boards in Newfoundland and Labrador." *The Journal of Community Work and Development*. Community Development Foundation. Vol. 1. No. 2.
- Feltham, J. (1986). *The Islands of Bonavista Bay*. Harry Cuff Publications. St. John's.
- Freshwater, D., Simms, A., & Vodden, K. (2011). *Defining regions for building economic development capacity in Newfoundland and Labrador*. St John's: Municipalities of Newfoundland and Labrador.
- Gibson, R. (2013a). Life beyond the zone boards: Understanding the new reality of regional development in Newfoundland and Labrador. *Newfoundland Quarterly: Cultural Journal of Newfoundland and Labrador*, 104(4), 39–42.
- . (2013b). *Regional profile of the Northern Peninsula Region, Newfoundland*. St John's: Memorial University.
- . (2011). *A primer on collaborative multi-level governance*. St John's: Department of Geography, Memorial University.
- Government of Canada-Policy Horizons Canada. (2011). "Location, Location, Location: Putting Evaluation in "Place"". *Horizons Policy Brief*. Retrieved from <http://www.horizons.gc.ca/doclib/2011-0088-eng.pdf>
- Government of Newfoundland and Labrador. (2004). Speech from the throne. Retrieved from http://www.exec.gov.nl.ca/thronespeech/2004/thronespeech_2004.htm

- . (2001). Final Report on the Renewal Strategy for Jobs and Growth. Government of Newfoundland and Labrador. St. John's, Newfoundland and Labrador. Retrieved from <http://www.gov.nf.ca/jobsandgrowth/default.htm>.
- . (1998). *People, Partners and Prosperity: A Strategic Social Plan for Newfoundland and Labrador*. Retrieved from <http://www.exec.gov.nl.ca/rural/pdf/ssp.pdf>
- . (1992). *Change and continuity: A strategic economic plan for Newfoundland and Labrador*. St John's: Government of Newfoundland.
- Greenwood, R. (1995). *Newfoundland: Between colonial paternalism and self-sufficiency*. Retrieved 4 September 2013 from http://www.upei.ca/iis/art_rg_1.
- . (1991). The Local State and Economic Development in Peripheral Regions: A Comparative Study of Newfoundland and Northern Norway. PhD Thesis. University of Warwick.
- Hall, H., & Greenwood, R. (2013). *The state of regional development in Canada: What the hell is going on?* Presented at the Canadian Association of Geographers Conference, St John's, NL.
- Hamilton, L. and M. Butler. (2001). Outport Adaptations: Social Indicators through Newfoundland's Cod Crisis. *Human Ecology Review*, Vol. 8, No. 2.
- House, D. (2006). 'Oil, Fish and Social Change in Newfoundland and Labrador: Lessons for British Columbia.' Presentation sponsored by Simon Fraser University's Centre for Coastal Studies, Burnaby, BC, 11 January 2006.
- . (2001). The new regional development: Is rural development a viable option in Newfoundland and Labrador? *Newfoundland Studies*, 17(1), 11–31.
- . (1999). *Against the Tide: Battling for Economic Renewal in Newfoundland and Labrador*. University of Toronto Press. Toronto, Ontario.
- Lovering, J. (1999). Theory led by policy: The inadequacies of "New Regionalism" (Illustrated from the case of Wales). *International Journal of Urban and Regional Research*, 23(2), 379–395. doi:10.1111/1468-2427.00202
- Markey, S. (2010). *Primer on place-based development*. Vancouver: Simon Fraser University.
- Monitoring and Evaluation (M&E) Subcommittee. (1997). Monitoring and Evaluation Framework for the Strategic Regional Diversification Agreement and Regional Economic Development Board Performance Contracts. DRAFT in preparation for the Management Committee of the Strategic Regional Diversification Agreement.
- Organization for Economic Cooperation and Development. (2005). *Oslo Manual: Guidelines for Collecting and Interpreting Innovation Data*. OECD Publishing.
- Organization for Economic Cooperation and Development. (2006). *The New Rural Paradigm*. Paris: OECD Publishing. doi:10.1787/9789264023918-en
- Organization for Economic Cooperation and Development. (n.d.). Canada- Federal Fisheries Transfers Programmes. Retrieved from <http://www.oecd.org/canada/35533653.pdf>
- Paasi, A. (2001). Europe as a social process and discourse: Considerations of place, boundaries and identity. *European Urban and Regional Studies*, 8(1), 7–28.

- RCEU (Royal Commission on Employment and Unemployment in Newfoundland and Labrador). (1986). *Building on our Strengths: Final Report of the Royal Commission on Employment and Unemployment*. St John's, Newfoundland and Labrador.
- Reimer, B. (2006). The rural context of community development in Canada. *Journal of Rural and Community Development*, (2), 155-175.
- Royal Commission on Employment and Unemployment in Newfoundland. (1986). *Building on our strengths*. St. John's: Government of Newfoundland.
- Savoie, D. (2008). *Reflections on rural development*. *Development*. Ottawa, Ontario.
- . (1992). *Regional Economic Development: Canada's Search for Solutions*.
- Simms, D. (1986). *Rural development in Newfoundland: "A legitimization crisis" (Background report to the Royal Commission on Employment and Unemployment)*. St. John's: Government of Newfoundland.
- Sinclair, P. (1989). *The Great Northern Peninsula Development Corporation: An organization framework for revitalization?* Port Alberni: Economic Development Council of Canada.
- Skeard, J., Daniels, J., Gibson, R., & Vodden, K. (2013). *Regional profile of the Kittiwake Region*. St John's: Memorial University.
- Storey, K., & Shrimpton, M. (2008). *Industrial benefits planning in North America: Current practices and case studies*. Presented at Regional Planning in Greenland, Nuuk, Greenland.
- Task Force on Community Economic Development in Newfoundland and Labrador. (1995). *Community matters: The new regional economic development*. St John's.
- Vodden, K. (2013). *Regionalism and regional development in Canada: A critical review of theory, practice and potentials*. Presented at the Canadian Association of Geographers Conference, St John's, NL.
- . (2010) *Heroes, Hope, and Resource Development in Canada's Periphery: Lessons from Newfoundland and Labrador*. In *The Next Rural Economies Constructing Rural Place in Global Economies*. Wallingford, U.K.: CABI Publishing.
- . (2006). *History of Regional Economic Development Boards*, unpublished paper.
- . (2005). *Labrador North Coast Municipal Service Sharing Case Study*. Report prepared for the NLFM Community Cooperation Resource Centre (CCRC).
- Vodden, K. and J. Kennedy. (2006). "From Resignation to Renewal: First Nations Strategies for Resilience". In Sinclair, P. and R. Ommer (eds.) *Power, Agency and Environment: Restructuring Canada's East and West Coasts*, ISER Books.
- Vodden, K., Gibson, R., & Porter, M. (2012). *A brighter future for whom? Rural and regional development in Newfoundland and Labrador*. In *Politics and public policy in Newfoundland and Labrador*. Montréal-Kingston: McGill-Queen's Press.
- Vodden, K., Hall, H., & Freshwater, D. (2013a). *Understanding regional governance in Newfoundland and Labrador: A survey of regional development organizations*. St John's: Harris Centre for Regional Policy and Development, Memorial University.
- Vodden, K., Carter, K., & White, K. (2013b) *Primer on Innovation, Learning, and Knowledge Flows*. St. John's: Department of Geography, Memorial University.
- Wallis, A. (2002). *The new regionalism: Inventing governance structures for the early twenty-first century*. Accessed 23 August 2011 from

<http://www.miregions.org/Strengthening%20the%20Role/The%20New%20Regionalism%20Paper%20by%20Wallis%20at%20CUD.pdf>.

Woodrow, M. 1996. Resistance to regulatory changes in the fishery : a study of selected communities of Bonavista North, Newfoundland. PhD Thesis. Universite Laval

**Canadian Regional
Development**
A Critical Review of Theory,
Practice, and Potentials



**Développement régional
canadien**
Un examen critique des théories,
des pratiques et des potentiels

The Canadian Regional Development: A Critical Review of Theory, Practice and Potentials project is a multi-year research initiative funded by the Social Sciences and Humanities Research Council of Canada. The project is investigating how Canadian regional development has evolved over the past two decades and the degree to which Canadian regional development systems have incorporated ideas, policies and practices associated with “New Regionalism” into their policy and practice.

The project is conducting an empirical assessment of Canadian regional development using a multi-level, mixed methods case study approach in four provinces: British Columbia, Newfoundland and Labrador, Ontario, and Québec. The assessment of regional development across the case studies is based on the five key themes of New Regionalism: i) collaborative, multi-level governance; ii) integrated versus sectoral and single objective approaches; iii) fostering knowledge flow, learning and innovation; iv) place-based development; and v) rural-urban interaction and interdependence.

Kelly Vodden (Environmental Policy Institute, Grenfell Campus and Department of Geography, Memorial University) is leading the project, together with co-investigators David Douglas (School of Environment Design and Rural Development, University of Guelph), Sean Markey (Geography, Simon Fraser University), and Bill Reimer (Sociology and Anthropology, Concordia University). In addition, graduate students at all four universities are engaged on the project.

Further information on the project can be obtained at <http://cdnregdev.ruralresilience.ca>. The project has been financially supported by the Social Sciences and Humanities Research Council of Canada and the Leslie Harris Centre for Regional Policy and Development.



Social Sciences and Humanities
Research Council of Canada

Conseil de recherches en
sciences humaines du Canada

